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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR 2000

HEARINGS APR 14 1999

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR AND
RELATED AGENCIES

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NOTE: Under Committee Rules, Mr. Young, as Chairman of the Full Committee, and Mr. Obey, as Ranking
Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

DEBORAH WEATHERLY, LORETTA BEAUMONT, JOEL KAPLAN, and CHRISTOPHER TOPIK,
Staff Assistants

PART 4

Justification of the Budget Estimates

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Advisory Council on Historic Preservation	1121
National Capital Planning Commission	1175
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Presidio Trust	1291

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DEPARTMENT OF THE INTERIOR AND RELATED
AGENCIES APPROPRIATIONS FOR 2000

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DEPARTMENT of HEALTH and HUMAN SERVICES

Fiscal Year
2000

INDIAN HEALTH SERVICE

*Justification of
Estimates for
Appropriations Committees*

DEPARTMENT OF HEALTH AND HUMAN SERVICES
INDIAN HEALTH SERVICE

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Indian Health Service

Program Level Funding Summary Report

(Dollars in Thousands)

01/29/99

FILE: O:\DFM\BFB\FY2000\PRESIDENT'S BUDGET

Sub Sub Activity	FY 1998 Actual	FY 1999 Appropriation	FY 2000 Estimate
SERVICES:			
Hospitals & Health Clinics	\$906,801	\$949,140	\$1,002,852
Dental Services	65,517	71,400	84,360
Mental Health	39,379 1/	41,305	48,446
Alcohol & Substance Abuse	91,782	94,680	96,326
Contract Health Services	373,375	385,801	410,442
Total, Clinical Services	1,476,854	1,542,326	1,642,426
Public Health Nursing	28,198	30,363	40,363
Health Education	8,932	9,430	9,541
Comm. Health Reps.	44,312	45,960	40,960
Immunization AK	1,328	1,367	1,388
Total, Prev Hlth	82,770	87,120	92,252
Urban Health	25,288	26,382	29,382
Indian Health Professions	28,720	29,623	29,700
Tribal Management	2,348	2,390	2,390
Direct Operation	47,386	49,309	50,600
Self Governance	9,106	9,391	9,391
Contract Support Cost	168,702	203,781	238,781
Total, Services	1,841,174	1,950,322	2,094,922
FACILITIES:			
Maint. & Improvement	39,434	40,625	48,125
Sanitation Facilities	89,082	89,328	92,884
Construction Facilities	14,400	41,087	42,531
Facil. & Envir. H. Supp.	101,617	107,682	119,682
Equipment	13,005	13,243	14,243
Total, Facilities	257,538	291,965	317,465
TOTAL, Budget Authority	\$2,098,712	\$2,242,287	\$2,412,387
Collections:			
Medicare	82,238	80,988	81,838
Medicaid	206,688	253,588	253,588
Private Insurance	37,448	39,960	39,960
Quarters	4,700	4,700	4,700
Total, Collections	331,074	379,236	380,086
ADVANCE TRANSFER APPROPRIATION			
Diabetes 2/	30,000	30,000	30,000
TOTAL, Program Level	\$2,459,786	\$2,651,523	\$2,822,473

1/ Includes \$100,000 supplemental for suicide prevention (non-recurring).

2/ The Balanced Budget Act of 1997 transfers \$30,000,000 annually to IHS for diabetes prevention and treatment for FY 1998 through FY 2002.

NOTE. Y2K emergency funds were appropriated to Treasury in FY 1999.

Indian Health Service

Funding Summary Report by Budget Authority

(Dollars in Thousands)

				01/21/99
FILE: O:\DFM\BFB\FY2000\PRESIDENT'S BUDGET				Change
Sub Sub Activity	FY 1998 Actual	FY 1999 Appropriation	FY 2000 Estimate	Estimate Over Approp.
<u>SERVICES:</u>				
Hospitals & Health Clinics	\$906,801	\$949,140	\$1,002,852	\$53,712
Dental Services	65,517	71,400	84,360	12,960
Mental Health	39,379 1/	41,305	48,446	7,141
Alcohol & Substance Abuse	91,782	94,680	96,326	1,646
Contract Health Services	373,375	385,801	410,442	24,641
Total, Clinical Services	1,476,854	1,542,326	1,642,426	100,100
Public Health Nursing	28,198	30,363	40,363	10,000
Health Education	8,932	9,430	9,541	111
Comm. Health Reps	44,312	45,960	40,960	(5,000)
Immunization AK	1,328	1,367	1,388	21
Total, Prev Hlth	82,770	87,120	92,252	5,132
Urban Health	25,288	26,382	29,382	3,000
Indian Health Professions	28,720	29,623	29,700	77
Tribal Management	2,348	2,390	2,390	0
Direct Operation	47,386	49,309	50,600	1,291
Self Governance	9,106	9,391	9,391	0
Contract Support Cost	168,702	203,781	238,781	35,000
Total, Services	1,841,174	1,950,322	2,094,922	144,600
<u>FACILITIES:</u>				
Maint. & Improvement	39,434	40,625	48,125	7,500
Sanitation Facilities	89,082	89,328	92,884	3,556
Construction Facilities	14,400	41,087	42,531	1,444
Facil. & Envir. H. Supp.	101,617	107,682	119,682	12,000
Equipment	13,005	13,243	14,243	1,000
Total, Facilities	257,538	291,965	317,465	25,500
TOTAL, Budget Authority	\$2,098,712	\$2,242,287	\$2,412,387	\$170,100

1/ Includes \$100,000 supplemental for suicide prevention (non-recurring).

Indian Health Service
FY 2000 Budget Request
Detail of Changes - Final Distribution
(Column in Thousands)

CURRENT SERVICES										PROGRAM INCREASES										1999											
SUB 540 Activity	FY 1999 Appropriation	Capital Request	Other	New	Per	Staff	Contract	Health	Medi-	Women's	Alcohol	Health	Health	Health	CHS	PHN	CHP	Improv.	Urban	Health	Health	Health	Health	Health	Health	Health	Health	Health	Health	FY 2000	
840000 Health Services	880,140	0	0	20,119	42,815	0	0	2,297	0	0,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,002,882	
840000 Health Services	71,400	0	0	5,320	940	0	0	0	0	7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	84,960	
840000 Health Services	41,305	0	0	1,141	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	48,446	
840000 Health Services	84,800	0	0	848	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	98,328	
840000 Health Services	1,552,325	0	0	27,528	7,455	0	0	2,297	0	0,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,682,502	
840000 Health Services	30,305	0	0	1,643	467	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,948	
840000 Health Services	9,430	0	0	111	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,541	
840000 Health Services	43,900	0	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	43,900	
840000 Health Services	1,150	0	0	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,165	
840000 Health Services	87,135	0	0	1,135	467	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	88,270	
840000 Health Services	25,305	0	0	63	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25,368	
840000 Health Services	25,035	0	0	77	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25,112	
840000 Health Services	2,250	0	0	250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,500	
840000 Health Services	42,305	0	0	1,230	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	43,535	
840000 Health Services	9,305	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,305	
840000 Health Services	203,751	0	0	0	0	35,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	238,751	
840000 Health Services	1,953,825	0	0	20,464	7,452	35,000	0	2,297	0	0,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,973,825
840000 Health Services	42,825	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	42,825	
840000 Health Services	82,325	0	0	558	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	82,883	
840000 Health Services	41,207	1	0	(1,057)	0	0	0	42,531	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,150
840000 Health Services	1,172	0	0	3,782	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,172
840000 Health Services	13,345	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,345
840000 Health Services	261,365	0	0	(1,057)	4,208	675	0	42,531	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	264,306
840000 Health Services	2,442,297	0	0	(1,057)	34,782	6,815	35,000	42,531	2,297	0	0,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,462,297
840000 Health Services	82,880	880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	83,760
840000 Health Services	253,580	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	253,580
840000 Health Services	38,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,000
840000 Health Services	4,700	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,700
840000 Health Services	279,217	850	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	280,067
840000 Health Services	30,000	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30,003
840000 Health Services	2,611,031	9	650	84,407	34,782	6,815	35,000	42,531	2,297	0	0,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,636,438

1. Includes 2,000,000 for the Civil Health Clinic.
2. Includes 1,000,000 for the Civil Health Clinic.
3. Includes 1,000,000 for the Civil Health Clinic.
4. Includes 1,000,000 for the Civil Health Clinic.
5. Includes 1,000,000 for the Civil Health Clinic.
6. Includes 1,000,000 for the Civil Health Clinic.
7. Includes 1,000,000 for the Civil Health Clinic.
8. Includes 1,000,000 for the Civil Health Clinic.
9. Includes 1,000,000 for the Civil Health Clinic.
10. Includes 1,000,000 for the Civil Health Clinic.

Indian Health Service Breakdown Of Program Level (Dollar In Thousands)

FILE: O:\DMB\FY1999\PROGRAM LEVEL

01/29/99

FY 1998 Actual

FY 1999 Appropriation

Sub Sub Activity	Budget Authority	Insurance Collections	Medicare/ Medicaid	Personnel Quarters	Total	
					Program	Level
SERVICES:						
Hospitals & Health Clinics	\$906,801	\$37,448	\$288,927	\$0	\$1,233,176	\$0
Dental Services	65,517	0	0	0	65,517	0
Mental Health	39,379	0	0	0	39,379	0
Alcohol & Substance Abuse	91,782	0	0	0	91,782	0
Contract Health Services	373,375	0	0	0	373,375	0
Total, Clinical Services	1,476,854	37,448	288,927	0	1,803,229	0
Public Health Nursing	28,198	0	0	0	28,198	0
Health Education	8,932	0	0	0	8,932	0
Comm. Health Reqs	44,312	0	0	0	44,312	0
Immunization AX	1,328	0	0	0	1,328	0
Total, Prev Hlth	82,770	0	0	0	82,770	0
Urban Health	25,288	0	0	0	25,288	0
Indian Health Professions	28,720	0	0	0	28,720	0
Tribal Management	2,348	0	0	0	2,348	0
Direct Operation	47,386	0	0	0	47,386	0
Self Governance	9,106	0	0	0	9,106	0
Contract Support Cost	168,702	0	0	0	168,702	0
Total, Services	1,841,174	37,448	288,927	0	2,167,549	0
FACILITIES:						
Maint. & Improvement	39,434	0	0	4,700	44,134	4,700
Sanitation Facilities	89,082	0	0	0	89,082	0
Construction Facilities	14,400	0	0	0	14,400	0
Facil. & Envir. H. Supp.	101,617	0	0	0	101,617	0
Equipment	13,005	0	0	0	13,005	0
Total, Facilities	257,538	0	0	4,700	262,238	4,700
TOTAL, Budget Authority	\$2,098,712	\$37,448	\$288,927	\$4,700	\$2,429,787	\$4,700
ADVANCE TRANSFER APPROPRIATION:						
Diabetes 1/	30,000	0	0	0	30,000	0
TOTAL, Program Level	\$2,128,712	\$37,448	\$288,927	\$4,700	\$2,459,787	\$4,700

Sub Sub Activity	Budget Authority	Insurance Collections	Medicare/ Medicaid	Personnel Quarters	Total	
					Program	Level
SERVICES:						
Hospitals & Health Clinics	\$906,801	\$37,448	\$288,927	\$0	\$1,233,677	\$0
Dental Services	65,517	0	0	0	71,400	0
Mental Health	39,379	0	0	0	41,305	0
Alcohol & Substance Abuse	91,782	0	0	0	94,680	0
Contract Health Services	373,375	0	0	0	385,801	0
Total, Clinical Services	1,476,854	37,448	288,927	0	1,916,863	0
Public Health Nursing	28,198	0	0	0	30,363	0
Health Education	8,932	0	0	0	9,430	0
Comm. Health Reqs	44,312	0	0	0	45,960	0
Immunization AX	1,328	0	0	0	1,367	0
Total, Prev Hlth	82,770	0	0	0	87,120	0
Urban Health	25,288	0	0	0	26,382	0
Indian Health Professions	28,720	0	0	0	29,623	0
Tribal Management	2,348	0	0	0	2,390	0
Direct Operation	47,386	0	0	0	49,309	0
Self Governance	9,106	0	0	0	9,391	0
Contract Support Cost	168,702	0	0	0	203,781	0
Total, Services	1,841,174	37,448	288,927	0	2,324,859	0
FACILITIES:						
Maint. & Improvement	39,434	0	0	4,700	45,325	4,700
Sanitation Facilities	89,082	0	0	0	89,328	0
Construction Facilities	14,400	0	0	0	41,087	0
Facil. & Envir. H. Supp.	101,617	0	0	0	107,682	0
Equipment	13,005	0	0	0	13,243	0
Total, Facilities	257,538	0	0	4,700	296,665	4,700
TOTAL, Budget Authority	\$2,098,712	\$37,448	\$288,927	\$4,700	\$2,621,524	\$4,700
ADVANCE TRANSFER APPROPRIATION:						
Diabetes 1/	30,000	0	0	0	30,000	0
TOTAL, Program Level	\$2,128,712	\$37,448	\$288,927	\$4,700	\$2,651,524	\$4,700

NOTE: Y2K emergency funds was appropriated to Treasury in FY 1999.

1/ The Balanced Budget Act of 1997 transfers \$30,000,000 annually to IHS for diabetes prevention and treatment for FY 1998 through FY 2002.

1/ The Balanced Budget Act of 1997 transfers \$30,000,000 annually to IHS for diabetes prevention and treatment for FY 1998 through FY 2002.

NOTE: Y2K emergency funds was appropriated to Treasury in FY 1999.

Indian Health Service Breakdown Of Program Level

(Dollars In Thousands)

FILE: O:\BIBIS\BIBI\2000\PROGRAM LEVEL

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FY 2000 Estimate

Increase/(Decrease) Of FY 2000 Over FY 1999

Sub Sub Activity	Budget Authority	Insurance Collections	Medicare/ Medicaid	Personnel Quarters	Total	
					Budget Authority	Program Level
SERVICES:						
Hospitals & Health Clinics	\$1,002,852	\$39,960	\$335,427	\$0	\$1,378,239	\$0
Dental Services	84,360	0	0	0	84,360	0
Mental Health	48,446	0	0	0	48,446	0
Alcohol & Substance Abuse	96,326	0	0	0	96,326	0
Contract Health Services	410,442	0	0	0	410,442	0
Total, Clinical Services	1,642,426	39,960	335,427	0	2,017,813	0
Public Health Nursing	40,363	0	0	0	40,363	0
Health Education	9,541	0	0	0	9,541	0
Comm. Health Repts	40,960	0	0	0	40,960	0
Immunization AK	1,388	0	0	0	1,388	0
Total, Prev Hlth	92,252	0	0	0	92,252	0
Urban Health	29,382	0	0	0	29,382	0
Indian Health Professions	29,700	0	0	0	29,700	0
Tribal Management	2,390	0	0	0	2,390	0
Direct Operation	50,600	0	0	0	50,600	0
Self Governance	9,391	0	0	0	9,391	0
Contract Support Cost	238,781	0	0	0	238,781	0
Total, Services	2,094,922	39,960	335,427	0	2,470,309	0
FACILITIES:						
Maintenance & Improvement	48,125	0	0	4,700	52,825	0
Sanitation Facilities	92,884	0	0	0	92,884	0
Construction Facilities	42,531	0	0	0	42,531	0
Facil. & Envir. H. Supp.	119,682	0	0	0	119,682	0
Equipment	14,243	0	0	0	14,243	0
Total, Facilities	317,465	0	0	4,700	322,165	0
TOTAL, Budget Authority	\$2,412,387	\$39,960	\$335,427	\$4,700	\$2,792,474	\$0
ADVANCE TRANSFER APPROPRIATION:						
Diabetes 1/	30,000	0	0	0	30,000	0
TOTAL, Program Level	\$2,442,387	\$39,960	\$335,427	\$4,700	\$2,822,474	\$0
1/ The Balanced Budget Act of 1997 transfers \$30,000,000 annually to HHS for diabetes prevention and treatment for FY 1998 through FY 2002.						

1/ The Balanced Budget Act of 1997 transfers \$30,000,000 annually to IHS for diabetes prevention and treatment for FY 1998 through FY 2002.

INDIAN HEALTH SERVICE **FTE Summary**

O.D.F.M.B.F.P.B. Cong. FTE SUMMARY			28-Jan-99
Sub Sub Activity	FY 1998 Actual 1/	FY 1999 Appropriation	FY 2000 Estimate
SERVICES:			
Hospital & Health Clinics	8,020	8,156	8,249
Dental Services	818	839	849
Mental Health	303	308	308
Alcohol & Substance Abuse	186	186	186
Contract Health Services	2	2	2
Total, Clinical Services	9,329	9,491	9,594
Public Health Nursing	289	303	409
Health Education	43	46	46
Community Health Reps	13	13	13
Immunization, AK	0	0	0
Total, Preventive Hlth	345	362	468
Urban Health	5	5	5
Indian Health Professions	15	15	15
Tribal Management	0	0	0
Direct Operations	434	434	434
Self Governance	7	7	7
Contract Support Costs	0	0	0
Total, Services	10,135	10,314	10,523
FACILITIES:			
Maint. & Improvement	0	0	0
Sanitation Facilities	248	248	248
Hlth Care Facs Construction	0	0	0
Facil. & Envir. Hlth Support:			
Fac. Support	567	580	610
Env. Health Support	502	503	554
OEHE Support	95	95	95
Total, F&EHS	1,164	1,178	1,259
Equipment	0	0	0
Total, Facilities	1,412	1,426	1,507
Total, Services and Facilities	11,547	11,740	12,030
COLLECTIONS:			
Medicare	802	843	843
Medicaid	1,707	1,707	1,707
Private Insurance	425	425	425
Quarters	35	35	35
Total, Collections	2,969	3,010	3,010
Total IHS	14,516	14,750	15,040
Ceiling Exempt	14	14	14
GRAND TOTAL	14,530	14,764	15,054

1/ FY 1998 Actual differs from 113 report to OPM.

INDIAN HEALTH SERVICE

FTE Summary Detail of Changes

O:\DFM\BFPB\Congr\FTE SUMMARY

01/29/99

Sub Sub Activity	FY 1999 Appropriation	Increased Staffing for F&EHS	Increased Staffing for Public Health Nursing	Staffing Of New Facilities	FY 2000 Estimate
SERVICES:					
Hospital & Health Clinics	8,156	0	0	93	8,249
Dental Services	839	0	0	10	849
Mental Health	308	0	0	0	308
Alcohol & Substance Abuse	186	0	0	0	186
Contract Health Services	2	0	0	0	2
Total, Clinical Services	9,491	0	0	103	9,594
Public Health Nursing	303	0	100	6	409
Health Education	46	0	0	0	46
Community Health Reps	13	0	0	0	13
Immunization, AK	0	0	0	0	0
Total, Preventive Hlth	362	0	100	6	468
Urban Health	5	0	0	0	5
Indian Health Professions	15	0	0	0	15
Tribal Management	0	0	0	0	0
Direct Operations	434	0	0	0	434
Self Governance	7	0	0	0	7
Contract Support Costs	0	0	0	0	0
Total, Services	10,314	0	100	109	10,523
FACILITIES:					
Maint. & Improvement	0	0	0	0	0
Sanitation Facilities	248	0	0	0	248
Hlth Care Facs Construction	0	0	0	0	0
Facil. & Envir. Hlth Support:					
Fac. Support	580	26	0	4	610
Env. Health Support	503	48	0	3	554
OEHE Support	95	0	0	0	95
Total, F&EHS	1,178	74	0	7	1,259
Equipment	0	0	0	0	0
Total, Facilities	1,426	74	0	7	1,507
Total, Services and Facilities	11,740	74	100	116	12,030
Collections:					
Medicare	843	0	0	0	843
Medicaid	1,707	0	0	0	1,707
Private Insurance	425	0	0	0	425
Quarters	35	0	0	0	35
Total, Collections	3,010	0	0	0	3,010
Total IHS	14,750	74	100	116	15,040
Ceiling Exempt	14	0	0	0	14
GRAND TOTAL	14,764	74	100	116	15,054

INDIAN HEALTH SERVICE
PHASING-IN OF STAFFING/OPERATING COST
FY 2000 Budget Request - Congressional
(Dollars in Thousands)

Sub Sub Activity		COMPLETION OF STAFFING REQUIREMENTS												NEW STAFFING		GRAND TOTAL		1/21/99	
		Lame Deer, MT Health Center				Hopi, AZ Health Center				Kotzebue, AK Hospital				Tulhina, OK Hospital		GRAND TOTAL			
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
Hospital & Health Clinics		21	\$1,598	14	\$1,330			1	\$115	57	\$3,772					93	\$6,815		
Dental Services		3	207	3	174			0	38	4	221					10	640		
Mental Health		0	0	0	0			0	0	0	0					0	0		
Total, Clinical Services		24	1,805	17	1,504			1	153	61	3,993					103	7,455		
Public Health Nursing		3	263	3	222			0	2	0	0					6	487		
Health Education		0	0	0	0			0	0	0	0					0	0		
Community Hlth Repr.		0	0	0	0			0	0	0	0					0	0		
Total, Prev Hlth		3	263	3	222			0	2	0	0					6	487		
Contract Support Costs		0	0	0	0			0	0	0	0					0	0		
Total, Services		27	\$2,068	20	\$1,726			1	\$155	61	\$3,993					109	\$7,942		
Facilities Support		2	164	2	123			0	-47	0	0					4	240		
Envir. Hlth Support		0	5	0	0			0	0	3	428					3	433		
Total, Facilities		2	\$169	2	\$123			0	\$47	3	\$428					7	\$673		
Grand Total		29	\$2,237	22	\$1,849			1	\$108	64	\$4,421					116	\$8,615		

- 1/ Non-Add FTE: Tribally operated program.
2/ Includes Utilities transfer from Services sub-activities.

FY 1998 Crosswalk
Budget Authority
Estimated Distribution
(\$000)

01/29/99
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Federal Indian Health Administration													Tribal Health Administration																
Sub Activity		Federal Clinical Services		Urban Health		Prev. Health		Indian Health Prof.		Federal Admini- stration		Self - Gov. Faci- lities		Manage- ment Training		Tribal Prev. Health		Tribal Clinical Services		Tribal Health		Self - Gov. Support		Faci- lities		Admini- stration		FY 1998 Actuals	
SERVICES																													
Hospital & Health Clinics		594,938	0	0	0	0	0	0	0	0	594,938	0	0	0	0	0	0	311,843	0	0	0	0	0	0	0	311,843	906,801		
Dental Health		55,942	0	0	0	0	0	0	0	0	55,942	0	0	0	0	0	0	9,575	0	0	0	0	0	0	0	9,575	65,517		
Mental Health		26,989	0	0	0	0	0	0	0	0	26,989	0	0	0	0	0	0	12,390	0	0	0	0	0	0	0	12,390	39,379		
Alcohol & Substance Abuse		15,382	0	0	0	0	0	0	0	0	15,382	0	0	0	0	0	0	76,200	0	0	0	0	0	0	0	76,200	91,782		
Contract Health Services		233,001	0	0	0	0	0	0	0	0	233,001	0	0	0	0	0	0	140,374	0	0	0	0	0	0	0	140,374	373,375		
Subtotal (CS)		926,472	0	0	0	0	0	0	0	0	926,472	550,382	0	0	0	0	0	550,382	0	0	0	0	0	0	0	550,382	1,476,854		
Public Health Nursing																													
Health Education		0	0	22,406	0	0	0	0	0	0	22,406	0	5,792	0	0	0	0	5,792	0	0	0	0	0	0	0	5,792	28,198		
Community Hlth Repr.		0	0	4,272	0	0	0	0	0	0	4,272	0	4,660	0	0	0	0	4,660	0	0	0	0	0	0	0	4,660	8,932		
Hep B/Haemophilus		0	0	810	0	0	0	0	0	0	810	0	43,502	0	0	0	0	43,502	0	0	0	0	0	0	0	43,502	44,312		
Influenza Prog Alaska		0	0	981	0	0	0	0	0	0	981	0	347	0	0	0	0	347	0	0	0	0	0	0	0	347	1,328		
Subtotal (PH)		0	0	28,469	0	0	0	0	0	0	28,469	54,301	0	0	0	0	0	54,301	0	0	0	0	0	0	0	54,301	82,770		
Urban Health Projects																													
Indian Hlth Professions		0	25,288	0	0	0	0	0	0	0	25,288	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25,288		
Tribal Management		0	0	0	0	28,720	0	0	0	0	28,720	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28,720			
Direct Operations		0	0	0	0	0	0	0	0	0	0	0	0	2,348	0	0	0	2,348	0	0	0	0	0	0	0	2,348			
Self Governance		0	0	0	0	0	0	37,593	0	0	37,593	0	9,793	0	0	0	0	9,793	0	0	0	0	0	0	0	9,793			
Contract Support Costs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,106			
Total Services		926,472	25,288	28,469	28,720	37,593	0	0	0	0	1,045,542	550,382	54,301	12,141	9,106	168,702	168,702	0	794,632	0	794,632	0	0	0	0	0	1,841,174		
FACILITIES																													
Maintenance & Improvement		0	0	0	0	0	0	0	0	0	32,486	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,948	39,434		
Sanitation Facilities:		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	89,082	89,082		
Hlth Care Facs. Constr.		0	0	0	0	0	0	0	0	0	500	0	0	0	0	0	0	13,900	0	0	0	0	0	0	0	13,900	14,400		
Facs & Env. Hlth Sup		0	0	0	0	0	0	0	0	0	90,458	0	0	0	0	0	0	11,159	0	0	0	0	0	0	0	11,159	101,617		
Equipment		0	0	0	0	0	0	0	0	0	8,775	0	0	0	0	0	0	4,230	0	0	0	0	0	0	0	4,230	13,005		
Total, Facilities		0	0	0	0	0	0	0	0	0	132,219	0	0	0	0	0	0	125,319	0	0	0	0	0	0	0	125,319	257,538		
TOTAL IHS		926,472	25,288	28,469	28,720	37,593	0	0	0	0	1,178,761	550,382	54,301	12,141	9,106	168,702	168,702	0	919,951	0	919,951	0	0	0	0	0	2,068,712		

Estimated Distribution

(\$000)

Federal Health Administration										Tribal Health Administration											
Sub Activity	Federal Health Administration					Tribal Health Administration					FY 1999 Appropriation										
	Federal Clinical Services	Urban Health	Indian Health	Indian Health Prof.	Federal Admini- stration	Self- Gov.	Facili- ties	Admini- stration	Total	Federal Clinical Services	Urban Health	Indian Health	Indian Health Prof.	Federal Admini- stration	Self- Gov.	Facili- ties	Admini- stration	Total	FY 1999 Appropriation		
SERVICES																					
Hospitals & Health Clinics	621,081	0	0	0	0	0	0	0	621,081	328,059	0	0	0	0	0	0	0	328,059	949,140		
Dental Health	61,327	0	0	0	0	0	0	0	61,327	10,073	0	0	0	0	0	0	0	10,073	71,400		
Mental Health	28,271	0	0	0	0	0	0	0	28,271	13,034	0	0	0	0	0	0	0	13,034	41,304		
Alcohol & Substance Abuse	14,518	0	0	0	0	0	0	0	14,518	80,162	0	0	0	0	0	0	0	80,162	94,680		
Contract Health Services	238,128	0	0	0	0	0	0	0	238,128	147,673	0	0	0	0	0	0	0	147,673	385,801		
Subtotal (CS)	963,325	0	0	0	0	0	0	0	963,325	579,001	0	0	0	0	0	0	0	579,001	1,542,326		
Public Health Nursing	0	0	24,270	0	0	0	0	0	24,270	0	6,093	0	0	0	0	0	0	6,093	30,363		
Health Education	0	0	4,528	0	0	0	0	0	4,528	0	4,902	0	0	0	0	0	0	4,902	9,430		
Community Hlth Repr.	0	0	840	0	0	0	0	0	840	0	45,120	0	0	0	0	0	0	45,120	45,960		
Hep B/Hemophilus	0	0	1,002	0	0	0	0	0	1,002	0	365	0	0	0	0	0	0	365	1,367		
Influenza Prog Alaska	0	0	30,640	0	0	0	0	0	30,640	0	56,480	0	0	0	0	0	0	56,480	87,120		
Subtotal (PH)	0	0	30,640	0	0	0	0	0	30,640	0	56,480	0	0	0	0	0	0	56,480	87,120		
Urban Health Projects	0	26,382	0	0	0	0	0	0	26,382	0	0	0	0	0	0	0	0	0	26,382		
Indian Hlth Professions	0	0	29,623	0	0	0	0	0	29,623	0	0	0	0	0	0	0	0	0	29,623		
Tribal Management	0	0	0	0	0	0	0	0	0	0	2,390	0	0	0	0	0	0	2,390	2,390		
Direct Operations	0	0	0	0	39,007	0	0	0	39,007	0	0	0	0	0	0	0	0	0	49,309		
Self Governance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,391	0	0	9,391	9,391		
Contract Support Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	203,781	0	203,781	203,781		
Total Services	963,325	26,382	30,640	29,623	39,007	0	0	0	1,088,977	579,001	56,480	0	0	0	12,692	9,391	203,781	0	861,345	1,950,322	
FACILITIES																					
Maintenance & Improvement	0	0	0	0	0	0	0	0	33,316	0	0	0	0	0	0	0	0	7,309	7,309	40,625	
Sanitation Facilities:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	89,328	89,328		
Hlth Care Facet. Constr.	0	0	0	0	0	0	0	0	25,000	0	0	0	0	0	0	0	0	16,087	16,087	41,087	
Facs. & Env. Hlth Sup	0	0	0	0	0	0	0	0	95,943	0	0	0	0	0	0	0	0	11,739	11,739	107,682	
Equipment	0	0	0	0	0	0	0	0	8,793	0	0	0	0	0	0	0	0	4,450	4,450	13,243	
Total Facilities	0	0	0	0	0	0	0	0	163,052	163,052	0	0	0	0	0	0	0	128,913	128,913	291,965	
TOTAL IHS	963,325	26,382	30,640	29,623	39,007	0	0	0	1,252,029	579,001	56,480	0	0	0	12,692	9,391	203,781	128,913	990,258	2,242,287	

Federal Health Administration										Tribal Health Administration							
Sub Activity	Federal Services	Urban Health	Prv Health	Indian Health Prof.	Federal Admini- stration	Faci- ties	Total	Federal Health Admini- stration	Tribal Clinical Services	Tribal Prev. Health	Manage- ment Health Training	Self Gov.	Tribal Support	Faci- ties	Health Admini- stration	Total	
SERVICES																	
Hospitals & Health Clinics	674,793	0	0	0	0	0	0	674,793	328,059	0	0	0	0	0	0	328,059	1,002,852
Dental Health	74,287	0	0	0	0	0	0	74,287	10,073	0	0	0	0	0	0	10,073	84,363
Mental Health	35,412	0	0	0	0	0	0	35,412	13,034	0	0	0	0	0	0	13,034	48,445
Alcohol & Substance Abuse	16,164	0	0	0	0	0	0	16,164	80,182	0	0	0	0	0	0	80,182	96,326
Contract Health Services	282,769	0	0	0	0	0	0	282,769	147,873	0	0	0	0	0	0	147,873	430,442
Subtotal (CS)	1,063,425	0	0	0	0	0	0	1,063,425	579,001	0	0	0	0	0	0	579,001	1,642,446
Public Health																	
Public Health Nursing	0	34,270	0	0	0	0	0	34,270	0	6,093	0	0	0	0	0	6,093	40,363
Health Education	0	4,639	0	0	0	0	0	4,639	0	4,902	0	0	0	0	0	4,902	9,541
Community Hln Repr.	0	0	748	0	0	0	0	748	0	40,212	0	0	0	0	0	40,212	40,960
Hep B/Haemophilus	0	0	1,023	0	0	0	0	1,023	0	385	0	0	0	0	0	385	1,388
Influenza Prog Alaska	0	40,680	0	0	0	0	0	40,680	0	51,572	0	0	0	0	0	51,572	92,252
Subtotal (PH)	0	29,382	0	0	0	0	0	29,382	0	0	0	0	0	0	0	0	29,382
Urban Health Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indian Hln Professions	0	0	29,700	0	0	0	0	29,700	0	0	0	0	0	0	0	0	29,700
Tribal Management	0	0	0	0	0	0	0	0	0	2,390	0	0	0	0	0	2,390	2,390
Direct Operations	0	0	0	40,298	0	0	0	40,298	0	10,302	0	0	0	0	0	10,302	50,600
Self Governance	0	0	0	0	0	0	0	0	0	0	0	9,391	0	0	0	9,391	9,391
Contract Support Costs	0	0	0	0	0	0	0	0	0	0	0	0	238,781	0	0	238,781	238,781
Total Services	1,063,425	29,382	40,680	29,700	40,298	0	0	1,203,485	579,001	51,572	12,692	9,391	238,781	0	0	891,437	2,094,922
FACILITIES																	
Maintenance & Improvement	0	0	0	0	0	0	0	40,816	0	0	0	0	0	0	0	7,309	48,125
Sanitation Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	92,884	92,884
Hln Care Fers. Const.	0	0	0	0	0	0	0	29,000	0	0	0	0	0	0	0	13,531	42,531
Facs. & Env. Hln Sup	0	0	0	0	0	0	0	107,943	107,943	0	0	0	0	0	0	11,739	119,682
Equipment	0	0	0	0	0	0	0	9,793	0	0	0	0	0	0	0	4,450	14,243
Total Facilities	0	0	0	0	0	0	0	187,552	187,552	0	0	0	0	0	0	128,913	316,465
TOTAL IHS																	
	1,063,425	29,382	40,680	29,700	40,298	0	0	187,552	1,391,037	579,001	51,572	12,692	9,391	238,781	128,913	1,021,350	2,412,387

**Inflation/Pay Costs 1/
FY 1993 - FY 2000**
(Dollars in Thousands)

	FY 1993 2/		FY 1994 3/		FY 1995 5/		FY 1996 6/		FY 1997 7/		FY 1998 8/		FY 1999 9/		FY 2000 10/	
	Need	Approp.	Need	Approp.	Need	Approp.	Need	Approp.	Need	Approp.	Need	Approp.	Need	Approp.	Need	Approp.
Pay Costs	\$28,744	\$14,372	\$29,406	\$15,663	\$23,166	\$11,583	\$25,824	\$25,000	\$33,299	\$17,499	\$32,418	\$21,062	\$35,971	\$35,971	\$40,673	\$0
Inflation	53,113	53,113	89,308	49,593	56,323	28,162	65,109	0	64,548	0	71,029	0	53,589	23,959	52,230	0
	\$81,857	\$67,485	\$112,714	\$65,256	\$79,489	\$39,745	\$90,933	\$25,000	\$97,847	\$17,499	\$103,447	\$21,062	\$89,560	\$59,930	\$92,903	\$0
Non-Medical Deflator	3.3%		2.4%		2.8%		3.0%		2.2%		2.6%		2.2%		2.1%	
Medical Deflator	5.2%		5.1%		5.2%		5.3%		5.2%		4.2%		3.9%		3.8%	
Pay Raise Rate	3.7%		2.2%		2.0%		2.4%		3.0%		2.3%		3.6%		4.4%	
			12.8% -J/P Care 4/													
			5.4% -O/P Care 4/													

Difference between

Need/Appropriation

Percentage Funded

(14,372)

82.4%

(47,458)

57.9%

(59,745)

50.0%

(65,933)

27.5%

(80,348)

17.9%

(82,385)

20.4%

(29,630)

66.9%

1/ The Indian Self-Determination Fund has been excluded from the inflation category for all years

2/ Congress provided 50% of total pay costs requested.

3/ Extraneous from FY 1994 budget submissions to Department of HHS - Breakdown of pay costs vs inflation not available in Congressional Justification.

4/ The current service increase for CHS is \$30.5M using the 12.8% inflation rate for inpatient care and the 5.4% inflation rate for outpatient care. The inpatient care rate

was based upon a three year average of the inpatient care that was paid by the Fiscal Intermediary.

5/ Congress provided 50% of inpatient and pay costs.

6/ Extraneous from FY 1996 Congressional Justification.

7/ Extraneous from FY 1997 Congressional Justification.

8/ Congress provided 20.4% of total pay costs requested.

9/ Congress provided 75% of total costs except for Contract Support Cost.

10/ Reported in the FY 2000 Congressional Justification.

02JAN99PCONGRIFIED Costs History

1/2/99, 7:23 PM

EXECUTIVE SUMMARY

GENERAL STATEMENT

The Indian Health Service (IHS) has the responsibility for the delivery of health services to Federally-recognized American Indians and Alaska Natives (AI/AN) through a system of IHS, tribal, and urban (I/T/U) operated facilities and programs based on treaties, judicial determinations, and Acts of Congress. The Mission of the agency is to raise the physical, mental, social, and spiritual health of AI/AN to the highest level, in partnership with the population served. The agency Goal is to assure that comprehensive, culturally acceptable personal and public health services are available and accessible to the service population. The mission and goal are addressed through four Strategic Objectives, which are: 1) Improve health status; 2) Provide health services; 3) Assure partnerships and consultation with I/T/Us; and 4) Perform core functions and advocacy.

OVERVIEW OF THE BUDGET

This budget request and performance plan represents the first of many incremental steps necessary to reduce the health disparities that prevail in the AI/AN population. It is consistent with the Agency's mission, the Department's strategic plan, and the HHS Initiative to Eliminate Racial and Ethnic Disparities in Health.

The Indian Health Service proposes an increase of \$170.1 million and 290 FTE to its budget in FY 2000 above the FY 1999 appropriation. This budget would provide an additional \$82.598 million for mandatory and current services items including health care facilities construction, \$68.407 million in program increases for Services, and \$19.095 million in program increases for the Facilities program. These initial investments will: 1) begin to restore the I/T/U capacity and infrastructure to provide access to high quality primary and secondary medical services, and basic preventive services; and 2) begin to slow down recent declines in certain health status indicators.

The FY 2000 budget for HHS also includes a physician compensation payroll policy of 6 percent growth per year. In effect, the policy guideline means that physician payroll in HHS would be held to 6 percent annual growth in FY 2000 and future years.

POLICY BASIS AND FORMULATION PROCESS FOR FY 2000 BUDGET REQUEST

The Federal Commitment is to Raise American Indian and Alaska Native Health Status in Partnership with Tribal Governments.

From a policy perspective, this budget request is perhaps the most strongly supported proposal in the Agency's history; it is based on both new and longstanding Federal policy and commitment for improving health status by assuring the availability of basic health care services for members of federally recognized Indian tribes. The request supports the following four policy initiatives:

- the President's Race Initiative, specifically the HHS Initiative to Eliminate Racial and Ethnic Disparities in Health,
- the proposed Healthy People 2010 and its goal of achieving equivalent and improved health status for all Americans over the next decade,

• the DHHS Strategic Plan:

- Goal 1 - Reduce major threats to health and productivity of all Americans.
- Goal 2 - Improve the economic and social well-being of individuals and families, and communities in the United States.
- Goal 3 - Improve access to health services and ensure the integrity of the Nation's health entitlement and safety net program.
- Goal 4 - Improve the quality of health care and human services.
- Goal 5 - Improve public health systems.

In addition, the Indian Health Care Improvement Act also reflects the reaffirmation of the U.S. government's commitment to Indian tribes to improve the health of their people. The Act states "The Congress hereby declares that it is the policy of this Nation, in fulfillment of its special responsibilities and legal obligations to the American Indian people to assure the highest possible health status for Indians and urban Indians and to provide all the resources necessary to affect that policy." Furthermore, the President of the United States reaffirmed the significance of the "government to government" relationship between tribes and the federal government in his Executive memorandum of April 1994, concerning consultation with American Indian and Alaska Native tribal leadership.

BUDGET PRIORITIES AND STRATEGIES

The primary policy basis for this budget request is eliminating health disparities between the AI/AN population and the general U.S. population. This budget request supports this intent by restoring access to the basic health services, including assuring that there are adequate facilities and equipment for the provision of health services, providing adequate support services to the tribal health delivery system, and holding the line against further loss of health status improvements or actual declines in health status.

Restoring Access to Basic Health Care - \$82.598 million

The first priority in the budget proposal is to restore access to basic health services. The IHS has demonstrated the ability to effectively utilize available resources to provide effective services and improve the health status of the AI/AN people. However, this record of achievement has eroded in recent years in the face of the declining purchasing power of the IHS budget and the need to shift to providing more acute and urgent care treatment in the face of limited resources. Thus, to redress the declining access to essential individual and community health services, the Area I/T/Us identified funding of mandatory cost increases and current services items as their first priority for budget increases for FY 2000. The requested funds provide the initial investment required to enhance the I/T/U public health system to a level that can reduce health disparities by providing access to high quality medical and preventive services.

An essential component of supporting access to services and improving health status in the long run, is to assure that there are adequate facilities and equipment for the provision of health services. The average age of IHS facilities is 32 years. This is in contrast to the private sector where facilities average 9 years of age. The inadequacies of these aged facilities

make the efficient, safe, and pleasant provision of services difficult at many locations and impossible in some locations.

Also critical is the provision of adequate support services to the tribal health delivery system. These requested funds are necessary for tribal communities to assure that there are utilities, training, clerical staff, administrative and financial services needed to operate health programs. Without this funding, the supports are either not available, or these services must be funded from resources that would otherwise fund health service activities. This investment is consistent with the Administration's commitment to expanding tribal participation in the management of the programs and the principles of the Indian Self-Determination Act.

Reducing the Gap in Health Disparities - \$87.502 million

The next proposals are intended to move forward toward health improvements rather than just assuring no regression. These are program initiatives that target segments of the population that are particularly vulnerable to disproportionate disease burden: children and youth, women, elders, and urban Indians. The request addresses the multiple health issues affecting these populations. IHS will develop a long-term plan for continuing improvements in the health of the AI/AN population. The proposal will also target the specific disease entities identified as priority areas by the I/T/Us and responsible for much of the disparity in health status for the AI/AN population. These include dental diseases, injuries, mental health, and cancers. The support for public health infrastructure is also fundamental to these initiatives. These investments will support prevention and treatment services and are based on "best practices" defined in health literature. This is consistent with the Presidential Executive Order directing Federal entities to employ such industry standards. These targeted efforts will be monitored in the performance plan.

Another need is water and sewer systems for new and existing homes at the community level. The AI/AN homes are seven times more likely to be without clean water than homes in the broader U.S. This construction need must be addressed if further progress is to be made in preventing infectious diseases and improving the quality of life.

Conclusion

In summary this budget request and performance plan will begin to address declining access to individual and community health services. The request provides the initial increment required to enhance the I/T/U public health system so that it can again continue to make significant improvements in the health status of AI/AN people.

FY 2000 Budget Request Summary (Services and Facilities)

	FY 1998 Actual	FY 1999 Appropriation	FY 2000 Estimate	Increase Or Decrease
Budget Authority.....	\$2,098,712,000	\$2,242,287,000	\$2,412,387,000	+\$170,100,000
Program Level.	\$2,459,787,000	\$2,651,524,000	\$2,822,474,000	+\$170,950,000
FTE.....	14,516	14,750	15,040	+290

The request of \$2,412,387,000 and 15,040 FTE is a net increase of \$170,100,000 and 290 FTE over the FY 1999 appropriated level of \$2,242,287,000 and 14,750 FTE. In addition, the Balanced Budget Act of 1997 included an increase of \$30,000,000 for the prevention and treatment of diabetes. This amount will be available each year through FY 2002. This request addresses the Year 2000 Objectives for the Nation and IHS performance measures. Furthermore, the formulation process included tribal and urban consultation and participation through out. The following summarizes the IHS Budget Request:

FY 2000 Current Services: +\$123,685,000 and 116 FTE

The IHS is requesting an increase of \$123,685,000 to partially address the rising cost of providing health care. Excluded are cost increases associated with inflation and those that are attributable to the rapidly expanding AI/AN population. The current services increase of \$123,685,000 includes the following:

- \$34,752,000 for Pay Costs.
- \$ 8,615,000 and 116 FTE for Phasing-In of Staffing and Operating Costs for new facilities.
- \$35,000,000 for Contract Support Costs.
- \$42,531,000 for continuing construction of the Ft Defiance, AZ Hospital and initiating construction of the Parker Health Center; completing design of the Red Mesa Health Center and Pawnee Health Center; and new dental units.
- \$ 2,787,000 for increase GSA lease costs.

Program Increases - +\$92,502,000 and 174 FTE

- \$ 6,000,000 for Women's Health.
- \$ 7,000,000 for Dental Health.
- \$ 6,000,000 for Mental Health.
- \$ 1,000,000 for Alcohol & Substance Abuse.

- \$24,000,000 for Contract Health Services.
- \$ 7,000,000 for Information & Telecommunication Systems.
- \$ 8,470,000 and 100 FTE for Public Health Nursing.
- \$11,000,000 for Indian Health Care Improvement Fund.
- \$ 2,937,000 for Urban Indian Health.
- \$ 7,500,000 for Maintenance & Improvement.
- \$ 3,000,000 for Sanitation Facilities.
- \$ 7,595,000 and 74 FTE for Facilities and Environmental Health Support which includes injury prevention.
- \$ 1,000,000 for Equipment.

Program Decreases - -\$46,087,000

- \$41,087,000 Non-recurring Health Care Facilities Construction Funds.
- \$ 5,000,000 Community Health Representatives.

GENERAL STATEMENT

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or Decrease
Health Services	\$1,841,174,000	\$1,950,322,000	\$2,094,922,000	+\$144,600,000
Facilities	\$257,538,000	\$291,965,000	\$317,465,000	+\$25,500,000
Total Budget				
Authority	\$2,098,712,000	\$2,242,287,000	\$2,412,387,000	+\$170,100,000
Reimbursement	331,075,000	379,236,000	380,086,000	+850,000
Diabetes I/	<u>30,000,000</u>	<u>30,000,000</u>	<u>30,000,000</u>	<u>0</u>
Total Program				
Level	\$2,459,787,000	\$2,651,523,000	\$2,822,473,000	+\$170,950,000

1/ The Balanced Budget Act of 1997 transfers \$30,000,000 annually to IHS for diabetes prevention and treatment for FY 1998 through FY 2002.

NOTE: Y2K funds appropriated to Treasury in FY 1999.

United States Government and Indian Nations

The provision of Federal health services to American Indians and Alaska Natives (AI/AN) is based on a special relationship between Indian tribes and the United States provided by Article I, Clause 8, of the United States Constitution. This relationship has been reconfirmed by numerous treaties, statutes, and court decisions first expounded in the 1830's by the U.S. Supreme Court under Chief Justice John Marshall. Principal among these is the Snyder Act (25 U.S.C.) of 1921 which provides the basic authority for most health services provided by the Federal Government to AI/AN.

President Clinton acknowledged the special government-to-government relationship at the historic meeting at the White House with American Indian and Alaska Native tribal leaders in April 1994. President Clinton pledged to fulfill the trust obligations of the federal government and vowed to honor and respect tribal sovereignty. President Clinton said, "I don't want there to be any mistake about our commitment to a stronger partnership between our people," and he showed that by signing a government directive. The directive requires every executive department and agency of government to remove all barriers that prevent the government from working directly with tribal governments and to make certain that any action affecting tribal trust resources have tribal government consultation before a decision is made.

In carrying out the Executive Order for a stronger partnership between the government and tribal governments, the Department of Health and Human Services, the Office of the Secretary and IHS have conducted regional meetings with tribes on an annual basis since 1995. The meetings continued the national dialogue begun in 1994 on health care reform by facilitating federal, state, and tribal discussions about state and region-specific reform activities. The meetings fostered new partnerships between the government, state, and tribes to meet the health needs of Indian people. In Fiscal Year 1999, the Deputy Secretary of Department of Health & Human Services and the Director of Indian Health Service initiated a series of listening conferences with tribal government leaders on critical health and human service issues.

The Indian Health Service and Its Partnership with Tribes

For more than 120 years, the responsibility of AI/AN health care passed among different government branches. In 1955, the responsibility for providing health care to AI/AN was officially transferred to the Public Health Service (PHS).

In the 1970's, federal Indian policy was re-evaluated by the Nixon Administration, and the Indian self-determination policy was adopted. This policy emphasizes tribal administration of Federal Indian programs, including health care. Self-Determination does not lessen any federal treaty obligation, but provides an opportunity for tribes to assume the responsibility of providing health care for their members.

The Indian Self-Determination and Education Assistance Act of 1975, as amended, and the Indian Health Care Improvement Act of 1976, as amended, gave new opportunities and responsibilities to the IHS and tribes in delivering care. These included specific authorizations for providing health care services to Indian urban populations, an Indian health professions program, and the ability to collect from Medicare/Medicaid and other third party insurers. Under the Indian Self-Determination Act, many tribes have assumed the administrative and program direction roles that were previously carried out by the federal government. Tribes through Self-Determination contracts or Self-Governance compacts administer over one-third of IHS resources. The remaining resources are utilized by IHS facilities and providers for the direct provision of services to AI/AN where tribes have elected not to contract or compact their health program at this time, and to purchase care from private health care providers and facilities.

With participation from the Indian people, the IHS has explored ways to improve essential health programs and administrative support to Indian communities. In January 1995, the Director convened 29 representatives of the primary stakeholders in Indian health care to establish the Indian Health Design Team (IHDT). The IHDT, which included 22 tribal and 7 IHS representatives, submitted a report recommending changes in the organization and operation of the IHS. Following their guidance many of the recommendations relating to IHS headquarters were implemented.

To continue strengthening the federal-tribal partnership, IHS implemented a new budget formulation procedure for FY 1999 integrating the Government Performance and Results Act (GPRA), Public Law 93-638 consultation, and annual budget formulation requirements into an iterative process which gives local I/T/Us more opportunities for annual budget policy input and review. This process was continued in developing the FY 2000 budget request. Work sessions in all 12 areas initiated the FY 2000 formulation process and established the health priorities with associated budget priorities on which the FY 2000 budget is based. This new process will continue to be used and refined on a collaborative basis with Indian tribes and urban Indian health programs in FY 2001 and future fiscal years. The IHS Tribal Consultation policy incorporates this new approach to budget policy development reflecting President Clinton's commitment to honoring and upholding the government to government relationship and Indian self determination.

The Mission, Goal, and Vision

The mission of the agency is to raise the physical, mental, social, and spiritual health of AI/AN to the highest level, in partnership with the population served.

In November 1994, the Director of the IHS articulated his vision for the Agency. His vision is for the IHS to continue to be the best primary care, rural health system in the world. A system that, with tribes, continues its goal of assuring that comprehensive, culturally acceptable personal and public health services are available and accessible to the service population. To reach its goal, the clinical program is made up of many separate activities including: maternal and child health; fetal alcohol syndrome; diabetes; alcoholism; mental health; emergency medical services; community health representatives; hepatitis B; dental services; and many others. These programs possess curative and preventive components to a degree unparalleled in any similar program. In addition to these clinically based programs, the Agency also encourages a community based environmental health program, sanitation facilities construction program and health facilities construction program.

The IHS program is delivered to nearly 1.3 million AI/AN users through 150 Service Units composed of 543 direct health care delivery facilities, including 49 hospitals, 209 health centers, 6 school health centers, and 279 health stations, satellite clinics, and Alaska village clinics. Within this system, Indian tribes deliver IHS funded services to their own communities with over 42 percent of the IHS budget in 12 hospitals, 149 health centers, 3 school health centers, and 233 health stations and Alaska village clinics. Tribes who have elected to retain the federal administration of their health services, or to defer tribal assumption of the IHS program until a later time receive services with about 58 percent of the IHS budget in 37 hospitals, 60 health centers, 3 school health centers, and 46 health stations. The range of services includes traditional inpatient and ambulatory care, and extensive preventive care, including focused efforts toward health promotion and disease prevention activities.

In addition, various health care and referral services are provided to Indian people in off-reservation settings through 34 urban programs. Another integral part of the program is the purchase of services from non-IHS providers to support, or in some cases in lieu of, direct care facilities. This Contract Health Services program represents about 20 percent of the IHS Budget. The IHS Fiscal Intermediary in FY 1997 processed approximately 39 million claims at a total billed amount of \$404 million. The total paid amount after contract and alternate resource savings was \$193 million.

Service Units

Service Units, local administrative units, serve a defined geographic area and are usually centered around a single federal reservation in the continental United States, or a population concentration in Alaska. Within these 150 administrative units, health care is delivered through 209 health centers, 6 school health centers, 121 health stations, 158 Alaska village clinics, and 49 hospitals by tribally and federally operated Indian health programs.

Area Offices

Twelve Area Offices provide resource distribution, program monitoring and evaluation activities, and technical support to all operations whether IHS direct or tribally operated. They serve to support the Service Units and their points of service delivery.

Headquarters

The Headquarters operations are determined by statutes and administrative requirements set forth by the Department of Health and Human Services, the Administration, the Congress, and field operations (Area Offices and Service Units). Headquarters is involved with the Department in formulating and implementing national health care priorities, goals, and objectives. It is involved with the Administration through the Department by providing advocacy for Indian health programs in budget formulation and legislative initiatives, responding to congressional inquiries, and appropriate interaction with other governmental entities. It provides Area Offices and Service Units with general program oversight and direction, policy formulation, and resource distribution. It provides expert technical expertise, maintains national statistics, and project trends and needs for the future.

ACCOMPLISHMENTS

Since its inception in 1955, the IHS has demonstrated the ability to effectively utilize available resources to improve the health status of the AI/AN people. With the modest increments in funding appropriated between 1972 and 1993, dramatic improvements in mortality rates were realized including:

- infant mortality reduced 54 percent
- Years of Potential Life Lost decreased 54 percent
- overall mortality reduced 42 percent
- maternal mortality reduced 65 percent
- gastrointestinal disease mortality reduced 75 percent
- TB mortality rate reduced 80 percent

It is indeed discouraging that recent mortality data (FY 1994) available from the National Center for Health Statistics show a small upward trend in the deaths of AI/AN people since FY 1992 from cancer, diabetes, heart disease, suicide, alcohol, drugs, HIV/AIDS and tuberculosis.

During the past 5 years major strides have been made in reducing traumatic injury among American Indians through the implementation of a broad array of public health measures. These measures include injury surveillance; extensive training for community health practitioners, board-based community coalitions and implementation targeted interventions. A recent analysis of injury deaths indicates a significant downward trend in unintentional injury mortality. For instance, the Navajo Nation motor vehicle deaths have been reduced by almost 40 percent. The IHS Injury Prevention Program Plan describes the necessity of building basic tribal capacity in order to institutionalize change. The IHS Director has identified Injury Prevention as one of the Agency's key health initiatives. Since 1997, IHS has fostered the development of tribal injury prevention programs toward identifying community-specific injury patterns and in implementing targeted injury intervention projects. Annually, more than 300 tribal health and IHS personnel are trained in injury prevention practitioner skills. These people are working in their communities to reduce the incidence of severe injury and death. Although significant progress has been made, much needs to be done to reduce the major burden on the health and well being of Indian communities. Even today, many reservations experience injury death and disability at rates 2-5 times higher than other Americans. The right programs are in place and new resources will enable the agency to expand its successful model to other tribes.

In fulfillment of the federal policy to afford Indian tribes the right to control the health care programs serving AI/AN, IHS and Indian tribes negotiated 42 self-governance compacts and 59 annual funding agreements, which will transfer approximately \$508 million to 213 tribes in Alaska and 41 tribal governments in the lower 48 States under the Self-Governance Demonstration Project in FY 1999.

A Memorandum of Agreement (MOA) with the Health Care Financing Administration was implemented in 1997 for the purpose of extending the 100 percent Federal Medical Assistance Payment (FMAP) to States for services provided to AI/AN in tribal facilities. Previously, the States were only eligible to receive the 100 percent FMAP for services provided in IHS direct facilities. Overall, the MOA has been successful by simplifying the billing process and reducing administrative time spent negotiating tribal leases.

In addition, the IHS, through a sub-contract, completed an evaluation of four tribal demonstration programs. These sites were authorized under the Indian Health Care Improvement Act to directly bill and collect for Medicaid and Medicare services. Because of the high degree of success, a legislative proposal to allow all tribal programs the authority for direct billing and collection is currently being considered by Congress.

Also, IHS continued work on a number of business management initiatives started during FY 1997 and FY 1998, which will contribute to increased collections. Major initiatives include implementation of an accounts receivable tracking systems, automation of billings and collections and improved identification of third party eligibility.

In FY 1999, approximately \$2.5 million was awarded in continuation grants for community-based prevention, intervention, and treatment initiatives that will lead to decreased rates of child abuse and domestic violence, and improved health of women and elders. Seventy tribal, urban and non-profit organization proposals were received for the Indian Child Protection and Child Abuse Prevention Demonstration Grant Program totaling approximately \$10.5 million, of which six 5-year grants were funded. The Women's Health Grant Program received 46 proposals, of which 9 were funded. The interest in women's health was so intense that the grant proposals amounted to 10 times the available funding. In its first year, the Elder Health Care Initiative Grant Program received 81 grant applications exceeding \$11 million. Seven proposals were funded, representing only 7.9 percent of the total request. All the approved grants will be continued in FY 2000.

Special Concerns

Within the vast IHS program, there are certain categories of health conditions that are of special concern in FY 2000. Program increases are proposed for specific disease entities identified as priority areas by the I/T/Us and responsible for much of the health disparities in health status for AI/AN population. These include dental diseases, injuries, mental health, alcoholism, and cancers. Investments in public health infrastructure are also included in the request. In addition, the Balanced Budget Act of 1997 provided \$150 million over a 5-year period to address diabetes in Indian country. Diabetes is epidemic among AI/AN and has been identified as a top health problem in all Areas of the IHS. The Director supports priority activities designed to increase the capacity to address these health concerns and serve the needs of the most vulnerable segments of the AI/AN population including: children, women and elders.

Health care and related facilities construction are another priority essential to assuring further progress in preventing infectious diseases and improving the quality of life.

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Service - 75-0390-0-1-551
 Clinical Services

Program Authorization:

Program authorized by 25 U.S.C. 13, Snyder Act, and P.L. 83-568, Transfer Act 42 U.S.C. 2001.

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or Decrease
Budget Authority	\$1,476,854,000	\$1,542,326,000	\$1,642,426,000	+\$100,100,000
HIV/AIDS	(\$2,281,000)	(\$2,366,000)	(\$2,404,000)	(+\$38,000)
FTE	9,329	9,491	9,594	+103
HIV/AIDS	(14)	(14)	(14)	(0)

Total Request Level -- The Total Request of \$1,642,426,000 and 9,594 FTE is a net increase of \$100,100,000 and 103 FTE over the FY 1999 Appropriation of \$1,542,326,000 and 9,491 FTE. The net increase reflects current services increase of \$38,100,000 and program increase of \$62,000,000.

HOSPITALS AND HEALTH CLINICS

Indian Health Service <u>Clinical Services</u>	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or Decrease
<u>Hospitals & Health Clinics</u>				
A. Budget Authority	\$906,801,000	\$949,140,000	\$1,002,582,000	+\$53,712,000
B. (HIV/AIDS)	(\$2,281,000)	(\$2,366,000)	(\$2,404,000)	(+\$68,000)
C. FTE	8,020	8,156	8,249	+93
D. (HIV/AIDS)	(14)	(14)	(14)	(0)
E. Activity:				
Inpatient:				
# of Days	291,000	287,000	285,000	-2,000
Outpatient:				
# of Hospital				
Visits	3,100,000	3,240,000	3,273,000	+33,000
# of Free-Standing				
Clinics Visits	3,000,000	3,140,000	3,172,000	+32,000
Total # of Visits	6,100,000	6,380,000	6,445,000	+65,000

PURPOSE AND METHOD OF OPERATIONMission Driven Program

The Hospitals and Health Clinics budget provides funding for health care essential to American Indians and Alaska Natives (AI/AN) and critical to the IHS mission. The mission of the agency is to elevate the health status of its service population to the highest possible level and eliminate disparities in health between AI/ANs and the general U.S. population. This element of the budget supports a full range of clinical, preventive, and rehabilitative services and is pivotal to realizing improved health for AI/ANs.

Scope of Services in Isolated Communities is Comprehensive

The Hospitals and Clinics Budget supports essential services including inpatient care, routine and emergency ambulatory care, and support services including laboratory, pharmacy, nutrition, health education, medical records, physical therapy, nursing, etc. These services are generally unavailable from any other sources in the communities served through IHS. In addition, the program includes initiatives targeting special health conditions that affect AI/ANs such as specialized programs for diabetes, maternal and child health, youth services, communicable diseases, including AIDS, tuberculosis, and others, and a continuing emphasis on women's and elder health and epidemiology.

Other clinical services, e.g., dentistry and community services along with a number of health programs operated by the tribes, e.g., women, infants, and children's programs, and behavioral health services, are often housed in the same facilities. This co-location of services in the hospital and clinic increases access and fosters a truly comprehensive community-oriented program.

Achieve Quality and Customer Satisfaction

The Hospitals and Health Clinics Budget provides annual operating expenses for over 500 health care facilities providing inpatient care, routine and emergency ambulatory care and support services. The commitment of the IHS and tribal staff to the delivery of the highest quality of care possible is reflected in the continuing success in achieving and maintaining IHS and tribal-operated facility accreditation by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO). The JCAHO and the Health Care Financing Administration (HCFA) regularly and periodically conduct in-depth reviews of the quality of care provided. They also review the status and safety of the facilities, adequacy and competency of staffing, and management of the service delivery components of the IHS.

These reviews are based upon the concept of continuous quality improvement in clinical programs. The IHS and the tribes fully embrace this concept and services are provided using the industry benchmarks for customer satisfaction. The average IHS and tribal hospital accreditation grid score has consistently been at or above the average score for all U.S. hospitals.

Performance Measures Demonstrate Effectiveness

This review process requires that the staffs of the health facility establish performance indicators and demonstrate routine monitoring, analysis, and intervention where the desired outcome is not achieved. The facility is granted accreditation based on the appropriateness of objectives established and met. The types of outcome measures monitored by the clinical facilities include the effectiveness of clinical programs, such as obstetrics and childcare.

The appropriateness of the services is measured a variety of ways: live births successfully managed; the Apgar scores of the infants (an objective measure of the infant's health at the end of labor and delivery); morbidity measures in the mother, such as preventable vaginal lacerations, etc.; and the hospital course of the mother and child as measured by morbidity and treatments utilized during the hospital stay. These measurements have demonstrated that the IHS operates a high quality program of services in its facilities. This is documented in the consistently high scores achieved by the IHS and tribal facilities undergoing JCAHO review. In fact when compared to HMO performance in the broader population, the IHS-funded programs are at the very top in most measures.

Other outcome measures are utilized to assess the effectiveness of the outreach and prevention programs associated with the clinical services of the Agency, within are not normally measured by private industry. For example, demonstration that the outreach activities are effective and the clinical services are accessible found in the very low rate of out-of-hospital births among pregnant women served by the IHS despite the fact that the population in many locations is highly dispersed in remote locations. There are many other outcome measures associated with maternal and child health, such as, the number of low birth weight deliveries which is very low in the IHS service population. Also, the immunization status of children in the service population in which the IHS service population is the only identified ethnic population with an immunization rate at or near the Health People 2000 target of 90 percent, the decline in deaths due to unintentional injury among children, etc. Many of these indicators are documented annually by the Agency publications, Trends in Indian Health, and the Regional Differences in Indian Health.

Training Crucial

This commitment requires regular and specialized training. Thus, the Hospitals and Health Clinics budget activity supports continuing medical education for a wide variety of the health professionals employed by the IHS and tribes. This includes specialized training in quality assurance and case management as well as discipline-specific training. The FY 1998 budget provided some advanced and specialized training for nurses in intensive care unit and operating room skills, nursing management, and the upgrading of Indian individuals from licensed practical nursing to registered nursing. The budget enabled IHS to support quality assurance training through JCAHO; residency training for IHS physicians; and continuing education of mid-level providers including physician assistants and nurse and pharmacy practitioners.

Managed Care at Work

The cost effectiveness of the Hospitals and Health Clinics activities is enhanced through an organized process of managed care. This approach to care is predicated on strategies of cost recovery and cost avoidance to provide the highest volume of services within a fixed budget. The success of this approach demonstrated by the increasing volume of third party recovery by IHS and tribal facilities (cost recovery).

Community Oriented Primary Care Attacks Changing Disease

The IHS program continues to focus on increasing access to preventive and curative services for the underserved in Indian communities. This is ordinarily dealt with by utilizing the concept of incrementally meeting the needs for clinical, preventive, and restorative care. In recent years the diseases manifest among AI/AN have changed such that there is less disease burden in the population from acute illness and more from chronic diseases with significant behavioral determinants.

Of particular concern are disease patterns that reflect disruptions in family and community strengths. This includes accidents, suicides, homicides, family violence and chemical dependency. Prevention of these chronic diseases requires a different set of precepts and disciplines since they are less susceptible to interventions of the traditional medical model.

New developments include community-based wellness centers, school and community based-adolescent clinics and community-based health screening services. In one case, published data suggests that the use of the community wellness center reduces the dependence on medication and that participants require fewer medical visits than those who do not have access to wellness centers.

This emphasis on community oriented primary care is particularly well suited to the unique health needs of AI/AN people. The impressive accomplishments of the IHS have resulted from the broad community approach employing Public Health Nurses (PHNs), alcoholism workers, mental health workers, sanitarians, etc. These skills more directly address the effects of higher unemployment, lower socioeconomic status, and the complications of poor nutrition, sanitation, and housing found in many AI/AN communities.

Progress Being Rolled Back by Underfunding

The overall strategy has paid dividends in the types of health and performance measures described above. However this progress is beginning to erode due to the inability to address inflation, the increasing personnel costs, and the expanding population of AI/AN people seeking care through the I/T/U system.

The service demand continues to climb as the budget has remained static over the most recent five-year period. What has become apparent is that customer satisfaction and quality of care has begun to decline and the health of the service population will also decline.

For example, although the number of pediatric visits has steadily increased, the number of well child visits has declined by 25 percent since 1993. This is critical since many of the prevention services that are essential in early life are not being provided. This includes not only immunizations, but nutritional counseling, parenting education and support and other preventive services that directly address diabetes, chemical abuse, and the issues of childhood and juvenile injuries and suicides. Similar declines in prevention services are documented in adult well care, well woman care (including cancer screening), and oral health. In addition, needed specialty medical services are being postponed or eliminated as demonstrated by the dramatic increase in deferred and disallowed contract health services for secondary and tertiary services.

These changes are unacceptable to the patients, the communities, and the professional staff. Therefore, the IHS budget request directly reflects the commitment to redressing these declines as a first priority.

Accomplishments

In the area of health services, accomplishments can generally be characterized in terms of the provision of millions of basic primary care inpatient and outpatient medical services to nearly 1.3 million AI/AN active users (an active user is an AI/AN who has received a medical service in an IHS or tribal facility during the last 3 years). Primary care is defined by the Institute of Medicine as the provision of integrated, accessible health care services by clinicians who are accountable for addressing a large portion of personal health care needs, developing a sustained partnership with patients, and practicing in the context of family and community. The provision of these services is critical to the prevention and amelioration of disease. It also engages patients in controlling their own health.

In the most recent year in which full year data are available, the IHS and tribal general hospitals admitted about 68,000 patients while an additional 21,000 patients were admitted to private hospitals under contract. There has been a gradual decline in admission, which is consistent with the declining inpatient admission rates experienced generally in the U.S. over the last decade in favor of other treatment modalities. It also reflects the IHS commitment to cost containment through expanded use of proven outpatient care disease management protocols rather than more costly hospitalizations.

IHS and tribal hospital outpatient department and health clinics provided over 6 million outpatient services, a growth of 35 percent since 1990. The outpatient services were provided by a broad range of providers and illustrate efficient and effective mix of manpower. The hospitals and clinics budget also funds other types of patient and community services including health education, nutrition, and an array of health promotion and disease prevention programs that complement inpatient and outpatient services.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$822,539,000	11,414
1996	\$854,478,000	8,078
1997	\$891,824,000	7,991
1998	\$906,801,000	8,020
1999	\$949,140,000	8,156

Performance Measures

The following performance indicators are included in the IHS FY 2000 Annual Performance Plan and are primarily dependent upon the activities funded within this budget line item for achievement. These indicators are sentinel indicators representative of some of the more significant health problems affecting AI/AN.

Indicator 1: During FY 2000, maintain Area age-specific diabetes prevalence rates and identify trends in the age-specific prevalence of diabetes (as a surrogate marker for diabetes incidence) for the AI/AN population.

Indicator 2: By the end of FY 2000, increase by 3 percent the proportion of I/T/U clients with diagnosed diabetes who have improved their glycemic control over the FY 1999 level.

Indicator 3: By the end of FY 2000, increase by 3 percent the proportion of I/T/U clients with diagnosed diabetes and hypertension who have achieved blood pressure control standards over the FY 1999 level.

Indicator 4: By the end of FY 2000, increase by 3 percent the proportion of I/T/U clients with diagnosed diabetes who have been assessed for dyslipidemia over the FY 1999 level.

Indicator 5: By the end of FY 2000, increase by 3 percent the proportion of I/T/U clients with diagnosed diabetes who have been assessed for nephropathy over the FY 1999 level.

Indicator 6: By the end of FY 2000, increase the proportion of women who have annual Pap screening to 55 percent.

Indicator 7: By the end of FY2000, assure that at least 30 percent of the AI/AN female population 50-69 years of age have had screening mammography during the previous year.

Indicator 8: By the end of FY 2000, increase by 5 percent the proportion of AI/AN children served by IHS receiving a minimum of four Well Child Visits by 27 months of age, over the FY 1999 baseline.

Indicator 10: By the end of FY 2000, increase by 5 percent the proportion of I/T/U prenatal clinics utilizing the Prenatal Health Assessment (PHA) or other recognized screening and case management protocols for pregnant substance abusing women over the FY 1999 level.

Indicator 14: By the end of FY 2000, assure that 70 percent of I/T/U medical facilities with Urgent Care or Emergency departments or services will have written policies and procedures for routinely identifying, treating and/or

referring victims of family violence, abuse or neglect (i.e., child, spouse, and/or elderly).

Indicator 17: Maintain 100 percent accreditation of all IHS hospitals and outpatient clinics during FY 2000.

Indicator 18: By the end of FY 2000, implement the OMB approved IHS-wide consumer satisfaction survey protocol and determine baseline level of satisfaction with the acceptability and accessibility of health care.

Indicator 20: During FY 2000, increase by 3 percent the proportion of AI/AN children who have completed all recommended immunizations by the age two over the FY 1999 rate.

Indicator 21: By the end of FY 2000, increase overall pneumococcal and influenza vaccination levels among adults aged 65 years and older to 60 percent.

Indicator 22: By the end of FY 2000, reduce deaths by unintentional injuries for AI/AN people to no more than 90 per 100,000 people.

Indicator 23: By the end of FY 2000, halt the continued increase of obesity in AI/AN children 3-5 years old and/or 8-10 years old, in at least five pilot intervention sites at FY 1999 rate through the effective implementation of the intervention(s) developed in FY 1999.

Indicator 25: By the end of FY 2000, determine prevalence rates of HIV/AIDS infection in American Indian/Alaska Natives at Indian Health Service treatment facilities and obtain infection rate nationally from Centers for Disease Control.

RATIONALE FOR BUDGET REQUEST

Total Request -- The request of \$1,002,852,000 and 8,249 FTE is a net increase of \$53,712,000 and 93 FTE over the FY 1999 Appropriation of \$949,140,000 and 8,156 FTE. The net increase includes the following:

Current Services - Built-in Increases - +\$20,110,000

The request of \$20,110,000 for personnel related costs will partially fund the increased cost of providing health services to IHS beneficiaries by providing for the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

Phasing-In of Staff for New Facilities - +\$6,815,000 and +93 FTE

The request of \$6,815,000 and 93 FTE provides for the phasing-in of staff and related costs for new facilities. The staffing of new facilities also contributes to the recruitment and retention of medical staff and promotes self-determination activities. The following table displays the requested increase.

<u>Facilities:</u>	<u>Dollars</u>	<u>FTE</u>
Lame Deer, MT Health Center	\$1,598,000	21
Hopi, AZ Health Center	1,330,000	14
Kotzebue, AK Hospital	115,000	1
Talihina, OK Hospital	3,772,000	57
Total	\$6,815,000	93

Inflation Lease Costs - +\$2,767,000

This request will partially address higher anticipated rental costs. Increases are based on the GSA announced FY 2000 rental rates.

Women's Health - +\$6,000,000

Women's health was one of the top ten most frequently identified health priorities for FY 2000 by Indian Health Service, tribal and urban (I/T/U) programs. Indian women comprise 52 percent of the 2.4 million American Indian/Alaska Native (AI/AN) populations. In the last 2 years, the IHS has given renewed emphasis to women's health issues in access to preventive services, increased surveillance and screening for diseases, increased community education, self-image development strategies, and increased leadership roles occupied by women within the IHS.

Despite progress in the improvement of women's health, statistics continue to indicate a need to improve health services to Indian women.

- For AI/AN women, unintentional injuries are three times the rate of non-Indian women.
- Alcoholism is ten times the rate for non-Indian women.
- Cervical cancer is twice the rate of non-Indian women.
- AI/AN women have the worst survival statistics for breast and cervical cancer than any other ethnic group because of late detection and difficulties in obtaining adequate care.
- Diabetes is triple the rate of non-Indian women.

These funds would be used to address the multiple health issues affecting AI/AN women with an emphasis on increasing access to essential preventive and primary women's health services. Specific use of the funds will be determined by local priorities. For example, some I/T/Us have expressed the need for more cohesive and comprehensive women's health services and would support specialized women's health clinics to address a wide range of health problems such as cervical and breast cancer, diabetes, obstetrical and gynecological problems, alcoholism/substance abuse, psychosocial issues, family violence, effects of aging, and access to care. Other programs have indicated the need to focus on specific health issues such as breast and cervical cancer screening and management or early, adequate and comprehensive prenatal services.

In summary, these funds would support the implementation of a variety of community-based prevention, intervention and treatment services that will lead to improved health of AI/AN women.

Information and Telecommunication System - +\$7,000,000

Information and Telecommunication Systems Enhancement - The request for \$7,000,000 will be used to expand IHS computing and communication capabilities. IHS's Resource and Patient Management System (RPMS) will be expanded to include selected computer-based patient record functionality. In addition, the telemedicine capabilities of the I/T/U system will be expanded. The request will better position IHS to leverage technological advantages in selected areas of health care delivery.

RPMS Expansion - IHS will continue to work with the Department of Veterans Affairs and the Department of Defense in the development of information systems. This effort will be enhanced by participation in the Government Computer-based Patient Record initiative, for which

funding is not requested. RPMS expansion will be based upon establishment of the following centers and testbeds to both seed and spread the expansion effort.

RPMS Demonstration and Training Centers (4) - Centers will be established to serve as readily accessible demonstration and training resources for the RPMS expansion effort.

Computer-based Patient Record (CPR) Testbeds (2) - CPR Testbeds will focus on separate components of CPR development and implementation; e.g., presentation tool, diagnostic decision support tools, and medical literature sources. Emphasis will be on commercial off-the-shelf software (COTS).

Telemedicine Capability - IHS will utilize a portion of these funds to target support for hardware (including transmission access), software, and training of staff to more effectively utilize the available technologies.

Cost Breakdown:

RPMS Expansion:	\$5,000,000
Telemedicine Capability Expansion:	<u>2,000,000</u>
Total:	\$7,000,000

Indian Healthcare Improvement Fund - +\$11,000,000

Many Indian tribes believe that IHS resources have not been distributed equitably and are dissatisfied with the overall level of IHS appropriations. Shaping a health care delivery system to provide services most cost effectively in the aggregate while simultaneously assuring that benefits from such a system are shared equitably has proven to be a challenging goal to achieve.

The present distribution of resources appropriated for IHS has evolved over many years largely in response to congressional appropriations and directives as well as the administrative decisions of Federal agencies. Because the largest portion of the IHS budget is dedicated to clinical services delivered in hospitals and outpatient clinics, historical resource distributions have coincided with the existence of these health care facilities. The substantial portions of real increases to the IHS program have usually come in the form of funding for new or replacement health facilities. Subsequent redistribution of these resources, in the name of equity has not been possible because AI/AN communities come to rely on and expect the continuation of services once a facility has opened.

In estimating the resources, a methodology needs to address the health disparity that exists between AI/AN and the overall U.S. population is identifying the difference in per capita health expenditures. Identified health expenditures from the IHS budget and third party collections for the IHS user population is about \$1,400 per person. Nationally health expenditures are about \$3,200 per person. To begin to eliminate the existing health disparities will require health expenditures for Indian people similar to that of the overall population. For the IHS user population of 1.3 million this will require an additional \$2,340,000,000. Since AI/AN people tend to be sicker and die sooner than the U.S. population, we believe this amount is an underestimate.

The most recent LNF projections were completed in 1992 based on population growth, inflation and workload. In 1992 considerable variability in LNF existed among tribes. This request will permit the IHS address inequities that currently exist among tribes.

DENTAL HEALTH

Indian Health Service <u>Clinical Services</u>	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or <u>Decrease</u>
<u>Dental Health</u>				
A. Budget Authority	\$65,517,000	\$71,400,000	\$84,360,000	+\$12,960,000
B. FTE	818	839	849	+10
C. Total Patients Treated	296,000	284,000	309,000	+25,000
D. Total Services Provided	2,087,000	2,057,000	2,135,000	+78,000

PURPOSE AND METHOD OF OPERATIONProgram Mission and Responsibilities

The IHS Dental Program is committed to raising the oral health status of the AI/AN population to the highest possible level through the provision of high quality preventive and treatment services at the community and clinic level. Despite the encouraging improvements documented in recent surveys, the oral health of Indian people still lags behind that of the overall population, this disparity may be increasing.

Results of the IHS-wide Oral Health Status and Treatment Needs Survey of over 25,000 dental patients completed in 1991 revealed several important findings. When compared with results from earlier monitoring surveys, a general decline in tooth decay among children and adults was detected. This encouraging trend can be attributed mainly to the extensive commitment that the IHS and local communities have made to water fluoridation during the past decade and the expanded use of dental sealants. However, AI/ANs continue to have substantially higher rates of dental caries and periodontal disease than the U.S. population at large, and have had reduced access to dental services the early 1990s.

In addition to the very large backlog of needed dental care, two problems of particular concern are the extremely high prevalence of baby bottle tooth decay among preschool age children and the prevalence and severity of periodontal disease and subsequent tooth loss among adult diabetics. The survey data better define the magnitude of these and other oral health problems and will guide resource planning at the local, regional and national program levels. A follow-up oral health survey is planned for FY 1999 to determine the current oral health status and continued or emerging problems that must be addressed.

The IHS has been traditionally oriented toward preventive and basic care. More complex, rehabilitative care, although a legitimate need, is often deferred so the basic services may be provided to more persons. Within the Schedule of Services, a service priority hierarchy used by the Dental Program, over 90 percent of services provided are basic and emergency care. Estimates of treatment needs remain high; however, a continuing emphasis on community health promotion/disease prevention is essential to long-term improvement in the oral health of AI/ANs.

In 1992, the IHS added a full-time national coordinator for dental health promotion/disease prevention to provide technical assistance to IHS and tribal. Currently, the national coordinator is developing alternative networks including local I/T/U dental staff to carry on essential dental health promotion and disease prevention activities.

Tribal programs continue to exert a growing influence in the management of oral health programs. The number of tribally managed programs continues to grow steadily. Staff employed by or providing care in tribal programs produce over a third of the total direct dental services. To responsibly manage a health program requires data that supports an assessment of the health needs of the population. To meet this need, tribal programs were well represented in the IHS 1991 Oral Health Survey of Indian patients and will have the opportunity to participate in the 1999 survey. Data gathered by these surveys provides tribes information from which to make rational decisions regarding their dental programs.

Tribal programs also participate in the IHS Dental Quality Assurance Program in which clinical care, program management and community activities are appraised. In general, tribal programs meet standards for clinical care. When deficiencies are found, tribal employees are encouraged to participate in IHS continuing education courses or to pursue local training to improve their programs. The tribal program role in community health promotion/disease prevention, need for efficient use of available resources, and the value of timely and accurate services data are themes that continue to be stressed during consultation.

Best Practices/Industry Benchmarks

The IHS Dental Program has a long and distinguished history of serving as a benchmark of dental public health excellence. Beginning in the 1960s, the IHS Dental Program was a pioneer in developing dental resource planning methods, and, in the early 1970's, published some of the first and most compelling findings regarding the efficiency and effectiveness of using expanded duty dental assistants in the provision of dental restorations. Later in the 1970s, the IHS published what still remains as one of the most comprehensive and recognized approaches to quality assurance for dental care. In the 1980s and 1990s, the IHS Dental Program was recognized by winning three U.S. Public Health Service J.D. Lane research competitions for community based research/education projects as well as three American Dental Association awards for health promotion/disease prevention. The program's Baby Bottle Tooth Decay Prevention Project, which won two of these awards, has been cited internationally as a model of community empowerment and program effectiveness. As part of these activities the IHS Dental Program collaborated with the World Health Organization, the Centers for Disease Control, the National Institutes of Health, the Head Start Bureau, and several acclaimed universities.

But, undoubtedly, the ultimate benchmark of success for the public health organizations is what it accomplishes in term of positive outcomes for the people it serves. Based on analyses comparing findings from the most recent (1991) oral health survey completed in 1984, the results show:

A 42 percent increase in the number of children 5-19 yrs with no decay.

A 35 percent decrease in the number of children 5-19 yrs with high decay rates (7 or more cavities).

An 800 percent increase in the number of protective dental sealants placed in children's molar teeth.

A 17 percent increase in the number of adults 35-44 yrs with 20 or more teeth remaining; a 29 percent increase for those 45-54 yrs; and a 40 percent increase for those 55 yrs and older.

In addition, the Baby Bottle Tooth Decay Prevention project documented an overall reduction in the prevalence of the condition of 32 percent over the five years of the study across all 12 sites with the largest site achieving a 78 percent reduction.

Findings Influencing the FY 2000 Request

Based on preliminary analyses of FY 1998 dental workload data, less than 20 percent of the eligible AI/AN population had access to dental services in FY 1998. This is the lowest in recent history, over 10 percent lower than in the early 1990s, and only about one third the level of the national average for dental care utilization (i.e., about 60 percent). Given the known high levels of oral diseases in the AI/AN population, this loss of access to dental services is likely to make the disparity in oral health status between the AI/AN and the general population to worsen. Thus, this request is directed at restoring lost capacity to provide essential dental services to the AI/AN population as part of a long-term incremental approach to eliminating existing disparities in oral health status.

ACCOMPLISHMENTS

Since 1992, the IHS dental program has downsized the Area Offices and Headquarters dental public health professional staff from a total of 42 to 16 FTE (i.e., a 65% reduction) in an attempt to maximize resources available to support clinical care. Providing clinical care is the dental program's highest priority but in recent years both the percentage of the population seen annually and the total number of services provided have declined. However, the positions that were eliminated predominately supported core public health infrastructure and administrative functions. Thus, assuring the capability to support such functions as staff development, efficient and effective dental clinic and data management, and implementing effective oral health promotion/disease prevention activities with a reduced public health infrastructure has become a dental program priority. To achieve this goal, self-directed workgroups have been formed composed of remaining dental staff from Headquarters and Area Offices, along with local dental program staff and are accomplishing many of the essential functions.

Specific accomplishments include:

- A workgroup has developed and is promoting clinical and community-based strategies to reduce the prevalence of early childhood decay. The strategies include: providing a dental screening or exam by age one by medical and dental providers; teaching parents to brush their child's teeth and looking for early lesions which can be reversed with fluorides; and educating families about the disease process, diet and the importance of various fluorides.
- To reduce the prevalence of the dental decay, and increase access to care, a work group has developed a medical model of care that addresses dental decay as an infectious disease. Some of the key concepts are the importance of diagnosis of caries, assessing the risk of disease and

applying the most appropriate preventive regimens and recall frequencies based on the individual patients needs and demands.

- A workgroup has developed a dental clinical efficiency training package to assist inexperienced dental program directors in managing to achieve clinical efficiency and presented the training at various field sites.
- Protocol development and examiner training has been completed for the next periodic survey of American Indian and Alaska Native Oral Health Status and Treatment Needs. The survey will begin in early FY 1999 with findings to follow in FY 2000.
- The Indian Health Service, National Institutes of Dental Research, and State University of New York at Buffalo continue to collaborate on the treatment of periodontal disease in persons with diabetes. The initial clinical trial conducted in the Phoenix Area demonstrated the effectiveness of a non-surgical treatment regimen. The project is currently being replicated in the Albuquerque Area. Three 5-year grants will be awarded in FY 1998 to help IHS, tribal, and urban programs incorporate these procedures into their dental programs.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$57,518,000	923
1996	\$62,783,000	861
1997	\$65,517,000	861
1998	\$65,517,000	818
1999	\$71,400,000	839

Performance Measures

The requested funding would directly support the level of accomplishment of the IHS FY 2000 Annual Performance Plan relating to improving water fluoridation compliance (Indicator 9), increasing access to dental services for the AI/AN population (Indicator 10) and expanding the provision of dental sealants to children (Indicator 11).

RATIONALE FOR BUDGET REQUEST

Total Request -- The request of \$84,360,000 and 849 FTE is a net increase of \$12,960,000 and 10 FTE over the FY 1999 Appropriation of \$71,400,000 and 839 FTE. The net increase includes the following:

Current Services - Built-in Increases - +\$5,320,000

The request of \$5,320,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing for the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

Phasing-In of Staff for New Facilities - +\$640,000 and +10 FTE

The request of \$640,000 and 10 FTE provides for the phasing-in of staff and related costs for new facilities. The staffing of new facilities also contributes to the recruitment and retention of medical staff and promotes

self-determination activities. The following table displays the requested increase.

<u>Facilities:</u>	<u>Dollars</u>	<u>FTE</u>
Lame Deer, MT Health Center	\$207,000	3
Hopi, AZ Health Center	174,000	3
Kotzebue, AK Hospital	38,000	--
Talihina, OK Hospital	221,000	4
Total	\$640,000	10

Dental Health - +\$7,000,000

This \$7,000,000 increase will be used to restore access to dental services through direct provision of dental care as well as increasing emphasis on clinical and preventive strategies. Of the \$7,000,000, \$5,150,000 will be expended in increasing dental care at the local level. It is estimated that this funding will result in a maximum of 50 new FTE and will permit dental care to be provided to an estimated 25,000 additional individuals. This will increase access to care from the preliminary estimates for FY 1998 of 19 percent to an estimated 21 percent of the AI/AN eligible treatment population in FY 2000.

Of the remaining \$1.85 million, \$300,000 will be used to increase training in dental specialties to increase access to specialty care for Indian people. \$1,000,000 will be used to develop four clinical and preventive support centers. These centers will provide training and technical assistance to improve the efficiency and effectiveness of clinical care provision in IHS and tribal dental clinics. In addition, \$350,000 will be used to enhance support for community water fluoridation and \$200,000 will be used to enhance capacity for management of dental data.

MENTAL HEALTH SERVICES

Indian Health Service <u>Clinical Services</u>	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or <u>Decrease</u>
<u>Mental Health</u>				
A. Budget Authority	\$39,379,000	\$41,305,000	\$48,446,000	+\$7,141,000
B. FTE	303	308	308	--
C. Total Client Contacts	204,000	208,000	239,000	+31,000

PURPOSE AND METHOD OF OPERATIONPROGRAM MISSION AND RESPONSIBILITIES

The IHS Mental Health and Social Services (MHSS) program is a community oriented clinical and preventive service program. While tribal communities possess many traditional strengths, the level of psychosocial and emotional distress is high.

The improvements in physical health status for Indian populations have not been paralleled in the mental health and social services area. The workloads reported by field staff reflect serious mental and social problems in many AI/AN communities on reservations and in urban settings.

- Studies indicate that mental health and social problems are associated with more than one-third of the demands made on health facilities for services. Depression, anxiety and post traumatic stress disorder are emotional problems that are reported frequently in workload data.
- The suicide rate of 2.5 times the national rate for AI/AN male aged 15-34 is one indicator of the severity of mental health problems in Indian country.
- The rate of homicide, and accidental death in young Native American males is about twice the national average.
- Native American females are at high risk for homicide (13.8 per 100,000) representing the third leading cause of death for females age 15-34.
- Problems of alcohol abuse, depression and anxiety frequently underlie and complicate treatment for physical disorders and traumatic accidents, requiring considerable attention from caregivers.

The most common MH/SS program model is a crises-oriented outpatient services which is staffed by one or more mental health professional. On-call emergency mental health services are also provided outside of usual clinic or hospital hours. Medical and clinical social work are usually provided by one or more social workers to assist with discharge planning and provide family intervention for child abuse, suicide, domestic

violence, parenting skills, and marital counseling. Specialized mental health services for populations such as children and the elderly are often minimal because of limited resources and difficulties in recruitment of trained specialists. BIA, state or local community agencies may also provide supportive services to Native American persons with emotional problems. Since virtually no partial hospitalization, transitional living, or child residential mental health programs exist in IHS or tribal operations, these services must be obtained from local, or state resources, when available. Inpatient services are provided under contract with local general hospitals psychiatric units or private psychiatric hospitals. Often, emergency and long duration hospitalizations are provided by state mental hospitals.

Prevention and early intervention, although legitimate needs, are often deferred so that crisis intervention may be provided to more clients by the limited staff. Continuing emphasis is made on community wide intervention and prevention strategies in collaboration with tribes for long-term improvement of child and family based problems.

Native healers are utilized in most Indian communities. At the option of individual tribes, traditional medicine is coordinated with other health and mental health services. Traditional healing practices are important health resources in Native American communities.

Services available to Indian communities for serious mental health and social problems continue to be very limited. Current information indicates that the level of staffing is only 43 percent of the needed to provide minimal outpatient mental health services and only 21 percent of that needed to provide adequate social services. Most service units and tribal programs are operated with little backup because of the rural and isolated nature of their practice. Professional turnover and burnout also affect the availability of services.

The last significant increase for child and family mental health services was in 1990, which was \$6 million and it funded 120 additional providers and increased patient contacts by 66,000. Despite the increase, many critical components of mental health, child abuse and social service programs, such as day programs, suicide prevention, and child abuse victim treatment are not available to Indian communities.

The IHS Mental Health/Social Services have established major initiatives designed to address and prevent AI/AN family violence and child abuse. Resources for more services have been described in the IHS Child Abuse Plan and authorized in P.L. 101-630 as amended and in a plan for support of additional suicide prevention program which was submitted in FY 1996 by IHS to Congress. Major partnerships currently exist with Bureau of Indian Affairs (BIA), Substance Abuse and Mental Health Service Administration (SAMHSA), Center for Disease Control (CDC), Department of Justice (DOJ) and Administration for Children and Families (ACF) for the following initiatives:

- Continued implementation of suicide prevention strategies by supporting development of a tribally based national suicide prevention network/center funded jointly with the CDC and by providing funds to develop two additional suicide prevention projects in South Dakota and Arizona.

- Provision of grants to tribal child abuse and family violence prevention programs and day treatment for mentally ill persons.

Other support for child abuse prevention include; provision of training to IHS and tribal providers in cooperation with the University of Oklahoma and the University of New Mexico, joint efforts with the BIA on conducting background checks for tribal, IHS and BIA programs, and joint collaborations with the Department of Justice and tribes on developing community-based initiatives for adolescent sexual abuse perpetrators.

Implementation with SAMSHA of a \$2.4 million Indian child mental health initiative. The IHS MH/SS received Vice President Gore's Hammer Award for this first Indian initiative with SAMSHA.

Joint efforts with the Head Start Bureau which provide health and mental health consultation and training to 152 AI/AN Head Start and Early Head Start programs including family violence prevention and intervention.

Collaboration with the BIA, DOJ, CDC and other national, state and local agencies in providing training and consultation to I/T/U providers on domestic violence, child abuse and elder abuse. Also, an IHS system wide identification and intervention for victims of domestic violence will continue in the I/T/U health facilities.

Expansion of the MH/SS system in the I/T/U facilities for data collection on suicide, child abuse, domestic violence in addition to other clinical information. Data for baseline morbidity are essential to fully support the I/T/U planning and management of health programs.

Provision of training on needs of high risk children and youth including; the detection and intervention for emotionally disturbed youth and child abuse victims in BIA boarding schools, residential treatment centers (RTC's), tribal detention centers, and the Juvenile First Offender Diversion Program training in Indian communities with the Office of Juvenile Justice and Delinquency Prevention (OJJDP).

Performance Measures

The following performance indicators are included in the IHS FY 2000 Annual Performance Plan and dependent upon the activities funded within this budget line item for achievement.

Indicator 14: By the end of FY 2000, assure that 70 percent of I/T/U medical facilities with Urgent Care or Emergency departments or services will have written policies and procedures for routinely identifying, treating and/or referring victims of family violence, abuse or neglect (i.e., child, spouse, and/or elderly).

Indicator 15: By the end of FY 2000, increase by 10 percent the number of I/T/U programs utilizing the Mental Health/Social Services (MH/SS) data reporting system over the FY 1999 rate.

Past funding level for the last 5 years:

Year	Funding	FTE
1995	\$36,448,000	303
1996	\$37,200,000	303
1997	\$38,341,000	303
1998	\$39,279,000	303
1999	\$41,305,000	308

RATIONALE FOR BUDGET REQUEST

Total request - - The request of \$48,446,000 and 308 FTE is a net increase of \$7,141,000 over the FY 1999 Appropriation of \$41,305,000 and 308 FTE. The net increase include the following:

Current Services - Built-in Increases - +\$1,141,000

The request of \$1,141,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing for the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

Mental Health - +\$6,000,000

Three million of the \$6 million increase will be used to increase accessibility to services for unmet needs. Communities with no or minimal mental health and social services coverage will be considered priorities for funding so that essential services such as crises intervention, victim and child protection services, and family mental health counseling will be provided. The development of fundamental infrastructure for services will allow those sites to identify additional resources from CDC, DOJ, SAMHSA, ACF and states to augment and expand services to meet unmet and underserved areas. Some of the \$3 million will be used to support further expansion of the MH/SS data system for consistent reporting, data aggregation for planning and increase capability to collect third party reimbursement for behavioral health services. It will also allow I/T/U programs to establish and maintain adequate performance measures.

The remaining \$3 million will be used to address suicide and domestic violence problems. The use of additional funds will focus on the development and enhancement of suicide prevention and intervention programs, crisis response teams, surveillance systems, and data collection. IHS will expand joint efforts with CDC and the National AI/AN Community Suicide Prevention Center and Network in assisting and training tribal communities in development of coordinated community response systems and identification of successful intervention strategies. The additional resources will also assist I/T/U providers in implementing the following; a system-wide early identification and intervention for victims of domestic violence, provision of training in appropriate response to domestic violence and development of coordinated community response systems to domestic violence victims and their children. It will also enhance collaboration with other national resources such as Sacred Circle, Mending the Sacred Hoop and Office of Victims of Crime, DOJ to develop or enhance service delivery systems for victims of domestic violence.

ALCOHOL & SUBSTANCE ABUSE

Indian Health Service <u>Clinical Services</u>	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or <u>Decrease</u>
<u>Alcohol & Substance Abuse</u>				
Budget Authority	\$91,782,000	\$94,680,000	\$96,326,000	+\$1,646,000
Total FTE	186	186	186	0
A. Services Provided:				
Outpatient Visits	590,000	590,000	593,000	+3,000
Inpatient Days	285,000	285,000	286,000	+1,000
Regional Trt Center				
Admissions	3,700	3,700	4,000	+300
Aftercare Referrals	8,700	8,700	9,100	+400
Emergency Placements	390	390	400	+10

PURPOSE AND METHOD OF OPERATIONProgram Mission/Responsibilities

The Alcoholism and Substance Abuse Program (ASAP) strives to eliminate the disease of alcoholism and other drug dependencies and the associated pain it brings to individuals of all ages, families, villages, communities, and tribes. The ASAP primary goal is to reduce the prevalence and incidence of alcoholism and other drug dependencies. The ASAP provides support and resources in the efforts of American Indian and Alaska Native (AI/AN) communities toward achieving excellence in holistic alcoholism and other drug dependency treatment, rehabilitation, and prevention services for individuals and their families. In addition to the development of curative, preventative and rehabilitative services, the ASAP activities include the following:

- Data development and coordination for measuring the substance abuse and underage alcohol problems among AI/AN;
- Programmatic evaluation and research toward developing effective prevention and treatment services;
- National leadership that focuses on youth treatment, community education, and prevention services for high-risk youth; and
- Services for developmentally disabled.

The ASAP continues to primarily contract with tribal entities/consortia, including tribes that have compacted under Self-Governance, and Indian-managed urban boards of directors since the passage of the Indian Health Care Improvement Act, P.L. 94-437. Presently, the IHS funds approximately 300 AI/AN ASAP that provide a multitude of treatment and prevention services to rural and urban communities.

Best Practices/Industry benchmarks

It is estimated that 95 percent of the approximately 1,800 employees in IHS funded programs are tribal staff. The credentialing, training, and hiring of 1,200 counselors have been a recent major initiative to address counselor competency. The counselor certification and professional licensure rates continue at approximately 85 percent of the program staff.

There are three adolescent regional treatment centers accredited by the Joint Commission of Accreditation of Healthcare Organizations (JCAHO) and three others that are accredited by Commission on Accreditation Rehabilitation Facilities (CARF). The remaining three treatment programs are preparing for JCAHO and/or CARF accreditation.

The tribal alcohol programs are state licensed and/or certified. The majority of the tribal alcohol programs follow the Indian Health Manual, Part III, Chapter 18, ASAP Standards which is modeled after JCAHO and CARF Standards.

The operations and service delivery of many existing alcoholism and substance abuse programs are negatively influenced and limited by the facilities in which they operate. Additional resources are needed to determine the priority of need and the correction of identified deficiencies in residential and non-residential facilities to improve the functioning of alcoholism and substance abuse programs. For example, an evaluation of the effectiveness of IHS sponsored aftercare/continuing care services is underway.

Findings Influencing FY 2000 Request

While alcoholism mortality had shown a dramatic decrease from 59 per 100,000 in 1980 to 37.9 per 100,000 in 1991, the latest data indicates that alcoholism mortality rates have been worsening since 1992. The rate has increased to 45.5 per 100,000, which is 6.0 times that of the overall U.S. population. An evaluation study of the Adolescent Regional Treatment Centers indicates program completion rates of 53 percent in comparison with 61 percent in the general population. The complexity of comprehensive care requirements for young people admitted to these centers requires additional resources: such as for staff who are dually trained in mental health disorders as well as alcohol and substance abuse are needed to effectively and safely respond to the treatment needs of young people with dual diagnosis.

The first two phases of the four-phase evaluation of women and children treatment needs has been completed. Preliminary findings indicate that high rates of abuse as children and adults and motivation to be better parents are the primary conditions of and reasons for AI/AN seeking treatment. The findings also indicate a need for treatment programs that provide cultural, spiritual, and childcare activities, and the importance of completion of individual and group therapy and participation in support groups. The ASAP Healthy People 2000 objectives are: 1) reduce cirrhosis deaths to no more than 13 per 100,000 persons (age adjusted); 2) reduce male deaths caused by alcohol-related motor vehicle crashes to no more than 44.8 per 100,000 person (age adjusted); 3) reduce the incidence of fetal alcohol syndrome to no more than 2 per 100,000 live births; 4) reduce drug-related deaths among AI/AN to no more than 3.2 per 100,000 (age adjusted).

ACCOMPLISHMENTS

Accomplishments of the IHS Alcoholism and Substance Abuse Program include:

- Local, community based training workshops and events have been conducted in sixteen communities, utilizing three CSAP curricula. Additional replications have been planned and will take place in FY 1998 and FY 1999. A revitalization of community planning ability on alcohol and substance has occurred.
- Coordination with the Centers for Disease Control and Prevention to fund an injury management control officer and a tobacco education and training officer.
- Continued primary care provider training workshops to enhance professional skills in addiction, prevention, intervention, and treatment skills. A special module has been developed for public health nurses. Activities include the development of a lending library (video and slide materials) designed to improve provider inservice capability and community presentations. Training for 55 physicians and other primary care providers was conducted in Phoenix, Arizona and Albuquerque, New Mexico. Prevention training for Nurses was offered in collaboration with the Center for Substance Abuse Prevention.
- The Chemical Dependency Management Information System (CDMIS) is now fully online. All Areas using CDMIS and those Areas that will be reprogrammed from other data systems have received training. A user friendly version of CDMIS was released during FY 1996. An integrated version of which incorporates both commercial and RFMS data conducive to a behavioral health model of treatment is currently being tested in the Billings Area. The ASAP is supporting two software enhancement projects which further integrate and coordinate assessment, treatment planning, and case management utilizing the ASAM Patient Placement criteria and the CSAT Alcohol Severity Index (ASI) are being tested with 10 youth RTCs and the Billings area.
- A maternal Alcoholism and Substance Abuse screening instrument was developed with the Centers for Disease Control and Prevention for prenatal clinics in Aberdeen. A companion curriculum for training providers was also developed, utilized, and implemented in three additional pilot sites: Shiprock, San Xavier, and the Chicago Urban Clinic in FY 1997. There were 25 participants at the Shiprock site, which included the Chicago Urban Clinic and 12 participants at the San Xavier site.
- At the University of Washington Fetal Alcohol and Drug Unit mini-internships for twelve I/T/U providers were conducted in FY 1997. In FY 1998 the 3 days internships have been expanded to include 24 I/T/U providers. This training will be expanded again in FY 1999.
- Leadership is being provided for the prevention of secondary disabilities in FAS individuals. A training manual for providers and parents/caregivers of FAS children and adolescents was prepared in conjunction with the Jamestown S'Klallam Tribe. Pamphlets to assist

family and community members in advocating for services and preventing secondary disabilities are being developed in FY 1998.

- The counselor certification and professional licensure rates continue at approximately 85 percent of the program staff.
- Five Area Certification Boards continue independent membership in the International Certification Reciprocity Consortium (ICRC). An additional board will seek membership in March 1998, increasing the total to six.
- Clinical supervision training will continue to be supported as in the previous three fiscal years to enhance the competency of counseling efforts.
- The IHS is in the midst of an ongoing effort to evaluate treatment for women. The first two phases of the four-phase evaluation have been completed. The final report of the first two phases described the conditions of and reasons for seeking treatment by AI/AN women who use IHS funded treatment services. Among other things, these included high rates of abuse as children and adults and women's motivation to become better parents. The final report also emphasized need for treatment programs that provide cultural, spiritual and child care activities, and the importance of completion of individual and group therapy and participation in support groups. Information from the final report of the first two phases has been presented throughout Indian country, and at professional meetings in the U.S. and Canada. Phase III and IV of this evaluation have begun, and will conclude in 1999. The purpose of Phases III and IV are to assess and measure the treatment outcomes achieved by the women receiving treatment at facilities supported by the Indian Health Service. In addition, the evaluation study will attempt to relate treatment outcomes to the treatment services provided. It will also describe the organization and provision of substance abuse treatment and aftercare services available for adult AI/AN women, identifying common strengths, problems, and recommendations for improvement.
- As part of the Indian Health Service response to the results of an evaluation of the adolescent regional treatment centers, an RTC Outcomes Tracking Protocol Project has begun in FY 1998. The purpose of this protocol is to provide a quantitative means for validly and reliably documenting client progress, program outputs, program and policy outcomes and program and policy efficiency.
- A contract was awarded in 1997 to begin an evaluation of ASA Aftercare (Continuing Care) Services for American Indians/Alaska Native Women. This initial phase's overall goal is to develop methodology to evaluate and assess the effectiveness of the Indian Health Service sponsored aftercare/continuing care program and its policies, to meet the needs of the Indian Health Service, tribes and urban programs.

Interagency Activities

The focus of FY 1997 collaborative efforts has been with Substance Abuse and Mental Health Services Administration (SAMHSA), Centers for Disease Control and Prevention, and National Institutes of Health (NIAAA) and the Department of Justice (DOJ).

Future Directions

The IHS has actively cooperated with the DHHS in Demand Reduction activities, policy development, development of research agendas, and development of data monitoring (NIDA:UFDS). The IHS is committed to the national agenda to reduce alcohol and drug abuse by using strategies that include:

- research and evaluation: collaborative efforts with the Robert Wood Johnson Foundation, aftercare evaluation, and completion of the first two phases of the women's treatment evaluation.
- continued development toward a comprehensive continuum of care encompassing prevention, education, treatment and rehabilitation. Workshops on American Society of Addiction Medicine Patient Placement Criteria were sponsored as part of the Clinical and Preventive Health Leadership Series.
- initiative to support treatment and prevention for women and for men
- supporting inhalant abuse prevention and treatment initiative as a gateway drug in children, including Headstart, and young adolescents
- injury control projects, e.g., None for the Road Campaigns for the Healthy People 2000 objectives
- continued efforts in enhancement of counselor skills
- tobacco cessation
- continued implementation of CDMIS with a planned integration of RPMIS and standardized commercial behavioral health software to enhance quality of care, evaluation, and third party reimbursement capacity
- expansion of primary prevention efforts via collaboration with the Center for Substance Abuse Prevention on the Rural and Remote Culturally Distinct population project and training.
- expansion of traditional healing efforts
- continued enhancement of RTC development and effectiveness.

Performance Measures

The following performance indicators are included in the IHS FY 2000 Annual Performance Plan that are primarily dependent upon the activities funded within this budget line item for achievement. These indicators are sentinel indicators representative of some of the more significant health problems affecting AI/AN.

Indicator 9: By the end of FY 2000, increase by 10 percent the number of youth discharged from adolescent Regional Treatment Centers (RTC) with adequate (3 visits in the first year) follow-up over the FY 1999 baseline to reduce alcohol and substance abuse relapse.

Indicator 10: By the end of FY 2000, increase by 5 percent the proportion of I/T/U prenatal clinics utilizing the Prenatal Health

Assessment (PHA) or other recognized screening and case management protocols for pregnant substance abusing women over the FY 1999 level.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$91,352,000	190
1996	\$91,352,000	173
1997	\$91,482,000	184
1998	\$91,782,000	186
1999	\$94,680,000	186

RATIONALE FOR BUDGET REQUEST

Total Request -- The request of \$96,326,000 and 186 FTE is an net increase of \$1,646,000 over the FY 1999 appropriation of \$94,680,000 and 186 FTE. The increase includes the following:

Current Services - Built-in Increases - +\$646,000

The request of \$646,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing for the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

Alcohol and Substance Abuse - +\$1,000,000

This increase will be used to address the widespread need for expanded access to alcoholism and substance abuse treatment among American Indian and Alaska Native (AI/AN) women and children and adolescents. It is reported in terms of: 1) a backlog of potential clients; 2) long waiting lists for treatment services or long distances to the nearest treatment facility; 3) staffing problems, i.e., not enough staff and/or staff who do not have appropriate expertise; and 4) the inability of Treatment Centers to take referrals due to resource limitations and shortages.

Surveys and evaluation reports provide some indication of unmet need for alcoholism and substance abuse treatment. In 1993, a community resource assessment survey was conducted by the Indian Health Service Alcoholism Program. One hundred and seventy AI/AN Alcoholism and Substance Abuse programs responded to the survey. While the availability of both adult and adolescent residential treatment centers was reported in about half of the responding communities, significantly long waiting periods for services were also reported. Waiting periods reported in this survey often exceeded 30 days and in some communities waiting periods exceeded 90 days. Few communities reported the availability of the full continuum of care for alcoholism and substance abuse treatment. Most notably was the limited and fragmented nature of aftercare or continuing care.

In 1997, the final report on the Evaluation of the Indian Health Service Adolescent Regional Treatment Centers, reported on the high level of concern and need described by treatment center directors and other personnel for more and better trained staff to meet an ever growing demand for service. This report also acknowledged the shortage of good aftercare/continuing care available to adolescent clients. In fact, the report stated that "Continuity of care/aftercare is the biggest problem"

and concluded, "Much is unknown about the care and status of RTC clients after discharge. This lack of information reflects a lack of services to the former RTC clients."

Specifically, funding will be utilized to increase the capacity of those treatment centers that specialize in the treatment of women and children as a unit, and the Adolescent Regional Treatment Centers. In addition, special emphasis will be placed on including preventive or health promotion services to clients during their treatment since many clients have associated problems in the following areas: tobacco cessation, nutrition and diet, diabetes prevention, prevention of disabilities due to diabetes, parenting skills and prevention of child abuse.

Funding will also be used to augment the capacities of treatment centers in the area of staff training to address comprehensive care needs, dual diagnosis, inhalant abuse, and FAS as well as to expand outpatient treatment and case management for individuals and families, and the continued development of multi-disciplined approaches and an increased focus on dual diagnosis issues.

To successfully implement these activities will require a specific component for implementation, monitoring and assessment.

ALCOHOLISM AND SUBSTANCE ABUSE PREVENTION/TREATMENT PROGRAM AUTHORIZED UNDER P.L. 103-572
(DOLLARS IN THOUSANDS)

Amount of Funds	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Request
Adult Treatment.....	\$42,813	\$47,232	\$49,565	\$51,693	\$51,693	\$51,766	\$51,936	\$53,576	\$53,942
Regional Treatment Centers	11,801	12,407	14,040	14,013	14,013	14,033	14,079	14,523	15,123
Community Education & Training.....	2,467	2,594	2,726	2,880	2,880	2,884	2,894	2,985	3,265
Community Rehabilitation/Aftercare.....	11,396	11,880	13,593	15,088	15,088	15,109	15,159	15,638	15,994
Gila River.....			135	135	135	135	136	140	141
Contract Health Services.....	5,631	5,920	6,221	6,209	6,209	6,218	6,238	6,435	6,479
Navajo Rehab. Program.....	225	237	249	239	239	236	240	248	249
Urban Clinical Services.....	406	450	473	509	509	510	511	528	531
Wellness Beyond Abstinence.....	556	565	614	596	596	597	599	607	611
Total.....	\$75,295	\$81,305	\$87,617	\$91,352	\$91,352	\$91,482	\$91,762	\$94,680	\$96,326

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URBAN HEALTH PROGRAM 1/

Amount of Funds	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Request
Expand Urban Programs.....	2,711	2,828	2,972	3,044	3,045	3,045	3,048	3,180	3,180

INDIAN HEALTH FACILITIES 2/

Amount of Funds	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation	Request
Construction.....	0	7,929	2,780	0	0	0	0	0	0
Alcohol/Substance Abuse	\$75,295	\$81,305	\$87,617	\$91,352	\$91,352	\$91,482	\$91,762	\$94,680	\$96,326
Urban Health Program	2,711	2,828	2,972	3,044	3,045	3,045	3,048	3,180	3,180
Facilities Construction	0	7,929	2,780	0	0	0	0	0	0
GRAND TOTAL.....	\$78,006	\$92,062	\$93,369	\$94,396	\$94,397	\$94,527	\$94,830	\$97,860	\$99,506

1/ The Urban Program was funded under P.L. 100-690, and now is funded under P.L. 103-572.

2/ These funds included in the Outpatient Sub-activity.

CONTRACT HEALTH SERVICES

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or <u>Decrease</u>
<u>Indian Health Service</u>				
<u>Clinical Services</u>				
<u>Contract Health Services</u>				
A. Budget Authority	\$373,375,000	\$385,801,000	\$410,442,000	+\$24,641,000
B. FTE	2	2	2	0
C. Gen. Med & Surgical Hospitalization: ADPL	245	245	250	+5
D. Ambulatory Care: Outpatient Visits	484,300	482,600	494,100	+11,500
E. Patient & Escort Travel: One Way Trips	35,500	35,400	36,200	+800
F. Dental Services	60,000	59,800	61,200	+1,040

PURPOSE AND METHOD OF OPERATIONProgram Mission and Responsibilities

The IHS Contract Health Services (CHS) program supplements the health care resources available to eligible American Indian and Alaska Native (AI/AN) people with the purchase of medical care and services that are not available within the IHS direct care system. The IHS purchases both basic and specialty health care services from local and community health care providers, including hospital care, physician services, outpatient care, laboratory, dental, radiology, pharmacy, and patient transportation services such as ground and air ambulance. The CHS program also supports the provision of care in IHS and tribally operated facilities, such as specialty clinics, e.g., orthopedics and neurology, and referrals to specialists for diagnostic services.

The CHS program is administered through 12 IHS Area Offices that consist of 66 IHS-operated Service Units and 84 tribally operated health programs. Although the IHS facilities include three major medical centers, most of the IHS and tribally operated facilities are small rural community hospitals and health centers with limited services. In addition, not all tribes have access to IHS or tribally operated facilities. Therefore, the smaller facilities and those Areas with few or no direct care facilities have a higher reliance on the CHS program to provide the needed health care.

The CHS budget also includes a Catastrophic Health Emergency Fund (CHEF) of \$12,000,000, which is intended to protect limited local CHS operating budgets from overwhelming expenditures for certain high cost cases. In FY 1998, the CHEF threshold is established at \$19,000 based on the annual change in the consumer price index as mandated by congressional

legislation. The \$12 million CHEF budget funds between 829 to 861 high cost cases annually in amounts ranging from \$7,000 to \$256,000.

Best Practices/Industry Benchmarks

Because the CHS program is limited by Congressional appropriations and the demand outpaces the funding, the IHS relies on the strict adherence to specific CHS guidelines to ensure that the most effective use of CHS dollars are attained. As much as possible, the IHS pursues negotiated rate agreements with private health care providers to obtain health care at reduced rates, including managed care arrangements. In addition to the CHS requirement for eligibility, the IHS utilizes a medical priority system and considers it self to be the payor of last resort. This means that all patients must exhaust all other health care if eligible, before the IHS can pay. Tribal contractors provide services under the same CHS regulations as the IHS.

In addition, the IHS fiscal intermediary (FI) with Blue Cross/Blue Shield of New Mexico provides a mechanism that provides payment for services in the private sector through a contract. The FI ensures that payments are made accurately and timely according to contractual requirements where applicable, and maintains a centralized medical and dental claims reimbursement system. The FI process functions within the IHS payment policy and meets the standards of the medical industry. Aside to providing payments to vendors, the FI provides program support services that collects, compiles, organizes workload, and financial data, and generates statistical reports to the IHS that support the administration of CHS programs.

Findings Influencing FY 2000 Request

Inflation:

- The medical inflation rate experienced by the IHS in making CHS payments is significantly higher than in the private sector.
- According to the Bureau of Labor Statistics, the cost of medical care increased at a rate of 2.8 percent in 1997, whereas the IHS FI reported an inflation rate of 5.27 percent for 1997.

Services:

- From FY 1993 to FY 1996, CHS admissions declined by 20 percent, while billed costs per admission increased 25.6 percent.
- From FY 1993 to FY 1996, CHS-purchased professional services declined by 6.5 percent, while billed costs per visit increased 36.2 percent.

Denials:

- From FY 1993 to FY 1996, CHS denials increased by 19.5 percent.

Deferred Services:

- The number of reported deferred services increased 49.1 percent from FY 1993 to FY 1997.

CHEF:

- In FY 1997, CHEF claims exceeded the available resources by \$9.9 million or 82.6 percent.
- There were 410 claims for which funds were not available in FY 1997.
- Once the CHEF budget is exhausted, Areas Offices cease to report high cost cases, therefore the actual need for CHEF is beyond \$9.9 million.

ACCOMPLISHMENTS

IHS patients have been able to receive more health care services than the amount of CHS expenditures indicate. This is accomplished through a variety of mechanisms such as alternate resource requirements, and provider discounts/contracts.

Alternate resource (AR) means other third party payers must pay before the IHS will pay. To accomplish this patients are required to inform the Service what type of AR they have and must apply if they are potentially eligible for an AR. Examples of an AR include private insurance companies, Medicare, and Medicaid.

Provider discounts/contracts are agreements to reimburse health care providers at an amount below billed charges. Types of provider reimbursement contracts at a discount include, payment using Medicare methodology, a % of Medicare methodology, per diem rates, and % of billed charges (if less than Medicare).

Because of the procedures described above, the CHS program has been able to purchase health care services which total more than twice the amount of the CHS expenditures. The actual amount of billed charges purchased through these arrangements cannot be completely documented because the IHS only has records for payments actually made. For example, payments by Medicaid are considered payment in full in accordance with Federal regulation. Therefore, when a patient is eligible for Medicaid and Medicaid pays the bill there are no charges to be paid by the Service or the patient.

During FY 1997 the total billed charges were approximately \$404 million. However, the FI paid \$193 million for this care. The difference resulted from contractual discounts of \$128 million, and alternate resource savings of \$83 million, these figures do not include the additional care paid for through the Medicaid program. Because the Self-Determination Tribes operate independently from the IHS we do not have statistics on the savings they have been able to achieve.

Performance Measures

The following performance indicators are those indicators from the FY 1999 Annual Performance Plan that are primarily dependent upon the activities funded within this budget line item for achievement. These indicators are sentinel indicators representative of some of the more significant health problems affecting AI/AN, but by no means representing the full breadth of activities and concerns the IHS, tribal, and urban programs engage in as a comprehensive public health organization.

Indicator 2: By the end of FY 2000, increase by 3 percent the proportion of I/T/U clients with diagnosed diabetes who have improved their glycemic control over the FY 1999 level.

Indicator 3: By the end of FY 2000, increase by 3 percent the proportion of I/T/U clients with diagnosed diabetes and hypertension who have achieved blood pressure control standards over the FY 1999 level.

Indicator 4: By the end of FY 2000, increase by 3 percent the proportion of I/T/U clients with diagnosed diabetes who have been assessed for dyslipidemia over the FY 1999 level.

Indicator 5: By the end of FY 2000, increase by 3 percent the proportion of I/T/U clients with diagnosed diabetes who have been assessed for nephropathy over the FY 1999 level.

Indicator 8: By the end of FY 2000, increase by 5 percent the proportion of AI/AN children served by IHS receiving a minimum of four Well Child Visits by 27 months of age, over the FY 1999 baseline.

Indicator 12: During FY 2000, assure that at least 23 percent of the AI/AN population obtain access to dental services.

Indicator 13: By the end of FY 2000, assure that the percentage of AI/AN children 6-8 and 14-15 years who have received protective dental sealants on permanent molar teeth is increased by 5 percent over the FY 1998 GPRA Dental Pilot Dental Project level.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$362,564,000	20
1996	\$362,564,000	15
1997	\$368,325,000	15
1998	\$373,375,000	2
1999	\$385,801,000	2

RATIONALE FOR BUDGET REQUEST

Total Request -- The request of \$410,442,000 and 2 FTE is an net increase of \$24,641,000 over the FY 1999 appropriation of \$385,801,000 and 2 FTE. The increase includes the following:

Current Services - Built-in Increases - +\$641,000

The request of \$641,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing for the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

Contract Health Services - +\$24,000,000

The \$24,000,000 increase will be used to address the unmet need in the provision of contract health services. In FY 1998 the IHS deferred payment authorization for over 80,398 recommended cases. Refractions, ultrasound examinations, physical therapy, dental hygiene, and elective orthopedic

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services are some examples of cases that are deferred services. Also in FY 1998, the IHS recorded nearly 14,500 payment denials for services that were not within operating medical priorities. This increase will address some of these deficiencies as well as enable the IHS to provide services that are identified as public health and preventive care.

HIV/AIDS

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase or Decrease
INDIAN HEALTH SERVICE				
Total Program Level....	\$3,540,000	\$3,649,000	\$3,687,000	+\$38
(FTE).....	(15)	(15)	(15)	0

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>
Risk Assessment & Prevention Surveillance			
1. HIV Surveys.....	\$912,000	\$947,000	\$962,000
Information & Education/Preventive Services			
1. High Risk or Infected Persons			
a. Hlth. Educ./Risk Reduction ..	535,000	535,000	535,000
b. Counseling, Testing & Partner Notification.....	<u>205,000</u>	<u>213,000</u>	<u>216,000</u>
Subtotal, High Risk or Infected Persons.....	740,000	748,000	751,000
2. Special Minority Initiatives....	724,000	748,000	748,000
3. School and College Aged Youth			
a. Program Devel. & Training. .	205,000	213,000	216,000
4. General Public & Special Prog.			
a. Regional, State, & Local.....	753,000	781,000	793,000
5. Health Care Workers & Providers			
a. Other Types of Training.....	205,000	213,000	216,000
Subtotal, Info. & Educ./Preventive Services.....	<u>2,627,000</u>	<u>2,703,000</u>	<u>2,725,000</u>
Total.....	<u>\$3,540,000</u>	<u>\$3,649,000</u>	<u>\$3,687,000</u>

PURPOSE AND METHOD OF OPERATION

The Public Health Service (PHS) mission for addressing Acquired Immune Deficiency Syndrome (AIDS) and the Human Immunodeficiency Virus (HIV) epidemic is to prevent further spread of infection; to provide effective therapies for those already infected; to enhance the capacity of the Nation's public and private organizations at the national, state, and local levels to deliver effective prevention, treatment, and related health care programs to all citizens. To achieve the PHS HIV/AIDS mission, the IHS has implemented programs include components of risk assessment, education, and prevention to health care workers and Indian communities, and treatment of HIV infected persons.

ACCOMPLISHMENTS

Surveillance

As of December 1997, the IHS has reported 1,783 AIDS cases in AI/ANs. The surveys of prenatal, sexually transmitted diseases (STD), and alcohol and drug abuse treatment programs have proved the presence of the virus in remote Indian communities. The CDC blinded seroprevalence survey in prenatal clinics revealed rates of 4/10,000.

Each Area Office has one HIV/AIDS Coordinator that networks with their respective State epidemiologist regarding HIV/AIDS in AI/ANs. All programs must meet State reporting requirements. Information is shared with the States and the Centers for Disease Control and Prevention.

IHS has one National AIDS Coordinator in Headquarters. Each Area Office has appointed permanent full-time Area AIDS/HIV Coordinator to enhance surveillance, prevention and treatment efforts.

High Risk or Infected Persons

More than 2,000 health care workers in IHS and tribal programs are trained as HIV counselors. This includes substance abuse counselors and mental health program staff.

Risk assessment behavior screening is continuing among women seen in prenatal and other clinics. Similar screening is being done on STD and tuberculosis patients.

With the increased public awareness of the AIDS/HIV virus, more individuals are seeking counseling and requesting HIV testing. IHS is providing 5,000 voluntary confidential tests annually.

Prevention Services

The IHS AIDS Program is focusing prevention activities in special groups, such as women, tribal leaders, school age youth, community leaders at specific community events such as feasts, pow-wows, schools, health fairs, and rodeos.

Special Initiatives - Urban Prevention Program

The Urban Indian Health programs received a special appropriation of \$646,000 in FY 1993 for AIDS education and prevention services. Urban Indian programs now provide testing for high risk individuals. Some continue to participate in the IHS surveillance.

The programs have developed culturally appropriate HIV/HIV prevention materials, and have identified available resources for care. Initially, the 34 urban Indian programs limited their activities to public awareness campaigns, but are now involved in part-time AIDS/HIV outreach, intervention, and referral activities for high risk persons.

School and College Age Youth

Limited data suggest that Indian youth continue to engage in unprotected sex at an early age. Surrogate data such as teen pregnancy and STD rates support this position. IHS provides AIDS Prevention/Risk Reduction services to all

reservation based schools, school boards, and educators, as well as Teen Clinics, Youth Substance Abuse Treatment Centers, and other youth organizations. Regular training sessions are offered to the Bureau of Indian Affairs school administrators, teachers, and school board members. IHS personnel are participating in school health programs and curriculum development.

Local Programs - Community Awareness

The IHS has provided AIDS Prevention/Risk Reduction services to all Indian communities. Nearly all of the IHS service population has heard or seen an AIDS education message. Communities have established local task forces to encourage greater community involvement and to assist lifestyle changes.

Health Care Workers

The IHS AIDS Activities offices have distributed copies of the Behavior Modification Plan and Case Management Plan, a collection of current preventive and treatment AIDS information for IHS providers.

The local service units maintain continuing medical education programs on AIDS/HIV prevention for all health care workers. The IHS also provides training on universal precautions and implementation of 076 protocols for prevention of vertical transmission of infected mothers to uninfected newborn.

ACTIVITY/MECHANISMS BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Services - 75-0390-0-1-551
 Public and Private Collections

Program Authorization:

Program authorized by Economy Act of 31 U.S.C. 686 Section 301-P.L. 94-437,
 Title IV of Indian Health Care Improvement Act.

<u>Collections</u>	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or Decrease
Medicare	\$82,238,000	\$80,988,000	\$81,838,000	+\$850,000
Medicaid	206,688,000	253,588,000	253,588,000	-0-
Total	\$287,826,000	\$334,576,000	\$335,426,000	+\$850,000
Private Insurance	37,448,000	39,960,000	39,960,000	-0-
Total Collections	\$326,374,000	\$374,536,000	\$375,386,000	+\$850,000
FTE	2,969	3,010	3,010	0

<u>Reimbursable Obligation:</u>	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase/ Decrease
Personnel Benefits & Compensation	\$179,423,000	\$207,140,000	\$207,630,000	+\$490,000
Travel & Trans.	2,397,000	2,599,000	2,602,000	+3,000
Trans. Of Things	910,000	1,049,000	1,051,000	+2,000
Comm./Util./Rents	3,006,000	3,832,000	3,847,000	+15,000
Printing & Repro.	102,000	114,000	114,000	0
Other Contractual Services	40,980,000	47,413,000	47,526,000	+113,000
Supplies & Materials	39,546,000	46,208,000	46,325,000	+117,000
Equipment	11,088,000	12,217,000	12,234,000	+17,000
Land & Structures	9,145,000	9,333,000	9,336,000	+3,000
Grants	39,735,000	44,585,000	44,675,000	+90,000
Insur./Indemnities	7,000	8,000	8,000	0
Interest/Dividends	34,000	38,000	38,000	0
Total	\$326,374,000	\$374,536,000	\$375,386,000	+\$850,000

RATIONALE FOR BUDGET REQUEST

MEDICARE/MEDICAID

The FY 1999 and FY 2000 Medicare/Medicaid estimates presented in the FY 1999 Presidents Budget have been revised to incorporate Actual FY 1998 IHS collections and recently approved rate changes for IHS facilities. The new rates were revised for calendar year 1998 and 1999 and were based on a select number of Medicare hospital cost reports developed by IHS and reviewed by HCFA. The FY 2000 President's Budget assumes that the new 1999 rates will continue into FY 2000 and that any future IHS rate adjustments will be made based on the results of further Medicare hospital cost reports.

For FY 1999, the IHS Medicare and Medicaid collections are estimated to total \$334,577,000, a net increase of \$45,650,000 over the FY 1998 actual collections. The FY 1999 net increase includes one-time collections from 1998 rate adjustments.

For FY 2000, the IHS Medicare and Medicaid collections are estimated to total \$375,386,000, a net increase of \$850,000. The net increase includes a small increase of \$850,000 under Medicare and a business management increase of \$12,500,000 under Medicaid. The business management increase is proposed to offset one-time FY 1999 collections from 1998. The proposal enables IHS to maintain Medicaid collections at the FY 1999 level.

To achieve the business management increase, IHS will place the highest priority on improving its business management operation and increasing third party collections. During FY 1999 and FY 2000, a major effort will be expanded to improve each hospital's capability to maximize the identification of patients who are eligible or may become eligible for third party support. A major part of this initiative includes the identification of all children who may be eligible for participation in the Children's Health Insurance Program (CHIP). The IHS will expand its work relationship with HCFA and the State Medicaid Offices to help ensure the success of this effort. Also, other business management initiatives, including staff training and automating State Medicaid billings and collections, should assist IHS in its efforts to increase collections. Through these business management improvement initiatives, the IHS estimates that Medicaid collections, including CHIP, will increase by \$12,500,000 in FY 2000.

The IHS will continue to place the highest priority on maintaining JCAHO accreditation standards for its health facilities. The use of the M/M reimbursements will be in accordance with approved JCAHO/HCFA survey plans of correction and with identified deficiencies. Specific Service Unit plans will be developed to respond to these deficiencies. These include the very large backlog of essential maintenance and repair which affects JCAHO/HCFA standards, including health and safety.

PRIVATE THIRD PARTY COLLECTIONS

In FY 2000, the IHS estimates private insurance collections of \$39,960,000, the same level as FY 1999 and an increase of \$2,511,869 over FY 1998. During FY 1999 and FY 2000, IHS will continue to explore new ways to enhance private insurance billings and collections. Funds collected will be used by the local Service Units to improve services, including the purchase of medical supplies and equipment, and to improve local service unit business management practices.

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health service - Indian Health Service
 Indian Health Service - 75-0390-0-1-551
 Preventive Health

Program Authorization:

Program authorized by 25 U.S.C. 13, Snyder Act and P.L. 83-568, Transfer Act 42 U.S.C. 2001.

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or <u>Decrease</u>
Budget Authority	\$82,770,000	\$87,120,000	\$92,252,000	+\$5,132,000
HIV/AIDS	(\$535)	(\$535)	(\$535)	(\$0)
FTE	345	362	468	+106
HIV/AIDS	(1)	(1)	(1)	(0)

Total Request -- The request of \$92,252,000 and 468 FTE is a net increase of \$5,132,000 and 106 FTE over the FY 1999 Appropriation of \$87,120,000 and 362 FTE. The net increase includes the following:

PUBLIC HEALTH NURSING

Indian Health Service <u>Preventive Health</u>	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or Decrease
<u>Public Health Nursing</u>				
A. Budget Authority	\$28,198,000	\$30,363,000	\$40,363,000	+\$10,000,000
B. FTE	289	303	409	+100
B. Total # of Patients Served	339,000	340,000	440,000	+100,000
D. Total # of Home Visits Provided	119,000	119,000	160,000	+41,000

PURPOSE AND METHOD OF OPERATION

Public Health Nursing (PHN) is the integration of nursing care and public health practice. The goal is primarily health promotion/disease prevention for individuals, families, and communities. PHN is one of the most visible and well known services to the Indian tribes because it is entirely community based. The goal is attained in the IHS through the following:

- Identifying community health needs through continuous assessment and monitoring of existing health problems and health status of community members;
- Planning of health programs to meet identified needs with community input in the implementation of the programs;
- Implementing planned health interventions and programs for patients, families, and communities;
- Evaluating the impact of public health activities and programs on health status.

The PHN role is predominantly one of advocacy, thereby strengthening relationships within the Indian Community and providing the framework for broadly based community efforts. This includes therapy, counseling, education, and referral activities often carried out in conjunction with other members of the health care team, e.g., Community Health Representatives, etc. Other significant PHN activities include coordination and case management activities.

The unique quality of PHN service is that care can be provided in any setting where the patient is accessible. This is especially effective for high risk patients and families (e.g., substance abusing prenatal patients, infectious communicable disease cases, families with dysfunctional life styles, etc.). Settings include homes, schools, jails, bars, community locations, and so forth in addition to the health clinic. The ability to meet the patient in their own environment allows the PHN to fully assess socioeconomic and quality

of life variables that affect health status and facilitates rapport with patients that often distrust the formal health care system.

The PHN program is an integral component of the community health program in the IHS in both the rural and urban settings. Outreach activities include: home visits, well-child examinations, immunizations, prenatal care, health fairs, follow-up education visits for abnormal pap smears, diabetic care, hospital follow-up, women's health, smoking cessation, etc. Referrals for follow-up care in the home remain a traditional PHN activity in the IHS. In 1998, 54 percent of PHN time was devoted to patient services in the home. Of the PHN services, a disproportionate amount (40 percent) were made to children under 5 years (22 percent) and adults over 64 years (18 percent)--two groups that only made up 21 percent of the Indian population (7 percent and 14 percent respectively) according to the 1990 census. Increasingly, the needs of the growing elderly population are consuming more PHN time. Tribal leaders are emphasizing the growing need for home health services and see the PHN as a provider capable of delivering this care. Other important activities include counseling, education, and follow-up of high risk patients with AIDS/HIV, fetal alcohol syndrome, and sexually transmitted diseases. Further, welfare reform, block grants and managed care have increased PHN collaboration with State and tribal agencies to plan appropriate programs to meet the needs of the Indian community.

Approximately 40 percent of PHN programs are operated by tribes and it is anticipated that this number will grow. The IHS Nursing continues to work with tribes and tribal organizations to encourage maximum participation of professional nursing in the planning and operation of PHN services.

PHN services include home visits as well as office counseling sessions, school health clinics, Headstart clinics, immunization clinics, etc. Each PHN provides an average of 1,250 services per year; optimum utilization of a PHN for comprehensive services would be an average of 1,000 services per year. The majority of these services are in the home or community. For the population presently served, PHN staffing and support is presently funded at 40 percent of need.

ACCOMPLISHMENTS

- Increased emphasis on home visits and community outreach.
- Continued emphasis on early and continuous prenatal care.
- Renewed emphasis on women's health with increased efforts by PHN in health screening and surveillance.
- Increased efforts in tuberculosis screening/surveillance and other communicable disease control.
- Increased efforts in elder and HIV/AIDS home-visits.

Performance Measures

The following performance indicators are those indicators from the FY 2000 Annual Performance Plan that are primarily dependent upon the activities funded within this budget line item for achievement. These indicators are sentinel indicators representative of some of the more significant health problems affecting AI/ANs, but by no means representing the full breadth of activities and concerns the IHS, tribal, and urban programs engage in as a comprehensive public health organization.

Indicator 19: Assure that by the end of FY 2000, the total number of public health nursing services (primary and secondary treatment and preventive services) provided to individuals in all settings and the total number of home visits are increased by 15 percent over the FY 1997 workload baselines.

Indicator 2: By the end of FY 2000, increase by 3 percent the proportion of I/T/U clients with diagnosed diabetes who have improved their glycemic control over the FY 1999 level.

Indicator 3: By the end of FY 2000, increase by 3 percent the proportion of I/T/U clients with diagnosed diabetes and hypertension who have achieved blood pressure control standards over the FY 1999 level.

Indicator 4: By the end of FY 2000, increase by 3 percent the proportion of I/T/U clients with diagnosed diabetes who have been assessed for dyslipidemia over the FY 1999 level.

Indicator 5: By the end of FY 2000, increase by 3 percent the proportion of I/T/U clients with diagnosed diabetes who have been assessed for nephropathy over the FY 1999 level.

Indicator 6: By the end of FY 2000, increase the proportion of women who have annual Pap screening to 55 percent.

Indicator 7: By the end of FY2000, assure that at least 30 percent of the AI/AN female population 50-69 years of age have had screening mammography during the previous year.

Indicator 8: By the end of FY 2000, increase by 5 percent the proportion of AI/AN children served by IHS receiving a minimum of four Well Child Visits by 27 months of age, over the FY 1999 baseline.

Indicator 20: During FY 2000, increase by 3 percent the proportion of AI/AN children who have completed all recommended immunizations by the age two over the FY 1999 rate.

Indicator 21: By the end of FY 2000, increase overall pneumococcal and influenza vaccination levels among adults aged 65 years and older to 60 percent.

Indicator 23: By the end of FY 2000, halt the continued increase of obesity in AI/AN children 3-5 years old and/or 8-10 years old, in at least five pilot intervention sites at FY 1999 rate through the effective implementation of the intervention(s) developed in FY 1999.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$23,505,000	300
1996	\$24,150,000	297
1997	\$26,676,000	289
1998	\$28,198,000	289
1999	\$30,363,000	303

RATIONALE FOR BUDGET REQUEST

Total Request -- The request of \$40,363,000 and 409 FTE is an increase of \$10,000,000 and 106 FTE over the FY 1999 Appropriation of \$30,363,000 and 303 FTE. The increase includes the following:

Current Services - Built-in Increases - +\$1,043,000

The request of \$1,043,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing for the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

Phasing-In of Staff for New Facilities - +\$487,000 and +6 FTE

The request of \$487,000 and 6 FTE provides for the phasing-in of staff and related costs for new facilities. The staffing of new facilities also contributes to the recruitment and retention of medical staff and promotes self-determination activities. The following table displays the requested increase.

<u>Facilities:</u>	<u>Dollars</u>	<u>FTE</u>
Lame Deer, MT Health Center	\$263,000	3
Hopi, AZ Health Center	222,000	3
Kotzebue, AK Hospital	2,000	--
Talihina, OK Hospital	---	--
Total	\$487,000	6

Public Health Nursing - +\$8,470,000 and +100 FTE

These funds will create approximately 100 additional public health nurse positions nationwide. This project increase in staff reflects direct salary and benefit costs in addition to supporting services of secretaries, supplies, transportation, and consultation support centers. The projected increase in workload is at least 100,000 additional patient services with at least 15,000 being in the home setting. This increase directly supports performance indicator 19 in the FY 2000 Annual Performance Plan to increase total PHN services by 15 percent.

HEALTH EDUCATION

Indian Health Service <u>Preventive Health</u>	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increas Or Decreases
<u>Health Education</u>				
A. Budget Authority	\$8,932,000	\$9,430,000	\$9,541,000	+\$111,000
B. HIV/AIDS)	(\$535)	(\$535)	(\$535)	(\$0)
C. FTE	43	46	46	0
D. (HIV/AIDS)	(1)	(1)	(1)	(0)
E. Total Health Ed Services Provided	573,000	600,000	610,000	+10,000

PURPOSE AND METHOD OF OPERATION

Program Mission and Responsibilities

The IHS Health Education Program is committed to raising the health status of American Indians and Alaska Native (AI/AN) to the highest possible level. This is accomplished through advocacy leadership and promoting community capacity building that nurtures healthy lifestyles and appropriate use of health services. In addition, the Health Education Program fosters participation of AI/AN communities in developing and managing programs to meet their health needs. The Health Education Program envisions strong, highly functional families that support raising healthy Indian children. The Health Education Program has identified these priorities that encompass the core practices of public health education - community health, school health, employee health promotion, and patient education:

To provide leadership in advocating and developing safe and healthy Indian communities;

To develop and strengthen a standardized, nationwide patient education program;

To enhance capacity of Indian schools (Bureau of Indian Affairs) to respond to threats to health;

To support the IHS Director's Youth Initiative; and

To promote adolescent health and wellness.

To accomplish these goals, partnerships and networking with tribes, schools, communities, educational institutions, public and private foundations, health and education agencies will continue and be enhanced. The IHS will assist our partners to engage in community-based prevention initiatives, such as HIV/AIDS risk behavior, violence prevention, child abuse, physical inactivity, alcohol and substance abuse.

In Fiscal Year 1995, the IHS Health Education Program finalized a national strategic plan. The plan is consistent with the Department and Agency strategic planning objectives. The emphasis of the plan is to improve and strengthen the practice of public health education, and to take an active role in community health planning, as determined by sound epidemiological data and the availability of proven intervention strategies which are driven by community-based needs identified by local communities.

Best Practices/Industry Benchmarks

The IHS Health Education Program has a long history of serving as a benchmark and Federal model of health education services. It is one of the few health education programs nationally that serves such diverse health education needs working with over 550 tribal entities. Most recently, the program has embarked on a model "Patient Education Project" that allows outcome measurements to be obtained for health education services to meet the new JCAHO standards for health/patient education.

Findings Influencing the FY 2000 Request

Based on preliminary analyses of FY 1996 health education workload data, approximately 50 percent of the eligible AI/AN population had access to health education services. Given the known high rates of morbidity and mortality in Indian country, the loss of health education services in the AI/AN population could make the disparity in health status between the AI/AN and the general population to worsen. Thus, this request is directed at restoring lost capacity to provide health education services whether it is direct or tribal health education services.

ACCOMPLISHMENTS

- Worked cooperatively with CDC on the Comprehensive School Health activities for AIDS/HIV education projects. Five competitive grants were awarded to I/T/U's for AIDS/HIV school health activities. (\$150,000 will remain earmarked for AIDS/HIV school health activities in the future).
- The ORBIS "Circle of Life" Health Education School Health Curriculum has been completed and will be printed and distributed to I/T/U's. This is a health education project that has been ongoing for 4 years and is completed.
- The National Patient Education Project has been successfully implemented in four IHS areas. The objective of this project is to standardize patient education for I/T/U's. The ultimate goal is to institutionalize this in all areas over the next two years.
- The Health Education Resource Data Management System (HERMS) has been updated and is being implemented nation-wide. Complete implementation is slated for FY 2000.
- The Health Education Chapter 12 Update has been completed and will be sent to all I/T/U's for comment and completion this fall. The chapter has been revised to reflect the Tribal compacting and contracting activities.

Performance Measures

The following performance indicators are those indicators from the FY 2000 Annual Performance Plan that are primarily dependent upon the activities funded within this budget line item for achievement. These indicators are sentinel indicators representative of some of the more significant health problems affecting AI/ANs, but by no means representing the full breadth of activities and concerns the IHS, tribal, and urban programs engage in as a comprehensive public health organization.

Indicator 6: By the end of FY 2000, increase the proportion of women who have annual Pap screening to 55 percent.

Indicator 7: By the end of FY2000, assure that at least 30 percent of the AI/AN female population 50-69 years of age have had screening mammography during the previous year.

Indicator 8: By the end of FY 2000, increase by 5 percent the proportion of AI/AN children served by IHS receiving a minimum of four Well Child Visits by 27 months of age, over the FY 1999 baseline.

Indicator 20: During FY 2000, increase by 3 percent the proportion of AI/AN children who have completed all recommended immunizations by the age two over the FY 1999 rate.

Indicator 21: By the end of FY 2000, increase overall pneumococcal and influenza vaccination levels among adults aged 65 years and older to 60 percent.

Indicator 23: By the end of FY 2000, halt the continued increase of obesity in AI/AN children 3-5 years old and/or 8-10 years old, in at least five pilot intervention sites at FY 1999 rate through the effective implementation of the intervention(s) developed in FY 1999.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$8,244,000	53
1996	\$8,313,000	49
1997	\$8,632,000	45
1998	\$8,932,000	43
1999	\$9,430,000	46

RATIONALE FOR BUDGET REQUEST

Total Request -- The request of \$9,541,000 and 46 FTE is an net increase of \$111,000 over the FY 1999 Appropriation of \$9,430,000 and 46 FTE. The net increase includes the following:

Current Services - Built-in Increases - +\$111,000

The request of \$111,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing for the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

COMMUNITY HEALTH REPRESENTATIVES (CHR)

Indian Health Service Preventive Health	FY 1998 Actual	FY 1999 Appropriation	FY 2000 Estimate	Increase Or Decrease
<u>Community Health Representative</u>				
A. Budget Authority	\$44,312,000	\$45,960,000	\$40,960,000	-\$5,000,000
B. # of CHR	1,572	1,572	1,415	-157
C. # of Tribally Operated Services Provided	2,200,000	2,200,000	2,000,000	-200,000
D. FTE	13	13	13	-0-

PURPOSE AND METHOD OF OPERATION

Program Mission/Responsibilities

The Community Health Representative (CHR) Program was established to create an effective bridge between the community and direct health care services to improve and increase access to the health care delivery system.

The CHR Program plays an important role in the successful implementation of IHS/Tribal health promotion/disease prevention initiatives. The CHR are well positioned, within their communities, to provide the needed educational and related services that can result in healthier lifestyles among their people. The CHR are considered effective outreach health care providers and have established an efficient network system through which health promotion/disease prevention initiatives can be delivered to the AI/AN people.

ACCOMPLISHMENTS

In FY 1997 the average national cost per CHR service was approximately 13.25 and over 3.0 million client/patient contact services were provided. The services included health education, patient transportation, health promotion/disease prevention activities, and a host of other services.

The decrease in client/patient contact services is due to the increase in the number of Tribes taking their tribal shares through Title I and Title III.

Performance Measures

The following performance indicators are those indicators from the FY 2000 Annual Performance Plan that are primarily dependent upon the activities funded within this budget line item for achievement. These indicators are sentinel indicators representative of some of the more significant health problems affecting AI/ANs, but by no means representing the full breadth of activities and concerns the IHS, tribal, and urban programs engage in as a comprehensive public health organization.

Indicator 6: By the end of FY 2000, increase the proportion of women who have annual Pap screening to 55 percent.

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Indicator 7: By the end of FY2000, assure that at least 30 percent of the AI/AN female population 50-69 years of age have had screening mammography during the previous year.

Indicator 8: By the end of FY 2000, increase by 5 percent the proportion of AI/AN children served by IHS receiving a minimum of four WellChild Visits by 27 months of age, over the FY 1999 baseline.

Indicator 23: By the end of FY 2000, halt the continued increase of obesity in AI/AN children 3-5 years old and/or 8-10 years old, in at least five pilot intervention sites at FY 1999 rate through the effective implementation of the intervention(s) developed in FY 1999.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$43,955,000	0
1996	\$43,955,000	0
1997	\$44,973,000	12
1998	\$44,312,000	13
1999	\$45,960,000	13

RATIONALE FOR BUDGET REQUEST

Total Request -- The request of \$40,960,000 and 13 FTE is a decrease of \$5,000,000 over the FY 1999 Appropriation of \$45,960,000 and 13 FTE. The decrease include the following:

Community Health Representatives - -\$5,000,000

This decrease reflects both limited resources and a shift in emphasis toward more Public Health Nursing (PHN) outreach activities. A \$10 million increase is included for PHN while Community Health Representatives (CHR) are funded at a reduced level.

At the FY 2000 funding level, 1,417 CHR will be available to continue to provide 200,000 services. These services include health education activities, health promotion/disease prevention activities, and patient transportation.

HEPATITIS B AND HEMOPHILUS IMMUNIZATION PROGRAMS (ALASKA)

Indian Health Service Preventive Health	FY 1998 Actual	FY 1999 Appropriation	FY 2000 Estimate	Increase Or Decrease
A.Budget Authority	\$1,328,000	\$1,367,000	\$1,388,000	+\$21,000
B.Services Provided				
IHS Operated:				
# Hepatitis patients given clinical care.*	2,000	2,500	2,900	+500
# Chronic Carriers Surveyed	1,436	1,482	1,492	+10
# Patients Immunized:				
Hepatitis A/B**	6,700	6,900	8,400	+1,500
Hemophilus Influenza (Hib)	850	900	1,000	+100
Evaluate Need for Hepatitis Booster	500	494	994	+500
Doses:				
Infants	1,436	1,482	1,982	+500
Children/Adults				
# Children's	2,400	2,800	3,000	+200
Immunization Records Audited:				
Purchase of vaccine:***				
PedvaxHIB	\$10,000	\$0	\$0	\$0
Hepatitis A (Adult)	\$50,000	\$50,000	\$50,000	\$0
Hepatitis B (Adult)	\$50,000	\$50,000	\$40,000	-\$10,000

*These patients have diagnostic exams and procedures performed by hepatitis program staff at rural field clinics and at Alaska Native Medical Center.

**These figures represent patients immunized in hepatitis A/B studies, and adult vaccination with program-purchased vaccine. Changes in figures represent hepatitis A vaccination of adults with chronic hepatitis C infection.

***These figures represent the purchase of PedvaxHIB in FY 1997 (see narrative below), and a renewed purchase of adult Hepatitis A and B vaccines agreed upon in the Alaska compacting tribes funding agreement with IHS. Hepatitis B vaccine is offered to any susceptible Alaska Native adult. Hepatitis A vaccine is offered to non-immune adults in high-risk groups determined by the Advisory Committee on Immunization Practice (ACIP).

PURPOSE AND METHOD OF OPERATION

The Viral Hepatitis Program (Hepatitis B Program) and the Haemophilus influenzae type b (Hib) Immunization Program are two distinct programs within the Alaska Area Native Health Service (AANHS).

Tribal Contracts:

Bristol Bay Health Corp.	125,000
Yukon Kuskokwim Health Corp.	215,000

IHS-80

Tribal Shares: The 2000 budget is 100 percent tribal shares in the Alaska Tribal Health Compact, and restricted by Annual Funding Agreement to support the activities and personnel described below:

Hib Immunization	277,000
Hepatitis	790,000

TOTAL	1,407,000

Viral Hepatitis Program

The objective of the Viral Hepatitis Program is to deliver comprehensive hepatitis B and A control services to Alaska Natives. The Hepatitis B Program began in 1982 to stop the spread of hepatitis B in Alaska Natives by mass immunization, and to prevent premature death in chronically infected persons by early liver cancer detection. Since 1990 the Program had expanded to include control of hepatitis A infection, detection and control of hepatitis C infection, and identification and research into non-A, B, C, hepatitis infection.

Current activities of the Viral Hepatitis Program include:

- provision of hepatitis B vaccine for susceptible Alaska Native adults, and new Alaska IHS employees,
- continuation of four long-term immunogenicity and efficacy studies to determine when booster hepatitis B vaccine doses are planned,
- surveillance of 1,500 chronic hepatitis B carriers twice-yearly for early liver cancer detection,
- studies on the long-term immunogenicity of hepatitis A vaccine in infants and children and adults,
- hepatitis A vaccination of high risk Alaska Native adults including those with chronic liver disease and injectable drug users.
- provision of hepatitis A vaccine to 2 to 18 year old children using vaccine provided by the State of Alaska,
- development and administration of a statewide tracking system to track persons chronically infected with hepatitis C,
- development of anti-viral strategies for hepatitis C infections, including initiating study on 500 adults chronically infected with hepatitis C to determine natural history and develop preventive and treatment strategies including the use of anti-viral medications,
- collaboration with other agencies to identify additional hepatitis viruses and develop prevention and treatment strategies, and
- provision of hepatitis field clinics in rural areas, and education to health providers and patients,
- studies using new antiviral drugs to treat hepatitis C, and

- development and implementation of a strategy to screen persons at high risk for exposure to hepatitis C who had a history of receiving blood products or have used injectable drugs in the past.

Hib Immunization Program

The objective of the *Haemophilus influenzae* Type B (Hib) Immunization Program is to provide resources, advocacy, training, immunization tracking and coordination of immunization delivery services within the Alaska Area IHS in order to achieve and maintain high levels of on-time immunization, thus eliminating Hib and other vaccine-preventable diseases in Alaska Natives. Before the advent of Hib vaccines in the late 1980s, Alaska Natives had record rates of Hib meningitis, 6 - 10 times those of other U.S. populations, with a preponderance of disease in young infants. The Program was implemented to prevent Hib disease in the highest risk group of infants, infants under 1 year of age, initially with passive immunization, and following licensure of infant Hib vaccines, using Hib conjugate vaccines. In 1992 the strategy of the Hib program was expanded to an emphasis on achieving high on-time immunization levels, at 2, 4, 6, and 12 months of age, in Alaska Natives.

The current strategies utilized by the Hib Immunization Program are:

Assessment. We conduct regular immunization audits with tribal contractors to monitor progress toward achieving immunization goals and identify problems in vaccine delivery; and training regional immunization coordinators to conduct immunization tracking.

Training and Feedback. We provide annual training for regional immunization coordinators; periodic vaccine updates to clinical directors, pharmacists, and health providers; and regular training of Community Health Aides. The Program develops and updates vaccine training materials for Community Health Aides and other health providers, and disseminates national and State training materials.

Computerized Immunization Registry. We served as clinical consultant to revise the current computerized IHS immunization software package. The New IHS Immunization software package was completed in 12/99 and is currently in alpha testing.

Advocacy/Coordination with the State The Program meets regularly with the State Immunization Program to advocate for vaccine policies which optimize disease prevention in Alaska Natives.

Vaccine Promotion. The Program develops vaccine promotional materials and coordinates regional efforts to promote timely vaccination.

Vaccine Purchase. Periodically, the Program purchases vaccines not supplied by the State Immunization Program (eg. MMR for 2nd dose in 1992 - 1996, Influenza to cover short-fall of State vaccine). During 1996 and 1997, after an increase in Hib disease, we purchased PedvaxHIB to replace the State-provided vaccine for the first dose of Hib vaccine in order to provide earlier protection.

RSV Prophylaxis Project Using results from the RSV surveillance study demonstrating the highest reported hospitalization rates for RSV illness in an Alaska Native population, we are collaborating on a study evaluating the

efficacy and cost-effectiveness of using RSV monoclonal antibody to prevent RSV hospitalizations in normal birth-weight infants.

Disease Surveillance and Analysis. The Program reviews and analyzes surveillance data on vaccine-preventable diseases obtained through Arctic Investigations Program (AIP) - CDC and the State. This surveillance enabled us to detect an unusual recurrence of Hib disease after a change in Hib vaccination, prompting us to purchase PedvaxHIB for the first dose to optimize Hib immunity, and conduct studies to evaluate Hib transmission. The sequential Hib vaccine schedule, justified by these studies, resulted in a decrease in annual Hib cases from 8 cases in 1997 to 3 cases in 1998.

ACCOMPLISHMENTS

Viral Hepatitis Program

The Viral Hepatitis Program has been recognized as the national and international leader in the prevention and control of viral hepatitis, and communicable disease experts worldwide are monitoring its performance. Since its beginnings, in 1982, the Viral Hepatitis Program has reached all the high-risk villages in Alaska and has the potential for eradicating hepatitis B. By 1988, the majority of Alaska Natives, if not previously infected, were immunized against hepatitis B. More than 96 percent of Alaska Native newborns receive a dose of hepatitis B vaccine before hospital discharge. The annual incidence of acute symptomatic hepatitis B infection has decreased from 215 per 100,000 prior to 1982, to < 5 per 100,000. A survey conducted in seven villages in the highest risk area for hepatitis B, showed no chronically infected persons under 10 years of age demonstrating a generation of hepatitis B-free children. The 1-year case-fatality rate for primary liver cancer has decreased from 100 percent to 50 percent. In addition, statistically significant improvement in 5 and 10 year survival has been demonstrated for primary liver cancer detected by the screening program compared to the period before the screening program.

Since 1989 the Program has conducted studies on the immunogenicity, safety and efficacy of hepatitis A vaccine in infants and adults and persons with chronic liver disease. In 1993 the program, in collaboration with the State of Alaska and four regional Native health corporations, conducted a project that demonstrated that one dose of hepatitis A vaccine could halt a large outbreak of hepatitis A. The Program is now conducting studies of the effectiveness of hepatitis A vaccine in infants. Other recent accomplishments include initiation of studies on hepatitis B boosting and long-term immunogenicity of hepatitis A vaccines, programs for targeting high risk groups (ie. injecting drug users and female sex workers, and the development of a cancer detection program for persons chronically infected with hepatitis C.

In 1998, the Program responded to the measles outbreak in Anchorage (the largest outbreak in 1998) by using data in the RPMS system to generate 6,000 letters to parents of school-age children notifying them of their child's immunization status. Special measles immunization clinics were held and a measles hot-line was staffed. The Program's prompt response helped to prevent a measles outbreak among the native population in Anchorage.

Hib Immunization Program

Annual regional immunization surveys in 11 Alaska Native regions have documented an increase in 2-year old immunization rates in Alaska Natives from 49-73% in 1990, to 70-99% in 1998 with rates in 7 of 11 programs > 80%. Use

of the sequential Hib vaccine schedule, and completed Hib immunization of >90% of 2-year old children led to a decrease from 8 Hib cases (1997) to 3 Hib cases (1998) in children < 5 years old. Routine hepatitis A vaccination in 2 year olds has been implemented in all Alaska Native regions, with currently low levels of acute hepatitis A infection. The completion of the development of the New IHS Immunization Tracking Package for the computerized Registration and Patient Management System (RPMS) will allow up-to-date forecasting for immunizations in all Alaska Native tribal program, in the State Public Health system, and in other IHS programs throughout the lower 48.

In 1998, results of a 3 year RSV study were accepted for publication. We instituted an RSV prophylaxis program in high risk infants using RSV Monoclonal Antibody, and collaborated in development of a study to evaluate its efficacy and cost-effectiveness in normal birth weight infants. We are conducting studies on the role of early respiratory infections in the development of chronic lung disease. Ongoing surveillance of RSV hospitalizations through collaboration with AIP-CDC form the background for these interventions and studies. In addition, laboratory surveillance demonstrating high rates of pneumococcal disease will help justify the use of a new infant conjugate pneumococcal vaccine in Alaska Natives when this vaccine becomes available in 1999.

Performance Measures

The following performance indicators are those indicators from the FY 1999 Annual Performance Plan that are primarily dependent upon the activities funded within this budget line item for achievement. These indicators are sentinel indicators representative of some of the more significant health problems affecting AI/AN, but by no means representing the full breadth of activities and concerns the IHS, tribal, and urban programs engage in as a comprehensive public health organization.

Indicator 15: Assure overall childhood immunization rates of 80 percent complete and on time for children ages two and three, by the end of FY 1999.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$1,328,000	0
1996	\$1,328,000	0
1997	\$1,328,000	0
1998	\$1,328,000	0
1999	\$1,367,000	0

RATIONALE FOR BUDGET REQUEST

Total Request -- The request of \$1,388,000 is an net increase of \$21,000,000 over the FY 1999 Appropriation of \$1,367,000. The increase includes the following:

Current Services - Built-in Increases - +\$21,000

The request of \$21,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing

for the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Service - 75-0390-0-1-551
URBAN HEALTH PROGRAMS

Program Authorization:

Program authorized by Title V, P.L. 94-437, Indian Health Care Improvement Act, as amended.

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or Decrease
Budget Authority	\$25,288,000	\$26,382,000	\$29,382,000	+\$3,000,000
(HIV/AIDS)	(\$724,000)	(\$748,000)	(\$748,000)	(\$0)
FTE	5	5	5	0

Program Output Data:

Services Provided:

Medical	262,500	263,000	265,000	+2,000
Dental	53,400	54,000	55,000	+1,000
Outreach/Community Services	218,600	219,000	221,000	+2,000
Other	184,500	185,000	186,000	+1,000
Total	719,000	721,000	727,000	+6,000

PURPOSE AND METHOD OF OPERATION

The IHS Urban Indian Health Program supports contracts and grants to 34 urban health programs funded under Title V of the Indian Health Care Improvement Act. Approximately 100,000 American Indians use 23 Title V Urban Indian health programs and are not able to access hospitals, health clinics, or contract health services administered by IHS and tribal health programs because they either do not meet IHS eligibility criteria or reside outside of IHS and tribal service areas. Another 49,000 AI/AN use 11 Title V programs in cities that are located in IHS or tribal service delivery areas.

Recent studies on the urban AI/AN population documented poor health and revealed that the lack of adequate health care was a serious problem for most families. Since 1972, the IHS has gradually increased its support for health related activities in off-reservation settings aimed at assisting AI/AN populations to gain access to available health services, and also to develop direct health services when necessary.

In its 1992 amendments to the Indian Health Care Improvement Act, the Congress specifically declared the policy of the Nation "in fulfillment of its special responsibilities and legal obligations to the American

Indian people to assure the highest possible health status for Indians and urban Indians and to provide all resources necessary to affect that policy."

The IHS addresses this responsibility by funding 34 urban Indian health organizations operating at 41 sites located in cities throughout the United States. Primary care clinics and outreach programs provide culturally acceptable, accessible, affordable, accountable, and available health services to an underserved urban off-reservation population.

The 34 programs engage in a variety of activities, ranging from the provision of outreach and referral services to the delivery of comprehensive ambulatory health care. Services currently include medical services, dental services, community services, alcohol and drug abuse prevention, education and treatment, AIDS and sexually transmitted disease education and prevention services, mental health services, nutrition education and counseling services, pharmacy services, health education, optometry services, social services, and home health care. Fourteen of the programs are designated as Federally Qualified Health Centers (FQHC) and provide services to Indians and non-Indians.

Ambulatory medical care services are provided throughout the off-reservation Indian health programs, including: pre-and postnatal care; women's health; immunizations for both children and adults; pediatrics; chronic disease (geriatric health and diabetes) clinics; adult health; maintenance; acute medical care, infectious disease treatment and control (tuberculosis, sexually transmitted disease); and referral to specialized providers when needed.

Dental care services are provided by many programs, including direct patient care - preventive and restorative. Dental education and screening for both children and adults are provided in both the clinic and community settings. When needed, referrals are made to specialists for orthodontics, periodontics, selected restorative procedures, and oral surgery.

Community outreach services are provided throughout the urban off-reservation health programs, including: patient and community education; patient advocacy; outreach and referral; and transportation. The outreach worker serves an important function as a liaison between the off-reservation health program and the community, and works to make health services more available and accessible to those community members who need them.

Alcohol and substance abuse prevention, education, treatment, and rehabilitation services are provided through program and community based services. Included as prevention and education programs are as follows: community education conferences, seminars, and workshops targeting adolescents; identification of high-risk clients in the clinic and community; and appropriate referral for those at risk. Included in the treatment and rehabilitation programs are assessments for alcohol and drug abuse, appropriate intervention, outpatient and treatment programs, and aftercare and follow-up services.

Alcohol treatment services are provided at 10 off-reservation Indian sites that were originally funded by the National Institute of Alcohol Abuse and Alcoholism. Funds were transferred into the Urban Indian

Health Program in FY 1993 to continue these Urban treatment centers under Title V of the Indian Health Care Improvement Act. At least 28 additional NIAAA programs are in the process of being transferred.

AIDS and sexually transmitted disease (STD) information is provided at conferences, seminars, workshops, and community meetings at all of the IHS Title V funded off-reservation Indian health programs. These education and prevention services include culturally sensitive information provided to a variety of audiences through the use of posters, pamphlets, presentations, and community education. Additional AIDS services include HIV testing, pre- and post-test counseling, family support groups, and referral for additional treatment for AIDS if needed.

Mental health and social services include individual family and group counseling and support groups to address the problems of abuse, self-esteem, depression, and other emotional problems and conditions.

Additional services available at various off-reservation Indian health programs include primary and secondary prevention activities, i.e., diabetes, maternal and child health, women's health, men's health, nutrition education and counseling for prenatal care and chronic health conditions, social services, community health nursing and home health care, and other health promotion and disease prevention activities.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$23,349,000	7
1996	\$23,768,000	9
1997	\$24,768,000	5
1998	\$25,288,000	5
1999	\$26,382,000	5

RATIONALE FOR BUDGET REQUEST

TOTAL REQUEST -- The request of \$29,382,000 and 5 FTE is an increase of \$3,000,000 over the FY 1999 Appropriation of \$26,382,000 and 5 FTE. The increase includes the following:

Current Services - Built-in Increases - +\$63,000

The request of \$63,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing for the FY 2000 pay raise and within grade increases.

Urban Health - +\$2,937,000

Of the requested amount, \$2 million will be used to update and enhance the existing urban Indian health program data system to ensure the availability of more complete data on patients and services provided at urban programs and to enable coordination of services between urban and IHS and tribal programs. Specifically, the funds would be used for:

- Urban data system assessment, development, analysis, and training which will include analysis of existing data information systems and

needs, development of a multi-functional system, software and hardware purchases to develop and upgrade systems, and the training of staff.

- Start up of urban epidemiological data development through assessment of information available, and
- Analysis of available urban epidemiologic information.

The remaining \$937,000 will be allocated to the existing programs on a proportional basis to maintain access to services.

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Services - 75-0390-0-1-551
 INDIAN HEALTH PROFESSIONS

Program Authorization:

Program is authorized by Public Law (P.L.) 94-437, the Indian Health Care Improvement Act (IHCIA), as amended, Title I, Indian Health Manpower.

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase OR <u>Decrease</u>
Budget Authority	\$28,720,000	\$29,623,000	\$29,700,000	+\$77,000
FTE	15	15	15	-0-

PURPOSE AND METHOD OF OPERATION

The Indian Health Care Improvement Act (IHCIA), Public Law (P.L.) 94-437, as amended, cites as national policy the elevation of the health status of American Indians and Alaska Natives (AI/AN) to the highest possible level. A critical element of this policy is Title I, Indian Health Professions. Title I and Title II provides three interdependent objectives: (1) enable AI/AN to enter the health care professions through a carefully designed system of preparatory, professional, and continuing educational assistance programs; (2) serve as a catalyst to the development of Indian communities by providing educational opportunities and enabling AI/AN health care professionals to further Indian self-determination in the delivery of health care; and (3) develop and maintain American Indian psychology career recruitment programs as a means of encouraging Indians to enter the mental health field. The IHS has implemented sections 102, 103, 104, 105, 108, 110, 112, 114, 120, and 217 of the IHCIA as funding has been appropriated. The Indian Health Professions sections of Title I and Section 217 (Title II) of the IHCIA provide authorizations to support scholarship recipients; loan repayment; temporary employment during nonacademic periods; tribal recruitment and retention and matching scholarship programs; and health professions recruitment programs, including programs that recruit for medicine, nursing, and psychology. The training of AI/AN people serves as a catalyst to the development of Indian communities, with the resultant increase in the general health status of AI/AN people.

The IHS is experiencing critical shortages of physicians, nurses, dentists, pharmacists, and optometrists and a growing concern in other professions essential to staffing the Indian health program, e.g., laboratorians, x-ray personnel, mid-level providers, mental health professionals, etc. The IHS has been able to compete in the open health professions market by using a complex system of special pays, bonuses and allowances. The scholarship and loan repayment programs are critical components of this effort, as well. The latter offers health professionals a substantial benefit, the repayment of professional loans, in exchange for their professional

skills serving in the IHS, with a tribal program funded under P.L. 93-638 (the Indian Self Determination Act), in an Urban Program funded under Title V of P.L. 94-437, or in a "Buy Indian" Act (25 U.S.C. 47) contracted health program.

The Indian Health Professions recruitment and retention activities continue to be essential to enabling the IHS to effectively staff and manage its comprehensive health care delivery system. Competition for health care professionals will continue to increase in FY 2000, with vacancy rates and turnover rates expected to increase. This will place an ever increasing burden on the IHS Indian Health Professions recruitment and retention programs.

Section 102 authorizes grants to public or nonprofit private health or educational entities, Indian tribes, or tribal organizations to identify and recruit AI/AN into the health professions. This is made possible by assisting with enrollment into health profession schools and providing information and assistance with financial aid available to AI/AN. The grantees provide nurturing and cultural support for AI/AN students as they move from reservation settings to the world of academia. In FY 1998, awards were made to the Lac Courte Oreilles Tribe, the Eastern Band of Cherokee, South Central Foundation of Alaska, and Northwest Portland Area Indian Health Board.

During FY 1998, the programs funded under the authority of Section 102 provided career information and counseling to more than 1,500 AI/AN students. These programs also provided scholarship and career information to more than 80 percent of their new applicants for other programs in public health as well as expanding their recruitment roles to include all health professions. The students recruited by these consortiums and tribes are AI/AN individuals who have expressed interest in returning to their Indian communities to practice their health profession.

Section 103 authorizes two scholarship programs, the Health Professions Preparatory Compensatory Preprofessional Scholarship and the Health Professions Preparatory Pregraduate Scholarship. The Health Professions Preparatory Compensatory Preprofessional Scholarship provides funding to AI/AN students for up to 2 years, for preprofessional education leading to enrollment in a health professions curriculum, and support for compensatory education required for acceptance into a health professions curriculum.

The Health Professions Preparatory Pregraduate scholarship authorized under Section 103 provides funding for up to 4 years to AI/AN students who are in premedicine or predentistry.

Section 104 authorizes scholarships to AI/AN students who are enrolled or accepted for matriculation in the health professions, leading to graduation and service in the IHS and other Indian Health Programs.

Scholarships supported from this program require the recipient to work from the health profession curriculum for which funding was received. Upon graduation in the health professions curriculum, these students are obligated on a year-for-year basis for a minimum of two years and maximum of four years, to provide professional services to AI/AN people by working in the IHS, tribal health programs funded under P.L. 93-638

(the Indian Self Determination Act). Urban programs funded under Title V of P.L. 94-437, or in private practice in a health professions shortage area serving a substantial number of Indians as determined by the Secretary, DHHS.

Section 105 authorizes the IHS Extern Program. This program provides Health Professions Scholarship recipients and other health and allied health profession students the opportunity to gain practical experience during non-academic periods of the school year by working in the IHS. The Extern Program provides for one round trip to the work site from school and provides the funding for the individual's salary while they are in the externship. All Section 104 scholarship recipients are entitled to an externship during any non-academic period of the year. Other students are eligible to participate in the Extern program during any non-academic period provided funds are available after the Health Professions students are funded. As many as 240 externs have participated in the program in any given fiscal year.

Section 108 authorizes the repayment of loans incurred by health professionals in exchange for a minimum service obligation of 2 years in the IHS, tribal programs funded under P.L. 93-638 or Buy Indian contractors funded pursuant to 25 U.S.C. 47, or Title V (P.L. 94-437) urban Indian programs. In FY 1998, 250 contracts were awarded to participants in the IHS Loan Repayment Program.

Section 110 authorizes the IHS to fund on a competitive basis Indian tribes and tribal and Indian organizations to recruit, place, and retain health professionals to meet the staffing needs of Indian health programs: IHS, tribal programs funded under P.L. 93-638 or Buy Indian contractors funded pursuant to 25 U.S.C. 47, or Title V (P.L. 94-437) urban Indian programs. In FY 1996, Section 110 grants were made to the Sisseton-Wahpeton Sioux Tribe; the Southeast Alaska Regional Health Consortium; the Northwest Portland Area Indian Health Board; the Five Sandoval Indian Pueblos, Incorporated; the Consolidated Tribal Health at Ukiah, California; the Fort Mohave Tribe; and the Lac Courte Oreilles Tribe. The next awards will be made in FY 1999.

Section 112 authorizes the IHS to provide competitive grants to public or private schools of nursing, tribally controlled community colleges and tribally controlled postsecondary vocational institutions (as defined in Section 390(2) of the Tribally Controlled Vocational Institutions Support Act of 1990 (20 U.S.C. 2397(h)(2)), and nurse midwife programs, and nurse practitioner programs that are provided by any public or private institutions. In FY 1998, awards were made to the University of Arizona, the Salish Kootenai College, the University of North Dakota at Grand Forks, the University of Wisconsin at Eau Claire, Oglala Lakota College, the University of Oklahoma, Sisseton-Wahpeton College, and the University of South Florida.

Section 114 authorizes IHS to provide competitive grants to colleges and universities for the purpose of maintaining and expanding Native American health careers programs known as the Indians into Medicine Program (INMED). The IHS in FY 1998 funded INMED programs at the University of North Dakota at Grand Forks and the University of Minnesota at Duluth. The University of Minnesota grant will expire in FY 2001 and be recompeteted.

Section 120 authorizes up to 5 percent of funds from Section 104 to be used for competitive grants to tribes and tribal organizations to assist them in educating Indians to serve as health professionals in Indian communities. In FY 1998, Section 120 grants were made to the Eastern Band of Cherokee, the Colville Confederated Tribes, the Northern Cheyenne Tribe and the Chippewa Cree Tribe. These grants will be recompleted in 1999.

Section 217 authorizes the IHS to provide competitive grants to colleges and universities for the purpose of developing and maintaining American Indian psychology career recruitment programs as a means of encouraging AI/AN to enter the mental health field. In FY 1996, the University of North Dakota American Indians into Psychology Program was named in the authority and awarded a grant. Additional funds have been appropriated in the amount of \$600,000 for FY 1998. Of this amount, the Congress earmarked \$200,000 for the University of Montana and through the competitive grant process Oklahoma State University was awarded a grant.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$23,349,000	43
1996	\$23,768,000	33
1997	\$28,270,000	50
1998	\$28,293,000	15
1999	\$29,623,000	15

RATIONALE FOR BUDGET REQUEST

TOTAL REQUEST -- The request of \$29,700,000 and 15 FTE is an increase of \$77,000,000 over the FY 1999 Appropriation of \$29,623,000 and 15 FTE.

Current Services - Built-in Increases - +\$77,000,000

The request of \$77,000,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing the FY 2000 pay raise and within grade increases.

Scholarship and Loan Repayment Recovery Fund

Section 108A provides for the establishment in the Treasury Department a fund to be known as the Indian Health Scholarship and Loan Repayment Recovery Fund herein know as the "Fund". For each fiscal year, there is authorized to be appropriated to the Fund an amount equal to the sum of the amount collected from the liability of individuals who have breached their Scholarship Program/Loan Repayment Program contracts. A report from the Health Resources and Services Administration/Debt Management Branch for fiscal year 1997 reflects that it collected \$166,533. Information reporting fiscal year 1998 collections was not available.

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Services - 75-0390-0-1-551
TRIBAL MANAGEMENT

Program Authorization:

Program authorized by Indian Self Determination and Education Assistance Act, P. L. 93-638, as amended, Sections 103(b)(2) and 103(e) P. L. 100-472, P. L. 100-472 and P. L. 103-413.

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or Decrease
Budget Authority	\$2,348,000	\$2,390,000	\$2,390,000	\$0

PURPOSE AND METHOD OF OPERATION

Public Law 93-638, the Indian Self-Determination Act of 1976, authorized funding to develop the capacity of tribes to manage health care programs. In October 1988, congress passed P.L. 100-472, the Indian Self-Determination Act Amendments to facilitate and simplify the process by which tribes and tribal organizations may assume management responsibility of IHS programs. In October 1994, congress passed P.L. 103-413, Indian Self-Determination Act Amendments, reaffirming maximum participation of Indian Tribes in programs, services, functions, and activities conducted by the Federal Government for Indians. The Amendments set forth a non-contracting "model agreement" to encourage and support the right of Indian Tribes to control and operate their own health programs.

Since FY 1988, these funds have been distributed through the Tribal Management Program for American Indians and Alaska Natives. This national grant program competitively awards tribal management funds to tribes and tribal organization for a variety of purposes such as strengthening weaknesses in tribal management systems, developing effective health strategies for tribal governments, designing and conducting training and development its citizens for program planning and evaluation activities to assist tribes in making informed decisions on whether to contract to administer health programs, and for tribal staff.

ACCOMPLISHMENTS

Over the last 25 years, tribal operation of health programs have steadily increased and now represent over \$600 million of the IHS budget. In FY 1988, fifty tribes and tribal organizations received tribal management grants; since then, the IHS has steadily increased participation in the grant program to an additional 233 tribes and 63

Alaska Native villages. In FY 1996, 35 percent of the IHS service budget was operated by Indian tribes. The enactment of P. L. 103-413, the Indian Self Determination Act Amendments of 1994 offers tribes and tribal organizations attractive new opportunities in the assumption of the IHS programs. In FY 1998, 28 new grants and 2 completing continuation grants were awarded to tribes and tribal organizations.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>
1995	\$5,358,000
1996	\$2,348,000
1997	\$2,348,000
1998	\$2,348,000
1999	\$2,390,000

RATIONALE FOR BUDGET REQUEST

TOTAL REQUEST -- The request of \$2,390,000 is the same as the FY 1999 Appropriation of \$2,390,000.

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Services - 75-0390-0-1-551
DIRECT OPERATION

Program Authorization:

Program authorized by U.S.C. 13, Snyder Act, and P.L. 83-568, Transfer Acts, 42 U.S.C. 2001.

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or Decrease
Budget Authority	\$47,386,000	\$49,309,000	\$50,600,000	+\$1,291,000
FTE	434	434	434	0

PURPOSE AND METHOD OF OPERATION

Management and administrative support constitute a critical element in the delivery of health care to AI/AN. No unit of health service is delivered without substantial administrative support from different disciplines, i.e., finance, procurement, supply management, personnel, equipment, training, etc.

The many unusual circumstances relating to the direct delivery of health services to AI/AN require the adoption of special management principles and accompanying organizational structure. Recently, the IHS has expanded its tribal consultation activities with additional contracting and compacting with tribes. This requires an additional dimension of management expertise not ordinarily encountered in the management of Federal programs. An understanding of the way that the IHS provides a vast array of services to the diverse and dispersed AI/AN populations is important in order to understand the management, oversight, and tribal consultation requirements and their direct influence on budget formulation and execution activities.

In response to these requirements, the IHS has structured its organization, delegated the necessary authorities and assigned the appropriate management responsibilities in three levels: (1) national (Headquarters); (2) regional (Area Office); and (3) local (Service Unit or facility). This structure allows effective programmatic oversight, local management, and tribal consultation while capitalizing on the economies of scale made possible by collaborative or aggregate activities. The functions of each level are unique and complementary to assure an uninterrupted execution of management.

Headquarters

The Headquarters provides essential integration at the national level, assuring consistency of policy and practice across the many diverse

locations served by IHS. For example, without this integration, it would be impossible to address the issue of equity and ensure the integrity at a

national comprehensive healthcare delivery system. Headquarters carries out national functions, including the responsibilities of a Federal Agency such as establishment and implementation of program and administrative policy, strategic and operational planning, budget formulation and execution, administrative control of funds, Federal Managers Financial Integrity Act (FMFIA), procurement, facilities construction planning, and many related functions in compliance with applicable laws and regulations. Headquarters staff advise the Director on programmatic and administrative needs, barriers, and weaknesses and prepare responses to the many and diverse requests placed upon the agency. Headquarters personnel also monitor, coordinate, and evaluate Area and local activities and programs to ensure conformance with congressional and other directives. They manage certain Nation wide support functions such as catastrophic health emergency fund and the scholarship and loan repayment programs. Additionally, Headquarters personnel provide information and reports to the Congress and the Executive Branch, technical assistance to tribes and Areas, and act in an advocacy role with other Federal agencies, professional associations, and other entities that may contribute to fulfilling the IHS mission.

Area Offices

Area Offices are responsible for carrying out a dual function: to participate in and establish goals and objectives implementing IHS policies, and determine action of priorities within the framework of IHS policy. As such, Area Offices coordinate their respective activities and resources internally and externally with those of other governmental and non-governmental programs to promote optimum utilization of all available health resources. The full burden of negotiating, consulting, and participating with the approximately 500 sovereign Indian nations rests primarily with the Area Offices which must advocate for the Indian nations while remaining agents of the federal government; and (2) Ensure the delivery of quality health care through their respective service units and participate in the development and demonstration of alternative means and techniques of health services management and delivery to provide Indian tribes and other Indian community groups with optimal ways of participating in Indian health programs. As an integral part of this dual function, the Area Offices are principally responsible for assuring the development of individual and tribal capabilities to participate in the operation of the IHS program as deemed appropriate by the tribes.

ACCOMPLISHMENTS

Self Governance Negotiations

In FY 1993 and 1994, the Indian Health Service implemented a demonstration program in Tribal Self-Governance. An Office of Self-Governance was established to manage IHS-wide negotiations with tribes to establish annual funding agreements and compacts. New policies and definitions of federal and tribal operations are evolving and a complex set of financial allocations have been required to provide negotiated funding levels. Currently, 42 Compacts and 59 Annual Funding Agreements are in place for FY 1999. This effort will continue in FY 2000.

Indian Health Design Team (IHDT)

The Director, IHS, has accepted the recommendation of the IHDT and, as a result, IHS headquarters has been reorganized into 3 major offices: Office of the Director, Office of Health Programs, and Office of Management Support. This streamlining effect will make IHS headquarters operations more efficient and provide a greater focus on advocacy, policy development and health leadership.

IHS Business Plan

Concurrent with organizational changes, the IHS is shifting to a more corporate-oriented way of conducting business. IHS has developed, together with Indian leaders, a business plan to adopt more business-like planning and practices in key segments of IHS operations. There are 4 key parts to the plan: ways to increase revenues through third party collections; ways to control cost increases and maintain financial solvency; ways to manage increasing transfers of IHS components and resources to tribes; and ways to bring other business-like approaches to internal management and operations. The plan ranks the necessary changes in priority order and identifies a time-table to accomplish recommended changes over a 2-3 year period.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$49,709,000	633
1996	\$47,709,000	510
1997	\$48,709,000	465
1998	\$47,386,000	434
1999	\$49,309,000	434

RATIONALE FOR BUDGET REQUEST

TOTAL REQUEST -- The request of \$50,600,000 and 434 FTE is an increase of \$1,291,000 over the FY 1999 Appropriation of \$49,309,000 and 434 FTE.

Current Services - Built-in Increases - +\$1,291,000

The request of \$1,291,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing the FY 2000 pay raise, within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Services - 75-0390-0-1-551
SELF GOVERNANCE

Program Authorization:

Program Authorized by Title III, Self-Governance Demonstration Program, P.L. 93-638, Indian Self Determination Act, as amended.

	FY 1998	FY 1999	FY 2000	Increase Or Decrease
	<u>Actual</u>	<u>Appropriation</u>	<u>Estimate</u>	
Budget Authority	\$9,106,000	\$9,391,000	\$9,391,000	\$0
FTE	7	7	7	0

PURPOSE AND METHOD OF OPERATION

In FY 1992, IHS was instructed by Congress to initiate planning activities with tribal governments with approved Department of Interior self-governance compacts for the development of a Self-Governance Demonstration Project as authorized by P.L. 100-472. Through enactment of P.L. 102-573, the Indian Health Care Amendments of 1992, authority to fund the tribal self-governance demonstration projects (SGDP) was extended to IHS and the Office of Self-Governance was established. Since 1993, the IHS, in conjunction with Tribal representatives, has been engaged in a process to develop methodologies for identification of Tribal shares for all Tribes. Tribal shares are those funds historically held at the Headquarters and Area organizational levels of the IHS but to which the Tribes have rightful access under Self-Governance. In FY 1994, Congress funded shortfalls in compact funding since, in some cases, there cannot be a direct transfer of funds from IHS to the tribes in support of self-governance compacts without jeopardizing the support provided by IHS to other tribes. The purpose of shortfall funding and identification of tribal shares is to assure that funding of self-governance compacts does not adversely impact tribes who are not participating in self-governance. In FY 1999 approximately \$509 million was transferred to support 42 compacts. In FY 2000, approximately \$564 million will be transferred to support 57 compacts.

ACCOMPLISHMENTS

Tribes participating in the Self-Governance Demonstration Project (SGDP) report that the project has had a significant positive impact on the health and well being of their constituents. The SGDP puts the administration and management of the health programs in the hands of tribal governments and provides them the flexibility to tailor their health programs to meet the diverse and unique needs of their constituents. Significant improvements have been made in the administration of Tribal health programs and in the quality, quantity and accessibility of services provided the service population. Thus federal funds are more effectively and efficiently used in addressing the local health needs of American Indians and Alaska Natives. The SGDP also promotes improved program and fiscal accountability in that

tribal governments and health administrators are held directly accountable by and to their service population. A study conducted by the National Indian Health Board confirmed the significant positive impact that Self-Governance has had on Tribal health programs and their constituents.

The following are examples of the SGDP's positive impact enjoyed by self-governance tribes. It is not an all-inclusive list but rather an example of what can be accomplished through the SGDP.

- Through the implementation of an aggressive dental health/hygiene education and treatment program, a tribe was able to reduce the incidence of molar sealants in children to 42 percent. This is lower than the National Year 2000 goal of 50 percent.
- By establishing working agreements with state public health programs and other community resources, a Tribe was able to implement an effective immunization effort that has resulted in a 98 percent immunization rate in their two-year old children.
- A Tribe now provides 24 hour translator service in its hospital for the predominant native language of the area. The Tribe also maintains a record of employees who are fluent in other languages of the area so that they may be called upon to translate as needed.
- The Tribal health program participates in community festivals and events so as to provide effective health education information and promote healthy life styles consistent with the local culture and mores.
- A Corporation has developed and implemented disaster preparedness plans and activities to deal mainly with the elderly, injured, or sick individuals in the remote areas of their service area. This is especially important as that area averages over 200 evacuations per year.
- A community-based counseling service has been developed to provide help to abused children, children with behavioral health problems, families in crises, adults and adolescents with substance abuse and/or mental health problems and the chronically, mentally ill.
- An Itinerant Community Health Aid Program has been implemented to provide a wide range of health services to remote areas of the service area.
- A tribe has implemented a program to help pay transportation costs for elders who cannot afford to travel to urban areas for required treatment.
- Funds have been provided to support traditional healers in working with their communities to determine the community-specific health needs.
- Scholarships and Native Development Internships have been established to encourage and support tribal students to pursue study in health career fields.

- The scope of a Tribal health program was strengthened and expanded to address a wider area of the population's needs: Women's health efforts have been improved. Injury prevention initiatives have been implemented, (e.g., appropriate car seats are loaned to new parents, and carbon monoxide test kits are provided to the community). Overall health is promoted through the sponsorship of activities such as a bi-annual fun run, a walking club and an exercise room.
- The quality of health care and health services provided by Tribal governments has been recognized by other Agencies and professional organizations. For example, the Mississippi Band of Choctaw Indians Health Center's Radiology Department has been awarded the Nashville Area Radiology Technologist of the Year Award for the second year in a row. In addition, their Health Center's Women's Wellness Center and Choctaw Community Integrated Service System has been recognized by the Department of Health And Human Services, Maternal and Children's Health Bureau, as a "Model" for State Health Departments nationwide.
- A SGDP Tribe developed goals for its health program and met them in the following manner:
 - **To Increase The Accessibility Of Health Services**
 - Podiatry surgeries were implemented in the Tribal hospital and foot clinics were conducted in remote areas of the service area.
 - Orthopedics surgeries and cardiac stress testing were added to the services in the Tribal hospital.
 - Sonograms have increased from 250 per month in 1994 to 900 per month in FY 1996 due to the purchase of two state-of-the-art ultrasound machines and the employment of two RDMS registered sonographers.
 - Physical therapy services were implemented after compacting. Also, public health nursing services have been expanded to include two new immunization clinics which provided over four hundred (400) flu shots.
 - Dental protocols were modified to provide for the treatment of additional ten (10) children and ten (10) adults per month.
 - **To Improve The Quality Of Health Services Through formal Affiliations With Different Teaching Institutions**
 - The pharmacy department continues to work with two university schools of pharmacy as preceptors for pharmacy students.
 - The audiology department has developed an agreement with a university to provide clinical experiences for AUD student interns.

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- A member of the dental staff is presently an instructor at the state university.
- The dental department provides training to the dental assistant students enrolled in a local Vo-Tech dental assistant program.
- Students from an area university school of dental hygiene receive training in the dental department.
- **To Improve Health Status Through Patient Awareness And The Promotion Of Wellness**
 - The Tribe implemented a Diabetic Summer Camp.
 - A Wellness program was created to encourage and educate the patient population as to the benefits of exercise. Over three hundred members are enrolled in the program. In addition, aerobics, toning and conditioning classes are offered as well as line dancing and chair aerobic classes at the seven senior citizens sites throughout the service area.
- **To Achieve Joint Commission For Accreditation For Healthcare Organizations (JCAHO) Accreditation For All Facilities.**
 - All of the Tribe's facilities are JCAHO accredited.
- A "Women's Health Day" was presented by a SGDP Tribe to provide information regarding women's cancer and how to improve their overall health. Screening was also made available to all women.
- A staff in-service training program was developed to teach all employees about successful methods for assisting Indian people to quit smoking. A weekly stop smoking support group was organized to support this effort.
- A SGDP Tribe combined a number of funding sources including donations from two drug companies to advertise and host a diabetes education workshop. Information presented included American Indian traditional healing and its ties to western diabetes treatment, nutrition education by a local hospital dietitian, general prevention and treatment by an endocrinologist and foot care information was presented by a podiatrist.
- A SGDP Tribe implemented health promotion programs such as water walking exercise for elders, massage therapy for elders, teen family planning education and a children's walking program.

FY 1999 IHS Self-Governance Compacts		FY 1999 Compact Amounts				
Compacts by State		IHS Services	IHS Facilities	Contract Support Costs Direct	Contract Support Costs Indirect	Total
Alaska		\$221,104,000	\$7,938,000	\$10,485,000	\$31,981,000	\$271,508,000
Alaska Native Tribal Health Consortium		\$51,602,000	\$5,917,000	\$0	\$25,000	\$57,544,000
Aleutian/Pribilof Islands Association, Inc.		\$1,664,000	\$13,000	\$183,000	\$479,000	\$2,339,000
Aretic Slope Native Association		\$2,367,000	\$29,000	\$0	\$0	\$5,396,000
Bristol Bay Area Health Corporation		\$14,925,000	\$241,000	\$1,479,000	\$2,849,000	\$19,494,000
Chugachmuit		\$2,649,000	\$15,000	\$185,000	\$934,000	\$3,783,000
Copper River Native Association		\$1,385,000	\$5,000	\$151,000	\$418,000	\$1,959,000
Eastern Aleutian Tribes, Inc.		\$1,049,000	\$6,000	\$0	\$209,000	\$1,264,000
Ketchikan Indian Corporation		\$4,230,000	\$16,000	\$361,000	\$557,000	\$3,854,000
Kodiak Area Native Association		\$4,239,000	\$25,000	\$292,000	\$1,161,000	\$5,717,000
Manitlaq Association		\$18,204,000	\$166,000	\$1,003,000	\$2,971,000	\$22,296,000
Metlakatla Indian Community		\$1,900,000	\$15,000	\$84,000	\$358,000	\$2,357,000
Native Village of Eklutna		\$112,000	\$1,000	\$4,000	\$20,000	\$137,000
Norton Sound Health Corporation		\$13,679,000	\$155,000	\$1,263,000	\$3,359,000	\$18,456,000
Seldovia Village Tribe		\$615,000	\$1,000	\$16,000	\$186,000	\$818,000
Southcentral Foundation		\$29,057,000	\$154,000	\$354,000	\$1,150,000	\$30,715,000
Southeast Alaska Regional Health Corporation		\$25,030,000	\$323,000	\$2,104,000	\$4,892,000	\$32,349,000
Tanana Chiefs Conference		\$18,822,000	\$358,000	\$1,072,000	\$2,469,000	\$22,721,000
Yukon-Kuskokwim Health Corporation		\$27,885,000	\$498,000	\$1,932,000	\$9,994,000	\$40,309,000
Alabama		\$2,365,000	\$103,000	\$83,000	\$470,000	\$3,021,000
Porch Band of Creek Indians		\$2,365,000	\$103,000	\$83,000	\$470,000	\$3,021,000
California		\$7,857,000	\$243,000	\$564,000	\$2,330,000	\$10,994,000
Hoopa Valley Tribe		\$3,034,000	\$126,000	\$180,000	\$727,000	\$4,067,000
Keruk Tribe of California		\$1,389,000	\$18,000	\$64,000	\$577,000	\$2,048,000
Reeding Rancheria		\$3,434,000	\$99,000	\$320,000	\$1,026,000	\$4,879,000
Idaho		\$3,037,000	\$166,000	\$437,000	\$718,000	\$4,358,000
Coeur D'Alene Tribe		\$3,037,000	\$166,000	\$437,000	\$718,000	\$4,358,000
Louisiana		\$721,000	\$64,000	\$33,000	\$111,000	\$929,000
Chitimacha Tribe of Louisiana		\$721,000	\$64,000	\$33,000	\$111,000	\$929,000

FY 1999 IHS Self-Governance Compacts					
FY 1999 Compact Amounts					
Compacts by State	IHS Services	IHS Facilities	Contract Support Costs		Total
			Direct	Indirect	
Maine	\$2,076,000	\$96,000	\$90,000	\$422,000	\$2,684,000
Penobscot Indian Nation	\$2,076,000	\$96,000	\$90,000	\$422,000	\$2,684,000
Michigan	\$7,669,000	\$682,000	\$577,000	\$1,193,000	\$10,121,000
Grand Traverse Band of Ottawa	\$1,496,000	\$238,000	\$44,000	\$296,000	\$2,074,000
Sault Ste. Marie Tribe	\$6,173,000	\$444,000	\$533,000	\$897,000	\$8,047,000
Minnesota	\$7,067,000	\$543,000	\$346,000	\$979,000	\$8,935,000
Bois Forte	\$1,501,000	\$98,000	\$53,000	\$265,000	\$1,917,000
Fond du Lac Band of Chippewa	\$4,072,000	\$303,000	\$242,000	\$483,000	\$5,102,000
Millie Laes Band of Ojibwe Indians	\$1,494,000	\$140,000	\$51,000	\$231,000	\$1,916,000
Mississippi	\$9,615,000	\$908,000	\$918,000	\$1,693,000	\$13,034,000
Mississippi Band of Choctaw Indians	\$9,615,000	\$908,000	\$918,000	\$1,693,000	\$13,034,000
Montana	\$19,044,000	\$781,000	\$1,434,000	\$1,799,000	\$23,051,000
Chippewa Cree Tribe	\$6,191,000	\$343,000	\$872,000	\$990,000	\$8,396,000
Confederated Salish and Kootenai Tribes of Flathead	\$12,853,000	\$438,000	\$562,000	\$802,000	\$14,655,000
Nevada	\$6,008,000	\$727,000	\$666,000	\$1,790,000	\$9,191,000
Duck Valley Shoshone-Paiute Tribe	\$4,556,000	\$676,000	\$538,000	\$1,523,000	\$7,293,000
Duckwater Shoshone Tribe	\$688,000	\$34,000	\$123,000	\$192,000	\$1,037,000
Ely Shoshone Tribe	\$764,000	\$17,000	\$5,000	\$75,000	\$861,000
Oklahoma	\$85,031,000	\$4,910,000	\$4,060,000	\$11,232,000	\$106,233,000
Absentee Shawnee Tribe	\$2,469,000	\$124,000	\$569,000	\$450,000	\$3,612,000
Cherokee Nation of Oklahoma	\$26,756,000	\$1,332,000	\$473,000	\$1,656,000	\$30,217,000
Chickasaw Nation	\$26,971,000	\$1,643,000	\$1,491,000	\$5,665,000	\$35,776,000
Choctaw Nation of Oklahoma	\$19,072,000	\$1,629,000	\$1,278,000	\$2,578,000	\$24,557,000
Citizen Potawatomi Nation	\$3,517,000	\$49,000	\$29,000	\$198,000	\$3,793,000
Kaw Nation	\$551,000	\$41,000	\$140,000	\$200,000	\$932,000
Kickapoo Tribe of Oklahoma	\$2,454,000	\$39,000	\$13,000	\$80,000	\$2,586,000
Sac and Fox Nation	\$2,478,000	\$26,000	\$46,000	\$272,000	\$2,822,000
Wyandotte Tribe of Oklahoma	\$757,000	\$27,000	\$21,000	\$133,000	\$938,000
Oregon	\$8,743,000	\$504,000	\$1,157,000	\$3,705,000	\$14,109,000
Coquille Indian Tribe	\$1,099,000	\$87,000	\$107,000	\$615,000	\$1,908,000

FY 1999- IHS Self-Governance Compacts		FY 1999 Compact Amounts				
Compacts by State		IHS Services	IHS Facilities	Contract Support Costs		Total
				Direct	Indirect	
Confederated Tribes of the Grand Ronde Community		\$3,903,000	\$237,000	\$602,000	\$1,957,000	\$6,719,000
	Confederated Tribe of Siletz Indians of Oregon	\$3,741,000	\$160,000	\$448,000	\$1,133,000	\$5,482,000
Washington		\$16,672,000	\$1,506,000	\$979,000	\$6,098,000	\$25,255,000
	Jamestown SKlallam Tribe	\$554,000	\$27,000	\$65,000	\$243,000	\$889,000
Lummi Indian Nation		\$3,993,000	\$450,000	\$183,000	\$1,241,000	\$5,867,000
	Makah Indian Tribe	\$2,057,000	\$255,000	\$35,000	\$143,000	\$2,490,000
Nisqually Indian Tribe		\$1,218,000	\$75,000	\$59,000	\$472,000	\$1,824,000
	Port Gamble SKlallam Tribe	\$1,097,000	\$104,000	\$42,000	\$340,000	\$1,583,000
Quinalt Indian Nation		\$3,061,000	\$331,000	\$162,000	\$1,475,000	\$5,029,000
	Shoalwater Bay	\$752,000	\$56,000	\$132,000	\$327,000	\$1,267,000
Squamish Indian Tribe		\$1,699,000	\$119,000	\$146,000	\$921,000	\$2,885,000
	Squamish Tribe	\$952,000	\$34,000	\$89,000	\$346,000	\$1,421,000
Swinomish Indian Tribal Community		\$1,289,000	\$55,000	\$66,000	\$590,000	\$2,000,000
	Wisconsin	\$5,194,000	\$361,000	\$172,000	\$491,000	\$6,218,000
Oncida Tribe of Wisconsin		\$3,194,000	\$361,000	\$172,000	\$491,000	\$6,218,000
Grand Total		\$402,203,000	\$19,432,000	\$22,107,000	\$65,805,000	\$508,647,000

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1/ Excludes Sanitation Facilities Construction Funds

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$4,977,000	5
1996	\$9,090,000	5
1997	\$9,106,000	6
1998	\$9,106,000	7
1999	\$9,391,000	7

RATIONALE FOR BUDGET REQUEST

TOTAL REQUEST -- The request of \$9,391,000 and 7 FTE is the same as the FY 1999 Appropriation of \$9,391,000 and 7 FTE.

1999 Self-Governance Annual Funding Agreements

By Areas

Area	Tribal User Pop	At Large User	Program Recurring Base	Area Tribal Shares	Headqtrs Tribal Shares	Contract Support Costs (Direct)	Contract Support Costs (Indirect)	Total
Alaska	96,283	11,852	212,185,000	9,359,000	7,498,000	10,485,000	31,981,000	271,508,000
Aberdeen	0	0	0	154,000	0	0	0	154,000
Bemidji	23,964	0	17,639,000	2,373,000	1,350,000	1,095,000	2,663,000	25,120,000
Billings	13,147	0	16,802,000	1,655,000	1,368,000	1,434,000	1,792,000	23,051,000
California	6,893	5,864	6,705,000	704,000	691,000	564,000	2,330,000	10,994,000
Nashville	10,701	0	13,193,000	1,990,000	665,000	1,124,000	2,696,000	19,668,000
Oklahoma	182,677	38,932	77,839,000	5,327,000	6,775,000	4,060,000	11,232,000	105,233,000
Phoenix	1,882	0	6,290,000	228,000	217,000	666,000	1,790,000	9,191,000
Portland	25,687	0	26,446,000	2,454,000	1,728,000	2,573,000	10,521,000	43,722,000
Total, IHS	361,234	56,648	377,099,000	24,244,000	20,292,000	22,001,000	65,005,000	508,641,000

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Services - 75-0390-0-1-551
 CONTRACT SUPPORT COSTS

Program Authorization:

Program authorized by P. L. 93-638, Indian Self-Determination Act, as amended and P. L. 100-472, Section 106(a)(2) A & B.

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or Decrease
Budget				
Authority	\$168,702,000	\$203,781,000	\$238,781,000	+\$35,000,000

PURPOSE AND METHOD OF OPERATION

Section 106(a)(2) of P.L. 93-638, the Indian Self-Determination Act, as amended, authorizes the Secretary to fund those costs that a tribal contractor incurs in addition to what the Secretary would have otherwise provided for the direct operation of the program. These costs are referred to as contract support costs.

The IHS uses contract support cost funds made available under the ISD fund to support the initial transfer of programs from Federal operations to tribal operation. The ISD funds tribal requests that includes Start-Up, Direct, and Indirect types of Contract Support Costs.

Amounts needed for CSC are determined in independent negotiations with the cognizant Agency's Inspector General (which is the Department of the Interior for virtually all contracts). The types of costs included in these indirect cost pools include the reasonable costs of tribal governing bodies, management and planning, financial management, property management, procurement management, data processing, office support, building rent, utilities, program specific insurance, legal services, and single-agency audits.

In FY 1992, the IHS established a placement process for the Indian Self Determination priority list. The development of this process has involved active participation of representatives from Indian Tribes. These procedures have been applied to both Title I contracting and Title III compacting. Contractors report their need for these costs on an annual basis.

In FY 1998, IHS received \$7.5 million for contract support costs of new and expanded contracts. These funds are kept separate, pending their request by tribes, in a "no-year" account called the Indian Self-Determination Fund. In FY 1999, no separate funding for ISD was provided.

ACCOMPLISHMENTS

By definition, contract support costs to the tribal program exceed the amount spent by the Agency at the location of service, and therefore a supplement to the direct program funding provided in order to maintain an equitable opportunity for tribes who choose to operate programs under this legislative authority.

More tribes have compacted and contracted as a result of the passage of the 1994 ISDA amendments. When the amounts for CSC are insufficient to meet the aggregate needs for all Title I and Title III programs, the remaining shortfall(s) are reported annually to the Congress as required by the ISDA.

Following are the funding levels for the last 5 fiscal years:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$145,460,000	--
1996	\$153,040,000	--
1997	\$160,702,000	--
1998	\$168,702,000	--
1999	\$203,781,000	--

RATIONALE FOR BUDGET REQUEST

TOTAL REQUEST -- The request of \$238,781,000 is an increase of \$35,000,000 over the FY 1999 Appropriation of \$203,781,000.

Contract Support Costs - +\$35,000,000

The increase of \$35,000,000 will (1) provide funding for the contract support cost needs of tribes assuming IHS programs for the first time, and (2) be directed to those tribes that administer programs funded under self-determination agreements that have a lower percentage of their CSC need being funded as compared to other tribes provided CSC by the IHS.

ACTIVITY/MECHANISMS BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Service - 75-0390-0-1-551
DIABETES

Program Authorization:

Program authorized by 111 STAT. 574 (P.L 105-33).

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or Decrease
Indian Health Service:				
Budget Authority*	\$30,000,000	\$30,000,000	\$30,000,000	\$0

* The Balanced Budget Act of 1997 provides that \$30 million per year appropriated to the Children's Health Insurance Program be transferred to IHS for diabetes prevention and treatment. Total IHS diabetes funding also includes the model diabetes program at \$7.7 million per year and \$3 million in diabetes grants and \$.3 million for a periodontal disease initiative.

PURPOSE AND METHOD OF OPERATION

The Balanced Budget Act (BBA) of 1997 provided \$30 million per year for 5 years to provide grants for the prevention and treatment of diabetes to Indian Health Service (IHS), tribal, and urban Indian health programs that provide these types of services to American Indian and Alaska Native people. The IHS completed a tribal consultation process on the approach to the provision of diabetes services that is consistent with the Presidential policy that supports and directs full Federal consultation and partnership with tribal governments on matters of health. The process included several meetings with tribal and urban program representatives, on a national level at the National Indian Health Board Conference, the Self-Governance Tribes Fall Conference and the National Congress of American Indians, as well as Area-specific discussions. The agency also provided information and details about the various options to the tribes to elicit their views on the distribution of the grants. Written recommendations were received from the IHS Areas, individual tribes and tribal organizations, and urban Indian health organizations.

A Tribal Diabetes Workgroup was established to organize and review the recommendations and make recommendations on the administration and distribution of the funds. Based on the Workgroup recommendations, the funds were awarded in non-competitive grants for a five-year project term with annual computations of funding. The Workgroup agreed to distribute the funding by Area according to a formula based primarily on disease burden (53 percent) and user population with an adjustment to increase funding for very small tribes (42 percent). The distribution within each Area will be determined by an Area-wide consultation process. Evaluation will occur at the Area level, 5 percent of first and second year funding is reserved for improved data collection to enhance the evaluation process.

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There were 286 grants awarded in the first year cycle. Procedures were developed for extension of the first year funding and/or application for second year funding at the end of the first year, based on input from the grant recipients. Contracts with several tribal organizations were written to enhance and facilitate the evaluation and data collection activities. A software program to extract programmatic grants information is nearing completion and data entry will begin in February 1999.

In addition to grants, \$1 million was allocated for the development of a Diabetes Prevention Research Center in collaboration with the Centers for Disease Control and Prevention. As recommended by the Workgroup, \$1.5 million was set aside for IHS' urban program. Tribal governments will determine how much of their funding to use for secondary and tertiary prevention efforts, for managing diabetes to prevent consequences such as kidney failure, amputations, and blindness, and for primary prevention efforts and reducing the incidence of diabetes through such things as exercise and nutrition. Area Office staff are available to assist tribes in choosing promising prevention efforts and in selecting appropriate evaluation measures.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
INDIAN HEALTH SERVICE

INDIAN HEALTH FACILITIES

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OVERVIEWOBJECTIVES

The objectives of the Indian Health Service (IHS) health facilities management, health care facilities construction, sanitation facilities construction, and environmental health services programs are: 1) to provide optimum availability of functional, well-maintained IHS and tribally-operated health care facilities and adequate staff housing at IHS health care delivery locations where no suitable housing alternative is available; and 2) to reduce the incidence of environmentally-related illness and injury by: a) determining and addressing factors contributing to injuries; b) advocating for the improvement of environmental conditions; and c) constructing sanitation facilities and ensuring the availability of safe water supply and adequate waste disposal facilities in American Indian and Alaska Native (AI/AN) homes and communities.

Through the provisions of these comprehensive environmental health services and diversified construction programs, the Federal and tribal health care delivery system is enhanced and the individual home and community environments are much improved. Currently, all IHS hospitals and clinics are accredited by Joint Commission on Accreditation of Healthcare Organizations (JCAHO). The gastroenteric and postneonatal death rates among the AI/AN population have been reduced significantly now that over 85 percent have safe drinking water supplies and sanitary waste disposal systems. Injury prevention efforts of the IHS and tribal programs are also making strides to reduce outpatient visits and hospitalizations. Clearly, these program accomplishments provide significant contributions to the overall IHS health promotion/disease prevention effort.

FUNDING

The fiscal year (FY) 1999 Indian Health Facilities appropriation provided \$291,965,000 for IHS facilities/environmental health activities including \$40,625,000 for health care facilities maintenance and improvement (not including an estimated \$4,700,000 in reimbursements; i.e., quarters return funds); \$41,087,000 for health care facilities construction; \$89,328,000 for sanitation facilities construction; \$107,682,000 for facilities and environmental health support (\$53,857,000 for facilities support, \$44,548,000 for environmental health support, and \$9,277,000 for the Office of Environmental Health and Engineering (OEHE) Support; and \$13,243,000 for equipment. The FY 2000 Indian Health Facilities request is \$317,465,000 to provide the services listed above(not including an estimated \$4,700,000 in quarters return funds to be available in FY 2000 for operation and maintenance of staff quarters).

PROGRAM DESCRIPTION

- **Maintenance and Improvement (M&I)**

This budget activity provides resources that the IHS uses for materials and contract services needed: 1) to keep existing Federal and tribal health care facilities and grounds in good repair; 2) to perform preventive maintenance on facilities and equipment; 3) to accomplish needed improvements to existing space so that facilities will be better suited for delivery of health care services to AI/ANs; and 4) to accomplish environmental assessments and remediation of environmental problems.

The FY 1999 Appropriation of \$40,625,000 will enable IHS to distribute approximately \$24,124,000 for routine maintenance activities among all IHS and tribal contracted facilities; allocate \$3,000,000 for environmental assessments and remediation, and distribute \$13,501,000 for maintenance and improvement projects to address critical items from the Backlog of Essential Maintenance and Repair items (BEMAR). All funds are distributed to IHS and direct operated and eligible tribal facilities.

- **Sanitation Facilities Construction (SFC)**

This budget activity funds construction of water supply and waste disposal facilities for Indian homes and communities, as authorized by the Indian Sanitation Facilities Act, P.L. 86-121. The proportion of AI/AN homes with essential sanitation facilities (safe water supplies and adequate waste disposal systems) has increased from 20 to 85 percent since the program's inception in 1960. However, availability of such facilities among all U.S. populations is approximately 98 percent.

The SFC program is an integral part of the IHS disease prevention initiative and tribal involvement has been the keystone of SFC program success. Since P.L. 86-121 was passed, the IHS has constructed community and individual water supply and waste disposal systems, which serve more than 225,000 AI/AN homes. The \$89,328,000 appropriation in FY 1999 plus contributed funds will enable the SFC program to provide first-service to an estimated 5,900 additional new/like-new, and existing AI/AN homes; and upgrade service to 9,330 more existing homes. At congressional direction, a 10-year funding plan is used to quantify and rank order sanitation facilities deficiencies in AI/AN communities.

Most SFC projects are planned, designed, and managed by IHS engineers and constructed by tribal or non-Indian contractors. Between 65 and 70 percent of the construction is performed by Indian tribes and firms. In addition, a few self-governance tribes are now providing their own professional engineering services. Considering the extremes in climate and geography often found in Indian country, IHS engineers are uniquely challenged to design appropriate, economical, and uncomplicated facilities, in order to ensure continued operation and maintenance and long-term health benefits. To further this end; after construction are complete, IHS engineers, sanitarians, and environmental health technicians continue to provide technical assistance and training to system operators and individual homeowners. Technical assistance and training efforts, that benefit tribal utility system managers and operators, positively affect the health and well-being of several hundred thousand AI/ANs every year by ensuring that improved water supply and waste disposal services are provided for their homes and communities.

- **Health Care Facilities Construction (HCFC)**

This budget activity funds construction including equipment for new and replacement inpatient and ambulatory health care facilities (hospitals, health centers, etc.), staff quarters, and additional space at existing facilities, as required to provide direct health care services to AI/ANs.

The FY 1999 appropriation of \$41,087,000 provided funding to complete construction of the Hopi health center in Polacca, Arizona (\$18,100,000); funding to begin construction of the Ft. Defiance, Arizona hospital (\$15,000,000) and the Parker, Arizona health center (\$2,500,000); funding to complete design of the Winnebago, Nebraska hospital (\$950,000) and the Pinon, Arizona health center (\$1,037,000); and funding for new or replacement modular dental units (\$1,000,000). In addition, to funds provided directly through the Facilities Appropriation, funding was provided through the Department of the Interior and transferred into this activity for medical and tele-medicine equipment and for an expansion to the tribally-owned King Cove, Alaska facility (\$2,500,000).

The need for construction of each health care facility and staff quarters project is assessed through application of comprehensive priority system methodologies. Periodically, Headquarters solicits proposals from the IHS Areas for essential staff quarters needs, and urgently needed new or replacement health care facilities. The proposals are evaluated objectively and ranked according to relative need. Justification documents are prepared for those ranked highest and, when approved, the projects are placed on the appropriate IHS facilities priority list and funding estimates are included in the 5-year IHS Health Facilities Planned Construction Budget. The amount identified on the 5-year IHS Health Facilities Planned Construction Budget for FY 2001 is approximately \$884,000,000.

The IHS is authorized to construct health facilities by the Snyder Act, 25 U.S.C. 13; and the Indian Health Care Improvement Act, Public Law 94-437. These authorities include inpatient and outpatient facilities, staff quarters, grants, youth regional treatment centers, joint ventures, and dental units. Also, use of Health Services carryover funds and Medicare/Medicaid funds for construction is authorized. Only those authorities where projects are either ongoing or recently completed are included in this document.

- **Facilities and Environmental Health Support (F/EHS)**

This budget activity provides resources that the IHS uses to staff and support its Headquarters, Area, district, and service unit activities; i.e., facilities and environmental health activities carried out directly by Federal employees or, in certain cases, indirectly by tribal contractors. This activity funds all costs for the permanent personnel who manage and implement the IHS health care facilities maintenance and improvement program and the health care facilities new and replacement construction program; the biomedical equipment maintenance and repair program; the sanitation facilities construction program; the environmental health services program; and the real property and health facilities planning programs. In addition, it supports personnel who operate the physical plant at IHS owned health care facilities, and support certain non-personnel related operating costs (e.g., utilities).

In order to maintain clear distinction between the three major categories of costs included in this activity, the IHS has established three sub-activities: 1) Facilities Support; 2) Environmental Health Support; and 3) Office of Environmental Health and Engineering Support. These sub-activities are described separately below.

Facilities Support

This budget sub-activity funds permanent personnel costs, at the Area and service unit levels, related to planning; justifying; designing; constructing; improving; leasing or renting; operating and maintaining IHS direct-operated (and, for certain purposes, tribal-operated) health care facilities. Also, it funds related Area and service unit operating costs; e.g., utilities, biomedical equipment repair/maintenance, some non-medical building operations supplies (e.g., filters, fan belts, etc.), and some non-clinical personal property.

A Facilities Support sub-activity was established, in the IHS Appropriations Act of FY 1992, as part of the Facilities and Environmental Health Support activity. The IHS, tribes, and tribal groups operate 49 hospitals, 209 health centers, 6 school health centers, 279 smaller health stations and satellite clinics, 7 youth regional substance abuse treatment centers, 140 alcohol and substance abuse program (ASAP) facilities, and more than 2,100 units of staff quarters.

The IHS owns approximately 883 000 square meters of Federal space in hospitals, clinics, staff quarters, and other facilities and operates health care delivery and administrative program elements in GSA assigned space.

Environmental Health Support

This budget sub-activity funds permanent personnel costs, at the Area, district, and service unit levels, related to providing environmental health services, including injury prevention, to the AI/AN people, to their communities, and to government (tribal, IHS, Bureau of Indian Affairs (BIA), local, etc.) institutions. Also, it funds permanent personnel costs, at the Area, district, and service unit levels, for planning, designing, and constructing Indian sanitation facilities and providing follow-up technical support and training to AI/AN owners and operators of those systems. In addition, it funds related costs including rabies vaccine for dogs and household pets, vector control chemicals for plague control efforts, training and community safety promotion materials, x-ray calibration equipment, and in special circumstances home smoke detectors, radon monitoring kits, and water quality sampling/testing equipment.

In FY 1999, environmental health services provided by IHS Area, district, and service unit environmental health personnel will include such activities as: injury prevention epidemiological studies, water sampling, vector control activities, food protection surveys, waste disposal investigations/technical assistance, and radiation monitoring.

Especially noteworthy were environmental health services provided in the injury prevention category. The IHS environmental health staff has lead responsibility for coordinating development and implementation of community-based prevention measures to address the problem of injuries, which is the leading killer of AI/ANs age 0 to 44 years. An encouraging downward trend in injury death rates for AI/ANs is being achieved as a result of this increased attention. Given these successes, the IHS has implemented a 5-year Indian Injury Prevention Plan (Immunizing Against the Injury Epidemic).

Once completed, sanitation projects initiated in FY 1998 will provide essential sanitation facilities to 1,318 new, HUD-sponsored housing units, 381 BIA-sponsored units, 4,232 units constructed by tribes and other entities, and 1,939 first service existing homes (total: 7,870 first service housing units). In conjunction with providing sanitation facilities for the first time to the homes listed above, systems serving 6,589 previously served (existing) homes are to be upgraded.

Office of Environmental Health and Engineering (OEHE) Support

This budget subactivity is used to fund permanent personnel costs, at IHS Headquarters including two offices of Engineering Services (ES), for direct support/management of the full array of services and activities funded by the Facilities appropriation.

The engineers, architects, sanitarians, health facilities planners, leasing/contract specialists, real property managers, and support personnel who work in Headquarters provide technical and management services required to design, construct, operate, and maintain efficient, accessible, and serviceable health care facilities and staff quarters; address IHS leasing/rental requirements; provide appropriate injury prevention and environmental health services and construct sanitation facilities for Indian homes and communities; meet all legal and policy requirements for financial and program accountability; and develop long-range staffing and programmatic goals to ensure continued program effectiveness.

In FY 1999, OEHE Headquarters and ES staff will complete engineering technical reports, surveys, and studies; award major health care facility design/construction contracts including modifications; process IHS and GSA leases; hold tribal and Federal employee training courses; and manage active health care facilities design/construction projects.

• **Equipment** /

This budget activity funds the purchase and replacement of new medical equipment for Federal and tribal health care facilities.

In FY 1995, Congress created this activity to consolidate funds for medical equipment in the Facilities appropriation. The IHS medical equipment inventory is approximately \$224 million. Of the \$13,243,000 appropriation in FY 1999, \$10,243,000 will be used to address sustaining this inventory by replacement of medical equipment and \$3,000,000 will be used to provide for new tribally built facility spaces.

INDIAN HEALTH FACILITIES
Summary of Budget Request

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase or Decrease
Budget Authority	\$257,538,000	\$291,965,000	\$317,465,000	+\$25,500,000
FTE	1,412	1,426	1,507	+81

The FY 2000 budget request of \$317,465,000 and 1,507 FTE reflects a net increase of \$25,500,000 and 81 FTE over the FY 1999 Appropriation of \$291,965,000 and 1,426 FTE.

FY 2000 Current Services: +\$47,492,000 and 7 FTE

The IHF is requesting an increase of \$47,492,000 to partially address the rising cost of providing health care excluded are cost increases associated with inflation and those that are attributable to the rapidly expanding AI/AN population. The current services increase is \$47,492,000 includes the following.

- \$4,283,000 for pay related cost.
- \$673,000 and 7 FTE for Phasing-In of Staffing and Operating Cost for new facilities.
- \$42,531,000 for Health Care Facilities Construction.

Program Increase: +\$16,095,000 and 74 FTE

- \$7,500,000 for Maintenance & Improvement.
- \$7,595,000 and 74 FTE for Facilities and Environmental Health Support which includes injury prevention.
- \$1,000,000 for Equipment.

Program Decrease: ~\$41,087,000

- \$41,087,000 Non-recurring Health Care Facilities Construction Funds.

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Facilities - 75-0391-0-1-551
 Maintenance and Improvement

Program Authorization:

Program authorized by U.S.C. 13, Snyder Act and Public Law 83-568, Transfer Act 42 U.S.C., 2001.

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase or Decrease
Budget Authority...	\$39,434,000	\$40,625,000	\$48,125,000	+\$7,500,000

PURPOSE AND METHOD OF OPERATION

FY 1999 Base

The Indian Health Service (IHS) maintains federal government owned buildings operated by the IHS and supports maintenance and improvement activities at tribally owned space used for providing health care services pursuant to contract or compact arrangements executed under the provisions of the Indian Self Determination and Education Assistance Act (P.L. 93-638). The Maintenance and Improvement (M&I) program objectives includes: (1) Providing routine maintenance for facilities; (2) achieving compliance with buildings and grounds accreditation standards of the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) or other applicable accreditation bodies; (3) providing improved facilities for patient care; (4) ensuring that health care facilities meet building codes and standards; and (5) ensuring compliance with executive orders and public laws relative to building requirements, e.g., energy conservation, environmental, handicapped accessibility, seismic, and security.

Maintenance and Improvement Program

To identify, delineate and plan facilities related activities and projects to be accomplished during an upcoming fiscal year for the M&I program, the IHS Facilities Engineering Plan (FEP) is prepared by IHS Areas, service units, and tribal personnel. The FEP establishes annual M&I workload targets and helps determine the most prudent use of available resources.

Funds in the M&I account are used primarily to maintain and improve health care facilities. Staff quarters operation, maintenance, and improvement costs are primarily funded with rent collections called Quarters Return (QR) funds. M&I funds may be used in conjunction with QR funds, at locations with few quarters or where QR funds are insufficient to ensure adequate maintenance.

Status of Facilities: The physical condition of IHS-owned and most tribally owned facilities are evaluated through annual general surveys conducted by local facility personnel and IHS Area engineers. In addition, comprehensive "Deep Look" surveys are conducted every 5 years by a team of engineers.

These surveys, together with routine observations by facilities personnel, identify deficiencies that are added to the Backlog of Essential Maintenance, Alteration, and Repair (BEMAR) database. The identified BEMAR for IHS and reporting tribal facilities as of January, 1999 is \$389,118,000. Without commensurate funding to cover the addition of numerous tribal facilities, new seismic and security requirements, and environmental projects generated by the on-going environmental assessment program, the BEMAR can be expected to increase. The following table summarizes the BEMAR by deficiency category:

BEMAR 1/	
Structural 2/.....	\$177,695,000
Mechanical.....	39,291,000
Electrical.....	13,305,000
Utility.....	4,854,000
Grounds.....	12,036,000
Quarters 3/.....	21,669,000
Real Property Installed Equipment.....	1,051,000
Patient Care.....	8,419,000
Fire and Life Safety.....	33,202,000
Safety.....	5,571,000
Environmental Quality 4/.....	8,609,000
Handicapped Accessibility.....	12,202,000
Energy Management.....	7,448,000
Program Alterations.....	43,766,000
Total.....	\$389,118,000

- 1/ FY 2000 M&I allocation will be distributed for routine maintenance and projects; these projects reduce identified BEMAR deficiencies.
- 2/ Earthquake Hazard Reduction Program Act required IHS to survey and estimate cost associated with compliance to seismic construction standards. This survey completed in Fall 1998, adds \$149,127,000 in seismic deficiency.
- 3/ Staff quarters operation, maintenance, and improvement costs are funded through rents collected, called Quarters Return (QR) funds. The M&I funds may be used in conjunction with QR funds, at locations where QR funds are insufficient to ensure adequate quarters maintenance.
- 4/ Projects include air quality improvement, asbestos remediation, and contaminated soil remediation. The IHS will continue conducting comprehensive environmental assessments at IHS/tribal health care facilities. This work is continuing and the assessments are expected to identify significant additional funding requirements for environmental remediation.

DISTRIBUTION OF M&I FUNDS

Current Distribution Method - The IHS M&I funds are distributed to three subprograms, routine maintenance, M&I projects, and environmental compliance:

Routine Maintenance Funds - Amounts are calculated using the IHS M&I distribution formula. Routine M&I funds are used to pay non-personnel costs for the following activities in IHS and tribally-owned health care facilities: maintenance supplies and materials; preventive maintenance activities; emergency repairs; building service equipment replacement; local projects, and training.

M&I Project Funds - Amounts are calculated using the IHS M&I distribution formula. The IHS Area Facilities Engineers develop priority lists of larger projects to reduce the BEMAR. Generally M&I projects require levels of expertise not available at the local facility. Such projects accomplish major repairs and improvements of primary mechanical, electrical, and other building systems as well as public law compliance and program-related alterations. Program-related alteration projects include changes to existing facilities for more efficient utilization, for new patient care equipment, and for new treatment methodologies.

Environmental Compliance Funds - Many IHS facilities were constructed before the existence of current environmental laws and regulations. Compliance with current Federal, State, and local environmental regulations has been mandated by the Congress. Environmental assessments identify and evaluate potential environmental hazards. These assessments form the basis of the IHS facilities environmental remediation plan. The IHS has identified approximately \$8,609,000 in environmental deficiencies and included them in the BEMAR database. Tribally owned health care facilities can receive assessments upon request by the tribe.

FUTURE FACILITIES ISSUES

Several issues have future impact on the ability for IHS to continue to maintain and operate health care facilities. The number of new deficiencies associated with programs for seismic safety and security of facilities has increased significantly. In addition, numerous tribal buildings have been added that require maintenance and improvement which has further diluted the amount of funds available at each site.

The environmental programs, as noted previously, continue to expand and new issues such as lead paint removal have a substantial impact on renovation of older IHS facilities.

Seismic safety is an issue that will be further defined in FY 1999 as the IHS develops and implements the requirements of Executive Order 12941, Seismic Safety of Existing Federally Owned or Leased Buildings. Some IHS and Tribal facilities are located in medium to high seismic zones. Federal facilities requiring seismic upgrades will be identified and preliminary cost estimates are being prepared for use in future budgeting. Upgrades needed to comply with seismic construction requirements and Federal facilities are estimated at \$149,127,000.

As a result of the Oklahoma City bombing, new security requirements are being developed for Federal buildings. Existing security conditions are being surveyed throughout the nation. The impact of the new requirements on M&I needs has not been determined. A survey of IHS facilities will be forthcoming and will be used for future budgeting for security upgrades.

Steady State Condition -- The Building Research Board of the National Academy of Sciences (Committing to the Cost of Ownership - Maintenance and Repair of Public Buildings, 1990) has determined that approximately 2 to 4 percent of current replacement value of supported buildings is required to maintain the facilities in their current condition. This amount would not render a net reduction in an existing backlog of deficiencies, include improvements and alterations needed to meet

changing medical practice needs, nor include daily operating costs. The current (1998) replacement value of all M&I eligible facilities is approximately \$1.7 billion.

Funding levels for the past 5 years are as follows:

<u>Year</u>	<u>Funding</u>
1995	\$37,940,000
1996	\$38,334,000
1997	\$38,334,000
1998	\$39,334,000
1999	\$40,625,000

ACCOMPLISHMENTS

A total of \$39,434,000 was appropriated in 1998 plus approximately \$4,700,000 million in quarters return funds was collected and distributed. Quarters return funds are used only to maintain staff quarters; (2) for routine maintenance and projects: approximately \$23,992,000 was provided to the IHS Areas for daily maintenance activities and projects to maintain the current state of health care facilities; approximately \$12,442,000 was provided to the IHS areas to reduce the identified Backlog of essential Maintenance and Repair (BEMAR) deficiencies; (3) for Environmental Compliance, approximately \$3 million was provided to allow most IHS health care facilities to receive full environmental assessments.

Performance Measures

The following performance indicators are included in the IHS FY 2000 Annual Performance Plan and are primarily dependent upon the activities funded within this budget line item for achievement. These indicators are sentinel indicators representative of some of the more significant health problems affecting AI/AN.

Indicator 27: By the end of FY 2000, IHS will reduce 1998 Backlog of Essential Maintenance, Alteration, and Repair (BEMAR) for health care facilities by 6 percent.

RATIONALE FOR BUDGET REQUEST

TOTAL REQUEST - The FY 2000 request of \$48,125,000 is an increase of \$7,500,000 over the FY 1999 Appropriation of \$40,625,000. The increase includes the following:

Maintenance and Improvement - +\$7,500,000

The \$7,500,000 increase will provide funding to reduce the Backlog of Essential Maintenance, Alteration, and Repair for health care facilities and related real property which currently totals \$389,118,000.

Additionally, up to \$2,000,000 of these funds will be used for the demolition of vacant and obsolete buildings or structures not needed or wanted by the IHS or tribes at IHS installations. This action will reduce safety and security issues related to obsolete and vacant structures.

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Facilities - 75-0391-0-1-551
Sanitation Facilities

Program Authorization:

Program authorized by U.S.C. 13 Snyder Act, PL 83-568, Transfer Act, 42 U.S.C. 2001, PL 86-121, Indian Sanitation Facilities Act; and Title III of PL 94-437, Indian Health Care Improvement Act, as amended.

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase or <u>Decrease</u>
Budget Authority...	\$89,082,000	\$89,328,000	\$92,884,000	+\$3,556,000
FTE.....	248	248	248	--

Number of Homes Benefited

	<u>Fiscal Year Program</u>		
	<u>1998 Actual</u>	<u>1999 Estimate</u>	<u>2000 Estimate</u>
A. New/Like-New			
HUD.....	1,318	1,300 1/	1,300 1/
BIA/HIP.....	381	400	400
Tribal/Other.....	<u>4,232</u>	<u>4,200</u>	<u>4,200</u>
Subtotal.....	5,931	5,900	5,900
B. Existing Indian Homes			
First Service.....	1,939	1,650	1,650
Upgraded/Emergency.....	<u>6,589</u>	<u>7,680</u>	<u>8,280</u>
Subtotal.....	8,528	9,330	9,930
TOTAL.....	14,459 2/	15,230	15,830

1/ Sanitation Facilities to be funded with HUD grants contributed by tribes to IHS projects.

2/ 477 construction projects were funded in FY 1998 with IHS appropriated funds and contributions to serve these homes.

PURPOSE AND METHOD OF OPERATIONFY 1999 Base

The Indian Sanitation Facilities Act, P.L. 86-121, authorizes IHS to provide essential sanitation facilities to Indian homes and communities.

The IHS Sanitation Facilities Construction Program, an integral component of the IHS disease prevention activity, has carried out those authorities

since 1960 using funds appropriated for Sanitation Facilities Construction to provide potable water and waste disposal facilities for American Indian and Alaska Native (AI/AN) people. As a result, the rates for infant mortality, the mortality rate for gastroenteritis and other environmentally related diseases have been dramatically reduced, by about 80 percent since 1973. The IHS physicians and health professionals credit many of these health status improvements to IHS' provision of water supplies, sewage disposal facilities, development of solid waste sites, and provision of technical assistance to Indian water and sewer utility organizations.

A Report to Congress by the Comptroller General (dated March 11, 1974) noted that AI/AN families living in homes with satisfactory environmental conditions placed fewer demands on IHS' primary health care delivery system than families living in homes with unsatisfactory conditions; i.e., those with satisfactory environmental conditions in their homes (e.g., safe piped water and adequate sewage disposal) required approximately 25 percent of the health care services required by those with unsatisfactory environmental conditions.

The provision of Indian sanitation facilities is a very important component of the overall effort required to achieve a reduction in infant mortality, a goal highlighted in "The Year 2010 Objectives for the Nation." Safe drinking water supplies and adequate waste disposal facilities are essential preconditions for most health promotion and disease prevention efforts. Currently, about 1 percent of all U.S. homes lack safe water in the home while about 7.5 percent of all AI/AN homes lack safe water in the home.

Support for the IHS' justification of Sanitation Facilities Construction Program funding can be found in a PHS study entitled Relationship of Environmental Factors to the Occurrence of Enteric Disease in Areas of Eastern Kentucky. The data support the premise that the incidence of acute infections and diarrhea disease could be reduced significantly by selectively modifying environmental factors. The IHS physicians have stated that the Indian Sanitation Facilities Act has had a greater positive effect upon the health of AI/ANs than any other single piece of legislation.

As with other IHS activities, sanitation facilities projects are carried out cooperatively with the Indian people who are to be served by the completed facilities. Tribal involvement has been the keystone of the Sanitation Facilities Program since its inception in FY 1960. Projects are initiated only following receipt of a tribal request expressing willingness on their part to participate in carrying out the project and willingness to execute an agreement to assume ownership responsibilities, including operation and maintenance, for completed facilities.

With completion of all projects approved through FY 1998, approximately 225,000 AI/AN homes will have been provided sanitation facilities since 1960. Experience shows that 60 to 70 percent of the actual construction work is performed by Indian tribes/firms.

Sanitation Facilities Deficiencies

The Indian Health Care Improvement Act (Title III, Section 302(g) 1 and 2 of P.L. 94-437) directed the IHS to identify the universe of Indian sanitation facilities deficiencies for existing Indian homes. As of the end of FY 1998, the backlog of projects to address all documented

deficiencies totaled \$1.687 billion. To address the backlog of feasible projects for existing homes in 10 years would require an annual funding level of \$69,634,000. In FY 1998, of the \$89,082,000 appropriated for sanitation facilities, \$45,642,000 was used to address the backlog of existing homes, \$206,357 for special projects, \$144,200 for emergency projects, \$43,089,360 was used for sanitation facilities for new/like-new Indian homes, and \$1,522,600 was used for assessments of open dumps.

As proposed, the current backlog of projects would provide sanitation facilities to between 95 and 98 percent of all existing Indian homes. Also included in the backlog are projects intended to upgrade existing water supply and waste disposal facilities and projects to improve sanitation facilities operation and maintenance capabilities in Indian country. Maximum health benefits will be realized by addressing existing sanitation needs identified in the backlog and also by providing sanitation facilities for new homes when they are constructed.

Funding levels for the last 5 fiscal years follows:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$84,889,000	283
1996	\$84,889,000	244
1997	\$88,963,000	244
1998	\$89,082,000	244
1999	\$89,328,000	248

DISTRIBUTION OF SANITATION FACILITIES CONSTRUCTION FUNDS

The FY 2000 Sanitation Facilities Construction portion of the appropriation will be allocated as follows:

- 1) \$500,000 will be reserved at IHS Headquarters for distribution to the Areas as needed to address water supply and waste disposal emergencies caused by natural disasters or other unanticipated situations that require immediate attention to minimize potential threats to public health. Emergency funds remaining at the end of the fiscal year will be distributed to the Areas to address the Sanitation Deficiency System (SDS) priority list of needs.
- 2) Up to \$48,000,000 of the total FY 2000 sanitation facilities construction appropriation will be reserved to serve new and like-new homes. Some of these funds may also be used for sanitation facilities for the individual homes of the disabled or sick who have physician referrals indicating an immediate medical need for adequate sanitation facilities in their home. Amounts as needed to serve new and like-new homes will be established by Headquarters after reviewing Area requests. Priority will be given to projects intended to provide sanitation facilities for the first time to homes in categories B, C, and D under the BIA Housing Improvement Program (HIP). (NOTE: Homes in BIA/HIP category A are considered existing homes. Category A, homes needing service will be included in the SDS.)

The amount allocated to each Area for projects to serve other new/like-new homes will be the Area's pro-rata share of remaining funds for serving such housing.

- 3) Up to \$5,000,000 will be used for projects to clean up and replace open dumps on Indian lands pursuant to the Indian Lands Open Dump Cleanup Act of 1994.
- 4) The balance of the amount appropriated in FY 2000 will be distributed to the Areas for prioritized projects to serve existing homes, based on a formula that considers, among other factors, the cost of facilities to serve existing homes that: a) have not received sanitation facilities for the first time; or b) are served by substandard sanitation facilities (water and/or sewer). Another distribution formula element is a weight factor that favors Areas with larger numbers of AI/AN homes without water supply or sewer facilities, or without both.

The IHS appropriated funds will not be used to provide sanitation facilities for new homes funded with grants by the housing programs of the Department of Housing and Urban Development (DHUD). These DHUD housing grant programs for new homes are able to fund the sanitation facilities necessary for the homes.

ACCOMPLISHMENTS

In FY 1998: (1) Received approximately \$42.0 million in SFC contributions from other Federal agencies, States, and Tribes. Combined with SFC appropriation, the total SFC program has funded approximately 477 projects in FY 1998; (2) The staff also assisted Tribes by providing engineering services to many other Tribes that independently funded their own projects; and, (3) Provided essential sanitation facilities to 4,529 new/like-new Indian homes and to 1,937 first service existing homes. With additional funds from Housing and Urban Development (HUD), IHS also provided sanitation facilities to 1,318 new HUD-sponsored housing units;

Performance Measures

The following performance indicators are included in the IHS FY 2000 Annual Performance Plan and are primarily dependent upon the activities funded within this budget line item for achievement. These indicators are sentinel indicators representative of some of the more significant health problems affecting AI/AN.

Indicator 28: By the end of FY 2000, provide sanitation facilities projects to serve 4,300 new or like-new homes and 9,930 existing Indian homes.

RATIONALE FOR BUDGET REQUEST

TOTAL REQUEST - The FY 2000 request of \$92,884,000 and 248 FTE is an increase of \$3,556,000 over the FY 1999 Appropriation of \$89,328,000. The increase includes the following:

Current Services - Built-in Increases - +\$556,000

The request of \$556,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

Sanitation Facilities Construction - +\$3,000,000

This funding will be used for clean up and replace open dumps, provide needed water, sewer, and solid waste facilities in all Areas of IHS.

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Facilities - 75-0391-0-1-551
 Health Care Facilities Construction

Program Authorization:

Program authorized by U.S.C. 13 Snyder Act, P.L. 83-568, Transfer Act, 42 U.S.C. 2001, P.L. 94-437, Indian Health Care Improvement Act, as amended, P.L. 99-570, Omnibus Drug Bill.

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or <u>Decrease</u>
<u>Program Output Data:</u>				
<u>Hospitals:</u>				
Ft. Defiance, AZ-				
Constr.....	\$14,400,000	\$15,000,000	\$29,000,000	+\$14,000,000
Winnebago, NE				
Design.....	0	950,000	0	-950,000
Total New/Replacement.....	\$14,400,000	\$15,950,000	\$29,000,000	+\$13,050,000
<u>Outpatient Care Fac.:</u>				
King Cove, AK Constr 1/....	\$0	2,500,000	\$0	-\$2,500,000
Polacca (Hopi), AZ-				
Constr.....	0	\$18,100,000	\$0	-\$18,100,000
Pinon, AZ				
Design.....	0	1,037,000	0	-1,037,000
Parker, AZ				
Constr.....	0	2,500,000	7,058,000	+4,558,000
Red Mesa, AZ				
Design.....	0	0	2,000,000	+2,000,000
Pawnee, OK				
Design.....	0	0	1,745,000	+1,745,000
Total Outpatient Care Fac.	\$0	\$24,137,000	\$10,803,000	-\$10,834,000
<u>Dental Units</u>				
Dental Units.....	\$0	\$1,000,000	\$2,728,000	+\$1,728,000
TOTAL.....	\$14,400,000	\$41,087,000	\$42,531,000	+\$1,444,000

1/ Funding was provided in the Department of Interior Appropriation and transferred to IHS for construction, telemedicine, and medical equipment.

PURPOSE AND METHOD OF OPERATION

FY 1999 Base

The objectives of the Indian Health Service (IHS) Health Care Facilities Construction Program are to enhance IHS health care delivery capacity by providing for optimum availability of functional, well-maintained IHS and tribally-operated health care facilities and provide adequate staff housing at IHS health care delivery locations if no suitable housing alternative is available. The IHS capital improvement program, funded through this budget activity, is authorized to construct health care facilities and staff quarters, administer the IHS/Tribal Joint Venture Demonstration Program, renovate/construct Youth Regional Treatment Centers for substance abuse, provide grants for small ambulatory care facilities, and replace/provide new dental units.

To determine the locations where new and replacement facilities are most critically needed, the IHS has developed and is implementing comprehensive priority system methodologies for health care facilities and staff quarters construction. Periodically, IHS Headquarters solicits proposals from the Areas for essential staff quarters projects,

replacement/new dental units, and for urgently needed new or replacement health care facilities. These proposals are evaluated and prioritized. Formal justification documents are prepared for those scoring highest. Once justified, projects are placed on the appropriate construction priority list and proposed for funding.

Health Care Facilities Construction Program

During FY 1990, in consultation with the tribes, the IHS revised its Health Facilities Construction Priority System (HFCPS) methodology. The HFCPS ranks proposals using factors reflecting the total amount of space needed; age and condition of the existing facility, if any; degree of the isolation of population to be served in the proposed facility; and availability of alternate health care resources. There are three phases to the HFCPS. During FY 1991, Phase I of the methodology was applied to 149 Area-generated proposals to construct new or replacement health care facilities. Based on Phase I result, the IHS proceeded with Phase II of the methodology, using a more detailed analysis of the 28 highest ranked proposals. During FY 1992, the IHS consulted with tribes about incorporating additional flexibility into the HFCPS in order to give consideration to new concepts, such as low acute beds in health centers, as directed by the Congress in the FY 1992 Conference Report on IHS appropriations. Few tribes urged that IHS make changes to the HFCPS. In FY 1993, 23 of the 28 proposals considered in Phase II were advanced to Phase III. Area Offices were asked to develop Program Justification Documents (PJDs) for each of the 23 proposed facilities. As PJDs are approved, projects will be added to the Health Facilities Construction Priority Lists.

Also, during FY 1990, the IHS Quarters Construction Priority System was revised to include more stringent evaluation factors and provide for more detailed need assessments. Phases I and II of the Quarters Construction Priority System methodology were applied during FY 1991. Responding to the Office of Inspector General, Department of Health and Human Services, report April 17, 1990 of needed improvements for the planning and construction of IHS staff housing, the IHS now includes support staff housing in projects for health care facilities construction. The Program Justification Documents for Quarters (PJDQs) are being prepared and are being incorporated into applicable projects, except in cases where the project is solely for quarters alone. For Quarters only projects, as PJDQs are approved, projects will be added to the Quarters Construction Priority List. For quarters tied in with a health care facility, the quarters will be included with the facility planning documents.

The Department of the Interior and Related Agencies Appropriations Act for FY 1991 (P.L. 101-512) authorized and partially funded a "joint venture demonstration program to equip, supply, operate, and maintain up to three health centers." These health centers were to be "selected on a competitive basis from those tribal applicants agreeing to provide an appropriate facility for use as a health center for a minimum of 20 years, under a no cost lease." The costs of facility construction are borne by participating tribes. The IHS is responsible for all costs associated with staffing, equipping, and operating the facilities. This

authority was re-designated as Section 818 and further amended by the 1992 amendments to Public Law 94-437, the Indian Health Care Improvement Act (IHCIA).

The IHS is authorized to construct Youth Regional Treatment Centers (YRTC's) by section 704 of the IHCIA, P.L. 94-437, as amended. A YRTC is to be constructed in each IHS Area except that two each are to be constructed in California and Alaska to provide substance abuse treatment to Indian youth.

The IHS is authorized to award grants to tribes or tribal organizations by section 306 of the IHCIA, P.L. 94-437, as amended. Grants may be awarded only to tribes operating non-IHS outpatient facilities under P.L. 93-638 contracts. These are referred to as Small Ambulatory Care Facility Grants.

Appropriations for IHS in FY 1994-1998 included funding to replace and build new dental units. The Congress suggested that IHS incorporate provisions to ensure dental unit replacement in its Strategic Plan for Facilities, and asked that the funds for this purpose be included in the IHS base in future budget requests.

Funding levels for the last 5 fiscal years follows:

<u>Year</u>	<u>Funding</u>
1995	\$27,882,000
1996	\$12,297,000
1997	\$14,500,000
1998	\$14,400,000
1999	\$41,087,000

ACCOMPLISHMENTS

In FY 1998, (1) Construction was proceeding on 2 health centers (Lame Deer, MT and Hopi, AZ) and one hospital funded and constructed by the Choctaw tribe (Talihina, OK). Design was underway on two health centers (Pinon, AZ and Parker, AZ), one hospital (Winnebago, NE) and one youth regional treatment center (Phoenix-Nevada). Using a team approach, 6 Program Justification Documents were completed and approved; (2) Construction of health center at White Earth, MN and Ft. Belknap, MT. was completed. Four dental units were completed at Sells, AZ; Jeddito, AZ; Winslow, AZ; and Lower Brule, SD.

Performance Measures

The following performance indicators are included in the IHS FY 2000 Annual Performance Plan and are primarily dependent upon the activities funded within this budget line item for achievement. These indicators are sentinel indicators representative of some of the more significant health problems affecting AI/AN.

Indicator 29: Improve critically needed access to health care services by continuing construction of the Ft. Defiance, Arizona Hospital and the Parker, Arizona Health Center; completing the design of health centers at Red Mesa, Arizona and Pawnee, Oklahoma; and providing new or replacement dental units by end of FY 2000.

RATIONALE FOR BUDGET REQUEST

TOTAL REQUEST -- The request of \$42,531,000 is a net increase of \$1,444,000 over the FY 1999 Appropriation of \$41,087,000. The amount requested includes the following:

Ft. Defiance, AZ Hospital - +\$29,000,000

Funds in this request will be used to start phase two construction of the replacement hospital portion of the project.

This project is located in The Navajo Nation, in Fort Defiance, Arizona, and includes the replacement of the existing 49-bed IHS hospital, which includes a main historically significant structure that was constructed in 1938, which can not be altered effectively. The preclusion of the ability to renovate and expand to meet the current health care needs makes the current hospital complex functionally inadequate. To address the IHS health care requirements for the IHS Fort Defiance Service Unit, a new replacement hospital complex has been planned. The project includes a replacement health care facility that will provide a comprehensive health care program, having limited inpatient services for gynecological and general ambulatory surgery, obstetrical, pediatric, intensive care, labor and delivery, and for adolescent psychiatric nursing; a full range of non-specialty ambulatory care, community health, dental, and associated support services. The acute care program will have 38 beds allocated for medical/surgical, pediatrics, obstetrics, and ICU/CCU. An additional 20 beds will be used by a new adolescent psychiatric nursing unit.

Limited renovations were made in 1972 and 1977 to this 60-year old hospital, which was converted to the present configuration from the original 1938, 136-bed unit. Currently, functionally inadequate services are being provided from limited spaces in this main building and eight additional separate buildings on a small land site that has no room for expansion. Since adjacent land is not available for expansion, the best option is to construct a replacement health care facility and additional staffs quarters on a new nearby site, and continue to use the existing housing sites.

Parker, AZ Health Center - +\$7,058,000

Funds in this request will be used to continue construction, including foundation, substructure, building enclosure, and roofing.

The IHS and the Colorado River Indian Tribes have agreed that the Colorado River Indian Reservation needs a new ambulatory health care facility. The proposed new health center will replace the existing IHS hospital. The project includes a new health center that will provide space to support a major comprehensive, preventive, curative, and rehabilitative health service programs to meet the health needs of the Colorado River Indian Service Unit population.

There are major concerns with the size and condition of the existing health care facility and the inability to support a modern health care delivery program. The existing hospital, constructed in 1930, is a one-story masonry bearing wall structure with a wood framed roof. Eight wood framed additions have been made to the facility from 1955 to 1985. Many support functions are located in other buildings. There are 11 IHS

buildings, comprising 2 839 gross square meters which house the current programs.

A 1987 survey was conducted to determine the deficiencies of the health care facilities, their physical condition, and code compliance. The engineering report identified deficiencies that would cost over \$2,600,000 to correct excluding design and contingency fees. The correction of the noted deficiencies would not alleviate the problems with the functional relationships of the programs caused by the scattered existing structures and lack of adequate space within the existing buildings.

A 6 702 square meter replacement health center will be constructed on the existing site, which will enhance the adequacy, access, timeliness, and continuity of a modern health care delivery program. The Colorado River Indian Tribe is designing and constructing the health care facility under a Public Law 93-638 contract.

Red Mesa, AZ Health Center - +\$2,000,000

Funds in this request will be used to complete the project design.

The existing IHS health care services cannot support the needs of the user population. The proposed new health center will replace the 26-year old Tec Nos Pos Health Station and the limited contract health services in Montezuma Creek, Utah. The proposed new facility will include a 24-hour emergency room and a six-bed short stay nursing unit, and will provide a full range of ambulatory care, as well as comprehensive community health programs, which will address the curative and preventive health concerns for this region. By constructing one new health center in the demographic center of the region, the maximum number of health care programs can be justified and provided for the user population. Also, the functional inadequacies of existing facilities and site constraints preclude expansion at the existing IHS site. The proposed health care facility will provide space to support a modern and adequately staffed health care delivery program, which will improve access to the medical services needed to maintain and promote the health status and overall quality of life for the residents of the service area.

Pawnee, OK Health Center - +\$1,745,000

Funds in this request will be used to design the Pawnee Health Center in Pawnee, OK.

The IHS and the Pawnee Tribe of Oklahoma have agreed that the existing health center is inadequate to provide a modern health delivery program. The facility, in its present condition does not comply with current "Guidelines for Design and Construction of Hospitals and Health Care Facilities," life safety codes, and barrier-free design standards. The proposed new health center will replace the existing IHS health center. The health center will support a full range of ambulatory care and community health services to meet the health needs for the residents of the Pawnee Service Area.

There are major concerns with the size and condition of the health care facilities and their inability to support a modern health care delivery program. The existing concrete frame and cut stone masonry facility was constructed in 1928 and served as a hospital for the Pawnee Tribe. The hospital was later converted to a health center. From 1936 to 1974, six

other structures, totaling 869 gross square meters, were constructed to provide support functions for the health center. All seven structures, which house functions such as health care delivery, administration, supply and maintenance, and telephone, are subject to flooding. This factor plus physical layout, age, physical plant deficiencies, cost to renovate, and cost of asbestos abatement, underscore the need to provide a replacement health care facility.

The proposed 4 262 gross square meter health center will replace all seven structures and will be located out of the flood zone.

The new health center will provide a more efficient facility by enhancing the adequacy, access, timeliness, and continuity of a modern health care delivery program.

This request will fund the complete project design of the Pawnee Health Center in Pawnee, Oklahoma.

Dental Units - +\$2,728,000

The \$2,728,000 increase will provide 5 to 8 needed dental units depending on the number of dental operatories in each proposed facility justified during the prioritization process. Projects will be funded based on an established priority system.

INDIAN HEALTH FACILITIES
CONSTRUCTED SINCE FY 1980

	Year <u>Completed</u>	Total <u>Appropriated</u>
Hospitals:		
Bethel, AK	1980	\$34,100,000
Ada, OK	1980	\$14,374,000
Cherokee, NC	1981	\$10,341,000
Red Lake, MN	1981	\$9,566,000
Chinle, AZ	1982	\$19,758,000
Tahlequah, OK	1983	\$21,334,000
Browning, MT	1985	\$15,086,000
Kanakakanak, AK	1987	\$16,578,000
Crownpoint, NM	1987	\$17,734,000
Sacaton, AZ	1988	\$15,765,000
Rosebud, SD	1989	\$20,000,000
Pine Ridge, SD	1993	\$27,090,000
Shiprock, NM	1995	\$51,558,000
Crow Agency, MT	1995	\$23,091,000
Kotzebue, AK	1995	\$62,483,000
Anchorage, AK	1997	\$167,915,000
Subtotal		<u>\$526,773,000</u>
Health Centers:		
Cibecue, AZ	1980	\$750,000
Lodge Grass, MT	1982	\$1,485,000
Inscription House, AZ	1983	\$3,890,000
Ft. Duchesne, UT	1984	\$2,220,000
Tsaile, AZ	1984	\$3,856,000
Huerfano, NM	1984	\$3,304,000
Ft. Thompson, SD	1988	\$3,449,000
Wolf Point, MT	1990	\$3,654,000
Kyle, SD	1990	\$3,209,000
Toppenish, WA	1990	\$9,350,000
Ft. Hall, ID	1990	\$6,002,000
Sallisaw, OK	1992	\$4,265,000
Puyallup, WA	1993	\$8,472,000
Taos, NM	1993	\$5,765,000
Wagner, SD	1993	\$6,119,000
Belcourt, ND (OPD)	1994	\$19,449,000
Tohatchi, NM	1995	\$9,279,000
Stilwell, OK	1995	\$7,663,000
Ft. Belknap, MT		\$18,885,000
Hays, MT	1997	
Harlem, MT	1998	
White Earth, MN	1998	\$13,462,000
Subtotal		<u>\$134,528,000</u>

Indian Health Facilities
Constructed Since FY 1980

	<u>Year Completed</u>	<u>Total Appropriated</u>
<u>Personnel Quarters</u>		
<u>Chinle & Inscription</u>		
House, AZ (Design)		\$336,000
Inscription House, AZ (21)	1982	\$1,764,000
Chinle, AZ (161)	1983	\$12,236,000
Huerfano, NM (9)	1983	1/
Ft. Duchesne, UT (9)	1984	1/
Crowpoint, NM (36)	1984	\$3,352,000
Tsaile, AZ (23)	1985	\$2,141,000
Ft. Thompson, SD (13)	1985	\$1,279,000
Kanakanak, AK (17)	1986	\$4,133,000
Browning, MT (26)	1987	\$2,470,000
Kyle, SD (24)	1987	\$1,615,000
Supai, AZ (2)	1990	\$246,000
Rosebud, SD (29 of 66)	1990	\$7,345,000
Neah Bay, WA (4)	1991	\$472,000
Dulce, NM (4)	1993	\$515,000
Barrow, AK (29)	1993	\$18,183,000
Rosebud, SD (remaining 37 units)	1993	\$7,695,000
Pine Ridge, SD (45)	1993	\$9,517,000
Kotzebue, AK (50)	1993	\$26,155,000
Belcourt, ND (21)	1996	\$3,912,000
Subtotal	1997	\$101,225,000
<u>Youth Regional Treatment Centers:</u>		
Alaska - Fairbanks, AK	1993	\$1,466,000
Alaska - Mt. Edgecumbe, AK	1994	\$866,000
Phoenix - Sacaton, AZ	1994	\$2,357,000
Portland - Spokane, WA	1996	\$7,343,000
Aberdeen - Chief Gall, SD	1996	\$5,373,000
Subtotal		\$17,405,000
<u>Joint Venture Demonstration Projects</u>		
Warm Springs, OR	1993	\$959,000
Poteau, OK	1994	\$700,000
Subtotal		\$1,659,000
GRAND TOTAL		\$781,590,000

1/ Funds reprogrammed from Chinle and Inscription House

Barrow, AK Hospital

Priority #5 No Funding

Project Description Existing 1965 woodframe hospital is too small and inadequate to meet the health care needs of the community and is in need of many repairs.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
10/15/98		10/28/01	2/9/02	12/10/02	3/11/03	10/10/05

Comment

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1992	5,568	36,054	24,020	139	4	14	2,180	42
Projected Workload	2002	6,142	40,167	26,760	235	7	14	10,148	42

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Bethel, AK Quarters (79)

Priority #1 No Funding

Project Description There's a need for 79 more units to be acquired in 2 phases. Phase I - 40 units to be acquired through direct federal or leasing arrangement. During Phase I design, IHS will reevaluate the need for 39 additional units based on local housing availability.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
8/19/92	8/19/92	6/11/01	2/9/02	12/10/02	3/11/03	6/10/05

Comment Phase I units to be constructed on existing hospital site. Dollar estimate is for first phase only of 40 units.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1989								87
Projected Workload	1997							13,992	166

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

California YRTC (Northern)

Priority #3 No Funding

Project Description Section 704 of amended P.L. 94-437, the Indian Health Care Improvement Act, authorized construction of 2 YRTCs in the California Area.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
		2/2/02	6/4/02	11/21/02	3/20/03	8/21/05

Comment Area is preparing Program Justification Document.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload									
Projected Workload								3,000	

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

California YRTC (Southern)

Priority #2 No Funding

Project Description Section 704 of amended P.L. 94-437, the Indian Health Care Improvement Act, authorized construction of 2 YRTCs in the California Area.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
		2/2/02	6/4/02	11/21/02	3/22/03	8/21/05

Comment Area is preparing Program Justification Document.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload									
Projected Workload								3,000	

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Clinton, OK Health Center

Priority 9 No Funding

Project Description The proposed health center will replace an antiquated hospital. The original hospital complex consisted of a one-story frame hospital building, one-story brick house and a garage, all built in the 1930's. Currently there are 15 structures in the complex.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
		1/15/02	1/15/03	1/15/04	3/15/04	1/15/06

Comment Phase I Site Selection and Evaluation report has been initiated.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1994	3,510	0	0	72	0	0	2,537	0
Projected Workload	2004	0	0	0	102	0	0	4,583	0

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Ft. Belknap, MT Quarters

Priority #4 No Funding

Project Description Cost is for 29 new units: 13 units at Ft. Belknap and 16 units at Hays.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
4/28/95	4/28/95	2/10/04	6/12/04	12/12/04	3/12/05	9/10/06

Comment

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload									11
Projected Workload								1,865	40

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Ft. Defiance, AZ Hospital

Priority #1 Partially Funded

Project Description Existing 1938 hospital cannot support needs of user population. Replacement hospital to include 20 bed adolescent psychiatric unit. Total cost includes \$31,885,000 for 8 replacement and 148 new staff quarters units.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
8/14/91	9/19/91	6/17/88	6/3/93	8/1/99	10/1/99	3/1/03

Comment Using available funding, construction documents for hospital portion of project completed on 06/21/96. Using partial funding of FY99 appropriation, hospital design is being updated so Phase I construction can start.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1989	15,791	75,988	69,198	247	22	49	9,165	89
Projected Workload	1997	19,433	129,939	83,562	536	42	58	22,268	237

*Planned staffing levels. For current staffing levels see OAM

** GSM = Gross Square Meters

FY	Plan/Design (\$000)	Const/Eqpt (\$000)	TOTAL (\$000)
1985	\$2	\$0	\$2
1988	\$2,204	\$0	\$2,204
1992	\$2,626	\$0	\$2,626
1999	\$0	\$15,000	\$15,000
Totals	\$4,832	\$15,000	\$19,832

Ft. Yuma, AZ Health Center

Priority #2 No Funding

Project Description Existing outpatient department is small with poor functional layout. Alternate sources of inpatient care are available so IHS plans to provide only outpatient care at Ft. Yuma

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
12/9/88						

Comment Project on hold at the request of the tribes because they want a new inpatient facility which IHS cannot support

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1986	2,475	18,375	12,270	61	6	17	977	
Projected Workload	1993	3,063	20,432	14,328	49	0	0	2,448	

*Planned staffing levels. For current staffing levels see OAM

** GSM = Gross Square Meters

FY	Plan/Design (\$000)	Const/Eqpt (\$000)	TOTAL (\$000)
1989	\$667	\$0	\$667
1996	(\$667)	\$0	(\$667)
Totals	\$0	\$0	\$0

Kayenta, AZ Quarters (62)

Priority #5 No Funding

Project Description To address existing need, 62 new staff quarters units are proposed (29 replacement and 33 additional rental units)

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
12/11/97	12/11/97	2/1/04	9/30/04	9/30/05	12/30/06	12/30/08

Comment Awaiting funding.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1998	0	0	0	140	0	0	4,416	
Projected Workload	2006	0	0	0	140	0	0	9,068	78

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Metlakatla, AK Health Center

Priority #7 No Funding

Project Description Existing 627 sq. meter clinic was built in mid-1970's. Problems include severe overcrowding and utility system deficiencies. Structural limitations preclude renovation. Total cost includes \$5,719,000 for 16 units of quarters.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
8/28/95		2/1/01	6/1/01	10/23/02	1/22/03	1/22/05

Comment Project includes 16 staff quarters units. Design and construction costs for quarters are estimated at \$5,719,000.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1992	1,596	12,093	9,487	21	0	0	627	0
Projected Workload	2002	1,965	18,892	9,460	65	0	0	2,660	16

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Parker, AZ Health Center

Priority #1 Partially Funded

Project Description Existing outpatient department is inadequate in layout and workflow. The facility is JCAHO accredited.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
8/16/94	2/26/96		1/28/97	8/30/98	4/30/99	10/29/01

Comment Facility will be located on a new site. Tribe is using -638 contract for design and construction.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1991	6,262	19,593	13,820	58		20	2,839	
Projected Workload	2001	7,718	36,515	18,285	176		10	6,702	

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

FY	Plan/Design (\$000)	Const/Eqpt (\$000)	TOTAL (\$000)
1987	\$50	\$0	\$50
1988	\$693	\$0	\$693
1995	\$374	\$0	\$374
1999	\$0	\$2,500	\$2,500
Totals	\$1,117	\$2,500	\$3,617

Pawnee, OK Health Center

Priority #5 No Funding

Project Description Existing 1928 facility built as a hospital is functionally inadequate to deliver current health care needs.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
2/22/95	2/1/00		6/1/00	4/30/01	6/30/01	10/3/03

Comment ES-Dallas has completed the feasibility study. The Phase I Site Selection Report was approved on 11/6/95.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1992	3,810	18,034	8,237	44			2,614	
Projected Workload	2002	4,482	28,224	14,133	104			4,262	

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Phoenix, AZ (PIMC-Hostel, EastValley, Central, NorthWest) Priority #3 Partially Funded

Project Description NORTHWEST: This outpatient facility is one of three satellite facilities planned for of the Phoenix health care delivery system.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
		2/1/02	6/14/02	3/15/03	6/14/03	6/13/05

Comment PJD is in feasibility stage and is 70 percent complete. Northwest is to be an outpatient facility only.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload		0	0	0	0	0	0	0	0
Projected Workload		13,281	60,114	30,102	0	0	0	6,471	0

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Phoenix, AZ (PIMC-Hostel, EastValley, Central, NorthWest) Priority #3 Partially Funded

Project Description PIMC+HOSTEL: Existing facility built in 1970. Functionally inadequate for current program service workloads. New inpatient facility being planned will include new site acquisition. Hostel includes 32 units for patient families

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
		2/1/02	6/14/02	3/15/04	6/14/04	6/13/07

Comment PJD is in feasibility stage and is 70 percent complete. Project includes 32 hostel units. This inpatient facility is part of the Phoenix Metropolitan Area proposed health care delivery system which includes 3 additional outpatient satellite facilities.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1991	38,099	118,478	117,082		95	147	16,722	
Projected Workload	2001						180	45,196	

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

FY	Plan/Design (\$000)	Const/Eqpt (\$000)	TOTAL (\$000)
1989	\$150	\$0	\$150
1994	\$75	\$0	\$75
Totals	\$225	\$0	\$225

Phoenix, AZ (PIMC-Hostel, EastValley, Central, NorthWest)

Priority #3 Partially Funded

Project Description CENTRAL: Renovation of existing hospital for outpatient services as part of the health care delivery system.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
		2/1/02	6/14/02	3/15/03	6/14/03	6/13/05

Comment PJD is in feasibility stage and is 70 percent complete.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload		0	0	0	0	0	0	0	0
Projected Workload		0	118,879	0	0	0	0	10,360	0

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Phoenix, AZ (PIMC-Hostel, EastValley, Central, NorthWest)

Priority #3 Partially Funded

Project Description East Valley - The Phoenix Area has decided to build a new medical center in Phoenix with three satellite ambulatory care facilities: one in northwest Phoenix; one at the existing PIMC site in Central Phoenix, and one in the "east valley" of the Phoenix metro area.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
		2/1/02	6/14/02	3/15/03	6/14/03	6/13/05

Comment A PJD will be developed to include all four facilities. The projected workload and GSM for East Valley and Northwest are very close and the Area is exploring the possibility of building two identical facilities, thereby reducing costs.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload					0	0	0		0
Projected Workload		16,127	58,067	29,077	0	0	0	6,044	0

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Phoenix-Nevada YRTC

Priority #1 Partially Funded

Project Description A tentative site has been identified in Washoe, Nevada, as a satellite facility to the Sacaton YRTC.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
6/1/94			6/25/98	11/18/99	3/19/01	8/18/02

Comment Tribe has expressed an interest in a PL93-638 design and construction contract.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload			0	0	0	0	0	0	0
Projected Workload		0	0	0	20	0	12	757	0

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

FY	Plan/Design (\$000)	Const/Eqpt (\$000)	TOTAL (\$000)
1987	\$146	\$369	\$515
Totals	\$146	\$369	\$515

Pinon, AZ Health Center

Priority #3 Partially Funded

Project Description New health center to replace health station built in 1959, which cannot support the needs of the user population. Total cost includes \$16,426,000 for 62 units of quarters.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
8/19/92	4/16/93	7/21/94	9/20/94	9/30/99	3/1/01	6/30/03

Comment After being stopped for insufficient funding since Sept. 1997, project design resumed using FY99 appropriation, which will allow design to be completed.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1990	8,784	3,165	4,973	0			455	0
Projected Workload	2000	11,396	40,523	20,292	169			6,339	62

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

FY	Plan/Design (\$000)	Const/Eqpt (\$000)	TOTAL (\$000)
1989	\$50	\$0	\$50
1990	\$840	\$0	\$840
1999	\$1,037	\$0	\$1,037
Totals	\$1,927	\$0	\$1,927

Red Mesa, AZ (Moz.Creek) Health Center

Priority #4 Partially Funded

Project Description New health center to replace health station in Teec Nos Pos, AZ, and contract health services in Montezuma Creek, UT, which cannot support the needs of user population. New health center to include 24-hour ER and 6-bed short stay nursing unit. Total cost includes \$22,074,000 for 89 units of quarters.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
2/10/98			9/30/99	12/31/00	6/30/01	9/30/03

Comment POR is being processed for approval. Site for new facility is proposed for Red Mesa, AZ. Additional funds are required to complete design.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1993	9,901	10,525	10,482	0			513	0
Projected Workload	2003	12,580	64,218	32,157	203			8,459	89

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

FY	Plan/Design (\$000)	Const/Eqpt (\$000)	TOTAL (\$000)
1985	\$9	\$0	\$9
1991	\$746	\$0	\$746
Totals	\$755	\$0	\$755

Sisseton, SD Health Center

Priority #8 No Funding

Project Description Health center will replace functionally inadequate hospital, which was built in 1936. Total cost includes \$6,564,000 for 24 units of quarters.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
6/10/96		2/1/01	6/1/02	6/25/03	9/24/03	8/1/05

Comment OPVs and PCPVs include Wahpeton School.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1994	5,131	21,302	17,429	71	5	18	2,435	0
Projected Workload	2004	6,574	45,240	22,654	144	0	0	5,688	24

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

St. Paul, AK Health Center

Priority #6 No Funding

Project Description The existing health center is 65 years old and is obsolete. The FEDS deficiencies exceed \$3 million. Workloads include non-Natives. Facility serves thousands of workers and tourists on the island. Total cost includes \$5,435,000 for 12 units of quarters.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
5/31/95		2/1/01	6/1/01	10/23/02	1/22/03	1/22/05

Comment Design/construction would be via P.L. 93-638 construction contract. Project includes 12 quarters with estimated cost for design and construction of \$4,555,000. Total project cost is an average of the FY97 and FY 98 cost estimates.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1992	763	5,792	4,633	15	0	0	945	0
Projected Workload	2002	1,011	10,458	5,237	33	0	0	1,717	12

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Talihina, OK Hospital

Priority #4 No Funding

Project Description Existing facility was originally designed as TB sanatorium. Constructed of native stone masonry walls. Functionally obsolete to deliver current health care needs.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
2/22/95		10/13/98	3/15/97	12/15/97	4/15/98	8/15/99

Comment Tribe is using its own funds to design and construct the facility.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1992	20,663	39,809	30,912	138	19	52	10,249	0
Projected Workload	2002	23,586	39,349	26,215	291	17	27	11,536	0

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Wagner, SD Quarters (10)

Priority #3 No Funding

Project Description Ten additional units of staff quarters are needed to house health care professionals.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
1/17/95		2/1/03	6/1/03	12/10/03	3/10/04	9/9/05

Comment Approved Phase I Site Survey recommends Wagner Heights site for new units.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload		0	0	0	0	0	0	838	4
Projected Workload		0	0	0	0	0	0	2,271	14

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

Winnnebago, NE Hospital

Priority #2 Partially Funded

Project Description Existing facility built in 1932 with addition built in 1966. Inadequate for outpatient workload. Part of existing hospital will be renovated to meet the Area's adult drug dependency treatment needs. Direct-federal design.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
2/15/94	6/24/94		11/6/96	3/7/00	6/6/01	6/6/04

Comment In February 1995, both Tribes sent a letter supporting the approved PJD. The Phase II report was approved 2/7/95. Amendments: #1 approved 2/26/96, #2 approved 5/2/97. Additional funding required to complete design.

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload	1992	10,475	27,178	16,392	107	17	30	3,564	
Projected Workload	2002	13,996	37,614	25,059	258	26	29	9,228	

*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters

FY	Plan/Design (\$000)	Const/Eqpt (\$000)	TOTAL (\$000)
1989	\$50	\$0	\$50
1994	\$300	\$0	\$300
1995	\$1,397	\$0	\$1,397
1999	\$950	\$0	\$950
Totals	\$2,697	\$0	\$2,697

Zuni, NM Quarters (19)

Priority #2

No Funding

Project Description There is a need for 19 staff quarters. Of 27 existing units, 16 are substandard trailers. New construction will replace trailers and provide three new quarters for staff.

PJD	POR	Site Selection	Design Award	Complete	Construction Award	Complete
8/1/94	8/1/94	2/1/03	5/30/03	1/4/04	4/5/04	12/3/05

Comment

	FY	POP	OPV	PCPV	Staff*	ADPL	Beds	GSM**	Quarters
Base Workload									
Projected Workload								2,906	19
*Planned staffing levels. For current staffing levels see OAM ** GSM = Gross Square Meters									

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Facilities - 75-0391-0-1-551
 Facilities and Environmental Health Support

Program Authorization:

Program authorized by U.S.C. 13, Snyder Act, and P.L. 83-568 Transfer Act, 42 U.S.C. 2001.

	FY 1998 Actual	FY 1999 Appropriation	FY 2000 Estimate	Increase Or Decrease
Budget Authority:				
Fac. Sup.....	\$48,219,000	\$53,857,000	\$57,346,000	+\$3,489,000
Envir. Sup.....	42,463,000	44,548,000	52,213,000	+\$7,665,000
OEHE Sup.....	10,935,000	9,277,000	10,123,000	+\$846,000
Total BA.....	\$101,617,000	\$107,682,000	\$119,682,000	+\$12,000,000
FTE:				
Fac. Sup.....	567	580	610	+30
Envir. Sup.....	502	503	554	+51
OEHE Sup.....	95	95	95	--
Total FTE.....	1,164	1,178	1,259	+81

PURPOSE AND METHOD OF OPERATION

The Indian Health Facilities programs, managed at Indian Health Service (IHS) Headquarters by the Division of Facilities and Environmental Engineering (DFEE) and carried out by Area, field, and service unit staff, provide an extensive array of health care facilities and staff quarters construction, maintenance, and operation services; as well as community and institutional environmental health, injury prevention, and sanitation facilities construction services. Services are delivered directly by Federal employees or by tribal contractors. In addition to staffing costs, funds appropriated for this activity are used to pay costs for utilities in IHS health care facilities, certain non-medical supplies and personal property, biomedical equipment repair, and some rents. This umbrella account is further managed and distributed through three categories; facilities support, environmental health support, and environmental health and engineering support.

Currently, costs for permanent positions that constitute the Federal portion of this national Facilities and Environmental Health program are paid from this account. Costs for approximately 248 additional temporary and permanent sanitation facilities construction support personnel are paid from specific sanitation facilities project accounts. Costs for positions in tribally contracted environmental health activities are included among the permanent positions paid from this account. Costs for health facilities/staff quarters operation and maintenance personnel are paid from this account or from reimbursements.

The DFEE Headquarters staff includes components in Rockville, Dallas and Seattle. The staff has management responsibility for IHS facilities and environmental health programs, provides direct technical services and support to Area personnel, and performs critical management functions.

Headquarters DFEE management activities include national policy development and implementation; budget formulation; project review and approval; congressional report presentation; quality assurance (internal

control reviews, Federal Managers Financial Integrity Act activities, and other oversight); technical assistance (consultation and training for both tribal and IHS personnel); long-range planning; meetings (with Members of Congress and their representatives, with tribes, and with other Federal agencies); and recruitment and retention. In addition, Engineering Services staff provides architectural, engineering, construction services, contracting services, and real property services to IHS and tribal health care facilities programs.

There are counterparts of most facilities and environmental health organizational elements in each IHS Area Office. Staff of facilities and environmental health related programs in IHS Area Offices vary in size depending on program scope; the number and size of IHS facilities served; the number, size, and complexity of construction projects; the number and location of Indian communities served; transportation considerations; and the method of providing technical services within the Area. Area facilities and environmental health personnel include engineers, sanitarians, real property and quarters management specialists, facilities planners, injury prevention specialists, construction inspectors, utility operations consultants, draftspersons, and land surveyors.

Area personnel perform limited management functions while devoting a predominance of time and effort to providing direct support to service unit, district office, and tribal contracted personnel. Typical of direct support functions are services performed by Area-based technical experts who visit IHS facilities and Indian communities to make institutional (hospital, school, restaurant, water supply) inspections, complete Indian sanitation facilities construction survey work, train water/wastewater treatment plant operators or hospital maintenance personnel, survey real property and IHS staff quarters, perform epidemiological studies of injury occurrences, provide onsite construction inspection services, troubleshoot mechanical/electrical problems in IHS facilities, etc.

The management functions performed by IHS Area personnel parallel those performed by Headquarters but are focused on Area and service unit needs and, therefore, are less broad in quantity and scope. They include Area policy development and implementation, quality assurance in Area/service unit operations (oversight), technical assistance (consultation and training), long-range planning, recruitment, and retention.

District Offices are opened when professional/technical services are needed at two or more IHS health care facilities or Indian sanitation facilities construction projects, which are not large enough to merit full-time staff coverage, when the Area Office is too distant, or when the size of the service area is too large to provide suitable services, oversight, or technical assistance from the Area Office. Currently, IHS has approximately 30 such offices, staffed by engineers, sanitarians, construction inspectors, land surveyors, environmental health and construction technicians, and support personnel. All provide direct program support services.

Funding levels for the last 5 fiscal years follows:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$88,780,000	1,207
1996	\$89,677,000	1,209
1997	\$91,021,000	1,192
1998	\$101,617,000	1,192
1999	\$107,682,000	1,178

Facilities and Environmental Health Support is divided into three program sub-activity descriptions (facilities support, environmental health support, and office of facilities and environmental health support).

RATIONALE FOR BUDGET REQUEST

TOTAL REQUEST - The request of \$119,682,000 and 1,259 FTE is an increase of \$12,000,000 and 81 FTE over the FY 1999 Appropriation of \$107,682,000 and 1,178 FTE. The increases include the following:

Current Services - Built-in Increases - +\$3,732,000

The request of \$3,732,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

Phasing-In of Staff for New Facilities - +\$673,000,000 and +7 FTE

The request of \$673,000,000 and 7 FTE provides for the phasing-in of staff and related costs for new facilities. The staffing of new facilities also contributes to the recruitment and retention of medical staff and promotes self-determination activities. The following table displays the requested increase.

<u>Facilities:</u>	<u>Dollars</u>	<u>FTE</u>
Lame Deer, MT Health Center	\$169,000	2
Hopi,AZ Health Center	123,000	2
Kotzebue,AK Hospital	-47,000	--
Talihina,OK Hospital	428,000	3
Total	\$673,000	7

Program Increases - +\$7,595,000 and 74 FTE:

These increases range from environmental health activities and injury prevention to support for facilities construction activities. See each sub-subactivity section for more details.

Indian Health Facilities
Facilities and Environmental Health Support
Facilities Support

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase or <u>Decrease</u>
Budget Authority...	\$48,219,000	\$53,857,000	\$57,346,000	+\$3,489,000
FTE.....	567	580	610	+30

PURPOSE AND METHOD OF OPERATION

Funds appropriated for the Facilities Support sub-activity are used to pay certain personnel and operating costs at the Area and Service Unit levels¹. The personnel paid from this account operate and maintain health care facilities and staff quarters. Staff functions supported by this sub-activity includes management, operation, and maintenance of real property, building systems, medical equipment, and planning and construction management for new and replacement facilities projects. Also, related Area and Service Unit operating costs, such as utilities, building operation supplies, facilities related real and personal property, and biomedical equipment repair and maintenance, are paid from this account.

The IHS is committed to ensuring that health care is provided in functional and safe structures. Because many IHS facilities are located in isolated and remote environments far from urban centers, the IHS builds and maintains residential quarters at those locations to house non-local health care personnel.

The IHS owns approximately 883 000 square meters of Federally owned space and 774 hectares of land. The nature of space varies from sophisticated medical centers to residential units and utility plants (see following table). Facilities range in age from less than 1 year to more than 100 years. Many of IHS facilities were built when medicine was practiced much differently than it is today and service populations were much smaller (IHS still delivers care in hospitals originally built as tuberculosis sanitariums).

In addition to federally owned space the IHS manages direct lease and GSA assigned space.

Space Occupied by IHS and Tribal Health Care Programs				
Type of Facility	Federally Owned	Direct Federal Lease	GSA Assigned	Tribal
Hospitals and Health Centers	529 333 M ²	66 605 M ²	-0-	240 938 M ² *
Staff Quarters	260 823 M ²	5 393 M ²	-0-	*
Other	92 133 M ²	6 190 M ²	78 770 M ²	*
Total	882 289 M ²	78 188 M ²	78 770 M ²	240 938 M ² *

¹/Costs for these functions performed by P.L. 93-638 contractors at non-Federally-owned or previously Federally-owned facilities are funded from the Services appropriation.

- Tribal Space listed for Hospitals and Health Centers includes all space at locations where direct medical services are provided under P.L. 93-638 contracts in non-IHS owned buildings. The IHS does not track individual tribal buildings. Staffing and operations costs for these facilities are funded from the Services appropriation.

STAFF FUNCTIONS

Four principal staff functions are funded at the Area and service unit levels through the Facilities Support sub-activity.

- Facilities Engineers

Area and service unit facilities engineers are responsible for ensuring that IHS building systems are operated properly; facilities and grounds are maintained adequately; utilities are managed appropriately; environmental compliance requirements are met; and buildings are safe. The need for maintenance and improvement projects is determined at the Area level and identified in Area Facilities Engineering Plans.

- Clinical Engineers

The IHS has highly sophisticated medical equipment in its inventory. Skilled, specialized personnel are employed to maintain and service that equipment because the lives of patients depend on accurate calibration and safe operation. Clinical engineers and technicians perform this critically important function. Additional funding to repair biomedical equipment is obtained from Medicare/Medicaid and private insurance reimbursements. Larger IHS facilities have clinical engineering personnel on-site, but most IHS and tribal facilities depend on Area, district, or service unit-based clinical engineers and technicians, who travel to several facility locations, to repair and maintain biomedical equipment.

- Real Property Management

Area Realty Officers provide technical and management assistance/supply for realty activities associated with direct-leased, GSA-assigned, and IHS owned (and to some degree tribally owned) space, including facility acquisition and disposal, licensing/easement processing, use-permit issuance, and quarters management activities. The program also helps tribes and tribal organizations acquire, administer, and/or manage excess federally owned and tribally leased real property.

- Facilities Planning and Construction

Some IHS Areas have facilities planning and construction monitoring components that assist in the planning and construction management of new and replacement health care facility and staff quarters projects. The need for new facilities is determined by applying the IHS Health Facilities Construction and Quarters Construction Priority System methodologies. Area staff prepare initial proposals for new and replacement facilities, prepare Program Justification Documents, Program of Requirements Documents, and Project Summary Documents for projects. While construction is underway, Area facilities management staff may be supplemented with construction management personnel to

oversee Federal interests in the construction of new and replacement facilities.

OPERATION COSTS

- **Utility Costs**

Utility costs include heating and air conditioning expenses, fuel oil, natural gas, propane, water, sewer, and electricity for lighting and equipment operation.

- **Building Operation Supplies and Equipment**

Funds for building operation supplies and equipment, such as, special tools to perform maintenance, heating and air conditioning supplies, etc.

- **Biomedical Equipment and Repair**

The clinical engineering program provides technical service and support for biomedical equipment at IHS and tribal health care facilities. The program also administers service contracts for biomedical maintenance and repair, where clinical engineering personnel are not available to perform this service.

- **Leased Space**

The IHS continues to apply its Lease Priority System (LPS) methodology in order to plan/budget for federally funded IHS and tribal program space. The LPS improves lease management by establishing specific criteria for evaluating Federal and tribal health program space requests.

All lease costs are paid from the Service appropriations.

Funding levels for the last 5 fiscal years follows:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$38,215,000	495
1996	\$38,460,000	539
1997	\$38,838,000	560
1998	\$48,219,000	560
1999	\$53,857,000	580

ACCOMPLISHMENTS

In FY 1998, Facilities Support provided Area offices and service units with staff to operate and maintain the health care buildings and grounds, and to service medical equipment. This responsibility includes an inventory of approximately \$224 million of medical equipment, 49 hospitals, 209 health centers, more than 2,100 staff quarters, 279 smaller health stations and satellite clinics, 6 school health centers, and 7 youth regional treatment centers.

Rationale for Budget Request

TOTAL REQUEST -- The request of \$57,346,200 and 610 FTE is an increase of \$3,489,000 and 30 FTE over the FY 1999 Appropriation of \$53,857,000 and 580 FTE. The increases include the following.

Current Services - Built-in Increases - +\$1,749,000

The request of \$1,749,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

Phasing-In of Staff for New Facilities - +\$240,000 and +4 FTE

The request of \$240,000 and 4 FTE provides for the phasing-in of staff and related costs for new facilities. The staffing of new facilities also contributes to the recruitment and retention of medical staff and promotes self-determination activities. The following table displays the requested increase.

<u>Facilities:</u>	<u>Dollars</u>	<u>FTE</u>
Lame Deer, MT Health Center	\$164,000	2
Hopi, AZ Health Center	123,000	2
Kotzebue, AK Hospital	-47,000	--
Talihina, OK Hospital	0	--
Total	\$240,000	4

Program Increases - +\$1,500,000 and 26 FTE

This increase will provide 26 FTE for additional staffing needed to support the increased Maintenance, Improvement and New Construction funding including program implementation. This staffing will be at the Area Service Unit and facility level providing direct program services. This includes activities such as correction of facilities deficiencies by increasing facility maintenance staffing; and planning, design and construction of new facilities by Area and service unit staff.

Indian Health Facilities
Facilities and Environmental Health Support
Environmental Health Support

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or Decrease
Budget Authority...	\$42,463,000	\$44,548,000	\$52,213,000	+\$7,665,000
FTE.....	502	503	554	+51

PURPOSE AND METHOD OF OPERATION

Funds in the Environmental Health Support sub-activity are used to pay for personnel who accomplish health services, injury prevention activities, and sanitation facilities construction activities, at the IHS Area, district, and service unit levels and operating costs associated with provision of those services and activities.

Most American Indian and Alaska Native (AI/AN) people live in environments typified by severe climatic conditions, rough, often treacherous geography, extreme isolation, infestations of disease carrying insects and rodents, inadequate housing, unsanitary methods of sewage and garbage disposal, and unsafe water supplies. Such harsh environments, coupled with decades of economic deprivation and compounded by the lack of basic environmental essentials in many homes (such as running water and toilet facilities) historically have contributed significantly to the exceptionally high incidence of disease, injury, and early death among the AI/AN people.

Developing solutions to the many environmental concerns affecting AI/ANs requires knowledge and expertise possessed by a variety of professional and technical environmental health and skilled health specialists. The Area, District and service unit environmental health staffs include engineers, sanitarians, environmental health technicians, engineering aide, injury prevention specialists and institutional environmental control officers.

PROGRAM EMPHASIS AREAS

• Injury Prevention

Injuries have a significant, adverse effect on AI/AN populations. Between 1991 and 1993, over 4,000 AI/AN residing in the IHS service area, died from unintentional injuries (motor vehicle crashes, home fires, drowning, poisoning, etc.), suicide, homicide, averaging almost 1,400 such death per year. During 1991-1993 injuries and poisoning deaths resulted in 132,856 years of potential life lost (persons dying before age 65).

On average, AI/ANs are dying at a rate 2.2 times the U.S. All Races rate for injuries and poisonings. The rates for Aberdeen and Navajo Areas were 3.5 times the U.S. All Races rate. The rate for Alaska was 3.6 times the U.S. All Races rate. The IHS estimates conservatively that \$100,000,000 is spent each year on

transportation and acute care of injured Indian people; however, costly critically needed re-constructive surgeries, prosthetic devices, and rehabilitative services often cannot be provided. Frequently overlooked is the effect that injuries have on the injured person's family. Severe disabling injuries often affect the financial and social fabric of the family and the community, causing a "burden" unparalleled by other health problems.

For many years the IHS has been aware of the significant drain on its limited health care resources that is caused by stabilizing, transporting, treating, and rehabilitating injury victims. In 1981, an Injury Prevention Program was initiated within the environmental health activity. Early efforts by Area, district, and service unit personnel at improved surveillance and targeted intervention were so encouraging that a formal injury prevention training program was established.

One of the most important advancements in the field of injury prevention was dispelling the myth that accidents or accident occurrences are responsible for most, if not all, injuries. In fact, today it is known that injuries are predictable occurrences that can be successfully prevented with properly targeted interventions. There is mounting quantitative evidence that community-base prevention programs, patterned on the public health model, can reduce the incidence of severe injuries requiring hospitalization.

For instance, when Centers for Disease Control and Prevention personnel evaluated the effect of the Navajo Nation's motor vehicle safety belt law, they found that the number of severe injuries attributable to motor vehicle crashes was reduced by 28 percent. This reduction represents estimated savings to the Federal Government of more than \$2,000,000 in direct care expenditures alone. An analysis of deaths among Alaska Natives in the Yukon River delta region indicated 30 percent reduction in drowning deaths. This reduction is attributed to a 5-year drowning prevention education effort sponsored by the Yukon Kuskokwim Health Corporation's Injury Prevention Program.

The IHS Injury Prevention Plan "Immunizing against the Injury Epidemic" calls for collaboration among IHS, tribes, and other Federal, State, and local agencies in efforts to reduce the incidence of severe injuries. These efforts include placing special emphasis on primary prevention, developing programs on sound epidemiological bases, and funding community-based prevention projects. The IHS has developed formal injury prevention networking arrangements with the Bureau of Indian Affairs, the Center for Substance Abuse Prevention, the National Highway Traffic Safety Administration, and many states, in order to collaborate more effectively with tribes in co-sponsoring injury prevention projects.

Also during the past 9 years, IHS has developed injury prevention training programs specifically for the community-based practitioner. To support tribal capacity building, IHS provides technical training in the area of community injury prevention to approximately 60 tribal health personnel annually through the Injury Prevention Practitioner Level I course.

Support for the IHS Injury Prevention Program is found in the Indian Health Amendments of 1992, Public Law 102-573, and in "The Year 2000 Objectives for the Nation." Three of these objectives target reductions in unintentional injuries, motor vehicle crash injuries, and alcohol-related motor vehicle crashes.

- Institutional Environmental Health

Institutional Environmental Health (IEH) specialists, where available on IHS staffs, work with managers of health care, educational, childcare, and correctional facilities. Such institutions have diverse clientele but share many common problems (such as risks and hazards of new technologies). Emerging disease risks and hazards, stricter regular requirements and escalating costs resulting from claims for compensation for work related injuries sustained by health care workers make institutional environmental problems ever more complexing and challenging.

The IEH specialists are trained to anticipate, recognize, and evaluate potential hazards and recommend control procedures. Periodic, formal evaluations of institutions serving AI/AN populations are performed in order to assess environmental conditions, identify those that may cause adverse health effects, and make recommendations to prevent or minimize harm. Among operational areas of interest to IEH specialists are as follows: infections control, industrial hygiene, radiation protection, safety management, and general environmental health conditions.

Assistance is provided to institution managers/operators in developing appropriate program for protecting clients and employees, and in complying with legislation and executive orders regarding environmental health and safety management issues. Advice is also offered regarding compliance with accreditation and/or certification standards. Maintaining accreditation ensures that IHS continues to have access to third-party funding.

An evaluation research grant of \$116,000 was funded for FY 1997. This joint initiative conducted by the Office of Environmental Health and Engineering and the Office of Public Health was intended to evaluate the effect of primary prevention and case management in reducing the incidence and associated costs of work place injuries. The program targeted the 25 largest IHS hospitals and 4 hospitals associated with self-governance tribes. Grant funds were used to purchase injury tracking software, interactive safety training software, occupational rehabilitation training, and reference materials, as well as provide funds for special projects and biostatistical support.

- Sanitation Facilities Construction

Concurrent with the provision of technical and consultative environmental health services, Area, district and service unit environmental health personnel provide technical services required to construct critically needed sanitation facilities for AI/ANs. Considering the diverse climatic and geologic conditions and varied cultural values, much pre-design engineering work is required, consultation with the tribes, to identify economical and technically feasible projects. Once a sanitation facility is built. The Indian family and/or community for which was

constructed assume operation and maintenance responsibilities including payment of associated costs. Therefore, a primary responsibility of IHS Area, district and service unit environmental health personnel is to provide technical assistance and guidance to Indian families and communities regarding the operation and maintenance of essential water supply and sewage disposal facilities.

Where appropriate, IHS engineers, sanitarians and technicians help the tribes and communities create operation and maintenance organizations and establish ordinances and user fee schedules so that operation and maintenance expenses will be borne fairly by all system users. The availability of technical assistance from IHS has contributed significantly to the ability of small communities and rural families to keep their facilities in working condition. Sustained attention to proper operation and maintenance of these facilities, by tribes, communities, and individual homeowners, is an important contribution to continued strengthening of community infrastructure for AI/AN. In addition, it is necessary to protect the enormous preventive health investment made by the Federal Government on behalf of AI/AN.

TRIBAL HEALTH PROGRAMS

The IHS Area, district and service unit environmental health personnel also train tribal employees to provide environmental health services, under contact with IHS wherever a tribe desires, provided that funds are available and other considerations make such arrangement practicable.

As a result of training provided by IHS, tribal environmental health personnel are better prepared to provide higher levels of service to the Indian people and to support the provision of direct patient care services. For example, some tribes have chosen to contract for the provision of the full range of environmental health services as typically provided by the IHS direct delivery program.

The tribes have been an integral part of the sanitation facilities program for years. In recent years they have administered more than 50 percent of the project funds for the provision of sanitation facilities to AI/AN homes and communities. A Navajo tribal enterprise, the Navajo Engineering and Construction Authority, exemplifies this successful effort. It constructs virtually all sanitation facilities provided by the IHS on the Navajo Indian Reservation and employs approximately 350 Navajos on IHS funded construction projects.

Area, district and service unit environmental health personnel work with tribes/tribal organizations to encourage maximum participation in planning health services delivery programs. Also, they provide technical assistance to the tribal officials who carry out administrative/management responsibilities associated with operation of federally supported programs. Their support of self-determination for tribal organizations will continue. However, the extent to which there is participation in the self-determination process depends on, and is determined by, the individual tribes/tribal organizations.

Funding levels for the last 5 fiscal years follows:

Year	Funding	FTE
1995	\$40,314,000	495
1996	\$40,645,000	539
1997	\$41,474,000	522
1998	\$42,463,000	522
1999	\$44,548,000	503

ACCOMPLISHMENTS

(1) Provided sanitation facilities to Indian Homes and communities by implementing approximately 2,818 projects to provide sanitation facilities, funded personnel to manage the injury prevention program, and performed environmental health services; (2) Worked with other agencies to secure additional funding to initiate projects to provide sanitation facilities for 1,318 HUD housing units, 297 Bureau of Indian Affairs units, 4,232 new/like-new housing units, and 8,526 existing housing units;

Performance Measures:

The following performance indicators are included in the IHS FY 2000 Annual Performance Plan and are primarily dependent upon the activities funded within this budget line item for achievement. These indicators are sentinel indicators representative of some of the more significant health problems affecting AI/AN.

Indicator 22: By the end of FY 2000, reduce the deaths by unintentional injuries for AI/AN people to no more than 90 per 100,000 people.

Rationale for Budget Request

TOTAL REQUEST - The FY 2000 request of \$52,213,000 and 554 FTE is an increase of \$7,665,000 and 51 FTE over the FY 1999 Appropriation of \$44,548,000 and 503 FTE. The increases include the following.

Current Services - Built-in Increases - +\$1,637,000

The request of \$1,637,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

Phasing-In of Staff for New Facilities - +\$433,000 and +3 FTE

The request of \$433,000 and 3 FTE provides for the phasing-in of staff and related costs for new facilities. The staffing of new facilities also contributes to the recruitment and retention of medical staff and promotes self-determination activities.

The following table displays the requested increase.

<u>Facilities:</u>	<u>Dollars</u>	<u>FTE</u>
Lame Deer, MT Health Center	\$5,000	--
Hopi, AZ Health Center	---	--
Kotzebue, AK Hospital	---	--
Taihiina, OK Hospital	428,000	3
Total	\$433,000	3

Injury Prevention - +\$2,800,000

The Director, IHS, has identified Injury Prevention as one of his primary public health initiatives. More years of potential life are lost due to traumatic injury than the next four causes combined. In fact, death from traumatic injury is the leading killer of Indian people from the early age of seven months to their 44th year. Although the causes of injury death are not totally dissimilar from other Americans, the rates at which Indian people die are alarming. Statistically speaking, Indian people die of injury death at 2-3 times the rate of other Americans. But these numbers disguise the dramatic rates in IHS Areas covering the Great Plains and the Southwestern tribes where motor vehicle death rates are 4-5 times higher than U.S. All Races rate.

Much can and is being done to attack this injury epidemic. For more than ten years IHS has concentrated its limited resources into attacking the root causes of traumatic injury death and permanent disabilities. Additionally, the Injury Prevention Strategic Plan of 1990 identified the necessity to build the capacity of tribes through basic public health infrastructure enhancement in order to institutionalize this knowledge within the tribes themselves. FY 1997 was the first year that funds were available to tribes for the specific purpose of building tribal infrastructures. The needs and interests of tribes are great. For example, in 1997 more than fifty tribes applied for basic infrastructure grants; thirteen were awarded based on merit. During 1998, more than thirty tribes applied for the second round of grants and three were reached with funding.

The needs in Indian country are great based upon the "burden of trauma" among Indian people. The level of interest in tribes to proactively addressing this problem is also great. These new resources will allow the IHS to work with approximately seventy-five percent of our tribal nations to address their basic needs in injury prevention.

Program Increases - +\$2,795,000 and 48 FTE

This increase will provide for additional federal or tribal staffing to effectively implement the base workload and requested increase for environmental health services at Area, district, and service unit locations providing direct program services. This represents approximately 10 percent increase in staffing. This includes sanitation facilities construction and addressing our expanding environmental responsibilities including program implementation.

Indian Health Facilities
Facilities and Environmental Health Support
Office of Environmental Health and Engineering Support

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or Decrease
Budget Authority...	\$10,935,000	\$9,277,000	\$10,123,000	+\$846,000
FTE.....	110	95	95	--

PURPOSE AND METHOD OF OPERATION

The Office of Environmental Health and Engineering (OEHE) Support sub-activity funds personnel and operating costs for Headquarters Division of Facilities and Environmental Engineering (DFEE) which includes two offices of Engineering Services (ES) in Dallas and Seattle.

Headquarters and ES personnel have management responsibility for IHS facilities and environmental health programs, provide direct technical services and support to Area personnel and perform critical management functions. Headquarters management activities includes national policy development and implementation; budget formulation; project review and approval; congressional report preparation; quality assurance (internal control reviews, Federal Managers Financial Integrity Act activities and other oversight); technical assistance (consultation and training); long range planning; meetings (with Members of Congress and their representatives, with tribes, and with other Federal agencies); and recruitment and retention. Typical direct support functions performed by DFEE personnel who serve as project officers for health facilities construction projects are: to review and/or write technical justification documents, participate in design reviews and site surveys, conduct onsite inspections, and monitor project funding status.

The DFEE Headquarters and ES funded positions are in Rockville, Dallas, and Seattle. Headquarters personnel include engineers, sanitarians, health facilities planners, real property managers, and support personnel. Engineering Services staff provide architectural, engineering, construction services, contracting services, and real property services to the IHS health care facilities program. They provide direct services and support to Headquarters and Area personnel in preparing the project justifications, construction cost estimates, and project designs, contracting for design and construction of new health care facilities and existing facility improvements, conducting construction inspections and facility inspections; leasing space for IHS program operations; and providing management support.

Funding levels for the last 5 fiscal years follows:

<u>Year</u>	<u>Funding</u>	<u>FTE</u>
1995	\$9,872,000	150
1996	\$10,572,000	120
1997	\$10,709,000	110
1998	\$10,935,000	110
1999	\$9,277,000	95

ACCOMPLISHMENTS

(1) Funded personnel who have management responsibilities for National policy development and implementation, budget formulation, congressional report preparation, health care facilities construction and other national program related duties. (2) The Engineering Services staff completed 130 engineering and technical reports, surveys, and studies; awarded 76 major design/construction contracts not including modifications; processed 41 IHS and Government Services Administration leases, and ended the year managing 200 active health care facilities projects.

RATIONALE FOR BUDGET REQUEST

TOTAL REQUEST - The request of \$10,123,000 and 95 FTE is an increase of \$846,000,000 over the FY 1999 Appropriation of \$9,277,000 and 110 FTE

Current Services - Built-in Increases - +\$346,000

The request of \$346,000 for personnel related cost will partially fund the increased cost of providing health services to IHS beneficiaries by providing the FY 2000 pay raise and within grade increases. These funds will be shared with Title I and Title III tribes, as well as Federal programs.

Program Increases - +\$500,000

This increase will provide additional resources to effectively implement the requested increases in the health care facilities construction program. This includes providing direct program services and support. These program services are preparing project justifications, construction cost estimates, project designs, contracting for design and construction of new health care facilities and existing facility improvements, conducting construction inspections and facility inspections; leasing space for IHS program operations; and providing management support.

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Facilities - 75-0391-0-1-551
Equipment

	<u>FY 1998</u> <u>Actual</u>	<u>FY 1999</u> <u>Appropriation</u>	<u>FY 2000</u> <u>Estimate</u>	<u>Increase</u> <u>Or</u> <u>Decrease</u>
Budget Authority...	\$13,005,000	\$13,342,000	\$14,243,000	+\$1,000,000

PURPOSE AND METHOD OF OPERATION

The IHS manages approximately \$224,000,000 in laboratory, x-ray, and biomedical equipment. Accurate diagnosis and effective therapeutic procedures depend on using safe and effective equipment to assure the best possible health outcomes. The average life expectancy for the current medical equipment inventory is approximately 6 years depending on the intensity of use, maintenance, and technical advances.

Approximately, 16 percent per year should be replaced (assuming an average 6-year replacement cycle). The equipment program replaces aging, outdated equipment and provides current necessary technology in order to provide safe healthcare and maintain accepted standards.

Funding levels for the last 5 fiscal years follows:

<u>Year</u>	<u>Funding</u>
1995	\$12,975,000
1996	\$12,975,000
1997	\$14,505,000
1998	\$13,005,000
1999	\$13,243,000

ACCOMPLISHMENTS

- (1) The equipment program distributed approximately \$10 million to existing health care facilities to replace and purchase new medical equipment. (2) A total of approximately \$3.0 million to equip new health care facilities being funded with non-IHS funds was divided by fifty-one tribal applicants. (3) approximately \$1.5 million went to the Anchorage Native Primary Care Center to assist with their equipment needs; and, (4) IHS received medical equipment from the Department of Defense's TRANSAM 97 program which delivered a total of \$12 million of excess equipment; and, (5) Tele-medicine pilot projects between IHS and Army are testing technology under remote field conditions. Approximately one fourth of all service units have been surveyed for non-compliant year 2000 medical equipment. Findings indicate a range of 4 to 7 percent non-compliant medical equipment.

RATIONALE FOR BUDGET REQUEST

TOTAL REQUEST -- The FY 2000 request of \$14,243,000 is an increase of \$1,000,000 over the FY 1999 Appropriation of \$13,243,000.

Equipment - +\$1,000,000

This increase will be used to purchase excessed war readiness medical equipment, supplies, and other costs for storage/shipping. Excess war readiness medical equipment can be purchased for a fraction of the cost and this equipment has not been used. This will help address the deficiency in funding to replace equipment that has exceeded its useful life or to purchase new equipment. Also, up to \$500,000 of this request will be used to purchase ambulances to provide needed emergency services.

ACTIVITY/MECHANISM BUDGET SUMMARY
 Department of Health and Human Services
 Public Health Service - Indian Health Service
 Indian Health Facilities - 75-0391-0-1-551
 Personnel Quarters/Quarters Return Funds

	FY 1998 <u>Actual</u>	FY 1999 <u>Appropriation</u>	FY 2000 <u>Estimate</u>	Increase Or <u>Decrease</u>
Reimbursements (\$000)....	\$4,700,000	\$4,700,000	\$4,700,000	\$0
FTE.....	35	35	35	--

PURPOSE AND METHOD OF OPERATION

Staff quarters operation, maintenance, and improvement costs are funded with Quarters Return (QR) funds. In certain situations, M&I funds may be used, in conjunction with QR funds, to ensure adequate quarters maintenance; e.g., locations with few quarters where QR funds are insufficient to pay for all required maintenance costs. Approximately \$4,700,000 in QR funds will be collected during FY 1999. These funds will be used for the operation, management, and general maintenance of quarters, including temporary maintenance personnel, security guards, repairs to housing units and associated grounds, and purchase of materials, supplies, and household appliances/equipment (stoves, water heaters, furnaces, etc.).



Indian Health Service FY 2000 and Revised Final FY 1999 Performance Plan

January 29, 1999

I. Overview of the Indian Health Service

The Indian Health Service (IHS) Fiscal Year (FY) 1999 and FY 2000 Performance Plans have been merged in this document as a single plan reflecting the actual FY 1999 appropriation and the President's proposed funding for FY 2000. This plan is submitted as the first incremental step in complying with the Secretary's Initiative to eliminate racial and ethnic health disparities and the President's Initiative to Eliminate Disparities in Health Status Among Americans. Consistent with the proposed *Healthy People 2010* goal of achieving equivalent and improved health status for all Americans over the next decade, this plan outlines a strategic set of performance indicators to address the significant health problems of the American Indian and Alaska Native (AI/AN) population. Indeed the disparity in health status that the IHS must address is formidable, particularly in terms of death rates. Comparing the 1992-1994 Indian (IHS service area) age-adjusted death rates* with the U.S. all races population in 1993 reveals the following greater death burdens on the AI/AN people:

- 1) alcoholism - 579 percent greater,
- 2) tuberculosis - 475 percent greater,
- 3) diabetes mellitus - 231 percent greater,
- 4) unintentional injuries - 212 percent greater,
- 5) suicide - 70 percent greater,
- 6) pneumonia and influenza - 61 percent greater,
- 7) homicide - 41 percent greater,
- 8) infant mortality - 30 percent greater,
- 9) gastrointestinal disease - 23 percent greater, and
- 10) heart disease, 8 percent greater.

Perhaps it is not surprising that a recent Harvard School of Public Health/Centers for Disease Control and Prevention (CDC) study found that the lowest life expectancies in the country (including inner city ghettos) for both men and women exists in many Indian communities. These patterns are similar to ones seen in sub-Saharan Africa and are the lowest of any nation in this hemisphere except Haiti. It is also not surprising that these Indian people have also been identified as living in the poorest counties in the country. To say you serve the poorest of the poor and the sickest of the sick is often hyperbole, but it is not the case for the IHS.

This plan represents a significant effort by the IHS and its diverse stakeholders over the last two years. The plan's first directive is to restore the capacity to provide access to essential services for the growing AI/AN population. As the Operating Division (OPDIV) of the Department of Health and Human Services (DHHS) that is charged with administering the principal health program for AI/AN, the IHS provides comprehensive health services through a system of IHS, tribal, and urban (I/T/U) operated facilities and programs. Many of the people served by the IHS live in some of the most remote and poverty stricken areas of the country, and these health services represent their only source of health care. In terms of magnitude, the I/T/Us provide health services to 1.49 million AI/ANs through 151 service units composed of 543 direct health care delivery facilities, including 49 hospitals, 209 health centers, 6 school health centers, and 279 health stations, satellite clinics, and Alaska village clinics.

Within this system, Indian tribes deliver IHS funded services to their own communities with about 42 percent of the IHS direct services budget in 12 hospitals, 149 health centers, 3 school

* adjusted for miscoding of Indian race on State death certificates

health centers, and 233 health stations. Tribes who have elected to retain the Federal administration of their health services at the present time receive services with about 58 percent of the IHS direct services budget in 37 hospitals, 60 health centers, 3 school health centers, and 46 health stations. The range of services includes inpatient and ambulatory care, and extensive preventive care, including focused efforts toward health promotion and disease prevention activities.

In addition, various health care and referral services are provided to Indian people away from the reservation settings through 34 urban Indian health programs. It is now estimated that almost 60 percent of all AI/ANs now reside in or near urban centers rather than reservations and available evidence suggests they have considerable unmet health care needs. The Contract Health Services program is an integral part of the IHS system for purchasing services from non-IHS providers to support, or in some cases in lieu of, direct care services. Contract Health Services represents about 18 percent of the IHS Budget and is distributed to IHS and Tribal programs at the same relative percentage as direct services funding (i.e., IHS = 59%, Tribal = 41%). In FY 1997, the IHS Fiscal Intermediary processed over 400,000 payment claims.

Since its inception in 1955, the IHS has demonstrated the ability to effectively utilize available resources to improve the health status of the AI/AN people. This contention is supported by dramatic improvements in mortality rates between 1972-74 and 1992-94, including:

- maternal mortality reduced 86%
- tuberculosis mortality reduced 78%
- gastrointestinal disease mortality reduced 77%
- infant mortality reduced 61%
- accident mortality reduced 56%
- pneumonia and influenza mortality reduced 48%

The IHS achieved these improved outcomes despite a history of significantly lower health care resource levels and several complicating factors when compared with the U.S. population overall including:

- lower per capita expenditures for health care (i.e., estimated to be about 2/3 national level when IHS, M&M, and private insurance are combined for AI/ANs)
- limited availability and access to providers (e.g., less than half the physicians and nurses per capita)
- lack of facilities in numerous locations and many outdated existing facilities (i.e., average age of IHS facilities is 32 years in comparison to 9 years for the private sector)
- lower utilization of health care services (e.g., 25% annual utilization of dental service for AI/ANs compared to about 60% for US population overall)
- significantly higher health care needs because of poor health status (significantly higher rates of diabetes, alcoholism, injuries, oral diseases, and overall death rate)
- higher costs for providing health care in isolated rural settings (loss of economies of scale)
- high unemployment, poverty, substandard housing, and other recognized contributing factors to reduced health status

While overall outpatient visits have steadily increased with the AI/AN population growth of over two- percent annually, decreases have occurred in non-urgent primary services concurrent with unfunded fixed cost increases (inflation) since FY 1992. These services include:

- 20% decline in well child services between FY 1992 and FY 1996

- 14% decline in physical exams between FY 1994 and FY 1996
- 18% reduction in people receiving dental services since between FY 1994 and FY 1996
- 28% reduction in water fluoridation compliance between FY 1994 and FY 1996
- 79% increase in denials of health care referrals between FY 1993 and FY 1996

In this context, the increasing demand for urgent care has reduced the capacity of the IHS to provide the primary services that are critical to long-term health maintenance and improvement. Of greatest concern, the most recent mortality data (FY 1994) available from the National Center for Health Statistics and adjust for miscoding of AI/ANs show an upward trend in deaths of AI/AN people since FY 1992 from cancer, diabetes, heart disease, suicide, alcohol, drugs, HIV/AIDS, and tuberculosis.

Given these trends and challenges, since 1995 the IHS and its diverse stakeholders have been reorganizing the IHS and are continually developing alternative methods to assure more efficient health programs and administrative support to Indian communities. The redesign efforts emphasize patient care; strengthening government to government relations; streamlining administration and management; quality support services to field-based health care activities; diversification of operations; facilities staffing expansion; and fair treatment of employees.

In light of these changes, proposed revisions to the **IHS Mission, Goal, and Foundation** have recently recommended as follows:

MISSION:

The mission of the Indian Health Service, in partnership with American Indian and Alaska Native people, is to raise their physical, mental, social, and spiritual health to the highest level.

GOAL:

To assure that comprehensive, culturally acceptable personal and public health services are available and accessible to American Indian and Alaska Native people.

FOUNDATION:

To uphold the Federal Government's obligation to promote healthy American Indian and Alaska Native people, communities, and cultures and to honor and protect the inherent sovereign rights of Tribes.

These three charges to the IHS have been integrated into the evolving IHS component of the DHHS Strategic Plan for the Government Performance and Results Act (GPRA) to yield the following four broad IHS Strategic Objectives to guide the Agency into the next millennium:

Strategic Objective 1: Improve Health Status

To reduce mortality and morbidity rates and enhance the quality of life for the eligible American Indian and Alaska Native population.

Strategic Objective 2: Provide Health Services

To assure access to high quality comprehensive public health services (i.e., clinical, preventive, community-based, educational, etc.) provided by qualified culturally sensitive health professionals with adequate support infrastructure (i.e., facilities, support staff, equipment, supplies, training, etc.)

Strategic Objective 3: Assure Partnerships and Consultation with I/T/Us

To assure that I/T/Us, and IHS Area Offices and Headquarters achieve a mutually acceptable partnership in addressing health problems:

- *providing adequate opportunities for I/T/Us and American Indian and Alaska Native organizations to participate in critical functions such as policy development and budget formulation, and*
- *assuring that I/T/Us have adequate information to make informed decisions regarding options for receiving health services.*

Strategic Objective 4: Perform Core Functions and Advocacy

Consistent with the IHS Mission, Goal and Foundation, to effectively and efficiently:

- *advocate for the health care needs of the American Indian and Alaska Native people, and*
- *execute the core public health and inherent Federal functions.*

These Strategic Objectives are essential for the realization of our **Mission, Goal, and Foundation** over the next five to 10 years by setting the programmatic, policy, and management course for the IHS. They are also consistent with the most recognized approach to evaluating health care organizations in that they address the *structure, process, and outcomes* of health care delivery and they provide the conceptual and philosophical framework for the performance indicators outlined in this annual performance plan.

II. IHS Approach to Developing Performance Indicators

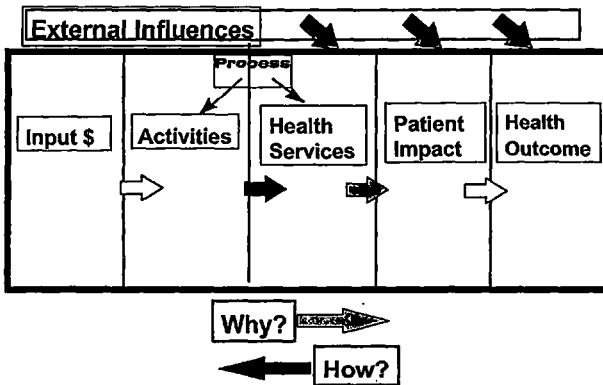
This combined IHS FY 1999 and FY 2000 Annual Performance Plan and its performance indicators were developed in partnership with critical stakeholders including IHS Headquarters, Area Office, and I/T/U staff as well as elected tribal representatives. This plan was written in concert with the revision of the FY 1999 plan and linked to every performance indicator in the FY 1999 plan. For the FY 2000 process, regional meetings were held to outline the GPRA and budget formulation process for all IHS Area Formulation Teams. These Area teams then provided local I/T/U programs the opportunity for input and review of the Area recommendations, which were then compiled. On May 19-20, 1998 Area Formulation Team representatives came together in Rockville, MD along with representatives from several Indian organizations and tribal leaders to merge and reconcile the Area recommendations into a single IHS set of budget priorities. This process was lead and facilitated by tribal leaders with the IHS participants serving in staff support roles.

Using these priorities, a concurrent workgroup began reviewing the appropriateness of the FY 1999 indicators given that the health priorities had changed little. The plan has now built upon ongoing IHS efforts to adapt the existing IHS data system to satisfy hospital and ambulatory performance measurement accreditation requirements and the recommendations of the Baseline Measures Workgroup. The Baseline Measures Workgroup was a group of IHS and tribal health professionals, including epidemiologists and statisticians, charged with identifying the most important health related data elements for all I/T/Us to continuously or periodically monitor. Their efforts included extensive analyses of existing data sources, the appropriateness of the *Healthy People 2000* (HP 2000) objectives, and the data needs for evaluation and accreditation.

To reduce total data collection requirements at the local level, the IHS is developing the capacity to satisfy both hospital accreditation standards the Joint Commission for Accreditation of Healthcare Organizations (JCAHO) "ORYX" requirements as well as the Accreditation Association for Ambulatory Health Care (AAAHC) standards for performance measurement activities. The IHS will also use this capacity to monitor a number of GPRA performance indicators.

The diagram that follows has been used the past two years to explain the GPRA process and show that it is essentially the same as the public health approach the IHS has long followed in health planning and evaluation. The logic of this model links resources to activities or "process" (both support and direct health services) which leads to reductions in risk factors for diseases and conditions (i.e., impact) and over an extended period of time results in improved health outcomes. The model also depicts how external influences such as economic status, isolation, or social norms can have powerful effects on the success of interventions, particularly in addressing lifestyle related health outcomes.

The Public Health/GPRA Approach



In light of this conceptual model, three broad categories of indicators are of relevance.

Process Indicators:

Indicators that assess the quantity or quality of activities that have the potential to contribute, at least indirectly, to reduced mortality or morbidity in the population over time. Process indicators include activities such as the construction of clinics, identification of the prevalence of a disease or condition, implementation of consumer satisfaction surveys, and the provision of some health services (i.e., services which the link to improved health outcomes has not been consistently demonstrated). These are important activities that may be essential to running an effective health care program, but do not in and of themselves result in improved health outcomes. (see **Activities** and **Health Services** boxes in diagram)

Impact Indicators:

Indicators that assess the quantity or quality of activities that have a scientific evidenced based link to improved health outcomes usually by a demonstrated reduction in a recognized risk factor of mortality or morbidity in a population. These indicators are referred to as “interim outcomes” in much of the GPRA literature. They include activities such as immunizations, dental sealants, assuring safe drinking water, and cancer screenings. Over time these activities result in improved morbidity and/or mortality. (see **Patient Impact** box in diagram)

Outcome Indicators:

Indicators that relate to assessing changes in mortality or morbidity relative to a disease or condition that program(s) address. These indicators are the ultimate goal of health care. Examples include reducing the prevalence of obesity, diabetic complications or reducing the unintentional injury mortality rate (see **Health Outcome** box in diagram).

It is appropriate to note that general workload types of indicators such as total outpatient visits and inpatient days are not included in this performance plan because any meaningful link to the budget or health outcomes is indirect or circuitous, at best. As noted earlier, outpatient visits have grown with population growth rather than varied with level of funding. Inpatient days have been declining across the country as well as in the I/T/U care systems to control costs and neither of these measures correlate in an interpretable way with improved health status. However, these data will continue to be monitored and presented to the Department as part of the IHS annual accountability report because they are of significance in the context of expenditures and how successful we have been in achieving our performance indicators.

The IHS performance indicators identified represent sentinel indicators which are specifically focused on the most significant health problems (i.e., as identified by the I/T/Us and the Baseline Measures Workgroup) affecting AI/ANs, and/or the essential services that address them. These problems include: diabetes, alcohol and substance abuse, cancer, dental diseases, mental health, heart disease, family abuse and violence, injuries, poor living environment, mental health, tobacco use, obesity, environmental hazards, and the unique health problems of elders, women and children. They all represent important links in the GPRA/Public Health process directed towards outcomes. Some represent primary prevention that attempts to prevent a disease or condition before it occurs (e.g., immunizations or controlling weight to prevent heart disease or diabetes). Others are “secondary preventive” in nature in that they attempt to reduce the morbidity and mortality associated with a disease or condition after it has occurred (e.g., reducing diabetic complications or breast cancer screening). Given that there will always be ten leading causes of death, our focus is to intervene early in the processes that contribute significantly to mortality and morbidity, rather than to target end point problems such as heart attacks and stroke. This is the essence of the public health approach that has resulted in the improvements in health status of AI/AN people in the face of low per capita health care expenditures over the last three decades.

We have also included indicators for improving how our consumers perceive the quality of and access to services, how employees perceive the quality of their work-life, and how our stakeholders perceive our performance in assuring adequate consultation and advocating for their needs. In addition, we have developed indicators addressing our effectiveness in building collaborative relationships with other organizations in regards to cross-cutting issues and meeting

our obligations as an Agency in the Department.

These indicators do not represent the complete spectrum of activities and challenges the Agency and the I/T/Us address as part of a comprehensive public health organization. To do so would probably require several hundred indicators and require significant increases in resources just to collect the data. Consistent with the proposed GAO guidance, these indicators are limited to a vital few, represent multiple priorities, are linked to the responsible programs, and in many cases are measures we have used for many years for program evaluation. Several are focused primarily on better defining the magnitude of certain problems and improving our evaluation capability.

These efforts are essential because many of the data for the HP 2000 initiative are dated and/or incomplete. A major challenge in selecting indicators for a one-year plan is that many of the processes necessary for intervening in complex chronic diseases require years or decades of focused efforts to realize significant progress, even with significant resource enhancements. Therefore, only a few of these indicators directly address health outcomes, while most are incremental activities that will lead to such outcomes over time. In addition, several indicators directly embrace the principles and intent of the National Partnership for Reinventing Government and link directly with the Secretary's Initiatives. Finally, all of the health problem related indicators support the HP 2000 goals for AI/AN, the draft HP 2010 goals, while all support the Department's Strategic Plan.

However, it is important to acknowledge that these indicators were developed in partnership with Area and I/T/U staff and AI/AN tribal leaders with the first priority being the need to reflect the problems and strategic activities of the I/T/Us collectively. We believe this approach is essential to secure the high level of collective support we will need with our diverse and decentralized programs. Because of the diversity across I/T/Us and the freedom of tribal programs to participate in GPRA activities at their discretion, not all indicators will be of priority to all I/T/Us. Furthermore, there are activities that are not included in these indicators that will continue to be priorities, particularly health issues unique to local I/T/Us.

III. Data Collection, Validation, and Information Resource Management

The IHS utilizes outside (non-IHS) and IHS data sources to manage its diverse programs and assess Indian health status. The two principal outside data sources are the Bureau of the Census and the Centers for Disease Control and Prevention, in particular, the National Center for Health Statistics (NCHS). The Census Bureau is the source of Indian population counts and social and economic data. However, reliable Indian census data at the county level are only available from the Decennial Census, once every 10 years. The IHS prepares AI/AN population estimates for years between the Census.

The NCHS provides IHS with natality and mortality files that contain all births and deaths for USA residents, including those identified as American Indian or Alaska Native. The NCHS

obtains birth and death records from the State departments of health, based on information reported on official State birth and death certificates. The IHS receives these records with essentially the same basic demographic information as the records maintained by NCHS, but with names, addresses, and record identification numbers deleted as required by the Privacy Act. It should also be noted that tribal identity is not recorded in these records by the States. The State of New Mexico does identify tribal affiliation for 23 indigenous tribes of that state. However, the IHS does not obtain this tribal identification from the automated records provided by NCHS. The data are subject to the degree of accuracy of reporting by the States to NCHS. The NCHS does perform numerous edit checks and imputes values for non-responses. The IHS assigns IHS organizational (Area and service unit) identifiers to the birth and death records in setting up its Indian database. The IHS computer routines for accomplishing this have been thoroughly verified, and the results are continuously monitored.

Several studies have shown considerable miscoding of Indian race on State death certificates, understating Indian mortality especially in areas not associated with Indian reservations. The IHS now utilizes factors based on a National Death Index study to adjust Indian mortality rates for race miscoding. Another major problem with mortality data is the time lag in receiving data. These data are not typically available from NCHS until two years after the events occur, and mortality data are often slow in showing the impact of health interventions. Due to these constraints, IHS has chosen not to use mortality data for annual performance plan indicators except in special circumstances. The IHS will continue to use mortality data for tracking long-term trends in Indian health status and to make comparisons with other population groups. However, having to wait two years to link activities in an annual performance plan with mortality findings is of limited value in the ongoing implementation and evaluation process. The IHS would like to see greater emphasis on long-term strategic planning in the future, which could more effectively link the GPRA and HP 2010 process and depend, to considerable extent, on mortality data.

The IHS has its own program information systems to collect data on the services provided by IHS and tribal direct and contract programs. The software used by IHS facilities and most tribal facilities is the Resource and Patient Management System (RPMS). Data are collected for each inpatient discharge, ambulatory medical visit, and dental visit (all patient specific) and for community health service programs including health education, community health representatives, environmental health, nutrition, public health nursing, mental health and social services, and substance abuse (all activities reporting systems). The patient-specific data are collected through the Patient Care Component (PCC) of the RPMS. These data are subject to recording, inputting, and transmission errors. However, IHS software systems have extensive edits built in at the facility and central database levels to detect and correct a large part of the errors. Others that cannot be detected by computer are often discovered through the monitoring for reasonableness that is performed in the field and IHS Headquarters.

Each facility that utilizes PCC has a facility-level database that contains the detailed PCC data collected at that site. A subset of the detailed PCC data (to meet the routine information needs of IHS Headquarters) is transmitted to the IHS central database. The PCC data are the source of most of IHS' GPRA measures since they reflect prevention activities and morbidity and do not have the time lags described previously for mortality data. However, many of IHS' proposed measures rely on detailed PCC data not currently transmitted to the IHS central database. The IHS is developing software to transmit some of these needed data items to the central database. In the meantime, IHS will need to use sampling routines to collect the required data from the

individual facility-level databases. A stratified sampling approach will be used to include different types and sizes of facilities and Indian populations with different health characteristics. In some cases, the required data for a measure may not be part of PCC or, if it is, may not be coded at some facilities. Local surveys may need to be utilized in these areas to capture the required data. Standard survey questionnaires and procedures will be used whenever possible. The degree to which these activities will be achieved depends on the available infrastructure to address these demands, which in turn is determined by budgets and the many competing priorities.

Lastly, the iterative process of developing the FY 1999 and FY 2000 performance plans has required IHS to audit many different data sets to assess current access to health services (coverage) and baseline rates of various conditions. During this process it has become increasingly clear that the continued diversion of available resources toward maintaining patient care in response to recent funding shortfalls, has resulted in a significant loss of the public health infrastructure that support data collection and analyses. Data sets that were previously well enumerated and maintained are now incomplete or under analyzed. In light of these findings, IHS has revised several indicators for FY 1999 to focus on assuring data capturing capabilities and securing baselines to support FY 2000 indicators that address restoring or enhancing services.

IV. Program Evaluation Issues

In recognition of the growing importance of evaluation in supporting the IHS Mission, Goal and GPRA performance planning, the IHS has elected to add this section addressing program evaluation for FY 2000. The IHS evaluation process seeks to include American Indians and Alaska Natives as primary stakeholders in defining the purpose, design, and execution of evaluations. Stakeholders are the users of the end product of evaluations and typically are the population or groups most likely to be affected by the evaluation findings. The IHS has worked with it stakeholders in identifying and implementing principles of responsive evaluation practice and setting evaluation priorities.

The purposes of IHS evaluation efforts are:

- to advise the Director of the IHS on policy formulation; to conduct and manage program planning, operations research, program evaluation, health services researches, legislative affairs, and program statistics
- to develop the long-range program and financial plan for the IHS in collaboration with appropriate agency staff
- to coordinate with HHS, Indian Tribes, and organizations on matters that involve planning, evaluation, research and legislation
- to develop and implement long-range goals, objectives, and priorities for all activities related to resource requirements and allocation methodologies and models.

The Office of Public Health (OPH) serves as the principal advisory office to the IHS on issues of national health policy and coordinates these four evaluation functions.

- *Health Program Evaluations*--Collect and analyze information useful for assisting IHS officials in determining the need for improving existing programs or creating new

programs to address health needs.

- *Policy Analysis*--Conduct analyses when a change in the IHS health service delivery system must be considered, when issues emerge in an area where no policy currently exists, or when current policies are perceived as inappropriate or ineffective.
- *Health Services Research*--Undertake analyses of the organization, financing, administration, effects, and other aspects of the IHS.
- *Special Studies and Initiatives*--Conduct studies and prepare special reports required by Congress in response to pending legislation or policies, often using a roundtable whenever an issue or a health problem requires immediate action and it is unclear what type of action should be taken.

The OPH meets part of the IHS evaluation needs with two major types of short-term studies: policy or program assessments and evaluation study. The policy study contributes to IHS decision making about budget, legislation, and program modifications and includes background information to support IHS initiatives. Evaluation studies are carried out at the program level, or area offices, and focus on specific program needs.

Annually, OPH identifies the high-priority health care and health management issues and concerns through the submission of headquarters and area office proposals for assessment or evaluation. IHS area and associate directors submit proposals for possible areas of evaluation study. These proposals are reviewed and rated by a panel of subject-matter experts and evaluation experts and also reviewed by IHS staff for more specific concurrence with IHS strategic goals, objectives, and priority areas. The proposals are then ranked by priority and forwarded to the OPH for review and approval. The Director of the IHS reviews the final proposals and decides the respective funding levels.

Summary of Relevant Evaluations Activities

Several recent evaluation projects have significant direct and/or indirect implications for IHS performance planning and are thus summarized below:

Methodology for Adjusting IHS Mortality Data for Inconsistent Classification of Race-Ethnicity of American Indian and Alaska Natives Between State Death Certificates and IHS Patient Registration Records

The findings in this study indicate that on 10.9 percent of IHS Indian records matched to national death records, the race reported for the decedent was other than American Indian or Alaska Native. The percentage of records with inconsistent classification of race varied considerably among the IHS Areas. Recommendations included replicating the study using data on deaths occurring since 1988, using the adjustment factors developed in the study, and working with States to decrease inconsistent race reporting.

While the significance of the study is not profound in terms of the performance indicators in this plan (i.e., the indicators are not based on State death certificates), the long-term significance in monitoring mortality disparities for the AI/AN population is critically important. The adjustments factors developed from this investigation are now being utilized in calculating AI/AN mortality rates in all the IHS publications.

Evaluation of the Indian Health Service (IHS) Adolescent Regional Treatment Centers

The principal conclusion based on this study's findings is that regional treatment centers have developed effective adolescent alcohol and substance abuse programs. The continuity of care and aftercare, however, is the biggest problem. The regional treatment centers need additional mental health staff resources, client charting improvements, and innovative ways to increase family involvement. Recommendations include improving the continuum of care to adolescent substance abusers, self-evaluation, and regional treatment center effectiveness and efficiency.

This evaluation effort served as a major determinant in selecting Indicator 9 for this plan that addresses follow-up care for youths returning from regional treatment centers.

Evaluating the Effectiveness of Alcohol and Substance Abuse Services for Native American and Alaska Native Women: Phase II Final Report

This evaluation provides both qualitative and quantitative information about a group of women that has been traditionally underrepresented in research. The life conditions of women about whom information was gathered are extreme, and for many women, adverse or abusive childhood experiences and conditions have carried through to adulthood. The vast majority of women were exposed to various types of abuses—such as physical, sexual, and emotional abuse—from childhood to adulthood. Women entered treatment through a variety of ways. Those who were mandated tended to enter treatment as an alternative to incarceration. Women hear about the availability of services through the court system, word-of-mouth, or through a community or an American Indian and Alaska Native social service agency. Women in the focus groups tended to select their current alcohol and other drug treatment program over alternatives because of its focus on American Indian and Alaska Native tradition and culture. The women and staff also espoused the benefits of the family-like environment that the treatment centers promoted. The availability of women-centered, family-focused approaches to alcohol and other drug treatment is severely limited in the United States. Several barriers to services for potential participants exist. The leading obstacle for parenting women is the lack of child-care for their children while in treatment. It was strongly emphasized that a woman's recovery was dependent on three key factors: herself, her social networks, and her community.

Partially based on the findings of this evaluation, this plan includes indicators which address policies and procedures for dealing with substance abusing women (Indicator 10) and for identifying, treating and/or referring victims of family violence, abuse or neglect (Indicator 14).

Prior Trauma Care of Intoxicated Patients as a Predictor of Subsequently Fatal Injury

The IHS has funded a study that includes the preliminary data collection, crude data reporting, and initial death certificate-hospital record linkage for alcohol related fatalities. The purpose of this study is to identify intervention opportunities associated with nonfatal, alcohol-related injuries reported in IHS emergency departments and clinics that could, over time, decrease alcohol-related injury death in the Billings, Montana, Service Units. This study is providing baseline data for post-intervention comparisons by expanding the existing database about alcohol-related injuries and death. The findings are being used to identify different intervention and prevention strategies directed at decreasing alcohol-related injuries and deaths in the Billings, Montana, Service Units. Injury-control efforts include a new policy regarding referrals by emergency room treatment staff to alcohol treatment staff. Prevention of alcohol-related injuries and deaths will also include activities focused on informing youth about the relationship

between alcohol consumption and high-risk behavior.

The findings of this evaluation effort underpin the interventions that are being used in achieving Indicator 22 in this plan addressing the reduction of unintentional injury mortality rates.

Resource Requirements Methodology Update

In the early 1970's, the IHS formulated the Resource Requirements Methodology (RRM) as a management tool to provide a comprehensive, systematic, and uniform process for estimating the level of resource requirements necessary to provide adequate health care to IHS customers and to assist in the allocation of non-earmarked resources. To reaffirm the purpose of the RRM, a study was conducted in 1995 to determine the validity and accuracy of the present methodology for use in today's health care environment. Preliminary findings support the need to update the current methodology to meet the future program demands of the IHS. The update of the RRM will include a complete revision and documentation of the RRM and will consist of the following phases: (1) Update Staffing Criteria and Modules, (2) Formulate Needs Assessment Cost Model, and (3) Needs Assessment Model Training.

This methodology is critical to planning the achievement of most of the health service related indicators identified in this plan.

Development of a Health Services Research Agenda for American Indian and Alaska Native Populations

The IHS and the Agency for Health Care Policy and Research cosponsored a health services research conference as a first step in a long-term agenda-setting process to identify the most important health services research issues facing AI/AN communities and their health care systems over the next 5 to 10 years. The health services research agenda is intended to promote collaboration among American Indian or Alaska Native organizations, tribal and urban health systems, medical communities, foundations, and government agencies to increase communications and produce research information on health program services for the American Indian or Alaska Native patient. The health services research agenda is also intended to provide a forum for discussing health care reform changes that are creating new directions in the Indian health care system.

The agenda developed from this conference will serve as a priority guide in achieving Indicator 31 in this plan that seeks to increase collaborative partnerships with other organizations.

New Directions for Evaluation

The IHS is responding to dramatic changes taking place inside and outside the Government. The causes of the many changes include a decrease in funding level of discretionary Federal programs, greater involvement of tribal governments in the Indian health care system, technological innovations, the changing patterns of disease to more chronic conditions, and the transfer of many Federal programs and resources to individual States. These changes will affect the IHS evaluation strategy in the coming years. Nevertheless, the IHS remains committed to comprehensively community-based, preventive, and culturally sensitive projects that empower tribes and communities to overcome health issues. Specific research and evaluation proposals

currently in process include the following topics: evaluation of the effects of medical nutrition therapy on patient outcomes among Native Americans with newly diagnosed type II diabetics, evaluation of the elders clinic at the Zuni (New Mexico) Ramah Service Unit, and the evaluation of the impact of the Northern Cheyenne End-Stage Renal Disease Prevention Project.

In addition, the Director of the IHS has increased emphasis on several areas consistent with Secretary's initiatives and the DHHS Strategic Plan. These initiatives focus on women's health, youth, traditional medicine, elder care, and establishment of working relationships with Federal and State governmental agencies. These initiatives will undoubtedly affect new directions for evaluation.

V. Aggregation of Program Activities

Because of the number and diversity of IHS health programs, these activities can be organized in many different ways. Since our goal in presenting our performance measures is to relate performance to our budget, we must communicate the way our programs are managed. We have selected four functional areas as our aggregation of the 24 budget categories identified in the IHS "Detail of Change Table": 1.) Treatment, 2.) Prevention, 3.) Capital Programming/Infrastructure, and 4.) Consultation, Partnerships, Core Functions, and Advocacy. While this approach may appear rather simplistic, it is important to realize that there is no aggregation or disaggregation that allows mutually exclusive activities linked to mutually exclusive health problems. This conundrum exists because addressing most chronic diseases and problems such as diabetes, injuries, and family violence, require multidisciplinary interventions to successfully address. In such cases, there may be several health programs (and thus funding categories) simultaneously addressing a health problem such as diabetes. Confounding the issue further, these same diverse providers may be addressing other health issues such as tobacco use, blood pressure control, or mental health during the same encounter.

Thus, an aggregation of budget categories that not only splits out activities and funding sources but also allows a valid cost accounting link to health outcomes can not be provided. In such cases, the accounting link can go no farther than services. A manufacturing type of accounting mindset taken to an extreme simply does not fit well in the context of a comprehensive public health program. Therefore, the aggregation approach we have selected seems reasonable given the limitations of any approach and that we do have the option to disaggregate these inputs if desired for a more narrowly focused look at a well circumscribed program such as dental services. There is no priority order to these categories and all are important in accomplishing the mission of the IHS. Table I that follows shows the relationship between the founding categories in IHS Detail of Change Table and the appendix of the "Budget of the United States" and our GPRA aggregation.

Table I
Budget Category Aggregation

<u>INDIAN HEALTH SERVICE</u>	<u>APPENDIX</u>	<u>GPRA AGGREGATION</u>
<u>Detail of Change Table</u>	<u>Budget of the United States</u>	<u>items from column one</u>
<u>SERVICES:</u>	<u>SERVICES:</u>	
1 Hospitals & Health Clinics		
2 Dental Services		1. Treatment (1,2,3,4,5,10,11,12,14,15)
3 Mental Health		
4 Alcohol & Substance Abuse		2. Prevention (6,7,8,9,19b)*
5 Contract Health Services		
Total, Clinical Services	1 Clinical Services (1-5)	3. Capital Programming/Infrastructure (16-20)**
6 Public Health Nursing		
7 Health Education		4. Partnerships, Consultation, Core Functions, and Advocacy (13,19a-c)***
8 Comm. Health Reps		
9 Immunization AK		
Total, Prev Hlth	2 Preventive Health (6-9)	*The Prevention category includes 35% of Environmental Health Support (19b) activities
10 Urban Health	3 Urban Health (10)	
11 Indian Health Professions	4 Indian Health Professions (11)	**The Capital Programming/Infrastructure category includes 80% of Facilities Support (19a), 60% of Environmental Health Support (19b), and 20% of OEHE Support (19c) activities.
12 Tribal Management	5 Tribal Management (12)	
13 Direct Operations	6 Direct Operations (13)	
14 Self Governance	7 Self Governance (14)	***The Partnerships, Consultation, Core Functions, and Advocacy category includes 20% of Facilities Support (19a), 5% of Environmental Health Support (19b), and 80% of OEHE Support (19c) activities
15 Contract Support Costs	8 Contract Support Costs (15)	
Total, Services	Total, Services	
<u>FACILITIES</u>	<u>FACILITIES</u>	
16 Maint & Improvement	9 Maint & Improvement (16)	
17 Sanit Facil Constr		
18 Hlth Care Facs Constr	10 Hlth Care Facs Constr. (17-18)	
19 Facil. & Envir Hlth Sup	11 Facil. & Envir Hlth Sup (19a-c)	
19a Fac Support		
19b Env. Health Support		
19c OEHE Support		
20 Equipment	12 Equipment (20)	
Total, Facilities	Total, Facilities	
(20) Total, IHS	(12) Total, IHS	(4) Total, IHS

VI. Effect of Budget Level on Performance Plan

As described earlier, the priority areas this performance plan addresses and the funding request that underpins it were developed from local program priorities that have been aggregated. At this requested funding level it is anticipated that the performance indicators can be accomplished within the existing IHS FTE ceilings and many of the program increases will be administered through grants to I/T/Us. This funding request is not padded or inflated, but a true reflection of what is a rational incremental step in addressing the large health disparity gap the AI/AN population experience, consistent with the President and Secretary's initiatives and policies.

The ability of the IHS to achieve the vast majority of its performance indicators is foremost linked to its capacity to provide clinical and preventive services and also the infrastructure needed to support these services. Many of the performance indicators are directed at restoring access to essential services (noted on page 3) that have been in decline in recent years. The proposed target levels of these indicators were set in light of the President's proposed funding levels. Thus, a budget below this proposed level will diminish the level of achievement of the affected indicators relative to providing services and/or health impact and outcome measures as well as will further weaken our public health infrastructure. The net result of a significantly lower funding level for FY 2000 would likely result in a greater disparity in health status for the AI/AN people than exists today.

VII. Performance Indicators

All of the following 34 FY 2000 and 27 FY 1999 performance indicators support the **IHS Mission, Goal and Foundation**, the Secretary's Initiative to Eliminate Racial and Ethnic Health Disparities and the President's Initiative to Eliminate Disparities in Health Status Among Americans. Furthermore, the *Treatment Indicators*, *Prevention Indicators*, and *Capital Programming/Infrastructure Indicators* support **IHS Strategic Objective 1: Improve Health Status** and **Strategic Objective 2: Provide Health Services**, while the *Partnerships*, *Consultation*, *Core Functions*, and *Advocacy Indicators* support **IHS Strategic Objective 3: Assure Partnerships and Consultation with I/T/Us** and **Strategic Objective 4: Perform Core Functions and Advocacy**. More specific associations (i.e., to the DHHS Strategic Plan) for each set of indicators are presented under the "Linkages" section.

A. Treatment Indicators:

FY 2000 **Indicator 1:** During FY 2000, maintain Area age-specific diabetes prevalence rates and identify trends in the age-specific prevalence of diabetes (as a surrogate marker for diabetes incidence) for the AI/AN population.

FY 1999 **Indicator 1:** By the end of FY 1999, identify Area age-specific diabetes prevalence rates (as a surrogate marker for diabetes incidence) for the AI/AN population.

Rationale: Diabetes continues to be a growing problem in many AI/AN communities with rates increasing rapidly in several Areas, age at diagnosis occurring at younger ages, and no signs of decline in any Area. The impact of this disease in terms of individual and family suffering is

immense, as are the treatment costs to the Indian health delivery systems. Though incidence rates of diabetes (occurrence of new cases within a certain time period) are very difficult and expensive to collect, and are only done reliably in large, population-based studies, trends in age-specific prevalence rates of diabetes can provide evidence of an increase or decrease in diabetes for a certain age group and may suggest a change in true incidence. Analysis of these trends will allow the program and I/T/U's to target prevention efforts to specific age-groups in future interventions.

Approach: The IHS Office of Public Health is responsible for overall coordination of efforts to achieve this indicator. The IHS Diabetes Program estimates diabetes prevalence of diagnosed diabetes in Native Americans seeking care in I/T/U facilities. Rates are calculated based upon PCC/RPMS data, and are reported by geographic Area, gender, and age groups for adults. Longitudinal studies of diabetes conducted in Pima Indians since 1965 have provided extensive information on the prevalence and incidence of diabetes in this tribal community. There are several other tribal-specific diabetes epidemiological studies, none to the depth of the Pima studies, and covering fewer than 10% of tribes. There are no published studies on the growing problem of type II diabetes in American Indian youth, though there is extensive recognition by I/T/U providers that the age of diabetes onset is declining to younger adults and children.

Local/tribal facilities can assess diabetes prevalence by using PCC registries and/or diabetes case registries, deriving baseline measures for their tribal communities. The IHS Diabetes Program and the IHS Chronic Disease Epidemiology Program can assist I/T/U facilities to enhance their PCC registries and/or other diabetes registries, as well as establish and organize systematic screening and data entry in order to better ascertain diabetes prevalence. Emphasis will be placed upon the specific age-groups identified for this measure.

Diabetes prevalence information will be collected, transformed into similar formats, and transferred to the CDC Division of Diabetes epidemiologist (interagency agreement between CDC and IHS) for analysis and adjusting. Reports will be created and disseminated to I/T/U's, other DHHS agencies, universities, and private foundations for use in identifying prevention strategies and resources.

Data Source: RPMS/PCC reports, Diabetes Registries

Baseline: These indicators commit to establishing and maintaining diabetes prevalence baselines using the IHS PCC and local diabetes registries are used now in all areas. These rates will serve as the baseline for tribal-specific prevalence studies in selected tribes and will be determined by annually.

Type of Indicator: Process

Linkages: These indicators support the President's initiative for diabetes, the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 5.1 *Improve Public Health Systems' Capacity to Monitor the Health Status and Identify Threats to the Health of the Nation's Population*. It is supported by IHS/CDC agreements, and addresses HP 2000 objective 17.11 (diabetes: incidence and prevalence).

FY 2000 **Indicator 2:** By the end of FY 2000, increase by 3% the proportion of I/T/U clients with diagnosed diabetes who have improved their glycemic control over the FY 1999 level.

FY 1999 **Indicator 2:** By the end of FY 1999, increase the proportion of I/T/U clients with diagnosed diabetes that have improved their glycemic control by 3% over the FY 1998 level.

Rationale: Large clinical studies have demonstrated that glycemic control significantly reduces the incidence of complications related to diabetes. In addition, achieving better blood sugar control has been shown to significantly reduce the costs associated with caring for people with diabetes. Using Staged Diabetes Management treatment guidelines for diabetes clinical management has significantly improved glucose control in several Indian communities.

Approach: The IHS Diabetes Program conducts a yearly medical record review of a random sample of nearly 10,000 charts in I/T/U facilities in order to assess compliance with the IHS Standards of Care for Diabetes. This audit measures both process and outcome indicators. Each year, facility-specific values are reported for each indicator, as well as values for each Area and IHS-wide. Trends over time for I/T/U facilities, service units, Areas and IHS-wide are also constructed for selected indicators.

Glycemic control refers to how well the blood sugars are controlled in a person with diabetes. It is measured with a blood test called the Hemoglobin A1c that measures the average blood sugar for a 2-3 month period. The IHS Diabetes Audit process divides these levels of control into "Acceptable", "Fair" and "Poor" categories based on national diabetes care standards. These categories will be used in the GPRA process to determine improvements in glycemic control.

Aggressive interventions to lower average blood sugar have been well described in the literature and numerous practice guidelines and standards exist. Local efforts to improve these parameters through lifestyle intervention and appropriate medication use will be encouraged. Local feedback of pertinent audit data will be provided to each site through the IHS Diabetes Program.

Data Source: Diabetes registries, yearly IHS Diabetes Program Chart Audit

Baseline: The proportion of all I/T/U patients with diabetes in "good" glycemic control for FY 1999 will serve as the baseline value and will be available by March, 2000.

Type of Indicator: Impact

Linkages: These indicators support the President's initiative for diabetes, the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. It is supported by IHS/CDC agreements and addresses Year 2000 objective 17.10 (diabetes complications).

FY 2000 **Indicator 3:** By the end of FY 2000, increase by 3% the proportion of I/T/U clients with diagnosed diabetes and hypertension who have achieved blood pressure control standards over the FY 1999 level.

FY 1999 **Indicator 3:** By the end of FY 1999, increase the proportion of I/T/U clients with diagnosed diabetes and hypertension that have achieved diabetic blood pressure control standards by 3% over the FY 1998 level.

Rationale: Large clinical studies have demonstrated that blood pressure control significantly reduces the incidence of complications related to diabetes. In addition, achieving better blood pressure control has been shown to significantly reduce the costs associated with caring for people with diabetes. Using Staged Diabetes Management treatment guidelines for diabetes clinical management has significantly improved blood pressure control in several Indian communities.

Approach: The IHS Diabetes Program conducts a yearly medical record review of a random sample of nearly 10,000 charts in I/T/U facilities in order to assess compliance with the IHS Standards of Care for Diabetes. This audit measures both process and outcome indicators. Each year, facility-specific values are reported for each indicator, as well as values for each Area and IHS-wide. Trends over time for I/T/U facilities, service units, Areas and IHS-wide are also constructed for selected indicators.

Blood pressure control is usually defined in the non-diabetic person as a blood pressure level less than 140/90 mm Hg. However, because a person with diabetes is at greater risk for complications related to blood pressure, national standards recommend that the ideal goal of diabetic blood pressure control should be 130/85 mm Hg. For the GPRA process, "acceptable" control will be defined as 140/90 mm Hg and "ideal" control will be defined as 130/85 mm Hg. and both levels will be reported.

Aggressive interventions to lower average blood pressures have been well described in the literature and numerous practice guidelines and standards exist. Local efforts to improve these parameters through lifestyle intervention and appropriate medication use will be encouraged. Local feedback of pertinent audit data will be provided to each site through the IHS Diabetes Program.

Data Source: Diabetes registries, yearly IHS Diabetes Program Chart Audit

Baseline: The proportion of all I/T/U patients with diabetes in the "controlled" category for blood pressure control for FY 1999 will serve as the baseline value and will be available by March, 2000.

Type of Indicator: Impact

Linkages: This supports the President's initiative for diabetes, the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. It is supported by IHS/CDC agreements and addresses Year 2000 objective 17.10 (diabetes complications).

FY 2000 **Indicator 4 :** By the end of FY 2000, increase by 3% the proportion of I/T/U clients with diagnosed diabetes who have been assessed for dyslipidemia over the FY 1999 level.

FY 1999 **Indicator 4:** By the end of FY 1999, increase the proportion of I/T/U clients with diagnosed diabetes who have been assessed for dyslipidemia by 3% over the FY 1998 level.

Rationale: Large clinical studies have demonstrated that lowering of serum cholesterol significantly reduces the cardiovascular (CVD) morbidity and mortality associated with diabetes. In addition, achieving better control of lipid parameters has been shown to significantly reduce the CVD costs associated with caring for people with diabetes. Using Staged Diabetes Management treatment guidelines for lipid management has significantly improved lipid control in patients with diabetes.

Approach: The IHS Diabetes Program conducts a yearly medical record review of a random sample of nearly 10,000 charts in I/T/U facilities in order to assess compliance with the IHS Standards of Care for Diabetes. This audit measures both process and outcome indicators. Each year, facility-specific values are reported for each indicator, as well as values for each Area and IHS-wide. Trends over time for I/T/U facilities, service units, Areas and IHS-wide are also constructed for selected indicators.

Aggressive interventions to lower cholesterol levels have been well described in the literature and numerous practice guidelines and standards exist. Local efforts to improve these parameters through lifestyle intervention and appropriate medication use will be encouraged. Local feedback of pertinent audit data will be provided to each site through the IHS Diabetes Program.

Data Source: Diabetes registries, yearly IHS Diabetes Program Chart Audit

Baseline: The proportion of all I/T/U patients with diabetes who have had a cholesterol assessment done in FY 1999 will serve as the baseline values and will be available by March, 2000.

Type of Indicator: Impact

Linkages: These indicators support the Secretary's initiative for diabetes, the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. It is supported by IHS/CDC agreements addresses Year 2000 objective 17.10 (diabetes complications).

FY 2000 **Indicator 5:** By the end of FY 2000, increase by 3% the proportion of I/T/U clients with diagnosed diabetes who have been assessed for nephropathy over the FY 1999 level.

FY 1999 **Indicator 5:** By the end of FY 1999, increase the proportion of I/T/U clients with diagnosed diabetes who have been assessed for nephropathy by 3% over the FY 1998 level.

Rationale: End stage renal disease (ESRD), or diabetic kidney disease, is a significant and growing problem in Indian communities. Large clinical studies have demonstrated that certain

measurements can identify those patients at high risk for ESRD and that interventions aimed at reducing risk (blood pressure control, and other "state of the science" medications) may delay the onset of ESRD. Using the Kidney Health Profile of the diabetes audit and the Staged Diabetes Management treatment guidelines for diabetes clinical management may significantly improve the approach to kidney health in Indian communities.

Approach: The IHS Diabetes Program conducts a yearly medical record review of a random sample of nearly 10,000 charts in I/T/U facilities in order to assess compliance with the IHS Standards of Care for Diabetes. This audit measures both process and outcome indicators. Each year, facility-specific values are reported for each indicator, as well as values for each Area and IHS-wide. A special sub-report of the audit, called the Kidney Health Profile, is generated which assesses screening and treatment for kidney health in a community.

Aggressive interventions to lower average blood sugars and blood pressures have been well described in the literature and numerous practice guidelines and standards exist. Local efforts to improve these parameters through lifestyle intervention and appropriate medication use will be encouraged. Local feedback of pertinent audit data will be provided to each site through the IHS Diabetes Program.

Data Source: Diabetes registries, yearly IHS Diabetes Program Chart Audit

Baseline: The proportion of all I/T/U patients with diagnosed diabetes screened for "kidney health" in FY 1999 will serve as the baseline values and will be available by March, 2000.

Type of Indicator: Impact

Linkages: These indicators support the Secretary's initiative for diabetes, the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. It is supported by IHS/CDC agreements and addresses Year 2000 objective 17.10 (diabetes complications).

FY 2000 **Indicator 6:** By the end of FY 2000, increase the proportion of women who have annual Pap screening to 55%.

FY 1999 **Indicator 6:** Establish the incidence of cancer of the uterine cervix in AI/AN women for each Area by the end of FY 1999.

Rationale: This indicator is selected because cervical cancer occurs at much higher rates among AI/AN women than in the general U. S. population. The death rate for AI/AN women is 4.1 per 100,000 compared with 2.5 per 100,000 for the U.S. All Races rate. Furthermore, this cancer is the cause of significant premature mortality, and is almost entirely preventable by thorough Pap screening and early treatment of pre-cancerous conditions. The long-range goal should be to reduce cervical cancer incidence to achieve parity with the U. S. all-races rate. This may be attainable within 10 years.

Approach: The IHS Office of Public Health is responsible for overall coordination of efforts to achieve these indicators. All women over age 18 who have had Papanicolaou screening (cervical cytology) for cancer of the uterine cervix, performed during the previous year. Denominator: all

AI/AN women who reside in counties included in that IHS Area, from U. S. census. Training providers to perform colposcopy, added funding for screening and treatment, and aggressive follow-up of abnormal paps will all be part of the strategy.

Data Source: Annual Diabetes Audit. Women's Health Software/PCC. The annual Diabetes Care Audit collects data from a random sample of charts of known diabetics; this data includes pap screening. We propose to report pap screening coverage data only for this chart review of diabetic women, as a surrogate measure for all women. A recent study in the Aberdeen Area showed that cancer screening coverage did not differ between diabetic and non-diabetic women. As the new Women's Health Software component of the PCC is implemented, adequate data will be available from that source.

Baseline: Based on FY 1997 Assessment of IHS Diabetes Care, 43% of the female diabetic user population had a Pap screen during the previous year.

Type of Indicator: Impact.

Linkages: These indicators support the President's initiative on Cancer Screening and Management, the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, 4.1 *Promote the Appropriate Use of Effective Health Care*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. It is supported by IHS/CDC agreements (National Breast and Cervical Cancer Early Detection Program). This indicator also, directly supports the HP 2000 objective 16.4 (cervical cancer deaths).

FY 2000 **Indicator 7:** By the end of FY2000, assure that at least 30% of the AI/AN female population 50-69 years of age have had screening mammography during the previous year.

FY 1999 **Indicator 7:** By the end of FY 1999, determine the proportion of the AI/AN female population 50-69 years of age who have had annual screening mammography.

Rationale: Mammography has been associated with both reduced mortality and morbidity because breast cancer is identified at earlier stages. Early identification allows for early clinical intervention and secondary prevention of morbidity and mortality. For these indicators are represent the percentage of AI/AN women age 50 -69 years old, registered for care with IHS, who have had a mammogram during the previous year and the denominator is all AI/AN women age 50-69, who are registered for care with IHS (user population).

Approach: Local I/T/U service sites are responsible for delivering the screening. Regional coordination and assistance is the responsibility of the IHS Area offices. The IHS Office of Public Health performs the overall coordination of this effort. Linkages with NIH, CDC, and the American College of OB/GYN are critical to success.

The strategic approach includes outreach to improve patient access and the availability of specialized staff and equipment to perform the screening. The staff required are public health nurses, Community Health Representatives, and health educators to improve outreach, and specialized clinical providers (nursing, physician, and imaging staff) to provide the actual clinical

breast exams and mammograms. The availability of screening must also be associated with the capability to provide diagnostic studies such as ultrasound, biopsy, and fine needle aspiration, as well as treatment such as surgery and chemotherapy.

The successful reduction of premature deaths and morbidity among AI/AN women will depend on full implementation of effective screening and follow up clinical services. This indicator is linked to success in meeting Strategic Objectives one, two, and four of the Agency's component of the DHHS Strategic Plan.

Data Source: The IHS Medical Imaging Program collects data on mammograms performed by IHS. We will supplement this with data from the CDC Breast and Cervical Cancer Early Detection Program, which serves AI/AN women in all states and 15 directly funded Tribes.

Baseline: Estimates from FY 1996 and FY 1997 are 20-25%, but reliable baseline is lacking. To be determined by FY 1999 Indicator 7.

Type of Indicator: Impact

Linkages: These indicators support the President's initiative on Cancer Screening and Management, the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, 4.1 *Promote the Appropriate Use of Effective Health Care*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. It is supported by IHS/CDC agreements (National Breast and Cervical Cancer Early Detection Program). This indicator directly supports HP 2000 objective 16.3 (female breast cancer deaths).

FY 2000 **Indicator 8:** By the end of FY 2000, increase by 5% the proportion of AI/AN children served by IHS receiving a minimum of four Well Child Visits by 27 months of age, over the FY 1999 baseline.

FY 1999 **Indicator 8:** By the end of FY 2000, determine the proportion of AI/AN children served by IHS receiving a minimum of four Well Child Visits by 27 months of age.

Rationale: Well child visits have been associated with improved post-neonatal mortality and opportunities to improve family health and safety in the longer term. Of particular importance are the anticipatory educational interventions given to parents concerning diet and nutrition, injury prevention, and prevention of family violence. The current minimum standard for Well Child Visits is six for first born children and five after first born. Accepting four visits as an acceptable minimum is based the high percentage of children who receive Well Child services in conjunction with urgent care visits and thus are not coded as Well Child Visits.

Approach: The responsible parties are the local I/T/U service sites. The IHS Area offices can provide assistance in development and coordination of media campaigns and analysis of information and they are responsible for regional coordination of this effort. The IHS Office of Public Health is responsible for overall coordination of the effort. Linkages with the USDA-WIC program and the DHHS Head Start program are also critical.

The strategies for success are rooted in effective outreach and management of clinic scheduling

for service provision. The outreach activity is dependent upon parent education to assure their awareness of the importance of routine and periodic assessment of well children. Secondly, the effective identification of children in the targeted age groups is important. Public health nursing, Community Health Representatives, Head Start programs, and parent groups have important roles in identifying children and families who are the target of this intervention.

Clinical care is dependent upon the availability of trained nursing and physician staff with the time to address this objective. Scheduling and follow up of these children and their families is critical. The cooperation of medical records staff and others in the clinical environment is essential.

Achievement of effective well-child health care is critical to the prevention of childhood obesity, injuries, and family dysfunction. This objective is also consistent with the Secretary's Initiative on Improving the Health of Children. Achievement of this indicator will significantly influence the Agency's success in meeting Strategic Objectives one, two, and three of the Agency's component of the DHHS Strategic Plan.

Data Source: RPMS/PCC

Baseline: to be determined in FY 1999

Type of Indicator: Process

Linkages: These indicators support the Secretary's Children's Health Initiative, the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, and 3.6 *Improve the Health Status of American Indians and Alaska Natives* and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services* and broadly addresses the HP 2000 objectives addressing "Maternal and Child Health."

FY 2000 **Indicator 9:** By the end of FY 2000, increase by 10% the number of youth discharged from adolescent Regional Treatment Centers (RTC) with adequate (3 visits in the first year) follow-up over the FY 1999 baseline to reduce alcohol and substance abuse relapse.

FY 1999 **Indicator 9:** By the end of FY 1999, determine the rates and intensity of follow-up for adolescents discharged from IHS supported Regional Treatment Centers (RTC).

Rationale: Studies indicate that the longer individuals are engaged in treatment (including aftercare/continuing care) the better the prognosis. One RTC evaluation concluded "aftercare is the biggest problem" with limited coordination among RTC, service units and local aftercare programs retarding the effective and efficient delivery of treatment services.

Approach: The Division of Clinical and Preventive Services, Office of Public Health will be responsible for coordinating data collection from the Adolescent Regional Treatment Centers who are the responsible parties.

The Alcoholism and Substance Abuse Program will develop an ongoing evaluation instrument in

consultation with the RTC via a contract with FY 1997 resources. The evaluation process should be implemented in FY 1998. The evaluation will include follow-up information that will be reported to program staff and compiled for tracking this indicator.

In addition, those RTC utilizing the RPMS Chemical Dependency Management Information System (CDMIS) and the RPMS Mental Health/Social Service (MH/SS) packages, routinely collect follow up information which can be exported for national reporting purposes. Aftercare services (for those utilizing CDMIS) occurring at local sites will also provide additional data to support tracking of this indicator.

Findings from the CATOR adolescent study indicate that youth engaged in aftercare/follow up activities had better sobriety rates than those who did not. Although one year follow-up information was limited in the IHS RTC Evaluation completed in FY 1997, data did suggest that youth who completed treatment and were involved in continuing care and follow up services maintained higher sobriety rates.

Data Source: CDMIS (IHS Alcoholism and Substance Abuse component of RPMS) and RTC Evaluation System to be implemented in Fiscal Year 1998.

Baseline: RTC Evaluation completed in 1997 only 50% of youth admitted between January 1993 and May 1995 received any follow-up care.

Type of Indicator: Process/Impact

Linkages: These indicators support the Secretary's initiative to Prevent Youth Substance Abuse, the DHHS Strategic Plan, Strategic Objectives 1.4 *Curb Alcohol Abuse*, 1.5 *Reduce the Illicit Use of Drugs*, 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. This indicator also directly supports several HP 2000 "Substance Abuse: Alcohol and Other Drugs" objectives.

FY 2000 **Indicator 10:** By the end of FY 2000, increase by 5% the proportion of I/T/U prenatal clinics utilizing the Prenatal Health Assessment (PHA) or other recognized screening and case management protocols for pregnant substance abusing women over the FY 1999 level.

FY 1999 **Indicator 10:** By the end of FY 1999, determine the percentage of I/T/U prenatal clinics utilizing screening and case management protocols for pregnant substance using women and advocate for the usage of the Prenatal Health Assessment (PHA).

Rationale: Surveillance conducted at 2 IHS Areas indicated Fetal Alcohol Syndrome (FAS) rates exceeds general population rates (2.3 and 2.7/1000 live births vs. 0.6/1000 live births approximately). The Institute of Medicine 1996 report on FAS includes case identification and appropriate intervention and treatment of a maternal alcohol abuse as a critical part of FAS prevention.

Approach: The I/T/Us will be responsible for reporting via survey to be conducted by the Division of Clinical and Prevention Services, Office of Public Health implementation of

protocols. Resources for analysis may be required from other divisions within the Office of Public Health. The PHA, a screening instrument, was developed in the Aberdeen IHS Area with the Center for Disease Control and Prevention. A curriculum for utilizing the instrument in prenatal clinics and developing case management systems has been piloted in that Area in FY 1998. In the Aberdeen Area, there are numerous clinics and hospitals are currently using the protocols. In FY 1999 the protocols will be piloted in two new Areas. This screening instrument is one of several which are being encouraged for use in I/T/U to assure the routine prenatal substance abuse screening and case management tailored to the resources of each site. The PHA is currently being reviewed by the Medical Records and will be provided for use nationally by the IHS end of FY 1999. A baseline will be established via survey in 1999 and repeated in 2000.

Data Source: Survey and possibly RPMS

Baseline: To be defined in FY 1999.

Type of Indicator: Process

Linkages: These indicators support the DHHS Strategic Plan, Strategic Objectives 1.4 *Curb Alcohol Abuse*, 1.5 *Reduce the Illicit Use of Drugs*, 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. This indicator also directly supports several HP 2000 objective 14.4 (reduce incidence of Fetal Alcohol Syndrome).

Indicator 11: By the end of FY 2000, improve water fluoridation compliance by 15 % over FY 1999 levels for Areas participating in IHS/CDC Fluoridation Surveillance Demonstration Project.

FY 1999 No Indicator

Rationale: Fluoridation is one of the most cost effective public health measures for reducing the prevalence of dental decay in all age groups.

Approach: The IHS Dental Program, Office of Environmental Health and Engineering Branch, and the Centers for Disease Control and Prevention's Division of Oral Health will enter into a cooperative agreement to support a demonstration fluoridation project in the southwest region. A fluoridation specialist will provide training and technical assistance to those tribes who want to fluoridate their community water systems.

Data Source: IHS Fluoridation Surveillance System and database are maintained at HQW.

Baseline: In FY 97, 28 percent (96/340) of the tribally managed fluoridated water systems were in compliance. FY 97, 39 percent (40/103) of the systems in the Phoenix, Albuquerque, Navajo, Albuquerque and Tucson Areas (southwest region) were in compliance.

Type of Indicator: Impact

Linkages: This is a new indicator for FY 2000 and supports the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, 4.1 *Promote the Appropriate Use of Effective Health Care*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care*

Services. It also addresses HP 2000 objective 13.9 (water fluoridation) and several "Surveillance and Data" objectives.

FY 2000 **Indicator 12:** During FY 2000, assure that at least 23% of the AI/AN population obtain access to dental services.

FY 1999 **Indicator 11:** Assure that during FY 1999, at least 21% of the AI/AN population obtain access to dental services.

Rationale: Available evidence supports that people who utilize dental services annually have improved oral health status compared to those who do not. The growing AI/AN population has resulted in growing demands for dental care without growth in capacity to provide needed services. There has been a continuous reduction in the percent of the AI/AN population annually receiving dental services in recent years. Restoring access to both primary and secondary treatment and preventive services can lessen the disease progression. Improving access and thus increasing utilization of dental services can also result in less costly care, improved oral health status, and quality of life. The IHS will be conducting a program-wide oral health survey in FY 1999 to determine current oral health status of the AI/AN population, in light of reductions in access to care.

Approach: Providing access to care is directly dependent upon the dental care resources in a community which include adequate numbers of dental providers and facilities, and their efficiency in providing services. Strategies for increasing care and its effectiveness in light of fewer resources include improving access for targeted populations, (i.e., school-age children, diabetics or other special target groups), utilizing third party payers, and identifying Medicaid-eligible families which would result in increased resources to hire additional staff needed to provide direct services in local communities. The IHS Dental Program has also developed a training module for less experienced dental staff to enhance clinical efficiency. The dental program has been able to track patients who access the system through the dental exam and first visit codes through the RPMS as a valid proxy measure of utilization.

Data Source: IHS Dental Data System component of the RPMS.

Baseline: FY 1998 Preliminary Analysis = 19%

Type of Indicator: Process

Linkages: These indicators support the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives* and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. This indicator also relates to the HP 2000 objectives 13.12 (oral screening, referral and follow-up: children) and 13.14 (regular dental visits: adults).

FY 2000 **Indicator 13:** By the end of FY 2000, assure that the percentage of AI/AN children 6-8 and 14-15 years who have received protective dental sealants on permanent molar teeth is increased by 5% over the FY 1998 GPRA Dental Pilot Dental Project level.

FY 1999 **Indicator 12:** By the end of FY 1999, assure that the percentage of AI/AN

children 6-8 and 14-15 years who have received protective dental sealants on permanent molar teeth is restored to 90% of the FY 1991 IHS Oral Health Survey level.

Rationale: Dental sealants are an effective measure for reducing dental decay rates in children and can be effectively applied by dental auxiliaries at relatively low cost. Sealants and fluorides can prevent almost all tooth decay and play a role similar to vaccinations. Because surveys of AI/AN children's oral health status have consistently identified significantly higher decay rates than the U. S. general population, sealants are essential to reducing the ravages and costs of treating dental decay. The IHS Dental Program is one of the few dental programs in the nation to have achieved the HP 1990 and 2000 dental sealant objectives. However, recent estimates of sealant coverage based on analyses of workload data estimate a decline in sealant coverage of approximately 20% since FY 1991, because of resource constraints.

Approach: Local dental clinics are responsible for implementing/maintaining effective and efficient sealant programs that are either school-based or school-linked and targeted for children ages 6-14 years (to coincide with the eruption of first and second permanent molar teeth). Use of a specialized procedure code, which was created specifically to measure use of sealants in school-age children, will enable local programs to track progress in meeting this objective. The Dental Data Software package in the RPMS environment can capture the number of children examined and the number of children who receive dental sealants on a quarterly and annual basis and thus document trends. Resources required to meet this objective include funding to purchase portable equipment for school-based sealant programs, materials for sealant application, and dental staff.

Data Source: IHS Dental Data System component of the RPMS.

Baseline: The 1991 IHS Oral Health Survey found sealant coverage rates of 57% for children 6-8 years and 64% for those 14-15 years. Baseline data will be collected as part of the FY 1998 GPRA Dental Pilot Project and available by mid - FY 1999.

Type of Indicator: Impact

Linkages: These indicators support the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. The indicator also addresses the HP 2000 objective 13.8 (protective sealants: 14 year olds).

FY 2000 **Indicator 14:** By the end of FY 2000, assure that 70% of I/T/U medical facilities with Urgent Care or Emergency departments or services will have written policies and procedures for routinely identifying, treating and/or referring victims of family violence, abuse or neglect (i.e., child, spouse, and/or elderly).

FY 1999 **Indicator 13:** By the end of FY 1999, assure that 60% of I/T/U medical facilities with Urgent Care or Emergency departments or services will have written policies and procedures for routinely identifying, treating and/or

referring victims of family violence, abuse or neglect (i.e., child, spouse, and/or elderly).

Rationale: Family violence victims come to the health care system with a variety of physical injuries, illnesses or medical conditions directly related to abuse. The umbrella of family violence includes child, spouse or elder abuse and/or neglect. Experts in the field of family violence have identified an important link between violence against women and the abuse of their children. Research indicates that children who witness violence in the family are affected in the same way as children who are physically and sexually abused (Goodman and Rosenberg, 1987). The propensity for family violence can extend to older members of the family (parents, grandparents, aunts, uncles) living in the home. The consequences of family violence can be seen in physical, psychological and cognitive results such as intentional and unintentional injuries, detachment, avoidance, depression, and suicidal ideation. These indicators support several of the HP 2000 "Violent and Abusive Behavior" objectives.

Approach: The Mental Health and Social Service program will work with IHS Area Offices to assure that staff are appropriately trained and local policies and procedures are established for these health concerns. Tribal and urban programs will also be encouraged to address these areas and IHS will respond to requests for assistance. Existing funds and staff will be utilized. Achievement of the indicator will assure local identification of family violence and those appropriate services for prevention and treatment of family violence, and AI/AN victims, families and communities receive its sequelae.

Data Source: Annual survey and/or progress review by IHS Area and Headquarters staff.

Baseline: Determined in FY 1998 to be at 47%. At that time 31 of 66 IHS Service Units had Policies and Procedures in place to address this indicator.

Type of Indicator: Process

Linkages: These indicators support the DHHS Strategic Plan, Strategic Objectives 2.4 *Improve the Safety and Security of Children and Youth*, 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. This indicator also addresses several HP 2000 "Violent and Abusive Behavior" objectives.

FY 2000 **Indicator 15:** By the end of FY 2000, increase by 10% the number of I/T/U programs utilizing the Mental Health/Social Services (MH/SS) data reporting system over the FY 1999 rate.

FY 1999 **Indicator 14:** By the end of FY 1999, assure that at least 50% of the I/T/U programs will have implemented the use of the Mental Health/Social Services (MH/SS) data reporting system.

Rationale: The implementation of the MH/SS data reporting system will provide the vehicle for collection of baseline morbidity and services data for IHS. Audits of the existing I/T/U data systems have documented both under-reporting and lack of specificity of mental health related conditions reported and services provided.

Approach: Accomplishment of this indicator is contingent on several factors. The implementation of the RPMS data system should be mandatory and a priority within the IHS service system. Responsibility for the maintenance of the data system will be shared by the MH/SS program and Division of Information Resources, to assure clinical, technical and administrative viability. Achievement of the indicator will allow consistent reporting, data aggregation for planning, managed care, and more effective billing and collection for services. This objective is also essential for monitoring many of the HP 2000 objectives addressing "Mental Health and Mental Disorders."

Data Source: MH/SS component of RPMS.

Baseline: FY 1997 estimate of IHS program usage of MH/SS system is 40-45 %.

Type of Indicator: Process

Linkages: These indicators support the DHHS Strategic Plan, Strategic Objectives 2.4 *Improve the Safety and Security of Children and Youth*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 5.1 *Improve Public Health Systems' Capacity to Monitor the Health Status and Identify Threats to the Health of the Nation's Population*. This indicator also addresses several HP 2000 "Violent and Abusive Behavior" objectives.

FY 2000 **Indicator 16:** By the end of FY 2000, at least 25% of the Urban Indian health care programs will have implemented mutually compatible automated information systems which capture health status and patient care data.

FY 1999 **Indicator 15:** By the end of FY 1999, develop the specifications and implementation plan for an automated mutually compatible information system which captures health status and patient care data for Indian Urban health care programs.

Rationale: Adequate health status and health services data are essential for the effective planning and management of any health care delivery system. Currently Urban Indian health programs capture data under the Urban Common Reporting Requirements (UCRR). These data are not currently compatible with other IHS health services data sets and only of limited use for the purpose of health systems management. Thus, the large urban AI/AN population has been minimally represented in AI/AN data sets.

Approach: A workgroup has been formed, comprised of Urban Programs health directors to review and revise the UCRR. The revised UCRR will capture an expanded set of data which are compatible with the IHS RPMS System, as well as provide local urban program managers better information about the health status and health services provided to their clients. Until a comprehensive needs assessment is completed it is difficult to estimate the resource requirements of this project; however, attempts will be made to, where feasible, avail the IHS RPMS system to urban programs so that systems are not duplicated. These indicators were developed to help monitor successful development of then updated urban data reporting system.

Data Source: Self-report of Urban health programs.

Baseline: No Urban Indian Health Programs with compatible information systems in FY

1998 .

Type of Indicator: Process

Linkages: These indicators support the DHHS Strategic Plan, Strategic Objectives 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 5.1 *Improve Public Health Systems' Capacity to Monitor the Health Status and Identify Threats to the Health of the Nation's Population*. directly addresses the HP 2000 objective 22.3 (comparable data collection procedures) and several "Surveillance and Data" objectives.

FY 2000 **Indicator 17:** Maintain 100% accreditation of all IHS hospitals and outpatient clinics during FY 2000.

FY 1999 **Indicator 16:** Maintain 100% accreditation of all IHS hospitals and outpatient clinics during FY 1999.

Rationale: The accreditation of IHS hospitals and clinics represents perhaps the most objective and respected measure of health care quality. In addition, accreditation is essential for maximizing third-party collections, and contributes directly and indirectly to many other indicators presented in this plan.

Approach: The local I/T/U multidisciplinary team approach to accreditation and ongoing quality management has been the mainstay of success in this important activity. Additional support and guidance from Areas and Headquarters staff will continue to support this indicator. This will be one of the most demanding indicators to meet given the proposed funding levels available to support the backlog of health facilities maintenance, improvement, and renovation that is critical to accreditation.

Data Source: IHS compiled database generated from accreditation reports.

Baseline: 100% accreditation of IHS hospitals and outpatient clinics for FY 1996-97.

Type of Indicator: Process

Linkages: These indicators support the Secretary's initiative to improve health care quality and the DHHS Strategic Plan, Goal 4, *Improve the Quality of Health Care and Human Services*, and Strategic Objective 3.6 *Improve the Health Status of American Indians and Alaska Natives*.

FY 2000 **Indicator 18:** By the end of FY 2000, implement the OMB approved IHS-wide consumer satisfaction survey protocol and determine baseline level of satisfaction with the acceptability and accessibility of health care.

FY 1999 **Indicator 17:** The IHS will develop and submit to OMB for clearance, an IHS-wide consumer satisfaction survey protocol to assess acceptability and accessibility of health care by the end of FY 1999.

Rationale: Assessing consumer satisfaction is fundamental to quality management and required for accreditation of hospitals and clinics. Furthermore, it is essential to meeting the

President's Executive Order on "Setting Customer Service Standards" and the Secretary's initiative on improving the quality of health services.

Approach: In FY 1999 the IHS will secure OMB clearance for a comprehensive, culturally sensitive survey instrument and through a sampling procedure, identify baseline scores for IHS hospitals and clinics. The strategy will be to survey patients (clients) in a sampling format to assess their views on various aspects of the services delivered by the I/T/U's, the manner in which the services were delivered, and provide the opportunity for offering suggestions for change or improvement. The information gathered will be analyzed and various local, Area-wide, or national policies or procedures will be considered for revision based on the findings. The responsible parties for implementation are the local I/T/U service sites with assistance from the IHS Area office staff. There will be a need for staff to coordinate the development and implementation of such a survey both locally and, to some degree, on an aggregate basis. The local staff will be part of the local quality assurance program and the aggregate staff will be part of the IHS epidemiology centers/program. Continued responsiveness to the patients and the AI/AN communities will be dependent (in part) on the achievement of this target.

Data Source: IHS Consumer Satisfaction Survey.

Baseline: To be determined by this indicator.

Type of Indicator: Process

Linkages: These indicators support the Secretary's initiative to improve health care quality and the DHHS Strategic Plan, Goal 4, *Improve the Quality of Health Care and Human Services*, and Strategic Objective 3.6 *Improve the Health Status of American Indians and Alaska Natives*.

B. Prevention Indicators:

FY 2000 Indicator 19: Assure that by the end of FY 2000, the total number of public health nursing services (primary and secondary treatment and preventive services) provided to individuals in all settings and the total number of home visits are increased by 15% over the FY 1997 workload baselines.

FY 1999 No indicator

Rationale: Public Health Nursing (PHN) is the integration of nursing practice and public health practice applied to the prevention of disease and the promotion and preservation of the health of Indian population. The nature of this practice is continuous and comprehensive, including all program areas and diagnostic groups. This includes primary and secondary treatment and preventive services, counseling, education, community development and referral follow-up. Many of the successes in Indian health such as decrease in infant mortality, high immunization rates, increase prenatal care are attributed to the efforts of public health nursing.

The unique quality of PHN service is that care can be provided in any setting where the patient is accessible. This is especially effective for high risk patients and families (e.g., substance abusing prenatal patients, infectious communicable disease cases, families with

dysfunctional life styles, etc.). Settings include homes, schools, jails, bars, community locations, and so forth in addition to the health clinic. The ability to meet the patient in their own environment allows the PHN to fully assess socioeconomic and quality of life variables that affect health status and facilitates rapport with patients that often distrust the formal health care system.

Approach: The population base for public health nursing services is the IHS census population residing within the official boundaries of the Area. The PHN/RPM standard indicates that PHN program addresses the needs of the community and therefore the appropriate target population is census population. However in some service units, the user population is greater than the reported census population and in these cases, the Indian user population is used as an estimate of the service population to reflect PHN service to both stable community and transient populations.

Providing access to PHN services is directly dependent upon the community based resources in a community that includes adequate numbers of PHN providers. Strategies for increasing care and its effectiveness includes targeting high risk patients based on community epidemiological data and improving access for these targeted populations, (i.e., children, pregnant women, elders, etc.).

The percentage of population served by PHNs in any setting will be calculated by using total individuals served by the PHN in any location for the numerator and the greater of IHS Service Area or IHS user population for the denominator. The percentage of population served by PHNs in the home setting will be calculated by using total individuals served by the PHN in the home location for the numerator and the greater of IHS service area or IHS user population for the denominator.

An increase of \$10 million will create at least 100 additional public health nurse positions nationwide. This project increase in staff reflects direct salary and benefit costs in addition to supporting services of secretaries, supplies, transportation, and consultation support centers. The projected increase in workload is at least 100,000 additional patient services with at least 15,000 being in the home setting. PHN expert opinion and anecdotal historical performance standards reflect 1000 total visits per PHN as a minimally acceptable standard. A significant percent of these totals should be outside the health care facility.

Baseline: FY 1998 and 1999 workload will be reviewed and analyzed to define the baseline for the objective.

Total national patient workload for FY 1997 is 339,283 and home visit workload is 119,482. Preliminary data analysis shows 26% of Indian user population received PHN service in any setting and 9% of Indian user population received PHN service in the home setting. This however was based on total visits rather than individuals served and, thus, would include duplicate patient counts. Because many tribal programs do not report PHN staffing or workload, this data too is considered estimated.

Specific data from one Area specific to individuals served in FY 98 shows 30% of user population receiving PHN service in all setting and 4% of user population receiving PHN service in the home setting. These are unduplicated counts. It also shows an average of 1510 total visits per PHN, 304 home visits per PHN, and 833 total individuals served per PHN.

Data Sources: IHS PCC, IHS service population and user population estimates, IHS Program Statistics Team.

Type of Indicator: Process/Impact

Linkages: This indicator is new for FY 2000 and supports the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. It also broadly supports a multitude of HP 2000 objectives.

FY 2000 **Indicator 20:** During FY 2000, increase by 3% the proportion of AI/AN children who have completed all recommended immunizations by the age two over the FY 1999 rate.

FY 1999 **Indicator 18:** During FY 1999, increase by 3% the proportion of AI/AN children who have completed all recommended immunizations by the age two over the FY 1998 rate.

Rationale: Immunizations are one of the most cost-effective public health measures available for improving health outcomes in children. In addition, vaccination coverage rates are a sensitive measure of the status of public health services and are essential in supporting the Secretary's Children's Initiative.

Approach: Percent of children vaccinated appropriately will be calculated retrospectively for a representative sample of IHS service population children from each Area upon school entry using standard methodology developed by the Centers for Disease Control and Prevention (CASA). Vaccines evaluated include polio, DTP or DtaP, MMR, Hib, HBV, and HAV. These surveys are completed annually by state health department immunization programs throughout the United States. The role of IHS will be to facilitate and promote the process. In some Areas, however, IHS will be primarily responsible for completing the surveys in coordination with state programs.

Data Source: State immunization programs, IHS patient care records and public health nursing records.

Baseline: To be determined from analyses of FY 1998 data.

Type of Indicator: Impact

Linkages: These indicators support the President's initiative on childhood and adult immunizations and the DHHS Strategic Plan, Strategic Objectives 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. It also directly addresses the HP 2000 "Immunizations and Infectious Disease" objectives.

FY 2000 **Indicator 21:** By the end of FY 2000, increase overall pneumococcal and influenza vaccination levels among adults aged 65 years and older to 60%.

FY 1999 No indicator

Rationale: Immunizations are one of the most cost-effective public health measures available for improving health outcomes. In addition, adult vaccination coverage rates are a sensitive measure of the status of clinical preventive services and are essential in supporting the Secretary's and IHS Director's elder health initiatives. This indicator also directly supports the HP 2000 "Immunizations and Infectious Disease" objectives.

Approach: Pneumococcal and influenza vaccination coverage rates will be calculated for a representative sample of IHS service population adults aged 65 years in each Area. These rates are to be collected and calculated by Service Unit, Area, and Headquarters personnel for a sample to be determined by the Epidemiology Program and the Immunization Program at Headquarters.

Data Source: IHS patient care records and public health nursing records.

Baseline: Varies by location, between 25% to 65%, no reliable national figure.

Type of Indicator: Impact

Linkages: This indicator supports the President's initiative on childhood and adult immunizations and the DHHS Strategic Plan, Strategic Objectives 2.5 *Increasing Opportunities for Seniors to Have an Active and Health Aging Experience*, 3.2 *Increase the Availability of Primary Health Services*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. It also directly addresses the HP 2000 "Immunizations and Infectious Disease" objectives.

FY 2000 **Indicator 22:** By the end of FY 2000, reduce deaths by unintentional injuries for AI/AN people to no more than 90 per 100,000 people.

FY 1999 **Indicator 19:** By the end of FY 1999, reduce deaths by unintentional injuries for AI/AN people to no more than 93 per 100,000 people.

Rationale: Injuries are second only to childbirth as a leading cause of hospitalization for AI/AN people. Annually, forty six percent (46%) of the Years of Potential Life Lost (YPLL) for AI/AN people are the result of injuries. There are multiple Year 2010 Objectives in the Injury chapter that will directly influence the success of this Indicator.

Approach: The IHS has assigned a Principal Injury Prevention Consultant, in the Office of Public Health, at Headquarters who coordinates activities and resources with specially trained Injury Prevention Specialists at the Area, District, Service Unit and tribal levels. This program employs a community empowerment model based upon Dr. John Farquar's work at Stanford University (1985). Primary program emphasis is directed to building the capacity of tribes to recognize severe injury problems and employ multiple strategies to prevent or otherwise control injury outcomes. The Complete Injury Prevention Program model developed by IHS is the cornerstone of community-based intervention measures.

The IHS Five-Year Injury Prevention Strategic Plan identified the need for basic capacity

building and investments in tribal and Federal infrastructures for the development of effective injury prevention programs. Since 1990, Congress has appropriated more than \$3.5 million to injury prevention programs and competitively based intervention projects.

Most of the unintentional injury problem is related to motor vehicle crashes. Significant improvements can be made in these statistics with increases in use of occupant protection [safety belts and child safety seats], reducing pedestrian/motor vehicle collisions and reductions in alcohol-related injuries through multiple strategies including corrections in the physical environments, changes in tribal policies and health promotion/education. These injury measures are identified in the Year 2000 Objectives and are relatively easy to measure.

Data Source: Due to the time lag of 2-3 years in the release of official injury mortality data from the National Center for Health Statistics, several other approaches will be used to monitor this indicator. The Alaska, Phoenix and Aberdeen Areas have very close working relationships with the State Vital Events offices. Unofficial counts of fatal injury events can be obtained on a quarterly basis. These Areas could be used as surrogates for progress toward meeting this objective. Secondly, preliminary national data from NCHS can be obtained for AI/ANs for estimation purposes. Finally, virtually all IHS Areas conduct injury surveillance and track fatal injury events. Even though these data are collected internally for monitoring and intervention selection purposes, these data may also be used for estimations on progress toward meeting this objective.

Baseline: Age-adjusted baseline: estimated to be 95 per 100,000 in 1992-1994 for AI/AN population on or near reservations. **Note:** This is significantly higher than the HP 2000 baseline that is based on all AI/AN rates.

Type of Indicator: Outcome

Linkages: These indicators support the DHHS Strategic Plan, Strategic Objectives 1.2 *Reduce the Number and Impact of Injuries*, and 3.6 *Improve the Health Status of American Indians and Alaska Natives*. It also directly addresses the HP 2000 objective 9.1 unintentional injury deaths.

FY 2000 **Indicator 23:** By the end of FY 2000, halt the continued increase of obesity in AI/AN children 3-5 years old and/or 8-10 years old, in at least five pilot intervention sites at FY 1999 rate through the effective implementation of the intervention(s) developed in FY 1999.

FY 1999 **Indicator 20:** By the end of FY 1999, identify the Area-specific prevalence of obesity in AI/AN both a Head Start population (3-5 year olds) and in third grade children (8-10 year olds), and develop a multidisciplinary and multidimensional intervention plan for one or both age groups to address this problem.

Rationale: Obesity is prevalent among AI/AN people of all ages and is increasing significantly in many communities. Obesity is an important risk factor for cardiovascular disease and diabetes, which are perhaps the greatest single health problems for the AI/AN population. Unfortunately, success in reducing the prevalence of obesity and diabetes on a population basis has not been consistently documented. However, evidence supports that children who are obese

beyond infancy are more likely to become obese adults and that obesity prevention programs may be more effective than weight-reduction programs. Furthermore, the effectiveness of nutritional counseling in changing the dietary habits of patients has been demonstrated in some situations and well-child visits, including anticipatory guidance in maintaining breastfeeding and a healthy diet, may have a positive impact on pre-school and early primary school obesity rates. Pima Indian studies have shown that breastfeeding for at least two months is a diabetes prevention strategy for women and their infants. Thus, it is intent to pilot a series of at least five multidisciplinary/multidimensional community projects to address obesity at this early age.

Ongoing periodic surveillance of school aged heights and weights will continue to monitor overweight prevalence in older children. Insights gained from the 6-year NIH-sponsored Pathways obesity prevention intervention in third and fifth grade students, which began in FY 1997, should suggest large-scale interventions for school children. The recently released Surgeon General's Report on Physical Fitness outlines additional intervention strategies for reducing obesity. This objective directly supports the HP 2000 objectives addressing "Nutrition" and "Physical Activity and Fitness."

Approach: The responsible parties are the local I/T/U, Head Start, and WIC service sites. The IHS Area and USDA Regional offices can provide assistance in development and coordination of media campaigns. The IHS Office of Public Health is responsible for overall coordination of the effort. The linkages with the USDA-WIC program, the USDA, the DHHS Head Start Program, CDC Nutrition and Physical Activity Division, and the National Diabetes Prevention Center in Gallup, NM are critical. This objective is linked to Indicator 8, assurance of well child visits.

The strategies for success require effective multidisciplinary outreach and management of clinic scheduling and coordination of WIC and well child care services and intensive medical nutrition therapy (MNT) for families of obese preschool children. Policies and procedures for referral from the brief WIC or well-child visit to the I/T/U registered dietitian for more frequent and long-term MNT visits are critical to achieve this objective. The outreach activity is dependent upon parent education to assure that they are aware of the importance of routine and periodic assessment of well children. Secondly, the effective identification of children in the targeted age groups is important. Public health nutrition, public health nursing, Community Health Representatives, WIC, and Head Start programs, and parent groups are important components in identifying children and families who are the target of this intervention.

Coordination of maternal and child health clinical care, community activities, and community involvement are also critical to prevent childhood obesity. Interventions will be targeted initially to selected, interested demonstration sites, and then successful strategies and ideas disseminated to all programs. Data will be collected through the IHS RPMS computerized health record system using the PCC BMI reports developed to measure prevalence of obesity in the population.

Providing MNT to prevent obesity is dependent upon the availability of trained nutrition staff with the time to address this objective. Scheduling and frequent follow up of these children and their families is critical. The cooperation of physicians, nursing, and medical records staff and others in the clinical environment is critical. Adequate funding to assure the availability of these staff in sufficient numbers is critical to assuring the desired outcome. Assurance of maximal enrollment of eligible children in third party insurance programs will also facilitate achievement of this target for this group.

Coordination between the Pediatric Surveillance System managers at the CDC Nutrition and Physical Activity Division and the IHS Office of Public Health is critical for data access and analysis of the IHS Service Area data subset. This objective is also consistent with the Secretary's Initiative on Improving the Health of Children.

Data Source: CDC Pediatric Nutrition Surveillance System (PDNSS), and IHS RPMS system

Baseline: To be determined by FY 1999 indicator 20 in FY 1999.

Type of Indicator: Impact/Outcome

Linkages: These indicators commit to halting the accelerating rates of childhood obesity and thus supports the President's diabetes initiative, the Secretary's chronic disease prevention initiative, the DHHS Strategic Plan, Strategic Objectives 1.3 *Improve the Diet and the Level of Physical Activity of Americans*, 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services*. This objective also directly supports the HP 2000 objectives addressing "Nutrition" and "Physical Activity and Fitness," and will require significant collaboration between IHS, CDC, WIC, and Head Start.

FY 2000 **Indicator 24:** **By the end of FY 2000, determined Area age-specific prevalence rates for the usage of tobacco products.**

FY 1999 **No indicator**

Rationale: The use of tobacco represents a significant cause of preventable deaths in many AI/AN groups. Ten percent of all deaths in AI/ANs are related to cigarette smoking or use of other tobacco products and over \$200 million is spent annually for care of tobacco-related illnesses. Tobacco use varies greatly among AI/ANs based on geographic and demographic differences according to the Behavioral Risk Factor Surveillance System data. However, this and other surveys depict large region and/or state data rather than Area or tribal specific data and most do not capture tobacco use in young people. Hence there is a need to obtain such data in order to promote prevention and intervention efforts at the local level and for age-targeted subgroups.

Approach: Data will be collected on tobacco use (cigarettes, cigars, smokeless tobacco) based on questions developed by CDC's Office of Smoking and Health. Using questions from CDC will allow comparability and consistency across the Nation. Data will be collected as part of an oral health survey of patients who seek dental care during November 1998 and April 1999. Approximately 20,000 patients will be assessed in about 70 clinics across IHS.

Data Source: IHS Dental Survey

Baseline: To be determined with this indicator.

Type of Indicator: Process

Linkages: This indicator is new for FY 2000 and supports the Secretary's initiative to reduce tobacco use, and the DHHS Strategic Plan, Strategic Objectives 1.1 *Reduce Tobacco Use*,

Especially among Youth 3.6 Improve the Health Status of American Indians and Alaska Natives, and 5.1 Improve Public Health Systems' Capacity to Monitor the Health Status and Identify Threats to the Health of the Nation's Population. It is supported by a IHS/CDC agreement, and supports several HP 2000 "Tobacco" and "Surveillance and Data" objectives.

FY 2000 **Indicator 25:** By the end of FY 2000, determine prevalence rates of HIV/AIDS infection in American Indian/Alaska Natives at Indian Health Service treatment facilities and obtain infection rate nationally from Centers for Disease Control.

FY 1999 No indicator

Rationale: Many AI/AN people live in areas where treatment and prevention are provided at IHS hospital and clinics. Many tribes are now providing health care and prevention in their own hospitals and clinics. Off the reservation the American Indian/Alaska Native may be treated at an Indian Urban Center. It is essential that data on the infection rate be monitored so that prevention and treatment resource efforts are directed at those statistically significant areas on and off the reservation. The IHS has a surveillance system that gives information about people that are being treated for HIV/AIDS at IHS hospital and clinics. To get data outside of IHS a national data collecting center such as the Center for Disease Control's HIV/AIDS Surveillance Report (semi-annual) would be essential. The information gathered by CDC would give the national statistics on HIV/AIDS. This information about those outside of the Indian Health Service being treated by States, Self-Governance Tribes, private insurance, and other agencies would help us to understand the demographics of the disease throughout the United States.

Approach: The IHS RPMS already has the data capability to produce statistics on HIV/AIDS within the Indian Health Service. CDC HIV/AIDS Surveillance Report is a semi-annual report that gives information on American Indian/Alaska Natives.

Data Source: IHS RPMS; CDC HIV/AIDS Surveillance Report (semi-annual)

Baseline: To be determined in FY 1998

Type of Indicator: Process

Linkages: This indicator is new for FY 2000 and supports the President's HIV/AIDS initiative and the DHHS Strategic Plan, Strategic Objectives 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 5.1 *Improve Public Health Systems' Capacity to Monitor the Health Status and Identify Threats to the Health of the Nation's Population*. It is supported by IHS/CDC agreements, and supports several HP 2000 "HIV Infection" and "Surveillance and Data" objectives.

FY 2000 **Indicator 26:** By the end of FY 2000, develop and implement an environmental health surveillance system to provide the information needed to identify environmental health issues, establish local and regional priorities, and develop and evaluate environmental interventions and programs.

FY 1999 No indicator

Rationale: Adequate environmental health status and services data are essential for the effective planning and management of any environmental health care delivery system. Currently, many of the IHS Area Environmental Health Programs focus efforts and resources on historically traditional environmental health programs such as food service operations, water supplies, waste disposal sites, and actual facilities – for which the program refers to as the Facility Data System (FDS). Some of the Area programs have begun to capture data that is being used to set priorities based on actual environmental health risk to the population, however, this data and its concept has not been accepted by many of the Area programs. Furthermore, environmental health surveillance systems are not available to readily assess true environmental health risks at the local level. Thus, many of the environmental health programs may not be addressing the most serious environmental health threats within the local communities. Establishment of an environmental health surveillance system will finally provide the information needed to identify environmental health issues, establish local and regional priorities, and develop and evaluate environmental interventions and programs.

Approach: The Environmental Health Services program is the only federal entity with experience in developing and operating comprehensive environmental health service programs at the local level. The Division of Community and Environmental Health (DCEH) has been working with the National Center for Environmental Health, CDC to establish an inter-agency agreement to accomplish this objective. The coordination of this effort will be managed nationally by DCEH, and will be a joint effort involving the DCEH and the CDC. At the regional level, this project will be coordinated with the IHS Area Environmental Health Offices and the IHS Epidemiology Centers in partnership with the tribes and local IHS environmental health services programs.

The strategy is to develop an environmental health surveillance system that will allow tribes to better develop and implement environmental health service programs at the local level. As tribes assume the management of health care programs, they will also become responsible for the management of environmental health programs. In addition to being health care administrators, tribal health directors will also need to understand what a local environmental health program should do, why these functions and activities are important, and determine how to establish objectives and implement effective programs.

The collection, organization, and interpretation of environmental health and epidemiological data may redesign the services and activities currently provided by and recommended by the Environmental Health Services program. We are not certain that the assumptions used to build the current system are still valid (FDS vs. risk-based decision making). Data analysis is necessary to evaluate the effectiveness of existing programs and to plan future programs to insure that resources and activities are best targeted to most effectively reduce environmentally related disease and injury at the local level.

Data Source: To be established by the end of FY 2000.

Baseline: To be established by the end of FY 2000.

Type of Indicator: Process

Linkages: This is a new indicator for FY 2000 and supports the DHHS Strategic Plan,

Strategic Objectives 3.6 *Improve the Health Status of American Indians and Alaska Natives*, and 5.1 *Improve Public Health Systems' Capacity to Monitor the Health Status and Identify Threats to the Health of the Nation's Population*. It also broadly supports most of the HP 2000 "Environmental Health " objective.

C. Capital Programming/Infrastructure Indicators:

FY 2000 **Indicator 27:** By the end of FY 2000, IHS will reduce 1998 Backlog of Essential Maintenance, Alteration, and Repair (BEMAR) by 6%.

FY 1999 **Indicator 21:** By the end of FY 1999, maintain the net backlog of maintenance, improvement, and renovation needs for health care facilities at the FY 1997 level.

Rationale: The provision of quality health services requires effective and efficient space, including reliable supporting building systems. This activity is also fundamental to maintaining hospital and clinic accreditation (see indicator 17).

Approach: This initiative is part of an IHS effort to more accurately determine the resources and processes required to sustain physical surroundings which enhance the delivery of health care services. This includes maintaining both IHS and tribal health facilities in good working order, eliminating environmental and safety hazards, and modifying space as needed to facilitate changing service delivery practices. To achieve this indicator, the IHS will initiate approximately 80 major maintenance and improvement projects that will result in the gross reduction to the BEMAR.

The physical condition of IHS-operated, federally-owned and tribally owned health care facilities is evaluated continuously by local facility personnel and through annual general surveys conducted by local facility personnel and IHS Area Office engineers. In addition, comprehensive "Deep Look" surveys are conducted every five years by a team of specialists, which may include IHS and tribal engineers, architects, and operations experts, and occasionally technical specialists from private sector architectural/engineering firms.

A major facet of this initiative is an improvement of the data system in which identified facilities deficiencies are listed. The revised system will move input and querying of data to a lower level, Area Office and/or field sites, so the information may be used to support and improve decision making at those levels. Additional capabilities will be added to show the impact of new facilities on access to services. In a similar fashion, the IHS is seeking to determine the impact of new deficiencies that accrue normally in existing buildings. Another planned improvement would be a separate identification of space and renovation needs to adequately support and enhance delivery of health care services. Finally, capturing of expenditures for capital improvements for buildings, as promulgated by the Federal Accounting Standards Advisory Board will be enhanced.

Data Source: Identified deficiencies recorded in the Facilities Engineering Data System.

Baseline: The FY 1998 backlog of identified deficiencies totaling \$243 million.

Type of Indicator: Process/Impact

Linkages: These indicators support the DHHS Strategic Plan, Strategic Objectives 3.6 *Improve the Health Status of American Indians and Alaska Natives* and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services* and generally, many of the HP 2000 objectives.

FY 2000 **Indicator 28:** By the end of FY 2000, provide sanitation facilities projects to serve 5,900 new or like-new homes and 9,930 existing Indian homes.

FY 1999 **Indicator 22:** Provide sanitation facilities to 5,900 new or like-new homes, and 9,330 existing Indian homes by the end of FY 1999.

Rationale: The IHS Sanitation Facilities Construction Program, an integral component of the IHS disease prevention activity, has carried out those activities since 1960 using funds appropriated for Sanitation Facilities Construction to provide potable water and waste disposal facilities for AI/AN people. As a result, the rates for infant mortality, gastroenteritis morbidity, and other environmentally related diseases have been dramatically reduced, as much as 80 percent since 1973. Compelling evidence supports that many of these health status improvements are attributable to IHS' provision of water supplies, sewage disposal facilities, development of solid waste sites, and provision of technical assistance to Indian water and sewer utility organizations. Satisfactory environmental conditions (e.g., safe piped water and adequate sewage disposal) place fewer demands on IHS' primary health care delivery system. This indicator directly supports the HP 2000 objectives 11.3 (waterborne diseases) and 11.9 (people receiving safe drinking water).

Approach: The Indian Health Care Amendments (Title III, Section 302(g) 1 and 2 of P.L. 100-713) directed the IHS to identify the universe of Indian sanitation facilities deficiencies. From this process, a backlog of needed sanitation facilities was identified and regularly updated. It is feasible to provide sanitation facilities for between 95 and 98 percent of all existing Indian homes. Also included in the backlog are projects intended to upgrade existing water supply and waste disposal facilities and projects to improve sanitation facilities operation and maintenance capabilities in Indian country. Maximum health benefits will be realized by addressing needs identified and providing facilities for new/like-new homes when they are constructed.

Data Source: The Sanitation Facilities Deficiency System.

Baseline: Not Applicable

Type of Indicator: Impact

Linkages: These indicators support the DHHS Strategic Plan, Strategic Objectives 3.6 *Improve the Health Status of American Indians and Alaska Natives* and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services* and several of the HP 2000 "Environmental Health" objectives.

FY 2000 **Indicator 29:** Improve critically needed access to health care services by continuing construction of the Ft. Defiance, Arizona Hospital and the Parker,

Arizona Health Center; completing the designs of facilities at Red Mesa, Arizona and Pawnee, Oklahoma; and providing new or replacement dental units by the end of FY 2000.

FY 1999 Indicator 23: Improve access to health care by completing construction of the Hopi (Polacca), Arizona Health Center, and starting construction of the Ft. Defiance, Arizona Hospital and the Parker, Arizona Health Center by the end of FY 1999.

Rationale: The replacement Hopi health center has a projected workload for FY 2001 of 35,124 Provider Care Visits per year, which far exceeds current capacity. The replacement Ft. Defiance Hospital has a projected workload for FY 1997 of 69,198 Provider Care Visits per year that far exceeds current capacity. The designing of additional facilities is the first step in improving access for identified locations. The joint venture projects represent an alternative approach for tribes to increase access to care through construction cost sharing with the IHS.

Approach: The IHS developed the Health Facilities Construction Priority System (HFCPS) methodology in response to congressional directive to identify planning, design, construction, and renovation needs for the 10 top-priority inpatient care facilities and the 10 top-priority outpatient care facilities and to submit those needs through the President to the Congress. Under the three-phase HFCPS process, the IHS Headquarters solicits proposals for health facility construction from the Area Offices and ranks them according to their relative need for construction. Factors used to determine relative need are workload, age, isolation or alternatives to construction, and existing space data. The highest-ranking proposals are added to the Priority Lists.

When new projects are to be added to the Priority Lists, IHS Headquarters asks each IHS Area Office to submit proposals for Phase I consideration. The IHS uses the HFCPS methodology to review these proposals and to determine which will be considered during the more intensive Phase II review. A limited number of proposals that successfully complete Phase I are considered further during Phase II. The IHS examines these proposals in greater detail and applies the methodology to determine those proposals that will be considered during Phase III.

During Phase III, appropriate IHS Area Offices prepare a Program Justification Document (PJD) for each proposed project still being considered. IHS Headquarters reviews each PJD. If the PJD justifies construction, it is approved and the project is placed on the appropriate priority list below those already on the list. Proposed projects that have been approved and placed on a priority list remain on the list until they have been fully funded by congressional appropriations or other funding mechanism.

After projects are placed on the Priority Lists, IHS updates its 5-year planned construction budget. That budget is updated yearly and used as the basis for funding requests.

The HFCPS is generally applied using existing IHS resources (staff and equipment); however, some Area Offices have procured assistance in developing the PJD and POR.

Data Source: Health Care Facilities Priority System and Health Care Facilities Planned Construction Budget.

Baseline: Not Applicable, the IHS Inpatient and Outpatient Facilities Priority List is used to determine needed construction priorities.

Type of Indicator: Process/Impact

Linkages: These indicators supports the DHHS Strategic Plan, Strategic Objectives 3.6 *Improve the Health Status of American Indians and Alaska Natives* and 4.2 *Reduce Disparities in the Receipt of Quality Health Care Services* and generally, many of the HP 2000 objectives.

D. Consultation, Partnerships, Core Functions, and Advocacy Indicators:

FY 2000 **Indicator 30:** By the end of FY 2000, the IHS will have improved the level of consultation and opportunities for participation for its I/T/U partners as demonstrated by a 5% increase in score over the FY 1999 satisfaction survey.

FY 1999 **Indicator 24:** By the end of FY 1999, the IHS will have implemented a formal policy for I/T/U consultation and participation, approved by I/T/U representatives, and a baseline survey of I/T/Us completed to assess the level of satisfaction with the implementation of the policy.

Rationale: It is fundamental to the intent of the NPR and the realization of the IHS Mission and Goal that I/T/Us increasingly become participating partners in the important processes which will guide the Agency into the next century. Given the number and diversity of I/T/Us, formal policies are essential to assure broad input, a rational and equitable approach to making timely decisions, and the highest possible buy-in across I/T/Us. Equally important is securing the data to assess how well the processes are actually working, and then improving them. In addition, this indicator serves as a proxy measure of the effectiveness of the IHS Tribal Management program.

Approach: As the IHS continues to downsize in conformance with administration policies and in response to tribal governments taking their tribal shares due to compacting and/or contracting, it becomes critical that the IHS form a strong and effective partnership with its I/T/U constituents. This partnership is essential to ensure that resources are effectively and efficiently utilized to maximize the positive impact health programs have on the target I/T/U populations. Partnerships already exist with such tribal entities as the National Indian Health Board (NIHB), Regional Indian Health Boards, the Tribal Self-Governance Advisory Committee (TSGAC) and the National Congress of American Indians (NCAI).

The starting point for this initiative was with the development and implementation of the I/T/U satisfaction survey as part of the FY 1999 performance plan that established the baseline. The survey results will be used to improve the consultation and participatory processes and conduct another survey in late FY 2000 to assess improvements.

Data Source: I/T/U survey instrument and protocol

Baseline: From baseline survey completed in FY 1999.

Type of Indicator: Process

Linkages: These indicators support the DHHS Strategic Plan, Strategic Objectives 3.6 *Improve the Health Status of American Indians and Alaska Natives* and 4.3 *Increase Consumer's Understanding of their Health Care Options*. It also underpins the IHS' commitment supporting the Self-Determination process and AI/AN community empowerment.

FY 2000 **Indicator 31:** During FY 2000, the IHS Headquarters and Areas will maintain full compliance with major Federal requirements (i.e., GPRA, GMRA, ITMRA, etc.), without expanding the administrative staff above the FY 1998 FTE level.

FY 1999 **Indicator 25:** By the end of FY 1999, the IHS will have reduced its administrative infrastructure (Area and Headquarters) at least 10 % below the FY 1997 level while maintaining full compliance with major Federal requirements (i.e., GPRA, Y2K conversion, GMRA, ITMRA, etc.)

Rationale: A major recommendation in the IHS reorganization plan was to downsize and streamline the IHS Headquarters and Area Offices and move from controlling and directing to consultation and support to I/T/Us. This recommendation supports the continued transition to local control, and the intent of the NPR, but represents a significant challenge because of the loss of economies of scale in the decentralization process. In the FY 1999 performance plan the IHS committed to reducing the number of FTE s in IHS Headquarters and Areas by 10 percent over the FY 1997 level. For FY 2000 the IHS is committing to maintaining the reduced Area and Headquarters administrative FTE level at the proposed FY 1999 level and to focus resources at restoring access to services. Further reductions in administrative positions should be considered with caution given the increasing accountability requirements the Agency must be responsive to.

Approach: To accomplish this indicator the IHS continues the process of reorganizing Headquarters to a flatter and simpler structure and integrating the use of multi-disciplinary teams to address important functions, including the GPRA. Many Areas are also reorganizing to more efficient structures. Likewise, the IHS is well along in its Y2K conversion plan addressing five mission-critical information systems and will meet the necessary requirements associated with this activity.

As described in Performance Indicator 32, we are attempting to expand the development of partnerships with outside organizations to bolster our limited capacities to serve the needs of AI/AN people. Doing more of what is important without expanding administrative overhead will require considerable training and improved technologies, as well as ceasing to expend resources on low value work. Assistance from the Department and OMB will be critical for both of these to occur.

The evaluation of our success in this attempt at achieving more will come from the surveys of I/T/Us described in Performance Indicator 30. Feedback will come from the Department, OMB, and Congress relative to our level of compliance with the growing number of Federal

requirements, particularly the GPRA, GMRA, ITMRA, and audits of the resources expended.

In the long run, our success in this efforts will be reflected to a considerable degree in the level of realization of our component of the DHHS Strategic Plan and the **IHS Mission and Goal**.

Data Source: Audits of Area and Headquarters, I/T/U Survey, and feedback from HHS, OMB, and Congress.

Baseline: FY 1997 Area and Headquarters FTEs = 2085

Type of Indicator: Process

Linkages: These indicators support the DHHS Strategic Plan, Strategic Objectives 3.6 *Improve the Health Status of American Indians and Alaska Natives* and the accountability requirements of a DHHS OPDIV.

FY 2000 **Indicator 32:** By the end of FY 2000, the IHS will have increased the number of interagency agreements and cooperative agreements with agencies and organizations that are directed at improving the health status and/or the quality of life of AI/AN people by 5 % over the FY 1999 level.

FY 1999 **Indicator 26:** By the end of FY 1999, the IHS will have increased the number of interagency agreements and cooperative agreements with agencies and organizations that are directed at improving the health status and/or the quality of life of AI/AN people by 10 % over the FY 1997 level.

Rationale: Given the decreasing per capita funding the IHS is receiving for health services and the continued loss of public health infrastructure, it has become increasingly important to the IHS's advocacy role to seek collaborative partnerships with other organizations which can assist in efforts to achieve the **IHS Mission and Goal**.

Approach: For many years the IHS has worked collaboratively with other organizations, particularly other department Agency's (e.g., NIH, CDC, AHCPR), in efforts to improve the quantity and quality of services we provide. The IHS is currently in the process of proactively seeking additional and broader partnerships with organizations directed at setting in place long-term strategic approaches to addressing the interactive effects of health and social services, community empowerment, and economic development directed towards improved quality of life for AI/AN people.

Clearly opportunities exist for expanding agreements with existing organizations as well as developing new ones with other Federal, State and local agencies, as well as private sector organizations. In this light, our Director is currently spearheading a Domestic Policy Council multi-departmental initiative for AI/AN children and youth around two themes:

1. Ensuring a safe and healthy home and community
2. Ensuring personal development within the context of developing communities

Response thus far has encouraging with active participation from HUD, DOI, DOA, DOT, and

several HHS OPTDIVs. The ultimate goal for the initiative is to improve the status of AI/AN children and youth relative to indicators reflecting the two themes. The approach is to collaborate with agencies that serve AI/AN people to improve coordination of services and increase access to services for AI/AN communities (including urban areas). Included in this effort is the drafting of and Executive Order to redirect policy and support needed legislative changes. In addition, the initial workgroup of this initiative embraced the importance of agencies documenting their commitment to the initiative through identifying appropriate specific GPRA performance indicators.

Data Source: Audit of existing agreements.

Baseline: 71 formal agreements in FY 1997

Type of Indicator: Process

Linkages: These indicators broadly support the DHHS Strategic Plan, Strategic Objective 3.6 *Improve the Health Status of American Indians and Alaska Natives.*

FY 2000 **Indicator 33:** By the end of FY 2000, the IHS will have fully implemented Managerial Cost Accounting (MCA) in accord with DHHS and OMB guidance.

FY 1999 **Indicator 27:** By the end of FY 1999, the IHS will begin implementing Managerial Cost Accounting (MCA) in accord with DHHS and OMB guidance.

Rationale and Approach: The Federal Financial Management Improvement Act of 1996 (The Brown Bill) requires IHS to achieve the linkage of resources to results through MCA. This bill requires each agency to maintain financial management systems that comply with Federal financial management systems requirements, applicable Federal accounting standards, and the U. S. Standard General Ledger at the transaction level. As mentioned in section IV, caution must be exercised in applying manufacturing accounting approaches to a comprehensive public health program. Attempting to cost account for outcomes for complex chronic disease processes (i.e., diabetes) addressed by many health disciplines in diverse settings, with long time lags in effect, is plagued with threats to validity, and would probably represent an exercise in futility. The IHS has contracted with the Mitretek Systems to analyze technical alternatives for IHS cost reporting/cost accounting. This will be a detail analysis of technical alternatives and perform a cost benefit and trade off analysis of alternatives. The results will be provided to a steering committee to support strategic decision making regarding the implementation of cost reporting and cost accounting at IHS. This system is necessary to assist IHS leadership to maximize utility of diminishing resources, be cost effective, and ensure that patient care can be provided to its customers. Perhaps the most significant benefits or goals for establishing MCA is to an increase collections from private insurance, Medicare, and Medicaid.

Type of Indicator: Process

Linkages: These indicators support the management and accountability requirements of

GPRA, GMRA, ITMRA and a DHHS OPDIV.

FY 2000 **Indicator 34:** For FY 2000, the IHS will improve its overall Human Resource Management (HRM) Index score to at least 95 as measured by the DHHS annual HRM survey.

FY 1999 **No indicator**

Rationale: The DHHS Quality of Work Life Initiative is based on social-psychological principles which are associated with both organizational effectiveness and improved quality of life for members. As part of this initiative, the Department has developed and refined a HRM Index employee survey as a valid measure of management practices that are important to organizational performance. These practices include Morale, Climate for Innovation, Planning and Organization, Communication, and Operational Efficiency. Since the DHHS started conducting the HRM Index surveys in 1991, the IHS sample scores have consistently averaged the below the overall average DHHS score. Given that the elements assessed in this survey are fundamental to achieving the IHS Mission and Goal, the Agency is committed to improving this trend.

Approach: The IHS is now in the process of actively tailoring the implementation of the Quality of Work Life Initiative to its unique and diverse setting. Furthermore, some of the additional resources in the requested FY 2000 IHS Budget will be used to restore supporting functions such as training, equipment and supplies, and improved communications networks which have been compromised based on recent funding constraints. The Agency believes these enhancements, coupled with the Quality of Work Life Initiative, will improve morale, communications, job satisfaction, and other factors sufficiently to be reflected in an improved HRM Index score for the IHS in FY 2000.

Data Source: FY 2000 DHHS HRM Survey

Baseline: FY 1998 DHHS HRM Survey Score of 93 for IHS

Type of Indicator: Process/Impact

Linkages: This is a new indicator for FY 2000 which directly supports the Secretary's Quality of Work Life Initiative and generally supports the DHHS Strategic Plan, Strategic Objective 3.6 *Improve the Health Status of American Indians and Alaska Natives.*

VIII. Challenges and Conclusions

The IHS approaches the next millennium in the midst of the most profound changes in its history. We are simultaneously faced with the challenges of:

- downsizing and restructuring our administrative infrastructure
- decentralizing and providing for local control of resources to I/T/Us
- meeting the accountability requirements of GPRA, GMRA, ITMRA, etc., with less Area Office and Headquarters staff

- persuading tribal programs to voluntarily submit performance data
- eliminating the growing disparity in health status of the AI/AN people by the year 2010

The impact of these trends on staff morale is also suggested in relatively low score of the IHS in the 1997 and 1998 DHHS survey which defines the Human Resource Management Index from the Department as a whole and for OPDIVs. In addition, there has been a significant increase in EEO complaints over the past two years. The long-term impact of this work environment on recruitment and retention of well-qualified and committed staff is of increasing concern.

For consumers, the waiting times for appointments have increased and complaint rates are increasing. The backlog of needed but not urgent care (deferred services) under contract health services has almost double since 1993. Furthermore, the number of contract health care denials has increased almost 80 percent between FY 1993 and FY 1996. The net effect is a loss of access to health services.

Given these trends, it is essential that we continue our educational efforts because some AI/AN leaders perceive the GPRA requirements as another unfunded mandate, or worse, a mechanism to reduce funding for their health care. However, the linkage of GPRA indicators to significant proposed increases to the IHS budget for FY 2000 should facilitate greater tribal commitment and participation in GPRA activities.

Despite these formidable challenges, the IHS has fully committed to the GPRA, in partnership with its stakeholders, as a means of restoring and expanding the capacity to serve AI/AN people. We are encouraged that the President, the Secretary, and the Assistant Secretary for Health/Surgeon General have all made a commitment to eliminating the disparities in health status that exist in the country. This plan represents our commitment to this noble endeavor.

Similar to manufacturing products, the proposed performance indicators and requested funding increases for this plan will begin restoring the capacity to provide outputs, which are predominately health services for the IHS. However, it is important to acknowledge that due to the nature of many of the diseases and conditions afflicting AI/AN people, they are not likely to respond immediately to increased access to services. Like an ocean liner or large freight train which continues to move forward for a considerable time even after the engines are reversed, so will some chronic and/or life-style related conditions continue to afflict the AI/AN population. For these conditions, improved health outcomes are likely to take several or many years before they are realized.

While a large portion of this responsibility will continue to rest with the IHS and its I/T/U structure, it will be increasingly important that other Department OPDIVS and other public and private organizations play a larger role in serving as partners in this endeavor. The IHS is proactively working to build these essential partnerships on our own, but may also seek assistance from the Department and the OMB in securing some of these commitments.

In conclusion, this performance plan and the requested budget that underpins it, are the first incremental steps necessary to reduce the health disparities that prevail for AI/AN people. We have a proud history of accomplishments that document the achievement of significant results long before it was required by law. With reasonable support over the next decade, in partnership with our stakeholders, we will accomplish even more.

1-27-99

Summary of Changes to the FY 1999 IHS Performance Indicators

The iterative process of developing the FY 1999 and FY 2000 performance plans has required the IHS to audit many different data sets to assess current access to health services (coverage) and baseline rates of various conditions. During this process it has become increasingly clear that the continued diversion of available resources toward maintaining patient care in response to recent funding shortfalls, have resulted in a significant loss of the public health infrastructure that support data collection and analyses. Data sets that were previously well enumerated and maintained are now incomplete or under analyzed.

In light of these findings, the IHS has revised several indicators for FY 1999 to focus on restoring data, capturing capabilities and securing baselines to support FY2000 indicators which address restoring or enhancing services. Furthermore, preliminary analyses of FY 1997 and FY 1998 workload data have revealed continued declines in access to services. In light of these trends, other indicators have been reduced in magnitude to reflect more realistic probabilities of accomplishment for FY 1999. Lastly, some indicators have been made more demanding because of new information and others have been revised in light of changes of program focus. The table which follows summarizes the significant changes in content or magnitude to FY 1999 indicators submitted with the FY 1999 budget and the revisions presented in the combined FY 1999 and FY 2000 plan and based on the FY 1999 appropriation.

Original FY 1999 Indicator	Revised FY 1999 Indicator(s)	Rationale for Change
Indicator 2: By the end of FY 1999, reduce the incidence of amputation and blindness associated with diabetic neuropathy and retinopathy by 5% in the AI/AN diabetic population from the FY 1996 rate	Indicator 2: By the end of FY 1999, increase the proportion of I/T/U clients with diagnosed diabetes that have improved their glycemic control by 3% over the FY 1998 level Indicator 3: By the end of FY 1999, increase the proportion of I/T/U clients with diagnosed diabetes and hypertension that have achieved diabetic blood pressure control standards by 3% over the FY 1998 level Indicator 4: By the end of FY 1999, increase the proportion of I/T/U clients with diagnosed diabetes who have been assessed for dyslipidemia by 3% over the FY 1998 level Indicator 5: By the end of FY 1999, increase the proportion of I/T/U clients with diagnosed diabetes who have been assessed for nephropathy by 3% over the FY 1998 level	Audits have shown that data are not reliably available on the medical complication of diabetes and reporting of these complications would show invalid improvements. The IHS has elected to focus on positive interventions that reduce medical complication of diabetes.

Original FY 1999 Indicator	Revised FY 1999 Indicator(s)	Rationale for Change
Indicator 4: By the end of FY 1999, assure that the proportion of the AI/AN female population over 40 years of age who have had screening mammography is no lower than the FY 1996 level.	Indicator 7: By the end of FY 1999, determine the proportion of the AI/AN female population 50-69 years of age who have had annual screening mammography.	Changed indicator to conform with recognized age recommendations of the National Cancer Institute and the lack of reliable baseline.
Indicator 5: By the end of FY 1999, assure that the percentage of children age 0-5 receiving well child visits is no lower than FY 1996 level.	Indicator 8: By the end of FY 2000, determine the proportion of AI/AN children served by IHS receiving a minimum of four Well Child Visits by 27 months of age.	Audits identified significant missing data and lack of adequate reporting. FY 1999 will be used to restore data capability and define the magnitude of the problem.
Indicator 6: By the end of FY 1999, increase follow-up for youth discharged from adolescent Regional Treatment Centers (RTC) to 75%.	Indicator 9: By the end of FY 1999, determine the rates and intensity of follow-up for adolescents discharged from IHS supported Regional Treatment Centers (RTC).	Audits identified significant missing data and lack of adequate reporting. FY 1999 will be used to restore data capability and define the magnitude of the problem.
Indicator 7: By the end of FY 1999, 75% of I/T/U prenatal clinics will have implemented screening and case management protocols for pregnant substance using women.	Indicator 10: By the end of FY 1999, determine the percentage of I/T/U prenatal clinics utilizing screening and case management protocols for pregnant substance using women and advocate for the usage of the Prenatal Health Assessment (PHA).	Large data gaps exist and the validity of some protocols are in question.
Indicator 8: Assure that during FY 1999, at least 22% of the AI/AN population obtain access to dental services.	Indicator 11: Assure that during FY 1999, at least 21% of the AI/AN population obtain access to dental services.	Preliminary analyses of FY 1998 dental data revealed a continued drop in access to dental services in FY 1998 to only 19% of the AI/AN population.
Indicator 9: By the end of FY 1999, assure that the percentage of AI/AN children 8-14 years who have received protective dental sealants on permanent molar teeth is no lower than 95% of the FY 1994 level.	Indicator 12: By the end of FY 1999, assure that the percentage of AI/AN children 6-8 and 14-15 years who have received protective dental sealants on permanent molar teeth is restored to 90% of the FY 1991 IHS Oral Health Survey level.	Increasing dental position vacancy rates and absorbing significant dental officer pay increases necessitated lowering the level of accomplishment

Original FY 1999 Indicator	Revised FY 1999 Indicator(s)	Rationale for Change
Indicator 10: By the end of FY 1999, 70% of I/T/U medical facilities with Urgent Care or Emergency departments or services will have written policies and procedures for routinely identifying, treating and/or referring victims of family violence, abuse or neglect (i.e., child, spouse, and/or elderly). Indicator 11: By the end of FY 1999, 75% of the IHS programs will have implemented the use of the Mental Health/Social Services (MH/SS) data reporting system. Indicator 12: By the end of FY 1999, develop and implement an information system which captures health status and patient care data for all Urban health care programs. Indicator 15: Assure overall childhood immunization rates of 80% complete and on time for children ages two and three, by the end of FY 1999 Indicator 16: By the end of FY 1999, reduce deaths by unintentional injuries for AI/AN people to no more than 110 per 100,000 people. Indicator 17: By the end of FY 1999, halt the continued increase of obesity in AI/AN children age 0-4 at the FY 1998 rate.	Indicator 13: By the end of FY 1999, assure that 60% of I/T/U medical facilities with Urgent Care or Emergency departments or services will have written policies and procedures for routinely identifying, treating and/or referring victims of family violence, abuse or neglect (i.e., child, spouse, and/or elderly). Indicator 14: By the end of FY 1999, assure that at least 50% of the I/T/U programs will have implemented the use of the Mental Health/Social Services (MH/SS) data reporting system Indicator 15: By the end of FY 1999, develop the specifications and implementation plan for an automated mutually compatible information system which captures health status and patient care data for Indian Urban health care programs. Indicator 18: During FY 1999, increase by 3% the proportion of AI/AN children who have completed all recommended immunizations by the age two over the FY 1998 rate. Indicator 19: By the end of FY 1999, reduce deaths by unintentional injuries for AI/AN people to no more than 93 per 100,000 people Indicator 20: By the end of FY 1999, identify the Area-specific prevalence of obesity in AI/AN both a Head Start population (3-5 year olds) and in third grade children (8-10 year olds), and develop a multidisciplinary and multidimensional intervention plan for one or both age groups to address this problem. No Indicator	Incomplete reporting Dissemination of software and necessary training has been reduced because of funding shortfall and Y2K efforts. Urban funding was reduced from requested for FY 1999 and data system development slowed. Audits have revealed missing data and problems with timeliness of immunizations so indicator was revised to accommodate these findings. Baseline data were updated and rates have already dropped below originally proposed level. Baselines were inadequate and opportunities to partner with additional groups has resulted in different age cohorts for the planned intervention Indicator was dropped because data set was not available in many settings across the IHS.
Indicator 18: By the end of FY 1999, compile Area specific baseline databases for assessing substance abuse (particularly alcohol and tobacco), family abuse, and high-risk behaviors in AI/AN youth from Youth Risk Behavior Surveys (YRBS) collected by State education departments and the BIA.		

Original FY 1999 Indicator	Revised FY 1999 Indicator(s)	Rationale for Change
Indicator 20: Provide sanitation facilities to 4,300 new or like-new homes, and 8,730 existing Indian homes by the end of FY 1999.	Indicator 22: Provide sanitation facilities to 5,900 new or like-new homes, and 9,330 existing Indian homes by the end of FY 1999.	Sanitation facilities funding was greater than expected in FY 1999.
Indicator 24: By the end of FY 1999, the IHS will have increased the number of interagency agreements and cooperative agreements with agencies and organizations that are directed at improving the health status and/or the quality of life of AI/AN people by 20% over the FY 1996 level.	Indicator 26: By the end of FY 1999, the IHS will have increased the number of interagency agreements and cooperative agreements with agencies and organizations that are directed at improving the health status and/or the quality of life of AI/AN people by 10% over the FY 1997 level.	Dates of baseline and level of performance was changed based on more reliable data.

IHS FY 1999 AND FY 2000 GPRA Performance Plan Overview Table 1/27/99

Program Activity	FY 1998 Actual \$1,711,018,000 appropriated	FY 1999 \$1,813,893,000 appropriated	FY 2000 \$1,952,070,000 requested
1. Treatment: Hospital and Clinics Dental Services Mental Health Alcohol & Substance Abuse Contract Health Services Urban Health Indian Health Professions Tribal Management Self Governance Contract Support Costs	FY 1998 Baseline: To be determined by FY1999 and FY 2000 Indicator 1. FY 1998 Baseline: To be determined from analyses of FY 1998 Diabetes Audit. FY 1998 Baseline: To be determined from analyses of FY 1998 Diabetes Audit. FY 1998 Baseline: To be determined from analyses of FY 1998 Diabetes Audit.	Indicator 1: By the end of FY 1999, identify Area age-specific diabetes prevalence rates (as a surrogate marker for diabetes incidence) for the AI/AN population. Indicator 2: By the end of FY 1999, increase the proportion of I/T/U clients with diagnosed diabetes that have improved their glycemic control by 3% over the FY 1998 level. Indicator 3: By the end of FY 1999, increase the proportion of I/T/U clients with diagnosed diabetes and hypertension that have achieved diabetic blood pressure control standards by 3% over the FY 1998 level. Indicator 4: By the end of FY 1999, increase the proportion of I/T/U clients with diagnosed diabetes who have been assessed for dyslipidemia by 3% over the FY 1998 level.	Indicator 1: During FY 2000, maintain Area age-specific diabetes prevalence rates and develop trends in the age-specific prevalence of diabetes (as a surrogate marker for diabetes incidence) for the AI/AN population. Indicator 2: By the end of FY 2000, increase by 3% the proportion of I/T/U clients with diagnosed diabetes who have improved their glycemic control over the FY 1999 level. Indicator 3: By the end of FY 2000, increase by 3% the proportion of I/T/U clients with diagnosed diabetes and hypertension who have achieved blood pressure control standards over the FY 1999 level. Indicator 4: By the end of FY 2000, increase by 3% the proportion of I/T/U clients with diagnosed diabetes who have been assessed for dyslipidemia over the FY 1999 level.

Program Activity	FY 1998 Actual	FY 1999	FY 2000
	FY 1998 Baseline: To be determined from analyses of FY 1998 Diabetes Audit.	Indicator 5: By the end of FY 1999, increase the proportion of I/T/U clients with diagnosed diabetes who have been assessed for nephropathy by 3% over the FY 1998 level.	Indicator 5: By the end of FY 2000, increase by 3% the proportion of I/T/U clients with diagnosed diabetes who have been assessed for nephropathy over the FY 1999 level
	FY 1998 Baseline: Incidence to be determined by FY 1999 Indicator 6, based on FY 1997 Assessment of IHS Diabetes Care. 43% of the female diabetic user population had a Pap screen during the previous year.	Indicator 6: Establish the Incidence of cancer of the uterine cervix in AI/AN women for each Area by the end of FY 1999.	Indicator 6: By the end of FY 2000, increase the proportion of women who have annual Pap screening to 55%.
	FY 1998 Baseline: Estimates from FY 1996 and FY 1997 are 20-25%, but reliable baseline is lacking. To be determined by FY 1999 Indicator 7.	Indicator 7: By the end of FY 1999, determine the proportion of the AI/AN female population 50-69 years of age who have had annual screening mammography.	Indicator 7: By the end of FY 2000, assure that at least 30% of the AI/AN female population 50-69 years of age have had screening mammography during the previous year.
	FY 1998 Baseline: To be determined by FY 1999 Indicator 8.	Indicator 8: By the end of FY 1999, determine the proportion of AI/AN children served by IHS receiving a minimum of four Well Child Visits by 27 months of age.	Indicator 8: By the end of FY 2000, increase by 5% the proportion of AI/AN children served by IHS receiving a minimum of four Well Child Visits by 27 months of age, over the FY 1999 baseline.

Program Activity	FY 1998 Actual FY 1998 Baseline: To be determined by FY 1999 indicator 9.	FY 1999 Indicator 9: By the end of FY 1999, determine the rates and intensity of follow-up for adolescents discharged from IHS supported Regional Treatment Centers (RTC).	FY 2000 Indicator 9: By the end of FY 2000, increase by 10% the number of youth discharged from adolescent Regional Treatment Centers (RTC) with adequate follow-up over the FY 1999 baseline to reduce alcohol and substance abuse relapse.
	FY 1998 Baseline: To be determined by FY 1999 Indicator 10.	Indicator 10: By the end of FY 1999, determine the percentage of IRTU prenatal clinics utilizing screening and case management protocols for pregnant substance using women and advocate for the usage of the Prenatal Health Assessment (PHA).	Indicator 10: By the end of FY 2000, increase by 5% the proportion of clinics utilizing the Prenatal Health Assessment (PHA) or other recognized screening and case management protocols for pregnant substance abusing women over the FY 1999 level.
	FY 1998 Baseline: Not yet analyzed for FY 1998. FY 1997 compliance for regions included in proposed project was 39%.	No indicator	Indicator 11: By the end of FY 2000, improve water fluoridation compliance by 15 % over FY 1999 levels for Areas participating in IHS/CDC Fluoridation Surveillance Demonstration Project.
	FY 1998 Baseline: preliminary analyses show 19%	Indicator 11: Assure that during FY 1999, at least 21% of the AI/AN population obtain access to dental services.	Indicator 12: During FY 2000, assure that at least 23% of the AI/AN population obtain access to dental services.

Program Activity	FY 1998 Actual	FY 1999	FY 2000
	FY 1998 Baseline: The 1991 IHS Oral Health Survey found sealant coverage rates of 57% for children 6-8 years and 64% for those 14-15 years. Baseline data will be collected as part of the FY 1998 GPRA Dental Pilot Project and available by mid FY 1999.	Indicator 12: By the end of FY 1999, assure that the percentage of AI/AN children 6-8 and 14-15 years who have received protective dental sealants on permanent molar teeth is restored to 90% of the FY 1991 IHS Oral Health Survey level.	Indicator 13: By the end of FY 2000, assure that the percentage of AI/AN children 6-8 and 14-15 years who have received protective dental sealants on permanent molar teeth is increased by 5% over the FY 1998 GPRA Dental Pilot Dental Project level.
	FY 1998 Baseline: In FY 1998, 31 of 66 (47%) IHS Service Units had Policies and Procedures in place.	Indicator 13: By the end of FY 1999, assure that 60% of I/T/U medical facilities with Urgent Care or Emergency departments or services will have written policies and procedures for routinely identifying, treating and/or referring victims of family violence, abuse or neglect (i.e., child, spouse, and/or elderly).	Indicator 14: By the end of FY 2000, assure that 70% of IHS medical facilities with Urgent Care or Emergency departments or services will have written policies and procedures for routinely identifying, treating and/or referring victims of family violence, abuse or neglect (i.e., child, spouse, and/or elderly).
	FY 1998 Baseline: Estimated FY 1998 usage of MH/SS data system is 45%	Indicator 14: By the end of FY 1999, assure that at least 50% of the I/T/U programs will have implemented the use of the Mental Health/Social Services (MH/SS) data reporting system.	Indicator 15: By the end of FY 2000, increase by 10% the number of I/T/U programs utilizing the Mental Health/Social Services (MH/SS) data reporting system over the FY 1999 rate.

Program Activity	FY 1998 Actual	FY 1999	FY 2000
	FY 1998 Baseline: Not Applicable	Indicator 15: By the end of FY 1999, develop the specifications and implementation plan for an automated mutually compatible information system which captures health status and patient care data for Indian Urban health care programs.	Indicator 16: By the end of FY 2000, the Urban Indian health care program will have field tested in at least one site, a mutually compatible automated information system which captures health status and patient care data.
	FY 1998 Baseline: 100% accreditation	Indicator 16: Maintain 100% accreditation of all IHS hospitals and outpatient clinics during FY 1999.	Indicator 17: Maintain 100% accreditation of all IHS hospitals and outpatient clinics during FY 2000.
	FY 1998 Baseline: To be determined by FY 2000 Indicator 18.	Indicator 17: The IHS will develop and submit to OMB for clearance, an IHS-wide consumer satisfaction survey protocol to assess acceptability and accessibility of health care by the end of FY 1999	Indicator 18: By the end of FY 2000, implement the OMB approved IHS-wide consumer satisfaction survey protocol and determine baseline level of satisfaction with the acceptability and accessibility of health care.

Program Activity	FY 1998 Actual \$97,632,000 appropriated	FY 1999 \$102,712,000 appropriated	FY 2000 \$110,627,000 requested
2. Prevention: - Public Health Nursing - Health Education - Comm. Health Reps - Immunization AK - Env. Health Support (35%)	FY 1998 Baseline: Not yet analyzes, FY 1997 total was 339283 and home visit workload was 119482 .	No Indicator	Indicator 19: Assure that by the end of FY 2000, the total number of public health nursing services (primary and secondary treatment and preventive services) provided to individuals in all settings and the total number of home visits are increased by 15% over the FY 1997 workload baselines.
	FY 1998 Baseline: To be determined from analyses of FY 1998 data.	Indicator 18: During FY 1999, increase by 3% the proportion of AI/AN children who have completed all recommended immunizations by the age two over the FY 1998 rate.	Indicator 20: During FY 2000, increase by 3% the proportion of AI/AN children who have completed all recommended immunizations by the age two over the FY 1999 rate.
		No Indicator	Indicator 21: By the end of FY 2000, increase overall pneumococcal and influenza vaccination levels among adults aged 65 years and older to 60%.
	FY 1998 Baseline. FY 1998 actual data not yet available but Estimated at 95 per 100,000	Indicator 19: By the end of FY 1999, reduce deaths by unintentional injuries for AI/AN people to no more than 93 per 100,000 people.	Indicator 22: By the end of FY 2000, reduce deaths by unintentional injuries for AI/AN people to no more than 90 per 100,000 people.

Program Activity	FY 1998 Actual	FY 1999	FY 2000
FY 1998 Baseline: Not available, to be determined by FY 1999 Indicator 20	Indicator 20: By the end of FY 1999, identify the Area-specific prevalence of obesity in AI/AN both a Head Start population (3-5 year olds) and in third grade children (8-10 year olds), and develop a multidisciplinary and multidimensional intervention plan for one or both age groups to address	Indicator 23: By the end of FY 2000, halt the continued increase of obesity in AI/AN children 3-5 years old and/or 8-10 years old, in at least five pilot intervention sites at FY 1999 rate through the effective implementation of the intervention(s) developed in FY 1999.	Indicator 24: By the end of FY 2000, determine Area age-specific prevalence rates for the usage of tobacco products.
FY 1998 Baseline: Not available, to be determined by FY 2000 Indicator 24	No Indicator	No Indicator	Indicator 25: By the end of FY 2000, determine prevalence rates of HIV/AIDS infection in American Indian/Alaska Natives at Indian Health Service treatment facilities and obtain infection rate nationally from Centers for Disease Control.
FY 1998 Baseline: Not Applicable	No Indicator	No Indicator	Indicator 26: By the end of FY 2000, develop and implement an environmental health surveillance system to provide the information needed to identify environmental health issues, establish local and regional priorities, and develop and evaluate environmental interventions and programs.

Program Activity	FY 1998 Actual \$222,161,000 appropriated	FY 1999 \$255,953,000 appropriated	FY 2000 \$277,012,000 requested
3. Capital Programming/Infrastructure: Maintenance & Improvement Sanitation Facilities Hlth Care Facs. Constr. Fac. Support (80%) Env. Health Support (60%) O/EHE Support (20%) Equipment	FY 1998 Baseline: The FY 1998 backlog of identified deficiencies totaling \$243 million.	Indicator 21: By the end of FY 1999, maintain the Backlog of Essential Maintenance, Alteration, and Repair (BEMAR) for health care facilities at the FY 1987 level.	Indicator 27: By the end of FY 2000, IHS will reduce 1998 Backlog of Essential Maintenance, Alteration, and Repair (BEMAR) for health care facilities by 6%.
	FY 1998 Baseline: Not Applicable	Indicator 22: Provide sanitation facilities to 5,900 new or like-new homes, and 9,330 existing Indian homes by the end of FY 1999.	Indicator 28: By the end of FY 2000, provide sanitation facilities projects to serve 4,300 new or like-new homes and 9,930 existing Indian homes.
	FY 1998 Baseline: Not Applicable	Indicator 23: Improve access to health care by continuing construction of the Hopi (Polacca), Arizona Health Center and starting construction of the Ft. Defiance, Arizona Hospital by the end of FY 1999.	Indicator 29: Improve critically needed access to health care services by completing construction of the Hopi (Polacca), Arizona Health Center; continuing construction of the Ft. Defiance, Arizona Hospital; beginning construction of the Parker, Arizona Health Center; completing the designs of facilities at Winnebago, Nebraska; Pinon, Arizona; Red Mesa, Arizona; Pawnee, Oklahoma; and the St. Paul, Alaska facility; constructing a satellite Youth Regional Treatment Center in Gardnerville, Nevada; providing new or replacement dental units; initiating Joint Venture projects with tribes.

Program Activity	FY 1998 Actual	FY 1999	FY 2000
4. Partnerships, Consultation, Core Functions, & Advocacy: Direct Operations Fac. Support (20%) Env. Health Support (5%) OEHE Support (80%)	\$67,901,000 appropriated FY 1998 Baseline. Not assessed, but to be determined by FY 1999 Indicator 24.	\$69,729,000 appropriated Indicator 24: By the end of FY 1999, the IHS will have implemented a formal policy for I/T/U consultation and participation, approved by I/T/U representatives, and a baseline survey of I/T/Us completed to assess the level of satisfaction with the implementation of the policy.	\$72,778,000 requested Indicator 30: By the end of FY 2000, the IHS will have improved the level of consultation and opportunities for participation for its I/T/U partners as demonstrated by a 5% increase in score over the FY 1999 satisfaction survey.
	FY 1998 Baseline. FY 1997 Area and Headquarters FTEs = 2085	Indicator 25: By the end of FY 1999, the IHS will have reduced its administrative infrastructure (Area and Headquarters) at least 10 % below the FY 1997 level while maintaining full compliance with major Federal requirements (i.e., GPRA, GMRA, ITMRA, etc.)	Indicator 31: During FY 2000, the IHS Headquarters and Areas will maintain full compliance with major Federal requirements (i.e., GPRA, GMRA, ITMRA, etc.) and the Y2K conversion, without expanding the administrative staff above the FY 1998 FTE level.
	FY 1998 Baseline: 71 formal agreements in FY 1997	Indicator 26: By the end of FY 1999, the IHS will have increased the number of interagency agreements and cooperative agreements with agencies and organizations that are directed at improving the health status and/or the quality of life of AI/AN people by 10% over the FY 1997 level.	Indicator 32: By the end of FY 2000, the IHS will have increased the number of interagency agreements and cooperative agreements with agencies and organizations that are directed at improving the health status and/or the quality of life of AI/AN people by 5% over the FY 1999 level.

Program Activity	FY 1998 Actual	FY 1999	FY 2000
	FY 1998 Baseline: Not Applicable	Indicator 27: By the end of FY 1999, the IHS will begin implementing Managerial Cost Accounting (MCA) in accord with DHHS and OMB guidance.	Indicator 33: By the end of FY 2000, the IHS will have fully implemented Managerial Cost Accounting (MCA) in accord with DHHS and OMB guidance.
	FY 1998 Baseline: FY 1998 IHS HRM Score = 93	No Indicator	Indicator 34: For FY 2000, the IHS will improve its overall Human Resource Management (HRM) Index score to at least 95 as measured by the DHHS annual HRM survey.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
INDIAN HEALTH SERVICE

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
PUBLIC HEALTH SERVICE
Indian Health Service

APPROVED: *Michael H. Trujillo*
DATE: 9/14/99.

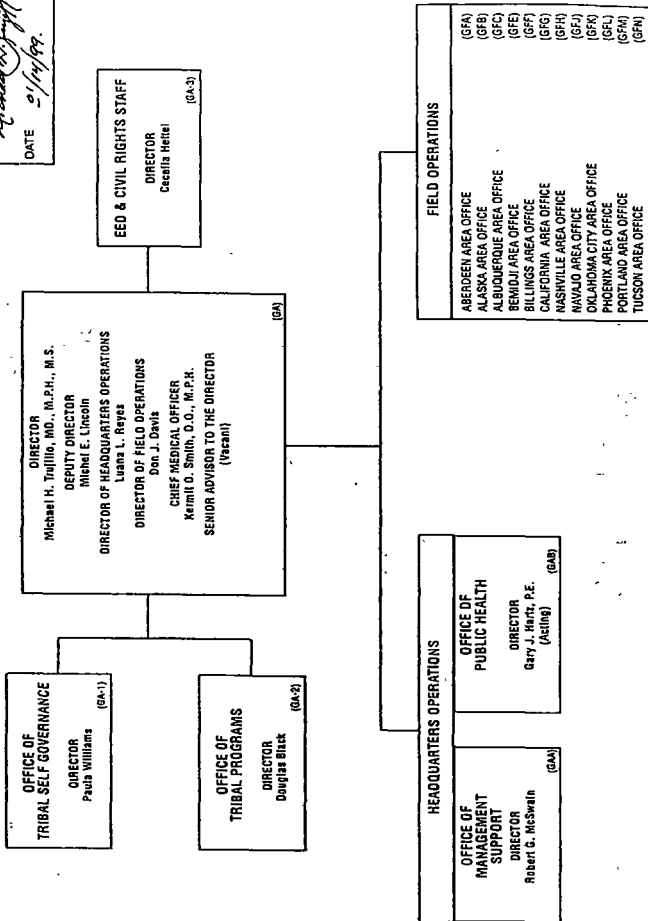
OFFICE OF THE DIRECTOR
DIRECTOR
Michael H. Trujillo, MD., M.P.H., M.S.
(GA)

OFFICE OF
MANAGEMENT SUPPORT
DIRECTOR
Robert G. McSwain
(GAA)

OFFICE OF
PUBLIC HEALTH
DIRECTOR
Gary J. Hartz, P.E.
(Acting)
(GAB)

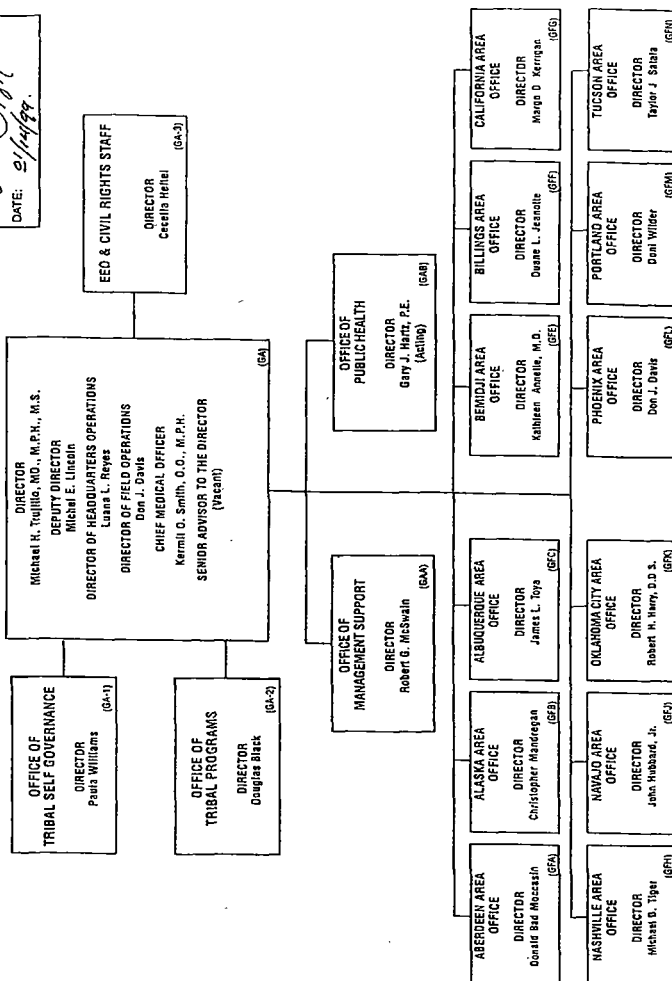
DEPARTMENT OF HEALTH AND HUMAN SERVICES
PUBLIC HEALTH SERVICE
Indian Health Service

APPROVED: *Richard H. Griffith*
 DATE: 5/14/99.



DEPARTMENT OF HEALTH AND HUMAN SERVICES
PUBLIC HEALTH SERVICE
Indian Health Service

APPROVED: *William H. Jeffers*
DATE: 2/14/94.



INDIAN HEALTH SERVICE

Federal Funds

General and special funds:

Indian Health Services

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act with respect to the Indian Health Service, [\$1,950,322,000] \$2,094,922,000, together with payments received during the fiscal year pursuant to 42 U.S.C. 238(b) for services furnished by the Indian Health Service: *Provided*, That funds made available to tribes and tribal organizations through contracts, grant agreements, or any other agreements or compacts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450), shall be deemed to be obligated at the time of the grant or contract award and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation: *Provided further*, That \$12,000,000 shall remain available until expended, for the Indian Catastrophic Health Emergency Fund: *Provided further*, That [\$373,801,000] \$398,442,000 for contract medical care shall remain available for obligation until September 30, [2000] 2001: *Provided further*, That of the funds provided, up to [\$11,889,000] \$17,000,000 shall be used to carry out the loan repayment program under section 108 of the Indian Health Care Improvement Act: *Provided further*, That funds provided in this Act may be used for one-year contracts, and grants which are to be performed in two fiscal years,

so long as the total obligation is recorded in the year for which the funds are appropriated: *Provided further*, That the amounts collected by the Secretary of Health and Human services under the authority of title IV of the Indian Health Care Improvement Act shall remain available until expended for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, or construction of new facilities): *Provided further*, That funding contained herein, and in any earlier appropriations Acts for scholarship programs under the Indian Health Care Improvement Act (25 U.S.C. 1613) shall remain available for obligation until September 30, [2000] 2001: *Provided further*, That amounts received by tribes and tribal organizations under title IV of the Indian Health Care Improvement Act shall be reported and accounted for and available to the receiving tribes and tribal organizations until expended: *Provided further*, That, notwithstanding any other provision of law, of the amounts provided herein, not to exceed [\$203,781,000] \$238,781,000 shall be for payments to tribes and tribal organizations for contract or grant support costs associated with contracts, grants, self-governance compacts or annual funding agreements between the Indian Health Service and a tribe or tribal organization pursuant to the Indian Self-Determination Act of 1975, as amended, prior to or during fiscal year [1999] 2000.

Indian Health Facilities

For construction, repair, maintenance, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of modular buildings, and purchases of trailers; and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act and the Indian Health Care Improvement Act, and for expenses necessary to carry out such Acts and titles II and III of the Public Health Service Act with respect to environmental health and facilities support activities of the Indian Health Service, [\$289,465,000] \$281,407,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, funds appropriated for the planning, design, construction or renovation of health facilities for the benefit of an Indian tribe or tribes may be used to purchase land for sites to construct, improve, or enlarge health or related facilities.

In addition, to become available on October 1 of the fiscal year specified and remain available until expended: for construction of health facility at Fort Defiance, Arizona, up to \$29,000,000 for fiscal year 2000, up to \$24,000,000 for fiscal year 2001, and up to \$10,000,000 for fiscal year 2002; for construction of health facility at Parker, Arizona, up to \$7,058,000 for fiscal year 2000, and up to \$10,234,000 for fiscal year 2001.1/
(Department of the Interior and Related Agencies Appropriations Act, 1999.)

ADMINISTRATIVE PROVISIONS

Appropriations in this act to the Indian Health Service shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem rate equivalent to the maximum rate payable for senior-level positions under 5 U.S.C. 5376; hire of passenger motor vehicles and aircraft; purchase of medical equipment; purchase of reprints; purchase, renovation and erection of modular buildings and renovation of existing facilities; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and for uniforms or allowances therefore as authorized by 5 U.S.C. 5901-5902; and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities: *Provided*, That in accordance with the provisions of the Indian Health Care Improvement Act, non-Indian patients may be extended health care at all tribally administered or Indian Health Service facilities, subject to charges, and the proceeds along with funds recovered under the Federal Medical Care Recovery Act (42 U.S.C. 2651-2653) shall be credited to the account of the facility providing the service and shall be available without fiscal year limitation: *Provided further*, That notwithstanding any other law or regulation, funds transferred from the Department of Housing and Urban Development to the Indian Health Service shall be administered under Public Law 86-121 (the Indian Sanitation Facilities Act) and Public Law 93-638, as amended: *Provided further*, That funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed as curtailing Federal travel and transportation: *Provided further*, That

notwithstanding any other provision of law, funds previously or herein made available to a tribe or tribal organization through a contract, grant or agreement authorized by title I or title III of the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450), may be deobligated and reobligated to a self-determination contract under title I, or self-governance agreement under title III of such Act and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation: *Provided further*, That none of the funds made available to the Indian Health Service in this Act shall be used to implement the final rule published in the Federal Register on September 16, 1987, by the Department of Health and Human Services, relating to eligibility for the health care services of the Indian Health Service until the Indian Health Service has submitted a budget request reflecting the increased cost associated with the proposed final rule, and such request has been included in an appropriations Act and enacted into law: *Provided further*, That funds made available in this Act are to be apportioned to the Indian Health Service as appropriated in this Act, and accounted for in the appropriation structure set forth in this Act: *Provided further*, That with respect to functions transferred by the Indian Health Service to tribes or tribal organizations, the Indian Health Service is authorized to provide goods and services to those entities, on a reimbursable basis, including payment in advance with subsequent adjustment, and the reimbursements received therefrom, along with the funds received from those entities pursuant to the Indian Self-Determination Act, may be credited to the same or subsequent appropriation account which provided the funding, said amounts to remain available until expended: *Provided Further*, That, heretofore and hereafter and notwithstanding any other provision of law, funds available to the Indian Health Service in this Act or any other Act for Indian self-determination or self-governance contract

or grant support costs may be expended only for costs directly attributable to contracts, grants and compacts pursuant to the Indian Self-Determination Act and no funds appropriated by this or any other Act shall be available for any contract support costs or indirect costs associated with any contract, grant, cooperative agreement, self-governance compact, or funding agreement entered into between an Indian tribe or tribal organization and any entity other than the Indian Health Service: *Provided further*, That reimbursements for training, technical assistance, or services provided by the Indian Health Service will contain total costs, including direct, administrative, and overhead associated with the provision of goods, services, or technical assistance: *Provided further*, That the appropriation structure for the Indian Health Service may not be altered without advance [approval of] notice submitted to the House and Senate Committees on Appropriations. (Department of the Interior and Related Agencies Appropriations Act, 1999.)

EXHIBIT D-2

Explanation of Language Changes

Language Provision	Explanation
1/ In addition, to become available on October 1 of the fiscal year specified and remain available until expended: for construction of a health facility at Fort Defiance, Arizona, up to \$29,000,000 for fiscal year 2000, up to \$24,000,000 for fiscal year 2001, and up to \$10,000,000 for fiscal year 2002; for construction of health facility at Parker, Arizona, up to \$7,058,000 for fiscal year 2000, and up to \$10,234,000 for fiscal year 2001.	Advanced appropriations in FY 2001 and FY 2002 are requested for replacement of the two health facilities. Over a period of three fiscal years, FY 2000 through FY 2002, the budget requests sufficient funds to complete both facilities.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
INDIAN HEALTH SERVICE
INDIAN HEALTH SERVICES**

Amounts Available for Obligations

O:\DFM\BPP\B\Cong\Amounts Available for Oblig-CJ			
	FY 1998 Appropriation	FY 1999 Estimate	FY 2000 Estimate
Appropriation (Services).....	\$1,841,174,000	\$1,950,322,000	\$2,094,922,000
Transfer Appropriation: Diabetes	\$30,000,000	\$30,000,000	\$30,000,000
Receipts and Reimbursements from:			
"Federal Funds".....	179,000,000	143,000,000	143,000,000
"Non-Federal Funds".....	223,000,000	293,000,000	293,000,000
Subtotal.....	\$402,000,000	\$436,000,000	\$436,000,000
Recoveries of Prior Years Obligations....	0	0	0
Unobligated Balance, Start of Year.....	105,000,000	103,000,000	100,000,000
Unobligated Balance End of Year.....	103,000,000	100,000,000	100,000,000
Unobligated Balance Lapsing.....	0	0	0
Total Amount Available for Obligation....	\$2,275,174,000	\$2,419,322,000	\$2,560,922,000

DEPARTMENT OF HEALTH AND HUMAN SERVICES
INDIAN HEALTH SERVICE
INDIAN HEALTH FACILITIES

Amounts Available for Obligations

	FY 1998 Actual	FY 1999 Appropriation	FY 2000 Estimate
Appropriation	257,538,000	291,965,000	274,476,000
Unobligated balance, start of year.....	11,448,000	21,537,000	21,537,000
Recoveries of prior years obligation.....	11,112,000	0	0
Subtotal, adjusted unobligated balance, start of year....	22,560,000	21,537,000	21,537,000
Unobligated balance end of year.....	(21,537,000)	0	0
Total Obligations.....	258,561,000	313,502,000	296,013,000

EXHIBIT F

INDIAN HEALTH SERVICE
Health Services
SUMMARY OF CHANGES

1999 Appropriation	\$1,950,322,000
Total estimated budget authority	\$1,950,322,000
(Obligations)	(\$1,950,322,000)
2000 Estimate	\$2,094,922,000
(Obligations)	<u>(\$2,094,922,000)</u>
Net Change	+\$144,600,000
(Obligations)	(+\$144,600,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
A. <u>Built-In:</u>				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	\$4,874,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	6,179,000
3. Dental Pay Raise.....	--	N/A	--	3,000,000
4. Within Grade Increase.....	--	N/A	--	7,285,000
5. Increased Cost of Travel...	--	29,343,000	--	667,000
6. Increased Trans of Things..	--	10,987,000	--	253,000
7. Increased cost of Printing.	--	1,543,000	--	59,000
8. Increased Cost of Rents, Comm., & Utilities.....	--	28,592,000	--	699,000
9. Increased Cost of Health Care Provided Under Contracts & Grants.....	--	468,844,000	--	18,103,000
10. Increased Cost of Supplies.	--	87,988,000	--	2,759,000
11. Increased Cost of Medical or Other Equipment.....	--	22,180,000	--	767,000
12. Increased Cost of Land Structure.....	--	1,491,000	--	55,000
13. Increased Cost of Grants...	--	647,833,000	--	25,060,000
14. Increased Cost of Insurance /Indemnities.....	--	277,000	--	2,000
15. Increased Cost to Svcs and Supply Fund.....	--	N/A	--	1,307,000

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
16. Indian Self Determination Fund.....	--	<u>7,500,000</u>	--	<u>7,500,000</u>
Subtotal Built-In	--	N/A	--	<u>+\$86,018,000</u>
 B. <u>Phasing In of Staff and</u>				
<u>Operating Cost of New Fac:</u>				
Kotzebue, AK Hospital.....	--	N/A	1	\$155,000
Hopi, AZ Hlth Ctr.....	--	N/A	20	\$1,726,000
Lame Deer, MT Hlth Ctr.....	--	N/A	27	2,068,000
Talihina, OK Health Center.	--	<u>N/A</u>	<u>61</u>	<u>3,993,000</u>
Subtotal Staffing.....	--	N/A	+109	<u>+\$7,942,000</u>
 C. <u>Program:</u>				
Inflation, Lease Costs.....	--	N/A	--	2,787,000
Women's Health.....	--	N/A	--	6,000,000
Info & Telecom Systems.....	--	N/A	--	7,000,000
Indian Hlth Care Improv Fund	--	N/A	--	11,000,000
Dental Health.....	--	N/A	--	7,000,000
Mental Health.....	--	N/A	--	6,000,000
Alcohol & Substance Abuse..	--	N/A	--	1,000,000
Contract Health Service....	--	N/A	--	24,000,000
Public Health Nursing.....	--	N/A	100	8,470,000
Urban Health.....	--	N/A	--	2,937,000
Contract Support Cost.....	--	<u>N/A</u>	--	<u>35,000,000</u>
Subtotal Program.....	--	N/A	--	<u>+\$111,194,000</u>
 TOTAL INCREASES.....	<u>--</u>	<u>N/A</u>	<u>+209</u>	<u>+\$205,154,000</u>
 <u>DECREASES:</u>				
A. <u>Built-In:</u>				
Absorption of Built-In: Pay				
Cost/Inflation Increases...	--	<u>N/A</u>	--	<u>-55,554,000</u>
Subtotal Built-in	--	N/A	--	<u>-\$55,554,000</u>
 B. <u>Program:</u>				
Reduction to 2000 Base....	--	<u>N/A</u>	--	<u>-5,000,000</u>
Subtotal Program.....	--	N/A	--	<u>-\$5,000,000</u>
 TOTAL DECREASES.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>-\$60,554,000</u>
 NET CHANGE.....	<u>--</u>	<u>N/A</u>	<u>+209</u>	<u>+\$144,600,000</u>

Clinical Services

1999 Appropriation	\$1,542,326,000
Total estimated budget authority (Obligations)	\$1,542,326,000 (\$1,542,326,000)
2000 Estimate	\$1,642,426,000
(Obligations)	<u>(\$1,642,426,000)</u>
Net Change	+\$100,100,000
(Obligations)	(+\$100,100,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
A. Built-In:				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	\$4,347,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	11,691,000
3. Dental Pay Raise	--	N/A	--	3,000,000
4. Within Grade Increase.....	--	N/A	--	6,432,000
5. Increased Cost of Travel...	--	26,335,000	--	605,000
6. Increased Trans of Things..	--	9,741,000	--	226,000
7. Increased cost of Printing..	--	1,335,000	--	53,000
8. Increased Cost of Rents, Comm., & Utilities.....	--	27,249,000	--	683,000
9. Increased Cost of Health Care Provided Under Contracts & Grants.....	--	333,768,000	--	13,006,000
10. Increased Cost of Supplies..	--	77,592,000	--	2,720,000
11. Increased Cost of Medical or Other Equipment.....	--	19,814,000	--	717,000
12. Increased Cost of Land Structure.....	--	2,372,000	--	55,000
13. Increased Cost of Grants...	--	478,783,000	--	18,673,000
14. Increased Cost of Insurance /Indemnities.....	--	33,000	--	1,000
15. Increased Cost of Interest /Dividends.....	--	14,000	--	0
16. Increased Cost of Services and Supply Fund.....	--	N/A	--	<u>1,307,000</u>
Subtotal Built-In.....	--	N/A	--	<u>+\$63,456,000</u>

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
B. <u>Phasing In of Staff and Operating Cost of New Fac:</u>				
Kotzebue, AK Hospital.....	--	N/A	1	\$153,000
Hopi, AZ Hlth Ctr.....	--	N/A	17	1,504,000
Lame Deer, MT Hlth Ctr.....	--	N/A	24	1,805,000
Talihina, OK Hospital.....	--	N/A	<u>61</u>	<u>3,993,000</u>
Subtotal Staffing.....	--	N/A	+103	+\$7,455,000
C. <u>Program:</u>				
Inflation, Lease Cost.....	--	N/A	--	2,787,000
Women's Health.....	--	N/A	--	6,000,000
Info & Telecom. System	--	N/A	--	7,000,000
Indian Hlth Care Improv Fund	--	N/A	--	11,000,000
Dental Health.....	--	N/A	--	7,000,000
Mental Health.....	--	N/A	--	6,000,000
Alcohol & Substance Abuse...	--	N/A	--	1,000,000
Contract Health Service.....	--	N/A	--	<u>24,000,000</u>
Subtotal Program.....	--	N/A	--	+\$64,787,000
TOTAL INCREASES.....	<u>--</u>	<u>N/A</u>	<u>+103</u>	<u>+\$135,758,000</u>
<u>DECREASES:</u>				
A. <u>Built-In:</u>				
Absorption of Built-In: Pay				
Cost/Inflation Increases....	--	N/A	--	-35,658,000
Subtotal Built-in.....	--	N/A	--	-\$35,658,000
TOTAL DECREASES.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>-\$35,558,000</u>
NET CHANGE.....	<u>--</u>	<u>N/A</u>	<u>+103</u>	<u>+\$100,100,000</u>

Hospital and Health Clinics

1999 Appropriation	\$949,140,000
Total estimated budget authority	\$949,140,000
(Obligations)	(\$949,140,000)
2000 Estimate	\$1,002,852,000
(Obligations)	<u>(\$1,002,852,000)</u>
Net Change	+\$53,712,000
(Obligations)	(+\$53,712,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
A. <u>Built-In:</u>				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	\$3,725,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	9,408,000
3. Within Grade Increase.....	--	N/A	--	5,523,000
4. Increased Cost of Travel...	--	9,982,000	--	225,000
5. Increased Trans of Things..	--	8,552,000	--	197,000
6. Increased cost of Printing.	--	1,297,000	--	52,000
7. Increased Cost of Rents, Comm., & Utilities.....	--	26,969,000	--	676,000
8. Increased Cost of Health Care Provided Under Contracts & Grants.....	--	88,027,000	--	3,422,000
9. Increased Cost of Supplies.	--	64,553,000	--	2,211,000
10. Increased Cost of Medical or Other Equipment.....	--	15,209,000	--	568,000
11. Increased Cost of Land Structure.....	--	2,372,000	--	55,000
12. Increased Cost of Grants...	--	250,480,000	--	9,769,000
13. Increased to Services and Supply Fund.....	--	N/A	--	<u>1,307,000</u>
Subtotal Built-In.....	--	N/A	--	+\$37,138,000

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
B. <u>Phasing In of Staff and</u>				
<u>Operating Cost of New Fac:</u>				
Kotzebue, AK Hospital.....	--	N/A	1	\$115,000
Hopi, AZ Hlth Ctr.....	--	N/A	14	1,330,000
Lame Deer, MT Hlth Ctr.....	--	N/A	21	1,598,000
Talihina, OK Hospital.....	--	N/A	<u>57</u>	<u>3,772,000</u>
Subtotal Staffing.....	--	N/A	+93	+\$6,815,000
C. <u>Program:</u>				
Inflation, Lease Cost.....	--	N/A	--	2,787,000
Women's Health.....	--	N/A	--	6,000,000
Info. & Telecom. System....	--	N/A	--	7,000,000
Indian Hlth Care Improv Fund	--	N/A	--	<u>11,000,000</u>
Subtotal Program.....	--	N/A	--	+\$26,787,000
TOTAL INCREASES.....	<u>--</u>	<u>N/A</u>	<u>+93</u>	<u>+\$70,740,000</u>
<u>DECREASES:</u>				
A. <u>Built-In:</u>				
Absorption of Built-In: Pay				
Cost/Inflation Increases....	--	N/A	--	<u>-17,028,000</u>
Subtotal Built-in.....	--	N/A	--	-\$17,028,000
TOTAL DECREASES.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>-\$17,028,000</u>
NET CHANGE.....	<u>--</u>	<u>N/A</u>	<u>+93</u>	<u>+\$53,712,000</u>

Dental Health

1999 Appropriation	\$71,400,000
Total estimated budget authority (Obligations)	\$71,400,000 (\$71,400,000)
2000 Estimate	\$84,360,000
(Obligations)	<u>(\$84,360,000)</u>
Net Change	+\$12,960,000
(Obligations)	(+\$12,960,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
A. Built-In:				
1. Annualization of FY 1999 Pay Raise	--	N/A	--	\$364,000
2. FY 2000 Pay Raise at 4.4% (9 months)	--	N/A	--	1,335,000
3. Dental Pay Raise	--	N/A	--	3,000,000
4. Within Grade Increase	--	N/A	--	515,000
5. Increased Cost of Travel	--	779,000	--	18,000
6. Increased Trans of Things	--	632,000	--	15,000
7. Increased cost of Printing	--	16,000	--	1,000
8. Increased Cost of Rents, Comm., & Utilities	--	57,000	--	1,000
9. Increased Cost of Health Care Provided Under Contracts & Grants	--	13,151,000	--	513,000
10. Increased Cost of Supplies	--	4,554,000	--	188,000
11. Increased Cost of Medical or Other Equipment	--	1,146,000	--	31,000
12. Increased Cost of Grants	--	<u>4,722,000</u>	--	<u>184,000</u>
Subtotal Built-In	--	N/A	--	+\$6,165,000
B. Phasing In of Staff and Operating Cost of New Pac:				
Lame Deer, MT Hlth Ctr	--	N/A	3	\$207,000
Kotzebue, AK Hospital	--	N/A	0	38,000
Hopi, AZ Hlth Ctr	--	N/A	3	174,000
Talihina, OK Hospital	--	<u>N/A</u>	<u>4</u>	<u>221,000</u>
Subtotal Staffing	--	N/A	+10	+\$640,000

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
C. <u>Program:</u>				
Dental Health.....	--	N/A	--	7,000,000
Subtotal Program.....	--	N/A	--	+\$7,000,000
TOTAL INCREASES.....	--	N/A	+10	+\$13,805,000
<u>DECREASES:</u>				
A. <u>Built-In:</u>				
Absorption of Built-In:Pay				
Cost/Inflation Increases..	--	N/A	--	-845,000
Subtotal Built-in.....	--	N/A	--	-\$845,000
TOTAL DECREASES.....	--	N/A	---	-\$845,000
NET CHANGE.....	--	N/A	+10	+\$12,960,000

Mental Health

1999 Appropriation	\$41,305,000
Total estimated budget authority (Obligations)	\$41,305,000 (\$41,305,000)
2000 Estimate	\$48,446,000
(Obligations)	<u>(\$48,446,000)</u>
Net Change	+\$7,141,000
(Obligations)	(+\$7,141,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
A. Built-In:				
1. Annualization of FY 1999 Pay Raise	--	N/A	--	\$174,000
2. FY 2000 Pay Raise at 4.4% (9 months)	--	N/A	--	638,000
3. Within Grade Increase	--	N/A	--	266,000
4. Increased Cost of Trvl	--	357,000	--	8,000
5. Increased Trans of Things ..	--	373,000	--	9,000
6. Increased Cost of Rents, Comm., & Utilities	--	28,000	--	1,000
7. Increased Cost of Health Care Provided Under Contracts & Grants	--	12,180,000	--	474,000
8. Increased Cost of Supplies ..	--	223,000	--	8,000
9. Increased Cost of Medical or Other Equipment	--	563,000	--	15,000
10. Increased Cost of Grants ..	--	<u>6,235,000</u>	--	<u>243,000</u>
Subtotal Built-In	--	N/A	--	+\$1,836,000
B. Program:				
Mental Health	--	<u>N/A</u>	--	<u>\$6,000,000</u>
Subtotal Program	--	N/A	--	+\$6,000,000
TOTAL INCREASES	--	<u>N/A</u>	--	<u>+\$7,836,000</u>

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
<u>DECREASES:</u>				
A. <u>Built-In:</u>				
Absorption of Built-In: Pay	--	N/A	--	-695,000
Cost/Inflation Increase..	--	N/A	--	-\$695,000
Subtotal Built-in.....				
TOTAL DECREASES.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>-\$695,000</u>
NET CHANGE.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>+\$7,141,000</u>

Alcohol & Substance Abuse

1999 Appropriation	\$94,680,000
Total estimated budget authority (Obligations)	\$94,680,000 (\$94,680,000)
2000 Estimate	\$96,326,000
(Obligations)	<u>(\$96,326,000)</u>
Net Change	+\$1,646,000
(Obligations)	(+\$1,646,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
<u>INCREASES:</u>				
A. <u>Built-In:</u>				
1. Annualization of FY 1999 Pay Raise	--	N/A	--	\$78,000
2. FY 2000 Pay Raise at 4.4% (9 months)	--	N/A	--	287,000
3. Within Grade Increase	--	N/A	--	118,000
4. Increased Cost of Travel	--	556,000	--	12,000
5. Increased Trans of Things	--	118,000	--	3,000
6. Increased cost of Printing	--	9,000	--	0
7. Increased Cost of Rents, Comm., & Utilities	--	172,000	--	4,000
8. Increased Cost of Health Care Provided Under Contracts & Grants	--	38,031,000	--	1,483,000
9. Increased Cost of Supplies	--	620,000	--	15,000
10. Increased Cost of Medical or Other Equipment	--	633,000	--	15,000
11. Increased Cost of Grants	--	<u>51,945,000</u>	--	<u>2,026,000</u>
Subtotal Built-In	--	N/A	--	+\$4,041,000
B. <u>Program:</u>				
Alcohol & Substance Abuse	--	<u>N/A</u>	--	<u>1,000,000</u>
Subtotal Program	--	N/A	--	+\$1,000,000
TOTAL INCREASES	--	<u>N/A</u>	--	<u>+\$5,041,000</u>

<u>DECREASES:</u>	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
A. <u>Built-in:</u>				
Absorption of Built-In: Pay				
Cost/Inflation Increases....	--	<u>N/A</u>	--	<u>-\$3,395,000</u>
Subtotal Built-in.....	--	<u>N/A</u>	--	<u>-\$3,395,000</u>
TOTAL DECREASES.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>-\$3,395,000</u>
NET CHANGE.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>+\$1,646,000</u>

Contract Health Services

1999 Appropriation	\$385,801,000
Total estimated budget authority (Obligations)	\$385,801,000 (\$385,801,000)
2000 Estimate	\$410,442,000
(Obligations)	<u>(\$410,442,000)</u>
Net Change	+\$24,641,000
(Obligations)	(+\$24,641,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
A. <u>Built-In:</u>				
1. Annualization of FY 1999				
Pay Raise.....	--	N/A	--	\$6,000
2. FY 2000 Pay Raise at 4.4%				
(9 months).....	--	N/A	--	23,000
3. Within Grade Increase.....	--	N/A	--	10,000
4. Increased Cost of Travel...	--	14,861,000	--	342,000
5. Increased Trans of Things..	--	66,000	--	2,000
6. Increased Cost of Rents,				
Comm., & Utilities.....	--	23,000	--	1,000
7. Increased Cost of Health				
Care Provided Under				
Contracts & Grants.....	--	182,379,000	--	7,114,000
8. Increased Cost of Supplies	--	7,642,000	--	298,000
9. Increased Cost of Medical				
or Other Equipment.....	--	2,263,000	--	88,000
10. Increased Cost of Grants...	--	165,401,000	--	6,451,000
11. Increased Cost of				
Insurance/Indemnities....	--	<u>30,000</u>	--	<u>1,000</u>
Subtotal Built-In.....	--	N/A	--	<u>+\$14,336,000</u>
B. Program:				
Contract Health Services...	--	<u>N/A</u>	--	<u>24,000,000</u>
Subtotal Program.....	--	N/A	--	<u>+\$24,000,000</u>
TOTAL INCREASES.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>+\$38,336,000</u>

DECREASES:A. Built-In:

Absorption of Built-In: Pay				
Cost/Inflation Increases....	--	<u>N/A</u>	--	<u>-13,695,000</u>
Subtotal Built-in.....	--	<u>N/A</u>	--	<u>-\$13,695,000</u>
 TOTAL DECREASES.....	 ==	 <u>N/A</u>	 ==	 <u>+\$13,695,000</u>
 NET CHANGE.....	 ==	 <u>N/A</u>	 ==	 <u>+\$24,641,000</u>

Preventive Health

1999 Appropriation	\$87,120,000
Total estimated budget authority (Obligations)	\$87,120,000 (\$87,120,000)
2000 Estimate	\$92,252,000
(Obligations)	<u>(\$92,252,000)</u>
Net Change	+\$5,132,000
(Obligations)	(+\$5,132,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTEs</u>	<u>BA</u>	<u>FTEs</u>	<u>BA</u>
A. <u>Built-In:</u>				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	\$159,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	585,000
3. Within Grade Increase.....	--	N/A	--	306,000
4. Increased Cost of Travel....	--	441,000	--	10,000
5. Increased Trans of Things..	--	862,000	--	20,000
6. Increased Cost of Rents, Comm., & Utilities . . .	--	72,000	--	1,000
7. Increased Cost of Health Care Provided Under	--			
Contracts & Grants.....	--	22,894,000	--	893,000
8. Increased Cost of Supplies..	--	868,000	--	20,000
9. Increased Cost of Medical or Other Equipment.....	--	833,000	--	19,000
10. Increased Cost of Grants...	--	<u>35,263,000</u>	--	<u>1,323,000</u>
Subtotal Built-In.....		N/A	--	+\$3,336,000
B. <u>Phasing In of Staff and Operating Cost of New Fac:</u>				
Kotzebue, AK Hospital.....	--	N/A	0	\$2,000
Hopi, AZ Hlth Ctr.....	--	N/A	3	222,000
Lame Deer, MT Hlth Ctr.....	--	<u>N/A</u>	<u>3</u>	<u>263,000</u>
Subtotal Staffing.....	--	N/A	+6	+\$487,000

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTEs</u>	<u>BA</u>	<u>FTEs</u>	<u>BA</u>
C. <u>Program:</u>				
Public Health Nursing.....	--	N/A	100	+8,470,000
Subtotal Program.....	--	N/A	+100	+\$8,470,000
TOTAL INCREASES.....	<u>--</u>	<u>N/A</u>	<u>+106</u>	<u>+\$12,293,000</u>
<u>DECREASES:</u>				
A. <u>Built-In:</u>				
Absorption of Built-In: Pay				
Cost/Inflation Increase.....	--	N/A	--	-2,161,000
Subtotal Built-in.....	--	N/A	--	-\$2,161,000
B. <u>Program:</u>				
Reduction in 2000 Base....	--	N/A	--	-5,000,000
Subtotal Program.....	--	N/A	--	-\$5,000,000
TOTAL DECREASES.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>-\$7,161,000</u>
NET CHANGE.....	<u>--</u>	<u>N/A</u>	<u>+106</u>	<u>-\$5,132,000</u>

Public Health Nursing

1999 Appropriation	\$30,363,000
Total estimated budget authority (Obligations)	\$30,363,000 (\$30,363,000)
2000 Estimate	\$40,363,000
(Obligations)	<u>(\$40,363,000)</u>
Net Change	+\$10,000,000
(Obligations)	(+\$10,000,000)

INCREASES:	FY 1999 Base		Change from Base	
	FTEs	BA	FTEs	BA
A. <u>Built-In:</u>				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	\$159,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	585,000
3. Within Grade Increase	--	N/A	--	254,000
4. Increase of Cost of Travel	--	218,000	--	5,000
5. Increase of Trans Things....	--	785,000	--	18,000
6. Increased Cost of Rents Comm., & Utilities.....	--	66,000	--	1,000
7. Increased Cost of Health Care Provided Under Contracts & Grants.....	--	4,429,000	--	173,000
8. Increased Cost of Supplies	--	697,000	--	16,000
9. Increased Cost of Medical or Other Equipment.....	--	527,000	--	12,000
10. Increased Cost of Grants....	--	<u>3,745,000</u>	--	<u>146,000</u>
Subtotal Built-In.....	--	N/A	--	+\$1,369,000
B. <u>Phasing In of Staff and Operating Cost of New Fac:</u>				
Kotzebue, AK Hospital.....	--	N/A	0	\$2,000
Hopi, AZ Hlth Ctr.....	--	N/A	3	222,000
Lame Deer, MT Hlth Ctr.....	--	<u>N/A</u>	<u>3</u>	<u>263,000</u>
Subtotal Staffing.....	--	N/A	+6	+\$487,000
C. <u>Program:</u>				
Public Health Nursing.....	--	N/A	<u>100</u>	<u>+8,470,000</u>
Subtotal Program.....	--	N/A	+100	+\$8,470,000
TOTAL INCREASES.....	--	<u>N/A</u>	<u>+106</u>	<u>+\$10,326,000</u>

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTEs</u>	<u>BA</u>	<u>FTEs</u>	<u>BA</u>
<u>DECREASES:</u>				
A. <u>Built-In:</u>				
Absorption of Built-In: Pay				
Cost/Inflation Increase.....	--	N/A	--	-326,000
Subtotal Built-in.....	--	N/A	--	-\$326,000
TOTAL DECREASES.....	--	N/A	--	-\$326,000
NET CHANGE.....	--	N/A	+106	+\$10,000,000

Health Education

1999 Appropriation	\$9,430,000
Total estimated budget authority (Obligations)	\$9,430,000 (\$9,430,000)
2000 Estimate	\$9,541,000
(Obligations)	<u>(\$9,541,000)</u>
Net Change	+\$111,000
(Obligations)	(+\$111,000)

<u>INCREASES:</u>	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTEs</u>	<u>BA</u>	<u>FTEs</u>	<u>BA</u>
A. Built-In:				
1. Annualization of FY 1999 Pay Raise	--	N/A	--	\$26,000
2. FY 2000 Pay Raise at 4.4% (9 months)	--	N/A	--	95,000
3. Within Grade Increase	--	N/A	--	41,000
4. Increased Cost of Travel	--	147,000	--	3,000
5. Increased Trans of Things	--	73,000	--	2,000
6. Increased Cost of Health Care Provided Under Contracts & Grants	--	2,213,000	--	86,000
7. Increased Cost of Supplies	--	163,000	--	4,000
8. Increased Cost of Medical or Other Equipment	--	222,000	--	5,000
9. Increased Cost of Grants	--	<u>3,228,000</u>	--	<u>74,000</u>
Subtotal Built-In	--	N/A	--	+\$336,000
TOTAL INCREASES	--	<u>N/A</u>	--	<u>+\$336,000</u>
DECREASES:				
A. Built-In:				
Absorption of Built-In: Pay Cost/Inflation Increases	--	N/A	--	-225,000
Subtotal Built-in	--	N/A	--	-\$225,000
TOTAL DECREASES	--	<u>N/A</u>	--	<u>-\$225,000</u>
NET CHANGE	--	<u>N/A</u>	--	<u>+\$111,000</u>

Community Health Representatives

1999 Appropriation	\$45,960,000
Total estimated budget authority (Obligations)	\$45,960,000 (\$45,960,000)
2000 Estimate	\$40,960,000
(Obligations)	(\$40,960,000)
Net Change	-\$5,000,000
(Obligations)	(-\$5,000,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTEs</u>	<u>BA</u>	<u>FTEs</u>	<u>BA</u>
A. <u>Built-In:</u>				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	\$3,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	11,000
3. Within Grade Increase.....	--	N/A	--	5,000
4. Increased Cost of Travel....	--	40,000	--	1,000
5. Increased Cost of Health Care Provided Under Contracts & Grants.....	--	15,558,000	--	607,000
6. Increased Cost of Medical or Other Equipment.....	--	84,000	--	2,000
7. Increased Cost of Grants....	--	<u>28,290,000</u>	--	<u>1,103,000</u>
Subtotal Built-In.....	--	N/A	--	+\$1,732,000
TOTAL INCREASES.....	--	<u>N/A</u>	--	<u>+\$1,732,000</u>
<u>DECREASES:</u>				
A. <u>Built-In:</u>				
Absorption of Built-In: Pay Cost/Inflation Increase.....	--	N/A	--	-1,732,000
Subtotal Built-in.....	--	N/A	--	-\$1,732,000
C. <u>Program:</u>				
Reduction to 2000 Base....	--	N/A	--	-5,000,000
Subtotal Program.....	--	N/A	--	-\$5,000,000
TOTAL DECREASES.....	--	<u>N/A</u>	--	<u>-\$6,732,000</u>
NET CHANGE.....	--	<u>N/A</u>	--	<u>-\$5,000,000</u>

Immunization

1999 Appropriation	\$1,367,000
Total estimated budget authority (Obligations)	\$1,367,000 (\$1,367,000)
2000 Estimate	\$1,388,000
(Obligations)	<u>(\$1,388,000)</u>
Net Change	+\$21,000
(Obligations)	(+\$21,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTEs</u>	<u>BA</u>	<u>FTEs</u>	<u>BA</u>
<u>INCREASES:</u>				
A. Built-In:				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	5,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	20,000
2. Within Grade Increase.....	--	N/A	--	6,000
3. Increased Cost of Travel....	--	36,000	--	1,000
4. Increased Cost of Health Care Provided Under Contracts & Grants	--	594,000	--	27,000
Subtotal Built-In.....	--	N/A	--	\$59,000
TOTAL INCREASES.....	--	<u>N/A</u>	--	<u>+\$59,000</u>
<u>DECREASES:</u>				
A. Built-in:				
Absorption of Built-in: Pay Cost/Inflation Increases...	--	N/A	--	-\$38,000
Subtotal Built-In.....	--	N/A	--	-\$38,000
TOTAL DECREASES.....	--	<u>N/A</u>	--	<u>-\$38,000</u>
NET CHANGE.....	--	<u>N/A</u>	--	<u>+\$21,000</u>

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Urban Health

1999 Appropriation	\$26,382,000
Total estimated budget authority (Obligations)	\$26,382,000 (\$26,382,000)
2000 Estimate	\$29,382,000
(Obligations)	<u>(\$29,382,000)</u>
Net Change	+\$3,000,000
(Obligations)	(+\$3,000,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTEs</u>	<u>BA</u>	<u>FTEs</u>	<u>BA</u>
A. Built-In:				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	\$2,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	13,000
3. Within Grade Increase.....	--	N/A	--	7,000
4. Increased Cost of Travel...	--	76,000	--	2,000
5. Increased Cost of Health Care Provided Under Contracts & Grants.....	--	6,696,000	--	261,000
6. Increased Cost of Supplies...	--	245,000	--	9,000
7. Increased Cost of Medical or Other Equipment.....	--	28,000	--	1,000
8. Increased Cost of Grants...	--	<u>17,970,000</u>	--	<u>701,000</u>
Subtotal Built-In.....	--	N/A	--	+\$996,000
B. Program:				
Urban Health.....	--	N/A	--	<u>2,937,000</u>
Subtotal Program.....	--	N/A	--	+\$2,937,000
TOTAL INCREASES.....	--	<u>N/A</u>	--	<u>+\$3,933,000</u>
<u>DECREASES:</u>				
A. Built-In:				
Absorption of Built-In: Pay Cost/Inflation Increases....	--	--	--	<u>-933,000</u>
Subtotal Built-in.....	--	--	--	-\$933,000
TOTAL DECREASES.....	--	<u>N/A</u>	--	<u>-\$933,000</u>
NET CHANGE.....	--	<u>N/A</u>	--	<u>+\$3,000,000</u>

Indian Health Professions

1999 Appropriation	\$29,623,000
Total estimated budget authority (Obligations)	\$29,623,000 (\$29,623,000)
2000 Estimate	\$29,700,000
(Obligations)	<u>(\$29,700,000)</u>
Net Change	+\$77,000
(Obligations)	(+\$77,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTEs</u>	<u>BA</u>	<u>FTEs</u>	<u>BA</u>
<u>A. Built-In:</u>				
1. Annualization of FY 1999 Pay Raise	--	N/A	--	\$12,000
2. FY 2000 Pay Raise at 4.4% (9 months)	--	N/A	--	41,000
3. Within Grade Increase	--	N/A	--	23,000
4. Increased Cost of Travel	--	158,000	--	4,000
5. Increased Cost of Health Care Provided Under Contracts & Grants	--	530,000	--	21,000
6. Increased Cost of Medical or Other Equipment	--	65,000	--	1,000
7. Increased Cost of Grants	--	<u>26,436,000</u>	--	<u>1,031,000</u>
Subtotal Built-In	--	N/A	--	+\$1,133,000
TOTAL INCREASES	--	<u>N/A</u>	--	<u>+\$1,133,000</u>
<u>DECREASES:</u>				
<u>A. Built-In:</u>				
Absorption of Built-In: Pay Cost/Inflation Increases	--	<u>N/A</u>	--	<u>-1,056,000</u>
Subtotal Built-in	--	N/A	--	-\$1,056,000
TOTAL DECREASES	--	<u>N/A</u>	--	<u>-\$1,056,000</u>
NET CHANGE	--	<u>N/A</u>	--	<u>+\$77,000</u>

Tribal Management

1999 Appropriation	\$2,390,000
Total estimated budget authority	\$2,390,000
(Obligations)	(\$2,390,000)
2000 Estimate	\$2,390,000
(Obligations)	<u>(\$2,390,000)</u>
Net Change	\$-0-
(Obligations)	(\$-0-)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTEs</u>	<u>BA</u>	<u>FTEs</u>	<u>BA</u>
A. <u>Built-In:</u>				
1. Increase Cost of Travel	--	22,000	--	1,000
2. Increased Cost of Health Care Provided Under	--		--	
Contracts & Grants	--	73,000	--	2,000
3. Increased Cost of Grants	--	<u>2,245,000</u>	--	<u>52,000</u>
Subtotal Built-In	--	N/A	--	+\$55,000
TOTAL INCREASES	--	<u>N/A</u>	--	<u>+\$55,000</u>
<u>DECREASES:</u>				
A. <u>Built-In:</u>				
Absorption of Built-In: Pay	--	N/A	--	-55,000
Cost/Inflation Increases	--	N/A	--	-\$55,000
Subtotal Built-in	--	N/A	--	-\$55,000
TOTAL DECREASES	--	<u>N/A</u>	--	<u>-\$55,000</u>
NET CHANGE	--	<u>N/A</u>	--	<u>\$-0-</u>

Direct Operation

1999 Appropriation	\$49,309,000
Total estimated budget authority (Obligations)	\$49,309,000 (\$49,309,000)
2000 Estimate	\$50,600,000
(Obligations)	<u>(\$50,600,000)</u>
Net Change	+\$1,291,000
(Obligations)	(+\$1,291,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTEs</u>	<u>BA</u>	<u>FTEs</u>	<u>BA</u>
<u>INCREASES:</u>				
<u>A. Built-In:</u>				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	\$314,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	1,151,000
3. Within Grade Increase.....	--	N/A	--	508,000
4. Increased Cost of Travel...	--	1,832,000	--	42,000
5. Increased Trans of Things.	--	297,000	--	7,000
6. Increased cost of Printing.	--	159,000	--	6,000
7. Increased Cost of Rents, Comm., & Utilities.....	--	607,000	--	14,000
8. Increased Cost of Health Care Provided Under Contracts & Grants.....	--	7,442,000	--	289,000
9. Increased Cost of Supplies.	--	418,000	--	10,000
10. Increased Cost of Medical or Other Equipment.....	--	1,224,000	--	28,000
11. Increased Cost of Grants...	--	483,000	--	11,000
12. Increased Cost of Insurance /Indemnities.....	--	<u>60,000</u>	--	<u>1,000</u>
Subtotal Built-In.....	--	<u>N/A</u>	--	<u>+\$2,381,000</u>
TOTAL INCREASES.....	--	<u>N/A</u>	--	<u>+\$2,381,000</u>
<u>DECREASES:</u>				
<u>A. Built-In:</u>				
Absorption of Built-In: Pay Cost/Inflation Increases....	--	<u>N/A</u>	--	<u>-1,090,000</u>
Subtotal Built-in.....	--	<u>N/A</u>	--	<u>-\$1,090,000</u>
TOTAL DECREASES.....	--	<u>N/A</u>	--	<u>-\$1,090,000</u>
NET CHANGE.....	--	<u>N/A</u>	--	<u>+\$1,291,000</u>

Self Governance

1999 Appropriation	\$9,391,000
Total estimated budget authority (Obligations)	\$9,391,000 (\$9,391,000)
2000 Estimate	\$9,391,000
(Obligations)	<u>(\$9,391,000)</u>
Net Change	\$-0-
(Obligations)	(\$-0-)

	FY 1999 Base		Change from Base	
	FTEs	BA	FTEs	BA
<u>INCREASES:</u>				
A. <u>Built-In:</u>				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	\$6,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	21,000
3. Within Grade Increase.....	--	N/A	--	9,000
4. Increased Cost of Travel...	--	140,000	--	3,000
5. Increased Cost of Rents Comm., & Utilities.....	--	50,000	--	1,000
6. Increased Cost of Health Care Provided Under Contracts & Grants.....	--	1,271,000	--	50,000
7. Increased Cost of Medical or Other Equipment.....	--	47,000	--	1,000
8. Increased Cost of Grants...	--	<u>6,949,000</u>	--	<u>271,000</u>
Subtotal Built-In.....	--	N/A	--	<u>+\$362,000</u>
TOTAL INCREASES.....	--	<u>N/A</u>	--	<u>+\$362,000</u>
<u>DECREASES:</u>				
A. <u>Built-in:</u>				
Absorption of Built-in: Pay Cost/Inflation Increases...	--	N/A	--	<u>-\$362,000</u>
Subtotal Built-In.....	--	N/A	--	<u>-\$362,000</u>
TOTAL DECREASES.....	--	<u>N/A</u>	--	<u>-\$362,000</u>
NET CHANGE.....	--	<u>N/A</u>	--	<u>\$-0-</u>

Contract Support Costs

1999 Appropriation	\$203,781,000
Total estimated budget authority	\$203,781,000
(Obligations)	(\$203,781,000)
2000 Estimate	\$238,781,000
(Obligations)	<u>(\$238,781,000)</u>
Net Change	+\$35,000,000
(Obligations)	(+\$35,000,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTEs</u>	<u>BA</u>	<u>FTEs</u>	<u>BA</u>
A. <u>Built-In:</u>				
1. Increased Cost of Indian Self-Determination.....	--	7,500,000	--	\$7,500,000
2. Increased Cost of Health Care Provided Under Contracts & Grants.....	--	91,826,000	--	3,581,000
3. Increased Cost of Grants....	--	<u>76,871,000</u>	--	<u>2,998,000</u>
Subtotal Built-In.....	--	N/A	--	+\$14,079,000
B. <u>Program:</u>				
Contract Support Cost.....	--	<u>N/A</u>	--	<u>35,000,000</u>
Subtotal Program.....	--	N/A	--	+\$35,000,000
TOTAL INCREASES.....	--	<u>N/A</u>	--	<u>+\$49,079,000</u>
<u>DECREASES:</u>				
A. <u>Built-In:</u>				
Absorption of Built-In: Pay Cost/Inflation Increases....	--	<u>N/A</u>	--	<u>-14,079,000</u>
Subtotal Built-in.....	--	N/A	--	-\$14,079,000
TOTAL DECREASES.....	--	<u>N/A</u>	--	<u>-\$14,079,000</u>
NET CHANGE.....	--	<u>N/A</u>	--	<u>+\$35,000,000</u>

INDIAN HEALTH SERVICE
Indian Health Facilities
SUMMARY OF CHANGES

1999 Appropriation.	\$291,965,000
Total estimated budget authority (Obligations)	\$291,965,000 (\$291,965,000)
2000 Estimate	\$317,465,000
(Obligations)	<u>(\$317,465,000)</u>
Net Change	+\$25,500,000
(Obligations)	<u>(+\$25,500,000)</u>

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
INCREASES:				
A. Built-In:				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	\$623,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	2,387,000
3. Within Grade Increase.....	--	N/A	--	976,000
4. Tribal Pay Cost.....	--	N/A	--	302,000
5. Increased Cost of Travel...	--	3,662,000	--	78,000
6. Increased Trans of Things..	--	3,154,000	--	99,000
7. Increased cost of Printing.	--	84,000	--	0
8. Increased Cost of Rents, Comm., & Utilities.....	--	6,136,000	--	312,000
9. Increased Cost of Health Care Provided Under Contracts & Grants.....	--	147,489,000	--	1,178,000
10. Increased Cost of Supplies.	--	10,683,000	--	217,000
11. Increased Cost of Medical or Other Equipment.....	--	2,815,000	--	81,000
12. Increased Cost of Land Structure.....	--	10,184,000	--	939,000
13. Increased Cost of Grants...	--	38,276,000	--	576,000
14. Increased Cost of Insurance /Indemnities.....	--	26,000	--	0
15. Increased Cost of Interest /Dividends.....	--	<u>23,000</u>	--	<u>0</u>
Subtotal Built-In.....	--	N/A	--	<u>+\$7,768,000</u>

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
B. Phasing-in of Staff and				
Operating Cost of New Fac:				
Lame Deer, MT Health Center..	--	N/A	+2	\$169,000
Hopi, AZ Health Center.....	--	N/A	+2	123,000
Kotzebue, AZ Hospital.....	--	N/A	--	-47,000
Talihina, OK Hospital.....	--	N/A	+3	428,000
Subtotal Built-In.....	--	N/A	+7	+\$673,000
C. <u>Program:</u>				
Health Care Fac Constr.....	--	N/A	--	+\$41,087,000
Increase to 1999 Base for				
Health Care Fac. Constr.....	--	N/A	--	1,444,000
Maintenance & Improv.....	--	N/A	--	7,500,000
Sanitation Facilities.....	--	N/A	--	3,000,000
Facilities Sup.....	--	N/A	+26	1,500,000
Environmental Health Sup....	--	N/A	+48	2,795,000
Injury Prevention.....	--	N/A	--	2,800,000
OEHE.....	--	N/A	--	500,000
Equipment.....	--	N/A	--	+\$1,000,000
Subtotal Program.....	--	N/A	+74	+\$61,626,000
TOTAL INCREASES.....	--	N/A	+81	+\$70,067,000
<u>DECREASE:</u>				
A. <u>Built-In:</u>				
Absorption of Built-in				
Increases.....	--	N/A	--	-\$3,480,000
Subtotal Built-in.....	--	N/A	--	-\$3,480,000
B. <u>Program:</u>				
Non-recurring construction.	--	N/A	--	-\$41,087,000
Subtotal Program.....	--	N/A	--	-\$41,087,000
TOTAL DECREASES.....	--	N/A	--	-\$44,567,000
NET CHANGE.....	--	N/A	+81	+\$25,500,000

Maintenance & Improvement

1999 Appropriation	\$48,125,000
Total estimated budget authority	\$48,125,000
(Obligations)	(\$48,125,000)
2000 Estimate	\$40,625,000
(Obligations)	<u>(\$40,625,000)</u>
Net Change	+\$7,500,000
(Obligations)	(+\$7,500,000)

INCREASES:	FY 1999 Base		Change from Base	
	FTE	BA	FTE	BA
A. Built-In:				
1. Increased Cost of Travel...	--	153,000	--	\$2,000
2. Increased Trans of Things..	--	46,000	--	4,000
3. Increased cost of Printing.	--	2,000	--	0
4. Increased Cost of Rents, Comm., & Utilities	--	36,000	--	1,000
5. Increased Cost of Health Care Provided Under Contracts & Grants	--	12,350,000	--	140,000
6. Increased Cost of Supplies.	--	3,187,000	--	51,000
7. Increased Cost of Medical or Other Equipment	--	583,000	--	11,000
8. Increased Cost of Land Structure	--	5,783,000	--	376,000
9. Increased Cost of Grants...	--	18,476,000	--	172,000
10. Increased Cost of Insurance /Indemnities	--	2,000	--	0
11. Increased Cost of Interest /Dividends	--	<u>7,000</u>	--	<u>0</u>
Subtotal Built-In	--	N/A	--	+\$757,000
B. Program:				
Maintenance & Improve	--	N/A	--	<u>+7,500</u>
Subtotal Program	--	N/A	--	+\$7,500
TOTAL INCREASES	--	<u>N/A</u>	--	<u>+8,257,000</u>

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
<u>DECREASE:</u>				
A. <u>Built-In:</u>				
Absorption of Built-In	--	N/A	--	-\$757,000
Increases.....	--	N/A	--	-\$757,000
Subtotal Built-in.....				
	--	N/A	--	-\$757,000
TOTAL DECREASE.....				
	--	N/A	--	+\$7,500,000
NET CHANGE.....				

Sanitation Facilities

1999 Appropriation	\$89,328,000
Total estimated budget authority	\$89,328,000
(Obligations)	(\$89,328,000)
2000 Estimate	\$92,884,000
(Obligations)	<u>(\$92,884,000)</u>
Net Change	+\$3,556,000
(Obligations)	(+\$3,556,000)

INCREASES:	FY 1999 Base		Change from Base	
	FTE	BA	FTE	BA
A. Built-In:				
1. Annualization of FY 1999				
Pay Raise.....	--	N/A	--	\$69,000
2. FY 2000 Pay Raise at 4.4%				
(9 months).....	--	N/A	--	253,000
3. Within Grade Increase.....	--	N/A	--	98,000
4. Tribal Pay Cost.....	--	N/A	--	136,000
5. Increased Cost of Travel...	--	276,000	--	12,000
6. Increased Trans of Things...	--	1,396,000	--	43,000
7. Increased cost of Printing.	--	8,000	--	0
8. Increased Cost of Rents,				
Comm., & Utilities.....	--	84,000	--	4,000
9. Increased Cost of Health				
Care Provided Under				
Contracts & Grants.....	--	70,630,000	--	715,000
10. Increased Cost of Supplies.	--	3,775,000	--	116,000
11. Increased Cost of Medical				
or Other Equipment.....	--	229,000	--	11,000
12. Increased Cost of Land				
Structure.....	--	4,223,000	--	563,000
13. Increased Cost of Grants...	--	3,257,000	--	143,000
14. Increased Cost of Insurance				
/Indemnities.....	--	11,000	--	0
15. Increased Cost of Interest				
/Dividends.....	--	<u>7,000</u>	--	<u>0</u>
Subtotal Built-In.....	--	N/A	--	+\$2,163,000

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
B. <u>Program:</u>				
Sanitation Facilities.....	--	N/A	--	+3,000,000
Subtotal Program.....	--	N/A	--	\$+3,000,000
TOTAL INCREASES.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>+\$5,163,000</u>
<u>DECREASE:</u>				
A. <u>Built-In:</u>				
Absorption of Built-in				
Increases.....	--	N/A	--	-1,607,000
Subtotal Built-in.....	--	N/A	--	-\$1,607,000
TOTAL DECREASE.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>-\$1,607,000</u>
NET CHANGE.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>+\$3,556,000</u>

Healthcare Facilities Construction

1999 Appropriation	\$41,087,000
Total estimated budget authority	\$41,087,000
(Obligations)	(\$41,087,000)
2000 Estimate	\$42,531,000
(Obligations)	<u>(\$42,531,000)</u>
Net Change	+\$1,444,000
(Obligations)	(+ \$1,444,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
A. <u>Program:</u>				
1. Health Care Fac Constr.....	--	N/A	--	+\$41,087,000
2. Increased to 1999 Base for				
Health Care Fac Constr.....	--	<u>N/A</u>	--	<u>+1,444,000</u>
Subtotal Program.....	--	N/A	--	+\$42,531,000
TOTAL INCREASES.....	--	<u>N/A</u>	--	<u>+\$42,531,000</u>
<u>DECREASE:</u>				
A. <u>Program:</u>				
Non-recurring Funds.....	--	<u>N/A</u>	--	<u>-\$41,087,000</u>
Subtotal Program.....	--	N/A	--	-\$41,087,000
TOTAL DECREASE.....	--	<u>N/A</u>	--	<u>-\$41,087,000</u>
NET CHANGE.....	--	<u>N/A</u>	--	<u>+\$1,444,000</u>

Facilities and Health Environmental Health Support

1999 Appropriation.	\$107,682,000
Total estimated budget authority	\$107,682,000
(Obligations)	(\$107,682,000)
2000 Estimate	\$119,682,000
(Obligations)	<u>(\$119,682,000)</u>
Net Change	+\$12,000,000
(Obligations)	(+\$12,000,000)

INCREASES:	FY 1999 Base		Change from Base	
	FTE	BA	FTE	BA
A. Built-In:				
1. Annualization of FY 1999				
Pay Raise.....	--	N/A	--	\$554,000
2. FY 2000 Pay Raise at 4.4%				
(9 months).....	--	N/A	--	2,134,000
3. Within Grade Increase.....	--	N/A	--	878,000
4. Tribal Pay Cost.....	--	N/A	--	166,000
5. Increased Cost of Travel...	--	3,233,000	--	64,000
6. Increased Trans of Things...	--	1,712,000	--	52,000
7. Increased cost of Printing.	--	74,000	--	0
8. Increased Cost of Rents,				
Comm., & Utilities.....	--	6,016,000	--	307,000
9. Increased Cost of Health				
Care Provided Under				
Contracts & Grants.....	--	16,490,000	--	117,000
10. Increased Cost of Supplies.	--	3,721,000	--	50,000
11. Increased Cost of Medical				
or Other Equipment.....	--	2,003,000	--	59,000
12. Increased Cost of Land				
Structure.....	--	178,000	--	0
13. Increased Cost of Grants...	--	10,232,000	--	179,000
14. Increased Cost of Insurance				
/Indemnities.....	--	13,000	--	0
15. Increased Cost of Interest				
/Dividends.....	--	9,000	--	0
Subtotal Built-In.....	--	N/A	--	+\$4,560,000

	<u>FY 1999: Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
B. Phasing-in of Staff and				
<u>Operating Cost of New Fac:</u>				
Lame Deer, MT Health Center..	--	N/A	+2	+\$69,000
Hopi, AZ Health Center.....	--	N/A	+2	123,000
Kotzebue, AK Hospital.....	--	N/A	--	-47,000
Talihina, OK Hospital.....	--	N/A	+3	<u>428,000</u>
Subtotal Built-in.....	--	N/A	+7	+\$673,000
C. Program:				
Facilities Support.....	--	N/A	+26	\$1,500,000
Environmental Health Sup....	--	N/A	+48	2,795,000
Injury Prevention.....	--	N/A	--	2,800,000
OEHE Support.....	--	N/A	--	<u>500,000</u>
Subtotal Program.....	--	N/A	+74	+\$7,595,000
TOTAL INCREASES.....	--	N/A	+81	<u>+\$12,828,000</u>
DECREASES:				
A. Built-In:				
Absorption of Built-In				
Increases.....	--	N/A	--	<u>-\$828,000</u>
Subtotal Built-in.....	--	N/A	--	-\$828,000
TOTAL DECREASES.....	--	N/A	--	<u>-\$828,000</u>
NET CHANGE.....	--	N/A	+81	<u>+\$12,000,000</u>

Facilities Health Support

1999 Appropriation.	\$53,857,000
Total estimated budget authority (Obligations)	\$53,857,000 (\$53,857,000)
2000 Estimate	\$57,346,000
(Obligations)	<u>(\$57,346,000)</u>
Net Change	+\$3,489,000
(Obligations)	(+\$3,489,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
<u>INCREASES:</u>				
<u>A. Built-In:</u>				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	\$259,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	1,004,000
3. Within Grade Increase.....	--	N/A	--	412,000
4. Tribal Pay Cost.....	--	N/A	--	74,000
5. Increased Cost of Travel...	--	483,000	--	11,000
6. Increased Trans of Things..	--	627,000	--	12,000
7. Increased cost of Printing.	--	2,000	--	0
8. Increased Cost of Rents, Comm., & Utilities.....	--	5,326,000	--	302,000
9. Increased Cost of Health Care Provided Under Contracts & Grants.....	--	11,029,000	--	38,000
10. Increased Cost of Supplies.	--	2,240,000	--	44,000
11. Increased Cost of Medical or Other Equipment.....	--	708,000	--	23,000
12. Increased Cost of Land Structure.....	--	126,000	--	0
13. Increased Cost of Grants...	--	3,424,000	--	39,000
14. Increased Cost of Insurance /Indemnities.....	--	5,000	--	0
15. Increased Cost of Interest /Dividends.....	--	<u>4,000</u>	--	<u>0</u>
Subtotal Built-In.....	--	N/A	--	+\$2,218,000

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
B. <u>Phasing-in of Staff and</u>				
<u>Operating Cost of New Fac:</u>				
Lame Deer, MT Health Center..	--	N/A	+2	\$164,000
Hopi, AZ Health Center.....	--	N/A	+2	123,000
Kotzebue, AK Hospital.....	--	N/A	--	-47,000
Talihina, OK Hospital.....	--	N/A	--	0
Subtotal Built-In.....	--	N/A	+4	+\$240,000
C. <u>Program Increase:</u>				
Facilities Support.....	--	N/A	+26	+\$1,500,000
Subtotal Program Increase...	--	N/A	+26	+\$1,500,000
TOTAL INCREASES.....	--	N/A	+30	+\$3,958,000
<u>DECREASES:</u>				
A. <u>Built-in:</u>				
Absorption of Built-in				
Increases.....	--	N/A	--	-\$469,000
Subtotal Built-in.....	--	N/A	--	-\$469,000
TOTAL DECREASES.....	--	N/A	--	-\$469,000
NET CHANGE.....	--	N/A	+30	+\$3,489,000

Environmental Health Support

1999 Appropriation.	\$44,548,000
Total estimated budget authority (Obligations)	\$44,548,000 (\$44,548,000)
2000 Estimate	\$53,213,000
(Obligations)	<u>(\$53,213,000)</u>
Net Change	+\$7,665,000
(Obligations)	(+\$7,665,000)

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
A. Built-in:				
1. Annualization of FY 1999 Pay Raise.....	--	N/A	--	\$243,000
2. FY 2000 Pay Raise at 4.4% (9 months).....	--	N/A	--	933,000
3. Within Grade Increase.....	--	N/A	--	386,000
4. Tribal Pay Cost.....	--	N/A	--	76,000
5. Increased Cost of Travel...	--	1,925,000	--	38,000
6. Increased Trans of Things..	--	1,027,000	--	39,000
7. Increased cost of Printing.	--	36,000	--	0
8. Increased Cost of Rents, Comm., & Utilities.....	--	437,000	--	5,000
9. Increased Cost of Health Care Provided Under Contracts & Grants.....	--	1,772,000	--	70,000
10. Increased Cost of Supplies.	--	1,312,000	--	4,000
11. Increased Cost of Medical or Other Equipment.....	--	1,074,000	--	31,000
12. Increased Cost of Land Structure.....	--	3,000	--	0
13. Increased Cost of Grants...	--	6,643,000	--	120,000
14. Increased Cost of Insurance /Indemnities.....	--	6,000	--	0
15. Increased Cost of Interest /Dividends.....	--	<u>5,000</u>	--	<u>0</u>
Subtotal Built-In.....	--	N/A	--	+\$1,944,000

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
B. Phasing-in of Staff and				
<u>Operating Cost of New Fac:</u>				
Lame Deer, MT Health Center..	--	N/A	--	\$5,000
Hopi, AZ Health Center.....	--	N/A	--	0
Kotzebue, AK Hospital.....	--	N/A	--	0
Talihina, OK Hospital.....	--	<u>N/A</u>	<u>+3</u>	<u>428,000</u>
Subtotal Built-In.....	--	N/A	+3	<u>+ \$433,000</u>
D. Program:				
Injury Prevention.....	--	N/A	--	+\$2,800,000
Environmental Health Sup....	--	<u>N/A</u>	<u>+48</u>	<u>+\$2,795,000</u>
Subtotal Program.....	--	N/A	+48	<u>+\$5,595,000</u>
TOTAL INCREASES.....	<u>--</u>	<u>N/A</u>	<u>+51</u>	<u>+\$7,972,000</u>
<u>DECREASES:</u>				
A. Built-in:				
<u>Absorption of Built-in</u>				
Increases.....	--	<u>N/A</u>	--	<u>-\$307,000</u>
Subtotal Built-in.....	--	N/A	--	<u>-\$307,000</u>
TOTAL DECREASES.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>-\$307,000</u>
NET CHANGE.....	<u>--</u>	<u>N/A</u>	<u>+51</u>	<u>+\$7,665,000</u>

**Office of Environmental Health And
Engineering Support**

1999 Appropriation.	\$9,277,000
Total estimated budget authority	\$9,277,000
(Obligations)	(\$9,277,000)
2000 Estimate	\$10,123,000
(Obligations)	<u>(\$10,123,000)</u>
Net Change	+\$846,000
(Obligations)	(+ \$846,000)

	FY 1999 Base		Change from Base	
INCREASES:	FTE	BA	FTE	BA
A. Built-In:				
1. Annualization of FY 1999				
Pay Raise.....	--	N/A	--	\$52,000
2. FY 2000 Pay Raise at 4.4%				
(9 months).....	--	N/A	--	197,000
3. Within Grade Increase.....	--	N/A	--	81,000
4. Tribal Pay Cost.....	--	N/A	--	16,000
5. Increased Cost of Travel...	--	825,000	--	15,000
6. Increased Trans of Things..	--	58,000	--	1,000
7. Increased cost of Printing.	--	36,000	--	0
8. Increased Cost of Rents,				
Comm., & Utilities.....	--	253,000	--	0
9. Increased Cost of Health				
Care Provided Under				
Contracts & Grants.....	--	3,689,000	--	9,000
10. Increased Cost of Supplies.	--	169,000	--	2,000
11. Increased Cost of Medical				
or Other Equipment.....	--	221,000	--	5,000
12. Increased Cost of Land				
Structure.....	--	50,000	--	0
13. Increased Cost of Grants...	--	165,000	--	20,000
14. Increased Cost of Insurance				
/Indemnities.....	--	2,000	--	0
15. Increased Cost of Interest				
/Dividends.....	--	0	--	0
Subtotal Built-In.....	--	N/A	--	+\$398,000

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
<u>INCREASES:</u>				
A. Program Increase:				
OEHE Support.....	--	N/A	--	<u>+\$500,000</u>
Subtotal Program Increase...	--	N/A	--	<u>+\$500,000</u>
TOTAL INCREASES.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>+\$898,000</u>
<u>DECREASES:</u>				
A. Absorption of Built-in				
Increases.....	--	N/A	--	<u>-\$52,000</u>
Subtotal Built-in.....	--	N/A	--	<u>-\$52,000</u>
TOTAL DECREASES.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>-\$52,000</u>
NET CHANGE.....	<u>--</u>	<u>N/A</u>	<u>--</u>	<u>+\$846,000</u>

Equipment

1999 Appropriation	\$13,243,000
Total estimated budget authority	\$13,243,000
(Obligations)	(\$13,243,000)
2000 Estimate	\$14,243,000
(Obligations)	<u>(\$14,243,000)</u>
Net Change	+\$1,000,000
(Obligations)	<u>(+\$1,000,000)</u>

	<u>FY 1999 Base</u>		<u>Change from Base</u>	
<u>INCREASES:</u>	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>
A. <u>Built-In:</u>				
1. Increased Cost of Health Care Provided Under Contracts & Grants	--	6,932,000	--	\$206,000
2. Increased Cost of Grants	--	<u>6,311,000</u>	--	<u>82,000</u>
Subtotal Built-In	--	N/A	--	<u>+\$288,000</u>
B. <u>PROGRAM:</u>				
Equipment	--	<u>N/A</u>	--	<u>+\$1,000,000</u>
Subtotal Program	--	N/A	--	<u>+\$1,000,000</u>
TOTAL INCREASES	--	<u>N/A</u>	--	<u>+\$1,288,000</u>
DECREASES:				
A. Built-in				
Absorption of Built-in Increases	--	<u>N/A</u>	--	<u>-\$288,000</u>
Subtotal Built-In	--	N/A	--	<u>\$288,000</u>
TOTAL DECREASES	--	<u>N/A</u>	--	<u>+\$1,000,000</u>
NET CHANGE	--	<u>N/A</u>	--	<u>0</u>

INDIAN HEALTH SERVICE
INDIAN HEALTH SERVICES
Budget Authority by Activity

FILE: Q:\DRM\BFFB\FY2000\BA Activity(2000C)

1/29/99

	FY 1998		FY 1999		FY 2000	
	Actual		Appropriation		Estimate	
	FTE	Amount	FTE	Amount	FTE	Amount
SERVICES:						
Hospitals & Health Clinics	8,020	\$906,801	8,156	\$949,140	8,249	\$1,002,852
Dental Services	818	65,517	839	71,400	849	84,360
Mental Health	303	39,379 1/	308	41,305	308	48,446
Alcohol & Substance Abuse	186	91,782	186	94,680	186	96,326
Contract Health Services	2	373,375	2	385,801	2	410,442
Total Clinical Services	9,329	1,476,854	9,491	1,542,326	9,594	1,642,426
Public Health Nursing	289	28,198	303	30,363	409	40,363
Health Education	43	8,932	46	9,430	46	9,541
Comm. Health Reps.	13	44,312	13	45,960	13	40,960
Immunization AK	0	1,328	0	1,367	0	1,388
Total Preventive Health	345	82,770	362	87,120	468	92,252
Urban Health	5	25,288	5	26,382	5	29,382
Indian Health Professions	15	28,720	15	29,623	15	29,700
Tribal Management	0	2,348	0	2,390	0	2,390
Direct Operations	434	47,386	434	49,309	434	50,600
Self-Governance	7	9,106	7	9,391	7	9,391
Contract Support Cost	0	168,702	0	203,781	0	238,781
Total Services	10,135	1,841,174	10,314	1,950,322	10,523	2,094,922
FACILITIES:						
Maintenance & Improvemen	0	39,434	0	40,625	0	48,125
Sanitation Facilities:	248	89,082	248	89,328	248	92,884
Construction Facilities	0	14,400	0	41,087	0	42,531
Facil. & Envir. H. Supp.	1,164	101,617	1,178	107,682	1,259	119,682
Equipment	0	13,005	0	13,243	0	14,243
Total Facilities	1,412	\$257,538	1,426	\$291,965	1,507	\$317,465
Total IHS	11,547	\$2,098,712	11,740	\$2,242,287	12,030	\$2,412,387

1/ Includes \$100,000 supplemental for suicide prevention (non-recurring).

HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

Budget Authority by Object

(Dollars in Thousands)

1/27/99

FILE: O:\DFM\BFPB\FY99\Exhibit H-2000CJ

	FY 1999 Appropriation	FY 2000 Estimate	Increase or Decrease
Full-time equivalent employment.	14,750	15,040	290
Full-time equivalent of overtime and holiday hours.	432	432	0
Average SES salary.	\$104,331	\$107,565	\$3,234
Average GS grade.	8.16	8.17	0
Average GS salary.	\$38,772	\$39,974	\$1,202
Personnel Compensations:			
Full-Time Permanent(11.1).	428,754	455,102	26,348
Other than Full-Time Permanent(11.3).	21,910	23,338	1,428
Other Personnel Comp.(11.5/11.8).	35,228	37,321	2,093
Total Personnel Compensation.	485,892	515,761	29,869
Civilian Personnel Benefits(12.1).	140,948	150,737	9,789
Benefits to Former Personnel(13.0).	6,406	6,691	285
Subtotal Pay Costs.	633,246	673,189	39,943
Travel(21.0).	33,371	33,212	(159)
Transportation of Things(22.0).	14,835	14,906	71
Rental Payments to GSA(23.1).	8,930	8,969	39
Rental Payments to Others(23.2).	534	3,401	2,867
Communications, Utilities and Miscellaneous Charges(23.3).	26,168	26,324	156
Printing and Reproduction(24.0).	1,780	1,813	33
Other Contractual Services:			
Advisory and Assistance Services(25.1).	13,615	14,901	1,286
Other Services(25.2).	193,330	202,848	9,518
Purchases from Govt. Accts.(25.3).	22,359	22,978	619
Operation and Maintenance of Facilities(25.4).	45,003	49,982	4,979
Research and Development Contracts(25.5).	973	993	20
Medical Care(25.6).	206,039	210,179	4,140
Operation and Maintenance of Equipment(25.7).	19,296	24,319	5,023
Subsistence and Support of Persons(25.8).	8,177	8,341	164
Subtotal Other Contractual Services.	508,792	534,541	25,749
Supplies and Materials(26.0).	101,764	103,122	1,358
Equipment(31.0).	25,701	26,044	343
Land and Structures(32.0).	12,006	12,043	37
Grants, Subsidies and Contributions(41.0).	872,498	972,146	99,648
Insurance Claims and indemnities(42.0).	2,482	2,495	13
Interests and Dividends(43.0).	180	182	2
Subtotal Non-Pay Costs.	1,609,041	1,739,198	130,157
TOTAL Budget Authority by Object Class.	2,242,287	2,412,387	170,100
Investment Initiatives.	0	0	0

HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

Salaries and Expense

BY Budget Authority

(Dollars in Thousands)

1/27/99

FILE 010FM18FPBICong\HExhib1-CJ

Object Class	FY 1999 Appropriation	FY 2000 Estimate	Increase or Decrease
Direct Obligations:			
Full-Time Permanent(11.1).....	428,754	455,102	26,348
Other than Full-Time Permanent(11.3).....	21,910	23,338	1,428
Other Personnel Comp. (11.5/11.8).....	35,228	37,321	2,093
Total Personnel Compensation.....	485,892	515,761	29,869
Civilian Personnel Benefits(12.1).....	140,948	150,737	9,789
Benefits to Former Personnel(13.0).....	6,406	6,691	285
Subtotal Pay Costs.....	633,246	673,189	39,943
Travel(21.0).....	16,820	17,900	1,080
Transportation of Things(22.0).....	114,835	14,906	(99,929)
Rental Payments to GSA(23.1).....	8,930	8,969	39
Rental Payments to Others(23.2).....	534	3,401	2,867
Communications, Utilities and Miscellaneous Charges(23.3).....	26,168	26,324	156
Printing and Reproduction(24.0).....	1,780	1,813	33
Other Contractual Services:			
Advisory and Assistance Services(25.1).....	13,611	14,898	1,287
Other Services(25.2).....	74,710	78,781	4,071
Purchases from Govt. Accts.(25.3).....	22,355	22,977	622
Operation and Maintenance of Facilities(25.4).....	45,002	49,979	4,977
Research and Development Contracts(25.5).....	0	0	0
Medical Care(25.6).....	0	0	0
Operation and Maintenance of Equipment(25.7)...	19,294	24,319	5,025
Subsistence and Support of Persons(25.8).....	8,176	8,340	164
Subtotal Other Contractual Services.....	183,148	199,294	16,146
Supplies and Materials(26.0).....	101,764	103,122	1,358
Subtotal Non-Pay Costs.....	453,979	375,729	(78,250)
TOTAL DIRECT OBLIGATIONS.....	1,087,225	1,048,918	(38,307)

SUP-58

EXHIBIT I

HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

Salaries and Expense

(Dollars in Thousands)

			1/27/99
FILE 010FMBFFB\FY99\Exhibit I-CJ			
Object Class	FY 1999 Appropriation	FY 2000 Estimate	Increase or Decrease
Reimbursable Obligations:			
Full-Time Permanent(11.1).....	135,229	135,229	0
Other than Full-Time Permanent(11.3).....	19,725	19,725	0
Other Personnel Comp.(11.5/11.8).....	15,649	15,649	0
Total Personnel Compensation.....	170,603	170,603	0
Civilian Personnel Benefits(12.1).....	40,446	40,446	0
Benefits to Former Personnel(13.0).....	58	58	0
Subtotal Pay Costs.....	211,107	211,107	0
Travel(21.0).....	2,634	2,634	0
Transportation of Things(22.0).....	1,078	1,078	0
Rental Payments to GSA(23.1).....	0	0	0
Rental Payments to Others(23.2).....	154	154	0
Communications, Utilities and			
· Miscellaneous Charges(23.3).....	3,986	3,986	0
Printing and Reproduction(24.0).....	115	115	0
Other Contractual Services:			
Advisory and Assistance Services(25.1).....	1,343	1,343	0
Other Services(25.2).....	18,075	18,075	0
Purchases from Govt. Accts.(25.3).....	95	95	0
Operation and Maintenance of Facilities(25.4)....	17,775	17,775	0
Research and Development Contracts(25.5).....	0	0	0
Medical Care(25.6).....	0	0	0
Operation and Maintenance of Equipment(25.7)...	0	0	0
Substance and Support of Persons(25.8).....	442	442	0
Subtotal Other Contractual Services.....	37,730	37,730	0
Supplies and Materials(26.0).....	47,483	47,483	0
Subtotal Non-Pay Costs.....	93,180	93,180	0
TOTAL REIMBURSABLE OBLIGATIONS.....	304,287	304,287	0

SIGNIFICANT ITEMS IN HOUSE, SENATE, AND CONFERENCE
APPROPRIATIONS COMMITTEES REPORTS1999 House Appropriations Committee Report Language (105-609)Diabetes Surveillance Activities

The IHS should expand its National diabetes surveillance activities by obtaining pertinent data from the Special Diabetes Program for American Indian grantees to measure diabetes prevalence, rates of amputation, blindness, and kidney disease, and to take measure related to prevention of diabetes, such as addressing obesity in children. The IHS should work with the Joslin Diabetes Center in Boston, the Centers for Disease control and Prevention and the National Institutes of Health on the development and maintenance of innovative approaches to dealing with diabetes detection and treatment.

Action Taken or to be Taken

The IHS has required that all Special Diabetes Program Initiative grantees submit the data listed in the Report Language with their subsequent year grant requests. Data from secondary or tertiary prevention activities will be acceptable. In addition, the IHS Diabetes Program is coordinating activities with other agencies and organizations to obtain these data on a national level. The IHS has begun work with CDC, and is making plans to meet in January with Joslin and NIH, to discuss innovative approaches to dealing with diabetes detection and treatment.

Dental Services Needs

The Committee is very concerned about the unmet need in the area of dental services and, encourages the IHS and the Administration to address this problem in the fiscal year 2000 budget.

Action Taken or to be Taken

The President's FY 2000 budget request includes an increase of \$12,960,000 for Dental Services. Of this amount \$5,320,000 is identified to address pay related cost increases, \$640,000 is for the staffing of new facilities and \$7,000,000 is to address the dental needs of the American Indian and Alaska Native population. The majority of these funds will be used to increase the capacity of federal and tribal dental facilities to provide access to dental services. In addition some funds will be used to improve clinical efficiency and effectiveness through the development of clinical and preventive support centers, to enhance support for community water fluoridation, to enhance capacity for data management, and to increase training for clinical specialist.

Funding Specifications

Language is recommended under Administrative Provisions, Indian Health Service, specifying that IHS funding may not be used to pay for non-IHS

contract support costs. In Title III-General Provisions, the Committee has recommended language placing a one-year moratorium on new or expanded self-determination and self-governance compacts. The Committee urges the IHS and the tribes to address the contract support cost problem in a timely manner so that an acceptable solution can be found for addressing contract support cost funding within the Committee's allocation and without adversely affecting funding for other IHS and tribal health programs.

Action Taken or to be Taken

The Indian Health Service is presently participating in consultation sessions with representatives of tribes and tribal organizations to develop a plan that will seek to address Congressional concern over the inequity in the distribution of contract support costs (CSC) without adversely affecting funding for other IHS and tribal health programs. It is anticipated that a plan will be presented to the Committee in May 1999.

1999 Senate Appropriations Committee Report Language (105-227)

Uncontrollable Costs

The Committee is concerned that, for the last several years, the IHS budget estimate has not included accurate figures for its uncontrollable increases for pay costs, population growth, and inflation, or for third-party collections. As a result, important health services are threatened as program dollars are needed to pay the uncontrollable costs. The Committee insists the IHS and HHS and OMB forward more accurate figures for IHS' fixed costs to the Committee in its budget estimates.

Action Taken or to be Taken

The Indian Health Service budget is developed within the context of guidance and policy direction issued by the Office of Budget and Management (OMB) and the Office of the Secretary, Health and Human Services (HHS). The policy and guidance issued by OMB and HHS takes into consideration the allocation of resources for all Governmental Services as well as reallocation of funds to meet and emerging needs and priorities. This Government-wide allocation of resources is then balanced against tax and other income estimates that the Government anticipates receiving which then results in the budget that the President submits to Congress as a part of the annual State of the Union message.

The IHS recognizes the segments of important health services and programs may be threatened as program dollars are used for uncontrollable costs. However, we are bound by policy to present IHS needs as a part of an overall balanced plan to allocate scarce resources to meet the multitude of program requirements on a Government-wide basis. The total fixed costs requirement for IHS is provided in the Supplemental Information section of the Congressional Justification (see SUP-17 and SUP-40 for FY 2000). Pay costs and inflation for IHS programs for fiscal years 1993 to 1999 is available upon request.

The Department incorporated a new approach to improve the development of the FY2000 Third-Party Collection Estimates. The Department

adjusted the FY1998 Actual Collections to include the full effect of all approved Medicare and Medicaid rate adjustments planned for FY1999 and FY 2000. For the first time, the scheduled rate adjustments were based on IHS Medicare hospital cost reports and were made timely. Further fiscal year rate adjustments will be based on the results of future IHS Medicare hospital cost reports and will be made timely. In addition, modest increases have been estimated for Business Management Improvements during FY 1999 and FY 2000. However, the upcoming implementation by Medicare of the Ambulatory Patient Grouping (APG) methodology in FY 2000 will have an unknown effect on IHS outpatient Medicare collections.

1999 Conference Report Language (105-825)

Diabetes

Of the funds available to the IHS for diabetes programs, the Service should fund cooperative efforts with the Joslin Diabetes Clinic in Boston to non-invasively screen for undiagnosed diabetes and diabetic retinopathy in Indian communities. The Committees understand that such a program would be similar to programs the Joslin Clinic is conducting with the Department of Defense and the Veteran Administration and that the managers of existing diabetes programs within IHS have expressed an interest in working with Joslin.

Action Taken or to be Taken

The IHS will meet with the Joslin Diabetes Center in January to begin planning this effort.

Telemedicine

The Service should provide a status report on the Alaska telemedicine project in its fiscal year 2000 budget request and include the appropriate level of funding needed to continue the project in that budget.

Action Taken or to be Taken

The Alaska Federal Health Care Access Network (AFHCAN) was designed to use telemedicine and telehealth technology to greatly expand access to health care and health care information to over 200,000 federal health care beneficiaries in Alaska, including Native Americans, Veterans, and the Uniformed Services. AFHCAN will accomplish this by implementing a flexible clinical and patient information network that connects 235 federal health care facilities in Alaska, including over 170 remote tribal clinics, tribal regional hospitals and health centers, and the Alaska Native Medical Center. It is anticipated that the systems developed by the AFHCAN project will also provide valuable models for other health care providers within the IHS system. The initial planning for AFHCAN began October 1997. The project is planned for completion by October 2002.

The entire AFHCAN request for FY 1999 was for \$8.07 million, appropriated to four federal agencies. Of this, \$4.0 million (49%) was appropriated to IHS, which was maintained in FY 2000. A status report on this project is included in the FY 2000 budget justification.

Emergency Services

The IHS should work with the tribe and the private sector to develop a cost-effective approach for providing emergency services at the IHS facility in Wagner, SD, including the possibility of shared emergency services with the local community which could lower emergency service costs and raise the quality of service for the community while providing additional revenue for the IHS facility in Wagner.

Action Taken or to be Taken

The Service Unit Director continues to work with the Yankton Sioux Tribe to examine approaches to assuring that the emergency services are operated in a cost effective manner. The emergency room at the Wagner Service Unit continues to function on a 24 hour basis. To more appropriately address non-emergent care needs, the Service Unit has offered extended evening hours for non-emergent health needs. Precedent for private-public partnership has been established at the Service Unit in the operation of a dialysis unit which has been functioning for greater than 24 months. The tribal leadership is committed to continued operation of this unit and it may offer a model for management alternatives in the operation of the emergency room. Discussions between the Tribe and the Wagner Community Memorial Hospital Board about the possibility of a shared ER for the benefit of the entire community have resumed.

Support for HMO

The Pascua Yaqui Tribe in Arizona continues to experience funding problems in its Health Maintenance Organization because of increases in enrollment. The IHS should make every effort to account for this increase to ensure that existing health benefits are maintained for longer-term members as well as newly enrolled members.

Action Taken or to be Taken

At the request of the House Subcommittee on Interior Appropriations, the IHS and Pascua Yaqui Tribe (PYT) and other Committee staff met early December 1998 to discuss ways of addressing the PYT HMO funding concerns. The IHS and PYT agreed to continue working together on a solution and provide a progress report to the House Subcommittee on Interior Appropriations by March 1999, as requested.

Fetal Alcohol Syndrome

The IHS should continue to work with and provide funding support to the University of Washington's fetal alcohol syndrome research program.

Action Taken or to be Taken

The IHS is exercising the last option year of a contract with the University of Washington. Some tribes are requesting that these funds be provided to them to perform these functions. However, the IHS understands the importance that the Committee places on further cooperation with the University of Washington.

Funding to Address Inequity in Distribution of Contract Support Costs

The Committees have added more than \$35 million to the Administration's budget request to address the inequity in the distribution of contract support cost funding in fiscal year 1999. The Committees direct the Service, in cooperation with the tribes, to remedy this inequity in the fiscal year 2000 budget request. The remedy cannot be a large infusion of additional funding for contract support costs at the expense of either critical health programs or critical construction needs of the Service. Further, the Committees note that the one-year moratorium on new contracts and compacts cannot be extended indefinitely. The Committees believes strongly that an acceptable permanent solution to the contract support cost distribution inequity must be a part of the fiscal year 2000 budget request from the Administration.

Action Taken or to be Taken

The Indian Health Service (IHS) has participated in several consultation sessions with representatives of American Indian/Alaska Native tribes and organizations concerning the allocation of the \$35 million increase received for contract support costs (CSC). Consultation with tribes and tribal organizations on this issue will continue through January 1999. It is anticipated that the \$35 million will be allocated in February 1999.

The preferred allocation methodology for FY 1999 that has emerged to date in consultation sessions with tribes would distribute the increase to those tribes that have contracted for programs, functions, services and activities from the IHS but have yet to receive CSC for those assumptions (i.e., tribes with requests for CSC from the Indian Self-Determination Fund). Under this methodology, funding would be prioritized to those tribes with the greatest percentage of overall CSC need in an effort to begin to address the distribution inequity in CSC that is a concern of the Congress. This proposed allocation methodology has received the endorsement of the National Congress of American Indians National Policy Workgroup on CSC.

Review of Bill Language for Health Services to Indians

It is recommended that the Aberdeen Area office of the Indian Health Service continue to work with the Bennett County hospital in South Dakota to engage in a comprehensive review of bills for health services provided to Indian people, especially for the period between 1994 and 1998, to ensure that the hospital receives appropriate reimbursement from IHS.

Action Taken or to be Taken

A review has been completed for all claims in question during the period 1994 through 1998. The Aberdeen Area IHS will continue to work with the Bennett County Hospital to review bills. In addition, the IHS is implementing strategies to improve patient knowledge and understanding of CHS regulations to encourage only appropriate use of emergency room services.

Exhibit K

INDIAN HEALTH SERVICE

Authorizing Legislation
(Dollars in Thousands)

FILE: O:\DFM\BFPB\Cong\Exhibit K	1999 Amount Authorized	1999 Appropriation	2000 Amount Authorized	2000 Budget Request
Preventive Health Services Activity:				
1. Services Appropriations: 25 U.S.C. 13, Act and P.L. 83-568, Transfer Act 42 U.S.C. 2001. Snyder Act, Title V, P.L. 94-437, Indian Health Care Improvement Act, as amended. Title I, Indian Health Manpower. Indian Self Determination and Education Assistance Act, P.L. 93-638, as amended, Sections 103 (b) (2) and 103 (e). Title III, Self Governance Demonstration Program, Indian Self Determination Act, as amended. P.L. 100-472 Section 106 (a) (2) A & B.	\$ 1,950,322	\$ 1,950,322	\$ 2,094,922	\$ 2,094,922
2. Facilities Appropriations: Indian Sanitation Facilities Act P.L. 86-121, P.L. 101-512, Section 704 of the IHCA P.L. 103-413, P.L. 102-573	291,965	291,965	317,465	317,465
3. Public and Private Collections: Economy Act of 31 U.S.C. 686 Section 301-P.L. 94-437, Title V of Indian Health Care Improvement Act.	379,237	379,237	380,087	380,087
4. Diabetes: 111 STAT. 574 (P.L. 105-33)	\$30,000	\$30,000	\$30,000	\$30,000
Unfunded authorizations:	0	0	0	0
Total appropriations:	\$2,651,524	\$2,651,524	\$2,822,474	\$2,822,474
Total appropriations against Definite authorizations:	\$2,651,524	\$2,651,524	\$2,822,474	\$2,822,474

SUP-65

INDIAN HEALTH SERVICE
Health Service Appropriation
Appropriation History Table

1/27/99

FILE: 0:\OFM\BFFB\FY2000\Appropriation History-CJ

	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1991	\$1,278,924,000	\$1,419,700,000	\$1,414,500,000	\$1,418,600,000
Reduction	-	-	-	(\$7,433,000)
1992	\$1,411,167,000	\$1,432,712,000	\$1,487,091,000	\$1,449,871,000
Reduction	-	-	-	(\$18,268,000)
1993	\$1,384,446,000	\$1,559,615,000	\$1,518,553,000	\$1,538,062,000
Reduction	-	-	-	(\$13,072,000)
1994	\$1,600,851,000	\$1,652,394,000	\$1,641,592,000	\$1,646,088,000
1995	\$1,653,305,000	\$1,706,102,000	\$1,715,052,000	\$1,713,052,000
Reduction	-	-	-	(\$3,272,000)
Rescission	-	-	-	(\$2,688,000)
1996	\$1,816,350,000	\$1,725,792,000	-	\$1,722,842,000
Supplemental	-	-	-	\$25,000,000
Rescission	-	-	-	(\$2,533,000)
1997	\$1,894,593,000	\$1,779,561,000	\$1,800,836,000	\$1,806,269,000
Supplemental	-	-	-	\$1,000,000
1998	\$1,835,465,000	\$1,829,088,000	\$1,958,235,000	\$1,841,074,000
1999	\$1,843,873,000	\$1,932,953,000	\$1,888,602,000	\$1,950,322,000
Reduction	-	-	-	(\$4,900,000)
2000	\$2,094,922,000			

INDIAN HEALTH SERVICE
Indian Health Facilities Appropriation
Appropriation History Table

1/27/99

FILE: C:\DMS\FPB\Cong\Appropriation History-CJ

	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
1991	\$13,156,000	\$137,236,000	\$165,956,000	\$167,279,000
Reduction	-	-	-	(\$877,000)
1992	\$12,444,000	\$295,211,000	\$202,068,000	\$277,852,000
Reduction	-	-	-	(\$3,501,000)
1993	\$270,506,000	\$338,596,000	\$329,079,000	\$336,500,000
Reduction	-	-	-	(\$2,860,000)
1994	\$279,269,000	\$296,997,000	\$293,682,000	\$296,982,000
1995	\$167,079,000	\$253,892,000	\$253,767,000	\$253,767,000
Reduction	-	-	-	(\$485,000)
Rescission	-	-	-	(\$300,000)
1996	\$242,672,000	\$236,975,000	-	\$237,958,000
Rescission	-	-	-	(\$304,000)
1997	\$275,251,000	\$277,701,000	\$251,957,000	\$247,731,000
Supplemental	-	-	-	\$2,000,000
1998	\$286,535,000	\$257,310,000	\$168,401,000	\$257,538,000
1999	\$274,476,000	\$313,175,000	\$263,516,000	\$289,465,000
Supplemental	-	-	-	\$2,500,000
2000	\$317,465,000			

INDIAN HEALTH SERVICE
Details of Full-Time Equivalent Employment (FTE)
By Headquarters, Area Office, and Service Unit

	O:\DFM\BFPB\Cong1\EXHIBIT O			29-Jan-99		
	FY 1998		FY 1999		FY 2000	
	Actual		Estimate		Estimate	
Headquarters	459		442		425	
Area Offices	1,394		1,361		1,339	
Service Units	12,663		12,947		13,276	
Total, FTEs	14,516		14,750		15,040	

Average GS Grade

1996.....	8.3
1997.....	8.2
1998.....	8.2
1999.....	8.2
2000.....	8.2

INDIAN HEALTH SERVICE
DETAIL OF PERMANENT POSITIONS

EXHIBIT P

FILE: O:\DPM\SRFB\FY1999\EXHIBIT P		30-Jan-99	
	1998	1999	2000
	Actual	Estimate	Estimate
ES-05.....	1	1	1
ES-04.....	4	4	4
ES-03.....	2	2	2
ES-02.....	3	3	3
ES-01.....	4	4	4
Subtotal.....	14	14	14
GS/GM-15.....	321	328	335
GS/GM-14.....	369	375	383
GS/GM-13.....	389	396	404
GS-12.....	600	611	624
GS-11.....	1,241	1,263	1,290
GS-10.....	418	425	435
GS-9.....	1,796	1,828	1,868
GS-8.....	143	145	148
GS-7.....	742	755	772
GS-6.....	847	862	880
GS-5.....	1,767	1,798	1,837
GS-4.....	1,123	1,142	1,167
GS-3.....	226	226	226
GS-2.....	31	31	31
GS-1.....	3	3	3
Subtotal.....	10,016	10,188	10,403
Grades established by Act of July 1, 1944 (U.S.C. 207):			
Assistant Surgeon General CO-08	5	5	5
Assistant Surgeon General CO-07	4	4	4
Director Grade CO-06.....	445	454	464
Senior Grade CO-05.....	627	639	653
Full Grade CO-04.....	599	610	623
Senior Assistant Grade CO-03.....	411	418	427
Assistant Grade CO-02.....	100	101	103
Junior Grade CO-01.....	4	4	4
Subtotal.....	2,195	2,235	2,283
Ungraded.....	1,265	1,287	1,315
Total Permanent Positions.....	13,490	13,724	14,015
Unfilled Positions, End of Year...	0	0	0
Total Permanent Employment, End of Year.....	13,490	13,724	14,015

**INDIAN HEALTH SERVICE
DETAIL OF PERMANENT POSITIONS**

EXHIBIT P

FILE: D:\DFM\BPP\BIFY\1999\EXHIBIT P		30-Jan-99	
	1998	1999	2000
	Actual	Estimate	Estimate

**Total General Schedule Series:
(GS-1 - GS-15)**

Number.....	10,016	10,188	10,403
Total Salary.....	\$379,054,514	\$395,009,136	\$415,849,522
Average Salary.....	\$37,845	\$38,772	\$39,974
Average Grade.....	8.2	8.2	8.2

Total Ungraded Positions at Hourly Rates:

Number.....	1,265	1,287	1,315
Total Salary.....	\$36,102,975	\$37,630,593	\$39,640,675
Average Salary.....	\$28,540	\$29,239	\$30,145

Total Commissioned Officer Series:

Number.....	2,195	2,235	2,283
Total Salary.....	\$109,115,989	\$113,826,315	\$119,875,764
Average Salary.....	\$49,711	\$50,929	\$52,508

**Total ES Series:
(ES-01 - ES-04)**

Number.....	14	14	14
Total Salary.....	\$1,323,873	\$1,356,306	\$1,398,348
Average Salary.....	\$94,562	\$96,879	\$99,882

Present Health Facilities Priority Rankings

January 1999

Inpatient

Ft. Defiance, AZ*
Winnebago, NE*
Phoenix, AZ*
Talihina, OK**
Barrow, AK

Outpatient

Parker, AZ*
Ft. Yuma, AZ
Polacca (Hopí), AZ*
Pinon, AZ*
Red Mesa, AZ (Montezuma Creek,
UT)*
Pawnee, OK
St. Paul, AK
Metlakatla, AK
Sisseton, SD
Clinton, OK

Staff Quarters

Bethel, AK (79 units)
Zuni, NM (19 units)
Wagner, SD (10 units)
Ft. Belknap, MT (29 units)
Kayenta, AZ (62 units)

- * Partially Funded
** Funded and constructed by the Choctaw Tribe

SELF-DETERMINATIONIndian Health Service Philosophy:

The Indian Health Service (IHS) has implemented the Indian Self-Determination and Education Assistance Act (ISDA), Public Law 93-638, as amended, in the spirit by which the Congress recognized the special legal relationship and the obligation of the United States to American Indian and Alaska Native peoples. In keeping with the concept of tribal sovereignty, the ISDA, as amended, builds upon IHS policy that maximizes opportunities for tribes to exercise their right to manage and operate IHS health programs, or portions thereof, under Title I and Title III, as well as those tribes who choose their health services to be provided directly by the IHS. The IHS recognized that tribal decisions to contract/compact or not to contract/compact are equal expressions of self-determination. The government-to-government relationship between American Indian tribes and Alaska Native villages and the IHS requires open consultation, commitment, and financial support.

Title I Contracts and Title III Self-Governance Compacts:

The IHS contracts/compacts with tribes and tribal organizations (T/TO) pursuant to the authority provided under Title I and Title III of the ISDA, as amended. This Act allows T/TO to enter into contracts/compacts with the Government to plan, conduct, and administer program which are authorized under Section 102 of the Act. The IHS has been contracting with T/TO pursuant to the authority of P.L. 93-638 since its passage in 1975. Today, the IHS currently administers self-determination contracts under Title I and compacts authorized under Title III valued at more than \$906 million. Title III provides authorization to sign self-governance compacts under a demonstration project for a specific number of tribes who meet certain criteria. Forty-two compacts and fifty-nine annual funding agreements have been negotiated to date with 254 tribes.

IHS and Tribally-Operated Service Unit and Medical Facilities: (See Table)

The total dollars administered under ISDA contracts and compacts have nearly doubled in recent years and the scope of services managed and provided by tribal programs has also expanded greatly. Tribes have historically assumed control of community services first and then expanded into medical care. For example, the CHR program and community-based components of the alcohol programs have been almost 100 percent tribally-operated. Tribally-operated hospitals has now started to rise, and over 20 percent of the hospitals funded by IHS are managed by tribes. This trend is expanding their scope and is also reflected in the increasing number ambulatory medical facilities now managed by tribes.

Title I Joint Rulemaking:

In August 1997, the final joint Department of Health and Human Services and Department of Interior rule implementing P.L. 103-413, the 1994 Amendments to the Indian Self-Determination Act, became effective. The final rule was developed with active tribal participation using the guidance of the Negotiating Rulemaking Act. The joint rule permits the Departments to award contract and grants to Indian tribes without the unnecessary burden of confusion associated with having two sets of rules for single-program

legislation. The Act, and the joint rule, will facilitate self-determination contracting by Indian tribes.

Self-Determination Implementation: Contract Support Cost Funding

Because the rate of T/TO entering into self-determination contracts and compacts has been steadily increasing, the demand for contract support cost (CSC) funding to support T/TO in their contracting/compacting has also increased. The CSC funding is authorized pursuant to Section 106 (a) (2) of the ISDA. This funding has been used by T/TO to develop strong, stable tribal government which have in turn enabled them to professionally manage their contracts/compacts and the corresponding services to their communities. Additionally, through the funding of CSC, the IHS has helped in the development of T/TO who are maturing and now achieving greater levels of self-sufficiency in all areas.

It is critical to point out that the increases in the CSC need is attributed to increased contracting and compacting by T/TO under both Title I and III of the ISDA, a stated goal of both the Congress and the IHS. The Agency has taken steps to ensure that funding provided is allowable, allocable, reasonable, and necessary. The T/TO have, of necessity, also borne some of the burdens of administrative streamlining. The IHS has, beginning in FY 1995, provided administrative shares of its budget to T/TO associated with their contracting and compacting activities. These shares are made available to T/TO pursuant to Sections 102 (a) and 106 (n) of the ISDA.

IHS AND TRIBALLY OPERATED SERVICE UNITS AND MEDICAL FACILITIES*
BY TYPE AND AREA AS OF OCTOBER 1, 1997

AREA	SERVICE UNITS			HOSPITAL			HEALTH CENTERS			HEALTH CENTERS			SCHOOL			HEALTH STATIONS		
	Total	IHS	Tribal	Total	IHS	Tribal	Total	IHS	Tribal	Total	IHS	Tribal	Total	IHS	Tribal	Total	IHS	Tribal
	I	II	III	I	II	III	I	II	III	I	II	III	I	II	III	I	II	III
All Areas	151	66	85	49	37	3	209	60	95	54	6	3	1	2	279	46	74	159
Aberdeen	18	13	5	8	8	0	14	8	6	0	2	1	1	0	15	12	3	0
Alaska	9	1	8	7	1	1	5	22	0	3	19	0	0	0	0	161v	0	145v
Albuquerque	8	7	1	5	5	0	12	9	3	0	1	1	0	0	7	7	0	0
Bemidji	13	3	10	2	2	0	23	2	15	6	0	0	0	0	15	2	10	3
Billings	8	6	2	3	3	0	9	6	0	3	0	0	0	0	6	3	0	3
California	26	0	26	0	0	0	34	0	33	1	0	0	0	0	20	0	20	0
Nashville	21	1	20	2	1	0	14	0	13	1	1	0	0	1	6	1	2	3
Navajo	8	8	0	6	6	0	7	7	0	0	1	1	0	0	14	14	0	0
Oklahoma	12	9	3	7	4	1	38	12	8	18	1	0	0	1	0	0	0	0
Phoenix	10	7	3	8	6	1	13	5	8	0	0	0	0	0	10	4	5	1
Portland	16	9	7	0	0	0	20	8	6	6	0	0	0	0	23	1	18	4
Tucson	2	2	0	1	1	0	3	3	0	0	0	0	0	0	2	2	0	0

* Health locations are excluded.

v Village Clinics

I - Tribally operated facilities under Title I, P.L. 93-638, Self-Determination Contracts

III - Tribally operated facilities under Title III, P.L. 93-638, Self-Governance Compacts

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

FISCAL YEAR 2000

APPROPRIATION SUMMARY STATEMENT

The Office budget request for fiscal year 2000 is \$14,000,000. The funds requested will support the Operation of the Office, Relocation Payments (Housing Acquisition and Construction), Incentive Bonus Payments, and Discretionary Funding to facilitate and expedite resettlement activities.

Component elements of the Budget Proposal include: (thousands)

- Operation of the Office	\$5,700	
a. Office of the Commissioner		
b. Executive Direction		
c. Administration		
- Relocation Payments (Housing)	11,160	
- Incentive Bonus Payments	310	
- Discretionary Funds	<u>2,225</u>	
Total Program Budget	19,395	
Less Portion Funded by Carryover	<u>-5,395</u>	*
Total Budget Request	<u>14,000</u>	

(* Due to the potential completion of the program within the next five years, OMB has requested that the Office use its carryover to fund portions of the program budget. When this carryover is depleted, the Budget Request for the Office will reflect the total program estimated costs.)

Consistent with the provisions of PL 93-531 and its associated Amendments Act of 1980, PL 96-305, 1988, PL 100-666, and 1991, PL 102-180, the Office will continue efforts towards the final settlement of the long standing dispute between the Navajo Nation and the Hopi Tribe.

Operation of the Office

Mission Statement: The mission of the Office of Navajo and Hopi Indian Relocation is to provide quality services to eligible households and others impacted by the Relocation Act, in such a way that our clients have the opportunity to re-establish their lives in a positive and productive manner.

Long-Range Goal: The long-range goal of the Office is to assure that all relocation-resettlement activities conducted by the Office are consistent with the intent of Congress and the Executive Branch as expressed by PL 93-531, and the Navajo and Hopi Indian Relocation Amendments Act. In FY1996, the Office was instructed by the Appropriations Committee to only proceed with development on the New Lands that was needed for selection of sites by relocatees. Existing projects were to be completed, but further development not undertaken. This current year's budget has complied with the wishes of the committee, and only funds necessary to complete existing work have been included.

Major Objectives:

1. Conduct meetings and support various other activities of the Commissioner, as necessary, to insure the proper review and oversight of the Office of Navajo and Hopi Indian Relocation.
2. Maintain an effective management structure for the direction, implementation, and management of Office policy by agency staff.
3. Provide necessary research and evaluation of ongoing and new program proposals for dissemination by agency management.
4. Maintain an effective program of federal and legislative coordination to insure that the necessary resources from appropriate federal participants are included in the overall relocation implementation efforts.
5. Provide ongoing engineering and technical support to relocation planning and implementation activities.
6. Conduct a comprehensive program of Relocation Services for Navajo and Hopi families participating in resettlement activities. This will include necessary family counseling assistance, the payment of incentive bonuses, the acquisition of decent, safe, and sanitary replacement housing, the disposal of abandoned property and improvements on the former Joint Use Area, and various other activities necessarily associated with relocation-resettlement.
7. Conduct a comprehensive program of new construction and resale dwelling building inspections. Through ongoing inspections, decent, safe, and sanitary housing for relocatee families shall be provided within the prevailing benefit ranges.

8. Conduct planning and evaluation programs directed towards determining the feasibility of involving the private business sector in developing workable commercial alternatives for lands acquired for occupancy by relocatee families.
9. Utilize discretionary funding assistance for projects designed to facilitate and expedite relocation efforts through practical land usage alternatives.
10. Conduct administrative and financial management programs in support of all agency activities.

Program Objectives:

To provide effective relocation assistance to families subject to resettlement as a result of partition. To complete the necessary development of the New Lands to accommodate those who have chosen a site thereon, in accordance with the wishes of the Appropriations Committee. To coordinate activities with other federal participants. To utilize Office resources to mitigate the impacts of relocation through sound economic development planning.

Program Accomplishments Since Inception:

The Office has operated a program of relocation operations since 1977. As of the end of FY1998, a total of 2,990 families had received relocation assistance, and a total of 492 certified heads of household remained to be relocated. Approximately 77 of these families still resided on the partitioned lands and 415 resided elsewhere.

- A total of 2,889 Navajo families had relocated from the Hopi Partitioned Lands, 1,872 to on-reservation homesites and 1,017 to off-reservation. (352 of the on-reservation homesites are located on the New Lands.) 481 Navajo families remain to be relocated, approximately 77 residing on the HPL and 404 residing elsewhere.
- A total of 26 Hopi families had relocated from the Navajo Partitioned Lands, 23 to on-reservation homesites and 3 off-reservation. 1 Hopi NPL family remains to be relocated.
- 4 HPL families who formerly resisted relocation and failed to file an application for benefits by July 7, 1986, were provided with relocation homes pursuant to 25 CFR 700.
- A total of 75 Navajo families who were forced to move from District Six as a consequence of the decision in U.S. vs. Kabinto have received relocation benefits. The replacement homes of 54 of those families are located at on-reservation homesites (19 of these homesites are located on the New Lands), and

21 are off-reservation. 4 additional District Six evictees were certified on appeal during FY1998. 10 District Six families remain to receive benefits.

As stated on page 2, the Office has been instructed to limit new development of the New Lands. The best possible predictions of future costs for existing projects have been made and these costs have been kept at the barest minimum. The needs for future development of the New Lands are difficult to predict and are influenced by factors over which the Office has no control.

Currently, one of these factors is the Accommodation Agreement signed by most Navajo families currently living on the HPL and the Hopi Tribe. This instrument gives families who signed the Agreement a 75-year lease on the HPL. Any of these families who have signed leases can change their minds before February 1, 2000, give up their lease, and still receive relocation benefits from the Office. As of the end of FY1998, the Hopi Tribe has indicated that 209 leases had been signed by potential relocatees under this Agreement. Of these signers, 32 have also now signed relinquishments. (They now intend to accept relocation.) It is likely that as the final date for relinquishment of these leases approaches, the Office may need to develop new homesites and/or subdivisions with their accompanying infrastructure. This budget for FY2000, however, does not include any funds for this contingency. As this issue unfolds, the Office may have to request supplemental funding to handle these projects.

Program Accomplishments for FY1998:

The Office's primary program accomplishments during FY1998 are identified in the table "Output/Workload Measures." Additional information about activities and accomplishments during FY1998 is provided below:

- 103 Navajo families, in the following categories, were relocated in FY1998: 87 to on-reservation homesites (84%), and 16 to off-reservation (16%).
- 1 Hopi family was relocated in FY1998.
- 4 Navajo families who were evicted from District Six as a consequence of the decision in the case of the U.S. vs. Kabinto, 1972, received benefits as provided for in Public Law 96-305.
- 39 on-reservation homesite leases were approved and received from the Navajo Nation, however 83 of these are still awaiting BIA approval.
- As of the end of FY1998, a total of 2,683 cases had been closed because of the end of the 2-year post-move follow-up period. There was an active/open caseload of 307 cases.

The following illustrates the status of the families who have been certified eligible for benefits as of the end of FY1998:

Certified Eligible	3,482	There are 50 active appeals of denied applications.
Relocated	<u>2,990</u>	
Remaining	492	Includes 77** full-time residents of the HPL.
Homes Being Built	31	Includes 3 full-time residents of the HPL.
Seeking Homes	94	Includes 4 full-time residents of the HPL.
Social Counseling	<u>367</u>	Includes 70 full-time residents of the HPL.
	<u>492</u>	

(** As of September 30, 1998, 60 of these HPL residents had signed the Accommodation Agreement with the Hopi Tribe. Of these sixty leases, 15 have signed relinquishments and will be moving under the auspices of the relocation program.)

As of the end of FY1998, there are 50 pending appeals of the total of 1,043 denied cases. It is estimated that 20 of these denials will be reversed by administrative appeal or District Court, which will bring the certified total to approximately 3,502.

<u>Output/Workload Measures:</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
<u>Function:</u>	<u>FY1998</u>	<u>FY1999</u>	<u>FY2000</u>
1. Eligibility Appeals Hearings & Administrative Case Reviews			
With Reversals	45	20	20
2. Pre-move Counseling Sessions	1,110	950	900
3. Housing Counseling Sessions	364	350	350
4. Homesite Feasibility Studies	208	200	200
5. Construction Inspections	676	650	650
6. Properties Disposed	5	20	20
7. Post-Move Home Contacts***	112	105	98
8. Post-Move Referrals to Other Agencies	32	22	20
9. Home Warranty Inspections	332	330	330
10. Families Relocated	104	100	100

(***Contacts by Office staff.)

Program Objectives for Proposed Funding Level:

1. The Office, during FY2000, plans to relocate 100 families, for a program total of 3,190.
2. The Office will be working jointly with IHS and NTUA to furnish utilities to homesites chosen by relocatees on the big reservation, and to conclude necessary infrastructure projects on the New Lands, as mandated by the Appropriations Committee.
3. Relocatee families, remaining to be relocated, will continue to be contacted individually to give them additional information on the New Lands and other subdivision sites being developed, and to request that they choose a relocation site.
4. The Office will continue to work closely with various other federal agencies with statutory responsibility for provision of services to Indian communities. The Office will continue to coordinate planning and development efforts with these agencies so that these services will be made available to the relocatees on the New Lands and existing reservation sites.

Justification

Title of Activity: Operation of the Office (Decrease of \$4,247 from Base).

Authorization: P.L. 93-531; 88 Stat. 1712 Sec. 12; 25 U.S.C. 640d.

(dollar amounts in thousands)

Program Element	FY1999 Approp.	FY1998 Carryover	FY1999 Base	FY2000 Estimate	Change To Base
Operation of the Office	\$5,812	\$4,135	\$ 9,947	\$5,700	-\$4,247
FTE	(77)		(77)	(71)	(-6)

Base Program: The operations of the Office of Navajo and Hopi Indian Relocation can be broken down into three program areas:

- A. Office of the Commissioner.
- B. Executive Direction: New Lands Management & Coordination, Legal & Community Relations, & Personnel.

C. Operations & Administration: Relocation Operations & Administrative Coordination.

A. Office of the Commissioner: The Commissioner has the authority and responsibility for the formulation of all agency management and operational policy and the oversight of all agency programs.

B. Executive Direction: This branch oversees all of the Office's operational and administrative programs, the coordination of legal services, the implementation of Office policy, and the development and implementation of program initiatives. Monitoring and review of joint venture proposals from other federal, state, and tribal entities engaging in relocation program activities are also undertaken.

1) New Lands Management and Coordination:

This department provides the technical analysis attendant to the planning and development of lands for relocation purposes and assesses the development necessary for facilities and services. Such analyses include negotiations with current permit or lease holders, engineering analyses, grazing capability analyses, and reviews of the sites by potential relocatee occupants. Utilization of existing federal and state agency surveys and studies in the area of soil composition, water development, and mineral composition is stressed to avoid duplication of efforts.

a) New Lands Cultural Resource Protection Program:

The Office employs a Cultural Resources Manager to oversee the extensive archaeological survey and site mitigation work that is required of the Office to fulfill its responsibility as "lead federal agency" in the development of the New Lands.

The Office's role is primarily administrative. Actual on-site field work is conducted by staff from the Navajo Nation Archaeological Department, the Zuni Archaeological Program, and numerous other contractors, through cooperative agreements executed between these organizations and the Office. Relationships have been developed between the Office and the Museum of Northern Arizona for curation of artifacts.

b) Range Improvement and Management Component:

During FY1989, The Office assumed the responsibility for range improvement and management on the New Lands,

under the provisions of P.L. 100-666. The monies thus transferred from the BIA were almost sufficient to fund this component through FY1994. Since FY1994, this range program has been funded entirely out of funds designated for Operation of the Office. We estimate a total of 16 FTE will be necessary to run this program during FY2000.

2) Legal and Community Relations:

During FY1990, due to the Sands vs. NHRC decision, our eligibility appeal caseload increased by approximately 550 denied applications. All administrative appeals that are currently on hand should be processed by the end of FY2000.

C. Operations & Administration: This branch oversees the actual relocation of clients as well as all administrative support services.

1) Relocation Operations:

Relocation Operations provide ongoing consultation with the relocatee family from the beginning to the end of the process. These services include pre-move counseling to inform the families of various options available in the selection of a home, evaluation of economic and social status of the relocatees, coordination of other federal and state agency assistance activities for relocatee families, post-move counseling, and referral assistance to existing service providers upon completion of the relocation process.

This department also provides for a full range of real estate acquisition activities and includes new construction contracting, acquisition of new and resale dwellings, and monitoring of any necessary warranty or housing repair programs. Coordination of group moves and other innovative approaches to housing acquisition are also encompassed within this activity. Within this department, the Inspections and Compliance branch provides engineering and technical assistance to other agency components. This includes engineering reports, engineering and support service coordination with other agencies, analysis of proposed construction plans, and on-reservation building site feasibility analysis. The primary mission of this unit is to insure that relocatee dwellings meet all applicable decent, safe, and sanitary standards, and that building sites offer families the best possible structural alternatives.

2) Administration:

All necessary administrative and financial management services are provided to the agency within this branch. This includes the preparation and presentation of the Office's budget proposals, all internal financial management programs and reports, all supply and equipment maintenance systems, personnel services, vehicle fleet management, data and word processing, and all procurement services including contracting for services, grant management, and managing agreements with other agencies.

Title of Activity: Relocation Operations (Decrease of \$10,709 from Base)

Authorization: P.L. 93-531, 88 Stat. 1712, Sec. 27; 25 U.S.C. 640d

(dollar amounts in thousands)

Program Element	FY1999 Approp.	FY1998 Carryover	FY1999 Base	FY2000 Estimate	Change To Base
Relocation Operations	\$5,688	\$10,786	\$16,474	\$5,765	-\$10,709
FTE	(0)		(0)	(0)	(0)

Base Program: Relocation Operations encompasses three components: relocation payments for housing, cultural resources protection program, and funds for road construction. In FY2000, the Office plans to relocate an additional 100 families.

Housing:

The relocation payments for housing include: disposal of acquired property on the HPL/NPL, costs of obtaining homesite leases and other permits from the Navajo Nation and Hopi Tribe, the acquisition of housing for relocatee families through resale dwelling purchases in existing communities or the construction of new homes on or off reservation, and payments associated with the relocation process including moving expenses. It also includes certain engineering costs necessary to developing sites, both on the existing reservation and the New Lands.

Our request for this activity is for 100 moves at an average of \$85,000 each, totaling \$8,500,000. These funds will support (1) the acquisition of replacement housing, (2) payments due families for reasonable search and moving expenses to new locations, (3) necessary payments for miscellaneous expenses such as title and escrow fees and homesite

acquisition costs, and (4) costs directly associated with engineering and planning for housing construction.

Housing and related costs	<u>\$8,500,000</u>
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Cultural Resource Protection Program:

The costs associated with archaeology include funds for the Office's in-house operations through various contractors, funds to be transferred to the Navajo Nation to address the indirect impacts to cultural sites as the result of developing and moving families to the New Lands, and funds to be transferred to the Hopi Tribe for both cultural preservation and property dismantling on the HPL.

Navajo Nation operations	\$300,000
Hopi Tribe operations	300,000
Other contractors	<u>100,000</u>

Total cultural resource protection program	<u>\$700,000</u>
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Road Construction:

Costs of various road projects are estimated at \$1,960,000 for FY2000. Costs should be substantially less with each passing year as the New Lands road building program is substantially completed. For FY2000, the request is:

New Lands road design, construction and materials	<u>\$1,960,000</u>
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The following is a summary of Housing Funds requested for FY2000:

Estimated costs:	
Housing & related costs	\$8,500,000
Cultural resource protection	700,000
Road construction	<u>1,960,000</u>
	11,160,000
Portion to be funded by carryover	<u>-5,395,000</u>
Total Housing Request	<u>\$5,765,000</u>

Title of Activity: **Assistance Payments** (Decrease of \$30 from Base)

Authorization: P.L. 93-531, 88 Stat. 1712, Sec. 27; 25 U.S.C. 640d

(dollar amounts in thousands)

Program Element	FY1999 Approp.	FY1998 Carryover	FY1999 Base	FY2000 Estimate	Change To Base
Assistance Payments	\$40	\$300	\$340	\$310	-\$30
FTE	(0)		(0)	(0)	(0)

Base Program: The Assistance Payment (Bonus) component provides for the payment of an incentive bonus for clients who volunteered for relocation prior to July 7, 1986. In FY2000, we expect bonus payments for the move of 100 clients to amount to approximately \$350,000. A portion of these payments will be made from prior years' carryover, so we are requesting bonus funds of \$310,000 in FY2000.

Title of Activity: **Discretionary Funds Management** (Decrease of \$1,230 from Base.)

Authorization: P.L. 93-531, 88 Stat. 1712, Sec. 27; 25 U.S.C. 640d.

(dollar amounts in thousands)

Program Element	FY1999 Approp.	FY1998 Carryover	FY1999 Base	FY2000 Estimate	Change To Base
Discretionary Funds	\$1,460	\$1,995	\$3,455	\$2,225	-\$1,230
FTE	(0)		(0)	(0)	(0)

Base Program: Public Law 96-305 authorized a Discretionary Fund. The purpose of this fund, as defined by Congress, is "...to facilitate and expedite the relocation efforts of the Office..." The Office anticipates utilizing these funds to underwrite the cost of a broad range of activities designed to support land development, group moves, economic development, water development, utility extensions, and other activities which will facilitate and expedite the program.

During previous years, the Office has coordinated specific infrastructure development projects with the Navajo Nation, the Navajo Tribal Utility Authority, the Indian Health Service, and other organizations to "cost share" a variety of construction efforts. In all cases, the projects are directly related to the provision of services and community facilities for relocatee families at their resettlement sites. Efforts to provide basic services to existing communities during this process aides the host chapters in absorbing the pressures of an increased population from relocatee families on already limited or under-developed resources and service capabilities.

Specifically, during FY2000, the Office recommends and proposes to participate in the following projects with Discretionary Funds:

Housing Infrastructure Cost:

At the request level, the expenses of providing infrastructure, in addition to the individual housing benefit, for 100 relocations would approximate \$1,500,000. This is based on a projection of 62 on-reservation moves to homesite leases @ \$19,000 each, 24 off-reservation moves @ \$11,600 each, 14 on-reservation moves to subdivisions on the New Lands @ \$2,200 each.

\$1,500,000

Chapter Administrative Grants:

The Office has disbursed funds from the rentals of New Lands properties to the Nahata Dził Chapter, which was created in FY1993 when the first relocatees were settled in the New Lands. The revenue from these income sources is declining, so funds will need to be paid from Discretionary funds to provide the financial assistance this Chapter needs.

\$75,000

Scholarship Fund:

For the past nine years, the Office has funded a vocational school on the New Lands. Due to declining enrollment in the specific area of vocational education taught by this facility, the funding from the Office for this school will cease in FY1999. As a substitute, the Office will offer a wider range of scholarships to those relocatees who wish to continue their higher education, and whose paperwork has been approved by the Department of Education loan program.

\$100,000

Adult Education:

The Sanders School District, the Nahata Dziil Chapter, and ONHIR are forming a partnership with the goal being adult education. This education would cover basic skills, as well as specific training needs of new employers on the New Lands. For FY2000, we are requesting \$50,000 for this program.

\$50,000

New Lands Projects

Small New Lands projects, such as street signs, assistance with infrastructure on local economic development projects, and start-up costs of livestock associations will require \$250,000 in FY2000.

\$250,000

Uncommitted Discretionary Funds

When the authorization for the Discretionary Fund was originally passed, it was clearly anticipated that the Office would spend a set amount of money that would not be line-item budgeted, that would allow the Office the discretion to make decisions on a case-by-case basis of applications for worthwhile projects that reduce the adverse impacts of relocation. If the Office were required to justify all of its discretionary funding on a line-item basis, no projects which were not anticipated by the applying party could be considered unless they had approximately two years advance time to get into the budget process with the Office. Congress has instructed the Office to be especially responsive to Tribal requests for matching funds for worthy projects. This request will allow the Office the latitude to respond to current requests for small worthwhile projects.

\$250,000

The summary of Discretionary Funds requested is as follows:

Housing infrastructure	\$1,500,000
Chapter grants	75,000
Scholarship fund	100,000
Adult education	50,000
New Lands projects	250,000
Uncommitted funds	<u>250,000</u>
 Total Discretionary Request	 <u><u>\$2,225,000</u></u>

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

RESOURCE REQUIREMENTS (Dollars in Thousands)

	FY1998 Actual	FY1999 Approp.	FY1998 Carryover	FY1999 Base	FY2000 Estimate	Change To Base
Operation of the Office	\$5,936	\$5,812	\$4,135	\$9,947	\$5,700	-\$4,247
Relocation Operations (housing, roads, & archaeology)	8,700	5,688	10,786	16,474	5,765	-10,709
Incentive Bonuses	332	40	300	340	310	-30
Discretionary Funds	2,374	1,460	1,995	3,455	2,225	-1,230
TOTAL	\$17,342	\$13,000	\$17,216	\$30,216	\$14,000	-\$16,216

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OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amount in thousands)

Appropriation: Salaries and Expenses	FY1999 Approp.	FY1998 Carryover	FY1999 Base	FY2000 Request	Change To Base
11.1 Full-time permanent positions	\$3,775	\$1,390	\$5,165	\$3,694	-\$1,471
11.3 Other than full-time permanent					
11.8 Special personnel services payments					
11.9 Total personnel compensation	3,775	1,390	5,165	3,694	-1,471
12.1 Personnel benefits: Civilian	831	430	1,261	813	-448
21.0 Travel and transportation of persons	320	5	325	283	-42
22.0 Travel and transportation of things		15	15		-15
23.0 Rental payments to others, communications, utilities, and miscellaneous charges	480	189	669	466	-203
24.0 Printing and reproduction	16	156	172	4	-168
25.0 Other services	200	931	1,131	350	-781
26.0 Supplies and materials	90	979	1,069	40	-1,029
31.0 Equipment	100	40	140	50	-90
32.0 Lands and structures	5,688	10,786	16,474	5,765	-10,709
41.0 Grants and bounises	1,500	2,295	3,795	2,535	-1,260
TOTAL REQUIREMENTS	\$13,000	\$17,216	\$30,216	\$14,000	-\$16,216

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATIONSALARIES AND EXPENSESProgram and Performance

The Office of Navajo and Hopi Indian Relocation was established by Public Law 93-531 to plan and conduct relocation activities associated with the settlement of a land dispute between the Navajo Nation and the Hopi Tribe. The three-member Commission which was appointed in July 1975, submitted a plan for such relocation to the Congress. The Office is continuing to conduct relocation activities under a single Commissioner.

Amending legislation, P.L. 96-305, authorized the Office to grant Life Estates to eligible applicants, conduct a program of Discretionary Funding, and engage in land evaluation/analysis for possible acquisition as relocation sites, and provide for its own administrative, fiscal and housekeeping services.

Amending legislation, P.L. 100-666, reorganized the Commission to replace the Board of three Commissioners, appointed by the Secretary of Interior, with a single Commissioner appointed by the President of the United States with the advice and consent of the United States Senate. Additionally, P.L. 100-666 addressed several other policy concepts regarding the allowability of some improvement to properties in the 1934 Dispute Area, clarified the authority of the Commissioner for final planning authority on the New Lands, addressed certain legal expenditures for tribal expenses related to the relocation dispute, and other miscellaneous housekeeping issues. P.L. 100-666 also increased the Office's annual housing authority from \$15,000,000 to \$30,000,000, increased the total amount of money available for incentive payments to \$13,500,000, and provided an additional authority for the expenditure of Discretionary Funds which requires no match from outside sources when such expenditures are directly in the interest of the relocatees and in support of provision of infrastructure and related facilities to relocatees.

Amending legislation, P.L. 102-180, extended the authorization of housing appropriations through FY1995, and clarified the status of the employees, most of whom were reclassified to Competitive Service.

Amending legislation, P.L. 104-15, extended the authorization of housing appropriations through FY1997.

Amending legislation, P.L. 104-301, extended the authorization of housing appropriations through FY2000.

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATIONFEDERAL FUNDSGeneral and Special Funds:

For necessary expenses of the Office of Navajo and Indian Relocation as authorized by Public Law 93-531. (\$13,000,000) \$14,000,000 for operating expenses of the Office. (Department of the Interior and Related Agencies Appropriations Act, Public Law 105-277)

Program and Financing (in thousands of dollars)

Identification Code 48-1100-0-1-806	1998 Actual	1999 Est.	2000 Est.
Obligation by Program Activity:			
Operation of the office	\$5,936	\$5,813	\$5,700
Relocation payments (housing)	8,700	10,500	11,160
Incentive bonus payments	332	370	350
Discretionary fund payments	<u>2,374</u>	<u>1,460</u>	<u>2,225</u>
Total obligations	17,342	18,143	19,435
Financing:			
Recovery of prior year obligations	-2,053		
Unobligated balance, start of year	-17,505	-17,216	-12,073
Unobligated balance, end of year	<u>17,216</u>	<u>12,073</u>	<u>6,638</u>
Budget authority	15,000	13,000	14,000
Appropriation	15,000	13,000	14,000
Transfer from other accounts			
Appropriation (adjusted)	<u>\$15,000</u>	<u>\$13,000</u>	<u>\$14,000</u>
Relation of obligations to outlays:			
Obligations incurred, net	\$17,342	\$18,143	\$19,435
Obligated balance, start of year	7,295	6,265	9,408
Obligated balance, end of year	-6,265	-9,408	-10,843
Adjustment in expired accounts	<u>-2,053</u>		
Outlays	<u>\$16,319</u>	<u>\$15,000</u>	<u>\$18,000</u>

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATIONSALARIES AND EXPENSES

Identification Code 48-1100-0-1-806	1998 Actual	1999 Est.	2000 Est.
Personnel compensation:			
11.1 Full-time permanent	\$3,540	\$3,775	\$3,694
11.3 Other than full-time permanent			
11.8 Special personal service pmts	_____	_____	_____
11.9 Total personnel compensation	3,540	3,775	3,694
12.1 Personnel benefits: civilian	768	831	813
13.0 Benefits for former personnel			
21.0 Travel and transportation	351	320	282
22.0 Transportation of things	1	1	1
23.0 Rental payments to others, communications, utilities, and miscellaneous charges	500	480	466
24.0 Printing and reproduction	14	16	4
25.0 Other services	463	200	350
26.0 Supplies and materials	83	90	40
31.0 Equipment	216	100	50
32.0 Lands and structures	8,700	10,500	11,160
41.0 Grants and bonuses	<u>2,706</u>	<u>1,830</u>	<u>2,575</u>
99.9 Total Obligations	\$17,342	\$18,143	\$19,435
Personnel Summary			
	<u>1998</u>	<u>1999</u>	<u>2000</u>
Total number of full-time permanent positions	76	77	71
Total compensable workyears: Full-time equivalent employment	76	77	71

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATIONEMPLOYMENT AS OF 9/30/98 BY GRADE LEVEL

EX	Vacant
ES	2
GM 15	1
GM 14	2
GS 15	2
GS 14	3
GS 13	3
GS 12	6
GS 11	9
GS 10	3
GS 9	18
GS 8	2
GS 7	7
GS 6	2
GS 5	6
WS	1
WG	<u>9</u>
Total	<u>76</u>
Projection for FY1999	77
Projection for FY2000	71

INSTITUTE OF AMERICAN INDIAN
AND ALASKA NATIVE
CULTURE AND ARTS DEVELOPMENT

Santa Fe, New Mexico



Submitted to the
Committee on Appropriations
Subcommittee on Interior and Related Agencies

February 3, 1999

(317)

EXECUTIVE SUMMARY

The Institute of American Indian Arts and Alaska Native Culture and Arts Development (IAIA) is the only national center of research, training and scholarship for American Indians and Alaska Natives devoted solely to the study and practice of American Indian and Alaskan Native arts and cultures. Federally chartered by congress, IAIA's faculty, staff, student body and alumni come from many of the 547 federally recognized tribes throughout the United States. Its unique location in Santa Fe, New Mexico places it within one of the most diverse concentrations of Native peoples in North America, at the heart of the nation's oldest multi-cultural community and in one of the largest art markets in the country. The Institute's programs of post-secondary instruction, research, and creative skills and scholarship enable its students to preserve and practice traditions and contemporary expressions of Indian history, culture, and visual arts.

The mission of The Institute of American Indian and Alaska Native Culture and Arts Development (IAIA), federally chartered by Congress in partial fulfillment of treaty and trust obligations, is to serve as a multi-tribal Native center of higher education for Native Americans. IAIA is dedicated to the study, creative application, preservation and care of Indian arts and culture. Approved by the Board of Trustees, October, 1997.

In 1995 IAIA's federal appropriation was reduced by almost 50%. As we focused on managing the change in federal support, it was necessary to downsize programs, reduce faculty, staff and services to accommodate the new level of funding. As we explored avenues of replacing federal dollars we implemented a new tuition/room and board policy which generated revenue but lead to a decrease in enrollment. A majority of the students attending IAIA do not have the financial capacity to personally cover their educational costs. There was an additional decrease in federal support in 1998. In a matter of three years our federal appropriation was reduced by 47%. As IAIA struggles during one of the most critical periods in it's 36 year history, survival is dependent on the ability to face this challenge. IAIA has met the challenge, and is optimistic about its future.

IAIA's internal community, students, faculty, staff, and its external community: alumni, donors and tribes remain committed to IAIA, its mission and its vision. IAIA's alumni have been and continue to be the leading voices of the contemporary Indian art movement. The IAIA has nurtured a spirit of innovation in thousands of young artists. Because of the commitment to the mission of IAIA and the belief in the importance of providing a quality education to aspiring native artists, as well as non-natives, IAIA has made great strides in meeting its challenges.

IAIA's new leadership, and success in restoring its programs to fully-accredited status with its two accrediting associations, has contributed strongly to the Institute's renewed support from the Tribes and public.

The Institute is currently developing plans to expand its culture and arts curriculum to include Certificate, A.A.S. and eventually B.F.A. programs in art product design and marketing. The programs are intended to strengthen local Tribal economies by providing their artists and craftsmen with the vocational and marketing skills needed to insure that individual members can make a living from their craft, and that Tribes can build on these artist's expertise to develop successful on-site enterprises.

IAIA's current accomplishments include:

- Increase in enrollment
- Renewed accreditation for 5 years
- Implementation of a 5-year academic plan
- Implementation of a 5-year business plan
- Renewal of funding from the W. K. Kellogg Foundation Grant
- Renewal of funding from the Ford Foundation in implementing the Working Capital Fund Grant
- Implementation of a partnership bridge program with New Mexico State University. The program provides for IAIA graduates to pursue a bachelors degree after leaving IAIA. It provides for faculty exchanges.
- Receipt of a Lila Wallace Reader's Digest Grant to plan a community arts partnership with the Albuquerque and Denver Indian Centers focusing on developing artists through art and identity
- Begun an Outreach Program involving two projects, Arts & Material Culture (AMC) and Weaving & Fiber Arts (WFA), whose ultimate goal is to assist Tribal communities in New Mexico in reviving and strengthening their traditional art forms. This will be accomplished through workshops on campus and at the Tribal site which will provide expertise in marketing traditional art products as a Tribal enterprise.

IAIA has announced a major development effort which has been deemed IAIA's Campaign for the New Millennium. The IAIA Board of Trustees is reorganizing the college's development function by enlisting the support of top professionals in fund-raising to lead the national campaign. The fund-raising team that has been assembled will enable IAIA to raise the dollars needed to support student scholarships, increase its endowment and build the new campus. This challenging fund raising initiative will secure the future of the Institute.

The budget request for fiscal year 2000 remains at the current level of funding for FY'98, \$4.25 million. With this level funding providing its operating base, IAIA will continue to solicit funds from private sources so that planned expansions and improvements will be privately funded. This is in keeping with our move to become a public/private partnership. Continued investment of federal resources in the Institute of American Indian Arts will not only sustain the school but it will promote the continuance of quality Indian Art produced by native artists and also the preservation and promotion of Indian Arts and Culture and ensure its place in the history of this Nation.

The Fiscal Year 2000 budget requests continued Federal support for operations of \$4.25 million, which sustains the level of appropriation of the previous year. This will allow us:

- to assure the continuance of the Institute during the next academic year;
- to seek private funding solicitation in FY '99;
- to provide the basis for continued educational programs which will meet accreditation standards;
- to operate the IAIA Museum which houses the "National Collection of Contemporary Indian Art" and serves as a teaching museum and provides public programming in native arts and culture; and
- to fulfill the Federal responsibility to Indian students, tribes and nations.

Request for Federal Matching Funds

A special gift of 140 acres of land south of Santa Fe has been privately donated to build a new campus. IAIA is currently housed in substandard quarters, built a half century ago as a temporary war hospital. Our current facilities hamper our ability to expand academic opportunities which limits student enrollment. Historically, American Indians and Alaska Natives have created communities in harmony with nature. In developing a new campus IAIA will encompass the spirit and vision of American Indian and Alaska Native peoples. Plans have been developed to construct the new campus and funds are being raised to cover the cost of construction. As IAIA moves forward on the construction of the new campus, we realize the project will have to be completed in phases based on the funds that are available. Phase One of the construction will start in 1999 with a spring ground breaking with an anticipated completion in the summer of the year 2000. Phase One will include student housing, administration building and the academic/studio building. Although resources are being raised for Phase One, we still need funding for the administration building which has a projected cost of \$4.0 million. IAIA is requesting \$2.0 million be added to our FY 2000 federal budget request as matching funds for the construction of the administration building. The \$2.0 million would be matched dollar for dollar to be raised from private funds.

The new campus administration building will be approximately 32,000 square feet housing the follow:

- Library / Educational Research Center
- Student Cafeteria / Dining Room with Kitchen
- Student Classrooms
- Lecture Hall
- Conference Room
- Administrative Office Space

IAIA is requesting \$2.0 million be added to the Fiscal Year 2000 budget to be matched dollar for dollar to be raised from private funds for the construction of the administration building on our new campus.

Summary of Total Fiscal Year 2000 Request

The total Fiscal Year 2000 Federal Budget Request for continued operating support and matching funds for construction of the administration building are as follows:

Fiscal Year 2000 Continued Operating Support	\$ 4.25 million
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Fiscal Year 2000 Dollar for Dollar Matching Funds	\$ 2.0 million
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Total Request of Fiscal Year 2000	\$ 6.25 million
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GENERAL BACKGROUND ON IAIA

Federally chartered by PL 99-498, as amended, IAIA exists as testimony to the fact that "Indian art and culture ...have contributed greatly to the artistic and cultural richness of the Nation." (20 USC 4401, SEC. 1502.1). and that consequently, "it is appropriate and necessary for the federal government to support research and scholarship in Indian art and culture...for the advancement of such art and culture..." (20 USC 4401, SEC. 1502.5). IAIA operates under the direction and control of a Board of Trustees (Board) appointed by the President and confirmed by the Senate.

IAIA is accredited by the North Central Association of Colleges and Schools and the National Association of Schools of Art and Design. This past spring IAIA underwent a comprehensive reaccreditation visit which resulted in our accreditation being extended to the year 2003. The IAIA has just completed celebrating activities of its 36th Anniversary since its inception in 1962. The IAIA is looking forward to promising future based upon utilizing opportunities to rebuild and strengthen this important institution.

PLANNING

During the last fiscal year, IAIA has made significant strides in program development and strategic business planning. Toward strategic business planning, IAIA developed a five-year business plan with the assistance of funding from the Ford Foundation's Working Capital Fund for Minority Cultural Institutions (WCF). This unique grant represented a tremendous public affirmation of the IAIA's mission and strategies. IAIA has already used its completed business plan to great advantage to secure a second grant from the Ford Foundation.

Our business plan provides the structure for IAIA to stabilize its operations in order to become a viable and sustainable center of Native American higher education. Each functional area of IAIA has defined goals, strategies and outcomes with attendant time lines which will guide the execution of the plan. Focusing on enrollment management and revenue diversification, the IAIA has been awarded a second grant to provide funding for:

- aggressive recruitment efforts
- distance learning initiatives
- community based outreach programs
- increased revenue from educational product and service sale
- fund-raising

Academic Programs

Toward program development the entire faculty under the direction of the Dean designed a five-year academic plan. This plan, endorsed by the Board, will serve as a guide for the future academic direction of IAIA. By the year 2002, IAIA will be a four-year college of arts and design accredited not only by the NCA, but also by the National Association of Schools of Art and Design to offer BA and B.F.A. degrees. Toward this end, IAIA plans to add courses in applied arts, such as fashion and furniture design, and business courses focusing on merchandising, the artist as entrepreneur, and tribal economic development.

Library

The Institutes' Library houses the Computer Lab, the Learning Resource Center, and the book collections, and the photographic archives. The collection and computer resources are readily available to students, faculty, staff and national researchers. Access to the World Wide Web provides expanded resources, such as information on Native American tribes, indigenous cultures around the world and the arts. Additionally, students are able to correspond with other tribal college students, friends and family. The library's collection is available locally and internationally via the online catalog on our Web site. With our resources and technology we are ready to offer courses globally via Internet.

Museum

The IAIA Museum has a dual purpose. Not only does it serve as a resource, research and training facility for faculty and students (its educational purpose), but it also defines contemporary Indian artistry - through its exhibits and programs - for the broader public (its presentation purpose). The 5- year business plan provides strategies for the museum to realize its potential as the nation's only Indian-run institution that curates/exhibits a national collection of Indian art while continuing to support and add value to IAIA's academic program. Once these strategies have been accomplished, joint strategies will be developed between the museum and the academic faculty to further enhance IAIA's academic curriculum.

Enrollment Management

The Institute's primary mission is to enhance the knowledge and understanding of the Cultural traditions of American Indians, Alaska Natives and the general public with a special focus on traditional and contemporary native art. The Admissions Office has initiated an aggressive enrollment and recruitment goal for the years 1999 through 2002. We are projecting 300 students, our highest enrollment by the year 2002. Under the Institute's Business Plan and with the assistance from the Working Capital Fund, Enrollment Management will be strengthening student recruitment, creating recruitment information on the Internet through our web-site targeting the Institute's market, developing and implementing a 3-5 year enrollment plan to increase student enrollment and upgrade the outdated automated information and student management systems.

A combination of current and a majority of prospective IAIA students come from low-income families who are unable to meet the cost of higher education. In a recent census poll, it shows that 31 % of American Indian/Alaska Natives fall below the poverty level which is nearly twice the national average. Currently, about 80% of the students enrolled are receiving some form of financial assistance including IAIA scholarships. A majority of the students attending IAIA will fall short of having sufficient resources to be able to graduate. Efforts are being initiated to raise scholarship funds from foundations, corporations and the private sector to meet the unmet financial need of the students.

Student Life Center

The function of the Center is to assist in the student's academic, social, personal and cultural growth. The Center provides direction and coordination for all areas related to student life including:

- Associated Student Government
- Counseling
- Housing
- Student Enrichment
- Activities and Recreation

The Center accomplishes its mission through a predominantly American Indian and Alaska Native staff to maintain a supportive cultural atmosphere. The staff provides a wide range of services, advising, counseling, the residential hall management, encouraging student involvement in organizations, and providing numerous wellness and recreational activities.

New Campus

IAIA continues to make great strides on the new campus development. IAIA is proceeding on the new campus development with a \$17 million budget and a completion scheduled for the summer of the year 2000. At this time we have \$9 million of the \$17 million budgeted cost which leaves \$8 million remaining to be raised. The first phase for development addresses the current goals, objectives and directions of IAIA while considering the funds in place for development and the urgency to operate in their own facilities on their site for the new campus.

IAIA contracted the services of Weller Architects a Native American architectural firm located in Albuquerque, NM, to design the first phase of the new campus. Lou Weller is a member of the Native American Design Collaborative that designed the Smithsonian's Cultural Resource Center for the Museum of the American Indian. Weller Architects just completed the Design Development Phase of the new campus development, and will soon begin the Construction Documents Phase. The first phase as programmed and designed includes classrooms, art studios, faculty administrative spaces, and student housing.

In addition to the design of the site and facilities, IAIA continues its efforts to complete the installation of off-site utilities. Natural gas and electric power is scheduled to be installed to the site by the end of the year. Currently IAIA is planning to become a customer of a new waste water treatment plant currently being developed and scheduled to be operational the summer of 1998.

DEVELOPMENT

IAIA's Board of Trustees, faculty and staff have recommitted themselves to the survival of the Institute with a renewed focus on education and enrollment and the Phase I construction of the new campus to be completed in 2000. This has given development office the direction needed to begin planning major fund-raising efforts, and the following priorities have been established:

IAIA Scholarship funds: Scholarship funds must be available so that Native students can receive IAIA scholarships. A scholarship endowment fund of \$500,000 currently exists. Meeting the short term need for scholarships AND the long term goal of increasing the scholarship endowment fund is the challenge. Raising scholarship funds will be an early focus of the National Fund-raising Campaign and will include funds for scholarships in 1999 and 2000 as well as for a Scholarship Endowment Fund.

Increased government and foundation grants:

While IAIA has received some significant grants such as the Kellogg Foundation \$1.5 million award, there are additional opportunities to receive funds from both government and foundations to support the development of specific programs and activities. The most important time for this to occur is during the next 18 months. Therefore, significant increases are projected during that time, with percentage increases diminishing over the next four years.

General IAIA endowment

IAIA must begin to seriously build its unrestricted endowment. With government funding at its current level, interest income from the endowment must be used sparingly to allow as much growth as fast as possible. In addition, IAIA must actively begin to raise major dollars for the endowment. A national fund raising effort is being launched to raise funds for an operating endowment, a scholarship endowment, and to complete the new campus. The goal for Phase I of this campaign is to raise \$30 million over the next five years.

Capital campaign for Phase 2 of new campus

Phase I of new campus construction is only the beginning. The entire plan is estimated to cost approximately \$17 million. A campaign will be developed to raise the additional \$8 million needed over the next five years.

IAIA FUNDING HISTORY

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

REVENUE TREND LINE

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	Budgeted <u>1998</u>
REVENUES						
Federal Appropriation	7,462,000	13,713,000	11,913,000	5,500,000	5,500,000	4,250,000
Other Support and Earned Revenue	<u>2,582,532</u>	<u>4,351,277</u>	<u>4,712,587</u>	<u>4,219,700</u>	<u>3,102,238</u>	<u>1,710,820</u>
Total Revenue	10,044,532	18,064,277	16,625,587	9,719,700	8,602,238	5,951,820

5-YEAR FINANCIAL PROJECTIONS

As part of the 5-year business plan the Institute developed income and expense projections for Fiscal years 1999 through 2003. The summarized projections are included under the supplemental section, page 2.

**INSTITUTE OF AMERICAN INDIAN ARTS
APPROPRIATION REQUEST FISCAL YEAR 2000**

SUMMARY TABLE

	FY 1999 Appropriation Request	Changes	FY 2000 Appropriation Request
Ctr. For Arts & Cultural Studies	\$1,176,421	\$ -45,642	\$ 1,130,779
Museum	468,766	16,623	485,389
Student Life	402,212	24,000	426,212
Enrollment Management	343,564	18,500	362,064
Facility Operations	789,885	-19,863	770,022
Administrative Services	434,000	-16,858	417,142
Development	293,500	12,623	306,123
Office of the President	154,152	8,617	162,769
Board of Trustees	187,500	2,000	189,500
Operations Supported by Appropriation	<u>\$4,250,000</u>	<u>\$ 0</u>	<u>\$4,250,000</u>

*Despite a 23% reduction in the federal appropriations for 1998, programs have been maintained through fund-raising and earned revenue without cutting faculty and staff.

Justification of Program and Funding Request

Activity: CENTER FOR ARTS AND CULTURAL STUDIES
 Sub-Activity: ACADEMIC PROGRAMS AND LIBRARY

Academic Programs:

The Academic Center provides Associate of Arts and Associate of Fine Arts degree programs in the Cultural Studies, Creative Writing, Museum Studies, and the Visual Arts. The Center is the focus of the Institute's 5-year academic plan to offer a baccalaureate-level curriculum, continuing education, tribal outreach, and in-house INTERNET, web, and satellite technologies in support of its multi-tribal distance-learning system.

Library:

The Institutes Library houses the Computer lab, the Learning Resource Center, and the book collections, and the photographic archives. The collection and computer resources are readily available to students, faculty, staff and national researchers. The library's collection is available locally and internationally via the online catalog on our Web site. The collection of books, videos, music, periodicals, and interactive multimedia support individual learning by providing information in a variety of formats.

Base program (\$1,176,421)

The base program includes the cost of faculty and staff salaries and equipment and supplies for operations of the academic and library programs.

Changes from FY 1999 (\$- 45,642)

Changes for fiscal year 2000 reflect a shift in operating costs for the distance learning program and the community-based outreach programs to revenues generated from continuing education and other outside sources. A positive return for this investment is planned in fiscal year 2000. Some of the savings will be offset by increases which include a 2.5% cost of living adjustment.

Justification of Program and Funding Request

Activity: CENTER FOR ARTS AND CULTURAL STUDIES
 Sub-Activity: MUSEUM

The IAIA museum is home to The National Collection of Contemporary Indian Art, a collection of over 7,000 pieces, the largest curated by Native Americans. Its archives contain over 40,000 slides, 30,000 black and white photos, 700 videos, 11,000 monograph titles and 350 audio cassettes, all covering contemporary and traditional Indian art and culture. The museum serves an important function in the academic programs offered by IAIA. It's facilities and collections provide hands on training for students, provide an outlet to showcase exemplary work and provide ongoing connections with alumni. It also gives the Institute a highly visible venue for public relations efforts.

Base program (\$468,766)

The base program includes the cost of staff and students salaries; collection and exhibit cost; museum educational outreach programs; and security, maintenance and repairs for the museum building.

Changes from FY 1999 (\$ 16,623)

The change for FY 2000 for the IAIA Museum will partially support the production of the Museum's Millennium Exhibition. The exhibit is a two-year show that will be presented in the IAIA Museum's galleries. A publication will accompany the show and the Museum plans to travel the show to other major venues beginning in the year 2002.

Justification of Program and Funding Request

Activity: STUDENT LIFE
 Sub-Activity: STUDENT SERVICES, COUNSELING AND HOUSING

The Director of Student Life is responsible for student counseling and guidance, extracurricular student activities, and student housing. The Institute contracts with the College of Santa Fe to provide on-campus dormitory housing and meals for up to 100 students. Institute dorm personnel, who are predominately Native American, provide a wide range of student assistance programs including the encouragement of student involvement in organizations and recreational activities.

Base program (\$ 402,212)

The base program includes salaries and wages for staff and student workers; supplies and printing for newsletters; repairs and upkeep for the dormitory; and cost for activities

Changes from FY 1999 (\$ +24,000)

Changes for fiscal year 2000 reflect an aggressive increase in student enrollment, the Student Life Center will increase staff with two (2) part-time positions. A Student Counselor and Student Housing Director will be necessary based on enrollment and an increase in residential students. There is a planned 2.5% cost of living adjustment.

Justification of Program and Funding Request

Activity: OFFICE OF ENROLLMENT MANAGEMENT
 Sub-Activity: RECRUITMENT, RECORDS AND FINANCIAL AID

The Office of Enrollment Management encompasses the offices of Admissions, Registrar and Financial Aid. Admissions is responsible for student recruitment, printing recruitment materials and admitting students to the Institute from the 540 federally- recognized tribes nation-wide. The Office of the Registrar maintains and safeguards student records, develops and implements student degree plans and handles registration. The Office of Financial Aid performs the task of obtaining and awarding financial aid to enrolled IAIA students each academic year, half of whom are considered to fall below the poverty level. The retention rate for first-year students is well above 70%, which is above the national average.

Base program (\$ 343,564)

Funds are used for staff salaries, recruitment, supplies, equipment, and for staff development. Recruitment programs include travel, mailing out information, advertisement in Indian country periodicals, printing of recruitment material and the school catalog. Program information is shared with prospective students in 32 states, high schools and colleges with significant Indian populations. The IAIA Annual College Career Fair set-up for prospective students to cover program planning and travel expenses to transport students from the local schools and Pueblo communities.

Changes from FY 1999 (\$ +18,500)

Changes for FY 2000 reflect an increase in printing of the school catalog, brochures, posters, view books and financial aid information. Printing costs in FY 1998 were supported by the Working Capital Fund for Minority Cultural Institution a one time grant. The Admissions Office will purchase names of high school students as part of its recruitment effort to generate an increase in student enrollment.

The office anticipates an increase in its visitation and communication with local high schools and tribal communities as committees begin program planning to implement the Annual College Career fair for prospective students. This will require a van rental to transport students, parents, counselors and students from the Pueblo communities for campus visitation and recruitment travel.

Justification of Program and Funding Request

Activity: FACILITY OPERATIONS
 Sub-Activity: PLANT MANAGEMENT

Facilities Operations is responsible for the maintenance and safeguarding of all campus buildings and equipment. The department is also responsible for campus planning and maintaining computer services as well as for telephone, utility and vehicle operations.

Base program (\$ 703,061)

The base program includes rent payments to the College of Santa Fe for the lease of classroom and office space; and salaries; janitorial, security, repairs and utility cost.

Changes from FY 1999 (\$ -24,868)

Changes for fiscal year 2000 reflect a decrease in operating staff by contracting for services. Services contracts were reduced and rebid with savings while there were slight increases projected in janitorial services for students, faculty and staff. Increases in other areas costs will be offset by a projected increase tuition revenue.

Activity: FACILITY OPERATIONS
 Sub-Activity: SYSTEMS MANAGEMENT

Base program (\$ 86,824)

The base program includes cost for salaries, contract support services, software licenses, and maintenance for systems' hardware.

Changes from FY 1999 (\$+ 5,005)

Changes for fiscal year 2000 reflect increases in customer support services as we continuously improve system performance while our customer base increases. We will complete Year 2000 compliance modifications along with other new initiatives.

Justification of Program and Funding Request

Activity: ADMINISTRATIVE SERVICES
 Sub-Activity: FINANCE

The Financial Services Department performs accounting, procurement, cash management, budgeting, and reporting functions for the Institute. This department is responsible for managing the procurement and purchasing activities of the Institute in accordance with established policy and the approved budget. The department also prepares and compiles financial information for management, the Board of Trustees, auditors, funding agencies and Congress

Base program (\$ 335,000)

The base program includes salaries for staff, maintenance of the automated systems, supplies, printing, and services.

Changes from FY 1999 (\$ -1,858)

Changes for fiscal year 2000 reflect increase in the cost for supplies and contract services are more than off-set by the decrease in staffing cost by combining position and responsibilities. Other increases include a 2.5% cost of living adjustment

Activity: ADMINISTRATIVE SERVICES
 Sub-Activity: PERSONNEL

The personnel Department is responsible for the recruiting of staff and faculty, review and revision of personnel policies and procedures, administration of employee benefits, training and the enforcement of Federal, State and Institute mandates

Base program (\$ 99,000)

The base program includes salaries, printing of handbooks, and advertising and travel for personnel searches

Changes from FY 1999 (\$ -15,000)

Changes for fiscal year 2000 reflect a reduction in staffing and personnel search costs. The reduction will be partially off-set by a 2.5% cost of living adjustment.

Justification of Program and Funding Request

Activity: DEVELOPMENT
Sub-Activity: FUND-RAISING, ALUMNI RELATIONS AND
PUBLICATIONS

The Development Office provides for the design and implementation of programs that address the short- and long-term goals of the fund raising efforts of the Institute. The emphasis for the current activities of the Department are capital fund-raising for the new campus in addition to fund-raising for scholarships, endowments, and operations.

Base program (\$ 293,500)

The funds used in this area support salaries, fund-raising programs, publications, donor cultivation and solicitation, operating supplies and materials, training and travel.

Changes from FY 1999 (\$ +12,623)

Changes for fiscal year 2000 reflect an slight increase in staffing and contract services that will aid in our National Fund-raising Campaign. Other increases will be off-set by revenues from private fund-raising.

Justification of Program and Funding Request

Activity: OFFICE OF THE PRESIDENT
Sub-Activity: EXECUTIVE OFFICE OF THE INSTITUTE AND PUBLIC
RELATIONS

The President of the Institute is appointed by the Board of Trustees and serves as the Chief Executive Officer of the Institute. This office is responsible for implementing institutional-wide goals and the formulation and execution of strategic planning initiatives in concert with Board policy. The President's support staff provides assistance for the Board of Trustees and preparation for its functions.

Base program (\$ 154,152)

The funds for this area covers salaries, professional services, supplies, materials, travel, and general costs which cannot be allocated elsewhere.

Changes from FY 1999 (\$ +8,617)

Changes for FY 2000 reflect increases due to moving key areas such as communication, planning, research and assessment under the Office of the President. There is a 2.5% cost of living adjustment that will be off-set by tuition revenue.

Justification of Program and Funding Request

Activity: BOARD OF TRUSTEES
 Sub-Activity: NONE

The Board of Trustees is composed of 13 voting members and six non-voting members. The voting members are appointed by the President of the United States, with the advice and consent of the United States Senate. The non-voting members include two members of the United States Senate, two members of the House of Representatives and two ex-officio members. The Board of Trustees is charged with the approval of policies, goals and objectives, all matters of governance, and programs for the Institute.

Base program (\$ 187,500)

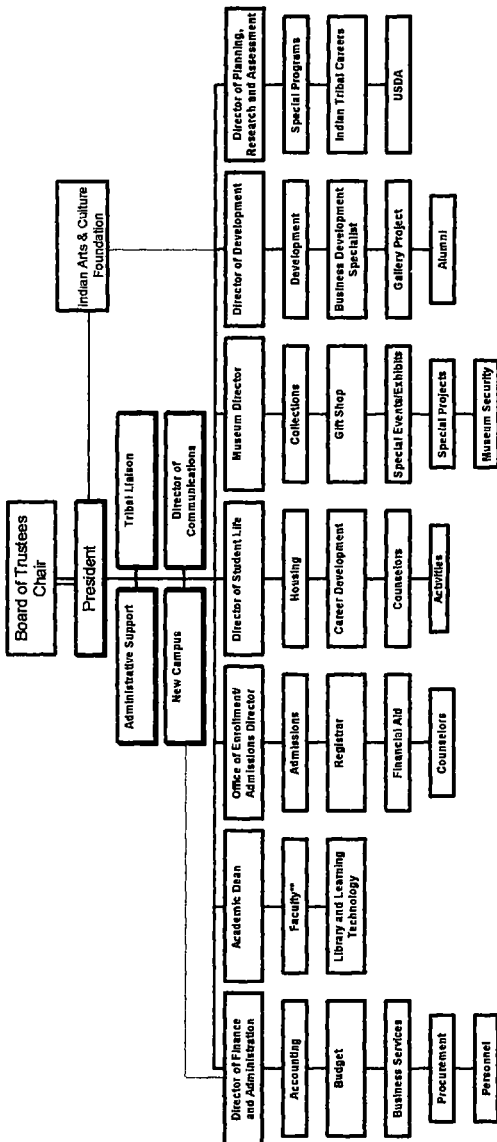
The funds for this office provide for audit and legal professional services, travel to Board of Trustee meetings, legislatively mandated stipends, transcription and recording of meeting minutes, and incidental expenses.

Changes from FY 1999 (\$ +2,000)

Changes for fiscal year 2000 reflect increase in contract legal costs and an increase in board meeting travel costs..

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT
Organization Chart By Function

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Legend: — Direct Reporting Responsibility
----- Coordination
** ANA Project Faculty

Note: Not all positions are funded with Federal appropriations.

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

PROJECTED INCOME AND EXPENSE TREND LINE

	Projected <u>1999</u>	Projected <u>2000</u>	Projected <u>2001</u>	Projected <u>2002</u>	Projected <u>2003</u>
REVENUES AND OTHER ADDITIONS					
Federal Appropriation	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
Other Support and Earned Revenue	3,571,712	4,263,265	4,482,765	4,758,694	5,273,263
Total Revenue and Other Additions	<u>7,821,712</u>	<u>8,513,265</u>	<u>8,732,765</u>	<u>9,008,694</u>	<u>9,523,263</u>
EXPENDITURES AND OTHER DEDUCTIONS					
Scholarships	558,144	775,200	930,240	930,240	1,085,280
Educational and General	4,507,199	4,494,920	4,678,517	4,908,516	5,188,396
Museum	1,281,621	1,321,621	1,336,621	1,341,621	1,346,621
Auxiliary Enterprises	751,491	575,911	594,187	610,404	627,075
Other Deductions	100,000	102,800	105,678	108,637	111,679
Depreciation	485,940	860,000	950,000	1,050,000	1,150,000
Total Expenditures and Other Deductions	<u>7,684,395</u>	<u>8,130,452</u>	<u>8,595,243</u>	<u>8,949,418</u>	<u>9,509,051</u>
Surplus/(Deficit)	<u>137,317</u>	<u>382,814</u>	<u>137,522</u>	<u>59,276</u>	<u>14,212</u>

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Source IAIA 5-Yr Business Plan

Smithsonian Institution

**Fiscal Year 2000
Budget Request to Congress**

February 1999

(339)

Smithsonian Institution
Fiscal Year 2000 Budget Request To Congress
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THE YEAR IN REVIEW

Near the end of the lengthy will he drafted in 1826, James Smithson wrote the sentence that embodied the idea of the United States' creating "an establishment dedicated to the increase and diffusion of Knowledge...." During the years that have followed, Mr. Smithson's idea has become the world's largest museum, education, and research complex, pre-eminent in astrophysics, tropical and environmental biology, the history of science, art history, aeronautics and space science, natural history, anthropology, and materials conservation.

The Smithsonian Institution, a name first formed in that same sentence, today includes 16 museums and galleries and the National Zoological Park that were visited over 30 million times this past year. Its traveling exhibitions and homepage—www.si.edu—have attracted millions more visitors through their gateways to new worlds of information transmission and sharing.

The collections that form the basis for the knowledge that Mr. Smithson sought to increase and diffuse contain about 141 million objects, works of art, and specimens from nature, 122 million of which are in the National Museum of Natural History. The Smithsonian conducts research in its museums, at specialized facilities in eight states and the Republic of Panama, and at field sites around the world.

The most familiar products of Smithsonian research are its exhibitions. None better illustrate the fusion of research and education, of science and art, than the Janet Annenberg Hooker Hall of Geology, Gems and Minerals at the National Museum of Natural History. Featuring the Hope Diamond rotating in a specially designed case, the hall also includes galleries dedicated to plate tectonics, mining, the birth and evolution of our solar system, and rocks, complete with explanations of the effects of wind, water, heat, and internal pressure on their formation.

Another aspect of Institutional research is focused currently at the southern Arizona base camp of the Whipple Observatory, where the conversion of the Multiple Mirror Telescope is nearing completion. A single, 6.5-meter mirror, having more than double the light-gathering power of the six-mirror original and a field of view several hundred times larger, will be taken up Mount Hopkins early in February. With its first light expected in the late Spring, the telescope will keep scientists at the Smithsonian

Astrophysical Observatory in the forefront of optical and infrared astrophysical research well into the new century.

In the context of its research on the response of tropical forest systems to elevated levels of carbon dioxide and consequent global warming, the Smithsonian Tropical Research Institute has intensified its studies on the dynamic changes in forests in order to examine the impact upon these systems of the mega El Niño event of 1997 through 1998.

At the National Air and Space Museum, *Star Wars: The Magic of Myth*, commemorated the 20th anniversary of the *Star Wars* trilogy. Artwork, objects, and concept drawings presented original artifacts and scenes from each film and illustrated the influences of technology and classical mythology on the trilogy. A classic in its own time, *Star Wars* contributed greatly to the recent overall increase in Smithsonian visitation.

Over the course of the past year, visitors have been treated to a veritable banquet of other events. Among these has been the annual Folklife Festival that featured the State of Wisconsin, and the first in a series of concerts by the Smithsonian Jazz Masterworks Orchestra to mark this year's 100th anniversary of the birth of Duke Ellington. Also available has been an abundance of exhibitions, selections from which only begin to suggest the range—indeed, the ubiquity—of the Smithsonian:

Posters American Style, National Museum of American Art
George C. Marshall: A Soldier of Peace, National Portrait Gallery
Whistler and the Leylands, Freer Gallery of Art
George Segal, A Retrospective: Sculptures, Paintings, Drawings,
 Hirshhorn Museum & Sculpture Garden
Olowe of Ise: A Yoruba Sculptor to Kings, National Museum of
 African Art
The Jewels of Lalique, International Gallery
Our Town: Mural Art of the New Deal Era, National Postal Museum
Speak to My Heart, Anacostia Museum and Center for African
 American History and Culture at the Arts and Industries
 Building.
Great Cats Exhibit, National Zoological Park

The Star-Spangled Banner, the Institution's most venerable exhibit, attracted the largest corporate gift in Smithsonian history. The President and First Lady helped to celebrate that gift, which will assist in the long-

term care and preservation of the flag, and to honor its donor, New York designer Ralph Lauren.

The Kenneth E. Behring family of Danville, California, made the largest individual gift in Institutional history. Their generosity will support exhibitions, public programs, and related activities at the National Museum of Natural History.

A combination of appropriations and gifts has supported the four-year-long renovation of the Cooper-Hewitt, National Design Museum, and its stunning Design Resource Center that opened in June 1998. With its state-of-the-art environmental systems and storage equipment, the Center is a model for managing museum collections and making them more accessible to the public, while also maintaining the integrity of historic structures.

The Institution's outreach capabilities increased with the dedication this past year of the Smithsonian Environmental Research Center's (SERC) Philip D. Reed Education Center. This new facility allows SERC to expand its public offerings to regional school groups, to conduct workshops for teachers, to provide public lectures for interested citizens, and to expand innovative educational offerings to diverse constituencies, including citizens with disabilities.

The Institution's new affiliations program will be bringing the Smithsonian into localities all across America. In addition to Bethlehem, Pennsylvania, preliminary agreements relating to museum collections and exhibitions have been reached with organizations in San Antonio and Arlington, Texas; Bisbee and Scottsdale, Arizona; Miami, Florida; Long Beach, San Jose, and Oakland, California; Providence, Rhode Island; St. Louis, Missouri; Memphis, Tennessee; San Juan, Puerto Rico; and Washington DC.

To become part of communities around the world, the Smithsonian in all of its parts is continuing to move objects, databases, research and collections information, virtual exhibitions, lesson plans, and visitor services to the Internet. The astonishing acceleration of its use promises fulfillment of the global mandate expressed in the single sentence that Mr. Smithson wrote in 1826.

**SMITHSONIAN INSTITUTION
FY 2000 BUDGET REQUEST**

<i>Account</i>	<i>FY 1999 Appropriation</i>	<i>FY 2000 Request</i>
Salaries and Expenses	¹ \$351,854,000	\$380,501,000
Repair, Restoration and Alterations	44,400,000	² 47,900,000
Construction	<u>16,000,000</u>	<u>19,000,000</u>
	\$412,254,000	\$447,401,000

¹FY 1999 Salaries and Expenses includes \$4,700,000 emergency supplemental appropriation to replace non-Y2K-compliant components of the Smithsonian Institution Proprietary Security System.

²The FY 2000 request also includes \$17 million to become available October 1, 2000, \$17 million to become available on October 1, 2001, and \$18 million to become available on October 1, 2002, to complete the renovation of the American Art and Portrait Gallery (Patent Office Building).

The Smithsonian's FY 2000 budget request is based on the Institution's strategic plan, which is included in the Appendix, and its FY 2000 performance plan, which follows this section. Consistency between the Smithsonian's budget request and its mission, goals, strategies, and measures is the most effective way of ensuring that anticipated results are met.

For FY 2000, the Smithsonian's request for all operating and capital accounts totals \$447.4 million, an increase of \$35.1 million above the FY 1999 appropriation. The Institution has included in its request the consolidation of its capital accounts. This merges the Construction and Improvements, National Zoological Park account with the Repair and Restoration and Construction accounts, and moves the Minor Construction, Alterations, and Modifications and Planning elements of the Construction account to the Repair and Restoration account. This consolidation unifies all repair and restoration activities in a single account and accomplishes the same with construction activities.

With the consolidated accounts, the Institution's FY 2000 request includes \$380.5 million for Salaries and Expenses, \$47.9 million for Repair, Restoration, and Alteration of Facilities, and \$19.0 million for Construction. A detailed summary of the request is provided in the table at the end of this section.

SALARIES AND EXPENSES - The Salaries and Expenses (S&E) request includes \$19.4 million in mandatory increases to sustain daily operations of the Institution. These increases are for additional costs associated with necessary pay, the conversion of Civil Service Retirement System employees to the Federal Employees Retirement System, utilities and communications, rental space, and implementation of requirements of the Panama Canal Treaty. These increases are beyond the Institution's control and account for approximately 58 percent of the total S&E increase requested for FY 2000.

In addition, the Smithsonian has identified priority program requirements for FY 2000 as follows:

Collections preparation – Dulles Center (\$2,000,000) - to prepare artifacts for relocation from the Garber facility to the Dulles Center of the National Air and Space Museum.

National Museum of the American Indian (\$5,000,000) - to support operations at the Cultural Resources Center (CRC); the CRC move from New York City to Suitland, Maryland, and requirements associated with the opening in 2002 of the Mall Museum, including Mall exhibits development.

Collections Information Access (\$5,000,000) - to support the electronic capture, storage of, and access to collections in the museums, archives, and libraries, including photography, digitization, and enrichment of data.

Modernization of the Institution's security system (\$2,000,000) - to replace the outdated, automated Smithsonian Institution Proprietary Security System, including engineering support, training, installation, testing, and documentation.

Specific details of each requirement are provided in the Salaries and Expenses section of this request.

CAPITAL PROGRAM - The request for Repair, Restoration and Alteration of Facilities (\$47.9 million) will help achieve a balance between correcting the unacceptable condition of four of the oldest buildings at the Smithsonian and maintaining the current condition of other Institutional facilities through systematic renewal and repair. For FY 2000, this request includes the National Zoological Park and National Museum of American Art/National Portrait Gallery renovations, as well as repair, restoration, and alteration of

other facilities. This request also includes \$17 million to become available October 1, 2000, \$17 million to become available on October 1, 2001, and \$18 million to become available on October 1, 2002, to complete the renovation of the American Art and Portrait Gallery (Patent Office Building).

The Smithsonian's Construction request (\$19.0 million) includes the final increment of funding for the Mall Museum of the National Museum of the American Indian.

Specific details of each requirement are provided in the Capital Program section of this request.

**SMITHSONIAN INSTITUTION FY 2000 BUDGET REQUEST
BY APPROPRIATION ACCOUNT**

	New Positions	
SALARIES AND EXPENSES		
FY 1999 Congressional Appropriation		\$351,854,000
FY 2000 Changes		
<i>Non-recurring Costs</i>		
Workers' Compensation		-82,000
FY 1999 Emergency Supplemental Appropriation for the non-Y2K-compliant portions of Security System		-4,700,000
<i>Mandatory Increases for Sustaining Base Operations</i>		
Necessary Pay and Benefits		
• Annualization of FY 1999 Pay Raises		3,303,000
• Proposed FY 2000 Pay Raises		7,806,000
• Retirement System Conversion		210,000
Utilities, Communications and Postage		4,527,000
Rental Space		2,664,000
Panama Canal Treaty Implementation		919,000
<i>Program Changes</i>		
Collections Preparation - Dulles Center	14	2,000,000
National Museum of the American Indian	11	5,000,000
Collections Information Access		5,000,000
Security System Modernization		2,000,000
FY 2000 Salaries and Expenses Request	25	\$380,501,000
REPAIR, RESTORATION AND ALTERATION OF FACILITIES		
National Zoological Park (Including A&M)		6,000,000
National Museum of American Art/National Portrait Gallery (Patent Office Building)		8,000,000
All Other and A&M		33,900,000
FY 2000 Repair, Restoration and Alteration Request		\$ 47,900,000
CONSTRUCTION		
National Museum of the American Indian Mall Museum		19,000,000
FY 2000 Construction Request		\$ 19,000,000
FY 2000 REQUEST, ALL ACCOUNTS	25	\$447,401,000

INTRODUCTION TO THE FY 2000 PERFORMANCE PLAN

The Institution has a five-year strategic plan and associated performance plans for FY 1999 and FY 2000 that are consistent with the guidelines of the Government Performance and Results Act of 1993. The strategic plan builds on the mission of the Smithsonian, established for the increase and diffusion of knowledge, by setting three goals:

- **increase knowledge** through research activities and use of Smithsonian collections
- **diffuse knowledge** through exhibitions, publications, programs, electronic communications, and affiliations and through improvements in education and museum training opportunities
- **support increased knowledge and diffusion** through improvements in finance, management, and physical infrastructure

The FY 2000 performance plan includes seven goals that are tied directly to programs: research and collections management; education, public programs and exhibitions; administration; and facilities and security. Each of the performance goals is also directly related to the strategic goals and objectives of the Institution. A copy of the strategic plan is included in the Appendix.

The goals cited in the FY 2000 performance plan reflect specific activities in which the Institution and its units will engage during FY 2000 in order to progress toward achieving the Institution's strategic goals. The measures and milestones included in the plan will enable the Smithsonian to gauge its progress during FY 2000 in reaching its strategic goals, and will also provide important information about whether strategic goals need to be adjusted in future years. Performance measured against the goals and targets for FY 2000 will be reviewed by Smithsonian management at the end of the fiscal year, and results will be reported to OMB and the Congress.

As the process matures, it is anticipated that the annual performance plan will serve two critical purposes. First, as a tool to assess performance and progress in key areas, it will enable Smithsonian managers to make strategic and operational decisions based on accurate and relevant data. Second, it will enable the Institution to communicate to the public, the

Executive Branch, and Congress the results and achievements of the Smithsonian's programmatic efforts in support of its mission.

The following section outlines goals and strategies for performance in FY 2000, as well as measures to assess the Institution's success. Also provided is an update of FY 1999 strategies and inclusion of funding sources to identify the nature of the public/private partnership.

February 1999

SMITHSONIAN INSTITUTION PERFORMANCE PLAN FISCAL YEAR 2000

I. Research and Collections Management

Goal #1: Maintain and enhance research

<i>Strategy</i>	<i>Measure for FY 1999</i>	<i>Measure for FY 2000</i>	<i>Source of Funding</i>
<i>Enhance Scientific Instrumentation</i> Continue to work toward full operational status of the submillimeter telescope array	At least two antennas of the array fully operational on Mauna Kea (SAO)	Obtain first scientific results	Federal & Trust

Actions Management (continued)					
Goal	nd enhance research (continued)		Measure for FY 1999	Measure for FY 2000	Source of Funding
Capitalize Conserve					
Enhance conservation	in multi-unit by:				
-- developing research program on causes, patterns, and effects of alien invasive species			Create database on alien invasive species in three regions of U.S. coastal ecosystems; develop methods to coordinate marine invasive species data within patterns of ballast water delivery (SERC)		Trust
-- developing research program on ecological changes and impacts of El Niño and La Niña in marine ecosystems			Establish key research sites comparing impacts in Caribbean and east Pacific (STRI)		Federal & Trust

I. Research and Collections Management (continued)

Goal #2: Provide improved access to collections, including expanded use of electronic technology

Strategy	Measure for FY 1999		Measure for FY 2000	Source of Funding
	Baseline as of 10/1/98	Target for FY 1999	Target for FY 2000	
Increase the amount and availability of automated collection records	5,800,000 records in automated information systems	6,300,000 records in integrated automated information systems	6,900,000 collection records in integrated automated information systems	Federal & Trust
Increase the number of digitized images of collection objects online	74,000 digitized images online	300,000 digitized images online	1,400,000 digitized images online	Federal & Trust

I. Research and Collections Management (continued)

Goal #3: Provide effective collections care, including improved storage

Strategy	Measure for FY 1999		Measure for FY 2000		Source of Funding
	Baseline as of 10/1/98	Target for FY 1999	Target for FY 2000		
Move collections items into improved and more accessible storage	65% of move completed (Museum Support Center)	73% of move completed (Museum Support Center)	81% of move completed (Museum Support Center)	Federal	Federal
		Issue first phase of move contract; prepare, pack, and transport collection (American Indian, Cultural Resources Center)	Move 74,000 of collection from New York to Suitland (American Indian, Cultural Resources Center)	Federal	
		Equip conservation facility, de-install Star-spangled Banner and begin treatment (American History)	Complete 30% of flag conservation (American History)	Federal & Trust	

I. Research and Collections Management (continued)

Goal #3: Provide effective collections care, including improved storage (continued)

Strategy	Measure for FY 1999		Measure for FY 2000	Source of Funding
	Baseline as of 10/1/98	Target for FY 1999	Target for FY 2000	
Move collections items into improved and more accessible storage (continued)		Complete asbestos removal from objects in Building 17; begin building renovation (American History)	Complete building renovation and continue object verification (American History)	Federal
		Relocate insect collections (inspect, clean, stabilize, pack, and move to new location) (Natural History)	Complete 80% of move to East Court (Natural History)	Federal
			Categorize, preserve and prepare 30% of the large aircraft for the move from Suitland to Dulles (Air and Space)	Federal

II. Education, Public Programs and Exhibitions

Goal #1: *Provide new and updated exhibits that serve a wider audience*

<i>Strategy</i>	<i>Measure for FY 1999</i>	<i>Measure for FY 2000</i>	<i>Source of Funding</i>
Update or renew permanent exhibits	Install <i>On Time</i> . Fabricate and install <i>Mechanisms</i> (American History)	Install <i>American Legacies</i> exhibit in place of <i>Material World</i> (American History)	Federal & Trust
	Star-spangled Banner: Design new housing and display area for flag (American History)	Complete design and begin construction on new flag hall (American History)	Trust
		Fabricate and install new welcome center in Taylor Gallery (American History)	Trust
	Construct, fabricate and install new Hall of African History and Culture; upgrade two cases in North American Indian Hall (Natural History)	Plan to update existing exhibits, including FossilLab, exhibition on human origins, native peoples of the Arctic, Egyptian mummies, and Pacific Islands display (Natural History)	Federal & Trust

II. Education, Public Programs and Exhibitions (continued)

Goal #1: Provide new and updated exhibits that serve a wider audience (continued)

<i>Strategy</i>	<i>Measure for FY 1999</i>	<i>Measure for FY 2000</i>	<i>Source of Funding</i>
Achieve progress in making public exhibits accessible to all visitors	Provide alternative interpretation for locations where walkway slopes exceed 8.3%, such as Great Flight Cage, Valley Trail, and Australia Exhibit (NZP)	Have a full-service program in effect to accommodate visitors needing assistance on demand or by advance request (NZP)	Federal & Trust
	Improve labels and text by replacing, re-lighting, re-screening, or tilting as appropriate in up to two halls, including Emergence of Land Life and South America (Natural History)	Fully meet accessibility requirements in all new exhibit designs and installations (SI Wide)	Federal & Trust

II. Education, Public Programs and Exhibitions (continued)

Goal #1: Provide new and updated exhibits that serve a wider audience (continued)

<i>Strategy</i>	<i>Measure for FY 1999</i>	<i>Measure for FY 2000</i>	<i>Source of Funding</i>
Increase and diversify visitor audience	Measure number of SI exhibits developed and distributed which are aimed at reaching underserved audiences	Increase number of exhibitions throughout SI aimed at underserved audiences	Federal & Trust
		Increase by 20% the number of rural communities hosting exhibitions; increase by 30% the number of libraries, train depots, parks, malls and other locations that host traveling exhibits (SITES)	Federal & Trust
	Increase sampling the attendance of diverse audiences at specified exhibits	Continue to monitor attendance of diverse audiences to exhibits and programs	Federal & Trust

III. Administration

Goal #1: Improve the efficiency of Institution-wide administrative work processes

<i>Strategy</i>	<i>Measure for FY 1999</i>	<i>Measure for FY 2000</i>	<i>Source of Funding</i>
Increase the data available from and availability of systems and subsystems which are aimed at improving the efficiency of Smithsonian work processes	Implement spending plan modules for all fund sources in automated budget system	Evaluate the use of spending plan modules for all fund sources	Federal & Trust
	Develop Smithsonian Financial System reports for management use	Assess the extent to which financial system reports are used by and useful to management for decision making	Federal & Trust
		Define the requirements for a new and expanded administrative Management Information System	Federal & Trust
		Develop personnel reform policies that are responsive to the needs of the Institution	Federal & Trust

III. Administration (continued)

Goal #2: Seek opportunities to improve fundraising and increase revenues

Strategy	Measure for FY 1999	Measure for FY 2000	Source of Funding
Develop capital campaign	Develop the Case Statement based on museums, research institutes, and Institution-wide needs and priorities	Test umbrella case statement, develop museum/research case statements, develop gift tables of support by museum and research institute	Trust
	Develop campaign policies, prospect management, tracking and coordination, campaign gift counting, stewardship, and donor relations	Implement campaign volunteer structure, recruit and train volunteer leadership	Trust
	Implement a program for Institution-wide staff development to focus on major gift activity	Identify and evaluate prospects, execute marketing/communication strategy, solicit leadership gifts and Smithsonian staff/volunteers	Trust

IV. Facilities and Security (Salaries and Expenses Only)

Goal #1: Maintain, preserve and upgrade the quality, condition and security of existing facilities

Strategy	Measure for FY 1999		Measure for FY 2000		Source of Funding
	Baseline as of 10/1/98	Target for FY 1999	Target for FY 2000		
Continue planning and implementing the systematic renewal and repair of facilities to ensure all major buildings are within an acceptable performance range, as defined by the Building Research Board of the National Research Council	Two buildings below the acceptable level	No additional buildings fall below the acceptable level	No additional buildings fall below the acceptable level		Federal
Provide improved electronic security system	Develop and deliver written standards for system components Deliver master design plan Deliver acceptance procedures plan Deliver and accept card access master database, photo pass and ID system Achieve 60% Y2K Compliance		System Design (Mail Wide) 100% System construction and installation (Mail Wide) 50% Achieve 100% Y2K Compliance		Federal Federal Federal Federal Federal

**SMITHSONIAN INSTITUTION
SALARIES AND EXPENSES**

Summary of FY 2000 Change

FY 1999 Appropriation		\$347,154,000
FY 1999 Emergency Supplemental Appropriation		<u>4,700,000</u>
		\$351,854,000
FY 2000 Increases/Decreases:		
<i>Non-Recurring Costs -</i>		
FY 1999 Emergency Supplemental	(\$4,700,000)	
Workers' Compensation	<u>(82,000)</u>	
Total Non-Recurring Costs		(\$4,782,000)
<i>Mandatory Costs -</i>		
Necessary Pay	\$11,319,000	
Utilities, Communications and Postage	4,527,000	
Rental Space	2,664,000	
Panama Canal Treaty Implementation	<u>919,000</u>	
Total Mandatory Costs		\$19,429,000
<i>Program Increases -</i>		
Collections Preparation - Dulles Center	\$2,000,000	
National Museum of the American Indian	5,000,000	
Collections Information Access	5,000,000	
Security System Modernization	<u>2,000,000</u>	
Total Program Increases		\$14,000,000
FY 2000 Request		<u>\$380,501,000</u>

**SMITHSONIAN INSTITUTION
SALARIES AND EXPENSES
SUMMARY OF THE 1998 APPROPRIATION AND THE 1999 AND 2000 ESTIMATES**

Dollars in Thousands
FTE = Full-Time Equivalent

PAGE.#		FY 1998 ACTUAL /1		FY 1999 ESTIMATE /2		FY 2000 ESTIMATE		ANALYSIS OF CHANGE		
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Mandatory Costs	Program
MUSEUMS AND RESEARCH INSTITUTES										
34	Anacostia Museum and Center for African American History and Culture	24	1,784	25	1,822	25	1,880	0	58	0
36	Archives of American Art	24	1,540	24	1,619	24	1,685	0	66	0
40	Arthur M. Sackler Gallery/Freer Gallery of Art	77	5,751	77	5,851	77	6,064	0	213	0
43	Center for Folklife and Cultural Heritage	14	1,767	14	1,697	14	1,750	0	53	0
46	Cooper-Hewitt, National Design Museum	42	2,793	43	2,751	43	2,869	0	118	0
49	Hirshhorn Museum and Sculpture Garden	71	4,351	71	4,444	71	4,615	0	171	0
52	National Air and Space Museum	214	12,301	214	12,696	228	15,228	14	533	2,000
56	National Museum of African Art	54	4,009	54	4,143	54	4,253	0	110	0
59	National Museum of American Art	123	8,145	123	8,267	123	8,617	0	350	0
62	National Museum of American History	313	19,002	313	19,551	313	20,411	0	860	0
66	National Museum of the American Indian	177	13,236	224	16,832	235	22,090	11	458	5,000
73	National Museum of Natural History	577	40,752	582	41,224	582	42,807	0	1,583	0
77	National Portrait Gallery	85	5,288	85	5,406	85	5,618	0	212	0
80	National Zoological Park	317	19,163	317	19,664	317	20,463	0	799	0
83	Smithsonian Astrophysical Observatory	141	18,341	141	18,714	141	19,847	0	1,133	0
87	Smithsonian Center for Materials Research and Education	36	2,932	36	3,055	36	3,170	0	115	0
90	Smithsonian Environmental Research Center	45	3,093	45	3,097	45	3,204	0	107	0
93	Smithsonian Tropical Research Institute	175	8,635	176	8,921	176	10,173	0	1,252	0
Subtotal		2,509	172,884	2,564	179,553	2,589	194,744	25	8,191	7,000

**SMITHSONIAN INSTITUTION
SALARIES AND EXPENSES
SUMMARY OF THE 1998 APPROPRIATION AND THE 1999 AND 2000 ESTIMATES**

Dollars in Thousands
FTE = Full-Time Equivalent

PAGE #		FY 1998 ACTUAL /1		FY 1999 ESTIMATE /2		FY 2000 ESTIMATE		ANALYSIS OF CHANGE		
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Mandatory	Program
	PROGRAM SUPPORT AND OUTREACH									
96	Communications and Educational Programs	72	5,157	72	5,327	72	5,503	0	176	0
100	Institution-wide Programs	0	5,180	0	5,693	0	10,693	0	0	5,000
105	Office of Exhibits Central	40	2,175	40	2,218	40	2,319	0	101	0
107	Major Scientific Instrumentation	0	7,059	0	7,244	0	7,244	0	0	0
109	Museum Support Center	69	3,234	69	4,955	69	5,036	0	81	0
111	Smithsonian Institution Archives	24	1,331	24	1,373	24	1,443	0	70	0
113	Smithsonian Institution Libraries	107	6,816	109	7,086	109	7,330	0	244	0
116	Smithsonian Institution Traveling Exhibition Service	46	2,950	46	2,985	46	3,093	0	108	0
	Subtotal	368	33,902	360	36,881	360	42,661	0	780	5,000
25	ADMINISTRATION	385	32,589	383	33,498	383	34,619	0	1,121	0
	FACILITIES SERVICES									
121	Office of Protection Services /3	750	30,885	773	36,984	773	35,763	0	1,469	(2,700)
125	Office of Physical Plant	503	61,130	516	64,938	516	72,724	0	7,786	0
	Subtotal	1,253	92,015	1,289	101,922	1,289	108,477	0	9,255	(2,700)
	UNUSED ALLOCATED FTEs /4	(325)	0	(336)	0	(321)	0	0	0	0
	GRAND TOTAL	4,180	331,390	4,260	351,854	4,300	380,501	25	19,347	9,300

Notes:

- 1/ Reflects authorized FTEs.
- 2/ Total estimate includes FY 1999 appropriation (\$347,154 million) and FY 1999 Emergency Supplemental Appropriation (\$4.7 million). Distribution reflects reorganizations and permanent reprogrammings. (See "Adjustments to FY 1999 Funding" in the Appendix.)
- 3/ FY 1999 Estimate includes non-recurring funds of \$4.7 million from the FY 1999 Emergency Supplemental Appropriation.
- 4/ Reflects total actual and anticipated lapse of allocated workyears.

SALARIES AND EXPENSES

FY 1998 Appropriation	\$ 333,408,000
FY 1999 Appropriation ¹	\$ 351,854,000
FY 2000 Estimate	\$ 380,501,000

¹FY 1999 Salaries and Expenses includes \$4,700,000 emergency supplemental appropriation to replace non-Y2K-compliant components of the Smithsonian Institution Proprietary Security System.

This section provides specific details about the Institution's Salaries and Expenses budget request for FY 2000. Of the total increase requested, approximately 58 percent is attributable to mandatory costs for sustaining base operations and the remainder is for priority program requirements for critical ongoing projects within the Institution.

NON-RECURRING COSTS – Fiscal year 2000 non-recurring costs include \$82,000 for the return of funds associated with excess Workers' Compensation costs. The FY 1999 bill for the Institution's Federal portion (\$1,984,000) covers actual expenses incurred for the period July 1, 1997 through June 30, 1998. With \$2,066,000 in its base for Workers' Compensation, the Institution's FY 2000 request includes a reduction of \$82,000 in non-recurring costs.

Fiscal year 2000 non-recurring costs also include \$4.7 million associated with the FY 1999 Emergency Supplemental Appropriation for the non-Y2K-compliant portions of the Institution's security system.

MANDATORY INCREASES FOR SUSTAINING BASE OPERATIONS - This request includes funds for mandatory costs, as shown below.

Salary and Related Costs:

Annualization of FY 1999 Pay Raises	\$3,303,000
Proposed FY 2000 Pay Raises	7,806,000
Conversion from CSRS to FERS	<u>210,000</u>
Subtotal, Salary and Related Costs	\$11,319,000

Other Costs:

Utilities, Communications, and Postage	\$4,527,000
Rental Increases	2,664,000
Panama Canal Treaty Implementation	<u>919,000</u>
Subtotal, Other Costs	\$8,110,000

Total Mandatory Increases	<u>\$19,429,000</u>
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Salary and Related Costs - The Institution requests \$11,319,000 for higher projected salary and benefits costs in FY 2000 for staff as described below. A line-item display of the Necessary Pay components of these costs is also provided.

- ***Annualization of FY 1999 Pay Raises:*** \$3,303,000 to annualize the costs of the 3.68 percent January 1999 pay raise.
- ***Proposed FY 2000 Pay Raises:*** \$7,806,000 to fully fund the anticipated 4.4 percent January 2000 pay raise for three-quarters of a year.
- ***Conversion from Civil Service Retirement System (CSRS) to Federal Employees Retirement System (FERS):*** \$210,000 to cover the actual costs of converting CSRS participants to FERS as a result of the provisions of Section 642 of the Treasury and General Government Appropriations Act of 1998.

FY 2000 Necessary Pay Costs

(Dollars in Thousands)

LINE ITEM	FY 1999 Pay Raise	FY 2000 Pay Raise	CSRS/FERS Conversion	Total Necessary Pay
Anacostia Museum and Center for African American				
History and Culture	18	40	0	58
Archives of American Art	19	47	0	66
Arthur M. Sackler Gallery/Freer Gallery of Art	61	152	0	213
Center for Folklife and Cultural Heritage	16	37	0	53
Cooper-Hewitt, National Design Museum	40	78	0	118
Hirshhorn Museum and Sculpture Garden	48	114	9	171
National Air and Space Museum	152	381	0	533
National Museum of African Art	28	82	0	110
National Museum of American Art	101	232	17	350
National Museum of American History	255	592	13	860
National Museum of the American Indian	162	296	0	458
National Museum of Natural History	462	1,091	30	1,583
National Portrait Gallery	60	152	0	212
National Zoological Park	225	554	20	799
Smithsonian Astrophysical Observatory	159	384	0	543
Smithsonian Center for Materials Research and Education	34	81	0	115
Smithsonian Environmental Research Center	31	76	0	107
Smithsonian Tropical Research Institute	95	238	0	333
Communications and Educational Programs	50	126	0	176
Office of Exhibits Central	31	70	0	101
Museum Support Center	18	63	0	81
Smithsonian Institution Archives	19	43	8	70
Smithsonian Institution Libraries	73	171	0	244
Smithsonian Institution Traveling Exhibition Service	33	75	0	108
Administration	335	816	52	1,203
Office of Protection Services	448	1,000	21	1,469
Office of Physical Plant	330	815	40	1,185
TOTAL NECESSARY PAY	3,303	7,806	210	11,319

Utilities, Communications, and Postage - The Institution requests an increase of \$4,527,000 for utilities, communications, and postage in FY 2000 to cover additional costs attributable to minimal consumption increases and projected rate increases. The following table displays FY 1998 actual costs and estimates for FY 1999 and FY 2000. Detailed explanations of each line item follow.

**Federal Utilities, Communications, and Postage Costs
FY 1998 - FY 2000**

(Dollars in Thousands)	FY 1998 Actual	FY 1999 Estimate	FY 2000 Estimate
Electricity	10,118	11,007	11,451
Steam	3,233	3,238	3,412
Gas	1,325	1,612	1,654
Fuel Oil/Water	414	400	454
DC Gov't Water/Sewer	2,290	2,055	5,139
Communications/Networks	8,461	8,697	9,359
Postage	2,317	2,250	2,317
Total	28,158	29,259	33,786
Base	28,706	29,259	29,259
Surplus/(Deficit)	548	0	(4,527)

- Electricity** - The major component of the Utilities account is electricity. In addition to lighting and office equipment, electricity powers the machinery that provides cooling for Smithsonian buildings. A vigorous energy management program has allowed the Institution to maintain consistent electrical consumption levels throughout most facilities. The most significant element of the program is the installation of automated central controls on most building systems that automatically cycle motors and pumps on and off as needed to limit consumption during high-use or high-rate periods and during unoccupied hours. The installation of energy-efficient lighting in museums and storage facilities also contributed to savings in electricity. The FY 2000 estimate reflects a three percent inflation rate and a small increase in costs associated with the Potomac Electric Power Company request for a rate increase of five percent in Maryland.

- **Steam** - Steam is used primarily for heating Smithsonian facilities on the Mall and in New York, year-round humidification, and hot water production. Maintaining an interior environment conducive to the preservation of artifacts requires large steam consumption. The FY 2000 request reflects a modest increase in costs associated with a return to a more normal weather pattern.
- **Gas** - Natural gas is used for heating and cooling at most facilities that are not in the Mall area. The FY 1999 and FY 2000 estimates are based on the expectation that more gas will be used than fuel oil in those facilities where the Institution can switch between fuel sources to take advantage of cost savings.
- **Fuel Oil/Water** - The FY 2000 estimate assumes a decrease in fuel oil costs because of the use of natural gas as the primary heating and cooling fuel in most facilities off the Mall. The request also includes an increase in water consumption and a three percent inflation rate for water and sewer costs for satellite storage facilities in Maryland and Virginia.
- **DC Government Water/Sewer** - The FY 2000 estimate for water and sewer costs levied by the District of Columbia Government is based on cost projections provided by the District in September 1998. The estimate includes deferred charges for FY 1997-1999 based on a 42 percent rate increase that became effective April 1997.
- **Communications/Networks** - The FY 2000 estimate for communications includes funds to support inflationary increases in voice and data communications infrastructure and services, to meet new Federal requirements for conversion of radio communications to shared radio frequencies, and to replace antiquated components of the communications infrastructure in order to provide essential new services such as high-speed Internet access to digitized information of interest to the public.
- **Postage** - The FY 2000 estimate for postage reflects a projected increase of three percent to cover the cost of the January 1999 rate increase and an anticipated increase in volume.

Rental of Space (\$2,664,000)

- **Central Rent** - The Institution requests \$2,074,000 for increased expenses in the central rental account (\$374,000) and to provide swing space for staff and contents of the National Museum of American Art and National Portrait Gallery during major capital renewal (\$1,700,000).

Leased space in the Washington DC, New York, and Boston areas provides critical collection housing and storage, as well as space for the Institution's exhibition, education, research, and administrative offices. The request reflects projected cost increases in base rent operating and real estate charges.

Leased space is needed to temporarily relocate occupants of the Patent Office Building (National Museum of American Art and National Portrait Gallery) due to the major capital renewal project for that facility scheduled to begin in the year 2000. Renovation of the building cannot proceed until staff are relocated and collections are removed. An amount of \$1,700,000 for three fourths of a year is required for FY 2000. This request will be annualized (\$575,000) in FY 2001.

The following table reflects projected costs for Federal central rental space for FY 1998 through FY 2000.

**Federal Central Rental Costs
FY 1998 - FY 2000**

(Dollars in Thousands)	FY 1998 Actual	FY 1999 Estimate	FY 2000 Estimate
Office Space	3,160	3,259	3,455
Warehouse Space/Other	2,513	2,974	3,152
NMAA/NPG Relocation	--	--	1,700
Total	5,673	6,233	8,307
Base	5,844	6,233	6,233
Surplus/(Deficit)	171	0	(2,074)

- **SAO Rent** - The Institution requests \$590,000 for increased costs of rent for Smithsonian Astrophysical Observatory (SAO) operations in Cambridge, Massachusetts. Of this amount \$100,000 is necessary to cover uncontrollable increases in rent at current Cambridge facilities and \$170,000 is necessary to obtain urgent, additional staff space there. An increase of \$320,000 is necessary to rent additional space in Hilo, Hawaii, for the Submillimeter Array Project.

Implementation of the Panama Canal Treaty - Funding of \$919,000 is requested for FY 2000 to support the increase in operating costs at the Smithsonian Tropical Research Institute (STRI) in Panama that results from implementation of the 1977 Panama Canal Treaty. Under its terms and conditions, the United States will turn over responsibility for the operation of the Panama Canal and its related facilities to the Republic of Panama on December 31, 1999. STRI is authorized to continue its tropical research mission there for 20 years beyond 2000 under a 1997 agreement with the Republic of Panama that is renewable for another 20 years. In the year 2000, the labor laws of Panama will become applicable to locally hired employees of STRI. STRI will have to make changes in its personnel system in order to comply with local laws. The results of a commissioned study indicate that the cost of adjusting the local employment system of STRI is \$1,225,000 annually. An amount of \$919,000 for three fourths of a year is required for FY 2000. This request will be annualized (\$306,000) in FY 2001.

SUMMARY OF PROGRAM CHANGES - To ensure excellence in its public programs and facilities, strengthen its pre-eminence in scientific and scholarly research, capitalize on new opportunities for expanded outreach, and increase security of its valuable collections, the Institution requires funding for the following critical ongoing projects in FY 2000:

Collections preparation – Dulles Center (\$2,000,000) - to prepare artifacts for relocation from the Garber facility to the Dulles Center of the National Air and Space Museum.

National Museum of the American Indian (\$5,000,000) - to support operations at the Cultural Resources Center (CRC); the CRC move from New York City to Suitland, Maryland, and requirements associated with the opening in 2002 of the Mall Museum, including Mall exhibits development.

Collections Information Access (\$5,000,000) - to support the electronic capture, storage of, and access to collections in the museums, archives, and libraries, including photography, digitization, and enrichment of data.

Modernization of the Institution's security system (\$2,000,000) - to replace the outdated, automated Smithsonian Institution Proprietary Security System, including engineering support, training, installation, testing, and documentation.

These initiatives are described in further detail in the line-item descriptions that follow.

ANACOSTIA MUSEUM AND CENTER FOR AFRICAN AMERICAN HISTORY AND CULTURE

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	24	1,784	4	702	1	42	0	0
FY 1999 ESTIMATE	25	1,822	4	895	1	45	0	0
FY 2000 ESTIMATE	25	1,880	4	898	0	0	0	0

ABSTRACT - The Anacostia Museum and Center for African American History and Culture explores the heritage and cultural expressions of people of African descent living in the Americas. The Museum presents exhibitions in the Arts and Industries Building and at its facility in Southeast Washington. It also sponsors an array of educational and scholarly programs and activities.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Anacostia Museum and Center for African American History and Culture. The Institution requires \$58,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - The Anacostia Museum and Center for African American History and Culture examines and interprets Black contributions to the customs, traditions, and history of the Americas. The Museum collects and preserves historical and cultural artifacts, documents, art, and photography. Museum scholars develop both in-house and traveling African American-focused exhibitions. The Museum presents a variety of multi-faceted educational and scholarly programs reaching audiences ranging from elementary school students to those with advanced degrees.

Research - The Museum has embarked upon new areas of research which will result in exhibitions, programs, and publications. Staff have begun to inventory museum, library, and archival collections focusing on African American dance as well as the dance traditions of Africa and the Caribbean. They have completed both a survey of the personal holdings of prominent dance scholars and plans for exploring African American dance companies and choreographers in Washington DC. A multi-year project exploring the legacy and work of Katherine Dunham, perhaps the nation's most celebrated African American dancer and choreographer, is in progress.

A 15-member advisory board composed of scholars, chefs, and critics has been established for an upcoming exhibition entitled, *With These Hands: African American Food and Cultural Traditions*. The Smithsonian Institution's Center for Folklife Programs and Cultural Studies and the National Council of Negro Women are partners in this endeavor.

Exhibitions - *Speak To My Heart: Communities of Faith and Contemporary African American Life* brought new and repeat visitors to the Arts and Industries Building. Supported by the Lily Endowment and the Henry Luce Foundation, the exhibition has been featured prominently in the national media and strengthens the Museum's connections to the African American spiritual communities. In addition, the Museum presented *In Search of Balance: The Artist Scholar* featuring the work of six artists known for their work in higher education, including Dr. David Driskell, chair of the National Museum of African Art Commission. It also showcased the work of African American women artists in a traveling exhibition, *Three Generations of African American Women Sculptors: A Study in Paradox*. The groundbreaking exhibition, *Man Made: African American Men in the Quilting Tradition* was critically acclaimed for providing new insight into an American cultural expression.

Education, Outreach, and Special Events - The Museum continues to break new ground in the development and presentation of special and commemorative events. The 1998 Martin Luther King, Jr. holiday observance featured Arthur Mitchell, artistic director of the Dance Theatre of Harlem. Carnival 98, the Museum's first fund raiser, brought more than 500 masked and costumed participants to the Smithsonian Castle. A series of workshops and a follow-up conference focusing on Carnival traditions in Caribbean community life were held before and after the event.

The Museum's partnership with the Lucy Ellen Moten Elementary School flourished in its sixth year. A student discovered the previously unknown location of the grave site of the noted educator and the story was prominently featured in the *Washington Times*.

NONAPPROPRIATED RESOURCES - General Trust Funds provide support for salaries and benefits of administrative personnel, fund raising activities and exhibition-related costs. Donor/Sponsor Designated funds provide support for specific exhibitions, programs, projects, and events.

ARCHIVES OF AMERICAN ART

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	24	1,540	0	120	19	680	0	0
FY 1999 ESTIMATE	24	1,619	0	150	13	600	0	0
FY 2000 ESTIMATE	24	1,685	0	146	13	610	0	0

ABSTRACT - The Archives of American Art (AAA), a national research repository with reference centers in Washington DC, New York City, Boston, San Francisco and San Marino, California, holds the world's largest collection of archival materials relating to the history of the American visual arts. This collection includes original manuscripts, photographs, works of art on paper, and tape-recorded oral and video interviews. The collection is housed in Washington DC, with microfilm copies of many documents made available in the reference centers and through national and international library loans. The Archives actively seeks out, collects, preserves, and microfilms original source materials for study by scholars, students, curators, and collectors, and encourages research in American art and cultural history through publications, symposia, lectures, and other public programs. The catalog of the Archives' holdings is available on the Smithsonian Institution Research Information System via the Internet, and the Research Library Information Network.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Archives of American Art. The Institution requires \$66,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - AAA collects, preserves, and makes available for study the records, original papers, photographs, diaries, and oral history interviews of artists, craftsmen, collectors, dealers, critics, museums, and other institutions. In FY 1998, AAA continued to meet its goal of increasing accessibility to the collections through a variety of means, including the processing of papers, the publication of finding aids, the display of original documents in exhibitions, website enhancement, and other forms of outreach.

An Archives-wide reorganization in 1998 realigned management responsibilities and streamlined operations by closing Midwest and New England Regional Centers and centralizing collecting, membership activities, and interlibrary loan services in the New York, Washington DC, and San Marino, California locations. Reference services continue to be available in Boston, New York, San Francisco, San Marino, and at the Washington headquarters, where original documents may also be consulted, as well as through the online catalog and through Interlibrary Loan.

Research - In FY 1998, AAA employed technology to increase access for its users when it unveiled its newly updated and revised website. The site, which includes a link to the Smithsonian's *Cyber Safari*, encompasses various categories, including the history of the Archives, its collections, membership information, list of publications in print, and its ongoing programs, as well as links to the online catalog and reference desk. The revised site also featured for the first time a thematic display of selected works from the collections at the same time they were on exhibition. Since the unveiling of the new website in early FY 1998, the Archives has experienced a 25 percent increase in inquiries from scholars both nationally and internationally. Other enhancements of the site included the Web versions of the publications *The Papers of African American Artists* and *The Papers of Latino and Latin American Artists*, an online *Guide to Art Gallery Records*, and the online version of the Richard Diebenkorn oral history transcript.

Also in FY 1998, AAA completed the Name Authority Project, wherein its paper-based name authority file was converted to an automated format, providing online access to names, biographical data, and cross-references. The Archives improved Interlibrary Loan services for a wide range of borrowers by barcoding 8,000 reels of microfilm and installing software to track the movement of reels throughout the Interlibrary Loan System.

Collections Acquisitions - In FY 1998, the Archives made significant additions to its holdings of over 13 million documents. Among these were the papers of Hans Hofmann (1880-1966), an Abstract Expressionist who achieved fame and influence through his abstract paintings and by the school he established in America after fleeing Nazi Germany. The Archives also acquired the final installment of the papers of Herbert Waide Hemphill, Jr. (1929-1998), folk art collector, founder of the Museum of American Folk Art, and Smithsonian benefactor. A major addition to the collections is the papers of the sculptor/painter Claire Falkenstein

(1908-1997), a prolific and internationally known artist, whose achievements included the commission for the gates at the Venice home (now museum) of Peggy Guggenheim.

Funds from the Institution-wide program for Latino programming enabled the Archives to complete the first phase of an oral history project in Miami, Florida to interview prominent Cuban American artists. Funds also supported a project to produce video interviews with Puerto Rican artists and to conduct a comprehensive survey of art-related manuscript materials in Puerto Rico.

Collections Management - AAA made significant progress in its goal to increase accessibility to collections with the completion of several processing projects. Among these were the processing and microfilming of the Rockwell Kent papers (103 reels) and the publication of *A Finding Aid to the Rockwell Kent Papers* (available in an online version). Also processed were the records of the American Federation of Arts and the Downtown Gallery. Finding aids for both collections are forthcoming, as well as for the Holger Cahill papers and the Abraham Rattner papers. In 1998, *A Finding Aid to the Tomás Ybarra-Frausto Research Material on Chicano Art, 1965-1997* was published in bound and online versions. The finding aids comprise a significant resource for researchers in American art history and complement the reference services that are central to the Archives' mission.

Publications and Outreach - The Archives of American Art *Journal* publishes scholarly articles showcasing AAA's collections, as well as book reviews and reports from AAA's regional centers on recent important acquisitions. In FY 1998, AAA presented *Visual Thinking: Sketchbooks from the Archives of American Art*, featuring sketchbooks from prominent as well as little-known nineteenth and twentieth century American artists. The sketchbooks, which were also presented online on the AAA website, surprise in their variety and reveal intimate glimpses into the workings of the creative process. Also, the Archives displayed *El Movimiento: Selections from the Tomás Ybarra-Frausto Research Material on Chicano Art*. Dr. Ybarra-Frausto, a scholar and former chair of the Smithsonian Council and of the Smithsonian Latino Oversight Committee, donated to the Archives over 20,000 items consisting of correspondence, photographs, and rare printed material gathered for his research on Chicano art. These papers constitute a major addition to the holdings already documented in the Archives' publication, *The Papers of Latino and Latin American Artists* (1996). *The Critic Sees: A Century of Art Criticism from the Archives of American Art*, an exhibition organized in conjunction with a gala benefit honoring *TIME* art critic Robert Hughes, opened in October 1998. The show

included papers from the Archives' holdings of twentieth century American art critics across the spectrum of philosophical points of view.

The Archives manages an active program of outgoing loans to museums and other scholarly institutions, and continues its tradition of providing educational opportunities to an ethnically diverse population through internships and fellowships.

NONAPPROPRIATED RESOURCES - Trust funds provide support for salaries and benefits of personnel, fundraising, and support for AAA projects and programs. In FY 1998, the Archives received the final installment of a three-year, \$240,000 grant from The Henry Luce Foundation, Inc. to process and microfilm three major collections. Throughout the year, donors made numerous gifts toward the matching of a \$500,000 challenge grant from The Brown Foundation, Inc., to endow the publication of the Archives *Journal*.

ARTHUR M. SACKLER GALLERY/FREER GALLERY OF ART

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	77	5,751	0	1,004	44	6,407	0	0
FY 1999 ESTIMATE	77	5,851	0	927	44	4,466	0	0
FY 2000 ESTIMATE	77	6,064	0	305	44	4,800	0	0

ABSTRACT - The Arthur M. Sackler Gallery was founded in 1982 (opened to the public in 1987) to house a gift of Asian art from Dr. Arthur M. Sackler and to develop an active program of loan exhibitions. The Freer Gallery of Art, founded in 1906 (opened to the public in 1923) as the first art museum of the Smithsonian Institution, had its origin in Charles Lang Freer's gift of Asian art and a specialized collection of American art. Both museums actively seek to study and celebrate the historical and contemporary achievements of the arts of Asia. Together they form the national museum of Asian art for the United States.

Administered by a single staff, the combined resources of the Freer and Sackler galleries form an important international center dedicated to the ongoing collection, preservation, study and exhibition of Asian art, as well as to educational programs that increase public awareness. While the Freer Gallery neither lends objects nor exhibits works borrowed from museums or individuals, the Sackler Gallery both lends from its collections and borrows works to augment its own holdings.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Arthur M. Sackler Gallery and the Freer Gallery of Art. The Institution requires \$213,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - The Sackler and Freer galleries both focus on the artistic traditions of Asia. The Sackler Gallery extends this focus to the present day, embracing a wider range of media and artistic expression, while the Freer Gallery emphasizes the major historical artistic traditions from the beginnings of history through the 19th century. In addition to the program on American art and its interrelationship with Asian traditions carried out at the

Freer Gallery, the major goal of the Freer and Sackler galleries together is to expand both knowledge and appreciation of Asian artistic traditions through exhibitions, education, research, conservation, and acquisitions. In addition, the galleries, with the aid of in-depth public programs related to exhibitions, provide wider cultural and physical contexts that aid in understanding the forms and complexities of Asian art. A continuing calendar of public programs explores both the living arts of Asia and in-depth aspects of individual Asian societies.

Exhibitions - Exhibitions provide the primary link between the public and the diverse cultures of Asia. Exhibitions at the Sackler Gallery draw from public and private collections, both domestic and foreign, and from the Gallery's own collections. Eight new exhibitions are in development for FY 1999, including *Devi: The Great Goddess, Behind the Himalayas: Paintings from Mustang*, and *Treasures from the Royal Tombs of Ur*. In addition, six exhibitions are in planning for FY 2000 and will include a major overview of photography in India, an archaeological exhibition organized around music in Bronze Age China, and selections from the Gallery's celebrated Vever Collection of Persian and Indian painting.

At the Freer Gallery, planning and development are currently underway for twelve exhibition changes scheduled for FY 1999. Exhibitions at the Freer continue to feature presentations that draw from the rich resources of the Gallery's collections, and will include in-depth explorations of Ming Court Arts and Japanese painting. In addition, more than a dozen exhibition changes are anticipated for FY 2000, ranging from Islamic decorative arts to Southeast Asian ceramics.

Education - The Education Department develops, in a variety of media, curriculum materials that are related to the national collections and loaned exhibitions and are distributed nationally. Public programs for both galleries reach out to varied and diverse audiences with programs that expand and enhance the collections and exhibitions by means of film, family programs, Asian music and dance, chamber music, and lectures. Teacher workshops and in-service programs are conducted locally and nationally. An educational website is frequently used and teacher materials are added to it on a regular basis.

Research - The Freer and Sackler galleries share research staff and support facilities that together constitute an international center for advanced scholarly research in Asian art, as well as in specific areas of American art in the Freer Gallery. Research provides the basis for exhibitions, publications, and collections acquisitions. The galleries

disseminate research results to the public through lectures, symposia, collection research files, monographs, exhibitions and exhibition catalogues, gallery guides, and brochures.

Conservation - Treatment of the collection continues in order to ensure and improve the physical well-being of the objects. Departmental research, which uses scientific methods to determine and explain the origins and physical nature of works of art, is carried out in tandem with the galleries' overall research effort and to aid in the care and treatment of the collections.

Collections - In FY 1998, the two galleries together acquired 616 objects for their collections. Among these were an important collection of eighty Khmer 12th/13th century ceramic vessels, a 17th century Turkish cenotaph cover of silk-satin fabric, and a rare 7th century silver dish from Sogdia in Central Asia.

Publications - The publications program of the Freer and Sackler galleries encompasses exhibition-related books and catalogues, *Asian Art & Culture* (a collateral book series), Occasional Papers (a series of substantial scholarly papers), collection catalogues, educational materials for teachers such as *Japan: Images and Words*, a calendar of events, and numerous brochures and gallery guides.

NONAPPROPRIATED RESOURCES - General Trust funds provide support to defray the costs of research, collection acquisitions, and expenses related to the membership program. Donor/Sponsor Designated funds provide support for costs related to specific programs and projects. Fund raising helps create new and increased sources of funding from the private sector.

CENTER FOR FOLKLIFE AND CULTURAL HERITAGE

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	14	1,767	26	5,377	0	655	0	0
FY 1999 ESTIMATE	14	1,697	26	6,350	0	1,500	0	0
FY 2000 ESTIMATE	14	1,750	28	6,800	2	1,700	0	500

ABSTRACT - The Center for Folklife and Cultural Heritage (CFCH), conducts scholarly research and public programs that promote understanding and continuity of traditional grassroots regional, ethnic, tribal, and occupational heritage in the United States and abroad. The Center maintains the Ralph Rinzler Folklife Archives and Collections. It produces the annual Smithsonian Folklife Festival; Smithsonian Folkways Recordings; documentary films, videos, and print publications; training programs and educational materials; and museum and traveling exhibitions. The Center cooperates with Federal and state agencies to advance the Nation's interest in cultural matters.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Center for Folklife and Cultural Heritage. The Institution requires \$53,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - Research - Research projects document and study the continuing practice of local traditions among diverse communities in contemporary society. Current projects examine the relationship between culture and grassroots economic development; cultures of immigrants to the United States; and cultural traditions in Wisconsin, the Mississippi Delta, New Hampshire, and United States/Mexico borderlands. Center scholars and fellows pursue research on American regional music; American craftspeople; the cultural impact of technological change; urban Latino culture; and African American, Asian American, and Native American traditions.

Smithsonian Folklife Festival - The Smithsonian Folklife Festival, an annual two-week festival held on the National Mall since 1967, educates a broad public about American and human cultural heritage and encourages

tradition bearers by giving national recognition to their artistry, knowledge, and wisdom. The Festival provides a national and international model for the research-based presentation of cultural traditions. Over one million people visit the Festival each year, and millions more are reached by media coverage. In FY 1998, the Festival featured Wisconsin, the Rio Grande Basin, the Philippines and Philippine Americans, the Baltic Nations and Baltic Americans. In FY 1999, the Festival will feature New Hampshire, Romania, South Africa, and a larger Rio Grande Basin program.

The Center collaborates with economic development, tourism, culture, and education departments of participating states to develop Festival programs and remount them "back home." These programs catalyze local cultural efforts and include the development of educational materials and the sharing of archives.

Archives and Collections - The Ralph Rinzler Archives and Collections contain audiotapes, records, videotapes, photographic images, film, and paper files documenting cultural traditions from all parts of the United States and most regions of the world. Holdings include the original master recordings of Woody Guthrie performing *This Land is Your Land*, and original master tapes of Dr. Martin Luther King, Jr., as well as speeches and songs of major cultural importance. The collection contains documentation of music, occupational lore, family folklore and immigration stories. The Rinzler Archives contain research documentation for the Festival, as well as sound recordings from Folkways and other recording companies.

Smithsonian Folkways Recordings - Folkways produces documentary recordings of American and worldwide music, performance, and verbal arts for retail and educational markets. Folkways includes the recordings of such American icons as Woody Guthrie, Leadbelly, Sonny Terry, Josh White, Mary Lou Williams, Mahalia Jackson, Bob Dylan, Albert Einstein, Margaret Mead, Langston Hughes, and thousands of others. In 1998, Folkways received two Grammy awards for the *Anthology of American Folk Music* and in 1999, a nomination for best traditional folk album. The U.S. Postal Service issued four stamps honoring Folkways musicians.

Education - The Center develops curriculum materials and offers teacher training for understanding American cultural traditions. Teacher and student guides, recordings, and videotapes are developed in partnership with state education departments and professional associations. In FY 1998, multimedia education guides on Iowa folklife were distributed to 1,200 schools in that state. A multimedia kit on traditions of the Mississippi Delta will be distributed in FY 1999.

The Center produces numerous documentary films and videos. The Smithsonian Folklife Studies series consists of scholarly monographs coupled with documentary films, generally released to colleges and universities. Videos such as *Wisconsin Powwow* and *Workers of the White House* are distributed to schools and aired on public television. Books by Center staff explore the theories and methods of cultural heritage presentation and preservation.

Traveling Exhibitions - The Center cooperates with the Smithsonian Institution Traveling Exhibition Service to produce modest traveling exhibitions developed from research and Festival programs. Exhibitions on African American sacred sound, the music of Woody Guthrie, and Maroon cultures of the Southern United States and the Caribbean are traveling in 1998. A major exhibition, *Spirited Objects*, will tour several U.S. cities in 2000.

NONAPPROPRIATED RESOURCES - General trust funds provide support for salaries and benefits of personnel, fundraising, and general program support. Donor/Sponsor Designated funds provide support for costs related to specific programs and projects. Income from sales of Smithsonian Folkways Recordings pays staff salaries and related costs, and supports additional programming. Government Grants and Contracts constitute funds provided by various state and local governments to support programs at the Festival of American Folklife. Federal agencies and foreign governments may enter into agreements for cooperative programs.

COOPER-HEWITT, NATIONAL DESIGN MUSEUM

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	42	2,793	22	2,647	2	1,141	0	86
FY 1999 ESTIMATE	43	2,751	22	2,560	2	1,206	0	10
FY 2000 ESTIMATE	43	2,869	22	2,660	2	1,275	0	25

ABSTRACT - Cooper-Hewitt, National Design Museum explores the creation and consequences of the designed environment. Design, a process of shaping matter to a purpose, is a fundamental activity. The National Design Museum investigates the structures and effects of these products of design and their roles as forces for communication and change. The Museum is interested in all aspects of design, including urban planning, architecture, industrial design, landscape design, interior design, textiles, advertising, and graphic arts. It is a public trust founded on the principle that understanding the past and present will shape the future. Today the scale and pace of change require a new understanding—one that recognizes that individuals, societies, and the natural environment are linked through design.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for Cooper-Hewitt, National Design Museum. The Institution requires \$118,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - Cooper-Hewitt, National Design Museum, is the only museum in America devoted exclusively to historical and contemporary design. The Museum pursues its mission through exhibitions, publications, collections study, and research, as well as educational programs for design professionals, the adult public, and schoolchildren. In addition, the Museum jointly offers, with the Parsons School of Design, a master's degree program in the history of decorative arts.

Renovation - In June 1998, the Museum celebrated the completion of the \$20 million renovation project with a grand reopening of the entire building complex to the public. The four-year project makes the Museum facilities and collections more accessible to the general public and is a

model for accomplishing significant accessibility improvements in historic buildings.

Exhibitions - Highlights of the Museum's FY 1998 schedule included *Design for Life: A Centennial Celebration*, which was formulated as an exposition of the Museum's mission. *The Jewels of Lalique* brought together more than 150 splendid pieces of jewelry gathered from museums and private collections around the world. *Fountains: Splash and Spectacle* featured drawings, photographs, video, and text panels to explore the design, architecture, function, and meaning of fountains from the Renaissance to the present. *Under the Sun: An Outdoor Exhibition of Light*, which opened on the summer solstice, explored solar energy as a catalyst for practical and visionary design.

Opening Our Doors, an exhibition that was timed to coincide with the opening of the Museum's new Design Resource Center, showcased new acquisitions from each of the Museum's curatorial departments (drawings and prints, textiles, wallcoverings, applied arts and industrial design) and the library. *Concerned Theatre Japan*, co-sponsored by and on view at the American Institute of Graphic Arts in New York City, explored the vibrant counter-culture of Japan in the 1960s and 1970s.

Publications - During FY 1998, the National Design Museum produced three exhibition-related books: *Design for Sports: The Cult of Performance* edited by Akiko Bush; *Graphic Design in the Mechanical Age: Selections from the Merrill C. Berman Collection* by Deborah Rothschild, Ellen Lupton, and Darra Goldstein; and *Fountains: Splash and Spectacle, Water and Design from the Renaissance to the Present* edited by Marilyn Symmes. The Museum continues to develop and modify its website and this Spring won a design award from *High 5*, an on-line design magazine.

Collections Activity - More than 535 objects were added to the collections in FY 1998. Highlights included a group of Weimar ceramics, an embroidered Portuguese bedcover (c.1600), and a group of Nancy McClelland wallpapers. A total of 124 objects were loaned to a variety of institutions for exhibition, conservation, and study purposes and 188 objects were borrowed for exhibition from museums and private lenders.

Educational Programs - The conference *Preserving the Architecture of Cuba* featured an international roster of speakers and brought Cubans and Cuban Americans together to discuss their shared concern for Cuba's architectural heritage. School program highlights include the very successful Studio After School Programs that gave New York City high school

students opportunities to work with designers at MTV and The Gap. The Museum continues to serve over 4,000 elementary, high school, and university students through free guided exhibition tours each year. In the Summer of 1998, eight Peter Krueger interns and a Lippincott & Margulies intern worked in a variety of Museum departments. The Museum also hosted a Smithsonian Minority intern and a Volunteer intern.

Research - The Museum's library receives approximately 250 queries per month from scholars, private individuals, designers, and corporate interests. About 2,000 people visit the library each year. The Museum named the ninth annual Peter Krueger-Christie's Fellow during FY 1998 to conduct research on Jean-Baptiste Huët's graphic work related to the decorative arts.

NONAPPROPRIATED RESOURCES - The Museum's General Trust funds are generated from membership, museum shop sales, admissions, special events and unrestricted donations, and they support exhibitions, publications, fund raising, and general operating expenses. Donor/Sponsor Designated funds provide support for specific programs and projects. Government grants and contracts provide support for research.

HIRSHHORN MUSEUM AND SCULPTURE GARDEN

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	71	4,351	2	589	0	1,596	0	0
FY 1999 ESTIMATE	71	4,444	2	495	0	2,350	0	0
FY 2000 ESTIMATE	71	4,615	2	1,096	0	2,450	0	0

ABSTRACT - The Hirshhorn Museum and Sculpture Garden (HMSG) was established as the Smithsonian's museum of modern and contemporary art by Public Law 89-788, signed on November 7, 1966. While the nucleus of the collection remains Joseph Hirshhorn's original gift, it has been greatly enriched by additional gifts from Mr. Hirshhorn and the 1981 bequest of art he had collected since 1966. Other benefactors continue to give works to the Museum. Purchases made from funds provided through appropriations, the Smithsonian's Trust funds, Mr. Hirshhorn, other private donors, and restricted-use sales from the permanent collection strengthen the collection and emphasize its contemporary character. Museum programming features works from the collection, special exhibitions, and a wide variety of public programs.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Hirshhorn Museum and Sculpture Garden. The Institution requires \$171,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - In addition to presenting exhibitions, the Hirshhorn Museum and Sculpture Garden manages, conserves, exhibits, and publishes its collection. HMSG also acquires new works for the collection and develops public programs for a broad audience of all ages

Exhibitions - Two major special exhibitions will be presented in FY 1999. The first, which was organized by the Museum of Modern Art in New York City and opened in the fall of 1998, was *Chuck Close*, an exhibition of the celebrated New York painter. In addition to appearing at the Hirshhorn, this exhibition is being presented at the Museum of

Contemporary Art in Chicago and the Seattle Art Museum. The second exhibition, which the Hirshhorn will mount during the summer of 1999, is *Brice Marden: Works of the 1990s*, a show organized by the Dallas Museum of Art which is devoted to the artist's abstract paintings and works on paper.

During the Winter of 1998-1999, a major renovation of the exhibition galleries' lighting system, carpeting, and wall construction will mean that no major special exhibition will be on view. However, the galleries will reopen in early spring with a re-hanging of the permanent collection in connection with the Museum's 25th anniversary.

In addition to the major special exhibitions, the Museum's ongoing Directions series of young or less-established artists will present Julião Sarmento, Sam Taylor-Wood, and Shazia Sikander.

Collections Management - Among the works acquired in FY 1998 were: Georg Baselitz *Tragischer Kopf* (1988), Roger Brown *Cancer* (1984), Vija Celmins *Untitled (Double Moon Surface)* (1969), Richard Long *Norfolk Flint Circle* (1992), James Turrell *Milkrun* (1997), and Jeff Wall *A Villager from Aricaköyü Arriving in Mahmutbey-Istanbul, September 1997* (1997).

The Museum began using The Museum System (TMS), a new database developed in collaboration with other Smithsonian art museums, to share collections management information throughout the Institution and with the public. TMS will enable users to have online access to selected information on the Smithsonian's art collections.

Public Programs - To increase visitor appreciation and understanding of modern and contemporary art, the Museum presents lectures, a film program, and a wide variety of printed materials including catalogues, brochures, and extended wall labels. Highlights in FY 1998 included the publications *Stanley Spencer: An English Vision* and—authored by the Hirshhorn—*A Garden for Art: Outdoor Sculpture at the Hirshhorn Museum*. The Spencer work was published in conjunction with the exhibition of the same name that opened in the Fall of 1997 and in association with The British Council and Yale University Press. The sixth annual Mordes Lecture in Contemporary Art will feature Mark Rosenthal, Curator at the Guggenheim Museum.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for salaries and benefits of personnel and related travel costs. In addition, these

funds provide general support for research activities, education and public programs, and fundraising. Donor/Sponsor Designated funds provide support for costs related to specific programs and projects, such as collections acquisitions, public programs such as the Young at Art program for children and families, and exhibitions such as the Fall 1997 exhibition, *Stanley Spencer: An English Vision* (which received support from Howard and Roberta Ahmanson and Fieldstead and Company), and the contemporary Directions series of exhibitions.

NATIONAL AIR AND SPACE MUSEUM

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	214	12,301	1	5,867	0	3,109	0	532
FY 1999 ESTIMATE	214	12,695	1	3,286	0	22,105	0	0
FY 2000 ESTIMATE	228	15,228	1	4,677	0	24,200	0	0

ABSTRACT - The mission of the National Air and Space Museum (NASM) is to memorialize the national development of aviation and space flight. It serves as the repository for, preserves, and displays aeronautical and space flight equipment and data of historical interest. The Museum provides educational materials and performs the necessary research for the study of aviation and space flight and their related technologies. In addition to its Mall location, NASM maintains the Paul E. Garber Preservation, Restoration and Storage Facility in Suitland, Maryland. In November 1998, design work was completed on the Dulles Center in Virginia, which will house the Museum's collection and restoration facilities and enable the Museum to exhibit much more of its collection, including its largest aircraft and spacecraft.

For FY 2000, the Smithsonian is seeking an additional \$2,000,000 and 14 term positions in support of collections management in preparation for the opening of the new Dulles Center extension in 2003. The Institution requires \$533,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - In FY 1998, NASM had over 10 million visits and its website was accessed over 150,000 times per day.

Research - During FY 1998, historical research at the Museum resulted in improved documentation and updated information on the archival collections. A seminar in May 1998, *Security No More: The Security Implications of Global Transparency*, highlighted the security implications of remote sensing satellites. Oral and video history interviews were held with pioneers in aviation and space. Published scientific results

ranged from the use of remote sensing in conservation monitoring in Brazil to the formation of volcanoes on Venus.

Collections Management - During FY 1998, a new collections management information system was selected and installed. Implementation of the new system, including collections documentation and barcoding, will continue in FY 1999.

Preservation and Restoration - The five major aircraft projects on the restoration shop floor are the Aichi Seiran, the Hawker Hurricane, the SA-2 surface to air missile, the S-1 Pitts Special *Little Stinker*, and the Nieuport 28. Aircraft engines are cleaned externally and internally, coated with preservatives and mounted on specially prepared stands for handling and exhibit. The engine preservation project is approaching 50 percent completion with 115 of 240 engines mounted and preserved.

Exhibitions - During FY 1998, *Star Wars: The Magic of Myth*, examined the mythology beneath the *Star Wars* story. The Venus section of *Exploring the Planets* was updated to include recent images of the surface of Venus. The *National Transportation Safety Board* exhibition examined how the NTSB investigates aviation accidents and fosters transportation safety. Two exhibitions that opened in June 1998 are *Business Wings*, which looks at business aviation, and *Earth Today*, a computer-generated, continually updated image of the Earth. *Arriba: The History of Flight in Mexico, Central America, South America and the Caribbean*, examines aviation in Latin America during the first century of flight.

Publications and Electronic Outreach - In FY 1998, the Museum published *Aircraft of the National Air and Space Museum*, edited by F. Robert van der Linden. *Space: Discovery and Exploration*, edited by Martin J. Collins and Sylvia K. Kraemer, was reprinted. The Museum supported publication of *The Golden Age Remembered: U.S. Naval Aviation, 1919-1941*, edited by E.T. Wooldridge. New titles in the Smithsonian History of Aviation include *Space and the American Imagination* by Howard E. McCurdy, and *Eye in the Sky: The Story of the CORONA Spy Satellites*, edited by Dwayne A. Day, John M. Logsdon, and Brian Latell. *Blankets of Fire: U.S. Bombers over Japan during World War II*, by Kenneth P. Werrell, and *The Once and Future Moon*, by Paul D. Spudis, were reprinted in paperback. The NASM Archival Videodisc Number 7, containing 100,000 air and space images, will be published this year. The Museum's website continues to receive 4.5 million hits per month. The site

includes images, specifications for over 200 aircraft in the collection, and a recently developed online educational activity on planetary sciences.

Education - School outreach efforts were expanded in FY 1998 to include pre-visit guides for *Exploring the Planets*, *Looking at Earth*, *The Black Wings* exhibitions, and the Planetarium. New family programs including Family Nights at the Museum, Kite Day, Space Day, and a selection of smaller workshops were offered.

Dulles Center - The new Center's initial design is complete, and the Commonwealth of Virginia has agreed to fund the road infrastructure. The 50-year lease with the Metropolitan Washington Airports Authority has been signed, and fund raising for construction is well underway.

EXPLANATION OF PROGRAM CHANGE - The Institution requests an increase of \$2,000,000 and 14 term positions in FY 2000 in support of collections management in preparation for the opening of the new Dulles Center in 2003.

The National Air and Space Museum-Dulles Center will house, display, and provide a facility for restoration and preservation of the majority of the Smithsonian Institution's air and space-related artifacts. At the Dulles Center, these artifacts will be accessible to current and future generations of Museum visitors and will form the basis for aviation and space education programs. The new Dulles Center will provide museum-quality housing for objects in NASM's collection not on public display on the Mall and provide public access to most of these collections.

NASM's most urgent need is to prepare the collection for transfer to the new facility. At this time there are thousands of artifacts disassembled and packed in crates that must be inspected, inventoried and conserved. This funding will provide needed funds to begin this work in earnest, and achieve the Museum's programmatic goals.

The requested funds will be used to obtain expertise and equipment required for air and space collections management and restoration. The initial focus will be to inventory, document and ascertain the stored collection's status. In conjunction with that effort will be the conservation of key artifacts planned for display at the Dulles Center.

These funds are vitally needed to prevent further deterioration of one of the world's most valuable and irreplaceable collections of artifacts

representing the history of aviation and space flight. This initial investment in collection management and preservation will ensure that the national air and space treasures will be available to future generations.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for research activities, educational programs, exhibitions, and fund raising, including the associated personnel salaries and benefits. Donor/Sponsor Designated funds provide support for costs related to specific programs and projects, such as research, exhibitions, collections care, and education programs. The Dulles Center capital campaign is charged with raising the funds to build the museum extension. Government grants and contracts provide support for research and other scientific activities.

NATIONAL MUSEUM OF AFRICAN ART

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	54	4,009	1	468	0	55	0	0
FY 1999 ESTIMATE	54	4,143	1	372	0	35	0	0
FY 2000 ESTIMATE	54	4,253	1	357	0	50	0	0

ABSTRACT - As a leading center for the visual arts of Africa, the National Museum of African Art (NMAfA) fosters and sustains through exhibitions, collections, research, and public programs an interest in and an understanding of that continent's diverse cultures. The Museum accepts into its collections and exhibits the ancient and contemporary art of the entire continent.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the National Museum of African Art. The Institution requires \$110,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - The National Museum of African Art educates and instills an appreciation for the cultures and visual arts of Africa through the acquisition, care, research, exhibition, and interpretation of works of art in the context of African history, culture and aesthetics.

Research - In FY 1998, the Museum conducted research on proposed acquisitions and on the recently acquired collection of African photography by South African photographer Constance Stuart Larrabee in preparation for an exhibition of her work. Installation of a new automated collections information system, The Museum System (TMS), provided a significant research resource to staff and outside researchers. Staff conducted an analysis of deterioration in recently acquired Ethiopian icons and developed a process which dramatically restored these important objects to their original brilliant color.

Collections Management - During FY 1998, NMAfA converted its collections information to TMS with the addition of image capability, which will provide public access to both data and images. The Eliot Elisofon Photography Archives had preservation negatives made for 322 vintage prints and continued its inventory of Archives collections in conjunction with data entry into the Smithsonian Institution Research Information System. The Archives added about 8,000 images of the permanent collection, installations, and events to its collection.

Collection Acquisitions - In FY 1998, the Museum added 51 important objects to its permanent collection through gift and purchase. Highlights among these acquisitions were a rare Mbete reliquary figure from Gabon, collected around 1930; two Urhobo and Igbo figures from Nigeria; *Emandulo, Re-Creation*, a composite of 12 artists' work created in Johannesburg, South Africa; and a sculpture, *The Ancestors Converged Again* (1995), by Ghanaian artist El Anatsui. The Elisofon Archives acquired through donation 606 vintage black-and-white negatives taken in Ghana in the 1960's and eighty 35-millimeter color transparencies of contemporary images from Mali. The Archives purchased an historic album (c. 1900) with 170 prints of Ugandan and Kenyan subjects.

Exhibitions/Public Programs/Education - Among the nine temporary exhibitions on view during FY 1998, *The Poetics of Line: Seven Artists of the Nsukka Group*, showcased the work of some of the leading members of a group of artists who have studied or taught at the University of Nigeria, Nsukka. *Olowe of Ise: A Yoruba Sculptor to Kings* was an exhibition of more than 30 major works by a known artist considered to be the finest carver of the Yoruba people of Nigeria in the 20th century. Smaller exhibitions of kinetic sculpture, African ceramics, a carved ivory tusk, recent gifts to the collection, furniture derived from African design, and South African photography augmented the Museum's four permanent gallery installations.

The Museum complements its exhibition program and interprets its collection through a lively program of gallery tours, school programs, workshops, outreach programs, music, film and storytelling. In FY 1998, NMAfA offered nearly 1,500 public programs serving 37,000 individuals. In conjunction with the Nsukka exhibition, the Museum presented an international symposium which was attended by over 200 participants. For the Olowe exhibition, the Museum designed a popular hands-on activity center which was, for the first time, incorporated directly into the exhibition

area. The Museum also refined and expanded its website in FY 1998 to include electronic versions of all its exhibitions.

Publications - In FY 1998, the Museum co-published with the Smithsonian Press *New Traditions from Nigeria: Seven Artists of the Nsukka Group*, which was related to the *Poetics of Line* exhibition. In conjunction with the Olowe exhibition, NMAfA completed work on a major monograph, the first catalogue *raisonne* of a traditional African artist. The Museum produced extensive gallery guides for all of its new exhibitions, including a family guide for the Nsukka exhibition. NMAfA also produced program notes for its series of music programs and for several other in-gallery public programs. The Museum's education programs brochure, published annually, has wide local and national distribution.

NONAPPROPRIATED RESOURCES - General Trust funds provided support for the director's salary, benefits, and travel, as well as general operations, exhibitions and related public programs, collections acquisitions, and fund raising. The Smithsonian's Collections Acquisitions Program provided funds for some of the Museum's new collections purchases, and the Special Exhibitions Fund supported both the Nsukka and Olowe exhibition installations. Support for the Nigerian Art Symposium also came from general Trust funds. Donor/Sponsor Designated funds provided support for the costs of publications and collections acquisitions.

NATIONAL MUSEUM OF AMERICAN ART

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	123	8,145	9	1,526	1	2,082	0	0
FY 1999 ESTIMATE	123	8,267	9	1,254	0	2,165	0	0
FY 2000 ESTIMATE	123	8,617	9	1,559	0	2,282	0	0

ABSTRACT - The National Museum of American Art (NMAA) is the Nation's museum dedicated to the arts and artists of the United States from colonial times to the present. The Museum promotes art as a source of enrichment for the layperson and scholar alike and serves as a resource in the broadest possible sense for American visual arts. The Museum's programs make American art available to national audiences and beyond, as well as to those who visit its two historic landmark buildings in Washington DC. Outreach takes the form of circulating exhibitions, educational materials, publications, automated research resources, and a vast and growing offering of online services which reflect the diversity of the country's citizenry and art.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the National Museum of American Art. The Institution requires \$350,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - NMAA stimulates an understanding of American visual expression in its broadest contexts through interpretive exhibitions, publications, and programs. As a national institution, NMAA explores and serves the heritage of diverse communities in the United States.

Research - Nineteen scholars engaged in dissertation and advanced research will enjoy research privileges through fellowships awarded for the 1998-1999 academic year. Sarah Burns, who authored the 1996 publication *Inventing the Modern Artist: Art and Culture in Gilded Age America*, was awarded the Charles C. Eldredge Prize for outstanding

scholarship in the field of American art. During 1998, the public made over 67,000 informational searches in the Art Inventories, one of the Museum's art research databases available through the Smithsonian Institution Research Information System (SIRIS). In FY 1998 the Museum added to SIRIS the catalogue of the Peter A. Juley and Son collection, representing 127,000 photographic negatives of American art and artists, which is now available for online public inquiry.

Collections - The Museum's collection of approximately 38,000 objects encompasses painting, sculpture, graphic art, photography, and folk art, as well as modern crafts at its Renwick Gallery. NMAA's most important acquisition during the past year was Nam June Paik's *Megatron/Matrix*, a 215-monitor video wall 33 feet wide illustrated in the *N.Y. Times* as a work for the 21st century. Other objects acquired in FY 1998 include significant works of photography by Eadweard Muybridge, Laura Gilpin, Arthur Wesley Dow, and Vik Muniz. Several works by Latino artists including Patssi Valdez and Carlos Alfonzo, Miriam Schapiro's seminal work entitled *Dollhouse*, and an important painting by the popular artist Norman Rockwell were also acquired. Folk art acquisitions include a late 19th century Hispanic textile and a rare crucifixion sculpture, both from the Southwest. NMAA also acquired a number of key posters in conjunction with the *Posters American Style* exhibition. Among the Renwick's notable acquisitions were ceramics by Michael Frimkess, a tapestry by Helena Hernmarck, and a glass piece by Karla Trinkley.

Exhibitions - Highlights of FY 1998 and FY 1999 exhibitions on view or in preparation include *Colonial Art from Puerto Rico: Selections from the Gift of Teodoro Vidal*, David Hockney's *A Bigger Grand Canyon*, and *Ansel Adams' Legacy: Masterworks from the Friends of Photography Collection*. An installation from the permanent collection titled *Time Out! Sports in Art* appeared in conjunction with the opening of the new MCI arena. *Posters American Style*, surveying a century of posters, will travel to three locations nationally.

Publications - The Museum published two major catalogs in 1998. *Skilled Work*, co-published with Smithsonian Press, documents the nationally acclaimed collection of craft at the Renwick Gallery, and *Posters American Style* was the companion book for the exhibition which was organized by NMAA. The Museum reprinted *Modern American Realism: The Sara Roby Foundation Collection*, another catalog that treats an important

segment of the NMAA collection and complements a new tour of those works.

National Outreach and Education - The Museum's largest outreach project entitled *Save Outdoor Sculpture!* continues with its goal of preserving 10,000 sculptures for the new century. Volunteers around the country have now listed over 32,000 sculptures in NMAA's Inventory of American Sculpture, nearly half of which need treatment or maintenance. In July 1998, an award to preserve the Francis Scott Key Monument in Baltimore was one of a series intended to restore individual sculptures. Awards were also made for conservation of sculptures in New York City, Washington DC, Chicago, Houston, Miami, Detroit, and Los Angeles. Extensive programming continued to attract thousands of visitors to NMAA, including tours, demonstrations, lectures, films, concerts, and symposia, as have monthly hands-on Art Stop family programs.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for salaries and benefits of personnel, fund raising, and other related costs. Donor/Sponsor Designated funds provide support for specific programs and projects. Exhibitions and education programs receive support from individuals, foundations, and corporations.

NATIONAL MUSEUM OF AMERICAN HISTORY

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	313	19,002	19	2,196	78	8,824	0	16
FY 1999 ESTIMATE	313	19,551	32	3,661	50	7,879	0	0
FY 2000 ESTIMATE	313	20,411	44	2,869	50	12,007	0	0

ABSTRACT - The National Museum of American History (NMAH) dedicates its collections and scholarship to inspiring a broader understanding of our nation and its many peoples. It creates learning opportunities, stimulates imaginations, and presents challenging ideas about the country's past. This mission statement serves as a guide to NMAH staff as it develops educational programs, opens new and updates existing exhibitions, conducts research, and enriches and cares for the collections.

This line item also includes the National Postal Museum (NPM). Its mission is to preserve and interpret the material and intellectual heritage of postal communications and philately through its collections, exhibits, publications, and educational programs.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the National Museum of American History or the National Postal Museum. The Institution requires \$860,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - The following are highlights of the National Museum of American History's recent achievements.

Research and Publications - Extensive research led to many important publications in FY 1998, including the Paul Bunge Prize winner *Instruments of Science: An Historical Encyclopedia* edited by Robert Bud and Deborah Jean Warner; *Design for Victory: World War II Posters on the American Home Front* by William L. Bird, Jr. and Harry R. Rubenstein; *Going Underground: Tunneling Past, Present, and Future* edited by Jeffrey K. Stine and Howard Rosen; *America's Money—America's Story* by Richard G. Doty; and the entire Winter 1997 issue of *Caduceus: A*

Humanities Journal for Medicine and the Health Sciences, which was devoted to *150 Years of Collecting Medical History at the Smithsonian Institution*, edited by Ramunas Kondratas.

Collections - In FY 1998, the Museum received objects through donation, purchase, and bequest. One of the most significant acquisitions was the rare Antonio Stradivari and Jacob Stainer Quartets donated by Dr. and Mrs. Herbert Axelrod. The Museum also acquired an 18th century surveyor's telescopic level made by the premier American instrument maker Benjamin Rittenhouse and a rich collection of costumes, scripts, posters, photographs, and playbills from Broadway musicals. It also received a large collection of artificial hearts and kidneys.

Collections Management - In FY 1998, asbestos abatement for NMAH Silver Hill Building 17 was completed. Over 100,000 objects were decontaminated and relocated in preparation for Building 17's renovation, while 2,500 objects were moved to the Museum Support Center. The Museum also introduced a newly streamlined and effective outgoing loan process. NMAH has made progress on its collections information system with additional staff training, successfully adding new acquisitions to the system, beginning the loading of "legacy" systems collections data and creating the initial image database to augment the existing collections data. Staff executed contracts for the conversion of large numbers of electronic and manual records.

In FY 1999, the *Star-spangled Banner* was taken off display for much needed conservation work. A special on-site conservation laboratory will house the flag while it undergoes extensive treatment. Visitors will be able to view the ongoing work and see a temporary exhibit addressing the conservation effort. This joint publicly/privately funded millennium project marks the beginning of the Museum's Blueprint program, a ten-year, multi-million dollar effort to tell a more integrated story of American history within the Museum, provide new learning opportunities, and showcase more of American History's collections.

Exhibitions and Public Programs - The Museum's FY 1998 public programs reached out to ever larger audiences. The NMAH website, while receiving millions of hits, won a national award for the interactive program *You Be the Historian*. An innovative and critically acclaimed new virtual display, *Revealing Things*, provides access to the Museum's holdings. The Museum's Lemelson Center for the Study of Invention and Innovation hosted the Colors of Invention series, exploring the role invention plays in the technology and aesthetics of created colors through exhibitions,

electronic field trips, lectures and workshops. The Duke Ellington Youth Festival and the Kids Learning History Conference involved thousands of school children and teachers, locally and nationally, in the development and implementation of model teaching programs. The Museum also launched a new series of programs on Latino traditions, in conjunction with two new exhibitions focusing on the historical development of Latino communities in North America.

In FY 1998, exhibitions continued to explore the development of American culture and identity with shows such as *Wade in the Water*, a major exhibition on the history of African American sacred music traditions, and *Ella Fitzgerald: First Lady of Song*, bringing renewed attention to the accomplishments and artifacts of one of America's greatest singers. *Exploring the Internet* and *America's Clothespins* showed visitors the intersections between technology, creativity and inventiveness as well as the rapid changes wrought by technology. *A Collector's Vision of Puerto Rico* represented portions of the Museum's new Vidal collection of Puerto Rican folk art. *Between a Rock and A Hard Place* helped visitors gain a better understanding of the history of sweatshops in America and of efforts underway to improve conditions in the workplace.

In FY 1999, the Museum will open one new permanent exhibition. *Communities in a Changing Nation* explores what the promise of America meant to different communities pursuing freedom, equality, democracy and opportunity in the 1800s. In FY 2000, the Museum plans to open a new Welcome Center and the exhibition *On Time* which considers ways Americans have measured, used, and thought about time in the last 300 years.

National Postal Museum - The following are highlights of recent activities at National Postal Museum. In FY 1998, six new exhibitions were installed. *Our Town: New Deal Post Office Murals* uses selected studies presented for consideration as possible post office murals to examine the importance of New Deal-era murals in countless small communities across the country. *Mail to the Chief*, guest curated by Congressman Joseph Pitt, depicted all of the known stamp sketches produced by President Franklin Roosevelt during his Presidency. *Manning the Post* examines the role of America's first female postal employee, Mary Katherine Goddard, who served as the postmaster of Baltimore, Maryland, from 1775 to 1789. Two new publications were produced, including *Letters From Home*, an activity guidebook for the classroom. The Museum developed guidelines for a graduate predoctoral fellowship program and established an international Council of Philatelists to advise on stamp-related projects and publications.

NONAPPROPRIATED RESOURCES - National Museum of American History General Trust funds provide support for salaries and benefits of personnel. In addition, these funds provide general support for research activities, conservation, publications, exhibitions, fund raising, and acquisitions. Donor/Sponsor Designated funds provide support for specific programs and projects, such as collections maintenance, special events, education programs, acquisitions and exhibitions. Government grants and contracts provided support for collections, exhibitions, and research.

The National Postal Museum receives annually major operating and program support from the United States Postal Service. These funds provide support for salaries and benefits of Trust Fund employees, utilities and maintenance, security services, exhibitions, publications, fund raising, conservation, and public programs. Donor/Sponsor Designated funds provide support for specific programs and projects, such as special events, education programs, acquisitions and exhibitions.

NATIONAL MUSEUM OF THE AMERICAN INDIAN

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ESTIMATE	177	13,236	4	1,458	1	443	0	0
FY 1999 ESTIMATE	224	16,632	3	1,685	1	232	0	0
FY 2000 ESTIMATE	235	22,090	3	1,685	1	232	0	0

ABSTRACT - The National Museum of the American Indian (NMAI), established in 1989 by Public Law 101-185, recognizes and affirms to Native American communities and the non-Native American public the historical and contemporary cultures and cultural achievements of the native peoples of the Western hemisphere. This is achieved through development and use of its collections and nationwide public programming, research, and exhibitions executed in consultation with native peoples. The mission of NMAI states that the Museum has a special responsibility, through innovative public programming, research, and collections, to protect, support, and enhance the development, maintenance, and perpetuation of Native American culture and community.

NMAI operates administrative offices in Washington DC, an exhibition center in New York City at the George Gustav Heye Center (GGHC) in the Alexander Hamilton U.S. Custom House, and the Research Branch located in the Bronx, New York. The Research Branch temporarily houses curatorial offices, a conservation laboratory, and most of the Museum's collections. Beginning in March 1999, NMAI's collection of one million artifacts will begin to be relocated from New York to a newly constructed facility in Suitland, Maryland. This Cultural Resources Center (CRC) will house reference, collections, and program support for NMAI. A museum building on the Mall is planned to open in 2002.

For FY 2000, the Smithsonian requests \$5,000,000 and 11 positions for programmatic increases associated with the opening of the CRC in

Maryland, moving staff and collections from New York City to the CRC, and developing exhibitions and beginning operations for the Mall museum of the NMAI. The Institution requests that the funds for this line item remain available until expended. The Institution requires \$458,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - The Museum of the American Indian, located in New York City, opened its doors to the public in 1922. On June 24, 1990, the collection was transferred to the Smithsonian Institution to form the base of the National Museum of the American Indian. The collection, initiated near the turn of the century, is one of the world's largest assemblages of artifacts of the indigenous cultures of the Western hemisphere.

Collections Management - With the completion of the new Cultural Resources Center, FY 1999 will be devoted to equipping and start-up of the new facility, staff moves, and beginning the relocation of one million artifacts inadequately housed in New York. The initial move will include the 80,000-item photo archives, library and manuscript holdings, and various other groupings including oversized artifacts and 16,000 items now in leased storage. Because of the transition from New York, NMAI has reduced collections-based services and concentrated on the CRC start-up and collections move.

In FY 1998, staff prepared equipment specifications for labs and collections storage for the new building, successfully completed a pilot move of 16,000 objects to test assumptions, began the conversion of a new collections database, prepared a request for proposal for contract support for the collection relocation, and undertook a 100-percent inventory and assessment of the collection's physical condition, to be completed this December.

In FY 2000, with the Cultural Resources Center staffed and the collections move expanding, NMAI will restore basic services, operate the CRC, and begin preparing the 8,000 objects required for the Mall opening exhibitions. Additionally, as part of the move process, objects will be digitally imaged and linked to the collections database, and become the basis for Internet access to the Museum's holdings.

Research - Research and content development for the exhibitions at the Mall museum are continuing high priorities. In FY 1998, planners finalized conceptual themes and initial content of the three permanent Mall exhibitions. In addition, curators completed an exhibition on the *Plains*

Indians and the Horse, and contributed to the curation of exhibitions at the Heye Center. NMAI staff also accommodated researchers visiting various collections. Research needs will significantly increase as Mall exhibition objects are selected and text is written, and as exhibits change at the Heye Center.

Acquisitions - In coming years the Museum must move decisively with regard to acquisitions to demonstrate its commitment to living Indian people and artists and to build collections which document the lives of 20th century Native American peoples. It is anticipated that 10 percent of the 8,000 objects in the Mall exhibitions will be contemporary. In order to meet this goal for the Mall building's anticipated opening in 2002, a systematic acquisition program will be initiated.

Public Programs - The George Gustav Heye Center interprets the NMAI mission through daily gallery tours and demonstrations, elementary and secondary school programs, theatrical presentations, film and video screenings, festivals, symposia, art talks, and community outreach programs. At over 600,000 visits last year, attendance has far outpaced initial expectations, with the Heye Center now ranked as the sixth most visited museum in New York city. In addition, the interactive Resource Center seeks to remove the Museum's walls by reaching a global Internet audience through its website.

Additionally, the NMAI community services department conducts several artist-in-residence programs for both contemporary and traditional practitioners as well as museum and research training, internships, technical assistance to tribal museums, and radio projects.

Publications - In 1997-98, the Museum published one recording, *Wood That Sings: Indian Fiddle Music of the Americas*, two children's books, *Brave Wolf and the Thunderbird*, and *Coyote in Love with a Star*, along with brochures (one in Spanish), rack cards, preview postcards, quarterly calendars, posters, and special books for opening events. *Spirit Capture: Photographs from the National Museum of the American Indian* was published in Fall 1998.

In FY 2000, NMAI will prepare several books, including a children's book, recordings and all printed materials and gallery guides for the 2002 opening on the Mall, in addition to publications needed for ongoing activities at the Heye Center in New York and the Cultural Resources Center in Maryland.

Exhibitions - Among the exhibitions presented in the changing galleries at GGHC in 1998 was *Memory and Imagination: The Legacy of Maidu Indian Artist Frank Day*, a retrospective exhibition developed by the Oakland Museum depicting Maidu folklore and history. Day's work played a significant role in revitalizing Native American ceremonies in northern California and has had considerable influence on contemporary Native American artists. Currently under development is *Spirit Capture: Native Americans and the Photographic Image*. This exhibition will examine the impact of the history of photography on Native people and showcase NMAI's extensive photographic archives.

Long-term focus is now on the exhibitions for the NMAI museum on the Mall, opening in 2002. The work encompasses developing and producing exhibits for three long-term galleries (closely coordinated with the building design and construction), planning the inaugural exhibit for the changing gallery, developing the concept for and producing the open storage exhibitions, and implementing plans for the visitor experience throughout the building.

National Campaign/External Affairs - Recent accomplishments include raising funds for specific needs at the Cultural Resources Center and laying the groundwork for an endowment at the GGHC. Fundraising and external affairs goals for FY 1999 include raising endowment funds at the GGHC, initiating the first-phase feasibility study for marketing strategies for fund raising for the Mall Museum opening activities, and continuing to support a vigorous membership program that has attracted about 60,000 participants to date.

EXPLANATION OF PROGRAM CHANGE - For FY 2000, the Smithsonian requests \$5,000,000 and 11 positions for programmatic increases associated with the opening of the CRC in Suitland, Maryland and moving staff and collections from New York City to the CRC (\$2,166,000 and 6 positions) and opening exhibitions and beginning operations for the Mall museum (\$2,834,000 and 5 positions). The Institution requests that resources for this line item remain available until expended.

NMAI FY 2000 REQUESTED INCREASE	Positions	\$000
Collections Move to Cultural Resources Center		\$ 1,100
Cultural Resources Center Operations:		
• Archives	2	223
• Research & Curatorial	2	236
• Libraries/Resource Center	2	462
• Technology	0	145
Subtotal, Cultural Resources Center	6	2,166
Mall Museum:		
• Exhibits Development	0	2,300
Museum Operations:		
• Community Services	2	146
• Publications	3	388
Subtotal, Mall Museum, Operations	5	2,834
Requested Increase	11	\$ 5,000

The increases requested for FY 2000 are primarily directed at two Museum priorities: (1) improved care and public access to the collections, and (2) Mall Museum opening needs. Both efforts will increase the availability of Native American artifacts and information about the cultures that the collection represents. The museum-going public, Indian communities and individuals throughout North and South America, and Native and non-Native scholars will benefit from this increased access to the Museum's treasures.

Collections Move and Cultural Resources Center requirements (\$2,166,000 and 6 positions) - The Institution requests \$1,100,000 to contract for packing and transportation services to continue the collections move from New York to Suitland, Maryland. This requested increase is necessary to meet the 5-year move schedule.

The Institution also requests \$459,000 and 4 positions to strengthen archives and curatorial operations at CRC with an archivist, collections technician, two staff curators and contracted specialists representing the hemispheric scope of the Museum's collections and research requirements. The Institution also requests \$320,000 to address the backlog of cataloging and preservation of the Huntington Library collection (expected to take five

years) and \$42,000 for ongoing library operations, including acquisitions of additional materials in support of the programs. An additional \$100,000 and 2 positions will permit NMAI to staff the Resource Center at CRC to provide assistance to visitors and produce reference guides and outreach materials related to NMAI collections and services. The Institution requests \$145,000 to provide technology capacity to support growing databases and networks, including linkages between NMAI locations.

Mall Museum Exhibitions and Museum Operations (\$2,834,000 and 5 positions) - The Institution requests \$2,300,000 for development of exhibitions at the Mall Museum and \$534,000 and 5 positions for community service and publications activities. Exhibition development includes completion of design and production contract specifications for all exhibitions fabrication, multimedia programs, and other components critical to the success of the opening installations and presentations. This work must be completed in FY 2000 in order for production to occur in FY 2001 and 2002 in close coordination with the completion of construction. An increase of two community service positions and funding will strengthen the relationship between the resources concentrated at the CRC and NMAI's diverse and widely dispersed constituents. Three publications positions and funding will enable the Museum to develop books and other materials in connection with the Mall Museum opening in 2002 and to expand the use of the Internet for linking NMAI's resources to distant audiences.

The increases requested will move NMAI much closer to its goal of providing first-rate care and wide public access for the extensive and significant collections entrusted to it in the legislation of 1989. By continuing the relocation of the collection from New York and providing the needed program and support staff at the CRC, the long-term preservation of the artifact, archive, and library collections will be assured. NMAI will apply current technology to the recording of collections data during this relocation, improve management of the collections, expand security and inventory efforts and make broadly accessible both text and image information for multiple users in on-site and distant locations. Community services staff will help link the CRC's resources to specific users and encourage collaborative projects. Finally, the funds will help begin the crucial work of producing the inaugural exhibitions and related educational publications and materials that will make NMAI's collections directly accessible to millions of visitors to the new Mall Museum.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for salaries and benefits of personnel, a portion of the National Campaign costs, and specialized program activities. Donor/Sponsor Designated funds provide support for costs related to specific programs and projects, including educational programs, exhibits, and outreach.

NATIONAL MUSEUM OF NATURAL HISTORY

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	577	40,752	31	3,480	26	5,420	13	1,786
FY 1999 ESTIMATE	582	41,224	33	6,167	22	15,983	13	3,593
FY 2000 ESTIMATE	582	42,807	33	5,737	20	12,159	8	1,025

ABSTRACT - The National Museum of Natural History (NMNH) enhances the understanding of the natural world and humanity's place in it. The Museum's researchers study natural and cultural diversity by collecting and identifying specimens of nature and human invention, establishing relationships among them, and explaining the underlying processes that generate, shape, and sustain their diversity. The Museum interprets this scientific understanding to a national audience through research reports, exhibitions, and education programs. Stewardship of the national collections underpins Museum activities and ensures preservation and global access to these world resources in perpetuity. The close linkage between research, outreach, and collections stewardship is a hallmark of the Museum, lending perspective and authenticity to its research and authority to its outreach.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the National Museum of Natural History. The Institution requires \$1,583,000 for Necessary Pay for existing staff in this line item.

PROGRAM - The National Museum of Natural History is one of the leading international centers for research on natural history and anthropology. More than 100 Smithsonian and 50 affiliated-agency scientists working worldwide in the field conduct research using the Museum's unparalleled collections and laboratory facilities. Public exhibits at NMNH attract about six million visits annually. Outreach programs, including traveling exhibits, interactive electronic classrooms and field trips, and informational websites serve millions more, nationally and internationally. The Museum is committed to maintaining its intellectual and institutional leadership in its scientific disciplines, to conserving and expanding access to its irreplaceable collections, to training the next generation of scientists and technicians, to developing and implementing innovative and virtual educational materials and methodologies to expand and

enhance public use of its resources, and to continuing its recognition as America's authoritative source of knowledge of humanity's place in the natural world.

Research - In order to provide context for issues such as global change and biological diversity, the Museum's research emphasizes both historical and contemporary approaches. During FY 1998, Museum scientists contributed research and public presentations to the *Year of the Ocean* celebrations, unlocked new discoveries on the origins of life in excavations in China, and provided leadership and critical new insights into a key indicator of earth's health: the declining populations of amphibians. Museum researchers produce over 600 papers per year; this Spring, NMNH research appeared at least four times in *Science*, either as the main research article, or in the context of another research issue. Increasingly, research is also disseminated through public programs, ranging from exhibitions to remote learning programs. One member of the Paleobiology department is part of a Harvard/Massachusetts Institute of Technology team recently picked by the National Aeronautics and Space Administration as one of 11 groups to form the Institute of Astrobiology, which will focus on research involving the early history of life on Earth, and the possibilities for life on Mars, Europa, and elsewhere. Finally, NMNH established the first Endowed Chair in the history of the Smithsonian Institution, the Herbert R. and Evelyn Axelrod Revolving Chair of Systematic Ichthyology in the Division of Fishes. Museum scientists are frequently called upon as experts by federal agencies ranging from the Federal Bureau of Investigation, where physical anthropologists assist in forensic analysis, to the Department of Interior, where Museum biologists contribute to species inventories and park planning. Research training for future scientists included training of 77 interns, 132 pre- and post-doctoral students, and 55 visiting fellows.

Collections Management - In FY 1998, approximately 215,000 specimens were added to the Museum's collections. Among the highlights are a spectacular group of rhodochrosite crystals from Colorado that will go on display in the Janet Annenberg Hooker Hall of Geology, Gems, and Minerals and collections from Ghana including an airplane coffin, toy trucks, and academic dress to be displayed as part of the African Voices Hall scheduled for opening in the Fall of 1999. Installation continued on the transaction management module of the Museum's Collections and Research Information System, increasing the efficiency by which staff can monitor the huge number of incoming and outgoing loans, exchanges, and acquisitions of collection items for research and exhibition. Requirement specifications were also completed for the collection multimedia catalog. Over 24,500 specimens, largely mammalian carnivores, were moved to improved storage at the Museum Support Center; installation of the first phase of compactors for the plant collections was completed, providing needed expansion space; and the insect collections were stabilized and labeled in preparation for the move to the

new storage area in the East Court building. In FY 1998, presentations as diverse as a public database on Spring-flowering plants near the District of Columbia and scientific research databases of the United States Antarctic Program undertaken in cooperation with the National Science Foundation were made publicly accessible via the Museum's website, the Natural History Web.

Public Programs - The Janet Annenberg Hooker Hall of Geology, Gems, and Minerals, a permanent exhibition which features the Hope Diamond, tells the story of earth sciences from minerals to meteorites through thousands of spectacular specimens, touchable objects, visitor-friendly text, and a variety of videos and computer interactives. Two temporary exhibitions were mounted during FY 1998. *Agayuliqararpui (Our Way of Making Prayer): The Living Tradition of Yup'ik Masks* opened, presenting treasures from the ceremonial heritage of the Yup'ik Eskimo people of Southwest Alaska. *Natural Selections: Museum Photography* by staff photographer Chip Clark also opened. The Naturalist Center, an educational facility staffed by the Museum and temporarily located in Leesburg, Virginia, had the largest school and public visitation ever in its more than 25-year history. During FY 1998, the Natural Partners program, which is developing electronic programming to increase public access to the Museum's collections and research activities, produced seven electronic field trips including three from the Amazon rainforest, in one of which Secretary of State Madeline Albright participated. The program received two Telly Awards, an award established to showcase and give recognition to outstanding non-network and cable commercials and film and video productions. Natural Partners also launched Ice Age Summer Camp, its first after-school program with Voyager Expanded Learning. Voyager develops curriculum and associated instructional materials in academic areas related to natural history for use in elementary school-age learning programs. With the help of a grant from IBM, Natural Partners has begun digitizing the NMNH collections. Through another grant from the NASA Stennis Space Center, the program produced its first two Remote Sensing Expeditions: an electronic visit to a hazardous volcano in Peru; and a visit along the ancient trails of early peoples in North America.

In the coming fiscal years three major permanent exhibitions will open: the new Rocks Gallery in November of 1998, the African Voices gallery, and the Behring Family Rotunda in the Fall of 1999. Temporary exhibitions will include *Pomo Indian Basket Weavers*, *Vikings: The North Atlantic Saga* and *Ainu: Spirit of a Northern People*. During FY 1999, Natural Partners will produce eight electronic field trips; develop and implement a Mammals in the Schools Program; and, with Voyager Expanded Learning, open six new Museum Schools throughout the United States and premiere *Why We Remember*, a three-year program on the Lewis and Clark expedition in August.

Major Facility Expansion and Renovation - The relocation to the newly completed East Court building will provide space for research and collections activities, public service space for education offices and instructional classrooms, and needed public restrooms. This move into the new building and related relocations are anticipated to be completed in FY 2001. During FY 1999, the remainder of the communications equipment will be procured and installed in the building. This overall effort requires supplemental contract labor and supplies and equipment to assist with the relocation of offices and laboratories. During FY 1999 - 2001, preparation to move millions of delicate specimens, including insect collections from fieldwork carried out since 1881, will also continue requiring specialized supplies, equipment and supplemental contract support.

A major capital renewal project is in progress and will continue for at least a decade. It will provide the Museum building with a new heating, ventilating, and air conditioning system. Its progress will depend upon the prompt occupancy of the East Court building and related spaces. It is crucial to keep the Natural History building's mechanical renovation project on schedule, to minimize the interruption of regular scientific work, and to maintain access to important and frequently utilized reference collections.

The Discovery Center, also known as the West Court project, is nearing completion within the National Museum of Natural History building and is funded by a bond issue to be repaid from revenue-producing activities. Occupancy of the building will begin early in 1999. It will provide staff and public restaurants as well as a new, large-format, 2D/3D theater. The building will also provide new and expanded space for the Discovery Room, Natural History's hands-on learning center, currently located in the main Museum building, and for the anthropology film archives. The Discovery Center will be integrated with the existing structure as well as with the building's mechanical support systems.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for salaries and benefits, general program costs, and fund raising. Donor/Sponsor Designated funds provide support for costs related to specific programs and projects. Government grants and contracts provide support for research and exhibitions.

NATIONAL PORTRAIT GALLERY

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	85	5,289	1	453	0	396	0	0
FY 1999 ESTIMATE	85	5,406	1	821	0	500	0	0
FY 2000 ESTIMATE	85	5,618	1	486	0	400	0	0

ABSTRACT - The National Portrait Gallery (NPG) exhibits and studies portraits of major figures in American history and culture. It also studies the artists who created portraits in its collection and sponsors scholarly and public activities in these areas.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the National Portrait Gallery. The Institution requires \$212,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - The National Portrait Gallery explores the heritage and accomplishments of the American people by collecting, documenting, preserving, studying, and exhibiting portraits in all media as both historical and artistic documents.

Electronic Outreach - The National Portrait Gallery's newly named Center for Electronic Research and Outreach Services continued to bring Gallery collections, programs, and exhibitions to researchers and the public via the World Wide Web. This year's online exhibitions and programs included *Edith Wharton's World*, *George C. Marshall: Soldier of Peace*, *Celebrity Caricature in America*, *The Amistad Case*, *The Seneca Falls Convention*, and *Andy Warhol FLASH—November 22, 1963*. Current website awards include Snap Best of the Web, Lycos Top 5%, Education Index Top Site, and ThirdAge Special Site. Visitor hits to the homepage totaled approximately 100,000 this past year. The Center also successfully installed The Museum System (TMS), a new collections information system, which is part of a joint initiative by six Smithsonian museums. The Catalog of American Portraits' research records are included in the new TMS database as well as in the website's collections

search. The online search provided more than 25,000 responses to researchers' queries this year.

During FY 1998, research and writing of *The Selected Papers of Charles Willson Peale and His Family, Volume 5: The Autobiography of Charles Willson Peale* was completed and submitted to Yale University Press. A publication subvention from the National Historical Publication and Records Commission of the National Archives was awarded.

Collections Management - Conservation of 14 sculptures in the collection was made possible by a generous grant from the Smithsonian Women's Committee. These included sculptures of Ginger Rogers by Isamu Noguchi, Thomas Hart Benton by Onorio Ruotolo, George Nakashima by Jonathan Shahn, and Nettie Fowler McCormick by Erastus Dow Palmer.

Collection Acquisitions - During FY 1998, approximately 300 acquisitions were added to NPG's collections. Among the most important were a caricature drawing of David Smith by David Levine, two drawings of Lincoln Kirsten by Jamie Wyeth; a pastel drawing of James Baldwin by Beauford Delaney, two watercolor sketches of Josephine Baker by Paul Colin, and a drawing of Ben Shahn by Alexander Calder. The Gallery received two major bequests: portraits of David Rittenhouse by Charles Willson Peale and Daniel Webster by Francis Alexander. Other acquisition highlights included portraits of Edward Albee by Menden Hall, Jonas Phillips by an unidentified late 18th century artist, and Catherine Shouse by Elaine Pear Cohen.

Exhibitions - To commemorate the fiftieth anniversary of the Marshall Plan, the National Portrait Gallery and the George C. Marshall Foundation in Lexington, Virginia, co-organized an exhibition on the life and career of American general and statesman George C. Marshall. The exhibition will travel to the Marshall Museum in Lexington, Virginia. *Faces of TIME: 75 Years of TIME Magazine Cover Portraits* was organized to commemorate *TIME*'s 75th anniversary and its gift to the Gallery of several thousand original art works that appeared on the magazine's covers. The exhibition will travel to four venues including two presidential libraries. *Celebrity Caricature in America* featured the cleverly stylized likenesses of colorful personalities from the 1920s through the 1940s. This exhibition will travel to the New York Public Library in the year 2000. Work is underway on 11 other exhibitions opening in 1999 and on plans for touring exhibitions from the Gallery's permanent collection while the museum is closed for renovation, now scheduled to begin in FY 2000.

Education - The Gallery interprets its collection through daily gallery tours, elementary and secondary school programs, senior citizens' outreach programs, lunchtime lectures and book signings, films, and performances.

The Gallery presented 26 Living History Performances of *Lens of History*, a twenty-minute one-man show bringing Mathew Brady's accomplishments to life, and *How Did Mathew Brady Make These Pictures? Day*, an afternoon of demonstrations of nineteenth century photographic processes and techniques. It also presented 16 lunchtime lectures, some with book signings, including John S.D. Eisenhower's discussion of his book, *Agent of Destiny: the Life and Times of Winfield Scott*. The Cultures In Motion program produced 26 performances, including *The Beatles Second Invasion* concerts held in conjunction with the Gallery's *Faces of Time* exhibition. Nationally-known Beatles tribute bands performed in the Portrait Gallery Courtyard each Thursday in July to unprecedented crowds.

Publications - The National Portrait Gallery, with the George C. Marshall Foundation, co-published *George C. Marshall: Soldier of Peace* to accompany the exhibition of the same title. The book is distributed by the Johns Hopkins University Press, and includes essays by Larry I. Bland and Colin L. Powell. *Faces of TIME: 75 Years of TIME Magazine Cover Portraits* was published by Bulfinch Press/Little, Brown & Company in association with the National Portrait Gallery to accompany the exhibition. *Celebrity Caricature in America*, published by Yale University Press, went into a second printing after publication.

NONAPPROPRIATED RESOURCES - General Trust funds provide support to help defray costs of publications, public lectures, symposia, special events for exhibition openings, loan exhibition development, management, research, and fund raising. Donor/Sponsor Designated funds provide support for costs related to specific programs and projects. This past year TIME, Inc. and Canon USA, Inc. sponsored the *Faces of TIME: 75 Years of TIME Magazine Cover Portraits* exhibition. *Celebrity Caricature in America* was supported by the Marpat Foundation and Nations Bank Charitable Foundation, and the *Mathew Brady* exhibition received funding from Siemens Corporation, the Marpat Foundation, and Citibank.

NATIONAL ZOOLOGICAL PARK

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	317	19,163	2	1,316	0	1,135	0	710
FY 1999 ESTIMATE	317	19,664	2	1,366	0	1,612	0	1,023
FY 2000 ESTIMATE	317	20,463	2	1,381	0	1,646	0	1,042

ABSTRACT - When the National Zoological Park (NZP) was founded in 1889, its mission was defined as "the advancement of science and the instruction and recreation of the people." The Zoo still works to achieve these ends. Since NZP's public function is educational and recreational, it seeks to enhance public awareness about biology and related subjects. This emphasis means that the Zoo is concerned with all aspects of life, both terrestrial and aquatic, small and large, past and present. Responding to world environmental concerns, the Zoo is now committed to representing the whole of life on earth, plant and animal, in all its complexity and glory. To this end, NZP is transforming the animals-only zoological park into a biological park (BioPark). The BioPark will highlight the intermeshing relationships of animals and plants, educate visitors by its spectacle and beauty, and foster a concern for the future of life in all its forms.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the National Zoological Park. The Institution requires \$799,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - NZP serves both the general public and more specialized audiences by promoting the conservation of life on Earth through informal and formal education, research, and animal health programs. NZP's educational efforts center on biological literacy, with special emphases on evolution, complex adaptive interactions, the origins and importance of biodiversity, global change, and the impact of humans on the world. In pursuit of its mission, NZP exhibits a wide range of living plants and animals on its 167-acre facility in Rock Creek Park in Washington DC. It also maintains the Conservation and Research Center as a major facility for endangered species propagation, conservation, training, and research

located on 3,200 acres near Front Royal, Virginia. The scale and scope of the Zoo's programs require a skilled support staff, with specialized equipment and materials capable of developing and maintaining the unique systems essential to sustaining living animal and plant exhibits. Also included in this line item is a portion of the International Environmental Science Program, which supports long-term studies of the endangered Golden Lion Tamarin.

Research - Zoo nutritionists, in collaboration with the Bureau of Land Management, have been studying the feeding behavior of endangered tortoises in Nevada since 1991. Between 1991 and 1997, the tortoises ate 127 species of plants. Studies in 1998, an El Niño year, show the tortoises ate an additional 103 plant species containing rare but essential nutrients. For tortoises, which live 50 to 100 years, ephemeral plants growing in unusually wet years appear to be critical for their normal development and reproduction. Only long-term studies will provide information to support such conclusions, and the Zoo's nutritional scientists are analyzing plant samples to determine whether these relationships exist. 1/

Zoo physiologists continue to document the reproductive cycles of threatened species using noninvasive endocrine monitoring techniques. Zoo scientists use these techniques to develop appropriate semen collection and artificial insemination protocols and to diversify the captive populations. In 1998, Zoo pathologists discovered a new strain of fungus affecting frogs in the collection. This fungus may be implicated in the dramatic worldwide decline of frog populations occurring over the past decade. These are cases where Zoo research has considerable impact on problems in animal populations and habitats.

Living Exhibits - Living exhibits serve as the centerpiece of the National Zoo. In 1998, the Zoo opened its *Great Cats Exhibit*, a highly interactive series of graphics and displays surrounding the existing lion/tiger yards. As part of the new American Prairie exhibit, the new prairie dog exhibit opened. The remainder of the American Prairie exhibit will open in the spring of 1999 when American Bison are added to the exhibit. The national-award-winning exhibit *Think Tank* continues original research on great ape cognition, and the Amazonia Science gallery continues to expand its programs for bringing Smithsonian science to the general public. *Living in Water*, *The American Farm*, and the Urban Wildlife Center are in concept development. Each of these exhibits redevelops existing out-of-date or empty Zoo exhibits.

Conservation - Programs at the Conservation and Research Center focus on the preservation of endangered species and the development of specialized education and training programs. Staff members continue to play a leading role in the preservation of Micronesian kingfishers and a host of other threatened species and habitats through a dynamic combination of field studies, laboratory investigations, and interactive management of wild and captive populations. To assist national and international conservation goals, NZP scientists present a variety of custom-designed training courses in wildlife education. These courses, taught at the Center and at various locations abroad, are aimed at students and professionals from the U.S. and developing countries. In addition to its research, management, and training programs, the Center maintains CONSLINK, an international computerized bulletin board dealing with conservation issues and findings.

Education - The Zoo's diverse educational programs include student and professional training programs, research lectures, public lectures, special events, public demonstrations, specialized films and publications, and dissemination of information through the Internet. Zoo staff develop innovative educational outreach programs and curricula for teachers and school children. Major collaborations between organizations and governments in Latin America allow the Zoo to support local and international programs of great interest to Latino and non-Latino audiences. Novel programs, like *Scientists in the Classroom*, allow students and teachers to interact directly with Zoo scientists and researchers, and reach millions of teachers and students across the nation with teleconferencing. During FY 1999, the Zoo will continue expanding its teleconferencing capabilities and expand and improve its Internet website.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for salaries and benefits of personnel, general support, fund raising, outreach, and acquisitions. Donor/Sponsor Designated funds provide support for costs related to specific programs and projects, such as conservation, research, and training. Government grants and contracts provide support for research.

SMITHSONIAN ASTROPHYSICAL OBSERVATORY

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	141	18,341	79	11,220	21	2,813	274	40,502
FY 1999 ESTIMATE	141	18,714	92	13,106	22	3,446	248	45,426
FY 2000 ESTIMATE	141	19,847	92	13,500	22	3,446	248	58,124

ABSTRACT - The Smithsonian Astrophysical Observatory (SAO) conducts research to increase understanding of the origin and nature of the universe and to communicate this information through publications, teaching, and public presentations. SAO studies diverse systems, including the large-scale structure of the universe, clusters of galaxies, quasars, the sun, and planets. SAO also conducts research in laboratory astrophysics, atmospheric physics, geophysics, medical physics, and precollege science education. SAO research has a major impact in the worldwide scientific community and has helped the United States maintain worldwide leadership in science.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Smithsonian Astrophysical Observatory. An increase of \$590,000 justified in the Mandatory Increases section of this budget will support increased rental cost for SAO facilities in Cambridge, Massachusetts (\$270,000) and necessary rental space in Hilo, Hawaii (\$320,000) for the Submillimeter Array project. The Institution requires \$543,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - SAO is a member of the Center for Astrophysics (CfA), headquartered in Cambridge, Massachusetts. In collaboration with the Harvard College Observatory, SAO pursues a broad program of research organized by the following disciplines: atomic, molecular and medical physics; high-energy astrophysics; optical and infrared astronomy; planetary sciences; radio and geoastronomy; solar and stellar physics; theoretical astrophysics; and science education.

SAO's observation facilities include the Fred Lawrence Whipple Observatory in Arizona, the Oak Ridge Observatory in Massachusetts, and a millimeter-wave radio telescope at Cambridge, as well as instruments occasionally launched aboard balloons, rockets, and spacecraft.

Research - In FY 1998, the Smithsonian Astrophysical Observatory made significant advances in several areas. Looking deep into space to analyze light from exploded stars (supernovae), SAO and Harvard astronomers, and their colleagues elsewhere, have found substantial evidence that the expansion of the universe is speeding up rather than slowing down. Another research group also obtained similar evidence at almost the same time. If confirmed, this very surprising and totally unexpected finding, confirming the existence of a "pressure" arising from empty space, will truly revolutionize our view of the universe.

Astronomers have long suspected that a black hole lurks at the center of our galaxy, the Milky Way. Now, using the high resolution capability of the Very Long Baseline Array (VLBA) of radio telescopes to track the movements of matter around the center, scientists at SAO and their colleagues elsewhere have obtained strong evidence that such a black hole, with a mass equivalent to that of about three million suns, anchors the heart of the Milky Way.

The remarkable high-resolution images of the sun's inner atmosphere returned by NASA's Transition Region and Coronal Explorer (TRACE) spacecraft are dramatically challenging theories about solar physics. TRACE incorporates special mirrors designed by SAO scientists and instruments sensitive to extreme-ultraviolet wavelengths of light. With unprecedented high temporal and spatial resolution, TRACE is studying the formation and decay of huge magnetic loops arising from the surface of the sun. These loops are associated with the source of the solar wind, which is the stream of charged particles that pours from the sun to engulf the solar system, often disrupting communication and power systems on Earth.

A team of astronomers led by scientists at SAO discovered a disk of gas and dust around a nearby star that may be forming or may have already formed planets. This proto-planetary disk, about three times the diameter of Pluto's orbit around the sun, surrounds a star roughly 220 light-years from Earth, which, according to theory, has the right age to be forming planets now. The disk was discovered independently and nearly at the same time

by a second team of astronomers using the 10-meter Keck II Telescope on Mauna Kea, Hawaii.

The success of SAO scientists in competitions to be part of major NASA space missions has enabled SAO to greatly enhance its scientific impact. Scientists at SAO played or will continue to play key roles in the design, instrumentation, and operation of the Chandra X-ray Observatory. The observatory is the third of NASA's Great Observatories, along with the Hubble Space Telescope and the Compton Gamma Ray Observatory, and is designed to observe in x-rays—in much greater detail than ever before—the hot, violent regions of the universe that cannot be seen with optical telescopes. This satellite is currently in the final stages of testing with launch expected in 1999.

The start of the design and development phase of the fourth and last of NASA's Great Observatories has begun. The Space Infrared Telescope Facility (SIRTF) will be the infrared equivalent of the Hubble Space Telescope. SAO is developing the Infrared Array Camera (IRAC) for this mission. The IRAC instrument will address four major scientific objectives defining the SIRTf mission: (1) study of the early universe, (2) search for and study of brown dwarfs and superplanets, (3) study of ultraluminous galaxies and active galactic nuclei, and (4) discovery and study of protoplanetary and planetary debris disks. In addition, IRAC is a general-purpose camera that will be used for a wide variety of astronomical research programs.

Education - In FY 1998, SAO continued work on a discovery-based elementary school curriculum using astronomy as a unifying theme, as well as on middle school curricula relating to engineering designs and communications technology. The Education Forum at SAO is one of four major centers for space science education established this past year by NASA. The Forum's educational mission is to bring to the widest possible audience the stories and concepts relating to the structure and evolution of the universe. SAO's Summer Intern Program brought a dozen college undergraduates to Cambridge to work with SAO scientists on a variety of research projects.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for salaries and benefits of personnel and general operations. In addition, these funds provide support for research, fellowships, and business expenses. Donor/Sponsor Designated funds provide support for costs related to specific programs and projects. Government grants and contracts provide support for major research in SAO's areas of expertise and experience, which is often carried out in cooperation with both governmental and academic institutions in the United States and abroad.

SMITHSONIAN CENTER FOR MATERIALS RESEARCH AND EDUCATION

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ESTIMATE	36	2,932	0	271	0	0	0	0
FY 1999 ESTIMATE	36	3,055	0	40	0	0	0	0
FY 2000 ESTIMATE	36	3,170	0	40	0	0	0	0

ABSTRACT - The Smithsonian Center for Materials Research and Education (SCMRE), located at the Museum Support Center in Suitland, Maryland, is the Smithsonian's specialized research facility for the conservation and technical study of museum objects. SCMRE staff examine the conservation-related properties of materials, extract historical information from their technical record, and improve conservation treatment technology. Experience with a wide range of materials and expertise in analytical and technological studies enables SCMRE to engage successfully in collaborative research with anthropologists and art historians. SCMRE also conducts a conservation training program that provides instruction in basic and advanced conservation theory and technique, supports and organizes workshops and seminars, and disseminates the latest knowledge in the field of conservation and cultural materials research to museums and research professionals as well as to more general audiences throughout the United States and the world.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Smithsonian Center for Materials Research and Education. The Institution requires \$115,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - SCMRE's program areas include research and development, education and training, and support and collaboration.

Research and Development - SCMRE has undertaken baseline research to determine the potential for retrieval of biomolecular information from fluid-preserved zoological collection specimens. Results indicate that

changes must be made in the manner in which new collections are preserved if the specimens are to be used as reservoirs of molecular information in the future. A newer initiative involving the determination of the extent of preserved isotopic biosignatures in museum herbarium collections is more positive. Preliminary findings demonstrate that while the preservation process does affect plant organic matter, individual compounds are preserved over time periods of 100 years.

Provenance studies that focus on New World ceramic production and trade continue with major projects being carried out in conjunction with Mexico's Instituto de Antropología e Historia. Pottery is being characterized from the northern Mexican site of Casas Grandes and the Mayan site of Calakmul. Both have been designated by the Mexican government as among the 10 most important sites in the country.

The research carried out by SCMRE staff in recent years on the effects of such environmental conditions as temperature and relative humidity on the long-term stability of collection materials is being synthesized in a monograph on the mechanical properties of museum materials. This reference work is expected to reach completion by the end of FY 1999.

Education and Training - Fundamental to educational programming at SCMRE is dissemination of knowledge to new and wider audiences beyond our traditional constituency of museum conservation professionals.

One program directed toward that end provides education, outreach, and technical studies on characterization and preservation of Hispano-American polychrome wood veneration art (Santos, or Imágenes). A major project within this initiative was a three-day workshop entitled *Preservation of Santos*, held in San Juan, Puerto Rico. The Universidad Del Sagrado Corazon (USC) San Juan, Puerto Rico, was the host and co-sponsor for the workshop. The course combined lecture presentations with practical studio applications in objects examination and evaluation, and preservation treatments and strategies.

A second major project is the development of an interdisciplinary high school curriculum in arts and materials technology entitled Science Teaching Art Teaching Science (STATS). In this project, SCMRE staff are collaborating with a local high school in Suitland, Maryland, and other educators to develop an interdisciplinary full-year art/science curriculum for secondary and undergraduate classrooms. This multimedia curriculum is

being developed to allow teachers nationwide to use artists' materials as a means of teaching science and technology.

Pursuing the establishment of a Center of Excellence in microscopy, SCMRE recruited a microscopy specialist to develop techniques in such areas as sample preparation and image analysis, as well as an educational program aimed at professionals concerned with the care and study of museum collection materials. A first course in applied optical microscopy was held at the end of FY 1998.

Support and Collaboration - SCMRE continued to provide analytical and technical assistance to conservation and curatorial staff in various Smithsonian museums, as well as to ongoing research and educational efforts at SCMRE. During FY 1997, the Center performed more than 2,200 analyses of which 30 percent were for other Smithsonian units. Staff provided consultations and advice on diverse technical and analytical matters, including x-ray radiography, optical and electron microscopy, and organic materials characterization. The Center provided answers to almost 1,000 requests for information from the general public and museum professionals, both nationally and internationally. Staff also assisted with the production and distribution of SCMRE technical guidelines and other publications for museum professionals, and maintained and updated SCMRE's website.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for research and education activities.

SMITHSONIAN ENVIRONMENTAL RESEARCH CENTER

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	45	3,093	1	359	2	232	0	1,805
FY 1999 ESTIMATE	45	3,097	1	310	2	122	0	1,500
FY 2000 ESTIMATE	45	3,204	1	378	2	196	0	2,000

ABSTRACT - The Smithsonian Environmental Research Center (SERC) advances stewardship of the biosphere through interdisciplinary research and education. SERC scientists study a variety of interconnected ecosystems starting from its base on the shore of the Chesapeake Bay and radiating out to comparative landscapes throughout the world. Research findings are communicated to diverse audiences through public programs and professional training.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Smithsonian Environmental Research Center. The Institution requires \$107,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - The Smithsonian Environmental Research Center is dedicated to increasing knowledge of the biological and physical processes that sustain life on Earth. SERC's interdisciplinary research includes long-term studies to examine the ecological questions about landscapes of linked ecosystems, especially those affected by human activities. Located on the shore of the Chesapeake Bay, SERC uses the geographic features of the nation's largest estuary to investigate interconnections of aquatic, terrestrial and atmospheric components of complex landscapes. These studies are then compared on regional, continental and global scales. For improved stewardship of the biosphere, SERC's research provides data, publications and expert consultation in support of conservation, environmental policy and management of natural resources. Connected to an international network of collaborators, SERC trains future generations of scientists to address ecological questions of the Nation and the globe. SERC's education programs use exposure to a natural environment to

demonstrate to the public both the active process of research and also the value of scientific approaches to environmental issues.

Research - SERC's research on effects of increased carbon dioxide on plants shows how global change in the atmosphere is affecting marshes, coastal scrub, and forest communities. The Department of Energy uses SERC research on complex interactions of nutrients and water with altered plant production in large-scale biosphere models.

Research on landscape ecology at SERC determines the effects of agriculture, forests, and topography on transfer and transformation of nutrients flowing into the Chesapeake Bay and other estuaries, which suffer from too much nitrogen and phosphorus.

SERC is a national center for research on introduced marine species, which are invading coastal ecosystems at unprecedented rates throughout the world. One of the main causes of these biological invasions is plankton transferred in ballast water of ships. During FY 1998, SERC worked closely with the U.S. Coast Guard to establish the National Ballast Water Information Clearinghouse, which gathers data on commercial ships from foreign ports releasing ballast water to all U.S. ports. SERC also conducted a national workshop for the U.S. Fish & Wildlife Service to synthesize current information on nonindigenous species in coastal ecosystems and to develop standards for assessing invasions of all major coastal regions in the United States.

During 1998, SERC's research on population dynamics and community ecology of plants and animals involved a rich diversity of species. SERC's scientists determined the importance of fungi in seed germination of orchids of U.S. forests, the factors regulating toxic and non-toxic blooms of phytoplankton in the Chesapeake Bay, and the impact of over-fishing on the reproductive biology of blue crabs along the east coast of North America.

Education - SERC dedicated the new Philip D. Reed Education Center in FY 1998. The new facility allows SERC to expand its public offerings to regional school groups, to conduct workshops for teachers, to provide public lectures for interested citizens, and to expand innovative educational offerings to diverse constituencies, including disabled citizens. Over 6,500 individuals participated in programs at SERC's site on the Chesapeake Bay in FY 1998, as did tens of thousands more through the SERC website.

SERC trained 32 interns, 10 graduate student fellows, 10 post-doctoral fellows, and 30 visiting scientists from 23 states, the District of Columbia, and 14 countries through professional education programs during the past fiscal year. The increasing numbers of students and scientists visiting SERC from many foreign countries and all parts of the United States provide crucial avenues for disseminating SERC's research findings and expertise.

Exhibitions - SERC completed a traveling exhibition on the blue crab and its ecological importance in the Chesapeake Bay. During FY 1998, the blue crab exhibit provided scientific information on the morphology, life cycle, and habitat requirements of this important fishery species to numerous classrooms and school fairs throughout Maryland.

Publications - SERC staff published 60 articles in FY 1998. Among the most significant of these was a paper in *Nature*, showing that the hole in the ozone layer of the atmosphere over Antarctica is reducing plankton production in the southern ocean. Results show that turbulent mixing of the sea greatly increases the impact of the sun's ultraviolet rays on microscopic plants at the base of the marine food chain.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for salaries and benefits of personnel, research, fund raising, intern and fellowship programs. Donor/Sponsor Designated funds provide support for costs related to specific programs and projects, such as research, public education, and professional training. Government grants and contracts provide support for special projects at SERC that use the expertise of the staff to meet national goals for environmental research and education.

SMITHSONIAN TROPICAL RESEARCH INSTITUTE

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	175	8,635	7	1,385	4	1,880	0	1,508
FY 1999 ESTIMATE	176	8,921	7	1,600	4	1,700	0	1,500
FY 2000 ESTIMATE	176	10,173	7	1,500	4	1,700	0	1,500

ABSTRACT - As the only U.S. research facility located in the mainland tropics and dedicated to the study and conservation of the world's tropical ecosystems, the Smithsonian Tropical Research Institute (STRI) studies the functioning and composition of these systems for scientific research and for developing conservation policy in the tropics. STRI maintains a core of resident scientists and supports several hundred visiting scientists and research fellows from around the world. It also maintains a series of protected marine and terrestrial field sites and well-equipped laboratories for basic and applied tropical research, including the Barro Colorado Nature Monument (BCNM) where research in tropical biology has been conducted for more than 75 years. STRI was designated custodian of the BCNM under the terms of the Panama Canal Treaties of 1977 and an extension of custodianship of the area beyond the year 2000 was confirmed recently in agreements with the Republic of Panama. STRI erected the first construction cranes to study the canopies of tropical forests, runs a modern ocean-going research vessel for marine and paleobiological studies, and houses a first-class research library and conference center.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Smithsonian Tropical Research Institute. Included in the STRI line item, but justified in the Mandatory Increases section of this budget request, are funds to support the increase in personnel costs at STRI resulting from implementation of the 1977 Panama Canal Treaty (\$919,000). The Institution requires \$333,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - STRI conducts fundamental research on the ecology, physiology, evolution, and behavior of plants and animals in the tropics, including humans, with emphasis on the relationship of tropical organisms to global climate change.

In addition, STRI provides facilities and logistical support for the international scientific community to study terrestrial and marine tropical biology. These data will be combined with those of the National Museum of Natural History to monitor selected key taxa and habitats. STRI supports environmental education, conservation, and management of tropical ecosystems, and protects and manages the Barro Colorado Nature Monument.

Research - Among STRI's fundamental research programs are the following:

- **Plant Physiology and CO₂ Studies** - STRI has become the center for research on tropical plant physiology, as well as on the response of tropical forest systems to elevated levels of carbon dioxide (CO₂) and consequent global warming. After conducting pioneering, small-scale experimentation on the effects of elevated CO₂ on seedling growth and carbon sequestration, STRI is planning to establish for the first time in the tropics a free air carbon dioxide enhancement experiment to study forest regeneration over several years to learn more about the CO₂ response of mature tropical trees. STRI has intensified studies on the dynamic changes in forests in order to examine the impact upon these systems of the mega El Niño event of 1997 through 1998. Results of these studies are currently being analyzed.
- **Tropical Forest Canopy Biology** - Extraordinary levels of biodiversity have been discovered in the canopies of tropical rainforests. STRI pioneered the study of the canopy using construction cranes to reach the tops of trees where much of the biological activity of the tropical forest takes place. The cranes enable STRI to conduct from the surface of forest canopy leaves measurements which can be used to calibrate physiological states of forests as measured by the National Oceanic and Atmospheric Administration and National Aeronautics and Space Administration satellite instruments. These cranes continue to attract scientists studying the exchange of gases between the canopy and the atmosphere and the intricate responses of the canopy to light, humidity, atmospheric carbon, and wet/dry seasonal changes. These studies are revolutionizing the understanding of tropical forest biology, and providing crucial data for sound conservation and management of tropical forests.
- **Tropical Marine Ecology** - STRI researchers continue to document a catastrophic regional decline in coral reef cover and structure by tracking the dynamics of coral reefs along the Caribbean coast of Panama. The techniques of molecular systematics have revealed more relationships than previously thought between corals and their algae symbionts. These

relationships are fundamental to coral reef ecology because the increasing frequency of the expulsion of algae (coral bleaching) and the environmental stress that results may be harbingers of global warming. The Institute also plans to implement monitoring programs at two recently acquired sites in the contrasting Eastern Pacific Ocean on the island of Rancheria and in the Caribbean Sea in Bocas del Toro in western Panama. Understanding these extraordinarily diverse coral reef systems is essential for effective management and conservation of tropical marine ecosystems.

Publications - During FY 1998, STRI scientists published over 200 technical publications as well as several important books on such diverse subjects as the origins of agriculture in the New World; the natural and cultural history of Central America; the methodology for large scale tropical forest dynamics studies; history, economy, and land use in the Peruvian Amazon; and a survey work of the marine environment of the Cayos Cochinos archipelago off the coast of Honduras.

Implementation of the Panama Canal Treaties - Under the terms and conditions of the Panama Canal Treaties, the United States will turn over responsibility for the operation of the Panama Canal and its related facilities to the Republic of Panama on December 31, 1999. Under a 1997 agreement with the Republic of Panama, STRI is authorized to continue its tropical research mission in the country for 20 years beyond 2000, renewable for a like term. STRI will, however, experience the loss of various support services provided to it by the U.S. Department of Defense in Panama, and changes to the STRI personnel system will be required in order to comply with local law. The Institution is requesting \$919,000 for FY 2000 in the Mandatory Increases section of this budget request to cover the costs of implementing a new employment system for STRI.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for salaries and benefits of personnel. In addition, these funds provide general support for research, fellowships, publications, and fund raising. Donor/Sponsor Designated funds provide support for costs related to specific programs and projects, such as research and the purchase of scientific equipment. Government grants and contracts provide support for research, internships, and symposia.

COMMUNICATIONS AND EDUCATIONAL PROGRAMS

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	72	5,157	45	4,771	6	698	12	1,197
FY 1999 ESTIMATE	72	5,327	44	6,110	6	740	12	2,037
FY 2000 ESTIMATE	72	5,503	44	6,249	6	516	12	2,926

ABSTRACT - The Smithsonian's communications and educational programs promote the building of academic, scholarly, and community-based ties with the public, educational centers, and institutions throughout the Nation. This line item includes the Visitor Information and Associates' Reception Center, the Office of Public Affairs, Smithsonian Institution Press/Smithsonian Productions, the Office of Fellowships and Grants, the Center for Museum Studies, the Smithsonian Office of Education, and the National Science Resources Center.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for communications and educational programs. The Institution requires \$176,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - Visitor Information and Associates' Reception Center (VIARC) - The Visitor Information and Associates' Reception Center seeks both to broaden the public's knowledge, appreciation, and enjoyment of the Smithsonian and to facilitate and promote participation in its programs and activities. As a central support organization and the principal contact point for information about the Institution, VIARC's work is carried out through the Smithsonian Information Center; 17 museum information/ member reception desks; response services for public and member mail, telephone, and electronic inquiries; outreach to the tourism industry; outdoor way-finding stations; and volunteer programs which provide primary support for the Institution's public information activities and for behind-the-scenes staff project assistance.

Office of Public Affairs (OPA) - The Office of Public Affairs acquaints the public and staff with the programs and policies of the Institution through a variety of publications and by working with newspapers, magazines, television, and radio to gain media exposure for its exhibits, public events, and research. Publications issued by OPA include a visitor information brochure in seven languages; *Smithsonian Access*, for disabled visitors; a series of four brochures describing resources for African American, Latino, Native American and Asian Pacific American audiences; a quarterly newsletter, *Research Reports*; the monthly employee newspaper *The Torch*; and a biweekly newsletter with news for staff. OPA produces *Smithsonian Year*, the Institution's annual report, in conjunction with the Smithsonian Institution Press, and a monthly full-page advertisement in *The Washington Post* on events and exhibitions around the Institution. A major goal of OPA is to encourage culturally diverse audiences to take advantage of the many resources of the Smithsonian.

Smithsonian Institution Press/Smithsonian Productions - The Smithsonian Institution Press/Smithsonian Productions is a multimedia distributor of works related to the Institution's collections and research interests. The Smithsonian Institution Press is a publisher of scholarly and semi-popular books related to the Institution's collections and research interests. The office distributes and produces a range of official printed and electronic documents, such as the *Smithsonian Contributions and Studies* series, *Smithsonian Year*, and *Annals of the Institution*, to the international academic community and the general public. Smithsonian Productions is a producer of television, film, and radio programs in support of the Institution's museums, research institutes, and outreach units. This support advances the programmatic, outreach, and audience development goals of the Institution. The office plans and produces electronic media programs for exhibitions and education; develops and manages television projects for national and international distribution; and develops, secures funding for, and produces radio projects that reflect the Institution's programmatic goals and interests.

Office of Fellowships and Grants - The Office of Fellowships and Grants manages the Institution's centralized fellowship and internship programs, all other stipend appointments, and competitive Trust-funded grant programs that support research and other scholarly activities of Smithsonian staff and their collaborators.

Smithsonian Office of Education (SOE) - The Smithsonian Office of Education works in collaboration with the Smithsonian museums and research institutes to advance the Smithsonian as a national resource for

educators through print and electronic publishing, professional development for teachers, and museum/school partnerships. SOE also serves and provides leadership to the Smithsonian education community and coordinates outreach initiatives to diverse audiences. Through focus groups and analysis with leading Web developers, the Office is developing a Smithsonian-wide education area on the Web. This area, which will contain lesson plans and other materials for object-based learning, will give educators and parents much greater access to the entire Smithsonian. *Teachers' Night at the Smithsonian*, an annual event held most recently at the National Air and Space Museum, gives participants a wealth of new ideas about making use of the Smithsonian's resources. SOE, along with the District of Columbia Public Schools, cosponsors two museum magnet schools where students pursue real questions about science and culture, and create exhibitions to demonstrate their newfound knowledge.

Center for Museum Studies (CMS) - The Center for Museum Studies facilitates learning about museum theories and practices. CMS offers courses and seminars, internships and fellowships, and information and advisory services to the museum community. In addition, it is developing a groundbreaking program to train faculty at community colleges in the use of museum resources.

National Science Resources Center (NSRC) - The National Science Resources Center (NSRC) works to improve the quality of science education in the nation's elementary and secondary schools. NSRC supports systemic science education reform efforts in communities across the nation through three major approaches. One of these is the development of science education resource materials. For example, the Center has developed a complete science education program from grade one through six, *Science and Technology for Children* (STC). The 24 STC curriculum units use simple, inexpensive materials to teach science through hands-on investigations. As a second thrust, NSRC's information dissemination activities are designed to make information on high-quality science curriculum materials and related resources accessible to scientists and educators working to improve science education in the schools. In its third area of emphasis, the Center's outreach programs provide science education leadership development and technical assistance to school districts across the nation. All National Science Resources Center programs stress the involvement and collaboration of teachers and scientists. Scientists and engineers from business and industry, as well as academia, play a strong role in the development and implementation of NSRC programs.

NONAPPROPRIATED RESOURCES - General trust funds provide support for salaries and benefits of personnel and other related costs. In addition, these funds provide general support for information dissemination, outreach, publications, and general operations. Donor/Sponsor Designated funds support costs related to specific programs and projects. Government grants and contracts provide additional support for resource materials development, information dissemination, and outreach.

INSTITUTION-WIDE PROGRAMS

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	0	5,180	0	0	0	0	0	0
FY 1999 ESTIMATE	0	5,693	0	0	0	0	0	0
FY 2000 ESTIMATE	0	10,693	0	0	0	0	0	0

ABSTRACT - As part of the restructuring plan reviewed and approved by Congress in 1993, the Smithsonian reallocated funds to create two Institution-wide funding programs: one supports the units' needs to replace, upgrade, and acquire new research equipment; the other enables the myriad of information technology needs across the Institution to be addressed systematically. In FY 1995, the Institution received funds to support the development of a third Institution-wide program for Latino programming. These funds are important to meet the on-going need to acquire state-of-the-art research equipment, continue to improve the information infrastructure and systems, and increase Latino programs, research and collections.

For FY 2000, the Smithsonian requests an increase of \$5,000,000 to support the electronic capture, storage, and access to its collections in the museums, archives, and libraries. The Institution requests that the funding in this line item remain available until expended.

CURRENT PROGRAMS

Research Equipment - The research equipment program helps fund some of the most basic research equipment needs of the Institution. Requirements to replace dysfunctional equipment and acquire new research tools far exceed the existing base funds of \$1,885,000. Each year, unit directors in the museums, research centers and research support offices determine the most effective application of the funds to meet the highest priority needs.

Most program units at the Institution received some level of support for research equipment in FY 1998. Smithsonian Astrophysical Observatory

scientists, using parts purchased with funds from the program, constructed an apparatus that is unique in the world for its potential to produce detectable amounts of new hydrocarbon molecules. The first discovery from this new device in late August 1998 is a previously unknown molecule, informally named eiffelene because of its molecular structure's resemblance to the Eiffel tower. Eiffelene will likely prove to be important in studying interstellar chemistry and the physical conditions of material between stars.

Examples of other purchases:

- a floor stand microscope and attachments for the National Museum of the American Indian for the examination and research of textiles and paper materials. It can be adapted for digital recording of images via photomacroscopy.
- a DNA speed vacuum for drying samples of DNA, a fixed angle rotor centrifuge for concentrating DNA samples, an autoclave to sterilize equipment for DNA work, and a video format camera system for the Smithsonian Tropical Research Institute
- a focus graphics film recorder, a wide angle camera and accessories, and a digital camera to document collections of the museum and map the topography of the Moon's pole for the first time for the National Air and Space Museum
- a Spectra Tech IR-Plan Advantage microscope to enable infrared absorption spectra to be determined on selected areas of microscopic samples for the study of organic components of works of art for the Arthur M. Sackler Gallery/Freer Gallery

Information Resources Management - The Smithsonian is greatly increasing its use of technology to support management of its resources and to share these resources with researchers, other museums, educators, parents, students and the public at large. In FY 1998, base funds of \$2,810,000 supported an Institution-wide network, various automated resources management systems, collections information systems and related digitization, as well as software application development and upgrades. A portion of this program provides an infrastructure upon which the Institution's programming for the Web can be extended to all our various electronic visitors. Schools, libraries, and homes across the Nation now have the ability to make electronic visits to their national museums via the Smithsonian's popular websites. Programming for the Web is an

important new responsibility of each museum, research institute and program office, and public expectations of website offerings increase daily.

Latino Exhibitions, Acquisitions, and Educational Programming - The Institution has \$998,000 in its base to support exhibitions, research and educational initiatives that illuminate and highlight Latino contributions to America and permit a wider sharing of Latino accomplishments in the sciences, humanities and performing arts. Designated as the Latino Initiatives Fund, these funds are dispersed annually to Smithsonian units on a competitive basis, with an emphasis on projects with the potential to attract matching and, ultimately, sustaining funds from non-Federal sources.

EXPLANATION OF PROGRAM INCREASE - For FY 2000, the Smithsonian requests an increase of \$5,000,000 to support the electronic capture, storage, and access to its collections in the museums, archives, and libraries. The Institution requests that the funding in this increase remain available until expended.

Across the Institution, units are experimenting with new ways to bring the treasures of the Smithsonian, from the collections or from the great store of knowledge developed over 150 years of research, to a variety of audiences throughout the nation and beyond. Educational programs translate exhibitions and collections into materials for teachers, parents and children. In a Spring 1998 survey of teachers who use Smithsonian educational materials, 90 percent report having Internet access. Clearly, there is a responsibility to respond to the needs of this growing online community of teachers and families by increasing the quantity and quality of Smithsonian educational materials available on the Web. This requires developing information in several different formats.

Electronic versions of Smithsonian exhibitions make it possible to share them with those who are unable to visit Washington DC. In addition, exhibitions can be developed for the Web using collections that may not otherwise be available for public viewing. Visitors planning a trip to the Smithsonian can take an advance tour through websites developed by each museum and research institute, and can relive their visit after they return home, or they can surf the vast array of activities to customize their visit to their particular interests.

Over the past several years, the Institution has been both converting its catalogues and records to electronic form and moving legacy systems

from a mainframe to a client-server environment. In the individual museums this will mean that researchers, curators, librarians, archivists, registrars, and managers will have access to consistent information about the collections from a desktop. Over the long term, each museum will work to enrich registrarial-level records with research findings and curatorial notes, which have been separated in the past.

With the help of IBM, the Smithsonian has already begun to implement a central system that will access the records of the museums, libraries, and archives and extract a limited amount of information sufficient to identify an object. This central system will allow Smithsonian users to locate any object or group of objects from a desktop. The strength of this new digital technology is its ability to create central databases that can be easily redirected to serve the needs of curators, researchers, educators, students, and the general public. This "networked knowledge" is instantly accessible to users throughout the nation and the world. It is dynamic, multi-media, and interactive and can be continually modified and expanded to serve a wide diversity of clients and communities including other agencies, corporations, universities, schools, and homes.

The electronic capture and storage of collections can be utilized immediately to fulfill the Smithsonian's long commitment to "learning by doing," incorporating high quality museum objects and content into the educational process. Digitization of collections combined with electronic delivery systems affords us the opportunity to expand our educational mission by delivering the Smithsonian to every school and home across the nation. The interactive, searchable web is the ideal medium for developing collections-based content. The Smithsonian's digital collection is more than passive photographs and text. It is a fully integrated, interactive web site containing objects, object information, links to an on-line encyclopedia, exhibits with associated objects, audio and video elements, and a gateway to associated concepts and questions. The museum is no longer a destination, fixed in time and space, but a hub for learning where leaps can be made instantaneously to other sites, data, and experiences.

With the requested funds, access to the collections and scholarly resources that are not on display or readily available to the public will be expanded. The electronic capture and storage of objects will allow researchers around the world who use the collections for taxonomic purposes to identify species (or at least know that specimens exist) from a desktop. Such a resource would be especially important for bio-diversity studies, as well as extremely valuable to researchers and students in the

arts and humanities. Electronic access to the collections will complement and enrich SI-developed curriculum materials that are already available on the Web by promoting object-based learning and reaching students across the nation.

If we are to improve the quality of our education, we must strengthen the interaction between the teacher and the student. With the \$5 million requested, the Smithsonian will move toward building its digital collection not only by using traditional methods, but also by exploring new methodologies to deliver on-line educational experiences. Such new methodologies may include 3D images and video, multi-sensory experiences, object manipulation, and object-based, curriculum-relevant projects for use both in school and at home.

As with many major initiatives, the Institution is aggressively seeking partnerships and cooperative ventures with the private sector and other cultural, scientific, and educational entities to supplement Federal resources. The requested funding of \$5,000,000 will support data enrichment, photography, digitization and image management, networks, and database development and storage.

OFFICE OF EXHIBITS CENTRAL

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	40	2,175	1	88	0	0	0	0
FY 1999 ESTIMATE	40	2,218	1	94	0	0	0	0
FY 2000 ESTIMATE	40	2,319	1	94	0	0	0	0

ABSTRACT - The Office of Exhibits Central (OEC) is the Smithsonian Institution's most comprehensive exhibit producer. OEC is expert in the specialized needs of traveling, temporary, and permanent exhibitions. These include design, editing, graphics, model-making, fabrication, crating, and installation. The Office is also involved in concept development, object selection, product research, and prototype testing. OEC staff makes recommendations about the need for conservation assistance and conducts training in exhibit design and production with museums across the country and abroad.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Office of Exhibits Central. The Institution requires \$101,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - The Office of Exhibits Central is a full-service organization with specialized teams in design, editing, graphics, model-making, and fabrication. The design and editing team works with a curator's preliminary ideas to develop an overall exhibition plan. Exhibit designers are responsible for all aspects of visual presentation. OEC's exhibit editors work closely with designers and subject specialists to ensure that words, design, graphics, and artifacts work together to create an effective presentation. The graphics team provides silk-screening, typesetting, photo mounting, vinyl lettering, and conservation matting and framing. The model-making team creates scientifically and historically accurate dioramas, models, and mannequins. They also bracket artifacts for display and offer taxidermy services. The fabrication team constructs fine cabinetry and exhibit components. Sheet plastic work, artifact handling, and custom paint -

finishes are a specialty. The packing and shipping team builds crates and packs exhibitions that travel across the country and around the world.

The Smithsonian Traveling Exhibition Service (SITES) was again OEC's main client for FY 1998. OEC designed and produced traveling exhibitions, such as *Going Strong: Older Americans On the Job, We Shall Overcome*, and *Jazz Age in Paris*. OEC was actively involved in two Hispanic exhibitions, *American Voices* and the *Art of Jack Delano*, and also provided dispersal and refurbishment services.

Some of the FY 1998 highlights for OEC are the exhibition design and production of *Between a Rock and a Hard Place* for the National Museum of American History, *Jewels of Lalique* for the International Gallery, *Filipinos in Hawaii* for a joint Smithsonian-Bishop Museum exhibit at the State Department, *Tiger Diorama* for the National Museum of Natural History, *Speak to My Heart* for the Anacostia Museum, *Edward S. Curtis* for the Smithsonian Institution Libraries, and a new information desk at the Arts and Industries building for the Visitor Information and Associates Reception Center (VIARC).

OEC also provided its specialized services to many SI offices, including the Office of the Provost, the Center for Folklife Programs and Cultural Studies, VIARC, the Office of Government Relations, the Office of Special Events, the Center for African American History and Culture, the National Zoo, the Hirshhorn Museum, the Smithsonian Tropical Resource Institute, the Cooper-Hewitt National Design Museum, the Discovery Theater, and the National Postal Museum.

In FY 1998, OEC played a major role in collaborative workshops and seminars with other offices and museums. Staff are collaborating with the Museum Support Center move team providing workspaces and training in the processing, crating and storage of numerous NMNH artifacts. Training of OEC and SI staff, the active recruitment of volunteers and interns, and resource and information sharing among SI offices were OEC's major efforts.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for salaries and benefits of personnel and associated costs.

MAJOR SCIENTIFIC INSTRUMENTATION

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	0	7,059	0	0	0	0	0	0
FY 1999 ESTIMATE	0	7,244	0	0	0	0	0	0
FY 2000 ESTIMATE	0	7,244	0	0	0	0	0	0

ABSTRACT - The development of major scientific instrumentation is vital to Smithsonian scientists remaining at the forefront of their fields. Because of the magnitude of the costs and the time required to fabricate major new instruments and to reconfigure existing ones, the Institution requests funding for such projects under this line item, rather than under individual ones. Since these projects require long-term development and multi-year funding, the Institution also requests that funds in this line item remain available until expended.

For FY 2000, base funds will be used to continue construction of the submillimeter telescope array (\$4,744,000) and conversion of the Multiple Mirror Telescope (\$2,500,000). The Institution is not seeking additional programmatic increases for Major Scientific Instrumentation.

PROGRAM - Since FY 1989, the Smithsonian has received funding under this line item for two SAO projects: development of an array of submillimeter telescopes and conversion of the Multiple Mirror Telescope (MMT). SAO expects the submillimeter telescope array in Hawaii to be operating, in part, by the end of 1999.

Construction of an Array of Submillimeter Wavelength Telescopes - The last frontier of ground-based astronomy consists of observing the skies with telescopes sensitive to submillimeter waves—light with wavelengths between those of infrared and radio waves. SAO plays a major role in emerging submillimeter astronomy. Since FY 1992, SAO has been constructing components for its submillimeter array (SMA) of telescopes that will be located on Mauna Kea in Hawaii. The SMA will consist of eight movable antennas, two of which will be provided by the Academia Sinica

Institute of Astronomy and Astrophysics, Taiwan. The prototype antenna for the SMA made its first celestial observations of the waning Moon on January 23, 1998. Two SMA antennas operated as an interferometer successfully on the first attempt, on October 23, 1998.

The submillimeter array, with its unprecedented combination of wavelength coverage and ability to resolve fine spatial details, will enable SAO scientists to play a major role in understanding the processes by which stars and planets form and the mechanisms that generate prodigious amounts of energy in quasars and in active galaxies. When operational, the SMA will be a major scientific instrument of international stature. The array will be unique in the world in its combination of wavelength coverage and resolving power, and it will measurably enhance the scientific competitiveness of the United States.

Conversion of the Multiple Mirror Telescope - In April 1998, staff of the Multiple Mirror Telescope (MMT) Observatory, jointly operated by SAO and the University of Arizona, transported a 10,000-kilogram (10.5-ton) dummy mirror from SAO's Whipple Observatory Base Camp in Amado, Arizona, to the top of Arizona's Mount Hopkins. The surrogate mirror was aboard a customized tractor-trailer under test conditions. The successful practice run was an essential prelude for the transfer of the real 6.5-meter diameter mirror from the University of Arizona's Mirror Laboratory in Tucson, where it was ground and polished, to the top of Mount Hopkins. The trip to Amado was completed in Fall 1998, and the trip up the mountain for installation in the modified MMT building should take place early in 1999. The six separate mirrors of the original MMT were removed earlier this Spring, following last light observations made on March 2, 1998, with this once daringly revolutionary telescope.

Future MSI Projects - Future projects being pursued by SAO include: a nine-telescope system array that will be capable of pinpointing and studying extraterrestrial sources of gamma rays with unprecedented accuracy (SAO opened this new field of very high energy gamma ray studies), a long-duration balloon-borne infrared telescope to study the early universe and the formation of galaxies, and a program to develop instruments to study extremely rapidly changing properties of astronomical objects. Each project will be funded jointly with other agencies, institutions, and countries.

MUSEUM SUPPORT CENTER

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	69	3,234	0	0	0	0	0	0
FY 1999 ESTIMATE	69	4,955	0	0	0	0	0	0
FY 2000 ESTIMATE	69	5,036	0	0	0	0	0	0

ABSTRACT - The Museum Support Center (MSC) provides state-of-the-art technology for scientific research, conservation, and collections storage in a specially equipped and environmentally controlled facility located in Suitland, Maryland.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Museum Support Center. The Institution requires \$81,000 for Necessary Pay for existing staff funded in this line item. As in prior years, the Institution requests that the funds for MSC collections storage equipment and move costs remain available until expended.

PROGRAM - Specially-designed, state-of-the-art storage equipment is available at MSC to house the more than 31 million objects and object parts being relocated from the National Museum of American History (NMAH) and the National Museum of Natural History (NMNH). MSC accommodates collections storage in four sections (or pods) for three general types of needs: collections storage in cabinets, open shelving for biological collections in alcohol, and high-bay storage for very large objects. The facility also houses the Smithsonian Center for Materials Research and Education, as well as NMNH laboratories for molecular systematics, conservation, and other specialized research.

MSC Operations - The MSC staff provides administrative and shipping and receiving services, oversees safety and security operations, and maintains strict environmental and cleaning services required for the proper storage of museum collections. Staff also provide computer support services for administrative, research, and collections management activities.

MSC Collections Storage Equipment - By the end of 1998, storage equipment will be installed in 100 percent of Pod 1, 94 percent of Pod 2, 25 percent of Pod 3 and 50 percent of Pod 4. The Institution is continuing to procure and install the balance of the collections storage equipment for Pods 2, 3 and 4, as well as the required shelves, drawers and inserts that fit into this equipment. The high-bay storage equipment in Pod 4 is scheduled to be installed in FY 1999. Installation of the remainder of the high-density storage system equipment in Pod 3 is anticipated to begin in 1999 and be completed in 2001.

MSC Collections Move - The characteristics, variety, volume and scope of the move of Smithsonian collections to the MSC (considering the extensive preparation and traveling distance of millions of objects and specimens from nine curatorial departments in two different museums) is unprecedented within the museum world and poses special challenges that must be addressed as part of the move. MSC Move staff technicians inspect the objects for pests and conservation problems, clean them, and stabilize them prior to their move. The collections relocated to MSC are properly curated, less crowded, and subject to better environmental control than collections in most other Smithsonian storage areas. As a result, they have far better prospects for long-term preservation and are significantly more accessible to researchers.

During 1998, the Smithsonian made significant progress on the transfer of collections and will continue to move collections to MSC in 1999. In 1998, collections from Anthropology, Entomology, Botany and Vertebrate Zoology in NMNH, and NMAH collections were successfully relocated. Preparations of oversized specimens that will be stored on the new shelving equipment system designed for Pod 4 are underway in order that they can be permanently relocated as soon as this storage system is completed in 1999.

SMITHSONIAN INSTITUTION ARCHIVES

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	24	1,331	2	139	1	59	0	0
FY 1999 ESTIMATE	24	1,373	2	173	1	69	0	0
FY 2000 ESTIMATE	24	1,443	2	173	1	36	0	0

ABSTRACT - The Smithsonian Institution Archives (SIA) maintains the historical records of the Institution, creates tools and products providing access to Smithsonian history, and oversees the policy governing management of the National Collections. SIA assures historical accountability for Institutional actions and programs while providing a resource for the study of American science, culture, and museum development.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Smithsonian Institution Archives. The Institution requires \$70,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - The Smithsonian Institution Archives assists offices in managing their paper and electronic records, maintains a repository of over 20,000 cubic feet of historical records, develops tools for and assists others engaging in scholarly research, and oversees the Institution's Collections Management Policy.

Research - SIA responded to over 2,000 research inquiries during FY 1998 while pursuing several special projects. The staff performed research in preparation for the Institution's capital campaign, developed a database on SI relations with Latin America, and supervised the research projects of six fellows and three interns. SIA also completed Volume VIII of the *Papers of Joseph Henry* while participating in exhibits, lectures, press queries, and publications relating to the 200th anniversary of the birth of Joseph Henry, the first Secretary of the Smithsonian.

Collections Management - Staff conducted records surveys resulting in retention schedules for the National Museum of the American Indian, the Smithsonian Environmental Research Center, and the Office of General Counsel. Focusing heavily on preservation, SIA created a disaster recovery plan for the Archives, prepared 2,500 cubic feet of records for transfer to an off-site location, and undertook item-level restoration of the papers of James Smithson.

Two of SIA's initiatives, the electronic records program and cooperative strategies for meeting the needs of multiple Smithsonian repositories, fall within collections management. In FY 1998, the electronic records program issued guidance on the handling of email records and developed presentations for staff on electronic records issues. The cooperative strategies project has fostered the creation of a facility at National Underground Storage for the placement of overflow records held by eleven different Smithsonian archives and libraries. The facility, which can accommodate over 25,000 cubic feet of materials, is expected to meet long-term, off-site storage needs for several years.

Publications - Staff finished placing online the 1996 *Guide to the Smithsonian Archives*. *Guide* data are now integrated into the Smithsonian Institution Research Information System (SIRIS). In addition, SIA completed two finding aids, *Department of Aeronautics, National Air and Space Museum, 1966-1986, Record Unit 330*, and *Office of Exhibitions, National Portrait Gallery, circa 1968-1976, Record Unit 361*.

Outreach/Public Programs - SIA's homepage is now substantial. Digitizing holdings was partially met through an expanded Web presence. New sites offer access to a variety of information including guidance on collections management, finding aids to selected archives collections, virtual exhibitions, a Joseph Henry homepage, and a heavily used collection of historic pictures available to the public upon request.

NONAPPROPRIATED RESOURCES - General Trust funds provide partial support for special preservation efforts, the Joseph Henry Papers project, the Latino database, and the transfer of the *Guide* onto SIRIS. In 1998, SIA received a three-year grant from the Lounsbery Foundation totaling \$119,000 in support of the Joseph Henry Papers project.

SMITHSONIAN INSTITUTION LIBRARIES

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	107	6,816	11	959	1	199	0	0
FY 1999 ESTIMATE	109	7,086	11	983	1	162	0	0
FY 2000 ESTIMATE	109	7,330	11	983	1	212	0	0

ABSTRACT - The Smithsonian Institution Libraries (SIL) supports the Institution's mission by providing information access to Smithsonian scientists, scholars, curators, and staff, as well as others with research needs. To do this, it builds, organizes, manages, houses and preserves collections; provides reference services and consultation; employs appropriate technologies for accessing and disseminating information; and contributes to and draws from remote databases. It also shares collections and exhibitions with scholars, researchers, and the general public worldwide through interlibrary loan, international exchange, and the SIL Digital Library on the Internet and offers educational opportunities including exhibitions, internships, publications, lectures and user instruction in support of scholarly communication.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for Smithsonian Institution Libraries. The Institution requires \$244,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - SIL promotes the Institution's multi-disciplinary programs by supporting its research and education initiatives. Through its network of 19 branches in Washington DC, Maryland, New York, and the Republic of Panama, as well as through the Internet, SIL provides direct research support to both Smithsonian staff and the public.

SIL staff acquire and manage collections of 1.2 million volumes that include 7,000 subscriptions to print journals, 40,000 rare books, more than 1,800 manuscript units, and a variety of electronic resources. SIL makes these collections available to researchers at the Institution and worldwide through the Smithsonian Institution Research Information System online catalogue. The catalogue is available on the Internet and the World Wide

Web, as well as through the Online Computer Library Center, which is an international bibliographic database.

In FY 1998, SIL moved rapidly toward achieving its major initiatives of building digital resources, strengthening research collections and enhancing collections information.

SIL is undertaking cooperative efforts with other research libraries in the Washington Metropolitan area to explore the feasibility of joint purchases of research materials in both hard copy and electronic form. As a member of the Chesapeake Information and Research Libraries Alliance (CIRLA), SIL added over 140 electronic journal titles to its holdings. CIRLA members also expedited interlibrary loan and reciprocal borrowing privileges. This year SIL reference librarians answered an average of 220 questions per day. SIL redesigned its homepage and those of all branch libraries to be more responsive to its many website users.

With the help of the Seidell Endowment Fund, SIL's major initiative to build digital collections became a reality with the construction of the SIL Digital Imaging Center at 1111 North Capital Street and the purchase of digitizing equipment. The first digital publications are in progress for Winter 1998. Since 1960, SIL, with support from the Seidell fund and the National Science Foundation, has published and distributed gratis copies of 281 scientific books and articles translated into English from other languages.

Construction was completed on the National Museum of the American Indian Branch Library at Suitland, Maryland, in November. When the branch opens in FY 1999, the collection and services will support both the staff and visitors to the Cultural Resources Center. In mid 1999, with the completion of renovations to Central Reference and Loan Services in the National Museum of Natural History, the collection will become fully accessible in accordance with the Americans with Disabilities Act guidelines. In FY 1999, SIL will open a rare book room in the National Museum of Natural History to provide improved security and environmental control for the most costly, fragile and rare items in SIL's collections, while offering state-of-the-art services for scientists and curators.

Collections Management - Furthering its initiative to enhance collections information, SIL added 6,448 records to the online index and finding guide to the literature of African arts and culture. To expand access to the SIL collection of historic trade literature, SIL staff are developing a finding aid to trade literature documenting the United States sewing machine industry during the 19th and early 20th centuries. As part of its

initiative to build digital resources, SIL published an electronic edition of *Modern African Art: A Basic Reading List* compiled by Janet L. Stanley.

Collection Acquisitions - SIL acquires materials through purchase and gift and through a publication exchange program with 4,600 partners in 150 countries. An increase in funding from the Congress in FY 1998 made it possible for SIL to restore some of the erosion of its acquisitions budget due to long-term inflation on library materials.

Exhibitions - Because of its popularity, *Audubon and the Smithsonian* was extended until July 1998 in the Libraries Exhibition Gallery. In April, SIL produced an electronic version of its exhibition celebrating the 150th anniversary of the Institution, *From Smithsonian to Smithsonian: The Birth of an Institution*, for the Web and distributed a related curriculum package to history and civics teachers of grades 9 - 12 in 5,000 schools nationwide. In September, *Frontier Photographer: Edward S. Curtis*, which tells the story of the creator of famous images from *The North American Indian*, opened and will be on view until September 1999.

Public Programs - The Dibner Fund supported an illustrated lecture on *Visible Woman: Anatomical Illustration and Human Dissection in Renaissance Italy* by Professor Katharine Park of Harvard University.

NONAPPROPRIATED RESOURCES - General Trust funds support salaries and benefits of personnel, general operations, research and fundraising. Donor/Sponsor Designated funds provide funding for specific programs and projects. Through the Libraries Special Collections and Ripley endowments, SIL librarians purchased books in many disciplines. The Dibner Fund supported three SIL/Dibner Library Resident Scholars of the History of Science and Technology.

SMITHSONIAN INSTITUTION TRAVELING EXHIBITION SERVICE

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	46	2,950	8	579	0	904	0	0
FY 1999 ESTIMATE	46	2,985	8	620	0	1,500	0	0
FY 2000 ESTIMATE	46	3,093	8	620	0	1,400	0	0

ABSTRACT - The Smithsonian Institution Traveling Exhibition Service (SITES) circulates exhibitions to cities and towns all across America. As a leading Smithsonian outreach operation, SITES offers millions of people beyond Washington the chance to experience the Institution's vast artifact holdings and research expertise. For many, it is a once-in-a-lifetime opportunity. Museums, historical societies, science centers, zoos, and aquariums are but a fraction of the many entities that host SITES programs. Libraries, theaters, schools, community centers, train stations, vacation parks, municipal buildings, shopping malls, and jazz clubs regularly feature SITES exhibits, enlivening visitors with a taste of the museums on the Mall. In FY 1998, 669 locations hosted SITES exhibitions in every state across the country.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Smithsonian Traveling Exhibition Service. The Institution requires \$108,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - SITES exhibitions encompass all of the disciplines central to Smithsonian scholarship: life and space science, art and the decorative arts, craft, history, anthropology, popular culture, ethnic studies, and the humanities. Many SITES exhibits replicate installations in museums on the Mall. Others require retrofitting to accommodate small galleries and non-museum spaces. At any given time, more than 60 exhibitions travel or are in production. SITES introduces new programs constantly, replacing shows when their tours conclude with exhibitions that offer fresh ideas and collection resources, and up-to-the-minute research findings. In FY 2000, SITES will open exhibitions on topics so diverse as quilt-making, telescope

engineering, folk music, Burgess Shale paleontology, aviation history, traditional American crafts, horticulture, musical instruments, golf, and Hawaii's endangered species.

Educational Exhibition Packages - Although original artifacts form the core of SITES programs, SITES exhibitions do more than showcase objects. They include interactive computer programs, film and video components, sound tracks, educational curricula, and discovery trunks—interpretive tools that stimulate visitor involvement and heighten the learning experience. Every SITES exhibit provides press materials, installation guides, packing specifications, artifact handling information, insurance coverage, and shipping. Exhibitors hosting SITES programs therefore receive not only the stamp of quality inherent in Smithsonian "products," but also a complete exhibit package designed to encourage participation among people of all ages and backgrounds.

Exhibition Access - Exhibitors rent SITES programs on a first-come, first-served basis, scheduling six-to-eight-week bookings on established itineraries. A single SITES itinerary may encompass five years and as many as 40 cities. Or it may involve only two years and eight locations, as the rarity and fragility of artifacts dictate. In keeping with its commitment to reach the largest number and widest range of public audiences possible, SITES guarantees exhibit itineraries in a variety of geographic regions.

Exhibition Partnerships - SITES embraces partnerships as a means of extending the Smithsonian's reach deep into grassroots America. A collaborative venture with State Humanities Councils uses a unique exhibit delivery system that secures a vital Smithsonian presence in rural communities across the country. Through a partnership with the American Library Association, SITES maintains a market niche for Smithsonian exhibitions in the public libraries of all fifty states. In conjunction with ARTRAIN, SITES circulates Smithsonian collections in specially designed gallery cars on board the U.S. rail system.

Between FY 1999 and 2001, SITES and the League of Historic Theaters will collaborate in taking the National Portrait Gallery's blockbuster exhibition, *Red, Hot and Blue: A History of the American Musical*, to theaters and movie houses across the country. During the same time, SITES, NASA, and the Nation's Challenger Centers will roll out 100 copies of a 600-meter scale model of the universe designed for outdoor park installations at Challenger Space Centers. In FY 2001, SITES and the Lila Wallace Reader's Digest Fund will introduce an exhibition about America's

lost jazz shrines to the historic clubs and performance spaces where that music was born. And in the same year, SITES, in collaboration with the U.S. Department of Interior, will launch a partnership to present exhibitions in America's National Parks.

A multi-year collaboration between SITES, the National Geographic Society, and Nissan Motor Corporation U.S.A. resulted in a major exhibition for young people about world geography, the mass distribution by Simon and Schuster of an educational CD-ROM, and special exhibition presentations at Silver Dollar City, one of the nation's leading vacation theme parks. Alliances like these open new doors to financial support, public advertising, and exhibit delivery systems that capture audiences far beyond the museum setting.

A private sector partnership certain to draw large audience numbers from a broad spectrum of people will take place in FY 2000 with the opening of *Americanos*. Together with Time Warner, Inc. and J. Edward Olmos Productions, SITES will produce three different museum versions of this major photographic exhibition about Latino life in America, and 5,000 small-format copies of the show will be sent to schools. Outdoor stadium concerts and a wide array of educational programs will complete the package, transforming what began as a lively but circumscribed museum exhibition into a major public event.

Exhibitions Online - Capitalizing on its unique delivery capabilities, SITES intends in FY 2000 to expand exhibition outreach through electronic technology. Once exhibitions are produced in three dimensions, all of their graphic and text components remain in digitized form to be rearranged, updated, animated, and linked to video and audio programs, creating entirely new program presentations. A rich body of pre-existing exhibitions form the backbone of SITES' plan for electronic outreach. While the traveling exhibitions in SITES' current program provide authentic experiences, even the most elaborate cannot convey the range of images, information, and ideas available through electronic communication.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for salaries and benefits of personnel, fund raising, exhibit design and production, publications, materials, outside specialists, and contractual services. Donor/Sponsor Designated funds provide support for costs related to specific programs.

ADMINISTRATION

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	385	32,589	195	29,373	0	2,421	0	234
FY 1999 ESTIMATE	383	33,498	195	21,563	0	233	0	0
FY 2000 ESTIMATE	383	34,619	195	21,714	0	591	0	0

ABSTRACT - Administration includes executive management and related functions provided by the Offices of the Secretary, Under Secretary, and Provost. For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for Administration. The Institution requests \$1,203,000 for Necessary Pay for existing staff funded in this line item. This increase is offset by a decrease in Workers' Compensation costs (\$82,000) in FY 2000.

PROGRAM - Office of the Secretary - The Office of the Secretary, supported by the Office of the Under Secretary and the Office of the Provost, oversees the Smithsonian Institution and maintains continuous communication with the Board of Regents and its committees. This line item also includes the Office of Inspector General and Institution-wide membership and development, planning, management analysis, and budgeting functions.

Office of the Provost - The Provost serves as the Smithsonian's chief programs officer, providing leadership and integrated oversight for all of the Institution's programmatic activities carried out in the museums, research institutes, central education and other program offices, as well as research support units including libraries and archives. The Provost reviews and evaluates the management of programs in research, exhibitions, and education outreach in the sciences, arts, and humanities; provides operational facilitation to the program units; and maintains close working relationships with unit directors and their boards.

The Office of the Provost is also responsible for coordination of the Institution's Affiliations Program, the Smithsonian website, the Asian Pacific American program, Institutional Studies, and adherence to laws

governing accessibility and scientific diving. Staff support for biodiversity and environmental affairs included in the Office provides coordination of related activities across the biological research institutes.

In conjunction with the newly created Smithsonian Center for Latino Initiatives, the Provost also oversees a variety of projects designed to increase the awareness of the role and contributions by Latinos to the history and culture of the United States.

Office of the Under Secretary - The Under Secretary serves as the Institution's chief operating officer and is responsible for the day-to-day administration of the Institution. This office oversees the Institution's auxiliary and central business activities; the activities of the General Counsel; government relations activities, including liaison functions with Federal agencies, state and local governments, and organizations with related interests; central computing and telecommunications services; and communications with the public. This office also oversees all administrative, facility and finance functions, as well as special events.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for salaries and benefits of personnel and other related costs. Donor/Sponsor Designated funds provide support for costs related to programs and projects such as scientific research, fund raising, and public relations. Government grants and contracts provided support for special initiatives, conferences, and seminars.

OFFICE OF PROTECTION SERVICES

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1988 ACTUAL	750	30,885	3	297	0	0	0	0
FY 1999 ESTIMATE	773	36,984	3	257	0	0	0	0
FY 2000 ESTIMATE	773	35,753	3	257	0	0	0	0

ABSTRACT - The Office Of Protection Services (OPS) protects and secures the National Collections entrusted to the Smithsonian Institution and ensures the safety and security of staff and visitors, while permitting an appropriate level of public access to collections and properties.

For FY 2000, the Smithsonian requests an increase of \$2,000,000 to continue to replace and enhance the Smithsonian's security system. The Institution requires \$1,469,000 for Necessary Pay for existing staff funded in this line item. Included in this line item but explained in the Non-recurring Costs section of this budget request is a decrease of \$4,700,000 received in the FY 1999 Emergency Supplemental Appropriation.

PROGRAM - The Office of Protection Services provides round-the-clock security for all Smithsonian facilities in the Washington DC area; the Smithsonian Environmental Research Center (SERC) in Edgewater, Maryland; the Cooper-Hewitt, National Design Museum and the National Museum of the American Indian in New York City; and the Smithsonian Tropical Research Institute in Panama. OPS security systems integrate uniformed personnel and electronic monitoring. Staff perform investigations services and escorts to provide a safe and secure operating environment. OPS has developed a security system modernization program that will better meet security and customer service requirements by providing integrated card access, alarm monitoring, and closed-circuit television (CCTV) systems. OPS has also established a comprehensive training program to ensure that employees are prepared for their duties and responsibilities, especially as new electronic systems are installed.

Modernization - In connection with its long-term strategic plan for security system upgrades and modernization, OPS has collaborated with the United States Army Engineering and Support Center, Huntsville (USAESCH) to develop a master plan to support planning, procurement and integration of electronic security systems at the Smithsonian Institution. The draft master plan was finalized in the Fall of 1998. This modernization program replaces security systems in over 300 buildings, will affect over 12,000 employees and volunteers, and will integrate access-card readers, CCTV cameras, and alarm zones.

In FY 1999, with \$2 million appropriated in the Repair and Restoration of Buildings account, the Institution will complete the modernization of the National Museum of Natural History security system including access controls, alarms and closed circuit televisions, making the system fully Y2K compliant. With the \$4.7 million received in the FY 1999 Emergency Supplemental appropriation, the Institution will replace central monitors and non-Y2K-compliant components in the Museum Support Center, the Quadrangle building, the National Air and Space Museum, and the National Museum of American History.

Training - In FY 1998, the Office of Protection Services completed the first segment of its new training program for security officers. Over 500 officers completed the training, which included identification of core competencies for security positions, basic skills assessments, and standardized operational training for all officers. In FY 1998, 15 basic skills classes and 12 supervisory/management classes were conducted to support these skill levels. The second segment, which includes personal communication skills and technical training, is underway and will be completed in FY 1999. The personal communication skills training will address the increasing demands on officers to resolve conflicts and provide customer service to the public. The technical training will support the implementation and operation of complex electronic security devices and systems. OPS has also collaborated with a contractor to develop a comprehensive two-week entry-level training program which can be delivered cost-effectively by in-house OPS training instructors.

Operations - In FY 1998, the Office of Protection Services developed a standardized alarm-testing program throughout the Institution's facilities. Based on an operations research methodology from a study by the Massachusetts Institute of Technology, OPS completed a risk-assessment/staffing needs study of the Hirshhorn Museum and Sculpture Garden in

FY 1998. This methodology links threat levels with asset value to yield a risk category, which translates into "levels of security." This program derives staffing requirements from performance measures such as patrol frequency and response time. A study utilizing this methodology at the National Museum of American History was completed August 1998.

EXPLANATION OF PROGRAM INCREASE - For FY 2000, the Institution requests an increase of \$2,000,000 to continue to replace the existing Smithsonian Institution Proprietary Security System (SIPSS) and enhance electronic security system operations.

Present system components are antiquated, and the age of the system components has made them unreliable. The present system also lacks the integration of card access, alarm monitoring, and closed-circuit television, which are now common standards for state-of-the-art security technology. Funding will address additional security system needs at the Smithsonian not currently performed by SIPSS, but reflecting the normal operational security systems standards for facilities like the Smithsonian. This security system modernization program will allow a safe and secure environment while permitting the appropriate access.

As a result of recommendations from a partnership with the U.S. Army Corps of Engineers' Electronic Security Center of Expertise in Huntsville, Alabama, and in response to internal Smithsonian needs and processes, OPS will continue a program to replace SIPSS and modernize electronic security systems in each Smithsonian facility. The modernization program involves design, alarms, closed-circuit televisions (CCTV), access control, command and control, and radio communications. It provides a state-of-the-art, reliable, and flexible security system.

In FY 2000 the requested funding will provide engineering support, training, installation, testing, and documentation at a number of Smithsonian facilities and will replace core systems and components affected by Y2K in all SI facilities. FY 2000 efforts will be directed at completing systems replacement to ensure the new security system achieves full operability. This work includes replacing wiring, alarms, CCTVs, and card readers.

The Smithsonian Institution will be able to maintain high standards of electronic security to ensure cost-effective protection of the Nation's

treasures, Smithsonian staff members and volunteers, and millions of visitors each year through this modernization program.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for conducting employee background security investigations and the annual National Conference on Cultural Property Protection. For over twenty years, this conference has provided an opportunity for the diffusion of knowledge among security, facilities, library and administrative professionals throughout museums, libraries, universities and other cultural property institutions. The 1999 conference will be co-hosted by the J. Paul Getty Trust in Los Angeles, California.

OFFICE OF PHYSICAL PLANT

	APPLICATION OF OPERATING RESOURCES							
	FEDERAL APPROPRIATIONS		GENERAL TRUST		DONOR/SPONSOR DESIGNATED		GOV'T GRANTS & CONTRACTS	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
FY 1998 ACTUAL	503	61,130	8	1,661	1	125	0	0
FY 1999 ESTIMATE	516	64,938	8	2,092	3	268	0	0
FY 2000 ESTIMATE	516	72,724	8	2,109	3	268	0	0

ABSTRACT - The Office of Physical Plant (OPP) administers, maintains, and repairs 16 museum and art gallery buildings and grounds, as well as many other work and collection storage areas, by providing architectural, engineering, and facility planning services. In support of research, exhibitions, education, and public programs, OPP provides utilities, transportation, mail services, exhibit renovation, and many other related services. OPP also provides technical support to several Smithsonian units located outside the Washington, D.C. metropolitan area, including the Smithsonian Tropical Research Institute in Panama; the Fred Lawrence Whipple Observatory in Arizona; the Smithsonian Environmental Research Center in Edgewater, Maryland; and the National Museum of the American Indian and the Cooper-Hewitt, National Design Museum in New York City.

For FY 2000, the Smithsonian is not seeking additional funding for programmatic increases for the Office of Physical Plant. A net increase of \$6,601,000, included in this line item but justified in the Mandatory Increases section, will support increases in the Institution's central utilities, communications, postage, and rental accounts. The Institution also requires \$1,185,000 for Necessary Pay for existing staff funded in this line item.

PROGRAM - Office of Physical Plant: Immediate Office - The immediate office administers facility projects and financial management for construction, maintenance and repair operations, and other support services within Smithsonian Institution facilities. It provides trade and craft support for the Institution that includes plumbing, electrical, wood-crafting, painting, and plastering efforts for Smithsonian units.

Architectural History and Historic Preservation Division - The Architectural History and Historic Preservation (AHHP) division establishes and oversees historical preservation policy and practices for the Smithsonian. AHHP functions as a center for research and maintains the Castle Collection of 19th century furnishings.

Design and Construction Division - The Design and Construction Division (DCD) provides project management and professional assistance to Smithsonian units in order to provide safe environments for visitors, staff, and the National Collections. It also continues to survey all facilities to identify any modifications needed to bring the Institution into compliance with the Americans with Disabilities Act. DCD oversees projects and manages financial resources for the Institution's Repair, Restoration and Alterations program, as well as its Construction program. In addition to repairs and construction, DCD assists with exhibit construction and other space modification projects. Primary services include orchestration of planning, design, and construction activities; financial management of all projects; review of exhibit designs to ensure compatibility with existing building systems; and compliance with safety, health, and accessibility requirements.

South Group Facilities Management - South Group Facilities Management is responsible for minor maintenance, labor services, lamping, craft services, shipping and receiving, special events, safety, and, in consultation with the Smithsonian's Office of Environmental Management and Safety, occupational and environmental health program planning and execution for the Arts and Industries and Smithsonian Institution buildings. The South Group Facilities Management staff also coordinates and monitors contracts for structural maintenance, waste and recyclable trash removal, pest control, and renovation projects for these buildings.

Quadrangle Facility Management - Quadrangle Facility Management provides a wide variety of support services to the Education Center of the S. Dillon Ripley Center, National Museum of African Art, Arthur M. Sackler Gallery, Smithsonian Associates, Smithsonian Institution Traveling Exhibition Service, and the Office of International Relations. These services include space scheduling, labor services, rigging, minor maintenance, lamping, shipping and receiving, and other related services. The Quadrangle Facility Management Office is also responsible for coordinating trash removal and pest control services.

NONAPPROPRIATED RESOURCES - General Trust funds provide support for salaries and benefits of personnel, related support costs, the Trust share of space rental costs for administrative activities located at L'Enfant Plaza, and support services offered to other units by the Office of Physical Plant. Donor/Sponsor Designated funds provide support for costs associated with the upkeep of Smithsonian gardens.

REPAIR, RESTORATION AND ALTERATION OF FACILITIES

	SI	NZP	TOTAL
FY 1998 Appropriation ¹	\$32,000,000	\$3,850,000	\$35,850,000
FY 1999 Appropriation ¹	\$40,000,000	\$4,400,000	\$44,400,000
FY 2000 Estimate ²	\$41,900,000	\$6,000,000	\$47,900,000

In order to make progress in improving the conditions of the Institution's buildings, the Smithsonian is requesting \$47,900,000 for FY 2000 for repair, restoration and alteration (RR&A) of facilities. In addition, the Institution is requesting advance appropriations of \$17 million to become available on October 1, 2000, \$17 million to become available on October 1, 2001 and \$18 million to become available on October 1, 2002 to complete the renovation of the American Art and Portrait Gallery (Patent Office Building). As mentioned in the Introduction, the FY 2000 estimate for this account combines the former repair and restoration account, the repair and restoration portion of the former construction and improvements account of the National Zoological Park, and the alterations and modifications portion of the construction account.

The Institution is steward of the valuable and visible buildings that form a vital infrastructure for programs and activities, as well as providing a safe haven for the many irreplaceable collections that are made accessible to millions of scholars and visitors each year. Many of the buildings are themselves important icons of the Nation's cultural heritage, part of the Nation's "face" to the world, and are preserved with the intent of occupying them indefinitely. Insufficient funding for repair and renewal of the Institution's facilities has resulted in continued deterioration of the physical plant.

In May 1995, the Commission on the Future of the Smithsonian Institution expressed concern about the magnitude and continuing growth

¹ Provided for comparative purposes. In FY 1998 and FY 1999 funds are contained in the Repair and Restoration of Buildings and Construction and Improvements, National Zoological Park accounts.

² The FY 2000 request also includes \$17 million to become available October 1, 2000, \$17 million to become available on October 1, 2001, and \$18 million to become available on October 1, 2002, to complete the renovation of the American Art and Portrait Gallery (Patent Office Building).

of the deferred maintenance problem and recommended an immediate investment in renovation and restoration of the Institution's facilities. Without it the Smithsonian will no longer present the image of a nation rich in cultural experience, in natural resources, and in its vision for the future.

The FY 2000 RR&A request includes:

Repair, Restoration and Alterations

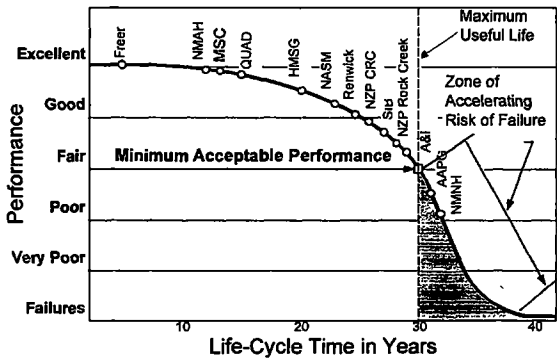
SI (excluding Zoo)	\$41,900,000
National Zoological Park	<u>6,000,000</u>

TOTAL	\$47,900,000
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Assessment of Facility Conditions - Building systems and components have limited life expectancies. Despite planned preventive maintenance and repair efforts, their heavy and constant use has exacerbated the natural aging process of components. As building systems age, the risk of operational failure, unscheduled closings, and damage to collections increases dramatically.

The Institution has carefully inspected its facilities and analyzed the current condition of its buildings. Chart 1 plots the position of the major facilities on a curve in relation to their overall expected life. The curve represents a composite rate of deterioration for all building systems over an estimated 40-year life span. The Smithsonian's major buildings were placed on the curve according to their estimated remaining useful life. The positions of the two properties of the National Zoological Park, namely, Rock Creek Park in Washington, DC and the Conservation Research Center (CRC) at Front Royal, Virginia, represent the average condition of the buildings on each property. Parameters used to assess existing conditions were watertight enclosure, age and condition of heating, ventilating and air conditioning (HVAC) and electrical systems, and compliance with current codes and industry operating standards.

Chart 1: Smithsonian Facilities Conditions in 1999



NOTE: NZP points represent average building condition on each property

The National Museum of Natural History (built in 1910 with wings added in 1960-1964 and the Smithsonian's largest building in terms of area at 1.3 million square feet) and the American Art and Portrait Gallery Building (or Patent Office Building, built between 1836 and 1860) are already in seriously deteriorated condition. Two more buildings, the Smithsonian Institution (Castle) Building (1846) and the Arts and Industries Building (1879), and both the National Zoological Park's sites (most of Rock Creek constructed between 1890 and 1945 and Front Royal since 1900), are rapidly approaching the state where the increasing risk of building system or component failure threatens the closing of significant portions to public and staff activities and exposes collections to unacceptable risks of irreparable damage. Together, these four buildings and the National Zoological Park properties represent over one-third of the Institution's usable area and contain significant amounts of public space.

The most significant deficiencies at these facilities are antiquated and failing mechanical and other utility systems. The rate and magnitude of emergency repairs that must be made, especially to the HVAC systems, has accelerated in the last several years, particularly at the Natural History and Patent Office buildings. At the Patent Office Building, for example, the Institution had to shut down the HVAC system for almost two months in spring 1998 to replace about 200 inoperable valves in the distribution piping. In September, a corroded fan coil unit drip pan caused water to leak

into the collection storage room below it. In November, flooding from rusted piping required temporarily closing an exhibition gallery and removing 71 works of art. Only the fast response of the staff averted damage to a number of works on paper, which are particularly vulnerable to water. Without major renovation, the collections and the buildings themselves will be subjected to a high risk of further damage. In addition, all emergency repairs in response to system failure are akin to placing "Band-Aids" and the new components or parts installed will be discarded when the entire system is eventually replaced. The money spent on such repairs would be much better invested in new, state-of-the-art, energy-efficient and safe systems.

Although the National Zoological Park's properties were placed on the curve in Chart 1 based on the average condition of all buildings at each site, a number of buildings are in much more serious condition. The Bear exhibits, Australia Building, Property Shelter, and the Deer and Tapir Buildings at Rock Creek and a number of buildings at Front Royal, are all currently below the minimum acceptable performance level. Other major exhibits, including the Reptile Building, Elephant House and Seal/Sea Lion Exhibits, are rapidly approaching the state where the increasing risk of building system or component failure threatens closure of the exhibits to public and staff activities, and exposure of the animals in the collection to unacceptable risk. In addition to outdated utility systems and failing exterior structures of individual buildings, basic infrastructure deficiencies at both of the Zoo's properties include antiquated and inadequate central utility service capacities and distribution systems, obsolete fire alarm and smoke detection systems, practically nonexistent central monitoring of animal life support systems (such as water treatment and climate control), and deteriorated roadways and bridges. As major components of the building systems age, the risk of operational failure, unscheduled closings, and danger to the animal collections and research efforts increases dramatically.

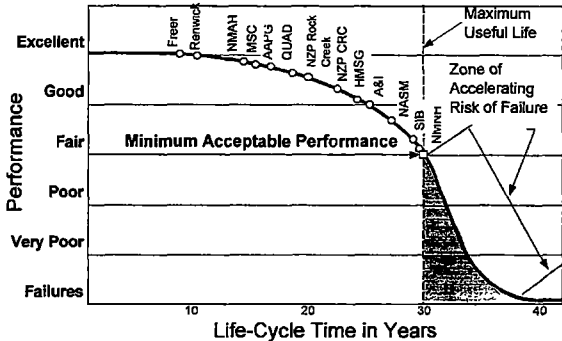
Although other Smithsonian buildings are not yet below the "Good" range in overall condition, periodic repair and upgrade of individual systems and components in these facilities is necessary to maintain them in efficient operating condition. Failure to renovate and renew on a planned schedule and in a timely manner hastens decline of the overall condition of a building.

Planned Renewal of Smithsonian Facilities - The Institution seeks a balance between correcting the unacceptable condition of the four buildings and National Zoological Park properties, and maintaining the current condition of its other facilities through systematic renewal and repair. The Commission on the Future of the Smithsonian Institution concluded that, "A total of \$50 million each year for the next decade would assure that present

facilities are restored to the point of being safe and appropriate for people and for collections."³ While the Commission on the Future did not address the repair needs of the National Zoological Park properties, the staff has used a similar methodology to establish an estimated funding requirement of \$10 million annually for the next five years. Chart 2 illustrates projected facilities conditions by fiscal year 2004 at the \$60 million level.

**Chart 2: Projected Smithsonian Facilities Conditions in FY 2004
At \$60 Million Beginning in FY 2001 ***

* This assumes that funding from the Construction account will be available for RR&A.



NOTE: NZP points represent average building condition on each property

Progress To Date - Although the funding level recommended in 1995 by the Commission on the Future of the Smithsonian Institution has not been reached, the Institution is making progress in ameliorating the most urgent facilities deficiencies with increased funding received since FY 1996. Current work includes replacing the roof at the American Art and Portrait Gallery Building, replacing the skylights and window walls at the National Air and Space Museum, and continuing major capital renewal at the National Museum of Natural History. The Institution is also actively designing major capital renewal projects at the American Art and Portrait Gallery, and the Arts and Industries buildings.

³ *E Pluribus Unum: This Divine Paradox*, Report of the Commission on the Future of the Smithsonian Institution, May 1995, Washington, DC.

At the National Zoological Park, recent repairs to the Hardy Hoof, Genetics Lab and General Services buildings have brought previously "unacceptable" conditions back into the "fair" range.

FY 2000 REQUEST - The Institution requests a funding level of \$47.9 million for FY 2000, which includes \$6 million for National Zoological Park needs. Funding at this level will allow the Institution to continue the timely renewal of some of the most deteriorated buildings, and to make ongoing repairs required to maintain current conditions in the newer buildings. As shown on the five-year plan that follows this narrative, significant amounts will be devoted to major capital renewal in the four buildings in most critical need of renewal. Work at the National Zoological Park will focus primarily on ongoing maintenance services, repair, and safety improvements to Rock Creek facilities, along with the general renovation of one or more buildings each year.

The Smithsonian expects to use the funds requested in FY 2000 to perform work in the categories described below. The Institution has combined some of the categories described in prior budget requests in order to simplify the planning and presentation of the RR&A program. The chart following the narrative provides a summary of projected expenditures by category of work for FY 2000 - FY 2004. The Institution contracts for most RR&A projects unless it is more cost effective to use existing employees or hire temporary staff to accomplish the work. The National Zoological Park also contracts for certain ongoing maintenance services with funding in the Repair, Restoration and Alteration account. In addition to actual RR&A work, the account also funds expenses required to accomplish the work, such as security requirements or relocation of staff and collections that might be placed at risk during construction.

Major Capital Renewal - The Major Capital Renewal category includes the cyclical replacement of major building systems and equipment and major renovation required ensuring long-term preservation of the buildings. Projects in this category differ in magnitude, expense, and planning complexity from routine ongoing restoration work, repair projects, or replacements undertaken when a piece of equipment fails. Work in this category primarily addresses the major replacement requirements for HVAC and electrical systems at the Institution's older facilities where these and other critical building systems are nearing the end of their useful service lives. The American Art and Portrait Gallery, Arts and Industries, Natural History, and Smithsonian Institution buildings are all now in need of major capital renewal.

Projects in this category involve complete replacement of heating, ventilating and air conditioning (HVAC), electrical, and plumbing systems, and restoration or replacement of exterior components such as facade, roof, and windows to ensure long-term operation and preservation of the building. Modifications to the building also improve energy efficiency, meet fire detection and suppression requirements, and correct hazardous conditions. By coordinating these kinds of tasks, the Institution saves money and avoids repeated disruption to activities in the building. The Smithsonian achieves operating efficiencies as well by designing new building systems and components to work together. For example, by installing multiple-paned windows and increasing insulation, the Smithsonian can select more energy efficient heating and cooling equipment. The equipment costs less to purchase and install, and long-term operating costs are lower. The impact of renovation work on programmatic activities is a key factor in planning a major project. Work of this magnitude causes serious disruption to activities in the building. The Institution must relocate staff and collections from the areas under construction to prevent damage, allow staff to continue working during the construction period, and ensure safety and continued public access. Major Capital Renewal projects are phased over a number of years to achieve the most efficient balance of cost savings while minimizing disruptions to public programs and staff activities.

In FY 2000, the Smithsonian plans to use \$9 million for Major Capital Renewal work at the National Museum of Natural History, \$8 million for renovation of the American Art and Portrait Gallery (Patent Office Building), and \$0.9 million for the National Zoological Park. Design of renewal work at the Arts and Industries Building will continue using prior year funding.

The FY 2000 request also includes \$17 million to become available October 1, 2000, \$17 million to become available on October 1, 2001, and \$18 million to become available on October 1, 2002, for a total four-year appropriation of \$60 million to renovate the American Art and Portrait Gallery (Patent Office Building). This will enable the Institution to award a single \$60 million contract, allowing a cost effective and time-critical renewal of the building.

Code Compliance and Security - The Code Compliance and Security category includes projects previously included in the Fire Detection and Suppression, and the Access, Safety and Security categories. Projects in this category emphasize better access to its facilities for persons with disabilities, installation of state-of-the-art fire protection systems, improvement of environmental conditions in buildings, and correction of

facility conditions that threaten the security of the National Collections. The majority of this work is accomplished by contract, with a small amount of work accomplished by existing employees or temporary staff when appropriate and cost effective. Work in this category includes:

- projects such as asbestos abatement and correction of ventilation problems
- modifications to ensure accessibility of public facilities, eliminating obstructions and overhead hazards, improving emergency warning systems, and providing seating space for wheelchair users and listening systems for the hearing impaired
- projects to improve the security of the collections, staff and visitors, such as installing security surveillance systems, improving exterior lighting, and installing card access systems to limit and document entry to certain spaces
- installation of fire detection systems such as smoke alarms, suppression systems such as sprinklers, and architectural modifications to create fire zones by installation of firewalls and doors

Infrastructure Repairs and Modifications - The Infrastructure Repairs and Modifications category includes projects that were formerly described as General Repairs, Façade, Roof and Terrace Repairs, Utility Systems Repairs, and Advanced Planning and Inspection.

Also included in this category are minor new construction, alterations and modifications (A&M) that were formerly included in the Construction account. Individual A&M projects will cost no more than \$1 million and will have little or no impact on facility operating costs. Funding used for A&M projects will not exceed 10 percent of the total RR&A request. Collapsing A&M funding into the RR&A account will allow programmatically driven work to be merged with planned repairs, wherever appropriate, to realize cost savings. This funding will also allow the Institution to conduct space planning and feasibility studies to ensure the best programmatic use of space. The majority of the work in the Infrastructure Repairs and Modifications category is accomplished by contract, with a small amount of work accomplished by existing employees or temporary staff when appropriate and cost effective. Work in this category includes:

- minor, unscheduled, but essential repairs that the Institution cannot anticipate specifically
- projects to maintain the integrity of building envelopes, including repair or replacement of roofs, stone repair and recaulking of façade joints, and repair and painting of window frames
- projects to maintain, repair, and upgrade the HVAC, plumbing, electrical, and communications systems throughout the Institution's facilities to ensure reliable and energy-efficient operation of the utility infrastructure
- identification and analysis of long-range repair and restoration needs and design of future-year projects in advance of funding requests to reduce escalation costs by enabling the staff to award construction contracts as soon as resources are appropriated
- projects to change, improve or make minor additions to existing space and plan for future requirements in order to maintain the vitality and operating effectiveness of its programmatic activities.

SMITHSONIAN INSTITUTION

Repair, Restoration and Alteration of Facilities
(Includes National Zoological Park)

FY 2000 - FY 2004

(Dollars in Millions)

CATEGORY TITLE	FY 1999 RECEIVED	FY 2000 REQUEST	FUTURE REQUIREMENTS *				
	Federal	Federal	FY 2001	FY 2002	FY 2003	FY 2004	Outyear Costs
Major Capital Renewal							
SI	18.0	17.0	32.2	29.5	38.7	40.5	ONGOING
NZIP	1.3	0.9	2.0	4.0	4.0	4.0	
Code Compliance and Security							
SI	5.6	5.0	5.8	6.8	3.1	3.8	ONGOING
NZIP	0.4	1.3	1.4	1.0	1.0	1.0	
Infrastructure Repairs and Modifications							
SI	16.4	19.9	18.0	19.7	14.2	11.7	ONGOING
NZIP	2.7	3.8	6.6	5.0	5.0	5.0	
SUBTOTALS							
SI	40.0	41.9	56.0	56.0	56.0	56.0	
NZIP	4.4	6.0	10.0	10.0	10.0	10.0	
GRAND TOTAL	44.4	47.9	66.0	66.0	66.0	66.0	ONGOING

* This assumes that funding from the Construction account will be available.

CONSTRUCTION

	SI	NZP	TOTAL
FY 1998 Appropriation	\$33,000,000	0	\$33,000,000
FY 1999 Appropriation	\$16,000,000	0	\$16,000,000
FY 2000 Estimate	\$19,000,000	0	\$19,000,000

Plans for facility development represent a major investment in the continuing vitality of all Smithsonian programs, whether they are for collections management, research, public exhibitions, or education, as well as its many support services. The Institution requests \$19 million in FY 2000 to carry out these plans. As addressed in the Introduction, the Construction account now includes the National Zoological Park's construction projects. Alterations and Modification projects previously contained in the Construction account are now being requested in the Repair, Restoration and Alteration of Facilities account. The five-year construction program is summarized on the chart following this narrative.

The FY 2000 Construction request includes \$19,000,000 to complete the National Museum of the American Indian Mall Museum.

National Museum of the American Indian Mall Museum (\$19,000,000) - Public Law 101-185, which created the National Museum of the American Indian (NMAI), authorized the Institution to construct three facilities to house the new museum and its collections. The Museum's main exhibition building will be constructed on the National Mall near the foot of Capitol Hill. The location, adjacent to the world's most frequently visited museums, will provide excellent exposure for Native American artifacts and related museum activities centered on Native American culture. The building, which will contain approximately 250,000 square feet of space, will house permanent and changing exhibitions, reference and resource areas, an auditorium, retail areas, and space for performances and other public programs. The other NMAI buildings include the George Gustav Heye Center, which opened in New York City in 1994 and provides 82,000 square feet of exhibition and public program space, and the Cultural Resources Center now nearing completion in Suitland, Maryland, which will house more than one million artifacts in the Museum's collection and related care and study activities in 145,000 square feet of space.

The Institution has completed overall programming and planning for the new Mall Museum, and the National Capital Planning Commission and the Commission of Fine Arts have approved the conceptual design. Following termination of the design contract in 1998, the Smithsonian is directing a new design team, with Polshek and Partners serving as facilitators in consultation with Native American architects and designers, and with Tobey and Davis Architects serving as production architects for construction documents. The base building drawings have been recreated in CAD files and most outstanding coordination issues have been resolved. Building models are complete and agency reviews are underway.

The project has moved into the design development phase, which includes the specific layout of spaces and identified building systems, architectural features, building materials and finishes. Smithsonian staff will manage the approximately fifteen contracts needed to complete the work in a coordinated and timely fashion. In addition to the base building design, work is already underway to coordinate the efforts of three exhibit design teams so that all needs are identified and any coordination issues can be resolved early in the process.

The Institution plans to award sequential construction phase contracts, in order to open the Museum in late 2002 as planned. The first phase of construction, including site fencing, utility relocation and preparation for foundation construction is planned to follow the spring 1999 groundbreaking. Excavation of the foundation work is expected to begin in late 1999 or early 2000, with actual building construction to begin in summer 2000.

The total project budget remains at \$110 million. Following the appropriations of \$9.3 million for planning and design, the Institution received \$45 million in FY 1998 and FY 1999 to begin construction of the Museum. For FY 2000, the Institution requests \$13 million to complete construction and \$6 million to equip the building. This will complete the two-thirds Federal funding outlined in the authorizing legislation. The remaining one-third, or \$36.7 million, has been raised from individuals, foundations, corporations and Native American tribes throughout the country.

SMITHSONIAN INSTITUTION

**Long Range Construction Program
(Includes National Zoological Park)
FY 2000 - FY 2004**

(Dollars in Millions)

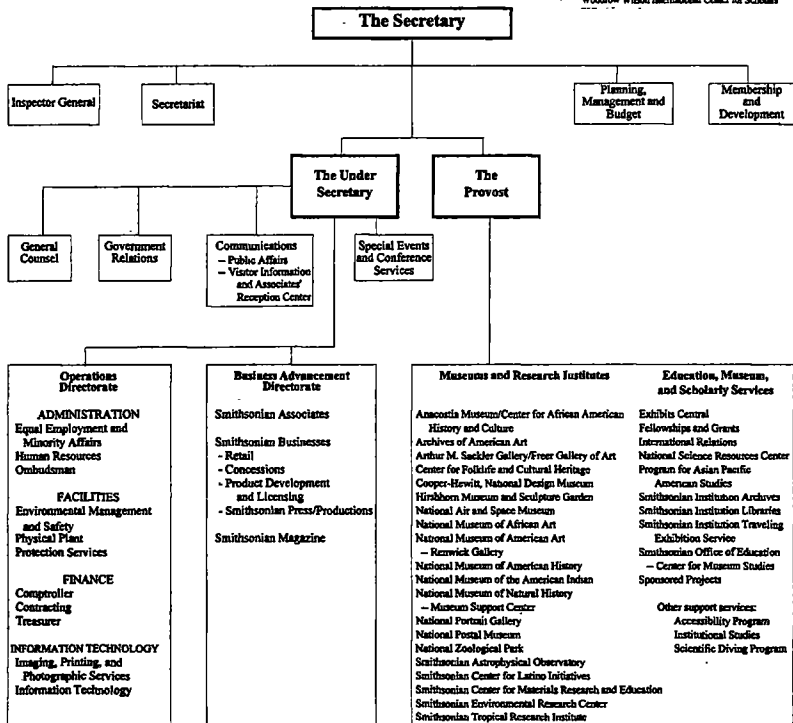
PROJECT TITLE AND ESTIMATED COSTS	PRIOR FUNDING	OUTSIDE FUNDING	FY 1999 FUNDING	FY 2000 REQUEST	FUTURE REQUIREMENTS *				
	Federal	Non-Fed	Federal	Federal	FY 2001	FY 2002	FY 2003	FY 2004	Outyear Costs
MAJOR CONSTRUCTION									
National Museum of the American Indian Mall Museum									
Plan/Design:	13.0	9.3	3.7						
Construction:	87.0	29.0	16.0	13.0					
Equipment:	10.0		4.0	6.0					
110.0	38.3	36.7	16.0	19.0					
MINOR CONSTRUCTION									
Smithsonian Astrophysical Observatory Hilo Base Building									
Plan/Design:	1.0				1.0				
Construction:	3.5					3.5			
Equipment:	0.0								
4.5				0.0	1.0	3.5			
Smithsonian Environmental Research Center Infrastructure									
Plan/Design:	1.0				1.0				
Construction:	3.8					3.8			
Equipment:	0.0								
4.8				0.0	1.0	3.8			
National Zoological Park Aquatics Exhibit									
Plan/Design:	0.0								
Construction:	1.0				1.0				
Equipment:	0.0								
1.0				0.0	1.0				
SUMMARY									
Plan/Design:	9.3	3.7	0.0	0.0	2.0	0.0	0.0	0.0	0.0
Construction:	29.0	29.0	16.0	13.0	1.0	7.3	0.0	0.0	0.0
Equipment:	0.0	4.0	0.0	6.0	0.0	0.0	0.0	0.0	0.0
TOTAL	38.3	36.7	16.0	19.0	3.0	7.3	0.0	0.0	0.0

* Subject to further review and refinement.

Smithsonian Institution

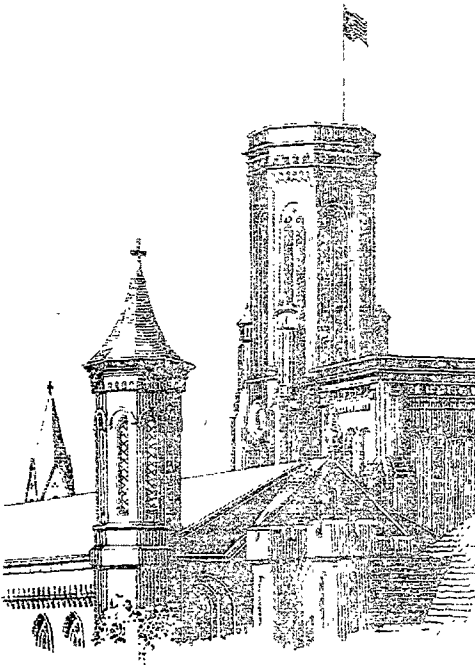
Board of Regents

Under Separate Boards of Trustees
 John F. Kennedy Center for the Performing Arts
 National Gallery of Art
 Woodrow Wilson International Center for Scholars



February 2, 1999

Smithsonian Institution Strategic Plan



...to the United States of America, to found at Washington, under the name of the Smithsonian Institution, an Establishment for the increase and diffusion of knowledge...

September 1997

MISSION

The mission of the Smithsonian Institution is the increase and diffusion of knowledge.

GOALS

- ☐ **Increase knowledge through research activities and use of the Smithsonian collections.**
- ☐ **Diffuse knowledge through exhibitions, publications, programs, electronic communications, and affiliations; and through improvements in educations and museum training opportunities.**
- ☐ **Support increased knowledge and diffusion through improvements in finance, management, and physical infrastructure of the Institution.**

MISSION STATEMENT



The mission of the Smithsonian Institution has remained the same for the 150 years of its existence: the increase and diffusion of knowledge. These words are taken from the last will and testament of James Smithson, the English benefactor and man of science who had never set foot in the United States, yet who bequeathed his whole estate

...to the United States of America, to found at Washington, under the name of the Smithsonian Institution, an Establishment for the increase and diffusion of knowledge...

Written in 1826, these words are the only guidance James Smithson offered to the Institution that bears his name today. Three years later, he died, and six years after that, his nephew died without heirs. Smithson's estate then passed on to the United States which, under the Act of July 1, 1836, accepted the gift. In 1838, eleven boxes of gold sovereigns, valued at \$508,319.46, were deposited with the United States Mint in Philadelphia.

Following eight years of debate in the Congress, the Organic Act of 1846 (20 U.S.C. 41 *et seq.*) was enacted on August 10, 1846. Under its terms, Congress established the Institution in its present form and provided for the administration of the trust, independent of the Government itself, by a Board of Regents and Secretary, to whom are assigned broad discretion to determine the most appropriate

To carry out its mission of increasing and diffusing knowledge, the Institution:

- ☐ *performs fundamental research*
- ☐ *publishes the results of studies, explorations, and investigations*
- ☐ *preserves for study and reference more than 140 million items of scientific, cultural, and historical interest*
- ☐ *maintains exhibits representative of the arts, history, technology, aeronautics and space exploration, and natural history*
- ☐ *participates in the international exchange of learned publications and scholars*
- ☐ *engages in programs of education and national and international cooperative research and training*

means of increasing and diffusing knowledge. During the long debate preceding the Act, different groups had proposed various functions for the Smithsonian, including a national university, normal school, school for the blind, national library, and a national museum of the arts and sciences. Some proponents focused on the increase of knowledge and some on its diffusion, while others emphasized that the trust was not intended to benefit the United States only, but the world at large. Although the university and school functions were abandoned, the Act of 1846 did provide for most of the other proposals:

...the Board of Regents...shall cause to be erected a suitable building...with suitable rooms and halls for the reception and arrangement...of objects of natural history, including a geological and mineralogical cabinet; also a chemical laboratory, a library, a gallery of art, and the necessary lecture rooms...

In summary, James Smithson, in bequeathing the whole of his property "for the increase and diffusion of knowledge," created a charitable trust with the United States as trustee for purposes not limited to the national interest, but for the benefit of all mankind. In the Act of July 1, 1836, Congress accepted the Smithson trust with its commitment to the trust, Congress has, from the start, supplemented trust resources with appropriated funds and property.

This unique combination of a privately endowed Institution, administered by a Board of Regents independent of the Government, and the continuing support of the United States as trustee, in generous fulfillment of its pledge, has made possible the achievements of the Smithsonian. Contributions from private donors, inconceivable in 1836, have created the great national collections, and continuing additions to the Smithsonian's trust funds have maintained the Institution's central resource for

**The Organic Act of 1846,
Section 3, provided:**

That the business of the said Institution shall be conducted at the city of Washington by a board of regents...to be composed of the Vice-President of the United States, the Chief Justice of the United States...; three members of the Senate, and three members of the House of Representatives; together with six other persons, other than members of Congress...



James Smithson
(1765-1829)

with the very substantial Federal support that has been essential to the growth of the Institution and to its far-reaching services to the public for more than a century and a half.

As noted previously, the Organic Act established the Board of Regents. Subsequent legislation amended the composition of the Board by increasing the number of citizen members from six to nine. In this century, the Regents have sought specific legislative authority for some activities that further the trust, most particularly those requiring the appropriation of large sums of Federal money. However, neither those statutes nor the ensuing appropriations have altered the powers of the Regents or their independent authority.

Across the years, advisory groups have been formed to address specific needs identified by the Regents. For example, based on growing evidence of the need for increased cooperation with entities outside the Institution, the Smithsonian Council was established in 1966. As planned, the Council, consisting of not more than 25 members, meets to advise on matters affecting the progress of science and learning within the Institution. Council members are appointed on the basis of distinguished attainments in scholarship, research, and understanding, and are drawn principally from those active in the learned professions. The National Board was established in 1971 as another advisory board for Smithsonian management. It consists of 50 members from across the country who assist with Institutional advancement and outreach, and provide expertise on business and operational matters. In addition to these two pan-Institutional bodies, many Smithsonian units also have advisory boards and commissions. A complete list of these boards and an organization chart accompany this document.

The Board of Regents:

- ☐ *bears the responsibility of the United States as trustee for carrying out Mr. Smithsonian's bequest and the public trust for which it provided;*
- ☐ *benefits from representation from all three branches of Government, yet the Institution is not part of any branch of Government; and*
- ☐ *sets Institution policy and oversees the management of the Smithsonian assets: the collections, the buildings of the Institution, and the funds available to it.*



KEY EXTERNAL FACTORS

In September 1993, the Institution's Board of Regents commissioned a group of citizens to ponder the future of the Institution. The Commission on the Future of the Smithsonian was charged with "...an examination of the Smithsonian, its mandate and its roles, and an examination of the cultural, societal, and technological factors that influence its capacity to act." The Commission issued its report in 1995. As part of its efforts, the Commission reviewed the setting of the Smithsonian, that is, the environment in which the Institution operates, and also addressed what changes the Institution might face in the future. The following summary of the Commission's findings represents the key external factors that the Institution must consider in developing and implementing goals and objectives that will enable it to fulfill its mission.

From the time of James Smithson's bequest, there have been enormous changes in the nation, beginning with the growth in population. Worldwide movement of people has brought ever greater ethnic and racial diversity to this country. Increased diversity and greater participation in public life by various segments of the population have resulted in more vigorous debates about values. For an educational institution like the Smithsonian, such elements enrich the cultural environment and offer new opportunities. Interactions between nations and their peoples have also changed dramatically, to a large extent as a result of technology.



Changes since the mid-1800s:

- ☐ Scientific advances have vastly expanded the world of knowledge in the Institution's domain.
- ☐ The natural environment is under extreme pressure.
- ☐ Technology has permanently altered the nation and the world.
- ☐ Concomitant with technological changes and interacting with them have been enormous social and political changes.
- ☐ More of the nation's people are educated through high school and college.

Just as the nation today is vastly different from the way it was in 1846, so it will continue to change in the decades to come, with the pace of change accelerating. The population is aging. The proportion of the population who are members of racial or ethnic minority groups will increase in the decades ahead. As recently as 1990, these groups represented one in five Americans. According to Census Bureau projections, by 2050 about half the population will have origins in these groups.

Popular sensibilities and interests continue to evolve. Scientific understanding is deepening, and the enhanced ability to communicate speeds the awareness of these and other changes. The Institution's principal future challenge is to reflect a rapidly changing society, to change itself, and to be a contributor to the richness of that society while being the treasury of the past.

Flexibility in programs, outlook, finance, administration and governance will be one requirement for dealing with changing challenges and opportunities. New, alternative ways to expand the reach of the Institution and reflect new developments can be exploited.

"This Institution has for many years played a vital part in Americans' sense of their nationhood. As the United States becomes an even richer composite of cultures and peoples, the Smithsonian's role as a national meeting place will become even greater, representing the satisfying possibilities of our diverse society."

I. Michael Heyman,



Secretary

GOALS AND OBJECTIVES

The following goals and related objectives collectively represent the priorities of the Smithsonian Institution, and will set the framework for program activities and resource allocations during the next five-year period. While the goals and objectives are numbered and presented in a certain order, this presentation does not represent an order of priority among them. Indeed, many of the goals and objectives presented here are inter-related in ways that would not permit one to be achieved without impacting on or drawing from one or more of the others. Most importantly, it must be noted that achievement of these goals and objectives is largely dependent on the level of resources available to the Institution during the planning period.

Included with each goal and objective is a set of strategies for meeting them, and a list of possible areas of measurement to be used in determining if the objectives and goals have been met. An annual performance plan for each year, beginning in fiscal year 1999, will include the specific goals, strategies and measures that the Institution will use to measure its progress toward meeting its strategic goals.

GOAL I**Increase Knowledge Through Research Activities and Use of the Smithsonian Collections****OBJECTIVE 1**

Support research based on collections, other research areas of excellence within the Institution, and long-term global projects.

STRATEGIES

- ☐ Continue to foster the identification and reward of excellence in research.
- ☐ Determine areas of the collections that could become the focus for research at the Institution.
- ☐ Facilitate linkages among researchers across disciplines, and with other research institutions worldwide, including increased support for fellowships.

AREAS OF MEASUREMENT

- ☐ Independent assessments of research programs as to their productivity, quality and relevance.
- ☐ Continued use of peer review and other evaluation methodologies.
- ☐ Increased support of fellowships.
- ☐ Continued dissemination of research findings through publications, electronic technology, and other means.
- ☐ Productivity of relationships between researchers across disciplines and in different research areas.

OBJECTIVE ②

Provide for management of the Smithsonian collections as central resources for research, public access, and the bases for other program activities.

STRATEGIES

- ☐ Continue to refine policies for future acquisitions of collections.
- ☐ Keep policies current for management of collections, including access, storage, location and conservation.
- ☐ Continue to review and improve storage and conservation of collections.
- ☐ Continue electronic cataloging and digitizing images of collections.
- ☐ Work toward strengthening technology infrastructure and linkages of computerized databases of the catalogued collections and images of objects.

AREAS OF MEASUREMENT

- ☐ Continued implementation of the Institution's collections policy, incorporating acquisition, access, storage, conservation, and sharing through loans.
- ☐ Improvements in storage of collections.
- ☐ Continuation of research on collections care and conservation.
- ☐ Seek to increase the number of computerized collections databases and digitization of selected collections
- ☐ Seek to increase the number of linkages of databases, both of collections and images of objects.

GOAL II

Diffuse Knowledge Through Exhibitions, Publications, Programs, Electronic Communications, and Affiliations; and Through Improvements in Education and Museum Training Opportunities

OBJECTIVE 1

Provide exhibitions, publications and programs that are balanced and of the highest quality; assure appropriate representation of the contributions of various ethnic groups to the cultural and artistic heritage of the United States; enhance presentation of research and education activities; and reach under-served audiences.

STRATEGIES

- ☐ Continue to refine procedures for review of plans for major new exhibitions.
- ☐ Continue planned schedule of exhibition renewal and restoration, in line with determined priorities.
- ☐ Continue program of traveling exhibitions and other means of sharing collections and research outside of Washington.

AREAS OF MEASUREMENT

- ☐ Continue implementation of new exhibition scheduling system.
- ☐ Quality and quantity of exhibitions aimed at providing outreach to under-served or under-represented groups.
- ☐ Quality and quantity of traveling exhibitions.
- ☐ Survey of exhibition visitors to determine their perceptions of the exhibitions and if they received intended message.
- ☐ Quality and quantity of new exhibits, and restoration, renewal, or expansion of existing exhibits where required.

OBJECTIVE ②

Continue to take advantage of the opportunities provided by electronic communication and information technology.

STRATEGIES

- ☐ Continue to expand and renew the information available on the Institution's World Wide Web site.
- ☐ Explore additional methods of making collections available beyond the Mall, such as television, video, and digital imaging.

AREAS OF MEASUREMENT

- ☐ Expand, if necessary, and keep materials current on the Smithsonian website.
- ☐ Record the number of visits to the Smithsonian website and seek demographic information on visitors.
- ☐ Surveys/feedback on the usefulness/impact of the website.
- ☐ Seek to increase the number of museum objects recorded in digital form.
- ☐ Seek to increase the number of new television or video presentations and the number of viewers/buyers.

OBJECTIVE ③

Build collaborative partnerships with other museums, research centers, and educational institutions throughout the nation.

STRATEGIES

- ☐ Increase public access to the collections through affiliations with other museums or organizations.
- ☐ Continue the exchange of professional personnel and access for students through partnerships with other research institutions.

AREAS OF MEASUREMENT

- ☐ Continued implementation of Institutional policy on affiliations: the number and scale of affiliation agreements involving long term loans of collections.
- ☐ The number of research partnerships in research institutes and museums, and the number of students provided access through research partnerships.

OBJECTIVE 4

Apply the Smithsonian's unique resources to enhance pre-school through Grade 12 education and adult education.

STRATEGIES

- ☐ Using models such as the Smithsonian Early Enrichment Center, the National Science Resources Center, and Smithsonian/school partnerships, extend the involvement of the Institution in the nationwide effort to improve education.
- ☐ Use the collections and other resources of the Institution to contribute to teacher training, and increased parental and community involvement in pre-school through Grade 12 education.

AREAS OF MEASUREMENT

- ☐ The quality and number of partnerships with school districts, locally and across the country.
- ☐ The quality and number of students trained using Smithsonian resources, including through electronic communication technologies.
- ☐ Number of teachers trained using Smithsonian resources, including through electronic communication technologies.
- ☐ Surveys or feedback on improvements in teaching and learning resulting from Smithsonian-based training.

OBJECTIVE 5

Emphasize education both on the Mall and across the country through a variety of means.

STRATEGIES

- ☐ Expand Smithsonian educational programs to reach diverse populations, including unserved or under-served communities.
- ☐ Expand informal education through museum collections and objects-based learning in exhibitions.
- ☐ Expand efforts to provide more information on linkages between research and education/outreach activities.

AREAS OF MEASUREMENT

- ☐ The quality and reach of educational programs aimed at new or under-served audiences
- ☐ The quality and reach of collections and exhibition-based education programs developed
- ☐ The quality and reach of education/outreach activities based on Smithsonian research
- ☐ Periodic studies of the impact of collections and exhibition-based education programs

OBJECTIVE 6

Continue to use the Smithsonian's unique resources to provide training to museum professionals and aspirants.

STRATEGIES

- ☐ Continue to provide Smithsonian-based training and professional support to museum professionals.
- ☐ Continue to provide training and other educational and outreach services to interns, students, postgraduates and others interested in museum careers, with particular attention to under-served communities.

AREAS OF MEASUREMENT

- ☐ Number of museum professionals trained at the Smithsonian
- ☐ Number of seminars and other special training opportunities provided
- ☐ Number of interns and students employed or placed in programs at the Smithsonian
- ☐ Proportion of interns, students, and museum professionals trained representing under-served communities

GOAL III

Support Increased Knowledge and Diffusion Through Improvements in Finance, Management, and Physical Infrastructure of the Institution

OBJECTIVE ①

Continue to streamline and improve work processes through reengineering, automation, and review/delegation of authorities to units where appropriate.

STRATEGIES

- ☐ Review policies and procedures to ensure they are simple, ensure clear accountability, and distinguish appropriately between responsibilities of central administration and the units.
- ☐ Include decentralization of activities in planning, where appropriate.
- ☐ Provide units with appropriate tools and authorities to accomplish their goals efficiently and effectively.

AREAS OF MEASUREMENT

- ☐ Number of organizational changes reflecting efficiencies through decentralization or other means
- ☐ Number of policy directives relating to central versus decentralized responsibility reviewed and/or revised
- ☐ Improvements in work processes, including automating systems
- ☐ Financial savings (or cost avoidance) resulting from improvements in work processes

OBJECTIVE ②

Seek to enhance personnel and procurement policies and practices.

STRATEGIES

- ☐ Explore mechanisms for developing a unified Smithsonian personnel system.
- ☐ Review proposals for new systems to insure they are flexible, accountable, rational, and equitable, as well as reflective of the Institution's unique needs.

AREAS OF MEASUREMENT

- ☐ Proposals developed for new or revised personnel system
- ☐ Proposals reviewed, revised and implemented for increased flexibility in personnel and procurement systems

OBJECTIVE ④

Seek ways to enhance program activities by increasing revenues through fundraising or commercial activities.

STRATEGIES

- ☐ Assist units in increasing their development activities, to provide for facilities needs, protection of collections, exhibitions, education, and electronic outreach activities.
- ☐ Seek approval for and initiate a major capital campaign for the Institution.
- ☐ Continue and expand business activities in order to increase income available for programs and facilities.
- ☐ Develop criteria for assessing the viability of business ventures before they are undertaken.

AREAS OF MEASUREMENT

- ☐ Increases in fundraising levels in museums, research institutes and other units
- ☐ Development and initiation of major capital campaign
- ☐ Level of net income generated from business activities

OBJECTIVE 4

Seek to enhance improvements in the physical infrastructure of the Institution.

STRATEGIES

- ☐ Continue emphasis on repair and restoration of facilities, which are national monuments.
- ☐ Seek improvements in infrastructure, including new buildings required to protect existing collections, through public/private partnerships.

AREAS OF MEASUREMENT

- ☐ Progress made in construction of facilities for protection of existing collections (National Museum of the American Indian; National Air and Space Museum Dulles Center)
- ☐ Management of funding for renovation, repair and maintenance projects
- ☐ Decline in backlog of repair and rehabilitation projects

**RELATIONSHIP OF THE STRATEGIC PLAN GOALS
AND OBJECTIVES TO THE GOALS OF
THE PERFORMANCE PLAN**

The Smithsonian has prepared its first annual performance plan and submitted it as part of its fiscal year 1999 request. The performance plan includes seven goals, which are tied directly to the programs of the Institution: research and collections management; education, public programs and exhibitions; administration; and facilities and security. Each of the performance goals is also directly related to the strategic goals and objectives of the Institution.

For the most part, the Performance Plan goals are more narrowly focused than the Strategic Plan goals, and reflect the specific activities the Institution and its units will engage in during fiscal year 1999 to make progress towards achieving the Institution's strategic goals. The measurements and milestones included in the Performance Plan will enable the Institution to gauge its progress during fiscal year 1999 in reaching the strategic goals, and will also provide important information as to whether the strategic goals need to be adjusted in future years.

ADVISORY BOARDS AND COMMISSIONS

Anacostia Museum Board

Archives of American Art Board of Trustees

Cooper-Hewitt, National Design Museum Board of Trustees

Folklife Advisory Council

Folkways Advisory Committee

Freer Gallery of Art Visiting Committee

Hirshhorn Museum and Sculpture Garden Board of Trustees

National Air and Space Museum Advisory Board

National Museum of African Art Commission

National Museum of American Art Commission

National Museum of American History Board

National Museum of the American Indian Board of Trustees

National Museum of Natural History Board

National Portrait Gallery Commission

National Postal Museum Advisory Commission

National Science Resources Center Advisory Board

National Zoological Park National Advisory Board

Arthur M. Sackler Gallery Visiting Committee

Smithsonian Environmental Research Center Advisory Board (proposed)

Smithsonian Institution Archives and Special Collections Council

Smithsonian Institution Libraries Users Advisory Committee

**Visits to the Smithsonian
FY 1994 – FY 1998**

<u>MUSEUM</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
MALL					
SI Castle	1,615,846	1,743,169	1,722,551	1,812,172	1,890,838
A&I Building	941,957	917,027	725,620	986,348	875,853
Natural History	5,734,342	5,842,987	5,171,318	5,859,717	5,579,039
Air and Space	8,566,238	8,297,873	6,935,989	8,348,096	10,238,890
Freer Gallery	490,379	444,090	321,005	290,939	330,104
Sackler Gallery	193,321	198,827	164,395	176,627	207,653
African Art	319,324	307,382	232,352	227,703	232,939
Ripley Center	204,495	153,954	141,548	134,579	300,147
American History	4,918,035	4,828,078	4,578,490	5,106,387	5,579,039
Hirshhorn	820,429	809,435	742,139	767,229	829,782
OFF MALL					
Amer Art/Portrait	383,444	400,258	298,150	374,494	550,087
Renwick Gallery	123,329	117,066	98,832	132,481	130,700
Anacostia ¹	41,671	50,031	39,900	7,206	26,100
Cooper/Hewitt ²	104,721	89,073	25,246	100,804	131,949
American Indian ³	30,022	321,585	318,891	577,962	615,697
National Zoo ⁴	3,300,000	3,000,000	2,700,000	2,700,000	2,700,000
Postal Museum	373,293	381,042	341,210	450,288	423,760
TOTAL	28,160,846	27,901,877	24,557,636	28,053,032	30,642,577

¹ Closed to the public December 1996 through January 1998 and September 1998

² Galleries closed to the public August 1995 through September 1996; the Garden remained open.

³ The George Gustav Heye Center opened to the public in October 1994 in New York City.

⁴ Number of visitors based on a sampling system.

SPECIAL FOREIGN CURRENCY PROGRAM

Program of Grants for Research - Through its Special Foreign Currency Program, the Smithsonian makes grants to United States universities, museums, and other institutions of higher learning (including the Institution itself) primarily for research and advanced professional training in fields of traditional Smithsonian competence.

Excess currency appropriations directly funded the program through FY 1986. Outlays from budget authority provided through FY 1986, including the Forward-funded Reserve for the American Institute of Indian Studies, have continued through the 1990s. In addition, since FY 1986 the Smithsonian has received allocations of U.S.-owned Indian rupees from funds appropriated to the Department of State in FY 1985 for the establishment of the U.S.-India Fund for Education, Cultural, and Scientific Cooperation.

Since its initiation in 1965, the Smithsonian Foreign Currency Program has been a major source of support for research carried out by United States institutions in those countries for which excess foreign currencies are available. The full responsibility for the design, execution, and publication of research results rests with the scholar working within a program of a United States institution. Smithsonian foreign currency grants strengthen the fundamental research and training activities of collaborating institutions abroad, because most projects directly involve host country institutions and scholars. Enduring professional ties, which result from joint efforts and scholarly exchange, contribute to the strongest form of United States cultural relations with other nations. These ties also contribute to the global integration of research data in the sciences. As a result of this interaction, the gap between scholars from industrial and developing nations has narrowed. Moreover, research sponsored by the program aims, in part, to improve understanding of the environment, as well as management and conservation of scarce natural and cultural resources threatened by the rapid growth of world population and technological development.

In FY 1998, ongoing research supported by these grants included projects in archeology, anthropology, art history, biology, and astrophysics.

Forward-Funded Reserve for the American Institute of Indian Studies

- Since 1967, the Smithsonian has provided annual funding through the Special Foreign Currency Program to the American Institute of Indian Studies (AIIS) for its fellowships, research, symposia, and publications programs, as well as for its administrative costs. The Smithsonian has helped sustain this Institute and other American research centers abroad for more than 30 years because of their contributions to scholarship and science without regard to national boundaries and because of their special service to American scholars.

With Special Foreign Currency Program funding received from FY 1980 through FY 1985, the Smithsonian established a forward-funded reserve of \$7,170,000 equivalent in rupees. This reserve enabled the AIIS to sustain its programs after the removal of India from the excess currency list in 1985. Since FY 1986 AIIS, with oversight from the Smithsonian, has drawn upon funds in this reserve for its fellowship program and administrative costs in India. The Institution continues to examine annual proposals through its peer review system before releasing funds to AIIS.

The reserve should provide core support for AIIS programs well into the new millenium. In 1990 Congress authorized the deposit of the reserve in interest-bearing (rupee) accounts in order to help continue the viability of the fund. In FY 1993, the first deposits totaling an equivalent of \$4 million were made to the interest-bearing accounts. Most of the funds remaining in the reserve were deposited into interest-bearing accounts in FY 1995. The first draw-down of those funds occurred in 1998 when the last rupee grant was made.

U.S.-India Fund for Educational, Cultural, and Scientific Cooperation -

In FY 1985, Congress appropriated \$100 million equivalent in U.S.-owned Indian rupees to the Department of State to establish the U.S.-India Fund for Educational, Cultural, and Scientific Cooperation. Since FY 1986, the Smithsonian has received allocations from this fund to continue programs in India similar to those administered under the Special Foreign Currency Program, which would otherwise have ended when India lost excess currency status in 1985. The Institution has received a total of \$17.6 million through FY 1996. The FY 1997 final allocation of the principal totaled \$1.1 million equivalent. Based on current requirements, the principal of the U.S.-India fund was totally obligated by January 1998, signaling the last of the U.S.-owned rupee grants.

NONAPPROPRIATED RESOURCES

In addition to support provided by Federal appropriations, the Institution receives nonappropriated funds to expand and enrich its programs. The following provides an overview of all sources of funding.

The Institution's nonappropriated funds, known as Trust funds, include general Trust funds with limited or no restrictions on their use; designated funds restricted by the donor or sponsor; and government grants and contracts. Projections are subject to the uncertainty of the size of donations, grants, and contracts; to fluctuations in visitor attendance; and to the volatility of the economy, which directly affects the return on the endowment as well as restaurant, mail order, and museum shop revenues, memberships, and other auxiliary activities. The Institution's gross operating revenue, less the expenses of the auxiliary activities, represents the net operating revenue available for programmatic and related purposes. The following table provides a summary of the sources of nonappropriated operating funds.

(Dollars in Millions)	FY 1998 Actual	FY 1999 Estimate
General Trust	33.7	45.7
Donor/Sponsor Designated	63.5	71.8
Government Grants & Contract	58.5	54.4
Total Available for Operations	155.7	171.9

SOURCE AND APPLICATION OF NONAPPROPRIATED TRUST FUNDS -

Information on the application of General Trust funds, designated funds, and government grants and contracts for FY 1998, FY 1999, and FY 2000 is provided with each line item in this budget. The following describes the sources of each category of Trust funds as well as a general description of their application.

General Trust Funds - The sources of General Trust funds are investment income; earnings from unrestricted endowments; net proceeds from the museum shops, mail order, and food service concessions; sales of Smithsonian books, records, and other products based on designs and objects in the collections; theater/planetarium operation at the National Air and Space Museum; rental of exhibitions of the Smithsonian Institution Traveling Exhibition Service; membership programs (including *Smithsonian* and *Air and Space* magazines); the sale of posters, exhibition brochures, catalogs, and other publications; admission fees; and overhead recovery on

government grants and contracts received. Projected sources of FY 1999 General Trust funds total \$45.7 million.

Overhead recovery is the principal source of Trust support for central management and administrative service units of the Institution, including legal counsel, accounting, personnel, contracting, and budget. General Trust funds also support activities of units such as Cooper-Hewitt, National Design Museum; Center for Folklife and Cultural Heritage; Office of Membership and Development; Smithsonian Tropical Research Institute; Visitor Information and Associates' Reception Center; and other Institutional and unit-based programs. The Board of Regents approves allocations to these activities.

General Trust funds also support fellowship and award programs and exhibitions. FY 1999 funding of \$1.9 million will be provided for various fellowship programs. Awards under the Institution's Collections Acquisition, Educational Outreach, and Scholarly Studies programs are projected in the FY 1999 budget to total \$2.2 million. These awards will provide

- \$631,000 to purchase exceptional objects important to the collections
- \$226,000 to conduct a wide range of educational outreach programs with a special focus on diverse audiences
- \$1.3 million for innovative scholarly research projects initiated by the Institution's research staff, occasionally in collaboration with scholars from other institutions.

The Institution supports exhibition programs with Federal funds and with donations from individuals, foundations, and corporations, as well as its Special Exhibition Fund (SEF). This General Trust fund, with \$1.3 million in FY 1999, provides an important source of funds for temporary and permanent exhibitions proposed by Smithsonian units that, regardless of scale, are of outstanding educational value to the public. The SEF allows units to explore new or expand current interpretive or exhibition techniques; supports exhibits that are worthy but, by their nature, unlikely to attract major private contributions; and allows for development of exhibits targeted to reach previously underserved audiences.

Donor/Sponsor Designated Funds - Designated Trust funds include gifts, grants, and earnings on endowments from individuals, foundations,

organizations, and corporations that specify the purpose of the funds. Designated funds in FY 1999 are projected to total \$71.8 million. Generally, these funds support a particular exhibition or research project. The Freer endowment, the Institution's largest designated endowment, accounts for nearly one quarter of Smithsonian endowment principal.

Government Grants and Contracts - Various Government agencies and departments provide grants and contracts for projects that only the Smithsonian can conduct because of its expertise in a particular area of science, history, art, or education and because of its ability to respond quickly to certain needs. For FY 1999, government grants and contracts are projected to be \$54.4 million. Of this amount, \$45.4 million is provided for astrophysical research and development carried out by the Smithsonian Astrophysical Observatory.

APPROPRIATION LANGUAGE AND CITATIONS

The Act of August 10, 1846, 9 Stat. 102-106, 20 U.S.C. §§ 41-70, established the Smithsonian Institution "for the increase and diffusion of knowledge," and provided the organizational structure for the Institution's administration. The mission of the Smithsonian Institution has remained unchanged throughout its 152-year history, although additional authority for many of the Institution's programs and operations has been enacted over the years. Those statutes, along with the Smithsonian charter, are cited below as the authority for the Smithsonian Institution appropriation language, except where specific authorizing language has been included in the wording of the appropriation itself.

Appropriation: Salaries and Expenses

1. For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history;

20 U.S.C. §§ 50, 53a, 69, 75b(b), 76bb(c), 77a, 78, 80a(a), 80m, 80q-1(b)(1),(3) provide that (1) "...all objects of art and of foreign and curious research, and all objects of natural history, plants, and geological and mineralogical specimens...shall be so arranged and classified...as best to facilitate the examination and study of them..." (2) "Appropriations are authorized for...the making of solar observations at high altitudes..." (3) "The Secretary of the Smithsonian Institution is hereby authorized...to continue independently or in cooperation anthropological researches among the American Indians and the natives of lands under the jurisdiction or protection of the United States..." (4) "The Gallery [National Portrait Gallery] shall function as a free public museum for the exhibition and study of portraiture and statuary depicting men and women who have made significant contributions to the history, development, and culture of the people of the United States and of the artists who created such portraiture and statuary." (5) "The Joseph H. Hirshhorn Museum and Sculpture Garden...shall be used for the storage, exhibition, and study of works of art..." (6) "The national air and space museum shall...provide educational material for the historical study of aviation and space flight." (7) "The Secretary of the Smithsonian Institution is authorized to cooperate with any State, educational institution, or scientific

organization in the United States for continuing paleontological investigations..." (8) "It shall be equipped with a study center for scholarly research into the meaning of war, its effect on civilization, and the role of the armed forces..." (9) "...the Board may...conduct programs of research and education (in the Museum of African Art)..." (10) The purposes of the National Museum [of the American Indian] are to (1) advance the study of Native Americans, including the study of language, literature, history, art, anthropology, and life...(3) provide for Native American research and study programs.

2. development, preservation, and documentation of the National Collections;

20 U.S.C. §§ 50, 50a, 59, 69, 75e, 76c, 76cc(a), 77a, 80a, 80m, 80q-1(b)(2), 81 provide that (1) "...all objects of art and of foreign and curious research, and all objects of natural history, plants, and geological and mineralogical specimens...shall be delivered to such persons as may be authorized by the Board of Regents to receive them, and shall be so arranged and classified...as best to facilitate the examination and study of them..." (2) "The Smithsonian Institution is authorized to include in its estimates of appropriations such sums as may be needful for the preservation and maintenance of the John Gellatly art collection." (3) "All collections of rocks, minerals, soils, fossils, and objects of natural history, archaeology, and ethnology...when no longer needed for investigations in progress shall be deposited in the National Museum." (4) "The Secretary of the Smithsonian Institution is hereby authorized...to continue independently or in cooperation...the excavation and preservation of archaeological remains." (5) "...the Board may - (1) purchase, accept, borrow, or otherwise acquire portraiture, statuary, and other items for preservation, exhibition, or study." (6) "...the Regents are authorized...to acquire (by purchase or otherwise) and sell contemporary works of art or copies thereof..." (7) "There is established in the Smithsonian Institution a Board of Trustees...which shall have the sole authority (i) to purchase or otherwise acquire...works of art for the Joseph H. Hirshhorn Museum and Sculpture Garden..." (8) "The national air and space museum shall...collect, preserve, and display aeronautical and space flight equipment of historical interest and significance..."

(9) "...the Smithsonian Institution shall collect, preserve, and exhibit military objects of historical interest and significance."
 (10) "...the Board may purchase, accept, borrow or otherwise acquire additional works of art or any other real or personal property for the Museum (of African Art); preserve, maintain, restore...or otherwise hold any property of whatsoever nature acquired..." (11) "The purposes of the National Museum [of the American Indian] are to...(2) collect, preserve, and exhibit Native American objects of artistic, historical, literary, anthropological, and scientific interest..." (12) "The National Zoological Park is placed under the direction of the Regents of the Smithsonian Institution, who are authorized to transfer to it any living specimens, whether of animals or plants, in their charge, to accept gifts for the park...to make exchanges of specimens..."

3. presentation of public exhibits and performances;

20 U.S.C. §§ 75b(b), 76c(b), 76bb(c), 77a, 80a(a), 80m(a), 80q-1(b) provide that (1) "The Gallery [National Portrait Gallery] shall function as a free public museum for the exhibition and study of portraiture and statuary..." (2) "In order to encourage the development of contemporary art and to effect the widest distribution and cultivation in matters of such art, the Regents are authorized to...conduct exhibitions..." (3) "The Joseph H. Hirshhorn Museum and Sculpture Garden...shall be used for the storage, exhibition, and study of works of art..." (4) "The national air and space museum shall...collect, preserve, and display aeronautical and space flight equipment of historical interest and significance..." (5) "...the Smithsonian Institution shall collect, preserve, and exhibit military objects of historical interest and significance." (6) "...the Board may...display...any property of whatsoever nature acquired (for the Museum of African Art)..." (7) "The purposes of the National Museum [of the American Indian] are to...(2) collect, preserve, and exhibit Native American objects of artistic, historical, literary, anthropological, and scientific interest..."

4. collection, preparation, dissemination, and exchange of information and publications;

20 U.S.C. § 53a provides that "Appropriations are authorized for the...preparation of manuscripts, drawings, and illustrations for publication."

5. conduct of education, training, and museum assistance programs;

20 U.S.C. § 65a provides "The Director of the National Museum under the direction of the Secretary of the Smithsonian Institution shall - (1) cooperate with museums and their professional organizations in a continuing study of museum problems and opportunities, both in the United States and abroad; (2) prepare and distribute significant museum publications; (3) perform research on, and otherwise contribute to, the development of museum techniques..."

20 U.S.C. § 77a provides that "The national air and space museum shall...provide educational material for the historical study of aviation and space flight."

20 U.S.C. § 79a provides that "The purpose of setting aside such an area [Barro Colorado Island] is to preserve and conserve its natural features...thus providing a place where duly qualified students can make observations and scientific investigations for increase of knowledge, under such conditions and regulations as may be prescribed by the Smithsonian Institution."

20 U.S.C. § 79e provides that "There are authorized to be appropriated annually...such sums as are necessary for the administration of [the Canal Zone Biological Area] for the maintenance of laboratory or other facilities..."

The Panama Canal Treaty and ancillary agreements vest in the Smithsonian Tropical Research Institute responsibility to serve as custodian of the Barro Colorado Nature Monument. The Panama Canal Act of 1979, Public Law 96-70, as amended, implements the provisions of the Panama Canal Treaty.

20 U.S.C. § 80m(a)(3) provides that "...the Board may...conduct programs of research and education (in the Museum of African Art)..."

6. maintenance, alteration, operation, lease (for terms not to exceed thirty years), and protection of buildings, facilities, and approaches;

20 U.S.C. §§ 53a, 76g, 76ee, 79b, 80m, 81 provide that (1) "Appropriations are authorized for the maintenance of the Astrophysical Observatory and...for repairs and alterations of buildings and grounds occupied by the Smithsonian Institution in the District of Columbia and elsewhere..." (2) "There are authorized to be appropriated annually such sums as may be necessary to maintain and administer the Gallery [National Portrait Gallery]..." (3) "There is authorized to be appropriated...such additional sums as may be necessary for the maintenance and operation of such [Hirshhorn] [M]useum and [S]culpture [G]arden." (4) "The Smithsonian Institution shall...be responsible for the construction and maintenance of laboratory and other facilities on the area provided for the use of students authorized to carry on studies within the confines of the area..." (5) "...the Board may...preserve, maintain...any property of whatsoever nature acquired (for the Museum of African Art)..." (6) "The National Zoological Park is placed under the direction of the Regents of the Smithsonian Institution, who are authorized...to administer and improve the said Zoological Park for the advancement of science and the instruction and recreation of the people." Public Law 101-512 making appropriations for the Department of the Interior and Related Agencies for the fiscal year 1991 extended the maximum term from ten years to thirty years.

7. not to exceed \$_____ for services as authorized by 5 U.S.C. 3109;

5 U.S.C. § 3109 provides that "When authorized by an appropriation or other statute, the head of an agency may procure by contract the temporary (not in excess of 1 year) or intermittent services of experts or consultants or an organization thereof, including stenographic reporting services."

8. up to 5 replacement passenger vehicles;

31 U.S.C. § 1343 provides that "(b) An appropriation may be expended to buy or lease passenger motor vehicles only-- (1) for the use of--...or, (2) as specifically provided by law."

9. purchase, rental, repair, and cleaning of uniforms for employees;

5 U.S.C. § 5901 provides that "(a) There is authorized to be appropriated annually to each agency of the Government of the United States, ... on a showing of necessity or desirability, such sums as may be necessary to carry out this subchapter. The head of the agency concerned ... shall-- (1) furnish to each of these employees a uniform at a cost not to exceed \$400 a year ... or (2) pay to each of these employees a allowance for a uniform not to exceed \$400 a year..."

40 U.S.C. § 193t provides that "The special police provided for in section 193n of this title [Smithsonian Institution] ... may be furnished, without charge, with uniforms and such other equipment as may be necessary for the proper performance of their duties..."

10. of which not to exceed \$_____ for the instrumentation program, collections acquisition, Museum Support Center equipment and move, exhibition reinstallation, the National Museum of the American Indian, the repatriation of skeletal remains program, research equipment, information management, and Latino programming shall remain available until expended,

Wording added by the Congress in Public Law 100-446 making appropriations for the Department of the Interior and related agencies for the fiscal year 1989 to permit the Institution to establish no-year funding within the Salaries and Expenses account for the development of major scientific instrumentation. Public Law 101-512 making appropriations for the Department of the Interior and Related Agencies for the fiscal year 1991 also allowed no-year funding to be used for purchases for museum collections; the costs of purchasing collections storage equipment and the preparation of objects and the move of collections to the Museum Support Center; the design, production, and reinstallation of museum exhibitions; the operating costs associated with the new National Museum of the American Indian; and the repatriation of skeletal remains. In addition, Public Law 103-332 making appropriations for the Department of the Interior and Related Agencies for the fiscal year 1995 established no-year funding

for research equipment; information technology needs; and Latino programming at the Institution.

31 U.S.C. § 1301(c) provides "An appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously only if the appropriation ... (2) expressly provides that it is available after the fiscal year covered by the law in which it appears."

11. and including such funds as may be necessary to support American overseas research centers and a total of \$ _____ for the Council of American Overseas Research Centers:

Wording added by the Congress in Public Law 99-190 making appropriations for the Department of Interior and Related Agencies in 1986. Public Law 100-446 making appropriations for the Department of the Interior and Related Agencies for the fiscal year 1989 modified reference to add specific dollar sum to be provided to the Council of American Overseas Research Centers.

12. Provided, That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations.

31 U.S.C. § 3324 provides that "(b) An advance of public money may be made only if it is authorized by-- (1) a specific appropriation or other law..."

Appropriation: Construction and Improvements, National Zoological Park

1. For necessary expenses of planning, construction, remodeling, and equipping of buildings and facilities at the National Zoological Park,

20 U.S.C. § 81 provides that "The National Zoological Park is placed under the direction of the Regents of the Smithsonian Institution, who are authorized...to administer and improve the said Zoological Park for the advancement of science and the instruction and recreation of the people."

2. by contract or otherwise,

Wording for clarification only.

3. to remain available until expended.

31 U.S.C. § 1301(c) provides "An appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously only if the appropriation... (2) expressly provides that it is available after the fiscal year covered by the law in which it appears."

Appropriation: Repair and Restoration of Buildings

1. For necessary expenses of repair and restoration of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623),

20 U.S.C. § 53a provides that "Appropriations are authorized...for repairs and alterations of buildings and grounds occupied by the Smithsonian Institution in the District of Columbia and elsewhere..."

2. including not to exceed \$_____ for services as authorized by 5 U.S.C. 3109,

5 U.S.C. § 3109 provides that "When authorized by an appropriation or other statute, the head of an agency may procure by contract the temporary (not in excess of 1 year) or intermittent services of experts or consultants or an organization thereof, including stenographic reporting services."

3. to remain available until expended:

31 U.S.C. § 1301 provides "An appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously only if the appropriation---- expressly provides that it is available after the fiscal year covered by the law in which it appears."

4. Provided, That contracts awarded for environmental systems, protection systems, and exterior repair or restoration of buildings of the Smithsonian Institution may be negotiated with selected

contractors and awarded on the basis of contractor qualifications as well as price.

Wording added to allow for negotiations with the most competent firms for restoration and renovation work where it can be certified that such work must be performed to meet the special needs of historic structures, the protection of collections, or public safety.

Appropriation: Construction

1. For necessary expenses for construction,

20 U.S.C. § 53a provides that "Appropriations are authorized...for repairs and alterations of buildings and grounds occupied by the Smithsonian Institution in the District of Columbia and elsewhere..."

2. to remain available until expended:

31 U.S.C. § 1301(c) provides "An appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously only if the appropriation... (2) expressly provides that it is available after the fiscal year covered by the law in which it appears."

3. Provided, That notwithstanding any other provision of law, a single procurement for the construction of the National Museum of the American Indian may be issued which includes the full scope of the project: Provided further, That the solicitation and the contract shall contain the clause "availability of funds" found at 48 CFR 52.232.18.

Wording added by Congress to Public law 105-83 (making appropriations for the Department of the Interior and Related Agencies for fiscal year 1998) permits the Smithsonian to solicit and award a contract for the construction of the National Museum of the American Indian on the National Mall prior to receiving full funding to complete the project.

ADJUSTMENTS TO FY 1999 FUNDING

(Dollars in Thousands)	FY 1999 Congressional Appropriation	Reorganizations and Permanent Reprogramming	Revised FY 1999 Appropriation
Unit			
MUSEUMS AND RESEARCH INSTITUTES			
Anacostia Museum and Center for African American History and Culture	1,785	37 /1	1,822
Archives of American Art	1,619	0	1,619
Arthur M. Sackler Gallery/Freer Gallery of Art	5,851	0	5,851
Center for Folklife and Cultural Heritage	1,697	0	1,697
Cooper-Hewitt, National Design Museum	2,684	67 /2	2,751
Hirshhorn Museum and Sculpture Garden	4,444	0	4,444
National Air and Space Museum	12,695	0	12,695
National Museum of African Art	4,180	(37) /1	4,143
National Museum of American Art	8,267	0	8,267
National Museum of American History	19,551	0	19,551
National Museum of the American Indian	18,127	(1,495) /3,5,6	16,632
National Museum of Natural History	41,672	(448) /7,8,9	41,224
National Portrait Gallery	5,406	0	5,406
National Zoological Park	19,664	0	19,664
Smithsonian Astrophysical Observatory	18,701	13 /3	18,714
Smithsonian Center for Materials Research and Education	3,055	0	3,055
Smithsonian Environmental Research Center	3,097	0	3,097
Smithsonian Tropical Research Institute	8,923	(2) /4	8,921
Subtotal	181,418	(1,865)	179,553

ADJUSTMENTS TO FY 1999 FUNDING

(Dollars in Thousands)	FY 1999 Congressional Appropriation	Reorganizations and Permanent Reprogramming	Revised FY 1999 Appropriation
Unit			
PROGRAM SUPPORT AND OUTREACH			
Communications and Educational Programs	5,323	4 /10	5,327
Institution-wide Programs	5,693	0	5,693
Office of Exhibits Central	2,218	0	2,218
Major Scientific Instrumentation	7,244	0	7,244
Museum Support Center	4,955	0	4,955
Smithsonian Institution Archives	1,373	0	1,373
Smithsonian Institution Libraries	6,965	121 /6	7,086
Smithsonian Institution Traveling Exhibition Service	2,985	0	2,985
Subtotal	36,756	125	36,881
ADMINISTRATION			
	33,627	(129) /2,3,4, 8,10	33,498
FACILITIES SERVICES			
Office of Protection Services /3	36,173	811 /6,7	36,984
Office of Physical Plant	63,880	1,058 /5,6,7,9	64,938
Subtotal	100,053	1,869	101,922
GRAND TOTAL	351,854	0	351,854

Footnotes for Adjustments to FY 1999 Funding:

- 1/ Transfer of one position and funding from the National Museum of African Art to the Anacostia Museum and Center for African American History and Culture.
- 2/ Transfer of one position and funding from Administration to the Cooper-Hewitt, National Design Museum.
- 3/ Transfer of funding from Administration to the National Museum of the American Indian and the Smithsonian Astrophysical Observatory.
- 4/ Transfer of funding from the Smithsonian Tropical Research Institute to Administration.
- 5/ Transfer of funding from the Office of Physical Plant to the National Museum of the American Indian.
- 6/ Distribution of appropriated funds requested under the National Museum of the American Indian to the Office of Physical Plant, Office of Protection Services, and the Smithsonian Institution Libraries.
- 7/ Distribution of appropriated funds and positions requested under the National Museum of Natural History to the Office of Physical Plant and the Office of Protection Services.
- 8/ Transfer of funding from Administration to the National Museum of Natural History.
- 9/ Transfer of one position and funding from the Office of Physical Plant to the National Museum of Natural History.
- 10/ Transfer of funds from Administration to Communications and Educational Programs.

NATIONAL GALLERY OF ART
FEDERAL BUDGET ESTIMATES FOR FISCAL YEAR 2000
CONGRESSIONAL

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HISTORICAL SUMMARY

The National Gallery of Art is an institution established for the collection, preservation, and display of works of fine art of the highest quality for the benefit of the nation's citizenry and visitors from other nations. Attendance in recent years has averaged nearly five million. Visitors come from all over the United States and from fifty or more foreign countries. From its inception to this day, the National Gallery of Art has been supported both by the Federal government and private individuals and institutions.

The National Gallery of Art had its beginnings over fifty years ago, when Andrew W. Mellon first proposed to President Franklin D. Roosevelt that Mr. Mellon donate the necessary sums to build such an institution and that his private collection form the nucleus of its collections. As conceived, this gallery would develop an art collection from private donations; for its part, the Federal government would provide a site for the Gallery and appropriate funds annually for the care of the art collection, upkeep of the physical premises of the Gallery and administrative expenses.

This concept of mutual public and private support for a future National Gallery is contained in early correspondence between Andrew Mellon and President Roosevelt. In his letter of December 22, 1936 to the President, Mr. Mellon states...

"...In addition to the gift of the art collection and a building in which it and similar collections may be housed and displayed, I plan also to establish an endowment fund for the proposed gallery, the income from which shall be used to pay the annual salaries of a director, assistant director, secretary and curators* of the gallery, and for possible art acquisitions. The upkeep of the building and other administrative expenses and cost of operation would be provided in appropriations made by Congress..."

Acceptance of this premise is contained in Section 4(a) of the Joint Resolution of Congress of March 24, 1937 (20 U.S.C. 71-75), which established the National Gallery and states in part:

"The faith of the United States is pledged that...the United States will provide such funds as may be necessary for the upkeep of the National

In the subsequent agreement with Congress, codified in Title 20 U.S.C 74c, the compensation of 'curators' was changed to 'a chief curator.'

Gallery of Art and the administrative expenses and costs of operation thereof, including the protection and care of works of art acquired by the Board, so that the National Gallery of Art shall be at all times properly maintained and the works of art contained therein shall be exhibited regularly to the general public free of charge. For these purposes there are hereby authorized to be appropriated such sums as may be necessary."

The West Building of the National Gallery of Art, designed by John Russell Pope, with 530,000 square feet of interior space, was opened to the general public on March 17, 1941. President Roosevelt and Paul Mellon, representing the founder after the death of his father, Andrew Mellon, presided at the building's dedication.

On this occasion President Roosevelt said,

"In accepting this building and the paintings it contains, the people of the United States accept a part in that inheritance for themselves. They accept it for themselves not because this Gallery is given to them - though they are thankful for the gift. They accept it for themselves because in the past few years, they have come to understand that the inheritance is theirs and that, like other inheritors of things of value, they have a duty toward it. It signifies a relation - a new relation here made visible in paint and in stone - between the whole people of this country, and the old inherited tradition of the arts."

Beginning in 1971, the construction of the East Building and the connecting link between the two buildings was commenced on an adjoining site previously reserved by the 1937 Joint Resolution of Congress for expansion of the National Gallery of Art. The building provided the Gallery an additional 591,000 square feet of interior space. The entire funding for the construction of the East Building and the connecting link to the West Building was provided by generous donations from Paul Mellon, the late Ailsa Mellon Bruce and The Andrew W. Mellon Foundation.

The East Building was accepted on behalf of the people of the United States on June 1, 1978, at a ceremony presided over by President Carter and Paul Mellon, President of the Gallery. On this occasion, President Carter spoke again of the joint public and private support upon which the continued quality of the National Gallery of Art depends:

"Because we are committed to an open and flexible relationship, support for the arts and humanities flows through many different kinds of channels, leaving room for art and scholarship to develop naturally.

This gallery, for example, is maintained at public expense, but it owes its existence to acts of private philanthropy. Moreover, its acquisition of works of art is financed entirely from private donations. It is equally significant that this building will serve both as a museum and as a center for art scholarship.

We have before us here, in concrete, marble, and glass, a tangible demonstration that excellence and access to a wide public are far from being contradictory. They are complementary. This building stands as a metaphor for what, at its best, the relationship between government and the arts can be."

Relocation of the administrative functions of the Gallery to the East Building permitted repair, renovation and restoration of the West Building. This undertaking gave the Gallery enlarged space for exhibition of art, for sales activities and also made possible the efficient arrangement of other functions. For the first time, art arriving at the shipping dock was convenient to the art conservation activities which are now grouped in one area. With photography, conservation, receiving and registry located adjacent to each other, paintings and objects are now handled more safely and efficiently.

"Operation Breakthrough" opened 40,000 square feet of new gallery space on the ground floor of the West Building. This made possible the exhibition of some 2,000 works of art from the Gallery's collections which had been off public view. It also provided direct passage from 4th Street to 7th Street on the ground floor of the West Building and opened the 7th Street entrance to the public for the first time. In addition, it provided space for simultaneous series of temporary exhibitions of graphic arts and greater flexibility in exhibition planning.

The new galleries were accepted for the nation by President Reagan on January 27, 1983. On this occasion President Reagan said,

"I am pleased to be here to honor Andrew Mellon and to celebrate another milestone in the realization of his vision of a National Gallery of Art - an American gallery created for the enrichment of all the people of the United States, and second to none in its commitment to excellence. Tonight we

inaugurate some 40,000 square feet of new gallery space. It is a great privilege for me to share in this. President Roosevelt accepted the original gifts of the West Building and Mr. Mellon's collection in 1941, and President Carter accepted the East Building in 1978."

The National Gallery of Art has earned a reputation for acquiring and maintaining collections of a quality that place it among the great national galleries of the world. The art collection, which is irreplaceable and could never be duplicated today, is generally regarded as priceless. The Gallery's collections have been, and continue to be, assembled completely from private donations.

Since the Gallery's opening in 1941, its collections have grown as follows:

	<u>1941</u>	<u>1998</u>
Paintings.....	506	3,133
Sculptures.....	35	2,405
Works of Art on Paper.....	400	95,279
Decorative Arts Objects.....	-	564
Research Support Collections:		
Books and Documents.....	502	482,153
Photographic Images.....	3,000	8,107,668

Public interest in, and appreciation of, the National Gallery's permanent collections of art and special exhibitions of art from other collections around the world have increased dramatically in recent years. In a similar manner, the expansion of the Gallery's educational programs is in response to greater appreciation of art by the general public. The Gallery's Web site (<http://www.nga>) is making available a wealth of information on the National Gallery's collection, exhibitions, and history to "visitors" from around the world. Work is almost complete on a videodisc of European painting which will eventually be distributed to schools and libraries throughout the nation. The Gallery's free loan educational resources of the Education Division were seen by an estimated audience of 26,354,138 in FY 1998. So too has the Center for Advanced Study in the Visual Arts (CASVA) fulfilled a need for nurturing of scholarship in art and art history and the consequent enrichment of education across the country. It is within this framework of continued strengthening of the Gallery's program of carrying visual and educational appreciation of art to the public that we are pleased to submit our fiscal year 2000 request.

GENERAL STATEMENT

Art Acquisitions: A total of 865 works of art were acquired during fiscal year 1998. These acquisitions include 2 sculptures, 23 paintings and 840 prints, drawings and photographs.

EXHIBITIONS DIVISION

DEPARTMENT OF EXHIBITIONS oversaw the opening of the following exhibitions at the National Gallery of Art during fiscal year 1998.

Special ExhibitionsLoan Exhibitions: Fiscal Year 1998M.C. Escher: A Centennial Tribute

26 October 1997 - 27 April 1998

Lorenzo Lotto: Rediscovered Master of the Renaissance

2 November 1997 - 1 March 1998

Building a Collection

16 November 1997 - 19 April 1998

A Design for the National Gallery of Art: Celebrating the 20th Anniversary of I.M. Pei's East Building

27 March - 11 October 1998

Alexander Calder: 1898-1976

29 March - 12 July 1998

Degas at the Races

12 April - 12 July 1998

Mark Rothko

3 May - 16 August 1998

A Collector's Cabinet

17 May - 1 November 1998

Artists and the Avant-Garde Theater in Paris: 1887-1900

7 June - 7 September 1998

Manet, Monet, and the Gare Saint-Lazare

14 June - 20 September 1998

DEPARTMENT OF EXHIBITION PROGRAMS provides interpretive materials to enhance Gallery visitors' understanding and appreciation of works of art presented in special exhibitions. To reach a broad public, various materials are produced including exhibition brochures, video presentations, audio tours, and explanatory wall texts. Many of these materials are now available through the Gallery's Website. The department also serves as liaison to other departments in the Gallery planning exhibition-related programs and materials. In fiscal 1998 interpretive materials were provided for ten exhibitions, reaching the nearly two million visitors to these exhibitions.

Illustrated brochures explaining the main themes of the exhibition and announcing related lectures, films, and other programs for the public were provided for four exhibitions: Lorenzo Lotto, Alexander Calder, Pegas at the Races, and Mark Rothko. A petit journal, modelled after nineteenth-century newspapers, was produced for Manet, Monet and Gare Saint-Lazare. Large-print versions of these brochures were printed in-house for visitors with visual impairments. A special booklet containing a checklist and introduction was produced for A Collector's Cabinet, an exhibition in the Dutch Cabinet galleries. Interpretive wall texts were prepared for all ten exhibitions.

The department's video production Thomas "Yellowstone" Moran received the 1998 Telly award, a national competition of broadcast and non-broadcast video media, in the category of cultural programs. This video program was shown also at the two other venues of the Thomas Moran exhibition: the Gilcrease Museum, Tulsa, and the Seattle Art Museum. In fiscal 1998, two new video programs were produced and shown continuously in conjunction with the exhibition, Alexander Calder. Calder's Mechanized Mobiles and Calder's Monumental Sculpture, both silent programs shown in the exhibition galleries, were produced by the department with Roger Sherman, Florentine Films. The 1961 film Calder's Circus by Carlos Villardebo was reformatted for showing on a video monitor in proximity to the exhibition. The department also provided the English translation for the new French film Manet, Monet, and the Gare Saint-Lazare, coproduced by the Musée d'Orsay, Paris, Palette Production, and Arte, 1998. Planning is underway for the video programs for future exhibitions including The Golden Age of Archaeology: Celebrated Archaeological Finds from the People's Republic of China and Art Nouveau: 1890-1914. The video programs produced by the department are distributed nationally to schools, libraries, and other cultural institutions as well as to public television networks on a free-loan basis through the department of education resources.

Audio tours were produced for four exhibitions in fiscal 1998: Lorenzo Lotto, narrated by the director, Earl A. Powell

III; Alexander Calder, narrated by the director, the curator of twentieth-century art, Marla Prather, and Alexander S.C. Rower, grandson of the artist and director of The Alexander and Louisa Calder Foundation; and Manet, Monet, and the Gare-Saint Lazare, narrated by the director and by François Bujon de l'Estang, Ambassador of France to the United States. The audio tour for Degas at the Races, narrated by the director and the senior curator of European paintings, Philip Conisbee, was produced in a random access format in which visitors could choose among various categories of information, including selections for children.

The Gallery's interpretive materials are made available throughout the United States to museums hosting the traveling exhibitions, as well as to the general public through the Gallery's Website. The department responds regularly to requests for interpretive materials from museums, schools, and members of the public across the nation.

DEPARTMENT OF EXHIBITION PROGRAMS
FY 1998 SUMMARY STATISTICS

<u>Programs</u>	<u>Audience</u>
7 brochures and their large print versions	693,710
10 sets of wall texts	1,545,275
3 video programs	228,960
4 recorded tours	<u>56,224</u>
TOTAL (24 programs)	<u>2,524,169</u>

EDUCATION DIVISION

Consisting of four interdependent departments, this division interprets the Gallery's collection and special exhibitions for all age groups by producing programs and publications that are distributed world wide. The Office of the Head of Education is responsible for the profile of Education at the Gallery, initiating contact with local, national, and international colleagues, community leaders, schools, universities, and organizations of all kinds in order to serve a diverse and growing audience. This office also organizes national meetings, conferences, and collaborative programs; insures that the programs and publications are of high quality and are well publicized; teaches, researches, and writes; acts as development representative for the division; and represents the National Gallery of Art on national professional committees and organizations.

This past year the Head of Education served on the board of trustees of the American Federation for the Arts, the College Art Association, the District of Columbia Public Schools Arts and Humanities Initiative, the National Goals 2000 Art Committee of the National Endowment for the Arts, Art Table Inc., American Association of Museums Accreditation committee, Museums Assessment Program, the education committee of the International Conference of Museums, and worked nationally and internationally as a consultant on museum education and museum management.

DEPARTMENT OF ADULT PROGRAMS

Tours and Lectures: This section prepared and delivered free public tours and lectures, including tours of the permanent collection and special exhibitions, brief gallery talks on selected works of art, and introductory art appreciation programs. The department also coordinated public talks by curators, conservators, and other staff specialists. A five-part lecture series on American Art was presented in the autumn. A five-part summer series on Aspects of Impressionism was offered on Sunday afternoons in July and August. The tour and lecture section continued its traditional role in training volunteer docents in the history of art, giving a total of 26 lectures in a survey of European and American art. Lecturers contributed to the art historical components of School and Teacher Program events, including the Summer Teacher Institute, Family Programs, and Educators Evening with the Kennedy Center. Slide presentations and tours were offered for Thomas Moran, Lorenzo Lotto: Rediscovered Master of the Renaissance, M.C. Escher, Alexander Calder, Mark Rothko, Degas at the Races, and Manet, Monet, and the Gare Saint-Lazare. Gallery tours were presented on thirteen special exhibitions and seventy-four topics relating to the permanent collection. A new Director's Tour in the random access Inform format has been expanded to include more than 50 masterpieces in the permanent collection. Commentary on the Shaw Memorial has been added as well. The digitized system allows

visitors to tailor their tours, choosing the order in which they look at paintings and the amount of time they spend with each.

The docents of the Department of Adult Programs introduced almost 41,000 visitors to our permanent collections and temporary exhibitions. Volunteers presented general highlights tours and led visitors through the Italian, American, and French collections. Tours offered in languages other than English now include French, Spanish, Italian, German, Korean, Greek, Dutch, Portuguese, Russian, and Japanese. Spanish- and French-speaking docents have presented tours focused on the American paintings in the permanent collection. Additional foreign language tours have been added on Saturdays. Through the generosity of the Circle of the National Gallery, the department continued a program called "Tea and Tours" for older adults to visit the museum for morning refreshments and a tour of the collection. Docents also continued to conduct off-site visits to retirement homes, utilizing reproductions of Gallery works to stimulate discussion among residents no longer able to visit our facilities.

Academic Programs: This section organizes permanent collection and exhibition-related programming -- lectures, symposia, proseminars -- and administers the graduate lecturing fellowships, the Lampadia Foundation fellowships, and the Gallery's internship programs. Symposia were offered in conjunction with the special exhibitions Lorenzo Lotto: Rediscovered Master of the Renaissance, Thomas Moran. Degas at the Races, and Manet Monet and the Gare Saint-Lazare. To celebrate the Mark Rothko exhibition, Gallery audiences were treated to the special program "Remembering Rothko: A Public Conversation," where Rothko's former colleagues and scholars discussed the artist and his work. A proseminar, one of the Gallery's highly successful behind-the-scenes colloquia for invited scholars and graduate students, took place the week before Lorenzo Lotto: Rediscovered Master of the Renaissance, opened to the public. Two extended Sunday lecture programs were held in conjunction with the long-term loan exhibition Augustus Saint-Gaudens' Memorial to Robert Gould Shaw and the Massachusetts Fifty-fourth Regiment. A special morning program was held in conjunction with Degas at the Races where area museum professionals were treated to a private tour and coffee with the exhibition curators. For Alexander Calder: 1898-1976 a four-part lecture series was presented by specialists in the field. The Sunday lecture series, the program which has offered lectures to the public since 1941, presented a wide variety of subjects and formats this year. The audience heard experts on subjects from medieval art in Spain to Rothko. There was also a Sunday lecture in homage to film maker Sergei Eisenstein accompanied by two films. The Forty-Seventh Andrew W. Mellon Lectures in the Fine Arts given by Lothar Ledderose, Professor of Art History, University of Heidelberg, were entitled "Ten Thousand Things: Module and Mass Production in Chinese Art." Graduate lecturing fellows from the University of Texas at Austin and Johns Hopkins University in Baltimore presented 46 talks on a variety of topics, introducing the audiences to new research in art history

and related fields. Additional gallery talks were presented by Gallery interns. Six interns were placed in the 1997-98 Internships for Diversity in the Museum Profession program. Three fellows were welcomed from Argentina, Brazil, and Chile, respectively, for the pilot program, the 1997-98 Lampadia Foundation fellowships. The Gallery welcomed 30 interns from twelve different states and six foreign countries to the 1998 Volunteer Summer Internship program. A total of 23 interns participated in the 1997-98 Volunteer Academic-Year Internship Program. Approximately 800 inquiries on internship and fellowship programs were received throughout the year from individuals and universities in the United States and around the world.

DEPARTMENT OF ADULT PROGRAMS
FY 1998 SUMMARY STATISTICS

<u>Tours and Lectures</u>	<u>No. Of Events</u>	<u>Audience</u>
Introductory Tours	2,004	33,500
Gallery Talks	416	11,757
Foreign Language Introductory Tours	252	1,300
Special Appointment Tours	600	11,581
Foreign Language Special Appointment Tours	67	1,138
Special Programs	33	6,051
Retirement Home Outreach Program	40	900
Education Sessions for Volunteers and Staff	103	5,000
Subtotal	<u>3,515</u>	<u>71,227</u>

Academic Programs

Sunday Lectures	47	12,800
Special Programs	10	3,330
Shaw Memorial Lecture Program (200)		
Lotto Proseminar (50)		
Lotto Symposium (500)		
Moran Symposium (300)		
Calder Lecture Series (750)		
Rothko Conversations (400)		
Degas Symposium (300)		
Degas Morning Program (30)		
Manet Symposium (400)		
Manet Lecture Program (400)		
Subtotal	<u>57</u>	<u>16,130</u>
Audio Tours/Permanent Collection	<u>2</u>	<u>8,000</u>
TOTAL	<u>3,574</u>	<u>95,357</u>

DEPARTMENT OF EDUCATION PUBLICATIONS

This department is the writing and publications center of the Education Division. Charged with shaping and developing

content and acting as liaison for all educational materials, the department is also involved in a variety of the museum's electronic initiatives such as the Micro Gallery and Web site. Concomitantly, the department writes and develops full-length books, gallery guides, teaching materials, and interactive computer projects related to both collections and exhibitions.

Electronic Projects: In FY 1998 the department updated the Micro Gallery, the museum's interactive computer index to the permanent collection. Completed in 1993, the Micro Gallery system now includes 150 new acquisitions, biographies, and explanatory texts as well as a new in-depth feature on the Memorial to Robert Gould Shaw and the Massachusetts Fifty-fourth Regiment. At the same time, the updated Micro Gallery is being transformed electronically into a CD-ROM, which will be available to the public by spring 1999. The department's FY 1998 contributions to the museum's Web site included the creation of three in-depth studies of the careers of Mark Rothko, Thomas Moran, and Augustus Saint-Gaudens, and the reconfiguration of a Micro Gallery study of Manet for internet technology. In addition, the department collaborated on the writing, print, and on-line production of teaching materials related to Degas' images of racing and the horse, and converted 154 gallery guides in English, French, German, Italian, and Spanish to internet form. Gallery Guide web pages were accessed by 4,757,000 web site visitors.

Division Publications: FY 1998 publications focused attention on wide dissemination of information on Education Department programs. Fifty thousand copies of a new Extension Programs catalogue were published, as well as a division-wide brochure. The department facilitated the development of a children's guide to the sculptural work of Alexander Calder and a viewer's guide to the film on Calder's *Mobile* (1978), commissioned for the Gallery's East Building. In addition, the department produced a teacher's guide to Degas in collaboration with the departments of Education Resources, French Paintings, and Object Conservation, and oversaw the publication of twenty-one other flyers and brochures advertising National Gallery education opportunities. The department's children's book, *The Nine-Ton Cat: Behind the Scenes at an Art Museum* (1997), was elected to the prestigious "Books for the Teen Age" list, published cumulatively since 1930 by the New York Public Library, and its mythology primer, *The Whole Truth...Retelling Ancient Tales* (1997) -- originally published in 2,000 copies-- was distributed on free loan and sold out in the Museum Shop within the year. Reprinting of 2,000 more copies is underway.

Gallery Guides: The department completed its seven-year project to provide in-gallery explanations of almost every painting and sculpture on view in the West Building. Thirteen new guides, covering the museum's American rooms, galleries of works by Titian and Veronese, and the building's Italian sculpture galleries were added to the department's guides to the European, American, Italian, Dutch, German, Flemish, and British collections.

EDUCATION PUBLICATIONS
FY 1998 SUMMARY STATISTICS

<u>Program</u>	<u>Audience</u>
Micro Gallery Visits	90,000
Micro Gallery Brochures	50,000
Gallery Guides	
In Gallery	500,000
Web pages accessed	4,757,000
PDF format accessed	90,000
Visits to Web Site Features on Moran, Rothko Copley, and Pollock	561,000
Sale of Walking Guides/Books	2,780
French Painting Guide (188)	
I Am Still Learning: Guide to Artists' Late Works (360)	
Guide to Landscape Painting (144)	
Portraits and Personalities Family Walking Tour (156)	
Shapes and Patterns Family Walking Tour (312)	
West Building Highlights Family Walking Tour (264)	
The Whole Truth.... (804)	
The Nine-Ton Cat (252)	
National Gallery Activity Book (300)	
TOTAL	<u>6,050,780</u>

DEPARTMENT OF EDUCATION RESOURCES

Education Resources consists of two sections, Extension Programs and Art Information, responsible for serving the full extent of Gallery audiences. The department provides information about collections and exhibitions to Gallery visitors at the Art Information desks, responds to requests from a national and international public, and produces and distributes educational resources--ranging from color slide programs to videodiscs--to students of all ages in classrooms across America and through television to audiences in this country and abroad.

Art Information: The staff of this section of the department is responsible for answering the public's questions about art and for recruiting, instructing, and supervising more than one hundred-sixty art information volunteers. In FY 1998, thirty-six special tours and lectures were presented by the staff for the volunteer corps. On duty at the art information desks at the Gallery's main entrances during all public hours, volunteers serve an average of over 1,750 hours per month. The FY 1998 total of hours served was 20,998. In addition to their regular duties, volunteers assist visitors in using the Micro Gallery interactive computer information system in the main Art Information room. This year staff specialists and volunteers responded to an average of more than 7,500 visitor questions per week, a considerable increase over last year. Approximately 600

telephone inquiries a week are also answered by the staff and volunteers. The Art Information staff responds to a broad assortment of questions requiring specialized research on art and artists, and this year volunteers have assumed new responsibilities in assisting the staff to reply to these inquiries. In FY 1998 a total of 1,959 special questions were received and answered, averaging about 163 per month. There has been a noticeable increase in inquiries received through the Gallery's web site; they have expanded this component of Art Information activity. The Art Information staff continues to conduct regular surveys of visitors who come to the Gallery. In FY 1998 there was a wide array of international visitors including those from Australia, Brazil, China, Colombia, Israel, Korea, Peru, Russia, and Taiwan. As has been true in the past, the greatest numbers of foreign visitors came from Japan, France, Germany, the United Kingdom, and Canada, but this year was unusual in also having a large number of visitors from Argentina.

Extension Programs: This section of the department produces educational resources and is responsible for nationwide distribution of these programs--color slide programs, teaching packets, films, videocassettes, and videodiscs based on the Gallery's collections and exhibitions. Called Extension Programs, these materials are used in schools, libraries, colleges and universities, museums, civic organizations, and by public and educational television stations across the nation. All extension programs are loaned free of charge, with return postage representing the only cost to the borrower.

Borrower reports indicate that in FY 1998, the total of Extension Program presentations was 150,267, a level of program use that sustains the high levels of last year's showings. The viewing audience is reported at 26,354,138, an increase over the preceding year. Program use is active--with bookings of a single program generating numerous showings to small groups in classrooms and informal education settings. These audiences account for more than 3,000,000 persons within the year's total audiences. Videocassette use was again an important segment of the national program; film distribution continued to decline.

School systems, instructional media centers, libraries, other museums, and universities using Extension Programs through the Affiliate (extended loan) system now number over five hundred. Extended loans through the Affiliate system account for 37,480 showings of programs to an audience of 1,069,346 persons. New Affiliate organizations are located in Alabama, Florida, South Carolina, California, Nebraska, Texas, New Jersey, Oklahoma, Pennsylvania, Maryland, and Virginia. Educational organizations in Macau, Ecuador, Greece, and Romania also joined the Affiliate program during the year, receiving programs for use throughout their communities. The department continues to provide Extension Programs to U.S. facilities abroad through USIA.

During the year, department staff completed reviewing the final interactive design of the Hypercard program on American art developed last year to accompany the videodisc American Art from the National Gallery of Art. Within the department, the European videodisc project team finished the image capture, color correction, and selection of details for an extensive digital imagebase of the Gallery's European paintings, sculpture, and selected works on paper. These still-frame digital images were created as a major component of another videodisc, European Art from the National Gallery of Art, currently in production. As with the digital images from the American art project, these images have also been incorporated into the Gallery's web site. In addition, the completed digital images of works in all media produced for the American and European art videodisc projects have become visual resources for the Gallery as a whole, and are being used to support the Gallery's computerized collections management system.

During FY 1998, the department developed a Viewer's Guide to accompany the film and videocassette Mobile, by Alexander Calder, prepared in conjunction with the major retrospective of Calder's art held at the Gallery in the spring and summer of 1998. Funded in part by GTE, the exhibition's sponsor, the guide includes a biography of Calder, discussion of his career, and commentary on the design and fabrication of the Gallery's large mobile, the artist's last work.

Collaborating with the staff of Education Publications, Education Resources' staff developed and produced a new teaching program, Degas at the Races, based on the Gallery's exhibition of Degas' paintings, drawings, and sculpture of horses, riders, and scenes at the races. This color slide program, with text and discussion questions, presents commentary on Degas' art by the Gallery curatorial and conservation staff involved in the exhibition. The program was funded by First Union Corporation, and copies were provided to schools participating in First Union's Excellence in Education program. This teaching program is also being circulated on a free-loan basis to our national extension programs' audiences.

Other resources added to Extension Programs offerings in the course of FY 1998 are Sacred Art of Angkor, a video program made to complement the Gallery's exhibition of Cambodian sculpture and a new videocassette, Thomas "Yellowstone" Moran, produced to accompany the exhibition of Moran's paintings. It shows the pivotal role that the artist's depictions of Yellowstone played in designating that area as the country's first national park.

With the addition of many new extension programs over the past five years, department staff produced a new catalogue of program resources. The newly-designed Extension Programs catalogue was also restructured to describe and list programs by subject, style, national school, and medium. This will enhance its use by teachers, group leaders, and other borrowers, making

it easier for audiences to find and select resources to enrich their educational projects and meet their teaching objectives.

DEPARTMENT OF EDUCATION RESOURCES
EXTENSION PROGRAMS SHOWINGS AND AUDIENCES BY MONTH
FY 1998 SUMMARY STATISTICS

	<u>Showings</u>	<u>Audiences</u>
October 1997	11,674	267,693
November 1997	11,480	264,008
December 1997	11,312	251,106
January 1998	11,668	268,958
February 1998	12,015	264,536
March 1998	18,824	20,296,352
April 1998	11,869	258,177
May 1998	10,985	221,891
June 1998	11,056	223,646
July 1998	10,596	213,921
August 1998	8,220	157,820
September 1998	<u>20,568</u>	<u>3,666,030</u>
TOTAL	<u>150,267</u>	<u>26,354,138</u>

EXTENSION PROGRAMS AVERAGE MONTHLY USE BY PROGRAM TYPE

	<u>Showings</u>	<u>Audiences</u>
Color slide programs	380	16,903
Teaching Packet	27	1,382
Films	86	3,640
Videocassettes	544	22,660
Special long-term Loans	7,408	119,695
Affiliate system:		
Extended Loans	3,123	89,112
Public/Educ. Television	<u>954</u>	<u>1,942,869</u>
Monthly Average	<u>12,522</u>	<u>2,196,261</u>

ART INFORMATION SERVICES FY 1998

Visitors questions answered	
At Information desks and by telephone)	421,616
Special research inquiries	1,959
"Today" (Daily events) sheets	
Created and distributed	226,150
Gallery materials, brochures	
(Brief Guides, Calendar of Events)	
distributed from Art Information desks	889,575
Tours, lectures, presentations (36)	
to Art Information volunteers	<u>927</u>
Total	<u>1,540,227</u>

DEPARTMENT OF TEACHER AND SCHOOL PROGRAMS

This department serves teachers, school-age children, and their families through tours, programs, and publications.

This year 130 active volunteer school program docents, including twenty-two docent candidates in its second year, taught by the educational staff, gave 2,783 tours to approximately 50,534 school children this year. During the year, special school programs reached students in Virginia, Maryland, and the District of Columbia. All 12,022 sixth-grade students and their teachers from Fairfax County in Virginia visited the Gallery for a tour that included both the East and West Buildings. The tour is in its fourth year and is an integral part of the Fairfax County Public School fine arts curriculum.

Twenty-two schools from the District of Columbia and the surrounding metropolitan area participated in the Gallery's high school seminars, now in its seventh year. Twenty-two students attended ten sessions at the Gallery on Saturday mornings. Students learned about American art in context through lectures, discussions, and journal activities. Working with their sponsoring teacher, each student completed a final project and presented it at a concluding program for approximately 100 teachers, parents, and friends.

In conjunction with Thomas Moran, special High School Days were held. Three hundred twenty-five students from fifteen high schools in the District of Columbia, Maryland, Virginia, and Pennsylvania participated in these programs. The High School Days featured a slide overview, tour of the exhibition, a hands-on watercolor activity, and a presentation by park rangers from the National Park Service.

The Department of Teacher and School Programs maintained active involvement in the District of Columbia community through various programs. Art Around the Corner, a multiple-visit program now in its fourth year supported by outside funding, reached 290 fourth, fifth, and sixth grade students from three District of Columbia elementary schools (Thomson, Seaton, and Savoy). Students participated in a series of nine visits that integrated looking, critical thinking, and writing skills and involved a total of fifteen teachers and twenty-two docents. In addition, a pilot project took place involving thirty eighth-grade students at Jefferson Junior High School. The program received financial support from the Fannie Mae Foundation, Park Foundation, and Public Welfare during FY 1998. The Office of Educational Systemic Change for the District of Columbia Public Schools continued to develop their Arts and Humanities Initiative. Its goal is to integrate the vast resources of the national museums into their curriculum. The initiative produced a directory of available resources for teachers this year and is continuing to work with teachers on integrating the arts into the schools. In addition, staff

participated in planning meetings with the Smithsonian Institution's museum magnet schools. Discussions were held on the Gallery's collection, and family programs were held specifically for the schools' families.

The National Teacher Institute, begun in 1989, offered three sessions on mythology, a topic first offered in 1997. The popularity of the program was evidenced by 451 applications for the 150 available openings for participants. Funding for a total of thirty-nine fellowships were received this year from the Geraldine R. Dodge Foundation, the GE Fund, The Circle of the National Gallery of Art, the Rhode Island Foundation, and Sara Shallenberger Brown Endowment, and a local foundation. Teachers, principals, and supervisors from elementary and secondary schools across the country participated in the six-day programs. Interdisciplinary teams including principals and supervisors were encouraged again this year to apply for the program. The teacher workshop program offered instruction; enrichment, and resources to 596 area educators. This year there were six teacher workshops including one special evening. Twelve inservices, serving 430 area educators, including 100 principals from Fairfax County, were also offered. Staff participated in the Smithsonian Institution's Teacher's Night at the Smithsonian, which reached more than 2,300 area teachers.

Staff members continued working with various school districts on several initiatives: Prince George's County Public Schools' successful grants to integrate the arts into their curriculum from the Getty Foundation and the Maryland State Department of Education; Montgomery County's new arts signature high school, James Hubert Blake High School; and Fairfax County Public School, National Gallery of Art's Conservation Division, and the National Institute of Conservation's art and science curriculum project, focusing on conservation.

The Department of Teacher and School Programs worked with the Department of Education Publications on a children's guide for Alexander Calder: 1898-1976 and a teaching packet on Augustus Saint Gaudens' Memorial to Robert Gould Shaw and the Massachusetts Fifty-fourth. The department also developed teaching materials on Thomas Moran and Alexander Calder: 1898-1976.

Family Programs in conjunction with special exhibitions were offered an average of two Sundays a month and were always fully subscribed. Eight hundred thirty seven family members attended twenty-two weekend sessions. Family Programs on the Gallery's recent children's publications were held during the fall and winter. Department staff members were involved in many other outreach programs with both local and national audiences. Four articles designed to help families visiting the Gallery appeared in Washington Parent newspaper. Special programs conducted at schools and other institutions comprised most of the outreach programs.

To reach new audiences using Internet technology and in conjunction with Alexander Calder: 1898-1976, staff participated in a one-hour online discussion of Calder's monumental public sculpture with middle school and high school students from across the country.

Through a grant from a local foundation, the Department launched a concentrated effort to reach new audiences in the community. A community advisory committee met in the Spring and made various suggestions that will inform the long-range plan for the Department. Scholarships to teachers for the Teacher Institute and workshops will be offered. In addition, special Family Programs and High School Programs will be planned for new audiences. The staff participated in the National Black Family Reunion festival held on the Mall, organized by the National Council of Negro Women. An art activity for children and information on the Gallery's resources were distributed to a thousand visitors.

DEPARTMENT OF TEACHER AND SCHOOL PROGRAMS
FY 1998 SUMMARY STATISTICS

<u>Programs</u>	<u>No. of Events</u>	<u>Audience</u>
School Tours	2,783	50,534
Special High School Programs (High School Seminar and High School Days)	12	645
Special Elementary School Programs (Art Around the Corner)	30	2,736
Teacher Institute	3	150
Teacher Workshops	6	596
Teacher Inservices	12	430
Family Programs	22	837
Outreach	5	3,603
Internet Program	<u>1</u>	<u>44</u>
TOTAL	<u>2,874</u>	<u>59,575</u>

DEPARTMENT OF FILM PROGRAMS

This department has two primary responsibilities: organizing the National Gallery's film program and coordinating the schedule of public and private events in the East Building auditoria and the West Building lecture hall. The film program comprises thematic film series on a variety of subjects and occurs each weekend in the large auditorium. Series are arranged in association with film scholars, cultural affairs ministries of foreign governments, and major museums and archives such as the Museum of Modern Art, the British Film Institute, and the Library of Congress. Topics vary widely but often relate to the oeuvre of a particular filmmaker, the early history of motion pictures, art historical subjects, or the Gallery's special

exhibitions. Film prints are culled from sources all over the world. Attendance at weekend film series is usually high, often filling the 470-seat auditorium. Total attendance for the year exceeded 80,000 viewers. The past year's programs included "The Films of Gordon Parks," " Jacques Rivette and the French New Wave," Paolo and Vittorio Taviani, " Mary Pickford: Super-Star," "German Experimental Film of the 1990s," "Béla Tarr," "Paul Robeson-A Portrait in Film," "The Japan of Shohei Imamura," "Olivier Assayas," "Italian Studio Production: The Early Years," "DEFA-The Cinema of East Germany," "The Fantastic Journeys of Wojciech Has," "Edward Yang-A New Day in Taiwan," "Maysles Films, Inc.-1962-1998," "The Bertolt Brecht Workshop," "German Silents from George Eastman House," "New Canadian Documentaries," and "The Films of Charles Guggenheim." Many presentations were introduced by the filmmakers themselves or by guest scholars, and program notes enhanced many showings. Notable press coverage of film events contributed to the program's high attendance. In addition, documentary films on art were shown regularly in support of the Gallery's special exhibitions and permanent collection.

LIBRARY

Library Acquisitions and Services: For fiscal year 1998, additions to the collection consisted of 7,819 titles in 8,189 volumes, 70 titles in microformat (microfilm or microfiche), 6,022 pieces of vertical file material. The additions to the Library's holdings bring the size of the collection of catalogued and uncatalogued books, pamphlets, bound volumes of periodicals, microforms, auction sale catalogues and dealer catalogues to 482,153 volumes. The Library has served 3,197 visitors, responded to 19,138 reference inquiries, and conducted 672 orientations to the Library. NGA staff and CASVA fellows have received 3,485 books supplied through the interlibrary loan service. There were 4,536 computer searches.

Slide Library: During FY 1998, the slide collection increased in size to approximately 172,000 slides. On average, 225 staff users and 18 public users are assisted each month. Over 4,900 slides were acquired through purchase, gift and exchange. Since its inception, almost 18,000 records for works of art representing over 51,000 barcoded slides have been added to the Library database and are retrievable from VTLS terminals throughout the Gallery.

Photographic Archives: In FY 1998, 21,636 photographs, 164,574 images in microform, and 28 photographic albums were acquired for the photographic archives. The collection now contains 8,107,668 photographic images.

Imaging and Visual Services: The FY 1998 production output for Imaging and Visual Services is as follows:

Black and white negatives	39,150
35mm slides	47,523
Color transparencies	7,410
Roll of color processed for other departments	746
Works of art photographed	2,443
Duplicate slides & transparencies	30,345

CONSERVATION DIVISION

The Conservation Division plays a vital role in the care and preservation of the nation's art treasures. Works of art have inherent natural degradation and are constantly aging and changing. Through conservation these effects can be slowed or repaired, enabling them to be on view for future generations. An adequately staffed team of highly skilled professionals and funds for supplies and equipment are continually needed so that the Gallery's collection is cared for and can remain in optimum condition to be viewed by the millions of visitors the Gallery has each year.

Funding is critical to the vital role that conservation plays in keeping works of art in good condition. With over 100,000 objects, including paintings, sculpture, decorative arts, graphics and photographs in the collection, an adequate number of staff members is necessary to properly maintain these precious works of art. Supplies used in treatment, research materials, and equipment used to analyze works of art are also critical to the treatment process. Neglecting this responsibility places the collection of irreplaceable works of art at great risk to the natural and mechanical forces that cause art work to deteriorate. Our conservators, scientists, and support staff are vital to maintaining the collection so that it can remain on view for the public.

Providing educational opportunities for a new generation of conservators is essential. Internship positions and fellowships enable the conservation division to give novice conservators valuable experience in treating important works of art providing assurance that future generations of conservators will possess the best possible training to adequately care for our nation's art collection.

The conservation division relies heavily on contracting specialized expertise to perform difficult treatments on works of art. These funds enable the division to select the best possible conservators to care for the special requirements of the collection.

Part of our conservation effort is enhanced through a thorough understanding of the properties and materials that comprise works of art. The growth of the Gallery's contemporary art collection has brought focus on the use and durability of modern art materials. The goal of ongoing research on the nature

of contemporary art materials is to add to the knowledge of conservation professionals, art collectors, and curators worldwide.

An important product of the study and treatment of works of art are publications produced by the conservation division. The two-volume, highly successful Art in Transit books, which were part of a workshop series held throughout the United States, disseminated important information on packing and shipping of paintings. Research by Fellowship recipients and staff, and symposium topics is published in Conservation Research. This publication promulgates a sharing of ideas and research among an international community of conservators, scientists, and art historians.

Paintings

The Painting Conservation Department has continued to treat paintings of all periods from the permanent collection to improve their structural security and to remove and to replace disfiguring, discolored old retouchings with more stable, modern materials. From replacing the separating old relining on the imposing but fragile Rubens Daniel in the Lions' Den to consolidating the flaking paint on two early Rothkos, structural security is the department's primary concern. But removal of deteriorating old restoration played a major role: Paolo di San Giovanni Fei's altarpiece, Presentation of the Virgin, Filippino Lippi's Portrait of a Youth, Dosso Dossi's Circe and her Lovers in a Landscape, Velasquez' Pope Innocent X, Chardin's Fruit, Jug and a Glass, are among the paintings in which the removal and their appearances, in some cases changed scholars' interpretation of their meanings, and lead to new discoveries about the artists' methods and materials. And the removal of heavy varnishes from paintings such as two Monets, Waterloo Bridge at Dusk and Waterloo Bridge at Sunset and some twentieth century paintings including Feininger's Zirchow II and Modigliani's Nude on a Blue Cushion bring their appearances in line with the present understanding of the artists' original intent.

The ongoing study of artists' techniques parallels treatments in importance, provides information for systematic catalog entries and also aids in determining treatment procedures. Research projects include the study of underdrawings using advanced infrared technology, the collection and cataloguing of modern artists' materials, and the study of individual artists including Raeburn, Cuyp, and Pieter Breughel the Elder. Lectures and publications by the staff as well as tours of the studio for interested groups reflect the staff's outreach to the public to expand the understanding of our work and the collection. Exhibitions and loans continue to occupy a significant percentage of the staff's time, with close attention paid to the condition of travelling NGA paintings and to the condition of incoming loans.

Paper

Paper Conservation undertook the massive job of organizing the reinstallation of Matisse's *La Negresse* in the Tower Gallery in November. Requiring over four dozen staff members from many departments, the gargantuan linen-backed paper support was prepared for exhibition by restretching on a newly reinforced stretcher, then carefully raising and attaching the large paper cut-out to the wall.

Treatments were also performed on many playbills designed by 19th Century French artists such as Edouard Vuillard, Toulouse Lautrec and Pierre Bonnard from the Atlas Collection for inclusion in the *Avant Garde Theatre* Exhibition. Designed as ephemera, the playbills were printed on poor quality newsprint and are now embrittled and discolored by age.

The Paper Sample Collection, a special project of the Paper Conservation Lab, was featured in a display in the Library of the NGA. Fifty five of the 1000 sample books now in the collection showcased the variety of papers available for artistic endeavors in the 20th century. Currently a catalogue of the archive is being developed to be available over the NGA's web site. It will be a unique reference tool for artists, curators and conservators of art on paper.

After many years of making use of contracted photograph conservators, Paper Conservation acquired a permanent staff position for a senior photograph conservator in 1998. This employee and a part-time contractor began the conservation treatment and stabilization of the Alfred Stieglitz Photograph Collection in preparation for the digital image capture for the catalogue, slated for publication in 2002.

Objects

The Object Conservation Department completed major treatments on a variety of important sculptures including a wax statuette, *Man Standing in a Fearful Pose*, attributed to Niccolo Tribolo, workshop of Michelangelo, a marble relief of *Alexander the Great* after Andrea del Verrocchio, and a bronze sculpture, *Bird in Space* by Constantin Brancusi. *Portrait of a Nobleman*, an enigmatic polychrome sculpture by the Bolognese artist, Vincenzo Onofri, was the subject of an extensive technical examination and conservation treatment begun this year. In addition to the treatment of the sculpture surrounding the East Building, a visiting conservator from the Museu d'Art Contemporani, Barcelona, performed a detailed examination of all the outdoor works.

An unusually large number of sculptures were examined and treated for the major retrospective exhibition, *Alexander Calder: 1898-1976*. Preparation for the exhibition allowed for a productive collaboration between conservators and curators with the Calder foundation. The sculptures comprise a wide range of

materials and sizes, from small table top mobiles, jewelry, painted wooden and metal pieces, intricate wire works, to monumental outdoor stables. Conservators took part in the Gallery's first, live, "on-line chat" with high school students throughout the United States by presenting a segment on the "Conservation of the Calder's Largest Mobile." Conservators also had a key role in the sculpture portion of *Degas at the Races*, an exhibition highlighting Degas' art depicting horses and racing. Their work included selecting the sculpture for the exhibition, producing a chapter in the catalogue, preparing a didactic room for the exhibition, presenting a lecture in the special Degas series, giving tours of the exhibition, assisting in the website production, and being taped for the department of educational resources booklet on Degas. Their original research culminated in an international colloquy co-chaired with the department of French paintings on "The Working Methods of Edgar Degas."

Publication of the systematic catalogue volume, Decorative Arts, Part II: Far Eastern Ceramics and Paintings, Persian and Indian Rugs and Carpets, marked the realization of many years of work by object conservators, including a chapter on "Chinese Ceramics Techniques." Research and analysis on marble sculpture and related works by Jean-Antoine Houdon was also completed. Data on historical documentation, carving techniques, petrographic evidence, and elemental analysis were collected for a better understanding of the artist's choice of materials and methods of work before and after the French Revolution. These marble analyses continued the second year of a collaboration with the Harvard University Geology Department and formed a basis of lectures presented at Harvard and Johns Hopkins Universities during the year.

Preparations for the establishment of the National Sculpture Garden assumed a greater role in the object conservation department's schedule. Numerous planning sessions with the architects, design, registrar, and twentieth century departments as well as treatment of the permanent collection and examination of proposed acquisitions of outdoor works have proceeded in order to meet the 1999 opening.

Scientific Research

The Gallery uses scientific methods to study the materials and methods used by artists. In doing so, assurances are obtained that an object's history and original appearance is understood and that well-informed decisions can be made during conservation treatments. In addition, materials and methods used in conservation treatments are evaluated and developed to ensure that these materials are stable and aesthetically acceptable.

Research on coating materials continues, including research on varnishes for paintings, retouching (restoration) paints and coatings for outdoor sculpture. The Gallery received a renewal grant from the National Center for Preservation Technology and Training (NCPTT) to support the outdoor sculpture project. The

work on retouching paints has been aided by a grant from the Kress Foundation. In these endeavors, new materials are being developed in collaboration with chemical industry and manufacturers of coating materials. The products are tested alongside currently-used materials for stability using accelerated aging experiments and chemical analysis, and tested for practical suitability by Gallery conservators and conservators in other institutions. The work on varnishes for paintings was presented at a symposium at the Gallery together with a series of lectures placing the new work within a historical context. Conservators in various institutions are currently evaluating batches of experimental retouching paints. These paints were prepared by a manufacturer of artists' colors using a resin evaluated for this purpose at the Gallery.

Gallery scientists performed technical analyses of many works of art in conjunction with conservation treatments and art historical investigations to answer various questions. Among these was a study of the techniques used in works by Rogier van der Weyden, Velasquez, O'Keeffe, and others. The pigments used by Winslow Homer in the Gallery's collection of his watercolors were identified and the knowledge will be used to help set exhibition guidelines for individual works and allows a new appreciation for the development of Homer's style through his career.

Technical support for the authors of the systematic catalogue of the Gallery's Flemish paintings is being provided. Issues of condition and attribution are being addressed through investigation of materials and methods used in the creation of the canvasses to augment the art historical studies.

Two pigments that were used in Renaissance times are being characterized. They are being studied from the points of view of chemical characterization, stability and methods of use. The chemical studies are being complemented by investigation of when and where artists used these two colors. This information will help conservators and curators to describe and treat individual works more precisely.

The department also studies novel ways to characterize artists' materials, such as paint binding media, as well as the molecular mechanisms of their degradation, using advanced techniques, including pyrolysis-gas chromatography-mass spectrometry and liquid chromatography/mass spectrometry. This work occurs in collaboration with scientists of other institutions.

The Scientific Research Department's equipment includes microscopic, spectrophotometric and chromatographic instruments. Major funding for capital equipment is essential in order for the Gallery to fill the gaps in its instrumentation and to maintain and upgrade existing equipment in the Scientific Research Department.

Exhibitions and Loans

The Exhibitions and Loans Department has the primary responsibility of ensuring that art, either borrowed by the gallery or loaned from the permanent collection, is packed, transported and installed in a safe and responsible manner. To uphold that responsibility, the department has continued to pursue research in the packing of art work, establishing procedures that are adopted worldwide. The focus is not limited to research; new materials and techniques are routinely evaluated for use in the installation of exhibitions. This work is done in conjunction with the Registrar's department and the Design and Installation department.

The department has been involved in all of the National Gallery's exhibitions this past year, the larger ones include the exhibitions: Thomas Moran, Alexander Calder: 1898-1976, Mark Rothko, and Lorenzo Lotto: Rediscovered Master of the Renaissance. Conservators went to several institutions and private collections to access the condition of artworks proposed for our exhibitions and recommended procedures for packing and transport. The staff also prepared condition reports when works arrived at the National Gallery, assisted with the installation of exhibitions, and constructed numerous frames for paintings and works of art on paper.

Textiles

While the textile collection is small, works of art employing textile materials are a large part of the collection. Collaborative projects are a major part of the work of the Textile Conservation Laboratory. Exhibitions containing fiber-based items are frequently examined and prepared for viewing by the public. In the recent past these exhibitions have the interdisciplinary treatment of Robert Rauschenberg works for the Rauschenberg Retrospective with conservation colleagues in textiles, painting and paper laboratories. With the scientific research staff, the department also investigated contemporary materials found in a recent textile acquisition by Eve Hesse.

The department is conducting research on the physical nature and properties of dye materials with the horticulture staff to further develop the dye plant project for the division's library collection. Related to the plant study is the research being done to understand the fading that occurs in textiles. An ongoing project using color measurement instrumentation for textile study is being conducted with the scientific research lab. These collaborative research projects allow the division to understand the mechanics of degradation so that treatment strategies can be designed to provide the best possible care for the collection.

The successful treatments and valuable research produced by the conservation division have progressed because the Gallery has

been able to maintain its laboratories with "state of the art" equipment and materials. Only with sufficient personnel are we able to test new conservation techniques and evaluate their effectiveness for use on works of art as well as stay abreast of the treatment demands of the collections. Conservation advice is regularly sought from our staff by national and international museums, owing to this important work being carried out in Washington.

Summary of Conservation Division Treatments

During fiscal year 1998, the following numbers of works of art were treated and/or examined by the National Gallery's Conservation Division:

Paintings: 33 paintings received major treatment; 40 received minor treatment; 50 paintings were given major examinations and 114 were given minor examinations for condition; and 97 galleries were inspected as part of the annual review of the painting collection's condition.

Objects: 9 sculpture and decorative art objects were given major treatments; 52 received minor treatments; 21 were given major examinations; 18 received minor exams; 4,033 exhibition and loan objects were examined for condition; and 5 systematic catalogue examinations were performed.

Paper: 96 works of art on paper and photographs received major treatment and 137 received minor treatment; and 1,276 condition examinations for exhibitions were completed, as well as 106 technical exams. 762 prints and drawings were rematted for exhibitions, and 254 items were reframed.

Frames: (Matting and Framing) The Matting and Framing studio matted 1,087 items. They also assembled or constructed 653 frames for exhibitions. In Frame Conservation 34 frames were treated and 42 frames were constructed for exhibitions. For the permanent collection the Frame Conservation lab constructed 27 new frames and conducted 7 major treatments, 378 minor treatments, and 5 exams. The Matting and Framing and Frame Conservation staffs collaborated in the creation of 22 microclimate enclosures for paintings on loans. The Matting and Framing staff also constructed 42 cradles for books in exhibitions and 6 installation systems for special projects.

Textiles: 6 major treatments, 20 minor treatments, 215 examinations and 205 pieces prepared for or maintained while on exhibition were handled by the textile workshop. Work progressed on development of new techniques and methods of evaluation of treatment and display. The department has also been involved with work on the systematic catalogue of tapestries, textiles and upholstered furniture.

Science: Research on both picture varnishes and inpainting materials has recently begun. The work on picture varnishes involves the testing of the stability, optical and working properties of alternative products that are more stable than the traditional natural resin varnishes. Alternative inpainting materials will be tested also, using accelerated aging techniques. As in previous years, the department conducted many analyses in order to study artists' techniques and materials, distinguish later additions from the original object, check for anachronistic materials or characterize products used in conservation. Several hundred such analyses were performed.

SUMMARY:

All Treatments

Paintings	63
Objects	61
Paper	233
Frames	428
Textiles	26
Major Examinations	499
Condition Examinations	<u>5,748</u>
 TOTAL	 <u>7,058</u>

MUSIC PROGRAM

Concerts: The fifty-eighth season of Sunday evening concerts will begin on October 3, 1999. Presented free to the public in the West Garden Court, the concerts feature first quality performers from all parts of the United States and from abroad. Music by American composers is played frequently throughout the season, and an American Music Festival, the longest-running of its kind in existence, devotes four or more concerts exclusively to American music, including jazz and gospel. The music program maintains four resident ensembles: the National Gallery Orchestra, the National Gallery of Vocal Arts Ensemble, the National Gallery Chambers Players Wind Quintet, and the National Gallery Chamber Players String Quartet.

ATTENDANCE

Attendance and Maintenance: Total attendance for both buildings for fiscal year 1998 was 5,340,000 visitors.

This high level of attendance again provided a major challenge to the building operation and maintenance staff in their effort to maintain the Gallery's buildings in the highest standard commensurate with the superb quality of its art collections.

National Gallery of Art
Annual Visitor Attendance
Fiscal Year 1955 - 1998

<u>Fiscal Year</u>	<u>Visitor Attendance</u>
1955	861,000
1956	1,043,000
1957	935,000
1958	922,000
1959	957,000
1960	989,000
1961	1,275,000
1962	1,200,000
1963	1,777,000
1964	1,269,000
1965	1,377,000
1966	1,583,000
1967	1,493,000
1968	1,165,000
1969	1,630,000
1970	1,825,000
1971	1,481,000
1972	1,357,000
1973	1,609,000
1974	1,398,000
1975	1,899,000
1976	2,181,000
1977	3,100,000
1978	4,600,000
1979	5,529,000
1980	5,997,000
1981	6,735,000
1982	6,036,000
1983	4,894,000
1984	4,859,000
1985	5,080,000
1986	8,703,000
1987	6,986,000
1988	7,174,000
1989	6,222,000
1990	5,580,000
1991	5,052,000
1992	5,438,000
1993	5,588,000
1994	4,014,000
1995	4,478,000
1996	4,886,000
1997	5,513,000
1998	5,340,000
1999 (Est.)	5,400,000
2000 (Est.)	5,400,000

1999 Appropriation and 2000 Request1999 Appropriation

The National Gallery of Art's current year appropriation totals \$64,249,000, and provides funding for 872 full-time permanent positions, with a full-time equivalent (FTE) employment ceiling of 836. The Gallery's FY 1999 federal funds requirement reflects the continuation of the Gallery's construction and renovation program and continuation of its expanding art display and education programs. In addition, certain normal increases in personnel, utilities and program expenses have been included.

In compliance with the Government Performance and Results Act (GPRA), 5 U.S.C. 306, the National Gallery's Strategic Plan for FY 1999 through FY 2004 was submitted to OMB and Congressional officials on September 30, 1997.

The Gallery's FY 2000 Performance Plan is included in the appendices (Tab 9).

2000 Request

The appropriation requested for FY 2000 totals \$67,749,000 and provides for 877 full-time permanent positions with a full-time equivalent employment ceiling of 841. (An analysis of the budget increases/decreases is set forth on the following page.)

The Gallery's FY 2000 federal funds budget request reflects the following objectives:

1. To continue to broaden the capabilities of the Gallery's existing programs of art exhibition, care and education;
2. To continue the Gallery's program of repair, renovation and restoration of the East and West Buildings;
3. To continue with the Gallery's information systems plan -- to fully utilize our Collection System Database as a key resource for the future development of educational and informational programs for presentation on our Web site. To maintain and improve Administrative and Financial Management Systems providing viable management and productive tools to Gallery staff members.

The FY 2000 budget request is compared to the FY 1999 budget as shown in the table on the following page.

NATIONAL GALLERY OF ART
COMPARATIVE BUDGET REQUESTS
FISCAL YEARS 1999 & 2000

<u>OBJECT CLASS</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000 Over/(Under) FY 1999</u>
<u>One Year Funds:</u>			
Personnel Compensation.....	\$34,822,000	\$37,132,000	\$ 2,310,000
Personnel Benefits.....	<u>8,009,000</u>	<u>8,627,000</u>	<u>618,000</u>
Subtotal Compensation and Benefits.....	42,831,000	45,759,000	2,928,000
Travel of Persons.....	277,000	281,000	4,000
Transportation of Things...	611,000	616,000	5,000
Rent, Communications, Utilities.....	5,076,000	5,369,000	293,000
Printing & Reproduction....	286,000	292,000	6,000
Other Services.....	5,517,000	5,719,000	202,000
Supplies & Materials.....	2,305,000	2,344,000	39,000
Equipment.....	1,035,000	1,058,000	23,000
Lands & Structures.....	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal--Salaries & Expenses.....	57,938,000	61,438,000	3,500,000
Repair and Renovation.....	<u>6,311,000</u>	<u>6,311,000</u>	<u>-</u>
TOTAL FEDERAL FUNDS.....	<u>\$64,249,000</u>	<u>\$67,749,000</u>	<u>\$3,500,000</u>

Note: Included in both of the above budgets is no-year funding for special exhibitions.

1. Personnel Compensation and Benefits--Increase of \$2,928,000

This is summarized as follows:

<u>Item</u>	<u>Amount</u>
3/4 year funding of proposed 4.4% general pay raise in January 2000.....	\$1,329,000
Mandatory within-grade promotions and wage board step increases.....	522,000
Annualization of 3.68% FY 1999 general pay raise....	497,000
Fund Security Guard promotions from GS-4 to GS-5*...	154,000
Fund Security Guard promotions from GS-5 to GS-6*...	127,000
Increased cost of Federal Employees Retirement System (FERS).....	100,000
Estimated cost of health benefits increase effective January 1999 based on an average of 5%....	90,000
Increase of 5 full-time permanent positions (3/4 year funding) for security guards for the new Sculpture Garden.....	<u>109,000</u>
Totals.....	<u>\$2,928,000</u>

*This funding is required to remain competitive with other local institutions and museums.

2. Travel of Persons--Increase of \$4,000. An increase of \$4,000 is requested for travel for FY 2000. This is requested to cover a 2.2% economic assumption inflation adjustment for FY 2000, which helps prevent the further erosion of purchasing power that occurred over the last six to seven years due to inflation.

3. Transportation of Things--Increase of \$5,000. A total increase of \$5,000 is requested to support a 2.2% economic assumption inflation adjustment for FY 2000. This will help prevent the further erosion of purchasing power and helps cover the rising costs of transporting items such as rare films from foreign archives and distributors for use in the Gallery's film program.

4. Rent, Communications and Utilities--Increase of \$293,000.

<u>Description</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000 Over/ (Under) FY 1999</u>
Utilities--steam and electricity.....	\$3,342,000	\$3,342,000	\$ -
Water and Sewer.....	266,000	580,000	314,000
Sculpture Garden.....	56,000	56,000	-
Communications--telephone and postage.....	704,000	704,000	-
Warehouse			
Rent--structural....	525,000	474,000	(51,000)
Utilities.....	<u>45,000</u>	<u>-</u>	<u>(45,000)</u>
Subtotal Warehouse..	570,000	474,000	(96,000)
Rents--copiers, equipment, space, etc...	<u>138,000</u>	<u>213,000</u>	<u>75,000</u>
Totals.....	<u>\$5,076,000</u>	<u>\$5,369,000</u>	<u>\$ 293,000</u>

An increase of \$293,000 is requested for rent, communications, and utilities for FY 2000. \$314,000 is requested for the increase in water and sewer costs in FY 2000 due to a 50% rate increase and underbilling by Treasury in prior years. \$75,000 of the increase is requested to store part of our collection off-site due to lack of suitable space on-site for extraordinarily large 20th Century paintings. These increases are partially offset by a \$51,000 decrease in warehouse space rental and the elimination of \$45,000 in utility costs in a newly renegotiated lease agreement.

5. Printing and Reproduction--Increase of \$6,000. A total increase of \$6,000 is requested for FY 2000. The increase is to cover a 2.2% economic assumption inflation adjustment for FY 2000, which is less than GPO's projection of a 4.8% increase in printing costs effective in FY 1999.

6. Other Services--Increase of \$202,000.

This is summarized as follows:

<u>Description</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000 Over/(Under) FY 1999</u>
Special Exhibitions.....	\$1,500,000	\$1,500,000	\$ -
Art Restoration.....	209,000	209,000	-
Extension Services.....	66,000	66,000	-
Data Processing.....	903,000	957,000	54,000
Cataloging Services.....	8,000	8,000	-
Educational Programs.....	56,000	56,000	-
Personal Property Repair (Equipment).....	89,000	89,000	-
Repair and Maintenance of Permanent Galleries....	27,000	27,000	-
All Other.....	96,000	96,000	-
2.2% Inflation Adjustment	-	33,000	33,000
Subtotal Art Care.....	<u>2,954,000</u>	<u>3,041,000</u>	<u>87,000</u>
Personal Property Repair (Equipment).....	62,000	62,000	-
Real Property Repair and Maintenance.....	552,000	552,000	-
Repair and Maintenance of Sculpture Garden.....	31,000	31,000	-
All Other.....	30,000	30,000	-
2.2% Inflation Adjustment	-	15,000	15,000
Subtotal Operations and Maintenance.....	<u>675,000</u>	<u>690,000</u>	<u>15,000</u>
Protection Services.....	360,000	360,000	-
2.2% Inflation Adjustment	-	8,000	8,000
Subtotal Protection Services.....	<u>360,000</u>	<u>368,000</u>	<u>8,000</u>
Payroll Processing.....	121,000	121,000	-
Data Processing.....	880,000	938,000	58,000
Employee Training.....	39,000	39,000	-
Maintenance and repair of personal computers....	240,000	240,000	-
Personal Property Repair (Equipment).....	74,000	74,000	-
Maintenance of Telephone System.....	68,000	68,000	-
Other Services General Administration.....	106,000	106,000	-
2.2% Inflation Adjustment	-	34,000	34,000
Subtotal General Admin.	<u>1,528,000</u>	<u>1,620,000</u>	<u>92,000</u>
TOTAL SERVICES.....	<u>\$5,517,000</u>	<u>\$5,719,000</u>	<u>\$ 202,000</u>

7. Supplies and Materials--Increase of \$39,000.

This is summarized as follows:

Description	FY 1999	FY 2000	FY 2000 Over/(Under) FY 1999
Special Exhibitions.....	\$ 511,000	\$ 511,000	\$ -
Office.....	44,000	44,000	-
Conservation.....	99,000	99,000	-
Library.....	10,000	10,000	-
Photo Lab.....	28,000	28,000	-
Extension Service.....	41,000	41,000	-
Education Supplies.....	33,000	33,000	-
Newspapers, periodicals, . pamphlets & documents..	159,000	159,000	-
Audio Visual.....	31,000	31,000	-
National Lending Service.	5,000	5,000	-
Repairs and Maintenance of Permanent Galleries.	59,000	59,000	-
Other Supplies.....	40,000	40,000	-
2.2% Inflation Adjustment	-	12,000	12,000
Subtotal Art Care.....	<u>1,060,000</u>	<u>1,072,000</u>	<u>12,000</u>
Building Operations.....	192,000	192,000	-
Grounds Maintenance.....	41,000	41,000	-
Repair of Buildings and Fixed Equipment.....	440,000	440,000	-
Repair and Maintenance of Sculpture Garden....	36,000	36,000	-
All Others.....	33,000	33,000	-
2.2% Inflation Adjustment	-	16,000	16,000
Subtotal Operations and Maintenance.....	<u>742,000</u>	<u>758,000</u>	<u>16,000</u>
Protection Supplies.....	134,000	134,000	-
2.2% Inflation Adjustment	-	3,000	3,000
Subtotal Protection....	<u>134,000</u>	<u>137,000</u>	<u>3,000</u>
Data Processing.....	80,000	80,000	-
Office Supplies.....	212,000	212,000	-
General Admin. Supplies..	77,000	77,000	-
2.2% Inflation Adjustment	-	8,000	8,000
Subtotal General Admin.	<u>369,000</u>	<u>377,000</u>	<u>8,000</u>
TOTAL SUPPLIES AND MATERIALS.....	<u>\$2,305,000</u>	<u>\$2,344,000</u>	<u>\$ 39,000</u>

8. Equipment--Increase of \$23,000. Capital equipment for basic operations reflects an increase of \$23,000. The increase will cover a 2.2% economic assumption inflation adjustment in FY 2000 for purchases such as building security and maintenance equipment, PC

replacement, books, photographs, frames and replacement of office equipment.

9. Repair and Renovation--No increase. A total of \$6,311,000 is requested in FY 2000 for the Repair, Restoration and Renovation of Buildings program, no increase above the FY 1999 level. Included in this requested amount is continued funding for two major projects: \$750,000 for fire protection for art storage rooms and gallery spaces in both the East and West Buildings; and \$2,500,000 for structural/exterior repairs and restoration of the buildings as defined by the recent Master Facilities Plan. In addition, \$1,491,000 is included to initiate another major multi-year project: interior mechanical/electrical equipment replacement. The remaining \$1,570,000 is for other ongoing renovation projects which include multi-year projects such as: asbestos abatement, Americans with Disabilities Act building modifications, and insulation of gallery walls in the West Building. Please refer to Tab 5A for a full discussion of this program, including our Master Facilities Plan.

10. Special Exhibitions--No increase. Total federal funds requested in FY 2000 in support of special exhibitions which are held at the Gallery, amount to \$3,026,000 -- no increase above the FY 1999 budget.

This is summarized as follows:

<u>Description</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000</u>
			<u>Over/(Under)</u> <u>FY 1999</u>
Personnel Compensation..	\$ 441,000	\$ 441,000	\$ -
Personnel Benefits.....	79,000	79,000	-
Travel.....	97,000	97,000	-
Transportation.....	398,000	398,000	-
Services.....	1,500,000	1,500,000	-
Supplies & Materials....	<u>511,000</u>	<u>511,000</u>	<u>\$ -</u>
Total.....	<u>\$3,026,000</u>	<u>\$3,026,000</u>	<u>\$ -</u>

Please refer to Tab 4A (Special Exhibitions section) for the analysis of estimated costs and funding sources of special exhibitions scheduled for fiscal year 2000.

A summary of the Gallery's budget increases by function is set forth on the following page.

NATIONAL GALLERY OF ART
FEDERAL BUDGET HIGHLIGHTS
FISCAL YEAR 2000

Page No.		1-30		DISTRIBUTION OF FY 2000 INCREASES BY FUNCTION				
				TOTAL INCREASES	4-3	5-2	6-1	7-2
Object Class				FY 2000 Over/(Under) FY 1999	(Function A) Art Care	(Function B) Operations & Maintenance	(Function C) Protection	(Function D) General Administration
1100 Personnel Compensation		FY 1999	FY 2000					
1200 Personnel Benefits								
Subtotal - Compensation & Benefits								
2100 Travel of Persons								
2200 Transportation of Things								
2300 Rent, Communications & Utilities								
2400 Printing & Reproduction								
2500 Other Services								
2600 Supplies & Materials								
2800 Equipment								
3200 Lands & Structures								
Total - Salaries & Expenses								
Repair, Restoration & Renovation								
TOTAL NGA								

**NATIONAL GALLERY OF ART
FISCAL YEAR 2000 BUDGET
SUMMARY OF INCREASES AND DECREASES
(By Function)
(In Thousands of Dollars)**

	Function (A) Art Care	Function (B) Ops & Maint	Function (C) Security	Function (D) Gen Admin	Subtotal Salaries and Expenses	Renovation	NGA Totals
1999 Appropriation	\$22,777	\$12,829	\$12,513	\$8,819	\$57,938	\$8,311	\$66,249
1. 3/4 year funding of proposed 4.4% FY 2000 general pay raise	539	237	370	183	1,329	-	1,329
2. Within-grade promotions and wage board step increases	210	92	145	75	522	-	522
3. Annualized 3.85% FY 1999 general pay raise	201	88	138	69	497	-	497
4. Fund security guard promotions to GS-5	-	-	154	-	154	-	154
5. Fund security guard promotions to GS-6	-	-	127	-	127	-	127
6. Increased cost of FERS System	39	16	26	19	100	-	100
7. Estimated cost of health bene- fits increase effective January 1999 (average of 5%)	35	15	24	16	90	-	90
Subtotal - Uncontrollable Pay	1,024	449	864	362	2,819	-	2,819
8. 5 FTE (3/4-year funding)	-	-	109	-	109	-	109
9. 2.2% non-pay economic assumption inflation adjustment	68	34	15	50	167	-	167
10. Rent and utilities	-	314	-	(21)	293	-	293
11. EDP supplies, services and equipment	54	-	-	58	112	-	112
2000 Budget Estimate	\$23,923	\$13,628	\$13,621	\$10,269	\$61,438	\$8,311	\$67,749
Net Increase/(Decrease) (2000 Est. over 1999 Est.)	\$1,146	\$797	\$1,108	\$448	\$3,600	\$0	\$3,600

NATIONAL GALLERY OF ART
UNCONTROLLABLE AND PROGRAM INCREASES/(DECREASES)
FISCAL YEAR 2000

<u>MANDATORY/UNCONTROLLABLE CHANGES</u>	<u>INCREASE/(DECREASE)</u>
3/4 year funding of proposed 4.4% general pay raise in January 2000.....	\$ 1,329,000
Mandatory within-grade promotions and wage board step increases.....	522,000
Annualization of 3.68% FY 1999 general pay raise....	497,000
Fund Security Guard promotions from GS-4 to GS-5*...	154,000
Fund Security Guard promotions from GS-5 to GS-6*...	127,000
Increased cost of Federal Employees Retirement System (FERS).....	100,000
Estimated cost of health benefits increase effective January 1999 based on an average of 5%....	<u>90,000</u>
Subtotals - Payroll Costs.....	<u>\$2,819,000</u>
Decrease in warehouse rent and utilities.....	(96,000)
Rental of off-site art storage space.....	75,000
Increased costs of water and sewer.....	314,000
EDP services:	
Collection Management System (Art Care).....	54,000
Financial Management System.....	58,000
Increase of 2.2% for economic assumption inflation adjustment:	
Travel.....	4,000
Transportation.....	5,000
Printing.....	6,000
Other services.....	90,000
Supplies and materials.....	39,000
Equipment.....	<u>23,000</u>
Subtotal - 2.2% economic assumption inflation adjustment.....	<u>167,000</u>
Total Uncontrollable Increases.....	<u>\$3,391,000</u>

*This funding is required to remain competitive with other local institutions and museums.

<u>Necessary Programmatic Changes</u>	<u>Increase/Decrease</u>
5 FTE for security of the new Sculpture Garden.....	\$ 109,000
Special Exhibitions.....	-
Renovation Program:	
Major Projects:	
West Building Skylights.....	(2,611,000)
Fire Protection System.....	(50,000)
Structural/Exterior Repair and Restoration...	500,000
Interior Equipment Replacement.....	1,491,000
Ongoing Renovation.....	<u>670,000</u>
Subtotal - Renovation program increases..	<u>-</u>
Total Program Increases.....	<u>109,000</u>
TOTAL NGA FY 2000 INCREASE.....	<u>\$ 3,500,000</u>

Appropriation Language

NATIONAL GALLERY OF ART SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901-5902); purchase or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; [purchase of one passenger motor vehicle for replacement only;] and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, [\$57,938,000] \$61,438,000, of which not to exceed \$3,026,000 for the special exhibition program shall remain available until expended.

(20 U.S.C. 71-75; Department of the Interior and Related Agencies Appropriation Act, 1999, as included in Public Law 105-277, section 101(e).)

Appropriation LanguageREPAIR, RESTORATION AND RENOVATION OF
BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, grounds, and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, \$6,311,000, to remain available until expended: Provided, that contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

(20 U.S.C. 71-75; Department of the Interior and Related Agencies Appropriation Act, 1999, as included in Public Law 105-277, section 101(e).)

Authorizing Legislation

This request for an appropriation is based on the premises contained in section 4(a) of the Joint Resolution of Congress, March 24, 1937, (20 U.S.C. 71-75) in which:

"The faith of the United States is pledged that...the United States will provide such funds as may be necessary for the upkeep of the National Gallery of Art and the administrative expenses and costs of operation thereof, including the protection and care of works of art acquired by the Board, so that the National Gallery of Art shall be at all times properly maintained and the works of art contained therein shall be exhibited regularly to the general public free of charge. For these purposes there are hereby authorized to be appropriated such sums as may be necessary."

NATIONAL GALLERY OF ART
SUMMARY OF FEDERAL BUDGET BY FUNCTION
FOR THE FISCAL YEARS 1996 THROUGH 2000 INCLUSIVE

Function	FY 1996 (actual)	FY 1997 (actual)	FY 1998 (estimate)	FY 1999 (estimate)	FY 2000 (estimate)
A. Care and utilization of art collections.....	\$21,407	\$22,245	\$23,310	\$22,777	\$23,923
B. Operation and maintenance of buildings and grounds.....	11,461	12,392	12,238	12,829	13,626
C. Protection of buildings, grounds, and contents...	10,701	10,781	11,422	12,513	13,621
D. General Administration...	8,633	9,218	9,639	9,819	10,268
Salaries and Expenses...	52,202	54,636	56,609	57,938	61,438
Repair, restoration and renovation of buildings...	9,748	6,544	5,720	6,311	6,311
BUDGET AUTHORITY TOTALS...	\$61,950	\$61,180	\$62,329	\$64,249	\$67,749
TOTAL NGA OUTLAYS.....	\$55,348	\$61,333	\$64,860	\$65,474	\$68,779

NATIONAL GALLERY OF ART
SUMMARY OF FEDERAL FULL-TIME EQUIVALENT WORKYEARS BY FUNCTION
FOR THE FISCAL YEARS 1995 THROUGH 2000 INCLUSIVE

FUNCTION	FY 1995 FTE (Actual)		FY 1996 FTE (Actual)		FY 1997 FTE (Actual)		FY 1998 FTE (Actual)		FY 1999 FTE (Budget)		FY 2000 FTE (Budget)	
	FTE	OTHER TOTAL	FTE	OTHER TOTAL	FTE	OTHER TOTAL	FTE	OTHER TOTAL	FTE	OTHER TOTAL	FTE	OTHER TOTAL
A. Care and Utilization of Art Collection (Tab 4).....	256	20 276	245	20 265	243	14 257	252	14 266	269	11 280	269	11 280
B. Operation and Maintenance of Buildings and Grounds (Tab 5) ..	156	1 157	148	2 150	143	- 143	141	- 141	159	- 159	159	- 159
C. Protection of Buildings, Grounds and Contents (Tab 6)...	280	1 281	271	2 273	267	- 267	267	- 267	306	1 307	311	1 312
D. General Administration (Tab 7) .	80	1 81	82	1 83	83	2 85	87	2 89	89	1 90	89	1 90
TOTALS.....	772	23 795	746	25 771	736	16 752	747	16 763	923	13 936	928	13 941

NOTE: The above figures represent full-time equivalent workyears during the year and, therefore, differ somewhat from the actual numbers of positions filled at the end of the year.

NATIONAL GALLERY OF ART
FISCAL YEAR 2000 BUDGET
SUMMARY OF DECISION CENTERS AND FUNCTIONS
BY OBJECT CLASSIFICATION AND TYPE OF EMPLOYMENT

1998 Actuals

FISCAL YEAR 1998 FEDERAL FUNDS BUDGET

Object Class	Description	DECISION CENTERS					TOTALS	FUNCTIONS			
		Director (1100)	Deputy Director (2000)	Administrator (3000)	Secretary- Gen. Counsel (4000)	Treasurer (5000)	Budget Totals	Art Care (A)	Operations & Maintenance (B)	Protection (C)	Gen Admin (D)
1100	Personnel Compensation	\$4,319,157	\$9,064,062	\$17,428,693	\$657,506	\$1,082,563	\$32,532,981	\$13,383,219	\$5,636,149	\$8,702,532	\$4,811,081
1200	Personnel Benefits	951,439	1,901,810	4,209,208	104,263	187,548	7,254,268	2,653,249	1,208,509	2,003,212	1,283,294
2100	Travel of Persons	52,698	100,641	29,911	3,041	3,731	190,820	153,337	3,918	7,620	25,945
2200	Transportation of Things	302,251	85,989	136,987	-	-	524,907	388,220	3,041	-	133,548
2300	Rent, Comm. & Utilities	-	1,469	5,042,067	1,200	-	5,044,736	200,468	3,708,687	1,671	1,332,969
2400	Printing & Reproduction	79,000	211,980	-	-	-	290,980	290,980	-	-	-
2500	Other Services	2,822,720	1,537,703	1,418,840	3,454	1,334,899	7,107,728	4,360,433	632,983	430,534	1,893,776
2600	Supplies & Materials	694,643	432,057	1,080,997	27,588	80,139	2,325,422	1,236,700	704,781	136,710	357,261
3100	Equipment	121,516	640,429	373,040	10,800	81,137	1,236,922	781,945	139,683	139,615	195,478
3200	Land & Structures	-	-	-	-	-	-	-	-	-	-
	Salaries & Expenses	9,343,432	13,986,120	29,730,301	788,750	2,780,035	58,608,638	23,309,552	12,237,921	11,421,894	9,639,271
	Repair, Restoration & Renovation	-	-	5,720,262	-	-	5,720,262	-	5,720,262	-	-
	Total NGA	\$9,343,432	\$13,986,120	\$35,450,563	\$788,750	\$2,780,035	\$62,328,900	\$23,309,552	\$17,958,183	\$11,421,894	\$9,639,271

Full-time Equivalent Employment
(FTE - Whole Years)

FTP	78	176	469	9	17	747	252	141	267	87
Other	3	11	1	1	1	16	14	14	=	2
Total	78	187	470	10	17	763	266	141	267	89

12/14/98

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NATIONAL GALLERY OF ART
FISCAL YEAR 2000 BUDGET
SUMMARY OF DECISION CENTERS AND FUNCTIONS
BY OBJECT CLASSIFICATION AND TYPE OF EMPLOYMENT

1999

FISCAL YEAR 1999 FEDERAL FUNDS BUDGET

Object Class	Description	DECISION CENTERS					TOTALS	FUNCTIONS			
		Director (1000)	Deputy Director (200)	Administrator (3000)	Secretary- Gen. Counsel (4000)	Treasurer (5000)	NGA Budget Totals	Art Case (A)	Operations & Maintenance (B)	Protection (C)	Gen. Admin. (D)
1100	Personnel Compensation	\$4,344,000	\$9,730,000	\$18,947,000	\$659,000	\$1,143,000	\$34,822,000	\$14,074,000	\$6,280,000	\$9,781,000	\$4,698,000
1200	Personnel Benefits	1,051,000	2,074,000	4,594,000	107,000	183,000	8,009,000	3,125,000	1,303,000	2,091,000	1,490,000
2100	Travel of Persons	116,000	116,000	30,000	4,000	7,000	277,000	238,000	8,000	6,000	27,000
2200	Transportation of Things	386,000	77,000	136,000	-	-	611,000	475,000	3,000	-	133,000
2300	Rent, Comm. & Utilities	5,000	2,000	5,067,000	2,000	-	5,076,000	7,000	3,684,000	5,000	1,400,000
2400	Printing & Reproduction	80,000	208,000	-	-	-	288,000	286,000	-	-	-
2500	Other Services	1,601,000	1,353,000	1,295,000	1,000	1,287,000	5,517,000	2,854,000	675,000	360,000	1,528,000
2600	Supplies & Materials	627,000	433,000	1,125,000	26,000	94,000	2,305,000	1,080,000	742,000	134,000	369,000
3100	Equipment	66,000	494,000	354,000	7,000	114,000	1,035,000	590,000	145,000	156,000	174,000
3200	Lands & Structures	-	-	-	-	-	-	-	-	-	-
	Salaries & Expenses	8,290,000	14,467,000	31,548,000	805,000	2,806,000	57,938,000	22,777,000	12,826,000	12,513,000	9,819,000
	Repair, Restoration & Renovation	-	-	6,311,000	-	-	6,311,000	-	6,311,000	-	-
	Total NGA	\$8,290,000	\$14,467,000	\$37,859,000	\$805,000	\$2,806,000	\$64,249,000	\$22,777,000	\$19,140,000	\$12,513,000	\$9,819,000
Full-time Equivalent Employment (FTE - Workyears)											
	FTP	82	187	527	9	18	823	269	159	306	89
	Other	1	10	1	1	-	13	11	-	1	1
	Total	83	197	528	10	18	836	280	159	307	90

12/15/98

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NATIONAL GALLERY OF ART
FISCAL YEAR 2000 BUDGET
SUMMARY OF DECISION CENTERS AND FUNCTIONS
BY OBJECT CLASSIFICATION AND TYPE OF EMPLOYMENT

FISCAL YEAR 2000 FEDERAL FUNDS BUDGET

2000

Object Class	DECISION CENTERS					TOTALS	FUNCTIONS			
	Director (1000)	Deputy Director (2000)	Administrator (3000)	Secretary- Gen. Counsel (4000)	Treasurer (5000)	NGA Budget Totals	Art Care (A)	Operations & Maintenance (B)	Protection (C)	Gen. Admin. (D)
1100 Personnel Compensation	\$4,594,000	\$10,286,000	\$20,348,000	\$886,000	\$1,206,000	\$37,132,000	\$14,860,000	\$6,655,000	\$10,628,000	\$4,969,000
1200 Personnel Benefits	1,126,000	2,217,000	4,974,000	114,000	196,000	8,627,000	3,343,000	1,366,000	2,317,000	1,591,000
2100 Travel of Persons	116,000	121,000	31,000	4,000	7,000	281,000	239,000	8,000	6,000	28,000
2200 Transportation of Things	388,000	79,000	139,000	-	-	616,000	477,000	3,000	-	136,000
2300 Rent, Comm. & Utilities	5,000	2,000	5,360,000	2,000	-	5,369,000	7,000	3,978,000	5,000	1,379,000
2400 Printing & Reproduction	80,000	212,000	-	-	-	292,000	292,000	-	-	-
2500 Other Services	1,603,000	1,438,000	1,318,000	15,000	1,345,000	5,719,000	3,041,000	690,000	368,000	1,620,000
2600 Supplies & Materials	631,000	441,000	1,150,000	28,000	94,000	2,344,000	1,072,000	758,000	137,000	377,000
3100 Equipment	67,000	505,000	365,000	7,000	114,000	1,059,000	572,000	148,000	160,000	178,000
3200 Lands & Structures	-	-	-	-	-	-	-	-	-	-
Salaries & Expenses	8,622,000	15,301,000	33,665,000	866,000	2,964,000	61,438,000	23,923,000	13,626,000	13,621,000	10,268,000
Repair, Restoration & Renovation	-	-	6,311,000	-	-	6,311,000	-	6,311,000	-	-
Total NGA	\$8,622,000	\$15,301,000	\$39,996,000	\$866,000	\$2,964,000	\$67,749,000	\$23,923,000	\$19,937,000	\$13,621,000	\$10,268,000

Full-Time Equivalent Employment
(FTE - Workyears)

FTP.....	82	187	532	9	18	828	289	159	311	69
Other.....	1	10	1	1	-	13	11	-	1	1
Total.....	83	197	533	10	18	841	290	159	312	70

12/22/88

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NATIONAL GALLERY OF ART
SUMMARY OF FULL-TIME PERMANENT POSITIONS
BY FUNCTION AND DECISION CENTER
FOR THE FISCAL YEARS 1998 TO 2000

Code	Function - Decision Center	FY 1998	FY 1999	FY 2000	FY 2000 Increase/ (Decrease) Over FY 1999
	<u>Function A - Art Care</u>				
1100	Office of Director.....	7	7	7	0
1311	Design and Installation.....	30	30	30	0
1411	Exhibition Division.....	14	14	14	0
6111	External Affairs Office.....	5	5	5	0
6211	Information Office.....	6	6	6	0
6311	Corporate Relations.....	2	2	2	0
6411	Special Events.....	6	6	6	0
6511	Development Office.....	4	4	4	0
6611	Music.....	3	3	3	0
7111	CASVA.....	6	6	6	0
	<u>1000-Director.....</u>	<u>83</u>	<u>83</u>	<u>83</u>	<u>0</u>
2100	Office of Deputy Director.....	3	3	3	0
2200	Curatorial.....	40	40	40	0
2300	Conservation.....	30	30	30	0
	2411 Editor's Office.....	8	8	8	0
	2421 Photo Lab and Services.....	12	12	12	0
2400	Editor's Department.....	20	20	20	0
	2511 Head of Education.....	4	4	4	0
	2521 Teacher & School Programs.....	6	6	6	0
	2522 Adult Programs.....	13	13	13	0
	2531 Education Resources.....	18	18	18	0
	2551 Education Publications.....	3	3	3	0
2500	Educational Programs.....	44	44	44	0
	2621 Library.....	27	27	27	0
	2631 Photographic Archives.....	10	10	10	0
	2641 Slide Library.....	5	5	5	0
2600	Program Support Facilities.....	42	42	42	0
2800	Records and Loans.....	18	18	18	0
	<u>2000--Deputy Director.....</u>	<u>197</u>	<u>197</u>	<u>197</u>	<u>0</u>
	<u>Total Function A.....</u>	<u>280</u>	<u>280</u>	<u>280</u>	<u>0</u>

NATIONAL GALLERY OF ART
SUMMARY OF FULL-TIME PERMANENT POSITIONS
BY FUNCTION AND DECISION CENTER
FOR THE FISCAL YEARS 1998 TO 2000

<u>Code</u>	<u>Function - Decision Center</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000 Increase/ (Decrease) Over FY 1992</u>
	<u>Function B - Operations & Maintenance</u>				
3211	Facilities Manager's Office.....	9	9	9	0
3221	Operating Engineers.....	31	31	31	0
3222	Electrical Shop.....	11	11	11	0
3223	Controls Shop.....	3	3	3	0
3224	Sheet Metal Shop.....	3	3	3	0
3225	Plumbing Shop.....	3	3	3	0
3226	Machine Shop.....	3	3	3	0
3220	Operations Group.....	54	54	54	0
3231	Carpentry Shop.....	8	8	8	0
3232	Masonry Shop.....	7	7	7	0
3233	Paint Shop.....	6	6	6	0
3235	Day Custodial Workers.....	54	54	54	0
3236	Night Custodial Workers.....	4	4	4	0
3230	Maintenance Group.....	79	79	79	0
3281	Architect's Office.....	9	9	9	0
6711	Horticultural & Group Maint.....	15	15	15	0
	<u>3200--Total Function B.....</u>	<u>166</u>	<u>166</u>	<u>166</u>	<u>0</u>
	<u>Function C - Protection</u>				
	<u>3300--Total Function C.....</u>	<u>336</u>	<u>336</u>	<u>341</u>	<u>5</u>
	<u>Function D - General Administration</u>				
3111	Office of Administrator.....	5	5	5	0
3411	Procurement Office.....	9	9	9	0
3511	Mail & File.....	17	17	17	0
3521	Supply Office.....	12	12	12	0
3551	Telecommunications.....	5	5	5	0
3500	Administrative Services.....	34	34	34	0
3611	Personnel Office.....	14	14	14	0
	<u>Subtotal from 3000.....</u>	<u>62</u>	<u>62</u>	<u>62</u>	<u>0</u>

NATIONAL GALLERY OF ART
SUMMARY OF FULL-TIME PERMANENT POSITIONS
BY FUNCTION AND DECISION CENTER
FOR THE FISCAL YEARS 1998 TO 2000

<u>Code</u>	<u>Function - Decision Center</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000 Increase/ (Decrease) Over FY 1999</u>
4111	Secretary & General Counsel....	6	6	6	0
	Archives.....	<u>4</u>	<u>4</u>	<u>4</u>	<u>0</u>
	Subtotal from 4000.....	<u>10</u>	<u>10</u>	<u>10</u>	<u>0</u>
5111	Treasurer's Office.....	<u>18</u>	<u>18</u>	<u>18</u>	<u>0</u>
	Subtotal from 5000.....	<u>18</u>	<u>18</u>	<u>18</u>	<u>0</u>
	Combined Total Function D....	<u>90</u>	<u>90</u>	<u>90</u>	<u>0</u>
	<u>Summary of Functions</u>				
	Function A -- Art Care.....	280	280	280	0
	Function B -- Ops. & Maint.....	166	166	166	0
	Function C -- Protection.....	336	336	341	5
	Function D -- General Admin....	<u>90</u>	<u>90</u>	<u>90</u>	<u>0</u>
	Total -- National Gallery of Art.....	<u>872</u>	<u>872</u>	<u>877</u>	<u>5</u>

08/18/98

FUNCTION A
CARE AND UTILIZATION OF ART COLLECTIONS

Introduction

This function combines the art-oriented activities of the Director, the Deputy Director, the External Affairs Officers, and the Dean of the Center for Advanced Studies in the Visual Arts. The Director is the Gallery's chief non-trustee executive officer and is responsible for overall management with further responsibility for long-range planning for art, music, research and publications and education. The Director is also responsible for the planning and implementation of special exhibitions, and oversight of design and installation activities.

The Deputy Director/Chief Curator is responsible for initiating art acquisitions, and for the maintenance, display and interpretation of the works of art belonging to the Gallery. Acquisition of art is accomplished through private gifts or purchases from non-federal resources, while the care, display and elucidation of the Gallery's collections are financed primarily from federal funds. Through curatorial, conservation and restoration programs, under the general supervision of the senior curators, the Deputy Director/Chief Curator carries out the responsibility for acquiring and maintaining original works of art.

The display of art to the general public and the publication of information on it is the duty of a staff responsible for loans, scheduling, registration, the movement of art objects, photography, editing and catalogue production. The objective of the educational programs staff is to disseminate knowledge of art and make the art accessible to as many people as possible throughout the nation. This is accomplished by in-house lectures and tours, as well as through the outreach programs of the Gallery's extension service, and through reproductions, tapes, films and books. The extension service distributes information primarily to schools and other institutions and groups throughout the fifty states. Highly visible international loan exhibitions are developed through the efforts of many of the departments of the Gallery, and often are the result of the Gallery's collaboration with other major art museums and scholars throughout the world.

As detailed in our overview (pp. 1-20 to 1-27), the Conservation Division preserves the collections and provides technical research in support of scholarly studies, and basic investigations in art materials and the history of technology.

All of the above programs rely on the resources of an extensive art reference library, photo archives and art information data bank, all of which are used as research and educational resources for studying the collections, performing

research on potential acquisitions, and organizing exhibitions as well as disseminating the knowledge of art to the general public.

The magnitude of the art collections in the National Gallery's care and the general public's interest in those collections can be suggested by summary statistics. The National Gallery has sizeable collections: 3,133 paintings; 2,405 sculptures; 564 decorative arts; 95,279 works of art on paper; 482,153 books and documents; 8,107,668 photographic images in its Research Library. These collections, augmented by the temporary exhibitions held during FY 1998 (see Special Exhibition discussion in Tab 4A), attracted over 5.3 million visitors to the National Gallery.

A total of 288 full-time permanent positions have been established to provide proper support for the direct and supporting activities associated with the care and utilization of art. For FY 2000 the overall ceiling limitation requested of OMB results in an estimated 288 full-time equivalent (FTE) employment for this function.

FY 2000 Request

Funding of \$23,923,000 is requested in FY 2000 for the activities comprising the care and utilization of art. This represents an increase of \$1,146,000 above the FY 1999 funding level for this function. The comparative budget levels for FY 1999 and FY 2000 are displayed in the table on the following page.

NATIONAL GALLERY OF ART
FISCAL YEAR 2000 BUDGET
SUMMARY OF INCREASES AND (DECREASES)
CARE AND UTILIZATION OF ART COLLECTIONS
FUNCTION A

<u>OBJECT CLASS</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000 Over/(Under) FY 1999</u>
Personnel Compensation.....	\$14,074,000	\$14,880,000	\$ 806,000
Personnel Benefits.....	<u>3,125,000</u>	<u>3,343,000</u>	<u>218,000</u>
Subtotal--Compensation and Benefits.....	17,199,000	18,223,000	1,024,000
Travel of Persons.....	236,000	239,000	3,000
Transportation of Things...	475,000	477,000	2,000
Rent, Communications, Utilities.....	7,000	7,000	-
Printing & Reproduction...	286,000	292,000	6,000
Other Services.....	2,954,000	3,041,000	87,000
Supplies & Materials.....	1,060,000	1,072,000	12,000
Equipment.....	560,000	572,000	12,000
Land & Structures.....	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL.....	<u>\$22,777,000</u>	<u>\$23,923,000</u>	<u>\$1,146,000</u>

12/22/98

1. Personnel Compensation and Benefits--Increase of \$1,024,000

This increase will be applied as follows:

<u>Item</u>	<u>Amount</u>
3/4 year funding of proposed 4.4% general pay raise in January 2000.....	\$ 539,000
Mandatory within-grade promotions and wage board step increases.....	210,000
Annualization of 3.68% FY 1997 general pay raise	201,000
Increased cost of Federal Employees Retirement System (FERS).....	39,000
Estimated cost of health benefits increase effective January 1999 based on an average of 5%.....	<u>35,000</u>
Totals.....	<u>\$1,024,000</u>

2. Travel--Increase of \$3,000.

An increase of \$3,000 is requested in FY 2000 for travel to cover a 2.2% economic assumption inflation adjustment required to prevent the further erosion of purchasing power which occurred over the last six to seven years due to inflation.

3. Transportation--Increase of \$2,000.

An increase of \$2,000 is requested for transportation in FY 2000 to cover a 2.2% economic assumption inflation adjustment which helps cover the rising costs of transporting items such as rare films from foreign archives and distributors for use in the Gallery's film program.

4. Printing and Reproduction--Increase of \$6,000.

A total increase of \$6,000 is requested for FY 2000 to cover a 2.2% economic assumption inflation adjustment for FY 2000 which is less than GPO's projection of a 4.8% increase in printing costs effective in FY 1999.

5. Other Services--Increase of \$87,000.

An increase of \$87,000 is requested for Other Services in FY 2000. A summary of specific services needed under the care and utilization of art follows:

Description	FY 1999	FY 2000	FY 2000 Over/(Under) FY 1999
Special Exhibitions.....	\$1,500,000	\$1,500,000	\$ -
Art Restoration.....	280,000	280,000	-
Extension Services.....	66,000	66,000	-
Data Processing.....	903,000	957,000	54,000
Educational Programs.....	56,000	56,000	-
Cataloging Services.....	8,000	8,000	-
Personal Property			
Repair (Equipment).....	89,000	89,000	-
Repairs and Maintenance			
of Permanent Galleries.	27,000	27,000	-
All Other.....	96,000	96,000	-
2.2% Economic Assumption			
Inflation Adjustment...	-	33,000	33,000
Total.....	<u>\$3,025,000</u>	<u>\$3,112,000</u>	<u>\$ 87,000</u>

Data Processing services costs will increase by \$54,000 above the FY 1999 level to cover rising costs associated with the maintenance and upkeep of the Collection Management System. The Collection Management System records all movement of art in the Gallery and on loan to other institutions. It contains art insurance information as well as detailed historical data about the work of art and its creator. The data is made available to the public via the Web site. In addition, an overall increase of \$33,000 is required for services to reflect a 2.2% economic assumption inflation adjustment for FY 2000. This will help prevent further erosion of purchasing power for services such as: art restoration, education programs including extension programs; equipment repairs; and repair and maintenance of the permanent collection galleries.

6. Supplies and Materials--Increase of \$12,000.

A summary of specific supplies and materials follows:

Description	FY 1999	FY 2000	FY 2000 Over/(Under) FY 1999
Special Exhibitions.....	\$ 511,000	\$ 511,000	\$ -
Office.....	44,000	44,000	-
Conservation.....	99,000	99,000	-
Library.....	10,000	10,000	-
Photo Lab.....	28,000	28,000	-
Extension Services.....	41,000	41,000	-
Education Services.....	33,000	33,000	-
Newspapers, periodicals, pamphlets & documents.	159,000	159,000	-
Audio-Visual	31,000	31,000	-
National Lending Service	5,000	5,000	-

Repairs and maintenance of permanent galleries	59,000	59,000	-
Other supplies.....	40,000	40,000	-
2.2% Inflation Adjustment	-	12,000	12,000
Total.....	<u>\$1,060,000</u>	<u>\$1,072,000</u>	<u>\$ 12,000</u>

An overall increase of \$12,000 is required for supplies to reflect a 2.2% economic assumption inflation adjustment for FY 2000. This will help prevent further erosion of purchasing power for supplies such as: conservation, photo lab, periodicals, documents, newspapers, slide mounts, etc.

7. Equipment--Increase of \$12,000.

A summary of specific equipment needed for the care and utilization of art follows:

<u>Description</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1999</u> Over/ (Under)
Library Books.....	\$ 151,000	\$ 151,000	\$ -
Photographs.....	92,000	92,000	-
Slides.....	20,000	20,000	-
Microfilm Archives.....	31,000	31,000	-
Conservation Equipment.....	11,000	11,000	-
Frames.....	25,000	25,000	-
Education Program Equipment.....	20,000	20,000	-
Other Equipment.....	210,000	210,000	-
2.2% Economic Assumption Inflation Adjustment...	-	12,000	12,000
Total.....	<u>\$ 560,000</u>	<u>\$ 572,000</u>	<u>\$ 12,000</u>

An overall increase of \$12,000 is requested for equipment to reflect a 2.2% economic assumption inflation adjustment for FY 2000. This will help prevent further erosion of purchasing power for equipment such as: conservation, frames, education program equipment, PC's, etc.

NATIONAL GALLERY OF ART
FUNCTION A OVERVIEW - SPECIAL EXHIBITIONS

As the Nation -- and the National Gallery -- approaches the millennial year, we are more than ever conscious of anniversaries. 1998 was, in fact, a year of several anniversaries and anniversary exhibitions. It is hard to believe that this year marked the 20th anniversary of the dedication of the East Building -- I. M. Pei's masterpiece and one of the great works of architecture of the twentieth century.

For the 20th anniversary of the opening of the East Building, I. M. Pei's fascinating design process was documented in a revealing exhibition, A Design for the National Gallery of Art: Celebrating the 20th Anniversary of I.M. Pei's East Building, presented in the Gallery's East Building auditorium. Rare conceptual sketches by the architect were among some twenty works that shed light on the early creative process of the pioneering architecture in the exhibition.

The building was formally opened by President Jimmy Carter in June of 1978. The masterpiece by Chinese-American architect I. M. Pei has proven to be one of the most enduring and admired works of twentieth-century architecture. "People friendly" and "an instant classic" are two of the popular expressions used to describe Pei's masterpiece, but in fact the innovatively modern building took more than a decade to design and construct.

Drawn entirely from the Gallery's archival holdings, the exhibition also included working studies by I. M. Pei's design team, small sketches from a diary notebook, drawings by architectural draftsman Paul Stevenson Oles, and a scale model of the East and West Buildings. These works showed the innovative solutions Pei and his team found as they explored, eliminated, and re-explored creative possibilities for the building's overall plan, exterior profile, and roofing for the atrium.

If one work of art from the National Gallery's collections symbolizes to the American public the excitement of the East Building, it is Alexander Calder's (1898-1976) grand mobile, and 1998 also marked the 100th anniversary of the birth of America's most beloved sculptor. The East Building's expansive mobile was Alexander Calder's last major commission.

The celebrated Spanish surrealist painter Joan Miro called his American friend, Calder "a tough guy with the soul of a nightingale." The nearly 300,000 visitors who enjoyed the National Gallery's centennial tribute to the sculptor might well have heard the nightingale sing. The exhibition Alexander Calder 1898-1976 constituted the first major retrospective of the artist's work in the United States since his death in 1976. With

approximately 270 works, the exhibition presented the breadth of his prolific and diverse career and illuminated his role as one of the great formal innovators of twentieth-century art. The show concentrated on the best examples of Calder's sculpture--including mobiles and stabiles ranging from small-scale to monumental works -- along with a select group of paintings, drawings, and jewelry.

Since the 1977 installation of the large mobile Untitled (1976), commissioned for the atrium of the East Building, Calder's work has been closely associated with the National Gallery. Other important works have since been added to the collection, including forty early sculptures and drawings recently given by Mr. and Mrs. Klaus G. Perls, Calder's dealers in the United States for over twenty years, as well as a large stabile, Obus, 1972, and a collection of standing mobiles given by Mr. and Mrs. Paul Mellon.

Another immensely popular artist, the Dutchman M. C. Escher (1898-1972), was born in the same year as Alexander Calder. The National Gallery celebrated the centennial of the birth of Escher with an exhibition drawn entirely from the Gallery's holdings, the most comprehensive collection outside The Netherlands. A gifted draftsman, Escher is best known for his compositions of complex interlocking shapes that resemble jigsaw puzzles and architectural designs that are physically impossible to construct. The selection of some eighty-five works includes drawings, woodcuts, lithographs, and mezzotints, as well as illustrated books and related technical materials.

The exhibition, which spanned the artist's career, was divided into four sections: "Self Portraits," "The World Observed," "Inner Visions," and "Metamorphosis." The exhibition concluded with the last of Escher's metamorphosis prints, a twenty-three foot-long woodcut from 1967/1968. The print begins and ends with a checkerboard pattern, and depicts squares metamorphosing to cubes, fish to horses, hexagons to birds, and birds to sailboats. In its role as a catalyst for art appreciation around the country, the National Gallery is subsequently sharing the Escher exhibition with San Diego, California, and Norfolk, Virginia.

The National Gallery has the greatest collection of Italian painting of any U.S. museum and thus has an obligation to advance scholarship in this area. The first U.S. exhibition of paintings by Italian Renaissance master Lorenzo Lotto (c.1480 - 1556/1557) was presented at the National Gallery of Art. Lorenzo Lotto: Rediscovered Master of the Renaissance, included fifty works by this fascinating artist, whose work is not sufficiently well known in the United States. Lotto's portraits, allegories, and religious paintings, with their brilliant color and arresting details, have an idiosyncratic character not usually associated

with the Renaissance. Many of the paintings in the show were lent by churches and museums in the picturesque locations in Italy where Lotto originally worked.

The exhibition was organized by the National Gallery of Art, in association with the Accademia Carrara di Belle Arti, Bergamo, one of the premier repositories of Lotto's work. The National Gallery of Art was the only venue in the United States. After its Washington showing, the exhibition traveled to the Accademia Carrara in Bergamo, Italy, as part of that museum's 200th anniversary celebration, and to the Galeries nationales d'Exposition of the Grand Palais, Paris.

Lotto excelled in painting portraits and today he is most appreciated for their probing, psychological character. Outstanding examples shown in the exhibition included the likeness of the antiquities collector, Andrea Odoni (1527), lend by Her Majesty Queen Elizabeth II and the strikingly bold Portrait of a Lady as Lucretia (c. 1506) from London's National Gallery. These portraits of single individuals, surrounded by symbols in unusual settings, were completed by a pair of extraordinary marriage portraits from the Prado Museum, Madrid, and from the State Hermitage Museum, St. Petersburg.

Among the other masterworks included in the exhibition were the National Gallery of Art's Allegory of Virtue and Vice (1505) and Allegory of Chastity (c. 1506). These small works were reunited for the first time in almost five hundred years with Lotto's portraits from Naples and Dijon, for which they originally served as covers.

Larger-scale religious compositions included the richly colored Mystic Marriage of Saint Catherine (1523) from the Accademia Carrara, Bergamo; the sensitively painted Virgin and Child with Saints Catherine of Alexandria and Thomas (c. 1528-1530) from the Kunsthistorisches Museum, Vienna; and the visionary altarpiece of the Virgin and Child Enthroned with Saints (1521) from the Church of Santo Spirito, Bergamo. The last two works, among many others, were specifically conserved for the exhibition.

The National Gallery owns one of the great collections of French Impressionist art, which provides opportunities to reexamine and reevaluate the myriad aspects of the enormously popular movement. Degas at the Races was the first museum exhibition to examine Edgar Degas' lifelong fascination with the theme of the horse and racing subjects. -- central motifs in his art that inspired many of his most striking and innovative works. Other impressionists, such as his friend Edouard Manet, saw the racetrack as a distinctly modern form of entertainment, but for Degas, it was much more: he was captivated by the controlled nervous tension of the thoroughbred horse and the excitement of

the race, in the same way he was fascinated by the lithe agility and discipline of ballet dancers. Of all the impressionists who were seeking new ways to represent and express the modern world, only Edgar Degas was consistently attracted to painting the world of horses and the race course.

The exhibition included some 127 works, including 41 paintings and pastels, 67 drawings and prints, and 19 sculptures. Loans came from museums and private collections worldwide, including Paris and Japan. A highlight was the unique group of 16 wax sculptures of horses from the collection of Mr. and Mrs. Klaus Paul Mellon and the Virginia Museum of Fine Arts, Richmond. Believed to have been destroyed shortly after the artist's death, these works were rediscovered in 1955, but have rarely been seen together by the public. Another highlight of the exhibition was Degas' early masterpiece, The Steeplechase: The Fallen Jockey, exhibited at the Paris Salon in 1866 but in the artist's possession until his death in 1917, now also in the collection of Mr. Paul Mellon.

By a fortunate coincidence, a highly focused and illuminating exploration of several of Degas' contemporaries in Paris was also presented in the summer of 1998 at the National Gallery in the exhibition Manet, Monet, and the Gare Saint-Lazare. The works in this exhibition were all painted in the Europe District of Paris surrounding the Gare Saint-Lazare during the late nineteenth century. The newly developed neighborhood attracted young artists such as Edouard Manet, Claude Monet, and Gustave Caillebotte. Here they sketched and painted on the streets, in their studios, and in Monet's case inside the Gare Saint-Lazare itself. The great train station with its heroic iron bridges and roaring steam engines symbolized the new modern energy and positiveness of the age.

Among the fifty-eight works in the exhibition were some thirty-four paintings, including Monet's Gare Saint-Lazare, Arrival of a Train (1878) from the Fogg Art Museum Cambridge, one of the eleven paintings by Monet in the exhibition depicting the famous train station; Caillebotte's On the Pont de l'Europe, Gare Saint-Lazare (1877) from the Kimbell Art Museum, Fort Worth; and one of the National Gallery of Art's most admired yet enigmatic paintings, Manet's The Railway (Gare Saint-Lazare) (1873). Exhibited with the title The Railway at the Paris Salon in 1874, Manet's masterpiece has never ceased to intrigue critics, art historians, and lovers of great painting. The exhibition also included related drawings, prints, photographs, and period maps of the neighborhood. The exhibition was organized by the National Gallery of Art, Washington, and the Réunion des Musées Nationaux/Musée d'Orsay, Paris, where it was also shown.

The inexorable movement toward abstraction in art began, in

part, with Monet's fascination in the 1870's with the changing effects of light on the evanescent smoke of the railroad trains. Seventy-five years later, abstraction reached a highpoint of spirituality in our century with the profound meditations in paint by American artist Mark Rothko (1903-1970). The National Gallery presented in the summer of 1998 the first comprehensive American retrospective of Mark Rothko's work in twenty years. Drawing on loans from public and private collections in the United States, Europe, and Japan, it was also the first exhibition of its kind to take full advantage of the National Gallery's unique Rothko holdings, which include more than three hundred works that were donated by The Rothko Foundation in 1986.

The exhibition revealed Rothko's achievement in a body of work that represents the height of American abstraction. It featured 115 works on canvas and paper encompassing all phases of Rothko's career, from the 1930s to 1970, with an emphasis on the so-called surrealist and classic periods. Rothko's mature art is distinguished by an emphasis on pure pictorial elements such as color, surface, proportion, and scale. Through restricted formal means the artist created variations on certain formats and motifs. However, his ambition for these commanding works was an expressive one, and their impact is often described in emotional and spiritual terms, as demonstrated in the exhibition.

The exhibition A Collector's Cabinet showed that Dutch and Flemish artists excelled in creating exquisite, small paintings that were eagerly collected in the Netherlands in the seventeenth century. Of course, National Gallery visitors caught a glimpse of the phenomenon in the exhibition Johannes Vermeer two years ago; but this presentation examined the issue of taste and patronage in greater depth. Patrons of the arts at that time were not primarily princes or church leaders, but private citizens who had prospered from business and international trade. They quickly developed an insatiable appetite for paintings, graphic arts, sculpture, and decorative arts that fueled a flourishing art market. Because their residences were modest in comparison to the palaces and churches elsewhere in Europe, these middle-class collectors offered artists few opportunities for grand, decorative commissions. These collectors preferred, instead, works of art that were appropriately sized for a "collector's cabinet." This term originally designated a kind of furniture for housing small and precious objects, but eventually referred to an intimately scaled room for displaying a private collection.

This exhibition created the character of a seventeenth-century collector's cabinet, or *kunstkamer*, with an assembly of artistic and natural objects chosen for pleasure and wonder to represent the full range of human and divine creation. Galleries were densely hung with Dutch, Flemish, Italian, and German paintings. Four display cases were devoted to other types of

objects found in *kunstkamers*, such as small bronze, ivory, and wood sculptures; Dutch and Flemish commemorative medals; antique coins and medallions; rare Chinese and European decorative arts; jewelry; glass; musical and scientific instruments; and prints, drawings, and rare books. There were also exotic shells and coral of the type brought back by Dutch traders from the South Pacific and the West Indies. Most of the paintings and sculpture were from the collection of the National Gallery of Art. Other lenders included the Metropolitan Museum of Art, the Smithsonian Institution, the Library of Congress, the Walters Art Gallery, and the Philadelphia Museum of Art, as well as other museums and private collectors.

All and all, 1998 represented one of the most exciting and provocative exhibition years at the National Gallery, with more than five million visitors taking advantage of the educational programs. Fiscal year 1999 and future years promise to be equally memorable. There is probably no more beloved artist to the U.S. audience than the 19th-century Dutchman, Vincent Van Gogh (1853-1890). By good fortune and great timing, the National Gallery was approached by the Van Gogh Museum in Amsterdam to exhibit a prize selection of the artist's masterworks while the museum will be closed for renovation. Van Gogh's Van Goghs: Masterpieces from the Van Gogh Museum, Amsterdam will present seventy paintings by Vincent Van Gogh (1853-1890), the largest survey of his career outside The Netherlands in more than a quarter of a century. This unique group of paintings -- part of the artist's treasured oeuvre kept together by his brother Theo and his family -- forms an unprecedented loan from the Van Gogh Museum, home to the single greatest collection of the artist's paintings, drawings, and letters.

Van Gogh was a passionate student and collector of Japanese art. Thus, it is a remarkable opportunity that his art will be displayed in the West Building while the most comprehensive exhibition in this country of pre-modern Japanese art of the Edo period will be presented in the East Building. Japan: Art and Life in the Edo Period, 1615-1868 will be the first comprehensive survey in the United States of Japanese art of the Edo period (1615-1868). It will feature more than 250 works of art, including painted scrolls and screens, costumes and accessories, armor, sculpture, ceramics, lacquer, and woodblock prints from more than seventy Japanese collections, both private and public. Many of these works have been designated as National Treasures or Important Cultural Properties because of their rarity, historical significance, and artistic quality.

The Edo period was one of unprecedented peace and prosperity in Japan. For the first time in centuries, the country was unified under the Tokugawa shoguns, who governed from their new capital at Edo (modern Tokyo), the largest city in the world in the eighteenth century. The capital's influence on the country

at large was so profound that its name came to denote the culture of all Japan during this time. The exhibition is organized by the National Gallery of Art in collaboration with the Agency for Cultural Affairs (Bunkacho) of the Japanese Ministry of Education, and the Japan Foundation.

Exhibitions planned for future years include the most important archaeological survey of Chinese art and culture ever to leave the People's Republic of China; a first-ever exhibition in this country of the German Renaissance sculptures of Tilman Riemenschneider; an overview of France's greatest portrait painter, Jean-Auguste-Dominique Ingres (1780-1867); important retrospective exhibitions of the American painters John Singer Sargent and Mary Cassatt; a ground-breaking examination of the drawings of the important Italian artist Annibale Carracci (1560-1609); and a review of two photographers, the Frenchman Brassai and American Carleton Watkins.

Looking forward to the year 2000, the National Gallery has planned a thematically appropriate exploration of Art Nouveau 1890-1914. This exhibition will be of great fascination to the National Gallery's visitors, because it will examine the world in 1900 (and specifically the great World's Fair in Paris that year) as well as the first expansive, multinational "modern art" movement, Art Nouveau.

The Art Nouveau movement, which flourished throughout Europe and major American cities from about 1890 to the First World War, is one of the most exuberant and visually appealing of all modern art styles. From the Paris *Métropolitain* subway entrances by Hector Guimard (we hope to borrow a full-scale example) to the paintings of the young Gauguin to the intricate Celtic-revival ironwork of Louis Sullivan in Chicago and iridescent glass of Louis Comfort Tiffany in New York, Art Nouveau simultaneously expressed both the nostalgia and decadence of the end of the century (*fin-de-siècle*) and the modernism of the dawning twentieth century.

Born out of a reaction to the more academic nineteenth-century revivals of the past, the Art Nouveau movement sought to reconcile the innovations and discoveries of modern life and internationalism of the late 19th and early 20th centuries with interpretations of regionalism -- using a new vocabulary, often embracing nature, that enveloped all of the arts. It was an urban phenomenon, blossoming quite suddenly after 1890 and ending in 1914 with the onset of World War I. Art Nouveau designers and artisans attempted to create a *gesamtkunstwerk*, a total and complete decorative style, that included all of the arts, such as painting, decorative arts, architecture, and graphics, into a single, expressive whole.

The exhibition will be co-organized by the National Gallery

of Art and London's Victoria and Albert Museum, which will contribute the loan of many decorative arts from its own unrivaled collections. Other loans will come from collections throughout Europe and the United States. The exhibition will first be presented in London prior to its only presentation in the United States, at the National Gallery. According to the V & A, the exhibition will be the largest and most ambitious in their 150-year history. Art Nouveau 1890-1914 will be the most comprehensive exhibition of the style ever staged.

The exhibition will be divided into three sections: the first will introduce the style by presenting some of the major masterpieces of Art Nouveau design that were exhibited at the 1900 International Exposition in Paris; the second section will examine the design sources that Art Nouveau drew upon and interpreted; and the third will be devoted to an examination of ten cities that embraced the style, demonstrating the internationalism of the time while also displaying the unique characteristics of each locale.

While dismissing the rote repetition of past styles into nineteenth-century revivals, Art Nouveau designers looked to the past and other cultures for artistic inspiration. Some of the key sources were 18th-century Rococo; Orientalism and Japonism; English 19th-century arts and crafts and aesthetic movements; and nature and natural forms, beginning with the discoveries of Darwin. Using source objects, the second section of the exhibition will examine key elements of these various different design sources.

The third section of the exhibition will explore the artistic output of ten cities and their environs: Paris, often considered the center of the Art Nouveau movement, Brussels, Munich, Vienna, Glasgow, Turin, Helsinki, Budapest, New York, and Chicago. Although the interpretation can vary greatly -- whether the floral styles of Paris and Brussels or the more rectilinear style of Glasgow and Vienna -- the inspiration often comes from the same source.

The year 2000, the turn of the century, is the perfect time to mount the most comprehensive exploration and examination of a style that was unique to the turn of the last century. While cities or the designs of specific artisan/designers, this exhibition will be first to look at the movement as a whole. The exhibition will be accompanied by an extensive scholarly catalogue written by an outstanding list of twenty international experts.

Major loan exhibitions have been directly responsible not only for the significant rise in the number of visitors to the National Gallery of Art in recent years, but also, through our Extension Service, for making educational materials based on the

exhibitions available at no charge to classrooms throughout the nation. In a previous survey of 1,500 visitors to the National Gallery, all fifty states and fifty-five foreign countries were represented. When attracted by the magnetism of special exhibition programs, visitors to the National Gallery also take advantage of the opportunity to enjoy and study the Gallery's permanent collections.

Federal contributions to the National Gallery's special exhibitions program have a multiplier effect, because other museums in this country often look to the Gallery in the first instance to organize major travelling exhibitions. Thus, the federal contribution is leveraged when monies are raised locally by subsequent exhibitors. The high standards of the National Gallery's exhibition organizations and design have become a benchmark for other museums in this country and abroad, and museum professionals use the Gallery's staff as a resource in such diverse areas as installation design, automated financial reporting, publications, insurance and contracts. This national resource, a spin-off of our exhibitions program, makes special demand of the Gallery's staff and limited budget.

Major exhibitions that do not travel, like Vermeer and Olmec, draw audiences to the capital city in large numbers from across the country.

The National Gallery frequently plans its exhibitions and makes budget estimates more than four or five years in advance. Because of the long lead time, the estimates are based on many factors which are subject to change: the Gallery may add an exhibition in order to take advantage of diplomatic initiative or new scholarship; values of works of art (and thus insurance costs) have increased in recent years as the result of widely reported sales or auctions of related works; values of art for insurance purposes may change with international currency fluctuations; insurance rates may increase due to the high incidence of natural disasters in any given year; international or U.S. museums may share in an exhibition organized by the National Gallery, affecting prorating of costs; and transportation costs have been highly variable over the past decade and will undoubtedly continue to react to market and regulatory conditions. In summary, while a great effort is made to create and predict budgets for the twelve to fifteen exhibitions held at the National Gallery each year, those budgets are subject to continuous change and adjustment.

Three schedules are included on subsequent pages as follows:

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NATIONAL GALLERY OF ART
SUMMARY OF SPECIAL EXHIBITION FUNDING SOURCES
FOR THE FISCAL YEARS 1983 THROUGH 2000
(\$ in 000's)

	<u>FUNDING</u>			<u>PERCENT OF FUNDING</u>	
	<u>FEDERAL</u>	<u>NONFEDERAL</u>	<u>TOTAL</u>	<u>FEDERAL</u>	<u>NONFEDERAL</u>
1983 Actual	\$1,355	\$1,703	\$3,058	44%	56%
1984 Actual	1,323	937	2,260	59	41
1985 Actual	1,177	1,034	2,211	53	47
1986 Actual	3,373	4,817	8,190	41	59
1987 Actual	2,108	3,517	5,625	37	63
1988 Actual	1,597	4,313	5,910	37	63
1989 Actual	3,241	5,877	9,118	36	64
1990 Actual	2,412	6,114	8,526	28	72
1991 Actual	2,929	4,957	7,886	37	63
1992 Actual	5,671	6,030	11,701	52	48
1993 Actual	1,953	3,552	5,505	35	65
1994 Actual	2,692	1,997	4,689	57	43
1995 Actual	2,946	3,318	6,264	47	53
1996 Actual	3,176	3,963	7,139	44	56
1997 Actual	3,439	3,649	7,088	49	51
1998 Actual	3,748	3,225	6,973	54	46
1999 Estimate	4,428	8,222	12,650	35	65
2000 Estimate	3,401	4,157	7,558	45	55

Note: Percentages of federal and nonfederal funding in 1999 and 2000 are dependent upon the amount of funds the Gallery is able to raise from the private sector.

<u>Federal Appropriation</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>2000 Over/</u>
<u>Special Exhibition Funding</u>			<u>(Under) 1999</u>
Normal exhibition program	\$3,026,000	\$3,026,000	--

01/04/99

NATIONAL GALLERY OF ART
SPECIAL EXHIBITION SCHEDULE
PRELIMINARY ESTIMATE FOR EXHIBITIONS OPENING IN FY 2000

<u>DATE</u>	<u>SPECIAL EXHIBITION</u>	<u>LOCATION</u>	<u>TOTAL</u>
10/99-01/00	Tilman Riemenschneider	WB	\$574,000
10/99-01/00	German Renaissance Drawings	WB	325,000
10/99-01/00	Brassai Photographs	EB	196,000
02/00-05/00	Martin Johnson Heade	EB	305,000
02/00-05/00	Carleton Watkins	WB	197,000
03/00-06/00	Ebsworth Collection	EB	383,000
05/00-10/00	Baroque Architecture	EB	1,100,000
05/00-07/00	Raphael Drawings	EB	183,000
05/00-08/00	Impressionists at Argenteuil	WB	583,000
04/00-08/00	Gerrit Dou	WB	212,000
09/00-01/01	Art Nouveau		2,500,000
	Special Exhibition Department Costs		600,000
	All other		<u>400,000</u>
	TOTAL		<u>\$7,558,000</u>

01/04/99

4-17

NATIONAL GALLERY OF ART
SPECIAL EXHIBITION SCHEDULE
PRELIMINARY ESTIMATE FOR EXHIBITIONS OPENING IN FY 1999

<u>DATE</u>	<u>SPECIAL EXHIBITION</u>	<u>LOCATION</u>	<u>TOTAL</u>
10/98-01/99	Van Gogh	EB	\$3,547,000
10/98-01/99	Bernini's Rome	WB	277,000
10/98-01/99	Whitney Gift	EB	49,000
11/98-01/99	The Housebook Master	EB	265,000
11/98-02/99	Art of Edo Japan	EB	2,462,000
01/99-05/99	Flowers in Northern Art	WB	80,000
01/99-05/99	Horowitz Collection	WB	230,000
02/99-07/99	John Singer Sargent	EB	725,000
04/99-07/99	Photographys from NGA	EB	73,000
05/99-08/99	Portraits by Ingres	EB	549,000
06/99-09/99	Mary Cassatt	EB	420,000
09/99-01/00	Chinese Archaeology	EB	2,225,000
09/99-01/00	Annibale Carracci Drawings	WB	748,000
	Special Exhibition Department Costs		600,000
	All Other		<u>400,000</u>
	TOTAL		<u>\$12,650,000</u>

01/04/99

FUNCTION B
OPERATION AND MAINTENANCE OF BUILDINGS AND GROUNDS

Introduction

This function comprises the responsibility for the operation and maintenance of all Gallery structures and surrounding grounds. The staff operates and maintains: approximately 1,184,000 square feet of floor space; approximately 443,000 square feet of landscaped grounds; 70,900 square feet of glass rails and window walls; 1,100 electrical motors; 16,800 light fixtures; 67 restrooms with 550 plumbing fixtures; 213 ventilation systems; 33 conveying systems (elevators, escalators and moving walkways) and the various electrical systems within the building. In addition, this staff maintains all outside grounds and all horticultural and planting arrangements in both buildings. All operating systems are covered 24 hours a day every calendar day of the year. All building spaces are cleaned and maintained daily throughout the year, and the grounds are maintained throughout the year. Preventive maintenance is given to all equipment. Daily maintenance and care of the buildings and grounds are essential to ensure public safety.

Included in this function is the program for repair, renovation and restoration of the Gallery's buildings. Please refer to Table 5A--Repair, Restoration and Renovation of Buildings--for a discussion of this program.

A total of 166 full-time permanent positions have been established for the operation and maintenance of the buildings and grounds. For FY 2000 the overall ceiling limitation requested of OMB results in an estimated 159 full-time equivalent (FTE) employment for this function.

FY 2000 Request

A total of \$19,937,000 is requested in FY 2000 for the operation and maintenance of the National Gallery of Art. This request represents an increase of \$797,000 above the FY 1999 budget for this function. The comparative budgets for FY 1999 and FY 2000 are displayed in the following table:

NATIONAL GALLERY OF ART
FISCAL YEAR 2000 BUDGET
SUMMARY OF INCREASES AND (DECREASES)
OPERATIONS AND MAINTENANCE
FUNCTION B

<u>OBJECT CLASS</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000 Over/(Under) FY 1999</u>
Personnel Compensation....	\$ 6,289,000	\$ 6,655,000	\$ 366,000
Personnel Benefits.....	<u>1,303,000</u>	<u>1,386,000</u>	<u>83,000</u>
Subtotal Compensation and Benefits.....	7,592,000	8,041,000	449,000
Travel of Persons.....	8,000	8,000	-
Transportation of Things..	3,000	3,000	-
Rent, Communications & Utilities.....	3,664,000	3,978,000	314,000
Printing & Reproduction...	-	-	-
Other Services.....	675,000	690,000	15,000
Supplies & Materials.....	742,000	758,000	16,000
Equipment.....	145,000	148,000	3,000
Land & Structures.....	<u>-</u>	<u>-</u>	<u>-</u>
Salaries and Expenses..	12,829,000	13,626,000	797,000
Repairs, Restoration and Renovation.....	<u>6,311,000</u>	<u>6,311,000</u>	<u>-</u>
Total.....	<u>\$19,140,000</u>	<u>\$19,937,000</u>	<u>\$ 797,000</u>

01/26/99

1. Personnel Compensation and Benefits--Increase of \$449,000.

This increase will be applied as follows:

<u>Item</u>	<u>Amount</u>
3/4 year funding of proposed 4.4% general pay raise in January 1998.....	\$ 237,000
Mandatory within-grade promotions and wage board step increases.....	92,000
Annualization of 3.68% FY 1999 general pay raise	89,000
Increased cost of Federal Employees Retirement Systems (FERS).....	16,000
Estimated cost of health benefits increase effective January 1999 based on an average of 5%.....	<u>15,000</u>
Totals.....	<u>\$ 449,000</u>

2. Rent, Communications, and Utilities--Increase of \$314,000.

A total of \$3,978,000 is requested for utilities in FY 2000, an increase of \$314,000 over FY 1999. A summary of specific rent, communications and utilities needed under Operations and Maintenance follows:

<u>OBJECT CLASS</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000 Over/ (Under) FY 1999</u>
Utilities:			
Steam.....	\$1,250,000	\$1,250,000	\$ -
Electric.....	2,092,000	2,092,000	-
Water and Sewer....	266,000	580,000	314,000
Sculpture Garden....	<u>56,000</u>	<u>56,000</u>	-
Total.....	<u>\$3,664,000</u>	<u>\$3,978,000</u>	<u>\$ 314,000</u>

Water and sewer costs will increase by \$314,000 in FY 2000 due to both a 50% rate increase and underbilling by Treasury in prior years.

3. Other Services--Increase of \$15,000.

Other Services will require an increase of \$61,000 in FY 2000. A summary of specific services needed under Operations and Maintenance follows:

<u>Description</u>	<u>FY 1999</u>	<u>FY 2000</u>	FY 2000
			Over/ (Under) <u>FY 1999</u>
Personal Property			
Repair (Equipment)....	\$ 62,000	\$ 62,000	-\$ -
Real Property			
Repair and			
Maintenance.....	583,000	583,000	-
All Other.....	30,000	30,000	-
2.2% Inflation			
Adjustment.....	-	15,000	15,000
Total.....	<u>\$ 675,000</u>	<u>\$ 690,000</u>	<u>\$ 15,000</u>

A \$15,000 increase is required to cover a 2.2% economic assumption inflation adjustment. This will help prevent further erosion of purchasing power for services such as: skylight and window glass replacement; sewer/sewage maintenance; chilled and condenser water valve replacement; and other preventive maintenance expenses. As our facilities grow older, additional funding is necessary to cover increased costs of contractor services.

4. Supplies and Materials--Increase of \$16,000.

A total of \$758,000 is requested for Supplies and Materials, an increase of \$16,000 above the FY 1999 budget level. A summary of specific supplies needed under Operations and Maintenance follows:

<u>Description</u>	<u>FY 1999</u>	<u>FY 2000</u>	FY 2000
			Over/ (Under) <u>FY 1999</u>
Building Operations.....	\$ 192,000	\$ 192,000	\$ -
Grounds Maintenance.....	41,000	41,000	-
Repair of Buildings and			
Fixed Equipment.....	476,000	476,000	-
All Other.....	33,000	33,000	-
2.2% Inflation Adjustment	-	16,000	16,000
Total.....	<u>\$ 742,000</u>	<u>\$ 758,000</u>	<u>\$ 16,000</u>

\$16,000 reflects a 2.2% economic assumption inflation adjustment. This will help prevent further erosion of purchasing power for supplies such as: skylight and window glass replacement; R-12 refrigerant; water valves; East Building scrim; and marble/terrazo floor refinishing.

5. Equipment -- Increase of \$3,000.

An increase of \$3,000 is required for Equipment in FY 2000. The \$3,000 reflects a 2.2% economic assumption inflation

adjustment. This will help prevent the erosion of purchasing power for equipment such as: replacement chairs used for temporary seatings at events and meetings, maintenance and cleaning equipment, tools, etc.

6. Repair, Restoration and Renovation--No increase.

A total of \$6,311,000 is requested in FY 2000 for the Gallery's Repair, Restoration, and Renovation of Buildings account, no increase above the FY 1999 level.

Included in this requested amount is continued funding for two major critical projects: \$750,000 for a fire protection system for art storage rooms and gallery spaces in both the East and West Buildings, and \$2,500,000 for the structural/exterior repairs and restoration of the buildings as defined by the recent Master Facilities Plan. In addition, \$1,491,000 is included to initiate another major multi-year project: interior mechanical/electrical equipment replacement. The remaining \$1,570,000 is for other ongoing renovation projects which includes multi-year projects such as: asbestos abatement, Americans with Disabilities Act building modifications, and insulation of gallery walls in the West Building. Please refer to Tab 5A for a full discussion of this program including our Master Facilities Plan.

THE NATIONAL GALLERY OF ART
BUDGET OF ELECTRIC USAGE
FOR THE FISCAL YEAR 1993-1998

Description	1993 Actual	1994 Actual	1995 Actual	1996 Actual	1997 Actual	1998 Actual	1999 Budget	2000 Estimate	Estimated 2000 Increase
Total Cost (\$000's).....	\$ 1,652	\$ 1,867	\$ 1,849	\$ 1,892	\$ 1,906	\$ 2,028	\$ 2,092	\$ 2,092	-
Annual increase/(decrease) vs. prior year.....	-	11%	(1.0%)	2.3%	.7%	6.4%	3.4%	-	-
Cumulative increase/ (decrease) vs. FY 1993.	-	13%	11.9%	14.5%	15.4%	22.7%	26.7%	26.7%	-
Usage (in 1,000 K.W.H.)..	27,232	28,044	27,458	27,482	28,704	30,168	31,100	31,100	-
Annual increase/(decrease) vs. prior year.....	-	2.9%	(2.1%)	.1%	4.4%	5.1%	3.1%	-	-
Cumulative annual rate of decrease below FY 1993.	-	2.9%	.8%	.9%	5.4%	10.8%	14.2%	14.2%	-
Rate (Cost per 1,000 K.W.H.) \$.06066	\$.06657	\$.06734	\$.06895	\$.06885	\$.06640	\$.06722	\$.06722	\$.06722	-
Annual increase/(decrease) vs. prior year.....	-	9.7%	1.2%	2.2%	(3.6%)	1.2%	-	-	-
Cumulative annual rate of increase above FY 1993.	-	9.7%	11.0%	13.5%	9.5%	10.8%	10.8%	10.8%	-

THE NATIONAL GALLERY OF ART
ANNUAL REPORT
FOR THE FISCAL YEARS 1997-2000

Description	1993 Actual	1994 Actual	1995 Actual	1996 Actual	1997 Actual	1998 Actual	1999 Budget	2000 Estimate	Estimated 2000 Increase
Total Cost (\$1000's).....	\$ 1,415	\$ 1,570	\$ 1,330	\$ 1,577	\$ 1,539	\$ 1,250	\$ 1,250	\$ 1,250	-
Annual increase/(decrease) vs. prior year.....	-	11.0%	(15.3%)	18.6%	(2.4%)	(18.8%)	-	-	-
Cumulative annual rate of increase above FY 1993.	-	11.0%	(6.0%)	11.4%	8.8%	(11.7%)	(11.7%)	(11.7%)	-
Usage (in 1,000 lbs.)....	90,415	104,996	88,963	105,495	102,943	83,589	83,600	83,600	-
Annual increase/(decrease) vs. prior year.....	-	16.1%	(15.3%)	18.6%	(2.4%)	(18.8%)	-	-	-
Cumulative annual rate of increase above FY 1991.	-	16.1%	(1.6%)	16.7%	13.9%	(7.5%)	(7.5%)	(7.5%)	-
Rate (Cost per 1,000 lbs.)	\$15.65	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	\$14.95	-
Annual increase/(decrease) vs. prior year.....	-	(4.5%)	-	-	-	-	-	-	-
Cumulative annual rate of decrease below FY 1991.	-	(4.5%)	(4.5%)	(4.5%)	(4.5%)	(4.5%)	(4.5%)	(4.5%)	-

NATIONAL GALLERY OF ARTRepair, Restoration and Renovation of BuildingsBackground

The National Gallery of Art consists of two buildings and a sculpture garden in progress. The West Building of the National Gallery, designed by John Russell Pope and funded as a gift to the nation by Andrew W. Mellon, with 530,000 square feet of interior space, was opened to the general public on March 17, 1941. On June 1, 1978, Paul Mellon conveyed to the nation the East Building, a gift from Mr. Mellon and his sister Ailsa Mellon Bruce. The East Building, including a 154,000 square feet connecting link with the West Building, was designed by I.M. Pei.

The National Gallery of Art buildings are themselves national monuments. The John Russell Pope design of the West Building is generally regarded as one of the most beautiful examples of the Beaux Arts style and a superb setting for our national heritage of old master art. I.M. Pei's design of the East Building is widely acclaimed for both its aesthetic quality and its ability to accommodate exhibitions and Gallery programs and has provided inspiration for other museums, most recently the National Gallery of Canada and the Louvre in Paris. The West Building had its 55th anniversary in 1996; the East Building celebrated its 20th anniversary in 1998. With age comes the risk of an impending failure or major breakdown of building systems. To keep the Gallery buildings functioning efficiently, securely, and safely, and to ensure that they continue to serve as examples of the high aesthetic standard that is so fundamental to the National Gallery of Art's mission, a major renovation and restoration will be necessary over the next 10 to 12 years.

In 1991 the National Capital Planning Commission approved the transfer of jurisdiction over what is now the Sculpture Garden site, located between Seventh and Ninth Streets along Constitution Avenue, from the National Park Service to the National Gallery of Art. Presently, construction is underway on the Sculpture Garden, using funds donated by a private foundation.

Repair, Restoration and Renovation Program Overview**I. Major Critical Projects**

Certain repair, restoration and renovation projects are of great importance to the Gallery's ability to fulfill its mission. These projects are critical to the preservation and safety of the collections and the safety of the visiting public and Gallery staff.

The following are the three major critical projects that are now being completed:

- A. West Building Skylights
- B. Fire Protection System
- C. Building Automation System

The West Building Skylights, Fire Protection System, and Building Automation System are being completed with funds appropriated through FY 1999. Further funding is requested for FY 2000 and projected for FY 2001 to complete the current Fire Protection System Major Critical Project.

Two other significant groups of renovation projects, "Structural/Exterior Repairs and Restoration," and "Interior Mechanical/Electrical Equipment Replacements" included under the Major Critical Projects category in previous budget submissions are now included under the newly established category entitled "Master Facilities Plan Projects." This new category recognizes the importance of our efforts to ensure needed repairs, replacements, and improvements are made to the exteriors and interiors of both the West and East Buildings.

II. Master Facilities Plan Projects

A comprehensive Master Facilities Plan was recently completed. It indicates that \$132 million over a 10- to 12-year period will be required for identified high priority needs. An Executive Summary of this plan is available for review.

Annual appropriations have enabled the Gallery to keep the buildings and engineered systems in a fully serviceable condition. Despite careful preventive maintenance, components age through their expected life cycles. The need for major repairs or replacements occurs on an irregular basis during this aging process. With proper planning and inspection programs we believe we can manage the process by phasing major repairs and replacements around our operations to minimize the impact on visitors and programs. An aggressive program of replacement and upgrades must begin before continued deferral requires more complex and expensive corrective actions.

To recognize the importance of a planned, comprehensive program of building and system repairs and replacements, a new repair, restoration and renovation category entitled, "Master Facilities Plan Projects" has been established.

This new category contains the following three groups of projects:

- A. Structural/Exterior Repairs and Restoration
- B. Interior Mechanical/Electrical Equipment Replacements
- C. Life Safety and Security

The "Structural/Exterior Repairs and Restoration" group combines several repair projects included, but not funded, in previous budgets as well as additional repairs cited in surveys completed in 1994 and 1998. These projects are necessary to avert potential damage that could occur to the two National Gallery of Art buildings should the repairs not be properly addressed in a timely fashion. Planning and design work for "Structural/Exterior Repairs and Restoration" began during FY 1997 and will continue into FY 1999. The total projected cost for this work is \$30 million.

"Interior Mechanical/Electrical Equipment Replacements," addresses the need to replace aged interior equipment and systems throughout the two Gallery buildings. Funding estimates based on the FY 1998 master plan survey indicate that an amount of \$64 million will be necessary over a 10- to 12-year period to replace mechanical/electrical systems components, some of which are original to the 57-year old West Building.

The "Life Safety and Security" projects continue the fire protection system upgrade and replacement efforts begun under the major critical projects category during Fiscal Year 1994 and are extended to fully implement required life safety code provisions. These projects also address the implementation of recommended security upgrades to ensure adequate protection of Gallery visitors and collections. A total of \$38 million over 10 to 12 years will complete this effort. No monies are requested in FY 2000.

II. Ongoing Renovation Projects

Normal wear and tear on the Gallery's buildings require routine expenditures to replace worn equipment and to make necessary repairs.

The Gallery's Ongoing Renovation Projects anticipated for FY 2000 fall into four categories:

- A. Environmental Compliance: Improvement of the work environment for Gallery employees by continued removal and/or encapsulation of asbestos and lead paint,

upgrading of fumigation systems, replacement of compressor refrigerants (CFCs), and other measures to ensure adherence to indoor air quality standards.

- B. Energy Management: Continuation of a comprehensive energy management program to upgrade ventilation systems and climate controls to protect works of art and to reduce energy usage and costs.
- C. Access, Safety, and Building Repairs: Repair and replacement of capital equipment and building components and compliance with accessibility legislation and safety regulations.
- D. Alteration/Renovation: Reconfiguration to accommodate departmental operations and better utilize existing space.

Estimated Funding Breakdown for Renovation Program FY 1998 through FY 2000

The estimated funding breakdown for the Gallery's renovation efforts for the fiscal years 1998, 1999, and 2000 is detailed in the chart on the following page.

	1998 <u>Actual</u>	1999 <u>Estimate</u>	2000 <u>Estimate</u>
Carried Forward	\$ 698,995	\$ 1,508,348	\$ 133,348
<u>Budget (Approved/Pending)</u>			
I. Major Critical Projects			
A. West Building Skylights	4,500,000	2,611,000	-
B. Fire Protection System	750,000	800,000	750,000
C. Building Automation System	-	-	-
Subtotal	5,250,000	3,411,000	750,000
II. Master Facilities Plan Projects			
A. Structural/Exterior Repairs & Restoration	-	2,000,000	2,500,000
B. Interior Mechanical/Electrical Equipment Replacement	250,000	-	1,491,000
C. Life Safety & Security	-	-	-
Subtotal	250,000	2,000,000	3,991,000
III. Ongoing Renovation	<u>692,000</u>	<u>900,000</u>	<u>1,570,000</u>
Budget Approved/ Pending	<u>\$ 6,192,000</u>	<u>\$ 6,311,000</u>	<u>\$ 6,311,000</u>
TOTAL FUNDS AVAILABLE	<u>\$ 6,890,995</u>	<u>\$ 7,819,348</u>	<u>\$ 6,444,348</u>

Obligations (Actual/Est.)*

I. Major Critical Projects

A. West Building Skylights*	\$ 3,471,095	\$ 1,090,000	\$ -
B. Fire Protection System	719,735	800,000	750,000
C. Building Automation System**	-	-	-
Subtotal	\$ 4,190,830	\$ 1,890,000	\$ 750,000

II. Master Facilities Plan Projects

A. Structural/Exterior Repairs & Restoration	\$ -	\$ 2,000,000	\$ 2,500,000
B. Interior Mechanical/Electrical Equipment Replacements*	191,604	1,475,000	1,491,000
C. Life Safety & Security	-	-	-
Subtotal	191,604	3,475,000	3,991,000

III. Ongoing Renovation*

A. Environmental Compliance	31,140	50,000	100,000
B. Energy Management	80,197	2,000	115,000
C. Access, Safety & Building Repairs	779,286	1,032,000	647,000
D. Alteration/Renovation	113,894	1,237,000	750,000
Subtotal	<u>1,004,517</u>	<u>2,321,000</u>	<u>1,612,000</u>
TOTAL OBLIGATIONS	\$ 5,386,951	\$ 7,686,000	\$ 6,353,000
PRIOR YEAR RECOVERY	<u>(4,304)</u>	-	-
BALANCE, END OF YEAR	<u>\$ 1,508,348</u>	<u>\$ 133,348</u>	<u>\$ 91,348</u>

Repair, Restoration and Renovation Program Detailed Summaries

I. MAJOR CRITICAL PROJECTS DETAILED SUMMARY

These projects, begun in prior years, are important to the Gallery's ability to fulfill its basic mission. A description of each project, along with the work completed

*FY 1999 obligations reflect a requested reprogramming of \$2.6 million of FY 1999 West Building Skylight funds savings to advance the design work detailed in the newly completed Master Facilities Plan (\$1,475,000) and to complete certain priority Ongoing Renovation projects (\$1,125,000).

**FY 1998 actual obligations were \$337,615, all of which were made available from a \$2,000,000 grant from the Department of Energy's Federal Efficiency Fund. The remaining balance of \$358,580 will be obligated by mid-FY 1999.

in FY 1998 or proposed through FY 2000, follows. Funding for the Fire Protection System Project will be needed through FY 2001. The skylight project and Building Automation System are fully funded.

A. West Building Skylights

The main floor of the West Building of the National Gallery of Art houses the nation's collections of paintings from the greatest masters of the last 500 years. In more than 90 galleries, the natural light from the skylight system above increases the visitors' enjoyment of these paintings.

The skylight system over the West Building of the National Gallery (with an area of approximately 3 acres) was original to the building and over 57 years old. Replacement of the single layer of glass with energy conserving multi-layer glass was necessary to eliminate water leaks and control the transmission of harmful ultraviolet light. It was also possible to reduce the Gallery's energy consumption.

This project included replacement of the skylight glazing and frame and the surrounding areas of roofing, plus repairs to flashing and masonry taking into account related fire and life safety improvements.

Prior to initiating this project, investigation of existing conditions revealed that the original West Building skylights were glazed with materials containing asbestos and the entire metal structure supporting the roof and skylights and laylight frames were coated with lead-based paint. Thus, this project has included mandatory removal and abatement of these hazardous materials in conjunction with installation of the new skylights.

The projected overall cost for the project, including fees, art relocation and other related Gallery expenses, is now estimated at \$16.7 million dollars. The work is being completed in five phases with each of the first four phases requiring removal of art and closing approximately one-fourth of the West Building Main Floor galleries during work on that phase. Expenses include the fee for an experienced contract project manager to coordinate the project and review the work.

FY 1999 Objective

The West Building Skylight Project will be completed in FY 1999, and we anticipate savings of \$2.6 million on this project. Our request reflects a reprogramming of the \$2.6 million: \$1.475 million for the Master Facilities Plan group "Interior Mechanical/Electrical Equipment Replacements"; and \$1.125 million for certain Ongoing Renovation Projects, including Photographic Collection Storeroom and the East Building Ground Floor Galleries, relocating steam reheat coils over an art storage area, and enhancing Conservation Lab lighting.

B. Fire Protection System

The Gallery's fire protection system, while workable, was deemed obsolete and inadequate in a comprehensive fire protection survey completed by the Gallery in early FY 1994. The installation of up-to-date protection systems was recommended.

Accordingly, under the Major Critical Projects category, a total of \$5.3 million will have been appropriated or requested through FY 2001 to address the most critical aspects of the survey recommendations. Those remaining findings not completed within the Major Critical Fire Protection System project will be accommodated within the Life Safety and Security projects of the new Master Facilities Plan Projects category.

Fire is one of the greatest risks to the Gallery's staff, visitors, and collections. Smoke detectors alone may not provide an adequate safeguard, yet, in the past, concerns over the risk of water damage to art kept museums from using sprinklers in their galleries. In recent years, the technology of sprinkler systems has developed to the point at which this risk essentially can be eliminated. Most of the Gallery's 22 art storerooms are protected with halon fire suppression systems. The fire control panels for the halon systems had become obsolete and needed to be replaced, even though the current regulations do not require that halon be replaced immediately.

A major focus of the FY 1994 fire protection survey was the application of sprinkler technology to Gallery facilities. Funding for this purpose allowed the initial work to commence with installation of sprinkler mains in the West Building. Some upgrades and expansion of the sprinkler system in select locations within the West Building and upgrades to the existing fire

sprinkler and standpipe system in the Connecting Link and the East Building were also undertaken.

FY 1998 Accomplishments

Work is near completion on the installation of additional detection equipment in the East Building, Connecting Link, and West Building, the installation of fire suppression systems in three art storerooms and replacement of one obsolete halon control panel, and the installation of new fire suppression systems for four art storerooms. A fire risk analysis has been completed on the remaining art storerooms and the art conservation laboratories. Design work is being completed and a contract will be awarded for the replacement of the obsolete halon fire suppression systems serving certain art storerooms, and the installation of a building-wide fire alarm evacuation system.

FY 1999 Objectives

Funding approved for FY 1999 will permit the installation of sprinkler feed mains and the connection of existing sprinklers and standpipes in the West Building basement and ground floor fire egress routes, as well as fire suppression for the hazardous materials containment collection center in the Concourse Level of the Connecting Link.

FY 2000 Objectives

Funding requested for FY 2000 will permit the installation of fire suppression systems in the West Building Art Conservation Paper Laboratory and the Art Photo Laboratory, the replacement of the obsolete halon control panels and fire suppression systems in additional art storerooms, and the installation of fire sprinklers and fire standpipes in the Connecting Link and East Building egress routes.

FY 2001 Objectives

The Gallery will request a final installment of the overall \$5.3 million funding level identified for completion of the Fire Protection System project in FY 2001 to replace the halon suppression systems and obsolete control panels in the remaining West Building art storerooms.

C. Building Automation System

The National Gallery of Art requires strict control of the temperature and relative humidity within gallery spaces to prevent damage to the collection. Even a brief loss of control can cause irreparable harm. The Gallery decided several years ago that the preservation of the collection is best served by installing a centrally-controlled, and separately monitored, computer-based, building automation system.

As a building energy conservation tool, the BAS software will facilitate the implementation of control strategies making optimal use of fresh air when outside temperature and humidity conditions permit. This makes possible precisely timed start/stop cycles of the equipment and allows occupancy-based scheduling of system changes for office areas. In addition, the BAS will be used to control the lighting systems and miscellaneous auxiliary equipment, thus further reducing electrical expenditures.

The implementation of this system has several key aspects, all of which are nearly complete: installation of small, wall-mounted electronic temperature and humidity sensors in each gallery and all exhibit areas of the West Building; installation of similar items in the East Building; and a computer monitor installed in the conservation office which displays actual conditions of all galleries.

The system will allow the operating, conservation, security and curatorial staff to easily review data for any period of time in any gallery.

The system will provide automatic temperature controls for all existing air handlers. This consists of recalibrating the existing pneumatic controls and connecting them to the BAS. New, state-of-the-art, stand-alone, direct digital control (DDC) systems are being installed to control the individual air handlers. This allows individual units to go off-line without disabling the entire control system. The DDC systems are connected to a central computer, via the existing NGA Local Area Network to provide operator access from a central point to each DDC system.

FY 1999 Objectives

Completion of the Gallery's new automation/energy management system is expected by mid-FY 1999 and is

being made possible as a result of funding made available through direct appropriation and a special \$2 million Energy Efficiency grant from the Department of Energy.

II. MASTER FACILITIES PLAN PROJECTS DETAILED SUMMARY

A comprehensive Master Facilities Plan was recently completed for the Gallery by an architectural/engineering firm with participation by Gallery staff. This plan indicates that a minimum of \$132 million over a 10-12 year period would be required to ensure that the Gallery's buildings and engineered systems are repaired and replaced on a cycle that provides optimum operational effectiveness and efficiency. An Executive Summary of this plan is available for review.

A. Structural/Exterior Repairs and Restoration

As part of the Master Facilities Plan, a comprehensive assessment of the building envelope for the East Building, West Building and the Plaza above the Connecting Link was conducted in FY 1997 and 1998. Required repair and restoration for the facades, roofs, and plaza/terraces of both structures is estimated at no less than \$30 million.

For the West Building, the skylight project resulted in a state of the art glass roofing system. Stone is the next major Exterior component requiring attention. This initial work includes the mall steps with associated terraces, and the marble facade. Moat walls, porticoes, and expansion joints also require attention and critical work includes repairs to cracked or displaced stone, and partial repointing and sealing of joints needed to restore the integrity of the envelope.

In order to address all repair work comprehensively, the scope for the West Building Mall Steps Project has been expanded to include the adjacent terraces. Further structural investigations (removing small portions of the steps and conducting probes on the concrete substructure) will determine whether it is sound enough to allow reinforcement or whether it will need to be demolished and replaced. In either case, water infiltration must be prevented both to protect the structure below and to avoid further damage to the marble finish. Repair work will include waterproofing the structure below, resetting the stone steps and resolving settlement problems at the stone terraces.

At the East Building, Exterior work includes replacement of the large flat roofs, repair and replacement of skylights including the main atrium skylight, repairs to the curtain wall and other glazing. Work on the pod roofs has been accomplished through ongoing renovation work to eliminate the most immediate water seepage problems. However, the skylights and flashings on these small roofs need to be addressed. In addition, glazing gaskets have failed on components of the main atrium skylight and window wall. Leaks and interior condensation have resulted. The current assessment recommends reglazing to improve the performance of this key element of the building envelope.

The Connecting Link's roof is the Fourth Street plaza. This area requires repairs to garage walls and resolution of active leaks at expansion joints between this link structure and the West Building. Preventive work on the concourse skylights (the Crystals as they are called) was completed in FY 1998.

FY 1999 Objectives

The \$2 million approved in FY 1999 will be utilized to complete the investigation and design of both the West Building Mall Steps and the adjacent terraces, and begin work on their repair.

FY 2000 and Forward Objectives

Funding in FY 2000 will allow for completion of the Mall Steps repair project. Although the majority of funds will be required to address the steps, settlement of the stone slabs on adjacent terraces will also be repaired. In addition to the \$2 million available in FY 1999, \$5 million is requested to complete this project, assuming the condition of the substructure is not completely deteriorated. The West Building façade repairs will begin in FY 2000 and \$.8 million is requested for this work. The West Building façade project will address stone and portico repairs and the most critical repointing of masonry joints. In addition, funding of \$1.2 million is required to initiate design of repairs for the Connecting Link and plaza expansion joints and to begin the garage wall structural repairs. Both of these projects continue in FY 2001. The total request for the three FY 2000 projects is \$2.5 million.

In addition to the continuation of projects listed above, the East Building flat roof repairs and associated replacement of small skylights is planned for

FY 2001. A preliminary estimate for this work is \$1.8 million. The East Building main atrium skylight and curtain wall repairs will be undertaken in future years. Design funding will be needed in advance of construction funding to have adequate time to prepare bid documents and to accurately develop project scopes in accordance with budget limitations. This work has an impact on occupied areas of the buildings and will be carefully phased in conjunction with other Master Facilities Plan work.

B. Interior Mechanical/Electrical Equipment Replacement

The proper functioning of the mechanical/electrical and associated building utilities systems in the Gallery's two buildings is crucial to the well being of staff and visitors. However, the biggest demand placed on the systems in terms of performance is from the priceless and irreplaceable art treasures entrusted to our care. Systems must provide a stable environment for the collections, 24 hours a day, 365 days a year. Fluctuations in temperature and humidity cannot be tolerated. The Building Automation System has helped control our systems, but at the same time has made the necessity for new systems more evident.

Some system components have been replaced since originally installed 57 years ago when the West Building opened, but the majority of the West Building plumbing, electrical, and steam systems are original. A vast air handling system comprised of nearly 50 air handling units which condition, filter and humidify the air is supplied by a central chiller plant located in the West Building. Chillers range in age from 15 to 22 years, and the refrigerants in these machines are being phased out. A replacement or refurbishment of the five chillers is called for. In addition, the source of condenser water is the Tidal Basin. The poor quality of this water takes its toll on the efficiency at which these machines perform. Improvement of filters and screens for the condenser water are intended to address this problem.

To properly safeguard our collection, water damage of any type must be avoided. Highly corrosive steam running through aging pipes requires continual replacement of reheat coils, condensate drains, and the associated valves, traps, and piping. These repairs are made on an emergency basis when failures occur. A total replacement of our West Building steam system in

conjunction with a feasibility analysis of a new, on-site heating source has been recommended.

Likewise, plumbing failures have occurred with more frequency as this system also exceeds its useful life. In the West Building, original electrical wiring with flammable fabric insulation presents a fire and life safety hazard and replacement is called for. The main electrical service equipment and transformers need replacement.

Air handling units in all buildings need to be upgraded to replace corroded components and ensure reliable performance. In addition, the East building ductwork lining needs to be addressed as do other air distribution components. The East Building main electrical service equipment needs to be replaced. The emergency power system requires work.

Based on an assessment of these systems conducted with the Master Facilities Plan, a budget estimate of \$64 million has been cited as the amount required to repair and replace the aging and inefficient mechanical, electrical, plumbing and associated building infrastructure systems within our two buildings.

FY 1998 Accomplishments

In FY 1997 and FY 1998, the Gallery commenced work on a Master Facilities Plan. Technical teams comprised of Gallery staff worked with the architectural/engineering firm engaged as our planning consultant. An assessment of mechanical, electrical, plumbing, telecommunications, and conveying systems has been completed. The plan will phase and package this infrastructure work in conjunction with life safety and security systems, and if appropriate, with building envelope systems. The objective is to take an integrated, comprehensive approach to long term capital projects.

FY 1999 Objectives

With anticipated funds of \$1.475 million from reprogramming of West Building skylight savings, preliminary design work for the central plant feasibility study and for the associated building systems distribution will begin. This includes survey and analysis of existing equipment and the initiation of a prototypical design for the phased systems work. An in-depth study of air balance problems identified in the facilities assessment is also needed. This design work

will lead to a future detailed design for each work area.

FY 2000 and Forward Objectives

The \$1.49 million requested in FY 2000 will allow design to continue in order to address the problems of air distribution and ventilation, particularly in the East Building and Connecting Link. Following on the prototype systems distribution design begun in FY 1999, the first work area will be developed in more detail. Removal of obsolete components such as steam radiators in the West Building can begin as well as the associated hazardous materials abatement. In addition to the heating and cooling air handling and distribution, plumbing and electrical systems will be addressed.

In the outyears, funds are requested to continue with the design and construction of the building systems renovations with a phased, integrated approach to each work area in the complex. Detailed design and construction will be undertaken on the central plant components. By allowing design to proceed in advance of construction, each planned closure can minimize disruption to public and staff areas, while ensuring an efficient use of funds.

C. Life Safety and Security

As part of the Master Facilities Plan, long range recommendations for Life Safety and Security improvements were made. The estimated budget for the work required to address the deficiencies in this area is no less than \$38 million. Work in this category is driven by a need to enhance protection of visitors and collections during emergencies and to update safety systems to the greatest extent possible relative to current codes. This third group of projects will be introduced under the Master Facilities Plan. All three buildings (East Building, West Building, and Connecting Link) have been assessed relative to the five components that make up Access, Safety, and Security. These are: Fire Suppression, Egress, Smoke Control, Fire Barriers and Electronic Security Systems.

FY 2000

Since detection has been greatly improved under the Fire Protection Major Critical Project, the only additional work on detection included in the Master Facilities Plan

will be minor modifications required to accommodate changes in other building systems. No monies are required in FY 2000.

Outyears

A series of projects are anticipated. This is detailed in the Master Facilities Plan, but are likely to include:

Fire Suppression: Further enhancements based upon developing technology to complete the installation of sprinklers or gaseous suppression in areas which do not yet have fire suppression.

Egress: Visitor and staff safety can be enhanced by employing a strategy to clearly delineate access to exits and protect or separate the egress paths in the building. Additional exit signage and emergency lighting are included in this life safety category.

Smoke Control: In conjunction with improvements to air handling equipment, fans and ductwork, alterations will be made to address smoke control.

Fire Barriers: Following the precedent set by the West Building Skylights Project, as areas of the building are repaired or renovated, improvements to fire barriers will be made.

Security: Electronic security systems evolve and change at a rate similar to other information technology systems. Although the infrastructure of wiring and conduits can be re-used in most cases, changing outdated equipment and the need to expand the system in order to better protect collections and visitors drives the work in this category.

Estimated Costs of Major Critical and Master Facilities Plan Projects FY 1999 through FY 2004

The estimated FY 1999 through FY 2004 costs of the three Major Critical Projects and the three newly defined Master Facilities Plan Projects groups discussed above are presented on page 5-23. NOTE: A table summarizing anticipated budgets and timetables for all potential ongoing general repair projects costing \$250,000 or more in FY 1999 through FY 2004 is presented on page 5-29.

MULTI-YEAR CANDIDATE RENOVATION PROJECTS*

PRELIMINARY ESTIMATES OF MAJOR CRITICAL AND MASTER FACILITIES PLAN PROJECTS FY 1999 THROUGH FY 2004 (\$000)									
PROJECT	1998 & Prior	1999	2000	2001	2002	2003	2004	Total 1999-2004	Project Total
Major Critical Projects:									
A. West Building Skylights, Daylights, Roofing and Flashing Systems	\$16,689	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11	\$16,700
B. Fire Protection Systems	3,379	800	750	371	-	-	-	1,921	5,300
C. Energy Management System**	1,500	-	-	-	-	-	-	-	3,500
Subtotal, Major Critical Projects	21,568	811	750	371	-	-	-	1,932	25,500
Master Facilities Plan Project Groups									
A. Structural Exterior Repairs & Restoration	13	2,000	2,500	4,400	2,900	2,900	2,800	17,500	30,000
B. Interior Mechanical/Electrical Equipment Replacement	363	1,475	1,491	5,200	6,200	6,300	5,900	26,566	64,000
C. Life Safety & Security	-	-	-	3,130	3,740	3,770	3,590	14,230	38,000
Subtotal, Master Facilities Plan Projects	376	3,475	3,991	12,730	12,840	12,970	12,290	58,296	132,000
TOTAL	\$21,944	\$ 4,286	\$ 4,741	\$13,101	\$12,840	\$12,970	\$12,290	\$60,228	\$157,500

*FY 2001-2004 numbers are only NGA estimates and not official OMB approved amounts.

**Includes a \$2,000,000 grant from the Department of Energy's Federal Energy Efficiency Fund.

III. ONGOING RENOVATION PROGRAM/DETAILED SUMMARY

The accomplishments of the Gallery's FY 1998 Ongoing Repair, Restoration and Renovation Program, the proposed ongoing FY 1999 and FY 2000 Repair, Replacement and Renovation Programs, and ongoing projects through FY 2004 are summarized below.

FY 1998 Ongoing Repair, Restoration and Renovation Projects Summary

Projects completed or in progress in FY 1998 within each category of the Gallery's renovation budget are summarized below. Only individual projects estimated to cost \$100,000 or more have been highlighted:

Environmental Compliance

1. Asbestos Removal/Encapsulation: The Gallery is engaged in a systematic program of asbestos abatement primarily in the West Building following a comprehensive survey of our facilities. Most of the abatement work is planned as part of remodeling projects or in priority sequence as recommended by the engineering study. Occasionally emergency asbestos removal is required when situations develop during maintenance and renovation that create an asbestos-related health or safety hazard.

Energy Management

1. Insulate Gallery Walls, West Building: Continued minor preventive work to certain West Building walls has been done to eliminate condensation that may cause harm to works of art or inefficient operations of temperature/humidity control equipment.

Access, Safety and Building Repair Projects

1. Replace Glass Crystals, Fourth Street Plaza: The seven glass crystals on the Fourth Street Plaza have been replaced due to water penetration in the Concourse Level of the Connecting Link. This project, which was completed in the spring of 1998, included replacement of glass, sealants, perimeter flashing, and new roofing membrane under the plaza cobblestone immediately surrounding the crystals.
2. West Building Stone/Cornice Repair: This project includes repointing and other repairs to Exterior

marble surfaces at the roof level. This work, being accomplished in conjunction with the skylight major critical renovation effort, encompasses repairs to the sheet metal cornice gutter and repointing or sealing Exterior stone joints of the parapet, both above the level of the roof. The work also requires removal of existing hazardous materials (asbestos) at these locations.

3. Removal and Replacement of East Building Roofing: This multi-year project involves removal and replacement of certain East Building roofing.
4. Sculpture Garden Pavilion, Interior Building Repairs: Initial design for repairs and renovation of interior spaces of the facility (transferred from the National Park Service) including installation of fire protection and security systems and devices, electrical and lighting, heating, ventilation and air conditioning systems, carpentry repairs, and necessary upgrading of public restrooms.
5. Electrical Duct Bank Replacement, East Building: Ground water has been discovered entering the East Building at the point where the three main incoming electrical feeders penetrate the building's basement wall. This has apparently caused mud to enter the ducts in which the feeders are placed and has led to settlement and cracks in the structure that contains the incoming electrical service, posing a risk of loss of the building's electrical power.

This replacement of the East Building's original electrical feeders began in FY 1998 and was completed during the first quarter of FY 1999.

6. Other Access, Safety and Building Repair Projects: Other projects underway or completed in FY 1998 included repairs to West Building Mercury fountain wiring and lighting and necessary wall, plumbing and electrical work to complete unisex restrooms for staff and visitors with disabilities.

Alteration/Renovation

1. On-Site and Warehouse Production Shops Reconfiguration: On-site work involved correcting the deficiencies in the ventilation system in both the exhibits shop and the armature shop and bringing the spray booth in the paint shop up to current building code. The off-site renovation efforts at the Cheverly warehouse involve

construction of proper office facilities, storage space, a breakroom, and a security station.

2. Other Alteration/Renovation Projects:

Projects underway or completed in FY 1998 included modification of the frame conservation lab to separate the carpentry function from the finishing function, including installation of an effective exhaust system and creation of an office area; reconfiguration of the East Building study center entrance to enhance security and better accommodate visitors; modification to the Gallery Auditor's Office to accommodate an Employee Assistance Program Office.

FY 1999 and FY 2000 Repair, Replacement and Renovation Projects Summary

A description of certain of the projects currently being considered for these years is provided immediately below. Only those projects estimated to cost \$100,000 or more are listed separately.

We have not yet determined which of the listed FY 2000 projects will, in fact, be implemented in FY 2000. The Gallery's executive officers will review available funding against project priorities as part of the Gallery's annual planning and budgeting process.

Environmental Compliance

1. Asbestos Removal/Encapsulation -- FY 1999, \$50,000/FY 2000, \$100,000: The Gallery will continue to abate asbestos contamination following our engineering survey recommendations. This project continues to have the highest priority.

Energy Management

1. Insulate Gallery Walls, West Building -- FY 2000, \$100,000: Continued insulation of West Building walls to prevent condensation that may cause harm to works of art and cause inefficient operations of temperature/humidity control equipment is critical at this juncture.
2. Other Energy Management Projects: Various systems and equipment modifications are planned throughout the Gallery to reduce energy consumption.

Access, Safety and Building Repairs (FY 1999)

1. Sculpture Garden Pavilion, Interior Building Repairs -- FY 1999, \$194,000: Repairs and renovation of interior spaces of the facility (transferred from the National Park Service) including installation of fire protection and security systems and devices, electrical and lighting, heating, ventilation and air conditioning systems, carpentry repairs, and necessary upgrading of public restrooms.
2. Relocation of Steam Reheat Coils Over Art Storage in the West Building -- FY 1999, \$170,000: The corroded steam reheat coils located in the ceilings above certain art storage rooms in the West Building are a cause of concern. It is essential that the Gallery relocate and replace these overhead coils to ensure the safety of the collection in anticipation of the Master Facilities Plan implementation.

Access, Safety and Building Repairs (FY 1999 and FY 2000)

1. Staff Architects Renovation Budget Salaries -- FY 1999, \$185,000/FY 2000, \$192,000: By agreement with OMB, portions of the Department of Architectural Services staff salaries are paid out of Renovation funds.
2. Cafeteria Flooring Replacement, Connecting Link -- FY 2000, \$250,000: The flooring in the staff and public cafeteria areas is worn and must be replaced. Completion of this project as scheduled would coincide with other necessary repairs being made in the cafeteria space and would therefore minimize disruptions that would otherwise occur.
3. Other Access, Safety and Building Repairs: Other projects include replacement of sidewalks along the East Building and West Building moats, modification of West Building and Connecting Link corridor doors, Americans with Disabilities Act restrooms and doors repair/modification projects.

Alteration/Renovation

1. On-Site and Warehouse Production Shops Reconfiguration -- FY 1999, \$20,000: Continuation of this project from FY 1998 involving correcting the deficiencies in the ventilation system in both the exhibits shops and the armature shop and bringing the spray booth in the paint shop up to current building code. The off-site renovation efforts are taking place at the Cheverly

warehouse and involve construction of proper office facilities, storage space, a breakroom, and a security station.

2. Photographic Curatorial Department Reconfiguration -- FY 1999, \$550,000: Reconfiguration of a storeroom space to accommodate the cold and cool storage of photographic negatives and color prints necessary to preserve this collection and to provide necessary fire suppression, security, and temperature and humidity controls essential for this specialized storage area.
3. Art Storage Room, West Building -- FY 2000, \$150,000: Reconfiguration of an existing general use storeroom to accommodate art storage. The space must be outfitted with an appropriate fire suppression system, climate control monitors, and necessary security alarms.
4. Reconfiguration of the East Building Ground Floor Galleries -- FY 1999, \$365,000: It is necessary to renovate existing gallery space to accommodate more of the permanent Twentieth Century collection than is presently on view. Renovation plans include relocation of some ductwork as well as the installation of new specialized lighting.
5. Administrative Services Office Modifications, Connecting Link -- FY 2000, \$270,000: Reconfiguration of space to accommodate a reorganization of staff and equipment to more efficiently and effectively carry out an expansion of printing, duplicating, mail and other administrative activities and customer services within this key support activity.

Projected Multi-Year Renovation Projects through FY 2004 Detailed Summary

This section shows in table form the multi-year projects within each category of the Gallery's renovation budget that are expected to have a total project cost of \$250,000 or more over the period FY 1999 through FY 2004. A chart is provided on the next page which displays the anticipated year-by-year costs of each of these projects for this time-frame.

Budgets may be subject to change as we investigate options for dealing with various technical problems, analyze further the impact of one change upon another, identify needs arising out of the new Master Facilities Plan studies, and reevaluate priorities in light of budget availability and ongoing workload.

MULTI-YEAR CANDIDATE RENOVATION PROJECTS

PRELIMINARY ESTIMATES OF ONGOING RENOVATION PROJECTS* FY 1999 THROUGH FY 2004 (\$000)

Renovation Project	1999	2000	2001	2002	2003	2004	Total 1999-2004
Environmental Compliance:							
- Asbestos Abatement	\$ 50	\$100	\$100	\$100	\$100	\$100	\$550
Energy Management:							
- Insulate Gallery Walls, West Building	-	100	100	50	-	-	250
Access, Safety & Building Repairs							
- Cafeteria Flooring Replacement	-	250	-	-	-	-	250
Alteration/Renovation:							
- Photocuratorial Department Reconfiguration	550	-	-	-	-	-	550
- Ground Floor Galleries Reconfiguration, East Building	365	-	-	-	-	-	365
- Administrative Services Office Modification	-	270	-	-	-	-	270
Subtotal, Projects at \$250,000 or More	965	720	200	150	100	100	2,235
All Other Ongoing Renovation Projects:							
- Projects Under \$250,000	1,060	850	400	400	450	450	3,610
TOTAL, ONGOING RENOVATION	\$2,025	\$1,570	\$ 600	\$ 550	\$ 550	\$ 550	\$5,845

*Projects costing \$250,000 or more. Major Critical and Master Facilities Plan Projects and individual Ongoing Renovation Projects costing less than \$250,000 are not shown here but are included in the respective Major Critical and Master Facilities Plan, and detailed Ongoing Renovation Projects sections as appropriate.

FUNCTION C
PROTECTION OF BUILDINGS, GROUNDS AND CONTENTS

Introduction

This function involves protecting the Gallery's buildings, grounds and contents from vandalism, theft, fire, environmental and other hazards; providing first aid for visitors and staff; and operating public checkroom services. To provide adequate protection it is necessary that a guard and/or appropriate electronic surveillance be located so that all visitors and works of art in the exhibition areas be within their view at all times. Other positions are determined by the number of entrances to the buildings, reliefs, special requirements, necessary patrols and staffing requirements for the electronic security console.

A total of 341 full-time permanent positions have been established to provide for proper security for the buildings, grounds and contents. For FY 1999 the overall ceiling limitation requested of OMB results in an estimated 312 full-time equivalent (FTE) employment for this function.

FY 2000 Request

A total of \$13,621,000 is requested in FY 2000 for the protection of the Gallery's buildings, grounds and contents. This request represents an increase of \$1,108,000 above the budgeted FY 1999 level of funding. The comparative budget levels for FY 1999 and FY 2000 are displayed in the following table:

<u>NATIONAL GALLERY OF ART</u> <u>FISCAL YEAR 2000 BUDGET</u> <u>SUMMARY OF INCREASES AND (DECREASES)</u> <u>PROTECTION OF BUILDINGS GROUNDS & CONTENTS</u> <u>FUNCTION C</u>			
<u>OBJECT CLASS</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000 Over/(Under) FY 1999</u>
Personnel Compensation....	\$ 9,761,000	\$10,628,000	\$ 867,000
Personnel Benefits.....	<u>2,091,000</u>	<u>2,317,000</u>	<u>226,000</u>
Subtotal Compensation and Benefits.....	11,852,000	12,945,000	1,093,000
Travel of Persons.....	6,000	6,000	-
Transportation of Things..	-	-	-
Rent, Communications & Utilities.....	5,000	5,000	-
Printing & Reproduction...	-	-	-
Other Services.....	360,000	368,000	8,000
Supplies & Materials.....	134,000	137,000	3,000
Equipment.....	156,000	160,000	4,000
Land & Structures.....	-	-	-
Total.....	<u>\$12,513,000</u>	<u>\$13,621,000</u>	<u>\$1,108,000</u>

1. Personnel Compensation and Benefits--Increase of \$1,093,000.

This increase will be applied as follows:

<u>Item</u>	<u>Amount</u>
3/4 year funding of a proposed 4.4% general pay raise in January 2000.....	\$ 370,000
Mandatory within-grade promotions and wage board step increases.....	145,000
Annualization of 3.68% FY 1999 pay raises.....	138,000
Fund Security Guard promotions from GS-4 to GS-5*...	154,000
Fund Security Guard promotions from GS-5 to GS-6*....	127,000
Increased cost of Federal Employees Retirement System (FERS).....	26,000
Estimated cost of health benefits increase effective January 1999 based on an average of 5%....	24,000
Increase of 5 FTE for full-time permanent positions (3/4 year funding) for the Sculpture Garden as noted below.....	<u>109,000</u>
Totals.....	<u>1,093,000</u>

*This funding is required to remain competitive with other local institutions and museums.

a. Positions for Office of Protections Services (\$109,000)

<u>Positions</u>	<u>Grade</u>	<u>Annual Salary</u>
Security Guards (5) @ \$22,000.....	GS-5	\$110,000
Basic Salary.....		110,000
Personnel Benefits.....		<u>35,000</u>
Total Salary & Benefits (Annual).....		145,000
Savings due to 3/4 year employment.....		<u>(36,000)</u>
Total cost in FY 2000.....		<u>\$109,000</u>

With the addition of the new Sculpture Garden scheduled for completion in FY 1999, the additional guards are required to adequately protect the works of art exhibited. The Office of Protection Services does not have sufficient authorized security positions to man all security posts in the Sculpture Garden. Protections requirements for the Sculpture Garden will require

five FTEs. This figure is based upon the requirements for three posts being staffed a maximum of 8 hours per day, 363 days per year. When the Gallery assumed responsibility to police the Sculpture Garden, no additional staffing was provided.

Security personnel assigned to the Sculpture Garden will maintain the same level of security required in the interior exhibition areas of the Gallery. They are required to protect Federal property, provide visitor services, enforce Gallery rules and regulations, respond to emergency situations, and make hourly patrols of the area during non-public hours.

For the galleries, it is necessary that guards be so located that all visitors and works of art in the exhibition areas be within their view at all times. All other positions are determined on the basis of entrances to the buildings, reliefs, specialized duties, manning of the security console and patrols.

In accordance with the above requirement, guard positions are determined as follows:

Required days of duty per year per guard.....260

Less: Number of days off -- Annual leave	21	
Sick leave	9	
Average number of excused holidays	<u>3</u>	<u>33</u>

Average number of days of duty per guard.....227

Days Gallery open to
public during year = $\frac{363}{227} = 1.60$ Staff - year required
 average number of days of duty per guard 227 per guard post

2. Other Services--Increase of \$8,000.

Other Services will require an increase of \$8,000 in FY 2000. The increase is requested to cover a 2.2% economic assumption inflation adjustment. This will help prevent further erosion of purchasing power for services such as: maintenance of the fire protection system and fire extinguishers; laundry service for guard jackets and slacks; and maintenance of current levels of health, safety and fire services.

3. Supplies & Materials -- Increase of \$3,000.

A \$3,000 increase in Supplies & Materials is requested to fund a 2.2% economic assumption inflation adjustment. This will help prevent further erosion of purchasing power for items such as the guard uniforms.

4. Equipment -- Increase of \$4,000.

Equipment will require a \$4,000 increase for FY 2000. to cover a 2.2% economic assumption inflation adjustment. This will help prevent further erosion of purchasing power.

FUNCTION D
GENERAL ADMINISTRATION

Introduction

This function consolidates the activities of the Administrator, Treasurer, and Secretary-General Counsel. The Administrator is responsible for the operations, maintenance and security of the Gallery's buildings and grounds and the accountability for procurement of all supplies, materials, and equipment needed for the operations of the Gallery; recruitment and enhancement of the Gallery's staff; and centralized mail, file, and duplicating operations. The Secretary-General Counsel provides legal support and competent professional advice to the Gallery management as well as direct support for the Board of Trustees and its committees. The office is also charged with general overview of the Archives Department. The Treasurer is responsible for the proper control of all of the Gallery's financial resources in accordance with applicable legislation, by-laws and regulations, as well as the maintenance of proper books, records, and financial reports in accordance with generally accepted accounting principles; data processing services; and the Publications Sales facilities.

A total of 90 full-time permanent positions have been established to provide proper staffing for the general administration functions. For FY 2000 the overall ceiling limitation requested of OMB results in an estimated 90 full-time equivalent (FTE) employment for this function.

FY 2000 Request

Funding of \$10,268,000 is requested in FY 2000 to provide for necessary expenses of the offices of the Administrator, the Secretary-General Counsel, and the Treasurer. This request represents an increase of \$449,000 above the budgeted amount of FY 1999. The comparative budgets for FY 1999 and FY 2000 are displayed by object class in the following table:

NATIONAL GALLERY OF ART
FISCAL YEAR 2000 BUDGET
SUMMARY OF INCREASES AND (DECREASES)
GENERAL ADMINISTRATION
FUNCTION D

<u>OBJECT CLASS</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000 Over/(Under) FY 1999</u>
Personnel Compensation....	\$ 4,698,000	\$ 4,969,000	\$ 271,000
Personnel Benefits.....	<u>1,490,000</u>	<u>1,581,000</u>	<u>91,000</u>
Subtotal Compensation and Benefits.....	6,188,000	6,550,000	362,000
Travel of Persons.....	27,000	28,000	1,000
Transportation of Things..	133,000	136,000	3,000
Rent, Communications & Utilities.....	1,400,000	1,379,000	(21,000)
Printing & Reproduction...	-	-	-
Other Services.....	1,528,000	1,620,000	92,000
Supplies & Materials.....	369,000	377,000	8,000
Equipment.....	174,000	178,000	4,000
Land & Structures.....	-	-	-
Total.....	<u>\$ 9,819,000</u>	<u>\$10,268,000</u>	<u>\$ 449,000</u>

1. Personnel Compensation and Benefits--Increase of \$362,000.

This increase will be applied as follows:

<u>Item</u>	<u>Amount</u>
3/4 year funding of projected 4.4% general pay raise in January 2000.....	\$ 183,000
Mandatory within grade promotions and wage board step increases.....	75,000
Annualization of 3.68% FY 1997 general pay raise.	69,000
Increased cost of Federal Employees Retirement System (FERS).....	19,000
Estimated cost of health benefits increase effective January 1999 based on an average of 5%.	<u>16,000</u>
Totals.....	<u>\$362,000</u>

2. Travel -- Increase of \$1,000.

A \$1,000 increase for Travel is requested in FY 2000 to cover a 2.2% economic assumption inflation adjustment to prevent erosion of purchasing power.

3. Transportation -- Increase of \$3,000.

Transportation requires a \$3,000 increase to cover a 2.3% economic assumption inflation adjustment.

4. Rent, Communications, and Utilities--Decrease of (\$21,000).

Rent, communications and utilities will require a decrease of \$21,000 in FY 2000. A summary of specific rent, communications and utilities needed under General Administration follows:

<u>Description</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000 Over/ (Under) FY 1999</u>
Communications			
Telephone.....	\$ 369,000	\$ 369,000	\$ -
Postage.....	<u>335,000</u>	<u>335,000</u>	<u>-</u>
Subtotal Communications	<u>704,000</u>	<u>704,000</u>	<u>-</u>
Warehouse			
Rent--structural.....	525,000	474,000	(51,000)
Utilities.....	<u>45,000</u>	<u>-</u>	<u>(45,000)</u>
Subtotal Warehouse....	<u>570,000</u>	<u>474,000</u>	<u>(96,000)</u>
Rent--copiers, equipment space, etc.....	<u>126,000</u>	<u>201,000</u>	<u>75,000</u>
Total.....	<u>\$1,400,000</u>	<u>\$1,379,000</u>	<u>\$ (21,000)</u>

A \$75,000 increase is requested to store part of our collection off-site due to lack of suitable space on-site for extraordinarily large 20th Century paintings. This increase is offset by a \$51,000 decrease in warehouse space rental and the elimination of \$45,000 in utility costs in a newly renegotiated lease agreement.

5. Other Services--Increase of \$92,000.

Other services will require an increase of \$92,000 in FY 2000. A summary of specific services needed for the General Administration function follows:

<u>Description</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2000 Over/ (Under) FY 1999</u>
Payroll Processing.....	\$ 121,000	\$ 121,000	\$ -
Data Processing.....	880,000	938,000	58,000
Employee Training.....	39,000	39,000	-
Maintenance and repair of personal computers..	240,000	240,000	-
Personal Property Repair (Equipment).....	74,000	74,000	-
Maintenance of telephone system.....	68,000	68,000	-
Other Services General Admin.....	106,000	106,000	-
2.2% Inflation Adjustment	-	34,000	34,000
Total.....	<u>\$1,528,000</u>	<u>\$1,708,000</u>	<u>\$ 92,000</u>

Data processing services costs will increase by \$58,000 above the FY 1999 level resulting from rising costs associated with the maintenance and upkeep of the Financial Data System. This system encompasses budgeting, accounting, procurement and related reports.

In addition, an overall increase of \$34,000 is required for services to reflect a 2.2% economic assumption inflation adjustment for FY 2000. This will help prevent further erosion of purchasing power for items such as: maintenance of equipment; employee training; employee assistance program; legal fees for review of complex purchasing contracts; investigation of EEO complaints; etc.

6. Supplies and Materials--Increase of \$8,000.

A total of \$377,000 is requested for supplies and materials in FY 2000, an increase of \$8,000 above the FY 1999 budget. An increase of \$8,000 is required to reflect a 2.2% economic assumption inflation adjustment. This will help prevent further erosion of purchasing power for items such as: legal periodicals; software upgrades; specialized archival supplies; general Gallery-wide office supplies; etc.

7. Equipment--Increase of \$4,000.

A \$4,000 increase is requested in Equipment for FY 2000 to cover a 2.2% economic assumption inflation adjustment to help prevent the erosion of purchasing power.

NATIONAL GALLERY OF ART
INFORMATION SYSTEMS PROGRAM

The following narrative highlights the accomplishments of the National Gallery of Art's Information Systems Department during fiscal year 1998 and indicates our plans for fiscal years 1999 and 2000. These plans and accomplishments are categorized by major function.

I. Function A - The Care and Utilization of the Art Collection

Since its launch in February 1997, the Gallery's Web site has received several prestigious awards: The American Association of Museum's (AAM) 9th Annual Muse Award; the Business on the Internet's (BOTI) Best Site Design Award; and the Encyclopedia Britannica's Best of the Web Award.

We continue to add digital images to our site complementing our collection database information. Currently, we have approximately 16,000 digital images available to our public. Between four and five thousand visitors a day use our Web site.

Virtual reality tours are being developed for most major exhibitions at the Gallery. These tours offer the public a realistic view of the exhibition's overall design and a close-up look at the individual artworks displayed.

Over the next year, the Gallery Web Team will be developing an Intranet site. This project is currently underway and is expected to be implemented in fiscal year 1999. Our internal Web site will contain a staff telephone directory, personnel circulars, press information, Gallery forms and other employee-related information. This site will also provide staff with access to the Gallery's Library System, Slide Library and Photo Archives holdings.

In addition to the Intranet Project, the Web Team will continue to produce features for each of the upcoming exhibitions at the Gallery. These features vary in complexity and content depending on the magnitude of the specific show.

We continue to review, maintain and update our Collection Database Management System making enhancements suggested by our users. As a part of this function, we are updating the front end of our collection system to run as a Windows program. Currently, our system is client/server-based and runs over our network, but operates in a DOS environment. This effort is in process, but it has been delayed until we finish our Year 2000 testing and verification of the Collection System.

The year 2000 problem should not impact our Collection Management System, since it was originally developed using four digits for the year. Nonetheless, we will be testing our Collection System along with our financial applications when we test our entire mainframe environment for the year 2000 compliance. This testing is scheduled to begin in December 1998.

II. Function D - General Administration

Our Financial Management System team has successfully completed the implementation process of the latest release of our financial management system software. This release contains enhancements to our financial package as well as code to accommodate the year 2000. The implementation of these products took place over the July 4th weekend and the new system went into production on July 6, 1998.

As mentioned earlier, we plan to begin testing the year 2000 resources, we are designing a new system for distributing computer-generated financial reports. This application will take financial reports and distribute them to the appropriate recipients over the Intranet. Users will be able to view their reports using a Web browser. Provisions for a search tool are also being developed to allow users to locate specific data contained in these reports.

In an effort to reduce printing costs and conserve personnel resources, we are designing a new system for distributing computer-generated financial reports. This application will take financial reports and distribute them to the appropriate recipients over the Intranet. Users will be able to view their reports using a Web browser. Provisions for a search tool are also being developed to allow users to locate a specific data contained in these reports.

The Financial Management System team will continue to support the Gallery administrative user community by ensuring the financial system remains up-to-date by applying new releases and enhancements as they are made available by our software vendor.

III. MicroComputer Development

Over the past fiscal year, we have continued to focused on replacing outdated personal computers with faster Pentium models to better accommodate Windows 95, access to our LAN and the Internet. This process will continue over the next fiscal year until our entire personal computer user community has equipment which can effectively and efficiently run these programs.

As a part of our Year 2000 Assessment Project, we have identified certain PC equipment and software that will need to be replaced or upgraded to accommodate the year 2000. These items are now either being upgraded or replaced. This process will be completed over the next fiscal year. By the year 2000, all of our PC equipment and related software will be Y2K compliant.

From this point, we will continue to upgrade, enhance and maintain our PCs and software products as the need arises.

IV. Digital Imaging Activities

We continue to capture digital images of our permanent collection to be used for our Web-site and various other image - related projects. To date, we have captured and stored over 16,000 digital images of paintings, graphics and decorative arts from our collection.

We are again working with IBM Research to upgrade our scanner and experiment with new technologies in the digital scanning area. We hope to be able to scan directly from works on paper rather than using a photo transparency as the medium for our scans. Later this year, IBM will be upgrading our scanner to their latest technology. Once the upgrade is complete, we will begin investigate the possibility of scanning works on paper directly from the objects themselves. This project will involve IBM, paper conservators and the curatorial staff.

Presently, our collection contains over 100,000 objects. So far we have created digital images of less than 10 percent of the collection. Obviously, this process will need to continue for some time.

V. Local Area Networks

Over the past fiscal year, we have focused on updating our network software, consolidating servers and fine tuning our network configuration. We have already removed five servers and by the end of the calendar year, we hope to remove at least four more. Also by year end, we will have upgraded the Novell software on all our servers to be year 2000 compliant.

In the next fiscal year, network management tools will be put into place to assist in isolating network problems and maintaining network performance and throughout. Fortunately, we have no network performance issues at the moment but these tools will give us an early warning on problems should they occur.

During the next year we will also be converting from WordPerfect to a new PC word processing package, MicroSoft Word. WordPerfect has changed their pricing structure and are no longer competitive under their new pricing scheme.

In fiscal year 2000, we hope to upgrade our e-mail software on the network. Currently, we use GroupWise version 4 and would like to go to GroupWise 5.2 Multilingual. If funds are provided for this upgrade, we will begin the implementation early in fiscal 2000.

VI. Mainframe Environment

We have installed IBM's latest releases of our mainframe operating system software in July 1998. These operating systems software products include code to ensure year 2000 compliance as well as other enhancements.

Currently, our Systems Programmer is working with our Collection Management System and Financial Management System teams to implement a test environment on the mainframe to emulate the year 2000. This environment is planned to be operational in time to begin our Y2K testing in December 1998.

NATIONAL GALLERY OF ART
INFORMATION SYSTEMS PROGRAM

COMPARATIVE COST SUMMARY

On-Site versus Off-Site Services

The Gallery's information systems costs for FY 1999 and 2000 are summarized below showing costs for contractor services performed on-site and off-site for the benefit of the Gallery.

	<u>1999</u>	<u>2000</u>	<u>2000 OVER/ (UNDER) 1999</u>
<u>ON-SITE SERVICES:</u>			
In-house Computer (Art)	\$ 762,000	\$ 816,000	\$ 54,000
In-house Computer (Admin)	872,000	930,000	58,000
Supplies/Software	<u>31,000</u>	<u>31,000</u>	<u>-</u>
Subtotal	1,665,000	1,777,000	112,000
PC Maintenance & Equipment	<u>366,000</u>	<u>366,000</u>	<u>-</u>
Subtotal On-Site Services	<u>2,031,000</u>	<u>2,143,000</u>	<u>112,000</u>
<u>OFF-SITE SERVICES:</u>			
Library Contract EDP Services	111,000	111,000	-
Development Contract EDP Services	17,000	17,000	-
Corporate Relations EDP Services	13,000	13,000	-
Information Office	10,000	10,000	-
Personnel Contract EDP Services	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Subtotal	156,000	156,000	-
USDA/NFC Payroll Processing	<u>121,000</u>	<u>121,000</u>	<u>-</u>
Subtotal Off-Site Services	<u>277,000</u>	<u>277,000</u>	<u>-</u>
TOTAL EDP BUDGET	<u>\$2,308,000</u>	<u>\$2,420,000</u>	<u>\$ 112,000</u>

NATIONAL GALLERY OF ART
INFORMATION SYSTEMS PROGRAM

COMPARATIVE COST SUMMARY

By Function

The standard functional presentation of the Information Systems Federal budget request is presented below.

	<u>1999</u>	<u>2000</u>	<u>2000 OVER/ (UNDER) 1999</u>
<u>FUNCTION A</u>			
Services - In-house	\$ 762,000	\$ 816,000	\$ 54,000
Services - Off-site	<u>151,000</u>	<u>151,000</u>	<u>-</u>
Subtotal Services	913,000	967,000	54,000
Supplies/Software	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal Function A	<u>913,000</u>	<u>967,000</u>	<u>54,000</u>
<u>FUNCTION D</u>			
Services - In-house	872,000	930,000	58,000
Services - Off-Site	5,000	5,000	-
Services - USDA/NFC Processing	<u>121,000</u>	<u>121,000</u>	<u>-</u>
Subtotal Services	998,000	1,056,000	58,000
Supplies/Software	<u>31,000</u>	<u>31,000</u>	<u>-</u>
Subtotal Function D	<u>1,029,000</u>	<u>1,087,000</u>	<u>58,000</u>
PC Maintenance & Equipment	<u>366,000</u>	<u>366,000</u>	<u>-</u>
TOTAL EDP BUDGET	<u>\$2,308,000</u>	<u>\$2,420,000</u>	<u>\$ 112,000</u>

On-site Services

In FY 2000, we are requesting an increase of \$54,000 for on-site EDP services in the Art Care function. This is cover the rising costs associated with maintenance and upkeep of the Collection Management System. The Collection Management System records all movement of art in the Gallery and on loan to other institutions. It contains art insurance information as well as detailed historical data about the work of art and its creator. The data is made available to the public via the Web site.

On the fiscal side, we are requesting an additional \$58,000 to cover the rising costs associated with the maintenance and upkeep of the Financial Management System. The Financial Management System encompasses budgeting, accounting, procurement and related reporting.

PROGRAM AND PERFORMANCE

1. Management and Operation. -- The National Gallery of Art receives, holds, and administers works of art acquired for the Nation by the Gallery's board of trustees; maintains and administers the Gallery's buildings to provide maximum care and protection to art treasures and permit these works of art to be exhibited regularly to the public without charge. Number of visitors:

1998 actual	- 5,339,668
1999 estimate	- 5,400,000
2000 estimate	- 5,400,000

NATIONAL GALLERY OF ART
SALARIES AND EXPENSES
OBJECT CLASSIFICATION
(in thousands of dollars)

Identification code 33-0200-0-1-503		1998 Actual	1999 Estimate	2000 Estimate
Personnel compensation:				
11.1	Permanent positions.....	29,333	31,516	33,726
11.3	Positions other than permanent.....	915	950	950
11.5	Other personnel compensation.....	2,294	2,300	2,400
11.8	Special personal services payments....	-	-	-
	Total personnel compensation.....	32,542	34,766	37,076
Personnel benefits:				
12.1	Civilian.....	7,327	7,944	8,562
13.0	Benefits for former personnel.....	18	50	50
21.0	Travel and transportation of persons..	191	300	304
22.0	Transportation of things.....	525	763	768
23.0	Rent, communications, and utilities...	5,045	5,076	5,370
24.0	Printing and reproduction.....	291	286	292
25.0	Other services.....	7,108	5,862	5,700
26.0	Supplies and materials.....	2,325	2,194	2,232
31.0	Equipment.....	1,237	1,035	1,058
32.0	Lands and structures.....	-	-	-
99.0	Total obligations.....	56,609	58,276	61,412

NATIONAL GALLERY OF ART
REPAIR, RESTORATION AND RENOVATION OF BUILDINGS
OBJECT CLASSIFICATION
(in thousands of dollars)

<u>Identification code 33-0200-0-1-503</u>		<u>1998</u>	<u>1999</u>	<u>2000</u>
		<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Personnel compensation:				
11.1	Permanent positions.....	56	92	95
11.3	Positions other than permanent.....	-	44	45
11.5	Other personnel compensation.....	-	-	-
	Total personnel compensation.....	56	136	140
Personnel benefits:				
12.1	Civilian.....	16	36	36
21.0	Travel.....	-	-	-
25.2	Other services.....	990	1,000	1,000
26.0	Supplies and Materials.....	31	60	60
31.0	Equipment.....	63	25	25
32.0	Lands and structure.....	<u>4,564</u>	<u>6,713</u>	<u>5,139</u>
99.0	Total obligations.....	5,720	7,970	6,400

NATIONAL GALLERY OF ART
SALARIES AND EXPENSES
PERSONNEL SUMMARY

	<u>1998</u> <u>Actual</u>	<u>1999</u> <u>Estimate</u>	<u>2000</u> <u>Estimate</u>
Total number of full-time permanent positions.....	872	872	877
Total compensable workyears:			
Full-time equivalent employment.....	764	836	841
Full-time equivalent of overtime and holiday hours.....	33	35	35

NATIONAL GALLERY OF ART
SALARIES AND EXPENSES
PROGRAM AND FINANCING
(in thousands of dollars)

	1998 Actual	1999 Estimate	2000 Estimate
Identification code 33-0200-0-1-503			
Obligations by program activity:			
10.00 Total obligations.....	56,609	58,276	61,412
Budget resources available for obligation:			
21.40 Unobligated balances available, start of year:			
Uninvested balance.....	1,314	538	200
22.00 New budget authority (gross).....	55,837	57,938	61,438
22.30 Unobligated balance expiring.....	-4	-	-
23.90 Total budgetary resources available for obligation.....	57,147	58,476	61,638
23.95 New obligations.....	-56,609	-58,276	-61,412
24.40 Unobligated balance available, end of year:			
Uninvested balance.....	538	200	226
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	55,837	57,938	61,438
70.00 Total new budget authority (gross)....	55,837	57,938	61,438
Change in unpaid obligation:			
72.40 Unpaid obligations, start of year:			
Obligated balance: Appropriation:	5,237	5,519	5,423
73.10 New obligations.....	56,609	58,276	61,412
73.20 Total outlays (gross).....	-56,327	-58,372	-61,617
73.40 Adjustments in expired accounts.....	-	-	-
74.40 Unpaid obligations, end of year			
Obligated balance: Appropriation	5,519	5,423	5,218
Outlays (gross) detail:			
86.90 Outlays from new current authority....	50,109	52,779	56,471
86.93 Outlays from current balances.....	6,218	5,593	5,146
87.00 Total outlays (gross).....	56,327	58,372	61,617
New budget authority and outlays:			
89.00 Budget authority.....	55,837	57,938	61,438
90.00 Outlays.....	56,327	58,372	61,617

NATIONAL GALLERY OF ART
REPAIR, RESTORATION AND RENOVATION OF BUILDINGS
PROGRAM AND FINANCING
(in thousands of dollars)

Identification code 33-0201-0-1-503	1998 Actual	1999 Estimate	2000 Estimate
Obligations by program activity:			
10.00 Total obligations.....	5,720	7,970	6,400
Budget resources available for obligation:			
21.40 Unobligated balances available, start of year:			
Uninvested balance.....	1,395	1,867	208
22.00 New budget authority (gross).....	6,192	6,311	6,311
23.90 Total budgetary resources available for obligation.....	7,587	8,178	6,519
23.95 New obligations.....	-5,720	-7,970	-6,400
24.40 Unobligated balance available, end of year: Appropriation:			
Uninvested balance.....	1,867	208	119
New budget authority (gross), detail			
Current:			
40.00 Appropriation	6,192	6,311	6,311
Permanent:			
68.00 Spending authority from offsetting collections:			
Offsetting collections (cash).....	-	-	-
70.00 Total new budget authority (gross)....	6,192	6,311	6,311
Change in unpaid obligation:			
72.40 Unpaid obligation, start of year:			
Obligated balance: Appropriation:	8,146	5,333	6,201
73.10 New obligations.....	5,720	7,970	6,400
73.20 Total outlays (gross).....	-8,533	-7,102	-7,162
74.40 Total unpaid obligations, end of year			
Obligated balance: Appropriation:	5,333	6,201	5,439
Outlays (gross) detail:			
86.90 Outlays from new current authority....	-	-	960
86.93 Outlays from current balances.....	8,533	7,102	6,202
87.00 Total outlays (gross).....	8,533	7,102	7,162
New budget authority and outlays			
89.00 Budget authority.....	6,192	6,311	6,311
90.00 Outlays.....	8,533	7,102	7,162

NATIONAL GALLERY OF ART
STATEMENT OF ACTIVITY OF THE FUNDS FOR OPERATIONS
 restated for the year ended September 30, 1998
 (with comparative totals for the year ended September 30, 1997)

	1998			1997
	Non-Federal	Federal	Total	Totals
Support and Revenue				
U.S. Government appropriation utilized	—	\$62,328,900	\$62,328,900	\$61,180,191
Return from endowment funds	\$2,909,548	—	2,909,548	3,006,751
Grants for special exhibitions	2,959,788	—	2,959,788	2,684,400
Special purpose funds utilized	5,421,384	—	5,421,384	5,849,422
Income from food services, recorded tours, reimbursements and other	412,258	—	412,258	788,715
Total support and revenue	11,702,978	62,328,900	74,031,878	73,509,479
Operating Expenses				
Programs:				
Curatorial	2,027,909	8,612,186	10,640,095	11,169,578
Conservation	946,922	2,633,530	3,580,452	3,050,301
Special exhibitions	3,225,078	3,748,406	6,973,484	7,088,598
Editorial and photography	—	1,301,845	1,301,845	1,203,190
Research services	556,600	2,603,277	3,159,877	2,868,701
Educational services	2,333,993	3,546,152	5,880,145	5,250,501
Music	417,688	251,419	669,107	642,426
Total program expenses	9,508,190	22,696,815	32,205,005	31,273,295
Operations, security and administration:				
Operations and maintenance	10,596	12,182,965	12,193,561	12,390,404
Security	—	11,439,212	11,439,212	10,830,728
Administration, fiscal and legal	1,089,565	9,617,008	10,706,573	10,142,095
Development	1,094,627	399,591	1,494,218	1,362,280
Total operations, security & administration	2,194,788	33,638,776	35,833,564	34,725,507
Renovation expenditures	—	5,720,262	5,720,262	6,974,010
Equipment expenditures	—	273,047	273,047	536,667
Total expenses	11,702,978	62,328,900	74,031,878	73,509,479
Excess of support and revenues over expenses	\$0	\$0	\$0	\$0

**NATIONAL GALLERY OF ART
FEDERAL BUDGET
STATEMENT OF INCOME AND EXPENSES**

12/30/98

	FY 1999 APPROPRIATION	FY 2000 REQUEST	% of Change FY 2000 Over FY 1999
SUPPORT AND REVENUES:			
<i>U.S. Government Appropriation:</i>			
One-Year Operating Funds	\$54,912,000	\$58,412,000	6.4%
Special Exhibitions	3,026,000	3,026,000	0.0%
Renovation	900,000	1,570,000	74.4%
Subtotal	58,838,000	63,008,000	7.1%
West Building Skylights	2,611,000	--	NA
Fire Protection Systems	800,000	750,000	-6.3%
Structural/Waterproofing Repairs	2,000,000	2,500,000	NA
Interior Equipment Replacement	--	1,491,000	NA
Total Support and Revenues	64,249,000	67,749,000	5.4%
OPERATING EXPENSES:			
<i>Programs:</i>			
Curatorial	8,436,000	8,934,000	5.9%
Conservation	2,639,000	2,795,000	5.9%
Special Exhibitions	3,026,000	3,026,000	0.0%
Editorial and Photography	1,328,000	1,407,000	5.9%
Research Services	2,659,000	2,816,000	5.9%
Educational Services	3,868,000	4,097,000	5.9%
Music	261,000	278,000	5.7%
Total Program Expenses	22,217,000	23,351,000	5.1%
<i>Operations, Security and Administration:</i>			
Operations and Maintenance	12,684,000	13,478,000	6.3%
Security	12,357,000	13,461,000	8.9%
Administration, Fiscal and Legal	9,645,000	10,090,000	4.6%
Total Operations, Security and Administration	34,686,000	37,029,000	6.8%
Renovation Expenditures	900,000	1,570,000	74.4%
Equipment Expenditures	1,035,000	1,058,000	2.2%
Subtotal	58,838,000	63,008,000	7.1%
West Building Skylights	2,611,000	--	NA
Fire Protection Systems	800,000	750,000	-6.3%
Structural/Waterproofing Repairs	2,000,000	2,500,000	NA
Interior Equipment Replacement	--	1,491,000	NA
Total Expenses	\$64,249,000	\$67,749,000	5.4%
FTE's	838	841	

**NATIONAL GALLERY OF ART
PERFORMANCE PLAN
FY 2000**

The Performance Plan for the National Gallery of Art is based on the assumption that funding will remain at the FY 1999 level, augmented by subsequent additions in line with the CPI to cover uncontrollable expenses and cost of living increases for employees and provide adequate funding to make the necessary replacement and repairs to existing buildings and equipment. No new program dollars are anticipated; rather, as priorities change, existing program dollars will be redeployed. Furthermore, the plan does not anticipate any need for new construction, i.e., a new building to house either staff or exhibitions.

The mission of the National Gallery of Art is to serve the country by preserving, collecting, exhibiting, interpreting and encouraging the understanding by the American public of original, great works of art.

The Gallery's challenge is fourfold:

- (1) to protect the valuable collections and national/international loans entrusted to the Gallery's care for the edification and enjoyment of the American public;
- (2) to maintain the two landmark structures built for the Gallery with funds donated for this purpose by the Mellon family;
- (3) to educate the public using established teaching methods as well as the newest technological advances; and
- (4) to provide the public with increased and continuing access to the Gallery's collection and educational materials.

The following performance measures are directly related to the "Specific Goals and Strategies" outlined on page 5 of our Strategic Plan.

CARE AND UTILIZATION OF ART COLLECTIONS

The Art Care function requires a total increase of \$1,146,000 to cover the following: uncontrollable employee pay and benefit increases (\$1,024,000); uncontrollable non-pay increases for the Collection Management System (\$54,000); and a 2.2% economic assumption inflation adjustment (\$68,000). Funding is not being requested to support new programs.

I. Display and Interpretation of Works of Art on Loan or Belonging to the Gallery

Performance Measures: Daily West and East Building visitor counts performed by NGA security guards; comment cards obtained from visitors and responded to by Gallery personnel; and a visitor survey to be conducted in FY 1999 will comprise the performance measures for FY 2000.

Performance Goals:

(a) Visitor Counts: (4,959,000 visitors = 3-year average)

(1) Minimally Acceptable: Yearly attendance below 4.5 million visitors.

(2) Successful: Yearly attendance at 5.1 million visitors and above.

(b) Comment Cards: (29% negative; 25% positive; 46% information requests = one-month average)

(1) Minimally Acceptable: 30% negative; 25% positive; 45% information requests.

(2) Successful: 29% negative; 25% positive; 46% information requests.

(c) Visitor Survey: (No data available)

(1) Minimally Acceptable: Aspects of visit - fair.

(2) Successful: Aspects of visit - good, excellent.

II. Conservation

Performance Measures: Statistics covering the numbers of works of art treated and/or examined by the National Gallery's Conservation Division to include paintings, objects, paper, frames, textiles, major examinations and condition examinations will comprise the performance measures for FY 2000.

Performance Goals: (5,800 treatments/examinations = 3-year average)

(1) Minimally Acceptable: 5,000 treatments annually.

(2) Successful: 5,500 or more treatments annually.

III. Special Exhibitions

Performance Measures: Annual visitor counts by NGA security guards for each special exhibition will comprise the performance measures for FY 2000. The most public of performance measures are the press reviews that follow the opening of a special exhibition.

Performance Goals:

- (1) Annual Visitor Counts: (2,151,000 visitors = 3-year average)
 - (a) Minimally Acceptable: 1,750,000 visitors annually.
 - (b) Successful: 2,000,000 visitors annually.
- (2) Press Reviews: (approximately 98% of reviews are positive)
 - (a) Minimally Acceptable: 85% positive.
 - (b) Successful: 90% positive.

IV. Education Programs

Performance Measures: Requests for educational resources and user responses upon return; viewer statistics for television and media programs; and usage and collection statistics for library acquisitions and services as well as art information desk requests will comprise the performance measures for FY 2000.

Performance Goals:

- (1) Education Resources Extension Programs: (127,500 showings annually; 27,800,000 audiences annually -- 3-year average).
 - (a) Minimally Acceptable: 100,000 showings annually
22 million audiences annually.
 - (b) Successful: 110,000 showings annually
25 million audiences annually.
- (2) Art Information Services: (1,209,000 services annually -- 3-year average).
 - (a) Minimally Acceptable: 950,000 services annually.
 - (b) Successful: 1,100,000 services annually.

- (3) Library Acquisitions: (2,600 acquisitions annually -- 3-year average).
 - (a) Minimally Acceptable: 2,000 acquisitions annually.
 - (b) Successful: 2,200 acquisitions annually.
- (4) Slide Library: (4,700 images annually -- 3-year average).
 - (a) Minimally Acceptable: 3,800 images annually.
 - (b) Successful: 4,200 images annually.
- (5) Photographic Archives: (222,800 images annually -- 3-year average).
 - (a) Minimally Acceptable: 190,000 images annually.
 - (b) Successful: 205,000 images annually.
- (6) Library References to the General Public: (20,800 questions annually -- 3-year average).
 - (a) Minimally Acceptable: 17,000 questions annually.
 - (b) Successful: 19,000 questions annually.
- (7) Books Loaned to Other Libraries: (1,500 loaned annually - 3-year average).
 - (a) Minimally Acceptable: 1,200 loaned annually.
 - (b) Successful: 1,400 loaned annually.

OPERATIONS AND MAINTENANCE OF BUILDINGS AND GROUNDS, INCLUDING REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

The Operations and Maintenance function requires a total increase of \$797,000 to cover: uncontrollable employee pay and benefit increases (\$449,000); the uncontrollable non-pay increase for water and sewer (\$314,000); and a 2.2% economic assumption inflation adjustment (\$34,000). Funding is not being requested to support new programs.

The Repair, Restoration and Renovation of Buildings account requires total funding of \$6,311, no increase above the FY 1999 level. Included in this requested amount is continued funding for fire protection (\$750,000); structural/exterior repairs and restoration of the buildings (\$2,500,000); interior mechanical/electrical equipment replacement (\$1,491,000);

and other ongoing, multi-year renovation projects such as asbestos abatement, ADA building modifications, and insulation of gallery walls in the West Building (\$1,570,000).

Performance Goals and Measures: A schedule will be developed to complete required repairs, renovations and replacements. Future year performance will be measured against this schedule.

PROTECTION OF BUILDINGS, GROUNDS AND CONTENTS

The Security function requires a total increase of \$1,108,000 to cover: uncontrollable employee pay and benefit increases (\$984,000); a 2.2% economic assumption inflation adjustment (\$15,000); and funding for five FTE to police the Sculpture Garden (\$109,000). Funding is not being requested to support new programs.

Performance Measures: Provide efficient and effective security, occupational health and safety, fire protection and law enforcement services to the National Gallery of Art in accordance with applicable laws, regulations, policies and procedures.

Performance Goals: Art, buildings and people are safely protected with rare instances of a problem.

GENERAL ADMINISTRATION INCLUDING INFORMATION SYSTEMS PROGRAM

The General Administration function requires a total increase of \$449,000 to cover: uncontrollable employee pay and benefit increases (\$362,000); uncontrollable non-pay increases for off-site art storage space due to lack of suitable space on site (\$75,000) and the Financial Management System (\$58,000); a 2.2% economic assumption inflation adjustment (\$50,000); and an offsetting decrease in warehouse rent and utilities (\$96,000). Funding is not being requested to support new programs.

Performance Measures: Completion of the Year 2000 computer systems migration, update of the Gallery's Web Site, and efficient operations of the Gallery without incident will comprise the performance measures for FY 2000.

Performance Goals:

(1) Year 2000 Computer Migration:

Successful: Fully integrated Year 2000 migration.

(2) Web Site: (4,000 visitors per day average).

(a) Minimally Acceptable: 3,000 visitors per day.

(b) Successful: 3,750 visitors per day.

The Kennedy Center

**Fiscal Year 2000
Budget Justification to Congress**

February, 1999

**THE JOHN F. KENNEDY CENTER FOR THE PERFORMING
ARTS**

FISCAL YEAR 2000 BUDGET JUSTIFICATION

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THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

FISCAL YEAR 2000 BUDGET JUSTIFICATION

SECTION I: INTRODUCTION

Overview

Originally established in 1958 as the National Cultural Center and an independently administered bureau of the Smithsonian (P.L. 85-874), the John F. Kennedy Center for the Performing Arts was designated a living memorial to President Kennedy in 1964. The original act of 1958 charged the Board of Trustees with responsibility for constructing and administering the nation's center for the performing arts. The Kennedy Center was constructed with a combination of private contributions (\$34.5 million), Federal matching funds (\$23.0 million), and \$20.4 million in long-term revenue bonds held by the U. S. Department of Treasury. (These bonds are due beginning in 2011; prepayments on principal are made annually and bonds will be retired when they fall due.)

Construction began in 1964 and the facility opened to the public in 1971 with three operating theaters. In 1972, the Board of Trustees requested assistance from the Congress to cope with the millions of memorial visitors to the Center. Subsequently in 1972, Congress authorized funds through the National Park Service to provide to the Board assistance with maintenance, security, and other services necessary to maintain the building. From fiscal year 1972 until fiscal year 1995, the National Park Service received direct appropriations for the operation and repair of the presidential monument.

Beginning with the Bush administration, the Kennedy Center Board of Trustees sought a new and more efficient approach to management of the Kennedy Center building, with one entity responsible both for tending to the physical plant and for the activities of the living presidential memorial. In 1994, with bipartisan support from Congress, OMB, and the Secretary of the Interior, Congress enacted P. L. 103-279, authorizing the transfer to the Board of all appropriated fund responsibilities, including 55 FTE, and all unexpended balances of funds previously appropriated to the National Park Service. The transfer of personnel occurred in mid-October, 1994.

Since the start of fiscal year 1995, the Board has been responsible for all operations of the Kennedy Center, including both the management and expenditure of appropriated funds for operation, maintenance, and capital repair of the presidential monument, and management of non-appropriated fund activities. The total fiscal year 1998 operating budget for the Kennedy Center is approximately \$100 million, including both appropriated and non-appropriated funds. Of that amount, operation of the performing arts programming and administrative support of the Center is

approximately 80 percent. These functions are financed by ticket sales and through significant private contributions raised by the Board. Public Law 105-83, the Interior appropriations bill for fiscal year 1998, appropriated \$20.3 million for the building's operations, maintenance, and capital repair for fiscal year 1998.

The Center fulfills its obligation as a *living* memorial to the late president through the presentation of performing arts programming and through education activities both in the District of Columbia and around the country. The building, which houses six theaters with a total of 7,355 seats, operates 364 days per year. The Kennedy Center and the Center's resident orchestra, the National Symphony Orchestra, present more than 80 percent of the more than 3,000 performances scheduled annually. The building receives four million visitors annually representing every state and more than 20 countries. The performing arts programming is supported by ticket sales (50%); other earned income (20%); and grants and contributions (30%) (using fiscal year 1998 projections). The Kennedy Center's proportion of earned income is among the highest of any performing arts institution in the nation. In recent years, the Board has raised privately more than \$20 million annually and it maintains an endowment of \$70 million accumulated from gifts and pledges.

Since it opened in 1971, the Center has come to symbolize our nation's heritage in and appreciation for the performing arts, and serves as a dynamic national resource contributing to the cultural enrichment of the United States. (See Section V: Non-Appropriated Fund Activities) The 1998-99 season began with a free Open House on September 13, 1998. This year's Open House was a celebration of performing arts for everyone, featuring nearly 50 different attractions including audience participation activities and interactive performances. Throughout the 1998-99 season, the Kennedy Center will showcase the best in American dance, theater, music and arts in education. The season will also feature new works for young people and families as part of the Center's Education Program.

The Kennedy Center is the nation's leader in performing arts in education, seeding innovative national programs that reach teachers and students from pre-Kindergarten through college throughout the country. Program activities reach all 50 states, and young people from around the country are afforded unique training opportunities in all performing arts disciplines. The Kennedy Center Education Program receives designated support from the U.S. Department of Education through authorization in the Elementary and Secondary Education Act.

The direct Federal funding provided to the Kennedy Center is used only for the operation, maintenance, and capital repair of the presidential monument.

The Kennedy Center Building

The Kennedy Center building consists of 1.5 million square feet of usable floor space, on 17 acres of land. The building contains six theaters, three public restaurant facilities, nine function/special event rooms, five public galleries/halls/foyers, and approximately 50,000 square feet of administrative offices. In addition, the Kennedy Center Facility Management staff maintains complex HVAC systems, 23 elevators and six sets of escalators, 133 restrooms, more than 2,000 doors, 13 mechanical rooms, 108 crystal chandeliers, and 200 valuable paintings, sculptures, tapestries and textiles. Support systems in the building often operate at capacity in excess of 18 hours a day, seven days a week, and 364 days a year.

Board of Trustees

Most of the 49 members of the Kennedy Center Board of Trustees are appointed by the Executive and Legislative branches. Thirty citizen members currently serve six-year terms and are appointed by the President of the United States. President Clinton has made 10 appointments to the Board of Trustees.

The Kennedy Center Board of Trustees also includes nine ex-officio members: the Secretaries of Education and of Health and Human Services; the Director of the National Park Service; the Librarian of Congress; the Director of the United States Information Agency; the Secretary of the Smithsonian Institution; the Chairman of the Commission of Fine Arts; the Mayor of the District of Columbia; and the Superintendent of Schools of the District of Columbia.

The Legislative branch is represented by 10 members, five each from the Senate and House of Representatives. Three members from the Senate are appointed by the President of the Senate (currently Majority Leader Trent Lott, and Senators Edward M. Kennedy and Ted Stevens). Three House members are appointed by the Speaker of the House (currently Speaker Dennis Hastert holds one of these positions. The remaining two are vacant as a result of the retirements of former Representatives Sydney R. Yates and Joseph McDade).

Public Law 103-279 added four ex-officio appointments to the Board, including the Chairman and Ranking Minority Member of the Senate Committee on Environment and Public Works (currently Senator John Chafee and Senator Max Baucus, respectively), as well as the Chairman and Ranking Minority Member of the House Committee on Transportation and Infrastructure (currently Representative Bud Shuster and Representative James L. Oberstar, respectively).

The Board, as required by the Kennedy Center Act (20 U.S.C. 761), reports annually to the U. S. Congress on both its appropriated fund and trust fund operations. In addition, the Board reports annually to the Secretary of Education on its national performing arts in education activities.

Appropriation and Authorizing Language

Attached is an excerpt from the Kennedy Center Authorization Act of 1998 (Public Law 105-226) authorizing Kennedy Center appropriations for fiscal years 1999 through 2003, as well as excerpts from the House and Senate reports and the conference report to P.L. 105-277, the Omnibus Appropriations Bill of 1999.

The Kennedy Center Authorization Act of 1998, excerpt

PUBLIC LAW 105-226—AUGUST 12, 1998

“SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

“(a) MAINTENANCE, REPAIR, AND SECURITY.--There are authorized to be appropriated to the Board to carry out section 4(a)(1)(H) –

“(1) \$13,000,000 for fiscal year 1999;

“(2) \$14,000,000 for fiscal years 2000 and 2001;

and

“(3) \$15,000,000 for fiscal years 2002 and 2003.

“(b) CAPITAL PROJECTS. – There are authorized to be appropriated to the Board to carry out subparagraphs (F) and (G) of section 4(a)(1)–

“(a) \$20,000,000 for each of fiscal years 1999, 2000, and 2001;

“(b) \$19,000,000 for fiscal year 2002;

and

“(c) \$17,000,000 for fiscal year 2003.”

John F.
Kennedy
Center
Authorization of
1998.
20 U.S.C. 76r

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES
APPROPRIATIONS BILL, 1999

JULY 8, 1998.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. REGULA, from the Committee on Appropriations,
submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 4193]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of the Interior and Related Agencies for the fiscal year ending September 30, 1999. The bill provides regular annual appropriations for the Department of the Interior (except the Bureau of Reclamation) and for other related agencies, including the Forest Service, the Department of Energy, the Indian Health Service, the Smithsonian Institution, and the National Foundation on the Arts and the Humanities.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

The John F. Kennedy Center for the Performing Arts is a living memorial to the late President Kennedy and the National Center for the Performing Arts. The Center consists of over 1.5 million square feet of usable floor space with visitation averaging 10,000 on a daily basis.

OPERATIONS AND MAINTENANCE

Appropriation enacted, 1998	\$11,375,000
Budget estimate, 1999	13,000,000
Recommended, 1999	12,187,000
Comparison:	
Appropriation, 1998	+ 812,000
Budget estimate, 1999	- 813,000

The Committee recommends \$12,187,000, an increase of \$812,000 above the enacted level and a decrease of \$813,000 below the fiscal year 1999 request.

CONSTRUCTION

Appropriation enacted, 1998	\$9,000,000
Budget estimate, 1999	20,000,000
Recommended, 1999	9,000,000
Comparison:	
Appropriation, 1998	0
Budget estimate, 1999	- 11,000,000

The Committee recommends \$9,000,000 for construction, the same as the enacted level and a decrease of \$11,000,000 below the fiscal year 1999 request.

Calendar No. 440

105TH CONGRESS }
2d Session }

SENATE

{ REPORT
105-227 }DEPARTMENT OF THE INTERIOR AND RELATED
AGENCIES APPROPRIATIONS BILL, 1999

JUNE 26, 1998.—Ordered to be printed

Mr. GORTON, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany S. 2237]

The Committee on Appropriations reports the bill (S. 2237) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1999, and for other purposes, reports favorably thereon and recommends that the bill do pass.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

OPERATIONS AND MAINTENANCE

Appropriations, 1998	\$11,375,000
Budget estimate, 1999	13,000,000
Committee recommendation	13,000,000

The Committee recommends an appropriation of \$13,000,000 for the operations and maintenance of the John F. Kennedy Center for the Performing Arts. This amount is \$1,625,000 above the fiscal year 1998 level and the same as the budget estimate. Additional funds are provided for anticipated fixed cost increases, the backlog of minor maintenance repair, and the retention of an upgraded contract guard force.

CONSTRUCTION

Appropriations, 1998	\$9,000,000
Budget estimate, 1999	20,000,000
Committee recommendation	20,000,000

The Committee recommends an appropriation of \$20,000,000 for the Kennedy Center's capital repair and rehabilitation needs. This amount is an increase of \$11,000,000 above the fiscal year 1998 level and the same as the budget estimate. Several critical projects will be addressed in fiscal year 1999 as work begins on the 3-year central block project, which includes renovation of the Opera House and related mezzanine construction.

105TH CONGRESS }
2d Session

HOUSE OF REPRESENTATIVES

{ REPORT
105-825

**MAKING OMNIBUS CONSOLIDATED AND
EMERGENCY SUPPLEMENTAL APPROPRIA-
TIONS FOR FISCAL YEAR 1999**

CONFERENCE REPORT

TO ACCOMPANY

H.R. 4328



JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

OPERATIONS AND MAINTENANCE

For necessary expenses for the operation, maintenance and security of the John F. Kennedy Center for the Performing Arts, \$12,187,000.

CONSTRUCTION

For necessary expenses for capital repair and rehabilitation of the existing features of the building and site of the John F. Kennedy Center for the Performing Arts, \$20,000,000, to remain available until expended.

SECTION II:

FY2000 BUDGET REQUEST SUMMARY AND OBJECTIVES

FY2000 Budget Objectives

The Kennedy Center's funding requirement for fiscal year 2000 is \$34.0 million. Of this amount, \$14.0 million is allocated to annual Operations and Maintenance, and \$20.0 million is for Capital Repair and Restoration, to remain available until expended. Fifty-five FTE (full-time equivalents) are requested in the fiscal year 2000 budget. The Kennedy Center's fiscal year 2000 budget request reflects the following management objectives:

- Accessibility for disabled patrons.
- Preservation and protection of the Presidential monument building.
- Effective and efficient building operations and visitor services.
- Execution of the Comprehensive Building Plan, which provides for necessary major repairs and restoration of the monument.
- Care and keeping of the building and grounds in a manner consistent with other national Presidential monuments.
- An interpretive program which helps visitors understand how the national cultural center conceived of by President Eisenhower was later named a living memorial to President Kennedy, and which gives visitors knowledge and understanding of the performing arts in America.
- Prudent and efficient utilization of appropriated resources, in accordance with Federal rules and regulations to the extent applicable to and adopted by the Kennedy Center.
- Comfortable, clean, and safe accommodations for four million visitors and patrons annually.
- Substantial increase in the proactive preventative maintenance of building systems.

Financial and Performance Measurement Objectives

Since assuming control of building operations, maintenance, and capital repair, the Board has implemented several measures to streamline operations and increase efficiencies in all aspects of the appropriated fund management. The Board retains the services of the General Services Administration for contract and financial management services, and employs an in-house contracting officer to supervise and facilitate contracting for goods and services. The

Kennedy Center Department of Finance has established a new chart of accounts for cost control purposes. The facilities department has implemented an integrated facilities management information system, allowing for improved service on a work item by work item basis.

The Kennedy Center's request of \$14.0 million for Operations and Maintenance is a nine percent increase from funds requested in fiscal year 1999. The Center's fiscal year 2000 request places a high priority on continued elimination of the significant backlog of minor repair of the building. The budget request also provides for retention of the Center's upgraded contract guard force, allowing the Center to have a higher overall quality of guard services.

The Center's fiscal year 2000 Operations and Maintenance request for Personnel and Benefits, \$3,010,527 is \$338,080 over the fiscal year 1999 request. The fiscal year 2000 request includes a 3.6 percent federal pay-raise assumption and provides for the Center to implement the recommendations of a recent facility management analysis which calls for several facilities services positions to be filled with positions of a higher grade. The Center continues to focus on keeping overtime costs down, while aggressively addressing the minor repair backlog, and implementing a work order system to improve overall facilities operations.

The fiscal year 2000 Capital Repair and Rehabilitation request is \$20.0 million. The planned fiscal year 2000 program is part of a 25-year Comprehensive Building Plan, and will address critical building systems and life safety issues.

Operations and Maintenance

The Center is required to expend in the fiscal year 2000 budget approximately 3.6 percent more in personnel and related costs, due to Federal pay-raise assumptions. The increased non-personnel request for fiscal year 2000 provides for continued progress against the backlog of minor repairs, improved contract security guard services, and increased preventative maintenance services.

Utilities

In fiscal year 1997, the Center completed full replacement of its chiller system. Operational efficiencies are now being realized from this project. Further benefits are expected from on-going utilities-related projects including lighting replacements, and the installation of a new building automation system.

Building Emergency and Minor Repairs and Replacement

By the end of fiscal year 1999, it is estimated that the Kennedy Center's minor repair backlog will have declined to \$8.5 million with the remediation of all known safety hazards. Because of the critical nature of work and the dynamic requirements of a performing arts complex, the inventory of work items remaining to be done is under continuous review and updated and re-prioritized periodically as building conditions change, new work items are identified, breakdowns occur and as operating requirements dictate. The Kennedy Center prioritizes the repair work according to the following six categories: A) Safety; B) Emergency; C) Proactive Critical; D) Deterioration; E)

Obsolescence; and, F) Improvements. The Project Management Office, through the project coordinator, manages and directs the Minor Repair and Replacement Program, including all backlog maintenance needs, emergency repairs and minor space modifications. This centralized management responsibility addresses all technical, architectural, engineering and standards issues affecting the facility and its systems. The department also directs the Capital Repair and Restoration Program, enabling effective coordination of both the capital and minor repair programs. The fiscal year 2000 budget request will further reduce the backlog in order to fully eliminate the backlog by fiscal year 2009.

Preventative Facility Maintenance

As a result of the preliminary findings of a facility management analysis, the Center recommends increased allocation of funds to preventative maintenance. Particularly as new building systems are installed through the capital repair program, the Center must maintain these valuable assets.

The increase included in this request involves increased costs for specialty service contracts, upgrade of key facility personnel, and supplies/materials to support preventative maintenance work. This work will be routinely scheduled by an integrated, automated facility management system.

Capital Repair and Rehabilitation

The Kennedy Center's Comprehensive Building Plan lays out a 25-year plan for necessary capital repair of the facility. Section IV of this request provides information on capital repair projects to be undertaken in fiscal year 2000.

Fiscal Year 2000 Request by Object Class

OPERATIONS AND MAINTENANCE

Identification Code 33-0302-0-1-503

REQUEST BY OBJECT CLASS	FY2000 REQUEST
11.9 Personnel Compensation	2,393,878
12.0 Personnel Benefits	616,648
21.0 Travel and Transportation of Persons	21,500
23.3 Communications, Utilities, and Misc. Charges	2,830,565
24.0 Printing and Reproduction	209,600
25.2 Other Services	7,184,109
26.0 Supplies and Materials	477,000
31.0 Equipment	266,700
Total FY2000 Request	14,000,000

CAPITAL REPAIR AND RESTORATION

Identification Code 33-0303-0-1-503

REQUEST BY OBJECT CLASS (a)	FY2000 REQUEST
11.9 Personnel Compensation	460,000
12.1 Personnel Benefits	85,000
21.0 Travel & Transportation of Persons	16,000
22.0 Transportation of Things	-
23.2 Rental Payments to Others	20,000
23.3 Communications, Utilities, and Misc. Charges	3,000
24.0 Printing and Reproduction	5,000
25.2 Other Services	19,211,000
25.3 Purchases of Goods and Services from Govt. Accounts	170,000
26.0 Supplies and Materials	20,000
31.0 Equipment	10,000
Total FY2000 Request	20,000,000

**KENNEDY CENTER
OPERATIONS AND MAINTENANCE SALARIES AND EXPENSES
SUMMARY OF 1999 and 2000 BUDGETS**

Dollars in Thousands
FTE = Full Time Equivalent

	EY 1999-OMR \$	EY 1999-Saved \$	EY 2000 Budget \$	Change FY99 FY00 \$	Explanation of Changes, FY99 - FY00
1.0 Facility Operations	5,848 18	5,848 18	5,957 18	111	\$51K increase in scheduled personnel costs, \$33 increase in utilities/communications costs, \$5K increase in supplies and \$22K increase in contract service costs.
2.0 Facility Maintenance	2,100 18	2,100 18	2,165 18	65	\$65K increase in scheduled personnel costs, \$6K increase in electrical system costs, \$3K increase in exterior maintenance and 1K increase in sprinkler system maintenance.
3.0 Security/Life Safety	2,582 3	2,582 3	2,650 3	68	Scheduled personnel increases of \$10K and \$50K budgeted increase for security services. \$8K increase in equipment and supplies.
4.0 Minor Repair/Replacement	1,300 1	487 1	1,850 1	1,383	Scheduled increase of \$5M from original budget for FY 99. Additional \$ 813M represents reduction in FY 99 appropriation. All increases for reduction of minor repair backlog and annual emergency minor repair.
5.0 Memorial Interpretation	80	80	280	200	Reprint of brochures, including additional information and in multiple languages
6.0 Program Direction	1,092 9	1,092 9	1,098 9	6	Scheduled increases in personnel costs mostly offset by reduced admin costs
Totals:	13,000 49	12,187 49	14,000 49	1,813	

NOTES:

* FTEs are stated at authorized levels. Internally allocated among budget categories.

KENNEDY CENTER
CAPITAL REPAIR SALARIES AND EXPENSES
SUMMARY OF 1999 AND 2000 BUDGETS

Dollars in Thousands
 FTE = Full Time Equivalent

	FY 1999 Budget \$	FTE	FY 2000 Budget \$	FTE	Change FY99 - FY00 \$	Explanation of Changes, FY99 - FY00
1.0 Exterior Building Envelope	0	0	0	0	0	No new projects in FY 2000.
2.0 Life Safety and Security	770	0	9440	0	8670	Continuation of pending program to replace fire alarm system and extend sprinkler system. Phase 2 of the Security System improvements and motor lobby modifications will be initiated. Continuation of anti-terrorism measures to the site
3.0 Interior Repair, Accessibility and Egress	15367	0	8300	0	-7067	Construction of the mezzanine and gallery in the Hall of Nations and relocation of food service preparation facilities.
4.0 Building Systems	374	0	800	0	426	Continued implementation of the new building automation system and Phase 1 of the Energy Conservation Program will be initiated
5.0 Visitor Services	1300	0	900	0	-600	Implement Phase 2 of signage for public spaces.
6.0 Parking and Site Circulation	1344	0	0	0	-1344	Continue site circulation plans in connection with security changes to site and garage expansion paid for with trust funds (proceeds of Industrial Revenue Bonds). No new projects for FY 2000
7.0 Comprehensive Planning and Project Management	845	6	950	6	115	Additional design and contract administration capability.
Totals (see NOTES below):	20000	6	20000	6	0	

NOTES:

- * FY 1999 Budget as submitted in the Budget Justification to Congress dated February 1998.
- * FTE are stated at authorized levels.
- * Budgeted \$ include reserves for contingencies and do not reflect carry-overs between fiscal years for "no-year" funds
- * All design and construction projects are pursuant to the 1995 Comprehensive Building Plan, with no change in overall project of \$171 million from FY 1999 - FY 2000 to bring the building up to current life safety and accessibility standards.

Obligations: Fiscal Years 1998 - 2000
OPERATIONS AND MAINTENANCE

	PY 1998	CY 1999	BY 2000 request
New Budget Authority/Appropriation	11,375	13,000	14,000
Unobligated balance	n/a	n/a	n/a
Funds Available	11,375	13,000	14,000
FTEs	48	49	49

CAPITAL REPAIR

	PY 1998	CY 1999	BY 2000 request
New Budget Authority/Appropriation	9,000	20,000	20,000
Unobligated balance, start of year [incl. reserves]	11,491	12,988	2,670
Funds Available	20,491	32,988	22,670
Total obligations [est.]	7,503	30,318	20,000
Unobligated balance, end of year [incl. reserves]	12,988	2,670	2,670
Outlays [est.]	10,000	15,000	25,000
FTEs	4	6	6

SECTION III: **BUDGET JUSTIFICATION - OPERATION AND MAINTENANCE OF BUILDING AND GROUNDS**

Statement of Operations

Operations, routine maintenance, and capital repair of the Kennedy Center monument building are authorized under 20 U.S.C. 76r, as amended, and are funded through direct Federal appropriations to the Board of Trustees. The Board, since assuming responsibility for operations, maintenance, and capital repair of the building from the National Park Service on October 1, 1994, has absorbed many administrative duties within the trust fund management, and has sought to maximize efficiencies through the use of outside contracts for administrative services, routine maintenance and security.

In fiscal year 2000, \$14.0 million is expected to be appropriated for operations and maintenance of the monument building. These functions are currently carried out through a combination of in-house appropriated fund staff, trust staff on a reimbursable basis, trust fund management personnel not reimbursed from Federal appropriated funds, and through contracts with other government agencies and the private sector.

The Kennedy Center's program for operations and maintenance is organized around several distinct functions: Facility Operations, Security and Life Safety, Facility Maintenance, Minor Repair and Replacement, Interpretive Services, and Program Direction and Support. Following are descriptions of these functions, along with total amounts allocated to these functions in the fiscal year 2000 budget request. On pages 20 and 21 the Operations and Maintenance account is presented by object class.

Fiscal year 2000 Operations and Maintenance Budget Request by Function

Facility Operations

Fiscal year 2000 function estimate: \$5,956,686

Building operations, as defined by the Board, include the routine daily activities required for the operating and functioning of the physical facility, and building systems. This covers expenses for labor, materials/supplies, equipment, and utilities for activities associated with the daily operation by building personnel and contractors. This category consists of proprietary staff (involved with plumbing, electrical, grounds, environmental controls), and consumable supplies, uniforms, electricity, sewer/water, communication systems, and equipment. It also includes janitorial, trash removal, and other operations contracts. Janitorial services for the building include waste management and recycling; cleaning/polishing of glass, metal, walls, and hard surfaces; pest control; carpet cleaning; and general surface upkeep. It is the Board's intention that building maintenance at the facility provide a clean, pleasant, and acceptable appearance

befitting the Center's function as a presidential monument that serves as the nation's center for the performing arts.

The Kennedy Center is an all-electric facility. The Board has and will continue to replace obsolete building systems through the capital repair program and anticipates that, once these repairs are completed, overall utility costs can be reduced, except as these costs may be impacted by further increases in utility rates.

Security and Life Safety

Fiscal year 2000 function estimate: \$2,650,228

From fiscal year 1972 until fiscal year 1995, the U.S. Park Police and Guard Force (USPP) provided the on-site security presence at the Kennedy Center. Following departure of the USPP in June, 1995, the Board of Trustees entered into an Interagency Agreement with the USPP for on-call and emergency response. The Center's on-site security now is provided through a contract guard force of 31 positions which provide 24-hour building and building perimeter security coverage.

The Board has hired three full-time, permanent staff who coordinate and supervise the contract security force, survey and monitor the building for fire safety and security risks, and develop procedures for minimizing risks to the public, and government officials requiring additional security considerations. This office maintains contact with Federal and local law enforcement agencies and coordinates dignitary visits to the Kennedy Center with the U.S. Secret Service and the Department of State. The Office of Security also plays a key supervisory role in parking enforcement and traffic control on the site. This office has engaged a retired District of Columbia fire official to conduct periodic surveys of the building and monitor remediation of fire and safety hazards.

The Office of Security, working with the Project Management Office, is planning capital repairs which will improve building safety and security, and is in the process of installing an integrated security and fire alarm system. This system will have the capacity to document building use through an improved identification system for staff and visitors. (See Section IV)

Facility Maintenance

Fiscal year 2000 function estimate: \$2,165,040

Facility maintenance includes preventive maintenance performed by in-house staff and service contractors. The Kennedy Center is increasing its attention to this function to reduce long-term operating costs and capital repair requirements. A scheduled maintenance system has been established to ensure that all building systems and equipment are routinely checked and maintained in accordance with industry standards and manufacturer requirements. This involves in-house personnel routinely replacing plumbing valves; breaking down pumps; replacing filters, belts, and chains; replacing light bulbs; lubrication of engines, and other similar activities. In addition to in-house personnel, preventative maintenance on elevators, escalators, diesel

generators, chillers, and other equipment is performed by specialty contractors. Grounds maintenance is included in this budget category.

Minor Repair and Replacement

Fiscal year 2000 function estimate: \$1,850,000

This function includes minor and emergency repairs conducted by internal personnel or contractors. This encompasses non-routine repair and replacement of building elements, and emergency repairs to building systems and building architectural elements, heating, plumbing, lighting, and other major building systems, unplanned repairs to the building's six sets of escalators and 23 elevators, replacement of carpets, and refinishing of wood, marble, and metal finishes in the building's interior and exterior. Employees engaged in this function include in-house electricians, plumbers, grounds maintenance personnel, central repair personnel, and trust fund employees (on a reimbursable basis).

Interpretive Services

Fiscal year 2000 function estimate: \$280,000

The Kennedy Center engages 650 Friends of the Kennedy Center volunteers who serve as tour guides -- providing more than 11,000 hours of service in conducting tours alone -- and who provide interpretive and other visitor services. Volunteers have been essential to visitor services and have performed this function since the building opened in 1971. Within the funding allotted for activities in this area, the Board plans to improve interpretive services through the development of visitor information options outside of the public tours. Options including kiosks, displays, and printed materials are currently being developed. The expertise of trust-side staff will be utilized to plan for and manage improved interpretive services at the Center.

Program Direction and Support

Fiscal year 2000 function estimate: \$1,098,045

Overall management of building operations and the capital repair program are under the direction of the Vice President of Facilities for the Kennedy Center. Financial management is supervised by the Chief Financial Officer. The Vice President of Facilities and the Chief Financial Officer are compensated with trust funds. Prior to assuming control of building operations and maintenance from the National Park Service, the Board of Trustees reviewed the gamut of requirements under statute and agency policies to determine which administrative services could reasonably be absorbed by the existing trust-side management, and which services were best obtained through other government agencies.

Following is a brief overview of appropriated fund program direction at the Kennedy Center:

Facility Services

The Facility Services Department is charged with daily care of the physical facility and is headed by a Director of Facilities. This department is responsible for all public utilities at the Center, as well as all Federal property.

Procurement and Contracting

The Kennedy Center has a small, in-house staff with responsibility for oversight and control of contract and procurement actions, including supervision of contract specialists and evaluators working for the Center through contractual arrangement with other government agencies. The Chief of the Contracting Office, a contracting officer with an unlimited warrant, reports to the Vice President for Facilities and is charged with the formulation and execution of contracts under the FAR, to the extent applicable and adopted by the Kennedy Center. The chief of contracting employs a staff of four: one contract specialist, one purchasing agent, one micro-purchase buyer, and one procurement assistant.

Through arrangement with other government agencies, the Kennedy Center has both on- and off-site contracting and procurement support whose contract actions are supervised by the Chief of the Contracting Office.

Budget Execution and Accounting

Financial accounting and budget execution, personnel administration, and appropriated fund payroll-- all services previously conducted by the National Park Service-- are now conducted through contractual arrangement with the General Services Administration under the direction of the Kennedy Center Finance Department. The Finance department employs a full-time financial analyst.

Personnel

The Center employs a full-time Personnel Management Specialist who, under management of the Center's Director of Human Resources, handles a range of duties related to appropriated fund personnel, including benefits, vacancies and hiring, disciplinary action, training, EEO, and labor relations. The Director, a trust fund employee, in conjunction with the Finance Department, oversees preparation of payroll for both trust and appropriated fund employees.

Management Information Services

Overall management of the MIS/data processing function is under the direction of the Kennedy Center Director of MIS, a trust employee. A full-time computer specialist is employed to service and support the data processing requirements for the appropriated fund activities.

**Fiscal year 2000 Operations and Maintenance
Budget Request by Object Class**

11.9 & 12.1 Personnel Compensation and Benefits – \$3,010,527

The budget request of \$3,010,527 encompasses salaries, wages, benefits and other services payments for 50 full-time equivalent (FTE) personnel.

21.0 Travel and Transportation of Persons – \$21,500

\$21,500 is requested for fiscal year 2000 for the travel and transportation expenses of appropriated fund staff for travel to and from equipment manufacturers, industry conferences, other training sites, and other travel.

23.3 Communications, utilities, and miscellaneous charges – \$2,830,565

\$2,830,565 is requested for fiscal year 2000 for communication and utility expenses, including: telephone, electricity, water, and sewer. The Kennedy Center is an entirely electric facility. All heat, hot water, cooling, and ventilation are provided by electricity.

24.0 Printing and Reproduction – \$209,600

\$209,600 is requested to cover the costs of printing and related composition, to include interpretive brochures and related documents, plus blueprints.

25.2 Other Services – \$7,184,109

\$7,184,109 is requested for Other Services in fiscal year 2000. This category includes obligations for services with the private sector not otherwise classified. The Center's private security contract, housekeeping contract, plus most other contracts for basic building maintenance, operations, and minor repair are included in this object class.

26.0 Supplies and Materials – \$477,000

\$477,000 is requested for fiscal year 2000 to cover the cost of supplies and materials, including all supplies for locks and other security supplies, and consumable supplies such as light bulbs, paint, filters, motor belts, refrigerant, and grounds maintenance materials. Supplies and

materials for preventative maintenance and minor repair projects performed by in-house personnel are included here.

31.0 Equipment -- \$266,700

\$266,700 is requested for fiscal year 2000 for equipment. Fiscal year 2000 expenditures will consist primarily of permanent fixtures and equipment included in minor repair and replacement projects.

SECTION IV: BUDGET JUSTIFICATION - CAPITAL REPAIR AND RESTORATION

Overview

Capital Repair and Restoration Program

The John F. Kennedy Center for the Performing Arts, a national presidential monument and living memorial, hosts approximately four million visitors annually. Over 60 million patrons and visitors have come to the Center and attended performances since the monument opened in 1971. After almost 25 years of operation without a comprehensive program for capital repair, however, the facility deteriorated because of the aging of building materials and systems, as well as intensive public use. This deterioration, as well as functional and technical obsolescence of building systems, is being addressed so the building may continue to function. Technical obsolescence of building systems at the Kennedy Center is related to the rapid advancement of building technology over the past few years, as well as to aging of the systems.

Personnel and Outside Services

The capital repair function at the Kennedy Center is executed under the direction of a project executive who is responsible for overall management of the planning, design, and construction work, including funds management and oversight of agreements with other government agencies for management and contracting services. The incumbent was previously employed with the National Park Service and General Services Administration, and served as the representative of the Denver Service Center (DSC) for the Kennedy Center capital renewal program administered by the National Park Service at the Kennedy Center. The current staff of the Project Management Office consists of a project executive, a construction manager, a design manager, a project coordinator (funded from the O&M appropriation) and a management control officer for a total of four FTE funded from the Capital appropriation. In fiscal year 1998, the project executive was converted to a Trust employee because of an expansion of his responsibilities to trust-funded activities. He is assisted by a special projects manager who is also a Trust employee. Two additional FTE were requested in fiscal year 1999 for design and construction coordinators to handle the increased size and complexity of the workload.

Following enactment of P.L. 103-279, the Kennedy Center entered into an Interagency Agreement with the DSC, under which DSC provided on-going technical and contracting support pertaining to the transition of responsibility from the Park Service to the Kennedy Center Board (with the exception of the supervision of certain in-progress construction projects, including the parking garage restoration). The design and construction management support from the DSC was completed during fiscal year 1999. In fiscal year 1995, the Board entered into agreement with the U.S. Army Corps of Engineers, Baltimore District, for longer-term technical support, procurement, project management, and contract administration for the capital repair program.

Through fiscal year 1996 and fiscal year 1998 the Corps maintained an office and full-time personnel on site. Commencing in fiscal year 1999 the Corps no longer acted as the Kennedy Center's contracting agent and instead provided technical, administrative and procurement support. Some planning and technical support from other building agencies and the private sector, particularly in the areas of project coordination, design management, construction management, construction scheduling, cost management and related services, may also be employed to help manage larger projects.

Comprehensive Building Plan

The Kennedy Center Comprehensive Building Plan (CBP) was first submitted to Congress in 1995 and subsequently updated in 1996, 1997 and 1998. The CBP calls for a three-stage program to bring the Kennedy Center building up to current life safety standards while maintaining the functionality of the structure. The first stage, which ended in fiscal year 1998, included renovation of the south block of the building (including the Concert Hall) and the replacement of long-neglected essential systems in the building such as the chillers and roof systems.

The CBP addressed the expenditure of \$9.0 million per year during stage 1 (from fiscal year 1995 through fiscal year 1998) and, contemplates the expenditure of \$20.0 million per year during stage 2 (from fiscal year 1999 through fiscal year 2001), and thereafter during stage 3 in diminishing amounts (through fiscal year 2009). The CBP anticipates expenditures totaling \$171.0 million from fiscal year 1999 through fiscal year 2009.

Further space planning studies and engineering studies beginning in fiscal year 1996 through the present time indicate that significant cost savings may be achieved if funding is aggregated in the amount of \$20 million per year over five years for several critical projects, principally: the completion of the site modifications to incorporate anti-terrorism measures, building exiting and improved circulation; new security, fire alarm and building automation systems; fire safety improvements in the motor lobbies; and mezzanine construction and related interior repairs. This increased funding in fiscal year 1999 through fiscal year 2001 would be offset by a reduction in funding in the later years ending in fiscal year 2009. The overall projected cost of renovating the Kennedy Center building remains at \$171.0 million from fiscal year 1999 through fiscal year 2009.

Since the first Comprehensive Building Plan was issued in July 1995, the Board has developed and refined its plans for the remediation of the building deficiencies. Studies and investigations of the elevators, fire alarm systems, building automation systems, and the service tunnel have been completed. In addition, planning efforts that further define the scope and extent of work needed to repair worn-out or aging systems, make the Center accessible to the disabled, and bring the facility up to current building codes have been initiated or completed. These planning efforts include a site circulation study, a fire protection and life safety master plan, a space use master plan, an interpretive master plan and signage program, a security master plan and central block feasibility study.

Considerable progress has been made toward remediation of some building deficiencies. Several major construction projects have been completed. These projects include repairs to the parking garage and condenser water tank; replacement of cooling coils in the mechanical system; replacement of the chillers; repairs to electrical and plumbing systems; installation of new lighting; replacement of the dimmers systems; interim sidewalk repairs; exterior building cleaning; and interior lighting improvement. In addition, the repair of the Roof and Roof Terrace, rehabilitation of the Concert Hall, and installation of Phase I of an integrated security system have recently been completed. With completion of this construction work, the facility is no longer plagued with leaks from the roof and roof terrace. A major component of the facility, the Concert Hall auditorium and backstage, is fully accessible and in compliance with today's fire and life safety standards and the building is now cooled with state-of-the-art systems.

In addition, a number of planning efforts that further define the scope and extent of work needed to repair worn-out or aging systems, make the Center accessible to the disabled, and bring the facility up to current building codes have been completed. These planning efforts include a site circulation study, a fire protection and life safety master plan, a space use master plan, an interpretive master plan and signage program, a security master plan, and studies and investigations of the elevators, fire alarm systems, building automation systems, and the service tunnel. Interrelated with and complementary to these studies is the Minor Repair Program analysis that is periodically updated.

The Comprehensive Building Plan, which was updated in August 1996, September 1997 and September 1998, reflects planning efforts and design and construction projects undertaken and completed. This program of annually updating and implementing the plan safeguards against a recurrence of severe deterioration of the facility and, ultimately and over the long term, reduces the public costs of operating and maintaining the monument. The updated Plan reflects the conclusions reached in the planning process through 30 July 1998.

The Comprehensive Building Plan analyzes major components and systems in the following categories: *Exterior Building Envelope; Life Safety and Security; Interior Repair, Accessibility and Egress; Building Systems; Memorial Interpretation and Visitor Services; Parking and Site Circulation; and Comprehensive Planning/Project Management/Contract Administration*. A description of each of these components has been prepared, and codes and standards that govern operation and maintenance of this facility are identified in each category. Based on these codes and standards, an audit of the building components and systems was performed. A summary of the findings in each category follows:

Exterior Building Envelope

By fiscal year 1995, the materials and systems of the exterior building envelope were deteriorating due to aging and problems related to deficiencies in the original design and construction. The existing roofing was beyond its useful service life and was deteriorated. Ponding of water and inadequate existing drainage contributed to increasing leakage to the interior. The exterior marble cladding exhibited cracking, spalling,

bowing, displacement, and dirt accumulation and staining, and joint sealants were deteriorated. The stucco wall cladding exhibited localized severe cracking and delamination.

The pre-cast concrete paving of the Roof Terrace and the marble paving of the Plaza exhibited deterioration of the pavers, mortar, and sealant. Inadequate drainage and deterioration of the waterproofing membrane contributed to water accumulation within the system, leading to interior leakage. The aluminum and glass curtain walls exhibited failure of some glazing units, localized sealant failure, and deterioration of the surface finish. The marble-clad planters, pools, and fountains had experienced overall deterioration of waterproofing, flashing, marble cladding, and sealants.

Many of the deficiencies noted above were addressed as part of the fiscal year 1995-98 repair work. The 1997-1998 program included replacement of roofing and drainage at the Main Roof, Penthouse Roofs, and roof overhangs; repair and replacement of selected marble cladding fascia panels; and replacement of the drainage, waterproofing, and pre-cast concrete paving at the Roof Terrace with new drainage, waterproofing, and granite paving.

Before the end of fiscal year 1998, major portions of the facility were made water tight, aging building and technical systems were replaced, and significant accessibility and life safety repairs were realized. The remaining deficiencies, some significant, will be addressed in Stage 2 of the Comprehensive Building Plan. Repairs to address these deficiencies include security modifications and related site work, replacement of the marble plaza paving and drainage system, repair of the marble cladding and curtain wall, life safety improvements, and related interior modifications.

Life Safety and Security

There continue to be life safety deficiencies throughout the building, primarily because the building was designed and constructed more than 25 years ago and these issues have not been attended to in a coordinated manner since that time. Theaters (other than the Concert Hall, which has been renovated) and many other spaces require additional sprinkler protection, exit-ways, fire separations, ventilation and exhaust provisions, and other life safety protection. The primary safety concern in this type of facility is safe evacuation in the event of fire. Although the structure was built to standards followed in the 1960s, fundamental egress requirements under current building standards are lacking: several sections of the building lack two means of egress; exit discharge is not directly to the exterior; and changes have resulted in blockage of originally-designed egress paths. There is no fire separation between the Grand Foyer and multi-level theater lobbies, and unrated fire separation between the parking garage and the Hall of States and Hall of Nations. The parking garage poses egress problems in that the travel distances are excessive and some exits discharge directly onto the roadway of Rock Creek Parkway.

Although these fire and life safety deficiencies are serious, the Kennedy Center's consultants advise that cessation or curtailment of building operations is not required as

long as the deficiencies are continuously monitored and are being addressed through the implementation of the Comprehensive Building Plan. To address these concerns, a Fire Protection and Life Safety Master Plan was completed in fiscal year 1997 to identify a coordinated strategy for correcting fire protection deficiencies and improving life safety at the Kennedy Center. This Plan identifies three priorities for correcting fire protection and life safety deficiencies. Priority One tasks involve minor repairs or changes in operational procedure that can be implemented quickly. These were substantially accomplished in fiscal year 1997 with Operations and Maintenance funding. Priority Two tasks involve recommended near-term improvements to the fire protection and life safety systems within the building that will be addressed in fiscal year 1999. Priority Three tasks include long-term improvements that can be initiated as renovations proceed. A major step in implementing the fire protection and life safety master plan is the addition of fire suppression systems and the reduction of exiting times for the protection of the 2,448-person audience of the renovated Concert Hall.

When the building was designed in the 1960s, little attention was given to security concerns. Consequently, access to the facility was controlled only by manning or manually locking the approximately 80 exterior doorways. The present key system provides only limited means for controlling access to backstage and other non-public spaces. In the past, the garage could not be securely closed during hours when the building is not open to the public, and little surveillance equipment was installed or was operational. The first phase of an integrated security system was completed in fiscal year 1998. Security systems have also been incorporated the renovation of the South Block/Concert Hall contract. Other security system installations will be incorporated into the facility in two additional phases. Phases 2 and 3 include construction of a Security Operations Center and single entry control for performers and staff. This work is included as part of space modifications scheduled for fiscal year 1999.

The Space Use Master Plan completed in fiscal year 1997 identified modifications to site circulation that will improve security. These modifications involve moving traffic away from the building entries, providing additional points of traffic control, and separating service traffic from visitor and patron traffic. The Security Master Plan identifies relocating the entry approach roadway to the Kennedy Center to a new entry point and away from the building to be among the highest security priorities. The initial phases of relocation of the entrance roadway will be accomplished to a major extent with the use of funding from the fiscal year 1997 anti-terrorism supplemental. Subsequent phases of site circulation and developmental work will be accomplished from regular appropriations.

Interior Repair, Accessibility, and Egress

Because the building was designed and constructed before Federal statutes established standards for accessibility, interior spaces within the building do not conform to current standards designed for accommodating persons with disabilities in new buildings. Whereas past standards for accessibility merely required that a route into a given space be provided for persons with disabilities, the Americans with Disabilities Act (ADA) requires that the route be essentially the same as that used by the non-disabled. While the

major theaters can all be reached by persons with disabilities, this access requires the use of side doors and the help of a companion or Kennedy Center staff person. Accessible seating in the theaters is not available or is limited, and oftentimes requires extraordinary effort and considerable personnel time in order to achieve minimal accessibility. Most of the restrooms continue to be inaccessible, however, the restrooms at the Orchestra level and Motor Lobbies were modified to provide accessibility in work completed in fiscal year 1995. Work was also completed on extensive repairs to the Concert Hall to accommodate persons with disabilities.

A Space Use Master Plan was initiated in 1996 to analyze opportunities for improving space use within the building and at the site. The Space Use Master Plan identifies modifications to the Interpretive (AFI) Theater and the Opera House that will accommodate programming activities and correct accessibility and life safety deficiencies. Modification to the Interpretive Theater will greatly enhance the Kennedy Center's possibilities for interpreting the facility as a living national memorial. The Plan also identifies the opportunity for creating mezzanines within the Hall of Nations, Hall of States and Grand Foyer to connect the Box Tier level of the three major theaters, to improve accessibility for the disabled to the Opera House, to separate visitor and patron traffic and to provide food service visitor amenities where needed. These repairs are scheduled to begin design in fiscal year 1999 for the Center Block, including; the Motor Lobbies/Stage Door Entrance and the Hall of Nations and Hall of States mezzanines. Construction will commence in fiscal year 1999 for the modifications to the motor lobbies that are required in large part by fire safety considerations. Construction at the 57' elevation level will start in fiscal year 2000.

As the public service and education missions of the Kennedy Center have evolved, so has the demand for support office space to house these functions. The original building as designed did not include sufficient office facilities. Over time, offices were created from space originally intended for educational, rehearsal, and other public and support functions. The creation of additional offices has led to inefficient use of the office space, and in many cases has contributed to life safety and egress deficiencies. Support spaces for building operations at the 27' elevation (A level), including lockers, dressing rooms, storage facilities, and office space have changed over time, creating inefficient use of space. The use of space throughout the building and site is being addressed in the Space Use Master Plan.

Many areas of the interior also require water protection. Concrete walls and ceilings, especially those in the Service Tunnel and Service Drive, exhibit cracking, leaks through walls, deterioration of paving, and deterioration of the air intake ductwork in the Service Drive ceiling. An effective and interim solution to water leaks to the tunnel walls was accomplished as a much needed repair under the Operations and Maintenance Budget. An investigation of the Service Tunnel and Service Drive was completed, and construction of the first phase of the remedial work, including protection of the electrical vaults, will be completed as part of the site modifications.

Building Systems

By fiscal year 1995, virtually all of the building's electrical and mechanical systems were past their useful lives. The chillers and cooling coils, which were near failure and required extraordinary expense to keep in operation, were unable to meet demand because of age and condition. These elements of the mechanical system have now been repaired or replaced. The exhaust system in the garage was non-functioning, and the overall building ventilation system had localized balancing, leakage, and control problems. Portions of the garage exhaust system were repaired as part of the garage repair project. The plumbing system had numerous maintenance problems, 100 domestic water valves were inoperable and/or leaking, and roof drainage and storm piping were inadequate. These domestic water valves were replaced, and the drainage deficiencies are being addressed as part of current work on the Roof and Roof Terrace. Other plumbing system problems remain to be addressed.

Fire alarm and other systems affecting life safety and egress met the building code standards of 1966, when the building was designed, but do not meet current standards. Problems with the electrical system included obsolete theater dimming systems, power shortages in the Eisenhower Theater and Opera House, and water leakage into the sub-grade electrical vaults. The dimming systems have been replaced and the problems with the electric vaults are programmed for repair in fiscal year 1999. In many instances, the technical support systems are obsolete and in danger of failing. Electrical power and lighting systems have been stretched to their limits, technical support systems are inadequate for today's requirements, and sound systems are barely operable. In addition, energy consumption within the building is greater than acceptable.

Controls for eight of the Center's 23 elevators have been upgraded and adapted for disabled access. The remaining elevators do not meet current accessibility codes. All the elevators are in constant repair and lack controls to respond and adjust to peak loads. A detailed inventory and condition survey of all 23 elevators and six escalators were completed in fiscal year 1996.

The lightning protection system was disabled in the past by being partially removed at the roof level. This system was restored as part of the Roof/Roof Terrace repair project.

The age and technology of the existing building automation system -- used to control heating, ventilating, air conditioning, lighting, and other building systems -- places limits on operational control and flexibility. The existing system is inefficient, does not meet facility and life safety demands, and limits the Kennedy Center's ability to analyze and control energy consumption. The building automation system is being replaced as part of work for which a contract is planned for award in fiscal year 1999.

Memorial Interpretation and Visitor Services

Prior to 1995, accommodation of the four million annual visitors to the monument had not been addressed in a comprehensive manner. There was little inter-relationship

between the use of spaces and the interpretive programs that visitors expect when they come to a federal building that memorializes President Kennedy and a theater dedicated to President Eisenhower. Facilities were not designed so that the memorial visitor completes his or her visit with an understanding of the objectives and purposes of this living memorial. Signage is inadequate to direct visitors to, at, and within the Kennedy Center. These issues were addressed in the Interpretive Master Plan and Signage Program completed in fiscal year 1996 which included a survey of visitor expectations and a phased plan for implementation of facilities and exhibits to provide improved interpretation for all visitors. This plan was further developed last year to incorporate the opportunities for improved exhibit space and visitor circulation and orientation generated by the Space Use Master Plan.

The present visitor services facilities are limited. Food delivery and storage areas are removed from food preparation areas, and overall food service options are limited and not accessible to program activities. The Space Use Master Plan identifies strategies for improving space use within the building and at the site. The Plan identifies the opportunity of creating mezzanines within the Hall of Nations, Hall of States, and Grand Foyer to provide food service and other visitor amenities where needed. In addition, the Plan identifies the possibility of providing additional foodservice and visitor amenities at a stage door entrance at the A level motor lobby.

Site Circulation and Parking

The intense use of the facility since 1971 was not anticipated when the building was designed in the 1960s. Each year, the Kennedy Center hosts more than 3,000 performances, educational programs for hundreds of thousands of children, and millions of visitors. As a consequence, provision for the orderly circulation of pedestrians and vehicles, in addition to signage to and at the site, is inadequate. Tens of buses park on the plaza each day adding to the congestion, and bus exhaust fouls the air entering the building's ventilation intake chambers. With programs, performances, and visitors far exceeding original estimations, the limited availability of both bus and car parking is a major deficiency and contributes to neighborhood congestion. The Kennedy Center parking garage does not have sufficient space to meet current parking requirements. The main approach to the Kennedy Center along the entrance drive to the east of the building does not provide a view of the building or clear direction to the main entrances. There is no safe and direct access to the Potomac River shoreline or to the Lincoln Memorial and Georgetown waterfront, which are within easy walking distance of the Kennedy Center. There is presently no stair system from the west plaza to the riverfront. The problems of site circulation and parking were addressed in a site circulation study completed in fiscal year 1996. In addition, these issues were addressed in the Space Use Master Plan, which established a long-range strategy for addressing space use deficiencies and improving the efficiency of site and building use. Phase 2 of the Site Circulation Study incorporating the recommendations of the Space Use Master Plan and the Security Master Plan was completed in fiscal year 1997.

The Kennedy Center is coordinating programs relating to site circulation with other agencies, including the Commission of Fine Arts, the National Capital Planning Commission, the Washington Metropolitan Area Transit Authority (Metro) the National Park Service, and the District of Columbia Government. These programs are being designed to improve site circulation, access to and from the site for persons with disabilities, access by public transportation, and access for pedestrians, vehicles, and tour buses. These programs are also addressing environmental, cultural and other public concerns. In addition, these programs involve improvements to security at the site by moving traffic away from the building entries, providing additional points of traffic control, and separating service traffic from visitor and patron traffic. Using Trust funds for its construction, the Kennedy Center is planning to expand its garage facilities for the benefit of visitors to the monument, including theater patrons and tourists, and to relieve traffic congestion.

In July, 1998, the Commission of Fine Arts reviewed the design development presentation of the parking garage additions and site modifications. The Commission gave a favorable review of the design, stating that:

“...vehicle and pedestrian circulation is greatly improved, as is the landscape plan. In general, the new garage extensions and terraces will be admirable additions, not only providing necessary parking but a podium on which the Center will appear to rest more comfortably. Similarly, the sign program is off to a good start as well.”

In August, 1998, the Kennedy Center presented final plans for the Parking Garage expansion and the traffic and site modifications to the National Capital Planning Commission and these plans were favorably reviewed, contingent upon coordination of the E Street exit ramp with the District of Columbia Department of Public Works.

Remedial Actions

A series of remedial actions was identified to respond to these deficiencies, and bring the building up to current standards. The cost of each remedial action was independently estimated in a uniform budget-estimating format. An implementation plan was developed by prioritizing and combining the remedial actions to address critical issues and achieve a logical construction sequence. The actions planned for fiscal year 2000 are described below.

The Comprehensive Building Plan establishes a strategy and priorities for the fiscal years 1995 through 2020. During Stages 2 and 3, extending until 2009, the backlog of capital repair work will be eliminated. During Stage 3, the on-going “steady state” program for preserving the integrity of the building and its systems will be fully implemented. Prior to Stage 3, life cycle scheduled capital repairs and replacements will be gradually increased as the backlog is reduced.

The work completed in Stage 1 (fiscal year 1995 through 1998) addressed critical issues to protect the building from water intrusion, to provide critical security and life safety measures, and to provide improved accessibility for the disabled and egress for visitors to the Center.

FY2000 Capital Repair and Rehabilitation

Budget Request by Category

[see Section II, page 12, for Budget Request by Object Class]

The Kennedy Center classifies its capital repair projects among eight budget categories, according to the primary objective of each project. The categories fall within the objectives of planning, designing, and constructing capital repairs, and replacement, improvement, rehabilitation, alteration or modification required for existing features of the Kennedy Center building, as specified in the John F. Kennedy Center Act, 20 U.S.C. 76j(a)(1)(G). Following are descriptions of each budget category, and the budget estimates allocated to each category in the fiscal year 2000 plan. These estimates and project descriptions are reflective of the priorities and recommendations in the Kennedy Center Comprehensive Building Plan 1998, covering fiscal years 1996–2020, and the new authorization ceilings approved for fiscal year 1999.

1. Exterior Building Envelope

Projects in this category involve repairing and, where necessary, replacing elements on the exterior of the building, to ensure the long-term preservation of the structure. In fiscal year 1995 the repair of the roof and drainage systems at the roof and roof overhangs, and the replacement of the drainage, waterproofing and paving at the Roof Terrace was initiated and was substantially completed in fiscal year 1998. In fiscal year 1999, the center section of the window wall on the west side of the facility and marble panels in the upper level fascias will be replaced.

***Fiscal year 2000 budget estimate:** \$0*

Fiscal year 2000 projects in this category:

There are no new projects in this category.

2. Life Safety and Security

As described in the Comprehensive Building Plan, the structure is not in compliance with the standards set forth in current life safety codes, including fire and environmental standards. In addition, little attention was given in the original building design to security issues. To address these issues a Fire Protection and Life Safety Master Plan and a Master Security Plan were completed in fiscal year 1997. In fiscal year 1999, the security master plan will be updated to response to increased concerns about terrorist activity.

Phase 1 of systems was completed in fiscal year 1998. This installation includes computer-based control, card key access and video surveillance systems for most of the building perimeter. Phase 2 of the security system installation will be initiated in fiscal year 1999. Phase 1 of the installation of a modern fire alarm system and of a building wide sprinkler system will begin in fiscal year 1999. Phase 1 of the motor lobby modifications to correct life safety deficiencies and address functional issues will be initiated in fiscal year 1999. Safety rail enhancements for the roof terrace were completed in fiscal year 1998 and for the river terrace will be completed in fiscal year 1999. Improved egress and other life safety and mechanical improvements in the existing parking garage will be made in fiscal year 1999.

In fiscal year 2000, Phase 2 of the site improvements project will be constructed, including anti-terrorism measures such as relocation of the entrance drive away from the east (entrance side of the facility) and a portion of the south end of the site. This work will be completed in coordination with the first phase of the south garage expansion (Trust funds and construction of a new security egress from the tunnel).

Fiscal year 2000 budget estimate: \$9,440,000

Fiscal year 2000 projects in this category:

In fiscal year 2000, in response to the Fire Protection and Life Safety Plan, construction will be initiated to accomplish Phase 2 of improvements to the infrastructure for a building-wide sprinkler system and the completion of Phase 2 of a new fire alarm system. In response to the Security Master Plan, Phase 3 of the Security System improvements will be initiated. Phase 2 of the motor lobby modifications will also be initiated. In fiscal year 2000, Phase 2 of the site improvements project will be constructed, including anti-terrorism measures such as relocation of the entrance drive away from the east (entrance side of the facility) and a portion of the south end of the site. This work will be completed in coordination with the first phase of the south garage expansion (Trust funds and construction of a new security egress from the tunnel).

3. Interior Repair, Accessibility and Egress

This category includes repair and renovation of the interior elements of the building required to bring the facility up to current standards, and to improve accessibility for the disabled in accordance with current statutory and regulatory requirements for restored structures.

A Space Use Master Plan completed in fiscal year 1997 analyzed opportunities for improving space use within the building and at the site. The Plan identifies modifications to the Interpretive (AFI) Theater, Hall of Nations and Hall of States, the Roof Terrace level, and the Opera House that will accommodate public activities and correct accessibility and life safety deficiencies. As the public service and education missions of the Kennedy Center have expanded, so has the demand for support space to house these

functions. The creation of additional offices has led to inefficient use of the office space, and in many cases has contributed to life safety and egress deficiencies.

Fiscal year 2000 budget estimate: \$8,300,000

Fiscal year 2000 projects in this category:

The Space Use Master Plan has identified the opportunity for creating mezzanines and balconies within the Hall of Nations, Hall of States, and Grand Foyer to improve accommodation of both patrons and other memorial visitors; to allow for food service where needed; and to provide better circulation and public access to educational facilities at the upper levels. In fiscal year 2000, construction of the mezzanines in the Hall of Nations will begin, along with installation of a new restaurant on this mezzanine. Also, an upper level gallery will be constructed to provide direct public access to the rehearsal rooms used for educational purposes and to the newly relocated education department. At the same time, the food service preparation facilities on the Roof Terrace level will be relocated to the B Level. Relocation or costly repairs are required at the earliest practicable date because the deteriorated condition of the kitchen flooring threatens the integrity of the newly renovated Concert Hall below. For functional reasons, relocation is preferable to repairing the existing facility.

4. Building Systems

This category includes electrical, plumbing and mechanical work to replace the 25-year old deteriorated and malfunctioning systems. During fiscal year 1995, a number of construction projects was initiated to replace or repair basic building systems, including cooling systems repairs, chiller replacement, and repair of basic electrical, hoisting, and plumbing equipment. These projects were completed in fiscal years 1996 and 1997. In fiscal year 1999, work on the comprehensive upgrade of the building automation systems will be initiated and an Energy Conservation Plan will be completed. Replacement of the obsolete building systems will result in reduced repair costs, energy conservation, and more efficient use of building maintenance personnel.

Fiscal year 2000 budget estimate: \$800,000

Fiscal year 2000 projects in this category:

In fiscal year, Phase 1 of the Energy Conservation Program will be initiated. Upgrades to the existing building systems will allow for the more efficient use of energy, thereby reducing current energy costs.

5. Memorial Interpretation and Visitor Services

Open 18 hours each day to the public, the Kennedy Center hosts four million visitors each year, many of which come from across the country and the world to visit the sole monument in Washington in memory of President Kennedy. Other visitors attend

performances or participate in the Kennedy Center's extensive educational programs. This category of the building renewal program includes projects that are designed to serve these visitors in a manner that is consistent with the visitor services provided at other national Presidential monuments in Washington. In fiscal year 1999, Phase 1 of the improvements to the JFK Interpretive Exhibit will be completed. These improvements include a large backdrop for the JFK Sculpture with lighting, graphics and exhibit cases. Also included in the fiscal year 2000 program are the addition of two stages (one at either end of the Grand Foyer) and an introductory film about the Kennedy Center and its programs to be shown on these stages.

Fiscal year 2000 budget estimate: \$500,000

Fiscal year 2000 projects in this category:

In fiscal year 2000, the second phase the installation of signage for public spaces.

6. Parking and Site Circulation

The extensive structural repair of the garage was completed in fiscal year 1997. Building systems and other repairs to the existing garage remain to be accomplished. This category also includes the site development necessary to solve existing site circulation problems. The Board is responsible for the site surrounding the structure, including vehicular and pedestrian traffic. Using Trust funds for its construction, the Kennedy Center is planning to expand its garage facilities for the benefit of visitors to the monument, including theater patrons and tourists, and to relieve traffic congestion.

Fiscal year 2000 budget estimate: \$0

Fiscal year 2000 projects in this category:

There are no new projects for fiscal year 2000 in this category

7. Comprehensive Planning and Project Management/Coordination

This category includes comprehensive building planning and the cost of project management. The Kennedy Center established a small staff (a project executive, a design manager, a construction manager, and a management control officer) to oversee Stage 1 of the capital renewal program. In addition to in-house personnel costs, some of the costs for project management are incurred in reimbursing other Federal agencies for their services. During fiscal year 1998, the project executive became an employee of the Board in order to direct both federal and trust-funded projects. In this instance, federal funds will be used to reimburse the Board for the proportional amount of the project executive's services. Beginning with Stage 2a in fiscal years 1999-2003, the in-house staff will be expanded to accommodate the increased complexity and workload. The Center will also contract with other agencies and private sector firms for supplementary project management services.

Fiscal year 2000 budget estimate: \$960,000

Fiscal year 2000 expenses in this category:

Expenditures in this category also include those needed for the required annual update of the Comprehensive Building Plan. The project management expenditures in this category are less than two percent of the value of the design and construction work scheduled to be underway in fiscal year 2000.

8. Reserves for Construction Change Orders and Claims

The Kennedy Center sets aside from appropriations available for the capital repair program reserves that it considers appropriate and sufficient to cover anticipated -- and unanticipated -- changes required and claims made under construction contracts. Change order and claim reserve amounts are included in the appropriate budget categories with the project.

SECTION V: NON-APPROPRIATED FUND ACTIVITIES: PROGRAMMING AND EDUCATION

The Kennedy Center Act (20 U.S.C. 76h) gives the Center's Board of Trustees a clear mandate to:

"(A) present classical and contemporary music, opera, drama, dance and other performing arts from the United States and other countries;

(B) promote and maintain the John F. Kennedy Center for the Performing Arts as the National Center for the Performing Arts —

(i) by developing and maintaining a leadership role in national performing arts education policy and programs, including developing and presenting original and innovative performing arts and educational programs for children, youth, families, adults and educators designed to specifically foster an appreciation and understanding of the performing arts;

(ii) by developing and maintaining, a comprehensive and broad program for national and community outreach, including establishing model programs for adaptation by other presenting and educational institutions;..."

As the national center for the performing arts, the Kennedy Center presents, honors, and inspires the best of America's performing artists. It showcases the richness of America's cultural diversity and explores our international heritage in performances by artists from around the world. Equal with performance is education. The National Center for the Performing Arts has a special responsibility to help make the arts an integral part of every child's education and to provide quality arts education programs and performance experiences for children and adults.

Making the Arts Available to All

The Kennedy Center places a high priority on making the arts available to all. In 1997, the Kennedy Center opened its doors wider than ever before, removing barriers to accessibility and cost so that the performing arts are available to all local, national, and international visitors to the city. By offering free performances every day of the year on the **Millennium Stage**, the Center has attracted nearly 10,000 persons per month, many of them new to the Kennedy Center, and some of them attending a live performance for the very first time.

The Kennedy Center also brings the performing arts into millions of homes via broadcast. The Center makes selected programming available through **Kennedy Center Presents!**, a series of public television specials and on National Public Radio. The Center annually presents **The Kennedy Center Honors** to recognize outstanding lifetime achievement in the performing arts;

the telecast was seen by more than eight million households on CBS in 1998. And the National Public Radio broadcasts of "**Billy Taylor's Jazz at the Kennedy Center**" make that indigenous American art form available to a new generation of listeners.

Reaching New Audiences

As the nation's center for the performing arts, the Kennedy Center has a particular responsibility to ensure that its programming and outreach activities reflect the broad range of international and ethnic influences upon which the American arts have been built. The Center has accomplished this in part by focusing on the cultural ties between the United States and other nations, through a series of **international festivals** celebrating the arts of Israel and Africa and the music of Russia and the Caribbean.

The National Symphony Orchestra this spring will embark on its seventh **American Residency** program, traveling to Mississippi for an extended residency featuring public and in-school performances, master classes for young musicians, workshops for teachers, and cultural exchanges. In past years, the NSO has conducted residencies in Alabama, Alaska, Arizona, Louisiana, Maine, Montana, and Wyoming bringing the orchestra to states not served by major symphony orchestras.

A Model of Accessibility

The Kennedy Center strives to make the performing arts accessible to people from all walks of life; this effort is apparent not only in the diversity of programming on the Center's stages, but also in its ticket pricing policies and in the performances it stages outside the Center's walls. These programs build upon the Center's **Specially Priced Ticket Program** that, since the Center's opening, has made available tickets at half price to seniors, students, enlisted military personnel, and persons with disabilities and fixed, low incomes. Today, the Center also collaborates with regional cultural organizations to offer discounted ticketing and has "Pay-What-You-Can" ticket sales days. The Center also offers free shuttle services for patrons.

Ensuring access to the Center for persons with disabilities is an ongoing priority. The newly renovated Kennedy Center Concert Hall has established a national model for public accessibility and has transformed the way in which contemporary theaters will be conceived, designed, and constructed. Each season the Center offers dozens of sign language-interpreted and audio-described performances, as well as Braille and large-print programs and widespread TTY (text telephone) access. The Center has a full-time Accessibility Director on staff, and has hosted workshops and conferences for those involved with accessibility issues.

Education

For more than two decades, the Kennedy Center has shown through its local and nationwide arts education programs that the inclusion of the performing arts in a broad-based curriculum dramatically improves the quality of a child's educational experience. The Center has played a leadership role in performing arts education, as mandated in the Kennedy Center Act, through its professional development programs for teachers; its performances for young people and families; its professional training programs for young musicians, actors, and dancers; its residency programs; and much more. All told, the Kennedy Center's programs in arts education reach more than 3.5 million people in every state in the Union.

The Performing Arts Centers and Schools: Partners in Education program works with arts centers and educators nationwide to help communities across the country develop workshops that show teachers how to use the arts in the curriculum. Tens of thousands of teachers and hundreds of thousands of students have benefited from workshops created in 38 states plus the district of Columbia. In 1997, **Kennedy Center Alliance for Arts Education Network** initiated the "Creative Ticket for Student Success," a major public awareness campaign that brings together educators, community leaders, arts centers, and others in 45 states to advocate the inclusion of the arts in school curricula.

Other educational efforts include Workshops for Teachers, national tours of Kennedy Center productions for young people such as *Little Women*, *The Nightengale*, and *Tales of a 4th Grade Nothing*, and the Center's biannual **New Visions/New Voices** program that provides a working forum for playwrights and directors to develop new plays for young people and families.

Since 1990, the Center has developed new educational initiatives with the District of Columbia Public Schools and 14 surrounding school districts that have brought performances, demonstrations, and other events to young people in their own schools and communities; these have included a number of events related to a three-year residency by Dance Theatre of Harlem that has taken the company's dancers and instructors into schools in Washington, Alexandria, Virginia., and Suitland, Maryland.

KENNEDY CENTER EDUCATION DEPARTMENT

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MISSION STATEMENT

As the national center for the performing arts, the Kennedy Center is committed to increase opportunities for all people to participate in and understand the arts. To fulfill that mission, the Kennedy Center strives to commission, produce, and present performances reflecting the highest standards of excellence and diversity indicative of the world in which we live and to make those performances accessible to the broadest possible audience through arts education.

We believe that the arts are one of humanity's most eloquent means of understanding the world. Through the arts, we share the highest achievements of every culture and find a universal language that permits communication by all peoples. As such, the arts are an essential component of a complete education.

Since its establishment in 1972, the Kennedy Center's Education Department has proven that the inclusion of the performing arts in a broad-based curriculum improves the quality of a child's educational experience. The arts teach discipline, improve self-esteem, inspire creativity, and help young people to set and reach goals. Knowledge of the arts makes good teachers better and makes participating schools exciting, challenging places for children--places where they are encouraged to explore, to create, and to reach their full potential.

The Kennedy Center takes a leadership role in national performing arts education policy and programs by commissioning, creating, and touring performances for students, teachers, and families; offering professional development opportunities in the arts for teachers; creating education programs for adults using the Center's artistic resources, developing model programs for use by other performing arts centers and schools; providing career opportunities and professional training for young artists; developing and encouraging national and community outreach programs; and serving as a clearinghouse for arts education on a national level. The Center works as both pioneer and partner with other performing arts institutions, educators and schools, legislators, parents, and community and business leaders.

GOALS

- I.** Create new works and productions for young people, teachers, and families through commissioning, producing, and touring activities.
- II.** Present performances of high artistic expression representing local, national, and international performing artists and ensembles.
- III.** Develop, document, and disseminate model arts education programs that reflect an integrated approach to learning through the arts. Such programs are distinguished by their effectiveness in expanding the students' appreciation and understanding of both the art form as well as the subject content and its relationship to other areas of learning.
- IV.** Provide effective professional development opportunities in the arts for teachers, teaching artists, and other education professionals.
- V.** Provide opportunities for adult audiences to deepen their understanding and appreciation of all the performing arts and thus the value of the arts in their lives.
- VI.** Provide exemplary programs and training opportunities for other performing arts centers, schools, local arts agencies, and other cultural institutions.
- VII.** Provide career opportunities and professional training for young artists.
- VIII.** Develop, document, and disseminate exemplary community outreach programs that ensure the involvement of diverse populations in art programs.
- IX.** Serve as a clearinghouse for arts education information and as an advocate for arts education on a national level.
- X.** Further develop and implement accessibility features of Kennedy Center programs for people with disabilities and share the features of the program with other performing arts organizations and communities across the country.

FUNDING

Gifts and grants to the Kennedy Center Education Department are provided by Barbizon Electric, Botwinick-Wolfensohn Foundation, The Butz Foundation, The Morris and Gwendolyn Cafritz Foundation, CEMEX S.A. de C.V., DC Commission on the Arts, Enron Corporation, Fannie Mae Foundation, Fourth Freedom Forum, Inc., GE Fund, Rose Mary Kennedy Center Education Fund, Helen Sperry Lea Foundation, Mars Foundation, MCI Foundation, National AIDS Fund, National Endowment for the Arts, Prince Charitable Trusts, the U.S. Department of Education, and Wolfensohn & Co. In-kind support is provided by Binney & Smith, Inc.

Gifts to the Kennedy Center Corporate Fund also help to underwrite educational programming. Members of the Corporate 100 Club include: AlliedSignal Inc., Alumax Inc., American Express Company, American Trucking Associations, Arthur Andersen/Andersen Consulting, Ashland Inc., Bayer Corporation, William W. Becker, Chartered, BellSouth Corporation, Bristol-Myers Squibb Foundation, CBS Foundation Inc., M.A. Cannon & Company, The Coca-Cola Company, Coopers & Lybrand LLP, Countrywide Home Loans, Inc., Deloitte & Touche LLP, DuPont, Eli Lilly and Company, Ernst & Young LLP, Exxon Corporation, Ford Motor Company, Fuji Bank, Limited, GTE, General Motors Corporation, Glaxo Wellcome Inc., Hecht's, Johnson & Johnson, KPMG Peat Marwick LLP, Lockheed Martin Corporation, Loral Corporation, MBNA America Bank, Merrill Lynch Charitable Trust, Mobil Foundation, Parsons & Whittemore, Pfizer Inc, Philip Morris Companies Inc., Potomac Electric Power Company, Price Waterhouse LLP, The Procter & Gamble Fund, Riggs Bank NA, Shell Oil Company Foundation, Standard Bank of South Africa, The Starr Foundation, Target, Texaco Foundation, Time Warner Inc., Union Pacific Foundation, United Airlines, The Washington Post Company, and The Xerox Corporation.

Gifts and grants to the National Symphony Orchestra Education Program are provided by: The Morris and Gwendolyn Cafritz Foundation, DC Commission on the Arts and Humanities, Edison Electric Institute, the Nell Goodrich Golyer Fund, the Charles Engelhard Foundation, International Humanities, Inc., Johnson & Johnson, Gordon Keller Music Company, Kiplinger Foundation, Helen Sperry Lea Foundation, Marpat Foundation, Mars Foundation, Mars, Inc., National Trustees of the National Symphony Orchestra, NationsBank NA, Park Foundation, Inc., Loulyfran Wolfson Foundation, the Women's Committee for the National Symphony Orchestra, and the U.S. Department of Education.

PERFORMANCES FOR YOUTH AND FAMILIES

With its season-long **IMAGINATION CELEBRATION**, Kennedy Center Youth and Family Programs (YFP) hosts a diverse range of performances, averaging 200 a year, typically including presentations of 16 to 18 companies and two to four in-house productions. Besides the traditional genres of theater, music, dance and opera, YFP presents puppetry, storytelling, and multi-discipline performances to school and family audiences throughout the school year. Youth and Family Programs maintains a unique position of both presenting local, national, and international artists, and developing, commissioning, producing and touring in-house productions. All presentations and productions are supported with high quality educational materials, Cuesheets, workshops, residencies, and in-school performances. The capacity audiences for many of our performances—both at the Kennedy Center and on national tour—attests to the interest and involvement of students, educators, parents, and young people.

Youth and Family Programs (YFP) continues to expand its commitment to commissioning and producing new works for young audiences. Highlights include: *Pepito's Story*, directed by Debbie Allen and composed by Arturo Sandoval; *Brothers of the Knight*, written and directed by Debbie Allen and composed by James Ingram; a dance/theater version of Hans Christian Andersen's *The Nightingale*, from choreographer Dana Tai Soon Burgess, writer/director Mary Hall Surface and composer David Maddox; *Little Women*, adapted by Paulette Laufer; and the operas *Romulus Hunt*, composed by Carly Simon, and *Angels Voices* by Noa Ain.

A newer and growing tradition is the Kennedy Center **Imagination Celebration on Tour**. Touring presentations have included Center productions: *Alice in Wonderland*, directed by actress Pat Carroll; *The Red Badge of Courage*, directed by actor Richard Thomas; John Steinbeck's *The Pearl*, Hans Christian Andersen's *The Snow Queen* and Judy Blume's *Tales of a Fourth Grade Nothing*. Through its touring, YFP has earned a nation-wide reputation for presenting performances and educational activities of high quality. Audiences respond with enthusiasm to these entertaining productions which exemplify the inherent educational value of the performing arts.

In recognition of the value of the development of new plays, YFP has established **New Visions/New Voices**; a program designed to assist in the creation of new professional plays and musicals for youth and family audiences. New Visions/New Voices brings together playwrights, directors, and composers to its innovative "working forum" setting, to rehearse and rewrite promising scripts, and to produce staged readings. At the weeklong residency, the Kennedy Center provides artistic resources including a full cast, stage managers, and dramaturgs for eight new plays and/or musicals. Sponsoring companies produce all plays presented at New Visions/New Voices the following season.

As part of the expanding program of **Jazz Education**, *Billy Taylor's Jazz at the Kennedy Center*, features the finest jazz artists in the country to play music with Dr. Taylor and his trio and carry on conversations about jazz. The unique program of live concerts, audio taped for radio, is broadcast to over 200 NPR stations nationally. The annual Women in Jazz Festival includes a

series of seminars, panels, performances, and a number of the participating jazz artists conduct clinics and workshops in the schools.

1997-98 HIGHLIGHTS

IMAGINATION CELEBRATION at the Kennedy Center

The Kennedy Center commissioned and produced three new productions: *Brothers of the Knight*, freely adapted from *Twelve Dancing Princesses*, written, directed, and choreographed by Debbie Allen, and composed by James Ingram; Louisa May Alcott's classic *Little Women*, adapted by playwright Paulette Laufer and directed by Albert Takazauckas; and *The Nightingale*, which combined dance, music, martial arts and narration, conceived and choreographed by Dana Tai Soon Burgess, written and directed by Mary Hall Surface and composed by David Maddox.

Presentations from the USA included: *Growing up Cuban in Decatur Georgia* (Carmen Agra Deedy); the Lakota Sioux Dance Theater; *The Color of Justice* (about Brown v. Board of Education); an interactive version of *The Frog Prince*; *The Prince and the Pauper*; *The Secret Garden*; *Street Sounds*; *Rennie Harris Puremovement*; *Fred Garbo's Inflatable Theater Company*; *Jim Jackson's Impossible Balance*; *When Lions Could Fly* (Jamal Koram); and The U.S. Army Field Band, *The Jazz Ambassadors*.

International presentations included: *Alfred in the Hay - and in the Way* (Theater Laku Paka of Germany); *Borrowed Black, a Labrador Fantasy* (Mermaid Theater of Nova Scotia); *Eternal Energy* (the Kenny Endo Taiko Ensemble of Japan); *The Gates of Jerusalem: Stories and Songs from the Cultures of Israel*; and *Rhythms of the Soul* (drummers from West Africa)

Youth and Family Programs produced staged readings for the development of three new works: an adaptation of Oscar Wilde's fairytale *The Happy Prince*, an adaptation of James Thurber's *The Great Quillow* and *Tommy J & Sally*, a new play for high school audiences by Mark Medoff.

New Visions/New Voices

Eight exciting new projects were selected for New Visions/New Voices 1998 and presented in stage readings in May 1998.

Imagination Celebration on Tour

Tales of a Fourth Grade Nothing toured nationally for five months: 147 performances in 45 venues in 21 states. *Pepito's Story* was produced in Miami, FL in June 1998 and in Fort Worth, TX in August 1998.

PARTICIPANTS	FY'97	FY'98 (est.)	FY'99 (est.)
Youth and Family	82,645	83,500	82,500
Billy Taylor's Jazz (live)	4,145	4,500	4,500
National Touring	55,443	118,500	180,000

PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR TEACHERS

Since 1976, the Kennedy Center has offered educational programs for teachers in partnership with 14 Washington metropolitan area school systems. The program features performance-based and participatory workshops that help teachers bring the arts into their classroom and their curriculum. Participating teachers are eligible for in-service and graduate credit through participating school systems and universities. This program serves as a model for professional development programs for teachers across the country.

In 1991, as an outgrowth of this program, the Kennedy Center initiated the Performing Arts Centers and Schools: Partners in Education program designed to provide information about Professional Development Opportunities for Teachers to communities across the country. Kennedy Center staff is available to provide consultation to teams regarding planning events, designing workshops collaboratively with artists, evaluating events, partnering with school systems to create workshops that meet teachers' needs, and other topics as requested.

1997-98 HIGHLIGHTS

More than 1,500 teachers from 14 school systems attended events during the 1997-98 season. Workshop leaders included artists from the Washington metropolitan area as well as from across the country. In addition, workshops were presented for teachers at Hearst Elementary School in the District of Columbia and at Kenmore Middle School in Arlington, VA.

Partnership with District of Columbia Public Schools

The partnership with the District of Columbia Public Schools expanded to include four additional schools: Stanton, LaSalle, and J.O. Wilson Elementary Schools and McFarland Middle School. Also, workshops for teachers were presented as part of the DCPS Professional Development Institute in February 1998 for those teachers bringing their students to the Arts for Every Student performances, an initiative of the DCPS Arts and Humanities Initiative.

Partnership with Arlington County Public Schools

A partnership developed with Arlington County Public Schools focused on the professional development of teachers in the arts as modeled in the Performing Arts Centers and Schools program. A written partnership agreement was developed and signed by the superintendent, Dr. Robert Smith, and the president of the Kennedy Center, Larry Wilker.

Professional Development for Workshop Leaders

The Orientation Session for new workshop leaders and the Retreat for experienced workshop leaders were refined and presented. In addition, a "Retreat, Part II" was presented for experienced workshop leaders.

Summer Institute for Educators

In collaboration with the Maui Arts and Cultural Center, a Summer Institute was offered for teachers of grades K-8 from July 26-31, 1998 in Maui. Two courses were offered to provide teachers with strategies for teaching social studies curriculum through the culture and arts of the Pacific Islands and for teaching other subject areas through creative drama. The Kennedy Center staff served as consultants and facilitators to the Maui Arts and Cultural Center, a member of the Kennedy Center's Performing Arts Centers and Schools program.

TEACHERS PARTICIPATING	FY '97	FY '98	FY '99 (est.)
	1,534	1,505	1,700

PERFORMANCE PLUS

Performance Plus activities include discussions (with two or more experts), lectures, demonstrations, open rehearsals, master classes and multi-session courses in the disciplines of dance (ballet and modern), symphonic music, chamber music, jazz, and theater. Artists, creators, performers, and technical professionals are involved in presenting these events for the general adult public. The program grew out of the public's desire to participate in activities that assisted them in learning more about the performing arts and that brought them in contact with artists in an educational setting. The program's offerings have grown from 14 events in its first season to more than 70 events this season. Awareness that the Kennedy Center is a place where adults can learn about the arts is growing.

Through the Performance Plus program, the Kennedy Center is viewed as a national leader in adult arts education not only because of the number of programs offered, but also because of the diversity and quality of events and the high caliber artists who participate in these learning experiences. The Kennedy Center recognizes the importance of adult arts education for the future of the performing arts and elevated this issue to a national arena. A partnership with the Association of Performing Arts Presenters developed a national dialogue about the role of presenters in adult arts education and audience development. It sets a national agenda for a systemic approach to adult arts education. The final report was published and released during the 1997 National Association of Performing Arts Presenters Conference and a two-day seminar discussed the report and how to implement adult learning programs.

1997-98 HIGHLIGHTS

Performance Plus continued its year-long programming during 1997-98 and partnered with the United States Department of Agriculture (USDA) Graduate School to offer two of our courses for graduate credit. "Spotlight on Theater Notes," performance study guides for adults, were published for each of the seven theater productions, and playwright Neil Simon and poet/playwright Rita Dove participated in "Spotlight on Theater" discussions.

Several series were offered this season which included: "From Page to Stage: *Little Women*," "What to Listen for in Jazz," "Trends in 20th Century Music," "Looking at Ballet with American Ballet Theater." Two new series were offered entitled, "An Introduction to African Music and Instruments" and "Developing the Dance." The "Conversations with Conductors" series featured conductors Sir Neville Marriner and Mstislav Rostropovich.

A five year retrospective of 20th century American Dance entitled *America Dancing: The Revolution Goes Worldwide* was published. Copies were distributed to the Center's 600 modern dance subscribers and will be mailed to all university and college dance departments nationwide. Post-performance discussions for "America Dancing" featured artistic directors and company members such as Bill T. Jones.

PARTICIPANTS	FY'97	FY'98	FY'99 (est.)
	10,750	12,545	13,000

EXPLORING BALLET WITH SUZANNE FARRELL

"Exploring Ballet with Suzanne Farrell" is a three-week intensive summer ballet course led by the legendary Suzanne Farrell for advanced level ballet students ages 14-18. It has become a model for the Kennedy Center's approach to professional training on a national level. Because this program is the sole opportunity for students to study with Miss Farrell, because of her high quality teaching and the wisdom she imparts, and because this program could not be readily duplicated at other locations, the Kennedy Center provides an extremely valuable opportunity. The instructional relationship with Miss Farrell grew from the success of this program and continues the Center's connection with this outstanding artist.

The program demonstrates the Kennedy Center's commitment to nurturing future artists. Many of these students will have professional careers and they greatly value this opportunity to study with one of the leading authorities of the Balanchine technique. One student summed up her experience by saying, "I have attended this program for two years, and they are some of the most memorable weeks of my life.... Each year, my dancing has improved by leaps and bounds, and my self-esteem has grown immensely. I hope I can hold on to each moment I had with Miss Farrell. She taught me how to show my love for dancing, only increasing that love. I would never regret coming to this program and will be forever grateful to the whole staff for helping me learn how to change my life."

"Exploring Ballet with Suzanne Farrell" is held during a three week period in August. Thirty-five students from both the local area and around the country take two ballet technique classes per day, six days per week with Miss Farrell. She and Kennedy Center staff also plan activities to enhance and extend the students' study of the ballet. Experiences include museum visits, performances, and trips to historical monuments and parks.

1997-98 HIGHLIGHTS

More than 330 students auditioned for the national program in eight cities which included: Boston, MA; Chicago, IL; Houston, TX; San Francisco, CA; Seattle, WA; New York, NY; and Washington, D.C. Thirty-five students were selected to participate in a three-week intensive program, August 2-23, 1998.

PARTICIPANTS

FY'97	FY'98	FY'99 (est.)
302	342	400

MODEL COMMUNITY OUTREACH INITIATIVES

Through community partnerships and collaborations with major performing companies and artists, the Kennedy Center Education Department's community education/outreach initiatives provide culturally diverse communities with extended performance and training opportunities for the general adult public and student populations. These programs, developed locally by the Kennedy Center, are designed to demonstrate how partnerships among artists, cultural institutions, school districts, local governments, and the general community can result in high quality artistic and educational events that strengthen the fabric of local communities across the country. The models are documented and disseminated through print and electronic media as well as through hands-on workshops and training seminars.

D.C. Public School System (DCPS) Partnership Initiative

The Kennedy Center continues to strengthen its relationship with the D.C. Public School System, through the development of a long term in-depth school partnerships to provide students and faculty with access to the performing arts and the ability to track the effectiveness of the performing and visual arts in education. Students attend performance series at the Kennedy Center and selected artists provide in-school lecture/demonstration performances at partnership schools. Additionally, these schools receive at least two visits by a National Symphony Orchestra ensemble during the year. Artists and teachers collaborate to develop curriculum centered on artist residencies to enhance a unit of study. Through the residency component, students experience the performing and visual arts in a manner that will have a more lasting impact on their learning. Interested schools may host six-week semester or year long residencies that provide an in-depth exploration of an artistic discipline connected to a specific theme. Teachers and administrators benefit through participation in professional development activities, designed by the Kennedy Center's Professional Development Opportunities for Teachers Program, that provide valuable tools for teachers who want to integrate the arts into their teaching or learn more about an art form through a series of Performance Plus events.

Teachers participating in the professional development component provide feed back and suggestions for the improvement of professional development programs for teachers in the DCPS system. Teachers and principals advise the Kennedy Center's Partnership Management Team throughout the year on the continued development of this initiative.

An additional goal of the initiative is the creation and implementation of a model professional development program for artists focusing on the development of residencies characterized by challenging, in-depth teacher/artist collaborations that will increase the learning capacity of students in grades Pre-K through 12.

Family Performance Series provides performance tickets for students and their families from each of the five Kennedy Center/DCPS Partnership Initiative schools. The series is designed for the selected student and his/her immediate family. Families attend a minimum of seven performances chosen from Youth and Family Programs and appropriate main stage performances. Each family receives copies of "Cuesheets" to inform their enjoyment of the performances.

Carter Barron programs of the Education Department and the National Symphony Orchestra at the Carter Barron Amphitheater bring the Kennedy Center's diverse resources into the local community and encourage broader participation by segments of the community who seldom participate in formal concert and education settings. In addition to the series at Carter Barron, the program offers "In Your Neighborhood" which includes in-school performances, joint community concerts in local churches and community centers, a ticket program that invites community members to "Be Our Guest" at Kennedy Center performances, and a host of smaller community picnics and celebrations.

The Kennedy Center/Dance Theatre of Harlem (DTH) Community Dance Residency is in its fifth year. This dance initiative introduces classical ballet to metropolitan Washington students through lecture/demonstrations, workshops, live performances, and training experiences. Coordinated by the Kennedy Center's Education Department, the program has three community partners—the Duke Ellington School of the Arts (Washington, DC), the Robert E. Lee Recreation Center (Alexandria, VA), and the Suitland High School for the Visual and Performing Arts (District Heights, MD). There is an eight-class training opportunity for approximately 185 youngsters between the ages of eight and 15 at three community sites and an intensive 16-class series for approximately 80 beginning, intermediate and advanced students at the Kennedy Center. Principal dancers from DTH and the DTH School teach the classes. Prior to the selection process for the training program, the DTH School Ensemble presents a series of lecture/demonstration performances in each community. These performances have reached an audience of approximately 28,000 students and their families since it began in the fall of 1993.

1997-98 HIGHLIGHTS

D.C. Public School System (DCPS) Partnership Initiative

Model community outreach continues its existing programs for 1997-98. Four additional schools—La Salle, Stanton and J.O. Wilson Elementary Schools and Macfarland Middle School—have been identified to participate in the DCPS Partnership Initiative. Through the Partnership Initiative, 13 artist/teacher collaborative projects involving eight artists were conducted at seven Partnership Initiative Schools. The Partnership Initiative continued development of a model for professional development for artists collaborating with teachers to develop curriculum-centered residencies. Artists attended a series of professional development seminars.

The Education Department staff have begun collaborations with two secondary schools, Paul Junior High and the Duke Ellington School of the Arts, to design arts education components that include the arts in all aspects of teaching and learning.

The Kennedy Center in collaboration with the National Museum of African Art, the National Portrait Gallery and Miner Elementary School conducted an "investigation" of the life of Yoruba sculptor Olowé of Isé. Master storyteller Jamal Koram was the artist-in-residence. Students performed a choral reading of the praise poem written for Olowé at the formal and family openings of the exhibit of Olowé's works at the National Museum of African Art. Other activities included performances at the Kennedy Center, museum visits, and professional development workshops for teachers.

The Dr. Billy Taylor Jazz Initiative held in-school residencies at Houston Elementary School with an additional jazz residency at Malcolm X Elementary School. The jazz initiative also included a new component, "Jazz Ahead," a national week-long training program for gifted young jazz artists with the late master artist/educator Betty Carter. The young artists were presented in a public and student concert with Ms. Carter in the newly renovated Concert Hall.

Musician/poet Charles Murphy and fine arts photographer Ronald Beverly conducted an urban/suburban residency with students from George Marshall High School in Falls Church, VA and Anacostia High School in the District. The residency was aimed at strengthening written and verbal communication skills, utilizing diverse forms of expression and fostering a respect for collaboration and cooperation and culminated in a performance at each school.

Family Performance Series

The Family Performance Series was further refined to meet the needs of participants and to include increased participation from each school's parent/teacher organization and restructuring team. To facilitate better communication between the Kennedy Center and the participating families a meeting was held for all selected families to provide hands-on instruction about the program. Families identified by local community based organizations were also included in the Family Performance Series program when additional tickets were available.

The Kennedy Center/Dance Theatre of Harlem (DTH) Community Dance Residency

In October 1997, the DTH Dancing Through Barriers Ensemble™ performed and conducted nine lecture/demonstration performances in the District of Columbia and Maryland. A total of 3,761 students, parents and teachers were in attendance. In November 1997, 481 students auditioned for participation in the Kennedy Center/DTH Community Residency Program and 188 students were selected to participate in the fifth year of the residency program at three community sites. Students participating in the Kennedy Center/DTH Community Residency were invited to audition for master classes conducted by dance companies performing at the Kennedy Center and Youth and Family Performance productions. Four students were selected to participate in the series of master classes. Twelve students from the District of Columbia were selected to receive full scholarships, funded by the FannieMae Foundation and the Kennedy Center, to attend the DTH School's summer program for six weeks (summer, 1998).

PARTICIPANTS	FY'97	FY'98 (est.)	FY'99 (est.)
DCPS Partnership Initiative	3,262	4,450	4,500
Family Performance Series	222	250	250
Carter Barron	11,231	12,000	12,000
Dance Theatre of Harlem	4,769	5,000	5,000
DTH Arts Exposure	2,063	2,100	2,100
National Dance Institute	940	n/a	n/a
Billy Taylor Jazz Residency	392	1,188	2,000
MPITF/NARAS Foundation			
Jazz in the Schools	265	300	300
Betty Carter's Jazz Ahead	n/a	3,200	3,500
Alexandria Seniors	285	300	300
Community Outreach	1,406	1,600	1,600

EVENTS FOR STUDENTS

In addition to presenting and producing performances for young people, the Kennedy Center Education Department presents events for students that feature the performing companies and artists performing at Kennedy Center. Students and teachers have the opportunity to attend dress rehearsals, discussions with artists, lecture/demonstrations, and master classes as well as to receive performance guides (*Cuesheets*) in advance of each event.

Regularly scheduled events include lecture/demonstrations and dress rehearsals presented by dance companies such as Dance Theatre of Harlem, American Ballet Theatre, the Joffrey Ballet, and Ballet Tech. Actors performing in the Kennedy Center's theater series present pre- and post-performance discussions and workshops designated especially for high school student groups. Master classes in dance and music are presented each fall and spring and feature principal dancers, ballet company artistic directors, and internationally-known musicians.

Visiting Artists programs, featuring Kennedy Center artists, are presented in schools and at community sites throughout the season. In addition, a series of live and interactive educational programs featuring Kennedy Center artists are broadcast through the Prince William County Public Schools Media Network over educational TV cable channels to school districts locally and across the country. Performance Guides (*Cuesheets*) are developed for teachers and students attending presentations by Youth and Family Programs, National Symphony Orchestra, and Events for Students and are sent to teachers three weeks before each event.

The Events for Students program serves as a blueprint of ideas for other performing arts centers nationally. The performing artists and company members presenting educational events are also able to refine their presentations through feedback and evaluations by the Kennedy Center Education Department staff and, more importantly, have the opportunity to see and hear from participants how valuable such presentations are for students and teachers.

1997-98 HIGHLIGHTS

The 1997-98 season featured artists and companies performing at the Kennedy Center and explored additional kinds of programs to achieve the goal of fostering student understanding and appreciation of the performing arts.

Events at the Kennedy Center

During the fall, students attended lecture/demonstrations, dress rehearsals, and master classes presented by the Houston Ballet, Ballet Tech, and the Joffrey Ballet. High school students were selected by audition for the ballet master classes. The spring featured similar events with American Ballet Theatre and Dance Theatre of Harlem. In the America Dancing Series three companies offered master classes for university dance students. High school theater students attended three sessions in the "Theater Conversations" series that featured the productions of *Proposals*, *Slava Snowshow*, and *Dreamgirls*. Members of the companies were featured in discussions and students were given a backstage tour of each of the theaters. In the spring, high school students attended selected productions in the Kennedy Center American College Theater Festival. In music, the Billy Taylor Trio with guest artist Roy Hargrove presented a demonstration and performance for students in the Terrace Theater. Two master classes with

violinist Pinchas Zukerman were offered and included two students from the Washington DC area and one student from the Manhattan School of Music. These sessions were videoconferenced allowing students and audience members at the Kennedy Center and at the Manhattan School of Music to participate in real time.

Visiting Artists Program

Artists from the Terrace Concerts Series, the NSO season, the Something New Series, and the African Odyssey Festival presented lecture/demonstrations, performances, master classes, and discussions in area schools. Artists for the season included opera singer B.J. Ward, trumpeter Terrance Blanchard, the ABT Studio Company, jazz guitarist Mark Whitfield, African dancers Koffi Koko and Zab Maboungou, the Song and Dance Company of Mozambique, the Uganda National Theater, and four Young Concert Artists. The Pan African Orchestra of Ghana, the El Warsha Theater of Egypt, and the Uganda National Theater presented additional free performances for students on the Millennium Stage and in the Plaza Tent. The Piano Master class series at area universities featured Sarah Rothenberg and Joseph Kalichstein in the fall and Misha Dichter and Andre Watts in the spring.

TV Performing Arts Series

The TV broadcast series with the Prince William County Public Schools included seven programs and an introductory program for the series. In the fall, Dr. Billy Taylor and the Billy Taylor Trio focused on "Jazz on Film" and "Jazz and the Guitarist" and performed with guest artists Terence Blanchard, trumpeter, and Mark Whitfield, guitarist. The ABT Studio Company presented a performance/demonstration on ballet and performed excerpts from three ballets. The spring programs focused on a theater discussion with the director and leading actor from the production of *Dreamgirls*, a performance by the National Song and Dance Company of Mozambique, a session on "The Poet as Performer" with award-winning poet Naomi Shihab Nye, and a discussion titled "Understanding Shakespeare: Hamlet" with the Royal Shakespeare Company's Head of Education, Wendy Greenhill. Additions to this series included closed captioning for hearing impaired and deaf viewers with the *Dreamgirls* and poetry programs and chat session on the Internet with two of the programs. Viewers can continue to e-mail questions to the artists for two weeks following the live broadcasts.

Performance Guides: Cuesheets

Thirty-one Cuesheets were developed during the 1997-98 season for programs presented by Youth and Family Programs, Events for Students, and the National Symphony Orchestra. A small core group of writers was selected to continue next season. They attended a workshop to discuss the evaluations of the *Cuesheets*, to share their comments and concerns, and to gather information helpful to the writing of future Cuesheets. A session for editors was also offered to further improve the quality of the Cuesheets. Guidelines for creating performance guides was completed and distributed in the spring.

Accessibility

There was a significant increase in the number of schools requesting sign language interpretation and cued speech transliteration for school performances. Many schools also brought students who are wheelchair users. Braille and large print programs were made available to students when requested.

PARTICIPANTS	FY '97	FY '98 (est.)	FY '99 (est.)
Events	9,782	10,000	10,000
Residencies	7,848	8,000	9,500
Satellite Programs	203,000	400,000	500,000

NATIONAL SYMPHONY ORCHESTRA (NSO) EDUCATION PROGRAMS AND KENNEDY CENTER'S NATIONAL SYMPHONY ORCHESTRA AMERICAN RESIDENCIES PROGRAM

NSO Education Programs

The multifaceted National Symphony (NSO) Education Program offers programs to introduce symphonic music to children and their families and to further the education of young musicians. Annually, nearly 60,000 students and families attend specially priced NSO Young People's Concerts, "Meet the Orchestra" Concerts, and Family Concerts. Small ensembles of NSO musicians are sent into the schools to present specifically designed interactive workshops/performances in underserved areas of the city. In-Schools Ensembles are very successful in introducing young students to classical music. Groups of NSO musicians also present short music programs, Kinderkonzerts, for very young children at the Kennedy Center's Theater Lab.

Apprenticeships and scholarships for advanced music students, a high percentage from ethnic minority groups, are offered annually. A full-scholarship program for serious music students, the **NSO Youth Fellowship** offers intensive orchestral training. This is a monitored, performance-oriented program that develops and encourages young musicians to become the orchestral musicians of the future. The **NSO Young Soloists' Competition** recognizes the talent of young musicians with each winner offered a solo performance opportunity with the NSO. Annually, area youth participate in **Youth Orchestra Day**, during which selected members of area youth symphonies share music stands with NSO members in a special rehearsal. Talented young string players are recruited from across the country as part of the **Minority String Initiative**. These students participate in the Kennedy Center/Summer Music Institute (SMI) for three weeks. They receive lessons with an NSO musician, perform chamber music coached by NSO members, perform in the SMI orchestra, and participate in various music classes and other enrichment activities at Kennedy Center.

For adults, the NSO education program sponsors "Symphony Talks" at local libraries, recorded program notes for persons with sight impairment, and open rehearsals for seniors. Education has been a high priority of the National Symphony Orchestra since the orchestra was founded in 1931 and the education program has grown and flourished during the last 67 years.

NSO American Residencies Program

The National Symphony Orchestra (NSO) American Residencies for the Kennedy Center is a unique national initiative encompassing the elements of education, outreach, chamber, and orchestral performances. The two-week residency provides interaction with many of the participating states' fine artists, shares all elements of classical symphonic music with the region, explores the diversity of musical influences unique to the state, and gives the region a musical voice as the nation's center for the performing arts through exchanges, training programs, and commissions. In addition, a major project such as the residency helps to focus statewide and national attention on the excellence of artists found in areas across the country.

With American Residencies, the NSO helps to ensure the future of orchestras and the arts in education by participating in a national interchange of ideas that keep an important part of our cultural heritage vibrant and growing. The impact of the American Residency program extends beyond the residency period through a variety of activities that nurture ongoing relationships between the Kennedy Center and a participating state. To date, Residency states include Alaska, Maine, Louisiana, Montana/Wyoming, Arizona, and Alabama.

Summer Music Institute: The state's Kennedy Center Alliance for Arts Education, in conjunction with music teachers at the secondary school, university, and professional levels, identify gifted young musicians to travel to Washington, DC for the NSO Summer Music Institute. At the Institute, students participate in three weeks of master classes, youth orchestra activities, and chamber music programs.

Teacher Fellowship: In 1992, with the first American Residency, then-Kennedy Center Chairman James D. Wolfensohn created the Teacher Fellowship to further the work of National Symphony Orchestra American Residencies. The one-month fellowship for career development is awarded to one teacher in a participating state selected with the assistance of the state's Kennedy Center Alliance for Arts Education.

Events with Local Artists: A key feature of the residency is the inclusion of a representative of the state's fine talent (performer, composer, etc.) in NSO performances. Student soloists may be selected from tapes submitted from throughout the state to appear with the orchestra during NSO Young People's Concerts. In addition, guest narrators and professional artists appear during the orchestra's educational performances and full concerts.

Commissioning Project: In collaboration with the state arts agency, the Kennedy Center commissions from a local composer a chamber work based on indigenous musical idioms. The work is premiered at the Kennedy Center with subsequent performances around country.

1997-98 HIGHLIGHTS

October 1997 marked the opening of the renovated Concert Hall. The December 1997 NSO Young People's Concerts in the new hall were filled to the new capacity of 2,200 each. NSO Associate Conductor Elizabeth Schulze presented a program entitled *We've Got Rhythms*, which included three local high school choruses and local tap dancer Nobel Potts dancing the Gould Tap Dance Concerto. The concerts were extremely well received by students and teachers--teachers particularly noting the *Cuesheets*, with audiotape, as helpful to their preparation of their students. The Ensemble program, *Science Meets Music*, designed by NSO cellist Yvonne Caruthers, played to sell-out crowds of secondary school students and their families. Adding a public concert of this school presentation was new for 1998 and sold very well to the public. This multi-media presentation was presented as part of the NSO Residency in Alabama in February. NSO "Meet the Orchestra" concerts have been reinstated for 1998 and featured conductor Elizabeth Schulze conducting a program of *Women in Music*. The NSO In-School Ensemble program continues to have a strong presence in selected DC public schools and at Good Shepherd Music Center, an inner-city service organization serving at-risk children who live in low-income housing in the Adams Morgan neighborhood of DC. An additional string group (violin and bass) joined the roster of NSO In-School Ensembles for 1998.

PARTICIPANTS	FY '97	FY'98 (est.)	FY '99 (est)
Family/public "Meet the Orchestra" (no concerts, hall renovation)		10,000	10,500
Kinderkonzerts	5,197	6,500	7,000
Young People's Concerts	33,225	35,000	35,000
"Meet the Orchestra" (smaller hall) 953		2,500	4,000
In-School Ensembles	4,259	6,000	6,000
Youth Fellowship Program	21	21	21
Young Soloists' Competition	1,475	1,600	1,800
Young Associates Program	24	24	24
Youth Orchestra Day events	52	70	70
Career Day	51	50	50
Summer Music Institute	63	60	60
NSO America Residencies			
Arizona	38,987	n/a	n/a
Alabama	n/a	32,000	n/a
TBA	n/a	n/a	35,000

KENNEDY CENTER ALLIANCE FOR ARTS EDUCATION NETWORK

The Kennedy Center Alliance for Arts Education Network (KCAAEN) is a national coalition of 46 non-profit state Alliance organizations, operating in partnership with the Kennedy Center. State Alliance organizations collectively bring together nearly two million people each year, including educators, community leaders, arts organizations, and concerned citizens. Across the United States, the state Alliances seek to advance the quality of education through the inclusion of arts in the curriculum. State Alliance activities include:

- **Build Collaborations:** Developing and supporting arts education collaborations between schools and cultural institutions;
- **Position the Arts:** Providing leadership and support for educational improvement efforts at the state and local level which recognize the importance of the arts in the curriculum;
- **Spearhead Public Education:** Implementing advocacy and public awareness projects such as media campaigns;
- **Provide Educational Programs:** Providing professional development through teacher in-services, conferences, symposia, summer institutes, and the development and dissemination of information resources;
- **Lend Support and Assistance:** Providing assistance to guide local arts and cultural organizations and other stakeholders interested in supporting the arts as key to education.
- **Create Programs for Young People:** Providing opportunities to experience the arts through festivals, performances, and exhibitions; and
- **Recognize Innovation and Achievement:** Acknowledging outstanding support for arts education through recognition and awards programs.

Each state Alliance works in cooperation with many partners to advance the arts in education in communities throughout each state. On the national level, KCAAEN identifies community partnerships which provide effective school arts programs, serves as an information exchange, and actively participates in the development of arts education policy in partnership with other national arts and arts in education organizations. Through the Kennedy Center Alliance for Arts Education Network and National School Board Association Award, the KCAAEN recognizes local school boards for outstanding support of the arts.

The KCAAEN is a programmatic affiliate of the Education Department of the John F. Kennedy Center for the Performing Arts. Through staff support and guidance, professional development opportunities, grant support, and other resources, the Education Department supports the growth and development of the KCAAEN and the efforts of participating state Alliances to make the arts a basic part of education for all Americans.

As an extension of the KCAAEN and its activities, the Kennedy Center IMAGINATION CELEBRATION national sites program represents community-based partnerships that celebrate and showcase the work of young people in the arts through performing arts festivals. The IMAGINATION CELEBRATION program, developed around year-round, community-wide partnerships among artists, schools, cultural institutions, businesses, and local governments, reaches more than 500,000 young people and their families at the five national sites: Fort Worth,

TX; Dallas, TX; Orange County, CA; Colorado Springs, CO; and Albany, NY, serving communities throughout New York state.

1997-98 HIGHLIGHTS

There are 46 state Alliances operating in partnership with the Kennedy Center in 1997-98. The Kennedy Center continues to pursue opportunities for developing Alliances in the four remaining states of Arkansas, Indiana, Nevada, and West Virginia as well as the District of Columbia while working to develop current Member Alliances. The Kennedy Center IMAGINATION CELEBRATION national sites program featured year-round, community-based partnerships in five communities across the nation.

The Kennedy Center distributed \$446,000 state AAE Operation and Program/Project Grants among 36 state Alliance for Arts Education organizations with individual grants ranging from \$1,500 to \$20,000. Technical assistance grants, averaging \$500, continue to be available to states upon request and approval of the Kennedy Center.

The KCAAEN and National School Boards Association co-sponsored the 10th annual KCAAEN and NSBA Award honoring school boards for their outstanding support of the arts in education. The KCAAEN and NSBA Award was given jointly to the School Boards of Las Cruces Public Schools (Las Cruces, NM) and Special School District #1, Minneapolis Public Schools (Minneapolis, MN). The award was presented in April at the NSBA national conference in New Orleans, LA.

In its second year, the *Creative Ticket for Student Success Campaign* launched a national media campaign with publication and airings of print, radio, and television advertisements from late September through December 1997. The campaign advertising included direct placements by the Kennedy Center in *Parade Magazine*, *The Washington Post*, *USA Today*, and the *New York Times* as well as Washington, D.C. area coverage in targeted local print and electronic media. State Alliances were assisted in placing advertisements in major media outlets at the state level. The *Parade Magazine* piece and other national print material featured Kennedy Center Vice Chairman Mrs. Alma Powell addressing the importance of parental involvement in ensuring the young people have opportunities to experience the arts in education as well as in their family life. A preliminary report on the National Conversations on Student Success was released in conjunction with a hearing held at Capitol Hill. It highlighted the impact of the campaign thus far. To date, the campaign has reached over 35,000 people through 100 events across the country.

One hundred Alliance Network members attended The KCAAEN Annual Leadership Meeting held October 23-25, 1997. The highlight of the conference was a hearing convened on Capitol Hill to present testimony for elected officials on the impact of the *Creative Ticket for Student Success Campaign*. It included a discussion of the ways in which the Alliances are building grassroots partnerships and support through this ongoing initiative. The conference also provided professional development training, orientation to the KCAAEN for new state leaders, discussions of important issues in the field of arts and education, standards and assessment, and various non-profit management issues such as fundraising, board development and membership.

A new awards program to highlight the achievements of state Alliances has been adopted with the first award given in June 1998. The use of technology as a communications tool through the KCAAEN has been expanded through a special training workshop at the 1997 Annual Leadership Meeting, activation of the KCAAEN listserv, and committee e-mail lists. Site visits this year include New Jersey, Texas, California, Massachusetts, Oklahoma, and Washington state. Meetings at the Kennedy Center have been convened with representatives from the Alliances in Maryland and South Carolina.

Developed in collaboration with the Corporation for Public Broadcasting, the Alliance distance learning project, which integrates the arts in the curriculum, is in its pilot distribution phase with an evaluation component for participating teachers.

The Kennedy Center continues to maintain its partnership program with five Kennedy Center IMAGINATION CELEBRATION National Sites--Albany, Colorado Springs, Dallas, Fort Worth, and Orange County. To facilitate ongoing communication and exchange among the sites, two conference call meetings have taken place since the September 1997 coordinators meeting. The next annual meeting of IMAGINATION CELEBRATION coordinators is being planned for September 1998. The Kennedy Center moderated a panel presentation featuring the Fort Worth site at the AASA national conference in February 1998.

The Kennedy Center continues its partnership with Binney & Smith to include their Dream-Maker's program as a major visual arts component of the Kennedy Center IMAGINATION CELEBRATION National Sites program. This includes an annual training workshop. An application process is in place to select one new site from the Kennedy Center's Performing Arts Centers and Schools Program to participate in the program during 1998-99.

PARTICIPANTS	FY '97	FY '98	FY '99
Alliance for Arts Education		(est)	(est)
Number of people the organization has served directly	1,811,738	2,000,000	2,100,000
IMAGINATION CELEBRATION	485,272	500,000	500,000

KENNEDY CENTER ALLIANCE FOR ARTS EDUCATION NETWORK
Member Organizations

Alabama Alliance for Arts Education
 Alaska Alliance for Arts in Education, Inc.
 Arizona Alliance for Arts Education
 California Alliance for Arts Education
 Colorado Alliance for Arts Education
 Connecticut Alliance for Arts Education
 Delaware Alliance for Arts Education, Inc.
 Arts for a Complete Education/Florida Alliance for Arts Education
 Georgia Coalition for Arts Education/Georgia Alliance for Arts Education
 Hawaii Alliance for Arts Education
 Idaho Alliance for Arts Education
 Illinois Alliance for Arts Education
 Iowa Alliance for Arts Education
 Kansas Alliance for Arts Education
 Kentucky Alliance for Arts Education
 Louisiana Alliance for Arts Education
 Maine Alliance for Arts Education
 Maryland Alliance for Arts Education
 Massachusetts Alliance for Arts Education
 Michigan Alliance for Arts Education
 Minnesota Alliance for Arts Education
 Mississippi Alliance for Arts Education
 Missouri Alliance for Arts Education
 Montana Alliance for Arts Education, Inc.
 Nebraska Alliance for Arts Education
 New Hampshire Alliance for Arts Education
 Alliance for Arts Education/New Jersey
 New Mexico Alliance for Arts Education
 New York State Alliance for Arts Education
 North Carolina Alliance for Arts Education
 North Dakota Arts Alliance
 Ohio Alliance for Arts Education
 Oklahoma Alliance for Arts Education
 Oregon Alliance for Arts Education
 Pennsylvania Alliance for Arts Education
 Rhode Island Alliance for Arts Education
 South Carolina Alliance for Arts Education
 South Dakota Alliance for Arts Education
 Texas Alliance for the Arts Education
 Utah Alliance for Arts and Humanities Education
 Vermont Alliance for Arts Education
 Virginia Alliance for Arts Education
 Washington Alliance for Arts Education
 Wisconsin Alliance for Arts Education
 Wyoming Alliance for Arts Education

Contact Organizations

Tennessee Alliance for Arts Education

FY'98 Kennedy Center Funding to State Alliance for Arts Education Organizations

State Alliance	Operational Funds	Program/Project Funds	Technical Assistance	Total
Alabama	\$ 18,000			\$ 18,000
Alaska	No application	No application		
Arizona		\$ 8,000		\$ 8,000
California	\$ 9,500			\$ 9,500
Colorado	\$ 12,309			\$ 12,309
Connecticut	\$ 20,000			\$ 20,000
Delaware		\$ 3,200		\$ 3,200
Florida	\$ 17,000			\$ 17,000
Georgia		\$ 9,000		\$ 9,000
Hawaii	\$ 18,000			\$ 18,000
Idaho		\$ 6,400	\$ 500	\$ 6,900
Illinois	\$ 20,000			\$ 20,000
Iowa	\$ 20,000			\$ 20,000
Kansas	No application	No application		
Kentucky	No application	No application		
Louisiana	\$ 17,000			\$ 17,000
Maine	\$ 8,630			\$ 8,630
Maryland	No application	No application		
Massachusetts		\$ 8,500		\$ 8,500
Michigan	\$ 12,000			\$ 12,000
Minnesota	\$ 20,000			\$ 20,000
Mississippi		\$ 8,000		\$ 8,000
Missouri	\$ 20,000			\$ 20,000
Montana	\$ 7,665			\$ 7,665
Nebraska		\$ 1,500		\$ 1,500
New Hampshire	No application	No application		
New Jersey	\$ 20,000			\$ 20,000
New Mexico		\$ 9,000		\$ 9,000
New York	\$ 17,000			\$ 17,000
North Carolina	\$ 9,606			\$ 9,606
North Dakota		\$ 5,360	\$ 500	\$ 5,860
Ohio	\$ 20,000			\$ 20,000
Oklahoma	No application	No application		
Oregon		\$ 6,000		\$ 6,000
Pennsylvania	\$ 13,000			\$ 13,000
Rhode Island		\$ 8,550		\$ 8,550
South Carolina	No application	No application		
South Dakota	\$ 20,000			\$ 20,000
Tennessee	No application	No application		
Texas	\$ 16,000			\$ 16,000
Utah	No application	No application		

Vermont	\$ 10,000			\$ 10,000
Virginia	No application	No application		
Washington	\$ 10,800			\$ 10,800
Wisconsin	\$ 20,000			\$ 20,000
Wyoming	\$ 7,980			\$ 7,980
TOTAL	\$384,490	\$73,510	\$1,000	\$459,000

FY98 Grants Funds Budget: \$485,000 FUNDS AWARDED AS OF 4/98

FY98 Technical Assistance Budget: \$ 10,000

FY98 Combined Grant Funds and Technical Assistance Budget: \$495,000

PERFORMING ARTS CENTERS AND SCHOOLS: PARTNERS IN EDUCATION

The Performing Arts Centers and Schools: Partners in Education program of the John F. Kennedy Center for the Performing Arts is designed to assist performing arts centers and presenting organizations throughout the nation develop and expand educational partnerships with their local school systems with a special emphasis on the professional development of teachers. In 1992, this program was awarded the Association of Performing Arts Presenters' Dawson Award that recognizes innovative and successful projects.

This program is based on the belief that educating teachers is an essential component of any effort designed to increase the artistic literacy of young people. Currently, communities in 37 states and the District of Columbia participate in the program. Partnership teams consist of a representative of a performing arts center/presenting organization and a representative of a neighboring school system. The program includes:

- a five-day Institute that offers partnership teams program models and planning strategies for establishing or expanding professional development programs in the arts for all teachers;
- follow-up consultation to assist in program development, and a monthly newsletter containing current information on policy affecting schools and arts education;
- annual meetings to assist teams in their partnership and program development.
- special access to Kennedy Center touring programs, including productions for young people and families with performance guides and accompanying teacher workshops, a teacher workshop tour with partial underwriting by the Kennedy Center, and an artist-training seminar.

1997-98 HIGHLIGHTS

At the four-day Annual Meeting in February, 135 team members received additional training, reworked their partnership agreements, and networked with other participants. The Advisory Committee of six team members met in February to make recommendations to the Kennedy Center regarding content and format for future Annual Meetings. Team members voted on the slate of proposed Advisory Committee nominees at an election held during the Annual Meeting. The Advisory Committee met again June 11 and 12.

Other initiatives of the program for the year include:

- completing the three-year performance guidelines project. A new publication for writers of performance guides in music, dance and theater, *Giving Cues*, was published and shared nationally
- conducting the application process to admit new teams to the network
- co-sponsoring a summer institute for teachers with the Maui, HI partnership team, and supporting the efforts of the Lowell, MA team to initiate a distance learning workshop experience
- serving as part of the education department team in building and facilitating the deepening partnership with the DC Public Schools

- assisting with the coordination of a national conversation on professional development and training for artists who conduct residencies in schools. The day-long meeting included leaders of premiere arts institutions across the nation to explore the needs of artists who work in education settings.
- collaborating with the Community Partnerships and Professional Development Opportunities for Teachers programs to design and conduct a four-day training institute for residency artists working in DC Public Schools
- conducting a day-long meeting of artists and workshop leaders who conduct the "Artists as Educators"

The program has increased the visibility of the Center through Performing Arts Centers and Schools touring programs, including:

- the artist training seminar, "Artists as Educators: Planning Effective Workshops for Teachers." The Seminar toured to five additional sites in 1997-98.
- the program continues to arrange a national tour of Kennedy Center workshops for teachers in conjunction with Professional Development Opportunities for Teachers. This year, the program has provided partial underwriting of 41 workshops to 24 Performing Arts Centers and Schools sites.

PARTICIPANTS	FY '97	FY '98	FY '99
Team-initiated programs	300	300	300
Teachers served	7,269	7,500	8,000
Teams served	68	68	81

PARTICIPATING TEAMS IN PERFORMING ARTS CENTER AND SCHOOLS NETWORK

Alabama (Decatur, Huntsville, Opelika and Selma)

Princess Theater and Decatur City Schools
The Arts Council and Huntsville City Schools
Opelika Arts Association and Opelika City Schools
Selma Arts Council and Selma City School System

Alaska (Anchorage and Kodiak)

Alaska Center for the Performing Arts and Anchorage School District
Kodiak Arts Council and Kodiak Island Borough School District

Arizona (Tempe and Tucson)

Arizona State University and Mesa Unified School District #4
University of Arizona and Tucson Unified School District

Arkansas (Fayetteville)

Walton Arts Center and Northwest Arkansas Education Service Center

California (El Centro)

Imperial County Arts Council and El Centro School District

Florida (Gainesville, Ft. Lauderdale, Jacksonville and Sarasota)

Center for the Performing Arts of the University of Florida (Gainesville) and School Board of Alachua County
Broward Cultural Affairs Council, Broward Center for the Performing Arts, and the School Board of Broward County
Florida Community College at Jacksonville and Duval County School System
Van Wezel Performing Arts Hall and Sarasota County School Board

Hawaii (Maui)

Maui Arts and Cultural Center and State Department of Education, Maui District

Illinois/Iowa (Chicago and Rock Island/Davenport)

Chicago Public Schools (new arts partner to be determined)
Quad City Arts and Davenport Community School District

Indiana (Indianapolis, Bloomington and Columbus)

Clowes Memorial Hall of Butler University and Indianapolis Public Schools
Indiana University Auditorium and Monroe County School Corporation
Columbus Area Arts Council and Bartholomew Consolidated School Corp.

Iowa (Dubuque)

Dubuque Arts Council and Dubuque Community School District

Kansas (Lawrence)

The Lied Center of the University of Kansas and Lawrence Public Schools

Kentucky (Madisonville)

Fine Arts Center of Madisonville Community College and Badgett Regional Center for Educational Enhancement

Louisiana (Lafayette)

Acadiana Arts Council, University of Southwestern Louisiana, and Lafayette Parish School System

Maine (Lewiston and Portland)

LA Arts, Lewiston School Department, and Auburn School Department
Portland Concert Association and Portland School District

Massachusetts (Boston, Lowell, and New Bedford)

The Wang Center for the Performing Arts and Boston Public Schools
Center for the Arts, UMASS-Lowell, Billerica Public Schools, Dracut Public Schools,
and Lowell Public Schools
Zeiterion Theatre and Fall River Public Schools

Michigan (Ann Arbor, Battle Creek and Flint)

University Musical Society and Ann Arbor Public Schools
United Arts Council of Calhoun County and Battle Creek Public Schools
Flint Cultural Center and Flint Community Schools

Minnesota (St. Paul)

Ordway Music Theatre and St. Paul Public Schools

Missouri (St. Joseph and Springfield)

Allied Arts Council and St. Joseph School District
Juanita K. Hammons Hall for the Performing Arts and Springfield Public Schools

Montana (Billings and Helena)

The Alberta Bair Theater and Billings Public Schools
Helena Presents, Myrna Loy Center and Helena Public Schools

Nebraska (Lincoln)

The Wagon Train Project, Inc. and Lincoln Public Schools

New Hampshire (Portsmouth)

The Music Hall and Portsmouth School Department

New Jersey (New Brunswick and Newark)

New Brunswick Cultural Center and North Brunswick Township Public Schools
New Jersey Performing Arts Center and Orange Township Public Schools

New Mexico (Las Cruces)

Dona Ana Arts Council, Inc. and Las Cruces Public Schools

New York (Peekskill, Great Neck and Purchase)

Paramount Center for the Arts and Peekskill City School District
Great Neck Center for the Visual and Performing Arts and Great Neck Public Schools
The Performing Arts Center at Purchase and Edgemont School District

North Carolina (Raleigh)

United Arts Council of Raleigh and Wake County, Inc. and Wake County Public
Schools

Ohio (Sylvania, Wooster and Springfield)

Franciscan Life Center and Sylvania Schools
Wayne Center for the Arts and Tri-County Schools
Clark State Performing Arts Center and Clark County Educational Service Center

Oklahoma (Oklahoma City)

Black Liberated Arts Center, Inc. and Oklahoma City Public Schools

Pennsylvania (Pittsburgh, Swarthmore and Williamsport)

Pittsburgh Cultural Trust and Pittsburgh Public Schools
 Lang Performing Arts Center and Wallingford-Swarthmore School District
 Williamsport Area School District and arts partner to be determined

South Carolina (Batesburg-Leesville, Greenville, Hilton Head Island and Spartanburg)

Ridge Arts Council and Lexington County School District #3
 Peace Center for the Performing Arts and Pickens County School District
 Arts Council of Beaufort County, Beaufort County School District and the Self-Family Arts Center
 The Arts Partnership of Greater Spartanburg County and Spartanburg County School District Six

Tennessee (Clarksville)

Austin Peay State University Center of Excellence for the Creative Arts and
 Clarksville-Montgomery County Schools

Texas (Fort Worth)

Kennedy Center IMAGINATION CELEBRATION of Fort Worth and Fort Worth
 Independent School District

Vermont (Burlington)

Flynn Theatre for the Performing Arts and Chittenden South Supervisory District

Virginia (Richmond)

Theatre IV and Richmond Public Schools

Washington (Tacoma)

The Broadway Center for the Performing Arts, Tacoma Public Schools, and
 Bethel School District

West Virginia (Clarksburg and Lewisburg)

The ArtCenter and Harrison County Board of Education
 Carnegie Hall, Inc. and Greenbrier County Schools

Wisconsin (Madison)

Madison Civic Center, University of Wisconsin-Madison and Madison Metropolitan
 School District

Wyoming (Gillette)

CAM-PLEX Heritage Center and Campbell County School District

KENNEDY CENTER AMERICAN COLLEGE THEATER FESTIVAL

The Kennedy Center American College Theater Festival (KC/ACTF) produces an annual national competition for university and college students and faculties. In 29 years, more than 16 million theatergoers have attended approximately 10,000 festival productions nationwide. Designed to encourage national excellence in acting, theatrical design, directing, and playwriting, the festival has played an important part in nurturing and developing the careers of such well-known theater professionals as Broadway playwright Lee Blessing (*A Walk in the Woods*), actress Sheryl Lee Ralph (*Dreamgirls*, *Designing Women*), singer/actor Mandy Patinkin (*Evita*, *Sunday in the Park with George*), and Matt Williams (*The Cosby Show*, *Roseanne*, *Home Improvement*). Nationally, the festival has inspired and honored the artistry of more than 400,000 students across America and assisted young talent in making the transition from the academic to the professional stage. In addition to scholarships and showcasing opportunities, the KC/ACTF provides fellowships for talented writers, critics, and designers to work and to learn along side some of the nation's most accomplished theater artists and technicians.

1997-98 HIGHLIGHTS

Second-step opportunities will be offered to Irene Ryan Acting Award students and the winning playwright in the National Student Playwriting Award. The Shakespeare Theatre in Washington, DC will provide a fellowship to its Summer Classical Acting Workshop for one of the national finalists in the Irene Ryan Scholarship program beginning in the summer of 1998. Sundance Theatre Laboratory became the site of two fellowships for KC/ACTF playwrights: the previously established fellowship for the winner of the Fourth Freedom Forum Playwriting Award and the newly established fellowship for the winner of the KC/ACTF Michael Kanin National Student Playwriting Award. Plans are underway to celebrate the 30th anniversary of KC/ACTF with a week-long special national festival featuring symposia, master classes, and workshops for student and faculty participants. USITT shifted its focus to the regional level design activities and initiated funding to support cooperative activities between KC/ACTF regional design programs and USITT regional sections.

PARTICIPANTS	FY '97	FY'98 (est.)	FY'99 (est)
Students	21,473	21,000	22,000
Teachers	2,787	3,000	3,500
Audience	500,000	500,000	500,000
Productions Entered	925	938	950

ARTSEdge, NATIONAL ARTS AND EDUCATION INFORMATION NETWORK

The Kennedy Center continues to develop the National Arts and Education Information Network (ARTSEdge), under a cooperative agreement with the National Endowment for the Arts and the U.S. Department of Education, with additional support from General Electric. ARTSEdge is an interactive communications network designed to provide useful and easily accessible information important to teachers, artists, and organizations concerned with making the arts essential to education. The 1996-1997 project year was devoted to the implementation phase, developing databases of information and enhancing the national on-line userbase. The network features databases and interactive opportunities that assist teachers and artists to develop curricula based on new national standards and assessment in the arts. The 1997-1998 year continued to see the growth of information, with an emphasis on expanding the user interactivity level, and continuing to develop the userbase.

The 1998-1999 vision for ARTSEdge includes expanded attention to new initiatives laced with collaboration, research and process publication. ARTSEdge will expand its role as not only a national advocacy site for arts education, but also will function as an international exchange site in order to offer American students an opportunity to benefit from exposure to other cultures. In order to expand the interest level of the site and to make it user friendly, the issues of multiculturalism, access, and gender will be integrated into site projects and its web presence. This will be accomplished through a number of partnerships and involvements with teachers in classrooms around the Washington metro area, across the country, and internationally. The goal remains an online learning community devoted to using technology for establishing high standards of artistic and educational achievement in the nation's schools.

1997-98 HIGHLIGHTS

Network Stabilization

ARTSEdge implemented new operating policies, procedures, and support systems necessary to maintain the network, including provisions for upgrading applications and collecting, storing, retrieving, and expanding the ARTSEdge database, on a long-term basis. A multimedia XING Server was put online to deliver live and streaming audio and video files in support of initiatives for building an online learning community.

Knowledge Base

ARTSEdge continues to develop and implement strategies and exemplars for expanding curriculum-based information and resources that help teachers and artists to develop interdisciplinary curriculum. The ARTSEdge Fellows program expanded to include a minimum of ten teachers on a year-round basis. This program piloted new software and training strategies for encouraging the development of teacher-focused online resources. The Nebraska Community Discovered Project used the same software to contribute curriculum-based resources to ARTSEdge. ARTSEdge continued working cooperatively with the District of Columbia Roundtable of Cultural Institutions, which includes the National Endowment for the Arts, The Smithsonian, The National Archives, and the Library

of Congress, on new online projects. The National Museum of American Art and ARTSEGE shared resources towards developing a summer institute on the arts and technology. The African Odyssey Interactive site was expanded in conjunction with 1997-98 African Odyssey festival programming and to include participation from countries in the Diaspora.

Userbase

ARTSEGE Fellows presented professional development activities on using ARTSEGE to the teachers in their schools and school districts. Additional ARTSEGE "virtual conferences" focused on dance and theater. An online survey of users, in collaboration with the third party evaluator, was continued. An ongoing series of training sessions on the use of ARTSEGE for teachers was also continued.

PARTICIPANTS	FY '97	FY '98	FY '99
Estimated number of people using the network	134,964	155,000	200,000

COSPONSORSHIP OF NATIONAL AND LOCAL EVENTS

Just as the Kennedy Center serves as the nation's home for the performing arts, the Kennedy Center Education Department provides a home for a variety of national, regional, and local organizations involved in making the arts a basic part of the lives of students and families. Through cosponsorship, the education department provides facilities, technical assistance, and production support for a variety of performances, symposia, schools, universities, and community-based organizations. In addition to the tangible support, participation by the Center provides an additional degree of validation for the efforts of organizations across the country in their efforts to raise awareness of and participation in the performing arts.

1997-98 HIGHLIGHTS

The Kennedy Center again sponsored the Theolonius Monk Competition, the American College Dance Festival, and the National Association of Partners in Education gala. The Center also worked with Very Special Arts, its educational affiliate, on their Young Soloists Competition and Young Playwrights evening. The late jazz vocalist Betty Carter worked with singers from across the nation in her Jazz Ahead project. Also sponsored were programs with the Opera for Youth 25 Anniversary Conference, the Arts Are Magic Festival with Washington Very Special Arts, the DC Public Schools All City Honors Chorus project, a new opera project with Bob Darling, DC Public Schools Arts for Every Student program. The Center also sponsored the DC Commission on the Arts East of the River Initiative, the Anacostia Black Creativity Project and the Cable in Classroom's session for arts education departments.

KENNEDY CENTER INTERNSHIP PROGRAM

The internship program offers meaningful learning opportunities and on-the-job experiences to undergraduate and graduate students and recent college graduates who are interested in careers in performing arts management and/or arts education. Each year more than 60 people are selected to participate in a three to four month long, full-time (40 hours per week) internship (Fall, September-December; Winter/Spring, January-April; Summer, June-August).

Internships may be available in advertising, development, education (local and national programs), government liaison, media relations, National Symphony Orchestra, special events, programming, and volunteer management. Responsibilities include assisting with administrative, presentational, and/or promotional aspects at the Center.

Each intern, with their supervisor, develops a list of learning objectives and goals that they would like to accomplish as well as being assigned a project to be completed during their time at the Kennedy Center. Each intern submits a weekly journal and the internship program coordinator meets regularly with the interns to discuss their progress. Interns maintain a portfolio that reflects their work at the Center.

Selected interns receive a stipend of \$650 per month to help defray housing and transportation costs. College credit may be available. Interns attend a Weekly Executive Seminar led by executives of the Kennedy Center and other major arts institutions in Washington, D.C. Interns may also attend performances, workshops, classes, and courses presented by the Center, free of charge (space available), during their internship.

1997-98 Highlights to Date

A new poster and brochure for the program were developed and mailed to career services offices at colleges/universities across the nation. Planning and development of a two-tier system of internships continues--undergraduate and graduate. A new coordinator of the internship program was hired.

PARTICIPANTS	FY'97	FY'98 (est.)	FY'99 (est.)
Interns	75	75	75

ACCESSIBILITY

The Kennedy Center's Office for Accessibility was created in 1991 to oversee the architectural, communications, and program access for patrons and performers with disabilities. The office is instrumental in the Center's compliance with the ADA. Going beyond mere compliance, the program designs, implements, and conducts music and theater workshops for children and adults with disabilities. Unique to the Kennedy Center, the program has pioneered the creation and integration of the art of interpreting symphonic music into sign language, and for instituting real-time closed captioning of the telecasts of the National Symphony Orchestra's Capitol Concerts--the first major orchestra to incorporate such elements of access. Program initiatives have received national and international recognition.

1997-98 HIGHLIGHTS

The Kennedy Center's Office for Accessibility continued to expand and enhance services to persons with disabilities locally and nationally. Significant efforts were made to implement the philosophy of the Center reflected in the newly renovated Kennedy Center Concert Hall and in other accessibility initiatives throughout the institution.

Assistance through sign language interpretation, audio description, cued speech transliteration, Braille programs, and large print programs was provided for persons with hearing and vision disabilities.

Meetings with special education personnel in the local public school systems continued in an effort to build awareness of Kennedy Center programs and to assist teachers in awareness of the arts.

The current coordinator of accessibility was placed on long-term disability.

The Kennedy Center, in collaboration with the National Endowment for the Arts, the U.S. Department of Education and with additional support from the U.S. Department of Health and Human Services, and the Social Security Administration, held a national conference, "Careers in the Arts for People with Disabilities," June 14-16, 1998. A report is being developed out of the proceedings.

PUBLICATIONS AND VIDEOS

Through nationally significant publications, model teacher and student guidebooks, and catalogues describing year-round educational opportunities for teachers, students, and the adult public, the Kennedy Center reaches thousands of individuals with valuable information concerning the availability of arts experiences and their importance to their daily lives.

1997-98 HIGHLIGHTS

Spotlight on Theater notes were again produced for each of the shows presented in the Kennedy Center Theater season. A new dance publication, *America Dancing: the Revolution Goes Worldwide* was produced. The Center continues to publish *Cuesheets*--the teacher and student guidebooks--for all of its performances for young people. A publication focused on the Mary Lou Williams Women in Jazz Festival was developed. *Giving Cues: Recommended Guidelines for Writing and Designing Performance Materials for Young People* was published and distributed nationally. This handbook provides practical guidelines for developing performance materials for use with and by young people. Development of programs and materials with the Prince William Network and the Prince William County Public Schools "Arts Are Core" program were continued and expanded. Seminars from the Kennedy Center American College Theater Festival were again videotaped for distribution through the PBS Adult Learning Service. Broadcast of Billy Taylor's Jazz at the Kennedy Center continued and the Mary Lou Williams Women In Jazz Festival was broadcast on JazzSet. *Learning Audiences*, a publication focusing on adult arts education, was developed in partnership with Arts Presenters and was presented and distributed at the annual conference Arts Presenters in New York.

PUBLICATION DISTRIBUTION	FY'97	FY'98 (est.)	FY'99 (est.)
<i>Cuesheets</i> (Student and Teacher Guidebooks)	40,000	49,400	50,000
Catalogues and Brochures			
Professional Development and Performance Catalogue	80,000	94,000	95,000
IMAGINATION CELEBRATION	60,000	68,000	70,000
Internship Brochure and Poster	8,000	8,000	8,000
Performance Plus	45,000	45,000	50,000
Performing Arts Centers & Schools	3,000	3,000	5,000
National Tour of Workshops	3,000	3,000	5,000
American College Theater Festival	8,000	6,000	8,000
NSO Education Guidebooks	60,000	60,000	60,000
NSO Education Video- and Audio-tapes	800	2,000	2,000
Performance Guides for Mainstage Productions	7,000	7,000	7,000
<i>Choreographic Breakthroughs: The Revolution Continues</i>	3,000	n/a	n/a
<i>America Dancing: The Revolution Goes Worldwide</i>	n/a	5,000	n/a
Dance Book (tba)	n/a	n/a	5,000

Women In Jazz Study Guide	n/a	5,000	n/a
Preliminary Report of the National Adult Arts Education Project	10,000	n/a	n/a
Final Report of the National Adult Arts Education Project	n/a	10,000	n/a
African Odyssey Study Guide for Teachers and the general public	7,500	n/a	n/a
<i>Giving Cues: Recommended Guidelines for Writing and Designing Performance Materials for Young People</i>	n/a	2,500	n/a
Campaign Kits	6,000	n/a	n/a
Advertising Materials for Campaign	700	n/a	n/a
TOTAL	342,000	367,900	365,000

KENNEDY CENTER EDUCATION DEPARTMENT
Total Participants

	FY '97	FY '98 (est.)	FY'99 (est.)
Performances for Youth and Families	82,874	83,500	82,500
Billy Taylor's Jazz	4,145	4,500	4,500
National Touring	55,443	118,500	180,000
Professional Development Opportunities for Teachers			
Teachers participating	1,534	1,505	1,700
Performance Plus	10,750	12,545	13,000
Exploring Ballet with Suzanne Farrell	302	350	400
Model Community Outreach Initiatives			
DCPS Partnership Initiative	3,262	4,450	4,500
Family Performance Series	222	250	250
Carter Barron	11,231	12,000	12,000
Dance Theatre of Harlem	4,769	5,000	5,000
DTH Arts Exposure	2,063	2,100	2,100
National Dance Institute	940	n/a	n/a
Billy Taylor Jazz Residency	392	1,188	2,000
MPTF/NARAS Foundation			
Jazz in the Schools	265	300	300
Betty Carter's Jazz Ahead	n/a	3,200	3,500
Alexandria Seniors	285	300	300
Community Outreach	1,406	1,600	1,600
Events for Students			
Events	9,782	10,000	10,000
Residencies	7,848	8,000	8,000
Satellite Programs	203,000	400,000	500,000
NSO Education			
Family/public "Meet the Orchestra" (no concerts, hall renovation)		10,000	
10,500			
Kinderkonzerts	5,197	6,500	7,000
Young People's Concerts	33,225	38,000	40,000
"Meet the Orchestra" (smaller hall)	953	5,750	5,750
In-School Ensembles	4,259	6,000	6,000
Youth Fellowship Program	21	21	21
Young Soloists' Competition	1,475	1,600	1,800
Young Associates Program	24	24	24
Youth Orchestra Day events	52	70	70
Career Day	51	50	50

Summer Music Institute	63	60	60
	FY '97	FY '98 (est.)	FY'99 (est.)
NSO America Residencies			
Arizona	38,987	n/a	n/a
Alabama	n/a	40,000	n/a
TBA	n/a	n/a	40,000
Alliance for Arts Education			
Number of people the organization has served directly	1,811,738	2,000,000	2,100,000
IMAGINATION CELEBRATION	485,272	500,000	500,000
Performing Arts Centers and Schools			
Teachers served	7,269	7,500	8,000
American College Theater Festival			
Students	21,473	21,000	22,000
Teachers	2,787	3,000	3,500
Audience	500,000	500,000	500,000
ArtsEdge, National Arts and Education Information Network			
People accessing information	134,964	155,000	200,000
Fellowships of the Americas	18	9	0
Internship Program	73	75	75
Special Cosponsorship Events			
Audience	25,000	26,000	28,000
TOTAL	3,473,414	3,989,947	4,304,500

BUDGET JUSTIFICATIONS FOR THE FISCAL YEAR 2000

**Submitted to the Committees on Appropriations
Congress of the United States**

February 1999

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STATEMENT OF THE DIRECTOR

It is a distinct honor to introduce myself as the new Director of the Woodrow Wilson International Center for Scholars and to present this budget submission for Fiscal Year 2000.

I look forward with enthusiasm to the challenge of helping to lead this important institution into the next century. I also look back with gratitude to the three previous directors – Ben Read, Jim Billington and Charles Blitzer – whose unstinting efforts made the Center what it is today.

The Woodrow Wilson Center was created by Congress in 1968 (Public Law 90-637) as the official national memorial to Woodrow Wilson, President of the United States from 1913 to 1921. Woodrow Wilson was a scholar – a college teacher and university president – as well as a politician and international statesman. He believed that people who study the world and those who shape public policy should share ideas and experiences with each other, because both are engaged in “a common enterprise”.

In a strictly nonpartisan fashion, the Center aims to foster scholarship and promote the exchange of views between scholars and decision makers that Woodrow Wilson envisaged.

I am convinced that in the years ahead the Center can play a pivotal role in Washington, in our country, and in the world. Its great strengths include not only a talented staff but a Board of Trustees and a Wilson Council whose members are deeply committed to maintaining the Center’s excellence. The Center also has strong support in other communities. Over the last several months, scores of policymakers, university professors, and policy analysts have sought me out to express their support for the Center’s work.

From abroad comes the remarkable loyalty and support of the hundreds of scholars and public officials who visited the Center and pursued research here in the past. Many of these alumni define their experiences at the Center as seminal events in their careers. Two weeks before her assassination in Saint Petersburg, Russia on November 20, 1998, Galina Starovoitova, a member of the Russian State Duma and a courageous defender of democracy, emphasized in a letter to me how important her 1989 guest scholarship at the Center had been to her, describing “vivid memories of the excellent opportunities for research and exchange of ideas I was provided there.”

The presence at the Center of this extraordinary woman, a scholar as well as a political leader, is an example of the Center fulfilling its highest aim: to promote interaction between the world of ideas and the world of policy, between the world of the scholar and the world of the policymaker.

I have only been at the Center since the beginning of 1999, and I am still formulating plans for the future. But I feel strongly about certain goals. First, I consider it a prime goal at the Center to strengthen this interaction – the contacts and the dialogue between the scholars and

staff at the Center and those shaping policy. Some of these contacts will be through formal meetings and discussions, but many more will involve private networking on issues of mutual interest. Such contacts take place now. They can be broadened.

Second, I want to increase the visibility of the Center and its work. With its new home in the Ronald Reagan Building, the Center now provides an exhilarating atmosphere – with some of our finest minds, grappling with some of our most difficult challenges, and with some of the best technical and communications facilities. We need to take advantage of our situation and the information and technology revolution and foster open dialogue that can be mutually beneficial to the scholars and to the policymakers.

Third, the work done at the Center is relevant to many of the key public policy debates we have in this country and abroad, and this work can provide essential context for most public policy debates. The scholars tend to take a step or two back from the headlines and provide a picture of the forest that is critical to understanding each tree. I think the Center's work can be made even more relevant to policy debates. I want to see greater focus in the work done at the Center as well as more balance and diversity in what is done at the Center and who does it.

Fourth, I want the Wilson Center to attract the top, not just good, scholars and thinkers. The Center should be the most prestigious intellectual place in Washington, a place where the best and the brightest gather for their – and our – benefit.

Finally, I am also committed to increasing private funding for the Woodrow Wilson Center. The Center is a public-private institution, and federal appropriations are necessary to leveraging private support. I want to see the percentage of funding from non-appropriated sources, now roughly fifty percent, further expanded.

The Woodrow Wilson Center stands as a unique monument in a city of monuments, a living memorial to the 28th President of the United States. Secretary of State Albright, herself a former Fellow at the Center, was right when she said that the Center “memorializes not only Wilson, but Wilson's lifelong effort, as educator and President, to map a trail for a future that would elude the traps of the past.”

What impresses me most of all as I assume leadership of the Center is the opportunity we have, working together, to make it Washington's pre-eminent intellectual center. That is our task and our mandate as we carry the Center into the next century.

Lee H. Hamilton
Director
February, 1999

What is the mission of the Woodrow Wilson Center?

The Woodrow Wilson International Center for Scholars is a public/private partnership established as an institute for advanced study that sponsors research, meetings, publications, and multimedia presentations in virtually all academic disciplines, with an emphasis on the social sciences and humanities. The Center conducts its work in an objective, non-partisan and open dialogue.

In testimony to President Wilson's belief in the unity of knowledge, the Center does not limit its scholarship just to current policy issues, but sponsors broad and diverse investigations and promotes their use to elucidate the questions of the day and to provide a broader context within which current issues are debated. As a memorial to Woodrow Wilson, the Center differs from institutions that promote only pure research regardless of its applications, or those that focus solely on current policy issues. In everything it does, the Center strives to generate and disseminate "knowledge in the public service."

How is the Center governed?

The Center, while nominally "in the Smithsonian Institution," is under the direction of its own independent board of trustees composed of the Secretary of State, Secretary of Health and Human Services, Secretary of Education, Chairman of the National Endowment for the Humanities, Secretary of the Smithsonian Institution, Librarian of Congress, Director of the U.S. Information Agency, and the Archivist of the United States; ten members appointed by the President from private life; and one member appointed by the President from time to time from within the federal government.

The Center is also advised and supported by a group of private citizens called the Wilson Council.

What happens at the Center?

The Wilson Center provides an exciting forum for ideas, discussion and dialogue in public policy issues. Some of the finest thinkers and scholars in the world come to the Center.

♦ The Center offers residential scholarships -- an office, a telephone, a computer, research assistance, a stipend -- to about 150 scholars each year. About 20 come for the full academic year, the others for shorter periods. These scholars are professors, diplomats, journalists, business people, and government officials. They come to study, write, and discuss topics that they have proposed. Their studies concentrate in history and political science, and range throughout the humanities and social sciences. Topics of broad scholarly interest that intersect with and form a contextualized background for current public policy issues are favored. The scholars use many of the opportunities Washington offers and most of them build networks with people in the public policy community. There are also an additional 75 scholars in programs for Russian-area and East European specialists, and the remaining 40 cover other regions of the

world and other subject areas. Roughly two-thirds of the scholars and visitors to the Center are American.

♦ The Center creates workshops and panels, assigning topics to scholars and experts who write, meet, and discuss. Publication in various formats then presents the results of their combined efforts to a wide audience.

♦ The Center's staff routinely consults with U.S. government officials. The Center has ongoing programs on the U.S., Russia, Asia, Latin America, Eastern and Western Europe, international studies, and projects on nuclear nonproliferation, Cold War history, environmental and security concerns, and urban studies.

♦ The Center's programs and projects conduct more than 200 meetings per year at which scholars and policy makers exchange views. Most meetings are open to the public.

♦ The Center's scholars resume their public professional activities -- teaching, government service, journalism -- after they leave the Center. Most publish books -- about 1,000 have been written at the Center.

♦ The Center itself reaches out to citizens, experts, and decision makers:

- *Dialogue*, an award-winning radio program, is heard weekly by 200,000 listeners nationwide.
- *The Wilson Quarterly* magazine's distribution reaches over 65,000 addressees.
- The Woodrow Wilson Center Press sells almost 15,000 copies of its books per year. The Center's press and programs publish around 10 new titles per year.
- Center Scholars, Fellows, and staff write about 40 books every year at the Center, subsequently published by U.S. and foreign presses.
- The Center's programs produce regular newsletters and bulletins on Russia, Latin America, Eastern Europe, Cold War history, and the environment and security, reaching thousands of readers. They also produce about 20 working papers and special reports in several series every year. The Center maintains a World Wide Web site and publishes a monthly calendar of events and a quarterly newsletter with circulations of about 9,000.

What is the relevance of the work of the Center's scholars to many of the worlds' most pressing public policy issues?

Of the Fellows and Guest Scholars in residence at the Center over the last twelve months, almost all were working on projects of direct relevance to contemporary policy issues. These include studies of the Korean military, recent domestic politics in Iran, party systems in Eastern Europe, racial and ethnic politics in U.S. labor unions, and drug trade in the Andes. Scholars arriving at the Center in September 1998 are working on national security issues in the 21st Century, adoption, capital punishment, telecommunications history in the United States, statistical work in the United States government, the problems of Yugoslavia, economic change in China, the United States and Ukraine, Iran, Iraq, and a variety of other policy relevant topics.

While scholars are at the Center, they regularly make presentations regarding their work at institutions throughout the city. Even though not every scholar works on issues with immediate public policy relevance, the insights from research in such fields as philosophy, religion, and literature often shed invaluable light on topical issues and provide a better context within which current policy issues are discussed.

Notable Center Fellows have included: Secretary of State Madeleine Albright; historian Gertrude Himmelfarb, who wrote *The Idea of Poverty* at the Center; Pulitzer Prize-winning historian Gordon Wood; medieval scholar and Solidarity leader Bronislaw Geremek; sociologist Seymour Martin Lipset; and White House staffers/Distinguished Scholars Roger Porter and William Galston. Pulitzer Prize-winning books written at the Center include *W.E.B. DuBois: Biography of a Race* by David Levering Lewis, and *A Bright Shining Lie: John Paul Vann and America in Vietnam* by Neil Sheehan. Journalist Thomas Friedman won the National Book Award for *From Beirut to Jerusalem*, also written at the Center.

How does the Center link the worlds of scholarship and public policy?

The Center has been highly effective in developing informal and more formal links between the world of scholarship and the world of policy. The scholars invited to the Center interact constantly with the Washington community interested in, or working on, similar areas, people both in and out of government. The Center is committed to strengthening these linkages for the mutual benefit of the scholars and the policy makers in government, in Congress, and in the communities outside government.

In addition, members of Congress and their staffs, representatives of federal agencies, the World Bank, foreign governments, and non-governmental organizations regularly participate in Center activities. The Center has a well-deserved reputation among these representatives of the world of public policy for presenting significant, unbiased research that is an essential backdrop for decision-making.

In 1997-1998 alone, participants in Center meetings included the Secretary of State, the Chairman of the Federal Reserve, the Chairman of the House International Relations Committee, the Director of National Drug Control Policy, two Undersecretaries of State, and officials of the Department of Defense, the United Nations, and the National Security Council. Center workshops regularly attract participation from Congressional offices.

To what issues is the Center now giving sustained attention?

- Nonproliferation and Arms Control
- Cold War International History
- Bosnian Peace Process
- Environmental Change and Security
- Political Processes and Elections in Russia
- Comparative Peace Processes in Latin America
- Local Self-Government in America

- International Perspectives on the District of Columbia
- Transitions to Democracy and Market Economies in Eastern Europe
- Urban Metropolitan and Regional Planning
- Global Financial Issues
- Chinese Foreign Policy

How are the results of the work of the Center disseminated?

The Center informs a variety of publics with its many publications -- books, Occasional Papers, newsletters, *The Wilson Quarterly* (with an approximate circulation of 65,000) -- a World Wide Web site (<http://wwics.si.edu>), and through its nationally distributed radio program *Dialogue* (187 stations and 200,000 listeners). Nearly 1,000 books have resulted from the individual research of Fellows and Center-sponsored conferences and workshops.

The Center has marvelous new communications facilities in its new home in the Ronald Reagan Building. The capabilities of the Center in the television and electronic media have been enhanced. Programs of the Cold War projects have already appeared, and in the spring of 1999 a series on "America's Youth and World Affairs" developed in partnership with the Close Up Foundation will appear on C-Span.

Where does the Center get its money?

The Center is a highly effective public/private partnership. Each year the Center doubles the value of its federal appropriation through fund-raising and income-producing activities. Funds are raised annually from foundations, corporations, and individuals, and a successful drive to raise \$3 million to support the Center's new facilities in the Ronald Reagan Building was completed in 1998. Competitive grants are received from other government agencies for special projects, *The Wilson Quarterly* brings in subscription income, and the Center's endowment annually produces revenue. Private donors are attracted to the Center in part by its stature as a federal institution and by the steady base of appropriated funding it receives. Much of this funding would vanish if the Center's appropriation were to cease.

One of the Center's prime goals in 1999 is to increase its private funding and to use its federal appropriation to leverage income-producing activities.

What has been done with the National Academy of Public Administration's (NAPA) recommendations to the Center?

A June 1997 review conducted by NAPA recommended a variety of changes at the Center, all of which the Center is working to accomplish in full. The review's summary noted that:

- "The Center has demonstrated the capacity to bring scholars and public policy specialists together in a setting that is conducive to discussion and a free exchange of views."

- "The Center has chosen to focus attention on many challenging topics that merit attention."
- "Some forms of influence are immediate; others are long term. For example, scholarly contributions in the form of books may influence policy makers and policy analysts decades after they have been published."
- "The Academy team concludes that the center merits continued support because it is in the position to play an important role in both the academic and public policy communities. Its location and image can assist in bridging the worlds of learning and public affairs. It can transcend partisan perspectives and serve as a moderating force to bring different voices together."

What do others say about the Wilson Center?

"I have always felt that in a town of monuments, the center is unique because it is a living monument. It memorializes not only Wilson, but Wilson's lifelong effort, as educator and president, to map a trail for a future that would elude the traps of the past."

— Madeleine K. Albright

"The Wilson Center remains one of the few havens for disinterested scholarship in the country."

— The Weekly Standard, June 1997

"The work of the organization symbolizes the yearning by Americans to understand the past and bring the lessons of history to bear upon the present."

— Ronald Reagan

"It is fitting that Presidents Wilson and Reagan are paired, for their work and therefore the activities which will be culminated in this building span much of what has become the American Country."

— President Clinton
at the dedication of the Ronald Reagan Building, new
home of the Center

What are some of the books written at the Center?

Notable books written at the Woodrow Wilson Center include:

Richard Breitman, The Architect of Genocide: Himmler and the Final Solution

Winner of the Fraenkel Prize, awarded by the Liener Library in London for contemporary history

E.J. Dionne, They Only Look Dead: Why Progressives Will Dominate the Next Political Era

Called by President Clinton the single book he found most interesting and useful in 1996

Anatoly Dobrynin, In Confidence: Moscow's Ambassador to America's Six Cold War Presidents, 1962-1986

Chosen by *The New York Times Book Review* as a Best Book from 1995

Thomas Friedman, From Beirut to Jerusalem

Winner of the National Book Award

John Lewis Gaddis, We Now Know: Rethinking Cold War History

Alonzo L. Hamby, Man of the People: A Life of Harry S. Truman

Godfrey Hodgson, The World Turned Right Side Up: A History of the Conservative Ascendancy in America

William Leach, Land of Desire: Merchants, Power, and the Rise of A New American Culture

Finalist for the National Book Award

David Levering Lewis, W.E.B. DuBois: Biography of a Race, 1868-1919, Pulitzer Prize winner

Winner of the Pulitzer Prize for biography, Bancroft Prize for History, finalist for the National Book Award and finalist for National Book Critics Circle Award

Mario Vargas Llosa, The War at the End of the World

James T. Patterson, Grand Expectations: The United States, 1945-1974

Winner of the Bancroft Prize for History

David Rusk, Cities without Suburbs

Neil Sheehan, A Bright Shining Lie: John Paul Vann and America in Vietnam

Winner of the Pulitzer Prize

Robert Timberg, The Nightingale's Song

Who are some of the notable Fellows of the Center?

Among notable Fellows have been:

Diplomats

Madeleine K. Albright

Samcha Kinitz

George F. Kennan

Historians

Gertrude Himmelfarb

Gordon Wood

Edward Tenner

Public Policy Scholars

Seymour Martin Lipset

Joseph S. Nye, Jr.

Roger Porter

Journalists

John J. Fialka

Thomas Edsall

Timothy Garton Ash

FUNDING PATTERNS

Throughout its history the Woodrow Wilson Center has been a highly effective public/private partnership. Non-appropriated funds make up a substantial portion of the Center's annual budget, more than doubling the public benefit of its annual appropriation. Under the Center's former Board Chairman, efforts to increase the level of non-appropriated funds were intensified; at no expense to the taxpayer, a professional fund-raising firm was engaged, additional fund-raising staff hired, and a new development committee appointed.

In response to the National Academy of Public Administration report, the Center has updated its fund-raising plan to include priorities consistent with unfunded or under-funded resources and activities, and the ways and means to identify and solicit new sources of funding. The plan will be further updated to incorporate strategic objectives adopted by the Board of Trustees from time to time.

On the federal side, the Center's appropriation has come under considerable scrutiny -- along with all other domestic discretionary programs in the federal budget -- with the result that reductions to previously appropriated levels have been enacted and shifts of emphasis mandated. These have resulted in a leaner, more focused operation. The requirement to absorb federal pay raises for three years in a row, however, has eroded the Center's overall programming capacity.

In the frugal spirit of the times, the Center has persevered, striving to do more with less. As we approach FY 2000, the Center's federal funding supports basic infrastructure, most fellowship awards, partial conference expenses, partial postage for The Wilson Quarterly, and most day-to-day requirements such as equipment, supplies, and telephones.

Non-appropriated funds derive from outside gifts, competitively awarded grants, endowment income, and The Wilson Quarterly's subscription sales and advertising. These non-appropriated monies are used to pay the salaries of 47 staff (certain administrative personnel, research and program aides, some clerical support personnel, and the staff of The Wilson Quarterly), accelerated fund-raising efforts, radio production costs, and research assistance stipends. A combination of appropriated and non-appropriated monies supports public meetings, publishing, and scholars' stipends.

It is essential to emphasize that this blended funding represents a public/private partnership in the fullest sense. **Federal funding of the Center's core structure is required to cover precisely those things that private funders are least likely to support**, while the existence of this core structure enables the Center to compete successfully in its increasingly urgent quest for private funds.

FY 2000 FEDERAL BUDGET PRIORITIES

For FY 2000, the Center seeks to reinforce and extend its capability to provide high quality and relevant programming. We seek support for the costs of "necessary pay," without which program cuts would be required. These proposed adjustments are noted on the following table and in the subsequent narrative which details our accomplishments and plans.

SALARIES AND EXPENSES

Funding Estimates and Appropriation Request
(dollars in thousands)

	<u>FY 1998 Actual</u>		<u>FY 1999</u>		<u>FY 2000</u>		<u>Increase</u>
	<u>Appropriation</u>		<u>Current Estimate</u>		<u>Proposed</u>		<u>Requested</u>
	<u>Wk.</u>	<u>Yrs. Amount</u>	<u>Wk.</u>	<u>Yrs. Amount</u>	<u>Wk.</u>	<u>Yrs. Amount</u>	<u>Amount</u>
Fellowship Program	--	\$920	--	\$943	--	\$983	\$40
Scholar Support	10	661	10	655	10	709	54
Public Service	13	1,469	17	1,686	17	1,735	49
General Admin.	12	1,253	11	1,348	11	1,203	-145
Smithsonian Fee	--	139	--	205	--	135	-70
Conf. and Outreach	6	923	6	953	6	1,110	157
Building Requirement	--	<u>475</u>	--	<u>50</u>	--	<u>165</u>	<u>115</u>
Total	41	\$ 5,840	44	\$5,840	44	\$6,040	\$200

FY 2000 Increased Costs

For FY 2000, the Center requests a \$200,000 budget increase for the following: Payroll and stipend adjustments to fund a portion of payroll costs to reflect the legislated pay raise of 3.6 percent effective January 1999, and partial-year costs of the scheduled FY 2000 4.4 percent increase; costs of within-grade increases and career ladder promotions; and corresponding fellowship stipend increases, as shown by program on the following pages. A few minor realignments in base funding are also detailed.

I. FELLOWSHIP PROGRAM

<u>FY 1998</u> <u>Appropriation</u>	<u>FY 1999</u> <u>Current Estimate</u>	<u>FY 2000</u> <u>Proposed</u>	<u>Increase</u> <u>Requested</u>
\$920	\$943	\$983	\$40

The Fellowship Program traditionally has provided funding for 35 fellowship years, with the provision that the maximum stipend for any individual would not exceed the GS 14 step-1 level. Because of cuts in the fellowship budget in last year's appropriation, we had to reduce appointments by nearly 50%, and could provide funding for only 20 fellowship years.

Fellows' stipends are based upon a policy that attempts simply to maintain the level of the individual's prior year's salary. However, to maintain this policy has become increasingly difficult. Even the majority of Fellows who bring substantial outside funding with them find that an appointment at the Center entails personal financial sacrifice. Happily, and for good reason, they are willing to make this sacrifice in order to avail themselves of the benefits that membership in the Center's community offers. For FY 2000, we are seeking an additional \$40,000 for the Fellowship Program to reflect the legislated pay raise of 3.6 percent effective January 1999, and partial-year costs of the scheduled FY 2000 4.4 percent increase.

September 1998 marked a significant moment for the Center's fellowship program, as our new class of Fellows took up residency in the Ronald Reagan building. In addition, these fellows represent a group selected on the basis of the ways in which they and their research projects intersect with issues in the field of public affairs and the activities of the Center's public service programs.

At each stage in the process of selecting these Fellows we have tried to apply the guidance that accompanied last year's appropriation: *"The Center should continue to keep the goal of bridging the gap between the worlds of scholarship and public policy in the forefront of their mission and increase the interaction between the fellows, the programs, and the public policy makers."* We concentrated in particular on candidates and projects that reinforce the intellectual work of the Center's programs. In addition, even more so than in past years, we paid special attention to the likelihood that the project and/or the candidate would contribute to the "fruitful relation between the world of learning and the world of public affairs".

At the Center's heart is the work, both individual and collective, of its Fellows who spend up to a year interacting with each other and using our facilities to write articles and books that influence learning and public life in the United States and throughout the world. The Fellows enjoy the opportunity to concentrate on serious research and writing on one project, free of the demands of teaching or other work. They prize the vast wealth of research materials in Washington, from the Library of Congress to the National Archives to its residents and public officials. While Fellows' private studies are sanctuaries for reflection, the hallways and the lunch room foster a spirit of community.

The charter of the Woodrow Wilson Center calls on it to "symbolize and strengthen the fruitful relations between the world of learning and the world of public affairs." Accordingly, we encourage Fellows to share their expertise with the Washington policy community while in residence at the Center. The form of such interaction could range from a deep background briefing for an executive branch agency to an informal roundtable discussion with members of Congress and their staffs to commenting for the media on issues of the day.

It is this continuing dialogue between public affairs and scholarship which Fellows consistently cite as a major benefit of their stay here. Free from the political and personal sparring that often infuses both the halls of academe and the corridors of power, open exchanges and cross-disciplinary collective discussions take place. As our Fellows testify through written evaluations upon completion of their residency, they leave the Center with their work changed and enriched by the Center's diverse intellectual community and the constant exchange of ideas encompassing varying perspectives. Many credit their time at the Center with significantly changing their research, leading them to ask absolutely new questions and re-think their conceptual framework.

Commenting on this intellectual stimulation, political scientist Philippa Strum remarked: "The scholars were able to hone in on each other's projects, even though they were in unrelated fields, and make useful suggestions. This was accomplished in part during informal exchanges but, above all, in the work-in-progress sessions and the small informal subject seminars put together by interested Fellows. There is nothing in the scholarly world quite like a year at the Center."

Journalist and lawyer Stephen Wermiel agreed: "The Center provides a wonderful environment in which to think, research, and write. The collegiality is highly conducive to intellectual pursuits. One of the major attributes of the Center is the resource of the other Fellows. My experience was enhanced enormously by the opportunity to bounce ideas off historians, political scientists and sociologists who have an interest and expertise that directly complements my legal training."

Biographer Wilfred McClay described his year at the Center as "the pinnacle of my entire academic career. I have never before experienced, and probably never will experience again, the quantity and quality of intellectual stimulation that nearly every day at the Center brought." Anthropologist Nazif Shahrani commented: "One of the most significant benefits of my tenure at the Center was the exchange of ideas with other Fellows with significantly different interests and analytical and methodological approaches which helped broaden my perspective on many issues related to my own project."

For Professor of International Affairs Gregory Flynn, "Two things stand out: the collegiality and interesting mix of people, disciplines, and interests; and the Center's respect for each individual's own work. The latter gives one the freedom to become totally immersed in one's project, which is indispensable if one is to make substantial progress on a book length manuscript. The former provides exceptional intellectual stimulation."

In fiscal year 1998, the Woodrow Wilson Center welcomed scholars from Benin to Boston working on topics as diverse as: the ability of public health policies to cope with infectious diseases such as the cholera epidemic in 1992-93 in Venezuela; the nature of racism, anti-Semitism and colonial domination in the West; the ethical, social, and policy aspects of new technologies for collecting personal information; forgiveness of debt to the poorest countries, specifically the role of the Paris Club; tensions between westernized and non-westernized segments of the population in predominately Muslim societies; the effect of participation in voluntary associations on citizenship involvement in the political process.

Among this group several focused on international relations. In his study of the role of regions in contemporary world politics, Peter Katzenstein concentrated on Germany and Japan and how each nation responds to regional (European or Asian) politics. Francine Frankel investigated the origins of mistrust characterizing current political relations between India and the United States despite the countries' shared democratic political values. Major Thomas Lynch assessed the role of the professional military in arms control ventures since the end of the Cold War.

Two other Fellows, Philippa Strum and Stephen Wermiel, worked with the Director of the Division of United States Studies on a conference on free speech issues at the beginning of the 21st century. Their conference explored public policy problems stemming from and relating to the unique American approach to free speech, as well as what influences have led other countries to adopt policies quite different from our own. Also advancing the Center's public policy goals, Gregory Flynn, a specialist in international affairs, participated in two separate public policy fora on the future of NATO enlargement.

The current class of 21 Fellows encompasses a comparable diversity of individuals whose projects exhibit a similar breadth of topic and depth of quality: journalists Ian Buruma and Qing Dai concentrating on China; distinguished American historian Sean Wilentz; John Rohr, a specialist on American public administration and constitutional governance; economist Gonzales de Olarte working on structural adjustment in Peru; and Phoebe Marr, one of the top U.S. specialists on contemporary Iraq.

Performance goal for FY 2000 include the following:

- *offer public presentations by all appointed Fellows and Guest Scholars including, substantive interactions with the Washington policy community (ranging from deep background briefings for an executive branch agency, to hearings or informal roundtable discussions with members of Congress and their staffs, to appearances before the media discussing issues of the day)*

II. SCHOLAR SUPPORT

	<u>FY 1998</u> <u>Appropriation</u>	<u>FY 1999</u> <u>Current Estimate</u>	<u>FY 2000</u> <u>Proposed</u>	<u>Increase</u> <u>Requested</u>
Personnel				
Costs	\$ 578	\$ 572	\$ 626	\$54
Library	<u>83</u>	<u>83</u>	<u>83</u>	<u>0</u>
Total	\$ 661	\$ 655	\$ 709	\$54

This budget line consists of personnel associated with the Center's library, its book and serial acquisitions budget, the coordinator of computer support services, and staffing in our Fellowship Office.

In FY 2000, pay costs will increase a total of \$54,000 to reflect the legislated pay raise of 3.6 percent effective January 1999, and partial-year costs of the scheduled FY 2000 4.4 percent increase; and costs of within-grade increases and promotions. These costs have been calculated on the basis of a position-by-position analysis.

FY 2000 performance goal:

- *management of fair competition for all fellowship applicants to ensure that their research projects intersect with issues of concern in the field of public affairs and with the activities of the Center's public service programs*

III. PUBLIC SERVICE

	FY 1998 <u>Appropriation</u>	FY 1999 <u>Current Estimate</u>	FY 2000 <u>Proposed</u>	Increase <u>Requested</u>
Personnel				
Costs	\$ 820	\$ 1,234	\$ 1,408	\$174
Panel	12	12	12	0
Other				
Activities	<u>637</u>	<u>440</u>	<u>315</u>	<u>-125</u>
Total	\$ 1,469	\$ 1,686	\$ 1,735	\$ 49

This category consists of the personnel costs for the staff who produce the Center's public programs, and the modest travel and incidental expenses incurred by panelists who advise in the annual fellowship selection process. It also includes important new initiatives in public service that began in FY 1998. With funding subsequently redirected by Congress from the "Fellowship" line in FY 1998, and with further redirection from the "Space" line in FY 1999, the Center has reallocated resources to assure professional staff coverage in the public policy area including the Asia Program and West European Studies, as well as providing functional coverage through staffing of a World Wide Web editor, an electronic media outreach specialist, and a public affairs officer. The NAPA report urged the Center to re-energize its public programming, and this request responds directly to that recommendation.

For FY 2000, \$174,000 in increased pay costs are requested for annualizing the FY 1998 and FY 1999 legislated pay raises and partial-year costs of the scheduled FY 2000 4.4 percent increase; costs of within-grade increases and career ladder promotions; as well as full-year funding for the positions as noted above. Pay costs have been calculated on the basis of a position-by-position analysis. The Center proposes to redirect \$125,000 in FY 2000 from the "public service" category to "conferences and other outreach" for support of conferences on public policy issues.

Outreach

The Center continues to devote a great deal of effort to maintaining a high level of relevant public programming and to making those activities open to the general public. For example, over the last few months:

- Symposium by biologist Edward O. Wilson on his new book *Consilience: The Unity of Knowledge* before a distinguished audience with a smaller group to talk with the author over dinner.
- "On the record" press briefing by Ambassador Christopher Hill, U.S. Ambassador to Macedonia, on the present situation in Kosovo for over 100 members of the print and electronic media.

- Luncheon address by Dr. Gro Harlem Brundtland, Director-General of the World Health Organization, to an audience of Members of Congress, senior administration officials in the health policy area, and foundation executives.
- Center staff and advisors served as consultants to the CNN series on the Cold War to be broadcast in 24 segments this fall with teaching materials adapted for classroom use in high school and college level courses.

Projects

In addition to its established divisions and programs, the Center sponsors a number of projects which focus on specifically defined subject matter and operate for finite periods of time ranging from six months to three years. Among those projects are the following:

- ◆ Global Finance and Investment - a project that sponsors a continuing working group on issues involving currency stability, international trade and investment flows, and in recent months the Asian financial crisis. This project provided much of the staff work for the Center's conference on "Crisis and Transition: Southeast Asia, Southeast Europe, and the Global Economy."
- ◆ Electronic Commerce and National Sovereignty - a series of working group and public meetings on issues of the rapid spread of electronic commerce and the implications for trade, tax policy, and ultimately national sovereignty. The working group will be composed of computer industry representatives, information systems specialists, investment managers, and representatives from the executive departments and Congress and will deal with a series of issues in which technologies are rapidly surpassing institutions and national legal systems.
- ◆ Democracy in the Twenty-first Century - a project that will involve analyses of the state of democracy in a variety of countries around the world as well as comparisons drawn with the United States. This project will sponsor one of the opening conferences for the Center on this subject and will also include the work of Public Policy Scholars such as Steven Friedman, Ivan Krastev, Bolivar Lamounier, and Mona Makram-Ebeid.
- ◆ Environmental Change and Security - an established project of the Center that will continue its widely-noticed working group on China and also sponsor a conference on "The Toxic Legacy of the Cold War in the Former Soviet Union."
- ◆ Middle East Project - a series of activities that includes monthly seminars focusing on the peace process and the Persian Gulf and neighboring states. This will also address the future of U.S. policy toward Iran and Iraq as well as Russia's role in the Middle East. This project will continue the sponsorship of a dialogue between influential groups of Arab and Israeli professionals from academia, journalism, and business.
- ◆ Cold War International History Project - a widely-acclaimed project that sponsors seminars and conferences, publishes a bulletin on the international history of the Cold War in both hard copy and electronic form, and makes documents available for researchers from around the world and students taking courses based on the CNN series on the Cold War through its dedicated site on the world wide web.

- ◆ American Democratic Governance and the Problems of Bureaucracy - a project that will examine the conditions and problems facing the American public service and explore with a group of scholars and distinguished practitioners the implications of current policies for sound governance in the United States.
- ◆ Urban Studies - a comparative look at the problem of cities through workshops, conferences, and publications. In coming months, this project will closely examine the topic "Building Public - Private Partnerships in Cities" and "Reforming the District: Lessons from Other Cities."

Public Policy Scholars

The Center will continue to appoint scholars who are working on important issues of public policy, who will make significant presentations from their research while they are in residence at the Center. The work of a small cluster of these scholars on Democracy in the Twenty-first Century is noted above in the section on projects. Among other important projects of Public Policy Scholars under way at the Center during the coming year are the following:

- William Green Miller, former U.S. Ambassador to the Ukraine, will examine "State Building in Ukraine: Creating Democratic Civil Society"
- Elaine Sciolino, senior writer and former chief diplomatic correspondent of the *New York Times*, will write on "Iran's Quest for Greatness."
- Leslie D. Simon, former director of public affairs for IBM Corporation in Washington, is examining "The Digital Age and Analog Diplomacy: Global Electronic Commerce."
- Donald Wolfensberger, former Chief of Staff, Committee on Rules, U.S. House of Representatives, is examining "The Information Age Congress and the Policy Process."

FY 2000 performance goal:

- *hold multi-day conferences directly relevant to current issues as well as other meetings, noon discussions, seminars, and colloquia for the general public*

IV. GENERAL ADMINISTRATION

	<u>FY 1998 Appropriation</u>	<u>FY 1999 Current Estimate</u>	<u>FY 2000 Proposed</u>	<u>Increase Requested</u>
Personnel				
Costs	\$ 879	\$ 737	\$ 761	\$ 24
Travel	14	43	43	0
Other	<u>360</u>	<u>568</u>	<u>399</u>	<u>- 169</u>
Total	\$1,253	\$ 1,348	\$ 1,203	\$ - 145

The General Administration budget line includes expenses of the offices of the Director, Deputy Director, planning and management, accounting, fiscal management, personnel, procurement, and reception services. It also presents in centralized fashion nearly all the non-salary support funds available to the Center. Also included within General Administration through FY 1999 were telephone/communication charges. These fees (approximately \$45,000 per year) will be moved to and shown under Building Requirements beginning in FY 2000 (see pg. 27). Under its new leadership, changes have been implemented to better enable the Center to achieve its goal for more policy relevant activities and focus. This resulted in a shift in allocation from General Administration to Public Service. In particular, \$124,000 will be used to support the salaries and benefits of a new associate director/director of European Studies and a public affairs director in the Public Service section.

The administration of the Center has received from KPMG Peat Marwick that company's annual audit of federal and nonfederal funds, including a review of the Center's management controls over all its accountable assets, with a report that again finds no discrepancies.

For FY 2000, \$24,000 in increased pay costs are requested for the legislated pay raise of 3.6 percent effective January 1999, and partial-year costs of the scheduled FY 2000 4.4 percent increase; and costs of within-grade increases and promotions. Pay costs have been calculated on the basis of a position-by-position analysis.

FY 2000 performance goal:

- *receive the annual audit of federal and trust funds from the Center's external auditing firm indicating full compliance with all applicable accounting standards and sound administrative accountability*

V. SMITHSONIAN FEE

<u>FY 1998</u> <u>Appropriation</u>	<u>FY 1999</u> <u>Current Estimate</u>	<u>FY 2000</u> <u>Proposed</u>	<u>Increase</u> <u>Requested</u>
\$ 139	\$ 205	\$ 135	\$ -70

This amount is used to pay the Smithsonian Institution for various specialized services provided to the Woodrow Wilson Center, including legal, accounting, benefits management, EEO, contracting, inspector general, and risk management. This line previously provided \$70,000 in partial telephone communications support through the Smithsonian Institution when the Center occupied space in its "Castle" building. Effective FY 2000, all communication costs will be charged to and shown under Building Requirements, as the Center will be paying for this service directly. Therefore, this \$70,000 has been redirected to Building Requirements (see pg. 27).

VI. CONFERENCES AND OTHER OUTREACH

	FY 1998 <u>Appropriation</u>	FY 1999 <u>Current Estimate</u>	FY 2000 <u>Proposed</u>	Increase <u>Requested</u>
Personnel				
Costs	\$371	\$ 401	\$ 433	\$ 32
Conference				
Support	125	125	250	125
Publishing	144	144	144	0
<i>Dialogue</i>	0	0	0	0
<u>Wilson</u>				
<u>Quarterly</u>	<u>283</u>	<u>283</u>	<u>283</u>	<u>0</u>
Total	\$ 923	\$ 953	\$ 1,110	\$ 157

The Woodrow Wilson Center's conference and other outreach activities are designed to benefit national and international audiences with the results of Center-sponsored programs. Six activities comprise the Center's principal outreach efforts: (1) major conferences, (2) books and related publications, (3) our radio program *Dialogue*, (4) The Wilson Quarterly, (5) student programs, and (6) Internet access. In FY 2000, pay costs will increase \$32,000 for legislated pay raise of 3.6 percent effective January 1999, and partial-year costs of the 4.4 percent increase scheduled for January 2000; and costs of within-grade increases and promotions. Pay costs have been calculated on the basis of a position-by-position analysis. For FY 2000 the Center has repositioned \$125,000 in "conference and other outreach" (as moved from "public service") to use for the same function -- conference support. The accountability of these monies will be maintained under this line.

Conference Support

Federal support for conference activity enhances the Center's ability to plan and develop significant intellectual gatherings. The availability of these modest federal funds helps to leverage contributions from other sources and encourages prospective donors to step forward and participate in Wilson Center conference financing. This multiplier effect extends throughout Wilson Center programming and exemplifies the public/private partnership that stands behind all Center activities.

FY 1998-2000 Conferences

A limited number of major conferences dependent in varying degrees on federally appropriated funds are scheduled each year. These conferences span a wide variety of subject matter and touch upon virtually all regions of the world. For example, FY 1998 conferences addressed such subjects as "U.S. Policy Toward Rogue States: Strategies, Instruments, Objectives," "Ukrainian National Security," "Trade and Investment in East Asia: Political and Economic Opportunities and Constraints," "U.S.-Brazil Relations," "The Identity and Integration of European Minorities: Jews, Muslims, and Others," and a series on Franklin Delano Roosevelt that included sessions on "The Political Legacy of the New Deal," "American Culture in the Great Depression," and "The Roosevelt Revolution in Constitutional Law."

Conferences planned for FY 1999 with a modest amount of federal conference appropriation include:

- "Brazil's Struggle for Economic and Political Reform"
- "IMF Reform and Maintaining Global Financial Stability"
- "The Informal Economy and Crime in Urban Settings"
- "The Information Age Congress and the Policy Process"
- "International Aspects of Space Exploration in the 21st Century"
- "Limits on National Sovereignty in the Digital Era"
- "Regional Russia: Politics and Economies beyond Moscow"
- "The State of Urban Education Reform in the U.S.: Lessons for D.C."
- "The Toxic Legacy of the Cold War in Eastern and Central Europe"

For FY 2000 some of the conferences that are in the planning stages covering a broad range of topics include:

- "The Congress of the Future: Long Term Direction for Change"
- "Democracy and Society: American Business Influence in Asia"
- "Environmental Security and Sustainable Development"
- "The Euro and Its Implications for the United States"
- "Governance in America: Voter Participation and Civic Involvement"
- "How to Attract Good People to Government Service"
- "Nonproliferation and Arms Control Challenges"
- "Religion, Politics, and a Century of American Public Life"
- "Regional Ukraine"
- "The Role of the Media in New Democracies"
- "Stalin and the Cold War, 1945-1953"

Publishing

The Woodrow Wilson Center Press publishes books written at the Center, the Center's newsletter, and its calendar. The Press also manages the Center's website.

Some books are the main products of fellowships, and others are reports on major conferences or the results of collaborative workshops. All have been judged to be important contributions to knowledge or to communication before the Press decides to publish them. The books are edited by the Woodrow Wilson Center Press and distributed by major scholarly presses such as Cambridge, Johns Hopkins, and Stanford. These books are promoted throughout the world to scholars, specialists, and students and, when appropriate, the general public, selling 20,000-25,000 copies per year. In FY 1998 eight new titles were published:

Timothy Bates, *Race, Self-Employment, and Upward Mobility: An Illusive American Dream*

Richard Wightman Fox and Robert B. Westbrook, eds., *In Face of the Facts: Moral Inquiry in American Scholarship*

Betty Friedan, *Beyond Gender. The New Politics of Work and Family*, edited by Brigid O'Farrell

Douglas Gomery, ed., *Media in America: The Wilson Quarterly Reader*, rev. ed.

Barry Hager, *Limiting Risks and Sharing Losses in the Globalized Capital Market*

Robert L. Hutchings, ed., *At the End of the American Century: America's Role in the Post-Cold War World*

Robert Katzmann, ed., *Daniel Patrick Moynihan: The Intellectual in Public Life*

Joseph S. Tulchin and Francisco Rojas Araveno, eds., *Strategic Balance and Confidence Building Measures in Latin America*

Ten titles are currently scheduled for publication in FY 1999, with subjects that include the history of the Cold War, peace processes in Latin America, the status of India and Pakistan, governmental history in the United States, the theory of democracy, the strategic thought of Israeli prime minister Rabin, and more. Titles for FY 2000 will be similarly varied.

The Center's newsletter, with a circulation of about 10,000 broadened its offerings in FY 1998. It covered more of the Center's 200 meetings by providing brief descriptions plus, whenever possible, a reference to fuller coverage on the Center's website. The newsletter also sought to provide more thorough news about the Center and its important network of former fellows.

Dialogue

The Woodrow Wilson Center produces a weekly half-hour radio program called *Dialogue* which covers issues in national and international affairs, history, and culture. As an interview program, *Dialogue* draws its guests primarily from the pool of scholars in residence at the Woodrow Wilson Center. However, to assure coverage of relevant perspectives on public policy and cultural issues, outside experts are also frequent participants. The program's goals are to acquaint a national audience with the range of scholarship at the Center, to make discussions of relevant political, social, and cultural issues available to them, and to serve as an intellectual resource for other educational institutions.

In addition to maintaining its regular weekly schedule of broadcast interviews, *Dialogue* achieved several other important goals during this program year. Placement of the program on the satellite service of the Armed Forces Radio Network assured worldwide carriage of the series. A campaign designed to place *Dialogue* in college libraries met with encouraging success. More than a score of institutions have added *Dialogue* to their audio collections. Among them are Boston University, Oklahoma State University, and Ohio University. Finally, *Dialogue* staff began intensive preparation for the Woodrow Wilson Center's first television programs. These programs, a three-part series on the Cold War and its aftermath, will air in the Spring of 1999. *Dialogue*'s in-house production partner for this series is the Division of International Studies (DIS). DIS program director, Robert Litwak serves as co-producer for content and participant selection. The programs will be produced in collaboration with the Close Up Foundation and will be designed as an educational supplement for America's high school students.

Even as the planning for these programs proceeded and *Dialogue* maintained its standing commitment to year-round radio production, *Dialogue* increased its national carriage list to 203 commercial and public radio stations and its international carriage to include NewsRadio 93.8 in Singapore.

The Wilson Quarterly

The Woodrow Wilson Center has published The Wilson Quarterly since 1976 as part of its special mission as the nation's "living memorial" to the twenty-eighth President of the United States. The Quarterly draws upon the work of the Center's Fellows and Guest Scholars, the Center's staff, and the proceedings of numerous seminars and conferences sponsored by the Center. Recent issues of the Quarterly published a wide variety of topics, including the emerging digital economy, the influence of Byzantium, the transformation of Brazil, and the legacy of the 1899 National Congress of Mothers. Forthcoming issues will cover Nelson Mandela's historic presidency of South Africa, whether the United States was born as a capitalist country, urban sprawl, and the divergent courses of the two Koreas.

While in no sense a house organ, the Quarterly is nonetheless an integral part of the Center, making use of the Center's scholarly resources and addressing the same broad range of

topics that are of concern to the Center. It is gratifying to note that the Quarterly has maintained its strong readership over the last twelve months. Federal support toward the costs of the Quarterly's postage helps assure wide dissemination of this key outreach vehicle.

Student Programs

The Wilson Center's cooperative program with the Close Up Foundation serves high school students by expanding their education on policy issues through interactive discussions with top scholars. The Close Up Foundation is a nonprofit, nonpartisan, civic education organization committed to providing students a practical understanding of how public policy affects their lives and how individual and collective efforts affect public policy. Fellows, Guest Scholars, and staff volunteer their time to lead seminars held at the Center for students who are visiting Washington as part of the Foundation's intensive government studies program. Seminars set important issues into a broad historical and comparative context and encourage questions and discussions.

More than 450 students from 26 states participated in Wilson Center/Close Up seminars in FY98. Speakers were Cynthia Arnon, Senior Program Associate with the Center's Latin American Program, who spoke on the future of peace in Central America; Geoffrey Dabelko, Director of the Environmental Change and Security Project, on the links between environment, population, and security; Aaron Frank, who coordinates the Center's Working Group on Environment in U.S.-China Relations, on key environmental issues in China and how they fit into the context of relations between the two nations; and Francine Frankel, Professor of Political Science at the University of Pennsylvania, on the political climate in India. Also participating were Selig Harrison, Wilson Center Senior Scholar and former Senior Associate with the Carnegie Endowment for International Peace, on his experiences as a journalist and scholar in Asia; Gary Marx, Director of the Center for the Social Study of Information Technology at the University of Colorado, on technology, surveillance, and privacy issues; Blair Ruble, Director of the Kennan Institute for Advanced Russian Studies, on current political issues in Russia; and Guest Scholar and former Chief of Staff of the House Rules Committee Donald Wolfensberger, on the workings of the U.S. Congress.

Building on years of collaboration with Close Up, the Center is planning a trio of policy programs in FY 1999 which would be filmed before a live audience of students and broadcast nationwide by C-SPAN. The series, entitled "America's Youth and World Affairs" would focus on past, present, and future with programs on The Cold War, Keeping the World at Peace, and Environmental Issues. The Center is working on both advance and follow-up educational materials for use in participating classrooms. The program will also permit interactive participation at selected sites.

The research assistants program of the Center was established to provide recipients with positive educational experience. These internships serve to increase the recipients' knowledge and education in their respective areas of study and/or to provide a useful practicum in research, program methodology, or professional processes. Approximately 50 college students each

semester serve as part-time research assistants to our Fellows, Public Policy Scholars and to several of our programs. The opportunity to work with distinguished senior scholars and practitioners adds a valuable internship practicum to their classroom training. As those who have benefitted directly from the internship program and know its value to scholars and students, Wilson Center alumni have continued to provide financial support for it. In the spring of 1998, over 1,300 former Fellows and Guest Scholars were solicited for contributions; more than \$11,000 was raised. Staff will also continue to explore other avenues of private support for this worthwhile program. Simultaneously, the Center is searching for research assistance candidates who are willing to work for free. This winter we had research assistants from twenty-eight colleges and universities throughout the country who represent some of the best and brightest minds of their generation. Their assistance is instrumental to the Fellows' productivity, and their youthfulness and enthusiasm help energize the entire Center.

World Wide Web

The Center's worldwide websites serve 3,000-5,000 users per month. A major redesign to the Center's site scheduled to be completed this spring will make it easier for students and the public to get to the most polished and accessible products of the Center, including recordings from our radio program, articles based on major Center events and research, and timely descriptions of the offerings of The Wilson Quarterly and the Woodrow Wilson Center Press. At the same time, the redesign will deepen the Center's offerings through the web by streamlining the posting of full-length working papers and occasional papers for easy access.

The Center currently supports three sites -- a central one (<http://wwics.si.edu>), plus specialized sites for the Cold War International History Project (<http://cwihip.si.edu>) and the Environmental Change and Security Project (<http://ecsp.si.edu>). The Cold War International History Project Site, in particular, has become an important information resource for viewers of CNN's 24-part *Cold War* television series, which began in Fall 1998. The Center's websites will be searchable through a single search engine, and in addition a large historical bibliography of the Center's writings and publications is already searchable on the main site.

Because the Center anticipates a steadily growing importance of worldwide web service to the public, it added a full-time staff member in FY 1998 to provide speedy web coverage of important Center offerings.

VII. BUILDING REQUIREMENTS

FY 1998 <u>Appropriation</u>	FY 1999 <u>Current Estimate</u>	FY 2000 <u>Proposed</u>	Increase <u>Requested</u>
\$475	\$ 50	\$ 165	\$ 115

Throughout its first 30 years, the Woodrow Wilson Center was housed in borrowed or leased space. During August 1998 the Center moved into new quarters designed and fitted out to its program needs. Our new space in the Ronald Reagan Building is furnished with funds raised from private donors, at no cost to the taxpayer. Similarly, at no cost to the taxpayer, a major bronze bas relief of Woodrow Wilson and a film about his life and times are on display daily for the general public.

Although the Wilson Center will incur no rental charges for its space in the Ronald Reagan Building until the year 2028, a variety of incidental costs have accrued from the first day of our occupancy. Such costs include after-hours utilities, guard, and janitorial service for public events, Public Health Service fees for coverage of staff or public medical emergencies, and handicapped/courtesy/public parking for visitors to the Center. Until we have a full year's operating experience with GSA in this new space, we have no good basis on which to estimate the full charges that agency will make against the Center's budget. We are keeping track of these funds in scrupulous detail, and will return any balance to the U.S. Treasury at the close of each year and alter our future year requests accordingly.

Communication costs for both local and long-distance telephone service, including equipment and maintenance, will be charged to the building requirements line starting in FY 2000. This is a realignment in base funding of \$45,000 from General Administration (see pg. 19) and \$70,000 from the Smithsonian Fee line (see pg. 20) totaling \$115,000.

APPENDICES

CONSOLIDATED STATEMENTS, FY 1998, FY 1999, AND FY 2000
(dollars in thousands)

Total - All Programs	Non-appropriated Funds				
	Beginning <u>Net Assets</u>	Income & <u>Transfers</u>	Expense & <u>Transfers</u>	Ending <u>Net Assets</u>	<u>Appropriation</u>
FY 1998 (actual)	\$108,236	\$8,884	\$9,218	\$107,902	\$5,840
FY 1999 (estimate)	\$107,902	\$8,593	\$12,551	\$103,944	\$5,840
FY 2000 (estimate)	\$103,944	\$7,791	\$11,819	\$ 99,916	\$6,040

As detailed below, non-appropriated fund income derives from a wide range of competitively awarded grants, gifts, endowment income, and The Wilson Quarterly's subscription sales and advertising. Non-appropriated expenses represent the financial activity entailed in the execution of the projects and programs so funded, along with support for a proportional share of the Center's overall administrative budget. The column titled "Appropriation" displays the federal fund amounts detailed on the preceding pages. **In each case, FY 1999 and FY 2000 non-appropriated fund activity is conservatively budgeted; it is the Center's longstanding practice to reflect in the out-years only those monies for which the source is already known and the outcome reasonably secure.** Although fund-raising activities at the outset always have uncertain results, every effort is being made to exceed current levels for FY 1999 and FY 2000. Beginning net assets reflect the successful \$3 million fund drive in support of our new facilities in the Ronald Reagan Building.

General Center	Non-appropriated Funds				
	Beginning <u>Net Assets</u>	<u>Income</u>	Expense & <u>Transfers</u>	Ending <u>Net Assets</u>	<u>Appropriation</u>
FY 1998 (actual)	\$ 106,503	\$ 3,759	\$ 4,422	\$ 105,840	\$3,465
FY 1999 (estimate)	\$ 105,840	\$ 3,578	\$ 7,100	\$ 102,318	\$3,387
FY 2000 (estimate)	\$ 102,318	\$ 3,834	\$ 7,269	\$ 98,883	\$3,686

General Center non-appropriated funds derive from foundation grants, gifts (including new building challenge), endowment income, and overhead recovery on grants. Expenses consist of the salaries of nine administrative personnel, reimbursement to the Smithsonian Institution for certain administrative services, staff and related expenses of the Development and External Affairs office, conferences and meetings funded from grants and outfitting of the new building. Reflected in the beginning net assets is \$103.2 million for the 30 years of contributed building facilities for the Center's use at the Ronald Reagan Building. The Center will recognize ratably each year \$5.188 million of this amount (\$725,000 is included in FY 1998 for the six weeks that the Center occupied this space.) Reduction in federal support has forced the Center to

increase fund-raising endeavors for the privatization of the research assistance program, *Dialogue*, and partial publication activities. Based entirely on non-appropriated funds and managed by the Associate Director, a new process of dialogue between Israelis and Arabs has begun with the purpose of improving communication and understanding in the hope of advancing the Middle East peace process.

In FY 2000 the amount of \$250,000 for conference support is included in the appropriation figure. This amount will be distributed to the various programs when the conferences have been determined.

Fellowships	Non-appropriated Funds				
	Beginning				Ending
	<u>Net Assets</u>	<u>Income</u>	<u>Expenses</u>	<u>Net Assets</u>	<u>Appropriation</u>
FY 1998 (actual)	\$ 0	\$ 499*	\$ 499*	\$ 0	\$ 0
FY 1999 (estimate)	\$ 0	\$ 289*	\$ 289*	\$ 0	\$943
FY 2000 (estimate)	\$ 0	\$ 289*	\$ 289*	\$ 0	\$983

The Fellowship Program provides funding for approximately 20 appointments each fiscal year. After the annual competition is completed and fellowship awards are accepted, each Fellow, according to their research projects, is assigned to a program within the Center. In fiscal year 1998, these fellowship appointments have been distributed to the various programs in the following tables. Upon completion of future year fellowship competitions, the new appointments will also be distributed by program; at that time the appropriation amount for that fiscal year will indicate zero (as shown in FY 1998).

Center trust funds also support numerous research scholars who spend time at the Center under a variety of programs. The trust fund amounts shown above are distributed across the following tables where the funding in question is expensed. In each case, FY 1999 and FY 2000 non-appropriated fund activity is conservatively budgeted; it is the Center's longstanding practice to reflect in the out-years only those monies for which the source is already known and the outcome reasonably secure.

*These figures are also shown in the various programs according to the Fellows' project. The amounts shown in Fellowships are not included in the grand totals since they are accounted for by program. They are listed in the Fellowships section to show a level of activity.

Kennan Institute	Non-appropriated Funds				
	Beginning				Ending
	<u>Net Assets</u>	<u>Income</u>	<u>Expenses</u>	<u>Net Assets</u>	<u>Appropriation</u>
FY 1998 (actual)	\$ 181	\$ 1,038	\$ 929	\$ 290	\$263
FY 1999 (estimate)	\$ 290	\$ 1,175	\$ 1,160	\$ 305	\$194
FY 2000 (estimate)	\$ 305	\$ 1,059	\$ 1,030	\$ 334	\$165

The Kennan Institute receives most of its non-appropriated funding from an annual competitive grant award from the Program for Research and Training on Eastern Europe and the

Independent States of the Former Soviet Union (Title VIII). The Title VIII grant currently supports the salaries of four staff members, stipends for American research scholars and short-term scholars, research assistance for those scholars, Kennan Institute publications such as its monthly calendar and meeting reports, and the cost of travel for seminar and noon discussion speakers. This funding brings approximately 32 American scholars from across the nation to Washington for one to six month periods. Recent scholars' research topics have included: regionalism in Russia, political competition and economic reform in post-Communist transitions, predicting ethno-political conflict in the former Soviet Union, and Russian defense conversion. The Kennan Institute also hosts approximately 80 public meetings per year and provides a wide range of meeting reports and paper-length publications to the public free of charge.

A grant from the United States Information Agency for the Regional Scholar Exchange Program and Freedom Supports Act Fellowships in Contemporary Issues allows the Kennan Institute to provide fellowships and bring scholars and researchers from the former Soviet Union to Washington D.C. for periods of three to six months to work on specific research topics. Some of the recent research has been: conflicts in Russia's multi-ethnic regions, the U. S. role in Ukrainian security, and oil policy and security in the Caucasus. The Kennan Institute hosts approximately 25 scholars from the Newly Independent States per year.

The Kennan Institute also derives income from interest on the Institute's endowment which supports non-American short-term scholars, conferences, and helps to defray general office expenses.

During FY 1999-2000, the Kennan Institute will focus particular attention on several multi-year projects including Ukraine, civil society and social capital in rural Russia, and issues of regional Russia.

	Non-appropriated Funds				
	Beginning Net Assets	Income	Expenses	Ending Net Assets	Appropriation
Latin American Program					
FY 1998 (actual)	\$ 647	\$ 592	\$ 609	\$ 630	\$333
FY 1999 (estimate)	\$ 630	\$ 721	\$ 763	\$ 588	\$213
FY 2000 (estimate)	\$ 588	\$ 105	\$ 499	\$ 194	\$179

Non-appropriated funds are derived from foundation grants, donations, and private corporations. They are used to support the staff salaries and activities of several multi-year projects which deal with critical issues of public policy. "Peace and Security in the Americas" brings policymakers together with scholars to consider non-partisan policy approaches to drug mechanisms, including briefings for members of Congress and their staff. "Comparative Peace Processes" works to resolve civil conflict by promoting open dialogue among combatants in six different countries. Other projects, "Social Policy and the Rule of Law," use the Wilson Center's unquestioned reputation for non-partisan debate and the highest academic standards to commission cutting-edge research and to bring that research to the attention of the key members

of the policy community in this country and throughout the hemisphere. Non-appropriated funds also enable the Latin American Program to disseminate the results of these meetings and this research in the form of brief "Bulletins," Working Papers, or books such as *Strategic Balance and Confidence Building Measures In the Americas*. In addition, non-appropriated funds cover the costs of most seminars and conferences held by the Latin American Program at the Woodrow Wilson Center and meetings with members of Congress for such programs as Meet the Ambassador, Congressional Breakfasts, and briefings for congressional staff. Conferences held in the past year with non-appropriated and appropriated funds were: "The Peace Process in Colombia," "The Politics and Administration of Social Policies: Lessons for the Argentine Case," and "Democracy Inequality and the State in the 21st Century." In each case, FY 1999 and FY 2000 non-appropriated fund activity is conservatively budgeted; it is the Center's longstanding practice to reflect in the out-years only those monies for which the source is already known and the outcome reasonable secure.

Division of International Studies	Non-appropriated Funds				
	Beginning Net Assets	Income	Expenses	Ending Net Assets	Appropriation
FY 1998 (actual)	\$ 490	\$ 1,145	\$ 846	\$ 789	\$437
FY 1999 (estimate)	\$ 789	\$ 439	\$ 736	\$ 492	\$222
FY 2000 (estimate)	\$ 492	\$ 250	\$ 511	\$ 231	\$186

Non-appropriated funds are derived from foundation grants. They are used to support the staff salaries and activities of three multi-year projects, the "Environmental Change and Security Project" (ECSP), the "Cold War International History Project" (CWIHP), and the "Nonproliferation and Arms Control Project." All three projects -- preeminent in their respective issue areas -- provide objective coverage of new scholarship in fast-moving subject areas. Through a range of publications and meetings, these projects provide a forum through which scholars and practitioners can debate new ideas and learn about cutting-edge academic and policy initiatives in the United States and abroad. The *Environmental Change and Security Project Report*, the principal clearinghouse of information in this emerging field, features new articles by scholars and practitioners, disseminates the findings of ECSP conferences and meetings, and provides up-to-date information on the state of research and policy initiatives. ECSP also publishes the *China Environment Series* as an outgrowth from its ongoing working group on environment in U.S.-China Relations. The CWIHP remains at the forefront of efforts to gain access to post-Communist archives to improve our understanding of Cold War history. Future CWIHP activities include conferences on Stalin's foreign policy, and the implications of the new Cold War history for current U.S. policy-making. The findings of CWIHP activities are disseminated through the *CWIHP Bulletin*, working papers, edited volumes as well as the CWIHP website. The Nonproliferation and Arms Control Project sponsors monthly meetings on important topical issues (e.g., the threat of nuclear, biological or chemical weapons terrorism) that bring together policy specialists from government, business, and academia. The Division also sponsors a Middle East Project to address policy issues in this region of vital interest to the United States. In 1999, the Division will inaugurate a new project on the information revolution whose

meetings and publications will explore the efforts of states to preserve national sovereignty in an age when the internet and electronic commerce operate above and beyond national borders. In addition to supporting these projects, trust funds provide the means for conferences and meetings on a range of other political, economic, and military issues related to vital U.S. foreign policy interests. In each case, FY 1999 and FY 2000 non-appropriated fund activity is conservatively budgeted; it is the Center's longstanding practice to reflect in the out-years only those monies for which the source is already known and the outcome reasonably secure.

Asia Program	Non-appropriated Funds				
	Beginning	Income &		Ending	Appropriation
	<u>Net Assets</u>	<u>Transfers</u>	<u>Expenses</u>	<u>Net Assets</u>	
FY 1998 (actual)	\$ 130	\$ 190	\$ 171	\$ 149	\$154
FY 1999 (estimate)	\$ 149	\$ 196	\$ 202	\$ 143	\$162
FY 2000 (estimate)	\$ 143	\$ 157	\$ 150	\$ 150	\$178

Non-appropriated funds derive from two Asia Program-dedicated endowments -- one for activities on US-Japan relations and one for US-Korea relations. Additional funding has been obtained from several foundations, including a grant from the Smith Richardson Foundation for the study of US-China relations and a grant from the Chiang Ching-kuo Foundation for International Scholarly Exchange for the study of events in the greater China. These funds make possible seminars and conferences that focus on not only bilateral and multilateral relations, but also the events and developments in Asia that are of importance to ordinary American taxpayers. Careful and in-depth analyses and other reports resulting from these activities are disseminated to Congressional staffs, other government officials and the media. A range of topics, such as the prospects for further economic, legal and political reforms in China, nuclear security on the Korean Peninsula, political and social transformation in Indonesia, Japan's financial system reform, and developments in South Asia, will be under examination in the coming year.

Division of United States Studies	Non-appropriated Funds				
	Beginning	Income		Ending	Appropriation
	<u>Net Assets</u>	<u>Income</u>	<u>Expenses</u>	<u>Net Assets</u>	
FY 1998 (actual)	\$ 120	\$ 14	\$ 59	\$ 75	\$677
FY 1999 (estimate)	\$ 75	\$ 155	\$ 160	\$ 70	\$227
FY 2000 (estimate)	\$ 70	\$ 105	\$ 80	\$ 95	\$181

The Division of United States Studies derives non-appropriated funds from the Smith Richardson Foundation, the Schumann Foundation, The Mellon Foundation, and the Siemens Corporation. Smith Richardson Foundation funding is devoted to the costs of scholarly meetings and publications on the history, current problems and prospects of local self government in the United States, and on the historiography of national level public policy in the 20th century. The Schuman Foundation is supporting a project, to be completed in 1999, which explores alternative

explanations for varying attitudes towards government on the part of the American people. The study will focus upon three facets of longstanding patterns of public opinion about government: ambivalence about government, government performance, and government and moral standards. The Mellon Foundation funding is devoted to work in the humanities within the Center. The Siemens Corporation contribution assists in operating the Division's meetings program and in developing its ongoing series of scholarly projects on the critical analysis of America's values and institutions. In each case, FY 1999 and FY 2000 non-appropriated fund activity is conservatively budgeted; it is the Center's longstanding practice to reflect in the out-years only those monies for which the source is already known and the outcome reasonably secure.

East and West European Program	<u>Non-appropriated Funds</u>				
	<u>Beginning</u>				<u>Ending</u>
	<u>Net Assets</u>	<u>Income</u>	<u>Expenses</u>	<u>Net Assets</u>	<u>Appropriation</u>
FY 1998 (actual)	\$ 34	\$ 280	\$ 284	\$ 30	\$202
FY 1999 (estimate)	\$ 30	\$ 332	\$ 334	\$ 28	\$198
FY 2000 (estimate)	\$ 28	\$ 333	\$ 332	\$ 29	\$199

East European Studies (EES) receives most of its non-appropriated funds from Title VIII, the Program for Research and Training on Eastern Europe and the Independent States of the Former Soviet Union (formerly the Soviet and East European Research and Training Act of 1983), administered by the Department of State. The Title VIII grant supports residential research stipends for American specialists on Eastern Europe who are selected through national competitions. Presentations by these scholars and other specialists, some from Eastern Europe, concentrate on the political and economic transitions in Eastern Europe plus security issues relevant to US policy (NATO and EU expansion, Bosnia, etc.). Most of these noon discussions and seminars are open to the public and the Washington policy and academic communities at large, while others are presented specifically to policy-making government groups. A bimonthly newsletter and longer Occasional Papers disseminate reports and analysis from EES events at no cost to a local and national audience. In addition, the EES page on the Wilson Center web site contains complete holdings of the program's activities making the most up-to-date information about Eastern Europe available to all interested parties at the touch of a button. The Title VIII grant funds travel for speakers, publishing expenses, and some office and salary expenses. It also supports the Junior Scholars' Training Seminar, now in its tenth year, which is cosponsored with the American Council for Learned Societies. This annual seminar brings together recent or pending American Ph.Ds, chosen via a national competition, to discuss their work and the state of the field with senior American scholars. Federal conference funds enable East European Studies to hold conferences such as "The Informal Economy and Crime in East European and Russian Cities" and "The Revolutionary Changes of 1989 and the Continuing Problems of Transition in Eastern Europe."

West European Studies cooperates on a number of pan-European seminars and conferences with East European Studies on topics such as democratization and expanding trade

and investment. West European Studies also sponsors a series of meetings on the challenges posed by the expansion of the European Union and the North Atlantic Treaty Organization. It works with other programs of the Center on comparative studies of regionalism and the decentralization of governmental functions as these occur around the world, and on issues of global trade, investment, and finance.

Historical, Cultural, and Literary Studies	<u>Non-appropriated Funds</u>				
	<u>Beginning Net Assets</u>	<u>Income</u>	<u>Expense & Transfer</u>	<u>Ending Net Assets</u>	<u>Appropriation</u>
FY 1998 (actual)	\$ 128	\$ 5	\$ 35	\$ 98	\$ 0
FY 1999 (estimate)	\$ 98	\$ 2	\$ 100	\$ 0	\$ 0
FY 2000 (estimate)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Non-appropriated funds, derived principally from an Andrew W. Mellon Foundation grant, will be used to conclude a number of projects already underway, in each case culminating in the publication of a book or monograph. These include the following: the growth of the role of the state in American society during the first half of the nineteenth century (in cooperation with the Wilson Center's Division of United States Studies); the role of the state in promoting the arts within democratic societies; the past and future of Europe as a cultural, political, and economic force; and the different explanations offered by biology and ethnography for the development of cultures and societies. A conference on American culture in a global perspective in October 1998 was one of the major events to inaugurate the Center's new quarters. The balance of the grant will

be expended for humanities related projects with the approval of the Foundation. The program no longer formally exists.

Comparative Urban Studies Project	<u>Non-appropriated Funds</u>				
	<u>Beginning Net Assets</u>	<u>Income</u>	<u>Expense & Transfer</u>	<u>Ending Net Assets</u>	<u>Appropriation</u>
FY 1998 (actual)	\$ 3	\$ 67	\$ 69	\$ 1	\$26
FY 1999 (estimate)	\$ 1	\$ 106	\$ 107	\$ 0	\$11
FY 2000 (estimate)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

The Comparative Urban Studies Project derives non-appropriated funds from the U.S. Agency for International Development. These funds are used to pay the salary of a project associate and to make possible a range of seminars, workshops and conferences devoted to contemporary urban studies. Research findings are disseminated to a broad international audience in newsletters, Occasional Papers, and conferences devoted to contemporary urban studies. By linking together academic and policy communities, the Center engages experts from around the world in a substantive evaluation of urban practice, incorporating sound scholarship into the policy-making process. A grant from USAID is being used to organize a series of workshops on

the relationship between urbanization and national security in order to identify policy options available to the U.S. government that address the threat of disease, over-population and environmental degradation in cities around the world. In addition, non-appropriated funds have been used to organize a major week-long conference involving policy makers, activists, and scholars from Asia, Africa, Latin America, North America and Europe to explore aspects of applied urban governance. Appropriated funds have been used to organize an International Working Group that brings global best practices to the District of Columbia, drawing lessons from policies successfully implemented in other cities, in the U.S. and abroad, to improve urban development and management in our nation's capital. Currently, the group is focusing on Education Reform in D.C. In each case, FY 1999 and FY 2000 non-appropriated fund activity is conservatively budgeted; it is the Center's longstanding practice to reflect in the out-years only those monies for which the source is already known and the outcome reasonably secure.

<u>The Wilson Quarterly</u>	<u>Non-appropriated Funds</u>				<u>Appropriation</u>
	<u>Beginning Net Assets</u>	<u>Income & Transfers</u>	<u>Expenses</u>	<u>Ending Net Assets</u>	
FY 1998 (actual)	\$ 0	\$ 1,794	\$1,794	\$ 0	\$283
FY 1999 (estimate)	\$ 0	\$ 1,889	\$1,889	0	\$283
FY 2000 (estimate)	\$ 0	\$ 1,948	\$1,948	0	\$283

In its effort to bring the best of the world of ideas to a broad American readership, The Wilson Quarterly operates largely as a self-sustaining enterprise. Its trust fund income is derived from its 65,000 subscriptions nationwide, list rental, single-copy sales, advertising, and, when necessary, transfers from general Center funds (part of which The Wilson Quarterly has played an instrumental role in raising). Contributing to income, non-appropriated cash reserves will be drawn down \$410,000 in FY 1998, covering current years' operating losses. A further \$472,000 in FY 1999 and \$486,967 in FY 2000 drawn from dwindling non-appropriated cash reserves available for such purposes are estimated to be needed to offset annual deficits for FY 1999 and FY 2000. Income is used to cover the expense for salaries and benefits, manuscripts, illustrations and art work, printing, paper and distribution, administration, acquisition of new subscribers, and fulfillment of orders. Federal funds partially support the cost of postage.

ENDOWMENT PRINCIPAL FY 1998
(dollars in thousands)
Based on Market Value

GENERAL CENTER

Carried Forward From FY 1997	\$16,292
Change in value during FY 1998*	\$ -481
Balance End of FY 1998	\$15,811

KENNAN INSTITUTE

Carried Forward From FY 1997	\$ 6,442
Change in value during FY 1998*	\$ -190
Balance End of FY 1998	\$ 6,252

LATIN AMERICAN PROGRAM

Carried Forward From FY 1997	\$ 1,015
Change in value during FY 1998*	\$ -19
Balance End of FY 1998	\$ 996

ASIA PROGRAM

Carried Forward From FY 1997	\$ 3,262
Change in value during FY 1998*	\$ -98
Balance End of FY 1998	\$ 3,164

EAST EUROPEAN STUDIES

Carried Forward From FY 1997	\$ 37
Change in value during FY 1998*	\$ -1
Balance End of FY 1998	\$ 36

WEST EUROPEAN STUDIES

Carried Forward From FY 1997	\$ 55
Change in value during FY 1998*	\$ -2
Balance End of FY 1998	\$ 53

*Amount received includes new contributions (\$14,000), endowment income reinvested into principal (\$1,044,000), and a reduction of market value (\$1,849,000), due to poor performance of the Center's value manager and financial market decline from July through September 1998.

ENDOWMENT PRINCIPAL FY 1999
(dollars in thousands)
Based on Book Value

GENERAL CENTER

Carried Forward From FY 1998	\$15,811
Estimated to be Received During FY 1999	\$ 420
Estimated Balance End of FY 1999	\$16,231

KENNAN INSTITUTE

Carried Forward From FY 1998	\$ 6,252
Estimated to be Received During FY 1999	\$ 164
Estimated Balance End of FY 1999	\$ 6,416

LATIN AMERICAN PROGRAM

Carried Forward From FY 1998	\$ 996
Estimated to be Received During FY 1999	\$ 26
Estimated Balance End of FY 1999	\$ 1,022

ASIA PROGRAM

Carried Forward From FY 1998	\$ 3,164
Estimated to be Received During FY 1999	\$ 60
Estimated Balance End of FY 1999	\$ 3,224

EAST EUROPEAN STUDIES

Carried Forward From FY 1998	\$ 36
Estimated to be Received During FY 1999	\$ 1
Estimated Balance End of FY 1999	\$ 37

WEST EUROPEAN STUDIES

Carried Forward From FY 1998	\$ 53
Estimated to be Received During FY 1999	\$ 1
Estimated Balance End of FY 1999	\$ 54

ENDOWMENT PRINCIPAL FY 2000
(dollars in thousands)
Based on Book Value

GENERAL CENTER

Carried Forward From FY 1999	\$16,231
Estimated to be Received During FY 2000	\$ 420
Estimated Balance End of FY 2000	\$16,651

KENNAN INSTITUTE

Carried Forward From FY 1999	\$ 6,416
Estimated to be Received During FY 2000	\$ 163
Estimated Balance End of FY 2000	\$ 6,579

LATIN AMERICAN PROGRAM

Carried Forward From FY 1999	\$ 1,022
Estimated to be Received During FY 2000	\$ 26
Estimated Balance End of FY 2000	\$ 1,048

ASIA PROGRAM

Carried Forward From FY 1999	\$ 3,224
Estimated to be Received During FY 2000	\$ 60
Estimated Balance End of FY 2000	\$ 3,284

EAST EUROPEAN STUDIES

Carried Forward From FY 1999	\$ 37
Estimated to be Received During FY 2000	\$ 1
Estimated Balance End of FY 2000	\$ 38

WEST EUROPEAN STUDIES

Carried Forward From FY 1999	\$ 54
Estimated to be Received During FY 2000	\$ 1
Estimated Balance End of FY 2000	\$ 55

THE GOVERNMENT PERFORMANCE AND RESULTS ACT OF 1993

During this period of deep retrenchment, the Center's activity under the GPRA has nonetheless been significant. In addition, and reinforcing these activities, the National Academy of Public Administration has conducted a comprehensive review of the Center's mission, management, and program results to assure cost-effective, goal-oriented plans for the future. The preceding sections of our justification spell out the steps taken and progress made in response to the GPRA beginning with the Center's Customer Service Plan (recently published in our Report, available at our World Wide Web site, and reprinted below). We look forward to working closely with the OMB to assure that the Center's strategic plan and annual performance goals incorporate Administration interests wherever possible. With the appointment of a new director (January 1999), the strategic plan will be reviewed and the Board of Trustees advice will be sought.

STRATEGIC PLAN

Comprehensive Mission Statement

The Woodrow Wilson International Center for Scholars was created by Congress in 1968 (Public Law 90-637) as the official national memorial to Woodrow Wilson, president of the United States from 1913 to 1921. Woodrow Wilson was a scholar -- a college teacher and university president -- as well as a politician and international statesman. He believed that people who study the world and those who shape public policy should share ideas and experiences with each other, because both are engaged in "a common enterprise." The Center in a strictly nonpartisan fashion aims to foster scholarship and promote the exchange of views between scholars and decision makers that Woodrow Wilson envisioned.

The recently conducted organization and management review of the Woodrow Wilson International Center for Scholars by the National Academy of Public Administration (hereinafter NAPA) cited that there was a lack of clarity regarding the Center's mission. In response to this NAPA conclusion we offer the following expanded (beyond our strictly legislated mandate) mission statement: The Woodrow Wilson International Center for Scholars is a public/private partnership established as an institute for advanced study that sponsors research, meetings, publications, and multimedia presentations in virtually all academic disciplines, with an emphasis on the social sciences and humanities. In testimony to President Wilson's belief in the unity of knowledge, the Center does not limit its scholarship directly to current policy issues, but sponsors diverse investigations and promotes their use to elucidate the questions of the day. As a memorial to Woodrow Wilson, the Center differs from institutions that promote pure research regardless of its immediate applications, or those that focus directly and solely on current policy issues. The Center sheds the light of the timeless on the timely for the Washington community, academe, the American people, and the world at large.

Governance

The Center, while nominally "in the Smithsonian Institution," is under the direction of its own independent board of trustees composed of the Secretary of State, Secretary of Health and Human Services, Secretary of Education, Chairman of the National Endowment for the Humanities, Secretary of the Smithsonian Institution, Librarian of Congress, Director of the U.S. Information Agency and the Archivist of the United States; ten members appointed by the President from private life; and one member appointed by the President from time to time from within the federal government.

The Center is also advised and supported by a group of private citizens called the Wilson Council.

Goals and Objectives

The Center seeks to memorialize Woodrow Wilson through all that it is and does. The Woodrow Wilson Memorial Act created the Center as a "living institution expressing the ideals and concerns of Woodrow Wilson" with the goal: "to symbolize and strengthen the fruitful relation between the world of learning and the world of public affairs." Our goals and objectives for the immediate six year period can be divided into three categories: (1) The Woodrow Wilson Memorial, (2) Serving Various Sectors of the Public, and (3) Demonstrating Sound Administrative Accountability.

The Woodrow Wilson Memorial

Founded, in the words of its legislative mandate as a "living memorial," the Center has fulfilled with distinction its mandate to be a living institution. Following nearly a decade of planning and support, fulfillment of the memorial part of our mandate is, at long last, within reach.

Objectives

- Provide a permanent home for the Woodrow Wilson International Center for Scholars on Pennsylvania Avenue, as envisioned in our enabling legislation, to include a visible, accessible, public memorial space dedicated to Woodrow Wilson. That space will contain quotations from the 28th President engraved in stone, a bronze bas relief of his likeness, and a continuously shown film of his life and times.

Performance Goals

- In 1994 President Clinton signed a law designating the promenade area fronting our wing of the Ronald Reagan Building "Woodrow Wilson Plaza." In FY 1998 we accomplished the task of moving the Center into its new home in this wing, and publicize the ground floor memorial's accessibility to potential visitors. In subsequent years we will work to increase the number of visitors to the memorial on an annual basis, and to enhance their experience there.

- We will raise \$3 million in donations to furnish and complete the fit-out of our new space.
- In the context of a "grand opening" of the Center's new home, we will hold a major international conference on the cultural impact of the United States on the world at the close of the 20th Century, and a "ribbon-cutting ceremony" with President Clinton and appropriate members of Congress and the diplomatic corps.

Serving Various Sectors of the Public

The Center will provide useful programs and services to a wide variety of audiences. The following goals and objectives will integrate all of the Center's basic elements (i.e., fellows, public service programs and outreach efforts) as called for in the recent NAPA report.

Objectives

- Serving the educational community will be accomplished by continuing to offer a wide variety of useful programs targeted at the different levels of educational achievement, worldwide. Examples of some of our programs include: the fellowship program (post-doctoral and expert professionals from academe, business, government, journalism, and the professions); short-term grant programs and training seminars (pre- and post-doctoral); internship program (undergraduate and graduate students); the Close Up Foundation briefing series (high school and senior citizens); while our American and several international programs will organize presentations by still more scholars and experts in meetings open to the general public. All of these programs bring scholars, practitioners, and citizens to Washington, D.C. from all over the world in consonance with Woodrow Wilson's belief that "The man who has the time, the discrimination, and sagacity to collect and comprehend the principal facts and the man who must act upon them must draw near to one another and feel that they are engaged in a common enterprise. The student must look upon his studies more like a human being and man of action, and the man of action must approach his conclusions more like a student." An annual fellowship competition will lead to the creation each year in the nation's capital of a community of men and women representative of a wide variety of disciplines in the world of learning, from all branches of the government, from a variety of professions, and from a number of countries (which over the years has spanned the entire globe).
- Serving the policy community will be accomplished by promoting open and useful exchanges of information between the Center's scholars (visiting Fellows, staff members and experts assembled by our American and international programs) and official Washington (public servants and their staffs). The Center will make such experts available for counsel. Further, and of equal importance, the Center will give staff and visiting Fellows a public forum for delivering lectures and participating in conferences, providing inspiration, information, and expertise for those actively involved in making American domestic and foreign policy.

- Serving the American people in general will be accomplished by outreach through a wide variety of media. Timely scholarship will be brought to a broad national audience by publishing books (to include independent research and conference reports emerging from program sponsored activities) and *The Wilson Quarterly* magazine, distributing *Dialogue* radio broadcasts, publishing numerous Center newsletters, reports, and longer working papers, maintaining our World Wide Web site (<http://wwics.si.edu>); and sponsoring public meetings such as major conferences, and briefer seminars. Selected books and articles written by Center Fellows and Guest Scholars will be published by the Center, and far more will be published by other presses and journals. These will reach audiences ranging from the general public to college and school teachers, and in time will influence textbooks and teaching at all levels.

Performance Goals

- Encourage fellowship applications (estimated average number per year to be 300) from the widest range of sources without sacrificing the emphasis on important and timely projects. Seek to increase the number of the highest quality individuals applying for or participating in the grant programs of the Center. Provide the best possible facilities and ambience to support the work of Fellows and Guest Scholars. In addition, scholar exit interviews and follow-up surveys will be conducted to assure the usefulness and quality of the Center's programs.
- The Center will attempt to monitor the number and quality of interactions between employees of the Center and visiting scholars with public officials and staffers. The Center will also monitor the types of individuals who attend its meetings and conferences. The Center will offer 120 programs and briefings per year specifically targeted to public affairs issues.
- The Center will publish 10 new books per year of acceptable quality to the university community. The Center, through copublishing arrangements with other scholarly publishers, will sell 15,000 copies of books per year. Center scholars and programs will publish with outside scholarly and commercial publishers about 40 books each year largely written at the Center. The Center will keep a record of reviews of our publications and prizes awarded to the books of our scholars, staff and programs. The Center will biennially survey the recipients of its newsletters and calendars to determine their interest in the news and activities of the Center. Editorial products, mailing lists, or both may be adjusted in light of the results. Feedback forms will be provided in World Wide Web products of the Center. Content and delivery will be adjusted in light of the results. The Center will also keep track of attendance at our public events and will host at a minimum 60 noon discussions, 200 seminars and colloquia, and 6 multi-day conferences each year; readership and renewal levels of *The Wilson Quarterly*; number of radio stations carrying, and listeners tuning in to, *Dialogue* to insure that our programming remains of interest to the general public. Once the Center moved to its new home, we added new media capability to our outreach programs in a continuing effort to diffuse and educate beyond the immediate rooms where meetings and discussions take place.

Demonstrating Sound Administrative Accountability

The Center will be managed to achieve the maximum benefit for taxpayer funds in accordance with law and regulations. In addition and in response to recommendations contained in the NAPA report, the Center has established four standing internal staff committees consisting of a Committee on Strategic Planning, a Congressional Liaison Committee, a Committee on Fellows, and a Committee on Internal Affairs and Human Resources in an attempt to improve upon both internal and external communications and to coordinate the activities of the programs with those of the Fellows.

Objectives

- **Measurable Audits:** All independent audits to be conducted and received in an unqualified manner.
- **Management:** The Center will manage and promote its programs in accordance with legislative mandates, prudent fiscal practices and annual recommendations from its outside auditors in their management letters.
- **Diversity:** Maintain a highly skilled and diverse employment base.
- **Leverage of Funding:** The Center will operate as a true partnership between the public and private sector by relying heavily on both public and private sources to support its wide range of activities, administrative functions, and personnel (staff and visiting Fellows).

Performance Measures

- The Center will receive unqualified external audits of its appropriated funds, government grants and contracts, and all other funds with no major issues raised in the reports from certified public accountants. These unqualified audits assure that the Center's financial statements present fairly, in all material respects, the financial position of the Center.
- The Center will be judged by the Board, OMB, and Congress to be within the law and legislative mandates.
- As hiring opportunities permit, the Center will make a conscious effort to improve and expand its ethnic and gender diversity.
- Each year the Center will seek to maintain a rough balance (between 2:3 and 3:2) between its trust funded and directly appropriated expenditures. Dollars raised in excess of this balance will be used to enhance current activities and/or to ensure future viability of the Center and its activities through investment.

Key External Factors Affecting Achievement of General Goals and Objectives

The ability of the agency to achieve its general goals and objectives will be affected most significantly by the status of the national economy as it impacts directly on our ability to raise unrestricted funds and secure future years' federal appropriations. Changing technology and other external economic conditions could restrict visits to our Web site and the memorial itself. If prices rise at a much higher rate than we are able to secure appropriated or trust funds, the Center may not be able to afford to bring as many visiting scholars or conference participants to Washington, D.C. to participate in program activities. Further, subscription levels to The Wilson Quarterly, the publishing of written materials, and sales of books may also suffer if the costs of production -- including paper prices and postage -- sharply increase. Under such circumstances, our strategy will be to concentrate on fewer topics and activities [no matter how worthy] rather than simply reducing across the board everything we do.

CUSTOMER SERVICE PLAN

Who We Are

We are the official national memorial to Woodrow Wilson, president of the United States from 1913 to 1921. Woodrow Wilson was a scholar -- a college teacher and university president -- as well as a politician and international statesman. He believed that people who investigate things and people who make decisions should share ideas and experiences with each other, because both are engaged in "a common enterprise." Our Center, in a strictly nonpartisan fashion, aims to foster scholarship and promote the exchange of views between scholars and decision makers that Woodrow Wilson envisioned.

What We Do

We sponsor research, meetings, and publications on history, economics, politics, international relations, the environment, literature, art history, and many other areas.

Our main program backing research supports scholars who spend up to a year interacting with each other and using our facilities to write articles and books that influence learning and public life in the United States and throughout the world. Some come to us directly from careers in diplomacy, the media, or business. Most, however, are teachers at advanced levels, and their experiences as Fellows at the Woodrow Wilson Center will affect their colleagues, their students, and their students' students through many levels of education and for decades to come.

About 200 meetings each year bring together experts of various kinds -- scholars, government analysts and policy makers, journalists, diplomats, and business leaders -- to share information and experiences in an atmosphere of open and civil discussion. These sessions are conceived and produced by the Center's programs, which are organized to address issues foreign and domestic, thematic and geographical, policy relevant, and intellectually innovative.

Publications aim at both wider and more specialized audiences. On *Dialogue*, a weekly half-hour radio program distributed nationwide and in Europe, the Center's scholars and other writers and leaders are interviewed in depth on topics of special interest. The Wilson Quarterly magazine reviews ideas and issues in national and international affairs and culture for a broad educated readership. The Woodrow Wilson Center Report newsletter updates a mostly Washington readership on meetings and other activities of the Center, as do program newsletters such as those of the Kennan Institute for Advanced Russian Studies and our Latin American Program. The Woodrow Wilson Center Press publishes books for a worldwide audience of scholars and experts. Other bulletins and working papers such as the Cold War International History Project Bulletin and the Environmental Change and Security Project Report provide coverage of brand-new scholarship in fast-developing subject areas. Our World Wide Web site (<http://wwics.si.edu>) describes the Center and provides a guide to all these areas of publication.

Customer Service Standards

If you want to learn about research at the Center, we will

- send a list of recently published books that were researched or written at the Center;
- send a list of current Fellows and the topics they are working on;
- send regularly a schedule of forthcoming *Dialogue* broadcasts (in the Center's Calendar) and provide information on stations and broadcast times where you live (on the Center's Web Site or by telephone);
- send subscription information for The Wilson Quarterly;
- send a catalog describing books published for sale by our Press;
- send The Woodrow Wilson Center Report.

If you want to attend meetings at the Center, we will

- send you the Center's Calendar describing meetings open to the public.

If you want to become a scholar at the Center, we will

- send you information on how to apply to the competition by which our Fellows are selected (each year many hundreds of applications are received for approximately 20 awards).

If you apply for a fellowship, we will

- acknowledge receipt of your application (the deadline each year is October 1) no more than one week after receiving it;
- ensure that the evaluation of your application is fair;
- notify you by March 1 of the decision on your application.

If you are selected for a fellowship appointment, we will

- provide you with grant documents that accurately and clearly state the terms of the fellowship and information about the Center, benefits, taxes, and relocation to Washington, D.C.;
- respond promptly to any fellowship-related concerns that arise before, during, or after your tenure at the Center;
- solicit an exit evaluation at the time of your departure and share your suggestions for improvements with appropriate staff.

Whom to Contact for What

If you would like to receive general information about the Center, please telephone our Development and External Affairs Office, 202-691-4120. If you wish to inquire about making an application or about other fellowship matters, please telephone our Fellowships Office, 202-691-4170. If you prefer to write, our address is the Woodrow Wilson International Center for Scholars, One Woodrow Wilson Plaza, 1300 Pennsylvania Avenue, N.W. Washington, D.C. 20523.

Customer Survey Plans

Already in place

Fellows as customers: The opinions of our Fellows, in the form of candid written exit evaluations, have provided us with criticisms and suggestions for improvement. Their critiques result in useful changes in policy, procedures, equipment, and staffing.

Radio listeners as customers: To assess the extent of its national audience, *Dialogue* commissioned Radio Research Consortium, Inc. to establish, through statistical survey, listener estimates on all its carrier stations. As documented by the results of this survey, based on Arbitron ratings, *Dialogue* is heard by 200,000 listeners each week, for a yearly total of more than 10 million received broadcasts. Additionally, radio station managers are surveyed annually for their comments and suggestions for improvement.

Readers as customers: We pay close and continuing attention to our magazine readership's subscription renewal rates, to their letters to the editor, to our book sales figures, and reviews published in both scholarly journals and the popular press. Like any successful business, we cannot afford to ignore the views and reactions of our customers; half of our annual operating revenue comes through the competitive marketplace.

Future Surveys

We intend to solicit suggestions from those who attend our meetings and those who receive the Woodrow Wilson Center Report for improvements we can make in our programming and services.

Publication of Customer Service Standards

We included our Customer Services Standards on our World Wide Web site in mid-August and will publish them in our next Report which will be mailed to more than 7,000 individuals in September.

NATIONAL ENDOWMENT FOR THE ARTS
APPROPRIATIONS REQUEST
FISCAL YEAR 2000

Submitted to the Congress
February 1999

(777)

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FISCAL YEAR 2000 BUDGET OVERVIEW

The arts reflect the past, enrich the present and imagine the future.

I. INTRODUCTION

As the seventh Chairman of the National Endowment for the Arts, I have the privilege of leading the Endowment into the 21st Century. It is an opportunity to reexamine our funding priorities and chart the course for the future. I believe we have rounded a corner in a long journey -- the debate has shifted from whether there should be federal support for the arts, to what is the nature and appropriate level of federal funding. In addressing this question, I felt it was appropriate that the Endowment take stock of what it has accomplished and consider how it can best assist the people of this Nation. The context for considering the past, enriching the present and imagining the future has been a new and invigorated effort to reassess the agency's mission, Strategic Plan and performance measures. Through this effort, new vision and mission statements have emerged along with a fresh assessment of the agency's goals and objectives.

Vision:

A nation where the arts play a central role in the lives of all Americans.

Mission:

The National Endowment for the Arts, an investment in America's living cultural heritage, serves the public good by nurturing human creativity, supporting community spirit, and fostering appreciation of the excellence and diversity of our nation's artistic accomplishments.

To implement this vision and provide a framework for the agency's planning and funding efforts, the Endowment has established the following goals. These goals are also reflected in the revised Strategic and Performance Plans, and were used to build our FY 2000 Budget Request.

Strategic Goals

1. **Access:** Broaden public access to the excellence and diversity of the arts.
2. **Creativity:** Foster opportunities for the creation and presentation of artistically excellent work.
3. **Arts Education:** Strengthen the role of the arts in our nation's educational system and encourage lifelong learning in the arts.

4. **Preservation:** Preserve our nation's cultural heritage for the 21st Century.
5. **Organizational Stability:** Strengthen the organizational and financial capabilities of America's arts organizations.
6. **Community Arts Development:** Help address the concerns of America's communities through the arts.
7. **Partnerships:** Strengthen the Endowment's partnerships with the public and private sectors.
8. **Strengthen the NEA** as an innovative, efficient, and effective organization.

Fiscal Year 2000 and the new Millennium provide a unique opportunity for Congress and the nation. It is clearly a time to reflect on the past; but more importantly, it is a time to focus on the future and to consider an America where its citizens are leaders of creativity, ingenuity, thought and imagination. It is a time to challenge all Americans to work together to honor and carry forward our nation's living cultural heritage; a time to challenge every family and community to examine its cultural heritage; a time for all schools to work with artists and arts organizations to ensure that local cultural resources and the arts are a basic part of each child's education; and a time for the private sector, government agencies, non-profit organizations and individuals to join together to protect and share each community's living-cultural treasures and nurture our nation's creativity.

For FY 2000 the NEA is requesting a budget of \$150 million which includes \$50 million in new funding for **Challenge America** -- a major new initiative which will use the strength of the arts to enhance America's families and communities. Assuming full funding for **Challenge America**, applicants could also apply under the regular grant categories.

II. CHALLENGE AMERICA

Challenge America is a goal-oriented program which will target \$50 million of new Endowment funding resources for five specific purposes: **Arts Education; Youth-at-Risk; Cultural/Heritage Preservation; Community Arts Partnerships; and Access to the Arts.**

Under **Challenge America**, funds for the above purposes will be distributed through four distinct mechanisms.

- State Arts Agencies will receive 40 percent of Challenge America grant funds, in accordance with standing Congressional policy, to support activities in their states which address the five specific areas named above.
- Approximately 1,000 communities nationwide will receive, through a fast-track review process, small- to medium-sized direct grants to facilitate arts activities in under-represented areas.

- Approximately 150 communities nationwide will receive large-direct grants for comprehensive community-based projects.
- Finally, the Endowment will fund 10 to 20 National Initiatives developed in partnership with other national organizations and federal agencies to address the above-described agenda of Challenge America.

Challenge America responds to a longing on the part of communities and families and artists and arts organizations for an engagement in which the arts at the center of community life.

For 30 years, the NEA has been nurturing the systems that deliver art to the American people, increasing the supply of both art and institutions that provide our cultural experiences. Challenge America funds will accomplish two larger purposes: (1) in places where the NEA has been engaged in the past, it will use the cultural resources that have been developed and connect them with families and communities in a way that has never happened in the past; and (2) in places where the agency has not had a history of support, the NEA will offer special opportunities to develop cultural organizations and programming so that the same services we've helped to build in many places around the country will be available to all Americans in the next century.

III. THE ENDOWMENT'S UNIQUE FEDERAL ROLE

The nonprofit arts in America blossomed over the past 32 years. More Americans are reached, and communities enriched, by the arts today than even the founders of the Endowment could have imagined.

Results from the National Endowment for the Arts nationwide survey of Public Participation In The Arts, indicate that the number of people who attended a live performance or an art exhibit during 1997 increased since 1992; in 1997, **nearly 50 percent of the adult American population (more than 97.1 million Americans) attended at least one type of arts activity such as: jazz, classical music, opera, musicals, plays, ballets, or art museums.** If we expand the arts activities to include other art forms such as reading literature, attending arts/crafts fairs, visiting historic parks or neighborhoods for their design and cultural value, and attending other dance events (folk, modern, etc.), the proportion of the adult population participating increased to 81 percent of the American population. The number of people exposed to the arts through television and radio is even larger than the live attendance audience. **These results put to rest decisively any claim that the arts are the province of the affluent and the elite.** They are deeply rooted in the lives of the vast majority of the American people.

According to Giving USA 1998, in 1997 Americans contributed \$143.46 billion to nonprofit organizations. This represents a 7.5 percent increase over the revised number, \$133.46 billion for 1996. Inflation was low in 1997, and giving easily outpaced it, increasing by 5.1 percent in inflation-adjusted dollars. By comparison, giving to arts, culture and humanities organizations (which includes science and history museums, public television and other cultural institutions as well as performing and visual arts institutions) declined by 2.8 percent in 1997 from that of 1996. Giving USA reports that this decrease is consistent with the trend of slower growth of contributions to arts organizations evident throughout the 1990's. For example, total donations within the seven year period between 1991 and 1997 increased by a mere 21 percent compared to the 73 percent and 86 percent increases for the seven-year periods from 1985 to 1991 and 1979 to 1985, respectively. Furthermore, the average increase in giving for each year between 1991 and 1997 was 3.0 percent. Between 1985 and 1991, it was 10.4 per annum and between 1979 and 1985 it was 12.3 percent.

As reported by the National Assembly of State Arts Agencies (NASAA), in 1998, state funding for the arts was \$305.4 million, just slightly above the 1990 high of \$290 million. This increase reflects overall growth of the national economy. However, NASAA reported that according to a recent report by the National Governors' Association, state governments remain cautious in predicting future revenues. NASAA said, "states are limiting their spending and putting monies into reserve funds to protect against economic downturns, and to act as a hedge against flat federal revenues and future tax revenue drops." Endowment dollars represent as much as 50 percent of the funding for state arts agencies in states such as Alaska, Maine, Montana, North Dakota, Vermont and Wyoming.

Notwithstanding the increase in State and local arts organization funding, many nonprofit arts organizations are facing operating deficits. In 1997, for example, according to Opera America, about 22 percent of opera companies and 31 percent of nonprofit theatres (in the TCG Survey) had a deficit for the year. Similarly, according to Dance USA, 41 percent of large dance companies reported deficits for 1997. Arts institutions have been faced with inordinate pressure to seek increased donations, to increase ticket prices, or to cut back on services such as fewer concerts, exhibits or reduced outreach programs. The decrease in Arts Endowment support compounds their financial problems in that Endowment grants have a catalytic effect in leveraging donations. The arts are an integral part of a community's economic vitality and if the arts cannot be sustained, a corresponding decrease in accessibility would negatively affect other aspects of community life.

The Endowment's role in supporting the arts is unique and its leadership serves as a catalyst and standard bearer. The Endowment:

- Provides national recognition of artistic excellence and merit, and support for artistic activity based on the highest standards, national competition, and citizen review.

- Provides **access** to the arts for all Americans regardless of **geography**, income levels, age, disability, or race/ethnicity through **leadership and national and regional distribution** of art.
- Enhances the economic and cultural well-being of **communities** through the arts.
- **Convenes**, at the national and regional levels, in communities, representatives of various fields in the arts and of public and private sectors to recognize and explore ways in which the arts can continue to grow and enhance the quality of life for all of our citizens.
- Provides **national leadership in arts education** for our children.
- Supports **recognition, preservation and sharing of America's traditional and diverse cultural heritages**, including digitization, use of the Internet, etc.
- Through a modest investment of federal dollars, is a powerful **financial catalyst**, with unique capacity to leverage funds from the private sector and other governmental agencies.
- Serves as a **national symbol and voice** for American culture at home and abroad.
- Provides critical, often substantial, support for projects with **national, multi-state and/or field-wide impact**.
- Establishes **national standards and incentives for state and local governments** in support of the arts.
- Is a **national partner** with foundations and national organizations in the private sector, and with federal, state and local governments and agencies, to promote cultural planning and to support and bring the arts and life long learning in the arts to communities throughout America.
- Conducts **research** working in concert with the U.S. Bureau of the Census, the U.S. Department of Labor and other federal agencies, as well as state and local arts agencies, foundations, arts service organizations, etc., to guide funding agendas and identify strengths and needs in the arts fields.
- Provides **national leadership** and facilitation for **communication, dialogue, research, and new thinking** on issues critical to the future of the arts in America and to share exemplary model projects so they can be duplicated by others.
- Provides national overview and **nurturing of distinct artistic fields**, such as jazz, dance, and the folk arts.

IV. STRATEGIC AND PERFORMANCE PLANS

In developing the revised Strategic Plan, new goals were identified. The revised goals recognize the critical role of this agency and serve as an overarching framework for directing our total grantmaking programs, application procedures, and the FY 2000 Budget Request. The revised Strategic Plan and corresponding Performance Plan are included under the GPRA Tab. Our plans establish the strategies for accomplishing the following outcome goals:

- The American public has access to a wide range of arts experiences.
- Artists and organizations have multiple opportunities to create and present artistic work.
- The arts play a central role in our nation's education system and in lifelong learning for all Americans.
- Our nation's cultural heritage is preserved, documented, and conveyed to future generations.
- America's cultural organizations in the 21st Century possess organizational strength and financial stability to realize their programmatic goals.
- Arts are central to the realization of community dreams.
- America's Arts Endowment possesses strong ongoing working relationships with government agencies, non-profit arts organizations, foundations, and the private sector.
- The National Endowment for the Arts and its program of federal investment in living cultural heritage are central to the well being of America's democratic society.

V. FY 1998/FY 1999 FUNDING STATUS

A. Changes Imposed by FY 1999 Appropriation

In making our appropriation for FY 1999, Congress retained several provisions, added in FY 1998, which affect the way in which funds are allocated, the manner in which the Endowment operates, and the composition of the National Council on the Arts. The most significant provisions are listed below along with a comment on their impact. We prepared the FY 2000 Budget Request under the assumption that these provisions would continue to apply.

- *Maintained State formula funding at 40 percent of all grantmaking funds.*
We maintained the 40 percent allocation in our FY 2000 Request;

- *Retained language that "limited total grant funding awarded in any single state to 15 percent of the annual allocation of all grants." However, grants for projects that are of "national impact or availability or are able to tour several states" are excluded from the cap. -- We established procedures to track, and report to Congress, the amount of money awarded to each state and, for FY 1998 grants, we have not exceeded the cap.*
- *The FY 1999 Appropriation added a new line-item for Program Support that responds to instructions included in the FY 1998 Appropriation to "restructure" the Administrative budget -- this new line-item is included in our FY 2000 Budget Request.*
- *Retained language giving the Arts and Humanities Endowments expanded authority to solicit and invest funds for use in support of the functions of the agency -- in response to this authority, beginning in FY 1998, we invested funds on a short-term basis in U.S. Treasury instruments; earnings have been limited, but the mechanism is in place should significant bequests or donations be received.*
- *Retained language to "..... ensure that priority is given to providing services or awarding financial assistance for projects, productions, workshops, or programs that serve underserved populations," and "..... that will encourage public knowledge, education, understanding and appreciation of the arts." -- To this end, during FY 1998, we initiated the ArtsREACH initiative to reach-out to twenty targeted states which received fewer than five grants in either FY 1997 or FY 1998. We significantly expanded the staff presence in underserved areas to provide information about Endowment grants and to stimulate new applications; in FY 2000, Challenge America will broaden the reach of Endowment grants to community organizations in all 50 states;*
- *Retained the language limiting grants to individuals for Literature Fellowships, National Heritage Fellowships or American Jazz Masters; limits subgranting authority to State or Local Arts Agencies; and requiring that grant awards be for specific projects, not seasonal support.-- The Endowment is in compliance with all of these provisions, but supports the restoration of authority to make grants to individual artists;*
- *Included a technical amendment to FY 1998 language which reduced the National Council on the Arts from 26 Presidentially-appointed members to 20 members of whom 14 will be appointed by the President, the remaining 6 to be members of Congress, four from the House and 2 from the Senate. -- We have experienced three council meetings under this new structure and feel it has been a positive development.*
- *Increased the maximum limits of coverage for insuring international exhibitions covered under the Arts and Artifacts Indemnity Act to \$5 billion and increased the limit for single exhibitions from \$300 million*

to \$500 million. -- This increase has had an immediate impact in meeting demand for indemnification of international exhibitions; touring costs have risen significantly since these limits were last changed in 1990.

B. Funding Categories

Fiscal Year 1999 is the third year of operation under our new structure and processing applications under four cross-disciplinary categories, Partnership Agreements, and Leadership Initiatives. Based upon our experience with the new categories and feedback from the fields, for FY 2000, we are proposing to split the four categories into five: **Heritage & Preservation, Creation & Presentation, Access, Education and Planning & Stabilization**; in addition, grants will continue to be processed under **Leadership Initiatives and Partnership Agreements**. During the FY 2000 application cycle, we plan to suspend funding for Planning & Stabilization while the Arts Endowment conducts a major reassessment of its support for organizational stability in order to determine the best approach to respond to the needs of arts organizations. Applications received for FY 1999 Planning & Stabilization grants will be processed, but for FY 2000, we will only provide interim funding for projects that offer services to the field and respond to vital issues affecting the professional needs and goals of artists and arts organizations. Feedback received led us to conclude that the suspension of the Planning & Stabilization category for one year will not reduce the total number of grant applications we receive. Organizations will likely select another category of support. Therefore, full funding of Grants to Organizations is needed. For FY 1998 and FY 1999, organizations will continue to be limited to one application per grant cycle, except when they apply as a consortium with other entities. Under Congressional mandate, we have also limited direct awards to individuals to Literature Fellowships, American Jazz Masters and National Heritage Fellowships in the Folk and Traditional Arts.

C. FY 1998/FY 1999 Allocations

For FY 1998, Congress appropriated \$98 million, of which \$81.02 million was available for grantmaking; this was combined with approximately \$1.8 million of uncommitted grantmaking funds carried over from FY 1997 for a total of \$82.8 million. For FY 1999, Congress appropriated \$98 million, of which \$80.522 million was available for grantmaking; this was combined with approximately \$1.5 million of uncommitted grantmaking funds, carried over from FY 1998, for a total of \$82.074 million.

Table 1 shows the grantmaking funding available in FY 1998 and FY 1999 and how it has been allocated to the various areas. While the overall FY 1999 appropriation was the same as for FY 1998, the allocation for Direct Endowment Grants was reduced by \$498,000; State Partnerships remained the same. A new line item, Program Support, was established in FY 1999 to support activities more closely related to the fields.

Table 1. Allocation of FY 1998 and FY 1999 Grantmaking Funds.

	(\$ thousands)	
ACTIVITY	FY 1998 Final Allocations a/	FY 1999 Appropriation (\$98 M)
Funding Categories:		
Category Grants:		
Heritage & Preservation	4,175	3,543
Education & Access	9,121 b/	12,224
Education	n/a	n/a
Access	n/a	n/a
Creation & Presentation	17,334	17,072
Planning & Stabilization	8,113	5,899
(subtotal)	38,743	38,738 d/
Leadership Initiatives	8,795 c/	8,714 d/
Challenge America Initiative - NEA Grants	....	....
State Partnerships:		
State & Regional -- Formula	27,686 f/	27,686 f/,g/
Underserved Set-Aside	6,952	7,152 j/
State & Regional -- Challenge America Initiative	....	....
(subtotal)	34,638	34,838
Literature Fellowships	705	866
Program Support	....	977
Administration:		
Planning, Research & Analysis h/	636	....
Salaries and Expenses	16,032	16,011
Computer Conversion	1,104	490
(subtotal)	17,772 i/	16,501
Grand Total	100,653	100,634 k/

a/ Includes \$1,552,405 of uncommitted and \$1,785,860 of committed FY 1997 carryover funds.

b/ Excludes a \$150,000 Heinz Company Foundation gift for arts education project support.

c/ Excludes \$1,050,000 of Underserved funds and \$429,535 of interagency funds.

d/ Includes \$1,045,391 of committed and \$1,298,431 of uncommitted FY 1998 funds carried over into FY 1999.

e/ Except for Service Organizations, Planning & Stabilization grants will be suspended during FY 2000 for re-evaluation of impact.

f/ Includes \$2,200,000 of Arts Education funds awarded to State Arts Agencies.

g/ \$20,000 of Partnership funds will be used under Leadership.

h/ Prior to FY 1999 this was the Office of Policy, Research & Technology; as of FY 1999, these activities are supported under the Program Support line item.

i/ Includes \$726,360 of FY 1997 carryover Administrative funds and \$65,580 of deobligations.

j/ Includes \$199,991 of uncommitted FY 1998 Underserved funds.

k/ Excludes \$474,628 of uncommitted grantmaking funds.

Table 2 shows FY 1998 and FY 1999 applications, grants, amounts requested, and amounts recommended for funding under the four categories. In FY 1998, we awarded 1,172 grants totaling \$38.2 million in Heritage & Preservation, Education & Access, Creation & Presentation and Planning & Stabilization, in which \$152.5 million had been requested. Overall, 25 percent of the amount requested by applicants for FY 1998 was funded -- down from 33.8 percent in FY 1997.

Under FY 1998 Leadership Initiatives, in which we supported demonstrable projects of national or field wide significance, we awarded about \$8.8 million in grants, cooperative agreements and interagency agreements. Of these, about \$2.6 million were awarded for special millennium projects.

For FY 1999 grants, we received higher numbers of applications than expected under the four categories in FY 1999. We anticipate being able to fund only about 23 percent of the amounts requested; moreover, the average grant amount in FY 1999 is about 13 percent less than it was in FY 1998. This is an alarming situation. With our increased outreach to a broader number of communities across the country, it is imperative that we are able to increase grantmaking funds to meet increased need.

Under FY 1999 Leadership Initiatives, we are projecting awarding \$8.7 million of grants, cooperative agreements and interagency agreements. Of these, about \$2.2 million will be awarded for special millennium projects.

Table 2. FY 1998/FY 1999 Organizational Grants by Category

FY 1998						
Category	Number of Applications	Actual No. of Grants Recommended	Percent of Applications Recommended	Amount Requested (\$ millions)	Proposed Allocations (\$ millions)	Percent of Funds Requested
Heritage & Preservation	236	140	59.3%	\$16.1	\$4.2	26.1%
Education & Access	486	265	54.3%	\$35.3	\$9.1 a/	25.8%
Creation & Presentation	997	613	61.5%	\$64.3	\$17.3	26.6%
Planning & Stabilization	353	154	43.6%	\$36.8	\$8.1	22.0%
Total	2,074	1,172	56.5%	\$152.5	\$38.7 a/	25.4%

a/ Excludes \$150,000 of Heinz money.

FY 1999						
Category	Number of Applications	Estimated No. of Grants Recommended	Percent of Applications Recommended	Amount Requested (\$ millions)	Proposed Allocations (\$ millions)	Percent of Funds Requested
Heritage & Preservation	270	165	61.1%	\$16.5	\$3.5	21.2%
Education & Access	842	425	50.5%	\$58.8	\$12.2 a/	20.8%
Creation & Presentation	987	638	64.6%	\$64.2	\$17.1	26.6%
Planning & Stabilization	232	122	52.6%	\$27.1	\$5.9	21.8%
Total	2,331	1,350	57.9%	\$166.4	\$38.7 a/	23.3%

a/ Excludes \$150,000 of Heinz money.

VI. FY 2000 BUDGET REQUEST

At the FY 2000 Request of \$150 million, which is below the funding of \$175 million we had in FY 1992 and FY 1993, we could make a significant investment in our nation's cultural legacy through existing **grants, leadership and partnership** programs and the **Challenge America** initiative. In this request, \$50 million would be allocated to the **Challenge America** initiative which will emphasize: **Arts Education; Access to the Arts; Youth-at-Risk; Cultural Heritage/Preservation; and Community Arts Partnerships.**

A. Grantmaking

Table 3 shows proposed allocations at our FY 2000 Request of \$150 million. Also shown, for comparative purposes, are appropriations for FY 1995 through FY 1999. Within this Request the **Challenge America** Initiative would be funded at \$50 million, divided between **Direct Endowment Grants** (\$30.211 million) and **State and Regional awards** (\$19.789 million). The costs associated with each of the **Challenge America** initiatives are shown in Table 3 along with the ongoing projects and initiatives supported at the current funding level of \$98 million. The top part of the table shows the total allocations by funding category; the bottom shows allocations for each of the FY 2000 **Challenge America** initiatives. The FY 2000 Request was "built up" from the funding strategies identified to meet the goals and objectives.

Table 3. Proposed Allocations for FY 2000.

APPROPRIATIONS / REQUEST HISTORY

(\$ Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)
	FY 1995 Appropriation	FY 1996 Appropriation	FY 1997 Appropriation	FY 1998 Appropriation	FY 1999 Appropriation	FY 2000 Request
Direct Endowment Grants:						
Program Grants (\$1-\$1 match)	69,816	36,017	37,435	31,822	33,584	35,130
Matching Grants (\$3-\$1 match)	28,512	17,235	16,760	16,760	14,000	13,000
Challenge America Initiative	n/a	n/a	n/a	n/a	n/a	30,211
(Subtotal)	98,328	53,252	54,195	48,582	48,084	78,341
State Partnerships:						
State & Regional – Formula	31,010	21,592	22,250	25,486	25,486	25,486
Underserved Set-Aside	8,175	5,890	6,069	6,952	6,952	6,952
State & Regional – Challenge America Initiative	n/a	n/a	n/a	n/a	n/a	19,788
(Subtotal)	39,185	27,482	28,319	32,438	32,438	52,227
Program Support	n/a	n/a	n/a	n/a	977	1,560
Administrative:						
Office of Policy, Research & Analysis a/	571	378	420	440	.	...
Salaries and Expenses	23,417	17,548 b/	15,900	15,880	16,011	17,872
Computer Conversion	810	810	660	660	480	...
(Subtotal)	24,798	18,736	16,980	16,980	16,501	17,872
Grand Total c/	162,311	99,470	99,494	98,000	98,000	150,000

a/ Prior to FY 1999 this was the Office of Policy, Research & Technology;
as of FY 1999, these activities are supported under the Program Support line item.

b/ Includes \$2.5 million for downsizing costs.

c/ All years exclude prior year carryover funds.

To develop allocations for the five organizational grantmaking categories, Leadership and Partnership Agreements, we used the revised Strategic Plan and Performance Plan as the basis for determining the funding required to implement the strategies supporting the eight goals and their objectives. The costs associated with each of the **Challenge America** initiatives are shown in Table 4 along with the ongoing "core" activities being supported at the current funding level of \$98 million. The top part of the table shows the total allocations by funding category; the bottom shows allocations for each of the FY 2000 **Challenge America** initiatives. In determining the allocations for each of the funding categories, we used the Strategic Plan as the basis for costing out each goal and then tied it back to the **Challenge America** initiatives and base funding levels.

Table 4. Allocations for Funding Categories and Challenge America Initiative

(\$ thousands)			
ACTIVITY	FY 1998 Final Allocations <i>a/</i>	FY 1999 Allocations (\$98 M)	FY 2000 Request (\$150 M)
Funding Categories:			
Category Grants:			
Heritage & Preservation	4,175	3,543	4,000
Education & Access	9,121 <i>b/</i>	12,224 <i>b/</i>	....
Education	n/a	n/a	5,750
Access	n/a	n/a	5,750
Creation & Presentation	17,334	17,072	18,378
Planning & Stabilization	8,113	5,898	3,264 <i>e/</i>
(subtotal)	38,743	38,738 <i>d/</i>	37,143
Leadership Initiatives	8,795 <i>c/</i>	8,714 <i>d/</i>	7,921
Challenge America Initiative - NEA Grants	....	....	30,211
State Partnerships:			
State & Regional - Formula	27,686 <i>f/</i>	27,686 <i>f/</i> , <i>g/</i>	27,686 <i>f/</i>
Underserved Set-Aside	6,852	7,152 <i>j/</i>	6,852
State & Regional - Challenge America Initiative	....	....	19,789
(subtotal)	34,838	34,838	54,427
Literature Fellowships	705	866	866
Program Support	....	977	1,580
Administration:			
Planning, Research & Analysis <i>h/</i>	636	....	....
Salaries and Expenses	16,032	16,011	17,872
Computer Conversion	1,104	490	....
(subtotal)	17,772 <i>i/</i>	16,501	17,872
Grand Total	100,653	100,634 <i>k/</i>	150,000
CHALLENGE AMERICA:			
Arts Education	....	....	5,000
Access to the Arts (includes ArtsREACH)	....	....	7,000
Youth at Risk	....	....	5,000
Cultural Heritage/Preservation	....	....	5,000
Community Arts Partnerships (includes ArtsREACH)	....	....	8,211
(Subtotal)	....	....	30,211
State & Regional	....	....	19,789
Total	....	....	50,000

a/ Includes \$1,552,405 of uncommitted and \$1,785,860 of committed FY 1997 carryover grantmaking funds.

b/ Excludes a \$150,000 Heinz Company Foundation gift for arts education project support.

c/ Excludes \$1,050,000 of Underserved funds and \$428,535 of interagency funds and donated funds.

d/ Includes \$1,045,391 of committed and \$1,298,431 of uncommitted FY 1998 funds carried over into FY 1999.

e/ Planning & Stabilization grants will be limited to organizations serving the field during FY 2000 while the Endowment conducts an evaluation to determine the best approach to respond to the needs of arts organizations.

f/ Includes \$2,200,000 of Arts Education funds awarded to State Arts Agencies.

g/ \$20,000 of Partnership funds will be obligated under Leadership.

h/ Prior to FY 1989 this was the Office of Policy, Research & Technology; as of FY 1999, these activities are supported under the Program Support line item.

i/ Includes \$726,360 of FY 1997 carryover Administrative funds and \$65,580 of deobligations.

j/ Includes \$199,991 of uncommitted FY 1999 Underserved funds.

k/ Excludes \$474,628 of uncommitted grantmaking funds.

The organizational grantmaking categories, Leadership Initiatives and Partnerships funding mechanisms were correlated with the Endowment's revised Strategic Plan and Performance Plan. The resources required to carry out the annual Performance Plan were derived by reviewing baseline data for similar activity conducted in the past or at present and correlating estimates of applications, grants and leadership activity with the programmatic funding, staffing and other operational costs, such as space and automation needs, and program support necessary to effectively and efficiently implement the plan. Changes in programmatic funding level necessitate changes in the Salaries and Expenses and Program Support areas. These plans enable the Endowment to correlate increased or new programmatic activity and the resources necessary to carry them out.

B. Program Support

For FY 2000 we have expanded the Program Support area to include our Website and publications such as the Annual Report and "Guide to the NEA" since they also serve the fields. In the FY 2000 Request, we have increased support for the Office of Policy Research and Analysis to accommodate improvements in the national database on arts organizations initiated in FY 1998, and to allow additional testing and planning in preparation for the 2002 National Survey of Public Participation in the Arts (the fifth in a series of quinquennial national surveys).

Additionally, we increased Panels to cover the cost of reviewing the increased number of grant applications at the higher funding levels; guideline printing also increased in anticipation of increased demand for applications. Finally, we increased the allocation for Consultants to meet special needs for overview meetings.

Refer to the Program Support Tab for a more complete discussion of this area.

C. Salaries and Expenses

For FY 2000 the Endowment requests \$17.872 million for Salaries and Expenses; this represents 11.9 percent of total budget. By FY 2000, we will have completed the major portions of migrating from the antiquated, Wang Laboratories, Inc. main-frame computer to a LAN-based computer platform; we are not requesting funds for Computer Conversion as a separate line item. The FY 1998 Salaries and Expenses (formerly Operating Administrative) budget was held at the FY 1997 level which required us to absorb the FY 1998 ECI pay adjustment as well as uncontrolled cost increases for other goods and services. However, during the transition in Chairmanship, we experienced an unusually high staff attrition rate during FY 1998 and ended the fiscal year at a running level of about 143 Full Time Equivalents (FTE). For FY 1999, Congress appropriated \$16.5 million for Salaries and Expenses and \$977 thousand for Program Support; to this funding, we have added some FY 1998 carryover funds (resulting from the high rate of attrition)

and will be able to support 165 FTE. Moreover, we will have to absorb the cost of the 3.68 percent ECI pay adjustment approved for FY 1999 and an increase of \$106 thousand for GSA Rent.

The budget proposed for FY 2000 includes funds to cover the proposed 4.4 percent ECI pay raise and would support 173 FTE (167 staff, 4 Stay-In-School positions, and 2 President's Committee on the Arts and the Humanities (PCAH) funded with donated monies). It is interesting to note that when the Endowment's funding was at \$175 million, we had a ceiling of 273 FTE; at \$150 million, we are requesting an FTE level 100 FTE below the old ceiling. The additional staff will be needed to handle the anticipated increase in grant applications and grant awards in response to current efforts under ArtsREACH and the **Challenge America Initiative**. The additional FTE would be allocated to grantmaking activities.

We have been advised by GSA that we will be directed to move out of our present location at the Old Post Office building and this is likely to occur during FY 2000. Inasmuch as this is a directed move, GSA is supposed to cover the cost of the relocation. Based upon our experience with the move to this present location, the GSA moving allowance will not be adequate. We estimate that we could be faced with additional moving costs as high as \$1.4 million. In addition, GSA has advised agencies that rent costs for downtown space will increase to between \$38 to \$51 per square foot; currently, we are paying about \$34 per square foot. In projecting our GSA Rent cost for FY 2000, we used the GSA projections for the first half of FY 2000 and a rate of \$45 per square foot for the second half of the year. This is a conservative estimate which results in an increase of \$596,800 over the FY 1999 Rent cost. These issues will have to be closely watched and our space Rent estimate may need to be revised after this budget is submitted.

As of this time, our Local Area Network (LAN) is fully operational and we have contracted through the General Services Administration's Federal System Information Management Center (FEDSIM) for services to complete the migration of our corporate information systems from the Wang Laboratories, Inc. main-frame computer to a Year 2000 (Y2K)-compliant, LAN-based computer platform. Work is underway and the targeted completion date is the end of FY 1999. For FY 2000 we allocated \$100 thousand in the Salaries and Expenses budget for possible adjustments involving the new computer system. Using savings resulting from the lower FTE utilization rate in FY 1998, we were able to significantly accelerate the Computer Conversion project. Additionally, we were able to fund higher than initially anticipated for Y2K fixes for our Grants Management, Financial Management, and Automated Panel Bank Systems

VII. SUMMARY

This FY 2000 request represents an opportunity to take a bold step in placing the National Endowment for the Arts in a strong leadership position as we enter the 21st Century. We believe the **Challenge America** initiative will do much to broaden access to the arts by greater numbers of Americans, stimulate support for and strengthen arts organizations and benefit individual artists throughout America and connect communities and families to the arts in ways that has never happened in the past. This request also demonstrates an unprecedented collaboration between the Arts Endowment and its partnerships with the State Arts Agencies in each state and jurisdiction. The awards made possible through our **projects and initiatives**, through the states, and with a much needed infusion of funds for **Challenge America**, demonstrate that investment in the arts is an investment in our communities and our children.

CHALLENGE AMERICA

I. THE NEED

Challenge America is a goal oriented program which will target \$50 million in new funding resources for five specific purposes: **Arts Education, Youth At Risk, Cultural/Heritage Preservation; Community Arts Partnerships; and Access to the Arts.** At the center of this initiative and achievement of these purposes is the formation of partnerships which will strengthen families, communities and the nation through the arts. Existing partnerships will be strengthened and new ones formed with the public, private and nonprofit sectors including State Arts Agencies, regional and local arts organizations; business and the private sector; teachers, schools and community organizations; and artists and arts organizations to achieve these five purposes.

Challenge America is the Endowment's effort to answer the need to create a range of arts activities that connect with communities and families; that is responsive to the public's demand for an initiative that reaches out and makes sure that the services that the Endowment has been nurturing for the last 30 years are available to everyone; and that uses the strength of the arts infrastructure that the Endowment has helped to create to place art at the center of community and family life. While the Endowment will continue to be concerned about and address art-making and strengthening organizations, **Challenge America** is about making sure that we have the reach and the community and citizen impact that we believe is an important part of our role.

In developing **Challenge America**, the Endowment worked closely with the State Arts Agencies and representatives of arts organizations, other government agencies, and the private sector to develop a common agenda and explore partnerships and strategies which will increase investments in the arts and strengthen the role of the arts in our nation's communities. **Challenge America** is a national coordinated effort to work together towards these common agendas.

The National Endowment for the Arts' **Challenge America** initiative will help ensure nationwide access to the arts. As a result of this strategic federal investment:

- State Arts Agencies will receive 40 percent of Challenge America grant funds, in accordance with standing Congressional policy, to support activities in their states which address the five specific areas named above.
- Approximately 1,000 communities, nationwide will receive small to medium sized grants through an expedited review process designed to make the NEA more user-friendly and accessible to traditionally under-represented areas of the country.
- Arts organizations in approximately 150 communities nationwide will receive large grants for comprehensive community based projects.
- Finally, the Endowment will fund 10 to 20 National Initiatives developed in partnership with other national organizations and Federal agencies to address the above-described agenda of **Challenge America**.

Challenge America is about the American people, their cultural legacy and creativity; about improving opportunities for the positive development of children and reaching out to at-risk-youth; and it is about making communities more livable places where families can come together and experience the arts.

As we enter a new century, the time has come for the federal government to make a significant, strategic new investment in strengthening America's families, communities and our nation through the arts. The National Endowment for the Arts, through **Challenge America**, will serve as the national catalyst in building and supporting partnerships which address **Arts Education; Access to the Arts; Youth-at-Risk; Cultural Heritage/Preservation; and Community Arts Partnerships** -- the coordinated common agenda of arts organizations, government agencies, the private sector and non-profit organizations.

II. WHAT WE COULD ACHIEVE WITH INCREASED FUNDING

The \$50 million increase in grantmaking funds requested for **Challenge America** would support a wide range of exciting new projects and initiatives which would be carried out through our direct grants, through leadership initiatives and through our partnerships with state, regional and local arts organizations. These projects support the Goals and Objectives articulated in the revised Strategic Plan and Performance Plan (included in this book) and the five priorities listed below.

In developing **Challenge America**, we worked closely with service organizations representing the various arts fields to see how they would address the five goals defined by **Challenge America**. In response to the proposed funding increase of \$30.211 million, the representatives of arts organizations identified a variety of programs that would result in well over 1,000 communities receiving support and help to leverage more than \$30 million in other funds. Under the **Challenge America** initiative, funds would be allocated as follows:

- **Arts Education:** Expanded support for programs that bring the benefits of arts education to schools, students, parents and teachers at a cost of \$5 million.
- **Access to the Arts:** Greater access to the arts for families and communities at a cost of \$7 million.
- **Youth at Risk:** Positive alternatives for youth at risk such as after school arts programs at a cost of \$5 million.
- **Cultural Heritage/Preservation:** Increased efforts to preserve our nation's cultural heritage at a cost of \$5 million.
- **Community Arts Partnerships:** Strengthening and development of partnerships that improve the livability of communities at a cost of \$8 million.

The type(s) of activities arts organizations would support and examples of proposed projects are listed under the five priority areas identified below.

We also sought input from the State Arts Agencies (SAA's) in the development of **Challenge America** to identify the type of projects they would support. Under the **Challenge America** Initiative, states would receive additional funds of \$19.789 million allocated as follows:

- **Partnership Agreements:** Each of the 52 states and jurisdictions (District of Columbia and Puerto Rico) would receive an additional \$225,000 for activities identified by SAA's for a total of \$11.7 million.
- **Arts Education Partnerships:** Expanded support for programs that bring the benefits of arts education to more schools in every state for a total of \$2.15 million.
- **Regional Presenting and Touring:** Greater access to the live performing arts for families and communities through the "NEA Regional Presenting Program" for a total of \$3.1 million.
- **Folk and Traditional Infrastructure Initiative:** Including both grants to SAA's/RO's and projects initiated by the Endowment for a total of \$1 million.
- **New Community Partnership Fund:** New or expanded partnerships that strengthen families and communities through the arts. Projects could involve after-school programs for youth, or other community partnerships for a total of \$1.839 million.

In response to the proposed funding increase of \$225,000 per state, as a group, 52 SAA's identified 251 separate programs for which they would use \$11.7 million of additional funds. The SAA's would be able to support an additional 4,043 project grants and help to leverage \$31.9 million in other funds. The type(s) of activities SAA's would support and examples of proposed projects are listed under the five funding priority areas discussed below.

Challenge America would address the following five priority areas. Essential to each of these activities is the formation of partnerships which will strengthen families, communities and the nation through the arts.

A. Arts Education

1. **Through Direct Grants**, awards would be made in approximately 220 communities and two national initiatives would be undertaken. Increased funds would be used to support collaborations and partnerships for lifelong education in the arts for all including: programs in the arts for young people; expanding community-based arts education programs for children and adults; making the arts a part of basic K-12 education in American schools; encouraging professional development activities for arts professionals and teachers; and increasing public understanding of the arts. For example:
 - **Arts in Basic Education:** Grants would be awarded to support the following types of projects: To expand the existing school-based arts infusion programs such as the one run by the **Greater Augusta Arts Council of Georgia** which combines a comprehensive, sequential curriculum-based program infusing the arts into the curriculum on the same level as other core subjects. Another project designed to increase the number of early childhood literacy readiness projects, similar to the one currently administered by the **Wolf Trap Foundation for the Performing Arts** in Vienna, VA. A third type of project involves supporting city-wide arts education plans like the one developed in **Richmond, VA** between local school districts and local arts agencies to integrate arts education into local schools; this project included hiring and training of teachers and artists to work in the schools.
 - **Expansion of school partnerships:** Grants would be awarded to implement partnerships to establish arts education programs in local schools. For example, a textbook series, such as **OPERA America's Music! Words! Opera!** curriculum, developed by opera experts and teachers, has been successfully used by teachers and their artist partners in classrooms across the country. Grants also would be awarded for programs such as the **Akron Art Museum's** education program which involves adopting a local school and having the students attend special activities at the museum; in addition, a part-time person would work with students at the school. The program also includes a studio class for teens and art appreciation/art history classes for adults.
 - **Expansion of inner-city and low-income arts education programs:** Grants would be awarded to help communities and artists form sustainable partnerships aimed at arts education for underserved children and youth. An example is the **American Musical Theater Festival** in Philadelphia, PA, which received a grant to support **The Digital Youth Network**, a musical theater, technology and

education project with WHYY Public TV and Philadelphia middle schools; this program links inner-city students creating original works of art with their peers in other communities through live video and Internet communications. The project serves as a model for placing top-quality artists in contact with students who have little or no opportunity for arts education. Projects such as the Building Bridges Through the Arts program run by the Christina Cultural Arts Center in Wilmington, DE also is a model to provide opportunities for urban children, limited by educational and economic constraints, to participate in arts programs aimed at broadening understanding and appreciation of African-American culture. This project will involve 75 disadvantaged urban youth who will be introduced to creative forms of self-expression via music, dance, drama and the visual arts. Students work will be presented in public exhibitions and performances.

2. Through Partnerships with the State Arts Agencies and their Regional Arts Organizations, increased funding from the Endowment would be used to support: artists' residencies in schools; initiatives that raise educational standards by incorporating the arts into the K-12 curriculum; collaborations among arts, education and community organizations; and learning in the arts for people of all ages. For example:
 - The Illinois Arts Council would collaborate with arts and education organizations to develop programs that encourage parents to attend and discuss arts events with their children. The programs would include event-specific materials to assist parents and children to share arts experiences. They would also include ticket subsidies to assist parents. The initiative would especially target generations of parents who received little or no arts education in their school years.
 - The Utah Arts Council would help an underserved rural school engage an artist to create a public artwork. The residency would be designed to emphasize and involve the students in the process as well as in the resulting work of art.
 - In Michigan, 15 county fairs and community arts agencies would join to support artist residencies in rural communities. Each artist would work with area youth to create a project for the fair, as well as demonstrate, conduct workshops, and create their own work during the fair. Collaborators include: extension agencies, youth groups (i.e. 4-H), Michigan State University, Michigan Department of Agriculture, and Michigan Association of Fairs and Exhibitions.

- Through New Hampshire's "Arts for the Elderly Initiative," eight grants would be awarded to county homes/nursing homes/subsidized housing for the elderly for extended artist residencies. A series of training workshops would be held for artists and program coordinators for seniors. This initiative would draw on the healing power of the arts and connect seniors with their own creativity.

B. Access to the Arts

1. Through Direct Grants, awards would be made in approximately **240 communities** and two national initiatives would be undertaken. Increased funds would be used to support collaborations and partnerships which provide access to the arts for all including projects which: increase availability of arts activities for persons in rural and inner-city communities; widely tour, broadcast, exhibit, present and publish artistic work; and use new technologies to bring the arts to the public. For example:
 - ArtsREACH: ArtsREACH, the Endowment's new successful targeted initiative, broadens public access to the arts by targeting Endowment grants to specific areas of the country which have previously been under-represented in the agency's direct grant awards. ArtsREACH implementation grants support arts activities, developed through community cultural plans, which strengthen the role of the arts in addressing community concerns and broaden access to the arts. With increased ArtsREACH funding the Endowment will:
 - Provide targeted ArtsREACH implementation grants to support arts activities designed to strengthen the role of the arts in addressing community concerns in the 20 states which received ArtsREACH cultural planning grants in FY 1998 and FY 1999.
 - Expand the number of states/areas eligible for ArtsREACH implementation grants.
 - Access Grants to Organizations: Communities with limited access to performances, exhibitions, and films will broaden opportunities for citizens to participate in forms of the arts to which they normally have not had access, through Access Grants awarded to museums, arts organizations, libraries and other community organizations which present the arts.

- **Presentation Grants:** Arts organizations in communities across America will receive grants to support the creation and presentation of the arts to their citizens. Projects would be supported such as the one conducted by the **Miami-Dade Community College** in Miami, FL, which focus on activities to engage audiences and give the local community increased opportunities to deepen their understanding of targeted art forms; the program provides discipline-based artists' residencies in music, Hispanic theater and jazz as part of arts access and audience building. Teams comprised of members of the Cultural Affairs staff, faculty from the School of Arts and Humanities, community-based artists and professionals, and nationally and internationally recognized artists will work together on residency plans.
- **Music/Theater/Dance Performances in Museums:** Programs would be supported such as the "International Performance Series" mounted by the **Cleveland Museum of Art** (Ohio). This series features music, theater and dance performances from a wide variety of cultures, usually linked to cultures and nations featured in special exhibitions. Audiences have been large and the programs have been well received.
- **Touring to Smaller Communities:** Grants would be awarded to support national touring of performing arts such as theater and opera. The touring would include new works as well as the standard repertoire, and bring live experiences to smaller communities. Touring programs would work in association with local presenters, universities and/or community theater and/or opera companies to reach communities outside major urban centers. Projects such as **Alabama Shakespeare Festival, Inc.**, Montgomery, AL, will tour **Taming of the Shrew** to underserved communities in the Southeast and surrounding regions including South Carolina, Arkansas, Tennessee and Louisiana. Another project which could be replicated is the **Des Moines Metro Opera, Inc.**, Indianola, IA, is a three state, nine-week tour of a new opera, **Rumpelstiltskin**, which will include 320 interactive classroom workshops and 80 performances at public and private schools, concert halls, retirement homes and health and human service agencies.
- **Expanded Venues for the Arts:** Projects would be supported to expand the presentation of arts to community auditoriums, libraries and churches. Projects such as the **University of Iowa/Hancher Auditorium's** audience development residency with the Colorado String Quartet increased audiences for chamber music among church-goers and library users. The Colorado Quartet worked

with the clergy, congregations, music directors, organists and choirs in activities that culminated in the integration of chamber music into Sunday worship services. A book discussion series in libraries helped audiences learn more about chamber music.

2. Through Partnerships with the State Arts Agencies, increased funding from the Endowment would be used to support: touring and presentation of exhibits and performances; arts festivals and fairs; and distribution of information and artwork through various channels, including broadcast and the Internet. For example:
 - The Nevada Touring Initiative would provide a roster of performing artists/companies and writers to community/arts organizations statewide. This program would enable artists to create and present new work, provide community partnership opportunities for presenting organizations, and expand access to cultural experiences for a growing audience.
 - The Alabama State Council on the Arts would commission a film documentary of the arts and artists of Alabama, past and present. The one-hour film would be broadcast on Alabama Public Television in the year 2000. Traditional and contemporary artists in all disciplines would be featured, and the film would be made available to county libraries and contain a curriculum guide for teachers.
 - The Washington State Arts Commission would expand access by digitizing 4,500 artworks from the state public art collection, making them available via web site and CD-ROM. A virtual "Tour" of the artworks, funded through the state's percent for art program, would be organized by artist, region, medium, year, or route traveled.

Through Partnerships with the Regional Arts Organizations, increased funding from the Endowment would be used to ensure that underserved communities in every part of the country continue to enjoy access to the live performing arts through the assistance of **regional touring networks**, developed by six **Regional Arts Organizations** (RAOs) in partnership with their member SAAs and the Endowment. These programs encourage block booking to reduce costs, provide fee subsidies to bring costs of events within the reach of families, and offer training and technical assistance to local arts presenters, who are often community volunteers. With excellent music, theatre, and dance performances available in their communities, families are encouraged to attend cultural events together. Unfortunately, funds for such activities have fallen far short of the growing demand. The RAOs report unmet demand of \$4.4 million in funds requested by 398 qualified community presenting groups in 1998.

They estimate that unmet demand would be far higher if more funds were available and touring programs more widely marketed.

With the goal of giving more Americans direct access to quality performing arts experiences, we propose to build on the existing regional network to create an **NEA Regional Performing Arts Touring Program**. \$3.1 million would be added to the \$1.9 million currently available to create a total fund of \$5 million. With this investment, support would reach 1,200 new communities and involve 3,500 engagements of artists/companies in FY 2000. In addition to performances, every engagement would include a school or community educational program, with each program reaching an average of 200 students. To prepare communities to benefit from engagements, the NEA Regional Touring Program would provide training for participating teachers, artists, and community presenters. The latter group would include volunteers, working behind the scenes to bring the arts to their communities.

C. Youth-at-Risk

1. **Through Direct Grants**, awards would be made in approximately **220 communities** and two national initiatives would be undertaken. Increased funds would be used to support collaborations and partnerships, which help improve the lives of children and youth who are at risk, through projects that provide after school and other positive alternatives. For example:
 - **After-School Youth Arts Programs**: Studies and evaluations have shown that arts programs designed for youth-at-risk are highly effective in altering the course of troubled lives. The Endowment would provide grants for national demonstration projects in communities which young people with creative after-school learning opportunities. We would support projects similar to **Out of the Dumps** run by the **Metropolitan Arts Commission** in Nashville, TN, in which the local arts agency partners with the local public housing authority on a community beautification project. Local arts teachers teach youth living in public housing to design, paint and preserve murals.
 - **At-Risk Youth Partnership Initiative**: The NEA in partnership with other federal agencies will support model projects which demonstrate and document the value of working with arts organizations to create positive alternatives for at-risk youth. We would support projects such as the **Conflict Resolution Education in the Arts** partnership with the U.S. Department of Justice (DOJ), which provides conflict resolution education, training, and technical assistance to arts programs for youth in high-

risk environments. The Arts Endowment and DOJ also undertook a national demonstration program designed specifically to involve the arts in community delinquency and violence prevention efforts. The Arts and At-Risk Youth Program will support multi-component arts programs that integrate arts activities, job skill development, work experience, and conflict resolution training for high school youth during non-school hours.

- **Students as Teachers:** Grants would be awarded to museums and other arts organizations to develop programs such as those that train students to teach other students about the arts. For example, the Fine Arts Museums of San Francisco developed the "Museum Ambassadors" program which places high school students in museums to teach younger visitors about the exhibitions. The "Docent for a Day" education program operated by the David and Alfred Smart Museum of Art, Chicago, IL, introduces 5th graders from Chicago's south-side public schools to the basic elements of art with the objective of having them select a favorite work and having them present it before an audience of students, teachers and parents; the program aims to develop a student's self confidence and involve the parents in the learning process and its rewards. In another innovative project, the Cleveland Museum of Art (Ohio) in cooperation with local chapters of Save our Sons/Save our Sisters, brings at-risk high school students into the museum to serve as paid assistants in their education program. Students assist with studio arts classes, give tours of the collection to their peers, and work alongside the professional staff in a variety of jobs.
- **Peer Mediation:** Studies and experience has shown that the arts can be used effectively in resolving day-to-day conflicts and preventing violence between young people. Grants would be awarded to arts organizations to form partnerships with local service organizations to reach at-risk youths in low income neighborhoods. For example, dance companies could offer dance classes and couple peer mediation and drug intervention.
- **Community Learning Centers:** Projects could be funded through museums to address youth residing in Empowerment and Enterprise Zones. Museums currently engage in projects supported by the U.S. Department of Education which operate in areas with populations in need.

2. Through Partnerships with the State Arts Agencies and their Regional Arts Organizations, increased funding from the Endowment would be used to work with arts and community organizations to develop and support arts programs that provide **positive alternatives for youth** at risk. For example:

- The Ohio Arts Council would initiate a new grant program providing funds to arts and non-arts organizations that serve at-risk youth through arts programming in any discipline. Funded programs would have to reach children within the K-12 age group and should include interactive, participatory arts activities. Programs would be free and held at times when youth would be most apt to participate, i.e. after school on weekdays or on weekends.
- The South Dakota Arts Council would expand its artist in school residency program to include after school sites and local facilities for youth at risk. Twelve artists would work at 35 sites and reach 30,000 young people.
- The West Virginia Arts & Humanities Section would support grants to five arts organizations, working in partnership with community organizations, to design and implement after school arts programs for at-risk youth.

D. Cultural Heritage/Preservation

1. Through Direct Grants, awards would be made in approximately **220 communities** and two national initiatives would be undertaken. Increased funds would be used to support collaborations and partnerships which preserve our cultural heritage including projects which preserve the art works, artifacts and artistic practices for our nation's many cultural traditions and increase public awareness of our cultural heritage. For example,
 - **Heritage & Preservation Grants:** Communities will survey and document their cultural assets to preserve our nation's cultural heritage for the 21st century through Heritage and Preservation grants awarded to museums, arts organizations, and film archives. Museums and arts organizations would receive grants to conserve highly significant works of art, artifacts and collections. To preserve our cultural heritage, we would fund projects such as: the **Davis and Elkins College**, Elkins, WV, project which supports the West Virginia Folk Arts Apprenticeship Program that pairs traditional artists with a new generation of practitioners for one-on-one instruction, and outreach initiatives focusing on West Virginia's

smaller ethnic communities; and the **Delta Blues Education Fund**, Clarksdale, MS, which supports the Delta Blues Education Program, including classes, performances, and residencies with master Delta Blues musicians teaching a core group of apprentices daily for one year, helping to preserve an important American art form.

- **Cultural Heritage Trails Initiative:** Citizens throughout the country would be able to discover their heritage through cultural heritage trails, a federal partnership which is being developed between the DOT and the NEA. For example, the **American Music Trail**, which traces the roots and movement of American music forms such as jazz which began in New Orleans and moved north to Chicago, is currently under production.
- **Cataloguing of Works:** Many museums have valuable collections which are not even catalogued. Projects would be awarded to museums such as the **New Orleans Museum of Art** which would catalogue its Asian art collection that includes an under-researched trove of Japanese objects.
- **Local Traditions Initiative:** A national Local Traditions Initiative would be supported in partnership with community-based local arts agencies to identify artists that reflect local heritage and develop new programs to make them more a part of community life. Endowment seed funding would assist local agencies in creating and stabilizing new, professionally-staffed programs to work pro-actively in their communities to strengthen and make more visible their traditional folk arts heritage. Local arts agencies would be expected to assume support for these programs and positions after a period of time.

2. **Through Partnerships with the State Arts Agencies and their Regional Arts Organizations,** increased funding from the Endowment would be used to expand efforts to **document and preserve cultural heritage:** by recognizing and supporting the work of master folk artists; by supporting apprenticeships in the traditional arts; by supporting festivals, on-line sites, and heritage trails; and by supporting the work of state folklorists. For example:

- The **Colorado Council on the Arts** would provide six heritage awards to individual master folk artists to recognize their excellence and enable them to pass on skills and wisdom related to their traditional art forms.

- The **Idaho Arts Commission** would support folk life documentation and training for community scholars to enhance and preserve Idaho's cultural heritage. The project would: identify new community scholars; train new and known community scholars; enhance the quality of the apprenticeship program; and provide technical assistance to folk and traditional artists ready to tour or exhibit.
- The **Wisconsin Arts Board** would create cultural heritage trails to expand public opportunities to explore the state's diverse cultural regions. The project will support the documentation of traditional cultures within different areas of the state, resulting in local events and/or exhibits highlighting regional culture.

E. Community Arts Partnerships

1. **Through Direct Grants, awards would be made in approximately 250 communities** and two national initiatives would be undertaken. Increased funds would be used to support collaborations and partnerships which assist community building through the arts including projects which: promote and use the arts to make communities more livable, help community-based coalitions apply arts-related solutions to economic development and social issues, and enhance public awareness of the importance of the arts to communities. For example,
 - **ArtsREACH**: The Endowment's new successful targeted grant and technical assistance initiative, ArtsREACH, strengthens the role of the arts in addressing community concerns and building community arts partnerships through cultural planning. ArtsREACH also provides technical assistance to specific areas of the country which have been previously under-represented in the agency's direct grant awards. In FY 1998 and FY 1999, due to limited funding, the Endowment had to limit the areas eligible for ArtsREACH cultural planning grants to only 20 states. The need to reach additional underserved states/areas is far greater. With increased ArtsREACH funding, the Endowment will:
 - Expand ArtsREACH to provide grants to support community cultural planning in additional states/areas that may not have reached their full potential in cultural planning and development.
 - Expand opportunities for targeted technical assistance to organizations in under-represented areas to encourage more competitive grant applications to the Endowment and other sectors.

- **Community Foundation Challenge:** Community foundations or similar community investment organizations in communities would participate in a pilot program to create or expand local endowments to help build an infrastructure of community support to ensure that their citizens have access to a rich cultural environment through strengthening private support for artists and arts organizations. The Endowment's challenge will help communities create opportunities to attract new philanthropic donations to the arts and protect the transfer of America's cultural legacy to future generations.
 - **Mayors' Institute in City Design:** Mayors from additional communities would be able to participate in the very successful Mayors' Institutes in City Design through the addition of five regional institutes, working with professional designers and architects, to address problems faced in the design of their cities.
 - **ArtsSHARE:** ArtsSHARE Residencies, would enable American artists and communities to share with other countries, this nation's cultural heritage and creative inspiration.
 - **Community Public Art Initiative:** Citizens in communities will benefit from public art commissioned by local governments and arts agencies to celebrate American creativity at the turn of the century.
2. **Through Partnerships with the State Arts Agencies and their Regional Arts Organizations,** increased funding from the Endowment would be used to **build community partnerships** through support for local arts agencies, community-wide cultural planning, creation of partnerships for cultural tourism, and community design initiatives. For example:

The **Alaska State Council on the Arts** would make grants to five rural communities and village councils to implement arts-centered economic development or community revitalization projects. The agency would also provide 15 incentive grants to stabilize existing local arts councils and support emerging culture centers and local arts councils.

- Seven additional sites would participate in the **Iowa Arts Council's** three-year community arts development process, which fosters long-term collaborations among community groups, educational institutions, and local artists. Activities include training, cultural planning, resource development, and evaluation. The program is implemented in partnership with the U.S. Department of Agriculture, Rural Development Office.

- The ~~South Carolina Arts Commission~~ would build on the South Carolina Mayors Design Institute to provide follow-up services for communities of participating mayors. Mayors, other city officials, and civic leaders would receive intensive technical assistance and facilitation focused on community design challenges that they have identified.

ENDOWMENT PROJECTS AND INITIATIVES

I. THE NEED

We believe that art is essential to the American experience. It provides the avenue through which people of very different backgrounds can communicate and find a common language and share their individual experiences and learn from the backgrounds of others. When you look hard at the way Americans live and talk to one another, you see art at the very center of how they define themselves to their neighbors and also the way we collectively define ourselves to the outside world. When we look for solutions to community problems, we go to art as a means of communication and as a means of personal expression. You see art being absolutely at the center of the American experience and the center of community life. Family heritage, a sense of place, a sense of cultural identity, as well as a national identity, is embedded in the art that people create, experience and perform every day. This is a time at which our society should secure its hold on its cultural past and make sure that cultural past is conveyed effectively to young people in the new millennium.

The Endowment's ongoing programs have led to the extraordinary growth of non-profit arts organizations in America over the past 30 years and the development of an intricate infrastructure of arts support. Endowment funding also has fueled the establishment of State Arts Agencies in all 50 states and territories. The growth of non-profit arts organizations has resulted in more jobs for artists, for support personnel, for neighboring businesses, construction and repair workers, printing and advertising firms, maintenance workers, parking lot attendants, etc. More Americans are reached by the arts today than even the founders of the Endowment could have imagined; more communities are enriched than ever thought possible when the Endowment was established. The economic impact of the arts is staggering. For example, the arts create over a million full time jobs; over \$25 billion in salaries, wages and entrepreneurial income; some \$800 million in local government tax revenues; over \$1 billion in state government tax revenues; and more than \$3 billion in Federal taxes.

There is a human side to the growth of the non-profit arts sector -- the effect on our children. The Endowment has a long history of supporting programs which bring the arts to schools and other venues, thus assuring that children and adults of all ages and ethnic and economic background can experience the arts. When the arts are integrated into the school curricula, they stimulate creativity, curiosity, discipline and deeper involvement with other academic pursuits; children who participate in the arts in school do better academically. Endowment programs that reach at-risk youth, who have dropped out of school or have exhibited antisocial behavior, help these youth discover their potential and brighten their prospects.

Through the Endowment's ongoing projects and initiatives:

- State Arts Agencies will receive 40 percent of all grantmaking funds, in accordance with standing Congressional policy, to support activities in their states which further the Endowment's mission of making excellent art available to as many American's and communities as possible.
- Approximately 1,350 organizations will receive grants to support projects and arts activities which provide increased opportunities for Americans to experience the arts regardless of their economic situation or geographical location; the arts enrich the lives of citizens and stimulates the economic well-being of their communities.
- Some 44 Leadership Initiatives will support projects of national significance as well as projects designed to help American's celebrate the Millennium.
- Award about 40 fellowships to outstanding individuals in Literature -- over the years numerous Literature Fellowship recipients have gone on to receive major awards such as the Pulitzer Prize, National Book Award and MacArthur Fellowships.
- Continue annual events to honor masters in the Folk and Traditional Arts through National Folk Heritage Awards and masters in the field of jazz through Jazz Masters Awards.

It is imperative that we continue to support our ongoing programs and initiatives to protect the investment in the non-profit arts which the Endowment has made for over 30 years. We believe the structure currently in place will allow us to continue to support the exemplary projects which are discussed below. All these efforts will be complemented by the **Challenge America** initiative, the next logical step in linking the non-profit arts infrastructure more closely with American's in communities, large and small, throughout the land.

II. FUNDING CATEGORIES

FY 1999 is the third year of operation under our new structure and processing applications under four cross-disciplinary categories, Partnership Agreements, and Leadership Initiatives. Based upon our experience with the new categories and feedback from the fields, for FY 2000, we are splitting the four categories into five categories: **Heritage & Preservation**, **Creation & Presentation**, **Access, Education and Planning & Stabilization**; in addition, grants will be processed under **Leadership Initiatives** and **Partnership Agreements**. During the FY 2000 application cycle, we plan to suspend funding for Planning & Stabilization while we conduct a major reassessment of its support for organizational stability in order to determine the best approach to respond to the needs of arts organizations. Applications received for FY 1999 Planning & Stabilization grants will be processed, but for FY 2000, we will

only provide interim funding for projects that offer services to the field and respond to vital issues affecting the professional needs and goals of artists and arts organizations. For FY 1998 and FY 1999, organizations were limited to one category application per grant cycle, except when they apply as a consortium with other entities. (Assuming full funding for **Challenge America**, organizations could apply for a second grant under the **Challenge America Initiative**.) Under Congressional mandate, we have also limited direct grant awards to individuals to Literature Fellowships, American Jazz Masters and National Heritage Fellowships in the Folk and Traditional Arts.

Each of the five categories is described below, followed by a brief description of Leadership Initiatives and Partnership Agreements.

HERITAGE & PRESERVATION

The Arts Endowment's goals through this category are to 1) honor, assist, encourage, and present those artists and forms of artistic expression and practice that reflect the many cultural traditions that make up our nation; and 2) document or conserve highly significant works of art, artifacts, and collections of art .

Heritage

The primary goal of this theme is to strengthen and make visible America's living cultural heritage. Projects include festivals, exhibits, and other public presentations of artists and art forms that reflect our diverse cultural traditions; apprenticeships or other forms of instruction that pass artistic repertoire, techniques, and traditions on to future generations; technical assistance to traditional/folk artists; publications, broadcast, or recordings that disseminate our artistic heritage; and projects that increase the public's awareness of and appreciation for their local, regional, and national cultural heritage.

Preservation

This funding theme seeks to preserve for future generations the significant artistic accomplishments of our national culture. Projects include models of preservation; conservation of important works of art; documentation of choreography or other forms of creative work; recordings of significant works by American artists; and documentation of methods of teaching or making art.

ACCESS

The Arts Endowment's goals through this category are to 1) broaden, diversify, and increase the kinds of arts events or activities available to the American public; and 2) provide access to arts experiences in communities where such activities are not readily available. This category supports projects that provide a broad public with access to excellent art, while increasing understanding and appreciation of our heritage and culture.

Access projects often seek to reach: Those in underserved areas; those whose opportunities to participate in the arts may have been limited by educational, geographic, ethnic, or economic constraints; and individuals with disabilities and older adults. Projects may include, but are not limited to: Exhibitions, distribution, and other activities that provide access to a broad and diverse range of art in a variety of settings that may include arts spaces, schools, community centers, parks, etc.; outreach projects which involve diverse communities in partnerships; touring performances to rural, state-wide, or multi-state areas; national broadcasts of significant television or radio programs on the arts; innovative uses of new technology to enhance and strengthen public access to the arts; and Collaborative projects that reach different or new audiences.

EDUCATION

The Arts Endowment's goals through this category are to 1) help ensure that the arts are basic to the education of children and young adults in grades pre-K through 12; 2) expand opportunities for children and adults to participate in and increase their understanding of or skills in the arts; and 3) provide professional development opportunities for artists, arts professionals, and teachers. The Endowment regards the direct involvement of artists and, where appropriate, the use of original works of art in all forms, and live performances as crucial elements in excellent Education projects.

For the purposes of this category, the Arts Endowment takes an encompassing view of the term "education." The Endowment supports lifelong learning in the arts: the arts should be an integral part of education, not only for children and young adults during their elementary and secondary school years, but for Americans of all ages, in settings in and outside the formal classroom. Within this broad framework, the Arts Endowment provides support for both curriculum-based projects and other types of educational activities that may be undertaken by arts and other organizations.

Curriculum-based projects focus on the arts in grades pre-K through 12 and are intended to have an impact on the curricular and instructional areas of a school or a broader educational system. Project activities may take place within or outside of a school setting and during or outside of the school day and year, but they must involve a systematic, curricular approach to engaging students to increase their knowledge about and/or skills in the arts.

Field/Discipline-based projects include a variety of learning activities for children, youth, or adults that are conducted by arts organizations or artists and that involve learners in activities designed to increase their understanding of or skills in the arts. These include projects in schools or that involve school-age children where the primary intention is not to affect significantly a school's curricular and/or instructional approach.

CREATION & PRESENTATION

The Arts Endowment's purpose through this category is to 1) increase the number of artistically excellent works that are created and presented to the public, and 2) expand opportunities for artists to interpret, explore, and create work.

Creation and Presentation are two themes through which the Endowment attempts to fulfill its purpose. Projects may involve creation, presentation, or both. However, applicants must choose on the application form the one theme that addresses the primary goal of their project (e.g., Creation) according to the following descriptions.

Creation

This funding theme seeks to assist the creation of excellent work in the various art forms, both within or across artistic fields and disciplines. Projects include opportunities for artists to create and refine their work, such as commissions, residencies, rehearsals, workshops, or design charrettes; and the development, re-creation, or imaginative reinterpretation of specific works. Creative film, video, and audio works, and works that use new technology are included.

Presentation

The goal of this funding theme is to make available creative and inspired artistic works of all cultures and periods through public presentation, exhibition, performance, and publication. Projects include touring, festivals, media broadcast, literary publishing; collaborations within or across artistic fields and disciplines; premieres and second or subsequent productions of new American works; and new technology that assists in the presentation of work. Many projects incorporate both creation as well as presentation aspects.

PLANNING & STABILIZATION

The Arts Endowment's goal through this category is to strengthen arts organizations' ability to realize their artistic and public service goals by becoming more effective, adaptable, and stable organizations. During the FY 2000 application cycle, we plan to suspend funding for Planning & Stabilization while we conduct a major reassessment of its support for organizational stability in order to determine the best approach to respond to the needs of arts organizations. We will limit Planning & Stabilization during this time to **Services to the Field**, which is offered for FY 2000 only to provide interim funding for projects that identify and respond to vital issues affecting the professional needs and goals of artists and arts organizations. Funding for this cycle is limited to projects that serve a broad constituency of artists and arts organizations beyond the applicant organization. Priority will be given to organizations that exist primarily to provide services to other organizations.

LEADERSHIP INITIATIVES that will advance the arts significantly, and that have demonstrable national or field wide importance. Millennium Projects that are supported as Leadership Initiatives must have project activity nationwide, and must incorporate significant community participation as a primary element of the project.

PARTNERSHIP AGREEMENTS consolidate grants to state and regional arts organizations into a single agreement. State Partnership Agreement awards include three components: non-competitive support for basic state plans to address priorities identified at the state level; a combination of competitive and non-competitive support for those elements of the plans that specifically address arts education; and a combination of competitive and non-competitive support for those elements of the plans that foster the arts in underserved communities. Multi-state regional organizations receive Partnership Agreement awards to support plans that address, among other things, touring and presenting of the performing arts. The new system, now in its third year, has reduced paperwork and contributed to a more comprehensive understanding of each agency's plans and activities.

Most of the 56 state and jurisdictional arts agencies (SAAs) were created in response to the national example and financial incentive provided by the Arts Endowment. As recipients of funding from the Arts Endowment, SAAs are responsible for meeting standards of accountability that call for: Inclusive planning; responsive plans; evaluation of performance in relation to plans; fair decision-making; leadership in arts education, local cultural development, and cultural diversity; and reporting on funded activities, in accordance with the National Standard for Arts Information Exchange.

As the partner agencies of the Arts Endowment, SAAs greatly extend the Endowment's reach and impact, converting national leadership into local benefit. As they carry out their state plans, they work cooperatively with the Endowment to carry out a national plan with common goals related to: Access; Creativity; Arts Education; Preservation; Organizational Stability; Community Arts Development; and Partnerships.

III. PROJECTS SUPPORTING STRATEGIC GOALS

The revised Strategic Plan established seven over-arching programmatic goals which are implemented through our grantmaking activities. To help in understanding the types of projects which will be funded under each goal, examples are provided.

The Arts Endowment awarded more than 1,200 grants in FY 1998 under the second year of its new category structure. These included grants to organizations for projects, partnership grants to state and regional arts agencies, a limited number of fellowships to writers, jazz masters, folk and traditional artists, and grants for leadership activities. Each of these grants addressed at least one of the agency goals described earlier in this request. Following are examples of outstanding FY 1998 projects organized by primary goal.

Access

This goal seeks to broaden public access to excellence and diversity in the arts. In FY 1998, grants under the Education & Access category (which we propose to split into two separate categories in FY 2000) supported projects whose primary goal was access.

The small towns of Vermont's "Northeast Kingdom" still exemplify such classic American ideals as self reliance and listening to the voice of the people. **Grass Roots Art and Community Efforts, in Hardwick, Vermont**, was awarded a grant of \$9,000 to support weekly community visual arts workshops in nearby Greensboro, as well as accompanying exhibitions. G.R.A.C.E. staff members provide materials and guidance for workshop participants, but offer no official instruction on technique or style. The program's maxim is "be yourself and do it your own way." The workshops, aimed primarily at students, the elderly, and the developmentally disabled, were carried out with community partners including Lakeview Elementary School, the Northeast Kingdom Mental Health Services, and the Town of Greensboro. The organization's activities are promoted through articles in local and regional publications as well as on programs such as Vermont Public Television's "Points North." A publication is planned documenting G.R.A.C.E.'s 20-year history of community arts projects.

Two thousand miles due west, **Vigilante Players, in Bozeman, Montana** received a grant of \$6,500 to support a multi-state tour of original and commissioned plays by regional playwrights. During 1998-99, Vigilante Players proposes a program of up to 50 performances in mainly rural areas of Montana and additional performances in **Idaho, North Dakota, South Dakota, and Wyoming**. Scripts chosen for production must have high artistic value and be suitable for school and general audiences. Since 1981, Vigilante Players has performed in 103 Montana towns and 45 communities in nine other states. The current project will make high-quality theater accessible to more than 16,000 people in rural and isolated communities.

While access is the primary goal of many theater companies, some have a secondary goal of educational outreach. An excellent example is found in **Lexington, Virginia** where **Lime Kiln Arts** received a \$10,500 grant to support a touring and artists-in-residence project. Lime Kiln Arts' resident company creates and performs theater works based on Appalachian folktales and legends, enhanced by traditional music from the region. Lime Kiln's easily transported shows now reach an audience of more than 40,000 annually, primarily in artistically underserved rural communities. The education component places resident theater artists in schools where they work with teachers and community liaisons to train students in teamwork, creativity, and self-expression. This effort reaches up to 1,400 children in 70 classrooms in eight rural counties during the school year.

Access is also a goal of many projects in large and medium-size cities. For example, **Selma M. Levine School of Music in Washington, DC** received a grant of \$10,000 to support the 1998-99 Public Housing Youth Orchestra (PHYO) program. This program provides free weekly, after-school music instruction, artist mentoring, and performance opportunities for at-risk youth. Launched in 1994, the PHYO is designed to served up to 100 public-housing residents ages five through 18 and their families. The students receive weekly instruction in small groups, visit Washington cultural institutions, and participate in public recitals. The program focuses on mastery of skills in piano, violin, percussion, clarinet, saxophone, and voice and exposes students to effective role models - professional musicians from diverse cultural and ethnic backgrounds.

The **Canton Symphony Orchestra in Canton, Ohio**, also received \$10,000 last year to support an expansion of another unique access program. The grant supported the expansion of the Steel Band Outreach program to include students in grades five through eight. Steel Band Outreach began in 1995 as a result of classroom teachers requesting the Canton Symphony to provide participatory experiences for children. Initially, symphony musicians taught fourth grade inner-city students rudimentary musical skills through steel drum classes. The symphony now has more adequate facilities, instruments, and personnel to expand the program to older students as well as to families of those students and to senior citizens.

Ohio also has a substantial non-urban population. **Mad River Theater Works in West Liberty, Ohio** has a highly-regarded program that not only provides rural audiences with access to musical theater, but engages them in the creative process. Mad River received a \$10,000 in 1998 to support creation of a new play with music exploring the history of the Underground Railroad in Ohio. The project not only gives underserved rural communities access to musical theater via a regional tour of the production, but the piece itself - "Liberty Line" - was based on original research and oral history interviews conducted in small towns with students, teachers, local officials, and other community members. "Liberty Line" is touring in schools, community centers, and non-traditional venues such as grange halls and senior citizen centers. Mad River's synthesis of professional theater and community participation has reached annual audiences of more than 45,000 for recent productions.

Another example of an access/creativity hybrid can be found in, **Minneapolis, Minnesota**. **Minnesota Opera Company** received a grant of \$8,000 to support the commission, production, and Upper Midwest tour of *The Faerie Tayle Opera*, the first in a series of 30-45 minute operas for children based on folk tales from diverse cultures. The program will provide opportunities for local artists to write, compose, and perform new works for children, and for regional colleges and universities to partner with the Minnesota Opera in presenting the works. *The Faerie Tayle Opera* will enable children to experience opera, and gain a deeper appreciation of the art form while learning about various cultures. The Minnesota Opera will provide four to six principal singers, a director, and a music director. Costs for touring to rural and inner-city areas will be reduced by using college and university music students in the performances.

Senior citizens were the focus of a project supported by a grant of \$8,500 to **Senior Arts Projects of Albuquerque, New Mexico**. The project, entitled **Connecting People Through Arts**, included workshops, performances, exhibitions, and an oral history project conducted in conjunction with several other arts organizations and the city government. Seniors participated in calligraphy classes, attended performances of traditional dance and music with schoolchildren, and participated with younger family members in pottery, mask making, Mexican folk dance, and paper cutting workshops at South Broadway Cultural Center. In the addition, the project includes an oral history with seniors at the Barelans Senior Center and concerts by musicians Antonia Apodaca and Cipriano Vigil who have each been performing music of northern New Mexico for more than half a century.

Media projects are particularly well-suited to the goal of access. In **Los Angeles, California, L.A. Theatre Works** received a grant of \$50,000 to support distribution of a package of plays on audio cassette to 1,250 underserved public high schools nationwide for use in classrooms and school media centers. Since 1986, L.A. Theatre Works has created the largest audio library of contemporary American and classic drama in the United States. The 200 stage plays in the archive are performed by outstanding American actors and have been broadcast nationally and internationally. From this collection, up to five dramas specifically geared to high school students will be packaged and distributed free of charge, and will include suggestions for use of each play in support of high school core curricula in literature, history, and civics. Plays chosen for the 1998-99 school year are Shakespeare's *Julius Caesar*, Tennessee Williams' *The Glass Menagerie*, Kathleen McGhee-Anderson's chronicle of writer Zora Neale Hurston, *Jump at the Sun*, *Mr. Rickey Calls a Meeting* by Ed Schmidt, and a play by Velina Hasu Houston about Japanese "war brides" in Kansas entitled *Tea*. Actors include Richard Dreyfuss, Kelsey Grammar, Julie Harris, Calista Flockhart, Paul Winfield, Edward Asner, and Carl Lumbly.

A large audience will have access to a six-hour public television series examining the contributions of African-American arts, artists, and communities in the 20th Century. "I'll Make Me a World" has been supported with major Endowment support to **The Civil Rights Project, in Boston, Massachusetts**. An Education & Access grant of \$75,000 and a Leadership/Millennium grant of \$325,000 were awarded last year to complete production of the program that will be broadcast nationally on February 1-3, 1999. Produced by the late Henry Hampton and Blackside, Inc. (best known for the award-winning "Eyes on the Prize"), the series will present the stories of well-known and unknown African American musicians, writers, dancers, visual artists, and actors whose work had a significant impact on their disciplines, their communities, and on American history and culture. The prime-time broadcast will reach millions of people; many more will benefit from the project through the extensive educational outreach planned by Blackside, Inc. In addition to publication of a trade book, outreach materials will include a Web site, a CD-ROM, children's educational books, a CD/audiotape, and educator and student guides for classroom use. Early Endowment support of the project's development phase in 1995 generated additional funding of more than \$2.5 million from the National Endowment for the Humanities, PBS/CPB, the Ford Foundation, Lila Wallace/Reader's Digest Fund, the Geraldine R. Dodge Foundation, and the Joyce Foundation.

The Arts Endowment has played a major role in supporting projects that give audiences access to contemporary American writers and writing. For example, the **National Book Foundation, in New York, New York** received a grant of \$10,000 to support its American Voices project. This program sends National Book Award-nominated writers to Indian reservations nationwide for educational residencies that benefit students and impact the general reservation community. In concert with tribal K-12 schools and colleges, American Voices has placed writers for up to one-week residencies in **Fort Hall, Idaho; Box Elder, Montana; Cloquet, Minnesota; Keshena, Wisconsin; and Arcata, California**. The current project sent author/storyteller/illustrator Michael Lacapa (who happens to be a Hopi-Tewa/Apache) to the **Onondaga Nation in upstate New York**; and poet Philip Levine to the **Sisseton-Wahpeton Reservation in South Dakota**. That was the first time a National Book Award and Pulitzer Prize-winning poet had ever read in this small community in northeastern South Dakota. Mr. Levine worked with tribal college and high school students for one week, gave two readings to community audiences, and provided every student and library involved with the project a copy of his book What Work Is, as well as an author study guide. Mr. Lacapa also provided students and libraries with copies of his four books and lectured about how his stories and illustrations evolved from his cultural background.

Creativity

This goal seeks to foster opportunities for the creation of new work in a wide variety of arts disciplines and for the presentation of new or existing work. In FY 1998, grants in the Creation & Presentation category - the largest of the grants to organizations categories - supported projects whose primary goal was creativity.

The largest number of grants were made in the performing arts disciplines. For example, the **Houston Ballet Foundation, in Houston, Texas**, received a grant of \$45,000 to support presentation of world-premiere performances of dance works by choreographers Lila York, Stanton Welch, and Glen Tetley; and the creation of a new dance work by David Rousseve. Since 1992, the Houston Ballet has made a concerted effort to broaden the artistic diversity of the company's performance repertoire through a series devoted to new ballets. For the current season the company will work with a group of young choreographers whose work represents a wide range of styles and aesthetics. All performances will be in the Wortham Theatre Center in downtown Houston.

The **African American Dance Ensemble, in Durham, North Carolina**, was the lead organization of a consortium of North Carolina arts organizations that created a dance opera last year. A grant of \$25,000 enabled AADE to work with **Triangle Opera Theater** and the **Duke Artist Series**, to create a piece entitled "Luyala," based on an East African folk tale, with drama and imagery inspired by Central African sculptures and the ceremonies of African Diaspora religions. Librettist Penelope Bridges, composer William C. Banfield, and choreographer Chuck Davis, artistic director of AADE, hope that the workshop/residency structure of the project - that included open rehearsals, question-and-answer sessions, and a focus group - will stimulate awareness in the community of the consortium partners and develop new audiences for their programs.

A juxtaposition of musical forms is the focus of a project in **New Orleans** created by the **Louisiana Philharmonic Orchestra**. A grant of \$20,000 will support a 1998-99 concert series, **American Crossings**, that will present thematic concerts that fuse European classical music to the spiritual, blues, gospel, and jazz idioms. In addition to concerts, activities will include open rehearsals, pre-concert talks, and master classes at Southern University of New Orleans, Dillard University, Loyola University, and Xavier University. Noted African-American conductor Kay George Roberts will be the series' primary conductor, and local composer and Contemporary Arts Center executive director Jay Weigel will serve as artistic director, under the auspices of the philharmonic's music director Klauspeter Seibel. The series will explore the links between Spanish, African, and Mexican music on today's New Orleans music; the influences wrought by the slave trade; and how African-American Creole music was brought to Europe in the 19th Century and influenced French composers.

A concert series that tours the high-desert communities of **northern New Mexico** was supported by a grant of \$5,000 to **Music at Angel Fire**. Founded in 1984, Music at Angel Fire is an outreach and touring organization that serves the communities of Angel Fire, Taos, Red River, Mora, Raton, and Las Vegas. Endowment funds supported artists' fees and expenses for the 15th Anniversary Season last summer which presented chamber concerts performed by ensembles of accomplished American musicians. Resident composer Stephen Hartke was commissioned to compose a new work for string octet, and among the participating artists were the Miami String Quartet; pianists Anne-Marie McDermonntt and Jeffrey Swann; violinists Ik-Hwan Bae and Pamela Frank; oboists Thomas O'Connor and Stephen Taylor; French hornist David Jolley; flutist Eugenia Zukerman; and bassoonist Julie Feves. Artistic director Ida Kavafian creates the concert programs from a wide range of literature in order to appeal to a broad audience of permanent residents and summer visitors. The project was documented on audio and video tape, and evaluated as part of an ongoing marketing survey conducted with the University of New Mexico School of Business.

A number of performing arts projects were supported that had a primary goal of creativity and a secondary goal of access. For example, a \$50,000 grant was awarded to the **Michigan Opera Theater, in Detroit**, to support presentations associated with a city-wide Gershwin festival and a production of **Porgy and Bess**. The production reunited the creative team from an earlier Houston Opera production - conductor John DeMain, director Tazewell Thompson, and designer Kenueth Foy - and the cast was chosen from African-American performers from the region, providing emerging artists with career-enhancing exposure. Outreach aspects of the project included symposia on George Gershwin's life and work co-hosted by Wayne State University and the University of Michigan and a free street fair that recreated the Tin Pan Alley of Gershwin's time, and featured local artists performing jazz, gospel, klezmer, and popular music of the period.

In upstate **Salem, New York**, **Mettawee Theatre Company** received a grant of \$10,622 to create and tour an original play, "Three Ghost Stories," which incorporated the use of masks, giant puppets, and an original score. The play, written by National Book Award-nominated novelist and folklorist Howard Norman, will link stories from three ethnic

traditions -- Alaska Native (Tlingit), Japanese, and Mexican (Mayan/Spanish). Karen Hansen composed the music, and the principal theater artists were Mettawee's artistic director and master puppeteer Ralph Lee and managing director Casey Compton. The work was presented during the summer of 1998 in parks, at historic sites, on public lawns, and in hay fields in rural communities in New York and New England. The tour ended with performances in the garden of the Cathedral of St. John the Divine in New York City.

Development and subsequent tour of an existing play is the focus of a project by **Theater for You/ Idaho Theater for Youth, in Boise**. The theater received a grant of \$18,800 to support development of Wesley Middleton's "The Tomato Plant Girl," and tour the finished product to schools in Idaho and neighboring states. The play was brought to the theater's attention by children's theater authority Susan Zeder. Idaho Theater for Youth will manage development of the play initially through workshops with the playwright at the University of Texas at Austin's New Play Development Program, and it will commission theater composer Michael Keck to create a sound score for the piece. As the theater prepares the production in its home space, it will create study guides to accompany the school tour.

Live musical performance transmitted via radio was a staple in millions of American households before the advent of television. The genre is alive and well thanks to the efforts of innovators such as Garrison Keillor, whose early career in radio was supported by Endowment grants, and programs such as "Performance Today," which is still receiving Endowment support. A less-heralded, but high-quality program, "Mountain Stage," has been showcasing the rich variety of American vernacular music for 14 years, and has helped launch the careers of many musicians. A grant of \$30,000 to **West Virginia Public Broadcasting Foundation, in Charleston**, is supporting the current production and broadcast of "Mountain Stage," a weekly, two-hour program distributed by Public Radio International to 114 stations. The show's recipe of contemporary singer-songwriters seasoned with traditional folk-roots performers and flavored by able singer/host Larry Groce presents music not heard anywhere else on public radio. The show reaches a large number of small-market stations in Alaska, Florida, Indiana, Missouri, the Dakotas, Alabama, and elsewhere. It is also broadcast to two dozen countries in Europe and the former Soviet Union on Sunday afternoon via America One Satellite Service. The 1,200 performers who have appeared on "Mountain Stage" include Bill Monroe, Beausoleil, Gatemouth Brown, Buckwheat Zydeco, Allison Kraus, John Prine, The Fairfield Four, and Kathy Mattea.

A \$220,000 grant to **KQED, Inc., in San Francisco, California** will support an ambitious radio project that seeks to create nothing less than a sound portrait of 20th Century America. "Lost and Found Sound: An American Record," is a series of ten hour-long programs intended for national broadcast in 1999-2000 that will use audio stories to chronicle, reflect upon, and celebrate the 20th Century through sound. Noted radio producers and other artists, with guidance from executive producers Davia Nelson and Nikki Silva (also known as "The Kitchen Sisters"), will document and explore the meanings of endangered sounds or those on the verge of extinction (e.g. typewriters, cash registers), shifting accents, vanishing voices, the merging of languages, the memories of people 100 years

old or older, the stories of people obsessed by sound, home recordings, vintage audio, and recordings of great orators and their speeches. The producers will collaborate with public radio stations nationwide to uncover home recordings and audio artifacts that will become an integral part of the series (e.g. recorded letters cut on 78's during World War II; cassette letters from Vietnam War soldiers), and they plan to create a "millennial sonic quilt" by gathering messages through a 900 number, an Internet site, and public radio call-in events. Participants include radio artists Ira Glass, Deborah Amos, Susan Stone, Doug Quin, and Jason Reiner; music producer Don Was; record producer Chris Strachwitz; documentary filmmaker Eleanor Coppola; astronomer Timothy Ferris; theater director Ellen Sebastian Chang; and sonic architect and composer Christopher Janney. Feature segments from "Lost and Found Sound" will be broadcast on NPR's All Things Considered beginning January 29, 1999.

A number of traveling exhibitions of visual art were supported through the Creation & Presentation category. For example, **Dartmouth College, in Hanover, New Hampshire** received a grant of \$97,000 to support an exhibition and tour of the work of Jose Clemente Orozco organized by the college's Hood Museum of Art. Orozco, one of Mexico's greatest 20th Century artists, lived in the United States from 1927 to 1934. While here he produced a substantial body of work in many media — easel painting, prints, drawings, and watercolors. He also completed three important murals at Pomona College, the New School for Social Research, and Dartmouth College. This project, which will present the first major U. S. exhibition of Orozco's art in nearly 40 years, is a collaboration between the college museum and the Dartmouth College Library. The Hood Museum holds 260 preparatory drawings for the mural "The Epic of American Civilization," that Orozco painted in the library from 1932 to 1934. Mexican and U. S. scholars involved in the project will address a number of art historical issues in the planned bilingual catalogue — the influence of Mexican art and culture in the U. S. in the 1920's and 1930's, muralism and its relation to modern art and history painting, and the legacy and influence of Orozco's work on subsequent generations of U. S. artists. The exhibition will travel to as many as three U. S. venues and to Mexico City.

A grant to **Anderson Ranch Arts Foundation, in Snowmass, Colorado**, to support residencies for visual artists, is an example of a project whose primary goal was the creation of new work. A grant of \$30,500 is supporting residencies of one to six months for American artists at a former Rocky Mountain cattle and sheep ranch, now converted to professional studios and fully equipped visual art facilities. Available are a lithography and etching shop, darkroom facilities, a digital imaging lab, ceramics firing and glazing studios with gas, electric, and wood-fired kilns, a sculpture studio and metal foundry, and a wood shop for artists with furniture-making and wood sculpture equipment. Anderson Ranch provides artists with 24-hour access to studio space and equipment, provides lodging and meals, and pays an honorarium. Access to sophisticated equipment, technical assistance from center staff, and time to explore new ideas and new work is a critical need for serious visual artists. Such opportunities come too rarely for artists who often must teach or pursue non-art activities to make a living. Although there is no teaching requirement, resident artists may work with school and community groups in nearby towns through an innovative arts education program.

Creativity among the best American writers is nurtured in a number of ways. An excellent example of a presenting (and secondarily, access) project is found in the grant of \$27,000 to a consortium headed by the **Island Institute, in Sitka, Alaska**. Responding to the challenges in providing literary programming for a large, remote region, The Alaska Literature Consortium's initiative is making use of media and electronic technology to bring literature to communities with few literary events, bookstores, or libraries. The Alaska State Council on the Arts, the Alaska Center for the Book, the Fairbanks Arts Association, the University of Alaska-Anchorage, the University of Alaska-Fairbanks, and the Island Institute are working to establish the Alaska Literary Trail; a statewide effort bringing writers to Alaska's underserved audiences; to produce a weekly radio show, "Northern Letters," that will feature Alaskan and visiting writers; and to develop LitSite Alaska, an electronic network to promote new writers within the state and extend the consortium's work.

Literature is the one discipline where the Arts Endowment may still award non-honorary fellowships for creation of new work. Creative Writing Fellowships and grants for translation projects are awarded to prose writers and poets in alternate years. In FY 1998, 32 fellowships of \$20,000 each were awarded in fiction, creative non-fiction, and prose translation. Novelist **Holly Matter, of Seattle, Washington** was awarded a grant to continue work on a second novel, a chronicle of the lives of itinerant folk musicians traveling through rural Washington. **Lan Samantha Chang, of Appleton, Wisconsin**, used her grant to reduce her rigorous teaching schedule and travel to China to research a novel-in-progress entitled Yellow Herb. **Anita Mathias, of Williamsburg, Virginia**, is writing a memoir, An Indian Childhood, that will detail her experiences growing up in a boarding school in the Himalayas run by German and Irish nuns, and her later life as a novitiate at Mother Teresa's convent in Calcutta. A number of American writers whose first national recognition came with Endowment fellowships have gone on to win major book awards. The selection process is rigorous and fair, involving blind jurying of applicants' manuscripts in a months-long process carried out by a panel of twelve experts.

While most grants in support of folk and traditional arts activities are made through Heritage & Preservation (in support of the preservation goal), a few significant grants have been made under C&P to nurture creativity among contemporary practitioners of traditional crafts and music. For example, the **Northwest Folklife Festival, of Seattle, Washington**, received a \$22,000 grant to support "Norte y Sur, Un Solo Pueblo: The Chicano Legacy into the New Millennium." This project brought together groups representing diverse Mexican and Mexican-American traditions as part of the annual Northwest Folklife Festival last May at Seattle Center. Northwest Folklife is a regional center that serves ethnic, traditional, and folk arts communities in the Northwest through its festival and year-round service programs. The "Norte y Sur" project featured performances in Tejano, Norteno, mariachi, and banda styles; folkloric dance groups from around the State; and presentations by artists of Mexican needlework, woodworking, furniture making, leather work, and other traditional art forms. All performances and demonstrations were bilingual. While festivals such as this provide audiences access to expressions of America's rich cultural heritage, an even deeper impact is felt by participating artists whose creativity is stimulated by exposure to their colleagues' work and ideas.

Arts Education

This goal seeks to strengthen the role of the arts in the U. S. educational system and encourage lifelong learning in the arts. While grants in many categories may contain educational components, the arts education goal is met primarily through Education & Access grants. As was discussed earlier, we propose to split this category into two distinct categories in FY 2000 as we attempt to refine our grantmaking process.

In FY 1998, the Endowment supported 36 curriculum-based arts education projects totaling \$1.9 million. For example, a grant of \$100,000 was made to the **Ohio Alliance for Arts Education, in Columbus**, to support the "Ohio Arts Education Assessment Project." This consortium effort among the Alliance, the Ohio Arts Council, and the Ohio Department of Education seeks to create, test, refine, and disseminate assessment instruments for grades four and eight in dance, drama and theater, music, and visual arts. Also planned is the design of related professional development courses to enable Ohio teachers and administrators to plan and conduct arts assessments. In 1996 Ohio approved a new statewide curriculum framework that calls for assessment of student progress in the arts. The arts assessment project was born from the realization among teachers and administrators that assessment was difficult due to lack of knowledge, experience, strategies, and examples. The three-phase project that has been developed will develop and distribute sample assessment instruments, organize a six-day assessment trainer institute to create teams that will work throughout the state, and conduct workshops to instruct teachers and administrators in the planning and execution of arts assessments. The goal is to enable schools to meet the requirement of having assessment instruments in use during the 1999-2000 school year.

In western Pennsylvania, arts education grants to two performing arts organizations will assist outreach efforts in dance and music. The **Pittsburgh Ballet Theatre** was awarded \$25,000 to support programs in Pennsylvania, West Virginia, and Ohio that are designed to enrich children's education through exposure to and participation in classical dance. The project will reach its goals through in-school performances, lecture/demonstrations, study guides, an arts education newsletter, and a curriculum-based movement education program that will place ballet school faculty members in residencies with students and teachers in grades K-2, 3-4, and 6-8. The **Pittsburgh Symphony Society** received a grant of \$55,000 to support its "K-12 Strategic Education Initiative." This effort will expand current programs and create comprehensive, sequential, cross-disciplinary programs with participating schools throughout western Pennsylvania. In one of the components, symphony musicians volunteer to serve as "ambassadors" to schools where they act as a resource for instrumental music programs, conduct master classes, and advise students on careers in music. Both of these grants were augmented with \$5,000 each from the Heinz Foundation's and Heinz Corporation's gifts to the Endowment which will provide a total of \$450,000 to arts education projects across the United States.

In **Berkeley, California**, the **Pacific Film Archive** at the University of California, received a grant of \$100,000 to support "How to Read a Film." This educational initiative will introduce and put in context the film and video arts for children in two age groups (5-10 and 11-18). Broadening the understanding and appreciation of films and videos unlike those that dominate the commercial marketplace will help young people develop their media literacy. To meet its goals, the archive has developed a three-part approach. It will expand its annual Children's Film Festival into monthly matinees. Fundamentals of film language will be discussed and demonstrated. Secondly, the archive will host an annual teacher training workshop, a two-day intensive that will familiarize teachers with the vocabulary of filmmaking techniques, theories, and aesthetics. It will discuss films inside and outside the Hollywood system and introduce them to the archive's film study reference tools. Finally, a cinema seminar for middle- and high-school students will educate them about the construction of film through discussions, lectures, and viewing clips of classic Hollywood films and independent and experimental work.

A project in **eastern Colorado** is attempting to serve a low-income constituency in a school district where students are at-risk and where art and music programs have been severely curtailed. A grant to the **Adams County School District 14, in Commerce City**, will support a program intended to preserve and enhance music and dance traditions by creating instructional resources and apprenticeship opportunities for 9th to 12th grade students. Students will study mariachi, folklorico, and Southwest music and dance with master teachers in an effort to develop skills that will strengthen community and family ties, cultural identity, and self-esteem. A further goal of the project will be to improve school attendance and general academic performance and achievement.

Eugene Ballet, in Eugene, Oregon was awarded a grant of \$30,000 to develop an "Educational Outreach Ensemble" that will focus on in-school residencies and performances, and related activities, during company residencies and tour dates throughout a 14-state Western region. A full curriculum will be created that will be utilized in schools based on a model developed with the Oregon Department of Education. The company will work closely with other organizations to reach its performing services goals, including Young Audiences of Oregon, the Washington State Cultural Enrichment Program, and arts commissions in the 14 states. The geographic area served by Eugene Ballet is large and mostly rural, and the company has had extensive touring experience.

A very different kind of dance education project is represented by a project carried out last year by the **Florida Dance Association, in Miami, Florida**. With the aid of a \$30,000 grant from the Arts Endowment, the association presented the Florida Dance Festival hosted by the New World School of the Arts and Miami-Dade Community College. The two-week festival featured more than 350 classes, workshops, performances, community activities, and special events. The festival's goal is to introduce dancers and audiences to the widest possible range of dance styles, ranging from ballet, modern jazz, and ballroom to Afro-Cuban, Middle Eastern, Japanese, and Irish step-dancing. Dancers of local, national, and international reputation participated in week-long teaching and performing residencies.

Other projects supported not only a primary goal of arts education, but a secondary goal of access. For example, **Indiana Repertory Theater, in Indianapolis**, received a grant of \$42,500 to support the "Discovery Series" during its 1998-99 season. An educational program with direct relationship to middle-school and high-school curricula, it includes three fully-produced plays, detailed class-room materials, actor visits to schools, and workshops for teachers. The "Discovery Series" reaches more than 800 schools annually through 160 performances at IRT's theater. In addition to a goal of reaching a total of 60,000 students by the year 2000, the theater is dedicated to increasing artists' salaries and further diversifying casting and outreach initiatives. In addition to its impact on the greater Indianapolis area, Indiana Repertory Theater has made use of video conferencing to address long-distance learning for rural communities.

In Texas, the Houston Grand Opera Association received a grant of \$100,000, including \$5,000 of Heinz gift money, to support the third year of its "Community Connections Initiative." The initiative is a multi-faceted five-year effort that targets specific audiences. A production of the popular *La Boheme* is offered free of charge to the general public at Miller Outdoor Theatre. A resident artist program will bring professional singers, especially artists of color, to diverse groups at various sites in the metro area. The "Discovery Series" will offer extra Saturday night performances of *Tales of Hoffman*, *La Traviata*, and *A Little Night Music*, featuring a second cast in order to target non-subscription audiences. A Saturday matinee of *La Traviata* will be made available to families at reduced ticket prices. "High School Night at the Opera" will feature an evening performance of a mainstage production offered exclusively to high school students at discounted ticket prices. Finally, the opera's STARS program will add more schools this year. This curriculum-based program utilizes culturally diverse song and music theater elements to help teachers instruct students in core curricular subjects, particularly language arts and social studies. National and local chapters of D.A.R.E. (Drug Abuse Resistance Education) in partnership with the Houston Police Department will tour a new opera, *Puppy and the Big Guy* (commissioned by Houston Grand Opera) to 60,000 students during the 1998-99 school year.

Preservation

This goal seeks to preserve our nation's cultural heritage for the 21st Century. In FY 1998, grants under the Heritage & Preservation category as well as Folk Infrastructure Grants under Leadership Initiatives addressed the goal of preservation.

Grants under the Folk & Traditional Arts Infrastructure Initiative were made for the first time in FY 1998. The purpose of these grants was to preserve and strengthen the longstanding and productive partnership between the Arts Endowment and state arts agencies in building a national support infrastructure for the folk and traditional arts. The field is rich in artistic potential, but it is limited by the small number of field-specific, professionally-staffed organizations dedicated to preservation and public programming. For example, a grant of \$33,500 to the **North Dakota Council on the Arts, in Bismarck**, will support a traditional arts apprenticeship program, an artist-in-residence training project, and a series of folk art and music performances in long-term care facilities. The apprenticeship program is vital to preserving the cultural heritage of North Dakota, and it is important to folk artists' participation in special projects, folk arts exhibits,

and folk arts residencies. Both masters and their apprentices participate in the programs for the elderly living in care facilities. The **Mississippi Arts Commission, in Jackson**, received a grant of \$22,500 to support a one-year folklife specialist position in 1998. Working with the state Heritage Program Director, the folklife specialist will help develop priorities for fieldwork, assist with archiving field recordings and collected materials, and evaluate folk arts programming. The workload of the Heritage Program Director has increased in recent years, leaving very little time for fieldwork. The folklife specialist will develop a fieldwork plan to identify areas where the need for research and documentation is most urgent.

The majority of Heritage & Preservation grants were made in support of folk and traditional arts projects. For example, a grant of \$12,000 to the **John C. Campbell Folk School, in Brasstown, North Carolina**, was made to support a concert and presentation series featuring master traditional artists from this culturally rich area of the state, and the production of DAT recordings of the concerts for archival use. The Campbell Folk School, located in the Appalachian Mountains of southwestern North Carolina, is the only public concert venue in a one-hundred mile radius. Artists included in this project are of Scots-Irish, German, African-American, and Cherokee heritage, and represent many artistic genres including bluegrass, bluegrass-gospel, "old-time" banjo and fiddle music, ballad singing, storytelling, and tall tales. While this project is mainly focused on preserving traditions, there is also an educational and creativity element when such disparate groups work and perform together.

The Vermont Folklife Center, in Middlebury, received a \$25,000 grant to support production and broadcast of "New England Touchstones," a series of five-minute radio programs on traditional storytelling. Master storytellers from **Vermont, Connecticut, Massachusetts, New Hampshire, Rhode Island, and Maine** will be featured in 26 programs to be broadcast throughout New England. Traditional storytellers are seldom heard beyond their family or local community. Folklorists from the region will identify up to eight master raconteurs for this project, representing the diverse cultural heritage of New England and dispelling myths that the region is a monolithic society. The Vermont Folklife Center will work in partnership with WGBH/Boston, the Center for the Humanities and the University of New Hampshire, the Rhode Island State Council on the Arts, the Maine Arts Commission, the Connecticut Elderly Services Division, and Country Roads.

Preservation of unique visual arts expressions is also important to our nation's cultural history. The **Marion County Historical Society, in Columbus, Georgia** received a grant of \$18,500 to support a condition survey and conservation plan for the environmental art site known as "St. EOM's Pasaquan." Eddie Owens Martin, a Marion county artist known as St. EOM, was a solitary, visionary artist who created an extensive body of work from the 1940's until his death in 1986 at his rural seven-acre compound. The artist bequeathed his work to the county historical society which now wishes to preserve the site and make it into a museum of visionary art. The society has re-roofed the complex and added protective fencing. The project would employ a team of art conservators and architectural specialists to evaluate the structures, the thousands of square feet of interior and exterior painted surfaces, and the individual sculptures and devise a treatment plan. Smaller works by the artist are also part of his body of work, some of which have been donated to collections at the National Museum of American Art, the Los Angeles County Museum of Art, and the New Orleans Museum of Art.

In the field of literature, preservation is often the reprinting and distribution of significant works of fiction that have gone out of print. The **Review of Contemporary Fiction/Dalkey Archive Press**, in Normal, Illinois, received a grant of \$58,000 to restore to print up to eleven major works of modern and contemporary fiction. Such works often become unavailable due not to lack of literary merit, but because the economics of maintaining them is not viable for commercial presses. Dalkey Archive will republish New Mexico writer William Eastlake's Castle Keep; In the Penny Arcade and The Barnum Museum by 1998 Pulitzer Prize-winning novelist and short-story writer Steven Millhauser; Luisa Valenzuela's Clara; Gilbert Sorrentino's Crystal Vision, and books by two of English literature's most important 20th century authors, Aldous Huxley (Time Must Have a Stop) and Flann O'Brien (At Swim-Two-Birds and The Third Policeman). The books will be distributed by the University of Chicago Press to 750 bookstores and 1,000 libraries throughout the United States. The press's titles are offered to students at a 50 percent discount. To further ensure these titles achieve maximum impact, Dalkey Archive will commission introductions and afterwords by well-known novelists and critics; advertise in national media outlets; and distribute 30,000 catalogues to stores, individuals, and teachers of modern and contemporary fiction.

Preservation is crucial in the field of performing arts as well. New technology has made such preservation more possible and economically feasible. For example, **Cleveland State University**, in Cleveland, Ohio, received a grant of \$25,000 to support the Cleveland Chamber Orchestra's showcase of distinguished African-American composers and their works performed in free concerts. These performances took place last spring at Karamu House, an inner-city arts center, and at Cleveland State University. The project also included composer residencies and a compact disc of never-before-recorded music. Documented and preserved will be contrasting works of music by David Baker, T. J. Anderson, Wendell Logan, Leroy Jenkins, and Dolores White. Due to the improvisatory nature of some of the music performed, the CD component will define and preserve the composers' artistic intentions for future performers and scholars. Promotion and distribution of the CD will be coordinated by Albany Records to national and international markets. The composers attended rehearsals, performances, and recording sessions as part of their residencies. Community groups including the Tri-C JazzFest and the Black Music Heritage Guild also participated in the project.

Dance is one of the most difficult artforms to preserve. Notation systems and videotape have eased this burden to some degree. Also important are oral histories of dancer's lives which help future dancers, scholars, and audiences to understand artists' ideas and intent. The **San Francisco Performing Art Library and Museum**, in California, received a grant of \$10,000 to support "Legacy," a project to facilitate training of volunteers to produce oral histories that document the lives of significant dance artists and teachers in northern California. Over a period of 24 months, the project will train two dozen volunteers to record, edit, and complete six research-quality oral history documents of individuals who have contributed to the national dance heritage. "Legacy" will also publish and distribute two educational pamphlets for use by K-12 school children based on information from existing oral histories in the library collection. In this small, but significant way the Arts Endowment can play a major leadership role in documenting artists lives, especially in more esoteric and non-performance aspects where funding is difficult to attract.

Organizational Stability

This goal seeks to strengthen arts' organizations' ability to achieve their artistic and public service purposes by becoming more adaptable and stable. In FY 1998 grants primarily in the category of Planning & Stabilization addressed this goal. In FY 2000 the Endowment plans to suspend most grants in this category in order to determine the best approach to respond to the needs of arts organizations. Some awards will be made to support services to the field projects.

Grants to achieve organizational stability were made in all regions of the country. In the South, the **New Orleans Contemporary Art Center, in Louisiana**, received a grant of \$100,000 to support an Endowment campaign to raise \$9 million dollars by the year 2000. Also twenty years old, the CAC has become an artistic leader in New Orleans and the South through its diverse, high-quality programming in dance, music, visual arts, film and video, and arts education programs for adults and children. If successful, the planned campaign would provide a stable source of support for an organization that is an anchor in New Orleans' downtown arts district. The **Arkansas Repertory Theatre Company, in Little Rock**, received \$18,600 to support an initiative to implement a comprehensive marketing plan and develop volunteer support programs. The company has, for more than twenty years, served every part of the state through extensive touring and outreach programs. Like many groups of this type, the company faces the challenges of generating more income, attracting new audiences, and maintaining strong relationships with its constituency.

In the Southwest, **Writers in the Schools, in Houston, Texas**, received \$42,400 to support stabilization of its core programs, that reach 55,000 students in Houston each year. The organization hopes to achieve its goal through establishment of a cash reserve, targeted planning to develop more diversified revenue sources, and program evaluation. Writers in the Schools coordinates residencies for Houston-area schools, the Harris County Juvenile Probation Department, and the Pediatrics Division of the Anderson Cancer Center. The organization will soon launch an initiative to share its expertise with children and educators nationwide. An example is a planned collaboration with the Johns Hopkins Institute for the Academic Advancement of Youth that will offer students nationwide a chance to work with writers via Internet residencies. Farther west, the **City of Santa Fe Arts Commission, in New Mexico**, is using a grant of \$20,000 to support a community-wide cultural facilities feasibility study. The project will attempt to find workable solutions to a continuing challenge to the local arts community, the availability of appropriate and affordable space for performing and visual arts. To meet its goal, the city must collect more extensive information from potential space users as well as conduct a survey of a cross-section of the Santa Fe population.

In other parts of the United States the challenges are much the same. **United Tribes Technical College, in Bismarck, North Dakota**, is using a grant of \$37,200 to support management assistance to build the capacity of its cultural arts programs. The college is dedicated to preserving and presenting the artistic legacy of its five constituent Native American tribes, while encouraging new and innovative expressions that reflect intertribal synergy. A focus of the project will be the implementation of earned-income strategies in order to make the cultural programs more self-sustaining. A consultant will conduct a feasibility study and develop business and marketing plans for Native arts products and services. In **Chicago, Illinois, the Muntu Dance Theatre** received a grant of \$40,000 to establish a cash reserve and implement a planning process. Muntu is an African-American company with strong community ties as well as national touring commitments. The project will involve Muntu's board, staff, and artists in development of a strategy for growth that is appropriate to the scale of the organization, its target audiences, and its resources. Establishment of a cash reserve will help ensure the viability of an organization that has grown in budget size from \$50,000 in 1987 to more than \$550,000 currently. In **St. Johnsbury, Vermont, Catamount Film and Arts Company**, which received a grant of \$50,000, is engaged in a 20th anniversary Capital Campaign. The first two goals were met: elimination of a long-term debt, and financing for a second round of capital improvements. Endowment support will help to establish a \$150,000 arts education endowment to help meet increasing demand for Catamount's education outreach programs in **northern Vermont and New Hampshire**. Despite its success and track record as a presenter and educator in the region, the company is limited by the level of annual fundraising the region can sustain. The education endowment will provide a small measure of stability in a changing funding environment.

On the West Coast, the **Public Corporation for the Arts, in Long Beach, California**, was awarded \$55,000 to support "Building Arts Enterprises," a technical assistance initiative -- with a focus on at-risk youth -- for artist-run businesses and arts organizations in the city's Central Area Redevelopment District. Staff teams of the corporation will provide extensive technical support to help advance artist-run businesses that offer job training, skill building, and crime intervention alternatives to underprivileged youth. They will also provide assistance in developing business plans, structuring financing, and identification of affordable work spaces for artists and arts organizations. Up the coast, **Copper Canyon Press, in Port Townsend, Washington**, has developed a strong national profile as one of the most important literary presses in the United States. A grant of \$50,000 is helping the press to solidify its position by supporting a multifaceted project. Included are a national marketing initiative during 1998-2000 to introduce Copper Canyon's books into the academic market via a direct mail campaign, production of special advertisements in *Lingua Franca*, *American Poet*, *Poetry*, and the *New Republic*; and display of the presses' publications at major conferences of the Modern Language Association, Associated Writing Programs, and the National Council of Teachers of English.

Community Arts Development

This goal seeks to address concerns of America's communities through the arts. This goal was primarily supported in FY 1998 by ArtsREACH, a pilot program of grants designed to encourage communities to engage in cultural planning or assessment, or to enable implementation of activities where a cultural plan is already in place.

Eighty-four grants totaling just under \$730,000 were made under ArtsREACH in 20 states that were underserved in terms of past Endowment support. For example, in Nevada, two ArtsREACH were awarded. The City of Reno received a grant of \$10,000 to support creation of a community cultural plan. The planning process is focused on identifying and strengthening the downtown arts district. By creating a cultural focal point for the community, downtown Reno will redevelop as a civic center and gathering place for residents, not just tourists. Participating organizations include the Sierra Arts Foundation, the Nevada Opera, the Reno Philharmonic, the Reno-Sparks Theater Coalition, and the Truckee Meadows Regional Planning Agency.

Downstate in Las Vegas, the Allied Arts Council of Southern Nevada was awarded a grant of \$10,000 to support development of a community-wide marketing plan and advertising campaign to focus awareness on the arts in southern Nevada. The goal is to communicate the existence, the quality, and the benefits of the arts to the region not only to local residents, but to the sizeable tourist population that visits the area.

South Carolina received six ArtsREACH grants. The Arts Council of Marion County, in Marion, was awarded \$8,000 to support creation of a community cultural plan. Through this process, participants will build a strong coalition among local arts organizations, artists, educators, local government agencies, local businesses and industries, and individuals in rural areas to advance the arts in the county. A variety of methods is planned. There will be a series of meetings in towns and rural communities to canvass the people about their needs and priorities. Committees will be established to include representation from all sectors to promote the concept of a comprehensive collaborative plan. Organizational participants include the Marion County Planning Department, the City of Mullins, the City of Marion, the Marion County School District, and the Marion County Medical Center.

In Rock Hill, the Rock Hill Arts Council received a grant of \$3,875 to support a performance space feasibility study. The project will bring area performing arts organizations together to address their needs and to find the appropriate fit within the community. Performing arts organizations in the area are experiencing growing pains, and one of the critical issues is a shortage of adequate, affordable performing spaces. A consultant will facilitate the process in conjunction with the Rock Hill Community Theatre, the York County Ballet Company, and the Arts Council and Economic Development Corporation.

Partnership

This goal seeks to strengthen the Endowment's partnerships with the public, non-profit, and private sectors. This includes partnerships with state and regional arts agencies, private arts funders, other Federal agencies, and communities and artists from abroad. In FY 1998 this goal was addressed at the highest level through Partnership Agreements with 56 state and territorial arts agencies and seven regional arts organizations.

For example, the **Alaska State Council on the Arts** received \$449,000 to support its state plan, including arts education activities and programs in underserved communities. Although the FY 1998 project year is still ongoing, results from FY 1997 provide a good illustration of the work that Endowment funding supports. In that year the Council awarded grants to support artist residencies in 34 schools and awarded 11 grants to support other arts education projects. It provided small career opportunity grants to 23 artists at various career stages; helped 10 small, nonprofit organizations develop arts programs for underserved communities; helped support six local arts councils; and assisted two community-based efforts to strengthen rural economies through the arts. The Native Arts Program supported five apprenticeships with master artists to help ensure that native cultural traditions continue. The Silver Hand Program was established to protect the work of Native artists while assuring the public that items bearing that emblem are hand crafted by Native artists. Sixty other grants supported workshops, projects, and ongoing support to the state larger, professional arts organizations. In all, 142 grants were awarded to groups in 48 different communities. Examples are Jo Scott's Center for the Fairbanks Summer Arts Festival; Gustavus Arts Council for the Glacier Bay Spring Music Festival; Sears Elementary School in Kenai for a four-week residency by a ceramic artist; and a traditional copper and silver engraving apprenticeship in Petersburg.

Two regional arts organizations, **Arts Midwest, in Minneapolis, Minnesota** and the **Mid-America Arts Alliance, in Kansas City, Missouri**, received a total of \$602,300 to support performing arts touring and presenting. The two organizations have created the Heartland Arts Fund, a collaboration through which they have awarded 345 grants totaling more than \$640,000 to 166 arts presenters in 15 states. States include the Arts Midwest region of Illinois, Indiana, Iowa, Michigan, Minnesota, North Dakota, Ohio, South Dakota, and Wisconsin; and the Mid-America region of Arkansas, Kansas, Missouri, Nebraska, Oklahoma, and Texas. The funds helps local presenters pay performance fees, offers special support to organizations based in rural or economically distressed communities, and encourages the presentation of artists based in the region. The Heartland Fund has enabled citizens enjoy live professional music, dance, and theater that would otherwise be unavailable. A few examples are: Alvin Ailey Repertory Dance Ensemble presented by Warfield Concerts, Helena, Arkansas; Children's Theatre Company presented by Jamestown Fine Arts Center, North Dakota; Peking Acrobats presented by Civic Hall Performing Arts Center, Richmond, Indiana; Butch Thompson Trio presented by Valentine Area Arts Center, Nebraska; Arkansas Repertory Theatre presented by Idabel Arts & Humanities Council, Oklahoma; and the Omaha Symphony presented by Fort Hays State University, Kansas.

PROGRAM SUPPORT

The FY 1998 Interior Appropriation Conference Report directed the Endowment to develop a proposed restructuring of the administrative budget of the agency that more accurately reflects the Endowment's various functions and activities, such as costs for grant review by the NEA, panel review and Council costs, outreach, policy and planning and other elements funded under the administrative budget. In response to this, the agency's FY 1999 Congressional Budget Request included a Program Support line item which Congress funded. The FY 2000 Program Support budget request is \$1.560 million and covers agency activities that are directly related to the agency's interaction with the arts fields. A discussion and chart of the components follows.

1. Panels

Applications received by the Endowment undergo a three tier review process -- panel review, National Council on the Arts (NCA) review, and Chairman approval. Panel evaluation is used to determine artistic excellence and merit, and if agency guidelines are met. These panels are comprised of citizens who: are experts in various arts fields; represent diverse backgrounds and cultures; and reflect wide geographic, ethnic, and minority representations. To further broaden the panel's perspectives, each panel includes at least one lay member who is knowledgeable about the arts, but is not a professional artist. We use our Automated Panelist Bank System (APBS) to ensure that panel composition meets these criteria:

2. Consultants

Consultants are mainly used in panel and NCA meetings, and to facilitate overview panels which discuss issues relating to the arts fields. These issues include new field directions and how the Endowment should respond, and potential problems that are likely to be faced in the near future. In addition, panel chairmen or arts fields experts may be requested to attend a NCA meeting to inform the Council on issues that arise during panel meetings or to make presentations regarding overview meetings.

3. Printing and Reproduction

The agency regularly produces several publications that relate directly to the field. These include Guidelines for grant applications, brochures covering information about the categories of grants and fellowships offered by the NEA, Council Books, the agency's Annual Report, and various publications used to inform the public about arts issues and agency initiatives.

4. National Council on the Arts Travel

Council Travel covers costs associated with member travel to attend the Council meetings, working groups, and retreats. It also includes travel for Council members to attend panel meetings.

5. Web Site Outreach

To increase public access to the Arts Endowment, we developed an agency Web site. The response has been enormous with some 10 million hits since it was activated in April 1996. The agency now requires two staff members to maintain the information being supplied and improve the Web site. Through the Web site the public can review articles about various arts field's activities, access agency reports such as statistics based on the Survey of Public Participation in the Arts, and download the agency's various Guidelines and publications.

6. Office of Policy Research and Analysis

In FY 1998, the Office of Policy Research and Analysis (OPRA - formerly the Office of Policy, Research, and Technology) continued to conduct a variety of research projects, and to develop and disseminate data and information on issues which affect the various arts fields and individual artists, and the American people. Research reports are used to inform policy discussions within the agency; to provide information to Congress, the cultural community, the media, and the public; and to serve as educational resources to arts administration and public policy programs in colleges and universities. During FY 1998, the Office issued ten Research Notes, including analyses of data on artists and arts organizations obtained from the Bureaus of Labor Statistics and Census, as well as data obtained from the Arts Endowment's own national Survey of Public Participation in the Arts (SPPA). The SPPA analyzed over 12,300 survey responses regarding the extent to which American adults participated in "the arts" over the last year, whether attending, watching, listening, or personally performing or creating themselves. This was the fourth in this series of national arts participation surveys.

In FY 1998, OPRA embarked on its second year of support for a national public network, launched with Leadership funds, providing Internet access through arts resource centers established in arts organizations and culturally oriented community centers throughout the United States. "Open Studio: the Arts Online" is providing access to the arts via the Internet, helping local arts groups and artists to become information providers online, and establishing model points of access in every state. During its second phase, Open Studio will fund up to ten new sites to provide free access and training in basic Internet skills to artists and arts groups from underserved communities and will continue to use traditional and electronic communications media to strengthen its community-building efforts.

Also in FY 1998, OPRA used Leadership funds to support a second year of internships for students in Historically Black Colleges and Universities (HBCUs). The program places qualified fine arts and arts management students as interns in non-profit cultural organizations, and was initiated in response to Executive Order 12876, "The White House Initiative on Historically Black Colleges and Universities".

7. Office for AccessAbility

The Arts Endowment continues its commitment to making the arts available to all Americans, including people with disabilities, older Americans, and those living in institutions. The office provides technical assistance to individuals and organizations in implementing the requirements of the Endowment's Section 504 Regulations and the 1990 Americans with Disabilities Act (ADA). The Endowment continues its leadership role in this area by preparing and distributing publications designed to assist grantee organizations in making their facilities accessible, and by conducting technical assistance workshops to provide "hands on" training.

Composition of Program Support:

	(\$ thousands)	
	FY 1999 Appropriation	FY 2000 Request
Panels	500	625
Consultants	10	110
Guidelines	40	87
Council Books	2	2
Annual Report/Guide to NEA	....	54
Miscellaneous Publications	....	67
National Council on the Arts Travel	45	45
Web Site	....	40
Office of Policy Research & Analysis	312	431
Office for AccessAbility	<u>68</u>	<u>99</u>
	977	1,560

SALARIES AND EXPENSES

I. INTRODUCTION

For FY 2000, the Endowment requests \$17.872 million for Salaries and Expenses. This budget reflects the additional costs we would incur to: implement the **Challenge America** initiative; to meet the proposed ECI pay adjustments of 3.68 percent for FY 1999 and 4.4 percent for FY 2000; increased GSA space rental costs in both FY 1999 and FY 2000; and addresses Goal 8 of the Endowment's revised Strategic Plan which focuses on improving the agency's effectiveness and efficiency. At the \$150 million funding level, we are requesting an additional 5 staff which would bring our Full Time Equivalent (FTE) up to 173 FTE (167 staff, 4 Stay-In-School positions, and 2 President's Committee on the Arts and the Humanities (PCAH) staff funded with donated monies). The additional staff are required primarily to support, implement and administer **Challenge America** grantmaking activities anticipated for FY 2000.

In looking at the administrative costs during FY 1998, Personnel Compensation was unusually low. This is the result of the unplanned departure of a number of key staff during the time we were without a chairman, October 1997 through June 1998. We ended FY 1998 with an annualized FTE of 143. This is substantially lower than the 160 FTE originally planned for FY 1998. Funds previously earmarked for Personnel Compensation and Benefits were shifted to migration of the Corporate Information Systems from the Wang Laboratories, Inc. mainframe computer to a LAN based computer platform; additionally, we had to implement certain Year 2000 fixes for Corporate Information Systems which reside on the Wang computer which will have to be operated in parallel until the new system is tested and accepted. The increased funding for computer conversion has enabled us to maintain a very aggressive completion schedule and eliminate the need for a separate line item for Computer Conversion in FY 2000.

The FY 1998 Interior Appropriation Conference Report contained Amendment No. 121 which instructed the Arts Endowment to restructure Administrative accounts to more accurately reflect the various functions and activities. In response, the FY 1999 Administrative Budget includes Salaries and Expenses and Computer Conversion. In our FY 1999 Appropriation, field-related activities, and those relating to programmatic areas, are included in the Program Support Budget. The FY 1999 Salaries and Expenses Budget of \$16.944 million (including \$490,000 for the Computer Conversion project) will support an annualized FTE of 165 (which includes 4 Stay-In-School positions), cover annualized costs associated with the 3.1 percent FY 1998 ECI pay raise and the proposed 3.68 percent FY 1999 ECI pay raise, cover increased GSA rent costs, and allow increased staff travel earmarked largely for the ArtsREACH initiative. No Endowment employees took

the option to convert from the Civil Service Retirement System to the Federal Employees Retirement System. The original FY 1999 request for Computer Conversion has been reduced from \$660 thousand to \$490 thousand as a result of FY 1998 funding shifts.

GSA has informed all tenants of the Old Post Office Pavilion that the building will likely need to be vacated during FY 2000. The Endowment is currently working with GSA to locate another building. Since this is a "directed move," GSA has informed the National Endowment for the Arts that it will pay for relocation costs that should include build-out of space, construction of suitable rooms for panels and National Council meetings, and Local Area Network wiring. The rental rates provided by GSA ranges from \$38 to \$51 per square foot. The FY 2000 GSA Rent request is \$596 thousand over the FY 1999 estimate. We have assumed that the agency will be located in the Old Post Office Pavilion for the first half of FY 2000 and therefore used GSA's square foot rate estimates and maintained current space requirements. For the second half of FY 2000, the agency anticipates being relocated and has used \$45 per square foot and increased the amount of space required to take into consideration additional needs for staff, application material storage, and outside reviewer meetings. Moving an agency to a new location is a major project and we will continue to work with GSA to resolve all issues. Based on past experience with relocating the entire agency, we may be required to pay costs associated with: environment upgrades required by the computer center; security costs; hours of operation beyond normal core hours; and relocating the telecommunication system.

The agency's FY 1999-2004 Strategic Plan includes a management goal (Goal 8) that identifies and allocates resources, as necessary, to "Strengthen the NEA as an innovative, efficient, and effective organization." Two objectives are specifically related to activities covered in the Salaries and Expenses budget: improve the agency's interaction with the public; and improve the efficiency and delivery of service. The Endowment has already made significant progress toward achieving these two objectives, but more remains to be done. To improve interaction with the public we have: launched a Web site and allocated two staff to support and enhance the Web site; significantly increased funds available for staff travel to increase the Endowment's presence in communities throughout the nation to promote initiatives such as ArtsREACH; encouraged administrative support staff to attend conferences with arts organizations to provide information on grants management and financial reporting; and developed brochures outlining information about Endowment funding opportunities to encourage a broader range of applications.

The focus on improving efficiency and the delivery of service involves several initiatives. For example: the time between application due date and grant award notification has been reduced by approximately four months; application forms are available in an on-line format through our Web site and are also available on diskette; and one generic final report form has replaced more than 100 different, category-specific forms previously used. A major key to achieving this objective is the use of technology to improve information databases, application processing, preparation of Council material, and information sharing. We plan to hire a Chief Information Officer to oversee the agency's information and technology management.

The FY 2000 Travel request is higher than the FY 1999 estimate. Increased staff presence in the arts fields is essential to achieving the agency's goals of broadening public access to the arts, working with applicants on developing competitive applications, developing partnerships with business, strengthening partnerships with local and state governments, and working with communities to see how the arts can advance their concerns.

The FY 2000 Miscellaneous Contracts request covers: additional funds for Training needs determined by staff Individual Development Plans; increased maintenance costs due to supporting two computing platforms and the World Wide Web agency Home Page; system development funds to enable the agency to better use its information technology; and anticipated increased costs in facility management reprographic contracts.

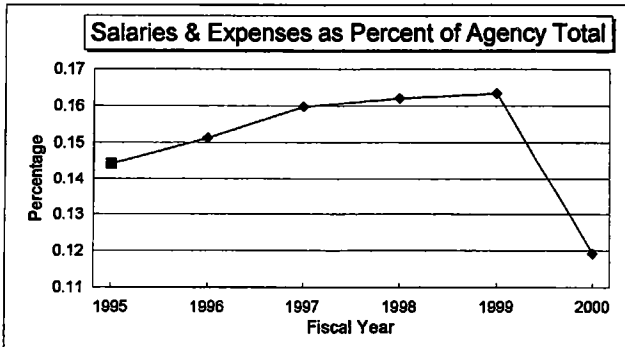
The Endowment continues to seek ways to reduce operating expenses and to contain overall administrative costs. As shown in Chart 1, in FY 2000, Salaries and Expenses costs would be 11.9 percent of total funding at the request level of \$150 million.

Chart 1

Appropriation (thousands)

FY	Agency	Salaries & Expenses	Percent Of Total
1995	162,311	23,417	14.43%
1996	99,470	15,048 a/	15.13%
1997	99,494	15,900	15.98%
1998	98,000	15,880	16.20%
1999	98,000	16,011	16.34%
2000	150,000	17,872	11.91%

a/ Excludes \$2.5 million for downsizing costs.



II. ADMINISTRATIVE MANDATES

The agency's personnel requirements are a direct function of its mission, its legal responsibilities imposed by Congress under the National Foundation on the Arts and the Humanities Act of 1965, as amended, (NFAHA), successive appropriations statutes and mandates, and the many other federal statutes, regulations, and executive orders and circulars which govern the administration of federal agencies. Below is a discussion of the agency's statutory responsibilities.

Basic Functions Required as a Independent Federal Agency

All federal agencies must maintain the basic administrative functions. These functions include: budgeting; financial management; information systems management; personnel management; grants and contracts management; Inspector General; service, supply and building support; public information; legal counsel; civil rights and equal employment opportunity enforcement; and all of its programmatic functions.

National Foundation on the Arts and the Humanities Act of 1965, as amended, (NFAHA)

NFAHA mandates that all applications for grant assistance be subjected to a rigorous multi-step review. Specifically, the act requires that: the chairman utilize advisory panels to review applications; that panels be composed of citizens reflecting wide geographic, ethnic and minority representation as well as individuals reflecting diverse artistic and cultural points of view, and that the panels further include lay members who are not engaged in the arts as a profession but who are knowledgeable about the arts. NFAHA also established a separate National Council on the Arts, and charges the Council with conducting a second level of review of all panel recommendations. Finally the law requires a third level of review by the chairman.

NFAHA also imposes strict reporting requirements on all grantees, and requires the agency to recover grant dollars spent inappropriately. These authorities are important in ensuring accountability for taxpayer dollars.

Appropriations Bills Enacted since FY 1990

Pursuant to the FY 1998 legislation, the Endowment has been directed to: ensure that priority is given to awarding financial assistance for projects serving underserved populations; encourage public knowledge; education, understanding and appreciation of the arts; report to Congress on multi-state grants; and provide technical assistance to smaller organizations and those without sophisticated development offices, such as entities in rural or underserved communities operating with part-time or volunteer staff.

The Endowment has been given expanded authority to solicit and invest private funding. We have made some progress in this area, investing in Treasury Bills.

The Endowment is continually exploring new ways to improve productivity since absorbing major personnel cuts in FY 1996. At current personnel levels, the agency is able to serve the public efficiently. However, any further cuts would jeopardize the Endowment's ability to fulfill its obligations under the NFAHA, appropriation bills, and the various other federal laws, rules and regulations governing the operation of a federal agency.

III. AGENCY STREAMLINING

The Arts Endowment is processing the third round of project-specific grants under the new categories adopted in FY 1997. To further improve operations, the Endowment recently embarked upon an agency-wide review of internal policies/processes to identify ways to create a more efficient and effective agency. In addition, we conducted a customer service survey and convened a customer service focus group of our applicants and grantees, and have used that feedback to further improve the delivery of services.

The agency has completed the installation of a LAN, and has hired a contractor to move all major information systems from a Wang Laboratories, Inc. mainframe computer to a client-server platform.

Other management improvements include:

- Simplifying the Endowment's *Grants to Organizations*, *ArtsREACH*, and *Folk & Traditional Arts Infrastructure Initiative* application guidelines to make them more "user-friendly." We also have enlisted technology to improve their accessibility and ease-of-use to prospective applicants by posting the guidelines in downloadable format, including required forms, at our Web site. Upon request, we provide the guidelines on disk to applicants who wish to use their computers to complete the forms, but lack Internet access. The Endowment also has incorporated objectives of its Government Performance and Results Act (GPRA) Strategic Plan into the guidelines, thereby integrating the plan more fully into agency grantmaking and aiding the tracking and measuring of results.
- Implementing a new timetable for grant application deadlines, award notifications, and project start dates for most applicants. This has yielded greater flexibility to applicants in choosing the most appropriate funding category, a shorter period between application filing and award notification, and a more evenly distributed staff workload.
- Designating two positions to support Endowment efforts to improve the collection and use of information, particularly important to implementing GPRA and tracking "national impact" grants. This has led to the cessation of collecting redundant/unnecessary data from applicants and grantees.

- Refining further our final reporting process by establishing a single set of final descriptive reporting requirements to cover most funding categories. (Partnership Agreements awarded to State Arts Agencies have a separate set of guidelines.) This eliminates the 12 reports required in FY 1997, which replaced the more than 100 specific reporting requirements mandated in FY 1996. The Endowment also has centralized the review and acceptance of grantees' final reports, improving timeliness and accountability for the results of funded projects.
- Revising the agency's grants management manual (GMM) to present grants and cooperative agreement policies and procedures in a simpler, more compact format.
- Reorganizing and rendering easier to use the General Terms and Conditions included in every grant notification package. To help grantees meet federal accounting and other financial management requirements, we have added to the award package the *Financial Management Guide for Nonprofit Organizations*, issued by the Endowment's Office of Inspector General in late 1997.
- Establishing a collection referral procedure through an interagency agreement with the Department of Treasury, pursuant to the Debt Collection Improvement Act.
- Setting up investment accounts to respond to new Congressional legislation allowing the Endowment to invest funds.
- Conducting a mail survey of 606 applicants and grantees to ascertain their views of the Endowment's customer service. Their responses bolstered operational changes already underway and will inform our ongoing consideration of priorities and standards for service. We also clarified and simplified several pre- and post-award documents based on advice from an applicant/grantee customer service focus group.
- Fine-tuning the agency's new staff performance appraisal program, emphasizing results-oriented performance, increased supervisor-employee communication, and simplified process.

IV. COMPUTER CONVERSION

The Computer Conversion project was established to address a material weakness in the Endowment's antiquated Wang Laboratories, Inc., mainframe computing system. The Computer Conversion project also enables the NEA to enhance internal and external communication and optimize its computing environment. The agency has already accomplished several tasks relating to this goal. In April 1996, the Endowment created a Web Site on the World Wide Web to facilitate the exchange of information with its constituents and improve external communication; to date, our Web site has received some 10 million hits. In December 1997, with assistance from GSA's Federal Systems

Information Management Center (FEDSIM), the Endowment completed the installation of a Local Area Network (LAN). This new computing platform fostered data, information and resource sharing, and provided the agency with the capability to improve communication via electronic mail.

The final goal is to migrate the agency's Corporate Information Systems (CIS) off the Wang Laboratories, Inc. mainframe computer system. Through FEDSIM, a contract has been awarded to assist the agency in achieving this goal. The Project Overview states that the migration is for the "purpose of replacing several vital corporate computer processing and management information systems with a single, integrated system based upon the most recent proven and cost-effective technology, and to improve productivity and the availability of information." To accelerate work on this task, the Endowment increased the FY 1998 Computer Conversion Budget by \$384,000. The current migration schedule is: Business Process Reengineering workgroup sessions — May 1998 through June 1998; technical evaluations, systems development and implementation — July 1998 through July 1999; end user training — August 1999. To complete the migration task, the agency was appropriated \$490,000 in FY 1999. For FY 2000, we are not requesting new funds for the Computer Conversion project; however, \$100,000 is set aside, under the Salaries and Expenses budget, to cover any unanticipated items.

V. YEAR 2000 CONVERSION

To meet federal requirements, the Endowment has established a plan to identify and resolve FY 2000 conversion issues prior to October 1, 1999. The importance of solving this problem as soon as possible is reinforced by the fact that the agency's Grants and Contracts Office as well as the Finance Office have already begun experiencing problems with grants which extend into the year 2000. Agency FY 2000 conversion issues/activities are discussed below.

Telecommunication System: The agency's telephone switching system and voice mail system upgrade to ensure Year 2000 capability was completed in September 1998.

Equipment and System Purchases: The Endowment purchases most of its equipment off the GSA schedule which is supposed to be Year 2000 compliant. Agency contracts for purchasing or modifying systems now require Year 2000 compliance.

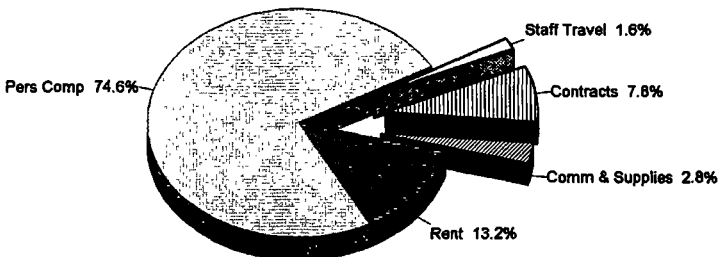
Wang Computer Systems: The agency has hired a contractor to modify all three Corporate Information Systems (GMS, FMIS, and APBS) operating on the Wang Laboratories Inc. computer to be Year 2000 compliant. Validation and implementation of all three systems is targeted for completion by March 1999. It is anticipated that the agency's new computing platform should be completed by FY 2000. However, there is a need to make the agency's existing Corporate Information Systems Year 2000 compliant because of the requirement for parallel operations until we are able to fully phase out the Wang equipment.

LAN Platform: The Novell Operating System (hardware and software) is Year 2000 compliant.

VI. ANALYSIS OF FY 2000 SALARIES AND EXPENSES BUDGET REQUEST

For FY 2000, the Endowment requests \$17.872 million for Salaries and Expenses (previously referred to as the Operating Administrative Budget) to support administrative activities necessary to operate an independent Federal agency awarding new grants totaling \$130.568 million at the \$150 million level, and to monitor and process active prior-year grants. Chart 2 portrays how the FY 2000 Salaries and Expenses Budget is allocated.

Chart 2
FY 2000 Salaries and Expenses



The Salaries and Expenses allocations are discussed (by object class) in the following paragraphs. A summary of the allocations is shown in Chart 3 at the end of this Tab.

A. PERSONNEL COMPENSATION AND BENEFITS

During FY 1998, the Endowment experienced abnormally low Personnel Compensation and Benefits costs. This is mainly attributable to the agency's Chairman position being vacant from October 1997 through June 1998. During this time several high-level managers and directors left the agency. In addition, prior vacancies remained unfilled to allow a new Chairman flexibility in hiring critical staffing positions. The unusually high attrition rate resulted in the agency ending FY 1998 with an annualized 143 FTE.

With a new Chairman in place, the agency is readdressing its staffing needs. The FY 1999 estimate will support an annualized 165 FTE (which includes 4 Stay-In-School positions). This will allow the agency to fill critical vacancies which include: Program Directors for Presenting/Multidisciplinary and Media; the agency's General Counsel; administrative assistants; and program specialists. To manage the agency's information and technology, the Endowment has established the Office of Information and Technology Management and plans to hire a Chief Information Officer. Additionally, the agency plans to hire three program specialists in the second half of FY 1999 to handle increasing workload demands in current program areas, as well as preparing for additional application processing work associated with the upcoming Challenge America initiative.

In FY 2000, the Endowment requests \$13.331 million for personnel compensation. This request will support an annualized 173 FTE (167 staff, 4 Stay-In-School positions, and 2 President's Committee on the Arts and the Humanities (PCAH) staff funded with donated monies) as well as the annualized cost of the FY 1999 3.68 percent pay increase (covering the ECI and Locality Pay adjustments) and the proposed 4.4 percent pay increase for FY 2000. The 173 FTE includes an increase of 5 staff over FY 1999. The additional FTE will be necessary to support the increased application and grant award processing as a result of implementing the Challenge America initiative.

The amount budgeted for benefits is based on the agency's adjusted composite benefit rate of 19 percent and assumes that approximately 49 percent of agency compensation applies to employees under the Federal Employees Retirement System (FERS). None of the agency's employees under the Civil Service Retirement System (CSRS) requested to transfer to the FERS.

The following is a summary of personnel compensation and benefit costs:

(\$ in thousands)

	FY 1998 <u>ACT</u>	FY 1999 <u>EST</u>	FY 2000 <u>REQ</u>
11.1 Full-Time Permanent (FTP)	\$7,919	\$8,862	\$9,490
11.3 Other Than FTP	1,195	1,449	1,550
11.5 Other Personnel Comp.	104	114	114
11.8 Special Personnel Svcs.	<u>20</u>	<u>84</u>	<u>87</u>
11.9 Total Personnel Comp.	9,238	10,509	11,241
12.1 Personnel Benefits	1,722	1,936	2,080
13.1 Benefits to Former Personnel	<u>7</u>	<u>10</u>	<u>10</u>
Total Comp. & Benefits	10,967	12,455	13,331

B. TRAVEL OF PERSONS

For FY 2000, the Endowment is requesting \$293,000 for local and out-of-town travel for staff (including the Office of Inspector General and the Endowment's portion for the President's Committee on the Arts and the Humanities). Starting in FY 1999, Council Member travel costs are included under the Program Support budget.

The Endowment utilizes staff travel to ensure that information regarding agency programs, including its Leadership and Millennium initiatives, are available to the broadest range of Americans and communities. Beginning in FY 1998, staff travel was increased in response to the agency's ArtsREACH initiative. The increase in the FY 1999 and FY 2000 travel will be used mainly to support initiatives such as ArtsREACH and **Challenge America** and to ensure that travel to other underserved areas is maintained. While travel to off-line and rural areas is more expensive, the agency is attempting to control travel costs by prioritizing staff trips, monitoring staff attendance at national conferences, and encouraging travelers to link and consolidate trips to various regions.

(\$ in thousands)			
	FY 1998	FY 1999	FY 2000
<u>ACT</u>	<u>EST</u>	<u>REQ</u>	
21.1 Staff Travel ¹	201	265	293
21.3 Council Travel	<u>36</u>	<u>---</u>	<u>---</u>
Total Travel	237	265	293

C. TRANSPORTATION OF THINGS

\$35,000 is requested for this object class in FY 2000. Funds are used primarily for express delivery (GSA courier contract) of time-sensitive materials panels and National Council on the Arts meetings.

(\$ in thousands)			
	FY 1998	FY 1999	FY 2000
	<u>ACT</u>	<u>EST</u>	<u>REQ</u>
22.0 Transportation of Things ²	38	30	35

¹FY 1998 includes approximately \$10,000 of Invitational Travel expenses.

²FY 1998 includes approximately \$13,200 for relocation expenses.

D. RENT, COMMUNICATIONS AND UTILITIES**1. Rent**

In FY 1998, GSA informed the Arts Endowment of its intent to redevelop the Old Post Office Pavilion. Recent discussions with GSA indicate that the agency should be prepared to vacate the building approximately eighteen months from the start of FY 1999 or mid-FY 2000. Since the agency assumes it will be located in the Old Office Pavilion for all of FY 1999, the FY 1999 Rent estimate is based on current billing information received from GSA.

For FY 2000, the agency requests \$2.363 million for GSA rent costs. This request is separated into two components. The agency assumes it will be located in the Old Post Office Pavilion for the first six months of FY 2000. Therefore, we have used GSA's estimated square footage rate and assume that current space requirements are maintained. For the second half of FY 2000, the agency assumes it will be relocated to a different building. We are estimating a square footage rate of \$45 (GSA estimated the rate to be between \$38 and \$51 per square foot). Also, we are requesting additional space for agency staff, records storage, agency conferences, and panel meetings. GSA has informed the agency that it will cover relocation expenses since this is a GSA directed move.

2. Communications, Utilities, and Rental Payments to Others

For FY 2000, \$257,000 is requested for communications, utilities, and equipment rental. This request assumes that GSA will cover all costs associated with the agency's relocation.

\$ in thousands)

	FY 1998	FY 1999	FY 2000
	<u>ACT</u>	<u>EST</u>	<u>REQ</u>
23.1 Rental Payments to GSA	1,678	1,767	2,363
23.3 Rental Payments to Others	10	8	9
23.3 Telephone	116	139	150
23.3 Postage ¹	<u>46</u>	<u>117</u>	<u>98</u>
Total Rent, Comm. & Utilities	1,850	2,031	2,620

¹FY 1999 estimate includes \$30,000 for a FY 1998 billing increase.

E. PRINTING AND REPRODUCTION

FY 1998 printing costs included activities for producing the agency's various guidelines, Annual Report, miscellaneous publications, and notices in the Federal Register and Code of Regulations. During FY 1998 the agency produced or reprinted the following brochures: Bringing the Arts to Life for Children and Adults since 1965, Lifelong Journey: An Education in the Arts, 1996, America in the Making, Writing America, and Brief Chronology of Federal Involvement in the Arts.

Starting in FY 1999, printing activities which directly support the agency's interaction with the field are included in the Program Support budget request. Descriptions of these activities and their associated cost estimates are contained in the Program Support tab.

In FY 2000, the Endowment is requesting \$74,000 for this object class. These funds will be used to print notices in the Federal Register and Code of Regulations, produce Office of Management and Budget (OMB) and Congressional documents, and supports reproducing standard agency forms. The FY 2000 request takes into consideration the Government Printing Office (GPO) estimate that FY 2000 printing costs will increase 3.1 percent over FY 1999.

(\$ in thousands)

	FY 1998 <u>ACT</u>	FY 1999 <u>EST</u>	FY 2000 <u>REQ</u>
24.0 Printing & Reproduction	157	168	74

F. OTHER CONTRACTUAL SERVICES

1. Training

The Endowment requests \$83,000 for agency-wide training in FY 2000. Non-ADP training funds will be used to support approved employee training identified through a newly instituted agency-wide training needs assessment process. The purpose of training is to enhance developmental opportunities for staff and to improve their skills and capabilities.

ADP training emphasis will shift from classes for applications associated with the LAN in FY 1998 to basic use and technical training related to migrating to the new computing platform in FY 1999 and FY 2000.

2. Contractual Services (25.4 and 25.9)

The FY 2000 request for contractual services is \$1.194 million and includes \$824,000 for Miscellaneous Contracts and \$370,000 for Administrative Contracts.

The Endowment utilizes contractual services for a multitude of activities which include: payroll and personnel processing with the U.S. Department of Agriculture; GSA Guard Service; health services with the U.S. Department of Justice; interagency audits; operation, modification and/or enhancements of Automated Data Processing (ADP) hardware and software systems; services for temporary clerical personnel; management of agency duplicating and internal mail service; and maintenance of duplicating and telephone equipment.

The agency has budgeted enough funds in FY 2000 to maintain the new LAN computing platform as well as the Wang Laboratories, Inc. computing system. It is anticipated that after FY 2000, maintenance and support services for the Wang Laboratories, Inc. system will end. In FY 2000, the agency has budgeted \$100,000 to cover unanticipated costs associated with the final implementation of the Computer Conversion project.

3. Panelist Contracts

Panelists are used to review and make recommendations on grant applications. Starting in FY 1999, Panelist costs are included in the Program Support budget request. A description of panelist activities and FY 1999 and FY 2000 cost estimates are contained in the Program Support Tab.

4. Consultant Contracts

Consultants are mainly used to present field issues to the National Council on the Arts and to facilitate the agency's category overview panels. Starting in FY 1999, consultant activities which directly support the agency's interaction with the field are included in the Program Support budget and are described in more detail in the Program Support Tab.

The following is a summary of Other Contractual Services costs:

(\$ in thousands)

	FY 1998 <u>ACT</u>	FY 1999 <u>EST</u>	FY 2000 <u>REQ</u>
25.2 Training	68	86	83
25.4 Miscellaneous Contracts	756	785	824
25.8 Panelist Contracts	438	---	---
25.8 Consultant Contracts	25	100	---
25.9 Administrative Contracts	<u>411</u>	<u>333</u>	<u>370</u>
Total Other Contractual Svcs.	1,698	1,304	1,277

G. SUPPLIES AND EQUIPMENT

In FY 2000 the Endowment requests \$167,000 for Supplies and \$75,000 for Equipment. The agency coordinates and manages the purchase and inventory of supplies and equipment through three central service offices. In FY 1998, the agency purchased equipment to: replace older duplicating machines whose operating downtime and maintenance cost were unacceptable; upgrade and replace laptop computers to meet agency compatibility requirements; provide personal computers for new staff, and establish a small inventory of personal computers for backup purposes.

In past fiscal years, the Endowment relied on year-end savings to purchase ADP equipment needed to replace out-of-date or failing hardware and software. This flexibility will be minimized as the agency continues to tighten its Salaries and Expenses budget. In response to this need, the agency has prepared an ADP replacement plan. Agency ADP hardware and software replacement needs are incorporated into the FY 1999 estimate and FY 2000 request. Based on the current replacement plan, the agency's FY 2001 Equipment request will increase substantially as the agency begins replacing equipment that was purchased four years ago and upgrading software not upgraded during FY 2000.

(\$ in thousands)

	FY 1998 <u>ACT</u>	FY 1999 <u>EST</u>	FY 2000 <u>REQ</u>
26.0 Supplies and Materials	146	145	167
31.0 Equipment	193	56	75

VII. OFFICE OF INSPECTOR GENERAL (OIG)

The Endowment has had an independent Audit Office since 1978. In 1989, pursuant to the provisions of the Inspector General Act Amendments of 1988 (P. L. 100-504), the Audit Office was redesignated the Office of Inspector General for the National Endowment for the Arts. The OIG's administrative support activities (e.g., personnel, travel, equipment, supplies, contractual services, etc.) are provided by the Arts Endowment. The costs for the OIG are reflected in the various object classes of the Arts Endowment's Salaries and Expenses Budget. No authority within the Endowment, other than the Chairman, approves the Inspector General's budget.

The following is a summary of the OIG costs:

	(\$ in thousands)		
	FY 1998	FY 1999	FY 2000
	<u>ACT</u>	<u>EST</u>	<u>REQ</u>
11.1 Personnel Compensation ⁴	216	273	287
12.1 Personnel Benefits	38	49	52
21.1 Travel	1	5	5
24.1 Printing	0	1	1
25.2 Training	2	3	3
25.4 Contractual Services	0	10	10
26.0 Supplies	<u>1</u>	<u>2</u>	<u>2</u>
Total	258	343	360

⁴Supports 3.13 FTE in FY 1998 and 4.0 FTE for FY 1999 and FY 2000.

VIII. PRESIDENT'S COMMITTEE ON THE ARTS AND THE HUMANITIES (PCAH)

The President's Committee on the Arts and the Humanities was established in 1982 by Presidential Executive Order to study and stimulate more private sector giving to the arts and the humanities. The current Executive Order expires on September 30, 1999. The costs of the PCAH are reflected in the various object classes of the Arts Endowment's Salaries and Expenses Budget. PCAH's logistical and administrative support activities (e.g., supplies, reprographic services, telephone service, etc.) are provided by the Arts Endowment. The National Endowment for the Humanities (NEH) shares half the cost of the PCAH, through an interagency agreement. Each agency pays for 1 FTE and associated travel; the NEA's staffing includes 2 additional FTE funded with donated monies..

The following is a summary of PCAH's total budget including the costs covered by NEH:

(\$ in thousands)

	FY 1998	FY 1999	FY 2000
	<u>ACT</u>	<u>EST</u>	<u>REQ</u>
11.1 Personnel Compensation ⁵	202	208	216
12.1 Personnel Benefits	44	43	50
21.1 Travel	6	6	6
22.0 Trans. of Things	1	1	1
23.1 Rent ⁶	49	50	58
23.3 Postage	3	3	3
23.3 Telephone	5	5	5
24.0 Printing	3	5	6
25.4 Contractual Services	5	1	6
26.0 Supplies	2	2	2
31.0 Equipment	<u>0</u>	<u>6</u>	<u>5</u>
Total	320	330	358

⁵Excludes costs for 2 FTE paid with donated funds in FY 1999 and FY 2000.

⁶Rent figures are based on the assumptions discussed in Section VI. D. (Rent) of this tab.

CHART 3

NATIONAL ENDOWMENT FOR THE ARTS
 DETAIL OF OBJECT CLASSIFICATION
 (\$ in Thousands)

OBJECT CLASSES	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request
11.1 Full-Time Permanent	\$7,919	\$8,862	\$9,490
11.3 Other Than Full-Time Permanent	1,195	1,449	1,550
11.5 Other Personnel Compensation	104	114	114
11.8 Special Personal Services	20	84	87
11.9 Total Personnel Compensation	9,238	10,509	11,241
12.1 Civilian Personnel Benefits	1,722	1,936	2,080
13.0 Benefits for Former Personnel	7	10	10
Total Compensation & Benefits	10,967	12,455	13,331
21.0 Travel & Transportation of Persons	237	265	293
22.0 Transportation of Things	38	30	35
23.1 Rental Payments to GSA	1,678	1,767	2,363
23.3 Comm., Utilities & Misc. Charges	172	264	257
24.0 Printing and Reproduction	157	168	74
25.2 Other Services a/	1,698 b/	1,304	1,277
26.0 Supplies and Materials	146	145	167
31.0 Equipment	193	56	75
99.0 Total: Salaries and Expenses	15,286	16,454 f/	17,872
Computer Conversion	1,104 c/	490 g/	.....
Office of Policy Research and Analysis	430 d/	 h/	 h/
TOTAL ADMINISTRATIVE	\$16,820 e/	\$16,944	\$17,872

a/ Excludes NEH reimbursement for one-half of PCAH expenses.

b/ Includes Year 2000 conversion costs for telephone system and Wang computer system.

c/ Included in the President's Budget object classes as follows: \$1,097 in 25.2, and \$7 in 31.0.

d/ Included in the President's Budget object classes as follows: \$21 in 24.0, \$351 in 25.2, and \$58 in 41.0.

e/ Excludes FY 98 carryover: Salaries & Expenses - \$778 and OPRA - \$206.

f/ Includes \$443 of FY 1998 carryover funds.

g/ Included in the President's Budget object classes as follows: \$245 in 25.2, \$45 in 26.0, and \$200 in 31.0.

h/ OPRA activities are included in the Program Support Budget.

GOVERNMENT PERFORMANCE AND RESULTS ACT

This following revised plans are included in under this Tab:

STRATEGIC PLAN FY 1999 - 2004

FY 2000 NEA PERFORMANCE PLAN

NATIONAL ENDOWMENT FOR THE ARTS

Strategic Plan: FY 1999 - 2004



AN INVESTMENT IN AMERICA'S LIVING CULTURAL HERITAGE

February 1999

NATIONAL ENDOWMENT FOR THE ARTS

*The arts
reflect the past,
enrich the present,
and
imagine the future.*

VISION

A nation in which the arts play a central role in the lives of all Americans.

MISSION

The National Endowment for the Arts,
an investment in America's living cultural heritage,
serves the public good by
nurturing the expression of human creativity,
supporting the cultivation of community spirit, and
fostering the recognition and appreciation of the **excellence** and **diversity** of
our nation's artistic accomplishments.

Outcome Goals

- ◆ **The American public has access to a wide range of arts experiences.**
- ◆ **Artists and organizations have multiple opportunities to create and present work of artistic excellence.**
- ◆ **The arts play a central role in our nation's education system and in lifelong learning.**
- ◆ **Our nation's cultural heritage is preserved, documented, and conveyed to future generations.**
- ◆ **America's cultural organizations in the 21st century possess organizational strength and financial stability to realize their programmatic goals.**
- ◆ **Arts are central to the realization of community dreams.**
- ◆ **America's Arts Endowment possesses strong ongoing working relationships with government agencies and the private sector.**
- ◆ **The National Endowment for the Arts and its program of federal investment in living cultural heritage are central to the well being of America's democratic society.**

Chairman's Statement

Every year the lives of millions of people throughout our land are touched by performances, exhibitions, and educational and community activities that are funded by the National Endowment for the Arts. The Arts Endowment belongs to the American people, and it's a pleasure to present the agency's strategic plan for fiscal years 1999-2004. The plan reflects the Endowment's commitment to artistic excellence, to fostering America's creativity, and to investing in our living cultural heritage.

As the 21st century approaches, the United States joins many other nations of the world in turning to the arts as a way to define who we are and as an opportunity to dream of what we might be. At this time of celebration and anticipation, it is important for the federal government to re-affirm its capacity as a leader in nurturing and sustaining the arts.

In the time that I've been Chairman, we've articulated a vision for the arts in America, one centered around a strong, lasting federal commitment to artists, arts organizations, and the American people. We have connected our vision with a strategy and a concrete plan for moving forward. We are moving toward defining a more central role for the arts in the lives of individuals, families, communities, and our nation. We also are moving toward building and strengthening partnerships—toward shared agendas with schools and teachers, artists and arts organizations, businesses and governments, private citizens and civic organizations.

Consistent with our founding legislation, for more than three decades the Endowment has helped foster the wisdom and vision that democracy demands of its citizens. Together with artists, arts organizations, state and local partners, educators, and private citizens, we have built a strong and vibrant arts infrastructure for delivering art to the American people. And in the process, we've also witnessed a desire for more art throughout the country.

This desire for more quality art throughout the nation stems from a citizen realization about the central importance of the arts in American life. Today, art is no longer confined to paintings in museums—or dances, plays and symphonies in concert halls and theaters. Art is much, much more; our living cultural heritage permeates our lives. It's city planning and design. It's touring companies and festivals. It's after-school programs and programs for at-risk youth. It's classical music for newborns and programs for senior citizens. It's in large cities and in the smallest, most remote towns.

Our art—our music, dances, paintings, literature, sculpture, and buildings—reflects a nation born of high ideals: freedom, justice, and equality. We are a nation sustained by the idealism, diversity, and above all, the creativity of our people. The process of making art in America evolves naturally from our democratic experience. Our "way of art" arises from the blending, borrowing, and accommodation of the hundreds of different cultures and traditions in our land, each equal in its importance and value to our citizens and our nation.

Our unique arts process in America allows people from different backgrounds to communicate, find common ground, and share experiences, ideas, and talents. This American arts-making process has given the entire world some of humankind's most valuable and lasting art forms—such as jazz and blues, modern dance, and abstract art. The American arts process creates entirely new art forms by improvising, taking the best of a tradition, adapting it, and blending it to suit our own unique sense of national spirit. Art is the one area in our society where ideas can flow freely across racial and cultural barriers. As an example, jazz may be one of America's most perfect expressions of the democratic nature of our arts process. Before civil rights, before integration, black and white jazz musicians played together in jam sessions and small bands. In southern music, art preceded social change, creating a special space where black and white musicians met as equals in an unequal world, where artists were judged on their musical ability, not the color of their skin.

As we look at art in our society, more and more we are coming to realize that artistic expression is at the center of community life and our national identity. Art transports our values and our heritage from generation to generation. Art taps our inner resources and makes us a creative people. And because the arts are so very central to our American experience, the acts of nurturing the arts, encouraging America's creativity, and protecting our

cultural heritage comprise an essential, valuable, and appropriate federal role. Federal support for the arts is an act deep patriotism.

The Endowment has translated its vision of why the arts are important to our democratic society into a plan of action, which will accomplish a number of goals.

First, the Endowment will work to increase access to a wide range of arts experiences for the American public. We take very seriously the Administration's view that federal government agencies exist to serve the American people. We are committed to providing opportunities for inner city and rural populations to enjoy a symphony, an opera, an art exhibition, a poetry reading. Through our pilot program, ArtsREACH, we have targeted Endowment grants to organizations in 20 states that have been under-represented in our direct grant program, and in coming years we plan to target more NEA funds to under-represented areas in more states.

Second, the Endowment will work to increase opportunities for artists and arts organizations to create and present artistic work. Art begins with artists, and while the Endowment is currently prohibited from making direct grants to most individual artists, we encourage artistic creativity and inspiration through grants to organizations that support artist residencies, fellowships, and commissioning. We also fund numerous organizations for the production of a wide range of festivals, concerts, performances, and exhibitions.

Third, we will reinforce the importance of arts education, from pre-kindergarten through grade twelve and continuing through a lifetime of learning. This includes helping to put the arts back into the basic curriculum of our school systems. According to the nation's first Report Card on the Arts in 20 years, released last fall, our children performed poorly, but one of the most positive findings was something that those of us in the arts have known for years: the creativity of children can be developed through the arts. Arts education for young people represents a key to the creative literacy required to function in the new millennium, a literacy that requires us to communicate using a complex combination of text, spoken word, music and moving images. In communities around the country, we are engaged in efforts to educate people of all ages in the arts.

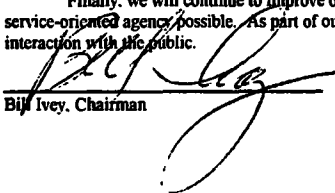
Fourth, we are working to preserve and document our nation's cultural heritage for future generations. The Endowment is working in partnership with arts organizations and state arts agencies on a number of projects that will help preserve and promote America's rich cultural traditions, including our unique artistic contributions to the world. We also are funding activities that will ensure the passing on of traditional art forms to young people.

Fifth, the Endowment wants to ensure that America's cultural organizations are strong and financially stable for the 21st century. To help accomplish this goal, the Arts Endowment has begun a year-long study to determine how best to deploy NEA resources to ensure the long-term health of American arts organizations.

Sixth, the Endowment views the arts as central to community life. Besides anchoring communities, growing the economy, and increasing jobs, the arts give communities a sense of identity, shared pride, sound design that affects how we live, and a way to communicate across cultural boundaries. Investing in the arts is an investment in people.

Seventh, we will expand our partnerships—with other federal agencies, local and state governments, and with business. Such partnerships multiply the value of public dollars allocated to the arts. Businesses can contribute more than money; many corporations own important parts of America's cultural heritage, and many entertainment companies develop new talent and new works of art. We must identify those areas where every segment of the arts community can work together.

Finally, we will continue to improve our internal operations to become the most effective, efficient, and service-oriented agency possible. As part of our national leadership role, we constantly seek ways to improve our interaction with the public.



Bill Ivey, Chairman

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INTRODUCTION

Introduction

Agency Overview: The National Endowment for the Arts was established in 1965 as an independent federal agency. Its mission is to serve the public by:

- nurturing the expression of human creativity;
- supporting the cultivation of community spirit; and
- fostering the recognition and appreciation of the excellence and diversity of our nation's artistic accomplishments.

In carrying out its mission, the Endowment is guided by the following principles, drawn from its authorizing legislation's "Declaration of Findings and Purpose:"

1. The arts and humanities belong to all the people of the United States.
2. The encouragement and support of national progress and scholarship in the humanities and the arts, while primarily a matter for private and local initiative, are also appropriate matters of concern to the federal government
3. Democracy demands wisdom and vision in its citizens. It must therefore foster and support a form of education and access to the arts and the humanities, designed to make people of all backgrounds and wherever located masters of their technology and not its unthinking servants.
4. The Government must be sensitive to the nature of public sponsorship. Public funding of the arts and humanities is subject to the conditions that traditionally govern the use of public money. Such funding should contribute to public support and confidence in the use of taxpayer funds. Public funds provided by the federal government must ultimately serve public purposes the Congress defines.
5. The arts and the humanities reflect the high place accorded by the American people to the nation's rich cultural heritage and to the fostering of mutual respect for the diverse beliefs and values of all persons and groups.
6. The practice of art and the study of the humanities require constant dedication and devotion. While no government can call a great artist or scholar into existence, it is necessary and appropriate for the federal government to help create and sustain not only a climate encouraging freedom of thought, imagination, and inquiry but also the material conditions facilitating the release of this creative talent.
7. Americans should receive in school, background and preparation in the arts and humanities to enable them to recognize and appreciate the aesthetic dimensions of our lives, the diversity of excellence that comprises our cultural heritage, and artistic and scholarly expression.
8. It is vital to a democracy to honor and preserve its multi-cultural artistic heritage as well as support new ideas; and therefore it is essential to provide financial assistance to its artists and the organizations that support their work.
9. An advanced civilization must not limit its efforts to science and technology alone, but must give full value and support to the other great branches of scholarly and cultural activity in order to achieve a better understanding of the past, a better analysis of the present, and a better view of the future.
10. The world leadership which has come to the United States cannot rest solely upon superior power, wealth,

and technology, but must be solidly founded upon worldwide respect and admiration for the nation's high qualities as a leader in the realm of ideas and of the spirit.

11. To fulfill its educational mission, achieve an orderly continuation of a free society, and provide models of excellence to the American people, the federal government must transmit the achievement and values of civilization from the past via the present to the future, and make widely available the greatest achievements of art.

Private Citizen Involvement: The Endowment achieves its mission through grant-making, leadership initiatives and partnering. The agency head, or Chairman, is advised by the National Council on the Arts. The Council advises on agency policy, programs and procedures in addition to making recommendations on grant applications. The agency relies on private citizens — persons having no affiliation with the agency and who come from all parts of the country and have expertise in the arts — to review applications and make recommendations for funding.

Grant-making and Leadership: The primary tool for carrying out the agency's mission has been the awarding of grants. These awards take the form of grants to nonprofit arts organizations and, as permitted by law, individual artists. These awards also take the form of partnership agreements with all 50 states and the six jurisdictions.

The Endowment also assumes a number of leadership roles to fulfill its mission. These include:

- assisting catalytic, **national model projects** which advance the arts in pivotal ways in communities, both large and small, across the country;
- serving as a **convener** to address issues or matters important to the arts or to bring people together to discuss matters of mutual concern;
- supporting **research** to enhance knowledge and understanding and to inform decision-making; and
- **communicating/disseminating** information about the role and impact of the arts as well as information about model programs or projects.

Applications submitted for support are reviewed on the basis of artistic excellence and artistic merit; the potential impact of the project; and the applicant's ability to carry out the project. The Endowment recognizes that there are various approaches to artistic excellence among different cultures, media, styles, periods, etc., but that all have their standards. The Endowment is committed to supporting equitable opportunity for all and investing in as diverse a reflection of our society as possible, including works of all cultures and periods.

Partnering: At the heart of everything the Endowment does is the formation of partnerships. On its simplest level, agency grant-making reflects a partnership between the federal government and the recipient of federal funds to carry out a public purpose. With most grants requiring a minimum one-to-one match, typically a partnership also involves the private sector. On a more complex level, partnerships are between the Arts Endowment and artists and arts organizations; between the Arts Endowment and state and local arts agencies; and between the Arts Endowment, the communities, and the American people. More recently, partnerships have been created between the Arts Endowment and other federal agencies. Strengthening these partnerships is at the core of the agency's activity.

Unique Federal Role: The Endowment's role in supporting the arts is unique, serving as catalyst and standard bearer. The Endowment:

- Provides national recognition of artistic excellence and merit and support for artistic activity based on the highest standards, national competition, and citizen review.

- Provides access to the arts for all Americans regardless of geography, income level, age, disability, or race/ethnicity through leadership and national and regional distribution of art.
- Convenes, at the national and regional levels, representatives of various fields in the arts, and of the public and private sectors, to recognize and explore ways in which the arts can continue to grow and enhance the quality of life for all of our citizens.
- Provides national leadership in arts education for our children.
- Supports recognition, preservation, and sharing of America's traditional and diverse cultural heritages.
- Through a modest investment of federal dollars, is a powerful financial catalyst, with a unique capacity to leverage funds from the private sector and other government agencies.
- Serves as a national symbol and voice for American culture at home and abroad.
- Provides critical, often substantial, support for projects with national, multi-state, and/or field-wide impact.
- Establishes national standards and incentives for state and local government in support of the arts..
- As a national partner with the private sector, and with federal, state, and local agencies, supports and brings the arts and lifelong learning in the arts to people in all parts of the country.
- Provides national leadership and facilitation for communication, dialogue, research, and new thinking on issues critical to the future of the arts in America.
- Provides national overview and nurturing of distinct artistic fields, such as jazz, dance, and the folk arts.

ACCOMPLISHMENTS

Accomplishments

The National Endowment for the Arts...

...Belongs to the American People – The National Endowment for the Arts costs each American about 36 cents per year – less than one-hundredth of 1% of the federal budget. Since 1965, the NEA has awarded more than 111,000 grants to support thousands of projects like:

- Music, theater, and film festivals.
- Touring dance and opera performances.
- Poetry readings and workshops.
- National radio and television arts broadcasts.
- Orchestra and chamber music concerts.
- Artist residencies in schools.
- Publication of new books and literature.
- International exchanges.
- Mentorships with master artists.
- City design and downtown renewal.
- Folk arts, storytelling, and historic preservation.
- Museum exhibitions, large and small, contemporary and historical.

...Helps the Arts Grow – Due in part to the Endowment's key role, arts organizations, and those they support, have grown:

- Nonprofit professional theaters have grown from about 50 less than three decades ago to a network of more than 600 today.
- There are over 120 professional opera companies, compared to only 27 in 1965. Opera companies pay more than \$300 million annually to more than 20,000 artistic and administrative personnel.
- The number of professional dance companies has increased from 37 in 1965 to over 400 today. Nearly \$325 million is spent in the employment of dancers, administrative staff, and costs related to production.
- Today there are over 1,800 orchestras in America. Large orchestras have grown from about 100 to over 230. These orchestras employ more than 85,000 musicians and administrative staff, and in 1995-96 generated revenues in excess of \$940 million, filling 31 million seats.

...Makes the Arts Accessible to More Americans – Public participation in the arts has increased as well over the past 33 years. More people have had the opportunity to attend first-rate arts events in their communities than ever before, and attendance at arts events is greater than attendance at professional sports events. The NEA:

- Brings excellent performances beyond big cities to small towns and rural areas in all 50 states and the six U.S. jurisdictions.
- Helps keep ticket and admission prices affordable.
- Awards grants that reach millions through national tours of orchestras or dance, free public broadcasts, Internet initiatives, and festivals or exhibitions visited by tourists.
- Helps make museum exhibitions possible.
- Contributes to the strength and stability of local, state, and regional arts organizations.

...Promotes Arts Education

- The NEA and the state arts agencies provide \$30 million in annual support for more than 7,800 arts education

projects in more than 2,400 communities. In 1997, the NEA invested \$8.2 million, 10% of its annual grant dollars, in kindergarten through grade 12 arts programs.

- Thousands of artists contribute to learning in and about the arts in America's schools through NEA-supported initiatives including artist residencies, outreach programs, teacher training, special performances, and master classes.
- The NEA provides national arts education leadership through grants, research, forums, and policy development.
- The NEA, in partnership with the Department of Education, has helped to ensure the development of education content standards for what all students should know and be able to do in the arts. The Endowment's investment in student assessment returned the arts to the National Assessment of Educational Progress, better known as "The Nation's Report Card," for the first time in 20 years.
- Lifelong learning through the arts is supported with NEA funds for programs that include folk arts classes at senior centers, and training for young professional conductors.
- Arts education improves life skills including self-esteem, teamwork, motivation, discipline, and problem solving that help young people compete in a challenging and high-tech workforce.
- Research from 1995-97 shows that students who studied the arts scored an average of 83 points higher than non-arts students on the Scholastic Aptitude Test.

...Supports Cultural Activities that Strengthen Our Economy

- Nationally, the nonprofit arts generate an estimated \$37 billion in economic activity.
- Nonprofit arts return \$3.4 billion in federal income taxes to the U.S. Treasury each year, and spur \$1.2 billion in state government revenue and \$790 million in local government revenue.
- More than 1.3 million full-time equivalent jobs are supported by the nonprofit arts industry.
- Urban centers are building arts centers to help revitalize neighborhoods and generate new business.
- Cultural tourism is a flourishing industry – cultural tourists spend more money than the average traveler (\$615 vs. \$425), take longer trips, shop more, and are more likely to stay in hotels or motels.
- The artist work force has grown from 400,000 to nearly 1.7 million people between 1950 and 1990.

...Provides a Stamp of Excellence that Leverages Private Support

- NEA grants confer national prestige that cannot be duplicated on a state or local level.
- National panels of private citizens select grantees in a rigorous, democratic review process.
- Each NEA dollar is matched by at least 1:1 providing a funding catalyst that attracts many more dollars from local and state agencies, corporations, foundations, and individuals.

...Preserves America's Living Cultural Heritage for the 21st Century – The NEA provides grants that help:

- Conserve historic paintings and restore public monuments.
- Preserve historic recordings of the blues.
- Showcase Native American contemporary art.
- Fund anthologies of American literature.
- Assist master craftsmen to pass on their skills.
- Establish creative centers for families.

...Provides National Leadership

- The NEA uses its unique position to address arts issues beyond the state or local level by sponsoring national forums, industry-wide research, and international exchange.
 - In April 1994, *ART-21: Art Reaches into the 21st Century* was held as the first national conference on the arts called by the federal government

- In 1995, **Arts Education in Public Elementary and Secondary Schools**, a joint project of the Endowment and the National Center for Education Statistics of the Department of Education, provided Americans with a picture of the conditions of arts education. The Endowment and Education Department are renewing this collaboration in 1999 to update the national survey of elementary and secondary schools.
- In 1996, through *American Canvas*, the Arts Endowment initiated a national discussion on enriching our cultural legacy for future generations through community nurturing of the arts.
- New Leadership Initiatives of national scope encourage innovative partnerships and help launch the celebration of the new century.
 - ArtsREACH provides direct grants to communities in targeted states to create or implement community cultural plans which represent partnerships of arts and non-arts organizations working together to ensure the arts are an integral part of achieving community goals.
 - The Arts Endowment, along with other federal agencies and the private sector, has joined with the White House Millennium Council to "honor the past and imagine the future" at the turn of the Millennium. The Endowment supports artistically excellent Millennium Projects that are national in scope, and that incorporate significant community participation.
- By a 3 to 1 margin, Americans support current government-funded arts programs, and 61% said they would pay \$5 more in taxes to fund the arts, according to a 1996 Louis Harris poll.

...Partners with Local, State, Regional, and Federal Arts Organizations – Since 1965, the example at the federal level has led to the establishment of public arts agencies in every state and the creation of seven regional arts organizations. Public arts agencies in small towns and cities have grown to over 3,800. The NEA:

- Links local, state, and regional organizations in a cooperative system of arts support.
- Devotes 40% of its budget to partnerships with state arts agencies and their regional organizations.
- Promotes, within the federal sector, the unique role artists and art organizations play within the broad spectrum of community programs supported by federal resources. Many federal program areas, including those in the Departments of Education and Justice, the Center for Substance Abuse Prevention, and the National Science Foundation, are now inclusive of the arts.

...Improves Performance and Streamlines the Agency

...For the Public

- A cost-effective and efficient National Endowment for the Arts that can better serve the public has been created through many improvements.
- The agency launched its own Web site in April 1996, and since then has received over 8 million hits. Through the Web site at <http://arts.endow.gov>, the public can keep track of the Endowment's activities, review application guidelines, tap into other resources, and link to funding partners and an ever-expanding universe of information.

...For Applicants and Grantees

- Staff travel has been increased to provide technical assistance to applicants in areas that have tended to apply less frequently and thus receive fewer direct grants from the Endowment. In addition, a *Frequently Asked Questions and Tips for Applicants* document has been developed to assist applicants and accompany the application guidelines on our Web site.
- The time between application due date and grant notification date for most grant categories has been reduced from 11-12 months to 7-8 months to encourage applications from a broader range of organizations.
- Over 31 separate application guideline booklets have been collapsed into three primary booklets, and four special booklets and brochures to address targeted needs.

- Brochures have been developed outlining basic information about NEA funding opportunities for wide circulation to encourage a broader range of applicants.
- The FY 1999 *Grants to Organizations* application guidelines are approximately 40% shorter than the previous year's guidelines. This same philosophy has been applied to all application guidelines, making them clearer, more accessible, and reducing printing and postage costs.
- All application forms have been converted to an on-line format that allows applicants to fill out NEA forms on their computers. Potential applicants can download guidelines and application forms from the Endowment's Web site, ensuring a broader range of potential applicants.
- New reporting requirements have been developed for all grantees. One generic final report form has replaced more than 100 different, category-specific forms previously used. In addition, the agency has centralized its review of final reports to ensure timely customer service and coordination.

...For Internal Operations

- A PC-based Local Area Network (LAN) platform has been implemented. Mission critical systems are currently being re-engineered.
- A revised Performance Management Program has been implemented, resulting in a more streamlined, customer focused process.
- Forms used by the agency have been updated for use on desktop computers rather than typewriter, reducing the staff time needed to complete hundreds of required forms.
- An internal review has been performed which examined cross-cutting agency-wide management and process issues. Resulting recommendations for increased efficiency and workload reduction are currently being reviewed and implemented.

GOALS AND OBJECTIVES

NATIONAL ENDOWMENT FOR THE ARTS FRAMEWORK OF STRATEGIC PLAN GOALS AND OBJECTIVES

Mission: The National Endowment for the Arts, an investment in America's living cultural heritage, serves the public good by *nurturing* the expression of human creativity, *supporting* the cultivation of community spirit, and *fostering* the recognition and appreciation of the excellence and diversity of our nation's artistic accomplishments.

Goal 1 Access: Broaden public access to the excellence and diversity of the arts.	Goal 2 Creativity: Foster opportunities for the creation and presentation of artistically excellent work.	Goal 3 Arts Education: Strengthen the role of the arts in our nation's educational system and encourage lifelong learning in the arts.	Goal 4 Preservation: Preserve our nation's cultural heritage for the 21 st century
Objectives 1.1 Increase number of, and broaden and diversify the kinds of, arts events or activities available to the American public 1.2 Provide access to arts experiences in communities where such activities are not available because of geographic, economic or other factors.	Objectives 2.1 Increase the number of works created and presented. 2.2 Expand opportunities for artists to interpret, explore, and create work.	Objectives 3.1 Help ensure that the arts are basic to the education of children and young adults in grades pre-K through 12 3.2 Expand opportunities for children and adults to participate in and to increase their understanding of, or skills in, the arts 3.3 Provide professional development opportunities for artists, arts professionals, and teachers.	Objectives 4.1 Document or conserve highly significant works of art, artifacts, and collections of art. 4.2 Honor, assist, encourage, and present those artists and forms of artistic expression and practice that reflect the many cultural traditions that make up our nation.

Goal 5 Organizational Stability: Strengthen the organizational and financial capabilities of America's arts organizations	Goal 6 Community Arts Development: Help address the concerns of America's communities through the arts.	Goal 7 Partnerships: Strengthen the Endowment's partnerships with the public and private sectors.	Goal 8 Strengthen the NEA as an innovative, efficient, and effective organization.
Objectives 5.1 Strengthen arts organizations' ability to realize their artistic and public service goals by becoming more effective, adaptable, and stable organizations.	Objectives 6.1 Help make communities more livable through the arts. 6.2 Enhance public awareness of the importance of the arts in our lives and communities. 6.3 Increase opportunities for the positive development of children and youth. 6.4 Stimulate and strengthen the role of the arts in the economic and cultural development of communities.	Objectives 7.1 Strengthen partnerships between the Endowment, state arts agencies, regional organizations of state arts agencies, and local governments. 7.2 Develop and strengthen partnerships with the non profit arts sector including national arts service organizations, colleges and universities and foundations 7.3 Develop partnerships with the private sector and the commercial arts sector that enhance the arts in America. 7.4 Develop and strengthen partnerships with other federal agencies. 7.5 Develop and strengthen international partnerships.	Objectives 8.1 Improve public understanding, recognition, and appreciation of the role and impact of the Arts Endowment. 8.2 Improve the agency's interaction with the public 8.3 Improve the efficiency and delivery of agency services. 8.4 Strengthen the Arts Endowment's role as a national leader in the support of the arts and in the development of the nation's cultural policy.

STRATEGIC GOALS

Strategic Goals: Access

Broaden Public Access to the Excellence and Diversity of the Arts

Overview: Since its inception in 1965, the Arts Endowment has undertaken broad access to the arts as one of its primary responsibilities as a federal arts agency. The agency operates on the premise that every American should be able to participate in a vast array of arts activities, either as an artist or as an audience member. Access to the arts may be limited by any number of factors; geographic isolation, economic constraints, and physical limitations are some of the factors that the Endowment addresses. Many strategies are used to provide broad access to the arts, such as the broadcast of television or radio programs on the arts; the presentation or touring of artistic work; the publication of literary arts; or the dissemination of information on how to make the arts more available to older Americans or those with disabilities. Support in these areas can bring the finest of arts programming to millions of Americans in every part of the country, increasing knowledge and appreciation of the arts while providing a great measure of inspiration, enjoyment, and entertainment.

Example: The Endowment supports the National Dance Project (NDP), launched by the New England Foundation for the Arts (NEFA) in 1996 to support the production and touring of contemporary dance throughout the United States. During 1997-98, NDP reached 89 different venues in 33 states, ensuring that the best of contemporary dance is available not only in metropolitan areas, but also in states where few dance companies reside. As noted by Sam Miller, NEFA's Executive Director, "Dance is this country's moveable feast."

Example: Regardless of geographic or economic limitations, American television audiences in all states and territories are provided free access to many of our greatest cultural treasures through arts programs broadcast nationally on more than 340 public television stations. Three Endowment-supported performing arts programs have tremendous reach: "Live from Lincoln Center" is broadcast on 347 stations and is seen by more than 32 million viewers each year; "American Masters" reaches 3.8 million households per program; and "Great Performances" is seen by 5 to 7 million viewers per program.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- invest in a broad and diverse range of arts projects that present, exhibit, perform, tour, broadcast, and/or publish artistic work.
- invest in projects that use new technologies to improve public access to the arts.
- provide indemnity (insurance) for international exhibitions to make accessible to the American public cultural treasures from abroad.
- work with local arts agencies to develop projects or activities that broaden public access to the arts.

- work with state arts agencies and their regional organizations to support activities that broaden public access to the arts.
- help community-based coalitions implement community cultural plans or assessments that broaden public access to the arts in communities.
- jointly invest with other federal agencies in projects that broaden public access to the arts.
- invest in projects or activities that provide broader access to the arts.
- invest in regular, national arts participation surveys that provide travel data on the characteristics of participants and non-participants in the arts.
- fund research projects that analyze arts participation survey results to determine trends and patterns in participation across demographic and socioeconomic groups and geographic areas.
- work with state arts agencies and their regional organizations to jointly provide activities to those located in rural, inner-city, and other underserved communities.

Objective	Measurement	Source of Data
1.1 Increase number of, and broaden and diversify the kinds of, arts events or activities available to the American public.	• Total activity types, such as # of exhibitions or national broadcasts • artistic discipline and repertoire of project • Geographic location of project award and project activity • Total # audience/participants* • # projects where children/youth are primary beneficiary • # languages translated into English • # multi-state projects, especially touring • # arts organizations participating (includes # recipients, consortium members and fiscal agents) • # principal artists participating • # exhibitions indemnified and country of origin • Total # 1st time recipients (within 5 year period)	• Final reports • Application and other related forms • Research, reports and papers • Through partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports

1.2 Provide access to arts experiences in communities where such activities are not readily available because of geographic, economic or other factors.	• Geographic location of project award and project • # projects for rural or inner-city communities, for "at risk" persons or for "special constituencies"*** and MSA data • # partnerships/projects with other federal agencies and amount of other federal \$ for programs designed to reach underserved audiences • Total # audience/participants* • Total # activity types, such as # of exhibitions, concerts, or readings • # multi-state projects, especially touring • Total # 1st time recipients (within 5 year period) • obtain results from national surveys about perceived availability of arts activity (conducted every 5 years)	• Final reports • Application and other related forms • Research, reports and papers • Survey of Public Participation in the arts (SPPA) • Periodic special surveys • Anecdotal information submitted with final reports • Through partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base.
*Includes live attendance, broadcast/recording media and personally participating. **Includes older Americans, individuals with disabilities and incarcerated persons. NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to provide helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).		

Strategic Goal: Creativity

Foster opportunities for the creation and presentation of artistically excellent work

Overview: Artistic work — its creation and presentation — is at the core of the work of the National Endowment for the Arts. Although a work of art is often created by an artist in solitude, the Endowment focuses on the many factors that must be in place to allow creativity to flourish. Often the most critical factor is time. Through support to organizations that provide essential creative time, materials, and support to artists, the Endowment helps in the development of new work and the imaginative reinterpretation of existing work. The Endowment also supports nurturing environments such as artists' communities, where artists can devote unencumbered time to their work. Perhaps one of the most important roles that the Endowment can play is that of convener, helping to foster communication between arts organizations and across artistic disciplines, resulting in the creation of new art work or in the formation of new and expanded opportunities for performance or exhibition.

Example: The United States is home to several artists' communities, places that accommodate individuals in their creative pursuits. They may be in relatively isolated areas, such as Cape Cod in winter, or in downtown New York City. Key to the philosophy of these communities is the accumulation of a "critical mass" of artists who stimulate each other's creativity. The Endowment began support for these creative retreats in 1969. At the present time, over 2,500 artists per year are in residence at artists' communities across the country.

Example: From their inception in 1967, the Endowment's Literature Fellowships have afforded writers the time and the means to write. At the time that they receive Fellowships, few writers are able to make a living from writing; most hold full time jobs in teaching or other professions. Fellowships give not only creative time, but also validation within the literary community and recognition to publishers and agents. Past Arts Endowment literary fellows have received more than 80% of this decade's National Book Awards, National Book Critics Circle Awards, and Pulitzer Prizes in Poetry and Fiction.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- invest in projects, in a wide variety of art forms, to commission, develop, or present work, or to reinterpret existing work.
- convene groups to discuss, evaluate and propose agency policies, programs, and strategies that foster opportunities for the creation and presentation of new work.
- invest in arts projects that provide resources, time and space to assist artists in creating work.
- work with state arts agencies and their regional organizations to support activities that foster opportunities for the creation and presentation of work.

Objective	Measurement	Source of Data
2.1 Increase the number of works created and presented.	• # works created • # works presented • Total activity types, such as # of exhibitions or national broadcasts • Total # audience/participants* • Geographic location of project award and project activity • artistic discipline and repertoire of project • # projects where children/ youth are primary beneficiary • # principal artists participating	• Final reports • Application and other related forms • Through partnership agreements with states arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports
2.2 Expand opportunities for artists to interpret, explore, and create work.	• # principal artists participating • Total activity types, such as # of projects which support artwork creation or writing about art • Geographic location of project award and project activity • applicant institution type	• Final reports • Application and other related forms • Through Partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports
*includes live attendance, broadcast/recording media and personally participating. NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to provide helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).		

Strategic Goal: Arts Education
Strengthen the role of the arts in our nation's educational system and encourage lifelong learning in the arts

Overview: The arts play a central role in the quality of life of citizens of all ages. In order to take full advantage of all of the artistic possibilities available to them, Americans must have opportunities for education in the arts at all ages. The Endowment works closely with the Department of Education and other public and private partners to ensure that the arts are a basic educational element in grades pre-K through 12 in furtherance of the Goals 2000: Educate America Act. In addition, educational activities that take place outside of school settings are essential to many arts organizations. These activities may focus on the professional development of artists, or they may focus on the public. Through investing in projects that increase understanding, appreciation, and skills in the arts, the Endowment encourages lifelong learning that benefits all Americans.

Example: The Arts Education Partnership is in its third year of coordinating communications and collaborative actions among more than 100 national organizations both to ensure inclusion of the arts in state and local Goals 2000 plans and to increase focus on the arts as central to schooling. Over the past three years, Partnership organizations have helped constituents to gain more than 200 Goals 2000 subgrants totaling \$10.1 million to support arts education. In addition, Partnership task forces in the areas of research, assessment, and early childhood education and the arts have issued important reports on the value of arts teaching and learning for all students.

Example: Many of America's more than 1,800 professional symphony orchestras and youth orchestras have identified the need to go beyond providing students with occasional live musical performances, and are engaging in extensive, ongoing collaborations with schools, musicians, and community-based organizations. Orchestral concerts for students and the general public in which education and outreach are the primary focus now constitute 31% of all concerts performed. In 1997 alone, American orchestras gave nearly 9,000 education concerts for an audience of more than 4 million people. The explosion in orchestra education and outreach efforts is a reflection of the expanded role orchestras are playing in their communities, from supplementing music programs in the public schools to seeking new audiences in nontraditional places.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- promote and invest in projects and activities that contribute toward making the arts essential to basic education in American schools.
- invest in and disseminate results of effective programs, projects or activities that identify the impact of the arts and artists in our nation's education system.
- invest in project intended to increase the public's understanding of, or skills in, the arts.
- invest in and disseminate results of effective programs, projects or activities that identify the

impact of the arts and artists in our community settings.

- convene and work with partners in designing opportunities for professional development for artists, arts professionals, and teachers.
- invest in projects and activities that provide professional development opportunities for artists, arts professionals, and teachers.
- work with state arts agencies and their regional organizations to support the role of the arts in our nation's education systems and encourage lifelong learning.

Objective	Measurement	Source of Data
3.1 Help ensure that the arts are basic to the education of children and young adults in grades pre-K through 12.	• Total activity types, such as # projects supporting arts instruction or curriculum development and/or implementation • # projects where children/youth are primary beneficiary • # schools/districts • # teachers participating • # principal artists participating • # arts organizations participating (includes # recipients, consortium members and fiscal agents) • Total # audience/participants* • # reports, publications or other information distributed	• Final reports • Application and other related forms • Research, reports and papers • Through partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base • Department of Education's National Center for Educational Statistics studies (NCES) • Anecdotal information submitted with final reports • Arts Education Goals 2000 Partnership • Field research and publications
3.2 Expand opportunities for children and adults to participate in and to increase their understanding of, or skills in, the arts.	• Total activity types, such as # projects supporting seminars or conferences, or those that build public awareness of the arts • # projects where children/ youth are primary beneficiary • Total # audience/participants* • Geographic location of project award and project activity • # principal artists participating • # schools participating • # teachers participating • # arts organizations participating (includes # recipients, consortium members and fiscal agents)	• Final reports • Application and other related forms • Research, reports and papers • Anecdotal information submitted with final reports • Through partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base.

3.3 Provide professional development opportunities for artists, arts professionals, and teachers.	• Total activity types, such as # projects supporting arts instruction or school residencies, or those that support professional development/training • # principal artists participating • # teachers participating • # arts professionals participating • Geographic location of project award and project activity • # states funding professional development activities under our partnership agreements • Total # audience/participants*	• Final reports • Application and other related forms • Research, reports and papers • Through partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports • Survey of colleges of arts and education
*Includes live attendance, broadcast/recording media and personally participating. NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to provide helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).		

Strategic Goal: Preservation

Preserve our nation's cultural heritage for the 21st century

Overview: The cultural heritage of a nation often is ephemeral: techniques or styles of playing music that are known only to aging masters; dance that is not documented, but exists only in performance; outdoor sculptures that decay over time. And yet it is that cultural heritage that not only defines who we have been, but informs who we are and who we will be. The Endowment works to ensure the preservation and documentation of our nation's cultural heritage and its transmission to future generations. Preservation may be accomplished through instruction, such as masters teaching apprentices. It may be done through the documentation or conservation of important works of art. It also may take the form of support that strengthens the country's traditional arts infrastructure. Cultural heritage is a country's identity.

Example: The Endowment is working in partnership with Heritage Preservation, Inc. to sponsor SOS!2000 (Save Outdoor Sculpture!). More than 50% of this country's 32,000 pieces of outdoor sculpture are in serious need of conservation. These are the monuments to the people, events, and spirit that define who we have been as a country over the past two centuries. SOS!2000 will organize the appropriate repair of sculpture in every state and the District of Columbia, and will make certain that maintenance plans are developed so that communities will be able to keep up these monuments for many years to come.

Example: National Heritage Fellowships are awarded to approximately 12 exemplary master traditional artists and artisans each year. Because many of our most significant and influential folk and traditional artists go unrecognized by the larger community and receive little or no compensation, there are styles, techniques, and art forms that are in danger of extinction. The cash and recognition that is provided to National Heritage Fellows help to keep them active as practitioners and teachers of a part of this country's cultural heritage.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- invest in projects to conserve, document, and preserve our nation's art.
- invest in projects to environmentally maintain works of art.
- invest in projects that assist, document and/or present artists, artistic traditions, techniques, practices, models, and forms of artistic expression that reflect our nation's cultural traditions.
- invest in apprenticeships or other forms of instruction that pass artistic repertoire, techniques and traditions on to future generations.
- invest in projects that foster opportunities for interactions and exchanges of artistic practices and styles reflective of our nation's many cultural traditions.
- recognize the contributions of exceptional artists.

- increase the public's awareness and appreciation for their local, regional, and national cultural heritage.
- participate in building a national folk arts infrastructure.
- work with state arts agencies and their regional organizations to preserve our nation's cultural heritage for the 21st century.

Objective	Measurement	Source of Data
4.1 Document or conserve highly significant works of art, artifacts, and collections of art.	• # artistic works conserved, documented or preserved • Total activity types, such as # projects supporting identification or documentation of artistic works • Geographic location of project award and project activity	• Final reports • Application and other related forms • Research, reports and papers • Through Partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports
4.2 Honor, assist, encourage, and present those artists and forms of artistic expression and practice that reflect the many cultural traditions that make up our nation.	• # principal artists participating • Total activity types, such as # projects supporting apprenticeships, concerts performances or readings, etc. • Total # audience/participants* • Geographic location of project award and project activity	• Final reports • Application and other related forms • research, reports and papers • Anecdotal information submitted with final reports • Through Partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base.
*Includes live attendance, broadcast/recording media and personally participating. NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to provide helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).		

Strategic Goal: Organizational Stability
Strengthen the organizational and financial capabilities
of America's arts organizations

Overview: The meaning of the word "stability" has evolved for arts organizations in the past decade, just as it has for other non-profit and commercial entities. To be stable, an organization now must be adaptable, flexible and responsive to new market forces such as technology and financing structures. Some arts organizations are finding success in entrepreneurial ventures, including some increased interaction with the entertainment and commercial sectors. The Arts Endowment helps to strengthen arts organizations by investing in projects that help them to discover their appropriate capacities, take the lead of other successful models for stability, or develop new strategies to achieve or maintain organizational health.

Example: The Endowment awards grants that help organizations to adapt to current circumstances and to market themselves successfully. For example, a theater company received support to make the transition from primarily a touring company to one with a base in its home town. Although the artistic work of the company remained strong, the costs of extensive travel were prohibitive. After surveying the potential for a local audience, the company successfully marketed its home season.

Example: Earned income is a source of revenue that sometimes has been underutilized by arts organizations. Through the support of planning and marketing grants, some organizations have increased their earning power by creating packages that would be attractive to tourists; professionalizing the public profiles of their retail shops; or working closely with local commercial leaders and elected officials to be part of community development efforts.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- invest in projects that improve the organizational and financial capability of arts organizations.
- invest in a national data system to measure, on a regular basis, changes in the size and financial condition of arts organizations.
- invest in organizations to implement projects or achieve financial goals that strengthen a particular artistic field.
- promote and invest in projects that develop the next generation's arts leaders.
- invest in projects that link arts organizations with other sectors of the economy.
- invest in and disseminate results of model projects that identify successful approaches to organizational and financial stability.
- convene groups to discuss, evaluate and propose agency policies, programs and strategies that will help keep arts organizations strong.

- work with state arts agencies and their regional organizations to strengthen the organizational and financial capability of arts organizations.

Objective	Measurement	Source of Data
5.1 Strengthen arts organizations' ability to realize their artistic and public service goals by becoming more effective, adaptable, and stable organizations.	• Total activity types, such as # projects supporting technical assistance or stabilization/endowment/challenge • # organizations participating (includes # recipients, consortium members and fiscal agents) • Geographic location of project award and project activity	• Final reports • Application and other related forms • research, reports and papers • National unified data base of arts organizations • Through partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports
*Includes live attendance, broadcast/recording media and personally participating. NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to provide helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).		

Strategic Goal: Community Arts Development
Help address the concerns of America's communities through the arts

Overview: The arts help to make communities more livable places. The quality of design, for example, affects how we live, work, and play. But the role of the arts in helping communities to be strong and vibrant places often is less visible. Many programs that help at-risk youth or children without after-school supervision are centered around the arts. Communities also have learned that thoughtful community cultural plans lead not only to increased arts activity, but also to stronger local economies. A strong arts presence can be the catalyst to a healthier community.

Example: The Mayors' Institute on City Design, established in 1986, brings together a small group of American mayors and design professionals to define goals and strategies for addressing design and development issues from each participating mayor's city. Topics might include the redevelopment of an underused waterfront, the siting and design of a new public building, or the preservation of historic structures. Milwaukee Mayor John Norquist attended the Institute in 1992, and has since become a powerful advocate for good city design. Now a member of the Board of Directors of the Congress for New Urbanism, Norquist is sought after as an inspirational public speaker on design issues.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the endowment intends to utilize the following strategies:

- invest in projects that promote and use the arts and design as a vehicle to make communities more livable.
- invest in projects that disseminate information about, and foster appreciation of, the role of the arts in communities.
- support research, analysis and publications concerning the impact of the arts in communities.
- promote and invest in projects in which use or involvement of the arts helps to improve the lives of children and youth.
- help community-based coalitions to develop community cultural plans or undertake cultural assessments that lead to a strengthened role of the arts in communities.
- convene groups to discuss, evaluate and propose agency policies, programs and strategies that use the arts to strengthen the economic, social, and cultural development of communities.
- work with local arts agencies, U.S. Conference of Mayors, and other arts and community organizations to use the arts to strengthen the economic, social and cultural development of communities.
- work with state arts agencies and their regional organizations to use the arts to strengthen the economic, social and cultural development of communities.

Objective	Measurement	Source of Data
6.1 Help make communities more livable through the arts.	• # mayors participating in Mayor's Institute • Total activity types, such as # projects supporting seminars and conferences • Geographic location of project award and project activity • Total # audience/participants* • # principal artists participating • # federal partnerships and \$ contributed that help make communities more livable through the arts	• Final reports • Application and other related forms • Research, reports and papers • Through partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports
6.2 Enhance public awareness of the importance of the arts in our lives and communities.	• Total activity types, such as building public awareness	• Final reports • Research, reports and papers • Through partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base
6.3 Increase opportunities for the positive development of children and youth.	• # projects where children/ youth are primary beneficiary • Geographic location of project award and project activity • Total # audience/participants* • # at-risk persons participating • # fed partnerships and \$ contributed that provide opportunities for the positive development of children and youth	• Final reports • Application and other related forms • Research, reports and papers • Through partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base
6.4 Stimulate and strengthen the role of the arts in the economic and cultural development of communities.	• Total activity types, such as # projects supporting activities that build public awareness of the arts • # organizations participating (includes # recipients, consortium members and fiscal agents) • # principal artists participating • Geographic location of project award and project activity • # fed partnerships and \$ contributed that stimulates and strengthens the role of the arts in the economic and cultural development of communities	• Final reports • Application and other related forms • Research, reports and papers • Anecdotal information submitted with final reports • Through partnership agreements with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base

*Includes live attendance, broadcast/recording media and personally participating.

NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to provide helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).

Strategic Goal: Partnerships

Strengthen the Endowment's partnerships with the public and private sectors

Overview: Just as the Endowment promotes collaborations among the various arts organizations, fields, and disciplines, it also strengthens its own work through partnerships with other federal agencies, units of state and local government, and the business and commercial sectors. The agency's partnership with the state arts agencies is one of its oldest and strongest, dating to the Endowment's creation in 1965. Beginning in the early 1980's, a direct formal relationship was established also with local arts agencies. The Endowment has come to realize in recent years the potential of increased alliances with other federal agencies, not only to advance the goals of this agency, but also to afford greater funding opportunities to arts organizations. The next step is to develop mutually beneficial partnerships with the private sector, especially the business and commercial arts sectors. Through these partnerships, the Arts Endowment optimizes its role as the national cultural agency.

Example: The Arts Endowment entered into a partnership with the U.S. Department of Agriculture Forest Service to support arts based community development projects in rural and small communities. Although the Forest Service had a program designed to diversify and strengthen the economies in these communities, few arts organizations were aware that they were eligible. With equal funding from the Endowment and the Forest Service and a concerted publicity effort, the "Arts and Rural Community Assistance Initiative" has awarded 36 grants in 21 states and Puerto Rico. Projects have included marketing efforts for local artisans, economic development through performing arts events, and the creation of new tourism strategies.

Example: The Endowment's annual appropriation is approximately one-third of the combined amount appropriated by the states. Working in partnership, the two levels are able to respond most effectively to national and to statewide needs and opportunities in the arts. Through Endowment-approved plans, the state arts agencies invest in arts education activities, work in underserved communities, and strengthen economic development and cultural tourism.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- invest, through partnership agreements with state arts agencies and their regional organizations, in activities that support the mission and goals of the Arts Endowment *
- convene representatives from local arts agencies to discuss strategies or initiatives that strengthen the role of local arts agencies in support of the arts.
- Work with national arts service organizations, colleges, universities, and foundations to foster and improve partnerships.
- convene representatives from the non-profit and profit sectors to facilitate mutual efforts to sustain and strengthen the arts.

- jointly invest with other funders in projects that support the arts.
- develop and conduct seminars for funders concerning the importance of and how to fund the arts.
- work with other federal partners to include and recognize the role and value of the arts in their activities.
- invest in projects or activities that encourage American communities and artist to engage in mutually beneficial exchanges with communities and artists from abroad.

***NOTE:** The funds awarded to state arts agencies and their regional organizations in the form of partnership agreements are to enable states and regions to carry out plans that are responsive to needs and opportunities identified through public planning and that provide leadership for the arts in education and in underserved areas. On an annual basis, the activities of the states and regions may shift from one area to another.

Objective	Measurement	Source of Data
7.1 Strengthen partnerships between the Endowment, state arts agencies, regional organizations of state arts agencies, and local governments.	• # joint initiatives and projects • # of meetings to strengthen working relationships	• Agreements • Reports and papers
7.2 Develop and strengthen partnerships with the non profit arts sector including national arts service organizations, colleges and universities and foundations.	• # private and commercial partnerships developed • # initiatives developed and implemented • contributions by partners	• Agreements • Reports and papers
7.3 Develop partnerships with the private sector and the commercial arts sector that enhance the arts in America.	• # private and commercial partnerships developed • # initiatives developed and implemented • contributions by partners	• Agreements • Reports and papers
7.4 Develop and strengthen partnerships with other Federal agencies.	• # agencies • # partnerships • geographic distribution of projects undertaken by federal partners • # recipients of projects undertaken by federal partners • contributions by partners	• Interagency agreements and memorandum of understanding • Reports, papers and related information provided by federal partners

7.5 Develop and strengthen International partnerships.	• # countries participating • # partnerships • contributions of partners • # principal artists participating, nationally and internationally • # organizations participating, nationally and internationally (includes # recipients, consortium members and fiscal agents)	• Final reports • Application and other related forms • Anecdotal information submitted with final reports
*Includes live attendance, broadcast/recording media and personally participating. NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to provide helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).		

Strategic Goal: Agency Management

Strengthen the NEA as an innovative, efficient, and effective organization

Overview: The National Endowment for the Arts has weathered several years of public controversy. During that time, the agency reinvented itself as a leaner, more focused institution. Ever present within that redesign, however, has been the goal of serving the American public by supporting artistic projects of the highest quality. Through a carefully organized system of grants, leadership initiatives, and technical assistance, the Endowment -- an innovative, productive agency -- constantly improves its effectiveness and efficiency.

Example: The strength of the Endowment is critical to its effectiveness in the field. One way of ensuring that the work of the Endowment's staff is readily available to constituents is through the agency's web site and printed publications. From the web site, one can download copies of the agency's guidelines and application forms, as well as find information about Endowment staff and programs. The site also is home to online news and feature articles on the arts. Many publications, available free of charge, provide valuable information to the public. They range from research reports on audience demographics, to creative writing collections by Literature Fellows, to descriptions of model programs for youth at risk.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- develop and implement a comprehensive communication plan that integrates the agency's vision, mission and goals.
- improve the availability and accessibility of information about the value and impact of the arts.
- increase funds and time available for staff to travel.
- expand the agency's use of technology in its operations.
- plan and manage to effectively and efficiently utilize the multiple skills of staff.
- undertake customer service surveys or inquiries.
- improve the application/grant process.
- strengthen the data bases on the supply of and demand for the arts to enhance the agency's ability to more effectively design programs to meet current and future needs in the arts.
- align agency programming and resources with agency goals.
- strengthen the Arts Endowment's role as a national leader in the support of the arts and in the development of the nation's cultural policy.

Objective	Measurement	Source of Data
8.1 Improve public understanding, recognition, and appreciation of the role and impact of the Arts Endowment.	• Successful completion of comprehensive communication plan and follow-up assessment • "Hits" on agency web site • Produce publications and distribute widely • Total public and private sector match for all agency awards	• Final reports • Application and other related forms • Research, reports and papers • web site • Anecdotal information submitted with final reports
8.2 Improve the agency's interaction with the public.	• Increase time and dollars available for staff to travel • Geographic locale of staff travel • Increase information available on agency website.	• Budget/execution plan • Research, reports and papers • Web site
8.3 Improve the efficiency and delivery of agency services.	• Y2K compliance will be met by deadline • Technology migration of mission central automated systems completed. • On-line application established and integrated into agency operations. • Develop and implement a management improvement plan • Application/grant process is improved and simplified. • More in-depth and timely reporting of research project results.	• Final reports • Application and other related forms • Research, reports and papers • Recommendations resulting from survey are acted on.
8.4 Strengthen the Arts Endowment's role as a national leader in the support of the arts and in the development of the nation's cultural policy.	• Successful completion of measurements noted above.	• Tracking of implementation of measurements noted above.
NOTE: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to provide helpful information for the performance report.		

RELATIONSHIP BETWEEN STRATEGIC GOALS AND THE PERFORMANCE GOALS

Relationship between agency goals and objectives in the Strategic Plan and the performance goals and indicators in the Performance Plan

The goals and objectives contained in the Strategic Plan provide a framework for agency activity over a five year period. Actual implementation of this plan on an annual basis is reflected in the Annual Performance Plans. The results of this implementation enable an agency to evaluate the accomplishments and impact of its programs and activities.

The closer the relationship between the goals in the Strategic Plan with those in the Performance Plan, the clearer the ability to gauge accomplishments and impact. The Arts Endowment has determined that the goals in its Performance Plan will be identical to those contained in its Strategic Plan. This is also true for the performance measurements contained in the Strategic Plan which were used to develop the performance indicators in the Performance Plan. However, as with any planning effort, it is also clear that on an annual basis, the performance goals identified may only address some of the goals or objectives contained in the Strategic Plan. Thus, the goals presented in the Strategic Plan are not in any priority order. Funding priorities will be reflected in the applicable Performance Plan.

Finally, it should be noted that this planning process has resulted in the establishment of direct linkages between the agency's Strategic and Performance Plans and its budget. The budget proposals submitted draw directly from the Strategic and Performance plans and correlate directly to the goals and indicators contained in the Performance Plan.

DATA CAPACITY

Data Capacity

Source of Data: The Arts Endowment's primary source of performance plan data will come from information on grant application forms and the final reports submitted by recipients of agency funds. Recipients of grants and cooperative agreements will be included as well as recipients through inter-agency agreements with other federal agencies. In addition, by means of an agreement with an external source, data from the 56 state arts agencies and jurisdictions and their regional arts organizations will be accumulated on an annual basis and reported to the Arts Endowment.

The agency currently collects statistical information from other reporting mechanisms. For example, applicants provide certain information with the application and grantees provide geographic information in the form of a geography report submitted within 30 days of receipt of the grant.

In addition to the above, the Arts Endowment will rely upon a number of methods to collect performance data. These will include conducting research and preparing related reports and analyses, and convening. The agency will also continue to rely upon information collected from views and assessments of the Presidentially-appointed National Council on the Arts and the hundreds of citizen-representatives that serve on the agency's various application and overview panels.

Data Content: Final report data will contain descriptive information on the project or activity funded and an explanation of the relationship of the project or activity to the Arts Endowment's strategic goals or objectives. Statistical information will also be requested concerning the geographic and audience impact, number of artists involved and the number of presentations, performances, books distributed, works created, etc. In addition, narrative and anecdotal information will also be requested.

Data Limitations: The Arts Endowment's data collection effort is presently focused primarily on grants and does not fully address cooperative agreements and inter-agency activity; nor does it account for the data accumulated on the 56 state arts agencies and jurisdictions and their regional organizations.

To address these and other information technology concerns, the Arts Endowment is in the process of migrating its critical information management systems from a Wang-based mainframe environment to a client-server platform on a Local Area Network. Once completed, the new system will represent a single, fully integrated system with significant data collection and reporting capabilities.

Even with the new system capabilities, it is clear that determinations will carefully need to be made as to the nature of information requested, collected and subsequently analyzed. During our efforts to revise the agency's strategic plan, a number of data collection issues surfaced. For example, the need to take steps to ensure reliability of statistical information, the need to capture information not currently captured, the need to collect nine-digit zip codes, the need to ensure that

information requested is clearly defined and understood, the need to increase the capacity to report on multiple impacts of agency grants, etc. The data limitations identified above will be addressed by: one, ensuring system modifications are made to enter and report this information and two, conducting a review of the agency's reporting requirements. While the Arts Endowment has considerably modified its reporting requirements (particularly final reports) for FY 1997 and FY 1998, it may be necessary to make further modifications for FY 1999. Our capacity to report information for the annual performance plans is directly tied to our data collection (e.g., final reports) and automation (e.g., migration) efforts.

Baseline Data: When submitting the Arts Endowment's performance plan for FY 1999, the agency noted that it was in the process of establishing baseline data and that FY 1997 awards would prove helpful in this effort. However, as a result of improvement to the agency's reporting requirements made in FY 1998, that year is being used to establish the initial baseline for our performance plans. Progress has been made and to date, all grants awarded in FY 1998 have been associated with a primary goal, objective and strategy and, as applicable, a secondary goal, objective and strategy. [NOTE: The agency determined that many of its awards impact more than one of the agency's goals and objectives. As a result, a system was designed which allows for this recognition.] Thus, the Arts Endowment can report on the amount of grant funds awarded in support of each of the agency's goals and objectives.

The grant period, or time the grantee has to complete the project, typically is one year or more from the grant award date. For FY 1998 grants, few final reports have been received. As a result, the agency has relied primarily on information contained in grant applications. Further improvements in FY 99 final reporting requirements should enhance our collection of performance data.

Baseline data on Endowment funds awarded through Partnership Agreements to the State Arts Agencies and their Regional Arts Organizations is collected through a separate mechanism. Working in concert with the National Assembly of State Arts Agencies, cumulative data is collected and assessed and then forwarded to the Arts Endowment. In 1996, and prior years, data was not available on the states as a whole for up to three years. In the final reporting requirements for 1998 funds, an "Interim Report" is required from State Arts Agencies if their entire final reporting statistics will not be filed by the original due date of the grant; the regional arts organizations will be submitting data with their request for final payment.

RESOURCES

Resources

Relationship between resources and the Strategic and Performance Plan: The Arts Endowment's budget request is directly linked to the Strategic and Performance Plans. The Goals and Objectives contained in the Strategic Plan were used to develop the goals and objectives for the annual Performance Plan. In turn, the resources necessary to carry out the Annual Performance Plan were developed by reviewing baseline data for similar activity conducted in the past or at present and correlating estimates of applications, grants and leadership activity with the programmatic funding, staffing and other operational costs, such as space and automation needs, and program support necessary to effectively and efficiently implement the plan. Clearly, economies of scale can be achieved, but substantive changes in programmatic funding necessitate changes in the salaries and expenses and program support areas. Because of these efforts, the agency will be better positioned in the future to correlate new or increased programmatic activity with the resources necessary to carry them out.

Provided below is information that provides additional information concerning resources:

- **Funding Source:** The Arts Endowment relies primarily on federal appropriations to carry out its mission. The appropriations are anticipated to take the form of direct grant funds, matching grant funds, partnership funds, salaries and expenses and program support. The direct and matching grant funds are discretionary while the partnership funds are awarded to state arts agencies and their regional organizations based on Congressional determinations. The salary and expenses support basic operations such as personnel and supply and equipment purchase. The program support allows for the funding of activities which primarily relate to the field and those activities involved in programmatic areas. Examples include research, publication and panel activity.
- **Funding Activities:** In addition to grant-making and the awarding of partnership agreements with the state arts agencies and their regional organizations, the Arts Endowment undertakes various leadership activities which include cooperative agreements, interagency agreements, and convening.
- **Current Funding:** Prior to 1996, the Arts Endowment's budget was in the \$160 million range. Beginning in 1996 and continuing through 1998, the agency's budget has been under \$100 million. This dramatic change in funding has had an equal impact on the agency's operations and its ability to carry out its mission. For example, prior to 1996, the agency routinely received approximately 6,000 applications from organizations and approximately 10,000 applications from individuals; today, those numbers have been reduced to 3,000 and under 1,000, respectively. Prior to 1996, the agency awarded nearly 4,000 grants per year; today, it awards approximately 1,300.
- **Staffing:** Because of the reductions in programmatic funds that occurred in 1996, the Endowment had to significantly reduce the number of projects or activities it could support. Because of the reductions in administrative funds, the Arts Endowment significantly reduced its staffing level and now operates with approximately 160 positions, a reduction of some 100

positions or 40% from the number of positions previously allocated. To manage this reduction in staffing, the agency had to significantly streamline its operations, increase reliance on automation, and delegate authorities. Most significantly, the agency had to reduce the opportunities for organizations to apply for support, thus limiting the number of applications received. As a result of these experiences, the Endowment is particularly sensitive to the workload implications of programmatic dollars.

Historically, the number of applications received tends to drive workload more than the number of grants awarded. This relationship, however, may require some reassessment given an increased emphasis on leadership activities which, by their nature, tend to be more labor intensive.

- **Automation:** In 1986, the Arts Endowment initiated its automated Grants Management System. Since then, it established an automated Financial Management System and an automated Panel Bank System. It has also developed various smaller automated systems or reporting capability and has expanded the availability of pc's to all staff. More recently, a Local Area Network (LAN) was put in place and Internet access has provided another means of public contact with agency staff. In addition, a Web site was established which has received millions of hits since its inauguration.

Increasingly, automation is becoming essential to nearly every aspect of this agency's work. And, it is clear that an organization's ability to interact and deliver services to the public is directly linked to its automation capability. The Arts Endowment is in the process of migrating its mission critical systems from a Wang-based environment to a client-server platform on the LAN. In the process of accomplishing this migration the Endowment will establish a single, integrated system for conducting its business. This will greatly improve the capacity of the staff to conduct business and deliver service.

- **Space:** Experience has shown that productivity is not limited only by the staffing resources and automated tools available to undertake an activity. The physical environment also affects productivity. In a grant-making agency such as the Arts Endowment, quality space is critical. Many of the applications received by the Arts Endowment are accompanied by visual material such as slides, tape, photographs or video. Adequate space (and adequate professional quality equipment) is needed to process the applications, review the material, retain the material for the required time period, and provide for outside reviewers.

PROGRAM EVALUATIONS

Plans for Program Evaluations

The National Endowment for the Arts employs a variety of methods for program evaluation.

Applicant and Grantee Information

Extensive information is required of all applicants and grantees. In addition to data that identify the characteristics of the organization, information is gathered about the location of project activity, the demographics of project participants or audiences; and other sources of support for the project. Information is required at the time of application, at the time of grant award, and in a final report at the project's conclusion. In this way, the Endowment is able to assess how successfully a number of the goals in its plan are being met.

Research

The Endowment, as well as Congress, the cultural community, and the administration, depend on consistent and reliable data for cultural policy assessment and formulation. The agency's Research Division helps develop the information necessary to inform policy processes by examining the cultural needs of the public, identifying ways to enhance access to cultural opportunities, studying the effects of cultural activities on the economy and documenting the value of arts education to the nation's educational system. In addition to research reports and notes on a variety of specific topics, the Division also tracks demographic information for the various arts disciplines and national and local surveys of public participation in the arts.

Advisory Panels

The Endowment convenes approximately 43 advisory panels each year. In addition to assessing the merits of grant applications and advising the agency as to awards, these panels also participate in policy discussions that help to assess the agency's effectiveness and guide its future strategies. Panels typically are composed of artists, arts professionals, and lay people who are grounded in the various arts disciplines. Their observations and recommendations are taken into consideration by the Endowment's leadership when evaluating existing programs and designing new initiatives.

Issue-Oriented Convening

As the national cultural agency, the Endowment has a valuable tool in its ability to convene nationally recognized leaders in specific areas. Meetings are held on an ad-hoc basis to address issues such as: potential partnerships between private and public funders; the infrastructure needs of a field such as jazz; or projects that may be sponsored jointly with the non-profit and commercial sectors to celebrate the turn of the Millennium.

Staff Meetings

Evaluative and planning meetings regularly convene the Endowment's program and administrative staffs. Information from these meetings is forwarded to the Chairman, the senior staff, and the Office of Policy, Research and Technology.

EXTERNAL FACTORS

External Factors

The agency has identified a number of key external factors that fall mainly outside of its control. The successful implementation of the strategic plan is predicated on the following conditions:

- **The Endowment must receive level or increased annual appropriations.** A continuing reduction in appropriations over the past several years has hampered the agency's ability to plan. Only with some degree of confidence in the size of the total annual budget can it successfully achieve the commitments stated in the strategic plan.
- **The state legislatures must continue and increase their appropriations to the state arts agencies.** It is a partnership of the National Endowment for the Arts and the state arts agencies that brings the arts to all Americans. A decrease or discontinuation of funding on the part of any state damages that delivery system.
- **American education must recognize the importance of the arts.** Education in the arts from an early age not only helps to form the artists and audiences of the future, but also to develop individuals who perform better in all academic subjects and in employment. Having the arts integrated as a basic component of K-12 education will provide the foundation upon which much of the Endowment's strategic plan rests.
- **Private support of the arts must continue and increase.** The combined appropriations of the Endowment and all the state arts agencies still makes up a fraction of the total cost of the arts in this country. Foundation, corporate, and individual donors are essential to maintaining necessary funding levels.
- **Arts organizations must be healthy.** The Endowment relies on the thousands of arts organizations across the country to carry out its mission. Financial stability is only one component of an organization's health; staff expertise and satisfaction, facilities, and service to artists and the public also must be addressed.
- **The American public must recognize the importance of the arts.** As with many things, the arts can be taken for granted. The public's demand for and participation in the arts is crucial to the success of the Endowment's work.
- **Individual artists must have opportunities to pursue their work.** No art work exists without artists to create it. The Endowment's inability to work directly with individual artists, with the exception of Literature fellowships, American Jazz Masters, and Folk Heritage awards, has reduced greatly the opportunities that exist for them. A partnership of federal, state, local, and private support must provide the funding and environment that nurtures America's living cultural heritage.

AGENCY MANAGEMENT

Agency Management Strategy

No matter how lofty the goal of some endeavor, the ability to achieve the desired results demands careful planning and defining of purpose, the identification and availability of the resources to carry out those plans and an assessment of how well the plans were implemented.

The Endowment has begun a process of examination and assessment that has resulted in the reestablishment of a management goal of strengthening the Arts Endowment as an innovative, efficient and effective organization. Opportunities for improvement exist and they include:

- articulating a vision and redefining the agency's mission, goals and objectives;
- developing a reinvigorated planning process and linking this to the agency's budget process;
- putting in place an effective structure that provides leadership and ensures a team-work approach to decision-making and implementation; and
- providing the resources and authority for staff to carry out their duties.

The agency management goal identified in the Strategic Plan provides a framework for managerially accomplishing the agency's goals and objectives. Particularly significant is the recognition of the relationships that exist between programmatic goals and the organizational capacity to achieve these goals.

Four objectives have been established within the goal.

Improving public understanding, recognition and appreciation of the role and impact of the Arts Endowment. Implementation of a comprehensive communication plan is critical to this effort, as is improving the availability of and accessibility to information about the value and impact of the arts. The World Wide Web and other new vehicles for sharing information provide exciting opportunities to share information with citizens from all walks of life about the role and impact of the arts and the Arts Endowment.

Improving the agency's interaction with the public. Providing time and resources for staff to travel, particularly to parts of the nation that are more isolated or have less direct contact with the Arts Endowment, is critical if this objective is to be achieved.

Improving the efficiency and delivery of service. Expanding the agency's use of technology in its operations, planning and managing to effectively and efficiently utilize the multiple skills of staff, undertaking customer services inquiries, improving the application/grant processes, improving the data bases of information concerning the demands for the arts and aligning the agency programming and resources with agency goals are all critical to this effort. Completion of the agency's computer migration project will immensely enhance the capability of staff to improve the efficiency and delivery of service. Continued efforts to train staff and provide them with the tools and decision-making authority will also significantly improve the agency's efficiency and delivery of service.

Strengthening the Arts Endowment's role as a national leader in the support of the arts and in

the development of the nation's cultural policy. Identifying issues, undertaking studies, conducting research and policy analysis, convening groups and identifying and disseminating information about model projects in the arts is critical to this effort. Expanding our convening role and partnering with the public and private sectors is essential to this endeavor.

CONSULTATION AND DISSEMINATION EFFORTS

Consultation and Dissemination Efforts

The vision of the agency's Chairman provided the impetus and the framework for revising the Endowment's Strategic Plan. The consultation that occurred in preparation of the Endowment's initial Strategic Plan informed the preparation of the revised plan, as did the result of meetings and discussions held by agency staff with individuals outside the agency, including overview sessions with panelists and other informed individuals.

Internal: Agency staff were fully involved in the development of this plan. A working group, broadly representative of the agency, was formed to develop the agency's goals, objectives and strategies and review various drafts of the plan. Internal meetings were held with staff throughout the agency and subsequent drafts of the plan circulated for comment. Smaller groups of staff were formed to address specific areas such as measurements. A final draft was provided to all staff and comments incorporated.

External: The Endowment distributed the revised plan to the National Council on the Arts at its October, 1998 meeting. The goals, objectives, and measurements were distributed to heads of arts service organizations including the National Assembly of State Arts Agencies and placed on the agency's Web Site for general public view and comment. Finally, consultation has occurred with the Office of Management and Budget.

Arts Endowment staff continually consult with individuals outside the agency. This occurs in numerous settings. Input from these events routinely inform the Endowment as it develops annual performance plans and any subsequent revisions to its Strategic Plan.

CROSS-CUTTING EFFORTS

Cross-cutting Efforts

The National Endowment for the Arts continues to enhance its long-standing federal interagency collaborations and to pursue new opportunities that further the Endowment's mission to increase access to the arts for all Americans through support for artists and arts organizations.

The Arts Endowment currently maintains 21 formal interagency agreements with 12 other federal agencies. The overall purpose of the Endowment's interagency partnerships is to encourage new opportunities of support for artists and arts organizations through their more direct involvement in the programs and policies of other federal agencies. The Arts Endowment has undertaken initiatives to promote within the federal sector the unique role artists and arts organizations play in the broad spectrum of community programs supported by federal funds. Many of these federal program areas, such as those in economic development housing, criminal and juvenile justice systems, social services and health, have not traditionally been perceived as inclusive of the arts.

Recent initiatives have notably involved "non-traditional" federal funding partners and a focus on the role of the arts in meeting the economic and social needs of communities, including

- **An NEA/Department of Justice partnership, Conflict Resolution Education in the Arts**, designed to provide conflict dispute educational training and technical assistance to arts-based programs for youth.
- **Partners in Tourism: Culture and Commerce**, a collaboration designed to better position cultural organizations in a national economic development trend — cultural tourism. The project supported a series of regional cultural tourism leadership forums funded in fiscal year 1996 by the Arts Endowment, the National Endowment for the Humanities, the Institute for Museum and Library Services, and the President's Committee on the Arts and the Humanities in cooperation with the American Association of Museums.
- **The Arts and Rural Communities Assistance Agreement** is a partnership between the Arts Endowment and the Department of Agriculture's Forest Service that supports arts-based rural community development projects.
- **The Mars Millennium Project** challenges students across the nation to design a community yet to be imagined - for the planet Mars. This interdisciplinary learning project will engage kindergarten through high-school students in classrooms and youth groups throughout the United States. The knowledge and experiences they gain will be used by the students and youth groups to benefit themselves and their communities. Guiding the Mars Millennium Project are the U.S. Department of Education, the National Aeronautics and Space Administration and its Jet Propulsion Laboratory, the National Endowment for the Arts, and the J. Paul Getty Trust.

There are also partnerships between the Arts Endowment and other federal agencies that are the result of the Endowment exercising a leadership role in the federal community on behalf of artists and arts organizations. For example, there has been a long history of the Arts Endowment's

leadership within the federal sector to support quality design criteria and planning; to ensure accessibility by all Americans to the arts and arts facilities; and to promote recognition of the folk and traditional arts.

The number and focus of interagency agreements, the sources of their funding support and the methods for their implementation vary from fiscal year to fiscal year. The program priorities of the Arts Endowment, the identified needs of artists and arts organizations, and unanticipated opportunities within the federal sector all influence the development of interagency collaborations.

Provided below is a list of current agreements, the agencies they are with and a brief description of the purpose.

Department	Department Unit	Summary
Agriculture	Rural and Small Community Development	Endowment is member of National Rural Development Council and encourages State Arts Agency participation in state rural development councils
	Forest Service	For arts and rural community assistance grants
Education	Educational Research and Improvement	Endowment/ED/Kennedy Center project for arts education information network Endowment working with Education to conduct national surveys on the conditions of arts education in schools Endowment working with ED to sustain a national arts education coalition
	National Institute on Disabilities Research and Rehabilitation and Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration	For national forum on careers in the arts
	Safe and Drug Free Schools Program	A collaboration to provide schools, arts agencies and youth-serving organizations with drug and violence prevention strategies incorporating arts and culture

General Services Administration	Public Building Service	Federal Design Improvement Program: To support the National Register of Peer Professionals For the Presidential Design Awards
Health and Human Services	Administration on Developmental Disabilities and Social Security Administration	For national forum on careers in the arts
Institute of Museum and Library Services		For a prototype kit for community participation in a millennium initiative For a five year comprehensive research project on learning in museums To explore ways to encourage cultural tourism development throughout the United States
Japan-U.S. Friendship Commission		Support five fellowships per year for creative artists in two-way exchange (Japanese government contributes funds for their artists in the U.S.)
Justice	Bureau of Prisons Office of Juvenile Justice and Delinquency Prevention	Artists-in-Residence at Federal correctional institutions in Florida, Maryland and New Jersey Conflict resolution education and training for arts-based at-risk youth programs Arts and At-Risk Youth Programs Arts Programs for offenders in Juvenile Detention and Correction Institutions
Library of Congress	American Folklife Center	Representatives from Smithsonian, NEH, NEA and others report and consult on folklife activities

National Endowment for the Humanities		For a prototype kit for community participation in a millennium initiative For a five-year comprehensive research project on learning in museums To explore ways to encourage cultural tourism development throughout the United States
National Science Foundation		For a five-year comprehensive research project on learning in museums
President's Committee on the Arts & Humanities		Annual awards program for out-of-school arts programs for children and youth.
Smithsonian Institution	National Museum of American Art	Transfer and digitizing of slides and a publication documenting visual artists fellowships
USIA		For U.S. representation at international festivals and exhibitions

NATIONAL ENDOWMENT FOR THE ARTS

FY 2000 Performance Plan



AN INVESTMENT IN AMERICA'S LIVING CULTURAL HERITAGE

February 1999

NATIONAL ENDOWMENT FOR THE ARTS

FY 2000 NEA PERFORMANCE PLAN

I. INTRODUCTION

The National Endowment for the Arts (NEA) submits the following Performance Plan for the agency for Fiscal Year 2000. This plan conforms with requirements of the Government Performance and Results Act of 1993 and is keyed to the budget as set forth in the agency's \$150 million FY 2000 budget request. The performance goals and indicators provided here are tied directly to the agency's Revised Strategic Plan for FY 1999-2004. As recommended by OMB Circular No. A-11 (section 220.7), "target values" for FY 1999 are provided for performance goals and indicators.

It should be noted that this performance plan demonstrates the breadth of accomplishments of the Arts Endowment; particularly noteworthy is the **Challenge America Initiative** which is included below.

It should also be noted that the Arts Endowment is working to improve its data collection and assessment capacity. Using available FY 1998 data as a base, we have projected information that will not become actual (on FY 1999 awards) until final reports on funded projects have been received by the agency and related information entered into the agency's data collection system.

II. SUMMARY

When examined as a whole, the breadth of accomplishments that the National Endowment for the Arts can achieve under its FY 2000 request is quite impressive. With a budget of \$150 million, citizens of this nation will benefit from numerous concerts, performances, and readings, tours, festivals and fairs, artwork created and artwork preserved, arts instruction and training, and in-school and out-of-school residencies. The number of cities reached throughout the nation will be in the thousands. Numerous grants will be awarded that reach boundaries beyond the state where the grant recipient resides. The number of children and persons at-risk reached will be equally substantial. In partnership with the State Arts Agencies and their Regional Arts Organizations, thousands more grants will be awarded and citizens and communities served.

Provided below is a sampling of the achievements that will result from the FY 2000 request. Provided in Section III are the results presented by goal and objective. Also attached are tables 1 and 2 which convey agency funding and grant activity by goal and objective, respectively.

In addition to the more than 1000 communities nationwide that will directly be reached under the small to medium sized grant component of the **Challenge America Initiative**, the 150 communities nationwide that will be reached under the large grant component, and the 10 to 20 National Initiatives, in FY 2000, projects and initiatives directly supported by the Endowment will reach well over 30 million individuals and result in a match of more than \$180 million. Conservatively, one fourth of the awards will result in activities occurring in over 4,600 locations beyond the location of the direct recipient. Project accomplishments will include:

- over 2,200 concerts, performances and readings;
- conservation, documentation and preservation of more than 900 highly significant works of art, artifacts or collections;
- creation of over 900 works of art;
- 120 exhibitions;
- 350 fairs and festivals; and
- 575 school and other residencies.

Many awards will have children as their primary beneficiary and reach over 2 million children. And, more than 140 grants can be expected to impact at-risk youth.

III. PERFORMANCE GOALS AND INDICATORS FOR THE FY 2000 BUDGET REQUEST

A. ACCESS GOAL

Objective 1: Increase number of, and broaden and diversify the kinds of, arts events or activities available to the American public.

***Performance Indicator:** A broad and diverse range of arts projects will be presented, exhibited, performed, toured, broadcast, and/or published.*

FY 1999

Projects directly supported by the Arts Endowment would enable nearly 600 concerts, performances, readings and exhibitions, 21 publications, and 8 radio and television broadcasts to occur throughout the nation. Four projects would directly benefit children. Through Partnership Agreements with State Arts Agencies (SAA) and their Regional Arts Organizations (RAO), 4440 grants would be made using Arts Endowment funds. These grants would be used to support activities such as performances, readings, exhibitions, fairs and festivals, publications, translations and writings about art. Through the Indemnity program, 40 exhibitions and 3,500 objects from lenders worldwide would be accessible to the American public.

FY 2000 Request

The *Challenge America Initiative* would directly enable the Arts Endowment to nearly double the number of supported access projects such as concerts, performances and readings, arts instruction, and the distribution of art available to families and communities. In partnership with the State Arts Agencies (SAA) and their Regional Arts Organizations (RAO), more than 2,500 grants would be made under *Challenge America* to enable communities and their families to benefit from acquisitions, performances and readings, exhibitions, fairs and festivals, publications, distribution of artwork and writing about art.

Additionally, projects directly supported by the Arts Endowment would enable nearly 600 concerts, performances, readings and exhibitions, 21 publications, and 8 radio and television broadcasts to occur throughout the nation. Four projects would directly benefit children. Through Partnership Agreements with SAAs and their RAOs, 4440 grants would be made using Arts Endowment funds. These grants would be used to support activities such as performances, readings, exhibitions, fairs and festivals, publications, translations and writings about art. Through the Indemnity program, 40 exhibitions and 3,500 objects from lenders worldwide would be accessible to the American public.

Objective 2: Provide access to arts experiences in communities where such activities are not readily available because of geographic, economic or other factors.

***Performance Indicator 1:** A significant number of arts projects or activities will be funded that reach those located in rural, inner-city, and other underserved communities.*

FY 1999

Fifty-eight projects directly supported would increase access to the arts for individuals located in rural, inner-city, and other underserved communities. Twenty-seven projects

would directly benefit children. (NOTE: The Endowment's major pilot program, ArtsREACH, was initiated in 1998 to target Endowment grants to organizations in 20 states that have been under-represented in our direct grant program. This program would continue in FY 1999 and FY 2000. Indicators referencing the cultural planning aspect of this program can be found under the Community Arts Development Goal, objective 4.) Through Partnership Agreements with the SAAs and RAOs, 46 grants would be made using Arts Endowment funds, providing access to the arts to those located in rural, inner-city and other underserved communities.

FY 2000 Request

The *Challenge America Initiative* would directly enable the Arts Endowment to increase, by more than 160%, the number of projects providing access to communities and families located in rural, inner-city and other underserved communities. The Endowment would also expand the number of states/areas eligible for ArtsREACH implementation grants. In partnership with the SAAs and their RAOs, 129 grants would be made under *Challenge America* to communities and families located in rural, inner-city and other underserved communities.

Additionally, 58 projects directly supported would increase access to the arts for individuals located in rural, inner-city, and other underserved communities. Twenty-seven projects would directly benefit children (NOTE: The Endowment's major pilot program, ArtsREACH, was initiated in 1998 to target Endowment grants to organizations in 20 states that have been under-represented in our direct grant program. This program would continue in FY 1999 and FY 2000. Indicators referencing the cultural planning aspect of this program can be found under the Community Arts Development Goal, objective 4.) Through Partnership Agreements with the SAAs and RAOs, 46 grants would be made using Arts Endowment funds, providing access to the arts to those located in rural, inner-city and other underserved communities.

Performance Indicator 2: Research studies on national arts participation are initiated and sustained

FY 1999

Support would be provided for publishing reports from the 1997 Survey of Public Participation in the Arts (SPPA) that determines trends and patterns in participation across demographic and socioeconomic groups and geographic areas.

FY 2000

Support would be provided for planning the FY 2002 Survey of Public Participation in the Arts (SPPA) that determines trends and patterns in participation across demographic and socioeconomic groups and geographic areas.

B. CREATIVITY GOAL

Objective 1: Increase the number of works created and presented.

Performance Indicator 1: *A significant number of projects, in a wide variety of art forms, will be funded that commission, develop, or present work, or that reinterpret existing work.*

FY 1999

Projects directly supported would assist in the creation of more than 750 works of art and 1,250 presentations and assist 90 exhibitions and more than 340 fairs/festivals. Fourteen projects would directly benefit children. Through Partnership Agreements with the SAAs and RAOs, 201 grants would be made using Arts Endowment funds, providing opportunities for the creation and presentation of work.

FY 2000 Request

In partnership with the SAAs and their RAOs, 68 grants would be made under Challenge America to provide opportunities in communities for the creation and presentation of work.

Additionally, projects directly supported would assist in the creation of more than 750 works of art and 1,250 presentations and assist 90 exhibitions and more than 340 fairs/festivals. Fourteen projects would directly benefit children. Through Partnership Agreements with the SAAs and RAOs, 201 grants would be made using Arts Endowment funds, providing opportunities for the creation and presentation of work.

Objective 2: Expand opportunities for artists to interpret, explore, and create work.

Performance Indicator: *Support is maintained for projects that provide resources, time and space to assist artists in creating work.*

FY 1999

Projects directly supported would provide 150 residency and related opportunities to America's artists to interpret, explore and create art. In addition, 32 fellowships would be provided to assist individual writers. Through Partnership Agreements with the SAAs and RAOs, 589 grants for fellowships would be made using Arts Endowment funds, providing additional resources, time and space to assist artists in creating work.

FY 2000

In partnership with the SAAs and their RAOs, 49 grants would be made under Challenge America to provide opportunities for resources, time and space to assist artists in creating work.

Additionally, projects directly supported provide 150 residency and related opportunities to America's artists to interpret, explore and create art. In addition, 40 fellowships would be provided to assist individual writers. Through Partnership Agreements with the SAAs and RAOs, 589 grants for fellowships would be made using Arts Endowment funds, providing resources, time and space to assist artists in creating work.

C. ARTS EDUCATION GOAL

Objective 1: Help ensure that the arts are basic to the education of children and young adults in grades pre-K through 12.

***Performance Indicator:** A wide range of projects are supported that contribute toward making the arts essential to basic education in American schools.*

FY 1999

Projects directly supported would provide for 60 arts instruction classes or lessons, more than 50 school residencies in which artist activities take place in an educational setting, and 15 curriculum development/implementation projects which include the design, implementation, and distribution of instructional materials, methods, evaluation criteria, goals and objectives. These activities would provide more than 450,000 children in grades K-12, opportunities to gain self-knowledge, discipline and skill from arts programs in our schools nationwide. Through Partnership Agreements with the SAAs and RAOs, 1,806 school residencies would be made using Arts Endowment funds, contributing to making the arts essential to basic education in American schools.

FY 2000

The *Challenge America Initiative* would directly enable the Arts Endowment to increase, by 143%, its arts education activities such as arts instruction, school residencies, curriculum development and implementation, and technical assistance available to families and communities. In partnership with the SAAs and their RAOs, 884 grants would be made under *Challenge America* to support school residency programs and projects made available to families and communities nationwide.

Additionally, projects directly supported would provide for 60 arts instruction classes or lessons, more than 50 school residencies in which artist activities take place in an educational setting, and 15 curriculum development/implementation projects which include the design, implementation, and distribution of instructional materials, methods, evaluation criteria, goals and objectives. These activities would provide more than 450,000 children in grades K-12, opportunities to gain self-knowledge, discipline and skill from arts programs in our schools nationwide. Through Partnership Agreements with the SAAs and RAOs, 1,806 school residencies would be made using Arts Endowment funds, contributing to making the arts essential to basic education in American schools.

Objective 2: Expand opportunities for children and adults to participate in and to increase their understanding of, or skills in, the arts.

***Performance Indicator:** A wide variety of projects are supported that are intended to increase the public's understanding of, or skills in, the arts.*

FY 1999

Projects directly supported would enable 40 concerts, performances and readings, 135 residencies, 40 art lessons, classes, and related opportunities for children and adults to participate in and to increase their knowledge of, or skills in, the arts. These projects would directly benefit 1.2 million children. Through Partnership Agreements with the

SAAs and RAOs, 1,598 grants would be made for art instruction or art classes, seminars, and other residency projects using Arts Endowment funds, providing additional opportunities for children and adults to participate in and to increase their understanding of, or skills in, the arts.

FY 2000

The *Challenge America Initiative* would directly enable the Arts Endowment to increase, by 109%, its arts activities to support arts education projects such as concerts and performances, arts instruction, school residencies and projects that would be available to families and communities to help build public awareness of how the arts impact everyday life. In partnership with the SAAs and their RAOs, 678 grants would be made under **Challenge America** in support of projects such as classes and instruction, residencies, and seminars in communities across the country to increase opportunities for children and adults to participate in and to increase their understanding of, or skills in, the arts.

Additionally, projects directly supported would enable 40 concerts, performances and readings, 135 residencies, 40 art lessons, classes, and related opportunities for children and adults to participate in and to increase their knowledge of, or skills in, the arts. These projects would directly benefit 1.2 million children. Through Partnership Agreements with the SAAs and RAOs, 1,598 grants would be made for art instruction or art classes, seminars, and other residency projects using Arts Endowment funds, providing additional opportunities for children and adults to participate in and to increase their understanding of, or skills in, the arts.

Objective 3: Provide professional development opportunities for artists, arts professionals, and teachers.

Performance Indicator: *A significant number of projects and activities are supported that provide professional development opportunities for artists, arts professionals, and teachers.*

FY 1999

Projects directly supported would provide for more than 160 professional development or training, arts instruction, seminars and conferences, and related opportunities for artists, arts professionals, and teachers.

FY 2000

The *Challenge America Initiative* would directly enable the Arts Endowment to increase, by nearly 50%, arts activities related to professional development and training opportunities for artists, arts professionals, and teachers. In partnership with the SAAs and their RAOs, 393 grants would make possible under **Challenge America** for professional development opportunities for artists, arts professionals, and teachers.

Additionally, projects directly supported would provide for more than 160 professional development or training, arts instruction, seminars and conferences, and related opportunities for artists, arts professionals, and teachers.

D. PRESERVATION GOAL

Objective 1: Document or conserve highly significant works of art, artifacts, and collections of art.

***Performance Indicator:** A significant number of projects are supported that conserve, document, and preserve our nation's art.*

FY 1999

Projects directly supported would enable 850 highly significant works of art, artifacts, and collections of art to be conserved, repaired and restored and thus conveyed to the next generation. Through Partnership Agreements with the SAAs and RAOs, 135 grants would be made using Arts Endowment funds, providing for additional works of art, artifacts, and collections of art to be documented or conserved.

FY 2000

The *Challenge America Initiative* would directly enable the Arts Endowment to increase, by 206%, its number of arts activities in support of repair, restoration, and conservation of artwork, identification and documentation of artwork or collections of artwork, and related publications available to families and communities. In partnership with the SAAs and their RAOs, 83 grants would be made under *Challenge America* supporting projects related to documentation of artwork and collections of artwork, recording and filming, and restoration.

Additionally, projects directly supported would enable 850 highly significant works of art, artifacts, and collections of art to be conserved, repaired and restored and thus conveyed to the next generation. Through Partnership Agreements with the SAAs and RAOs, 135 grants would be made using Arts Endowment funds, providing for additional works of art, artifacts, and collections of art to be documented or conserved.

Objective 2: Honor, assist, encourage, and present those artists and forms of artistic expression and practice that reflect the many cultural traditions that make up our nation.

***Performance Indicator 1:** Support is maintained for projects that assist, document and/or present artists, artistic tradition, techniques, practices, models, and forms of artistic expression that reflect our nation's cultural traditions.*

FY 1999

Projects directly supported would enable 154 concerts, performances, or readings; exhibitions; identification/documentation; arts instruction; residency and related activities to occur across the country; thus expanding the public availability and knowledge of the breadth and scope of the forms of artistic expression that reside in this nation. In addition, 32 apprenticeships would take place to pass artistic repertoire, techniques and traditions on to future generations. Through Partnership Agreements with the SAAs and RAOs, 389 apprenticeships would be made using Arts Endowment funds, providing for projects that assist, document and/or present artists, artistic tradition, techniques, practices, models, and forms of artistic expression that reflect our nation's cultural traditions.

FY 2000

The *Challenge America Initiative* would directly enable the Arts Endowment to increase, by 84%, its arts activities that assist, document and/or present artists, artistic tradition, techniques, practices, models, and forms of artistic expression that reflect our nation's cultural traditions. In partnership with the SAAs and their RAOs, 531 grants would be made under *Challenge America* providing support for projects or programs related to apprenticeships and related programs.

Additionally, projects directly supported would enable 154 concerts, performances, or readings; exhibitions; identification/documentation, arts instruction; residency and related activities to occur across the country; thus expanding the public availability and knowledge of the breadth and scope of the forms of artistic expression that reside in this nation. In addition, 32 apprenticeships would take place to pass artistic repertoire, techniques and traditions on to future generations. Through Partnership Agreements with the SAAs and RAOs, 389 apprenticeships would be made using Arts Endowment funds, providing for projects that assist, document and/or present artists, artistic tradition, techniques, practices, models, and forms of artistic expression that reflect our nation's cultural traditions.

Performance Indicator 2: Participate in building a national folk arts infrastructure.***FY 1999***

Directly supported would be 34 projects which would contribute toward efforts to build a national infrastructure for the folk arts.

FY 2000

Directly supported would be 34 projects which would contribute toward efforts to build a national infrastructure for the folk arts.

Performance Indicator 3: Recognize the contributions of exceptional artists.***FY 1999***

Projects directly supported would enable three Master Jazz artists to be recognized for their significant contributions to jazz, artistic excellence, and impact on the music field, and 14 National Heritage Fellowships to be recognized for their artistic excellence and support of their continuing contributions to our nation's traditional arts heritage.

FY 2000

Projects directly supported would enable three Master Jazz artists to be recognized for their significant contributions to jazz, artistic excellence, and impact on the music field, and 14 National Heritage Fellowships to be recognized for their artistic excellence and support of their continuing contributions to our nation's traditional arts heritage.

E. ORGANIZATIONAL STABILITY GOAL

Objective 1: Strengthen arts organizations' ability to realize their artistic and public service goals by becoming more effective, adaptable, and stable organizations.

***Performance Indicator 1:** Projects will be supported that improve the organizational and financial capability of arts organizations.*

FY 1999

Projects directly supported would enable more than 150 institutions to improve their organizational and financial capabilities through research and planning, stabilization, marketing, and related activities. Through Partnership Agreements with the SAAs and RAOs, 2,761 grants for organization establishment, operating support, marketing, administrative support, artistic support, and equipment acquisition would be made using Arts Endowment funds.

FY 2000

In partnership with the SAAs and their RAOs, 721 grants would be made under Challenge America in support of projects related to organizational establishment, operating support, administrative support and artistic support.

During the FY 2000 application cycle, we plan to suspend funding for Planning & Stabilization grants while the Arts Endowment is conducting a major reassessment of its support for organizational stability in order to determine the best approach to respond to the needs of arts organizations. Applications received for FY 1999 Planning & Stabilization grants will be processed, but for FY 2000, we will only provide interim funding for projects that offer services to the field and respond to vital issues affecting the professional needs and goals of artists and arts organizations. Through Partnership Agreements with the SAAs and RAOs, 2,761 grants for organization establishment, operating support, marketing, administrative support, artistic support, and equipment acquisition would be made using Arts Endowment funds.

***Performance Indicator 2:** Groups would be convened to discuss, evaluate and propose agency policies, programs and strategies that would help keep arts organizations strong.*

FY 1999

A series of six to eight topical meetings would be convened (in Spring, 1999) for the purpose of looking at issues such as arts facilities, leadership, entrepreneurship, endowments, and cultural trusts. During this same time period, a series of 40 case studies would be done on arts organizations as an adjunct to the planning offered to arts organizations in their development of long-range planning.

FY 2000

Depending on the outcome of the meetings in FY 1999, recommendations would be implemented.

F. COMMUNITY ARTS DEVELOPMENT GOAL

Objective 1: Help make communities more livable through the arts.

Performance Indicator: A wide variety of projects would be supported that promote and use the arts and design as a vehicle to make communities more livable.

FY 1999

Projects directly supported would enable Mayors from 60 communities large and small to participate in the Mayors' Institute for City Design, co-sponsored with the US conference of Mayors and the American Architectural Foundation.

FY 2000

The *Challenge America Initiative* would directly enable the Arts Endowment to increase, by 100%, its support for projects such as the Mayors Institute to make communities more livable.

Additionally, projects directly supported would enable Mayors from 60 communities large and small to participate in the Mayors' Institute for City Design, co-sponsored with the US conference of Mayors and the American Architectural Foundation.

Objective 2: Enhance public awareness of the importance of the arts in our lives and communities.

Performance Indicator: A significant number of projects would be supported that help disseminate information about, and foster appreciation of, the role of the arts in communities, as well as those that support research, analysis, and publications concerning the impact of the arts in communities.

FY 1999

Through Partnership Agreements with the SAAs and RAOs, 109 grants would be made using Arts Endowment funds that will demonstrate the importance of the arts in our lives and communities.

FY 2000

In partnership with the SAAs and their RAOs, 312 grants would be made under *Challenge America* in support of projects that would be related to research, analysis, and publications concerning the impact of the arts in communities.

Through Partnership Agreements with the SAAs and RAOs, 109 grants would be made using Arts Endowment funds that will demonstrate the importance of the arts in our lives and communities.

Objective 3: Increase opportunities for the positive development of children and youth.

Performance Indicator: Projects would be supported that promote the use or involvement of the arts to help improve the lives of children and youth.

FY 1999

Direct support of 13 projects would be provided in arts instruction, research and planning, school residencies and related areas. Of all grants awarded by the Arts Endowment, 144 directly benefit 357,224 youth at-risk.

FY 2000

The *Challenge America Initiative* would enable the Arts Endowment to increase, by 170%, its support for programs that promote the use or involvement of the arts to help improve the lives of children and youth, such as after-school youth arts programs for at-risk youth. In partnership with the SAAs and their RAOs, 685 grants would be made under *Challenge America* in support of projects that would develop and support arts programs that provide positive alternatives for youth-at-risk.

Additionally, direct support of 13 projects would be provided in arts instruction, research and planning, school residencies and related areas. Of all grants awarded by the Arts Endowment, 144 benefit 357,224 youth at-risk.

Objective 4: Stimulate and strengthen the role of the arts in the economic and cultural development of communities.

Performance Indicator: Projects would be supported that help community-based coalitions to develop community cultural plans or undertake cultural assessments that lead to a strengthened role of the arts in communities.

FY 1999

The Endowments ArtsREACH Initiative would enable 84 projects to take place that are intended specifically to help community-based coalitions in targeted states to develop community cultural plans or undertake cultural assessments. These projects would target states that have been underrepresented in the profile of the Arts Endowment's direct grants. Other projects directly supported would enable publications, research and planning, and related activity to occur to stimulate and strengthen the role of the arts in the economic and cultural development of communities. Through Partnership Agreements with the SAAs and RAOs, 126 grants would be made using Arts Endowment funds.

FY 2000

The *Challenge America Initiative* would enable the Arts Endowment to increase, by nearly 25%, its support for community-based coalitions to develop community cultural plans or undertake cultural assessments. The Endowment would expand ArtsREACH to provide grants to support community cultural planning in additional states/areas that may not have reached their full potential in cultural planning and development. In partnership with the SAAs and their RAOs, 411 grants would be made under *Challenge America* in support of projects that would stimulate and strengthen the role of the arts in the economic and cultural development of communities.

The Endowments ArtsREACH Initiative would enable 84 projects to take place that are intended specifically to help community-based coalitions in targeted states to develop

community cultural plans or undertake cultural assessments. These projects would target states that have been underrepresented in the profile of the Arts Endowment's direct grants. Additional projects directly supported would enable publications, research and planning, and related activity to occur to stimulate and strengthen the role of the arts in the economic and cultural development of communities. Through Partnership Agreements with the SAAs and RAOs, 126 grants would be made using Arts Endowment funds.

G. PARTNERSHIPS GOAL

Objective 1: Strengthen partnership between the Endowment, state arts agencies, regional organizations of state arts agencies, and local governments.

Performance Indicator: 40% investment into partnership agreements with SAAs and RAOs in activities that support the mission and goals of the Arts Endowment.

FY 1999

For specific information, please refer to the Partnership Agreement information within each of the goals and objectives above.

FY 2000

For specific information, please refer to the Partnership Agreement information within each of the goals and objectives above.

Objective 2: Develop and strengthen partnerships with the nonprofit arts sector including national arts service organizations, colleges and universities and foundations.

Performance Indicator: Convene representatives from the non-profit and profit sectors to facilitate mutual efforts to sustain and strengthen the arts.

FY 1999

The Endowment held an initial meeting in FY 1998 with foundation representatives and intends to convene its second, follow-up meeting in FY 1999.

FY 2000

In addition, recommendations that result from the FY 1999 meeting would be addressed in FY 2000.

Objective 3: Develop partnerships with the private sector and the commercial arts sector that enhance the arts in America.

Performance Indicator: Jointly invest with other funders in projects that support the arts.

FY 2000

The Endowment intends to convene an initial meeting with other funders in FY 2000.

Objective 4: Develop and strengthen partnerships with other Federal agencies.

Performance Indicator: Work with other federal partners to include and recognize the role and value of the arts in their activities.

FY 1999

The Endowment would continue collaborations with an estimated 12 federal partners to advance the role and value of the arts.

FY 2000

In addition, the Endowment would continue collaborations with an estimated 12 federal partners to advance the role and value of the arts.

Objective 5: Develop and strengthen International partnerships.

Performance Indicator: Projects or activities would be supported that encourage American communities and artists to engage in mutually beneficial exchanges with communities and artists from abroad.

FY 1999

Projects directly supported would enable citizens in at least 30 different countries to experience the arts of our country through support of American organizations' tours abroad, and nine residencies to such countries as Ireland, Northern Ireland, and Japan.

FY 2000

Projects directly supported would enable citizens in at least 30 different countries to experience the arts of our country through support of American organizations' tours abroad, and nine residencies to such countries as Ireland, Northern Ireland, and Japan.

IV. MEETING THE PERFORMANCE GOALS: REQUIRED RESOURCES AND OPERATIONAL PROCESSES

Required Resources

- A. Grantmaking.** The primary means employed by the Arts Endowment in attaining its performance goals is the awarding of grants and cooperative agreements for specific arts projects. However, the Performance Plan also acknowledges the import roles that the Arts Endowment assumes in the areas of: leadership, convening, research, communications/dissemination and partnerships. The principal resource required by the agency, then, is the funding necessary to support these projects. The following crosswalk tables correlate the allocation of agency funds by funding category with the agency's goals and objectives. Table 1 conveys this information for the amount of funds awarded and Table 2 conveys this information for the number of grants awarded.
- B. Operations.** Numerous processes are essential to the attainment of the agency's performance goals. Aside from the routine administrative functions that are typical of this and all other agencies of government, one particular process stands out as critical to the work of the Endowment: our national merit review system. Through this system, the Endowment is able to draw upon the services of arts practitioners and knowledgeable laypersons from all over the country who review each application submitted to the Arts Endowment. Their judgements weigh heavily in the agency's decisions to provide funding to its various applicants. In turn, the active participation of these advisory panelists plays a significant role in enhancing the credibility and fairness of the agency's core function: the awarding of grants to achieve the agency's goals and objectives. Also important are the kinds of resources that make possible the articulation of our goals and the pursuit of those goals through our daily work. Chief among these resources are:
- a highly trained and motivated staff,
 - a physical office environment essential to productive work,
 - information and communications equipment that permit the efficient development and dissemination of information about the arts and the Arts Endowment, and
 - access to the latest information technologies that allow the agency to conduct its work efficiently while also providing the highest level of service to our customers.

V. MEANS OF VERIFYING AND VALIDATING PERFORMANCE MEASURES

The Arts Endowment will use a variety of means to collect and verify information that will measure progress in attaining the performance goals:

- **Interim and final reports of grantees** will provide the most comprehensive source of information about the outcomes of supported projects. From these reports, augmented by statistical and other fieldwide information as warranted, the Endowment will regularly compile data about the results of activities undertaken in connection with each of the performance goals.

- To systematize the information collected from grantee reports, the Endowment has also begun to develop **databases** for the results of its grant programs.
- The Endowment will conduct **site visits** as a means of determining the artistic and administrative status of selected applicants who seek support.
- Evaluations of selected projects and programs will be conducted to determine whether program goals are being met.
- The Arts Endowment will continue to conduct **audits** of selected grantees or analyze existing ones compiled by independent auditors or cognizant agency auditors to determine whether or not award recipients are fulfilling their obligations.
- Our **national merit review panels**, and other specially-convened groups of outside experts, including customers and laypersons, will be consulted regarding their views of the extent to which the agency is, or is not, achieving its goals, and will be asked for suggested improvements. The National Council on the Arts will continue to provide ongoing input into these issues as well.

Table 1. Crosswalk Between Funding Categories and Goals and Objectives

GOAL	OBJECTIVE	FUNDING CATEGORY	FY 98 Actual	FY 99 Estimated	FY 2000 Request (\$150M)
1. Access: Broaden public to the excellence and diversity of the arts.	1.1 Increase number of, and broaden and diversify the kinds of, arts events or activities available to the American public.	Access	\$ 3,323,250	\$ 4,453,000	\$ 4,140,000
		Leadership	\$ 1,525,000	\$ 1,485,000	\$ 1,349,863
		Partnership	\$ 7,360,867	\$ 7,360,867	\$ 7,360,867
		CA - Direct	.....	.....	\$ 2,800,000
		CA - Partnership	.....	.....	\$ 4,071,500
	1.2 Provide access to arts experiences in communities where such activities are not available because of geographic, economic or other factors.	Access	\$ 1,292,000	\$ 1,732,000	\$ 1,610,000
		Leadership	\$ 575,000	\$ 575,000	\$ 522,675
		Partnership	\$ 161,595	\$ 361,595	\$ 161,595
		CA - Direct	.....	.....	\$ 4,200,000
		CA - Partnership	.....	..	\$ 600,000
		(Subtotal)	\$ 14,237,712	\$ 15,967,462	\$ 26,816,502
2. Creativity: Better opportunities for the creation and presentation of artistically excellent work.	2.1 Increase the number of works created and presented.	Creation	\$ 15,732,150	\$ 15,494,180	\$ 16,679,688
		Leadership	.....	.....	.....
		Partnership	\$ 471,896	\$ 471,896	\$ 471,896
		CA - Direct	.....	.....	.....
		CA - Partnership	.....	.....	\$ 340,000
	2.2 Expand opportunities for artists to interpret, explore, and create work.	Creation	\$ 1,601,850	\$ 1,577,820	\$ 1,699,312
		Fellowships	\$ 705,000	\$ 886,000	\$ 866,000
		Leadership	\$ 457,000	\$ 457,000	\$ 415,413
		Partnership	\$ 1,572,794	\$ 1,572,794	\$ 1,572,794
		CA - Direct	.....	.....	.....
		CA - Partnership	.....	.....	\$ 151,000
		(Subtotal)	\$ 20,540,690	\$ 20,439,690	\$ 22,196,103

Table 1. Crosswalk Between Funding Categories and Goals and Objectives

GOAL	OBJECTIVE	FUNDING CATEGORY	FY 98 Actual	FY 99 Estimated	FY 2000 Request (\$150M)
3. Arts Education: Strengthen the role of the arts in our nation's educational system and encourage lifelong learning in the arts.	3.1 Help ensure that the arts are basic to the education of children and young adults in grades pre-K through 12.	Education	\$ 1,466,500	\$ 1,932,000	\$ 1,940,000
		Leadership	\$ 635,000	\$ 635,000	\$ 577,215
		Partnership	\$ 2,672,765	\$ 2,672,765	\$ 2,672,765
		CA - Direct	..	..	\$ 1,500,000
		CA - Partnership	..	....	\$ 3,338,600
	3.2 Expand opportunities for children and adults to participate in and to increase their understanding of, or skills in, the arts.	Education	\$ 2,190,250	\$ 2,959,000	\$ 2,818,000
		Leadership	....	....	....
		Partnership	\$ 3,366,850	\$ 3,366,850	\$ 3,366,850
		CA - Direct	..	....	\$ 2,500,000
		CA - Partnership	..	....	\$ 2,129,000
	3.3 Provide professional development opportunities for artists, arts professionals, and teachers.	Education	\$ 849,000	\$ 1,148,000	\$ 1,092,000
		Leadership	\$ 110,000	\$ 110,000	\$ 99,990
		Partnership	....	....	..
		CA - Direct	....	....	\$ 1,000,000
		CA - Partnership	....	....	\$ 889,000
	(Subtotal)		\$ 11,290,365	\$ 12,823,615	\$ 24,073,420
4. Preservation: Preserve our nation's cultural heritage for the 21st century.	4.1 Document or conserve highly significant works of art, artifacts, and collections of art.	Preservation	\$ 1,291,200	\$ 1,096,228	\$ 1,237,641
		Leadership	\$ 1,561,000	\$ 1,320,000	\$ 1,199,880
		Partnership	\$ 563,273	\$ 563,273	\$ 563,273
		CA - Direct	....	....	\$ 2,500,000
		CA - Partnership	....	....	\$ 312,500
	4.2 Honor, assist, encourage, and present those artists and forms of artistic expressions and practice that reflect the many cultural traditions that make up our nation.	Preservation	\$ 2,884,200	\$ 2,446,772	\$ 2,762,359
		Leadership	\$ 1,591,000	\$ 1,591,000	\$ 1,446,219
		Partnership	\$ 526,011	\$ 526,011	\$ 526,011
		CA - Direct	..	....	\$ 2,500,000
		CA - Partnership	..	....	\$ 1,186,000
	(Subtotal)		\$ 8,216,684	\$ 7,543,284	\$ 14,233,883

Table 1. Crosswalk Between Funding Categories and Goals and Objectives

GOAL	OBJECTIVE	FUNDING CATEGORY	FY 98 Actual	FY 99 Estimated	FY 2000 Request (\$150M)
5. Organizational Stability: Strengthen the organizational and financial capabilities of America's arts organizations.	5.1 Strengthen arts organizations' ability to realize their artistic and public service goals by becoming more effective, adaptable, and stable organizations.	Plan & Sub.	\$ 8,113,000	\$ 5,899,000	\$ 3,264,000
		Leadership	\$ 175,000	\$ 175,000	\$ 159,075
		Partnership	\$ 14,915,313	\$ 14,915,313	\$ 14,915,313
		CA - Direct	.....	.....	.....
		CA - Partnership	.....	.....	\$ 2,577,000
		(Subtotal)	\$ 23,203,313	\$ 20,989,313	\$ 20,915,388
6. Community Arts Development: Help address the concerns of America's communities through the arts	6.1 Help make communities more livable through the arts.	Leadership	\$ 744,851	\$ 744,851	677,069.56
		Partnership	.....	.....	.....
		CA - Direct	..	..	\$ 1,600,000
		CA - Partnership	..	..	.....
	6.2 Enhance public awareness of the importance of the arts in our lives and communities.	Leadership	.....	.....	.....
		Partnership	\$ 503,351	\$ 503,351	\$ 503,351
		CA - Direct	.....	.....	.....
		CA - Partnership	.....	.....	\$ 1,360,000
	6.3 Increase opportunities for the positive development of children and youth.	Leadership	\$ 277,000	\$ 277,000	\$ 251,793
		Partnership	.....	.....	.....
		CA - Direct	.....	.....	\$ 5,000,000
		CA - Partnership	.....	.....	\$ 1,839,000
	6.4 Stimulate and strengthen the role of the arts in the economic and cultural development of communities.	Leadership	\$ 804,537	\$ 804,537	\$ 731,324
		Partnership	\$ 506,896	\$ 506,896	\$ 506,896
		CA - Direct	.....	.....	\$ 6,611,000
		CA - Partnership	.....	.....	\$ 795,400
(Subtotal)		\$ 2,836,635	\$ 2,836,635	\$ 19,875,834	

Table 1. Crosswalk Between Funding Categories and Goals and Objectives

GOAL	OBJECTIVE	FUNDING CATEGORY	FY 98 Actual	FY 99 Estimated	FY 2000 Request (\$150M)
7. Partnerships: Strengthen the Endowment's partnerships with the public and private sectors.	7.1 Strengthen partnerships between the Endowment, state arts agencies, regional organizations of state arts agencies, and local governments.	Partnership /1	\$ 2,016,390	\$ 2,016,390	\$ 2,016,390
	7.2 Develop and strengthen partnerships with the non profit arts sector including national arts service organizations, colleges and universities and foundations.		.....	.....	.....
	7.3 Develop partnerships with the private sector and the commercial arts sector that enhance the arts in America.		.....	.....	.....
	7.4 Develop and strengthen partnerships with other federal agencies.	Leadership	\$ 75,000	\$ 75,000	\$ 68,175
	7.5 Develop and strengthen international partnerships.	Leadership	\$ 465,000	\$ 465,000	\$ 422,685
	(Subtotal)		\$ 2,546,390	\$ 2,546,390	\$ 2,507,250
	GRAND TOTAL		\$ 82,881,789	\$ 83,156,389	\$ 130,568,380

1/ Partnership and CA Partnership funds are reflected in each applicable goal and objective. The dollar amount listed here reflects NEA dollars awarded to State Arts Agencies or Regional Arts Organizations which were used for activities that did not fit easily into one of the goals or objectives.

Table 1. Crosswalk Between Funding Categories and Goals and Objectives

Access	\$	4,615,250	\$	6,185,000	\$	5,750,000
Education	\$	4,505,750	\$	6,039,000	\$	5,750,000
C&P	\$	17,334,000	\$	17,072,000	\$	18,379,000
H&P	\$	4,175,400	\$	3,543,000	\$	4,000,000
P&S	\$	8,113,000	\$	5,899,000	\$	3,264,000
Leadership	\$	8,795,388	\$	8,714,388	\$	7,921,379
L& Fellowships	\$	705,000	\$	866,000	\$	866,000
Partnership	\$	34,638,001	\$	34,838,001	\$	34,638,001
Chall-Direct					\$	30,211,000
Chall-Partnership					\$	19,789,000
TOTAL	\$	82,881,789	\$	83,156,389	\$	130,568,380

Table 2. Crosswalk Between Number of Grants and Goals and Objectives

GOAL	OBJECTIVE	FUNDING CATEGORY	FY 98 Actual	FY 99 Estimated	FY 2000 Request (\$150M)
1. Access: Broaden public to the excellence and diversity of the arts.	1.1 Increase number of, and broaden and diversify the kinds of, arts events or activities available to the American public	Access	77	123	115
		Leadership	6	6	6
		Partnership	4440	4440	4440
		CA - Direct	.....	.....	97
	1.2 Provide access to arts experiences in communities where such activities are not available because of geographic, economic or other factors.	CA - Partnership	..	.....	2148
		Access	58	93	88
		Leadership	2	2	2
		Partnership	46	46	46
		CA - Direct	.....	.....	145
		CA - Partnership	...	.....	129
(Subtotal)			4629	4710	7616
2. Creativity: foster opportunities for the creation and presentation of artistically excellent work.	2.1 Increase the number of works created and presented.	Creation	531	555	598
		Leadership	.....	.....	.....
		Partnership	201	201	201
		CA - Direct	.....	.....	.....
	2.2 Expand opportunities for artists to interpret, explore, and create work.	CA - Partnership	.....	.....	68
		Creation	82	83	89
		Fellowships	32	40	40
		Leadership	2	2	2
		Partnership	589	589	589
		CA - Direct	.....	.....	.....
(Subtotal)			1437	1470	1636

Table 2. Crosswalk Between Number of Grants and Goals and Objectives

GOAL	OBJECTIVE	FUNDING CATEGORY	FY 98 Actual	FY 99 Estimated	FY 2000 Request (\$150M)
3. Arts Education: Strengthen the role of the arts in our nation's educational system and encourage lifelong learning in the arts	3.1 Help ensure that the arts are basic to the education of children and young adults in grades pre-K through 12.	Education	31	50	47
		Leadership	5	5	5
		Partnership	1806	1806	1806
		CA - Direct	...	...	67
	3.2 Expand opportunities for children and adults to participate in and to increase their understanding of, or skills in, the arts.	CA - Partnership	...	...	884
		Education	67	107	101
		Leadership	...	...	...
		Partnership	1598	1598	1598
	3.3 Provide professional development opportunities for artists, arts professionals, and teachers.	CA - Direct	...	...	111
		CA - Partnership	...	...	678
		Education	32	52	49
		Leadership	2	2	2
4. Preservation: Preserve our nation's cultural heritage for the 21st century.	4.1 Document or conserve highly significant works of art, artifacts, and collections of art.	Partnership	...	...	...
		CA - Direct	...	...	44
		CA - Partnership	...	...	393
		(Subtotal)	3541	3620	5785
	4.2 Honor, assist, encourage, and present those artists and forms of artistic expressions and practice that reflect the many cultural traditions that make up our nation.	Preservation	41	48	54
		Leadership	4	4	4
		Partnership	135	135	135
		CA - Direct	...	...	111
		CA - Partnership	...	...	83
		Preservation	99	117	132
		Leadership	55	55	55
		Partnership	389	389	389
	4.3 Reflect the many cultural traditions that make up our nation.	CA - Direct	...	...	111
		CA - Partnership	...	...	531
	(Subtotal)		723	748	1605

Table 2. Crosswalk Between Number of Grants and Goals and Objectives

GOAL	OBJECTIVE	FUNDING CATEGORY	FY 98 Actual	FY 99 Estimated	FY 2000 Request (\$150M)
5. Organizational Stability: Strengthen the organizational and financial capabilities of America's arts organizations.	5.1 Strengthen arts organizations' ability to realize their artistic and public service goals by becoming more effective, adaptable, and nimble organizations.	Plan & Sub. Leadership CA - Direct CA - Partnership	154 1 2761	122 1 2761	62 1 2761 721
		(Subtotal)	2916	2884	3545
6. Community Arts Development: Help address the concerns of America's communities through the arts.	6.1 Help make communities more livable through the arts.	Leadership Partnership CA - Direct CA - Partnership	5	5	5 50
	6.2 Enhance public awareness of the importance of the arts in our lives and communities.	Leadership Partnership CA - Direct CA - Partnership	 109	 109	1 109 312
	6.3 Increase opportunities for the positive development of children and youth.	Leadership Partnership CA - Direct CA - Partnership	13	13	13 222 685
	6.4 Stimulate and strengthen the role of the arts in the economic and cultural development of communities.	Leadership Partnership CA - Direct CA - Partnership (Subtotal)	86 126 339	86 126 339	86 126 202 411 2222

Table 2. Crosswalk Between Number of Grants and Goals and Objectives

GOAL	OBJECTIVE	FUNDING CATEGORY	FY 98 Actual	FY 99 Estimated	FY 2000 Required (\$150M)
7. Partnerships: Strengthen the Endowment's partner- ships with the public and private sectors	7.1 Strengthen partnerships between the Endowment, state arts agencies, regional organizations of state arts agencies, and local governments.	Partnership /1	....	....	....
	7.2 Develop and strengthen partnerships with the non profit arts sector including national arts service organizations, colleges and universities and foundations.		....	....	....
	7.3 Develop partnerships with the private sector and the commercial arts sector that enhance the arts in America.		.. ..	..	....
	7.4 Develop and strengthen partnerships with other federal agencies		3	3	3
	7.5 Develop and strengthen international partnerships.		5	5	5
	(Subtotal)		8	8	8
	Grand Total		13,593	13,779	22,417

1/ Partnership and CA Partnership grants are reflected in each applicable goal and objective.

Table 2. Crosswalk Between Number of Grants and Goals and Objectives

Access	135	216	203
Education	130	289	197
C&F	613	638	687
H&P	140	165	186
P&S	154	122	62
Fellowships	32	40	40
Leadership	134	126	127
Partnership	12200	8803	8803
CA - Direct			1160
CA - Partnership			7492
Grand Total	13593	13779	22417

NATIONAL ENDOWMENT FOR THE

HUMANITIES

Budget Request

for

Fiscal Year 2000

**Submitted to Congress
February 1999**

NATIONAL ENDOWMENT FOR THE HUMANITIES

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NATIONAL ENDOWMENT FOR THE HUMANITIES

Fiscal Year 2000 Budget Request

SUMMARY STATEMENT

The National Endowment for the Humanities and the Administration request an appropriation totaling \$150 million for NEH for fiscal year 2000:

- \$110.8 million for the Endowment's grant programs in support of high quality education, research, preservation, and public projects in the humanities and for the projects and programs of the 56 state humanities councils throughout the nation;
- \$12.2 million for the NEH Challenge Grants program to stimulate and match private, non-federal donations in support of humanities institutions and organizations;
- \$4 million in special matching funds to support the establishment of regional humanities centers around the country;
- \$4 million in Treasury funds to stimulate and match non-federal contributions to humanities projects supported by the Endowment; and
- \$19 million for administrative expenses necessary to operate the agency.

Overview

In the 1965 legislation that established the National Endowment for the Humanities, the Congress of the United States declared that "encouragement and support of national progress . . . in the humanities . . . , while primarily a matter of private and local initiative, is also an appropriate matter of concern to the Federal Government." Acknowledging the federal government's interest in "promoting progress in the humanities," Congress expressed this interest in a single, powerful observation: "Democracy demands wisdom and vision in its citizens." As the federal agency specifically charged with promoting knowledge and understanding of the humanities, NEH has worked conscientiously over the years to fulfill this broad mandate. By supporting high quality projects and programs in the humanities, the Endowment helps Americans develop "wisdom and vision" by expanding their knowledge of human history, thought, and culture. Our nation now stands at the end of a remarkable century and on the threshold of a new millennium. The year 2000 also will mark the thirty-fifth anniversary of the National Endowment for the Humanities. It is therefore fitting at this moment

in both the nation's and the agency's history that NEH has developed a dynamic budget and program plan for fiscal year 2000 that charts a new course for federal support for the humanities in the United States in the twenty-first century. Building on our more than three decades of experience, the initiatives and program emphases we propose for FY 2000 would expand and re-energize education, lifelong learning, preservation, and scholarship in the humanities in this country.

The Endowment's FY 2000 budget request is a carefully balanced program plan that combines two basic approaches to advancing the nation's educational and cultural wellbeing: 1) restoration of some much needed funding to the agency's core, time-tested grant programs, and 2) support for an array of new programming activities and emphases that would dramatically increase NEH's reach across the nation and expand Americans' access to quality humanities programming. Both of these elements—maintaining and enhancing NEH's ongoing programs and establishing new initiatives and emphases—are vital to the health of the humanities as the nation enters the twenty-first century.

The Endowment's FY 2000 request places particular emphasis on the educational mission of the agency—that is, we will concentrate our efforts on advancing knowledge and understanding of the humanities for all Americans. Central to these endeavors is a heightened focus on humanities teaching and learning at all levels of the nation's educational system, especially the professional development of humanities teachers at elementary and secondary schools and at colleges and universities. Our support for such projects will be complemented and reinforced by a number of education-oriented initiatives that will be undertaken by the Endowment's other programming areas. Indeed, virtually all projects supported by NEH are, in the fullest sense of the word, educational: from the teacher seminars and institutes that improve teaching and learning of the humanities in the traditional classroom setting; to the public education programs of the 56 state humanities councils; to the documentary television films, museum exhibitions, library reading groups, and other general audience projects that help out-of-school citizens engage in a lifetime of learning; to projects that preserve and increase access to endangered educational and intellectual materials; and to the serious works of research and scholarship that not only contribute to the life of the mind but also help build the foundation for exemplary educational and public programming in the humanities.

Two other themes animate the budget request: increased emphases on technology-oriented humanities projects and on agency-wide efforts to extend the reach of the Endowment's programming. Innovative humanities projects employing the new electronic information technologies, such as the Internet and CD-ROMs, will be emphasized in programs across the agency, as will efforts to extend the reach of our programs (and the products of our grantees) to traditionally underserved communities and areas of the country.

Some of the key program emphases, initiatives, and activities NEH proposes to implement at the FY 2000 request level include:

- A significant increase in the number of humanities seminars and institutes for school and college teachers. A 40 percent increase in the number of seminars and institutes supported would mean that more than 500 additional teachers could revitalize their teaching of the humanities. These teachers in turn would reach 75,000 additional students in classrooms across the nation. FY 2000 funding is also requested to support a new program of small awards to seminar and institute participants that would allow these teachers to disseminate the results of their work to other teachers and schools. Enhancement of the Endowment's new Schools for a New Millennium initiative is also proposed. This grant activity is playing a major role in helping schools and teachers become more proficient in using electronic materials and formats to teach the humanities.
- A special grant competition in support of projects to establish regional humanities centers. NEH requests \$4 million in special matching funds to establish regional humanities centers across the country where American traditions, cultures, and aspirations can be explored in the context of place. At each center, a wide array of research, educational, and public programming activities will be encouraged to bring the disciplines of the humanities to bear in exploring the region's distinctive culture. Each center will serve as a cultural hub for its region, with a mission of broadening our citizens' awareness of, access to, and participation in the humanities. The \$4 million request for regional centers represents a substantial reduction from last year's estimate, reflecting our intention to raise a significant amount of private funds in support of this initiative. The Endowment is actively working to raise the funds needed to help establish the centers.
- A significant funding increase for the 56 state humanities councils. This funding would allow the state councils to support many additional projects within their borders and to implement bold new initiatives that would engage more of their citizens with quality humanities programming.
- Expansion of opportunities for Americans to engage in lifelong learning in the humanities by supporting additional high quality television and radio programs, museum exhibitions, and library reading and discussion programs. A new special initiative would also be supported—My History is America's History—that will encourage millions of Americans to learn more about their family's history and to place that history in the context of the broad sweep of American and world history;

- A special grant competition—American Legacy Editions—in support of editions of the writings of U.S. presidents and other major historical figures that would guarantee continued support for these projects and provide incentives for their expeditious completion.
- Expansion of opportunities for the nation's best scholars and teachers to add to our knowledge and understanding of the humanities. In addition to enhancing support for the NEH Fellowships and Stipends program, FY 2000 funding is also requested to establish a new Travel to Collections grant program that would provide small awards to humanities scholars to enable them to travel to research libraries and archives to consult important primary resource materials vital to their research projects. A major three-year archaeology special initiative, Project SHARD, is also proposed that would help to revive the agency's support for important archaeological research, which has suffered considerably since the Endowment's major downsizing three years ago.
- A new special initiative in the Endowment's Preservation and Access division that would provide grants to museums, archives, and libraries to enable them to digitize their major humanities collections. This effort would bring online tens of thousands of digital images of manuscripts, maps, photographs, and artifacts, thus increasing citizens' access to these important educational and cultural materials. Increased support for the agency's core preservation and access programs would help to preserve on microfilm thousands of additional volumes of brittle books and pages of historic U.S. newspapers.
- Funds are requested for FY 2000 that would help the Endowment to expand dramatically the geographic and demographic reach of its programming by establishing new grant opportunities throughout the agency. These grants would make the benefits of the Endowment—of the *humanities*—available to hundreds of institutions and organizations and thousands of individuals across the country, many perhaps for the first time. Ensuring that all Americans have the opportunity to benefit from NEH-supported programs and activities is one of the agency's and the Administration's highest priorities. We are also cognizant of Congressional interests in this area. In addition to the new outreach activities already referenced in the preceding paragraphs, other new grant opportunities proposed for FY 2000 include:
 - an initiative that would enable small and mid-sized museums throughout the country to receive modest grants for the purpose of mounting a traveling version of a successful NEH-funded exhibition;
 - grants to enable museums and public libraries to use reading and discussion programs or exhibitions developed by large national organizations, with a particular emphasis on programs targeted at tribal communities and rural and inner-city audiences;

- grants to small and geographically diverse museums, historical organizations, and public libraries that would allow institutions in the initial stages of developing new projects to consult and collaborate with humanities scholars;
- awards to small libraries, museums, and other cultural institutions to support staff attendance at preservation training sessions, on-site consultations by preservation experts, or the purchase of preservation supplies and equipment; and
- a series of initiatives in the NEH Challenge Grants program that will help small and mid-sized institutions and two-year colleges improve their humanities programming and long-range institutional planning.

[Note: These and other FY 2000 program emphases and initiatives are discussed in greater detail in both the "Summary of Key NEH Programmatic Objectives" section of this Summary Statement and in the individual division sections of the NEH budget submission.]

Context of the Budget Request

After several years of appropriations at the \$110 million level, the Endowment and the Administration are now requesting that the Congress provide a more significant investment—\$150 million—in the humanities in fiscal year 2000. This is a realistic and fiscally sound budget request that would bring the experience of the humanities to millions of Americans.

The FY 2000 appropriation request needs to be considered in the context of the 36 percent funding cut NEH sustained in FY 1996—a reduction that was significantly larger than those borne by most other federal agencies whose budgets were cut that year. In the wake of that reduction, we were forced to close down many of our core grant programs, to lay off a quarter of our employees, and to downsize and reorganize a number of the agency's functions. Since 1996, the number of grants NEH has been able to award to humanities educators, scholars, and institutions has diminished accordingly. Consequently, there has been a serious decline in the availability of quality humanities projects and programs for the American people and an erosion in the humanities infrastructure that the Endowment has worked hard to help build over the past three decades. For example, we are now only able to support about one-third the number of summer seminars and institutes for teachers that we were funding before the FY 1996 cuts. Similarly, the number of Endowment-supported humanities films and museum exhibitions that will be available to the public in the year 2000 will fall to approximately 28 hours of television and 13 museum exhibitions at 25 venues, down significantly from the 71 television-hours and 36 exhibitions at 200 venues that were available to citizens in the mid-1990s. And, the number of brittle books

and U.S. newspapers being preserved on microfilm has been substantially reduced. These conditions will not improve if action is not taken now to reverse the damaging cuts.

An appropriation totaling \$150 million in FY 2000 would begin to put NEH's core programs back on a firm footing and make possible new, innovative grant activities that would renew Americans' understanding and appreciation for the humanities. The forward-looking programmatic plan we are proposing for FY 2000, however, could not be implemented if our appropriation were to be held at its current level of \$110.7 million, or at any other amount significantly below our request level.

As the largest single source of funding for the humanities in the United States, NEH is critical to the health and vitality of the humanities enterprise in the nation. Indeed, the importance of the Endowment's mission and the success the agency has had in fulfilling it over the years have been acknowledged by a broad consensus of Americans: by educators and scholars; by state, local, and national leaders from both political parties (including more than three decades of support from every Congress and every President of the United States); by the heads of educational and cultural institutions and organizations; and most importantly, by the American people.

With the strong support of Congress, the Administration, and the American people, NEH has weathered the budget storms of the last several years. We now urge Congress to approve our request for increased funding and our dynamic new agenda for the National Endowment for the Humanities and for the humanities in the United States.

An Innovative and Strategic NEH

NEH is committed to identifying and implementing innovative ways of providing national leadership in the humanities. This commitment led us to establish a special Office of Enterprise when the Endowment was reorganized and revamped in FY 1996. Since then, this office has served as the focal point for the agency's many efforts to forge partnerships with other institutions and organizations to advance the humanities, to increase the reach of programs the Endowment sponsors, and to promote greater collaboration and consultation across NEH divisions and offices. In FY 2000, the Enterprise Office will continue to play an important role in developing the Endowment's regional humanities centers initiative and in the implementation of the My History is America's History project. In addition, the office will take the lead in forging the partnerships we hope to establish with other federal agencies, as well as with corporate and nonprofit organizations and institutions, in support of our FY 2000 initiatives and program emphases.

NEH's interest in finding new ways to promote the humanities is a reflection of our continuing efforts to be more strategic in our activities and operations on behalf of the humanities in the United States. To this end, we have adopted a multi-year strategic plan that articulates a series of long-term goals and objectives for the agency and outlines various strategies for achieving those goals and objectives. This plan was developed in accordance with the Government Performance and Results Act of 1993 (GPRA) and with guidance from the Office of Management and Budget (OMB). We have also re-organized NEH's former Office of Planning and Budget into a newly focused Office of Strategic Planning. The function of this new office will be to inform the Endowment's planning relating to policies, operations, and programs. Decisions on agency-wide initiatives and priorities will thus be made with full understanding of their contexts, interactions, and effects. One of the office's chief responsibilities will be to develop and coordinate strategic and performance planning for the agency.

The NEH strategic plan reflects the Endowment's legislated mission to promote progress in the humanities throughout the nation, the agency's history in pursuit of this mission, and our sense of how we can best continue to serve the American people in the future. As required by the GPRA, the Endowment submitted its plan to Congress and OMB in September 1997. As also required by the GPRA, included in this budget submission is NEH's Performance Plan for FY 2000, which is keyed to the \$150 million budget request and covers each program activity set forth in the budget. (See page 66.)

Strategic planning has proved to be a valuable tool for helping the Endowment envision its future and identify ways it can better serve the American people. The two long-term goals for the agency set forth in the strategic plan—to advance knowledge and understanding in the humanities in the United States, and to broaden public awareness of, access to, and participation in the humanities—serve as touchstones for all of our programming, policies, and operations. Indeed, the FY 2000 NEH budget and program plan is tied specifically to advancing the key programmatic objectives of the strategic plan, as highlighted below.

Summary of Key NEH Programmatic Objectives

OBJECTIVE: Strengthen teaching and learning in the humanities in schools and colleges across the nation

The Endowment's FY 2000 budget request would significantly enhance the agency's and the Administration's ability to help improve the quality of humanities education in the nation's schools and colleges. NEH education grants have a long-term impact on the nation because they concentrate on teachers, and these teachers in turn impart their newfound wisdom to hundreds of thousands of American students—in rural, inner-city, and other classrooms, as well as in colleges and universities—who they annually teach.

A continuing special emphasis of the Endowment's education programming in FY 2000 will be to support innovative projects that make use of electronic technologies to teach history, literature, languages, and other humanities subjects. The Endowment has been quite active in recent years on this front. In the fall of 1997, NEH joined with the MCI Corporation and the Council of Great City Schools in sponsoring a new website—called EDSITEment—that is providing immediate electronic access to the best humanities education materials on the World Wide Web. EDSITEment has attracted considerable attention among educators, students, and parents since going on-line less than one year ago.

Drawing on our long and successful experience in working with teachers, in FY 1996 the Endowment launched a three-year Teaching with Technology special initiative that helped to develop high quality websites in a number of humanities subject areas. Building on the success of Teaching with Technology, in FY 1998 we put into place another new multi-year program emphasis—Schools for a New Millennium. The aim of this new programming effort is to help jump-start the process by which American schools and their teachers become competent and comfortable with new electronic humanities materials. Based on the high quality of applications submitted to the initial rounds of this competition in support of planning grants, we are requesting enhanced funding for this initiative in FY 2000. This funding would allow us to support implementation grants that will demonstrate the full Millennial Schools concept without unduly restricting support for other important NEH education activities. And, in keeping with the agency's objective of broadening the reach of its programming, we are also planning to begin making small "visitors' awards" in this innovative program that would enable educators to consult with Millennial Schools grantees about how to improve their use of electronic humanities materials.

Humanities Teachers in Residence is another education-related grant competition that would be established at the FY 2000 level. This competition would provide small awards to individual schools around the nation to support visits by scholars and master teachers. These consultant-visitors would spend two to three days at the applicant school, develop written recommendations regarding the school's teaching of the humanities, and then serve a follow-up residency at the school.

The FY 2000 budget request would also allow the Endowment to provide a much-needed funding boost to the NEH Seminars and Institutes program, the acclaimed national faculty development program that helps to revitalize school teachers' and college teachers' understanding of the humanities. Increased funding would permit about 40 seminars and institutes for schools teachers and 37 seminars and institutes for college teachers, much higher than the 29 and 23 grants, respectively, we are estimating will be made at our FY 1999 appropriation level. The increased number of seminars and institutes would provide training opportunities for at least 1,000 humanities school teachers and college teachers, opportunities that would not otherwise be available to them. Also, with the

FY 2000 funds requested, we would be able to expand the reach of the NEH seminar and institute awards by creating a rapid-turnaround program of small grants to participants that would enable them to disseminate the results of their seminar/institute work to other teachers and schools.

OBJECTIVE: Maintain and strengthen partnerships with the State Humanities Councils

An essential strategic objective of the Endowment is to maintain and strengthen our partnerships with the state humanities councils. The recent recasting of our relationship with the councils into a true Federal/State Partnership has presented fresh opportunities for the National Endowment for the Humanities to work with individual state councils to design thoughtful and stimulating programming for all the nation's citizens.

At the FY 2000 NEH request level, funding for the state humanities councils would receive a dramatic boost to \$39.13 million. With this funding, regrants made by state councils would jump by about 40 percent to an estimated 6,000 awards, and individual state councils would be able to implement bold, new initiatives to engage more of their citizens with quality humanities programming. In FY 2000, funding for the state humanities councils would advance the Endowment's goal of extending its reach to more of the nation's citizens, particularly those who have not heretofore experienced or participated in quality humanities projects. This additional funding would also allow the councils to develop partnerships with statewide organizations such as library systems, historical societies, archives, museums, and state centers for the book.

OBJECTIVE: Provide opportunities for Americans to engage in lifelong learning in the humanities

The expansion of cultural programs for the general public in recent years confirms that Americans have a strong appetite for the knowledge and intellectual stimulation that is available through the humanities. A major objective of the Endowment in both the short- and long-terms is to provide support for high quality public programs in the humanities that will meet this demand. This programming encourages citizens to make learning in the humanities a lifetime endeavor.

While NEH-funded projects now annually reach millions of Americans of diverse social, cultural, and economic backgrounds, a critical goal of our strategic planning is to broaden even further our citizens' access to and participation in the humanities. To this end, the Endowment's FY 2000 budget is specifically aimed at encouraging and supporting projects and programs that have the capacity to reach Americans all across the nation, especially those citizens who have had relatively limited access to quality humanities programming. In keeping with the overall strategy of our FY 2000 program plan, funds are requested both to rebuild the Endowment's time-tested core public programs and to implement new

initiatives that would extend the geographical reach of the agency's public programming efforts. In the case of our basic programs, the restoration of funding for our Humanities Projects in Media and Humanities Projects in Museums and Historical Organizations grant competitions is desperately needed. Because NEH funding was cut so drastically in the FY 1996 downsizing, by the year 2000, the number of Endowment-supported humanities films and museum exhibitions available to the public will have fallen to approximately 28 hours of television and 13 museum exhibitions at 25 venues. These numbers are in sharp contrast to the 71 television-hours and 36 exhibitions at 200 venues that were available to the American people in the mid-1990s.

A number of new public humanities initiatives proposed at the FY 2000 request level would put the benefits of the Endowment's programming within the reach of many small museums, libraries, and other public institutions. About 50 public libraries, for example, would receive small grants to use packaged reading and discussion programs or exhibitions developed by large national organizations. Similarly, by introducing a new program of small "Consultation Grants," as many as 40 institutions that have not previously received an NEH grant would be able to collaborate with scholars in the humanities and with experienced grantees at other institutions. And, a new grant initiative is planned that would enable a number of small and mid-sized museums throughout the country to receive modest grants for the purpose of mounting a traveling version of a successful NEH-funded exhibition.

OBJECTIVE: Preserve and increase the availability of cultural and intellectual resources essential for the American people

The FY 2000 request would permit the Endowment to make great strides towards achieving one of its key strategic objectives: to preserve and to make more accessible historical materials important to the nation's cultural heritage. The Endowment has long been the acknowledged leader in the national movement to preserve cultural resources that are in danger of being lost forever due to the high-acid content of the paper on which they are printed or the improper ways they have been stored and handled.

The heart of the agency's preservation effort in FY 2000 will remain the significant support we provide for major projects to microfilm brittle books, U.S. newspapers, journals, documents, and other materials held by the nation's libraries, archives, and other cultural and educational institutions. Funding is requested to begin restoring support for these projects to the level that was originally set in 1989 by NEH's twenty-year preservation plan, which had to be modified extensively when the agency was downsized and reorganized three years ago. Another high priority will be our continued support for the National Heritage Preservation program, which is helping institutions maintain and

stabilize their fragile material culture collections. Many of these objects are now inadequately housed and frequently inaccessible to scholars, curators, students, and the general public.

The FY 2000 request level would also permit the agency to initiate a number of new preservation and access activities that would significantly broaden the scope of humanities materials and resources available to the American people. Funding is requested to support projects that would digitize America's historically significant cultural resources held in museums, libraries, historical organizations, and archives; and to create a new category of small awards to libraries, museums, and other institutions to support staff attendance at preservation training sessions, to fund on-site consultations by preservation experts, or to purchase preservation supplies and equipment. In FY 2000, NEH would also continue its partnership efforts with the National Science Foundation's Digital Libraries Initiative in support of digital research and development projects.

In FY 2000, increased funding would also enable the Endowment to sponsor a special grant competition focused on editions of U.S. presidents and other major historical figures. This special program emphasis—American Legacy Editions—is designed to guarantee continued support for these projects and to provide incentives for their expeditious completion.

OBJECTIVE: Facilitate basic research and original scholarship in the humanities

Support for original scholarship that produces new knowledge and understanding in the humanities is another key strategic objective of the Endowment that would be greatly enhanced at the FY 2000 budget level. Among the many programmatic emphases planned, perhaps none is more critical than increasing the number of awards in the NEH Fellowships and Stipends program, the nation's premier source of support for scholarship in the humanities.

Complementing our commitment to NEH fellowships and summer stipends, the Endowment also requests FY 2000 funding that would allow us to begin making "travel to collections" grants once again. (NEH's former Travel to Collections program had to be discontinued in the early 1990's because of intense funding pressures elsewhere in the agency.) Under the new, re-instituted Travel to Collections program, scholars would receive small, \$1,500 stipends to defray some of the costs of traveling to research libraries and archives, both at home and abroad, to consult important humanities primary resource materials vital to their research projects. In addition, the program would be targeted at junior-level and independent scholars, humanities researchers who would particularly benefit from such grants.

Finally, FY 2000 funds are requested to permit the Endowment to launch a three-year archaeology special initiative—Project SHARD. NEH support for important archaeological field work and research has suffered considerably since the downsizing of the agency in FY 1996. Project SHARD would allow us to support a range of synthetic and comparative archaeological studies and to encourage archaeologists to make the results of their work more widely available via electronic and other media.

OBJECTIVE: Strengthen the institutional base of the humanities

The Endowment's FY 2000 budget request earmarks significant funding for the expansion of our efforts to strengthen the institutional base of the humanities by leveraging non-federal support for humanities institutions. NEH is nationally recognized as an essential agent for encouraging private and non-federal giving for the humanities.

Through the NEH Challenge Grants program, the Endowment provides matching grants to institutions to raise funds for renovations, new construction, and other capital improvements; to acquire materials, collections, and equipment; and to maintain, preserve, and catalog collections—all activities that ultimately contribute to substantive humanities programming. Because grantees are required to raise at least three times the amount of the award, challenge grants are an effective means of stimulating non-federal contributions to humanities institutions across the nation.

Increased funding for the NEH Challenge Grants program in FY 2000 would restore the program's regular awards to a more viable level of support. In recent years, the reduced NEH budgets have meant that many worthy Challenge projects either could not be supported at all or have had to be supported at a greatly reduced level.

The Endowment will also extend the reach of Challenge Grants by establishing special competitions at the FY 2000 request level that would offer challenge awards with reduced matching requirements—similar to those previously offered to public libraries—to other smaller and traditionally underserved institutions whose reach is primarily local or regional. As part of the agency's outreach initiatives, for example, the Challenge program would offer modest awards to two-year colleges for long-term support for such humanities activities as faculty development, public lectures, and collaboration with community groups. At the FY 2000 request level, the Challenge program also would support small, "pre-challenge" planning grants with a 1:1 match that would enable small institutions to develop long-range planning, and a new Special Initiative for Local History that would focus on smaller institutions seeking to strengthen their humanities resources in local history and to encourage new donations from nonfederal sources.

NATIONAL ENDOWMENT FOR THE HUMANITIES

Summary of FY 2000 Appropriation Request
(in thousands of dollars)

	<u>FY 1998</u> <u>Approp.</u>	<u>FY 1999</u> <u>Approp.</u>	<u>FY 2000</u> <u>Request</u>
Federal/State Partnership	\$28,000	\$28,000	\$39,130
Preservation and Access	18,000	18,000	22,945
Public Programs	11,230	11,230	16,725
Research and Education	<u>22,770</u>	<u>22,770</u>	<u>32,000</u>
Subtotal	80,000	80,000	110,800
Challenge Grants	9,900	9,900	12,200
Regional Humanities Centers	--	--	4,000
Treasury Funds	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
Subtotal	93,900	93,900	131,000
Administrative Funds	<u>16,800</u>	<u>16,800</u>	<u>19,000</u>
Total	\$110,700	\$110,700	\$150,000

OPB
1/29/99
2000 Cong\Budget Table

FEDERAL/STATE PARTNERSHIP

(\$39,130,000)

The NEH Federal/State Partnership is a collaborative effort of the NEH and the fifty-six state humanities councils to ensure that all of the nation's citizens—wherever they live—will have the benefit of substantive humanities programs. State humanities councils are small organizations governed by volunteer boards of directors that operate in all fifty states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, the Northern Marianas, American Samoa, and Guam.

The state humanities councils were established by the Endowment in response to the mandate in the National Foundation on the Arts and Humanities Act that federal support be provided for humanities programs "in each of the several states." The primary purpose of the councils, and a basic aim of the Endowment itself, is to foster public understanding and appreciation of the humanities. Through the NEH Federal/State Partnership, grants are made annually to the state councils, which then support, on a competitive basis, locally initiated humanities programs for the people in each state. State councils also design and conduct specific humanities projects themselves to ensure that good humanities programs reach citizens in all regions of each state. Because the NEH cannot support more than half the cost of a state humanities council's activities, every federal dollar that a state council receives is matched by an equal amount of cash, goods, or services from local contributions. In recent years state humanities councils have annually attracted nonfederal contributions well in excess of the legislatively required 1:1 match, including more than \$6.7 million in funds from state legislatures.

The Endowment's partnership with the state humanities councils reflects the agencies' shared goals of advancing knowledge and understanding in the humanities in the United States and broadening public awareness of, access to, and participation in the humanities. By offering the people of each state opportunities for reasoned inquiry, reflection, and serious discussion with humanities scholars, the state councils contribute to the ability of American citizens to think more broadly and deeply about the decisions that shape our national life. In bringing citizens together face-to-face to plan and take part in council-funded projects, state councils across the country help Americans learn more about the nation's rich cultural heritage while also strengthening the bonds of community.

Programs supported by the fifty-six state humanities councils make it possible for NEH to extend its reach into every state and to all of the U.S. territories. In the past year, the state councils have enabled almost 17,000 scholars to join in vigorous and fruitful exchange with a broad range of public audiences, demonstrating that the humanities are an integral part of the daily lives of Americans everywhere—not just those who are highly educated or live in an urban center, but also those who have few years of formal schooling or who live

in small towns, inner cities, and rural areas. These exchanges demonstrate as well that public audiences are eager to learn about and discuss such fundamental issues as the growing diversity of the United States, the ties that bind people into communities and communities into a nation, shared heritages, and the philosophical and ethical foundations of contemporary public issues, such as the influence of rapidly developing electronic technologies on peoples' lives.

The competitively awarded grant projects state councils support are conducted by thousands of educational and cultural organizations and a wide variety of civic groups and public service organizations. The programs take place wherever people gather—in shopping malls, church basements, public housing sites, homes for the elderly, elementary and secondary schools, libraries, historical societies, union halls, humanities centers, in Chautauqua tents, and on interactive communications networks. In the last year, state councils received more than 6,100 applications from various groups throughout their states and awarded grants to 70 percent (4,286) of them. Currently, councils expend almost 30 percent of their NEH outright funds on grant programs.

As councils conceive of new ways to reach more people and more diverse audiences, and seek to provide maximum outreach with available funds, they are sponsoring and conducting more of their own projects. These projects reach groups and people of all ages and educational levels, including children; the elderly; students; teachers; and urban, rural, small-town, and tribal communities. The Delaware Humanities Forum, for example, has partnered with an arts organization and a community center to sponsor a three-part series on Hip, Hop, Rap, and Cultural Values. This series was an outgrowth of the Forum's outreach efforts to the African-American community. To extend the reach of this project, the Forum entered into a formal partnership with the YWCA of New Castle County, with the Forum providing funds to support series-related activities of the YWCA's Study Circles on Race Relations. The entire series was well attended, with the final event featuring author Maya Angelou attracting over 1,000 participants.

The work of the California Council for the Humanities serves as another example of the reach of council-conducted projects. Commissioned by the Council and based on the *Gold Fever!* exhibition developed with NEH support by the Oakland Museum of California, two traveling exhibitions are visiting more than a dozen communities during the three years of the *Rediscovering California at 150* sesquicentennial project. In addition, the California Council produced *History Alive!* which features dramatic, historically accurate portrayals of thirteen figures of the California Gold Rush. Between now and the end of the year 2000, the California Council will schedule appearances by these characters in more than one hundred communities throughout California.

In FY 1997, council-sponsored programs reached millions of Americans, including 471,000 participants in book discussion programs; 3.3 million exhibition visitors; 475,000 student and teacher participants in K-12 programs sponsored by 47 state councils; 26,600 participants in family reading and literacy programs sponsored by 24 councils; 152,000 participants in Chautauqua programs; 464,000 cultural heritage tourists; and 860,000 seminar, conference, and lecture attendees. Millions more were reached through council sponsorship of television and radio programs, many broadcast nationally. A twice-weekly, two-minute radio spot on etymology sponsored by the Montana Committee for the Humanities has not only enjoyed a wide listenership in Montana but has also been featured regularly on Voice of America and the Armed Forces network. Many councils have also met with success in using Speakers Bureaus to reach audiences throughout their state. The councils work with the Bureaus to respond to requests by various community organizations and other groups for programs in which scholars and other experts engage the public in discussion of a particular humanities topic.

Councils continue to organize and support scholar-directed reading and discussion programs that take place in large and small public libraries in all regions of the country. The Tennessee Humanities Council and its Tennessee Center for the Book, for example, presented the tenth annual *Southern Festival of Books: A Celebration of the Written Word* at War Memorial Plaza in Nashville, attracting more than 30,000 people. Events included panel discussions, author readings and discussion sessions, and a children's stage for activities for children and families. Nine other state councils also sponsor book festivals.

To provide newly literate adults and their children with materials that they can experience together, councils are developing reading and discussion programs that use children's literature and specially written texts about regional history and culture. A number of state councils are collaborating with their state's adult basic literacy and adult education organizations to prevent the illiteracy of a parent from being part of the legacy passed on to the next generation. The Kentucky Humanities Council's award-winning "New Books for New Readers," for example, is a series of books written at the 4th grade reading level and intended for adult literacy students. Written by humanities scholars with the help of literacy students and their tutors, these books cover topics in Kentucky history, literature, and folklore.

In 1998, the state councils continued to play an active role in addressing major issues in elementary and secondary education, consistent with the Endowment's goal to strengthen teaching and learning in the humanities in schools and colleges across the nation. Many of these efforts help teachers at the local level respond to new, statewide initiatives and requirements that provide little or no resources to educators for the initiatives' successful implementation. State councils are helping create networks that link institutions of higher learning, secondary schools, state departments of education, and cultural institutions such as museums and libraries. The councils are bringing together college and

university professors, teachers, parents, and students in substantive programs that help to strengthen instruction in the schools. Several state councils also support teacher institutes, whose benefits reach tens of thousands of students.

With funding from the Idaho Humanities Council, for example, forty teachers of Idaho history gathered Northwest Nazarene College in Nampa for a two-week institute entitled *Idaho and the American West*. More than a dozen scholars led classes and workshops on topics in Idaho's history, including its prehistory, Native American culture, agriculture and mining, and contemporary politics and economics. Similarly, the Texas Council for the Humanities is collaborating with colleges and universities throughout Texas to sponsor weeklong workshops for teachers, with the sessions focusing on electronic humanities resources that might be put to effective use in meeting the state's curriculum needs. Workshops in the summer of 1998 focused on the theme of Texas history and culture. Finally, the Connecticut Humanities Council is collaborating with the Connecticut State Board of Higher Education and the Connecticut Commission on the Arts to support content-based professional development programs for teachers at all levels.

In FY 2000, the NEH will encourage state humanities councils to continue to reach audiences all across their states with programs such as traveling exhibitions and reading and film discussion programs in libraries, community centers, and the workplace. We will encourage programs that foster a sense of community, bringing together people from all walks of life and extending their lifelong learning in engaging and meaningful ways.

State councils are increasingly concerned with the financial and programmatic health and stability of cultural organizations within their states, as state councils rely on these institutions as both designers and delivery systems for substantive humanities programs to their audiences. At the funding level proposed in FY 2000, state councils will attain a sufficient amount of funding to implement new initiatives that focus on building the capacity of local institutions to conduct humanities programs and services. Such initiatives may take many forms, from work in community heritage and heritage tourism, to family reading and literacy programs, to school-based programs for both teachers and students.

PRESERVATION AND ACCESS
 (\$22,945,000)

The Division of Preservation and Access supports projects that will preserve and increase the availability of resources important for research, education, and public programming in the humanities. These resources may include books, journals, newspapers, manuscript and archival collections, maps, photographs, films, sound recordings, oral histories, and objects of material culture held by libraries, archives, museums, historical organizations, and other repositories. The division also makes grants for the creation of dictionaries, atlases, encyclopedias, and other major reference works that preserve and portray the history and culture of the United States and the world.

By supporting projects that will create, preserve, and increase the availability of cultural and intellectual resources essential to the people of the United States, the division's programs and grant activities work toward achieving one of the major goals of the Endowment's strategic plan: to advance knowledge and understanding in the humanities in the United States.

Over the years, the Endowment has transferred to the Division of Preservation and Access a number of preservation- and access-oriented grant activities that had previously been supported in other NEH program areas—such as, grant programs in support of projects to document collections held by museums and historical organizations and projects to create bibliographies, indexes, and other guides to humanities materials. The Endowment's consolidation of all its support for preservation and access within a single division is based on the principle that preserving a collection without creating an adequate description of its location and holdings is ultimately as futile as establishing intellectual access to materials that fall apart when they are removed from the shelf.

Estimates suggest that over 80 million volumes comprising 25 to 30 percent of the holdings in the country's research libraries are disintegrating because of the acidity of their paper. Other materials such as photographs, films, sound recordings, and objects of material culture are similarly threatened by factors inherent to their physical structure or by the ways they are stored. At risk are resources that constitute a significant part of the nation's cultural legacy. These resources are crucial not only for current and future scholarship in the humanities but also as a foundation for humanities education in the nation's schools and colleges and for museum exhibitions, media productions, and other lifelong learning projects and programs.

The division continues to implement two distinct twenty-year plans for addressing the complex nature of the preservation problems confronting the nation's cultural institutions. The first plan, which was put in place in 1989, is

concerned with preserving the intellectual content of books, documents, and other research materials held primarily in the nation's libraries and archives. The centerpiece of this plan is significant support for projects to microfilm brittle books and serials. This plan also provides funding for:

- projects that preserve the intellectual content of other threatened humanities resources (such as U.S. newspapers and archival and special collections of unique materials at humanities institutions);
- the development of regional preservation and consultation services to help ensure that smaller cultural institutions across the country receive the kind of advice and knowledge they need to preserve their collections; and
- other projects that make possible increased preservation activity (such as education and training of preservation administrators, and research and development projects to improve preservation methods and technologies).

Since its inception, this preservation plan has functioned effectively and efficiently and has helped stimulate a major preservation effort throughout the United States. In the period between 1988 and 1998, the number of preservation programs in the nation's major research libraries rose from 76 to 115. In 1998, these institutions collectively employed 1,743 staff working on preservation activities. As a testimony to the accomplishments of the Endowment's plan, the Board of Directors of the Association of Research Libraries issued a statement commending "the overwhelming success of the NEH preservation program in preserving the nation's heritage and culture" and hailed the Endowment's effort "as a critically important program to ensure the preservation of and access to important . . . materials that are vital to our nation's ability to function as a democracy."

In recognition of the singular importance of the country's material culture collections and the magnitude of the preservation problems facing the institutions responsible for them, a second twenty-year plan, the National Heritage Preservation Program, was inaugurated in FY 1990. Many material culture collections—such as archaeological and ethnographic objects, decorative and fine art, textiles, and historical artifacts—were formed when there was a more limited understanding of how best to maintain and conserve these holdings. Consequently, objects of material culture are now, for the most part, inadequately housed and frequently inaccessible to scholars, curators, and the general public. The Endowment's grants in this area focus on what has been identified as the highest priority of need: helping institutions stabilize material culture collections through support for projects to improve their storage and housing. Applicants may also request funds to establish regional or national training programs for the care and conservation of these collections and for projects to document material culture collections of significance to the humanities. In the first nine years of this

program, awards have been made to institutions nationwide to stabilize collections of nearly 28.5 million archaeological, ethnographic, and historical objects important for research, education, and public programming in the humanities.

The Division of Preservation and Access has provided support to salvage the knowledge contained in endangered materials important to a variety of fields in the humanities. As a result of NEH's leadership, 80 libraries and library consortia across the nation have now participated in the national effort to preserve brittle books and serials. Indeed, when currently funded projects are completed, approximately 862,418 embrittled volumes will have been microfilmed. These volumes are important to the study of American history and culture, as well as to the study of Western European literature, history, and philosophy; classical and medieval civilizations; Slavic and Eastern European history; the history of art, architecture, religion, mathematics, science and technology; political science and economics; the history of the British Isles; and the history and culture of Central and Latin America, the Caribbean Basin, Africa, India, Southeastern Asia, Japan, and the Near East.

Newspapers chronicle the daily life of America's citizens in small towns and cities across the country. They document the civic, legal, historical, and cultural events that have occurred in every region of the nation during the past 300 years. The Endowment's support for the preservation of United States newspapers enables organizations and institutions in individual states to locate, catalog, and microfilm their newspaper holdings. With NEH's support, a centralized bibliographic record of all newspaper titles published in America since 1690 will eventually be created, and copies will be made of those newspapers that are the most historically important.

All fifty states, the Virgin Islands, and Puerto Rico have been engaged in NEH-supported newspaper planning projects or implementation efforts. The state projects continue to discover and preserve scores of little known or forgotten newspaper titles. To date, 34 states, the Virgin Islands, and Puerto Rico, and eight national repositories (with newspaper titles from all over the country) have concluded their individual projects. When all currently funded newspaper projects are completed, records for approximately 133,000 unique newspaper titles will be available in a national database accessible through computer terminals at more than 23,500 institutions in the United States and abroad. In addition, 57 million newspaper pages will have been microfilmed that otherwise would have been lost to future generations.

The division also supports projects to arrange, describe, catalog, and preserve archival materials and library special collections. Through grants made in FY 1998, for example, the Chicago Historical Society will catalog and selectively preserve 9,000 audio tapes of interviews conducted by Studs Terkel on his daily radio program from 1952 through 1997; the University of North Carolina will digitize and make available via the World Wide Web all autobiographical

slave narratives published before 1920 in book, pamphlet, or broadside form; the Albany Institute of History and Art will catalog and rehouse 4,200 objects that document life in the Upper Hudson River Valley from the eighteenth century to the present; the University of Minnesota will arrange and describe 100 collections of personal papers and graphics of authors and illustrators of children's literature and will catalog 3,871 of their printed books; and the University of Georgia will catalog and preserve 891 endangered television programs on African American history and culture held by the George Foster Peabody Award Archive.

In FY 1998, the division's support of projects to create research tools and reference works in the humanities encompassed grants that will support the preparation of the *AFI Catalog of Feature Film: 1951-1960*; the preparation of the *Dictionary of Old English*, which documents the history and defines the vocabulary of the English language between 600 and 1150; the writing and editing of the third volume of *The History of Cartography: Cartography in the European Renaissance*; the compilation of a catalogue raisonné of the art of Jacob Lawrence, African American painter, printmaker, and muralist; and the completion of research to create a comprehensive atlas of Classical Greek and Roman civilizations.

Complementing the division's support in fiscal year 1998 for preserving and establishing access to a variety of cultural resources were its grants for projects to increase the permanent capacity of the nation's libraries, archival repositories, and museums to care for their collections. In this regard, preservation education remains a high priority for the Endowment. The University of Texas at Austin, for example, received a grant to support its graduate training in library and archival administration and conservation. This program is one of four advanced degree programs in conservation in the United States and the only one dedicated to the preservation of library and archival materials. The three other programs that offer graduate training in material culture conservation (at New York University, the State University of New York/College at Buffalo, and the University of Delaware) also received NEH awards in FY 1998. With the help of a grant to the Campbell Center in Mt. Carroll, Illinois, staff members of small and mid-size museums and historical organizations will receive training in collections management and care. Two regional preservation field service programs receiving grants in FY 1998—the Northeast Document Conservation Center in Andover, Massachusetts, and the Southeastern Library Network in Atlanta, Georgia—will continue to provide preservation workshops, surveys, and information services to hundreds of cultural institutions in the Northeast and the Southeast. The division also awarded grants in FY 1998 in support of conferences and workshops on the use of digital technology to provide a new form of access to the holdings of libraries, museums, archives, and historical organizations. The Northeast Document Conservation Center (NEDCC) will offer an annual national conference entitled the *School for Scanning*, which will address issues related to planning and managing digital imaging projects. Similarly, the AMIGOS Bibliographic Council, Inc., in Dallas will provide workshops and information services on digital imaging to cultural institutions in the Southwest.

To extend the reach of federal funding for humanities preservation, at the FY 2000 request level the Endowment would inaugurate a new grant category that will provide small libraries, archives, museums, and historical organizations with awards of up to \$5,000 to defray such expenses as staff attendance at preservation training events, on-site consultation by a preservation professional, or the purchase of preservation supplies and equipment. This initiative has a potential to reach institutions in all fifty states and the U.S. Trust Territories, and it will offer support to many institutions that would not ordinarily be able to compete for funding at the national level.

In view of the staggering amount of endangered materials and the enormous costs of preserving them, the Endowment is also working to increase public awareness of the preservation crisis and thereby to help generate nonfederal support for preservation activities. For example, in conjunction with several other concerned organizations, NEH funded a documentary film on preservation, *Slow Fires: On the Preservation of the Human Record*. The film has been broadcast nationally on PBS television three times and over 1,300 copies on film or cassette have been purchased by U.S. universities, schools, libraries, archives, historical societies, book manufacturers, and paper companies. It has been televised in Belgium and Portugal and been viewed by administrators of national and regional libraries in China, France, Great Britain, Belgium, Portugal, Germany, Switzerland, Czechoslovakia, Russia, Ukraine, South Africa, Brazil, Guatemala, Nicaragua, El Salvador, Costa Rica, and Peru, as well as by two of the Directorates of the Commission of the European Community. *Slow Fires* has been translated into Russian, Chinese, French, Portuguese, and Spanish. The Spanish version of the film was shown several times at a Barcelona conference that attracted library administrators from 138 countries, and it was also made available in 1995 to every national library in Central and Latin America.

The emerging National Information Infrastructure offers significant opportunities to broaden the access of students, scholars, and the general public to important cultural resources. To preserve and ensure the broadest possible access to America's cultural resources, the Endowment is proposing at the FY 2000 request level to launch a major initiative to digitize important collections held in libraries, museums, historical organizations, and archives. The initiative would encompass editions of the papers of our past presidents, images of historical artifacts from all regions of the country, historical newspapers and archives, and other resources of direct benefit for teaching, research, and cultural tourism. NEH would encourage collaborative projects among large and small institutions to digitize materials relating to a particular historical or cultural figure, subject, or idea in order to create a coherent body of important humanities materials that will be available via the Internet to classrooms and homes across the nation. Students, scholars, and lifelong learners would have access to materials of historical significance in geographically dispersed collections that would otherwise be difficult to consult without travelling to the sites where they are held. Every classroom, cultural institution, and home in the United States with access to the Internet would be the potential beneficiaries of this initiative.

To help ensure that humanities institutions make the most effective use of the new technologies, in FY 2000 the Endowment will continue to support projects that focus on developing standards and best practices for the creation, dissemination, and maintenance of access to materials in digital formats. In FY 1998, for example, NEH made a two-year award to the University of California at Berkeley to support the development and testing of procedures for the creation and retrieval of historical resources on the Internet. The Endowment also provided support to Stanford University for a two-year project to develop procedures for the creation and maintenance of an online Encyclopedia of Philosophy.

To alert the general public to the cultural significance of the advent of digital technology and to consider the public policy implications of this technology's continued development, NEH made a grant to the American Council of Learned Societies in 1994 to produce a documentary film, *Into the Future: On the Preservation of Knowledge in the Electronic Age*. The Endowment's award subsequently generated matching support from the Albert P. Sloan Foundation and the Xerox Corporation. This film has been shown on PBS stations around the country in the past few months and has been the focal point of substantial articles in the *New York Times*, the *Wall Street Journal*, *Business Week*, and *U.S. News and World Report*. It has already been translated into Spanish, Chinese, and Japanese.

The Endowment has entered into a formal partnership with the National Science Foundation for the second round of NSF's Digital Libraries Initiative to support a series of research and demonstration projects in FY 1999. These projects are designed to resolve certain critical and distinctive issues posed by the digitization of humanities collections. The response to this joint effort between the two agencies has been so enthusiastic that the NEH will continue this partnership during FY 2000.

Federal matching funds are used as a form of project support whenever possible to stimulate third-party funding for preservation and access activities. This practice is proving to be quite successful. Since the establishment of NEH's Office of Preservation in FY 1986, Endowment-supported preservation projects have leveraged over \$14.7 million in gifts from private donors and foundations. Moreover, the division's grants, from FY 1994 through FY 1998, have generated "cost-sharing" totaling \$76 million from the institutions conducting the projects; in FY 1998, "cost-sharing" equaled 128 percent of the Endowment's own investment of federal funds in division-supported projects.

The Division of Preservation and Access made 67 awards in FY 1998. The division's support for preservation and access activities and for reference materials projects during FY 1998 encompassed 126 institutions and humanities organizations in 38 states.

In FY 1999, the division expects to make about 65 grants. In FY 2000, at the agency's request level, 307 awards are projected, including an estimated 200 awards to small institutions in the division's new program to extend the reach of preservation activities and 45 awards in support of projects for the digitization of humanities collections in nonfederal repositories.

Examples of Recently Supported Projects

(i) In FY 1998, NEH awarded \$908,800 to support the microfilming of 8,075 embrittled volumes on American agricultural history and rural life published between 1820 and 1945. These volumes are held by university libraries in ten states: Arizona, Arkansas, California at Berkeley, Florida, Hawai'i, Iowa, Minnesota, Montana, Nebraska, and Texas. This project is the second phase of a multi-stage national plan to preserve the documentation of America's agricultural history. The plan calls upon each state to take responsibility for the preservation of its state and local agricultural literature by identifying and preserving on microfilm endangered titles important for research in social, cultural, and economic history. Selections for preservation are made at the state level by a panel of scholars and librarians. Cornell University serves as the coordinator and fiscal administrator for this national project.

(ii) In FY 1997, the University of Nebraska received a two-year grant of \$224,000 to support the inventory of newspaper holdings in repositories throughout the state and the microfilming of 150,000 pages of deteriorating newsprint, as part of Nebraska's participation in the United States Newspaper Program. Information about newspaper holdings in Nebraska's repositories will be available through national bibliographic databases and via the project's World Wide Web site.

(iii) In FY 1998, the University of North Carolina at Chapel Hill was awarded \$91,000 in outright funds and \$21,000 in federal matching funds to support the creation of a database comprising digitized texts of all autobiographical slave narratives published before 1920 in book, pamphlet, or broadside form. The database, which will be made available on the Internet, also will contain selected biographies of slaves from the same period, as well as a bibliography of slave narratives.

(iv) In FY 1997, the Endowment made a two-year award of \$260,000 to the Upper Midwest Conservation Association in Minneapolis, Minnesota, to support a regional preservation field service program for cultural organizations in Iowa, Minnesota, Montana, North and South Dakota, and Wisconsin. Preservation reference services will be provided via telephone and electronic mail, a newsletter

will be produced twice a year, a website with preservation information will be established, and workshops and preservation needs assessments will be offered throughout the region.

(v) In FY 1997, the Denver Art Museum received a three-year grant of \$270,944 to support the rehousing of its Native Arts collection. The largest component of this collection consists of 17,000 American Indian artifacts, which span nearly all time periods and artistic traditions of the art and material culture of more than 100 tribes across the United States and Canada. Smaller holdings of African and Oceanic objects reflect the material culture of these geographic regions. The NEH grant will allow the museum to purchase storage furniture and to offer preservation training to Native American interns, who will be hired to help with the project. In addition, a manual on rehousing of material culture collections will be produced by the project's staff and shared with other museum and historical organizations across the country.

(vi) In FY 1998, NEH made an award to support the completion of research to create a comprehensive *Atlas of the Greek and Roman World*, the first comprehensive classical atlas compiled in more than a century. The project, undertaken by more than 70 international scholars, will result in the creation of 175 folio maps of Europe, North Africa, and Western Asia. Ninety-nine of the 175 maps will be in full color. The cartography will document the physical geography of the classical periods, as well as provide annotated documentation about social, cultural, and political changes through time as political entities rose and declined.

(vii) In FY 1998, the Endowment awarded a two-year grant of \$165,400 to the University of New Hampshire to publish the *Encyclopedia of New England Culture*. Containing approximately 1,400 essays and intended for scholars, students, and general readers, the single-volume reference work will document the rich history and culture of New England. The encyclopedia's entries will engage a broad range of subjects, such as agriculture, industry, tourism, education, culture and art, and the history of ethnicity. The book will assist readers in understanding the distinct region that New Englanders have created over the past four centuries.

(viii) In FY 1998, the Endowment awarded \$208,250 outright and \$10,000 in federal matching funds to the University of California at Berkeley to support a collaborative effort among five institutions (Cornell University, New York Public Library, Pennsylvania State University, Stanford University, and the University of California at Berkeley) to test standards and practices for the creation and retrieval of historical sources on the Internet. The project's participants will develop methods for identifying and describing the intellectual structure and technical characteristics of different types of digitized resources (books, archives, photographs, etc.), and linking machine readable catalog records and digitized finding aids to those resources. This project is part of the larger collaborative endeavor known as the "Making of America," which seeks to create a digital library of primary resources on late nineteenth-century America. The primary

resources to be digitized as the experimental testbed in this project focus on the history of transportation in the United States from 1869–1900 and will include 25,000 pages of text and graphic images drawn from research library collections at the participating institutions.

PUBLIC PROGRAMS
 (\$16,725,000)

Through the Division of Public Programs, the Endowment supports activities that engage Americans of all ages in the study, interpretation, and appreciation of important works, ideas, and events that make up the record of human civilization. The Endowment's programs for the public are based on the assumption that reflection upon the fundamental ideas and perennial questions addressed by the humanities remains important throughout a person's life, not just during the years of formal education. Congress authorized and encouraged the Endowment to foster public understanding and appreciation of the humanities in the belief that the well-being of a democratic society depends upon a shared understanding among its citizens of their cultural heritage and upon the intellectual vitality of public discourse.

By providing opportunities for Americans to engage in lifelong learning, the activities of the Public Programs division address the agency's strategic goal of advancing knowledge and understanding in the humanities in the United States. By reaching millions of Americans of diverse social, cultural, and economic backgrounds, this division also addresses another of the Endowment's strategic goals—that of broadening public awareness of, access to, and participation in the humanities.

In FY 2000, the Division of Public Programs, at the requested budget level, will make it one of our priorities to improve significantly public access to the humanities. Three initiatives will extend the geographical reach of NEH-supported projects and better involve underserved populations in the humanities. First, we will begin making small grants to individual libraries that enable them to take part in national programs of significance and substance. Second, we will introduce Consultation Grants, a new program available to applicants in all programs of the division. Consultation Grants will enable organizations that have not previously received an NEH grant to collaborate with scholars in the humanities, and with experienced grantees at other institutions, at the very early stages of a project. And third, the division will initiate a program to make grants to small and mid-sized museums throughout the country for the purpose of receiving a traveling version of an NEH-funded exhibition.

Another priority of the Division of Public Programs is to rebuild its core programs, so that American filmmakers, radio producers, museum curators, and other professionals can begin work now to ensure that in a few years' time the public will have adequate access to high quality public programs. The almost 60 percent reduction in Public Programs' funding that occurred between 1995 and 1996, and that has been sustained for the past three fiscal years, will drastically reduce the availability of public humanities programming in the coming years. For example, in 1994 when Ken Burns's *The Civil War* was re-broadcast, Americans were also able to view 40 other Endowment-supported films for a total

of 71 viewing hours. Our projections, based on projects recently funded, show that there may be as few as 8-10 new NEH-funded films on public television in 2000, offering only about 28 hours of viewing time.

In order to ensure that excellent humanities programs will be available for future broadcast using the new digital technology, in FY 2000 we will also support several prototype, digital television projects. In addition, we will invite applications for CD-ROM and online projects that will serve to bring solid humanities content to national audiences.

In FY 2000, the division will continue to support projects that involve the most educational, accessible, enjoyable, and effective formats and venues for public humanities programs, including nationally broadcast radio and television programs, museum and library exhibitions that travel broadly throughout the United States, community-based reading and discussion programs, and substantive digital projects for the public. Because the division focuses on lifelong learning in the humanities, our guidelines for applicants will continue to stress educational effectiveness as well as humanities content of high quality. The audiences will encourage applicants to address the particular needs of their proposed audiences; to include components for underserved groups, such as at-risk youth; and to explore ways to sustain and expand the impact of their projects.

Humanities Projects in Media

Humanities Projects in Media supports the planning, scripting, and production of television and radio programs on significant works and subjects in the humanities for broadcast to general audiences. These programs explore important ideas, figures, and events as illuminated by scholarship in the humanities.

In 1998, NEH-funded programs attracted an estimated 154 million viewers during 55 hours of programming on public television. Several programs produced with Endowment support garnered prestigious national awards in the past year. *Divided Highways: The Interstates and the Transformation of American Life*, *Liberty! The American Revolution*, and *The American Experience: The Presidents Series* each won a George Foster Peabody Award, as did the radio series *Will the Circle Be Unbroken?* In addition, *The Great War and the Shaping of the 20th Century* won three Emmy Awards.

In FY 1998, the division completed a special initiative to increase the presence of the humanities on radio. Programs supported by this initiative aired in the fall of 1998 and will continue in 1999. For example, National Public Radio's *Fresh Air with Terry Gross* is broadcasting a series of hour-long programs on the topic of American popular song. The series features conversations with scholars and performers as well as in-studio performances and archival recordings. With NEH's Office of Enterprise, the division also

completed a special initiative to support film projects designed to explore the achievements, experiences, and history of the millennium now drawing to a close. Programs developed under this initiative will be broadcast in 2000 and 2001.

Endowment programs were an important part of the 1998 schedules of both public radio and television. *Remembering Slavery*, a radio series based on slave narratives prepared under the auspices of the WPA, was broadcast on national public radio stations in October. Two Endowment-supported projects were also a major part of the fall 1998 PBS schedule. *The U.S.-Mexican War (1846-1848)*, an examination of a turning point in the expansion of the American nation and a painful chapter in Mexico's history, was aired in both the United States and Mexico. *Africans in America*, a six-hour series based on the most recent scholarship, traces the history of African Americans from their earliest arrival to the Civil War. Accompanied by a national outreach program featuring components for teachers and African American youth, the series received broad acclaim. The Endowment also funded a series of radio programs, broadcast on National Public Radio's news magazine show *All Things Considered*, which extended the reach of the television series.

Several major program series supported by the Endowment will be broadcast in the near future. For example, *I'll Make Me A World*, a series bringing to life the complex and exciting history of 20th-century African American artists and their contributions to American culture, will air in February 1999. In addition, a three-hour series, *MacArthur*, will explore the life and times of one of America's most important military figures. Several NEH-supported biographies of well-known Americans are currently in the production stage, including films on George Wallace, Mark Twain, and Gordon Parks.

As a result of the budget reductions over the past three fiscal years, we have been able to support far fewer major media projects than in the past. Necessarily, most of these have been conducted by the most experienced grantees. In FY 2000, with the additional funding that this budget request would provide, the division will make small collaborative grants, called Consultation Grants, which will enable filmmakers and radio producers who have not previously received an NEH grant to ground their project firmly in the humanities at a very early stage. These small awards will be made to filmmakers, minority producers, regional radio and television stations, and others who have not been, or thought that they could be, competitive for the larger grants already offered. We anticipate that we will make approximately 10 Consultation Grants to media applicants in all parts of the country in FY 2000.

At the FY 2000 budget request level, the division will support approximately 49 radio and television projects, ensuring that the American public will continue to enjoy commercial-free access to the finest, most accurate programs being produced today in history, literature, and other disciplines of the humanities. Support will also be provided for prototype, digital television projects that enable producers of excellent humanities programs to design "enhanced" programming—that is, traditional analog television programs that are enriched with online content. Such support is crucial if history series, for example, are to be broadcast digitally by the year 2003, by when Congress has mandated that public television stations must have converted from analog transmission. The Endowment will devote approximately \$500,000 to the implementation of this expensive form of enhanced programming. The Division of Public Programs will also undertake planning for a special radio initiative that will be regionally based and focused on family history. Recent studies demonstrate convincingly the depth of Americans' interest in their own past and its connections to the national story, and a series of regional programs throughout the country would provide a cost-effective way to tap this interest.

At the one deadline for media projects held in FY 1998, the Endowment received 146 applications and awarded 27 grants. In FY 1999, when we will begin offering a second deadline for planning grants, we expect to receive 154 applications and to make approximately 30 awards. In FY 2000, we expect to receive 230 applications for media projects of all kinds and to make 49 awards. In addition, we expect to receive 30 applications for Consultation Grants and to make 10 awards.

Examples of Recently Supported Projects

(i) The Endowment awarded a scripting grant of \$80,860 to the International Documentary Association in Los Angeles to script a four-hour series on the history of the Roman Empire in the first century A.D. Using the latest scholarship in Roman history, language and art, the series will focus on such issues as peace and war and family life.

(ii) The Filmmakers Collaborative in Boston received a production grant of \$587,500 to produce a two-hour documentary film on Eleanor Roosevelt. The film will examine the public and private evolution of a complex American life and provide a fresh perspective on some of the important events of the twentieth century. To be broadcast on "The American Experience," *Eleanor Roosevelt* will be the first program on public television to focus exclusively on the life and times of a First Lady.

Humanities Projects in Museums and Historical Organizations

Because they contain tangible objects that record our history and our cultural traditions, museums can provide unique educational experiences for children, families, and adults. The Endowment supports exhibitions that, together

with related publications and educational programs, use the perspectives of the humanities to interpret museum collections for the general public. All exhibitions that receive Endowment support share several defining characteristics. First and foremost, they are educational. They link *ideas* from the humanities with historical objects, documents, works of art, ethnographic artifacts, or other exhibition materials. Second, they are based on excellent scholarship. And third, they must be designed to engage broad public audiences. Today, NEH-funded exhibitions often use websites and CD-ROMs to reach beyond their traditional audience.

Evidence of the range of important topics and the potential impact of NEH support can be seen in the more than 130 NEH-funded exhibitions that will be available in FY 1999 at venues in all 50 states and the District of Columbia. Exhibitions now on tour to America's museums range from shows on the history and significance of the barn in the American landscape to America's Reconstruction, Egyptian faience, Native American images, Japanese Zen painting, and the history of the transatlantic slave trade. NEH-funded exhibitions continue to receive major awards; for example, *Teenage New Jersey* at the New Jersey Historical Society was named the outstanding exhibition of 1998 by the American Association of Museums.

Exhibitions that will travel to museums throughout the nation, and be seen by millions of visitors, are currently under development on such subjects as the Adirondack region, Comanche lattice cradles, antislavery activity in the Chesapeake, and twentieth-century Irish figurative painting. In FY 1999, long-term exhibitions will open to enduring effect at such varied institutions as the Please Touch (children's) Museum in Philadelphia, the Heard Museum in Phoenix, the High Desert Museum in Bend, Oregon, the Mt. Auburn Cemetery in Cambridge, Massachusetts, the Walters Art Gallery in Baltimore, and the National Afro-American Museum in Wilberforce, Ohio. Visitors to the Brooklyn Historical Society will find an innovative, long-term exhibition entitled *Brooklyn Works! 150 Years of Work in an American City*, whose highly interactive format will engage intergenerational audiences in an exploration of the impact of work on our daily lives, the economic development of Brooklyn, and the story of the American city.

Two upcoming NEH-supported exhibitions, both likely to be blockbusters, will illuminate other cultures for Americans through art interpretation. *Pharaohs of the Sun: Akhenaten, Nefertiti, Tutankhamen* will focus on the ancient city of Amarna. Featuring the first-time grouping of three hundred objects from the city founded by Akhenaten, the exhibition will be accompanied by an interactive World Wide Web site that will enable users to see every object in the exhibition, navigate through a re-creation of Amarna, and visit the excavation site. *Picasso and the War: 1937-45* will explore the connections between art, politics, and history by focusing on Picasso's paintings from the Spanish Civil War through World War II. Accompanied by publications and educational programs, the exhibition will travel and will be seen by large audiences.

In FY 2000, we will continue to support museums, historical societies, and historic sites that take seriously their mission to educate the public. The division will encourage museums to reach broader audiences by surrounding exhibitions with educational materials and programs, by collaborating with local community organizations, and by exploiting interactive electronic media. For example, the High Desert Museum's *Indians of the Columbia River Plateau* will include a recreated tribal office in which visitors will be able to log on to World Wide Web sites of other tribes and to observe at first hand how modern technology is being adapted to facilitate communication among traditional tribal cultures.

With the proposed FY 2000 budget, Humanities Projects in Museums and Historical Organizations will rebuild its core program of traveling and long-term exhibitions, providing for as broad a geographical distribution as possible. From a high point in FY 1996 of 41 new exhibitions opening throughout the country, we anticipate that current and recent NEH budget levels will mean that only 13 such projects will be realized in FY 2000. At the budget request level, the Endowment will support development of 40 exhibitions, offering a wide array of topics of broad public appeal.

Also at the budget request level, the division will introduce two new types of grants in order to involve small and mid-sized museums—many of them in rural areas and most new to the work of the Endowment—in the vital task of creating humanities exhibitions. First, we will offer Consultation Grants, which will enable smaller and more geographically diverse museums and historical organizations to consult with humanities scholars as well as with experienced humanities programmers at other institutions. By undertaking a consultation project, many types of institutions that are currently underserved will be able to establish a firm scholarly and administrative basis for new humanities programs. We anticipate that approximately 20 consultation grants will be awarded in the museums program. We are also planning to extend the geographical and institutional reach of NEH-funded exhibitions through a new series of awards to small and mid-sized museums that will support the costs of hosting a traveling version of an exhibition and its accompanying public programs. We are currently in the process of funding a feasibility study to give us information on the size of awards that would be needed, but we anticipate that at the budget request level grants could be made to about 10 institutions per year.

At the one deadline for museum projects held in FY 1998, the Endowment received 71 applications and awarded 22 grants. In FY 1999, when we will introduce a second deadline, we expect to receive 80 applications and to make approximately 27 awards. In FY 2000, we expect to receive 112 applications for museum projects and to make 40 awards. In addition, we expect to receive 60 applications for Consultation Grants and to make 20 of these small awards.

Examples of Recently Supported Projects

(i) The Pratt Museum in Homer, Alaska, received a grant of \$37,310 to plan for the reinterpretation of its permanent collection through a new exhibition focused on the core themes of homesteading, fishing, and Native cultures. The exhibition will combine permanent and changeable modules, with object-based displays, videotaped oral history interviews, photographs, and a World Wide Web page. The voices and perspectives both of the native inhabitants, most of whom are Athapaskan, and of the predominantly Anglo-American homesteaders will be featured.

(ii) The Atlanta Historical Society, with an award of \$180,750, will implement an exhibition, an interpretive garden, and related programs on the topic of Native Americans in the Southeastern United States and in Oklahoma. *Native Lands* will cover 500 years of history and three distinct Indian populations – the people of the Mississippian period, the Creeks, and the Cherokees. A small, traveling version of the exhibition will go to four Indian museums in North Carolina, Alabama, and Oklahoma, and components will be sent to local schools, libraries, and community centers.

Humanities Projects in Libraries and Archives

In addition to their intrinsic importance as places of individual study and learning, libraries and archives offer a natural setting for scholars and the general public to come together for discussion and critical inquiry. The Endowment seeks to use that setting to increase public understanding of the humanities through the discovery, interpretation, and greater appreciation of texts, media, digitized programs on the Internet, and other collections available to Americans in libraries and archives. Because libraries are community-based institutions, the Endowment supports partnership projects that facilitate close collaboration with other cultural and educational institutions such as museums, school systems, parent-teacher organizations, broadcast and cable educational television stations, and literacy coalitions. This emphasis on partnerships and collaboration will continue in FY 2000.

The formats most often employed by projects supported by this program include reading and discussion series, interpretive traveling exhibitions, lecture series, and public conferences. Awards are also made for libraries, in collaboration with other cultural institutions, to explore the use of technological developments for the delivery of educational programming.

In collaboration with the state humanities councils, NEH pioneered the development of scholar-led reading and discussion programs that now engage hundreds of thousands of Americans each year in explorations of major texts in history, literature, and other disciplines of the humanities. During FY 1998, more than 1,400 NEH-supported reading and discussion programs took place at

approximately 350 libraries in 42 states and the District of Columbia. In FY 1999, the Endowment will continue to support reading and discussion programs that involve Americans in substantive conversations on important ideas. For example, the American Library Association's *StoryLines America: A Radio/Library Partnership Exploring Our Regional Literature*, is a program in which regional literature, available for participants in their local libraries, is discussed via talk-show radio. The project will take place in libraries and on National Public Radio stations in two regions, the Southeast (Florida, Georgia, and North and South Carolina) and California. Each one-hour program features the discussion of works by such regional authors as Thomas Wolfe, Zora Neale Hurston, Pat Conroy, Wallace Stegner, and John Steinbeck. Reader/listeners will have an opportunity to interact with scholars through the use of a toll-free 800 number.

The program will also continue to support reading and discussion projects for new adult readers and their families. The *National Connections Project: Reading and Discussion Programs for Adult New Readers*, organized by the Vermont Council on the Humanities in collaboration with the American Library Association and literacy agencies, will provide new opportunities for family reading. Using specially selected texts written primarily for children, including retold tales from *The Odyssey* as well as biographies of Lincoln and Sitting Bull, newly literate adults will discuss themes of importance to the human experience at 80 sites across the country. At the FY 2000 budget request level, the division will expand this kind of effort, perhaps in concert with a national foundation, building on the work of several state humanities councils and other institutions supported in the past in order to make literature-based reading and discussion programs for newly literate adults a key ingredient in literacy efforts in all parts of the nation.

National traveling exhibitions for libraries, such as *The Jazz Age in Paris: 1914-1940* and *The Great Experiment: George Washington and the American Republic*, will continue to receive support. American parents, caregivers, and children throughout the United States will enjoy such exhibitions as *The Many Realms of King Arthur* and *The Frontier in American Culture*, as well as the many public programs that accompany them, for many years after they were first funded by the Endowment.

In order to increase the reach of such outstanding national traveling exhibitions or reading and discussion programs, we will make small grants directly to libraries in rural areas, inner cities, on tribal reservations, and in other diverse sites. Also at the budget request level, we could make 50 such grants per year. Finally, public libraries or library systems of all types will be encouraged to apply for Consultation Grants to help them investigate humanities themes with scholars at the very beginning of a project. We anticipate making such awards to approximately 5 institutions new to humanities programming.

In FY 1998, the Endowment received 18 applications at the single deadline for humanities projects in libraries and archives and made 5 awards. At the two deadlines for FY 1999, we expect to receive approximately 19 proposals and to make approximately 6 awards. In FY 2000 we anticipate 28 applications and 9 awards for library projects. With these awards, we will continue to encourage large-scale projects that involve state, regional, and national library organizations in the creation of cost-efficient partnerships and networks. Such arrangements will ensure that Americans in all parts of the country have access to stimulating public humanities projects in libraries. In addition, we expect to receive 165 applications for small, exhibition grants and for Consultation Grants and to support 55 of the projects.

Examples of Recently Supported Projects

(i) A grant of \$150,770 was awarded to Human Pursuits in Salt Lake City, Utah, to implement a series of bilingual reading and discussion programs, *Bridges That Unite Us/Puentes que nos unen*. Focused on issues of immigration and acculturation within a Latino context, the programs will take place in 180 libraries in Arizona, California, Colorado, New Mexico, Texas, and Utah. The texts selected for the programs represent multiple perspectives and many voices, and participants will receive a scholar-written discussion guide outlining important issues in the texts.

(ii) *Unfinished Journey* is the overarching title of a project proposed by the Delaware Library Association and receiving a grant of \$135,460. Over 300 reading and discussion programs will occur at 60 libraries and senior centers in Delaware, Maryland, and Virginia, exploring such themes as the Millennium, mortality, World War I, innocence, and King Arthur's legend. The programs, specifically designed for newly literate adults and senior citizens, will engage new audiences in the humanities.

Special Projects

The Special Projects program seeks to broaden public appreciation of the humanities through projects that employ innovative formats, venues, and collaborations to provide lifelong learning opportunities for new audiences. This program offers special encouragement for applications that utilize newer forms of computer-based technology to engage general audiences in an exploration of important topics in the humanities. For instance, an award made to a team based at Harvard will support a CD-ROM and a website that will introduce users to the challenges of producing historical narrative and will lead them through the investigative work of historians and filmmakers that led to the production of both the book and the film, *A Midwife's Tale*. Incorporating recent scholarship on life in the early American republic, this project, *Weaving Histories*, will bridge the gap between scholarship and a wide public audience, enabling users to post their own family history research and discuss their projects with each other. The

division recognizes the need for these kinds of model, interactive multimedia projects for the general public, especially given the lack of historically accurate products currently available.

Special Project grants are often made to groups that reach underserved or non-traditional audiences. For example, in FY 1998 the Arab American Center for Economic Social Services in Detroit held a conference, followed by a reading, lecture, and discussion series, on *A Community Between Two Worlds: Arab Americans in Greater Detroit*. In connection with this program, a traveling photographic exhibition on Arab Americans and their contribution to American culture will be presented at six sites throughout the country.

In the coming year, thirty communities in six states in the Midwest (Iowa, Kansas, Nebraska, North and South Dakota, and Oklahoma) will host a scholar-in-residence program called *Behold Our New Century: Early 20th-Century Visions of America*, sponsored by the Great Plains Chautauqua Society. Town residents will gather under a 600-seat Chautauqua tent to engage in conversations with scholars presenting first-person interpretations of Jane Addams, Andrew Carnegie, Charles A. Eastman, Theodore Roosevelt, and Booker T. Washington. Topics include the role of government in private enterprise, education, health, and foreign policy. Each five-day residency will involve a variety of daily workshops, children's programs, and informal discussions.

In FY 2000, Special Projects will augment efforts to work with organizations not traditionally associated with humanities programming in order to reach new and larger audiences. We will continue to encourage applicants to reach a broader public and extend the life of successful projects by expanding partnerships with varied community and cultural organizations. We expect to make about 5 Consultation Grants to youth organizations and other groups that reach underserved audiences.

In FY 1998, the Endowment received 30 applications at the single deadline for Special Projects and awarded 7 grants. In FY 1999, we anticipate receiving approximately 30 applications at the two deadlines and making approximately 7 awards. In FY 2000, we anticipate 47 applications and 12 awards. In addition, we expect 15 applications for Consultation Grants, of which we would support 5.

Examples of Recently Supported Projects

(i) The Maine Humanities Council received an award of \$30,560 to series of seminars for doctors, health care providers, and policymakers, who will examine, through a variety of literary sources, the complex human dimensions of illness and the professional/patient relationship. The programs will take place at all of Maine's 41 hospitals, and a planning manual will be developed so that the project can be replicated by various public health groups throughout the nation.

(ii) A grant of \$200,410 was given to Girls, Incorporated, to bring *Girls Dig It: A Nationwide Archaeology Program for Girls, Ages 12-14* to six cities around the country. Through this program, up to 100,000 adolescent girls, most of them from urban, low income, and minority families, will explore with scholars all aspects of archaeology, from hands-on technical skills to interpretation. Through these innovative after-school programs, the proposers hope to develop the girls' investigative and critical thinking skills while also giving them substantive knowledge about the past.

RESEARCH AND EDUCATION PROGRAMS

(\$32,000,000)

Bringing together virtually all NEH programs serving the nation's institutions of formal learning, from elementary schools to graduate schools, the Division of Research and Education provides national leadership in humanities scholarship and education. The division takes seriously the words of the 1964 Report of the Commission on the Humanities, which reminded humanities scholars and teachers that they have the "privilege and obligation of interpreting the past to each new generation . . . who 'necessarily must live in one small corner for one little stretch of time.'" The division's programs thus engage Americans—from school children to adult citizens—in a lifetime of active learning and help all Americans explore our history, literature, culture, and traditions.

This division's four discrete grant programs address two key NEH strategic objectives: to facilitate basic research and original scholarship, and to strengthen teaching and learning in schools and colleges. The intellectual contributions of America's leading humanities scholars, as well as its most promising new researchers, are nurtured through the division's **Fellowships and Stipends Program**; complex, long-range humanities research undertaken by teams of scholars, such as the reconstruction of the Dead Sea Scrolls and the collected editions of the papers of historical figures such as George Washington, are made possible through the **Research Program**; the professional development of humanities school teachers and college faculty is enhanced through the **Seminars and Institutes Program**, one of the few educational programs in the country that provides teachers with opportunities for substantive intellectual inquiry into important topics and texts in the humanities; and the conversion of important knowledge and understanding in the humanities into exemplary materials and courses of study in our schools and colleges is fostered through the **Education Development and Demonstration Program**.

Works supported by the division over the years have garnered almost 600 prestigious awards, including nine Pulitzer Prizes, eight Bancroft Prizes, and six National Book Awards. This tradition continued in 1998 as the Modern Language Association, the American Historical Association, the American Studies Association, and the Organization of American Historians all conferred special awards for excellence on a number of projects funded by the division.

Many of the division's grants illustrate how scholarly research serves as the foundation for both high quality humanities education in the nation's schools and colleges and lifelong learning opportunities for the out-of-school public. For example, the nation's current wave of interest in Lewis and Clark's 1804-1806 exploration of the American West has been fired by several developments: Stephen Ambrose's best-selling book *Undaunted Courage*; the more than twenty other books published in recent years on different aspects of the expedition; and Ken Burns's recent PBS documentary on Lewis and Clark, *The Journey of the Corps of Discovery*. These materials build on—and acknowledge—the

University of Nebraska's twelve-volume comprehensive edition of the journals of Lewis and Clark, a monumental enterprise that has been supported by NEH for nearly two decades. The Endowment has also funded a 1999 summer seminar for school teachers, which will be held at Gonzaga University in Spokane, Washington, on the Lewis and Clark expedition. School teachers from across the country attending this seminar will spend four weeks analyzing the journals of the enlisted men on the expedition, and even participate in a field trip down a part of the Missouri River traveled by the expedition. The enthusiasm and learning generated by previous offerings of this summer seminar, as well as by the recent film and books, suggest that editing the journals of Lewis and Clark was—like the expedition itself—a wise and profitable public investment.

Another NEH-supported project that has had a wide impact on the nation's intellectual and cultural life is the five-volume work, *Freedom: A Documentary History of Emancipation, 1861-1867*. This project, which has uncovered, transcribed, and interpreted letters, affidavits, and other kinds of direct testimony made by slaves and ex-slaves during and after the Civil War, has radically altered our knowledge and understanding of emancipation and the meaning of freedom in America. Documents from the published editions of the project are being used in college and secondary school classrooms and have been incorporated into textbooks and teaching anthologies. They also have formed the basis for institutes and workshops for K-12 teachers and college teachers.

Even beyond the nation's classrooms, materials from the *Freedom* volumes have had a ripple effect on our cultural and civic life. Writers of literature for young readers have used materials from the project in books on the black military experience, African-American history, the Civil War, and Reconstruction. Museum exhibits, documentary films, exhibits and presentations at historic sites, and stories in the popular press have drawn from *Freedom*. Dramatic readings and full theatrical productions scripted from *Freedom* have been staged at arts festivals, historical societies, libraries, hospital auditoriums, union halls, public and private schools, colleges and universities, and formal theaters. And radio stations have scripted and aired programs of dramatic readings from it. Most recently, prominent American historian Eric Foner's widely acclaimed new book, *The Story of American Freedom*—which was supported with an NEH fellowship—also draws on these materials as he traces the changing meanings of freedom in America over time.

Print and film documentaries are not the only ways that NEH makes scholarship accessible and exciting to students and to the American public. The Division of Research and Education continues to play a leading role in developing and using digital technologies for humanities education and lifelong learning through three major initiatives: Teaching with Technology, EDSITEment, and Schools for a New Millennium.

From 1995-1998, NEH sponsored a special grant program, Teaching with Technology, that received over 700 applications and awarded 64 grants. This program contributed to the development of such now well-known interactive projects as "The Valley of the Shadow," a website and CD-ROM that uses primary sources to document the life and times of two communities divided by the Civil War; the "Perseus Project," a web-based project that makes available maps, texts, translations, photographs, and commentary of the ancient world; and "Oyez, Oyez, Oyez," a Supreme Court resource that provides opinions and background on major Constitutional cases.

More recently, in response to the clear need of elementary and high school teachers for high quality, educationally appropriate, and easily accessible materials on the Web, NEH created a meta-website for teachers and lifelong learners, called EDSITEment. This project, undertaken in partnership with MCI-WorldCom, the Council of Great City Schools, and the National Trust for the Humanities, seeks to ameliorate the problems of uneven quality and difficult access to the baffling tangle of educational websites. Making use of NEH's multi-tiered peer review process—using the advice of scholars, teachers, principals, superintendents, PTA members, and others—NEH has culled 49 sites from among the 66,000 educational sites on the Web. The sites were selected for their excellence in content and design and for their usefulness in the classroom. In addition, for teachers and lifelong learners hesitant to put their feet into alien waters, the site includes learning guides that tackle such issues as how to assess a site for accuracy and how to use a search engine. EDSITEment has been extraordinarily successful by many measures. Research by MCI-WorldCom, for example, shows that during the month of September 1998, the site had 277,414 "hits" by almost 30,000 different users. This number has been growing monthly. In addition, EDSITEment had over 600 external sites linked to it, which suggests the recognized value of the site and its growing reputation for quality and usefulness. The Endowment and its partners have recently renewed this project for two more years, during which time the list of high quality sites will be expanded, new lessons plans created, and outreach to teachers extended.

Finally, the year 2000 will mark the third year of the Endowment's special opportunity, Schools for a New Millennium. This initiative is designed to strengthen humanities education in the United States by helping K-12 teachers learn to use today's rapidly evolving information technologies for more effective teaching and learning in the humanities. At the heart of the initiative is the Endowment's commitment to the proposition that real change can be effected by groups of teachers at a single school who are proficient in using digital resources with rich, high-quality humanities content.

The allocation for the Research and Education division at the Endowment's FY 2000 request level would allow the division to enhance support for its core programs, implement a number of special programmatic initiatives to meet pressing needs of humanities scholars and teachers, and extend the reach of the division's programs to more Americans across the country:

- Schools for a New Millennium: At the FY 2000 request level, the Endowment would fully fund this innovative new program. To enhance the reach of the program, a category of "Visitors' Awards" would be inaugurated—small grants to schools that have not received Millennial School awards but would benefit from consultations with the program's prior grantees about improving their use of electronic humanities materials.
- Humanities Scholars and Teachers in Residence: Extending its historic promotion of strong humanities teaching in our nation's elementary and secondary schools, the Endowment proposes to conduct a special competition through the Education Development and Demonstration program called Humanities Scholars and Teachers in Residence. These small consultancy grants would enable schools to receive third-party assessments of their humanities curricula from master teachers in the humanities and, consequently, to improve the teaching of history, literature, and languages.
- Seminar and Institute Dissemination Grants: NEH School Teachers Seminars and Institutes have been highly successful since their inception in the early 1980s. Teacher-participants need more opportunities, however, to bring their experience back to their school districts. Recent technological advances have made it possible for school teachers to share more easily the fruits of their seminar and institute experiences with fellow teachers and students. In order to foster wider dissemination of the results of Seminars and Institutes, at the request level, the Endowment would provide small grants to individual participants in seminars and institutes for second-year endeavors to share the results of their work.
- Travel to Collections: With the funding requested for FY 2000, the Endowment would be able to re-introduce an important scholarly research program that had to be discontinued earlier in this decade due to intense funding pressures on the agency. These awards will encourage humanities scholars to conduct off-site research using primary source materials, especially at under-utilized and newly opened archives. The program would target junior and independent scholars who need small amounts of money to defray travel costs to research collections in the U.S. and around the world.
- Archaeology-Project SHARD: In the same way that documentary and literary editions shed light on our common past, archaeological artifacts provide basic humanistic research materials that help us understand the life and culture of our ancestors. In an effort to invigorate NEH support

for archaeological research, the Endowment would hold the first of three special deadlines to encourage interpretive studies, to disseminate the results of archaeological field research, and to demonstrate its pertinence to other fields of inquiry.

- **American Legacy Editions:** Through the division's Research Program, the Endowment proposes to put the approximately fifty ongoing American Legacy Editions on a firm and sustainable financial footing. These scholarly editions of the writings of Presidents and other major American historical and literary figures represent one of our nation's major cultural treasures, but they are a resource imperiled by the substantial reductions in NEH's budget in recent years. Were we to have to discontinue our support for some of these projects, it would be a devastating loss to teaching and research in American history, literature, and culture.

Research and Education Programs

Fellowships and Stipends

NEH Fellowships and Stipends enable individual scholars to apply their thought and creativity to significant projects that will advance knowledge and understanding in all fields of the humanities. Projects usually result in books and articles that can serve to increase knowledge in a discipline, extend the reach of that research to broader audiences, enhance teaching, and provide the foundation for public programs in the humanities.

Fellowships and Stipends provide individual scholars with time, the most precious of scholarly resources, so that recipients can carry out sustained, full-time research and writing. Individual scholarship is the principal engine of progress in the humanities, and NEH is by far the nation's primary source of support for such study. Over the years, more than 13,800 NEH Fellowships and Stipends have been awarded to scholars from over 400 institutions of higher education in every state in the nation. On average, one-third of the awards for a given year result in a major publication within five years. Many other books reach publication in the years that follow. Nearly all grantees report publishing articles based on their research and developing at least one new course or supplementing an existing course or courses. In sum, NEH Fellowships and Stipends have resulted in over 2,500 books, numerous Pulitzer Prizes, and more than fifty Ph.D. degrees earned by faculty members at America's historically black colleges and universities.

In addition to fostering excellence in American scholarship, NEH Fellowships and Stipends also make an important contribution to the democratization of academic opportunity in the United States, addressing the agency's strategic objective to "expand the availability of quality humanities programs to greater numbers of Americans." The NEH Fellowships and Stipends

programs are set up to promote scholarly excellence among a broad range of citizens—not only scholars who teach at major research universities, but also individuals with academic responsibilities that leave limited time for research and writing. Beneficiaries include numerous humanities scholars not employed in higher educational institutions and those who work at predominantly undergraduate institutions, such as historically black colleges and universities, where teaching responsibilities are heavy and scholarly resources are limited.

At the FY 2000 request level, the Endowment would extend the reach of the Fellowships and Stipends program further by re-instituting and re-inventing the former Travel to Collections program, an important grant activity that had to be discontinued in the early 1990s because of intense funding pressures on the agency. This new program would allow humanities scholars to conduct research using primary source materials, especially at under-utilized and newly opened archives. The program would make a special effort to target junior and independent scholars, who often need small amounts of money to defray travel costs to research collections in the U.S. and abroad. At the request level, travel awards of \$1,500 each could be made available to over 300 scholars in the first year of the program.

In fiscal year 1998, the Fellowships and Stipends program received 2,123 applications and made 303 awards. In fiscal year 1999, the program expects to receive approximately 2,125 applications and make 307 awards. At the fiscal year 2000 budget request level, the program could support 682 awards, including 333 new Travel to Collections awards.

Examples of Recently Supported Projects

(i) In fiscal year 1998, a Fellowship for University Teachers was awarded to Joseph Reidy of Howard University in Washington, D.C., to write a social history of African-American sailors in the United States Navy during the Civil War. In his proposed book, Reidy will use naval records and personal accounts to weave together the lives and struggles of this rarely studied group. It has been difficult to establish how many men of African ancestry served in the military during the Civil War, but Reidy has gathered evidence that an impressive number of black sailors served their country during the conflict. These men not only participated in the struggle against slavery and contributed to American maritime history, but also, in turn, were profoundly influenced by their military experiences. This research and scholarship will shed light on the contributions that these sailors made to their communities and their country within the context of nineteenth-century naval and maritime history, and it will further enhance our understanding of the African-American experience.

(ii) In fiscal year 1998, the Endowment awarded a Fellowship for College Teachers and Independent Scholars to Professor Barbara Allen of Carleton College in Northfield, Minnesota, for her project, "Federal Liberty and the 'Great Experiment': Alexis de Tocqueville and the American Covenantal Tradition."

Allen's study will examine one of modern democracy's most formidable analysts and thinkers. In particular, she will focus on Tocqueville's often overlooked observations regarding the centrality of covenants to self-government and the relationship of the concept of covenant to federal liberty.

(iii) Professor Charles Montgomery of the University of Florida received an NEH Summer Stipend in 1998 for work on his project, "History as Culture: The Making of Spanish Heritage on the Upper Rio Grande, 1880-1940." Montgomery's book will explore the revival of the seventeenth- and eighteenth-century Spanish colonial past in the American Southwest. As Americans moved West into the upper Rio Grande region at the end of the nineteenth century, memories of the Spanish colonial era were publicly revived, bringing symbols of the Spanish colonial era into modern public life. In political speeches, art and architecture, literature, and public festivals, references to the Spanish heritage evoked images of rich cultural traditions that endured and flourished on the American frontier. Professor Montgomery will attempt to understand the meaning of these symbols and their significance in relation to the changing social structure of the American Southwest during the period.

Research

Grants in the Research program support basic research projects in the humanities that are undertaken by collaborating scholars and that are marked by unusual complexity or long duration. Grants also support research opportunities for American scholars offered through scholarly organizations, independent research centers in the U.S., and international research centers. This program provides flexible guidelines for the support of a wide variety of scholarly activities for periods of up to three years, such as the compilation of scholarly editions, translations of foreign-language texts, archaeological research, and humanities studies of science and technology. The projects funded by this program often attract the support of other public funding agencies, private foundations and institutions, colleges and universities, and individual donors.

Collaborative Research grants have supported such significant projects as the Jamestown Archaeology project, which recently unearthed the original fort constructed by English settlers soon after their arrival in Virginia in 1607. Other grants have included such diverse subjects as a book by historian Stephen Nissenbaum on the cultural history of Christmas, a symposium on the art of ancient Nubia and Sudan, and research in former Soviet archives that contributed to Sam Tanenhaus's recent biography of Whittaker Chambers, which was nominated for a 1997 National Book Award.

Collaborative Research grants also help scholars prepare authoritative, annotated editions of historical documents that serve as primary sources of information for further scholarship, education, and interpretation for broad sectors of the American public. NEH-supported editions with wide impact include the

Dead Sea Scrolls, called "the most significant documents ever recovered for Hellenistic Judaism and early Christianity," newly edited scores of the operas of Giuseppe Verdi, which have been used for nationwide radio and television broadcasts, and the correspondence of Frederick Douglass.

During the 1990's, the Endowment has supported approximately 59 scholarly projects to edit and publish the papers of historically important Americans. The volumes being produced constitute a unique cultural treasure. For example, publication of 32 volumes of the papers of George Washington helped to make possible a number of recent books about Washington and the Revolutionary and early national period. In his review of Richard Brookhiser's *Founding Father: Rediscovering George Washington*, the eminent American historian Edmund S. Morgan called the editions of the papers of the "founding fathers"—editions made possible, in large part, by NEH support—the "major scholarly achievement of American historical scholarship in this century."

NEH-supported editing projects in this decade have so far produced a total of 495 different volumes. As monumental as that achievement has been, completion of all these projects will entail the publication of approximately 613 more volumes. Many of these projects, however, are imperiled by the sharp decline in NEH's budget. In the last two grant cycles for editions projects, funds have been denied to a number of worthy projects, thus seriously jeopardizing their ability to continue their important work. Many reports and studies indicate, moreover, that the private, nonfederal sector cannot fill the funding gap left by the contraction of NEH.

In fiscal year 2000, the Endowment is thus proposing once again to launch a special grant competition within the Research program to provide support for these ongoing American Legacy Editions. This initiative is intended to sustain a number of scholarly editions projects, the dismantling of which for lack of money would constitute a national tragedy. This initiative cannot replace the amount of outright project funding that was anticipated from NEH before the agency's budget was reduced in fiscal year 1996. However, by making extensive use of offers of matching funds, by building in incentives for technological innovation and speedy progress, and by providing flexible financial arrangements such as depletable endowments, this special competition can make possible an alternative to the shameful cultural tragedy that now looms. A sound financial base could be constructed for all current American Legacy Editions if the initiative were continued at the proposed level of funding for ten years.

The American Legacy Editions initiative not only serves the Endowment's strategic objective of "facilitating basic research in the humanities," but also advances other objectives such as "strengthening the institutional base of the humanities," "establishing collaborative partnerships with public and private institutions and organizations in support of the humanities," and perhaps most important, "preserving and increasing the availability of cultural and intellectual resources essential to the people of the United States."

Funds are also requested for FY 2000 to enable the division's Research program to focus its support for archaeological research. A new special initiative, Project SHARD (Special Humanities and Archaeological Research Deadline), would encourage junior scholars to gain research experience and on-site field training under the supervision of senior archaeologists. With the invited co-sponsorship of the National Science Foundation, the National Geographic Society, and other funding sources, archaeological research in the following areas would be encouraged:

- projects that propose publication of heretofore unpublished archaeological data, and which therefore request support for writing and analysis rather than excavation;
- projects that are comparative in their approach and involve synthesis, in addition to analysis, of archaeological data; and
- projects that promise to facilitate the sharing of knowledge among several humanities disciplines—for example, projects informed by the work of historians, literature scholars, or linguists, in addition to professional archaeologists.

In fiscal year 1998, 153 applications were received in the Research grant category and the program made 42 awards. Approximately 180 applications are anticipated in fiscal year 1999 and the program expects to make 42 awards. In fiscal year 2000, the program anticipates a total of 500 applications and 92 awards.

Examples of Supported Projects

(i) In 1998 the Johns Hopkins University received \$125,000 in outright funds and an offer of \$190,000 in federal matching funds to support the continuing preparation of a print edition of documentary materials relating to the life and public career of Dwight D. Eisenhower. This grant is for the final four volumes of this 21-volume series and will cover Eisenhower's second term as president, 1957-1961. The Eisenhower papers from these years, which document the ways that Eisenhower dealt with complex domestic and foreign problems, will be of particular interest to historians of the Cold War period. The project's editorial staff conducts research at the Eisenhower Presidential Library in Abilene, Kansas, and other repositories, submits declassification requests so that previously security-classified materials can be included in these volumes, and prepares annotations for the documents. These volumes will be used by historians, political scientists, and military leaders, as well as by the general public interested in gaining first-hand access to these important documentary source materials.

(ii) A 1998 grant of \$100,000 in outright funds and an offer of \$50,000 in federal matching funds supported a project focusing on two towering figures in the women's suffrage movement, Elizabeth Cady Stanton (1815-1902) and Susan B. Anthony (1820-1906). Building on the project's already completed comprehensive microfilm edition, a team of scholars, headed by Ann Gordon of Rutgers University, is now preparing a selected print edition of the most significant speeches, correspondence, political texts, and other documentary materials of these two remarkable American reformers. While the microfilm edition is essential as a preservation copy of the documents and for scholarly use, the selected print edition will be more accessible to students and the public at large.

(iii) In fiscal year 1998, NEH awarded the University of Wisconsin \$40,000 in outright funds and made an offer of \$80,000 in federal matching funds for three years of support for an archaeological project focusing on the origin and development of craft technologies and writing in the Indus Valley. "The Development of Urbanism and the Indus Script at Harappa, Pakistan," headed by Jonathan M. Kenoyer of the University of Wisconsin, explores the correlation between the use of writing and the development of technology and trade in order to understand how the political, economic, and social organization of the Indus cities enabled their rulers to integrate a vast area without extensive military coercion. With support from other funders, the project also helps to preserve artifacts and excavated structures that are an important part of the cultural heritage of Pakistan and of the history of civilization. Kenoyer has even created a coloring book for children about ancient Indus life that will be published in the five major languages of Pakistan as well as in English. In addition, the Harappa project staff have made their discoveries available to students, teachers, and armchair travelers through the publication of *Ancient Cities of the Indus Valley Civilization* and through the project's website.

(iv) In fiscal year 1998, NEH awarded the American Antiquarian Society in Worcester, Massachusetts, \$195,000 in outright funds for support of two long-term residential fellowships. Fellows conduct research in the Society's extensive collections of source materials relating to all aspects of American history and culture through the year 1876. The NEH fellows benefit from the Society's public programs of conferences and seminars and from interaction with the Society's staff, local faculty, and recipients of the Society's short-term fellowships, who include elementary and secondary school teachers, librarians, and creative artists and writers working on projects inspired by America's early history. Recent NEH-supported fellows have conducted research on topics such as religious imagery in American imprints, the history of U.S. newspapers, individual rights in nineteenth-century America, Native American peoples in early New England, the Massachusetts family labor system, and the relationships between popular music and politics, social life, and culture from the colonial period through the Civil War.

Education Development and Demonstration

NEH Education Development and Demonstration programs support projects to strengthen the teaching and learning of humanities subjects in elementary and secondary schools and in colleges and universities across the country. While the federal government provides support to education under a variety of programs, NEH programs are unique in focusing on the importance of imparting deep knowledge of subject matter to students and on the absolute necessity of teachers to be well versed in the subject matter they are teaching.

This grant program and its predecessor programs at the Endowment have helped to create some of the most important and far-reaching improvements in American education in the last 30 years, such as the National Writing Project, writing-across-the-curriculum programs, the revival of interest in core curricula, and foreign-languages-across-the-curriculum programs. No other organization or program fulfills this key role of generating effective, content-based improvements in English, history, foreign languages, and the other humanities subjects at all levels of the nation's educational system.

The Education Development and Demonstration program continues to set standards of excellence in humanities education and to respond to widely perceived needs in the education field. Through its small Humanities Focus Grants, the program recognizes and supports innovations and improvements by groups of teachers who work together in the same or neighboring educational institutions. Through its larger National Education Projects grants, the program helps educators marshal the necessary resources to launch broadly based efforts of clear national significance. The program supports the creation of print, video, and electronic instructional materials with potentially wide applications, as well as curriculum and professional development efforts designed to improve humanities instruction.

The division's three-year Teaching with Technology special initiative drew to a close in fiscal year 1998. The many pathbreaking projects receiving grants under this initiative included the creation of a website on the history of the Supreme Court, a CD-ROM on the French Revolution, and a rich database on the American Civil War, "The Valley of the Shadow." These products will have a long and valuable life in our nation's schools, and they have set a standard of excellence for such technology projects. Although this initiative has ended, it has been so successful in encouraging the use of technology in humanities education that in other recent grant competitions in the Education Development and Demonstration program, nearly all applications have proposed to make use of educational technology in one form or another.

Such exciting developments in educational technology will have limited impact unless schools and teachers know how to take full advantage of them. With this in mind, in fiscal year 1998 the Endowment entered into a public/private partnership with MCI WorldCom, the Council of Great City Schools, and the

National Trust for the Humanities. The result was EDSITEment, a portal website featuring the best humanities sites on the World Wide Web. Sites are chosen for richness of content, the quality and accessibility of their design, and their potential for use in the classroom. This successful and innovative project has recently been renewed for two additional years.

In FY 1998, Education Development and Demonstration program launched a new, special grant opportunity drawing on the successful experience of previous technology-oriented efforts. The aim of this new Schools for a New Millennium program is to jump start the process by which American schools and their teachers become competent, creative, and comfortable with new humanities materials and technologies. Experience indicates that the proficiency of schools and teachers in using electronic materials and formats directly affects the level of student learning and achievement. Projects supported under this initiative will:

- involve a whole school and require commitments from teachers, the principal, and the PTA;
- leverage public-private funding partnerships to support not just the acquisition of hardware and software, but also intensive professional development for a critical mass of the school's instructional staff;
- focus on challenging substantive topics in the humanities that can be presented in an effective manner by integrating rigorous interactive educational software with more traditional means of instruction;
- support hands-on training for a school's teachers over a sufficient period (4-6 weeks) both to develop confidence with the technology and to create challenging and engaging classroom applications that would enrich the school's curriculum;
- establish links with parents—as well as local colleges and universities—to provide ongoing support and to help evaluate and update the school-wide effort; and, ultimately
- exploit the potential of the Internet not only to link participants, but also to trigger rapid-fire, nationwide dissemination.

The program awarded twenty planning grants in July of 1998 and anticipates making an additional twenty awards in July 1999. The first awards went to sixteen states and a variety of schools, each of which focused on projects pertinent to the interests of their students and communities. For example, the project at Bullard High School in the agricultural center of Fresno, California, will focus on immigrant literature and on John Steinbeck's California writings; and Hogg Middle School, in cooperation with Rice University in Houston, Texas, is planning a project that will explore state and local history.

With funding requested for FY 2000, the Endowment would be able to organize competitions for large-scale implementation grants in the Schools for a New Millennium program. The division would also be able to begin a new grant category—the Millennial Schools Visitors' Program—involving small grants to schools that have not been named Millennial Schools but would benefit from the experience of these models. Such schools would apply to send a team of Visitors—ideally the principal, several master teachers, and a technology/media specialist—to visit a funded Millennial School over several days. For their part, institutions recognized as Millennial Schools would, as part of their grant, be required to establish and administer a program to facilitate such visits and to send consultants back to the visiting schools. Awards would cover the cost of travel, release time, and subsequent planning.

The Schools for a New Millennium initiative is also an illustration of the Endowment's active pursuit of the general goals and objectives we have set for ourselves in our multi-year strategic plan. In addition to advancing the agency's core programmatic objectives concerned with scholarship and teaching and learning, the initiative reflects other NEH strategic objectives, such as creating new programs and initiatives that respond to emerging needs and opportunities in American society; establishing collaborative partnerships with public and private institutions and organizations in support of the humanities; and extending the reach of NEH-funded programs by replicating and disseminating their products and results.

In FY 2000, the Education Development and Demonstration program is proposing to inaugurate a new grant activity, Humanities Teachers and Scholars in Residence, to provide the opportunity for American high schools to acquire the expertise of seasoned humanities master teachers and scholars. Under this new grant category, awards of up to \$10,000 would be made to individual schools to cover a several-day visit of scholars and/or master teachers during the school's fall semester. The visitors would interact with administrators, teachers, librarians, and students, and then prepare written recommendations to the school as well as a plan for improved humanities curriculum. The same scholars and/or master teachers would then do a follow-up residency to discuss and refine the plan with school participants. Grants would support both release time for teachers as well as consultant expenses.

In fiscal year 1998, the Education Development and Demonstration program received 429 applications and made 72 awards. In fiscal year 1999, the program anticipates receiving 430 applications and making 72 awards. In fiscal year 2000, 800 applications and 163 awards are anticipated.

Examples of Recently Supported Projects

(i) In fiscal year 1998, the Idalia Vision Foundation in rural Idalia, Colorado, received a Humanities Focus Grant to enable elementary and secondary

school teachers to strengthen course offerings on the history and literature of the Great Plains. The grant supported seven faculty workshops led by noted visiting scholars and local guest speakers. In the summer of 1999, project participants will attend an intensive summer seminar at the University of Northern Colorado. Along with additional opportunities for study and curriculum development, this summer session will introduce the teachers to library and museum resources related to the Great Plains. To extend the impact of the project, participants will post their new curriculum materials on the World Wide Web, engage in Internet-based conversations through the Annenberg Rural Challenge project, and make presentations at national meetings.

(ii) In fiscal year 1998, NEH awarded a Schools for a New Millennium planning grant to Booker T. Washington High School in Memphis, Tennessee. This project will be exploring techniques for collecting and electronically documenting oral histories of the Civil Rights movement in Memphis. The planning project involves teachers and parents, as well as representatives of the National Civil Rights Museum and the Memphis Public Library. At the conclusion of the project, the team will have a long-range plan for continuing faculty and curriculum development at the school.

Seminars and Institutes

NEH Seminars and Institutes provide college and school teachers with opportunities to study significant topics and fundamental texts in the humanities, thereby revitalizing their understanding of history, literature, and the other humanities subjects and improving the quality of humanities education and scholarship in the United States. These residential summer projects provide teachers assembled from throughout the country with access to important humanities scholarship and to effective ways of conveying and advancing it.

Summer Seminars enable fifteen school or college teachers to come together for up to six weeks of concentrated study under the guidance of a distinguished scholar. Summer Institutes, also lasting up to six weeks, enable school or college teachers to engage in an intense program of study with entire teams of humanities scholars who present a broad range of perspectives on a given topic. Institutes are well suited to larger groups (as many as thirty-five school teachers or twenty-five college teachers) and are a particularly appropriate mechanism for creating foreign language immersion opportunities. Increasingly, both seminars and institutes have been integrating digitized materials with the printed books and articles that are the traditional focus of humanities study.

NEH Summer Seminars and Institutes have long been the nation's premier form of professional development for elementary and secondary school teachers of the humanities, as well as for college and university faculty members. While other organizations sponsor workshops and summer study programs, NEH is one of the few that offers teachers opportunities to pursue serious, substantive

intellectual inquiry that is focused on important topics and texts and is sustained for a period of time long enough to make a fundamental and lasting difference. Teachers—and their students—profit immensely from these opportunities to work with distinguished scholars (and with a wide range of colleagues) at leading institutions of higher education and research libraries throughout the country and abroad.

For the summer of 1999, for example, teachers of world literature might opt for seminars being offered on Dante's *Comedia* or the poems of Jorge Luis Borges, and teachers interested American literature might immerse themselves in the works of Marianne Moore, Mark Twain, or those of various Native American authors. Teachers of American history might choose to study the essays of James Madison or the journals of Lewis and Clark, while teachers of world history can study the Reformation, Islam in West Africa, or cultural responses to the Holocaust. Other topics for school teachers range from Homer to Montaigne to Frederick Douglass to the Arabic novel in translation. In 1999, topics for college teachers include life in medieval Rome, the history of the civil rights movement in the United States, the indigenous cultures of the Pacific Islands, Anglo-Saxon England, and the literature of Islamic mysticism.

In NEH seminars and institutes, teachers and administrators experience the thrill of intellectual discovery in the company of colleagues drawn from institutions from across the entire nation. Teachers who are excited about the subject they teach communicate that excitement to students, making the classroom a vibrant place and fostering understanding and retention of the material that is taught. A teacher in Chesterland, Ohio, for example, recently wrote about her 1997 NEH Summer Institute experience: "This summer was all that I expected and more. I wanted scholars teaching the seminar, and I got them. . . . I wanted to be challenged, and I was: the expected reading was actually more than I could handle at times, but every bit of it was worthwhile and actually what I had hoped to tackle. . . . I have already had opportunities to use what I learned, both in rewriting parts of my curriculum and in helping two of the social studies teachers with materials and a change of emphasis."

The transforming impact that NEH seminars and institutes have on teachers will in turn benefit their students for many years thereafter. In the summer of 1998, NEH sponsored a total of fifty-two seminars and institutes, reaching a total of 1,017 school and college teachers. By June of the next year those teachers will have reached an estimated 150,000 students; by June of 2000 they will have reached over 1.3 million students.

At the FY 2000 request level, the Endowment would be able to increase the number of projects supported by about 50 percent, to 77 seminars and institutes. In order to extend the reach of our seminars and institutes, in FY 2000 the program would create a special fund called Seminar and Institute Dissemination grants to support seminar and institute participants who wish to share the benefits of their work with other teachers and schools. This

dissemination could be effected electronically—by creation of World Wide Web sites and the like—or through conventional means, such as scholarly publications or workshops for teachers organized through school systems or professional associations.

For fiscal year 1998, the Endowment received 144 applications to direct seminars and institutes and was able to fund fifty-two projects. For fiscal year 1999, out of 200 applications, the program anticipates being able to fund fifty-three projects, which would be attended by 1,030 teachers who teach approximately 152,000 students. At the requested level for fiscal year 2000, NEH would make seventy-seven awards, reaching over 1,475 teachers who teach more than 222,000 students.

Examples of Recently Supported Projects

(i) Michael MacDonald of Williams College received an award of \$80,374 to support a summer seminar for school teachers to examine the complicated story of South African nationalism and the debates that shaped it from the early 20th century to the recent transition to democracy. For five weeks during the summer of 1998, fifteen teachers from eleven states, five of whom teach in inner-city schools, gathered to read and discuss writings by and about the thinkers and leaders who forged South African nationalism. The intellectual history of South African nationalism offered participants new ways to view the American civil rights movement and current debates over “multiculturalism.” Participants also found that this in-depth exposure to documentary materials helped them contextualize the achievement of those involved in this complex historical drama.

(ii) With an award of \$150,000, the Folger Shakespeare Library in Washington, D. C., conducted a four-week summer institute on the life and works of this immortal English playwright. This institute draws heavily on the Library’s unique collections, which, in addition to the world’s largest collection of Shakespeare’s first folios, also include many rare tracts illuminating the life and thought of early modern Europe. The 1998 Teaching Shakespeare Institute enabled twenty-five secondary teachers from twenty-one states to explore several common overarching themes—such as nationalism, war, marriage, religion, and the legitimacy of rulers and their offspring—as they occur in five of the Bard’s seminal works: *Much Ado About Nothing*, *Henry V*, *Hamlet*, *Measure for Measure*, and *Othello*. The 1998 institute also incorporated sustained inquiry into the use of technology in the teaching of Shakespeare in America’s elementary and secondary schools. Beyond using the Internet as a research tool and teaching resource, participants devised lesson plans for posting classroom materials, both during and after the institutes, on the Folger’s Teaching Shakespeare web pages.

OFFICE OF CHALLENGE GRANTS
(\$12,200,000)

Consonant with the Endowment's strategic goal of strengthening the institutional base of the humanities, the NEH Challenge Grants program helps the nation's cultural and educational institutions enhance their long-term capacity for excellent scholarship, education, public programming, and preservation in the humanities. The program "challenges" humanities institutions to strengthen their resources and to seek nonfederal financial support. A wide array of non-profit organizations throughout the U.S., such as museums, tribal centers, libraries, colleges and universities, scholarly research organizations, public radio and television stations, and historical societies and sites have taken up the NEH challenge. A salient feature of the NEH Challenge Grants program is the "multiplier effect" on federal dollars: First-time recipients of a challenge grant must match every federal dollar offered by the Endowment with three nonfederal dollars in new contributions to the humanities; recipients of subsequent awards must raise four nonfederal dollars for every federal dollar offered; and recipients under special initiatives raise one or two nonfederal dollars for every federal dollar offered.

Challenge grants have proven to be highly effective in generating support for the humanities. In the 22 years of the program, over \$1.23 billion in nonfederal donations have been raised, leveraged by a federal contribution of under \$360 million. In fiscal year 1998, humanities institutions and organizations received \$9.9 million in challenge-grant funds and raised more than \$44.6 million in matching contributions, for a total investment in the humanities of \$54.5 million. Institutions report again and again that receiving an NEH Challenge Grant stimulates community support. A small college described how the challenge grant resulted "in a complete transformation in the culture of giving" at the college. A small public library recently wrote, "we had walk-in, unsolicited donations in less than three weeks" after the announcement of the grant. An art museum recounted how the NEH Challenge Grant allowed it to "both renew and begin relationships" with foundations and corporations that had not given in more than a decade or that had never contributed to the museum.

The Challenge Grants program also strengthens the institutional base of the humanities by encouraging strategic planning. The program's founding legislation calls for it to encourage "administrative and management improvements . . . particularly in the field of long-range financial planning." In applying for a challenge grant, institutions must demonstrate how their planning—both strategic planning for programs and resources and sound fiscal planning for fund raising—will advance the humanities well into the future. The benefits of excellent planning can be seen in the results of NEH Challenge Grants, as institutions fulfill their vision for the humanities. Because they emphasize long-term improvement, and because they require a period of fund raising, these grants lead to the establishment of endowments or the completion of capital projects many years after the initial award is offered. FY 1998 saw a number of

long-term plans come to fruition. For example, envisioning the increased need for students to understand the western cultural tradition within an international context (made ever more accessible through new electronic communication technology), Eckerd College, in St. Petersburg, Florida, completed raising \$1,500,000 to match its 1993 federal challenge grant offer of \$500,000. These federal and nonfederal funds support its program "The Western Heritage in a Global Context" by endowing two professorships, one in Classics and one in East Asian Studies, to aid faculty in integrating Classical and Asian perspectives into the college curriculum. The Henry Art Gallery in Seattle, Washington, completed its first full year of operation with a new education studio, auditorium, and Collection Study Center supported by a 1995 challenge grant of \$522,000 that was matched by \$1,650,000 in nonfederal donations. The grant not only made these new educational facilities possible, but it also led to the establishment of an endowment for long-term support of educational programming, ensuring continued excellence in interpretive programs that accompany exhibitions such as the acclaimed *Jacob Lawrence: Painting from Life*.

The experience of the program has shown that smaller institutions often need assistance in translating their vision for the humanities into workable institutional plans. Therefore, at the proposed budget level, the Endowment will initiate a program of challenge planning grants to support long-range planning needs, such as outside consultants in programmatic, curricular, and resource improvement; released time for internal self-study; feasibility studies for fund raising; and establishment or enhancement of development capabilities. These "pre-challenge" grants would be small (up to \$25,000) and would require a one-to-one match with nonfederal funds. The grants would extend the Endowment's reach to institutions that do not have extensive traditions of institutional planning or of active fund raising; the goal is to encourage such institutions to strengthen their humanities resources—and the humanities nationwide—by embarking on careful planning and development.

In accord with the Endowment's strategic plan, the NEH Challenge Grants program helps strengthen teaching and learning in the humanities in schools and colleges across the nation. The Appalachian College Association, for example, is using its challenge grant to endow support for humanities faculty at private colleges of central Appalachia. Joining its \$600,000 federal grant with \$1,800,000 from private sources, the Association's programs will prepare and encourage Appalachian faculty to contribute to research in the humanities and to strengthen curricular offerings at their institutions. Another challenge grant recipient, the Mississippi Valley Archaeology Center at the University of Wisconsin-La Crosse, is using \$100,000 in federal funds plus \$300,000 in matching gifts to support education programs in high schools and elementary schools that bring to school children deeper understanding of the ancient indigenous peoples who inhabited their region. Phi Theta Kappa, the international honor society for two-year colleges, is completing its challenge grant to endow faculty development at two-year colleges and to construct a Center for Excellence at its headquarters in Jackson, Mississippi. The Endowment's award

of \$691,000 in federal funds plus \$2,073,000 in nonfederal donations will help Phi Theta Kappa enhance education at two-year colleges nationwide through institutes and study programs designed to engage students with significant humanities ideas and materials.

This last example highlights an important facet of humanities education in the United States: Two-year colleges play a vital role, serving over 45 percent of all undergraduates in the nation. These institutions often serve older students (the average age is 29) and those attending school part-time; they provide widely varied educational experiences, from vocationally oriented training for high school graduates to non-credit workshops for senior citizens; and they are community centers for lifelong learning. Few have strong experience in private fund raising, and humanities resources—given the multi-dimensional institutional mission of two-year colleges—can be stretched very thin. Humanities faculty members typically teach five-course loads and have little time to work together on curriculum development or on new ideas for collaboration with non-humanities faculty or with other cultural institutions. The NEH Challenge Grants program will undertake, at the requested budget level, a Special Initiative for Two-Year Colleges. The initiative will offer modest, focused challenge grants, up to a maximum of \$250,000, for long-term support for such humanities activities as faculty development, public lectures, and collaboration on humanities activities with community groups. To make the challenge campaign more feasible for institutions with limited experience in fund raising, and to encourage their application, the matching ratio for grants awarded under this special initiative will be two nonfederal dollars for every federal dollar offered.

Challenge grants leverage long-term support that helps the Endowment fulfill its goal of providing opportunities for Americans to engage in lifelong learning in the humanities. Challenge grants underwrite the preservation and recreation for educational purposes of unique aspects of our diverse heritage. The Kona Historical Society of Hawaii, to cite but one example, will use its \$300,000 challenge grant to re-create—with the addition of \$900,000 in nonfederal donations—a 1930s coffee farm that will be interpreted *in situ* as a typical Japanese-American farm in the remote Kona district. The history of work, family, and changing ethnic cultural traditions in the Kona community will be examined in particular.

Local institutions such as the Kona Historical Society are important caretakers of our nation's cultural heritage. In line with the Endowment's interest in encouraging Americans to explore their region's history and culture, the Challenge Grants program will undertake (at the requested budget level) a initiative for institutions with activities and collections vital to the history of a locality. This Special Initiative for Local History will be modeled on the Special Initiative for Public Libraries successfully undertaken in the Challenge Grants program in FY 1998 and FY 1999. The initiative will focus on smaller institutions seeking to strengthen their humanities resources in local history and to encourage new donations from nonfederal sources. Carefully targeted challenge

grants, up to \$250,000 and matched with two nonfederal dollars for every federal dollar, will be awarded to support such activities as:

- acquisitions for and improved care of collections (artifacts, documents) vital to a locality,
- endowment to support enhanced public programming for the dissemination and interpretation of local history and culture,
- endowment to support teacher workshops utilizing local history resources,
- endowment to support on-going programs of research in local history, and
- one-time capital expenditures for the permanent improvement of facilities or technology.

Possible applicants include local historical societies, small history museums, specialized ethnic museums or cultural centers, public libraries with local archives, historic sites important to a locality's past, local public radio stations, and colleges or universities with strong emphases on local culture.

Challenge grants also serve the Endowment's goal to preserve and increase the availability of cultural and intellectual resources essential to the people of the United States. The Society of Architectural Historians, for example, received a challenge grant of \$370,000, to be combined with \$1,480,000 in nonfederal contributions, for its "Buildings of the United States" project, a coordinated series of books surveying American architecture. In a planned fifty-eight volumes organized by state, the series offers a fundamental resource for scholars, students, and the public. In FY 1998, Old Salem, of Winston-Salem, North Carolina, received an NEH Challenge Grant of \$600,000 (that will leverage \$2,400,000 in nonfederal donations) for the reconstruction of St. Philip's church, one of the oldest African-American churches in the South. The grant recipient will restore St. Philip's and an even older adjacent "log church" and endow programming to interpret this important site in the African-American religious tradition. Another recent challenge grant, to the Northeast Document Conservation Center, will contribute to the preservation of library and archival collections across the nation through expanded field service and internship training programs. Nonfederal contributions of \$1,200,000 will be combined with a challenge grant of \$300,000 to support these programs and to upgrade conservation equipment, thus extending the ability of this major non-profit center to conserve, and help others conserve, documents vital to the nation's cultural legacy.

To help NEH achieve its goal of facilitating basic research and original scholarship in the humanities, the Challenge Grants program strengthens research institutions that serve humanities scholars. The Chicago Historical Society, for example, houses collections of over 20 million books, manuscripts, prints, photographs, art works, and material culture artifacts. Annual attendance at its programs and exhibitions is over 160,000, including 40,000 school children. In order better to manage this collection and to serve scholars and the public, the Historical Society received a challenge grant of \$450,000 (to match \$1,800,000 in nonfederal funds) that will endow necessary staff positions in research, technology, and cataloguing. Advancements in electronic technology play an ever more crucial role in library planning, in scholarly access to collections, and in creating significant databases in the humanities. The University of California, Riverside, for example, will use its FY 1998 NEH Challenge Grant offer to endow support for the operational costs of the *English Short Title Catalogue*. The ESTC is a massive database that catalogues the entire corpus of published works in the English-speaking world through 1800. This indispensable scholarly tool, which requires consistent maintenance and upgrading over the long-term, will be supported through a challenge-grant endowment providing funding support for staffing and technological improvement as well as daily expenses of data entry and consolidation.

Both the NEH challenge funds and the matching nonfederal funds can be used for a variety of long-term institutional purposes, including augmenting or establishing endowments that support humanities activities, renovating or constructing facilities, purchasing capital equipment and upgrading technology, enhancing library holdings, and preserving collections. Creating permanent sources of ongoing financial support through endowments has become a high priority for humanities organizations concerned with ensuring continuity and growth in their programs. The Challenge Grants program thus emphasizes endowments and particularly encourages smaller humanities organizations to become active in fund raising for their long-term institutional strength. The Endowment will also continue to encourage applications from Historically Black Colleges and Universities, Hispanic-serving institutions, and tribal colleges.

In FY 1998, the program received 89 applications for challenge grants and made 27 awards. In FY 1998, the program received 112 applications and made 30 offers. At a funding level of \$12.2 million, the program expects to receive approximately 125 applications for FY 2000 and to make approximately 35 awards.

Examples of Grants

(i) The Broward County Public Library, of Ft. Lauderdale, Florida, received an FY 1998 challenge grant for its new African-American Research Library and Cultural Center. Voted the 1996 Library of the Year by the American Library Association, Broward County Public Library serves a population of

1,378,000 residents in a highly diverse community. Housing the library's existing Black Heritage Collection, the new center will also be home to a community-created collection of significant African Americana featuring local pioneers' papers, oral histories, and artifacts documenting African-American history in South Florida. The new center will offer opportunities for collaboration: for example, in the creation by Florida Atlantic University of an African-American and Caribbean Studies Program based at the center, and through electronic links between the new center and the special collections of Florida's four Historically Black Colleges. The NEH offer of \$600,000, matched by \$1,800,000 in nonfederal donations, will support construction of and endow programming in the new center.

(ii) In FY 1997 the Endowment awarded Southwest Texas State University a challenge grant of \$450,000 to help endow the operating costs of the Center for the Study of the Southwest, an integrated interdisciplinary humanities program of scholarly research, course curricula, and public programs. Generating \$1,350,000 in private dollars, this award will result in an endowment of \$1,800,000 for support of staff, a rotating Southwest Studies Professorship, and a program development fund to benefit participating faculty from seven departments. The Center will enable scholars, students, and the public to collect and examine the rich forms of art and thought that shaped this culturally diverse region, and to show their connection to the rest of the nation.

(iii) Montgomery College, a large community college in Maryland, received a challenge grant of \$500,000 in FY 1998 to support collaborative faculty development activities through a partnership with the Smithsonian Institution. The college, with a diverse student body of over 21,000 on three campuses, will benefit from access to the vast collections of the Smithsonian and from intellectual exchange between the college's faculty and the Smithsonian's curatorial staff. A resident scholar from the Smithsonian is directing the first set of activities, built around the theme of the African diaspora. Fifteen full-time faculty have the opportunity to participate in a special seminar, and ten of these are also carrying out research related to their teaching with the aid of Smithsonian mentors. A list server permits electronic conversation among all participants. Also as part of the program, three Montgomery College students serve as museum interns, bringing them into close contact with the Smithsonian's collections and giving them a first-hand introduction to humanities research and public programming. The grant will generate \$1.5 million in nonfederal donations, for a total of \$2 million to endow the collaborative activities and to provide bridging costs during the grant period.

(iv) In FY 1997 the Maine Historical Society received a \$200,000 challenge grant, to be matched 4 to 1, to endow a permanent and comprehensive education program at the Center for Maine History. The Center is a functionally integrated history complex in the heart of downtown Portland, Maine, composed of the Maine Historical Society Research Library, the Wadsworth Longfellow House museum (a National Historic Landmark), and the Maine History Gallery, a

new museum/exhibition complex. The education program turns all the components of the Center into active and ongoing resources for public knowledge. Guided by a new Education Coordinator and a new advisory group, the educational collaboration has already had an extraordinary impact. New exhibit-based programs have been developed for a wide variety of grade levels; web-based instructional packages, using primary historical documents, have been developed for classrooms throughout the state; and the coordinator has begun to create a new young-people's library research program for the elementary grades.

REGIONAL HUMANITIES CENTERS
(\$4,000,000 in Special Matching Funds)

In FY 2000, NEH will work in partnership with the private sector to support the creation of ten regional humanities centers where American traditions, cultures, and aspirations can be explored in the context of "place." This initiative emphasizes interdisciplinary learning in the humanities and new kinds of collaboration among humanities scholars, scholars in other disciplines, and the public. The centers will provide venues for the exploration of a region's history, its people, its diverse cultural expressions, and its symbolic and physical landscape. New technologies will facilitate these explorations while also enabling the centers to provide points of comparison and connection with the wider world.

Regions have a special importance, for they offer Americans rich and accessible repositories of cultural resources with which to understand their sense of place. It is the purpose of this initiative to help unearth those riches and make them widely available—to learn what it has meant to live in a region, to consider what this place might mean to people who enter it from another, to imagine how that culture will be changed as new people join it. In the process, Americans will acquire new resources for "placing" themselves in their communities and for creating a newly invigorated civic life.

The regional humanities centers will support the development of K-12, undergraduate, and master's level educational programs; research on regional topics; the documentation and preservation of regional history and cultural resources; the design of programming to develop and engage public audiences; and the development of resources for cultural heritage tourism. New programs and resources will be developed to fill clearly defined needs in the humanities, complementing and coordinating—but not supplanting—the work of existing educational and cultural institutions. While each regional humanities center will have an administrative home in a single institution to ensure permanence, the reach of its public and educational activities could easily extend across state, regional, and even national boundaries.

Collaborative relationships between regional humanities centers and the state humanities councils will be crucial to the success of this initiative, as will cooperation with other educational and cultural institutions throughout the region. In addition, the centers will work together so that topics that reach beyond regional boundaries can be examined in comparative ways. By facilitating such comparative explorations of regional topics, the centers will engage the interest and collaboration of scholars and citizens alike—from students and newly literate adults to experienced teachers and scholars, from community groups and business leaders to national and international visitors.

The Endowment plans a two-phased competition to establish the centers. The initial phase—to be undertaken in FY 1999 using nonfederal funds—will be an open competition for planning grants, with two awards to be made in each of

ten regions. The recipients of planning grants will then be eligible to apply for implementation grants in the second phase of the competition, which is scheduled to get underway in FY 2000. In partnership with nonfederal funders, the Endowment will award up to \$1,000,000 in first-year support to each of the ten regional humanities centers selected to receive implementation awards. At the request level, NEH will provide funding for four of these centers, with the Endowment's funding partners providing support for the remaining six. Under this same arrangement, the ten centers will receive up to \$1 million annually over the succeeding four years. All implementation funding will be awarded on a three-to-one matching basis, the Endowment and its partners providing up to \$5 million and each center raising up to \$15 million. These funds will establish the capital base for self-sustaining centers in the ten regions.

TREASURY FUNDS
 (\$4,000,000)

NEH uses Treasury funds to match nonfederal contributions in support of humanities projects. Encouraging private-sector support for cultural activities is an important goal of the Administration and of Congress, and Treasury funds and Challenge Grants are the Endowment's principal means of leveraging the contributions of the nation's businesses, foundations, and individuals on behalf of the humanities.

From the establishment of the agency in 1965 through fiscal year 1998, Endowment matching grants have stimulated \$348 million in third-party donations. (In addition, \$1.23 billion has been generated by Challenge Grants.) Through the matching mechanism, the Endowment has played an important role in the nearly 300 percent, constant-dollar growth in private giving for the arts and the humanities in the United States since 1966.

Matching grants are awarded in most programs of the Endowment. A matching "grant" consists of an offer of funding conditional on an equivalent amount of fund-raising by the awardee. A matching offer may comprise the entire amount of the Endowment's grant award, but more often it is combined with an outright award of definite funds. The outright portion of a "combination award" helps get the grantee's project underway while gifts are being raised in response to the matching offer.

Although Treasury matching funds support discrete projects rather than basic institutional needs, matching grants awarded with Treasury funds generally have the effect of improving the financial stability of humanities institutions. By providing incentives for fund-raising, Treasury funds help humanities institutions establish long-term relationships with potential donors.

In FY 1998, NEH matching grants, leveraging an equivalent amount in nonfederal giving, supported humanities activities of every kind. For example:

- \$1.3 million in Treasury funds awarded to the state humanities councils provided matching support for projects conducted by local organizations and groups throughout the country.
- \$25,000 awarded to the University of Pennsylvania supported the use of interactive television and the World Wide Web to introduce Philadelphia-area teachers to East African language, history, and culture.
- \$100,000 went to the Rhode Island School of Design to support a traveling interpretive exhibition entitled *The Brilliance of Eternity: Egypt in Faience*.

- \$92,389 was awarded to the University of North Carolina, Chapel Hill, to complete research for the *Atlas of the Greek and Roman World*.
- \$40,773 was awarded to the New York Public Library to support a scholars-in-residence fellowships program at the Schomburg Center for Research in Black Culture.
- \$115,868 supported a project at the University of California, Berkeley, to publish an edition of Mark Twain's works and papers.
- \$50,000 went to Johns Hopkins University in support of a long-term project to publish the papers of Dwight David Eisenhower.
- \$15,000 was awarded to the University of Wyoming to help a team of archaeologists with the analysis and publication of materials from Hell Gap in southeastern Wyoming, a Native American habitation site that dates from ca. 11,000-8,500 B.C.
- \$28,104 supported a project at the University of the State of New York to translate *The New Netherland Archives*, the administrative records of the Dutch colony in what is now New York.
- \$48,000 was awarded to the University of New Mexico to support translation and editing of the journals of Don Diego de Vargas, the governor of the Spanish colony of New Mexico following the Pueblo-Spanish war of 1680.
- \$50,000 supported a project at the Newberry Library in Chicago to create print and electronic versions of the *Encyclopedia of Chicago History*.
- \$30,670 was awarded to the University of Virginia in continued support of the preparation of an edition of the papers of James Madison, fourth president of the United States.
- \$60,000 was awarded to the University of Notre Dame to sustain support for the preparation of an edition of the Dead Sea Scrolls, including the earliest extant versions of many Old Testament texts.
- \$93,750 supported a project at Rutgers University to publish the papers of Thomas A. Edison.
- \$113,333 is supporting the continuing archaeological investigations of the fort and colonial settlement at Jamestown, Virginia.
- \$68,750 went to a project at Stanford University that is preparing an edition of the papers of Martin Luther King, Jr.

NATIONAL ENDOWMENT FOR THE HUMANITIES

FY 2000 NEH PERFORMANCE PLAN

I. INTRODUCTION

The National Endowment for the Humanities submits the following Performance Plan for the agency for fiscal year 2000. This plan conforms to requirements of the Government Performance and Results Act of 1993 and is keyed to specific program activities and budget allocations set forth in the agency's \$150 million FY 2000 budget request. The performance goals and indicators that make up this Performance Plan are tied directly to and closely parallel the general goals and objectives that are itemized in the multi-year NEH strategic plan. This Performance Plan is designed to help gauge the progress that would be made toward achieving the general goals and objectives of our strategic plan as a result of program activities and policies planned at the FY 2000 budget request level.

II. PERFORMANCE GOALS AND INDICATORS AT THE FY 2000 BUDGET REQUEST LEVEL (\$150 million)

A: To preserve and increase the availability of a significant body of cultural and intellectual resources essential to the people of the United States.

Performance Indicators:

1) *A significant number of brittle books, United States newspapers, and other historically important materials are preserved.*

- **FY 1999 (estimate):** Projects supported will preserve 33,178 brittle books and 1.35 million pages of newspapers on microfilm; catalog 9,000 U.S. newspaper titles; and preserve and/or provide access to 684 archival collections, 46,000 books and manuscripts, 3,420 historical photographs, and 4,320 audio/visual items.
- **FY 2000 (request):** Projects supported would preserve 36,495 brittle books and 1.5 million pages of newspapers on microfilm; catalog 9,900 U.S. newspaper titles; and preserve and/or provide access to 752 archival collections, 51,480 books and manuscripts, 3,800 historical photographs, and 4,752 audio/visual items.

2) *The condition of a significant number of important material culture collections held by American museums, historical organizations, and other institutions is stabilized.*

- FY 1999 (estimate): Projects supported will stabilize collections at 9 institutions, helping to preserve approximately 648,000 historically significant objects.
- FY 2000 (request): Projects supported would stabilize collections at 10 institutions, helping to preserve approximately 712,000 historically significant objects.

3) *A vast number of primary sources for the study of American history and culture would be digitized and made available on the Internet.*

- FY 1999 (estimate): Not applicable; new initiative proposed for FY 2000.
- FY 2000 (request): Projects supported would produce 110,000 digital images of manuscripts, maps, photographs, and artifacts available on the Internet for use in the classroom and at home.

4) *Small libraries, archives, museums, and historical organizations throughout the nation are provided with preservation supplies, equipment, and consultation services.*

- FY 1999 (estimate): Not applicable; new initiative proposed for FY 2000.
- FY 2000 (request): Projects supported would assist in preserving collections at 120 institutions in all fifty states and the U.S. Trust Territories.

5) *Work on a variety of projects to prepare major research tools and reference works of importance to the humanities are sustained.*

- FY 1999 (estimate): Grants would support 14 projects to begin or continue work on the preparation of dictionaries, atlases, encyclopedias, and textbases central to knowledge and understanding of the humanities.
- FY 2000 (request): Grants would support 16 projects to begin or continue work on the preparation of dictionaries, atlases, encyclopedias, and textbases central to knowledge and understanding of the humanities.

400 awards would be made to schools and public libraries that would enable them to purchase NEH-supported reference works in the humanities.

6) *Support is maintained for a significant number of projects that are preparing collected editions of the papers of presidents of the United States and other documents important to the nation's cultural heritage.*

- FY 1999 (estimate): Support is maintained for important scholarly editions projects.
- FY 2000 (request): Support is maintained for editions projects. Seventeen awards would be made in a new *American Legacy Editions* special initiative to enable these projects to become self-sustaining and to speed their expeditious completion.

7) *A substantial number of staff from the nation's cultural repositories are trained in the appropriate procedures for preserving and enhancing access to the collections for which they are responsible.*

- FY 1999 (estimate): Five awards would be made for regional and national education programs that would provide training for 4,300 people in U.S. museums, libraries, archives, and historical organizations.
- FY 2000 (request): Six awards would be made for regional and national education programs that would provide training for 4,750 people in U.S. museums, libraries, archives, and historical organizations.

8) *Standards and procedures for the use of digital technologies to preserve and provide access to humanities collections are updated and improved.*

- FY 1999 (estimate): Support would be provided for four research and demonstration projects concerned with standards and procedures.
- FY 2000 (request): Support would be provided for five research and demonstration projects concerned with standards and procedures.

Impact of Achievement of Performance Goal: Cumulatively, Endowment-supported work under this goal would

--broaden the scope of humanities materials and resources available to researchers, teachers, students, and other citizens

--enhance the capacity of citizens to obtain information and knowledge about their heritage and the heritage of other cultures

--democratize access to sources for the understanding of the history and culture of the U.S. and other nations and cultures

--develop the standards and best practices that would provide a necessary foundation for the effective creation and long-term use of digital

--help ensure that the staff of many mid-sized or smaller cultural organizations will obtain the knowledge they need to preserve a critical portion of the nation's cultural heritage

--advance the development of a national digital library through which Americans will have access to significant documents and materials in the humanities

B: To improve the quality of education in the humanities at a significant number of schools and colleges across the nation.

Performance Indicators:

1) *A significant number of teachers renew and deepen their knowledge and understanding of the humanities.*

- FY 1999 (estimate): Support for 52 NEH summer seminars and institutes would enable 435 college teacher-participants and 552 school teacher-participants to revitalize their knowledge and teaching of the humanities. College teachers participating in FY 1999 seminars and institutes would reach 50,975 students annually; school teacher-participants would reach 96,600 students annually.
- FY 2000 (request): Support for 77 NEH summer seminars and institutes would enable 705 college teacher-participants and 770 school teacher-participants to revitalize their knowledge and teaching of the humanities. College teachers participating in FY 2000 seminars and institutes would reach 88,125 students annually; school teacher-participants would reach 134,575 students annually.

50 elementary teachers from across the nation would be able to share with their fellow teachers the valuable scholarly and curricular information gained in seminars and institutes through new second-year dissemination grants.

2) *A wide range of elementary and secondary schools and institutions of higher education improve their instruction of the humanities.*

- FY 1999 (estimate): 17 Education Development and Demonstration awards will improve the quality and dissemination of instructional materials and enhance the professional development of more than 475 school and college teachers of the humanities, reaching more than 71,000 students annually.

28 Humanities Focus Grants will enable groups of school and/or college teachers (totaling 420 teachers) to work together on the study of specific humanities topics or the planning and designing of new courses.

- FY 2000 (request): 17 Education Development and Demonstration awards would improve the quality and dissemination of instructional materials and enhance the professional development of more than 475 school and college teachers of the humanities, reaching more than 71,000 students annually.

28 Humanities Focus Grants would enable groups of school and/or college teachers (totaling 420 teachers) to work together on the study of specific humanities topics or the planning and designing of new courses.

50 elementary and secondary schools from around the nation would receive valuable input from outside consultants as a means of improving their schools' humanities curriculum.

3) *Access to and use of high quality humanities curricular materials via new information technologies such as the Internet and CD-ROMs is expanded.*

- FY 1999 (estimate): The NEH "Schools for a New Millennium" special initiative will provide small planning awards that would enable 20 high schools and their teachers to begin improving their ability to use new information technologies in teaching the humanities to their students.
- FY 2000 (request): The NEH "Schools for a New Millennium" special initiative would provide implementation awards that would enable 18 high schools and 450 teachers to improve their ability to use new information technologies in teaching the humanities to 78,750 students.

150 teachers and educators would receive the opportunity to improve their humanities curriculum through visitor's grants to model Millennium Schools, improving the curriculum for over 17,000 students at America's elementary and secondary schools.

Impact of Achievement of Performance Goal: Cumulatively, Endowment-supported work under this goal would

--enhance the humanities education experience of hundreds of thousands of American school and college students

--advance the use of Internet websites and CD-ROMs in teaching and learning the humanities

--help educators across the country exchange ideas and information about more effective ways to teach the humanities

C: To enable American scholars to carry out a significant number of exemplary research projects that advance knowledge and understanding in the humanities.

Performance Indicators:

1) *A significant number of individual scholars are able to devote a concentrated period of time to research and writing on important subjects in the humanities.*

- FY 1999 (estimate): Funding will enable 315 individual scholars to make significant progress on important humanities research projects.
- FY 2000 (request): Funding would enable 682 individual scholars to make significant progress on important humanities research projects through fellowships, stipends, and travel to research collections grants.

2) *Significant collaborative research projects in the humanities are created and sustained.*

- FY 1999 (estimate): Support will be provided for 34 important long-term, collaborative projects in the humanities such as scholarly editions, translations, archaeological excavations and analyses, and other complex, large-scale undertakings.
- FY 2000 (request): Support would be provided for 70 important long-term, collaborative projects in the humanities such as scholarly editions, translations, archaeological excavations and analyses (through Project SHARD), and other complex, large-scale undertakings.

3) *A significant number of quality humanities research programs offered by independent research centers and scholarly organizations are augmented.*

- FY 1999 (estimate): Awards to 22 humanities fellowship programs at independent research institutions will support the work of 228 humanities scholars who would make significant contributions to scholarship in the humanities.
- FY 2000 (request): Awards to 22 humanities fellowship programs at independent research institutions would support the work of 228 humanities scholars who would make significant contributions to scholarship in the humanities.

Impact of Achievement of Performance Goal: Cumulatively, Endowment-supported work under this goal would

--result in the publication of important books, articles, and other grant products that advance the American people's knowledge and understanding in the humanities

--promote the introduction of new ideas and insights in the humanities into American classrooms

--enrich the intellectual and professional development of the nation's humanities scholars

--promote best research practices among the nation's next generation of scholars.

D: To provide a wide range of opportunities across the nation for citizens to engage in lifetime learning in the humanities.

Performance Indicators:

1) *Substantive media presentations, exhibitions, reading and discussion programs, and other public projects in the humanities are made available to and subsequently reach a significant number of Americans.*

- FY 1999 (estimate): 30 television/radio projects supported will produce 55 broadcast hours and draw a cumulative audience of 163.5 million people.

27 exhibitions supported will be presented at 69 museums, historical organizations, and other sites across the country and attract 11.5 million visitors.

13 library reading and discussion projects and special projects supported will result in more than 1,522 programs at 379 sites and draw more than 3 million people.

- FY 2000 (request): 49 television/radio projects supported would produce 86 broadcast hours and draw a cumulative audience of 173.5 million people.

40 exhibitions supported would be presented at 102 museums, historical organizations, and other sites across the country and attract 19.7 million visitors.

21 library reading and discussion projects and special projects supported would result in more than 2,200 programs at 596 sites and draw more than 4.5 million people.

2) *Humanities programs in libraries and museums are expanded.*

- FY 1999 (estimate): Not applicable; new initiative proposed in FY 2000.
- FY 2000 (request): 60 grants to small and mid-sized museums and libraries would reach tribal communities, rural, and inner-city audiences.

3) *New scholarship and perspectives in the humanities are brought to the attention of public audiences.*

- FY 1999 (estimate): A number of projects will be supported that translate new scholarship in the humanities into thoughtful and stimulating programs for public audiences.
- FY 2000 (request): 40 consultant grants would involve new scholars and humanities professionals in high quality programs for adult audiences.

Impact of Achievement of Performance Goal: Cumulatively, Endowment-supported work under this goal would

--involve a substantial number of Americans in high quality out-of-school educational experiences in the humanities

--increase citizens' knowledge and understanding of their cultural heritage and the culture and heritage of other nations

E: To enable a significant number of cultural and educational institutions to strengthen their programming and resources in the humanities.

Performance Indicators:

1) *Nonfederal contributions to NEH-supported cultural and educational institutions are increased.*

- FY 1999 (estimate): By FY 2002, NEH Challenge Grants awarded in FY 1999 will generate over \$35 million in nonfederal donations to recipient-institutions in support of their humanities activities.
- FY 2000 (request): By FY 2003, NEH Challenge Grants awarded in FY 2000 would generate nearly \$44 million in nonfederal donations to recipient-institutions in support of their humanities activities.

2) *Institutions receiving NEH Challenge Grants engage in strategic long-range planning for the humanities.*

- FY 1999 (estimate): A high proportion of institutions receiving NEH Challenge Grants would enhance their long-term planning in the humanities.
- FY 2000 (request): A high proportion of institutions receiving NEH Challenge Grants would enhance their long-term planning in the humanities.

3) *Institutions enhance their humanities resources and activities.*

- FY 1999 (estimate): A high proportion of FY 1999 Challenge grantees undertake new programs and strengthen or improve existing programs in the humanities.
- FY 2000 (request): A high proportion of FY 2000 Challenge grantees undertake new programs and strengthen or improve existing programs in the humanities.

Impact of Achievement of Performance Goal: Cumulatively, Endowment-supported work under this goal would

--enhance the ability of American cultural and educational institutions to engage in high quality scholarship, education, preservation, and public programming in the humanities

--strengthen institutions important to the continued cultural and educational vitality of the American people

F: In partnership with state humanities councils, to maintain a viable level of high quality humanities projects and programs for the citizens of each state and territory.

Performance Indicators:

1) *A significant number of high quality, state and locally initiated humanities projects and programs are available to and subsequently reach the people of each state.*

- FY 1999 (estimate): Support for the programs and operations of 56 state humanities councils will make possible high quality state and local humanities projects throughout the nation, including 2,000 reading and discussion programs, 475 exhibitions, 825 literacy programs, 3,800 speakers bureau presentations, 1,675 teacher institutes and workshops, 800 Chautauqua events, 900 media programs, and 250 cultural tourism projects.
- FY 2000 (request): Support for the programs and operations of 56 state humanities councils would make possible high quality state and local humanities projects throughout the nation, including 2,800 reading and discussion programs, 650 exhibitions, 1,150 literacy programs, 5,400 speakers

bureau presentations, 2,350 teacher institutes and workshops, 1,125 Chautauqua events, 1,250 media programs, and 350 cultural tourism projects.

2) *The number of high quality council-conducted humanities programs in the various states is increased.*

- FY 1999 (estimate): NEH will encourage and support a number of excellent council-conducted humanities programs.
- FY 2000 (request): NEH would encourage and support a number of excellent council-conducted humanities programs. State humanities councils would increase substantially their regrant budgets, funding approximately 40 percent more locally initiated projects.

The number of scholars involved in both locally initiated projects and council-initiated projects would increase by about 33 percent.

Impact of Achievement of Performance Goal: Cumulatively, Endowment-supported work under this goal would

--advance the knowledge and understanding of the humanities of the citizens of each state and territory

--enhance the work of public/private cultural organizations important to the American people

--enhance citizens' opportunities to pursue a lifetime of learning and enjoyment of the humanities

G: To establish a number of new collaborative partnerships with public and private institutions and organizations in support of the humanities.

Performance Indicator:

Innovative partnerships are forged with a range of organizations and institutions to advance the humanities nationwide.

- FY 1999 (estimate): The NEH Office of Enterprise coordinates the development of a number of new programming, funding, and/or administrative partnerships with other institutions and organizations.
- FY 2000 (request): The NEH Office of Enterprise coordinates the development of a number of new programming, funding, and/or administrative partnerships with other institutions and organizations.

Impact of Achievement of Performance Goal: Cumulatively, Endowment work under this goal would

- enhance the humanities in the United States
- increase resources available for promotion of the humanities
- strengthen NEH's leadership role in support of the humanities in the United States
- increase/enhance the reach of projects and programs supported by NEH

H: To create new program initiatives that respond to emerging needs and opportunities in the humanities.

Performance Indicator:

1) *New initiatives are launched that uses the humanities to explore issues of national importance.*

- FY 1999 (estimate): Not applicable; new initiative proposed for FY 2000.
- FY 2000 (request): Four grants are made to institutions to begin establishing regional humanities centers.

2) *New program emphases are developed to expand the reach of NEH programming.*

- FY 1999 (estimate): Efforts are made within NEH's core programs to extend the reach of the Endowment.
- FY 2000 (request): Special small-grant competitions are implemented to extend the reach of NEH's programming and to increase the opportunities for institutions and individuals to develop quality education, preservation, research, and public programming projects in the humanities.

III. MEETING THE PERFORMANCE GOALS: REQUIRED RESOURCES AND OPERATIONAL PROCESSES

A. Required Resources. The primary means employed by NEH in attaining its performance goals is the awarding of grants for specific humanities projects. The principal resource required by the agency, then, is the funding necessary to award these grants. For each performance goal we have estimated a sum that would be required to produce the desired outcomes:

<u>Performance Goal</u>	<u>Funding Required</u>
1. To preserve and increase the availability of a significant body of cultural and intellectual resources essential to the people of the United States	\$26,345,000*
2. To improve the quality of education in the humanities at a significant number of schools and colleges cross the nation	\$16,310,000
3. To enable American scholars to carry out a significant number of exemplary research projects that advance knowledge and understanding in the humanities	\$15,690,000*
4. To provide a wide range of opportunities across the nation for citizens to engage in lifetime learning in the humanities	\$16,725,000
5. To enable a significant number of cultural and educational institutions to strengthen their programming and resources in the humanities	\$12,200,000
6. In partnership with state humanities councils, to maintain a viable level of high quality humanities projects and programs for the citizens of each state and territory	\$39,130,000
7. To create new program initiatives that respond to emerging needs and opportunities in the humanities	\$4,000,000

* Includes \$3,400,000 in funding for American Legacy Editions.

Also important are the kinds of resources that make possible the articulation of our goals and the pursuit of those goals through our daily work. Chief among these resources are:

-- a highly trained and motivated **staff**,

- a **physical office environment** essential to productive work,
- information and communications **equipment** that permit the efficient development, implementation, and dissemination of information about NEH and the humanities, and
- access to the latest **information technologies** that allow the agency to conduct its work efficiently while also providing the highest level of service to our customers.

B. **Operational Processes.** There are numerous operational processes that are essential to the attainment of the agency's performance goals. Aside from the routine administrative functions that are typical of this and all other agencies of government, one particular process stands out as critical to the work of the Endowment: our **national merit review system**. Through this system we are able to draw upon the services of knowledgeable humanities practitioners who review each application submitted to NEH. Their judgments weigh heavily in the agency's decisions to provide funding to its various applicants. In turn, the active participation of these reviewers plays a significant role in enhancing the credibility and perceived fairness of the agency's core function: the awarding of grants for significant work in the humanities.

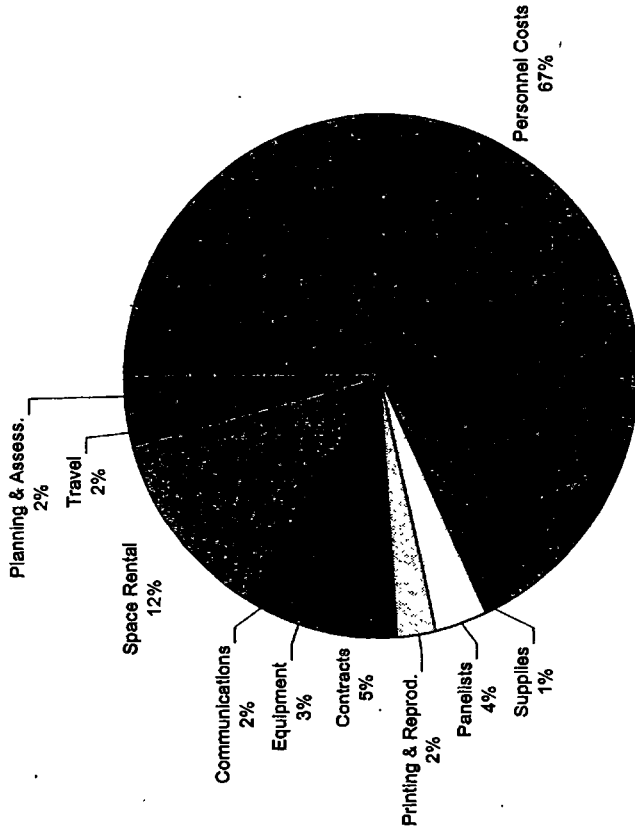
IV. MEANS OF VERIFYING AND VALIDATING PERFORMANCE MEASURES

The Endowment will use a variety of means to collect and verify information that will measure our progress in attaining our performance goals:

- **Interim and final reports of grantees** will provide the most comprehensive source of information about the outcomes of NEH-supported work. From these reports the Endowment will regularly compile data about the results of activities undertaken in connection with each of our performance goals.
- To systematize the information collected from grantee reports, NEH has also begun to develop an **outcomes database** for its grant programs. This database will capture information about the short- and long-term results of funded projects. Initially to be housed in the grant-making divisions, the system will ultimately be incorporated into the agency's relational database.
- NEH will continue to conduct **performance audits** of selected grantees to determine whether or not award recipients are fulfilling their obligations and achieving their goals.

- The Endowment will conduct **site visits** as a means of documenting the progress and accomplishments of selected grantees.
- **Evaluations** of selected projects and programs will be conducted to determine whether program goals are being met.
- Information on **awards, prizes, and other forms of recognition**, such as favorable press articles, will be collected so that we can gain a better sense of the impact and quality of our funded projects.

NEH FY 2000 Administrative Budget Request--Total \$19 Million



NATIONAL ENDOWMENT FOR THE HUMANITIES

OBLIGATIONS BY OBJECT CLASS a/
(\$000)

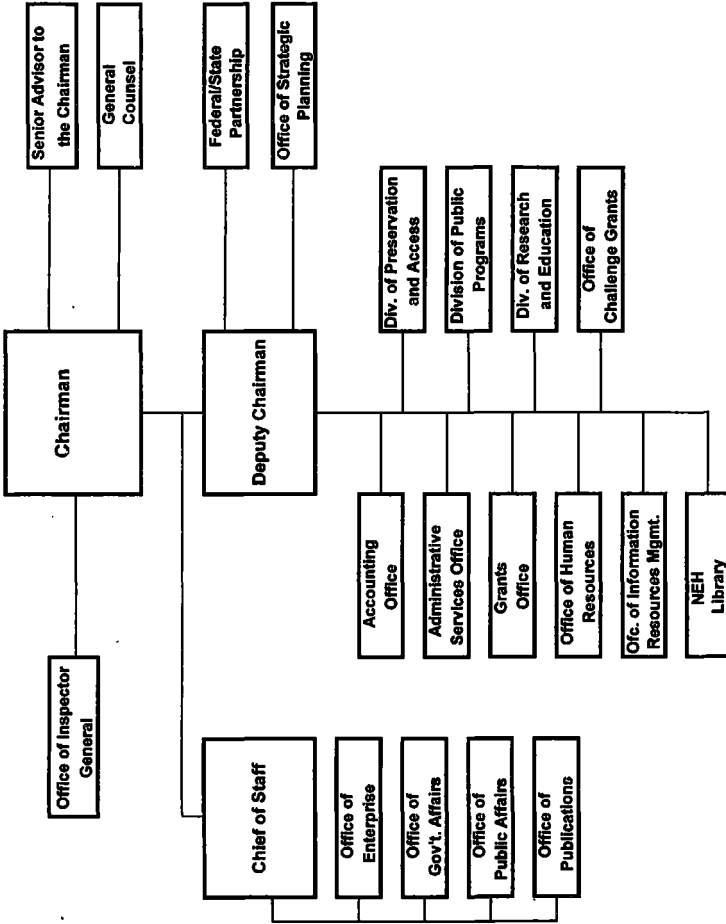
	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>
11.1 Full-time Permanent Positions.....	\$9,136	\$ 9,869	\$10,605
11.2 Other than Full-time Permanent.....	202	185	205
11.3 Other Personnel Compensation.....	172	185	185
11.9 Total Personnel Compensation.....	9,510	10,249	11,005
12.0 Personnel Benefits.....	1,935	2,160	2,279
13.0 Benefits for Former Personnel.....	1	5	5
Total Personnel Comp. and Benefits	11,452	12,414	13,289
21.0 Travel and Transportation of Persons...	294	250	360
22.0 Transportation of Things.....	6	--	--
23.1 Rental Payments to GSA.....	1,504	1,750	2,361
23.3 Comm., Utilities, and Misc. Charges...	338	380	430
24.0 Printing and Reproduction.....	398	420	490
25.0 Other Services.....	1,461	1,170	961
25.92 Panelist Contracts.....	440	500	700
25.96 Planning and Assessment Studies.....	50	250	450
26.0 Supplies and Materials.....	252	155	165
31.0 Equipment, Furniture, and Books.....	269	310	585
TOTAL OBLIGATIONS	\$16,465 <u>b/</u>	\$17,609 <u>b/</u>	\$19,791
(APPROPRIATIONS)	\$16,800	\$16,800	\$19,000

a/ Does not include funds for the support work provided to the Institute of Museum and Library Services.
b/ Obligations reflect the use of both current-year appropriations and prior-year unexpended funds.

Note: Detail may not add to total due to rounding.

OSP 2000 Cong.\oblig. by o.c. 1/29/1999

National Endowment for the Humanities Organization Chart



January 1999

ADMINISTRATIVE BUDGET
 (\$19,000,000)

Introduction

Administrative funds provide the staff, space, services, and supplies needed by the National Endowment for the Humanities to carry out its legislated mission of promoting education, preservation, research, and public programs in the humanities. This administrative support is provided with a quality service ethic and at the lowest possible cost. The administrative budget request for FY 2000 is \$19 million (at 170 full-time equivalent/work years (FTEs)) in support of the proposed NEH request level of \$150 million.

The administrative budget represents only 12.7 percent of the total request level. This low percentage is attainable because of the economies of scale possible at the \$150 million level.

The Endowment's primary mechanism for carrying out its responsibilities is through the awarding of grants; approximately 60 percent of the NEH staff is directly involved in this process. Grant-making begins with the planning of programs and the development of guidelines. Applications submitted to the Endowment must then be acknowledged, read to insure that they meet the appropriate application criteria, reviewed by outside experts, and, with the advice of the National Council on the Humanities, ultimately acted upon by the Chairman. Successful applications become grants that must be processed and administered. NEH staff members also advise unsuccessful applicants concerning ways their applications might be revised and improved.

In addition to a program staff expert in the humanities, these tasks require highly qualified advisers including reviewers, panelists, site visitors, and the 26 members of the National Council on the Humanities. The program staff and advisers are supplemented by support staff responsible for a wide variety of policy and administrative functions.

Highlights of the FY 2000 Increase over the FY 1999 Request

The FY 2000 administrative request of \$19 million represents an increase of \$2.2 million from the FY 1999 appropriation level. The increase for FY 2000 consists of the following:

- An increase for the proposed FY 2000 pay raise of 4.4 percent, which will take effect in January 2000;

- An increase to fund fully the additional quarter's cost associated with the 3.68 percent pay raise effective in January 1999;
- GSA space rental costs will increase because of a likely agency move to a new building;
- Automatic increases in personnel costs due to within-grade increases and higher employee benefit costs;
- An increase in Planning and Assessment Studies;
- An increase so we can step up our outreach efforts to make the Endowment's programs more available to all segments of the country's population;
- General administrative support cost increases associated with proposed new programs and a higher program level of funding.

Ongoing Agency Streamlining Initiatives

Over the years our administrative budget requests have been kept at the lowest possible levels. We have been able to accomplish this because NEH management and employees participate in many cooperative efforts aimed at creating the most streamlined, cost effective, and customer-responsive organization possible.

In that spirit, we have implemented a number of National Performance Review streamlining suggestions that have helped achieve FTE reduction goals and enabled staff to become more productive. We have also developed and disseminated a comprehensive set of customer service standards. These standards were drafted after surveying a cross-section of our applicants and grantees to determine ways the Endowment could best meet their needs and the needs of the humanities.

In FY 1996 we reduced the number of agency programming divisions from 6 to 3 and the number of distinct programs from 31 to 9. We requested, and now subsequently receive, appropriations that can remain available until expended. Also, we have sought to develop partnerships with other federal agencies that have resources to support humanities projects and programs. Our internal information technology modernization initiatives include: installation of an agency-wide Internet service; implementation of a home page on the World Wide Web (WWW) to provide better service to customers and to save printing, mail, and telephone costs; and modernization of our automated data processing capability, including a shift to more productive and user-friendly software. Finally, we have saved on travel and compensation expenses for members of the National Council on the Humanities by reducing the number of Council meetings from four per year to three.

In short, the Endowment has been re-engineering its processes and procedures for the past several years in an effort to meet the public demand for and our dedication to a more effective federal government.

FY 1998 - FY 2000 Estimates by OMB Object Classification

The table near the beginning of this section outlines the Endowment's administrative funds by object classification for FY 1998-2000. The following material presents the request by object classes in more detail.

11-13 - PERSONNEL COMPENSATION AND BENEFITS

(\$ in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>
<u>Total Compensation and Benefits</u>	\$11,452	\$12,414	\$13,289

These object classes contain support for the salaries and benefits of all employees of the Endowment, including full-time permanent, part-time permanent, temporary, and intermittent appointments (the members of the National Council on the Humanities). The estimates for personnel benefits provide for the Endowment's share of contributions toward employees' retirement, health, and life insurance plans, as well as payments for unemployment benefits, severance pay, and injuries sustained in the workplace.

Pay Raises

The FY 2000 request includes funding for a 4.4 percent federal pay raise to cover both the cost of a national pay raise and a locality pay raise to begin in January 2000 and for the full cost of a 3.68 percent pay raise that became effective in January 1999. The 3.68 percent pay raise also covers the cost of a national pay raise and a locality pay increase for the Washington-Baltimore locality pay area.

Full-Time Equivalent Employment (FTE)

The FY 2000 request will fund 170 FTEs, an increase of 5 FTE over FY 1999. The additional staff will be needed to administer several proposed new grant opportunities, to administer higher program levels, and to provide general administrative support for NEH at the \$150 million request level.

These 170 FTEs represent a considerable reduction from the 262 authorized before the budget cuts of FY 1996 and a 43 percent decrease from the FY 1979 FTE level of 296.

Each year, approximately 2 FTEs are used to provide administrative support to the Institute of Museum and Library Services (IMLS). The above estimates do not include the costs of these services because IMLS reimburses us for all such expenses.

21 - TRAVEL AND TRANSPORTATION OF PERSONS

(\$ in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>
<u>Total Travel</u>	<u>\$294</u>	<u>\$260</u>	<u>\$360</u>
Staff Travel	207	194	294
Council Travel	50	41	41
Invitational Travel	37	25	25

Staff travel includes funds for local transportation; site visits to perform grant audits; lectures and presentations on Endowment programs and policies at professional group meetings; outreach activities; and attendance at conferences, symposia, and training courses.

The members of the National Council on the Humanities travel to Washington three times a year to discuss Endowment policies, to review applications, and to provide advice to the Chairman concerning the funding of specific projects. The Council consists of 26 members plus the NEH Chairman, who chairs the Council.

Invitational travel provides reimbursement to persons meeting with the Chairman and division officials on policy and program matters.

Our FY 2000 request includes an increase in travel funds from FY 1999 to expand the Endowment's outreach activities to ensure that our programs reach all areas of the country, to implement new program initiatives, and to support generally higher program levels in FY 2000.

23.1 - RENTAL PAYMENTS TO GSA

(\$ in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>
<u>Total Rental</u>			
<u>Payments to GSA</u>	\$1,504	\$1,750	\$2,361

GSA has advised us that it will move federal tenants from space in the Old Post Office to develop the building for private use. Our FY 2000 estimate assumes the Endowment will reside in the Old Post Office for the first half of FY 2000 at the rate recently stipulated by GSA and that we will be in our new quarters for the second half of FY 2000. We are estimating a rental rate of \$45 per square-foot in the new building. We believe that our estimate is conservative and that it might need to be revised later depending on the timing of the move, the exact rental rate in the new building, and actual space needs in that building. GSA has indicated that it will pay for the cost of the move and for the replication of our existing telecommunications system.

Our rental costs would be much higher if the Endowment had not turned back to GSA over 110 thousand square feet of office, storage, conference, and warehouse space since FY 1995—resulting in a 17 percent reduction in space costs. Most of these savings were related to the sharp decrease in NEH staff in FY 1996, but agency streamlining initiatives, including the retirement of files, were also factors.

23.3 - COMMUNICATIONS, UTILITIES, AND MISCELLANEOUS CHARGES

(\$ in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>
<u>Total Comm., Utilities, and Misc. Charges</u>	<u>\$338</u>	<u>\$380</u>	<u>\$430</u>
Equipment Rentals	35	45	45
Telecommunications	95	125	135
Postage	208	210	250

Equipment Rentals - This funding is now used mostly for rental of copy machines.

Telecommunications - This funding pays for the cost of the Endowment's telephone lines, instruments, and FTS 2000 intercity service. Funds are also needed to pay fixed monthly line charges for a connection to the Internet. The estimate includes a slight increase to cover usage by a higher number of employees in FY 2000 and for potential tariff increases.

Postage - In the last few years, the Endowment has made significant improvements in the procedures for promoting programs and distributing program materials, particularly through increased use of third-class bulk rates for mailings of program materials and through the use of computer technologies. More and more customers and potential applicants are getting information about NEH by accessing our World Wide Web home page on the Internet. The FY 2000 increase is to cover higher costs associated with mailing for new and enhanced Endowment programs, and for generally higher program levels.

24 - PRINTING AND REPRODUCTION

(\$ in thousands)

	FY 1998	FY 1999	FY 2000
	<u>Actual</u>	<u>Estimate</u>	<u>Request</u>
<u>Total Printing</u>			
<u>And Reproduction</u>	\$398	\$420	\$ 490

The funds in this object class provide for printing forms and for publications such as the Endowment's bimonthly periodical *Humanities*, the *Annual Report*, program brochures, posters, grant applications, program announcements, guidelines, grant award announcements, letterhead stationery, and envelopes.

The FY 2000 request includes an increase to pay for the design and printing of guidelines and brochures for our proposed new programs in FY 2000. Also, United States Government Printing Office rates are expected to rise.

Our printing costs would be higher if we had not implemented printing policies and procedures in recent years that have reduced publication costs by eliminating volume mailings of many program guidelines. A combination of advertisements and small, inexpensive flyers is used whenever possible to announce application deadlines and program eligibility criteria. Additionally, the agency's home page on the Internet can be used by customers to access program guidelines, grant information, recent awards lists, humanities events, and grant recipient information. This home page service should eventually result in a further reduction of printing and mail costs.

Also, as part of our reorganization in FY 1996, we began consolidating program guidelines with a goal of one set of guidelines per division. We also began publishing our employee newsletter electronically to help reduce costs.

25 - OTHER CONTRACTUAL SERVICES

(\$ in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>
<u>Total Other</u>			
<u>Contractual Services</u>	\$1,461	\$1,170	\$ 961

This object class provides for contractual services required by the Endowment that are not covered in any of the preceding categories. These include: (1) Intergovernmental Personnel Act assignments (IPAs); (2) support, maintenance, and improvement of the Information Management System; (3) the automated payroll services supplied by the U.S. Department of Agriculture; (4) employee training; (5) mailing services; (6) fees for site visitors who evaluate selected NEH grants; (7) alterations to office space; (8) security guards at the Old Post Office building; (9) non-personnel and non-travel costs of the President's Committee on the Arts and the Humanities; (10) advertising NEH job vacancies and NEH programs; and (11) maintenance and repair of owned equipment.

Funds are included to renew our IPA program. In the past we found IPAs to be extremely valuable for the fresh perspectives they bring to the Endowment's business and for the knowledge and experience they possess about current conditions in the humanities. This increase would allow us to have one IPA on board by the end of FY 2000. Funds are also requested for the recurring maintenance cost of our new accounting system to be acquired in FY 1999. These increases will be offset by a reduction from FY 1999 because the FY 1999 estimate includes funds for technical assistance to install the new accounting system.

25.92 - PANELIST CONTRACTS

(\$ in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>
<u>Panelists' Contracts</u>	\$440	\$500	\$700

The funds in this sub-object class provide for travel, subsistence, and honoraria costs of panelists.

Sufficient funding for full panel review of grant applications merits the highest priority at the Endowment. We strive to recruit the most competent panelists and to

give them the time needed to perform a thorough evaluation of proposals. Our overriding goal is to ensure that the projects ultimately receiving federal support will be those most likely to make significant contributions to the humanities.

The FY 2000 increase reflects higher panelist honorarium rates and an anticipated increase in applications, both from existing programs and from proposed new grant opportunities. The panelist honorarium would increase from the current rate of \$200 to \$400 in FY 2000. The increase would compensate panelists for 1 day of preparation prior to the actual panel meeting and would help in recruiting better and more diverse panelists. The honorarium has not been raised since 1981.

25.96 - PLANNING AND ASSESSMENT STUDIES

(\$ in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>
<u>Planning and Assessment Studies</u>	\$ 50	\$250	\$450

The Planning and Assessment Studies program provides support for projects designed to inform the agency's planning, evaluation, and budgeting functions. A fundamental re-examination of the program's priorities occurred following the severe cutback in the Endowment's FY 1996 budget, leading to a significant reduction in support for national data collection projects and for analytical and evaluative studies. At the FY 2000 request the agency will continue the effort begun in FY 1999 to re-build the agency's capacity to collect, analyze, and disseminate information on conditions in the humanities. At this level renewed efforts will be made to collect vital information about humanities Ph.D.s (the core of the humanities labor force) and humanities institutions (with a particular focus on museums). Greater attention will also be focused on the dissemination of information, including new ways of making data available electronically.

26 - SUPPLIES AND MATERIALS

(\$ in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>
<u>Total Supplies and Materials</u>	\$252	\$155	\$165

The estimates in this object class provide for the cost of expendable supplies such as paper, pens, writing tablets, and copier supplies required to carry on the daily business of the Endowment. They also cover ADP supplies—including disks, toner cartridges for printers—and the cost of maintaining the agency's subscriptions to necessary newspapers, magazines, and other periodicals. A slight increase in FY 2000 is needed to support generally higher program levels.

31 - EQUIPMENT, FURNITURE, AND BOOKS

(\$ in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>
<u>Total Equipment, Furniture, and Books</u>	\$269	\$310	\$585

Estimates provide for all equipment, furniture, and office machines having a useful life in excess of one year—items such as chairs, desks, file cabinets, ADP equipment, calculators, dictaphones, and transcribers. This object classification also includes books purchased for the NEH library.

The FY 2000 funding level will allow the agency to replace 180 personal computers with new and more powerful models and to pay for a major software upgrade. This increase will be offset by a reduction from FY 1999 because the FY 1999 estimate includes funding to buy a new accounting system.

In FY 1998 the Endowment installed new system software—termed "NEH '98"—that makes the agency's PC-based systems fully year 2000 compliant. In FY 1999 NEH will install new accounting, requisition, and grants management systems that are fully compliant. With these changes, all of the Endowment's information systems will be compliant well in advance of January 1, 2000.



**INSTITUTE OF MUSEUM AND LIBRARY SERVICES
APPROPRIATIONS REQUEST FOR FY 2000**

(1027)

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
APPROPRIATIONS REQUEST FOR FISCAL YEAR 2000

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Institute of Museum and Library Services Overview

The Institute of Museum and Library Services (IMLS) is an independent agency created by the Museum and Library Services Act of 1996 (P.L. 104-208). In FY 2000, IMLS requests \$188,500,000 to benefit the public by encouraging lifelong learning, innovation and leadership in museums and libraries throughout the U.S. This request includes \$154,500,000 for library services and \$34,000,000 for museum services.

This investment in America's libraries and museums will benefit millions of Americans in thousands of communities across the United States. Museums and libraries have great capacity to impact our lives. Museums and libraries are community centers that reach the public in direct ways through after-school programs, literacy training and innovative programs designed to reach people who, due to economic hardship, geographic distance or physical disability, have difficulty using them. The effective use of new technology can bring the educational and informational services of museums and libraries to schools and homes in new and useful ways. The Institute has a nationwide focus on technology, collaboration, preservation, training, public service and leadership.

Highlight of New Initiatives

National Digital Library

The request includes \$10 million to support the President's Education Technology Initiative to develop a national digital library that would be accessible to every school child and every American. It could include: leading-edge material to help America's children meet high academic standards in math and science, hundreds of thousands of America's historical and cultural artifacts that are now only accessible to scholars visiting archives, and hundreds of thousands of books and images of paintings. This initiative begins to answer the question: What do students do once they are connected to the Internet? Starting this initiative could also leverage significant funding from the private sector, foundations, and individual donors. IMLS will use this \$10 million to make museum and library collections more accessible. Five million dollars of this amount is requested under the Office of Library Services and \$5 million under the Office of Museum Services.

Starting in FY 98 IMLS began funding digitization projects under National Leadership Grants for Libraries. These awards are similar to the types of projects that will be funded with the new National Digital Library initiative. For museums, this initiative will be addressed under a new program called National Leadership Grants for Museums. While making unique resources useful for a broader community – these projects also address the challenges of preserving and archiving digital media and support the development of standards, techniques and models related to digitization and management of digital collections. The FY98 NLG for Libraries projects listed below demonstrate the potential impact of the National Digital Library initiative.

Duke University Library
Durham, North Carolina
 \$91,188

<http://scriptorium.lib.duke.edu/gedney/images.html>

This one-year project is to demonstrate the use of Encoded Archival Description for finding aids in conjunction with large-scale digital imaging projects, using as a case study the collection of photographs, journals and notebooks of documentary photographer William Gedney.

University of Pittsburgh
Pittsburgh, Pennsylvania
 \$189,215

<http://www.library.pitt.edu/gateway/>

The University of Pittsburgh, in cooperation with four Chinese research libraries, has developed a two-year project to deliver digital copies of articles from Chinese-language academic journals via the Internet to researchers throughout the United States. The project aims at making the service viable as a cost-recovery operation.

Indiana University
Bloomington, Indiana
 \$166,000

<http://www.dlib.indiana.edu>

Indiana University is conducting a two-year project to digitize materials in various formats from the Hoagy Carmichael jazz collection (including sound recordings, photographs, and printed and textual materials) and make them available via the Internet and World Wide Web.

University of Hawaii at Manoa Library
Honolulu, Hawaii
 \$100,438

<http://www2.hawaii.edu/speccoll>

The University of Hawaii plans a two-year project to develop a digital library of Hawaiian and Pacific Islands materials, using Hawaiian-language newspapers and historical photographs, for use as a teaching tool for Hawaiian-language immersion schools and other purposes.

Brooklyn Children's Museum
Brooklyn, New York
 \$297,900

<http://www.brooklynexpedition.org>

In partnership with the Brooklyn Museum of Art and the Brooklyn Public Library, the Brooklyn Children's Museum will expand a cooperative project to increase educational services to the Brooklyn community and to develop a national model for attracting and training people from diverse backgrounds in information technology, library science, and museum programs. The project website gives teachers, children, and families a new way to access the resources of these three major Brooklyn institutions.

National Leadership Grants for Museums

IMLS is requesting \$12,650,000 for new comprehensive National Leadership Awards for Museums will incorporate four funding categories, *Museums Online*, *Museums Building Communities*, *Professional Practices Awards* and *Museum/Library Collaborative* grants. This request includes a total of \$10,000,000 in additional funding. Half of the increase will make museum collections more accessible to schools and the public through the President's educational technology initiative the National Digital Library. The other half of the increase will strengthen museums' service to communities, especially with after-school programming, provide resources for the field, and support collaborations between museums and libraries. The new program will incorporate four funding categories.

1) *Museums Online* will include \$5,000,000 to participate in the National Digital Library. *Museums Online* will also address important issues of creating networks of museum resources. This is the first federal program that makes technology resources available to museums. New technology offers an unprecedented opportunity for the public to be able to use the rich educational resources that are our nation's museums in classrooms, libraries and homes across the country.

Participation in the national digital library initiative is of great importance to museums. Up to this point there has been no federal program directed to museums to address the critical issues they face in using new technology. This will be the first federal program that addresses the technological needs and issues of museums. The national digital library initiative will be funded under a new IMLS program called Museums Online, which will support model projects that demonstrate the educational impact of connecting museums and their communities through technology. With this support museums will create new museum networks, sharing the ideas and information in thousands of museum collections with classrooms, community centers and homes across America.

2) *Museums Building Community* will focus on using museum resources to providing enriching after school programs for children. (This category will replace Museum Leadership Initiatives.) This budget places an emphasis on programs that address the need for high quality after school programs for children. Constructive activities for children and youth are critical to enhancing their development and keeping them out of trouble. Studies show that school-age children who are left alone after school are at greater risk of truancy, risk-taking behavior, substance abuse, poor grades, and stress. ("Characteristics of Eighth-Grade Students Who Initiated Self-Care in Elementary and Junior High School," Pediatrics, 1990) In addition, a 1997 study stated that youth between the ages of 12 and 17 are most likely to commit violent acts or be victims themselves between 2:00 p.m. and 6:00 p.m. Studies also indicate that children under adult supervision in a formal program during after-school hours show improved academic achievement and better attitudes toward school than their peers in self- or sibling-care.

Museums are a largely untapped resource for after-school programs. In the critical after-school hours, many museums are empty. One of the chief stumbling blocks for museums in developing after-school programs is lack of transportation. IMLS hopes to help address this need with an increase in funds in 2000 to fund after-school programs for museums which will help them create an enriched and safe learning environment for more children after school. Samples of previously funded programs follow.

3) *Professional Practices Awards* will focus on addressing many core issues such strategic planning, professional training, leadership development. The focus will be on developing programs and materials for small museums, the largest segment of museums in the country. (This category will replace the Professional Services Program.)

4) *Museum/Library Collaborative* grants will support innovative projects that models that demonstrate how museums and libraries can work together to expand their service to the public.

Each of the four funding categories address similar, overarching goals. (1) Each encourages innovation in how museums provide public service and meet community needs. (2) Each incorporates the widespread and creative use of new technologies. (3) Each designs and tests model projects to be replicated throughout the field. (4) Each provides greater public access to museums and their collections. (5) Each extends the impact of federal dollars through collaboration.

A single grant program serving these goals also creates a more streamlined agency approach to project management through greater efficiency, broader outreach to all museums, increased responsiveness to new challenges and wider dissemination of promising practices in all categories. The National Leadership Awards for Museums parallels the discretionary grant program in the Office of Library Services. It enhances the combined purposes of IMLS and places an agency-wide emphasis on leadership. The new program also increases services to small museums by permitting partnerships between museums and service organizations in all categories.

Sample of After-School Projects

**Arizona Science Center
Phoenix, AZ
\$38,997**

The Arizona Science Center will partner with the Phoenix Preparatory Academy and the Valley Big Brothers-Big Sisters to implement the Computer Connections Club after-school program. Held in a technology and multimedia lab based at the Science Center, the project will offer training in new technology to children, teachers and mentoring volunteers. Participants will also work on a series of computer related projects in technology, art, science, robotics and music. Through projects designed to appeal to a broad array of interests, the Computer Connections Club aims to help children, as well as their teachers and mentors, become comfortable with and achieve a certain mastery of technology and applied science.

**Armory Center for the Arts
Pasadena, CA
\$50,000**

Walk to Art: Artists in Community Partnerships is an after-school project developed by the Armory Center for the Arts and six community organizations--Jackie Robinson Center, Santa Catalina Library, La Pintaesca Library, James Madison School, Frances E. Willard School and Marshall Fundamental Secondary School. The project will place experienced and trained artists from the Armory faculty in residence for two years at the partnering sites, which serve children and families in low-income neighborhoods of Pasadena. The project is designed to move artists beyond the role of a "visiting artist" to become agents for community development by changing the local perception of the place of the arts in education, recreation, business and family life.

**Bronx Zoo
Bronx, NY
\$50,000**

The Bronx Zoo and Homes for the Homeless will work together to provide an after-school program entitled, After-School Adventures in Wildlife Science. The life science program will be developed to meet the special educational and emotional needs of homeless students and their families. Children from some 80 homeless families in the South Bronx will receive essential academic knowledge and skills that they need to succeed in school and break the cycle of homelessness.

**Discovery Center of the Southern Tier
Binghamton, NY
\$32,410**

The Discovery Center, Binghamton City School District and Binghamton University will work together to establish a Children's Center for the Arts and Culture. This after-school program, intended for children in kindergarten through second grade, will be implemented on the north-side of Binghamton, which has one of the highest concentrations of at-risk, impoverished, and immigrant families in the city. The Center will offer enriched learning activities for children after school to increase excitement for learning, foster socially responsible behavior and strengthen interpersonal relational skills among the youth.

El Museo del Barrio
New York, NY
\$35,600

El Museo del Barrio and Union Settlement Association, East Harlem's largest social service network, are partnering to bring after-school programming to the residents of East Harlem, one of New York City's most ethnically diverse and poorest communities. The partners will develop and implement a Community Connections After-School Program consisting of five eight-week arts education and art-making courses over two years. This will enrich the Union Settlement's after-school programs by incorporating the rich Latino culture and the collection of El Museo del Barrio.

Museum of Science and Industry
Tampa, FL
\$49,998

The Museum of Science and Industry (MOSI) in Tampa and its partner, the Tampa Metropolitan Area YMCA, will establish an innovative, after-school science enrichment, education and mentoring program for at-risk youth in Hillsborough County. At-risk high school students from MOSI's highly successful YES! (Youth Enriched by Science) Team Program will mentor and teach, using hands-on science activities, similarly at-risk elementary and middle school students. Through this project, two groups of at-risk youths (instructors and students) will receive a constructive after-school educational experience, with broad benefit for both the youth presenters and after-school students.

Tennessee Aquarium
Chattanooga, TN
\$17,439

A large number of Chattanooga institutions are working together to improve the lives of children in their community. Three area museums--the Tennessee Aquarium, Hunter Museum of American Art and the Warner Park Zoo are collaborating with the Chattanooga-Hamilton County Bicentennial Library and several city agencies--the Mayor's office, the Department of Parks and Recreation and the Housing Authority. The immediate goal is to pool their resources to build an after-school program focusing on science and art education, literacy and library use, and behavior and social skills that will enrich the lives of local children living in public housing complexes and empowerment zones. This long-term project is an opportunity for a broad spectrum of cultural and community groups to build a flexible, sustainable partnership for the benefit of the community.

**Institute of Museum and Library Services
FY 2000 Performance Plan****Introduction**

The Institute of Museum and Library Services' primary role is to assist the nation's libraries and museums in increasing and improving their services to the public. The Institute fulfills that role by awarding grants and cooperative agreements to museums, libraries and other related organizations. IMLS programs are broadly based both in terms of types of organizations and variety of activities supported. All types and sizes of libraries and museums are eligible to participate in and benefit from IMLS support, but ultimately, the beneficiary is the American public.

Museums and libraries share a history of strong public access. Libraries and museums house enormous educational resources. Their primary role has always been to make those resources available to all members of the public. Today, more than ever before, museums and libraries have both opportunity and obligation to advance these fundamental services to the frontier of electronic access while maintaining their tradition as physical centers of community life. IMLS programs of support are shaped to assist libraries and museums in this demanding endeavor.

Performance Goals and Indicators

A. Create and sustain programs and activities of national significance that recognize and support excellence in operations.

Promote leadership activities to support: education and training; research and demonstration; preservation or digitization; connections with communities and model cooperative museum/library projects.

In 2000, 171 awards totalling \$9,256,000 will advance the ability of libraries and museums to train professionals in emerging management strategies and technologies; to identify and develop advanced practices for serving the public and connecting with communities; to enhance libraries' capacity through research and demonstration projects, digitization or preservation of unique resources; and to develop model cooperative partnerships between libraries and museums.

Improve the quality and quantity of museum services to the public.

In 2000, \$15,610,000 of General Operating Support awards will go to 195 institutions. These institutions will serve 14 million visitors a year. These awards are applied to a wide range of operations, but most often museums use these funds to improve educational services. During the two-year award period, 28 million visitors will benefit from improved museum services.

Enhance the capabilities for libraries to share resources.

In 2000, State Library Agencies will use IMLS support in the amount of \$30,609,000 to share library resources among and between libraries such as school, academic, research, specialized and public libraries to enhance access to information for library users. These resource-sharing activities will provide significantly expanded access to electronic inter-library loan, electronic journals and other electronically-available educational material. Libraries are implementing shared training functions for librarians and for the public user to make most efficient use of shared resources that are available.

Identify areas for and methods of improvement in museum operations.

In 2000, with \$450,000 of IMLS funds, at least 150 museums will involve staff and governing boards in a comprehensive professional assessment program, learning leadership practices for managing a successful museum. In particular, the nation's smaller museums (dominant in terms of numbers in the United States) will interact with leading practitioners and a major national museum association for advice on systematic improvement.

Extend the life of cultural collections, ensuring they are available to future generations.

In 2000, 46 museums will receive \$2,310,000 in grants to improve storage or exhibition conditions, identify problems needing correction or stabilize individual objects, and increase access while protecting fragile objects with Conservation Project Support. Potentially, 4.5 million objects representing the nation's cultural heritage will be safeguarded. These museums will also provide educational programs that improve the public's knowledge of how collections are preserved and why such activities are important.

Identify conservation priorities and methods to improve conservation care.

In 2000, \$820,000 of grants will support 164 museum staffs in learning from professional conservators the most effective path for establishing priorities for collection preservation needs. Awards result in efficient application of limited collection care dollars and yield future savings through preventive action.

B. Create and sustain programs and activities of national significance that promote and support access to all types of museums and libraries for a diverse audience.

Extend library services to underserved portions of the public.

In 2000, State Library Agencies will use \$36,391,000 in awards to target specific segments of the population who need extended service hours, electronic delivery of services and documents, off-site service delivery, literacy and language assistance and other specialized needs. The 59 awards will reach underserved people in inner-city and rural areas of every State and territory.

Extend library services to Indian tribes in core operations, technical assistance and specialized projects.

In 2000, staffs of libraries serving Native Americans and Native Hawaiians will receive 298 awards totalling \$2,616,000 to support essential core operations and to acquire technical assistance to enhance library services for traditionally underserved populations. These awards also target opportunities for advancing library tribal services in specialized operations. Where native populations live in remote areas, access to library information in traditional or networked environments is essential to their ability to operate economically.

C. Promote access to learning and information resources held by museums and libraries through electronic linkages.

Enhance electronic access to museum and library collections and educational information nationwide.

One hundred thirty-nine lead organizations will use \$14,000,000 in technology grants to develop and support electronic networks and digital content of museums and/or libraries. The lead organizations will develop model programs to address issues related to digitization and access to digital collections and will provide technical support to assist thousands of museums and libraries in putting collection images and information on line.

Enhance library services nationwide with electronic linkages and by helping libraries acquire and share computer telecommunications technology and share resources.

All 59 State Library Agencies will use \$71,118,000 of their awards to expand library materials available on electronic networks, taking the forms of increased internet access for the staff and the public, linkages to electronic catalogues, databases and electronic texts. Working with libraries within the State, State Library Agencies have the potential to support activities that impact the entire library-using public, estimated to be 60% of the population--157 million citizens.

D. Consistently provide high quality service and efficiency of operations by:-

- Sustaining ongoing oversight and evaluation of agency's operations and processes to ensure integrity and efficiency and to ensure their relevance to museum and library needs.
- Maintaining knowledge of and coordination with other public agencies and private organizations, and
- Maintaining effective communication systems with the museum and library communities, Congress and the general public.

Impact Indicators

As a result of these programs of support to libraries and museums:

- library services to virtually all the nation's library users will be enhanced
- museums will better serve a significant number of visitors
- underserved people in both inner cities and rural areas will have better library services
- museums will participate in partnerships that promote services to improve community life
- library and museum professionals will be better prepared to respond to public needs
- education resources held in museums and libraries will be significantly more accessible via digital formats
- people having difficulty accessing information will have better access to information they need
- libraries and museums will develop and use more efficient service and operational practices
- IMLS efficiently and effectively fulfills its mission

Measuring Outcomes

Many of the results achieved with support from IMLS are incremental; their full impact is accrued over time. For example, State Library Agencies filed 5-year plans in 1997. The evaluation of their activities will be incomplete until 2002. Further, much of the impact of IMLS awards is qualitative, and therefore, less easily measured than other types of impact. A General Operating Support award to a museum that is used to develop educational programming, for instance, can be measured quantitatively (e.g. in number of participants or sessions), but the future, accumulated impact on an individual can not be easily captured by traditional evaluative techniques. Further, direct evaluation of IMLS funded activities and projects is carried out by the award recipients. Therefore, IMLS is developing a system of evaluation strategies to assist museums and libraries in using sound procedures to measure program outcomes.

IMLS will use a variety of information and data to measure the outcomes of these projects and activities. IMLS will analyze interim and final reports from grantees, internal and external evaluations, assessments by staff and perspectives of professional organizations. IMLS is developing an electronic grants management system which will allow significantly more sophisticated examination of the uses and results of its programs of support.

Specifically in FY 2000, IMLS will build on activities initiated in FY 1997 through FY 1999. IMLS will continue to work closely with the Chief Officers of State Library Agencies in the development and implementation of an evaluation plan to measure the impact of Library Grants to States, anticipating that the initial plan will be implemented in FY 1999. For example, in FY 1998, IMLS began an analysis of currently active library and museum partnerships in order to measure the future impact of that funding activity within the National Leadership Grants program. IMLS will continue to coordinate with national, regional, and state museum associations in collecting data about museums and their public services. In

FY 2000, IMLS will work with other organizations and agencies to identify and collect core data about museums to assist in evaluating their public service and the impact of IMLS funding on that service. This groundwork will facilitate ongoing measurement and evaluation activities.

IMLS staff will continue its hallmark of efficient, customer-oriented operations. IMLS will sustain ongoing oversight and evaluation of the agency's operations and processes to ensure integrity and efficiency and to ensure their relevance to museum and library needs. Further we will maintain knowledge of and coordination with other public agencies and private organizations.

IMLS will maintain close communications with the library and museum communities, monitoring satisfaction with the staff's service to them. IMLS will develop advanced analytical capacity to evaluate programs and practices, the findings of which will guide improvements. IMLS will use in-house and external evaluations to analyze staff performance

Resources Requested to Meet Programmatic and Operational Goals

A. Create and sustain programs and activities of national significance that recognize and support excellence in operations.	\$59,055,000
Promote leadership activities in education and training in library and information science and museum practices, in research and demonstration, in preservation or digitization, in museum connections within communities, in after-school programs, and in model cooperative museum/library projects. (NLG: museum and library services)	\$9,256,000
Improve the quality and quantity of museum services to the public. (GOS: museum services)	\$15,610,000
Enhance the capabilities for libraries to share resources. (State Grants: library services)	\$30,609,000
Identify areas for and methods of improvement in museum operations. (MAP: museum services)	\$450,000
Extend the life of cultural collections, ensuring they are available to future generations. (CP: museum services)	\$2,310,000
Identify conservation priorities and methods to improve conservation care. (CAP: museum services)	\$820,000
B. Create and sustain programs and activities of national significance that promote and support access to all types of museums and libraries for a diverse audience.	\$39,007,000
Extend library services to underserved portions of the public. (State Grants: library services)	\$36,391,000
Extend library services to Indian tribes in core operations, technical assistance and specialized projects. (NA: library services)	\$2,616,000
C. Promote access to learning and information resources held by museums and libraries through electronic linkages.	\$85,118,000
Enhance electronic access to museum and library collections and educational information nationwide (NLG: museum and library services)	\$14,000,000
Enhance library services nation wide with electronic linkages and by helping libraries acquire and share computer telecommunications technology and share resources. (State Grants: library services)	\$71,118,000
Administration	\$5,320,000
Total	\$188,500,000

Mission

The Institute of Museum and Library Services exercises leadership by providing a national focus to issues of importance to museums, libraries and the publics they serve. IMLS programs embrace the highest standards of operations for libraries and museums. Through these programs and other activities, IMLS assists museums and libraries in increasing and enhancing services for a broad and diverse public. IMLS, an independent federal agency, is fortunate to draw its mission from the clear statements of purpose provided in the Museum and Library Services Act, which created it.

Goals:

The three following goals unify the legislatively designated mission and purpose of both the Office of Library Services and the Office of Museum Services:

- 1) Promote excellence in museum and library services;
- 2) Promote access to museum and library services for a diverse public; and
- 3) Provide high quality of service and efficiency of operations.

IMLS fulfills its mission through the Office of Museum Services by:

- encouraging and assisting museums in their educational role
- assisting museums in conservation care
- providing assistance for increasing use by the public

IMLS fulfills its mission through the Office of Library Services by:

- promoting access to learning and information resources
- promoting library services to all users through electronic networks and providing linkages among and between libraries
- promoting library services to people with diverse backgrounds, abilities and skills

Overview of Budget Request

Office of Library Services

Grants to States **\$138,118,000**
 Awards are made to the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia and the Republic of Palau. These awards are made according to statutory requirements of the Museum and Library Services and Act. The grants are made upon the receipt and approval of a State Plan, which specifies how the funds will be used to accomplish the goals of the program, which are: to enhance electronic linkages, acquire and share computer and telecommunications technology, share resources, and extend service to underserved portions of the public.

Native American and Native Hawaiian Library Services **\$2,908,000**
 Three types of grants are made to provide services to Indian tribes: 1) grants for core library operations, 2) technical assistance, 3) specialized project grants. Grants for core operations and technical assistance grants are made non-competitively to all eligible tribes. Specialized project grants are made competitively.

National Leadership Grants for Libraries **\$10,606,000 (includes \$5,000,000 for National Digital Library)**
 These awards are for four types of project activities: 1) education and training in library and information science, 2) research and demonstration projects, 3) preservation or digitization, 4) model programs for cooperative efforts between museums and libraries.

Administration **\$3,160,000**

Office of Museum Services

Operations **\$16,060,000**
(General Operating Support, Museum Assessment Program)
 General operating support awards are made competitively to museums with outstanding operations to improve the quantity and quality of service to the public. In MAP, three types of professional assessments are available to museums so that they may identify the areas of operation most in need of improvement and methods to improve those operations.

Conservation **\$3,130,000**
(Conservation Project Support, Conservation Assessment Program)
 Project awards are made to improve the care of the nation's collections held in museums, which extends the life of collections, ensuring they are available to future generations. Awards for professional consultation identify conservation priorities and provide information on improving collections care.

National Leadership Grants for Museums **\$12,650,000 (including \$5,000,000 for National Digital Library)**
 In FY 2000 the Institute of Museum and Library Services will create a new, comprehensive funding program to incorporate four leadership priorities: *Museums Online*; *Museums in the Community* (which will fund after-school activities); *Professional Practices Awards*; and *Museum/Library Collaborative Grants*.

Administration **\$2,160,000**

TABLE A. SUMMARY OF REQUEST, OFFICE OF MUSEUM SERVICES

figures are \$ x 000	INSTITUTE OF MUSEUM AND LIBRARY SERVICES SUMMARY OF APPROPRIATIONS REQUEST, FY 2000 GRANTS AND ADMINISTRATION		
	1998 Enacted	1999 Enacted	2000 Agency Request
OFFICE OF MUSEUM SERVICES			
PROGRAM FUNDS			
OPERATIONS			
General Operating Support	\$15,610	\$15,610	\$15,610
Museum Assessment Programs	\$450	\$450	\$450
SUBTOTAL, OPERATIONS	\$16,060	\$16,060	\$16,060
CONSERVATION			
Conservation Project Support	\$2,310	\$2,310	\$2,310
Conservation Assessment Program	\$820	\$820	\$820
SUBTOTAL, CONSERVATION	\$3,130	\$3,130	\$3,130
NATIONAL LEADERSHIP GRANTS FOR MUSEUMS *	\$2,200	\$2,200	\$12,650
SUBTOTAL, PROGRAMS	\$21,390	\$21,390	\$31,840
ADMINISTRATION			
Operations + Research & Eval	\$1,890	\$2,015	\$2,160
TOTAL, GRANTS AND ADMINISTRATION	\$23,280	\$23,405	\$34,000

* Includes funding for types of projects formerly awarded in Professional Services Program, Museum Leadership Initiatives, National Leadership Grants as well as special projects to digitize and link information on museums' collections electronically.

TABLE B. DETAIL BY ACTIVITY, OFFICE OF MUSEUM SERVICES

Figures are \$ x 000	INSTITUTE OF MUSEUM AND LIBRARY SERVICES SUMMARY OF APPROPRIATIONS REQUEST, FY 2000 GRANTS AND ADMINISTRATION		
	1998 Enacted	1999 Enacted	2000 Agency Request
OFFICE OF MUSEUM SERVICES			
PROGRAM FUNDS			
OPERATIONS			
GENERAL OPERATING SUPPORT			
Request	—	—	\$15,610
Appropriation	\$15,610	\$15,610	—
No. applications	942	1100	1150
No. awards anticipated	186	195	195
Percent of applications funded	20%	18%	17%
No. Active grants per year	378	381	390
MUSEUM ASSESSMENT PROGRAMS			
Request	—	—	\$450
Appropriation	\$450	\$450	—
No. applications	189	200	200
No. awards anticipated	189	200	150
Percent of applications funded	100%	100%	75%
SUBTOTAL, OPERATIONS	\$16,060	\$16,060	\$16,060
CONSERVATION			
CONSERVATION PROJECT SUPPORT			
Proposed target	—	—	\$2,310
Appropriation	\$2,310	\$2,310	—
No. applications	226	280	300
No. awards anticipated	74	46	46
Percent of applications funded	33%	17%	15%
CONSERVATION ASSESSMENT PROGRAM			
Proposed target	—	—	\$820
Appropriation	\$820	\$820	—
No. applications	251	275	275
No. awards anticipated	153	164	164
Percent of applications funded	61%	60%	60%
SUBTOTAL, CONSERVATION	\$3,130	\$3,130	\$3,130

TABLE B. DETAIL BY ACTIVITY, OFFICE OF MUSEUM SERVICES (contin.)

figures are \$ x 000

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
SUMMARY OF APPROPRIATIONS REQUEST, FY 2000
GRANTS AND ADMINISTRATION

	1998 Enacted	1999 Enacted	2000 Agency Request
NATIONAL LEADERSHIP GRANTS FOR MUSEUMS AND RELATED ORGANIZATIONS *			
Proposed target	—	—	\$12,650
Appropriation	\$2,200	\$2,200	—
No. applications	219	246	520
No. awards anticipated	87	101	232
Percent of applications funded	40%	41%	45%
SUBTOTAL, NATIONAL LEADERSHIP GRANTS FOR MUSEUMS AND RELATED ORGS	\$2,200	\$2,200	\$12,650
SUBTOTAL, P R O G R A M S	\$21,390	\$21,390	\$31,840
ADMINISTRATION			
Operations + Research & Eval	\$1,890	\$2,015	\$2,160
TOTAL, GRANTS AND ADMINISTRATION	\$23,280	\$23,405	\$34,000

* Includes funding for types of projects formerly awarded in Professional Services Program, Museum Leadership Initiatives, National Leadership Grants as well as special projects to digitize and link information on museums' collections electronically.

TABLE C. ADMINISTRATION, OFFICE OF MUSEUM SERVICES

figures are \$ x 000

**INSTITUTE OF MUSEUM AND LIBRARY SERVICES
SUMMARY OF APPROPRIATIONS REQUEST, FY 2000
GRANTS AND ADMINISTRATION**

	<u>1998 Enacted</u>	<u>1999 Enacted</u>	<u>2000 Agency Request</u>
OFFICE OF MUSEUM SERVICES			
ADMINISTRATIVE FUNDS			
OPERATIONS			
1100 Personnel compensation	\$800	\$840	\$912
1200 Personnel benefits	\$185	\$200	\$219
1300 Benefits for former personnel	\$0	\$0	\$0
2100 Travel and transportation of persons	\$70	\$80	\$107
2200 Transportation of things	\$13	\$9	\$10
2310 Space rental (SLUC)	\$107	\$117	\$202
2300 Other rentals, communications, and utilities	\$50	\$46	\$40
2400 Printing and reproduction	\$90	\$50	\$80
2500 Other contractual services	\$400	\$438	\$365
2600 Supplies and materials	\$50	\$15	\$15
3100 Equipment	\$25	\$10	\$10
Subtotal, OPERATIONS	\$1,790	\$1,805	\$1,980
RESEARCH AND EVALUATION	\$100	\$210	\$200
TOTAL NET REQUEST, ADMINISTRATION	\$1,890	\$2,015	\$2,180

TABLE D. SUMMARY OF REQUEST, OFFICE OF LIBRARY SERVICES

figures are \$ x 000		INSTITUTE OF MUSEUM AND LIBRARY SERVICES SUMMARY OF APPROPRIATIONS REQUEST, FY 2000 GRANTS AND ADMINISTRATION		
		1998 Enacted	1999 Enacted	2000 Agency Request
OFFICE OF LIBRARY SERVICES		**		
PROGRAM FUNDS				
STATE GRANTS				
	Proposed target	—	—	\$138,118
	Appropriation	\$135,486	\$135,367	—
	No. applications	59	59	59
	No. awards anticipated	59	59	59
	Percent of applications funded	100%	100%	100%
NATIVE AMERICAN LIBRARY SERVICES				
	Proposed target	—	—	\$2,616
	Appropriation	\$2,561	\$2,908	—
	No. applications	362	362	362
	No. awards anticipated	298	298	298
	Percent of applications funded	82%	82%	82%
NATIONAL LEADERSHIP GRANTS FOR LIBRARIES				
	Proposed target	—	—	\$10,606
	Appropriation	\$5,488	\$25,000	—
	No. applications	252	300	400
	No. awards anticipated	41	42	78
	Percent of applications funded	16%	14%	20%
SUBTOTAL, PROGRAMS		\$143,535	\$163,275	\$151,340
ADMINISTRATION				
	Operations + Research & Eval	\$2,605	\$2,900	\$3,160
TOTAL, GRANTS AND ADMINISTRATION		\$146,340	\$166,175	\$154,500

**Prior to 1998, funded under the Library Services and Construction Act and Title II-B of the Higher Education Act in the Department of Education, Office of Educational Research and Improvement

TABLE E. ADMINISTRATION, OFFICE OF LIBRARY SERVICES

INSTITUTE OF MUSEUM AND LIBRARY SERVICES SUMMARY OF APPROPRIATIONS REQUEST, FY 2000 GRANTS AND ADMINISTRATION			
figures are \$ x 000	1998 Enacted	1999 Enacted	2000 Agency Request
OFFICE OF LIBRARY SERVICES	**		
ADMINISTRATION			
OPERATIONS			
1100 Personnel compensation	\$835	\$1,256	\$1,280
1200 Personnel benefits	\$166	\$301	\$307
1300 Benefits for former personnel	\$0	\$0	\$0
2100 Travel and transportation of persons	\$34	\$121	\$97
2200 Transportation of things	\$9	\$9	\$10
2310 Space rental (SLUC)	\$302	\$309	\$412
2300 Other rentals, communications, and utilities	\$57	\$46	\$40
2400 Printing and reproduction	\$4	\$85	\$106
2500 Other contractual services	\$827	\$628	\$618
2600 Supplies and materials	\$144	\$25	\$25
3100 Equipment	\$415	\$20	\$15
Subtotal, OPERATIONS	\$2,793	\$2,800	\$2,910
RESEARCH AND EVALUATION	\$12	\$100	\$250
TOTAL NET REQUEST, ADMINISTRATION	\$2,805	\$2,900	\$3,160

**Prior to 1998, funded under the Library Services and Construction Act and Title II-B of the Higher Education Act in the Department of Education, Office of Educational Research and Improvement

Office of Museum Services

Guiding Principles for the Office of Museum Services Developed as part of the Blueprint for the Future

During the 20th year of service to museums, the then Institute of Museum Services collaborated with members of the museum community to determine how the agency could best respond to the needs of the nation's museums into the beginning of the 21st century. Throughout the year, in numerous meetings, forums, presentations, and informal conversations, members of the museum community speaking for themselves or representing a segment of the community, repeatedly endorsed activities for the agency that are distilled into the following five principles.

- 1) Reaffirm the historical emphasis of IMS support for museums in IMLS programs.
- 2) Promote innovation and reward excellence in every area of support.
- 3) Stimulate the development and distribution of tools and examples that guide museums toward excellence.
- 4) Encourage and enable sustainable partnerships between museums and other organizations, businesses, and agencies.
- 5) Articulate and communicate the roles of museums and a vision for their future.

These principles have been incorporated into IMLS' strategic plan, and they have shaped the budget request for the Office of Museum Services.

General Operating Support (GOS)

General Operating Support (GOS) awards are at the heart of IMLS' mission of serving the public by strengthening museums and libraries. GOS awards reward excellence in museum operations. Applicant museums must demonstrate to their peers through a comprehensive application that they provide outstanding museum services in all areas of operations. The program is highly competitive and demanding; by analyzing all areas of operations as part of the application process, applicants enhance their level of professionalism. Receiving one of these awards is recognized by the field as a mark of great achievement.

One reason for the popularity and effectiveness of this program is that it allows museums to use GOS money where each institution determines it is most needed to improve public service. Monies may be used for such diverse purposes as extending educational programming, broadening community outreach, integrating new technologies, conserving fragile collections, and training staff. High quality, well-managed museums can identify their greatest needs for continuing exceptional public service. Rewarding excellence leverages additional funding and establishes standards for the field. Conversations with the field have reaffirmed the importance of this program and the leadership of the Federal government in providing key support.

Eighty-eight percent of grantees cited specific ways in which GOS grants improved services to visitors. They noted such benefits as: extending or maintaining hours open to the public; providing new or enhanced printed materials; training docents and volunteers to improve visitor services; expanding on-site and off-site exhibits and programs; improving labeling and signs; maintaining or increasing educational staff; and maintaining low or free admission.

IMLS continues to improve the fairness and consistency of application review through a rigorous program of reviewer training. As a result of training, reviewers provide more in depth comments and, therefore, the feedback IMLS provides to applicants is more substantive. The reviewer training program has proven to be such a success that IMLS has committed to the goal of training all GOS reviewers.

Goal 1) Promote excellence in museum and library services.

Objective

Create and sustain funding programs and activities of national significance that recognize and support excellence in operations.

Outcome

Public services to museums are improved in over 400 museums a year.

Performance Indicator

Museums increase hours, lower admission fees, increase educational programs, and research and preserve collections.

Goal 2) Promote access to museum and library services for a diverse public.

Objective

Create and sustain programs and activities of national significance that promote and support access to all types of museums for diverse audiences.

Outcome

Museum audiences are increasingly diverse.

Performance Indicators

Museums increase bilingual programs, more minority and ethnic groups participate in museum operations and services, targeted audiences have better museum access.

The FY 2000 performance plan calls for the evaluation of GOS reports submitted for awards made in 1998.

In an effort to increase the number of museums who may receive GOS funding over time, in FY2000 grantees who have received awards in two successive competitions will be required to "sit out" a year before applying for another grant. In FY 1996, 192 museums received GOS awards. The award is spent over a two-year period so the next competition that the FY 1996 recipients could apply for was FY 1998. In FY 1998, the agency made 186 awards and 65 of those awards went to museums that had a FY 1996 award. Those 65 institutions will not be eligible to apply in FY 2000.

Grant Highlights

GOS grants make a significant difference in the programming and public support of both large and small institutions. For example, the Historical Museum of Fort Missoula, which has only three full-time paid staff and an annual budget of just over \$100,000, has received a total of \$99,775 in GOS grants in the last three competitive grant cycles. These funds have leveraged over three times that amount in private and community donations and allowed the Museum to address a wide variety of service needs.

A larger museum, the McKissick Museum at the University of South Carolina, received \$337,500 in GOS support over three grant cycles to transform itself into a community-wide resource from a campus institution. Using GOS funds to leverage additional private support, the museum created a major folklife festival, an event presented for the past four years that educates the public, children in particular, about the folkloric traditions of South Carolina. GOS grants also supported the founding of a community advisory group, increasing community involvement, and the publication of a quarterly newsletter, sent to teachers, libraries and members. Museum attendance has increased dramatically as the public recognizes the museum's outreach to the community.

In FY 2000, IMLS will invest \$15,610,000 to maintain support for critical museum services throughout the country. Without increasing the appropriation for this category IMLS will reach an additional 65 museums.

Museum Assessment Program (MAP)

The Museum Assessment Program (MAP) is a valued and proven method for museum professionals to engage in constructive self-study, remain current with professional practices and consult with peers on new and emerging issues. MAP provides an effective, cost-efficient means for a museum to obtain an impartial analysis of its strengths and weaknesses.

To fulfill these goals and to remain fresh and responsive to the field, MAP will offer new programs and training opportunities in FY2000. MAP's new programs will build on its core structures, guiding museums toward continual self-study, facilitating peer review, articulating professional standards, sharing best practices and meeting new challenges. The refinements and expansions of its programs emerge from a careful planning process with extensive guidance from the field. The changes also reflect the essence of MAP as a responsive program, recognizing changes and needs within the museum profession.

MAP's core program, an assessment of the museum's total operation, will expand, offering museums the opportunity to focus simultaneously on one or more of its operational components. Museums will receive assistance in evaluating basic operations, aspects of collections management, issues in the public dimension, and strategies to enhance leadership.

Each grant is coordinated for IMLS by the American Association of Museums. Funding provides the tools for an extensive institutional self-study, followed by one or more site visits from the consultant or assessor. Following the site visit, the consultant prepares a comprehensive report with specific suggestions for enhancement. Grantees report that the MAP program is a useful tool for the museum to upgrade its standards of operation, approach funding sources, and prepare for accreditation.

In FY 2000 IMLS will offer, in addition to the core MAP program, Strategies for Effective Museum Management in a changing environment. Museums will select from a menu of specifically targeted assessments, such as Effective Museum Management through Board Leadership or through

Goal 1) Promote excellence in museum and library services.

Objective

Create and sustain funding programs and activities of national significance that recognize and support excellence in operations.

Outcome

Over 200 museums annually optimize operations for better public service.

Performance Indicator

Museums implement assessor recommendations for better management.

Goal 2) Promote access to museum and library services for a diverse public.

Objectives

Create and sustain programs and activities of national significance that promote and support access to all types of museums for diverse audiences

Outcome

More diverse audiences visit museums participating in MAP.

Performance Indicators

Museums are more actively engaging underserved audiences.

The FY 2000 performance plan calls for the evaluation of MAP reports submitted for awards made in 1997.

Staff Leadership, as Community Citizens, or in Financial Planning and Stabilization. These options will include the expertise of both museum professionals and non-museum service organizations. Experts from such organizations as the National Center for Non-Profit Boards and the National Arts Stabilization Fund, for example, will broaden the pool of expertise available through MAP.

Strategies for Effective Museum Management is supported by a comprehensive new training program for surveyors. The program's curriculum and scope is a major asset of MAP's revised programming, preparing dozens of museum professionals with the most current management tools available to the field.

In FY 2000 IMLS will offer new approaches and new training opportunities for Museum Assessment Program grantees without increasing the appropriation of \$450,000.

Conservation Project Support (CP)

Conservation of our nation's heritage has been dramatically affected by the IMLS Conservation Project Support. This program has promoted conservation as an institution-wide priority, which helps to assure that treasures held in museum collections survive into the future, and that scarce funds for conservation and collections care are effectively used.

The recent preservation efforts for the Washington Monument and the Star Spangled Banner have renewed the public's interest in its material culture. Museums have long recognized the importance of protecting their collections from deterioration so they will be available for the enjoyment and education of future generations. The CP program now also assists museums in educating their publics about the importance of conservation activities. Started as part of the IMLS contribution to the Federal celebration of the millennium, this year museums are encouraged to include a public education component to their projects. With this component, museums may give access to ongoing work, demonstrate techniques to extend an object's life, present the "before and after", and describe scientific principles and practices of conservators at work. This educational component will heighten awareness of the need to protect our nation's culture and will promote public support for their museums as they undertake steps to ensure the survival of this heritage.

Through IMLS support of conservation projects, museums address conservation of their collections in a systematic manner, ensuring that the process will serve the needs of the collection. They start by undertaking general conservation surveys, and as a part of this are encouraged to develop a long-range conservation plan. Conservation project applications for research, particularly in the area of species survival, are encouraged from institutions with significant living animal or plant collections. Requests for support of actual treatment of objects in museum collections are funded in this category as well. Exceptional projects that accelerate the use of innovative practices with national impact and visibility are also funded.

The IMLS Conservation Project Support program, according to an independent evaluation, has had an absolutely and fundamentally positive impact on the museum community in moving conservation issues to the center of museum operations. With this success in place, IMLS now sees that role evolving to

Goal 1) Promote excellence in museum and library services.

Objective

Create and sustain funding programs and activities of national significance that recognize and support excellence in operations.

Outcome

Museum collections are safeguarded from deterioration.

Performance Indicator

Museums improve conservation care of the nation's collections.

Museum audiences are more knowledgeable of conservation needs and practices.

The FY 2000 performance plan calls for the evaluation of CP reports submitted for awards made in 1997.

address the broader issue of all areas of museum conservation needs.

Grant Highlights

An award to the Indianapolis Zoo to conduct research in the area of elephant reproductive physiology has resulted in the first artificial insemination of a captive African elephant. This research will help further the preservation of this important species.

The Asian Art Museum of San Francisco is using funds from this category to treat 22 of the highest quality lacquer objects from their collection, 19 of which are of such high quality that they would carry the designation of significant cultural property within their country of origin. Lacquers pose a conservation challenge and no clearly defined approach or standardized procedures exist for lacquer treatment within the conservation field. With IMLS support, the museum will also hold a symposium based on this project which will allow for focused discussion of particular conservation problems as they relate to lacquer conservation. A post-project publication with cases studies will disseminate the findings, thereby helping to establish a professional standard of treatment for lacquer objects, a global benefit to all museums who house these types of materials.

In FY 2000, IMLS requests \$2,310,000 to continue its new emphasis on increasing public awareness of conservation activities. The program will continue its strong history of supporting basic collections care activities, providing the support for fundamental costs for identification of conservation needs, improving collections environments, training staff, providing equipment and supplies, stabilizing individual objects, species survival, and conducting fundamental research.

Conservation Assessment Program (CAP)

The Conservation Assessment Program guides small museums through their first steps to address general conservation and collections care needs. The program provides general collections assessments for museums; for institutions housed in historic structures, it also provides funding for architectural assessments. The CAP report identifies collections care issues the museum faces, providing a tool for museum staff to prioritize their conservation needs and develop long-range plans for preserving their collections.

Each grant, coordinated for IMLS by Heritage Preservation, Inc., provides a site visit by an appropriately matched consultant from the conservation/architecture profession. Prior to the site visit the museum completes a self-evaluation. Following the site visit, the consultant delivers a report to the museum with specific suggestions for improvement.

IMLS is currently undertaking an independent evaluation of this program, as part of IMLS's ongoing practice to examine the agency's activities to identify ways to improve service to museums.

Grant Highlights

In the last two years, over 70% of museums participating in CAP were small museums, with an operating budget under \$250,000.

In FY 2000, request \$820,000 continue to offer basic support for conservation assessment services.

Goal 1) Promote excellence in museum and library services.

Objective

Create and sustain funding programs and activities of national significance that recognize and support excellence in operations.

Outcome

Over 200 museums optimize operations to preserve our cultural and architectural heritage.

Performance Indicator

Museums implement assessor recommendations for better preservation practices.

The FY 2000 performance plan calls for analysis of CAP grants made in 1997.

National Leadership Grants for Museums

In FY 2000 the Institute of Museum and Library Services will create a new, comprehensive funding program, the **National Leadership Grants for Museums**, which will incorporate four funding priorities: *Museums Online*; *Museums in the Community*; *Professional Practices Awards*; and *Museum/Library Collaborative Grants*.

In FY 2000, IMLS requests \$12,650,000 for National Leadership Grants for Museums, funding that will dramatically increase the audiences served by museums across the nation. This funding will:

- Provide funds for the digitization of as many as one million images in museum collections, providing essential content for Internet access.
- Triple the number of leadership projects that join museums and community organizations in partnerships that enhance community life. With after-school programs designated as priority projects, the funding increase will benefit as many as 6,000 students during out-of-school hours. Each model program will be disseminated across the country and may be replicated by countless museums, further increasing the effectiveness of federal dollars.
- Support 8-10 demonstration projects in technology, designing new, efficient networks for interconnectivity and creating formats for sharing educational materials. Such increase in the capacity of museums to reach into the nation's schools, libraries and households will bring a wealth of museum-based collections and ideas to millions of Americans.
- Fund technology surveys in each state and the District of Columbia, providing essential baseline information for future technology planning to bring all museums on line.
- Stimulate dozens of new partnerships among museums and professional organizations to strengthen the thousands of small museums that enrich community life in all regions of America, rural, suburban and urban.
- Create model partnerships between museums and libraries that will serve the public in efficient and effective ways, expanding access to new audiences, and addressing real community needs.

The new National Leadership Grants for Museums will meet several goals. The four funding priorities will encourage: 1) innovation in providing public service and meeting community needs; 2) widespread and creative use of new technologies; 3) model projects to be replicated throughout the field; 4) greater public access to museum collections; 5) the extended impact of federal dollars through collaborative projects.

A single grant program serving all of these needs creates more efficient project management, greater outreach to all museums, increased responsiveness to new challenges and wider dissemination of promising practices in all categories. It also parallels the National Leadership Grants for Libraries, a funding category already in place in the Office of Library Services, creating an agency-wide emphasis on leadership. The National Leadership Grants for Museums increases services to small museums by opening eligibility in each category to service organizations working in partnership with museums. We envision museums and museum associations working together on many projects to extend the impact of this vital funding.

When museum resources are better used to strengthen the nation's communities, educational opportunities and cultural heritage, the key beneficiary is the American public. The National Leadership Grants for Museums will address such core values in American life.

Category 1: Museums Online (new)

In FY 2000, *Museums Online*, a new technology initiative, will support model projects that demonstrate the educational impact of connecting museums and their communities through technology. Competitive grants will create new museum networks, sharing the ideas and information in thousands of museum collections with classrooms, community centers and homes across America. The grants will substantially increase the amount of cultural material available electronically to support both school-based and lifelong learning.

Museums Online will address a critical need to bring museum resources to the public through the educational use of technology. Current estimates show that of the nearly 10,000 museums in the United States, only approximately 700 have web sites. Many of these function only as marketing sites, hosting general information about hours, fees and current exhibits. Few have developed the kind of creative, interactive content that encourages powerful educational use. This new program will bring the cultural riches of the nation's museums to every school and library. In addition to such public access, museums have the potential of reaching more than 22 million learners of all ages in the more than 25% of American households with access to the Internet.

Projects receiving funding through *Museums Online* will be replicable projects that demonstrate one or more of the following: methods for establishing and maintaining networks of museum resources; methods for sharing technological resources and expertise; and creative templates for providing educational resources on line. By identifying and funding a series of demonstration projects, *Museums Online* will spread technology expertise outward through the museum community.

Each project will be organized by a lead museum, which is responsible for training, supporting and linking museums within its region. The lead museums will: 1) implement and upgrade Internet access at their sites; 2) serve as creative laboratories for educational use of museum resources online; 3) create a regional electronic network of museums; 4) support the networked museums through training and technical assistance.

A core and exciting aspect of the *Museums Online* project is designated funding to support the digitization of museum collections. Five million dollars in funds will be directed to

Goal 1) Promote excellence in museum and library services.

Objective

Create and sustain funding programs and activities of national significance that recognize and support excellence in operations.

Outcome

The public understanding of our cultural and scientific heritage is improved.

Performance Indicator

Museums are linked in new electronic networks providing access to information and services.

Goal 2) Promote access to museum and library services for a diverse public.

Objective

Promote access to learning and information resources held by museums and libraries through electronic linkages.

Outcome

People in all communities have electronic access to museums' resources.

Performance Indicators

Museums in all geographic areas participate in electronic networks to provide information to the public.

Reports on Museums Online projects will be available in 2003.

digitization projects, providing essential content to be shared electronically. Digitization will make millions of images from art, history, and scientific collections accessible for study in formal and informal educational settings across the country, especially in areas that don't have ready access to museums.

As the nation's schools gain increased access to the information highway, it is essential that the wealth of cultural and historical treasures in museums of all sizes be placed online as accessible educational resources. Such resources also support the millions of Americans involved in lifelong learning endeavors. *Museums Online* maximizes the ability of museums to meet this challenge. The lead museums will become electronic resource centers for educational materials. Through their leadership and expertise, they will develop formats for sharing access to museum collections and ideas. Types of formats may include: collection catalogues, virtual exhibitions, lesson plans supporting school curricula, and manuscripts on line. The linked network becomes an electronic bridge between formal and informal learners and a wealth of museum-based resources, serving rural, urban and suburban communities with equal access.

The competitive grant program also emphasizes training and technical support. The lead museums will share their expertise with institutions in the regional network, allowing smaller museums to participate and gradually bringing all of the institutions up to date with the skills necessary to maintain their own websites. Lead museums will offer conferences and workshops to other sites, will share templates for formatting materials and will provide technical assistance as needed. This comprehensive program will provide models for museums across the country to close the technology gap that hinders full access for our nation of learners.

**Category 2: Museums in the Community
(formerly Museum Leadership Initiatives (MLI))**

The Museums in the Community category will encourage museums to become vital members of their communities by strengthening partnerships with community organizations and schools, while developing and disseminating replicable practices to the field. Awards to create these strategic alliances support new roles for museums as centers of civic life, providing a variety of services to youth, family and adult audiences.

Continuing the work started with the Museum Leadership Initiatives program, this category of National Leadership Grants will demonstrate how museums can become catalysts for change in their communities. Under the new program, IMLS will place a priority on support for after school programs serving at-risk youth, working both at the museum and in the community to engage underserved audiences. This priority builds on efforts begun by the agency in FY98 which demonstrated that museums can successfully initiate after-school and youth mentorship programs.

Museums in the Community awards will also continue to support innovative programs that create a variety of community partnerships, such as: working with mental health agencies to use collections in therapeutic ways; building community development corporations to form career development opportunities for minorities; and joining neighborhood housing projects to provide literacy programs.

Through this award program, IMLS encourages sustainable community partnerships, recognizing the increased efficiency and effectiveness of allying human and financial resources. To this effort, IMLS' broadened eligibility will allow museum associations to partner with community organizations and museums, increasing the outreach of successful strategies.. Past efforts in this area include the 1998 national conference co-sponsored by IMLS and the Missouri Historical Society, *Building a Sense of Place: A Forum for Museums Partnering With Community*, attended by dozens of teams of museum staff, trustees and community leaders. Discussions and work sessions tackled the important issues of preparing museums to become partners in addressing relevant issues and finding creative solutions to meet the specific needs of each community. The

Goal 1) Promote excellence in museum and library services.

Objective

Create and sustain funding programs and activities of national significance that recognize and support excellence in operations.

Outcome

Museums are more integrated into meeting community needs.

Performance Indicator

Museums are active in more partnerships.

Goal 2) Promote access to museum and library services for a diverse public.

Objectives

Create and sustain programs and activities of national significance that promote and support access to all types of museums for diverse audiences.

Outcome

Museums provide greater access to a diverse public.

Performance Indicators

Museums engage in projects with a wider variety of community groups.

IMLS will conduct an independent evaluation of the impact of the support for museums with community in FY 2000.

Forum will be followed by a nationally distributed publication on the topic of building community-centered museums. IMLS funding supported all aspects of the community partnership focus: pilot projects, a challenging workshop, and a defining publication. Such a cohesive program illustrates the far reach of a well-planned funding initiative.

The priority on after school programs brings together the two most recent IMLS priorities for the MLI program: community partnerships and building effective museum and school partnerships. The three year (1994-96) emphasis on museum/school partnerships funded planning and implementation of dozens of pilot projects. It convened the first national conference, *Museums and Schools: Partners for Education*, for museum education professionals and school system representatives working together. From conference proceedings, IMLS published *True Needs, True Partners: Museums and Schools Transforming Education*, a workbook to help museums nationwide adapt successful partnership ideas. The effective combination of projects, conference and publication was a model for the new National Leadership Grants program.

Awards to museum/school partnerships reached 82,000 students, 228 schools and 82 museums. Of the partnerships receiving IMLS support 92% continued beyond the grant-supported activities. Similarly, museum/community projects are impacting thousands of people in all age groups. New partners include programs for the aging, regional Head Start programs, neighborhood housing groups, urban leagues, mental health facilities, and public health nursing associations, churches, libraries and economic development associations. This diversity clearly indicates the potential for museums and their partners to enhance the quality of civic life.

With funding levels requested for FY2000, IMLS will be able to fund 40 projects under Category 2 of the National Leadership Grant program, an increase of 26 projects. The program should enrich the lives of more than 6,000 students in after school programs.

Grant Highlights:

El Museo del Barrio and Union Settlement Association, East Harlem's largest social service network, are partnering to bring after-school programming to the residents of East Harlem, one of New York City's most ethnically diverse and poorest

communities with *Community Connections After-School Program*. In two years, the partnership will organize five eight-week arts education and art-making courses, which will enrich the Union Settlement's after-school programs by incorporating the rich Latino culture and the collection of El Museo del Barrio.

Studio 3D (Digital Design and Development) is a two-year pilot project, which brings together the Science Museum of Minnesota, Minneapolis Park and Recreation Board, and the Minneapolis Community and Technical College. This partnership will provide after-school programming in science, art and technology to low-income youth ages 10-18 at the Loring Park Art Center. The program will be open weekday afternoons during the school year from 2:30 until 5:30 pm.

Category 3: Professional Practices Awards (formerly Professional Services Program (PSP))

IMLS can extend its outreach to the museum community through supporting the projects and services of the professional organizations serving museums. Professional Practices Awards are an efficient and cost effective mechanism for IMLS to respond to the changing needs of museums and is an ideal vehicle for reaching the nation's small to mid-sized museums. The impact of each award is multiplied by reaching many museums in each organization's service area, whether national, state or regional.

By expanding upon the Professional Services Program, this category will support projects to address many core issues in museums – strategic planning, professional training and leadership development, emergency preparedness, accessibility and public service. Past awards have supported workshops and seminars, technical assistance programs, published materials, museum education projects, economic impact surveys, cultural tourism initiatives and many other professional development activities that can be effectively provided by regional associations. Each project in turn enhances the value of museums to their public.

Training for small museums is the priority for FY2000 in category 3. State and other museum associations affirm that these smaller museums – the largest segment of museums in the country – are often the core links to a community's heritage. They are frequently a community's principal repository of objects that illustrate and preserve its culture, history, ritual and tradition. They may be the center of a community's life and vitality and a cornerstone of economic development. Keeping small museums healthy and up-to-date is a vital task. Museum service organizations, museum colloquia, and individual museums will receive awards through this category to address this important job.

Museum associations, especially state and locally based groups, work closely with small museums. The associations are well equipped to teach and evaluate professional practices. With low-cost, fundamental training, the staffs of small museums stay current in all areas of museum operation. Their increased professionalism translates into better collections care, interpretation and public service and builds community support for the future.

Goal 1) Promote excellence in museum and library services.

Objective

Create and sustain funding programs and activities of national significance that recognize and support excellence in operations.

Outcome

PPA projects disseminate operating strategies to hundreds of museum professionals to increase their public services..

Performance Indicator

Reports indicate member museums are better able to serve the public.

Goal 2) Promote access to museum and library services for a diverse public.

Objectives

Create and sustain programs and activities of national significance that promote and support access to all types of museums for diverse audiences.

Outcome

Museums provide greater access to a diverse public.

Performance Indicators

National surveys indicate increased perception of accessibility and increased use by a diverse public.

In FY 2000, IMLS will shape PPA to respond to needs identified in examining the projects for effectiveness in increasing the quality of public service.

Through this category, IMLS has also been able to target specific one-time needs. In 1998-99, for example, these grants provided support to each state and the District of Columbia to coordinate a "Museums for the Millennium" celebration event, bringing key funding to the state and local level. Projects in such thematic areas as *family celebrations* and *economic development* are coordinated through statewide museum associations. Museums and their constituents join together to celebrate the past and view their joint heritage as a bridge to the future.

The response to this opportunity has been extraordinary. Associations are using their \$10,000 grants creatively and economically, impacting thousands of museums and their publics. Projects have included: statewide workshops on heritage tourism; widely distributed guides to family events at museums; printed and on-line museum brochures; statewide public service announcements about museums, and media partnerships. One state initiated a month-long celebration of family-friendly events as part of its participation in May as Museum Month nationally. Museums across the country found a place at the "tourism table" and developed joint promotions with their tourism agencies.

In FY 2000, IMLS will continue partnering with state associations to improve museum's ability to provide service to their constituency. With the FY2000 funding request, IMLS will provide funds to each state museum association to conduct technology surveys of U.S. museums, providing important data to support the effectiveness of Category 1, *Museums Online*.

Grant Highlights:

The Colorado-Wyoming Association of Museums is responding to a growing need to preserve new materials owned by museums in the two states. The Association is presenting a three part series of collections care workshops in four museum locations around the two-state region, directed toward small museums. These workshops will focus on the preservation needs of the new millennium, with special attention given to the preservation of photographs, paper-based materials, audio-visual tapes, CDs and digitally produced images. This training will assist small museums in preserving their collections for the future use of their communities.

In 1997 and 1998, IMLS supported two national conferences of state museum associations, the first such forums ever held. The meetings brought association staff and officers together to learn practical, effective ways to improve benefits to their members and help them better serve the public. The conferences became a catalyst for state associations to develop stronger communication links and resource sharing tactics. IMLS funding of this project is resulting in new, efficient mechanisms to reach all of the nation's museums with the most current information about the profession. The same system, in turn, will keep IMLS informed about needs and happenings in the field.

Category 4: Model Programs of Museum and Library Cooperation

The Museum and Library Services Act provides IMLS with the opportunity to promote leadership activities in cooperative projects with museum and library partners. The Model Programs of Museum and Library Cooperation are offered jointly by both the Office of Museum Services and the Office of Library Services. These projects promote model programs demonstrating cooperative efforts between libraries and museums.

Application guidelines for these model projects have been developed in conjunction with the Office of Library Services. Initiated in 1998, these grants provide the incentive to creative new thinking that joins two of the most significant educational resources in our communities.

The guidelines for these model cooperative programs mark a new opportunity for libraries and museums to advance the work they do by serving the public in effective and efficient ways, by addressing real community needs, by expanding access to new audiences and by implementing the use of the best and most effectual technologies. Successful proposals to this program have broad national impact, providing models that can be widely adapted or replicated by others to multiply the benefit of Federal support.

Library and museum partnerships—different organizations with similar missions and audiences—working together can broaden the impact of this Federal support. Further, partnerships of libraries, museums and others provide a more effective opportunity to solve problems by sharing strategies. Partnerships extend the impact of federal dollars to more institutions to benefit a broader public.

Grant Highlights:

In 1998, the Florida Center for Library Automation, University of Florida, Gainesville, Florida is undertaking a project to create a virtual library of Florida ecological information, in partnership with the Florida Museum of Natural History, Florida International University, and Florida Atlantic University.

Goal 1) Promote excellence in museum and library services.

Objective

Create and sustain funding programs and activities of national significance that recognize and support excellence in operations.

Outcome

Libraries and museums form partnerships that enhance their service to the public.

Performance Indicator

Model projects demonstrate the value of working collaboratively.

Reports on FY 2000 Museum/Library Collaborations will be analyzed in FY 2003.

Administration

Operations, Research, and Evaluation

At the request level of \$188,500,000, the total agency administrative request is \$5,320,000, or 2.8 % of the total agency request. At that level, the administrative request for the Office of Library Services is 1.7% of the total request and 2% of the request for that office, well under the 3% allowed by law. The administrative request for the Office of Museum Services is 1% of the total request and 6% of the request for that office.

To more clearly illustrate the administrative activities necessary to support each office this request will present those costs as they pertain to the offices separately. The costs presented in the balance of this section pertain to those activities anticipated for the Office of Museum Services only. Justification for the administration of the Office of Library Services may be found in the portion of this submission dedicated to that office.

Funds requested for administration will allow the agency to provide the highest quality service possible to the American public. In developing the estimates detailed below, full consideration has been given to enhancement of customer service and streamlining operations. The management of IMLS is committed to the goals of the Government Performance and Results Act of 1993 as well as the principles of reinventing government and putting its customers first, and has therefore implemented the following measures:

--In conjunction with regularly scheduled conferences held by professional museum associations, IMLS continues to convene sessions in which members of the museum community share their concerns with the Director and their view of how IMLS could best serve their constituencies. IMLS incorporates feedback from these meetings to focus the mission of this agency and to form the core of long range planning.

--IMLS has initiated and is monitoring an active evaluation program of each of its funding categories. Depending on funds available and most prudent use of IMLS work force, IMLS plans to initiate evaluations according to an appropriate schedule. Major components of each evaluation are a client survey, assessment of

Goal 3) Provide high quality service and efficiency of operations

Objective

Sustain ongoing oversight and evaluation of agency's operations and processes to ensure integrity and efficiency and to ensure their relevance to museum and library needs.

Outcome

Management of electronic databases increases agency effectiveness in program, public information and congressional activities.

Performance Indicator

Survey of audiences indicate satisfaction with type and speed of access to agency information. Staff are able to analyze program data more efficiently.

Management Highlights

In 1998 IMLS began to migrate data from museum and library programs to new database software for enhanced tracking and analytical capabilities. In this migration, Y2K conversion problems inherent in the former system will be eliminated.

Objective

Maintain knowledge of and coordination with other public agencies and private organizations.

Outcome

In 1998, IMLS restructured its agency network resulting in vastly greater operational efficiency.

In 1998, IMLS established ad hoc and standing staff committees to ensure continued efficiency of operations across agency

outcomes and management analysis. Programs are improved based on these recommendations.

--IMLS continually questions and improves its systems for the review of applications, criteria for making awards, and evaluation of awards made. Clients surveyed include applicants and reviewers of IMLS applications, who are asked for recommendations on how IMLS might improve its programs and delivery systems.

--IMLS solicits additional policy advice regarding potential changes to its museum funding categories from its advisory body, the National Museum Services Board. Such discussions are held in open sessions of regularly scheduled meetings.

--Proposals for changes in agency policy which affect awards to museum applicants will be proposed through the regulatory process, permitting public notice, public comment. IMLS revisions occur according to comments received as a result of this process.

--The Director of IMLS is engaged in a program of regular, periodic, informal meetings with members of the professional museum community, educators, and representatives of professional museum organizations. These meetings, convened at no cost to the government, inform the agency about the needs of our clients, whether IMLS is currently addressing a sufficient segment of the population, and if not, how the orientation of the agency should change.

--Supplemented with private funds, IMLS has held an annual competition to honor museums who have made a significant contribution to their communities in systemic, lasting ways. The National Award for Museum Service is a low-cost means of celebrating the exemplary outreach of a few select museum models and has received positive museum-wide and national press since its inception in 1994.

Research and Evaluation

An independent evaluation of the Museum Assessment Program was undertaken in 1993. The evaluation confirmed the usefulness of this category and proposed suggestions for cost-effective improvements. Several of these were adopted by the

offices.

Performance Indicators
IMLS is active in effective partnerships.

Management Highlights
In 1998, IMLS teamed with over two dozen Federal agencies in a project called *American Strategy* to help them offer links to their digitized collections make them more accessible to the American people.

In 1998, IMLS staff participation in interagency activities included working with the President's Committee on the Arts and the Humanities and the National Endowments for the Arts and Humanities on several issues of mutual concern including cultural tourism and millennium projects. Other examples of interagency collaboration include the continuation of the formal interagency agreement with the Endowments and National Science Foundation undertaking research on learning, serving on the President's Council on the Arts and the Humanities regarding the Arts and Artifacts Indemnity Act, taking part in the FCC working group on issues of universal service, an intergovernmental task force on Federally owned collections and their funding sources, and agency representation on the Small and Micro Agency Councils.

Objective
Maintain effective communication systems with the museum and library communities.

Outcomes
Museum and library communities recognize IMLS

National Museum Services Board for incorporation into the administration of this category. The Conservation Project Support category was evaluated by an independent consultant in 1994, and results have been incorporated since that time that have streamlined and improved this category.

At the time of this submission, the Conservation Assessment Program is in process of being evaluated. This funding category has, since 1990, provided support to small museums to help them address general conservation and collections care needs.

In 1999, IMLS will undertake an evaluation of the Professional Services Program. This program strengthens the capacity for museum associations to serve their memberships. Among the significant projects are a national data collection for museum communities, the development and distribution of a disaster preparedness tools, and projects to support museums' role in cultural tourism. This evaluation will provide information to make this program more effective and is consistent with the IMLS strategic and performance plans.

In 2000, IMLS requests \$200,000 for the Office of Museum Services in research and evaluation. \$125,000 will enable IMLS research and evaluation activities to continue to compile core information on the impact of the nation's museums in education, cultural preservation and community service. This information will assist IMLS in shaping future programs and activities to help museums improve their public service.

Of the research and evaluation request, \$75,000 will evaluate outcomes of the Museums in the Community funding category. IMLS has continuously emphasized the value of museum partnerships with schools and other institutions in their communities. This evaluation will assess direct and indirect outcomes of IMLS promotion and funding of these types of activities, and will help management determine the future direction of this program.

service goals. Agency use of electronic technology increases efficiency of communication. Agency staff are known to museum and library communities and are accessible.

Success Indicators

Audiences are clear about agency mission. Audiences use electronic technology to a high degree to interact with IMLS. Audiences indicate a high satisfaction with ability to interact person to person with IMLS staff.

Management Highlights

In 1998 IMLS developed and began implementation of a strategic communication plan. Through publications, speeches, and other activities, IMLS is committed to keeping the Administration, Congress, the museum and library communities, and the informed about the value of museums and libraries to our society.

Operations

Since the museum programs were created in 1976, administrative costs have been kept at the lowest possible levels while the agency has maintained a commitment to the highest feasible level of service to the public. Management has encouraged the participation of each employee of the agency in suggesting ways to streamline activities and keep costs down, as well as means for enhancing the quality and delivery of agency services. This cooperative approach has resulted in the adoption of methods and savings in which input from every employee has been solicited and considered.

For the year 2000, IMLS requests \$2,160,000 for the operations and research and evaluation activities of the Office of Museum Services. This sum represents 1% of the total agency request and 6% of the request for that office.

Table C summarizes the funds requested for Administration in 2000. This amount represents approximately one dollar for every sixteen dollars awarded through its grant programs. This request will fund necessary, non-discretionary increases in COLA/locality pay for civil service staff anticipated in the government-wide pay increase in January 2000 and similar increases in such non-discretionary areas as GPO printing, office rent, postage, and GSA contract fares.

The following material provides greater detail of this request, presented by object classifications.

JUSTIFICATION OF OPERATING COSTS BY OBJECT CLASS

1100 Personnel Compensation

1200 Personnel Benefits

1300 Benefits for Former Personnel

In 1997, the creation of the new agency IMLS merged the two staffs of the Institute of Museum Services and the Office of Library Programs from the Department of Education. In conjunction with this merger, the Director organized the agency into three offices: the Office of Museum Services, the Office of Library Services, and Office of the Director. In an effort to streamline activities and maximize efficiency, existing positions were realigned and redescribed. The two new Deputy positions mandated by the Museum and Library Services Act of 1996 were created within existing FTE levels.

The request for personnel costs for 2000 includes costs of within grade increases, planned promotions, and performance awards for qualified staff, and makes use of the effects of lapse savings made possible by delayed hires and turnover. This estimate also includes the annualized costs of the January, 1999 3.6% pay raise for non-Executive Schedule positions. This increase includes both ECI-based and locality pay raises for 1999). The estimate for 2000 anticipates three quarters of a 4.4% increase for Federal positions scheduled to go into effect in January, 2000.

In 2000 IMLS requests an additional two FTE for program positions to administer the digitization initiative within National Leadership Grants for Museums. These positions will also provide backup in research activities that pertain to OMS grants.

To keep Personnel costs at a minimum, the salary for National Museum Services Board members is proposed to remain at \$100/day, well under the amount allowed by law.

Estimates provided for benefits include the agency's share of contributions for health insurance, life insurance, FERS, CSRS, and FICA, TSP match, unemployment benefits and for injuries sustained in the workplace. The cost of benefits incurred by IMLS is anticipated to increase, as the agency contribution for CSRS employees increased 1.51% annually beginning in fiscal 1998. In addition, most employees are covered by the FERS retirement system, which charges the agency a higher cost than CSRS.

2100 Travel and Transportation of Persons

This object class includes cost of travel by IMLS staff and Board members. It includes travel for IMLS staff to make presentations at conferences, visit applicant museums, conduct workshops on IMLS programs, and for staff professional development. In conjunction with activities of national focus such as "21st Century Learner" this object class will also fund IMLS professional staff travel to facilitate roundtable discussion meetings to be held in the various geographical regions of the country.

This object class also includes travel for Board members, which is anticipated to include two regular meetings of the National Museum Services Board and one meeting to be held jointly with the National Commission on Libraries and Information Science. In addition, this request will allow Board representatives to attend IMLS panel meetings, as well as the Museum Assessment Program Advisory Committee meeting, convened by the American Association of Museums. It also includes transportation costs associated with the National Award for Museum Service, authorized by the National Museum and Library Services Act.

2200 Transportation of Things

This object class includes shipping applications to reviewers, panelists, and materials to National Museum Services Board members. It also includes the cost of shipping guidelines, brochures, and other materials to conferences and workshop sites. These materials enhance training by IMLS staff on effective application and evaluation procedures.

2300 Rent, Communications, and Utilities Rental of Space (SLUC)

Equipment rental
Telephone services
Postage

The estimate for space rental includes the OMS portion of IMLS rent. GSA has advised that it will move federal tenants, including IMLS, from its space in the Old Post Office to redevelop the building for private use. The request for GSA rent presumes the agency will be in its current building for the first half of FY 2000 at the rate quoted by GSA 10/5/98, and in new quarters at the market rate of \$45/sq. ft. as early as the last half of FY 2000. As a forced move, we anticipate GSA will bear all costs of move of property and replication of existing telecommunications.

Equipment rental consists of copier rental and rental of audio visual equipment used in the delivery of reviewer training and conference sessions at meetings off-site. The estimate for postage assumes the annualized cost of an across-the-board increase of 2.9% that went into effect in 1999. Postage includes cost to mail applications and guidelines, other IMLS publications, and National Museum Services Board briefing books.

2400 Printing and Reproduction

In 1998 IMLS enhanced its communications strategy, maintaining many of its existing channels but expanding its means of communications to ensure that customers have a variety of ways to obtain and share information. IMLS is strengthening communications through better utilizing the capacity of its website to promote best practices, as well as providing customers with the key services they seek: grant applications and technical assistance. However, many agency customers do not yet have the technological infrastructure in place for this means of dissemination to sufficiently reach them. Consequently, this request includes funds in this object class to enable the agency to continue providing in print such materials as program applications and guidelines, research publications and the agency annual report, and federal register notices. IMLS will simultaneously continue to expand the electronic dissemination of all public materials to prospective customers from institutions of all sizes and in all geographic areas, ensuring that printing costs will be kept to a minimum.

2500 Other Contractual Services

This object class includes costs of equipment maintenance, staff training, bulk mailing services for publications and announcements, honoraria and travel for panelists, per capita costs for processing payment transactions by the Department of the Treasury, per capita charges for employee health unit, and building security. In 1998 IMLS obtained payroll services provided by the Department of Agriculture's NFC which will be continued in 2000. Also included are costs of deliveries of IMLS equipment and materials for presentations at meetings and conferences, temporary clerical services, and production expenses associated with publications.

Through this object class IMLS also funds an interagency agreement with NEH as a valuable cost-saving arrangement for IMLS. Through this agreement IMLS is provided essential administrative services by NEH staff and systems currently in place in the areas of personnel management, accounting, administrative services, equal employment opportunity, automated data processing, LAN management services, legal services and ethics training. The expense of separately creating, staffing, housing, and providing equipment for positions currently serving these functions would far exceed the cost of their services as currently charged, on an as-needed or per-purchase basis.

IMLS will offset these increases through decreases in other expenses wherever possible. For example, GOS reviewers have reported that their reviewer training is more valuable to them than the honorarium they receive for performing their GOS review. Therefore, IMLS proposes to maintain its cost saving measure implemented first in 1996 that eliminates the \$100 per person honorarium paid to each reviewer. This will help offset costs of increased GSA fares and per diem and will more quickly attain the goal of training all GOS reviewers.

2600 Supplies and Materials

An advantage of the cooperative agreement between IMLS and NEH is the opportunity for IMLS to combine purchases of supplies and materials with NEH bulk orders, where possible, to qualify for quantity discounts. This practice will be continued in 2000, as well as carefully comparing prices from a variety of vendors, including items on GSA schedule, for the lowest possible costs.

3100 Equipment

The majority of equipment expenditures are anticipated to be replacement of computer equipment, software, and furniture where repair would be more expensive than replacement. IMLS intends to maximize the usefulness of existing hardware by upgrading equipment rather than purchasing new units wherever possible.

This request also includes upgrades to local area network equipment hard- and software in order to accommodate upgrades in database management and accounting. It is anticipated that costs will be kept to a minimum by working closely with NEH to ensure volume purchase discounts and compatibility of systems, so that the service to our constituents is enhanced.

OFFICE OF LIBRARY SERVICES

Guiding Principles for the Office of Library Services

During the initial year of the creation of the Institute of Museum and Library Services, the Director of IMLS held frequent formal and informal meetings with individuals in the library profession and with representatives of professional library organizations. She participated in discussions of library issues with the National Commission on Libraries and Information Science. Through these numerous meetings, she learned about the vision the library community holds for the new agency and heard their concerns. These conversations demonstrated that the creation of IMLS holds great promise to enhance library service to the public. The underlying principles of the Museum and Library Services Act are well-crafted to address the needs of the nation's libraries.

Libraries confront the challenges and potential of electronic technology in providing public access to resources and services. They are concerned about issues of copyright and fair use; they seek to balance access with preservation. For many library professionals, issues of training, retraining and technical support for library personnel and for library patrons are paramount. The library community faces increasing demands and changing expectations from library users. The library managers seek efficient use of resources, looking at partnerships as one means to achieve that goal. Federal support for the programs of the Office of Library Services of IMLS will address the spirit of the law and the vision the library field has for the new agency.

These issues have been incorporated into the IMLS strategic plan, and they have shaped the budget request for the Office of Library Services.

Library Grants to States (LGS)

Each State Library Agency (SLA) has submitted a five-year plan that describes how they will use IMLS funds to advance the goals of the Library Services and Technology Act. Those goals are to: establish or enhance electronic linkages among libraries; electronically link libraries with educational, social or information services; assist libraries in accessing information through electronic networks; encourage libraries to establish consortia and share resources; pay for computer systems and telecommunications technologies; and target library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children from families with incomes below the poverty line.

These plans were approved by the Director and the first funding was distributed in December, 1997. The 55 plans form the basis for implementing the priorities established by the states through 2001.

As a result of these IMLS State Library Programs, people using all types of libraries are able to get information they want and need because of projects that make content available in all appropriate media, projects that enhance access by improving electronic networks and linkages, and projects that enhance the ability of staff to provide electronic and traditional library services. Common themes in the state plans include programs involving databases, resource sharing and interlibrary loan, Internet access for libraries and the purchase of hardware and software for libraries.

The public will be able to use library services to support life-long learning through projects that support literacy for children and adults, projects that involve helping library users to acquire new knowledge and skills in our rapidly changing society, and projects that provide services to users in support of learning. Although libraries will continue to provide valued traditional services such as programs for children, and books will continue to be used, the new kinds of information resources and computerized management systems require human and social changes in libraries just as they require changes in classrooms, offices and other workplaces.

Goal 1) Promote excellence in museum and library services.

Objective

Create and sustain funding programs and activities of national significance that recognize and support excellence in operations.

Outcome

Libraries advance library services by electronic linkages, computer and telecommunications technology and resource sharing.

Performance Indicator

Higher levels of access and use of electronic networks and linkages.

Goal 2) Promote access to museum and library services for a diverse public.

Objective

Promote access to learning and information resources held by museums and libraries through electronic linkages

Outcome

Libraries increase electronic linkages to resources.

Performance Indicators

Higher levels of electronic access to museum and library resources.

Interim evaluation reports on implementation of the State plans will be available for analysis for FY 2000 performance plan.

People who have difficulty using libraries will have better access to library services as a result of projects that use adaptive technologies or special services to improve access or community outreach projects that target the underserved. Many states will implement services for the blind, handicapped, disabled and other special needs populations.

Members of the public will have access to information in non-library settings through services provided by their libraries because of projects that encourage and support partnerships. Partnerships can involve other libraries, businesses, not-for-profit and governmental agencies. They involve a broader community in supporting and providing information.

People will be aware of the opportunities offered through library services as a result of programs that support and encourage advocacy for libraries and library services. Even the best library services will not be used to the fullest extent unless people know about them and new kinds of library service cannot be developed unless library users as well as library professionals have a sense of what is possible.

Providing excellent and equitable library service requires a variety of integrated resources that can respond to the varying needs of the states. In some states, the federal role is to supplement local and state funding to support innovative programs that broaden the horizons of library service. In others, federal funding bolsters essential services for libraries in rural or poor areas. In still others, federal funding helps encourage cooperative activities that enhance cost-effective library service. Over the years, federal funding has helped build effective state networks that encourage local effort and support a wide variety of library services.

There are many challenges that face the states. Building infrastructure that ensures libraries have access to adequate telecommunications and computer equipment has been a focus for a number of years and will continue as we move into the new millennium. Many states, regional library cooperatives and individual libraries have set the goal of ensuring that all libraries have access to the Internet by the year 2000. This is an admirable goal because it will allow people who need information to access their libraries for electronic services and support additional services. It will also provide a place where people who do not have computers or don't know how to use computers can find assistance.

The agency anticipates that the SLAs will be working hard as we move into 2000 to plan for the next steps that will help people reap the advantages of building an information infrastructure and enhancing Internet access. They will need the resources to ensure this process is successful.

The first grants to States under LSTA were made December 1997. Funds are based on a formula tied to the State's population plus a State minimum of \$340,000. The State plans may be implemented either directly or through subgrants. States are required to provide a match of at least 50% of the federal funds. States may use no more than 4% of their allocations for administration.

IMLS continues to acknowledge the Federal role to support increased access to information services to the public. The goals of the Museum and Library Services Act reflect the strong tradition of libraries providing a central information and education resource for their communities. The emphasis on technology, electronic linkages and resource sharing helps ensure that libraries will continue to be on the forefront of information access now and into the 21st century.

A recent study by the Department of Commerce found that, "while computer penetration has increased nation-wide, there is still a significant 'digital divide' based on race, income, and other demographic characteristics." Other studies have shown that libraries provide essential access points to computers and the Internet. Enhancing equity and helping make excellent library service available to all people is an integral part of the State Plans. There will be a shift toward aiding individual communities in order to include all age groups, particularly the underserved or people who have difficulty using the library, so all can participate.

Grant Highlights

LSTA funds awarded to the state library association of Wisconsin helped the Brown County Library support activities for infants and their parents at a home for teenage mothers, at a neighborhood family resource center, and enabled librarians to visit area high schools to conduct programs which stress to young parents the importance of reading and literacy. The library also trains tutors to work with parents in developing skills to use with their children.

Funds awarded to the North Dakota State Library helped support the Library's Services for the Disabled program. Through it, the Dakota Radio Information Service serves 548 disabled patrons in western North Dakota, providing reading of local news articles, information on adaptive devices and other services, seven days a week.

In Oregon, state funds support a project in which the Oregon School Library Information System, a coalition of education and technology groups, brought librarians from around the state together to analyze a variety of software, computer databases and online information to help teachers determine which of these will best fit into school curricula.

In FY 2000, \$2,632,000 is requested to enable states to extend their reach into additional rural or previously underserved areas. In addition, the increase will help libraries educate the public in the use of libraries' technological infrastructure.

Native American and Native Hawaiian Library Service Grants

The Native American library services program supports the development of basic library services, technical assistance and enhancement of library services. The Native Hawaiian program will improve services for Native Hawaiians. Both the Native American and Native Hawaiian programs target the priorities of LSTA to these often-underserved groups. Some live in remote areas that are difficult to serve. Library services can contribute to solving many problems and can help these groups protect and preserve their cultural heritage.

This program supports Native American and Native Hawaiian communities in providing library service to their communities in three categories:

Support of core library operations provides small grant awards on a non-competitive basis to any eligible Indian tribe or organization representing the tribe who applies for support. These awards ensure a minimum level of public library service.

Technical assistance projects are intended to heighten the level of professional proficiency for library staff. Small non-competitive awards provide support for a variety of educational opportunities.

Specialized project grants support activities to advance the applicant library's operations to new levels of service. These competitive awards are intended to encourage the implementation of both mainstream and innovative practices.

Grant Highlights

With support from IMLS in 1998, the Winnebago Tribe in Nebraska began a two-year project to automate card catalog records, to create a web site highlighting the tribe's collection of Native American materials, and to increase access to that collection through conversion of some materials to electronic formats.

Also in 1998, the Nisqually Tribe in Olympia, Washington, used IMLS support to establish a "Health Information Station," a project to increase access to health and community

Goal 2) Promote access to museum and library services for a diverse public.

Objective

Create and sustain programs and activities of national significance that promote and support access to all types of libraries for diverse audiences.

Outcome

Libraries provide greater access to a diverse public as a result of IMLS support.

Performance Indicator

Libraries serving native communities enhance information access.

information . Through this project the library will enhance print and electronic health resources, and employ tribal youth working as pages to expand library hours.

In FY 2000, \$2,616,000 is requested to increase funding for basic services provided by tribal libraries.

National Leadership Grants for Libraries

IMLS provides National Leadership Grants to enhance the quality of library services nationwide and to promote cooperation and coordination between libraries and museums. The National Leadership Grants are offered jointly by both the Office of Museum Services and the Office of Library Services. These projects may include:

- education and training of persons in library and information science, particularly in the areas of new technology;
- research and demonstration projects related to the improvement of libraries, education in library and information science, enhancement of library services through effective and efficient use of new technologies, and dissemination of information derived from such projects;
- preservation or digitization of library materials and resources; and
- model programs demonstrating cooperative efforts between libraries and museums.

Priorities for this program in the FY2000 budget will be based on the feedback from the first round of projects that were awarded September, 1998. For the first cycle, over 250 proposals were reviewed. These proposal requests total more than \$42 million with \$6,487,750 (including \$1 million from the Museum appropriation) for awards from FY 1998 funding.

These National Leadership Grants guidelines mark an opportunity for libraries to advance the work they do by serving the public in effective and efficient ways, by addressing real community needs, by expanding access to new audiences and by implementing the use of the best and most appropriate technologies. Successful proposals to this program will have broad national impact, providing models that can be widely adapted or replicated by others to multiply the benefit of Federal support.

Library and museum partnerships—different organizations with similar missions and audiences—working together can broaden the impact of this Federal support. Further, partnerships of libraries, museums and others provide a more effective

Goal 1) Promote excellence in museum and library services.

Objective

Create and sustain funding programs and activities of national significance that recognize and support excellence in operations.

Outcome

National Leadership Grants enhance library services and promote museum and library collaboration

Performance Indicator

Library service to the public is enhanced through effective use of new technologies and training.

Model projects demonstrate the value of working collaboratively.

opportunity to solve problems by sharing strategies. Partnerships extend the impact of federal dollars to more institutions to benefit a broader public.

Grant Highlights:

The University of Oklahoma School of Library and Information Studies, Norman, Oklahoma is undertaking a project in 1998 to support master's degree students in the Library and Information Science Education Project to enhance Cultural Diversity, focusing on recruitment of minority students, training in information technologies, and mentoring by peers and faculty.

A project to demonstrate the effectiveness of a Government Information Locator Service (GILS) tool developed by the Washington State Library was supported in 1998 to connect people with government, in partnership with the states of Mississippi, New Hampshire, and Oregon.

The University of Hawaii at Manoa Library, Honolulu, Hawaii was funded in 1998 to develop a digital library of Hawaiian and Pacific Islands materials, using Hawaiian-language newspapers and historical photographs, for use as a teaching tool for Hawaiian-language immersion schools and other purposes.

In FY 2000, \$10,606,000 is requested. \$5,000,000 of this increase will be used for digitization projects to make important library collections more accessible to the public.

Administration

Operations, Research and Evaluation

At the request level of \$188,500,000, the total agency administrative request is \$5,320,000, or 2.8% of the total agency request. At that level, the administrative request for the Office of Library Services is 1.7% of the total request and 2% of the request for that office, well under the 3% allowed by law. The administrative request for the Office of Museum Services is 1% of the total request and 6% of the request for that office.

To more clearly illustrate the administrative activities necessary to support each office this request will present those costs as they pertain to the offices separately. The costs presented in this section pertain to those activities anticipated for the Office of Library Services only. Justification for the administration of the Office of Museum Services may be found in the portion of this submission dedicated to that office.

Funds requested for administration will allow the agency to provide the highest quality service possible to the American public. In developing the estimates detailed below, full consideration has been given to enhancement of customer service and streamlining operations. The management of IMLS is committed to the goals of the Government Performance and Results Act of 1993 as well as the principles of reinventing government and putting its customers first, and has therefore implemented the following measures:

--In conjunction with regularly scheduled regional conferences held by professional library Associations, IMLS continues to convene sessions in which members of the library community share their concerns with the Director and their view of how IMLS could best serve them. IMLS incorporates feedback from these meetings to focus the mission of this agency and to form the core of long range planning.

--IMLS has initiated and is monitoring an active evaluation program of each of its funding categories.

Goal 3) Provide high quality service and efficiency of operations

Objective

Sustain ongoing oversight and evaluation of agency's operations and processes to ensure integrity and efficiency and to ensure their relevance to museum and library needs.

Outcome

Management of electronic databases increases agency effectiveness in program, public information and congressional activities.

Performance Indicator

Survey of audiences indicate satisfaction with type and speed of access to agency information. Staff are able to analyze program data more efficiently.

Management Highlights

In 1998 IMLS began to migrate data from museum and library programs to new database software for enhanced tracking and analytical capabilities. In this migration, Y2K conversion problems inherent in the former system will be eliminated.

Objective

Maintain knowledge of and coordination with other public agencies and private organizations.

Outcome

In 1998, IMLS restructured its agency network resulting in vastly greater operational efficiency.

In 1998, IMLS established ad hoc and standing staff committees to ensure continued efficiency of operations across agency offices.

Performance Indicators

Depending on funds available and most prudent use of IMLS work force, IMLS is initiating evaluations according to an appropriate schedule. Major components of each evaluation are a client survey, assessment of outcomes and management analysis. Programs are improved based on these recommendations.

--IMLS continually questions and improve its systems for the review of applications, criteria for making awards, and evaluation of awards made. Clients to be surveyed include applicants and reviewers of IMLS applications, who are asked for recommendations on how IMLS might improve its programs and delivery systems.

--IMLS solicits additional policy advice regarding potential changes to its funding categories from its advisory bodies, the National Museum Services Board and the National Commission on Libraries and Information Science. Such discussions are held in open sessions of regularly scheduled meetings.

--The Director of IMLS is engaged in a program of regular, periodic, informal meetings with members of the professional library community, educators, and representatives of professional library organizations. These meetings, convened at no cost to the government, are for the purpose of informing her about the needs and identity of our clients: who they are, whether IMLS is currently addressing a sufficient segment of the population, and if not, how the orientation of the agency should change.

Research and Evaluation

The research and evaluation activities of the new agency have been consolidated into one office to serve both the Offices of Museum Services and of Library Services. The three core functions are 1) to contribute to the national knowledge base on museum and library practice using new and existing sources of data, 2) to identify and disseminate promising practices within the library and museum communities using internal information sources from applications and reports and coordinating with other stakeholders, and 3) to improve the procedures for

IMLS is active in effective partnerships.

Management Highlights

In 1998, IMLS teamed with over two dozen Federal agencies in a project called *American Strategy* to help them offer links to their digitized collections make them more accessible to the American people.

In 1998, IMLS staff participation in interagency activities included working with the President's Committee on the Arts and the Humanities and the National Endowments for the Arts and Humanities on several issues of mutual concern including cultural tourism and millennium projects. Other examples of interagency collaboration include the continuation of the formal interagency agreement with the Endowments and National Science Foundation undertaking research on learning, serving on the President's Council on the Arts and the Humanities, taking part in the FCC working group on issues of universal service, an intergovernmental task force on Federally owned collections and their funding sources, and agency representation on the Small and Micro Agency Councils.

Objective

Maintain effective communication systems with the museum and library communities.

Outcomes

Museum and library communities recognize new identity of IMLS. Agency use of electronic technology increases efficiency of communication. Agency staff are known to museum and library communities and are accessible.

evaluating new and ongoing IMLS programs in order to enhance the agency's service museums and libraries and to comply with the GPRA. The overall impact will strengthen the agency's ability to collect and organize data systematically. Early efforts will establish baseline data for future comparisons, resulting in a long-term, cumulative record relevant to the library and museum community.

Through independent evaluations of its funding categories, IMLS obtains an unbiased opinion of how effectively and efficiently its funding categories are addressing its constituency and the American public. IMLS plans to develop a schedule for independent evaluations for Office of Library Services programs compatible with their funding cycles.

In 2000, IMLS requests \$250,000 for library program research activities. IMLS staff is currently working closely with the Chief Officers of State Library Agencies, who administer LSTA awards, to coordinate how LSTA program outcomes will be evaluated and how reporting can be efficiently accomplished. In FY 2000 \$200,000 will assist in this evaluation and reporting activity. Another \$50,000 will be utilized to research the effectiveness of funding of Native American programs and National Leadership Grants.

Success Indicators

Audiences are clear about agency mission. Audiences use electronic technology to a high degree to interact with IMLS. Audiences indicate a high satisfaction with ability to interact person to person with IMLS staff.

Management Highlights

In 1998 IMLS developed and began implementation of a strategic communication plan. Through publications, speeches, and other activities, IMLS is committed to keeping the Administration, Congress, the museum and library communities, and the informed about the value of museums and libraries to our society.

Operations

For the year 2000, IMLS requests \$3,160,000 for the operations, research and evaluation activities of the Office of Library Services. This sum represents 1.7% of the total agency request and 2% of the OLS appropriation requested, well under the 3% permitted by law (authorized by The Museum and Library Services Act).

Table C summarizes the funds requested for Administration in 2000. The following justification provides greater detail of this request, presented by object classifications.

JUSTIFICATION OF OPERATING COSTS BY OBJECT CLASS

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Estimates provided for benefits include the agency's share of contributions for health insurance, life insurance, FERS, CSRS, and FICA, TSP match, unemployment benefits and for injuries sustained in the workplace. The cost of benefits incurred by the Office of Library Services is anticipated to increase after 1997, as new hires will be required to be covered by FERS. Benefits of employees covered by the Civil Service Retirement System will also increase due to the increase of 1.51% in agency contributions by the year 2001.

2100 Travel and Transportation of Persons

This object class includes cost of travel by IMLS staff and Board members for meetings and business related to the activities of the Office of Library Services. It includes travel

for IMLS staff to make presentations at conferences, visit applicant libraries, conduct workshops on IMLS programs, and for staff professional development. This is necessary to monitor the progress of new programs, provide technical assistance, and build new partnerships.

Funds in this object class are also requested to help enable members of the National Museum Services Board to attend its joint meeting with the National Commission on Libraries and Information Science, as required by the Museum and Library Services Act.

2200 Transportation of Things

This object class includes shipping applications for funding to field consultants. It also includes the cost of shipping guidelines, brochures, and other materials to conferences and workshop sites. Cost is estimated based on actual costs incurred historically by IMLS for this activity.

2300 Rent, Communications, and Utilities

- Rental of Space (SLUC)
- Equipment rental
- Telephone services
- Postage

The estimate for space rental includes the OLS portion of IMLS rent. GSA has advised that it will move federal tenants, including IMLS, from its space in the Old Post Office to redevelop the building for private use. The request for GSA rent presumes the agency will be in its current building for the first half of FY 2000 at the rate quoted by GSA 10/5/98, and in new quarters at the market rate of \$45/sq. ft. as early as the last half of FY 2000. As a forced move, we anticipate GSA will bear all costs of move of property and replication of existing telecommunications.

Equipment rental consists of copier rental and rental of audio visual equipment used in the delivery of reviewer training and conference sessions at meetings off-site. The estimate for postage assumes the annualized cost of an across-the-board increase of 2.9% instated in 1999. Postage includes cost to mail applications and guidelines, and other IMLS publications specific to library programs and research.

2400 Printing and Reproduction

In 1998 IMLS enhanced its communications strategy, maintaining many of its existing channels but expanding its means of communications to ensure that customers have a variety of ways to obtain and share information. IMLS is strengthening communications

through better utilizing the capacity of its website to promote best practices, as well as providing customers with the key services they seek: grant applications and technical assistance. However, many agency customers do not yet have the technological infrastructure in place for this means of dissemination to sufficiently reach them. Consequently, this request includes funds in this object class to enable the agency to continue providing in print such materials as program applications and guidelines, research publications and the agency annual report, and federal register notices. IMLS will simultaneously continue to expand the electronic dissemination of all public materials to prospective customers from institutions of all sizes and in all geographic areas, ensuring that printing costs will be kept to a minimum.

2500 Other Contractual Services

This object class includes costs of equipment maintenance, staff training, bulk mailing services for publications and announcements, honoraria and travel for panelists, costs for workshops designed to increase the technical expertise of field reviewers, per capita charges for employee health unit, and building security. Also included are costs of deliveries of IMLS equipment and materials for presentations at meetings and conferences, temporary clerical services, contractual expenses in connection with the joint NCLIS-NMSB board meeting, the cost of legal services that may not be provided through interagency agreements, costs to conduct a staff retreat, and production expenses associated with publications. In 2000 in this object class, the Office of Library Services also hopes to convene meetings of library professionals from each state library association and with Native American tribal library personnel to provide technical assistance.

IMLS has initiated interagency agreements with other federal agencies for a variety of services that will be continued in 2000. Per capita costs for processing payment transactions are provided by the Department of the Treasury, and for payroll services provided by the Department of Agriculture's NFC. In addition, this request includes services provided through an interagency agreement between the National Endowment for the Humanities and IMLS. Through this valuable cost-saving arrangement the IMLS will be provided essential services by NEH staff and systems currently in place in the areas of personnel management, accounting, administrative services, equal employment opportunity, automated data processing, LAN management, legal services and ethics training: some of the services provided by the Department of Education prior to the transfer to IMLS in 1997. The expense of separately creating, staffing, housing, and providing equipment for positions currently serving these functions would far exceed the cost of their services as planned to be charged, on an as-needed or per-purchase basis.

Additional services to be provided through interagency agreements include finance and payment management services with the Department of Education for management and disbursement of library services funds appropriated prior to 1998, and an agreement with the Department of Labor for negotiation of indirect cost rates.

2600 Supplies and Materials

An advantage of the cooperative agreement between IMLS and NEH is the opportunity for IMLS to combine purchases of supplies and materials with NEH bulk orders, where possible, in order to qualify for quantity discounts. This practice will be continued in 2000, as well as carefully comparing prices from a variety of vendors, including items on GSA schedule, for the lowest possible costs. This object class also includes costs of subscriptions to publications.

3100 Equipment

The majority of equipment expenditures are anticipated to be replacement of computer equipment and software in order to accommodate upgrades in the grants management and accounting systems, if repair would be more expensive than replacement. IMLS intends to maximize the usefulness of existing hardware by upgrading equipment rather than purchasing new units wherever possible. It is anticipated that costs will be kept to a minimum by working closely with NEH to ensure volume purchase discounts and compatibility of systems, so that the service to constituents is enhanced.



**Institute of Museum
and Library
Services
Strategic Plan
FY 1997-FY 2002**

Strategic Plan FY 1997-FY 2002: Institute of Museum and Library Services

Introduction

The Museum and Library Services Act of 1996 created the Institute of Museum and Library Services. (A description of the authorizing statute is attached.) It moves the Federal library programs from the Department of Education and moves the museum programs of the former Institute of Museum Services to the new agency. Museums and libraries share many core values. The public depends on libraries and museums as central features of their community's cultural landscape, they count on the library and the museum for lifelong learning opportunities for everyone: families, new citizens, seniors and school children. They know that museums and libraries offer imaginative programs and services, and they have seen tremendous benefits when these institutions partner with schools and other community organizations.

The Institute recognizes, however, that while museums and libraries have many intersections, they are distinct and unique entities with a wide range of issues and concerns that differ and that they are created and sustained to meet different needs. As a result, IMLS provides distinct programs of support for libraries and museums and also encourages partnerships between museums and libraries.

The activities of the 1997 fiscal year have entailed a transition to a new agency for staff, for advisory stakeholders and for the museum and library communities. The goals and objectives that have been accomplished in 1997 are part of this strategic plan.

External Environment

The American public demands much of its museums and libraries. In response, museums and libraries provide a vast array of services to broad audiences in cities and towns throughout the country. Museums and libraries share educational missions and provide an enriched environment for lifelong learning. Museums and libraries are central to their communities and, through their programs and services, continue to meet society's changing needs. Technology provides a new tool that can enhance the museum and library experience as well as expand the reach of these institutions to schools, home and work. The role of museums and libraries is critical for providing enriched content for the Internet technology.

IMLS makes grants to museums and libraries to help them meet their public demands. Over ninety percent of IMLS appropriations is expended in grants for IMLS approved project activities taking place over several months or years.

Understanding the outcomes of the agency's grant making activities is crucial to evaluating the agency's performance in accomplishing its mission. IMLS currently engages in numerous collaborations with the library and museum fields to coordinate activities to collect appropriate information by which to evaluate the outcomes of its programs. IMLS is working closely with administrators of major grant programs to develop effective, systematic and comparable information collections. IMLS is also coordinating with associations representing libraries and museums to identify how information can be collected nationally to measure the overall impact of IMLS funding in the fields they represent. Given the purposes of IMLS grants to libraries and museums, the full outcome of IMLS grant funding may need to be considered in the long term, evaluating the cumulative impact of multiple years' activities. (See more discussion of IMLS evaluation plans in the strategies for goal number one.)

Internal Environment

In order to respond to the needs of the library and museum communities the Director has consulted with key members of organizations representing the professions and convened several formal and informal hearings, forums and meetings to gather information on the issues. The goals and objectives of this plan reflect the information gathered over this year of transition as to how IMLS can help museums and libraries in service to the public.

Part of the IMLS strategic plan targets the agency's internal operations. IMLS staff has a history of dedication to and success at a high level of public service. Staff at all levels participated in deliberations in the preparation of the strategic plan and how to measure outcomes. IMLS staff will continue to involve all staff in evaluations and improvement of its internal operations and its interactions with the public it serves.

As IMLS moves into a results-oriented environment, it will use its reorganized staff to continue its hallmark of efficient operation. IMLS is a small agency with 40 full-time positions. Only two of those positions, working with program offices staff, are directly involved with evaluation of agency programs and their outcomes. IMLS will augment its outcome measurement by working with grantees and associations, as currently done, and by making efficient use of independent consultants.

IMLS has a small public information staff, but it uses a number of efficient avenues to inform stakeholders of its goals and objectives, in planning and performance measures as well as in other areas of activity. IMLS uses traditional publications, press releases, broadcast fax, email (soon to implement an electronic mailing list) and a web site.

IMLS program staff have a long tradition of being fully responsive to the constituencies they serve. They are readily accessible by phone and email and provide counseling to grantees and potential grantees both in their Washington offices and in frequent travel to meetings which convene large groups of customers.

Mission

The Institute of Museum and Library Services exercises leadership in increasing and enhancing museum and library services to a broad and diverse public. A Federal role to improve museum and library services is necessary because national leadership can accomplish many goals that cannot be achieved through other means. Federal leadership encourages public access, helps leverage additional public and private support, and provides a national forum to convene experts and disseminate promising practices.

The Institute of Museum and Library Services is fortunate to draw its mission from the clear statements of purpose provided in the Museum and Library Services Act which created it.

IMLS, an independent Federal agency, fulfills its mission through the Office of Museum Services by:

- encouraging and assisting museums in their educational role;
- assisting museums in conservation care; and
- providing assistance for increasing use by the public.

IMLS fulfills its mission through the Office of Library Service by:

- promoting access to learning and information resources;
- promoting library services to all users through electronic networks;
- providing linkages among and between libraries; and
- promoting library services to people with diverse backgrounds, abilities and skills.

Goals

The three following goals unify the legislatively designated mission and purpose of both the Office of Library Services and the Office of Museum Services:

- 1) IMLS will consistently promote excellence in museum and library services;
- 2) IMLS will consistently promote access to museum and library services for a diverse public; and
- 3) IMLS will consistently provide high quality of service and efficiency of operations.

Goal 1) IMLS will consistently promote excellence in museum and library services.

Objective

Create and sustain funding programs and activities of national significance that recognize and support excellence in operations.

Strategies

Ensure IMLS programs of support for libraries and museums are responsive to the needs of museums and libraries and the public they serve. Continuously evaluate agency programs, analyzing grantees' reports and analyzing grant goals and objectives to assess the programs' success in supporting excellence in operations. IMLS has found that rigorous internal and external evaluation of programs is an effective way to ensure it meets museum and library needs. Previous evaluation findings led IMLS to make substantive changes in grant programs, which in turn shape our plans for the future.

IMLS will establish a research office within the agency in order to consolidate and strengthen research and evaluation activities. To enact this strategy IMLS will coordinate with other organizations collecting information on libraries and museums, incorporating external data collections and analyses into the agency's overall research and evaluation activities. Through existing, ongoing internal information sources and from new, independent collections of information, IMLS will use the findings to enhance the agency's support of library and museum service to the public.

IMLS will focus evaluation activities on specific programs annually to assess national impact. Previously, three museum grant programs have been evaluated by independent contract. IMLS has requested funds for an independent evaluation of the

IMLS provides the following separate programs of support for libraries and museums:

Office of Library Services Grants to States

Awards are made to the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia and the Republic of Palau. These awards are made according to statutory requirements of the Museum and Library Services Act. The grants are made upon the receipt and approval of a State Plan which specifies how the funds will be used to accomplish the goals of the program. The goals of the program in summary are to enhance electronic linkages, acquire and share computer and telecommunications technology, share resources, and extend service to underserved portions of the public.

Indian Library Services

Three types of grants are made to provide services to Indian tribes: 1) grants for core library operations, 2) technical assistance, 3) specialized project grants. Grants for core operations are made non-competitively to any eligible tribe. Other types of awards are made competitively.

National Leadership Grants

Conservation Assessment Program in 1998. IMLS intends to request funds for independent evaluation of other programs in future fiscal years, generally evaluating a single program in a fiscal year.

Develop and implement a plan to identify, validate and disseminate to the museum and library communities promising practices for replication and adaptation. IMLS will continue to consult with the library and museum community on the need and value of identifying and disseminating models of best practice. IMLS will evaluate its reporting requirements for their effectiveness in identifying promising practices and will establish new reporting requirements on an annual basis, or as needed. IMLS will initiate systematic analysis of performance reports from awards to identify potential models of promising practices. Implement, monitor and evaluate and revise the dissemination plan.

Work with the library and museum communities to investigate mechanisms for effective dissemination networks. Increase emphasis in program guidelines on evaluation and dissemination as part of project activities. Investigate potential benefit of providing supplemental dissemination awards to effective models developed in IMLS supported projects.

Performance Indicators

Public service and organizational practices are enhanced. Museum and library personnel have access to a resource of promising practices to improve museum and library operations.

Goal 2) IMLS will consistently promote access to museum and library services for a diverse public.

Objectives

A) Create and sustain programs and activities of national

These competitive awards are for four types of project activities: 1) education and training in library and information science, 2) research and demonstration projects, 3) preservation or digitization, 4) library and museum collaborative awards.

Office of Museum Services
General Operating Support Awards are made competitively to museums with outstanding operations to improve the quantity and quality of service to the public.

Museum Assessment Program
Three types of professional assessments are available to museums so that they may identify the areas of operation most in need of improvement and methods to improve those operations.

Conservation Project Support
Project awards are made to improve the care of the nation's collections held in museums. Project activities extend the life of collections, ensuring they are available to future generations.

Conservation Assessment Program
Awards for professional consultation to identify conservation priorities and provide information on to improving collections care.

National Leadership Grants
These competitive awards are for four types of project activities: 1) Museums Online; 2) Museums in the

significance that promote and support access to all types of museums and libraries for diverse audiences.

Community; 3) Professional Practices Awards; and 4) Museums and Library Collaborative Grants.

Strategies

IMLS will emphasize in program guidelines the need for applicants to evaluate their efforts to broaden access as part of project activities. IMLS will develop a system of ongoing analysis to evaluate success of funded projects to reach broad audiences. IMLS will revise programs as needed based on analysis.

Performance Indicator

Museums and libraries provide greater access to diverse audiences.

B) Promote access to learning and information resources held by museums and libraries through electronic linkages.

Strategies

Support State Library Agency plans for enhancing networks of libraries through the use of new technologies. As necessary, emphasize the increased access for users through these linkages among all types of libraries. Identify and support national models for increasing access to museum and library services using advanced technology. Work with museums and libraries to evaluate success of technology to provide access.

Performance Indicators

Libraries and museums increase electronic linkages to resources.

C) Develop a comprehensive communication strategy designed to increase awareness of the significant impact museums and libraries have on the quality of life in their communities.

Strategies

Continue to consult with library and museum community on need and value of promoting public awareness of museums' and libraries' roles in quality of

life. IMLS will evaluate its current agency activities and practices in promoting museums and libraries to the public. Continue to work with leaders in the museum and library fields to objectively document the impact of museums and libraries in their communities.

Investigate effective communication channels within communities and how museums and libraries can disseminate information through those channels.

Annually recognize with the National Award for Museum Service the contribution of individual museums to the quality of life in their communities.

Performance Indicators

Libraries and museums have documentary materials to use in public awareness campaigns.

D) Encourage and enable partnerships between museums and libraries and other organizations, institutions and agencies.

Strategies

IMLS will emphasize in program guidelines the desirability for applicants to develop projects involving partnerships and will apply this criteria to program applications. IMLS will identify other organizations, institutions and agencies with an interest in library and museum services and will promote partnerships with these entities.

Performance Indicators

Libraries and museums are more actively engaged in seeking and forming partnerships.

3) IMLS will consistently provide high quality service and efficiency of operations.

Objectives

A) Sustain ongoing oversight and evaluation of agency's

operations and processes to ensure integrity and efficiency and to ensure their relevance to museum and library needs.

Strategies

Systematically evaluate award-making procedures, particularly to include use of advanced technology, including evaluating management of electronic files in a new relational database.

Reorganize staff for the new structure of IMLS, with special attention to the requirements for implementing GPRA. Develop and implement annual GPRA performance plans, integrating monitoring and evaluation of performance plans into ongoing activities.

Performance Indicators

IMLS increases efficiency and improves evaluation practices.

Award-making procedures use technology efficiently to streamline staff functions and to reduce application and reporting burden for applicant.

B) Maintain knowledge of and coordination with other public agencies and private organizations.

Strategies

Develop and maintain comprehensive and accurate information on activities of other funders pertaining to museum and library services. Coordinate or enter into partnerships with other funders involved with supporting museum and library services to promote efficient means of addressing the broad needs of libraries and museums in serving the public.

Performance Indicators

IMLS programs for libraries and museums are integrated into a diverse and effective support system involving a number of agencies and organizations.

C) Maintain effective communication systems with the

museum and library communities, Congress and the general public.

Strategies

IMLS will use a variety of communication methods including speeches, special events, press releases, and

other publications to provide information about agency procedures and accomplishments.

IMLS will implement the agency's identity program reflecting its new authorization to serve museums and libraries. IMLS will use its website to incorporate its new mission and service community. IMLS will evaluate the capacity of the museum and library communities to benefit from electronic communication with the agency and will use this information to facilitate electronic processes into application, review and grant management systems.

IMLS will maintain a strong role of staff representation of agency at professional association meetings and will periodically evaluate client/customer satisfaction with staff services.

Performance Indicators

Museum and library communities recognize IMLS role of support. IMLS effectively uses electronic technology in communication. IMLS staff are known to library and museum communities and are accessible to them.

The FY 2000 performance plan addresses each goal of the strategic plan and includes specific outcomes and success indicators.

Appendix--Summary of Museum and Library Services Act of 1996

Provisions of the Authorizing Legislation for the Institute of Museum and Library Services:

Summary

This legislation reauthorizes Federal library and museums program.

The law consolidates several library titles and moves them from the Department of Education to the Institute. The Office of Library Services provides library programs that are primarily grants to States for technology and service to underserved communities. A small allotment supports programs of national significance; these programs may include support for joint museum/library collaborations. The library programs were authorized at \$150 million in FY 97 and such sums as may be necessary for fiscal years 1998-2002. This legislation also amends the National Commission on Libraries and Information Science Act to add to the Commissioners' responsibilities advising the Director of the Institute on library and joint library/museum programs. The Commission is composed of the Librarian of Congress, the Director of IMLS (ex officio) and 14 members appointed by the President and confirmed by the Senate.

The legislation for museum programs remains very much the same as it has for the past twenty years. The legislation is broad and flexible enough to allow the Institute to support improvement of museum services in a variety of ways. The new legislation authorizes the Director, with the advice of the National Museum Services Board to make annual National Award for Museum Service awards. This institutionalizes the award and will assure that it continues into the future. The museum program was authorized at \$28.7 million in FY 97 and such sums as may be necessary for fiscal years 1998-2002. The legislation continues the National Museum Services Board, consisting of the Director and 14 members appointed by the President and confirmed by the Senate. The National Museum Services Board is established within the Institute to advise the Director on museum programs and on joint museum/library programs.

Subtitle A General Provisions

The Institute of Museum and Library Services is established within the National Foundation on the Arts and Humanities. The Institute consists of an Office of Museum Services and an Office of Library Services.

The Institute is headed by a Director appointed by the President for a four-year term, by and with the advice and consent of the Senate. The initial Director is the Director of the Institute of Museum Services at the date of enactment. Beginning with the second individual appointed Director, every second individual will have special competence with regard to library and information services, and every second individual will have special competence with regard to museum services.

A Deputy Director shall head the Office of Library Services, and shall be appointed by the Director from among individuals having a graduate degree in library science and expertise in

library and information services. A Deputy Director shall head the Office of Museum Services, and shall be appointed by the Director from among individuals having expertise in museum services.

The Director is authorized to accept gifts to further the functions of the Institute.

Subtitle B Library Services and Technology Act

Purposes of the LSTA subtitle are:

- to consolidate Federal library service programs;
- to stimulate excellence and promote access to learning and information resources in all types of libraries for individuals of all ages;
- to promote library services that provide all users access to information through State, regional, national and international electronic networks;
- to provide linkages among and between libraries; and
- to promote targeted library services to people of diverse geographic, cultural, and socioeconomic backgrounds; to individuals with disabilities, and to people with limited functional literacy or information skills.

Appropriated funds go to Secretary of Education who transfers them to Institute of Museum and Library Services. Allotment of LSTA funds is four percent for national leadership competitive grants/contracts; one and a half percent for library services for Indian tribes, up to three percent for Federal administration and the remainder allotted by formula to States via State Library Agencies.

Grants to States

The State-based LSTA program provides a minimum allotment of \$340,000 with the remainder based on population, four percent limit on funds used for State-level administration, one-third matching required from nonfederal, State, or local sources, and maintenance of effort on State-level expenditures for similar purposes from the average of the three previous years.

Each State files a five-year State plan with IMLS for approval which must be developed with library/library user input, be broadly representative and be publicly available. The State must provide an independent evaluation/report required prior to the end of the five years.

Purposes for which State-based LSTA funds could be used by State Library Agencies directly or through subgrants or cooperative agreements are:

- establishing or enhancing electronic linkages among or between libraries;
- electronically linking libraries with educational, social, or information services;
- assisting libraries in accessing information through electronic networks;
- encouraging libraries in different areas, and encouraging different types of libraries, to establish consortia and share resources;
- paying costs for libraries to acquire or share computer systems and telecommunications technologies; and

- targeting library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children (from birth through age 17) from families with incomes below the poverty line.

Services for Native American Library Services

The Institute makes grants to Indian tribes and to organizations that primarily serve and represent Native Hawaiians for the same purposes as State-based funds.

National Leadership Grants or Contracts:

The Institute establishes and carries out a program awarding national leadership grants, cooperative agreements or contracts to enhance the quality of library services nationwide and to provide coordination between libraries and museums. Such grants, cooperative agreements or contracts shall be used for activities that may include:

- education and training of persons in library and information science, particularly in areas of new technology and other critical needs, including graduate fellowships, traineeships, institutes or other programs;
- research and demonstration projects related to the improvement of libraries, education in library and information science, enhancement of library services through effective and efficient use of new technologies, and dissemination of information derived from such projects;
- preservation or digitization of library materials and resources, giving priority to projects emphasizing coordination, avoidance of duplication, and access by researchers beyond the institution or library entity undertaking the project; and
- model programs demonstrating cooperative efforts between libraries and museums.

Subtitle C Museum Services

Purposes of Museum Services subtitle are

- to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and postsecondary education and with programs of nonformal education for all age groups;
- to assist museums in modernizing their methods and facilities so that museums are better able to conserve the cultural, historic, and scientific heritage of the United States; and
- to ease the financial burden borne by museums as a result of their increasing use by the public.

The Director with the advice of the National Museum Services Board may annually award a National Award for Museum Service to outstanding museums that have made significant contributions in service to their communities.

Grants to museums

The Institute makes grants to museums to pay for the Federal share of the cost of increasing and improving museum services through such activities as:

- programs that enable museums to construct or install displays, interpretations, and exhibitions in order to improve museum services provided to the public;
- assisting museums in developing and maintaining professionally trained or otherwise experienced staff to meet the needs of museums;
- assisting museums in meeting the administrative costs of preserving and maintaining the collections of museums, exhibiting the collections to the public, and providing educational programs to the public through the use of the collections;
- assisting museums in cooperating with each other in developing traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan
- assisting museums in the conservation of their collections;
- developing and carrying out specialized programs for specific segments of the public, such as programs for urban neighborhoods, rural areas, Indian reservations, and penal and other State institutions; and
- model programs demonstrating cooperative efforts between libraries and museums.

Contracts and Cooperative Agreements

The Institute supports through contracts and cooperative agreements with appropriate entities to pay for the Federal share of enabling the entities to undertake projects designed to strengthen museum services. No more than 15 percent of the appropriation for Museum Services may be used for these contracts and cooperative agreements.

COMMISSION OF FINE ARTS

BUDGET JUSTIFICATIONS, FY 2000



COMMISSION OF FINE ARTS

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COMMISSION OF FINE ARTS
General Statement

The Commission of Fine Arts was established in 1910 (40 U.S.C. 104) to fill the need for a permanent advisory agency whose members would be qualified to make available to the Government expert opinion on questions of art and architecture. The Commission's mission, as design proposals are brought before it, is to safeguard and improve the appearance and symbolic significance of the City as a capital for the benefit of the citizens of the United States and foreign visitors. Specifically, the Commission provides knowledgeable advice on matters pertaining to architecture, landscape architecture, and sculpture to all branches and departments of the Federal and District of Columbia governments when such matters affect the National Capital.

In addition, the Commission advises on the design of circulating and commemorative coinage and must approve the siting and design for American memorials, both in the United States and on foreign soil, in accordance with the American Battle Monuments Act and the Commemorative Works Act.

The Commission is composed of seven members, appointed by the President, who serve without compensation, receiving only actual travel expenses relative to attending meetings. Since the Commission's inception, 105 distinguished architects, landscape architects, painters, sculptors, and laymen in the field of fine arts have given freely of their time, experience, and professional skills in advising the President, the Congress, and Government agencies on matters involving the fine arts.

Lastly, the Commission administers the National Capital Arts and Cultural Affairs program, which was created by Congress to benefit non-profit local cultural entities whose primary purpose is to provide the City with exhibit or performance art.

Specific functions as mandated by law require the Commission to:

1. Advise executive departments of the Federal Government on any matters of an aesthetic nature, especially those pertaining to architecture and landscape programs that affect the appearance of the National Capital.
2. Advise on any matters of an aesthetic nature that may be put forward by committees of Congress.
3. Advise the President and members of the administration on aesthetic matters upon their request.
4. Advise on the design of medals, seals, insignia, and circulating and commemorative coinage.

5. Approve submissions by the American Battle Monuments Commission on matters pertaining to the location and design of memorials both foreign and domestic.
6. Approve submissions under the Commemorative Works Act on matters pertaining to the location and design of memorials in and around the Capital.
7. Advise the District of Columbia Government on all public construction, as well as private construction in certain areas of the city as designated by Congress under the Shipstead-Luce and Old Georgetown acts.
8. Administer the National Capital Arts and Cultural Affairs program.
9. Advise the Department of State through Section 206 of the Foreign Missions Act on designs proposed for foreign chanceries in all areas under the jurisdiction of the Commission, including the International Center.

In addition to those functions mandated by law:

Approve acquisitions as proposed by and for the Freer Gallery of Art in accordance with a codicil to the Will of Charles Lang Freer.

The following summary provides a comparison between the FY 1999 estimate and the FY 2000 request:

		FY 1999 <u>Enacted</u>	FY 2000 <u>Request</u>	Increase Decrease <u>(+/-)</u>
Salaries and Expenses	\$	898	1,078	+180
	FTE	7	7	-
National Capital Arts & Cultural Affairs	\$	7,000	6,000	-1,000
	FTE	-	-	-
Total		<u>7,898</u>	<u>7,078</u>	<u>-820</u>
	FTE	7	7	-

Highlights of the FY 2000 Request

The Commission of Fine Arts is requesting a Salaries and Expenses appropriation of \$1,078,000 for FY 2000 to finance the expenses of the members of the Commission and the salaries and related costs necessary to finance a supporting staff and maintain the present level of operations. This is an increase of \$180,000 above the FY 1999 enacted level. This increase is needed to cover the estimated \$143,000 required for a publication on historic architecture in Georgetown as well as additional uncontrollable costs in FY 2000.

In 2000, \$6,000,000 is requested for the National Capital Arts and Cultural Affairs program, which represents a \$1,000,000 decrease below the FY 1999 enacted level due to the need to meet this agency's FY 2000 budget ceiling.

Appropriation Language Sheet**COMMISSION OF FINE ARTS****Salaries and Expenses**

For expenses made necessary by the Act establishing a Commission of Fine Arts, (40 U.S.C. 104), [\$898,000] \$1,078,000: *Provided, That beginning in fiscal year 2000 and thereafter, the Commission is authorized to charge fees to cover the full costs of its publications, and such fees shall be credited to this account as an offsetting collection, to remain available until expended without further appropriation. (Department of the Interior and Related Agencies Appropriations Act, 1999, as included in Public Law 105-277, section 101(e).)*

Justification of Appropriation Language Change

The request for a change in the Appropriation Language is to allow the Commission to charge and receive receipts from the sale of its publications. Receipts would be credited to the Commission's Salaries and Expenses account, permitting the accrual of said funds for use toward the cost of producing subsequent publications. The change is intended to create a more business-oriented approach to Commission operations, in part offsetting potential costs to the Government in the future.

COMMISSION OF FINE ARTS
Salaries and Expenses
Uncontrollable and Related Cost Changes
(Dollar amounts in thousands)

Additional cost in FY 2000 of the January Pay Raises

	1999	2000
	<u>Estimate</u>	<u>Change</u>
1999 Pay raise.....	\$571	/+4

The adjustment is for an additional amount needed in FY 2000 to fund the remaining 3-month portion of the estimated cost of the 3.6 percent increase effective in January 1999.

	1999	2000
	<u>Estimate</u>	<u>Change</u>
2000 Pay raise.....	\$571	/+15

The amount displayed represents the additional costs of funding an estimated 4.4 percent January 2000 pay increase for GS-series employees and the associated pay rate changes made in other pay series.

Other Uncontrollable Cost Changes:

	1999	2000
	<u>Estimate</u>	<u>Change</u>
Rental Payments to GSA.....	\$167	/+15

The adjustment is for changes in the costs payable to General Services Administration resulting from changes in rates for office and non-office space as estimated by GSA.

	1999	2000
	<u>Estimate</u>	<u>Change</u>
Working Capital Fund.....	\$ 32	/+3

The change reflects expected changes in the charges of Department of the Interior services and other services through the working capital fund.

TOTAL, UNCONTROLLABLE COST CHANGES.....	+ 37	
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Justification of Program and PerformanceActivity: Salaries and Expenses

	FY 1999 Enacted <u>To Date</u>	Uncontrollable <u>Changes</u>	Program <u>Changes</u>	FY 2000 <u>Budget</u>	Change From <u>FY 1999</u>
(\$000)	898	+37	+143	1,078	+180
FTE	7	-	-	-	-

Authorization: 40 U.S.C. 104.

Objectives: To ensure that the city and the people of Washington have a small, effective design review agency to enhance the appearance of the city, and to advise the president, Congress, and various agencies of the Federal and District governments on proposed projects and existing conditions in the Capital. This requires professional expertise provided by seven Presidentially-appointed, well-qualified "judges of the arts" supported by a small professional staff.

To provide a professional level of advice through review and liaison with the District of Columbia and Federal governments; to provide the administrative services that are required to communicate the advice of the Commission; and to keep accurate records of the Commission's actions.

To provide a professional level to the Commission in the administration of its approval authority over the design and location of battle monuments and commemorative works as required by the specific statutes authorizing them.

To produce as required research on buildings, areas, and plans of and in the city of Washington and to make this historical and architectural information generally available to the public, to other government agencies, and to the Commission. As plans evolve for parts of the city, it is desirable to have specific resources identified in advance and to avoid destruction or impairment of those resources. The specially trained staff of architects and historians performing this documentation and planning work are also available to the Commission on a case-by-case basis to provide supporting material on proposed projects, sometimes on very short notice.

Program Activities: The Commission of Fine Arts, an independent agency, reviews proposals affecting the appearance of the Capital, and advises the President, the Congress, and the agencies of the Federal and District of Columbia governments on architectural designs and other matters of art. It also conducts review, administration, liaison, research, and publication activities. The Commission's approval on design and location of monuments and memorials is required as specified under the Commemorative Works Act and the American Battle Monuments Act.

The Commission provides advice on the development of the Capital through study, inspection,

research, and expert consultation. It maintains continual involvement in ongoing projects such as the International Center, the Federal Triangle, and other special areas of the city. It publishes studies on the historical development of the Capital. Some of the material assembled is published so as to be permanently available to government agencies as well as the general public.

The Commission provides advice on design, planning, and historic preservation as required by law in the administration of the Federal and District of Columbia governments. This advice has been at minimal cost to the Government with modest increases reflecting higher overhead costs.

Program change from 1999 enacted level: The Commission of Fine Arts is requesting a \$143,000 program increase in FY 2000. The increase allows production of a new publication on the historic architecture of Georgetown in Washington, DC. The proposed publication meets the mandate authorized by Congress in the creation of the Old Georgetown Act (P.L. 808, DC Code 5-801, section 4). In addition, the publication would be a tribute to the Bicentennial of the Capital and, with a publication date of October 2000, would mark the 50th anniversary of the Old Georgetown Act.

During the 1960s, the Commission published a number of books documenting buildings of particular or perceived vulnerability in the Georgetown historic district. In time, this effort progressed to other areas of the city, culminating in four highly acclaimed volumes on the architecture and history of a number of distinguished buildings lining Massachusetts Avenue and Sixteenth Street. These works resulted in both thoroughfares becoming important historic districts in their own right.

In the previous Georgetown publications, documentation focused primarily on small buildings of historic worth that were deemed most vulnerable to change. The new publication will focus on properties of far greater architectural and historical significance. It can be said that these properties, which in many ways epitomize the early years of American artistic, commercial, and social endeavor in the National Capital, were the chief reason behind the creation of the Old Georgetown Act.

In order to produce a scholarly book of long-lasting worth, several years of intensive work on a number of levels are required. Thus, in FY 1998, the Commission approached the Historic American Buildings Survey of the National Park Service to aid in the documentation, as outlined in the original Congressional mandate.

In an agreement between the Commission and the Historic American Buildings Survey, a plan was devised resulting in enthusiastic responses from both property owners and the community, as well as significant in-roads into the documentation of a number of residences in the summer of 1998. To date, \$120,000 has been invested for measured drawings, architectural analysis, historical research, and photography, and plans have been formed for continued effort in FY 1999. The additional \$143,000 in FY 2000 is for the remaining research and photography, the associated costs of the typography and design for the publication, and its printing. Appropriation language has been requested to allow the proceeds from the sale of Commission publications to be returned to the Commission to help defray the cost of future publications. In this instance, 4,800 copies will be made available for sale at commercial book stores for approximately \$70.00 each, with estimated profits to the Commission of \$20.00 per volume to be available to fund future publications.

**COMMISSION OF FINE ARTS
SALARIES AND EXPENSES**

Program and Financing (in millions of dollars)

Identification code 95-2600-0-1-451		1998	1999	2000
		Actual	Estimate	Estimate
Obligations by program activity:				
10.00	Total obligations.....	1	1	1
Budgetary resources available for obligation:				
22.00	New budget authority (gross).....	1	1	1
23.95	New obligations.....	-1	-1	-1
New budget authority (gross), detail:				
40.00	Appropriation.....	1	1	1
Change in unpaid obligations:				
73.10	New obligations.....	1	1	1
73.20	Total outlays (gross).....	-1	-1	-1
Outlays (gross), detail:				
86.90	Outlays from new current authority	1	1	1
Net budget authority and outlays:				
89.00	Budget authority.....	1	1	1
90.00	Outlays (net).....	1	1	1

**COMMISSION OF FINE ARTS
SALARIES AND EXPENSES**

Object Classification (in thousands of dollars)

Identification code 95-2600-0-1-451		1998	1999	2000
		Actual	Estimate	Estimate
	Personnel compensation:			
11.1	Full-time permanent.....	456	473	488
11.5	Other personnel compensation.....	20	20	20
11.9	Total personnel compensation.....	476	493	508
11.2	Personnel benefits: Civilian.....	83	98	102
21.0	Travel and transportation of persons.....	7	7	7
23.1	Rental payments to GSA.....	154	167	182
23.3	Communications, utilities, and miscellaneous charges.....	13	13	13
24.0	Printing and reproduction.....	6	6	115
25.2	Other services.....	55	45	54
25.3	Purchases of goods and services from Government accounts.....	54	44	54
26.0	Supplies and materials.....	28	20	20
31.0	Equipment.....	31	5	23
99.9	Total obligations.....	907	898	1,078

**COMMISSION OF FINE ARTS
SALARIES AND EXPENSES**

Personnel Summary

Identification code 95-2600-0-1-451			
	1998	1999	2000
	Actual	Estimate	Estimate
Total compensable work-years:			
Full-time equivalent employment.....	6	7	7
Full-time equivalent of overtime and holiday hours.....	0	0	0

Appropriation Language Sheet**COMMISSION OF FINE ARTS**
National Capital Arts and Cultural Affairs

For necessary expenses as authorized by Public Law 99-190 (20 U.S.C. 956(a)), as amended, [\$7,000,000] \$6,000,000. (*Department of the Interior and Related Agencies Appropriations Act, 1999, as included in Public Law 105-277, section 101(e).*)

Justification of Program and PerformanceActivity: Grants

	FY 1999 Enacted <u>To Date</u>	Uncontrollable <u>Changes</u>	Program <u>Changes</u>	FY 2000 <u>Budget</u>	Change From <u>FY 1999</u>
(\$000)	7,000	-	-1,000	6,000	-1,000
FTE	-	-	-	-	-

Authorization: 99 Stat. 1261; 20 U.S.C. 956a

Objectives: The FY 1988 Department of the Interior and Related Agencies Appropriations Act transferred administrative responsibility for the National Capital Arts and Cultural Affairs program from the National Endowment for the Humanities to the Commission of Fine Arts. This program provides grants for general operating support to District of Columbia non-profit arts and other cultural organizations.

Program change from 1999 enacted level: A reduction of \$1,000,000 below the FY 1999 enacted level is requested for the National Capital Arts and Cultural Affairs program in FY 2000. This reduction is due to the need to meet this agency's FY 2000 budget ceiling. The result will affect current NCACA grant recipients. Since 1988, the number of grantees has increased from 16 to 20. It is anticipated that new eligible recipients will be added from time to time. Clearly, the requested reduction in the funding level will result in lower grants per recipient.

**COMMISSION OF FINE ARTS
NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS**

Program and Financing (in millions of dollars)

Identification code 95-2602-0-1-503		1998 Actual	1999 Estimate	2000 Estimate
Obligations by program activity:				
10.00	Total obligations			
	(Object class 41.0).....	7	7	6
Budgetary resources available for obligation:				
22.00	New budget authority (gross).....	7	7	6
23.95	Total new obligations.....	-7	-7	-6
New budget authority (gross), detail:				
40.0	Appropriation.....	7	7	6
Change in unpaid obligations:				
73.10	New obligations.....	7	7	6
73.20	Total outlays (gross).....	-7	-7	-6
Outlays (gross), detail:				
86.90	Outlays from new current authority	7	7	6
Net budget authority and outlays:				
89.00	Budget authority.....	7	7	6
90.00	Outlays (net).....	7	7	6

**ADVISORY COUNCIL ON
HISTORIC PRESERVATION**

BUDGET JUSTIFICATIONS, FY 2000



**ADVISORY COUNCIL ON
HISTORIC PRESERVATION**

FISCAL YEAR 2000 JUSTIFICATION

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ADVISORY COUNCIL ON HISTORIC PRESERVATION FY 2000 BUDGET JUSTIFICATION

EXECUTIVE SUMMARY

About the Council. The Advisory Council on Historic Preservation was established by Title II of the National Historic Preservation Act of 1966 (16 U.S.C. 470). The Act charges the Council with advising the President and the Congress on historic preservation matters and entrusts the Council with the unique mission of advancing historic preservation within the Federal government and the National Historic Preservation Program. Under Section 106 of the Act, the Council reviews Federal actions affecting historic properties to ensure that historic preservation needs are balanced with Federal project requirements. It achieves this balance through the "Section 106 review process," which applies whenever a Federal action has the potential to impact historic properties. As administered by the Council, the process guarantees that State and local governments, Indian Tribes, businesses and organizations, and private citizens will have an effective opportunity to participate in Federal project planning when historic properties they value may be affected.

Primary authorities and Council functions. The Council's authority and responsibilities are principally derived from the National Historic Preservation Act. General duties of the Council are detailed in Section 202 (16 U.S.C. 470j); under Section 211 (16 U.S.C. 470s) the Council is granted rulemaking authority for Section 106. The Council also has consultative and other responsibilities under Sections 101, 110, 111, 203, and 214 of the NHPA, and in accordance with the National Environmental Policy Act (42 U.S.C. 4321-4347) is considered an agency with "special expertise" to comment on environmental impacts involving historic properties and other cultural resources.

Through its Strategic Planning process the Council has developed the following mission statement: "The mission of the Advisory Council on Historic Preservation is to promote the protection and enhancement of our Nation's historic resources."

In order to support this mission, the Council engages in the following activities on an annual basis:

- ◆ Advances Federal historic preservation planning by ensuring that Federal agency policies and operating procedures adequately consider historic preservation laws and policies.

The mission of the Advisory Council on Historic Preservation is to promote the protection and enhancement of our Nation's historic resources.

- ◆ Oversees the Section 106 review process to ensure that it functions smoothly and effectively in the nearly 100,000 Federal actions requiring review annually.
- ◆ Serves as mediator, in over 1,000 individual cases annually, between Federal project sponsors and local preservation interests to protect important historic resources from unnecessary harm.
- ◆ Develops legally binding agreements, in those cases that it mediates, among Federal and State officials and other affected parties to clearly set forth the treatment of historic properties.
- ◆ Provides essential training, guidance and public information to make the Section 106 review process operate efficiently and with full opportunity for citizen involvement.
- ◆ Recommends administrative and legislative improvements for protecting the Nation's heritage with due recognition of other national needs and priorities.

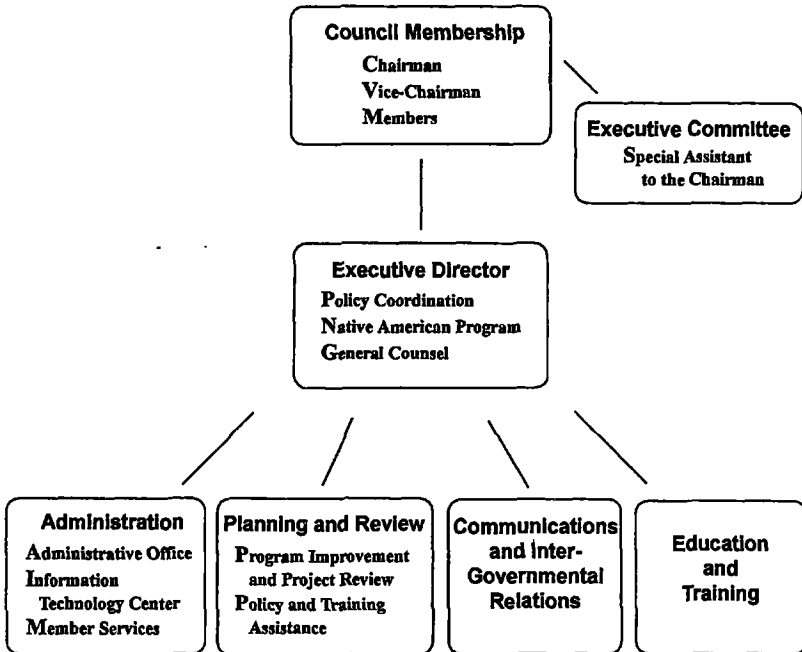
Current Level of Operations. The Council's appropriation for FY 1999 is \$2.8 million, with a staff of 32 FTEs

FY 2000 Request. The Council's FY 2000 request is \$3.0 million. This includes support for 34 FTEs and meeting basic administrative, operational, and authorized program costs, as well as three specific FY 2000 program proposals:

- ◆ Enhanced assistance to Indian Tribes, Native Hawaiian organizations, and other Native Americans;
- ◆ Additional support for the Council's education program to improve service to currently underserved constituencies, including local government officials; and
- ◆ Support for production of the Council's special Millennium Report to the President and Congress on the future of Federal preservation.

**Figure 1. Organization Chart
Advisory Council on Historic Preservation**

as of January 1, 1999



**Figure 2. Council Members
(as of January 1, 1999)**

Chairman

Cathryn Buford Slater (Arkansas)

Vice Chairman

Stephen B. Hand (Louisiana)

Expert Members

Bruce D. Judd, FAIA (California)

James K. Huhta (Tennessee)

Arva Moore Parks McCabe (Florida)

Parker Westbrook (Arkansas)

Citizen Members

Eugene A. Ludwig (New York)

Arthur Q. Davis, FAIA (Louisiana)

Native Hawaiian Member

Raynard C. Soon (Hawaii)

Governor

Hon. Angus King (Maine)

Mayer

Hon. Emanuel Cleaver, II (Kansas City, Missouri)

Architect of the Capitol

Hon. Alan M. Hantman, AIA

Secretary of Agriculture

Hon. Daniel R. Glickman

Secretary of the Interior

Hon. Bruce Babbitt

Administrator, Environmental Protection Agency

Hon. Carol M. Browner

Administrator, General Services Administration

Hon. David J. Barram

Secretary of Housing and Urban Development

Hon. Andrew M. Cuomo

Secretary of Transportation

Hon. Rodney E. Slater

Chairman, National Trust for Historic Preservation

Nancy Campbell (New York)

President, National Conference of State Historic

Preservation Officers

Judith E. Bittner (Alaska)

Observer, Secretary of Defense

Hon. William S. Cohen

FY 2000 BUDGET JUSTIFICATION

SUMMARY

Current Level of Operations. The Council's appropriation for FY 1999 is \$2.8 million, with a staff of 32 FTEs (*Department of the Interior and Related Agencies Appropriations Act, 1999, as included in Public Law 105-277, section 101(e)*).

FY 2000 Request. For FY 2000, the Council requests \$3.0 million to support its core functions. This figure is needed to support a staff of 34 FTEs, and meet basic administrative, operational, and authorized program costs.

FY 2000 Request. The Council's FY 2000 request is \$3.0 million.

Increases in uncontrollable costs (\$106,000) will be absorbed to permit additional program support. The figure includes \$200,000 above the FY 1999 level for the following:

- ◆ \$130,000 and one temporary FTE to expand the Native American assistance program through additional training, guidance and policy development, a tribal internship program, travel support for Native American representatives to attend training sessions and meetings, and a temporary staff assistant to help support the expanded program.

- ◆ \$40,000 and one permanent FTE to add an education program assistant, providing support for outreach to under-served constituencies and development of computer-based tutorials as an element of the Council's Section 106 training; and.

- ◆ \$30,000 as a one-time expenditure for the Millennium Report on Historic Preservation, containing the Council's recommendations to the President and Congress for taking Federal preservation into the 21st century. Costs include design, printing, publicity, and dissemination of a high-quality publication.

GENERAL STATEMENT

Introduction. The Advisory Council on Historic Preservation plays a pivotal role in the National Historic Preservation Program, established by the National Historic Preservation Act (NHPA) in 1966. Founded as a unique partnership among the Federal, State and local governments, Indian tribes and the public to advance the preservation of America's heritage while recognizing contemporary needs, the partnership has matured and expanded over time. The Council's program and activities have likewise evolved to meet today's needs.

The Secretary of the Interior and the Council have distinct but complementary responsibilities for managing the National Historic Preservation Program. The Secretary, acting through the National Park Service, maintains the national inventory of historic properties, sets standards for historic preservation, administers financial assistance and programs for Tribal, State and local participation and provides technical preservation assistance. The Council administers the legal process for protecting historic properties from harmful impacts caused by Federal agencies and coordinates the national program, assisting Federal agencies in meeting their preservation responsibilities, working with States, Tribes, local governments, and applicants for Federal assistance to ensure that their interests are considered in the process, and resolving potential conflicts between development needs and preservation objectives.

Need for the Council. Because Federal government actions significantly affect the Nation's historic resources, effective consideration of historic preservation issues at the Federal level is vital. Every day, Federal projects and decisions alter the historic fabric of cities, towns, and rural areas. Failure to adequately consider the impact of Federal actions can result in the loss or degradation of those historic properties. In 1966, the Congress created a process in Section 106 of the National Historic Preservation Act that requires Federal agencies to take into account the effect of their actions on historic properties. Likewise, it charged the Council with commenting on those actions through its administration of the Section 106 process. The process has evolved into an effective tool for members of the public and their governmental representatives to have a voice in Federal decisionmaking as it affects their communities' heritage.

Amendments to the National Historic Preservation Act, particularly in 1980 and 1992, also clarified and enhanced the Council's advisory and educational responsibilities. The Council was directed to review the policies and programs of Federal agencies and recommend measures to improve the effectiveness, consistency, and coordination of those policies and programs with the purposes of the Act. This mandate is complementary to the Council's review functions under Section 106.

The Council is uniquely suited to its task. An independent agency, it brings together through its membership Federal agency heads, representatives of State and local government, historic preservation leaders and experts, Native American representatives and private citizens to shape national policies and programs dealing with historic preservation. The Council's diverse

membership is reflected in its efforts to seek sensible, cost-effective ways to mesh preservation goals with other public needs. Unlike other Federal agencies or private preservation organizations, the Council incorporates a variety of interests and viewpoints in fulfilling its statutory duties, broadly reflecting the public interest. Solutions are reached that reflect both the impacts on irreplaceable historic properties and the needs of today's society.

The Council's Work. The Council's work has many dimensions. It promotes responsible Federal agency project planning and historic property management based on information gathering and consultation with affected parties. The Council conducts essential public interest review, negotiation and dispute resolution on a broad range of historic preservation issues and concerns. It provides needed advice and counsel to the President, the Congress, Federal, State and local government agencies, Indian Tribes, private institutions and individuals and international organizations on historic preservation matters. It prepares and disseminates education and information to advance the other objectives. These activities generally fall into four major program areas: policy development and program coordination; Federal agency program management; management of the Section 106 process; and education, training, and public awareness.

Organization of the Council. The Council has two components: a policy-making body of 20 members set by statute and a small professional staff. The Council members include eleven Presidentially-appointed, non-Federal members: the Chairman, three members from the general public, a governor, a mayor, four experts from preservation related disciplines and a Native American or Native Hawaiian. The remainder are six Federal agency heads whose activities have special relationships to historic properties, the Architect of the Capitol and ex-officio representatives of the National Trust for Historic Preservation (NTHP) and the National Conference of State Historic Preservation Officers (NCSHPO).

Under organizational changes approved by the Council in September, 1996, an Executive Committee composed of the Chairman, Vice-Chairman, and five Council members was created to advise the Chairman on policy and program priorities, and to oversee development of a strategic plan for the Council. Staff assistance for the Executive Committee is temporarily provided by an Special Assistant to the Chairman¹.

An Executive Director oversees the Council staff, which is trained in a variety of disciplines, including archeology, architectural history, planning, history, law, information technology and administration. The majority of staff are directly involved in pursuing the Council's program activities; a small number provide essential administrative, technical and secretarial support. The Council is headquartered in Washington, D.C.; a regional office in Denver, Colorado, serves the western States. Core Council staff, including the Special Assistant to the Chairman, numbers 32; in the event that agencies retain Council services on a reimbursable basis, additional temporary staff may be employed.

¹The former Executive Director has been reassigned to this position.

Summary of the FY 2000 Request

The Council seeks funding of \$3.0 million and 34 FTEs (33 permanent, and 1 temporary).

The following summary compares the FY 1999 enacted budget and the FY 2000 estimate.

(Dollar amounts in thousands)

	<u>FY 1999 Enacted</u>	<u>FY2000 Estimate</u>	<u>Increase</u>
Salaries & Expenses	\$2,800	\$3,000	+200
FTE	(32)	(34)	+2 (1P, 1T)

Authorization

Section 509 of the Omnibus Parks and Public Lands Management Act of 1996 (P.L. 104-333) authorizes \$4,000,000 annually for FY 1997 through FY 2000.

Appropriation Language Sheet

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing an Advisory Council on Historic Preservation, Public Law 89-665, [\$2,800,000:] \$3,000,000 : Provided, that none of these funds shall be available for the compensation of Executive Level V or higher positions:

16 U.S.C. 470; 80 Stat. 915

(Department of the Interior and Related Agencies Appropriations Act, 1999, as included in Public Law 105-277, section 101(e))

Summary of Requirements
(Dollar in thousands)

Comparison by Subactivity	1998	1999	2000	2000	2000	Inc (+)
	Actual	To date	Uncontrollable & related changes	Program Changes	Budget Request	Dec(-) from 1999
	FTE Amount	FTE Amount	FTE Amount	FTE Amount	FTE Amount	FTE Amount
Council Operations	32 2,745	32 2,800	-- (106)*	+2 +200	34 3,000	+2 +200

*(absorbed in base amount)

Justification of Program Changes
(Dollar amounts in thousands)

	<u>FTE</u>	<u>AMOUNT</u>
<u>Program changes</u>		
<u>Targeted training and technical assistance for Indian tribes</u>	+1(T)	+130
(Salaries 35, Benefits 10, Travel 40, Comm. & misc. 8, Printing 12, Other services 20, Equipment 5)		
<u>Education program enhancements</u>	+1 (P)	+40
(Salaries 30, Benefits 8, Equipment 2)		
<u>Millennium report</u>		+30
(Comm. & misc. 3, Printing 20, Other services 5, Supplies 2)		
 TOTAL	 +2	 +200

Funding Background
(\$000)

<u>Fiscal Year</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
President's budget	3,063	2,500	2,745	3,000	3,000
Initial approp	2,500	2,500	2,745	2,800	
Approp adjust	-3	-	-	-	
Budget authority	2,497	2,500	2,745	2,800	
FTE (34)	(32)	(32)	(32)	(34)	

Expenditures by Object Classification
(\$000)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Inc (+)</u>
	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>Dec(-) over</u>
				<u>1999</u>
11 Salaries	1,750	1,792	1,857	+65
12 Benefits	404	416	434	+18
21 Travel	40	40	80	+40
23.0 Rent, Comm., Misc				
Charges	270	286	297	+11
24 Printing	41	41	73	+32
25 Other services	170	170	195	+25
26 Supplies	5	5	7	+ 2
31 Equipment	<u>65</u>	<u>50</u>	<u>57</u>	<u>+ 7</u>
TOTAL	2,745	2,800	3,000	+200
FTE	(32)	(32)	(34)	(+2)

Justification of Program and Performance

<u>Activity:</u>	<u>ACHP OPERATIONS</u>		
	<u>1999</u>	<u>2000</u>	<u>Inc (+)</u>
<u>Program Element</u>	<u>Enacted</u>	<u>Estimate</u>	<u>Approp</u>
Council Operations	(\$) 2,800	3,000	+200
(FTE)	(32)	(34)	(+2)

PROGRAM STRUCTURE

Rationale for Federal role. Coordination of Federal activities affecting historic properties is essential to the efficient administration of the National Historic Preservation Program. Providing such coordination requires an expert body well-versed in the administration of the program and comprised of members serving at the policy-making level. The Section 106 review process for Federal actions ensures that State and local government, Indian Tribes, and the public will have an opportunity to learn of and influence the decisions of Federal agencies that may affect historic properties in their communities. Implementation of these responsibilities requires a body with the authority of Federal law and free from conflicting program obligations. Title II of the NHPA (16 U.S.C. §470i-t) created the Council to meet that need.

Council Organization. The Council is organized into five operational units: the Membership, including its Executive Committee; and four staff units: the Executive Directorate, Administration, Education and Communications, and Planning and Review (see Figure 1 above).

The Membership. The Council's statutorily-designated members, including the Chairman who is the head of the agency, address policy needs, design program initiatives, and make recommendations to the President, the Congress and the heads of other Federal agencies. Usually the Council meets in Washington, DC, although it sometimes travels to other parts of the country to learn about and address emerging preservation issues or controversial Section 106 cases. During FY 1998, the full Council membership met three times: in October, 1997 in Washington, D.C.; in March, 1998 at Miami, Florida; and in June, 1998 in Alexandria, Virginia. To date, in FY 1999 the Council has met once, in Santa Fe, New Mexico, in November, 1998.

Members pursue Council activities collectively and individually. Several times a year, the Chairman appoints panels of members to formulate comments on Section 106 cases. Member task forces and committees may be formed to pursue specific tasks, such as policy development or regulatory reform oversight. On the average, three such subgroups are at work at any given time during the year. Each meets about five to six times in the course of its existence, is served by one to three staff members, and produces reports, comments and policy recommendations.

There is an Executive Committee, chaired by the Chairman, to advise the Chairman on policy matters and to facilitate better communication among staff and members. A Special Assistant to the Chairman supports the Executive Committee (1 FTE).

Executive Directorate. This unit contains the Executive Director (including Policy Coordination), the Office of General Counsel, and Native American Affairs.

◆ *The Executive Director* reports to the Chairman and membership and has senior management responsibility for all organizational units of staff. He is supported by a senior policy assistant

whose duties include policy research, special project management, and interagency coordination (2 FTE).

◆ The *Office of General Counsel* (OGC) provides legal services, works with the Executive Director and Government Liaison and Partnerships on legislative affairs, oversees the agency ethics. The position of General Counsel is currently vacant; an Assistant General Counsel/staff attorney currently provides legal advice (1 FTE).

◆ The *Native American Affairs Coordinator* oversees Council involvement with Native Americans and Indian Tribes and provides Council staff representation in Government-to-Government relations with sovereign Indian Tribes (1 FTE).

Administration. This unit contains the Administrative Officer, the Information Technology Center and Member Services. Rental payments to GSA, communications, postage, utilities, printing, other services (contracting), supplies and equipment for the entire Council operation fall within this component.

◆ The *Administrative Officer* oversees administrative, personnel, procurement, budget and fiscal services, coordinates services provided by the Department of the Interior pursuant to interagency agreement, and reports to the Executive Director. The Administrative Officer serves as office manager and provides administrative support for finalizing and carrying out reimbursable activities, while actual execution of work is assigned to other Council staff as appropriate (1 FTE).

◆ The *Information Technology Center* (ITC), led by a director (who reports to the Executive Director) with three technicians, provides central computer, information technology, and telecommunications support to the Council (including principal reception). ITC also takes the lead in developing telecommunications and information management policy and adapting contemporary technology to Council operations (4 FTE).

◆ *Member Services* provides administrative and clerical support to the Council members and the Executive Director, and coordinates Council member participation in Council activities (1 FTE).

Communications and Intergovernmental Relations. *Communications and Intergovernmental Relations* coordinates Council involvement in the legislative process, maintains relations with principal partners in the preservation program, and oversees customer service needs, supervises media relations and public information, and directs the work of a Web manager/publications specialist whose duties specifically include maintenance of the Council's Internet home page site. It is overseen by a unit Coordinator (3 FTE).

Education and Training. *Education and Training* is overseen by the Education Coordinator, who directs the Council's education program, coordinates cooperative educational activities with other agencies and organizations, oversees training course administration and curriculum development, and arranges for professional staff throughout the agency to teach classes. She is

aided by one training specialist (2 FTE).

Office of Planning and Review (OPR). This unit generally carries out the Council's program improvement, project review, and teaching functions, and assists with policy development. The office works with Federal agency staff to improve the consideration of historic preservation issues in agency decisionmaking, and consults with Federal, State, tribal and local government officials, applicants and concerned citizens to accommodate Federal project needs with historic preservation objectives. It contains an eastern office in Washington and a western office in Denver that perform parallel and complementary functions, with most professional staff engaged in the full range of the office's activities as appropriate.

◆ The *Director* is located in Washington. He has supervisory responsibility for both offices, maintains necessary records and data bases, and reports directly to the Executive Director. He is assisted by a historic preservation technician handling the more routine case review and processing, and an office administrator in Denver who handles administrative matters, case tracking, and clerical duties for the western office. (3 FTE).

◆ *Historic Preservation Specialists* constitute a flexible cadre of professionals in such disciplines as history, architecture, architectural history, archeology, and planning who are available to carry out, or assist with, the full range of Council program and project planning activities. They are assigned primarily to specific Federal agencies, with a single point of contact for most Federal agencies and overlapping duties for individual State Historic Preservation Office coordination. Four of the OPR staff, two in Washington and two in Denver, serve as team leaders with the title "Program Analyst." These individuals have enhanced responsibilities for ensuring consistency in case handling, for work on policy development and guidance, and for outreach and training assistance (13 FTE).

MAJOR PROGRAM AREA SUMMARIES

During FY 1997 the Council devoted a substantial amount of time to the development of a Strategic Plan that can meet the requirements of the Government Performance and Results Act (GPRA). Through that exercise, the Council has developed the following mission statement:

*The mission of the Advisory Council on Historic Preservation is
to promote the protection and enhancement of the Nation's historic resources.*

The Council pursues activities in four basic program areas in order to fulfill this mission and its related statutory responsibilities. These program areas are:

- ◆ Policy Development and Program Coordination;
- ◆ Federal Agency Program Management;
- ◆ Management of Section 106; and
- ◆ Education, Training, and Public Awareness.

Guided by its Strategic Plan, which identifies long-term objectives as well as six-year goals (see Figure 3), the Council has been active in each of these areas in FY 1998 and has specific and conceptual plans for each area in FY 1999 and FY 2000. This work and a summary of the expected effect of the requested budget level on future activities are presented in accordance with those major program areas. Further details of recent work products may be found in Appendix A.

Policy Development and Program Coordination

Objectives. The National Historic Preservation Act established a national policy to promote the living use of historic properties to meet the needs of contemporary society, such as stable communities, affordable housing, and economic development. Congress also directed the Federal government, acting in partnership with State and local government and the private sector, to take a leadership role in carrying out this national policy. Today, the long-term health of historic preservation in the United States depends in large part on the adoption of government policies favorable to the effective use of historic properties. The Council advances such policies, with the objective of supporting and encouraging historic preservation activities carried out by State, local and tribal governments and the private sector. These range from advocating Federal tax policies that stimulate the private-sector reuse of historic buildings to encouraging specific agencies to reinforce local preservation initiatives. The Council also promotes the Federal government's leadership role in historic preservation by practice and example.

Figure 3. Long-Range Goals and Six-Year Strategic Goals

Policy and Program Coordination: To encourage effective public policies that promote the protection, enhancement, and use of historic properties and support and encourage historic preservation activities carried out by Federal, State, local, and tribal governments, and the private sector.

- *Shape Executive and congressional preservation policy through a formally recognized role in policy formulation and program development.*

Federal Agency Program Management: To foster the development of Federal agency programs that meet the requirements of Section 110 of the National Historic Preservation Act.

- *Improve the effectiveness and consistency of the Federal preservation program through the Council's recognized leadership and facilitation.*

Management of Section 106: To promote outcomes in the Federal consideration of impacts to historic properties that advance the purposes of the National Historic Preservation Act.

- *Improve implementation of Section 106 and actively oversee its administration, while maximizing the effectiveness of the Council's role in Section 106 case review.*
- *Enhance the capabilities of Section 106 participants to carry out their respective roles in the Section 106 process.*

Education, Training, and Public Awareness: To advise the public and their governmental representatives of the value of historic preservation and the purposes, principles, and requirements of NHPA.

- *Establish effective outreach programs that showcase the roles of the Council and other members of the national historic preservation partnership in achieving successful integration of preservation with other community values and public interests.*
- *Train the primary participants in the Section 106 process and facilitate their transition to use of the new regulations.*
- *Increase public access to information on historic preservation issues, opportunities, and resources through a variety of mechanisms, including use of new technologies.*

Approach. Work on these objectives has been pursued by both the Council's membership and its staff. The following principles guide Council activities in this area:

- ◆ Recommend policies to the Executive Branch and the Congress that advance historic preservation, and participate in their adoption and implementation.
- ◆ Develop and advance mutually supportive preservation policies in coordination with a broad spectrum of public and private partners and affected parties.
- ◆ Advise and assist Federal agencies in the development of internal policies, programs, and activities that further historic preservation.
- ◆ Pursue historic preservation objectives through active involvement in legal and legislative processes.

Major recent initiatives and products.

Recent Council work in this area (see Appendix A for details) has included:

- A report to Congress on "Alternatives for Implementing Section 106;"
- The annual "Report to the President and Congress;"
- Work on the Council's Millennium Initiative;
- Continuing participation in the President's American Heritage Rivers Initiative;
- Consultation with the Council on Environmental Quality on its NEPA Reinvention Project;
- Continuing development and enhancement of the Council's Internet Home Page; and
- Work on several projects under the Department of the Army cooperative agreement.

Effect of Requested Level. The requested level will permit the Council to fully participate in and respond to a number of important policy initiatives that advance the Council's mission and the purposes of the National Historic Preservation Act. Some of these initiatives are being actively promoted by the Administration, including the White House Millennium Program with its "Save America's Treasures" initiative. Historic preservation is and must be a key component of each. The Council will assist these initiatives by providing electronic information and assistance through the Internet, and improving relations with various constituents through these media. The Council will pursue related policy activities, and will continue to seek reimbursable arrangements with other Federal agencies in order to provide useful policy advice and guidance on specific agencies, programs, and issues. The additional funds requested will support production of a high quality product stemming from and related to the Council's Millennium Initiative.

Federal Agency Program Management

Objectives. Program improvement activities of all kinds will assume greater importance as Federal agency resources, both financial and human, shrink. They provide a vehicle for adapting the ways of meeting legally-mandated historic preservation duties to changing agency capabilities, increasing efficiency and focussing Federal attention on important historic preservation issues. The relatively small investment in maintaining Council expertise and the ability to provide it to Federal agencies produces significant cost savings to the Federal government and promotes preservation of important historic properties.

Section 110 of NHPA directs Federal agencies to develop historic preservation programs that incorporate the policies of the NHPA into their routine practices and procedures. The Council's long-term objective is to effectively integrate historic preservation considerations into Federal agency planning and decisionmaking processes. Such integration will promote cost-effective and timely consideration of historic preservation issues by Federal agencies and minimize the potential for project delay and loss of historic properties. Over the long run, creation of effective agency programs will improve the delivery of Federal programs, enhance the protection of historic properties and provide State and local government, Native Americans and the public with better access to Federal decisionmaking processes that affect their communities

Council tools. The Council has a unique capability to assist Federal agencies in this endeavor. Section 202 of NHPA authorizes Council review of Federal agency policies and procedures to promote their effectiveness and consistency with NHPA. An independent Federal agency with diverse expertise in intergovernmental relations as well as historic preservation, the Council brings an objective and informed perspective to such review.

The Council's implementing regulations for Section 106 also provide tools to improve the efficiency and effectiveness of their consideration of historic properties. The regulation provides for development of Programmatic Agreements with the Council and alternate procedures to address comprehensively how a particular program or class of Federal undertakings will address historic preservation issues. Programmatic Agreements are national, State, or local in scope and have proven to be effective tools for meshing the mission of an agency with preservation of historic properties. Revisions to the Council's Section 106 regulations that are currently in process include new tools to assist Federal agencies in that effort.

Approach. Since its inception in 1966, the Council has worked with agencies to integrate historic preservation into Federal agency planning, procedures, and policy. The pace has accelerated in recent years and the fruits of these efforts are now quite real and apparent. As laid out in the Strategic Plan, the Council pursues a wide variety of activities in this area based on the following guiding principles:

- ◆ Give priority to those Federal agency programs that have the greatest potential to affect historic properties

- ◆ Focus on critical regulations, procedures, and policies that should be revised or created to improve agency historic preservation performance or remove impediments to efficient consideration of historic preservation concerns in decision making.
- ◆ Use partnerships to improve Federal preservation programs with affected Federal agency officials, the National Park Service, the National Conference of State Historic Preservation Officers, and the National Trust for Historic Preservation, with due consideration of the views of State, local, and tribal governments, Native Americans, and the public.

Major recent initiatives and products.

Recent Council work in this area (see Appendix A for details) has included :

- Completion and cooperative publication of the Section 110 Guidelines with the National Park Service;
- Consultation with the Office of Management and Budget and Federal agencies to finalize regulatory revisions for implementing Section 106;
- Continued work on affordable housing policy and its implementation;
- Cooperative work with the Federal Emergency Management Agency on a strategy for integrating disaster response and historic preservation activities;
- Dealing with maintenance, base closure, and other activities affecting historic military properties;
- Work with the Federal Communications Commission and the telecommunications industry on better consideration of historic preservation issues in facility planning and siting; and
- Cooperation with the Department of Transportation, the American Association of State Highway Transportation Officials, and the Transportation Research Board on transportation planning and enhancement that incorporates historic preservation into facility design and construction.

Effect of Requested Level. The Council will maintain its focus on Federal agency historic preservation program improvement as a priority for FY 1999 and FY 2000, to the extent resources and outside factors permit. Funds requested for FY 2000 will allow the Council to pursue certain high-priority Federal agency program improvement efforts to the extent that the changes in the Council's regulations make shifts in work effort possible. However, these work shifts will not occur immediately, and there will need to be a redirection of some available staff and resources to new regulations implementation, technical assistance, and necessary education. The Council will continue to attempt to offset at least some of these constraints and complement its other work by entering into reimbursable arrangements with Federal agencies where possible and appropriate.

Management of the Section 106 Process

The Section 106 process is the fundamental Federal legal protection for historic properties. Implemented by Council regulations as directed by Section 211 of the NHPA, it requires Federal agencies to identify, evaluate and consider the impacts of their proposed actions on properties included in or eligible for inclusion in the National Register of Historic Places. It further requires agencies to consult with State Historic Preservation Officers and the Council to resolve adverse impacts on historic properties, with opportunity for input from local government, Indian tribes, applicants for Federal assistance and the general public. Most cases are resolved satisfactorily by mutual agreement on modifications to respond to historic preservation needs as the project moves forward.

The Section 106 process has been recognized as a model conflict resolution process. It brings people with different ideas together, provides a forum for resolving disputes between them, and records the terms of their agreement. Likewise, its administration is an exemplary partnership among the Federal government and tribal, State and local governments. The process prescribes an important role for these non-Federal partners by shaping decisions affecting historic properties, and allowing them to determine the extent of their involvement in particular cases. It is important to note that the central State government participant, the State Historic Preservation Officer, receives Federal funding through the annual appropriation for the Historic Preservation Fund to support this involvement.

Objectives. The Council's overall goal in Section 106 review is to encourage agencies to consider and adopt measures to preserve historic properties that would otherwise be damaged or destroyed, and to ensure that the public has an opportunity to help shape these decisions. The Council does not have the authority to unilaterally alter Federal actions that will affect historic properties; rather, its regulations emphasize consultation among the responsible Federal agency, the SHPO and other interested persons to identify and, where possible, to agree upon how to resolve any conflicts and protect the properties in question.

Regulatory Change. The Section 106 process is at an important crossroads, as major changes are soon forthcoming in the regulations that will alter traditional roles and responsibilities. It is anticipated that a final regulation will go into effect during the second half of FY 1999. These changes in the regulations are designed to better meet the Administration's goals of regulatory efficiency and streamlining. Many activities that have required independent review and comment by the Council would, under the proposed revisions, be handled and concluded by the agency and the SHPO. This arrangement better recognizes the experience and ability of these parties to work and resolve differences on non-controversial cases and will permit the process to operate with greater efficiency. Under these regulations, it would no longer be necessary for the Council to review an agency's finding of "no adverse effect," nor would the Council be required to review and formally accept routine agreements reached between the SHPO and agency on how adverse effects to historic properties are to be treated; such two-party agreements would be filed with the Council for informational and oversight purposes.

With revised regulations expected to be in place by the third quarter of FY 1999, it is difficult to forecast with accuracy the specific demands that must be met. As such, comparisons between past performance measures and what will be new performance standards under the revised process are somewhat conjectural. Some general appraisals, however, are possible.

It is clear that case review for FY 1999 would depart from previous trends, reflecting the new roles and responsibilities set forth in the revised regulations (see Figure 4). FY 1999 is expected to witness a substantial decrease in the number of new cases submitted, estimated at 600, as the new provisions in the regulations take effect. The elimination of "no adverse effect" reviews by the Council after the regulations take effect in FY 1999 is projected to lead to a dramatic decline from 1602 in FY 1997 to only 705 in FY 1999. The Council's ongoing role in this part of the process, while substantially reduced, may require review of agency findings of "no adverse effect" when asked by parties to the Section 106 process. It is estimated that the Council would respond to 200 such requests in FY 2000. However, the actual impact of this change on the Council's workload is greatly overstated, as the vast majority of no adverse effects currently receive only cursory review.

A second major change proposed is elimination of the current requirement that the Council be a signatory to all Memoranda of Agreement executed under Section 106. The Council plans to have the opportunity to focus its efforts at conflict resolution and respond to requests for involvement. The decision to participate in consultation to resolve adverse effects, is guided by several criteria, to include the significance of the involved historic properties (e.g., National Historic Landmarks), the degree of public involvement and interest, and whether requested by the agency, SHPO, or other consulting parties.

During the transition phase of the regulations during FY 1999 we anticipate the need to become involved in consultation at a level elevated over FY 1998. Since this would be of critical importance to maintain the overall effectiveness of the process and ensure that non-Federal interests are fully considered, we expect Council involvement in consultation in 410 cases in FY 1999, though the extent of Council involvement will certainly vary greatly from case to case. We anticipate a slight increase in the number of Programmatic Agreements in which we are involved in FY 1999, rising to a figure of 130 over an FY 1998 level of 105. We believe as agencies become more acclimated to the specific steps in the new process they will seek to formalize more tailored approaches for their agencies or cities (for Community Development Block Grant activities) either through Programmatic Agreements or alternate procedures.

Given clear direction provided by the Council membership in FY 1997 that it wished to become more actively involved in the review of prominent and high profile cases, a substantial increase is projected in such reviews in FY 1999 to 25. This figure would include both those cases in which consultation was terminated and formal Council comment rendered (13) and those where agency action has foreclosed Council comment (12). In this latter category, Council advice to agencies focuses on the cause of this problem, not the project's impacts. (Not measured are those cases that benefitted from the involvement of Council members in establishment of policy and direction on a less formal basis.) A substantial trend upward to 33 (20 comments, 13 foreclosures) is

Figure 4. Section 106 Project Reviews

	<i>1997 actual</i>	<i>1998 actual</i>	<i>1999 est.</i>	<i>2000 est.</i>
Incoming caseload				
Carryover from previous year	489	580	197	37
New cases submitted for review	2,566	2,300	1,150	600
Plans submitted for review*	240	210	170	180
Annual caseload (total)	3,395	3,090	1,517	817
Outgoing caseload				
No adverse effect	1,602	1,720	705*	100
Adverse effect determinations				
<i>(All Memoranda of Agreement)</i>	780	760	410	300
<i>(SHPO-Agency MOAs)</i>	<i>(450)</i>	<i>(470)</i>	<i>(100)</i>	<i>(10)</i>
<i>(Three-party MOAs)</i>	<i>(175)</i>	<i>(175)</i>	<i>(180)</i>	<i>(140)</i>
<i>(Programmatic Agreements)</i>	<i>(155)</i>	<i>(105)</i>	<i>(130)</i>	<i>(150)</i>
Comments by members	9	10	13	20
Foreclosures	5	6	12	13
Plans reviewed	225	180	160	160
Review of NEPA docs for 106 purposes	N/A	N/A	100	125
Emergencies and discoveries	46	52	60	50
Cases completed (total)	2,667	2,718	1,450	768
Cases retired	148	175	30	20
Carryover to next year (total)	580	197	37	29

*The new regulations eliminate the need for the Council to review these findings, but many agencies are accustomed to seeking Council confirmation, and transition to a new approach will take time. This number reflects the anticipated requests we will continue to receive and must respond to.

Definitions

Carryover from previous year includes all cases that were open at the beginning of each fiscal year.

Plans submitted for review includes mitigation and other plans that have been developed pursuant to an MOA or PA which are subsequently reviewed by the Council. They often cover archeological data recovery, rehabilitation of historic structures, marketing of historic buildings, design for new construction in historic districts, and similar mitigation requiring detailed planning as a project moves forward. They may also include plans for dealing with emergencies and the discovery of historic properties after a project is underway.

No adverse effect determinations (NAEs) are determinations by Federal agencies in consultation with SHPOs that the project will not adversely affect historic properties. In previous years the Council has reviewed them to ensure that proper decisions have been reached. Under the revised Section 106 procedures anticipated to be effect by late FY99, the Council would forego these reviews. The estimated number reflects the phasing out of these reviews.

Adverse effect determinations lead to consultation and usually an MOA which sets forth measures to avoid, minimize, or mitigate adverse effects. Under current regulations, SHPO-agency MOAs are submitted to the Council for 30-day review; this review will not be required under the revised regulations anticipated to be in place by late FY99, although agreements will have to be filed with the Council. Three-party MOAs are developed with the Council as a party to the consultation process; the Council executes the MOA along with the other parties. The estimated number reflects the phasing out of these reviews.

Programmatic Agreements are more involved agreements for complex projects often affecting many historic properties and requiring a phased approach to mitigation. Many are multi-year programs (such as Community Development Block Grants) that are best dealt with by a PA tailored to their specific needs or complex linear or multi-State projects.

Comments by members. When the parties fail to reach an MOA, the Council membership issues written, advisory comments to the agency. Also, as circumstances and policy needs require, the members review and provide direction on policy and handling of high profile cases.

Foreclosures occur when a Federal agency takes an action such as demolishing a historic building prior to completing the Section 106 process; thereby precluding the Council from commenting. This category also includes "anticipatory demolition," which occurs when an applicant for Federal assistance knowingly destroys a historic property to avoid Section 106. NHPA requires the Federal agency to deny assistance, unless it determines that circumstances warrant granting it after the agency consults with the Council.

Emergency undertakings are agency actions resulting from natural disasters, a governor's declared State emergency, or locally determined threats to public safety that qualify for special expedited review under the Council's regulations. Discoveries occur when a historic property is unexpectedly found during project implementation; special procedures apply for expedited review.

Plans reviewed are complete review of those plans (data recovery, rehabilitation, new construction, etc.) submitted in accordance with previously agreed upon measures.

Cases retired are cases, formerly carried as open, that have been determined to be no longer active and are closed by the Council. They have usually been dropped by the sponsoring agency or placed on indefinite hold without the agency advising the Council.

Review of NEPA documents for Section 106 purposes. Proposed regulations would permit agencies to substitute NEPA compliance for Section 106 compliance. Since it is anticipated that these regulations will be in effect by late FY99, the number reflects a phasing in of this new compliance option.

expected for FY 2000. These cases engage a substantially greater amount of staff support than a normal Section 106 case; invariably, the issues or the properties warrant this attention.

The reduction in the handling of routine cases would enable the Council to focus on other important features in the new regulations. For example, to further the goals of integration of Section 106 and the National Environmental Policy Act called for in regulatory revisions, staff will need to devote more time to review of environmental documents. This figure in FY 1999 is estimated at 100, including both environmental assessments and environmental impact statements. As more agencies become acquainted with these provisions, it is expected that in FY 2000 this figure will increase to 125.

Council reviews necessitated by previously completed cases numbered 180 in FY 1998. These include the various mitigation proposals, data recovery plans, and final designs and specifications that have been developed pursuant to Memoranda of Agreement and Programmatic Agreements. Often the formal Section 106 review is completed with certain decisions related to the precise treatment of historic properties still to be resolved within the overall project development schedule. This allows final treatment decisions to be based on information often lacking when the Section 106 process is formally engaged. The personnel resources devoted to these activities varies greatly, depending on the complexity and number of issues remaining to be resolved under the terms of an executed Memorandum of Agreement. We expect the number to remain fairly constant under the new regulations, although it may experience a slight decrease.

Related Section 106 work. Figure 5 shows activities related to the management of the Section 106 process. These are not actually "cases," but often relate to (or sometimes avoid) future cases that would come to the Council. One bridge of activities often bridges the gap between project review and program review and improvement. This is the provision of advice to SHPOs and agencies; as noted earlier, this is a particularly important and often time-consuming task and will assume even greater importance as the Council seeks a smooth transition to the new regulations in the first half of FY 1999. The enhanced role of Indian tribes will also demand special Council attention (see "Education" section below). The Council is continuing to explore better ways to communicate information to the SHPOs about Federal programs, as well as cross-cutting preservation issues, to enable them to do a better job; one avenue is the new Internet home page site.

This figure also illustrates work elements of emerging importance as a result of the new regulation. The new regulations emphasize the need for Council monitoring and oversight of the Section 106 process, particularly since its direct involvement in more routine cases has been eliminated. This monitoring would occur not only for specific cases, but also with regard to the overall operation of the process to identify problems that may be developing in the system and step needed by the Council to correct deficiencies. As the figure shows, these activities are expected to rise to 65 in FY 1999 and continue an upward trend in FY 2000 (75).

More difficult to predict are instances where the Council is working with agencies to develop program alternatives. Again, these new options, to include agencies seeking exemptions for

Figure 5. Section 106 Management Activities

	<i>1997 actual</i>	<i>1998 actual</i>	<i>1999 est.</i>	<i>2000 est.</i>
Summary of Activities				
Planning assistance	1,068	1,110	1,600	1,800
Public requests	297	500	700	800
Monitoring and oversight	N/A	N/A	65	75
<i>Cases</i>	<i>(N/A)</i>	<i>(N/A)</i>	<i>(45)</i>	<i>(50)</i>
<i>106 operations</i>	<i>(N/A)</i>	<i>(N/A)</i>	<i>(20)</i>	<i>(25)</i>
Procedural dispute resolution	9	20	32	35
Program alternatives	N/A	N/A	10	12

Definitions

As the Council removes itself from involvement in more routine case reviews through revision of its regulations, more time will be spent on ensuring the Section 106 process functions smoothly and problems are resolved.

Planning assistance includes a wide range of informal technical assistance, review of environmental documents or reports, or coordination with SHPOs and agencies in the preliminary stages of project planning. This help promotes early agreement between the agency and the SHPO. This function should increase as a result of amending the Section 106 process.

Public requests currently includes both specific requests from members of the general public for Council review of agency findings involving its identification, evaluation, or effect determinations (Section 800.6(e) requests), as well as more general requests for the Council to investigate whether an agency should be complying with Section 106 for a given project. With the removal of the Council from routine case review, provisions are being proposed that would give the public greater access to request the Council to review an agency finding.

Monitoring and oversight is Council-initiated investigations and reviews of potentially problematic cases. The revised regulations that are anticipated to be in place by late FY99 also provide for Council evaluation and monitoring of overall Section 106 operations. This would include ongoing assessment of the effectiveness of all the participants in the process. FY99 should see the initial start up of such monitoring.

Procedural dispute resolution embraces those situations where the Council resolves disagreements between a Federal agency and a SHPO or other party over questions of regulatory application or interpretation. Council advice can preclude court challenges and project delay.

Program alternatives. Assuming that revised regulations are in place by late FY99, agencies will have additional options for tailoring the Section 106 process to their program needs. The Council can significantly impact the overall management of Section 106 activities through facilitating these alternative approaches, including PAs for programs, exemptions of undertakings from review, development of standard treatment measures, etc. The estimated number for FY99 reflects anticipated initial efforts to utilize the expanded variety of options available.

classes of undertakings and the development of standard treatment measures, available mid-year, will present opportunities for further improving the efficiency of the Section 106 process. As numbers in Figure 5 suggest, these activities will likewise experience a continual upward trend.

In summary, FY 1999 will present a series of difficult challenges to the Council in making a smooth transition to new regulations. Our work indicators will evolve significantly. The last quarter of FY 1999 should provide considerable insights on the operational needs of the new process and enable the Council to predict with greater certainty its work level indicators for FY 2000 and beyond.

Approach. As a result of these anticipated changes in the operation of the process, traditional review activities and the way in which they are measured will need to evolve and change. A fundamental achievement resulting from the proposed revised regulations is that the Council plans to focus more on improving the overall integrity of the Section 106 process; qualitative measures become more important than quantitative measures under the anticipated change. Shifting in this direction will enable the Council to focus the overall operation of the process, guided by the following principles:

- ◆ Use monitoring of project outcomes and assessment of the overall effectiveness of the Section 106 process to promote Federal agency compliance.
- ◆ Provide timely and useful guidance, technical assistance, and advice to facilitate the efforts of Federal agencies and SHPOs to achieve effective solutions.
- ◆ Encourage Federal agencies and SHPOs to reach decisions, without routine Council review, that are consistent with the policies and objectives of the Section 106 process.
- ◆ Focus the Council's participation in Section 106 reviews on individual cases with complex, precedential, or controversial issues, involving resources of exceptional significance, or where Council assistance is needed in resolving issues.
- ◆ Promote decisions in the Section 106 process that are in the public interest, consistent with the Council's mission statement, and based on adequate information, responsible public involvement, and early consultation.
- ◆ Devise methods to reduce the cost and time needed to consider historic properties in the Federal planning process.

Major recent initiatives and products.

Recent Council work in this area, in addition to Section 106 casework (statistics are summarized in Figures 4 and 5, and Appendix A has further details), has included :

--Development of an improved data base and tracking system for Section 106 cases; and

–Refinement of a case reporting system for high-profile cases, summaries of which are available on the Council’s Internet site (www.achp.gov).

Effect of Requested Level. The FY 2000 estimate provides the resources to complete the shift of Council work from case-by-case review to more programmatic activities, and to meet the anticipated demands of a new way of doing business under Section 106. Because the regulatory review process and approval of final revised regulations will not be completed until midway in FY 1999, the third quarter of FY 1999 will be devoted to completing the regulatory package and publishing the regulations for effect. Consequently, implementation and other spin-off effects of being able to redirect staff and other resources from Section 106 cases reviews to other, more programmatic activities will have to be phased in during the remainder of the year, and will probably not be significant until FY 2000.

Reimbursements from other agencies and non-Federal entities to assist with guidance and technical assistance activities to implement the new regulatory framework will continue to be sought to augment these resources. The authority contained in the Council’s recent reauthorization to hold reimbursement funds into the next fiscal year and to accept funds from State and local agencies and others pursuant to cooperative agreements may help, particularly in the development and dissemination of needed guidance.

Additional resources requested for the Native American assistance initiative will allow the Council to help Indian Tribes, Native Hawaiian organizations, and other Native Americans to more fully assume the role envisioned for them in the 1992 NHPA amendments and the revised Section 106 regulations.

Education, Training, and Public Awareness

Objectives. Knowledge of Federal preservation laws, policies and procedures is essential for both Federal agencies and those State, local and Tribal officials, applicants and concerned citizens who wish to participate in the processes established by NHPA. Broad understanding lessens confrontation and delay, facilitates decisions that support preservation and allows the public to effectively communicate to Federal officials their wishes for the future of their heritage. The Council conducts a variety of outreach activities as directed by NHPA to advance this objective. It provides education, training and information about its activities and authorities to all participants in the National Historic Preservation Program. It also offers information on other aspects of the historic preservation program, most notably those policies and activities of the Federal government that affect historic preservation.

Approach. To carry this out, the Council:

- ◆ Promotes development of a preservation ethic in all sectors and levels of society.
- ◆ Utilizes an integrated program of training, guidance, technical assistance, and public information.
- ◆ Responds to the needs of Federal, State, tribal, and local government agencies, affected private sector interests, and the public for guidance, technical assistance, and information about the Section 106 process and other Council activities.
- ◆ Assists Federal, State, and local governments, Indian Tribes, and the private sector in the development of their own training and education systems.
- ◆ Uses the full range of information technology to disseminate important information in a timely manner.

Major recent initiatives and products.

Recent Council work in this area (see Appendix A for details) has included :

- Cooperative development of specialized training for the military services;
- Targeted training for National Park Service employees dealing with park management, maintenance, and operations issues;
- Council participation in an educational consortium under the auspices of the Department of Education;
- Production and dissemination of the “Annual Report to the President and Congress” covering fiscal years 1996 and 1997; and

–Continued improvements and expanded use of the Internet Home Page (www.achp.gov).

Effect of Requested Level. The increased funding level requested for FY 2000 recognizes and underscores the high degree of importance in both education and public outreach to the Council's accomplishment of its mission and strategic goals. Base funding will generally allow the current level of activity to continue, largely devoted to smoothing the transition to and understanding of the Council's new regulations, and development and presentation of related training materials. Other activities will continue to the extent that resources permit, and additional reimbursement funds will be sought for specific training activities and written guidance production as appropriate. The additional funds sought will permit the Council to meet an important need to assist Indian tribes and Native Americans, continue to upgrade and maintain the Council's increasingly important Internet presence, and provide enhanced educational materials and other assistance for currently under-served constituencies, including local government officials.

Summary of Requirements by Object Class
(Dollar Amounts in thousands)

Appropriation: Salaries and Expenses

<u>Object Class</u>	<u>1999</u> <u>Estimate</u>		<u>2000</u> <u>Uncontrollable</u> <u>& Related Changes</u>		<u>2000</u> <u>Program</u> <u>Changes</u>		<u>2000</u> <u>Estimate</u>		<u>Increase (+)</u> <u>Decrease (-)</u> <u>From 1999</u>	
	<u>FTE</u>	<u>AMT</u>	<u>FTE</u>	<u>AMT</u>	<u>FTE</u>	<u>AMT</u>	<u>FTE</u>	<u>AMT</u>	<u>FTE</u>	<u>AMT</u>
11 Personnel compensation:										
11.1 Permanent positions-										
FTE-P.....	32	1,792	-	-		+65	34	1,857		+65
11.3 Positions other than										
permanent.....	-	-	-	-	+2		-	-	+2	
Other personnel										
compensation.....	-	-	-	-	-		-	-	-	
<u>Total compensation</u>	32	1,792	-	(69)	+2	+65	34	1,857	+2	+65
Other objects:										
12.1 Personnel benefits....		416	-	(17)	-	+18	-	434	-	+18
21.0 Travel.....		40	-	-	-	+40	-	80	-	+40
23.0 Rent, Comm, Util and		286	-	(8)	-	+11	-	297	-	+11
Misc. Charges.....										
24.0 Printing.....		41	-	-	-	+32	-	73	-	+32
25.0 Other services.....		170	-	(12)	-	+25	-	195	-	+25
26.0 Supplies.....		5	-	-	-	+2	-	7	-	+2
31.0 Equipment.....		50	-	-	-	+7	-	57	-	+7
<u>Total Requirements</u>	32	2,800	-	(106)*	+2	+200	34	3,000	+2	+200

*(absorbed in base amount)

Program and Financing (in millions)

Identification code 95-2300-0-1-303	1998 act	1999est	2000est
Obligations by program activity:			
Direct program:			
10.00 Total obligations.....	3	3	3
Budgetary resources available for obligation:			
22.00 New budget authority (gross).....	3	3	3
23.95 New Obligations	-3	-3	-3
New budget authority (gross), detail:			
Current:			
40.00 Appropriation (definite).....	3	3	3
Permanent:			
Spending authority from offsetting collections			
Change in unpaid obligations:			
Unpaid obligated, start of year:			
73.10 New obligations.....	3	3	3
73.20 Total outlays (gross).....	-3	-3	-3
Outlays (gross), detail:			
86.90 Outlays from new current authority.....	3	3	3
New budget authority and outlays:			
89.00 Budget authority.....	3	3	3
90.00 Outlays.....	3	3	3

Advisory Council on Historic Preservation
Salaries and Expenses
Object Classification (In Thousands of Dollars)

Identification code	1998	1999	2000
<u>95-2300-0-1-303</u>	<u>actual</u>	<u>enacted</u>	<u>estimate</u>
Direct obligations:			
Personnel compensation			
11.1 Full-time permanent	1,750	1,792	1,857
11.5 Other than full-time permanent			
11.5 Other personnel compensation			
11.9 Total personnel compensation	1,750	1,792	1,857
12.1 Civilian personnel benefits	404	416	434
13.1 Benefits for former personnel	-	-	-
21.0 Travel and transportation of persons	40	40	80
23.1 Rental payments to GSA	250	270	277
23.3 Communication, utilities, and misc charges	20	16	20
24.0 Printing and reproduction	41	41	73
25.2 Other services	170	170	195
26.0 Supplies and materials	5	5	7
31.0 Equipment	<u>65</u>	<u>50</u>	<u>57</u>
99.0 Subtotal, direct obligations:	2,745	2,800	3,000
99.0 Reimbursable obligations:	200	200	200
99.9 Total obligations	2,945	3,000	3,200

Personnel Summary

Direct: Total compensable work years:

1011 Full-time equivalent employment.....	32	32	34
2011 Reimbursable: Full-time equivalent employment.....	2	2	2

**APPENDIX A:
PROGRAM ACTIVITIES AND
ACCOMPLISHMENTS, FY 1998**

POLICY DEVELOPMENT AND PROGRAM COORDINATION

Strategic planning and the Council's future. During FY 1998, the Council continued to refine its Strategic Plan adopted in 1997, and began to integrate both its long-term goals and the annual performance plans intended to implement the Strategic Plan into the budget and planning process. An Annual Performance Plan covering FY 1999 was submitted with the FY 1999 budget justification; this plan is currently being amended, and a preliminary plan for FY 2000 will accompany the budget document.

Regulations. Revision of the Council's Section 106 regulations, which commenced in 1993, neared completion as this budget document went to press (February, 1999). With certain modifications, a final regulation was adopted by the Council membership at its October 24, 1997 meeting, and submitted to the Office of Management and Budget for interagency review. As of late January, 1999, several policy disagreements that arose during this review were in the process of resolution, and a final rule was being submitted to the Council for adoption at its February, 1999 meeting. The efforts underway are expected to result in publication of the final rule for effect midway through FY 1999, with implementation beginning by the summer of 1999. By FY 2000, we expect to be in full operation under the new regulations.

Report to Congress on Alternatives for Implementing Section 106. Reauthorization legislation for the Advisory Council on Historic Preservation, signed into law in November, 1996, directed the Council within 18 months to:

submit a report to the appropriate congressional committees containing an analysis of alternatives for modifying the regulatory process for addressing the impact of Federal actions on nationally significant historic properties, as well as alternatives for future promulgation and oversight of regulations for implementation of Section 106 of the National Historic Preservation Act [P.L. 104-333, Section 509(b)].

At the time of the request from Congress, the Council was immersed in its multi-year effort to revise its regulations. No additional funds were provided for preparation of the report; the Council conducted its analysis and prepared its report within existing resources. The Council's analysis took advantage of the wealth of material developed through the regulatory reform effort. In addition, the report examined possible statutory changes related to the content and implementation of Sections 106 and 110(f) of NHPA. The analysis also considered the extent to which operational mechanisms and administrative measures, such as policy, guidance, and practice, might

The report prepared by the Council was submitted on May 22, 1998. It examined possible statutory, regulatory, and non-regulatory actions to improve the application and implementation of Sections 106 and 110(f) of NHPA; considered the extent to which regulatory reforms already

underway and new non-regulatory policy, guidance, or practice, might accomplish these same goals; used the information gathered through the Council's regulatory revision initiative to identify major issues of concern; and approached the request from Congress holistically by considering alternative treatment of nationally significant properties as a subset of more general questions about the implementation of Section 106.

Among the major issues examined in the report were:

- ◆ Should the fundamental nature of the current Section 106 review process be significantly changed?
- ◆ Is it preferable that the Council's "reasonable opportunity to comment" continue to be defined as consultation leading to execution of a binding Memorandum of Agreement?
- ◆ Should there be one set of uniform, government-wide procedures covering the implementation of Section 106, or should there be more than one procedural and review system that distinguishes between Federal and federally assisted actions or between undertakings on public lands and on private property?
- ◆ What implementation alternatives within the existing alternatives might be desirable to explore that would require legislative changes?

The study found, first, that the fundamental elements of the current Section 106 process are sound and do not require radical change, and second, that the concept of consultation leading to execution of binding Memoranda of Agreement has strong support and is a vital component of the Section 106 review process. As such, this feature should be retained. The study also found that there is considerable flexibility built into both the existing and proposed regulations for implementing Section 106, and there should continue to be one set of uniform, government-wide procedures. Through its regulatory reform initiative, the Council has explored alternatives available within the Section 106 statutory framework. The concept of "flexible application" in the administration of the regulation, and mechanisms in place for agencies to develop their own alternative ways to implement Section 106, amply provide for tailoring and streamlining the process. The study concluded that further operational improvements could be realized through development of implementing guidance, as well as adequate staffing and funding for agency historic preservation programs.

Based on these findings, the report contained a number of recommendations for consideration by the Congress and others. These are briefly summarized in Figure 6.

The Council's analysis found that the basic implementation of the Section 106 process is sound, though it certainly merits continuing improvement. Improvements underway, or contemplated in the above recommendations, should result in more thoughtful and efficient decision-making and better protection of significant historic properties. Only a small number of the thousands of projects and programs considered under Section 106 of NHPA each year are problematic or controversial. These should continue to receive an appropriate level of attention and public

**Figure 6. Recommendations from Council Report to Congress
On Alternatives for Implementing Section 106**

Alternatives for future promulgation and oversight of regulations for implementing Section 106

- **Responsibility:** For Federal programs carried out by State, local, or tribal governments, consideration should be given to amending the statute in the future to allow Federal agencies to delegate their Section 106 responsibilities to approved State, local, or tribal programs as part of an overall program delegation or approval.
- **Substitution:** Considerable flexibility and incentives exist at the present time to promote the integration of historic preservation requirements with other planning approval, and resource protection requirements. However, the success or failure of attempts to coordinate the requirements of Section 106 with procedures for the National Environmental Policy Act, as well as similar statutes should be monitored, and the Council should report on this issue to the President and the Congress within three years of the issuance of the revised regulations.
- **Oversight:** Consideration should be given to amending the NHPA so that agencies act to internalize historic preservation review more effectively, and to adjusting the composition of the Council to provide for organizational representation by the U.S. Conference of Mayors, the National Governors' Association, and/or the National Association of Counties.

Alternatives to the existing review process for properties of national significance

- **Protection and planning:** Consideration should be given to amending the NHPA to require Federal agency cooperation and participation in mandated NPS and Council reporting and review of threats to historic properties, including NHLs. Additional funding or changing priorities in existing spending should be considered to help ensure adequate description, protection, and enhancement of threatened or neglected NHLs under Federal jurisdiction and control.
- **Identification and evaluation:** Improvements are needed in the timeliness and completeness of Federal planning activities as they relate to actions affecting nationally significant properties. At a minimum, additional incentives for States, Federal agencies, and others to identify and evaluate such properties should be authorized, research and development of historic theme studies and resource guides should be accelerated, and priority attention should be given to public lands subject to more intensive uses or development.

debate, even as we work to improve the planning and review process to forestall or minimize potential disputes of this nature that may arise in the future. At the same time, the Council is committed to ensuring that program and operational enhancements can and will continue to be developed that promote the effectiveness, consistency, and coordination of other public policies and programs with the purposes Congress articulated so eloquently in NHPA.

Legislation. During the course of FY 1998, the Council conveyed its views on and actively participated in development of a number of pieces of pending legislation and policy issues, including:

- ◆ Amendments to the National Historic Preservation Act, including reauthorization of the Historic Preservation Fund;
- ◆ Reauthorization and appropriations for transportation enhancements through the Transportation Efficiency Act (TEA-21);
- ◆ Protection of historic lighthouses as contained in H.R. 2970, the National Historic Lighthouse Preservation Act of 1997;
- ◆ The Post Office Relocation Act, H.R. 1231, that would ensure first consideration of reusing historic properties in post office relocation projects; and
- ◆ Proposed language directing the Secretary of Transportation to work with regulatory and other program agencies to streamline environmental and other review processes for approval of transportation projects, for possible inclusion in an Intermodal Surface Transportation Efficiency Act reauthorization.

Council recommendations were actively considered, and in several cases adopted by the sponsors of these bills, although most of these issues are still under active consideration.

Millennium Program. During FY 1999, the Council plans to identify and celebrate local historic preservation successes that have resulted from the public-private partnership of the national historic preservation program. It will also look at challenges facing historic preservation at the turn of the century. Those experiences will be assessed to identify the needs of the Federal program for possible future corrective action. The Council will work closely with its Federal and non-Federal members, as well as States, localities, Indian Tribes, business leaders, civic organizations, and others, to collect information on the experiences of American communities and public lands stewards in protecting and preserving the Nation's historic places with government support. The Council intends to solicit grassroots input from a broad range of organizations and individuals via our existing publicly accessible Internet site. Outstanding examples of Federal and federally-supported preservation work will be recognized and featured through print and other media. The Council will analyze and assess the results of these experiences throughout the country and provide an evaluation to the President and Congress on Federal Preservation Policy and the Needs of the 21st Century, focusing on the many ways in which public-private partnership for historic preservation throughout the Nation have succeeded in managing the changing face of

our towns, cities, and countryside, enhanced local and regional economies, and supported community values and cohesion. The reasons for prominent successes will be examined, as well as the causes of failure, and specific recommendations will be made for improving the Federal government's participation and investment in historic preservation into the next century.

We expect to research and develop material for the report during FY 1999 and the beginning of FY 2000, and to publish the report by the end of FY 2000. Funds requested for FY 1999 were not appropriated, so the Council will conduct this work within its existing resources. Additional funding is requested for FY 2000 to produce and print a high quality, illustrated version of the report that is broadly disseminated.

American Heritage Rivers initiative. In the President's State of the Union message on February 4, 1997, he announced an initiative known as American Heritage Rivers, and directed his Cabinet to implement the concept. Council staff participated with other agencies under the leadership of the Council on Environmental Quality as a member of the oversight Interagency Review Committee and the core interagency Working Group to develop options and recommendations for implementation of these ideas. The Council's role as the sole proponent of historic preservation in the early stages of designing the initiative, and its continuing involvement, have been pivotal in assuring that cultural heritage protection and enhancement are central components of the final product.

On September 11, 1997, the President signed Executive Order 13061 that established the initiative and created an Interagency Committee, including the Chairman of the Advisory Council on Historic Preservation, to help oversee its implementation. On December 10, 126 nominations for designation by the President were received, representing rivers and river communities in 46 states. In July, 1998, the Vice-President announced the selection of 14 rivers, and the President kicked off the designation in North Carolina the spring of 1998. The Council plans to continue to participate in an advisory and consultative capacity with aspects of the initiative through FY 1999, including assisting with a conference for nominees, and to maintain computerized and other technical assistance resources for participating communities, organizations, and government agencies.

NEPA Reinvention. The Council was actively involved in an interagency effort in FY 1997 to "reinvent" implementation of the National Environmental Policy Act of 1969, in response to a Council on Environmental Quality request. Council staff participated in developing preliminary recommendations for improving implementation of NEPA, and for more effectively integrating NEPA, requirements of the National Historic Preservation Act, and other laws, policies, and regulations. CEQ put this project on hold in 1998. However, as the Council's new regulations are finalized and implemented in FY 1999, Council staff will evaluate in detail the effectiveness of NEPA, including the public participation provisions of agency NEPA procedures, for use for Section 106 planning and decisionmaking purposes. It is possible that issuance of a revised Council regulation will lead to CEQ reopening the coordination effort.

Internet Home Page. The Internet has been steadily growing in importance and maturing as a critical and effective mechanism for reaching an ever-broadening audience. There is a continuing

need to improve our ability to rely on and use this cost-effective tool to its full advantage. Therefore, the aim during FY 1998 has been to enhance the quality and quantity of information available electronically, and to make "one stop shopping" available for those seeking information on Federal and related historic preservation activities, program responsibilities, and implementation information and advice (www.achp.gov). This important priority will continue to be supported, updated, and maintained in FY 1999 and 2000.

Defense facilities. In the spring of 1996, the Council signed a Memorandum of Understanding and Interagency Agreement with the Department of the Army. This important initiative marks a precedential step in pursuing cooperative ventures with Federal agencies seeking to benefit from the Council's expert assistance. The initiative, described more fully under "Federal Historic Preservation Program Improvement," is a prototype for other proposals that may be advanced in FY 1999 and FY 2000.

Other policy work. Council staff were involved in FY 1998 in many additional areas of policy development and coordination. A few which we expect to continue in FY 1999 and 2000 include:

- ◆ Transportation Research Board proceedings, including a lead role in the opening session of the annual meeting in San Diego;
- ◆ National Maritime Grants Advisory Panel to review and recommend funding for maritime heritage and education projects to the Secretary of the Interior (the Council's participation is statutorily mandated); and
- ◆ Regular participation in meetings of the National Preservation Coordinating Council, a coalition of preservation organizations.

General policy issues. Policy development will play an important role in the Council's program during FY 1999 and FY 2000. The Council's Millennium Initiative will be a key part of this effort. Following adoption of final Section 106 regulations, the Council will have the challenge and the opportunity to adapt the Federal preservation review process to respond to continuing changes in Federal priorities and in the implementation of a variety of Federal policies.

FEDERAL AGENCY PROGRAM MANAGEMENT

Section 110 guidelines. When she assumed office in 1993, the Chairman committed the Council to work closely with Federal agencies to develop effective agency historic preservation programs as the 1992 NHPA Amendments envision. A direct result of that commitment has been a joint Council-Department of Interior effort to revise the Secretary of the Interior's existing guidelines Section 110 of the NHPA, which Federal agencies follow when meeting statutory obligations to develop internal historic preservation programs. The Council worked closely with Interior when the original guidelines were developed in the 1980s, with the result of a joint Interior-Council issuance. The current revisions will implement new statutory changes, including Section 110(a)(2)(E) which requires Federal agencies to develop preservation procedures consistent with the Council's Section 106 regulations. This particular provision provides a strong impetus for agencies to develop effective internal preservation planning systems.

Incorporating useful government-wide guidance in the Secretary's guidelines will advance the Council's long-term objective of improving the capability of Federal decisionmaking with regard to historic preservation issues. The guidelines were published in the *Federal Register* for a full public review in the summer of 1997, and were finalized in the spring of 1998. The Council worked with Interior and various Federal Preservation Officers in FY 1998 on consultation procedures and training curricula for agency preservation staff under Section 110, and in FY 1999 and 2000 will assist agencies in meeting their Section 110 responsibilities, particularly in developing statutorily-mandated Section 106 procedures that are consistent with the Council's regulations.

Regulatory revisions. Closely related to the Section 110 initiative is the Council effort to revise its regulations implementing Section 106, the status of which has been discussed earlier in this document. Those regulations set the standard for Federal agency Section 106 procedures and are being carefully crafted to embody the principles of the National Performance Review, with particular emphasis on encouraging State, tribal, and local government participation in the process for planning Federal projects that affect their interests. The revised regulations will include new tools for agencies to tailor the Section 106 process to their needs.

Major program improvement issues. The Council also directs its agency program improvement efforts at solving specific historic preservation issues of current national import. In each case, the Council brings its unique expertise and assistance to the problem. Working cooperatively with the primary Federal program agency and other concerned parties, the Council has been able to help fashion procedures and partnerships to improve the interaction between the agency's primary mission, state and local needs, and the preservation of historic properties.

Affordable housing and economic development issues. The Council is consulting with the U.S. Department of Housing and Urban Development (HUD) and local housing authorities to develop a programmatic approach to reviewing public housing modernization projects funded through the HOPE VI Grant Program, which has continued to receive a large appropriation. Since a number

of the Nation's older public housing complexes will be demolished and replaced with mixed-income housing, such projects have the potential to impact local housing and related community development activities. Additionally, in FY 1999 and 2000, it is anticipated that HUD will have a second round of Empowerment Zones/Enterprise Communities. This program includes housing, economic development, industrial development and other revitalization strategies (including Brownfields) that facilitate the rebirth of older cities and rural areas. Given the ongoing funding to States and local communities under the CDBG and HOME programs, the Council will continue to work with States and cities on programmatic agreements which integrate these approaches with the policies set forth in the Council's *Policy Statement on Affordable Housing and Historic Preservation*. During FY 1999 and 2000, we hope to disseminate additional guidance regarding the Council's Policy Statement, and to make available other resources, such as sample programmatic agreements, case studies, and information on best practices, to assist communities in balancing historic preservation values with other program needs.

Disaster response and historic preservation. The Council continues to give special attention to how the Federal government responds to natural disasters and their impact on historic properties. The Federal Emergency Management Agency (FEMA) has relied on the Council for advice and assistance when historic properties are threatened or damaged by disasters. Based on experiences with hurricanes, earthquakes, tornadoes, and floods, recent joint initiatives between the Council and FEMA strive to improve coordination among the many agencies and organizations responsible for or interested in assisting with historic preservation efforts after a disaster. One such activity in FY 1998, development of a new model Statewide programmatic agreement, will serve as the basis for a streamlined approach to Section 106 being pursued with FEMA the National Conference of SHPOs, and State emergency management agencies. Building on model State agreements that have been put in place to respond to 35 disasters in 20 states since the Midwest flood disaster of 1993, individual state agreements will be developed using the new model, which establishes a system for interagency coordination on historic preservation matters and preparedness prior to natural disasters.

Historic military properties. Important work has begun in addressing military downsizing, such as the management of historic Navy vessels and historic military residential quarters. With the final round of base closures, and the new Defense Department programs for streamlining and downsizing the military services, the Council has turned its attention to addressing such programs as privatization, excessing of surplus property, including ships, and demolition of older or obsolete structures. The Council has begun developing programmatic strategies to address these issues with both the Navy and the Army, which will continue through FY 1999 and beyond.

In response to Congressional report language accompanying the Defense Appropriations Authorization of 1997, the Army and Council began to work on several strategies to better manage the Army's historic properties. The most significant program under development is the counterpart regulations which will replace the government-wide Section 106 review process for the Department of the Army.

In FY 1998, the Council and the Army Environmental Center (AEC) developed initial drafts of

the regulations in consultation with Indian Tribes and Native Hawaiian organizations, State Historic Preservation Officers, and the National Trust for Historic Preservation. The Council took responsibility for managing all aspects of the extensive consultation program to ensure that all parties have been included in addition to co-authoring drafts of the regulations. Consultation meetings, several of which were hosted by Indian Tribes, were held around the country in Mississippi, Washington, D.C., Maine, Wisconsin, Louisiana, South Dakota, and Colorado. In FY 1999, the Army and the Council will continue consultation efforts as the draft regulation is revised. Both agencies expect to complete the regulations drafting process by the end of FY 1999, with implementation in FY 2000.

Other projects under development by the Council for the Army included guidelines for the identification and evaluation of archaeological properties (begun in FY 1998 and continuing in FY 1999), mitigation measures for archaeology and traditional cultural properties (development will begin in FY 1999 and be completed in FY 2000), programmatic approaches to the commercialization of Army historic housing, and guidance for consultation with Indian Tribes and Native Hawaiian organizations based on experiences to date.

Telecommunications issues. Since the passage of the Telecommunications Act of 1996, there has been a proliferation of applications for telecommunications towers as carriers compete for the dominance of markets. Accordingly, the Council is working with the Federal Communications Commission (FCC) to streamline the Section 106 review of applications for tower siting and installation through the execution of State Programmatic Agreements. In addition to consulting on the development of State Programmatic Agreements, we are continuing to talk with carriers and local communities in order to determine how historic properties can be considered earlier in the planning process. Refinements are needed in the development and consideration of viewshed analysis, study of the potential effects on historic landscapes, and Native American concerns involving potential sacred sites. Training and technical assistance needs and opportunities, therefore, need to be identified in FY 2000, which may lead to development of written guidance and a Council policy statement on these issues.

Transportation planning and enhancement. A final area of program emphasis has been in continuing work with the Federal Highway Administration and State transportation departments on highway projects, authorized and funded through the Transportation Equity Act for the 21st Century (TEA-21). A State-based agreement developed to delegate responsibilities for much of the Section 106 process from FHWA to the individual State highway departments has been extended to 10 states. In addition, a model Programmatic Agreement (PA) for historic bridge preservation in Vermont has been developed, which we anticipate can also be applied in other states.

Council staff continues to work closely with FHWA, State highway departments, and related professional organizations to define and implement guidance for integrating highway development with community needs and protection of the environment. A key aim of "Thinking Beyond the Pavement," a national conference held at the University of Maryland in May, 1998 for which the Council was a co-sponsor, is to lay the groundwork for incorporating historic preservation concerns and needs into transportation projects from their very inception, and to ensure that transportation design development and engineering decisions are "context-sensitive" to community, landscape, and other needs.

MANAGEMENT OF THE SECTION 106 PROCESS

Ongoing Section 106 case involvement. The Council participated in many significant cases during FY 1998. A partial list of noteworthy, complex, and often controversial cases in which Council involvement in consultation took up considerable time in FY 1998, and in some cases into FY 1999, may be found in Figure 7.

Changes to the Section 106 process. A summary of how Section 106 would work under the revised regulations is contained in Figure 8. New Council responsibilities and expanded activities under the revised regulations would include the following:

- ◆ Establishment of monitoring procedures to ensure that responsibilities carried out by agencies and SHPOs in handling newly delegated responsibilities for resolution of noncontroversial cases are being met;
- ◆ Greater need to respond to public requests to review actions in specific cases, including fact-finding;
- ◆ More active and direct Council involvement in consultation in those cases which include strong public interest, negotiation challenges, or difficult design or treatment issues;
- ◆ Opportunities for the Council to identify cases where its involvement, advice, and mediation can head off later problems, clarify possible precedent, or promote the preservation of significant historic properties;
- ◆ Development of better and more detailed information for agencies, SHPOs, Tribes, and applicants for Federal assistance to better equip them for handling their enhanced responsibilities, especially through such widely accessible means as the Council's Internet home page;
- ◆ More consistent work with Federal agencies, particularly those that are the primary Section 106 users, to help them improve historic preservation planning and integration of preservation into their overall project development and implementation; and
- ◆ Extensive training for all segments of the Section 106 user population.

Data Base and Tracking System. In FY 1998, the Council developed and began testing a new data base and tracking system for Section 106 cases. By the end of the year, the data base was ready for full-time use to coincide with the anticipated changes in the new regulations. The data base should make it easier to track the progress of historic preservation cases in which the Council is involved on a weekly or even daily basis; during FY 1999 and 2000, the tracking system will be refined to provide for more active, ongoing monitoring of agency and SHPO

Figure 7. A Sampling of Noteworthy Section 106 Cases, 1998-1999

STATE	CASE	DESCRIPTION
Arizona	Interstate 40 Interchange, Holbrook	<i>Use of construction borrow material from Woodruff Butte, a site of traditional importance to the Navajo Nation, the Hopi, and the Pueblo of Zuni, has been the subject of litigation and a temporary restraining order against FHWA and Arizona DOT.</i>
California	Reuse of the Long Beach Naval Station	<i>Designed by Paul Williams, noted African-American architect, the now closed Naval Station will be demolished for a container port. An agreement provides for establishment of a substantial preservation fund.</i>
California	Pasadena Freeway (I-710) Construction	<i>For the fourth time in 15 years, the Council issued strong comments against the proposed Route 710 project, citing its threat to established historic neighborhoods. The Council also took the unprecedented action of referring its concerns directly to the President, with a request that he direct the Secretary of Transportation to reconsider Federal support for the project. The Secretary reaffirmed his support for the project, but directed that additional studies be done to address the Council's concerns.</i>
Connecticut	New Construction of Amtrak Train Station, New London	<i>Plans by Amtrak to abandon its facility at New London's Union Station, designed by H.H. Richardson, and build a new station raise questions about the fate of the famous landmark.</i>
District of Columbia	Construction of World War II Memorial	<i>A proposed memorial on the National Mall will alter the Rainbow Pool, located at the end of the Reflecting Pool between the Washington Monument and the Lincoln Memorial.</i>
District of Columbia	Proposed Construction of New Convention Center	<i>Serious concerns for the long-term impact this immense new facility will have on the surrounding historic residential area led to a series of progressive measures to provide planning safeguards.</i>
District of Columbia	General Post Office Building Lease	<i>Designed by Robert Mills and associates, this NHL, long abandoned, is now being marketed for lease and reuse by GSA.</i>

Georgia	Construction of Eisenhower Parkway Extension, Macon	<i>This major new project traverses Old Fields, a property of premier traditional cultural significance to the Cherokee Nation, and will pass close to the Ocmulgee National Monument.</i>
Georgia	U. S. Federal Building and Courthouse Expansion, Savannah	<i>Following the construction of a building in the early 1980s derided by local citizens and architectural critics alike, GSA has enlisted Council support in using Section 106 consultation for a more inclusive decision process on this expansion.</i>
Hawaii	Demolition of Mahulia Hall at Fort DeRussy	<i>Site of countless USO shows for armed forces from WWII through the Vietnam War, the Hall has now been demolished following Council urging that the Army delay demolition and consult with veterans groups.</i>
Hawaii	Transfer and Mooring of the Battleship U.S.S. Missouri	<i>The battleship that hosted the signing of the Japanese surrender in 1945 and saw service in the Gulf War was transferred to a non-profit organization, moved from Puget Sound to Pearl Harbor, and will be moored and interpreted near the U.S.S. Arizona Memorial</i>
New Mexico	El Rancho Electric Substation	<i>With Bureau of Indian Affairs assistance, this substation was constructed without Section 106 compliance, prompting a successful legal challenge.</i>
Pennsylvania	Subdivision Development, Brandywine Battlefield	<i>A Corps of Engineers wetland permit will allow construction of a 90-acre housing subdivision on a portion of the Revolutionary War battlefield</i>
Pennsylvania	Visitor's Center, Gettysburg National Military Park	<i>Planned as a public-private partnership, construction of a new visitor's center would lead to demolition of the existing center and Cyclorama dating from the 1930s.</i>
Pennsylvania	Disposal of Philadelphia Naval Hospital	<i>This excellent Art Deco complex is scheduled for demolition following its conveyance to the City by the Navy.</i>
Puerto Rico	Tren Urbano Mass Transit System	<i>Design negotiations between the SHPO and the transit authority have broken down and necessitated a more active Council role.</i>

Tennessee	Demolition of Elkment Historic District, Great Smoky Mountains National Park	<i>An early 20th century resort community is planned for demolition by the National Park Service</i>
Tennessee	Landerdale Courts Housing Project	<i>Among housing units considered for clearance is one Elvis Presley lived in as a child, raising local preservation interest.</i>
Utah	U.S. Courthouse Annex, Salt Lake City	<i>GSA's construction of an annex to the 1905-1932 Neoclassical revival courthouse will affect one of the city's few unaltered late 19th century Richardsonian Romanesque buildings next door.</i>
Virginia	Woodrow Wilson Bridge Replacement, Potomac River	<i>The most critical transportation link in the Washington, D.C. metropolitan area, the bridge's location within the Old Town Alexandria HD and its proximity to other historic properties has generated legal opposition from citizens and the city.</i>
Washington	Relicensing of Cushman Hydroelectric Facility	<i>Posing many long-standing concerns raised by the Skokomish Tribe regarding the effects of this facility on their traditional salmon fishing grounds, this case led to formal Council comment to FERC.</i>
West Virginia	Construction of Corridor H Highway	<i>FHWA's assistance for construction of the 110-mile development highway corridor is subject to review under a 1995 Programmatic Agreement, and will affect a number of large rural historic districts.</i>
Wyoming	Hulett Airport Construction, Devil's Tower National Monument	<i>The FAA is considering an application for construction of a general aviation airport whose noise and overflights could affect Devil's Tower, a volcanic butte considered sacred by the Lakota, Crow, Cheyenne, Arapaho, Kiowa, and Eastern Shoshone peoples (and featured in the film "Close Encounters of the Third Kind").</i>

Figure 8. How Section 106 Would Work Under the Revised Regulations

The standard Section 106 review process is spelled out in regulations issued by the Council. Entitled "Protection of Historic Properties," the regulations appear in the U.S. Code of Federal Regulations at 36 CFR Part 800. The revised process as proposed is outlined below.

Determine undertaking and area of potential effects

The responsible Federal agency first determines whether it has an undertaking subject to Section 106 that could result in changes in the character or use of historic properties, defined as properties that are included in or that meet the criteria for the National Register of Historic Places. If an agency has such an action under its jurisdiction or control, it must decide on the geographic area within which such changes could occur.

Identify and evaluate historic properties

Based on the nature of the undertaking and the area of potential effects, the agency identifies the historic properties which the undertaking may affect. Depending on what is already known of the area, the agency reviews background information, consults with the State Historic Preservation Officer (SHPO) and others, and conducts additional studies including field surveys. Districts, sites, buildings, structures, and objects listed in the National Register are considered; if previously unevaluated properties are found, the agency evaluates them in consultation with the SHPO against the National Park Service's published criteria.

If questions arise about the eligibility of a given property, the agency may seek a formal determination of eligibility from the secretary of the Interior. Section 106 review gives equal consideration to properties that have

already been included in the National Register as well as those that are eligible for inclusion.

Assess effects

If historic properties, that is, properties included in or eligible for the National Register, are found, the agency then assesses whether they will be affected by the undertaking. If so, the agency must then determine if the effect will be adverse. The agency makes its own assessment based on criteria found in the Council's regulations, and can make a determination of:

- *No adverse effect:* the undertaking will affect one or more historic properties, but the effect will not be harmful; or
- *Adverse effect:* the undertaking will harm one or more historic properties.

Consultation

If an adverse effect will occur, the agency consults with the SHPO and others in an effort to find ways to make the undertaking less harmful. Others who are consulted, under various circumstances, may include local governments, Indian tribes, permit or license applicants, property owners, and other members of the public. The Council participates in consultation when requested, if National Historic Landmarks or Programmatic Agreements are involved, or to ensure the National Historic Preservation Act's purposes are met.

Consultation is designed to result in a Memorandum of Agreement (MOA), which outlines measures agreed upon that the agency will take to reduce, avoid, or mitigate the adverse effect. In some cases the consulting parties may agree that no such measures are available, but that the adverse effects must be accepted in the public interest.

Council comment

If consultation proves unproductive, the agency or the SHPO, or the Council itself, may terminate consultation. The agency must submit appropriate documentation to the Council and request the Council's written comments.

Implementation

If an MOA is executed, the agency proceeds with its undertaking under the terms of the MOA. In the absence of an MOA, the agency head must take into account the Council's written comments in deciding whether and how to proceed.

Alternative approaches

The Section 106 regulations also spell out several alternative means of complying with Section 106. These include:

- *Programmatic Agreements* among an agency, the Council, one or more SHPOs, and others;
- *Counterpart procedures* developed by an agency and approved by the Council;
- *An agreement between the Council and a State*, which substitutes a State review system for the standard Section 106 review process; and
- *An agreement between the Council and a tribe*, which substitutes use of tribal regulations for those of the Council on tribal land.

Other options currently under development include:

- *Use of National Environmental Policy Act compliance* in lieu of Section 106 compliance in certain situations
- *Exemptions of programs or categories of undertakings* from Section 106 review
- *Standard treatment measures* that when invoked will permit modification of the Council's regulations
- *Program comments* where the Council issues a single written comment on a category of undertakings.

involvement in Section 106 consistent with the changes in the regulations.

Other Section 106 management activities. On a daily basis, the Council advises users of how the Section 106 process is intended to operate, providing a full range of interpretations and clarifications of the process from telephone responses to formal legal opinions and interpretive documents. This service, which will take on an added degree of importance under the revised regulations, is critical to the effective functioning of the Section 106 process, saving time and money by answering a wide variety of questions about the specific application of the procedures to differing fact situations and agency circumstances.

Because of the focus on revising the basic regulations, and its attendant uncertainties, the Council cut back on its production of formal interpretations and guidance in FY 1997. A fact sheet on Native American participation, a citizen's guide to the Section 106 process, a model preservation covenant designed to simplify the transfer of surplus Federal historic properties, and an archaeology handbook will need to move into production following issuance of the regulations. A joint project with the National Park Service to clarify how properties are evaluated for determining eligibility for the National Register of Historic Places, and a cooperative effort with the professional community, concerned government agencies, and others on improving the consideration of archaeological resources through the Section 106 process (see "Policy and Program Coordination" section) are two important guidance initiatives that will support the purposes of revised regulations. Both these efforts are expected to be concluded in FY 1999.

Informal assistance is the heart of the Council's Section 106 management activities, and this will proceed at its usual pace. It must be emphasized that these efforts will assume greater importance as SHPOs, Federal agency officials, Indian Tribes, and others grow accustomed to working with the revised regulations.

EDUCATION, TRAINING, AND PUBLIC AWARENESS

Outreach activities fall into three primary areas: education and training, communications and publications, and liaison with various outside parties.

Education and training. Educational outreach, which fulfills the Council's mandates under Section 202(a)(5) and (7) of the NHPA, remains a dynamic component of the agency's mission that is extremely well-received by those who use it. The Council's successful education program is closely linked to its other technical assistance and program review activities for the purpose of instructing Federal, State, local, and Tribal officials, applicants for Federal assistance, and contractors in the requirements of Federal historic preservation law and Section 106 review. The Council views historic preservation education as a critical means of program improvement and preservation assistance. Experience has shown that educating Federal agency officials and others saves significant time in processing Section 106 undertakings, improves consultation, and results in better, more thoughtful planning and consideration of historic values.

Program focus. In FY 1998, regularly scheduled training was put on hold pending resolution of the regulatory revisions. The education program focused on new partnership initiatives, providing Federal agencies with specially tailored training, and on preparing for transitional briefings on the anticipated new regulations. An ongoing joint initiative with the Navy and NPS provided Department of Defense personnel with four sessions of *Introduction to Cultural Resource Management Laws & Regulations* through the Navy's Civil Engineer Corps Officers School (CECOS). The partnership will continue, with three more courses scheduled through CECOS in FY 1999. CECOS reimburses the Council for staff instruction, travel, and other expenses associated with developing and updating instructional materials.

Through a new interagency agreement with the National Park Service (NPS), the Council also provided training for park managers and staff involved in compliance with Section 106 of NHPA. Under the agreement, NPS provided resources that enabled the Council to develop and present a special course for NPS personnel focused on equipping trainees to carry out their preservation responsibilities under the terms of NPS' nationwide Programmatic Agreement. In addition, the Council is adapting the above-referenced CECOS course for an NPS audience. This joint initiative is an excellent example of the integral relationship between training and the Council's fundamental goal of improving Federal agency historic preservation programs.

Another FY 1998 joint initiative enabled the Council to design and present a new briefing for the Army National Guard (ARNG) that addressed the ARNG's unique dual Federal and State roles. Through the Council's interagency agreement with the Army, the National Guard Bureau (NGB) provided the Council with resources to design and offer a carefully tailored briefing session for ARNG personnel. The Council and the NGB are exploring further joint efforts in FY 1999 that would strengthen the ARNG's preservation program and compliance and develop computer-based training for the ARNG.

The Council also continued in FY 1998 to work with NPS and a task force of Federal Preservation Officers (FPOs) to establish a training program for FPOs and their staff per Sections 110(c) and 101(j) of NHPA. This multi-agency initiative, which will better equip FPOs to develop and implement effective agency preservation programs, will continue into FY 1999.

In FY 1998 the Council trained 150 Federal officials in 6 agency-specific courses. Open-enrollment course offerings of *Introduction to Federal Projects and Historic Preservation Law* and the *Advanced Seminar on Preparing Agreement Documents Under Section 106 of NHPA* were suspended, due to uncertainty over resolution of the Council's regulations revisions. Thus, for the first time in many years, the FY 1998 training schedule included no sessions of either course as staff focused on better integration of training into agency program-improvement efforts and preparing to train Section 106 participants on new regulations.

In FY 1999 we estimate an abbreviated number of scheduled training courses as the Council's emphasis shifts to developing and offering transitional briefings on the anticipated new regulations, and to exploration of computerized training and other uses of available technology. Indeed, FY 1999 is expected to present a special challenge as the education program focuses considerable staff resources and work on developing and presenting comprehensive training on new regulations and their implementation.

Tribal training initiative. In FY 2000, the Council plans to begin a 4-year, multi-phase Program for Native American Assistance to help equip Indian Tribes, Native Hawaiians, and Native Alaskans (Native Americans) to participate actively in the Federal historic preservation program and to consult effectively with Federal agencies whose activities could affect resources and places with cultural significance for Native Americans. This program, which will have a substantial training component, is designed to meet several of the Council's Strategic Objectives and remedy insufficient Council assistance and training for Native Americans in the past.

In FY 2000, the Council will launch this program by writing Section 106 guidance for Native Americans, establishing procedures for consulting with Native Americans, strengthening working relationships with tribes and Native American organizations, developing curriculum and materials for regional workshops for Native Americans, and beginning Native American internships at the Council. In the following three years, the program will offer regional workshops for Native Americans, assist Tribal Preservation Offices, assist development of tribal preservation regulations, undertake focused efforts to improve agency consultation with Native Americans, continue Native American internships at the Council, and provide scholarships for Native Americans to attend Council courses. Additional funds are requested in FY 2000 to meet this important need.

Other training activities. Another critical element of the Council's training and outreach program is the regular participation of its professional staff in workshops, seminars and conferences as speakers and resource persons. The Council uses this vehicle to inform a wide range of government officials, preservation professionals, industry representatives, Native Americans, and interested citizens of the National Historic Preservation Program in general and the Section 106 process in particular. Audiences have ranged from attendees at the

Transportation Research Board annual meeting, a gathering of Federal, State and local highway and transportation officials, to the Edison Electric Institute, to the members of USET, a group of Native American Tribal and cultural leaders from Southern and Eastern Tribes. Because related travel expenses are sometimes reimbursed, Council participation is relatively low-cost, but plays an important role in providing practical information on the Council's programs and policies and in learning the perspectives and concerns of the many users of the Section 106 process.

At the present time, we are planning to continue these activities in FY 1999 and FY 2000 at about the same level as previous years, but the time demands on staff associated with implementing the revised Section process during FY 1999 may require adjustments to priorities and reallocation of training resources, depending on the budget and staffing outlook for FY 2000. Additional funds are requested in FY 2000 to hire an education program assistant, who would provide needed support for educational outreach to currently under-served constituencies and to develop computer-based tutorials as an element of the Council's ongoing program of Section 106 training.

Consortium for Education. Beginning in FY 1997 and continuing throughout FY 1998, the Council participated actively in Federal Resources for Educational Excellence (FREE), an interagency consortium organized by the U.S. Department of Education to respond to President Clinton's April 18, 1997, memorandum directing Federal agencies to expand access to Internet-based educational resources. The FREE working group has made hundreds of government-supported resources easier for educators and students to find, and will continue to add new resources and improve those already available.

Communications and publications. Development and distribution of information elucidating the Council's work and its function in the national historic preservation program is a critical component of Council leadership. Both printed materials, such as formal reports mandated by Congress or prepared as part of a special Council project or initiative, as well as materials specifically designed for electronic dissemination are included in this category.

Annual Report to the President and Congress. Beginning in 1996, the Council's Annual Report was moved to a two-year cycle. At the end of FY 1998, the Council completed publication of its *Report 1996-1997* in both print and electronic formats. *Report 1996-1997* examines the agency's broad statutory charge in the context of its four major program areas—Policy and Program Coordination, Federal Agency Program Management, Management of Section 106, and Education, Training, and Public Awareness.

It is expected that in FY 2000, a report covering the Council's activities during FY 1998 and 1999 will be supplemented with a major report that assesses Federal preservation policy at the end of the century, and recommends measures to better respond to the likely challenges of the twenty-first century (see previous discussion of the Council's Millennium initiative under "Policy and Program Development"). Additional funds are sought in FY 2000 for producing a high-quality printed version of this report and making it widely available.

Home Page. In FY 1998, with improved technological capabilities, the Council expanded its Internet presence. The long-term objective for the Home Page is to provide "one-stop shopping"

for anyone who wishes to learn about the National Historic Preservation Program. Links to the home pages of Federal agencies and SHPOs will provide the user with easy access to all aspects of the program. The Council also intends to have all its Section 106 guidance and informational material electronically accessible via the Internet. We anticipate that this will make information about the Council's program and activities cheaply and widely available, allowing us to reduce our dependence on printed materials over the long run.

Implementing New Section 106 Regulations. A major focus throughout the Council's work in Communications and Publications in FY 1999 and FY 2000 will be facilitating the transition to streamlined Section 106 regulations. Based on the Council's experience with its last regulatory revisions in 1986, a sizable investment in informational guidance materials will save much time and money, both at the Council and with Section 106 users. Aggressive outreach avoids confusion and uncertainty as participants in the Section 106 process adapt to change. It also allows them to take better advantage of the innovations in the new regulations and save time in Section 106 compliance.

Liaison with "preservation partners". Building better working relationships with SHPOs and citizens concerned about preserving their heritage has remained an outreach priority. Because the SHPOs are the Council's primary partner in carrying out the Section 106 process and provide invaluable service to Federal agencies, they are a primary target of outreach efforts. The Council staff maintains close relations with the NCSHPO, and both OPR and the Executive Directorate serve as contact points for SHPOs seeking information, guidance and advice from the Council. The arrangement has achieved closer cooperation with the SHPOs in identifying and solving their problems with Federal agencies, sharing information to improve the operation of the Section 106 process and setting priorities for the Council's Federal agency program improvement efforts.

The Native American Affairs Coordinator position is dedicated to providing effective liaison with Indian Tribes and Native American groups. A principal focus of the work in FY 1999 and 2000 as the regulations are finalized and begin to be used will be aggressive outreach to Indian Tribes. The emphasis will be on providing essential training and guidance. As previously noted, additional funds are sought in FY 2000 to support this program need (see "Education and training" above).



NATIONAL CAPITAL PLANNING COMMISSION

"Extending the Legacy"

JUSTIFICATION FOR APPROPRIATION FISCAL YEAR 2000

(1175)

National Capital Planning Commission

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Members of the National Capital Planning Commission

Appointive Members

By the President

Harvey B. Gantt, Chairman
U. S. At Large

Robert A. Gaines
Maryland

Margaret G. Vanderhye
Virginia

By the Mayor of the District of Columbia

Patricia Elwood
District of Columbia

Arrington Dixon
District of Columbia

Ex-Officio Members

Honorable William S. Cohen
Secretary of Defense

Honorable Bruce Babbitt
Secretary of the Interior

Honorable David J. Barram
Administrator of General Services

Honorable Fred Thompson
Chairman
Committee on Governmental Affairs
United States Senate

Honorable Dan Burton
Chairman
Committee on Government Reform and Oversight
United States House of Representatives

Honorable Anthony A. Williams
Mayor of the District of Columbia

Honorable Linda W. Cropp
Chairman
Council of the District of Columbia

National Capital Planning Commission

OUR MISSION

We are the central planning agency for the federal government in Washington, D.C. and surrounding cities and counties. We develop long range plans and conduct project reviews that enhance the National Capital's extraordinary historical, cultural, and natural resources. We plan for the next century, as well as for the next year. We work with other federal agencies, local governments, private organizations, and others, to create a more beautiful and livable capital.

RESPONSIBILITIES AND FUNCTIONS

The National Capital Planning Commission (NCPC) was established in 1924 as a park planning agency. Two years later our role was expanded to include comprehensive planning. In 1952, under the National Capital Planning Act, we were designated as the central planning agency for the federal government in the National Capital Region and the District of Columbia (D.C.) government.

In 1973, the National Capital Planning Act was amended by the D.C. Home Rule Act which made the Mayor the chief planner for the District of Columbia, and we continued to serve as the central planning agency for the federal government in the Washington area.

Our activities cover the National Capital Region, which includes Washington, D.C. and the counties of Prince George's and Montgomery in Maryland; Arlington, Fairfax, Prince William, and Loudoun in Virginia; plus the independent cities and towns within the outer boundaries of these counties.

Our three main functions are:

1. Preparation of Plans and Programs.
 - A. Preparation and adoption of the federal elements (i.e., federal facilities, federal employment, foreign missions and international organizations, historic preservation, parks, etc.) of the Comprehensive Plan for the National Capital and review of D.C. elements for federal interest. The plan is a statement of goals, policies, and guidelines for the future development of the National Capital (all land in the District of Columbia and federal property within the region).
 - B. Preparation, adoption, and submission annually to the Office of Management and Budget of a five-year Federal Capital Improvements Program (FCIP) for

the region containing land acquisitions and development proposals from all federal agencies. After the Commission reviews the various proposals they are considered for funding by the Office of Management and Budget and the Congress.

2. Review of Plans and Proposals.
 - A. Approval of plans for new federal buildings in the District of Columbia.
 - B. Review of plans for federal buildings and installations in the region.
 - C. Review of development proposals and proposed plan amendments to ensure that development and redevelopment in the Pennsylvania Avenue area are carried out in accordance with the Pennsylvania Avenue Development Corporation Plan of 1974.
 - D. Approval of plans for new D.C. government buildings in the central area of D.C., including the Downtown Urban Renewal Area, as well as the Shaw School Urban Renewal Area just north of downtown.
 - E. Review of other proposed D.C. policies, plans, and programs, including master plans, project plans, annual capital improvements programs, and zoning changes; and review of plans and programs (including zoning, comprehensive plans, area plans and capital improvements programs) proposed by state, regional, and local agencies for their impact on the federal interest.
3. Protection and promotion of the federal interest in planning for the future development of the National Capital Region and coordination of federal plans with local, state, and regional plans and programs.

OUR GOALS AND OBJECTIVES
for
1997 to 2002

In addition to improving customer service, increasing productivity, reducing operational costs, enhancing employee morale and the quality of workplace life, and improving operations through reinvention or restructuring, our General Goals and Objectives as presented in the NCPC Strategic Plan for 1997 to 2002 are to:

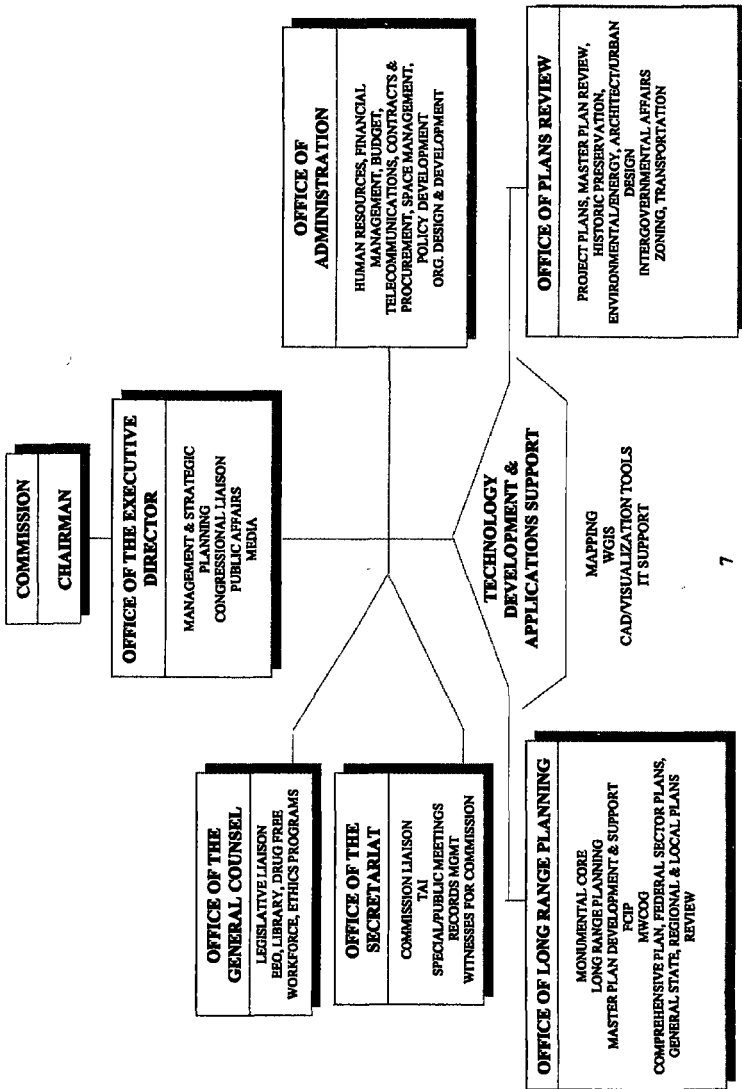
- 1. Preserve and enhance the unique beauty and image of the National Capital and ensure its planned development.**
 - 1.1 Prepare comprehensive plans for the future development of federal land in the region, including the Monumental Core, Beltsville, Bolling-Anacostia, and Quantico federal Area sector plans.**
 - 1.2 Design, implement, and enforce policies to protect Washington's historic views and vistas.**
 - 1.3 Design and implement policies to site new monuments, memorials, and other federal buildings in the Monumental Core while preserving open space.**
 - 1.4 Help ensure that development and redevelopment within the Pennsylvania Avenue area comply with the Pennsylvania Avenue Plan of 1974, and build on and reinforce the past achievements of the Pennsylvania Avenue Development Corporation.**
- 2. Ensure that the location and design of all federal buildings in the National Capital Region promote the effective functioning of the federal establishment and adhere to high architectural, planning, and urban design standards.**
 - 2.1 Evaluate all development plans and projects of federal, District of Columbia, and many state and local government agencies to help ensure that they support the federal interest and contribute to the best urban design, transportation, and land-use outcomes.**
 - 2.2 Increase enforcement of the Commission's policy directing 60 percent of regional federal employment to the District and 40 percent to the surrounding jurisdictions.**

- 2.3 Prepare a five-year capital improvements program containing all public works projects proposed by federal agencies in the region to guide the Office of Management and Budget, Congress, and other public and private sector decision makers in evaluating planning, policy, and investment alternatives.
3. **Improve the quality of life for those who live, work, and visit in the National Capital Region.**
 - 3.1 Promote the social and economic revitalization of Washington, D.C. by channeling the positive impacts of tourism and proposed federal development to aid the city.
 - 3.2 Implement First Initiatives of Monumental Core Plan, including planning for the revitalization of the South Capitol Street/M Street, S. E. Corridors and reclamation of public waterfront.
 - 3.3 Design transportation and visitor signage programs to improve movement to and through the National Capital Region.
 - 3.4 Develop a plan to locate embassies, chanceries, and other international organizations within the city to meet the needs of the diplomatic and international communities and to make these cross-cultural resources more accessible to visitors and residents.
 4. **Protect and enhance historic and natural resources while accommodating change in the Nation's Capital.**
 - 4.1 Ensure that historic resources and properties including the L'Enfant and McMillan Plans, are protected during federal project planning and development.
 - 4.2 Revise the Commission's environmental policies and strengthen its environmental review of all plans and projects submitted for approval.

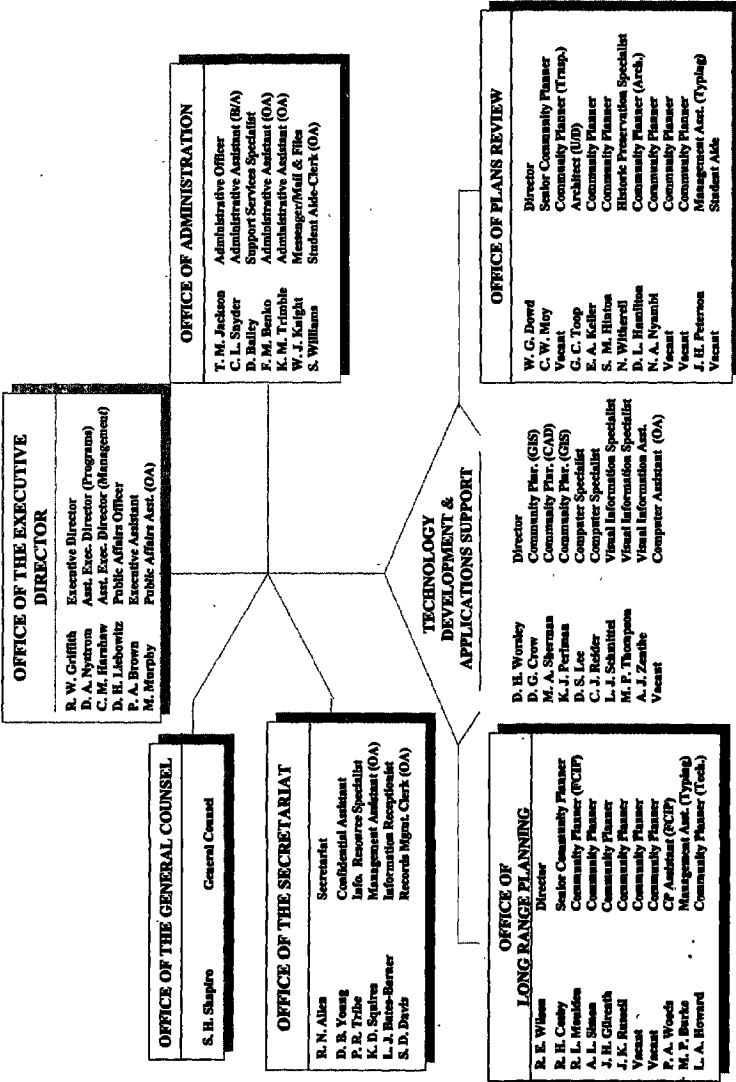
- 5. Develop state-of-the-art information technologies to support integrated planning in the National Capital Region.**
 - 5.1** Help establish a Washington Geographic Information System (WGIS) public/private partnership to build, share, and maintain land-based information used in planning and managing federal facilities, conducting comprehensive planning, and evaluating the effect of federal and District government planning goals on the city and its immediate environs.
 - 5.2** Research and develop better planning data and information such as regional population and economic forecasting, and other tools for simulation models needed by federal and local agencies in the region to visualize and prepare for future probabilities.
 - 5.3** Improve the speed and accuracy for the review and analysis of proposed developments in the National Capital Region through expanded use of computer assisted design (CAD) tools, geographic information systems (GIS), and other innovative information technologies.
- 6. Educate and increase the involvement of local, national, and international audiences in planning and development in the National Capital.**
 - 6.1** Conduct seminars, conferences, and other public outreach programs to encourage public participation in the planning and development of the Nation's Capital.
 - 6.2** Build international partnerships to exchange information with other world capitals faced with balancing the interests of a national government in a local jurisdiction and satisfying the needs of both.

The National Capital Planning Commission

Organization by Function



National Capital Planning Commission Staff Organization



PROGRAM BY ORGANIZATIONAL UNIT

A. Office of the Executive Director

The National Capital Planning Commission is managed by the **Executive Director** who makes policy recommendations to the Chairman and Members of the Commission and supervises, directs, and reviews the work of the career staff. The office provides expert counsel to the Commission; federal, state, and regional officials; and citizen groups in regional planning matters affecting the federal interest in the future growth and development of the National Capital Region and is the Commission's primary liaison with federal, state, regional and sub-regional agencies and organizations. The Executive Director is supported by: an Assistant Executive Director for Programs, an Associate Executive Director for Management, a Public Affairs Officer, and an Executive Assistant. The **Assistant Executive Director (Programs)** supervises all of the program divisions, establishing priorities and schedules, coordinating activities among divisions, and monitoring assignments. The **Associate Executive Director (Management)** is responsible for resource needs, identification and allocation; represents the Executive Director in the Commission's budget; personnel; contracting; and property related high level contacts with the Office of Management and Budget (OMB), Congress, Office of Personnel Management (OPM), Department of Treasury, and the General Services Administration (GSA); advises the Executive Director on operational policy; and serves as a focal point for strategic planning, goal setting, program evaluation, and tracking organizational performance. The Public Affairs Officer communicates Commission policy and advice to elected officials and their planning agencies in Maryland, Virginia, and the District of Columbia; coordinates the exchange of public information on matters between the Commission and federal, state, and local governmental bodies, private organizations, and the general public within and outside of the National Capital Region; and responds to the media and general public regarding matters before the Commission and related Commission actions.

B. Office of General Counsel

This office advises the Commission, Executive Director and staff on the statutory powers, duties, and functions of the Commission and on legal questions in the fields of planning, plan review, urban renewal, environment, transportation, zoning, open space, and landmarks preservation. Specifically, it provides legal advice on regulatory matters, internal operations, agency ethics, privacy, and freedom of information requirements; reviews and prepares reports on proposed and pending legislation; assists in the preparation of Congressional testimony; provides statutory and regulatory drafting services; and provides Congressional and Executive Branch liaison on legislative matters. It also reviews and prepares litigation reports, pleadings and briefings for, or together with, the Department of Justice and other parties for submission to courts and/or administrative hearing bodies.

C. Office of the Secretariat

This office acts as a primary liaison with the Chairman and Members of the Commission. It prepares notices, agendas, memoranda of action, and other materials related to Commission meetings; assists in responding to the public regarding the agendas for and subsequent actions of the Commission; responds to freedom of information inquiries; prepares certifications and notifications to federal, state, and local governmental authorities of Commission actions; advises the presiding officer at Commission meetings on Commission By-Laws and Standing Rules of Procedure; and prepares proposed amendments to the By-Laws and Standing Rules; and establishes and maintains an active, continuing program for the efficient management of the official records of the Commission.

D. Office of Administration

This office provides support to the Commission in the areas of human resources management, financial management and accounting, budget preparation and control, procurement and contracting, space and facilities management, property and inventory, and other general administrative functions. It provides advice to the Chairman, Commission, and Executive Director's office on federal sector management policies and procedures ensuring that legislative restrictions and similar requirements in budget, fiscal, accounting, human resources management and all other administrative matters are fully understood and complied with in carrying out the mission of the agency.

E. Office of Long Range Planning

This office conducts long-range planning as a basis for establishing Commission policy. Program activities are focused on reviewing federal projects in a long-range context; assisting policy-makers in developing clear and practical responses to future planning challenges; and identifying major trends which will affect future planning for the federal government in the region. It also coordinates the preparation of a five-year capital development program for federal properties in the NCR as a way of reinforcing federal planning and inter-jurisdictional cooperation.

Specifically, this office:

1. prepares, modifies and updates the Federal Elements of the Comprehensive Plan for the National Capital;
2. reviews the district elements of the Comprehensive Plan for the National Capital and long-range, area, zoning, and site plans of other jurisdictions to determine their impact on the federal interest;
3. prepares special planning studies and sector plans;
4. provides planning guidance and advice to federal agencies and the Commission;
5. facilitates cooperative implementation strategies among federal agencies, local government and the private sector; and
6. prepares an annual five-year Federal Capital Improvements Program (FCIP), and annually reviews federal agency capital budget requests, which represent the first year of the five-year program, and provides advice to the Office of Management and Budget on the planning and coordination issues that should be considered prior to OMB's approval for funding.

The 1999-2003 program includes 186 projects with an estimated cost of over \$3.6 billion.

During budget year 2000 the Office of Long Range Planning will:

BY 2000 Performance Goals	Type of Measure (Deadline)	Strategic Plan General Goals/Objectives, Reference
1. Complete and publish the revision of the federal elements of the Comprehensive Plan.	Output/Outcome (Sept 2000)	1.1
2. Complete and publish the Beltsville Federal Sector Plan.	Output/Outcome (Sept 2000)	1.1
3. Complete up to 80% of the Sector Plan for Bolling-Anacostia.	Output (Mar 2000)	1.1
4. Complete work on the first Monumental Core Plan "First Initiatives" implementation project - M-Street, SE. streetscape redevelopment project.	Outcome (Dec 1999)	3.2
5. Complete feasibility study of the Mall transportation circulator concept and impacts of tourism on the Monumental Core.	Output/Outcome (Sept 2000)	3.3
6. Complete Monuments, Memorials, and Museums Study. This will focus on identifying recommended memorial and museum sites outside Area I, analyzing site conditions at select locations, and developing design guidelines.	Output (Sept 2000)	1.3
7. Complete the Federal Capital Improvements Program for FYs 2001-2005, which is estimated to include approximately 200 projects from 14 or more federal agencies with a total five-year cost of over \$3 billion.	Output (July 2000)	2.3
8. Develop policy recommendations that address the Comprehensive Plan goal of achieving a distribution of 60% of the federal employment in the region in the District of Columbia and 40% in Maryland and Virginia.	Outcome (Mar 2000)	1.1

Additional resources required to achieve 2000 performance goals:**FTEs:** **NONE**

Funds: **\$225,000** (*Monuments, Memorials, and Museums Study*)
50,000 (*Publishing the Comprehensive Plan*)
38,007 (*IT Hardware and Software*)
\$313,007

Justification for increase: Of the \$313,007 required to accomplish the budget year 2000 goals, \$225,000 was authorized in fiscal year 1999 by the Office of Management and Budget for fiscal year 2000 to complete the final phase of the Monuments, Memorials and Museums Study. From the remaining amount, \$50,000 is requested to publish the updated Federal Elements of the Comprehensive Plan, Beltsville Sector Plan and the FCIP and \$38,007 is requested to support, maintain and refresh existing desktop systems, CAD hardware and software equipment, and licenses.

In 1999, the Office of Long-Range Planning will focus on:

Major Activities Anticipated in FY 1999	Type of Measure (Deadline)	NCPC Strategic Plan General Goals/Objectives Reference
1. Completing 75 percent of the update of the Federal Elements of the Comprehensive Plan, including revising the background sections of the plan to include current data and projections.	Output (Sept 99)	1.1
2. Completing at least 90 percent of the planning work on the Beltsville Federal Sector plan, which will include substantial liaison with the affected federal agencies, local governments and surrounding communities.	Output (Sept 99)	1.1
3. Completing 30 percent of the Bolling-Anacostia Sector Plan. This includes analysis of plans, policies and all relevant planning issues, identifying issues, and recommending options for redevelopment.	Output (Sept 99)	1.1
4. Completing studies for the "First Initiatives" implementation of the Monumental Core plan. This includes a study to define issues and opportunities to enhance the quality of the Anacostia and Potomac River waterfronts and feasibility studies of the Monumental Core circulator concept, and the impacts of tourism on the Monumental Core.	Output (Oct 99)	3.2

5.	Completing work on the M Street, SE. streetscape redevelopment project, and continuing to participate in the partnership of federal and District agencies to develop M Street, SE.	Outcome (Dec 99)	3.2
6.	Preparing the Federal Capital Improvements Program 2000-2004 including the review of FY 2000 capital budget requests of federal agencies.	Output/ Outcome (July 99)	2.3
7.	Identifying local capital improvements programs, plans, and proposals that may affect federal interests in the Region; providing comments and recommendations to the sponsoring state, regional or local agencies and governments, and providing relevant information to the federal agencies.	Output (June 99)	2.1 2.3
8.	Completing the "Federal Facility Impact Model" and Impact Statement process that would assess the land use and socioeconomic impacts of federal development proposals on the District and other regional jurisdictions.	Output (Sept 99)	3.1 5.2
9.	Completing a study to determine location criteria for federal offices in the District and the region, in conjunction with GSA.	Output (Sept 2000)	2.2
10.	Completing the first phase of the Monuments, Memorials, and Museums Study. This phase focuses on inventorying existing memorials and museums outside of Area I and identifying future memorial and museum requirements.	Input (Sept 99)	1.3
11.	Working with the Commission's Federal Office Space Task Force to develop policy recommendations addressing the Comprehensive Plan goal of having 60% of the federal employment in the District and 40% in Maryland and Virginia.	Output (Sept 2000)	1.1
12.	Working with the National Capital Region Transportation Planning Board and the Metropolitan Washington Council of Governments to develop strategies to improve a transportation system capable of meeting the demands of the 21 st century.	Output/ Outcome (Sept 99)	3.3

F. Office of Plans Review

This office coordinates and reviews the development plans and projects of federal agencies, District of Columbia agencies, and other local jurisdictions in the National Capital Region (NCR). It also provides professional and technical planning expertise in urban design, historic preservation, environment/energy, transportation, zoning and land use to Commission staff, federal, state, and District agencies.

Specifically, this office:

1. reviews master plans and individual project plans for federal and District of Columbia installations and facilities;
2. coordinates development planning activities between the federal government and the District of Columbia government and other local jurisdictions;
3. prepares and reviews urban renewal plan modifications for urban renewal areas in the District of Columbia;
4. conducts federal interest reviews of local master, area and sector plans and capital improvements programs, as well as proposed District of Columbia street and alley closings;
5. consults with federal and District of Columbia agencies to secure approved master and individual project plans for their respective installations and facilities;
6. reviews proposed new, and revised building plans and approves building permit applications for projects in the Pennsylvania Avenue Development Area, for their conformity to the 1974 Congressionally approved plan;
7. ensures that federal land acquisition and development proposals in the National Capital Region are designed in a manner which limits their adverse environmental effects on the quality of the human environment;
8. advises the Commission about plans and projects that affect properties listed, or eligible for listing, in the National Register of Historic Places, and ensures federal agency compliance with the National Historic Preservation Act prior to Commission review;
9. undertakes special studies and provides technical expertise to Commission Task Forces and outside agencies in matters pertaining to (1) the quality of the environment and federal employee work places, and (2) the location of future monuments and memorials; and

10. reviews proposed zoning changes in the District of Columbia to ensure that they are not inconsistent with the Comprehensive Plan and will not adversely affect the federal establishment or other federal interests in the Nation's Capital.

During budget year 2000, the Office of Plans Review will:

FY 2000 Performance Goals	Type of Measure (Deadline)	Strategic Plan General Goals/Objectives Reference
1. Complete the review of more than 100 federal, District of Columbia and local master and development plans and special project plans.	Outcome (Sept 00)	2.1 2.2 5.3
2. Complete review of all building permit applications submitted for projects in the Pennsylvania Avenue Area and review any proposed changes to the Pennsylvania Avenue Area Plan.	Output (Sept 00)	1.4
3. Complete the urban design, transportation, and environmental components of the Beltsville Sector Plan.	Input (Jun 00)	1.1
4. Complete the urban design, traffic and environmental studies needed for more detailed planning and urban design work associated with the Monumental Core First Initiative M Street, SE, project.	Input (Dec 99)	1.1 2.1 3.2
5. Streamline the review process, improve project submissions, and accelerate EDR preparation and Commission action by increasing early consultation with, and technical assistance to, federal and district agencies in the protection of environmental and historic resources, and urban design.	Outcome (Sept 00)	2.1
6. Provide architectural and urban design analysis, presentation drawings (plans and perspectives), and environmental analysis and studies needed to support implementation of Monumental Core First Initiative projects.	Input (Sept 00)	3.2
7. Issue updated antennae guidelines for use by the Commission in its deliberations concerning federal transmitting antennae applications within the National Capital Region.	Outcome (Sept 00)	4.2
8. Expand the use of computer-assisted design (CAD) tools, geographic information system (GIS) applications, and other information technologies in providing technical support and assistance to customers, Commissioners and staff.	Input (Sept 00)	5.1 5.3

9.	Strengthen the historic preservation/GIS interface, and upgrade research files by creating digitized maps for locating and displaying historic resources in the metropolitan area.	Output (Sept 00)	5.3
10.	Fully integrate transportation reviews and traffic analyses of all development plans and projects submitted.	Output (Sept 00)	2.1 3.3

Additional resources required to achieve 2000 performance goals:

FTEs: NONE

Funds: \$ 50,725 (IT Hardware and Software)

Justification for increase: With the expanded use of CAD and GIS in the monthly review and analysis of development plans and projects, funds are needed to support, maintain and refresh existing desktop systems, CAD hardware and software, and to obtain additional licenses.

In FY 1999, activities will focus on the following:

Major Activities Anticipated in FY 1999		Type of Measure (Deadline)	Strategic Plan General Goals/Objectives Reference
1.	Reviewing and analyzing a wide variety of development plans and projects of federal and District of Columbia government agencies. These include master plans for large tracts of land and/or installations, and park land; site and building plans for federal and District of Columbia individual development projects; plans for the park, parkway, and playground system of the National Capital; proposed land acquisitions; locations and designs for monuments and memorials; excess federal land surveys and sales of surplus properties; and other proposals, such as transfers of jurisdiction. Based on the current FCIP for the National Capital Region, and information obtained from federal agencies, it is anticipated that in FY 1999, Commission reviews will include such projects as a new headquarters office building for the Bureau of Alcohol, Tobacco and Firearms, the Potomac Metroplex Control Facility, the United States District Courthouse Annex, one or more chanceries at the International Center, the United States Air Force Memorial, the World War II Memorial, numerous U.S. Postal Service	Output/ Outcome (Sept 99)	1.2 1.3 2.1 2.2 4.1

	facilities within the NCR, and updated master plans for the Goddard Space Flight Center and the Quantico Marine Corps Base. Continued assistance will be provided to federal agencies in the development of their plans and programs.		
2.	Reviewing all submissions to ensure appropriate federal agency compliance with Section 106 of the National Historic Preservation Act (NHPA) and the National Environmental Policy Act (NEPA) prior to Commission action.	Output/ Outcome (Sept 99)	4.1
3.	Completing an annotated text inventory of all federally owned sites listed in, or eligible for listing in, the National Register of Historic Places.	Output (Sept 99)	4.1
4.	Completing the research and reporting to the Commission on the results of the year-long study examining the impacts of microwave transmitting antennas.	Output (Nov 99)	3.0
5.	Developing policies and strategies that can be used to guide the future placement and design of monuments and memorials in the Nation's Capital, including the identification of future sites for monuments, memorials, and museums, site design guidelines in Area 1, and possible revisions to the Commemorative Works Act.	Output/ Outcome (Sept 99)	1.3 4.1
6.	Revising the Commission's Environmental Policies and Procedures and related submission requirements to streamline environmental and historic preservation review processes, improve the quality of materials submitted to this agency for review, and improve this agency's ability to review environmental and preservation documents in a more timely manner.	Output (June 99)	4.2
7.	Sponsoring an annual workshop to provide technical training and to exchange technical information on the submission of materials for review of federal project and master plans.	Output (Jun 99)	6.1

G. Technology Development and Applications Support Group

This group is responsible for the Commission's information technology (IT) program. It provides information management support and technical expertise to develop, build, and maintain the Commission's information technology architecture and infrastructure.

Specifically, this group:

1. develops, maintains, and facilitates the implementation of a sound IT program, providing advice to the Executive Director and other agency staff to ensure that required IT resources are acquired and managed in a manner that fully implements the policies of the Commission, the Information Technology Management Reform Act, the Federal Geographic Data Committee, and Federal Information Processing Standards (FIPS);
2. promotes the efficient design and operation of all information resources for NCPC, including the delivery of planning and information services to the public through effective uses of architectural and planning-related information technology;
3. develops and implements strategies for integrating Computer Assisted Design (CAD) and Geographic Information Systems (GIS) applications into Commission work processes;
4. develops and implements IT planning-related tools and programs to improve data management for project reviews and planning analyses;
5. designs and implements systems and procedures to standardize NCPC's enterprise database, and ensures that the Commission complies with all FIPS in acquiring or developing internal computing capabilities;
6. provides leadership for the Washington Geographic Information System (WGIS) Consortium. WGIS is a consortium of federal and District agencies and private firms dedicated to developing and maintaining highly detailed GIS information for land-use planning, facilities management, public safety, vehicle routing, economic development, and many other applications in the Nation's Capital; and
7. provides drafting, mapping and graphic reproduction services to the Commission staff in support of Commission work.

During budget year 2000, the Technology Development and Applications Support Group will:

FY 2000 Performance Goals	Type of Measure (Deadline)	Strategic Plan General Goals/Objectives Reference
1. Evaluate and modify, if necessary, the Commission's computer hardware and software systems to ensure that the Commission's IT architecture is not adversely affected by the millennium change.	Outcome/ Output (Dec 99)	5.3
2. Complete the Commission's current modernization cycle for its desktop computer systems and associated software.	Output (Sept 00)	5.3
3. Develop specific user applications for data entry, retrieval, and manipulation in CAD, GIS, and database systems.	Output (Sept 00)	5.3
4. Maintain a multi-media capability to support the Commission's review process and to better communicate information and technology to outside agencies and the general public.	Output/ Input (Sept 2000)	5.3
5. Initiate the development of a public/private consortium to support enterprise data development and data distribution. The public/private consortium as currently conceived will complement the federal and District governments' mandates for developing, distributing and maintaining WGIS data. In exchange for the right to profit from data distribution and customization services, the private sector members of the consortium will provide GIS services to the government. The ultimate goal is to institutionalize a relationship that allows participating government agencies to concentrate on applying GIS technology to their specific missions, while the private sector bears much of the cost and responsibility for building and managing the shared enterprise system. The GIS public/private consortium will also provide the geospatial framework needed to support the mandates of any proposed Economic Development Corporation.	Output Outcome Input (Sept 00)	5.1
6. Ensure the WGIS is fully integrated into the geospatial component of the work of the future Economic Development Corporation.	Input (Sept 00)	5.1

7.	In conjunction with our public and private Consortium partners, complete detailed WGIS property and planimetric mapping of the District of Columbia and a portion of Arlington County, Virginia.	Output (Sept 00)	5.1
8.	Implement, in conjunction with our public and private Consortium partners, a data warehousing system for storage and retrieval of the geospatial data establishing a dedicated central server that will be linked electronically to various agencies in the region and to the public/private consortium.	Output (Sept 00)	5.1
9.	Publish the federal and District of Columbia elements of the Comprehensive Plan for the National Capital on the Commission's World Wide Web site.	Output (Sept 00)	6.1

Additional resources required to achieve FY 2000 performance goals:

FTEs: **None**

Funds: **\$ 50,725 (IT Software/Hardware Upgrades)**
\$200,000 (Year 2000 Compliance Review/Upgrades)

Total **\$250,725**

Justification for Increase: Funds are needed to upgrade the Technology Development and Applications Support Group's current desktop computer systems and associated software as part of the Commission's three-year modernization cycle for its systems and software.¹ In addition, funds are programmed to: fund the final phase of scheduled improvements to the existing audio/visual system in the Commission's main meeting room; complete the conversion of the agency's voice mail system to make it Year 2000 compliant; develop and implement an electronic access to document imaging system that will manage the Commission's official records and provide electronic access to all agency rules, regulations, reports and images; and train the professional and support staff on the agency's enhanced computer systems and software. In addition, funds would be used to prepare an updated federal facilities map and database and implement a relational database management system. Funds are also requested to assist the Commission in reviewing and modifying its existing hardware and software to make all of its systems Year 2000 compliant. Funds are requested to avoid, to the extent possible, future computer system failures, malfunctions and software application miscalculations that could occur because of the millennium change.

¹The Commission has updated its 1997 Information Technology (IT) Plan. The updated IT Plan details specific enhancements and funding requirements for budget year 2000.

In FY 1999, activities will focus on the following:

Major Activities Anticipated in FY 1999	Type of Measure (Deadline)	Strategic Plan General Goals/Objectives Reference
1. Completing a needs assessment of overall federal GIS needs and resources in the National Capital Region. This includes preparing a strategic plan for implementation (July 1999) and a report to the Office of Management and Budget.	Output (Sept 99)	5.1
2. Hold monthly Consortium meetings.	Output (Beginning in Feb 99)	5.1
3. Develop final version of Consortium charter.	Output (Mar 99)	5.1
4. Develop final version of Consortium strategic plan according to Federal Geographic Data Committee and Government Performance and Results Act guidelines.	Output (Jul 99)	5.1
5. Continuing WGIS data development, including the pursuit of the partners and funds needed to complete city-wide property and planimetric mapping, tabular database development, and 3D mapping of selected sites in the District of Columbia.	Input/ Outcome (Sept 99)	5.1
6. Expanding the multi-media capability to support the Commission's review process and to better communicate information and technology to outside agencies and the general public.	Output/ Input (Sept 99)	5.3
7. Upgrading 40 percent of the Commission's desktop computer systems and associated software as part of the modernization cycle for desktop computer systems and software.	Output (Sept 99)	5.3
8. Reviewing and modifying, as necessary, the Commission's computer hardware and software systems to ensure that the Commission's IT architecture is not adversely affected by the millennium change.	Outcome Output (Sept 99)	5.3
9. Publishing selected federal and District of Columbia Comprehensive Plan for the National Capital elements on the Commission's World Wide Web site.	Output (Sept 99)	6.1
10. Continuing the development of specific user applications for data entry, retrieval, and manipulation in CAD, GIS, and database systems.	Output (Sept 99)	5.3

11. Developing a system for storing, tracking, and retrieving hard copy and electronic maps to expedite project and master plan reviews, improve the rate of production, and increase the quality of customer services and products.	Output Outcome (Sept 99)	5.3
12. Implementing a document management system that streamlines and helps manage the production of Executive Director's Reports (EDRs).	Output Outcome (Dec 99)	5.3

SPECIAL PROGRAM**Washington Geographic Information Systems (WGIS) Consortium**

In Spring 1998, representatives from the Office of Management and Budget (OMB), along with other public and private sector partners that have participated with the Commission in the WGIS program, endorsed the concept of a public-private consortium to coordinate the production, management and distribution of geo-spatial data in the Washington area. All of the partners agreed, and OMB supported a decision that the Commission would assume the leadership role in coordinating the partnership and preparing a strategic plan for the project to be used as a guide for the future development of an organized WGIS Consortium. This Consortium will coordinate geospatial data activities in the Washington DC area. Although OMB has cautioned that the WGIS initiative must be driven by the decisions of the Consortium and not duplicate other related efforts in the National Capital, it has recognized the potential of WGIS by approving \$200,000 in the President's FY 1999 budget and endorsing the Consortium's choice of NCPC to lead this effort. This money will be used to complete a WGIS needs assessment, which will provide the framework for the Consortium's strategic plan. OMB also approved an additional \$100,000 in FY 2000 to provide leadership in facilitating the establishment and ongoing involvement of the Consortium.

Description of the Program

The Washington Geographic Information System Consortium project is a cooperative effort of public and private-sector Consortium partners to capture, display and analyze geographic data in the Nation's Capital. WGIS will allow users to view on computers highly accurate and detailed photographically based maps that are linked to federal and District databases. Similar systems are in use in nearly every major municipality nationwide, while Washington continues to rely on antiquated and outdated paper maps. By bringing together information on population, economic development, land use, and infrastructure, WGIS proves to be a powerful tool for planning and managing public facilities.

WGIS data has a wide variety of applications. NCPC will use it to measure and project the impacts of proposed federal, District and private sector buildings on adjacent areas, the city, and the National Capital Region. In FY 1998, NCPC and its District partners designated a pilot study area extending from the Capitol, south along South Capitol Street to the Anacostia Park, to test the more complex components of the WGIS and to determine the scope of work and costs necessary to provide WGIS products for the remainder of the District. In addition to serving as a learning tool, NCPC and the District Office of Planning are using the pilot study to prepare economic development plans that support the Department of the Navy's transfer of more than 5,000 employees to the Washington Navy Yard. In addition, digital orthophotos, a principal WGIS product, have been completed for the entire District of Columbia and are now being used by the Department of Justice as courtroom exhibits. This special program supports the Federal Geographic Data Committee's objective to share information, as described in Executive Order 12906.

The WGIS Consortium will make it possible for the partners to build and maintain information on the city and the region as part of an "enterprise" computing environment. The enterprise computing environment will facilitate the sharing of information and applications to analyze and map this data, thereby reducing redundant data processing and staffing costs and make information more accessible to our federal, District, and private sector partners.

The WGIS Consortium Partners

NCPC has executed interagency/intergovernmental partnership agreements with the Criminal Division of the U. S. Department of Justice, General Services Administration, the U.S. Geological Survey, the D.C. Departments of Public Works and Administrative Services, the Metropolitan Police Department, and the District's Offices of the Chief Financial Officer, the Chief Technology Officer, and Planning. In addition, agreements have been made with several private sector groups, including ESRI, Inc., PEPCO, the Downtown Business Improvement District, the Millennium Institute, and D.C. Agenda. These partners have and will continue to provide funding and technical support for WGIS. Potential partners at the federal level include the U.S. Army Corps of Engineers, the Federal Highway Administration, the Department of Housing and Urban Development, the Architect of the Capitol, the Bureau of Census and the State Department. Prospective District partners include the Department of Housing and Community Development, the Office of Zoning, and the Washington Sewer Authority.

In addition, NCPC has been active in extending the partnership to the private sector, promoting public-private collaboration with a variety of companies. Potential private sector partners include the Washington Gas Company, Bell-Atlantic, and several large mapping companies. The public-private consortium will provide systems support; the opportunity to market and resell products which are customized by the partners using government data, sharing costs and revenue with government partners; and maintain and expand WGIS databases.

The Consortium will relieve NCPC and its public sector partners of the costs of developing databases, purchasing and maintaining hardware and software, and hiring public employees to manage the information and systems. In return, it is anticipated that the private sector will benefit from sales of customized data and information services, from consulting fees from the partners to develop and maintain systems and information, and from knowledge gained from these enterprises to expand business opportunities in other cities. This approach will accelerate WGIS development, provide a wide variety of services the public sector partners cannot provide themselves, and reduce investment in the fixed assets of systems hardware and software that have a short technological life span.

This special four-year program to develop the WGIS Consortium is expected to run from FY 1999 to FY 2003. The request for funding has been reduced from previous years, because of recent events and certain assumptions we have made about the participation of WGIS partners. Under the recently passed Transportation Equity Act for the 21st Century (HR 2400), Congress allocated \$7.5 million to the District Government for GIS to be staggered over fiscal years 1998 through 2003. The District will match this funding with \$1.5 million, bringing total funding to \$10 million from FY 1998 to 2003. Thus, the bulk of the actual data and systems development costs will be assumed by the District of Columbia. The planimetric map for which funding was requested in the past will be funded entirely by the District. The strategic plan will be ready by July 1999, and the full study carried out by NCPC with \$200,000 allocated in the FY 1999 budget will be ready in September 1999. A similar study underway by the District Government will lay out a strategic plan for GIS development there. We also believe that WGIS will attract additional contributions from other federal, state and local governments and from public-private sector partners that will join the consortium. However, NCPC will assume the leadership role in the development of the WGIS Consortium, as agreed-upon by the Office of Management and Budget, and the preparation and implementation of a plan for the establishment of a public-private partnership(s). This role is supported by Congress in its FY 1999 appropriations bill: *"The Committee recognizes the key role of the Commission in the development of the Washington geographic information system. To the extent that a public/private partnership can be developed to provide the resources to build, share, and maintain such a system, the Committee continues to support the Commission's leadership in coordinating this effort."*

The estimate of \$155,000 includes costs for staff to establish and manage the WGIS Consortium, for training to use various jointly development software and hardware used jointly by the Consortium and legal and marketing support for the establishment of the public-private consortium.

SUMMARY OF ADDITIONAL RESOURCES REQUIRED

The Commission's FY 2000 budget supports the Administration's goals and is based on the NCP's strategic plan for 1997 to 2002. It supports a level of overall program activity that has moderately increased from that of FY 1999 and contains no programs that could be better done at any other governmental level (state or local). The total FY 2000 budget request for the National Capital Planning Commission is \$6,312,000. This budget includes base funding in the amount of \$6,157,000 and funds to support a special program request for the WGIS Consortium in the amount of \$155,000. The base-level estimate (\$6,157,000) includes funding for all of the Commission's existing mandated functions, including the review of development and redevelopment plans under the Pennsylvania Avenue Development Corporation (PADC) Plan of 1974; completion of the final phase of the Monuments, Memorials, and Museums Study; and any requirements driven by legislation and executive policy. The FY 2000 budget request including the WGIS special program is \$358,000 over the enacted level (\$5,954,000) for fiscal year 1999.

A. JUSTIFICATION FOR INCREASE

This budget reflects an estimate for salaries and benefits to support a staff of 55 full-time permanent employees and 5 part-time appointed Commission members with a basic rate of pay that is equivalent to the Executive Level IV. The estimate assumes no vacant positions. Pay rate increases are based on the OMB policy pay raise assumptions for 2000.

An increase in travel costs due to a moderate increase in travel activity for Commissioners and Staff is projected for FY 2000. In addition to travel associated with field trips, site visits, and employee training, Commissioners and staff will attend a number of professional meetings and conferences.

Based on the projected estimates reflected in the trends analysis provided by the U.S. Government Printing Office, an increase in the costs of printing and reproduction is expected to continue in FY 2000. The estimates include the printing of the Federal Elements of the Comprehensive Plan; public information and educational brochures; the Beltsville sector plan, FCIP's annual program document; federal planning reports and recommendations; and printed material related to the Washington Geographic Information System (WGIS).

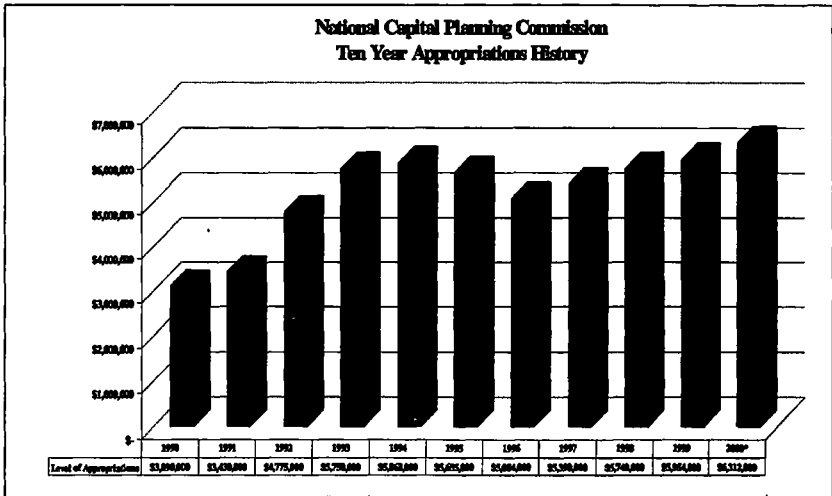
The budget year 2000 estimate of \$337,000 for contracts with experts and consultants includes approximately \$225,000 authorized in fiscal year 1999 to cover the cost of planning and design consultants who will assist the Memorials Task Force in completing its work of developing policies, plans and conceptual designs for accommodating new memorials in the Nation's Capital. Approximately \$7,000 for contracts is needed to supplement staff resources in technical planning areas such as the environment, transportation, antennae and electromagnetic fields. Special program funds in the amount of \$105,000 are requested to develop a WGIS Consortium public-private partnership and to continue work on the WGIS project. This work will become the foundation on which NCPC will carry out its responsibility to plan for the future physical development of the federal government in the region.

Estimates for other services and supplies and materials reflect an increase based on inflation factors provided by the OMB. The estimates include projected costs for the NCPC Employee Assistance Program; Aris CAD, ArcInfo and ArcView training for staff; reporting services for monthly Commission meetings; telecommunications and computer hardware/software maintenance agreements; copier and fax machine maintenance; and cross-service agreements with U.S. Department of Agriculture's National Finance Center for personnel/payroll processing; General Services Administration Inspector General (IG) for audit coverage; and Federal Protective Service security guards as needed; Department of Interior for drug-testing of applicants and other testing-designated positions; and Department of Health and Human Services for occupational health services.

In addition to the increase in the estimates to maintain and refresh existing computer desktop systems and complete work on the upgrade of the A/V system in the main Commission chambers during the fiscal year, several equipment purchases are planned for this budget year, and will be made in accordance with the Commission's Information Technology Strategic Plan.

In summary, the net increase in the amount of \$358,000 will allow the Commission to: successfully accomplish all performance goals for fiscal year 2000, expanding the use of CAD and GIS in the review, analysis, and presentation of master plan and project reviews; and provide critical funding support for the WGIS Consortium.

A breakdown by object classification for fiscal year 2000 appears on page 30, and an appropriations history for the Commission over the last ten years is shown below:



**FY 2000 reflects OMB approved level of funding*

**B. ANALYSIS OF RESOURCES BY OBJECT CLASSIFICATION
SALARIES AND EXPENSES - GENERAL FUND**

OBJECT CLASSIFICATION AND DESCRIPTION		FY-1998	FY-1999	FY-2000	DIFFERENCE BETWEEN FY 99 & 00
11.0	Personnel Compensation	\$2,972,705	\$3,115,671	\$3,208,009 ¹	\$ 92,338
12.1	Personnel Benefits	538,492	657,860	688,138	30,278
21.0	Travel & Transportation of	41,449	62,103	78,400	16,297
22.0	Persons				
23.1	Rental Payments to GSA and other	1,142,748	1,158,456	1,000,112	(158,344)
23.3	Communications, Utilities and Miscellaneous Charges	141,767	136,734	178,480	41,746
24.0	Printing & Reproduction	207,797	58,642	109,250	50,608
25.1	Contracts with Experts/ Consultants	374,111	426,659	337,000	(89,659)
25.2	Other Services	141,464	146,027	199,911	53,884
26.0	Supplies & Materials	34,926	31,740	40,200	8,460
31.0	Equipment	67,856	20,108	20,000	(108)
	ADP Software & Telecommunications Equipment	76,685	130,000	445,000	315,000
32.0	Space Alterations	<u>0</u>	<u>10,000</u>	<u>7,500</u>	<u>(2,500)</u>
99.0	Subtotal, Direct Obligations	\$5,740,000	\$5,954,000	\$6,312,000	\$ 358,000
99.0	Reimbursable Obligations	<u>\$ 250,000²</u>			
99.9	Total Obligations	\$5,990,000			

¹This estimate includes funding for a general pay increase and locality pay adjustment of 3.6% in 1999 and 4.4% in 2000.

²Funds provided by the District of Columbia for the Mommental Core First Initiatives' M Street, SE. Streetscape Project under DC Redevelopment Act of 1945, as amended, approved August 2, 1946, District of Columbia Code, Section 5-815(a).

**C. ANALYSIS OF RESOURCES BY OBJECT CLASSIFICATION
WGIS ACCOUNT - 95X2500**

OBJECT CLASSIFICATION AND DESCRIPTION	Actual FY-1998	Estimate FY-1999	Estimate FY-2000
11.0 Personnel	\$ 6,497	\$ 100,000	\$ 100,000
25.0 Other Services	\$ 3,360	\$ 25,000	-
25.1 Contracts with Experts and Consultants	\$ 302,783	\$1,700,000	\$ 200,000
31.0 ADP Software	<u>\$ 2,100</u>	<u>\$ 40,000</u>	<u>\$ 20,000</u>
Total, Direct Obligations	\$ 314,740	\$1,865,000	\$ 320,000
<i>Offsets:</i>			
88.45 Offsetting Collections (Cash) from federal sources ¹ :	\$ 340,000	\$1,869,279	\$ 275,000
88.40 Offsetting Receipts (Cash) from non-federal sources: Fees and other charges for WGIS map products and services	<u>\$ 19,348</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>
88.90 Total, Offsetting Collections	\$ 359,348	\$1,873,279	\$ 279,000
Less Total Direct Obligations	<u>\$ 314,740</u>	<u>\$1,865,000</u>	<u>\$ 320,000</u>
Net Income or Loss (-)	\$ 44,608	\$ 8,279	\$ (41,000)
Unobligated Balance Available, Start of Year	<u>\$ 0</u>	<u>\$ 44,608</u>	<u>\$ 52,887</u>
Ending Balance	<u>\$ 44,608</u>	<u>\$ 52,887</u>	<u>\$ 11,887</u>

¹Note: An assessment fee of 2.5-4.0% is charged for each amount collected. The assessment will be used to:

1) provide funding for project management, and 2) reinvest in databases that will be used to market WGIS products and services.

D. SERVICES OF EXPERTS AND CONSULTANTS

The 2000 budget year estimate for contracts with experts and consultants includes approximately \$225,000 approved by OMB in FY 1999 to complete a special study to address future locations of monuments, memorials, and museums in the Nation's Capital and \$105,000 to continue work on the WGIS project and Consortium.

It also includes \$7,000 to supplement the staff resources in technical planning areas such as the environment, transportation, antennae and electromagnetic fields, and to continue providing expert architectural and community planning assistance as several of the Monumental Core First Initiatives projects are implemented.

COSTS OF EXPERTS AND CONSULTANTS

<u>Fiscal Year 1998</u>	<u>Fiscal Year 1999</u>	<u>Fiscal Year 2000</u>
\$ 374,111	\$ 426,659	\$ 337,000

National Capital Planning Commission

Fiscal Year 1998 Accomplishments A Performance Report

INTRODUCTION

In July 1997 the National Capital Planning Commission approved the agency's Strategic Plan for Fiscal Years 1997-2002 and the broad goals and objectives necessary to achieve it. The Strategic Plan and its goals and objectives establish agency priorities and provide overall guidance in formulating NCPC's annual budgets. The Commission's plan was forwarded to Congress on September 30, 1997 as required by the Results Act. Based on the general goals and objectives articulated in the Strategic Plan, the Commission, in consultation with staff, prepared its FY 1998 performance plan that detailed specific activities and measurable goals to accomplish the agency's mission and set completion dates for each activity. This report summarizes NCPC's performance in accomplishing these FY 1998 goals and to the extent possible, indicates the corresponding budget amounts. In addition to reporting on our performance successes, this report also flags those goals with completion dates that have been deferred or that we have failed to meet. It should be noted that the Strategic Plan guides NCPC activities from FY 1997 through FY 2002; our performance plan, on the other hand, reports on FY 1998 activities only. Work on a number of the specific objectives is scheduled to begin in FY 1999 or beyond and are not included in this report.

1. STRATEGIC PLAN: *PRESERVE AND ENHANCE THE UNIQUE BEAUTY AND IMAGE OF THE NATIONAL CAPITAL AND ENSURE ITS PLANNED DEVELOPMENT*

1.1 GENERAL GOAL: *Prepare comprehensive plans for the future development of federal land in the region, including the Monumental Core, Beltsville, Bolling-Anacostia, and Quantico Federal Area Sector Plans.*

PERFORMANCE RESULTS

- In FY 1998, the Commission completed revisions to the draft of its long-range vision plan for Washington's Monumental Core, *Extending the Legacy: Planning America's Capital in the 21st Century*. Revisions included a substantial redesign of the East Capitol Street terminus. The final plan was unveiled in November 1997 at a major exhibit at the National Building Museum. The opening of *Planning Washington's Monumental Core: L'Enfant to Legacy* was attended by more than 300 officials from federal, District of Columbia, and regional governments; members of the professional design and planning community; media representatives; and interested citizens. The exhibit includes videos, a revised model of the Legacy Plan, interactive web sites on Washington planning, and historic and contemporary images.

- Published as an 80-page, full-color book, the Legacy Plan has been distributed to more than 8,000 individuals and organizations nationwide, including participants at the American Planning Association Conference. More than 50 major dailies and national and international professional and general interest publications have run articles about the exhibit and plan. Since opening in November 1997, more than 15,000 individuals have visited the Legacy exhibit, which runs through September 1998. The Legacy Plan is one of the most important initiatives undertaken by the Commission in its 75-year history and many elements of its FY 1998 performance plan relate to implementation of the Legacy vision.
- Staff began revising the federal elements of the *Comprehensive Plan for the National Capital*, the document that guides development in the District of Columbia, to incorporate the Legacy Plan vision into specific planning guidance for future development. The draft of the Monumental Core element of the *Comprehensive Plan* is scheduled for completion in September 1998 and its content and schedule for release will be coordinated with the commemorative zone proposal now being formulated by the Joint Memorials Task Force.
- Working with more than twenty federal agencies, the staff completed 20 percent of the planning work on the Beltsville Federal Sector Plan, including environmental, land-use, transportation analysis, and an assessment of the impacts of related local jurisdiction plans.

1.2 GENERAL GOAL: *Design, implement, and enforce policies to protect Washington's historic views and vistas.*

PERFORMANCE RESULTS

While no specific FY 1998 performance activity was established for this general goal, the Commission sought to preserve Washington's unique sweeping skyline and its historic views and vistas through its normal review of development plans and projects. For example:

- The Commission rejected the initial design concept of the World War II Memorial because of the impact of its excessive mass and scale on the important east/west Mall axis. The revised concept design is far more sensitive to the historic Mall setting.
- In its Environmental Impact Statement on National Harbor, the Commission closely examined the project's impact on views along and across the Potomac River.
- Beginning in the early stages of its ongoing review of the proposed Washington Convention Center, the Commission urged project designers to explore ways to reduce the height of the 2.1 million-square-foot building. The height of the Convention Center has been reduced by approximately 50 feet since it was initially presented to the Commission at the massing stage.

1.3 GENERAL GOAL: *Design and implement policies to site new monuments, memorials, and other federal buildings in the Monumental Core while preserving open space.*

PERFORMANCE RESULTS

- In 1996 the Commission established a Memorials Task Force to study how best to preserve the historic open space of Washington's Monumental Core, accommodate future monuments and memorials, and make recommendations to the full Commission. In October 1997 this task force invited representatives from the two other memorials review agencies, the Commission of Fine Arts and the National Capital Memorial Commission, to join in this work. In January 1998, Congressional staff members representing Members and Committees with an interest in commemorative works met with the Joint Memorials Task Force to coordinate the commemorative zone proposal. Acting on the recommendations of this Joint Task Force in May 1998, the Commission authorized for circulation for public comment a draft policy statement and map delineating three proposed commemorative zones in the National Capital. If adopted, the proposal would prohibit future memorials in the central Mall area and encourage new commemorative works in locations that distribute cultural resources throughout the city and contribute to the local economic revitalization. The two other review commissions will consider taking similar action, paving the way for a nationwide public outreach and comment period on the commemorative zone proposal.
- The staff prepared draft design guidelines for future memorial sites and presented them to the Joint Memorials Task Force in May 1998. Final guidelines are expected to be completed for Commission consideration by the end of 1998. Pending funding, the Commission intends to conduct a study to identify sites for new memorials, museums, and monuments in the restricted area in FY 1999. Work on this study will be coordinated with the revisions to the Comprehensive Plan also planned for FY 1999.

1.4 GENERAL GOAL: *Help ensure that development and redevelopment within the Pennsylvania Avenue area comply with the Pennsylvania Avenue Plan of 1974 and build on and reinforce the past achievements of the Pennsylvania Avenue Development Corporation.*

PERFORMANCE RESULTS

- The Commission has reviewed ten building permit applications and one amendment to the Pennsylvania Avenue Plan. In fulfilling its oversight responsibility, the Commission has supported the following projects that contribute to revitalization of the Penn Quarter Neighborhood:
- Renovation of the Tariff Building in a way that meets historic preservation goals but will enliven the local community;
- Development of Square 406 (bounded by 8th, 9th, E and F Streets, NW) in a way that preserves the existing 19th-century buildings while rehabilitating them for residential, commercial, and arts-related uses; and

- Approval of the development of the Presidential Building (at Pennsylvania Avenue and 12th Street, NW) that reconfigures the 1960s building for today's market.

2. STRATEGIC PLAN: ENSURE THAT THE LOCATION AND DESIGN OF ALL FEDERAL BUILDINGS IN THE NATIONAL CAPITAL REGION PROMOTE THE EFFECTIVE FUNCTIONING OF THE FEDERAL ESTABLISHMENT AND ADHERE TO HIGH ARCHITECTURAL, PLANNING, AND URBAN DESIGN STANDARDS.

2.1 GENERAL GOAL: *Evaluate all development plans and projects of federal, District of Columbia, and many state and local government agencies to help ensure that they support the federal interests and contribute to the best urban design, transportation, and land-use outcomes.*

PERFORMANCE RESULTS

- Based on staff analysis and recommendations, the Commission acted on 96 plan and project submissions thus far in FY 1998. A few examples of how Commission recommendations or staff consultation with project applicants during the submission stage substantially improved proposed projects include:

As a result of Commission recommendations and consultation with NCPC staff, the **Washington Convention Center** design team has reduced the mass and height of the proposed building; significantly increased the amount of window glazing, making the building far more transparent and enhancing the pedestrian experience; and added street entrances and increased ground-floor retail space by 30 percent, enabling the center to much better serve the surrounding Shaw community.

In rejecting the initial design concept for the **World War II Memorial** in July 1997, the Commission urged the designer to reduce the mass and scale of the memorial and better integrate it into the historic setting of the Mall, to emphasize the water element of the design, and to incorporate the existing trees into the concept. The revised design that the Commission reviewed in July 1998 reflects all the recommendations made earlier by the Commission with a resulting design that appears to have won wide public acceptance. In its approval of the revised design concept, the Commission requested the memorial designer to provide access to the memorial plaza from the west, provide additional seating and refine the landscape treatment.

Encouraged by Commission staff, the **Food and Drug Administration** is now phasing its new development in College Park to take full advantage of its proximity to Metro, to reduce the size of parking areas, and to spur development of the area as a transit-oriented business district.

Through its participation in development of physical security guidelines for the **Federal Triangle**, NCPC helped ensure that existing streets remain open to the public, that parking on these streets is permitted and that the number of intrusive security barriers is limited. These guidelines provide a framework for a coordinated treatment of one of the most significant urban space in the Nation's Capital and provide a model of how security measures can be accommodated in a sensitive historic setting.

During the normal consultation for a new post office in the small town of **Beallsville, Maryland**, staff noted that some residents opposed the proposed site because it was not within walking distance of the town center. As a result of a community meeting requested by NCPC, the Postal Service withdrew the site and agreed to pursue alternative locations.

2.2 GENERAL GOAL: *Increase enforcement of the Commission's policy directing 60 percent of regional federal employment to the District and 40 percent to the surrounding jurisdictions.*

PERFORMANCE RESULTS

- The Commission has re-established its Federal Office Space Task Force to examine the distribution of federal employment in the region. Now in the early stages of assembling data and potential partners in its work, the Task Force has noted that in 1996 the District's share of federal employment was only 52 percent of total regional employment. The Task Force is expected to examine how the space acquisition program for federally owned and leased office space conforms to the Comprehensive Plan, and the effectiveness of NCPC's existing policies in reviewing federal office space acquisition.
- In conjunction with GSA, staff has completed 20 percent of a study to determine locational criteria for federal offices in the District of Columbia. Work on this study will be used to support the Federal Office Space Task Force.

2.3 GENERAL GOAL: *Prepare a five-year capital improvements program containing all public works projects proposed by federal agencies in the region to guide OMB, Congress, and other public and private sector decision makers in evaluating planning, policy, and investment alternatives.*

PERFORMANCE RESULTS

- The proposed Federal Capital Improvements Program (FCIP) for Fiscal Years 1999-2003 has been circulated to federal and local government agencies and interested private organizations and citizens for comment and was adopted by the Commission at its July 1998 meeting. The 1999-2003 FCIP contains a total of 186 projects submitted by 15 departments and agencies in the National Capital Region for an estimated five-year cost of \$3.6 billion. All 186 projects were recommended by the Commission. For the first time, staff will design and lay out the FCIP using in-house desktop publishing capabilities with a projected savings estimated at approximately \$30,000.

3. STRATEGIC PLAN: IMPROVE THE QUALITY OF LIFE FOR THOSE WHO LIVE, WORK, AND VISIT IN THE NATIONAL CAPITAL REGION.

3.1 GENERAL GOAL: *Promote the social and economic revitalization of Washington, D.C. by channeling the positive impacts of tourism and proposed federal development to aid the city.*

PERFORMANCE RESULTS

- In 1997 a Commission Task Force issued new guidelines to stem the proliferation of microwave transmitting antennae on federal property that intrude on the scenic beauty of the National Capital Region. In the year since adopting the guidelines, the Commission has reviewed six antenna submissions. As a result of NCPC staff recommendations during consultation with the US Coast Guard Telecommunication and Information Systems Command in Alexandria, Virginia concerning its master plan, the Coast Guard significantly consolidated and reduced the number of antennas in conformance with the Commission's guidelines.

PERFORMANCE NOTE

The FY 1998 Performance Plan called for a revision in the federal facilities element of the Comprehensive Plan. The revision, assessing the land-use and socioeconomic impact of federal development proposals on the District and other regional jurisdictions, has been deferred to FY 1999.

3.2 GENERAL GOAL: *Implement the First Initiatives of the Monumental Core Plan, including planning for the revitalization of the South Capitol/M Street, SE corridors and reclamation of the public waterfront.*

PERFORMANCE RESULTS

- To support its First Initiative goals, the Commission is formulating strategies and partnerships to foster new office construction adjacent to the Navy Yard. In meetings with private developers and stakeholders in the area, staff has used its new CAD visualization capabilities to illustrate potential improvements in the South Capitol/M Street Corridor. Staff is preparing for Commission consideration a waterfront land-use study that identifies key conservation and development sites along the 22-mile Anacostia and Potomac riverfronts to define key goals for detailed planning.
- Federal and District of Columbia government groups have designated NCPC as lead partner in procuring and contracting for the planning and design of a streetscape for M Street, SE that will provide new landscape and street furniture to enhance the pedestrian environment adjacent to the Navy Yard and Southeast Federal Center. Commission staff is working with local elected officials and affected federal and District government agencies to complete design studies so that construction can begin in the Spring of 1999.

3.3 GENERAL GOAL: *Design transportation and visitor signage programs to improve movement to and through the National Capital Region.*

PERFORMANCE RESULTS

- In May 1998 the Commission members and staff participated in a Washington Congestion and Mobility Summit sponsored by the Department of Transportation. As a result of that participation, NCPC and DOT are issuing a joint letter to heads of all federal agencies in the National Capital Region proposing strategies to reduce the federal contribution to congestion and pollution. For the same purpose, NCPC, with DOT and other agencies, is now planning a federal transportation workshop to be held in early 1999.
- NCPC provided technical assistance to the Downtown Business Improvement District in the selection of an environmental graphic consultant and the identification of an information program for District-wide implementation.

3.4 GENERAL GOAL: *Develop a plan to locate embassies, chanceries, and other international organization within the city to meet the needs of the diplomatic and international communities and to make these cross-cultural resources more accessible to visitors and residents alike.*

PERFORMANCE RESULTS

No specific FY 1998 performance activity was established for this general goal.

4. STRATEGIC PLAN: PROTECT AND ENHANCE HISTORIC AND NATURAL RESOURCES WHILE ACCOMMODATING CHANGE IN THE NATION'S CAPITAL.

4.1 GENERAL GOAL: *Help ensure that historic resources and properties including the L'Enfant and McMillan Plans are protected during federal project planning and development.*

PERFORMANCE RESULTS

In its routine review of all plans and projects, the Commission closely examines each proposal for its potential impact on historic properties and makes recommendations to mitigate any possible adverse effects. Among the projects reviewed in FY 1998 in which the Commission made significant historic preservation recommendations were the World War II Memorial and security measures in Lafayette Park. In addition to this ongoing activity, in FY 1998:

- The Commission compiled an inventory of stream valley parklands acquired through the Capper-Cramton Act of 1930 for Maryland and Virginia. The inventory will assist in monitoring the administration of these valuable properties and facilitate coordination with local jurisdictions.
- NCPC staff, in cooperation with GSA, completed guidelines for the perimeter security measures in the Federal Triangle. The guidelines will ensure security and safety while protecting the historic urban design setting of this premier central Washington location.

- The Commission and staff have monitored the implementation of the Washington Convention Center and the MCI Center Memoranda of Agreement that stipulate mitigation measures for adverse effects on historic properties and identify responsible parties. In November 1997 the 700 and 800 blocks of F Street, NW. were re-opened, thus achieving one of the key provisions of the MCI Memorandum of Agreement. NCPC staff is currently working with the affected parties to complete an MOA for the expansion of the historically sensitive Red Cross building
- NCPC staff members have served on development selection panels for properties in the old downtown and managed under the Pennsylvania Avenue Plan, including the historic Tariff Building and Squares 406 and 457. In Square 457, NCPC, in conjunction with other agencies, is working to preserve the Civil War-era residence and office of Clara Barton.

4.2 GENERAL GOAL: *Revise Commission environmental policies and strengthen its environmental review of all plans and projects.*

PERFORMANCE RESULTS

- In addition to completing approximately 15 percent of proposed revisions to its environmental policies, the Commission reviewed and assisted in the preparation of four environmental documents including those for the Patent and Trademark Office consolidation in Northern Virginia, security barriers in Lafayette Park, the World War II Memorial, and National Harbor.
- As the lead agency in the preparation of the Environmental Impact Statement for National Harbor, a major mixed-use waterfront resort in Prince George's County adjacent to the Woodrow Wilson Bridge, NCPC held a public scoping meeting to solicit citizen participation in the EIS process. As a result of public testimony and written comments, NCPC has significantly expanded the range of development alternatives to be examined in the EIS.

5. STRATEGIC PLAN: PROMOTE STATE-OF-THE-ART INFORMATION TECHNOLOGIES TO SUPPORT INTEGRATED PLANNING IN THE NATIONAL CAPITAL REGION

5.1 GENERAL GOAL: *Help establish a WGIS public/private Consortium to build, share and maintain land-based information used in planning and managing federal facilities, conduct comprehensive planning and defining the impact of federal and District of Columbia government planning on the city and its immediate environs.*

PERFORMANCE RESULTS

- In January 1998 the Commission hosted a WGIS workshop attended by more than 25 partners and potential partners with the objective of establishing a Washington Geo-Spatial Consortium. Following the workshop, the Office of Management and Budget agreed to support development and implementation of a strategic plan for the Consortium. Preparations are underway to develop a strategic plan and needs assessment for all partners in fiscal year 1999.

- In the past year, the Commission continued to coordinate WGIS activity in the National Capital, bringing together District and federal governments, and private sector data contributors and users to establish a WGIS network and public/private partnership. In FY 1998 the following new partners joined the network and signed Memoranda of Agreement:

District of Columbia: Consumer and Regulatory Affairs, Chief Financial Officer, Chief Technology Officer

Federal: GSA, Institute for Defense Analysis

Non-Governmental: DC Agenda, Downtown Business Improvement District, ESRI, Millennium Institute, PEPCO, VARGIS

- NCPC has completed a draft Computer Map Products Distribution Policy that sets out the procedures and fees associated with making WGIS products available to the public.
- At the Information Technology World Congress held in Northern Virginia in June 1998 and attended by national information technology and public policy leaders, NCPC demonstrated its WGIS capabilities and products, including a three-dimensional model of downtown Washington, D.C.

5.2 GENERAL GOAL: *Research and develop better planning data and information such as regional population and economic forecasting, other tools for simulation models needed by federal and local agencies in the region to visualize and to prepare for future probabilities.*

PERFORMANCE RESULTS

In support of the Beltsville Federal Sector Plan, staff has collected extensive GIS data for the plan areas in Montgomery and Prince George's Counties. This primarily environmental data will help staff identify environmental issues in the study area.

5.3 GENERAL GOAL: *Improve the speed and accuracy for the review and analysis of proposed development in the National Capital Region through expanded use of CAD tools, GIS and other innovative technologies.*

PERFORMANCE RESULTS

In the past year NCPC has developed CAD visualization applications to better present and visualize important federal and local development proposals. Three-dimensional presentations have been completed for the World War II and Air Force Memorials and proposed development in the South Capitol/ M Street Corridor. This computer-assisted visualization helps Commission and staff better analyze proposed projects and their impact on the surrounding urban setting.

6. STRATEGIC PLAN: EDUCATE AND INCREASE THE INVOLVEMENT OF LOCAL, NATIONAL, AND INTERNATIONAL AUDIENCES IN PLANNING AND DEVELOPMENT IN THE NATIONAL CAPITAL

6.1 GENERAL GOAL: *Conduct seminars conferences, and other public outreach programs to encourage public participation in the planning and development of the Nation's Capital.*

PERFORMANCE RESULTS

- Associated with the release of the new Legacy Plan and its museum exhibit, the following programs have been held at the National Building Museum: an opening program and reception 11/97; Gallery Talk led by exhibit curator 1/98; and "Washington at the Millennium" – an all-day symposium that dealt with some of the issues highlighted in the exhibit 3/98.
- In this fiscal year, staff and Commission have presented the Legacy Plan to a number of individuals and organizations including: Mrs. Clinton, the Society for Environmental Graphics, the Construction Specifications Institute, Ward 8 Stakeholders, Barracks Row Civic Association, the Sierra Club, the Washington Building Congress Executive Committee, American University and Catholic University planning/architecture students, Insignia, Barns, Morris (a real estate development firm), and an MCI Arena stakeholders group. Additional Legacy Plan audiences included the local chapter of the AIA, the Southwest Assembly, the Southwest Task Force of the D.C. Department of Housing and Community Development, the Notre Dame School of Architecture, the Virginia Architectural Consortium, School Without Walls, and the Community of Learner's Urban Wilderness Project.
- In 1998 NCPC received the Investors in America Award sponsored by the Partners for Livable Communities in recognition of the Commission's contribution to the development of the MCI Center.
- NCPC staff is now preparing to hold public hearings on the Joint Memorials Task Force commemorative zone proposal in conjunction with the Commission of Fine Arts and the National Capital Memorial Commission.
- NCPC contributed materials to an exhibit celebrating the tenth anniversary of the restoration of Union Station. The NCPC contribution will highlight the future appearance and use of Union Station as envisioned in the Legacy Plan.
- NCPC resurrected its Quarterly newsletter and distributed it widely to customers and interested citizens, reporting on Commission actions and planning issues.
- In June 1998 NCPC conducted a workshop for our customers -- those federal agencies that submit projects for Commission approval. The workshop was designed to strengthen the submission process and improve the quality of submission materials.

- In an effort to improve service, NCPC increased its visits to customers and developed a tracking system to monitor the visits and briefings with submitting agencies.
- NCPC published for the first time on the Internet its Legacy Plan, the Federal Capital Improvements Program, its federal project submission guidelines, the tentative agenda of monthly Commission meetings and the Quarterly newsletter.
- In October 1998, NCPC opened an exhibit on the Legacy Plan in the main terminal of Washington Dulles International Airport. The exhibit, which includes a large model of the plan, videos, and renderings, highlights for the traveling public how the plan can accommodate the needs of tourist and visions to Washington. The exhibit will run through October 1999.
- In the fall of 1998, NCPC distributed surveys to nearly 2,000 customers soliciting comments on its services and products. Staff has analyzed the survey results and is now taking steps to refine agency work processes to address customer comments.

6.2 GENERAL GOAL: *Build international partnerships to exchange information with other world capitals faced with balancing the interests of a national government in a local jurisdiction and satisfying the needs of both.*

PERFORMANCE RESULTS

- In FY 1998 staff provided customized presentations to eight delegations of planning and public policy officials from Norway, Japan, China, Australia, and Russia. These meetings offer opportunities for consultation on shared planning concerns.
- As part of the sister-city relationship between Washington, D.C. and Beijing, the Director of the Office of Capital City Planning in Beijing extended an invitation to NCPC representatives to travel to the People's Republic of China in the fall of 1998 for professional consultations.

Linking Performance to Resources
An Estimate of Attributed Funding - FY 1998 Performance Goals

GPRA Strategic Plan Reference	Estimated Percent of FY 1998 Budget	Estimate of Funding Applied to Each Set of Goals	Reimbursable Obligations	Offsetting Collections	Total
1.0	26%	\$ 1,517,022	-	-	\$ 1,517,022
2.0	24%	\$ 1,387,993	-	-	\$ 1,387,993
3.0	5%	\$ 300,203	\$ 250,000	-	\$ 550,203
4.0	2%	\$ 130,210	-	-	\$ 130,210
5.0	9%	\$ 544,257	\$ 314,740	\$ 44,608	\$ 903,605
6.0	12%	\$ 712,066	-	-	\$ 712,066
9.0*	20%	\$ 1,148,249	-	-	\$ 1,148,249
Total	100%	\$ 5,740,000	\$ 564,740	\$ 44,608	\$ 6,349,348

Note:

**Reflects overhead costs.*

NATIONAL CAPITAL PLANNING COMMISSION

STATUS OF PERTINENT AUTHORIZATION

The authorization for the present account (31-28-2500-0-1-451) is contained in the National Capital Planning Act of 1952, as amended (40 U.S.C. 71-71i; D.C. Code Secs. 1-1001 to 1-1010). There are no estimates herein contained that exceed any limitations placed on the Commission by Committee Reports for the preceding fiscal year.

APPROPRIATION LANGUAGE

Salaries and Expenses

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71-71i), including services as authorized by 5 U.S.C. 3109, [\$5,954,000] \$6,312,000: Provided, *That [all appointed members will be compensated at a rate not to exceed the rate for Level IV of the Executive Schedule] beginning in fiscal year 2000 and thereafter, citizen members of the Commission will be compensated at the daily equivalent of the annual rate of basic pay for positions at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day such member is engaged in the actual performance of duties.*

*(Department of the Interior and Related Agencies
Appropriations Act, 1999, as included in Public Law
105-277, Section 101(e).)*

NATIONAL CAPITAL PLANNING COMMISSION

Salaries and Expenses

Detail of Permanent Positions (Does not include appointed members)

Identification Code:	1998	1999	2000
95-2500-0-1-451	Actual	Estimate	Estimate
ES-06	1	1	0
ES-05	0	0	0
ES-04	0	0	1
ES-03	1	1	2
ES-02	1	2	1
ES-01	<u>1</u>	<u>0</u>	<u>0</u>
Subtotal	4	4	4
GS-15	3	2	3
GS-14	2	3	2
GS-13	4	8	11
GS-12	20	14	11
GS-11	1	3	6
GS-10	1	1	1
GS-09	5	8	5
GS-08	0	0	0
GS-07	4	6	6
GS-06	0	1	2
GS-05	1	2	1
GS-04	1	1	2
GS-03	2	1	1
GS-02	<u>0</u>	<u>1</u>	<u>0</u>
Subtotal	44	51	51
Total permanent positions	48	55	55
Unfilled positions, end of year (EOY)	7	0	0
WGIS positions, filled EOY	0	2	2
WGIS positions, unfilled EOY	<u>2</u>	<u>0</u>	<u>0</u>
Total employment, EOY	57	57	57

NATIONAL CAPITAL PLANNING COMMISSION

Salaries and Expenses

Detail of Permanent Positions (Does not include appointed members)

Identification Code:	1998	1999	2000
95-2500-0-1-451	Actual	Estimate	Estimate
Total number of positions	57	57	57
Total compensable workyears:			
Full-time equivalent employment	48	57	57
Average ES salary	\$115,065	\$119,443	\$120,748
Average GS grade	10.77	10.31	10.62
Average GS salary	\$53,442	\$47,970	\$50,090

NATIONAL CAPITAL PLANNING COMMISSION**Salaries and Expenses****Object Classification (in thousands of dollars)**

Identification Code:		1998	1999	2000
95-2500-0-1-451		Actual	Estimate	Estimate
11.1	Full-time permanent	\$2,781	\$2,965	\$3,039
11.3	Other than full-time permanent	118	76	92
11.5	Other personal compensation	74	75	77
11.9	Total personnel compensation	2,973	3,116	3,208
12.1	Civilian personnel benefits	538	658	688
21.0	Travel and transportation of Persons	41	62	78
23.1	Rental payments to GSA	1,143	1,158	1,000
23.3	Communications, utilities and miscellaneous charges	142	137	179
24.0	Printing and reproduction	208	58	109
25.1	Consulting services	374	427	337
25.2	Other services	141	146	200
25.0	Supplies and materials	35	32	40
31.0	Equipment	145	150	465
32.0	Space Alterations	0	10	8
99.9	Subtotal obligations	5,740	5,954	6,312
	Reimbursable Obligations	250		
	Unobligated balance lapsing	0	0	0
	Total Budget Authority	\$5,990	\$5,954	\$6,312

NATIONAL CAPITAL PLANNING COMMISSION**Salaries and Expenses****Program and Financing (in thousands of dollars)**

Identification Code:	1998	1999	2000
95-2500-0-1-451	Actual	Estimate	Estimate

Program by Activities:

0001	Direct program: Planning for the development of National Capital	\$5,740	\$5,954	\$6,312
	Total direct program	5,740	5,954	6,312
	Reimbursables	250		
10.00	Total obligations	\$5,990	\$5,954	\$6,312

Financing:

11.00 Offsetting collections

Federal funds	\$ 340*	\$1,869*	\$ 275*
Non-federal funds	\$ 19*	\$ 4*	\$ 4*

25.00 Unobligated balance lapsing

40.0	Budget authority	\$6,349	\$7,827	\$6,591
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*Note:***Collections and estimates are for GIS products. Not reported in MAX.*
Relation of obligations to outlays:
(in millions of dollars as reported in MAX)

71.00	Obligations incurred, net	6	6	6
72.40	Obligated balance, start of year	-	1	1
74.40	Obligated balance, end of year	1	1	-
90.00	Outlays	5	6	6

**U.S. Holocaust Memorial Council
Fiscal Year 2000 Budget Justification**

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U.S. Holocaust Memorial Council

**Fiscal Year 2000 Budget Request
(\$000)**

ACCOUNT	FY 1998 APPROPRIATION	FY 1999 APPROPRIATION	FY 2000 REQUEST
Salaries and Expenses	28,868	29,268	30,447
Repair/Rehabilitation	1,575	1,575	1,575
Exhibition Development and Production	1,264	1,264	1,264
Anti-Terrorism/Security	N/A	N/A	500
TOTAL BASE	31,707	32,107	33,786
Y2K emergency funds	0	680	0

I. Introduction:

The United States Holocaust Memorial Council was created by Public Law 96-388, dated October 7, 1980. The Act was amended in 1992 by PL 102-529, which provides authorization through the year 2000.

The Council is entrusted with a unique Federal mission: on behalf of the United States, to remember those who were the victims of Nazi tyranny and to inform visitors to the Memorial Museum and Americans in their communities about Holocaust history with its important lessons concerning the need to safeguard democratic principles and practices.

This budget submission describes the Council's actions pursuant to its Federal charter. In doing so, this request documents the Museum's popularity and reach, and discusses the challenges ahead, both fiscally and programmatically.

In April 1998, the Museum observed its fifth anniversary of operation. In this relatively short space of time, the Museum attracted over 10 million visitors, of which 2.5 million were under the age of 18, visiting in school or youth groups or with families and friends. An additional one million visitors have come to the Museum since April. The compelling nature of its acclaimed exhibitions, and the scope and reach of its scholarly and educational programs account for only part of the reason for the Museum's enormous success. The findings of a major, privately-funded national survey (undertaken by an independent research company at the Museum's request on the occasion of its fifth anniversary) indicate that 80% of all Americans consider the Holocaust "extremely important" or "very important" as a means of teaching history's lessons, and two out of every three adults (including 79% of African Americans and 75% of Latinos) say they would like to learn more about the Holocaust. Clearly, there is a huge demand for Holocaust education, and the USHMM exists to serve that need.

The U.S. Holocaust Memorial Museum was founded with the objective of being America's national resource on Holocaust documentation and education. Increasingly, it has fulfilled this role both on site and through a dynamic and diversified program of outreach activities. The Museum has become a core part of the American civic landscape, part of our national dialogue about the moral dimensions of both personal and public responsibility. The institution is visited not only by adults, children, families, and school groups, but also by current and future leaders from around the world. During its first five years, the Museum has hosted government officials from 125 countries, ranging from Albania and Argentina, to Zambia and Zaire; among them were 55 heads of state or government. In addition, the Museum has become an annual, required stop for every freshman class at the U.S. Naval Academy, as well as for students preparing for careers in the U.S. foreign service.

The Museum works in partnership with a number of federal agencies, providing key research and expertise on a variety of topics. Over the past few years, the Museum has worked cooperatively with the Congress and an array of federal agencies on Holocaust-era issues. The activities include providing assistance as requested by the Administration and the Congress in the passage of three public laws, the House and Senate Banking Committees and the House International Affairs Committee with hearings, the (Under-Secretary of State) Eizenstat inter-agency task force with two reports, the Justice Department with identification of individuals eligible for special reparations payments, co-hosting with the State Department a 44-nation conference, and having the Museum's web-site serve as the international clearinghouse for information related to Holocaust victims' assets.

To refocus attention from issues of punishment after the fact to an investigation of the possible prevention of genocidal acts and crimes against humanity, the Committee on Conscience sponsored a conference in December 1998 entitled "Genocide and Crimes Against Humanity—Early Warning and Prevention." The conference assembled legal experts; military leaders of the international military missions in Cambodia, Rwanda and Bosnia; the media, both correspondents who served on the ground and the editorial leadership of major broadcast and print media; representatives of international organizations, including the UN High Commissioner for Human Rights and the President of the International Tribunal for the Former Yugoslavia; Administration officials; diplomats; and interested NGOs. Their goal was to discuss why the world's response to genocide comes too late, and who bears responsibility for the failure to act effectively to prevent or stop the killing. Papers delivered at the conference are being reviewed for publication.

In an effort to reach the broadest possible audience and to serve its truly national constituency, the Museum has worked diligently to "extend its walls" through a multifaceted outreach program embracing traveling exhibitions, nationwide teacher training programs, an annual art and writing contest for middle school- and high school-students, an ambitious publications program, and the expanded utilization of its Museum website. The broad reach of the Museum is especially evident in the demand for its services. Especially notable is the requests to provide resource and curricular materials from approximately 30,000 teachers annually. Traveling exhibitions, four of which are circulating in 1998, are serving audiences in New York City, Chicago, San Francisco, Las Vegas, Los Angeles, Phillipi (W. Virginia), Canton, Grand Rapids, and Milwaukee. Traveling exhibitions are scheduled to reach communities in Boulder

(Colorado), Edmond (Oklahoma), Dallas, Kansas City, Portland (Oregon), and San Diego, among others, in coming months.

Further evidence of the Museum's dynamic appeal has been the visitation to its homepage on the Internet. On-line visitors explore "virtual" exhibitions, access Museum resources including catalogued archives and library holdings, review transcripts of lectures recently delivered at the Museum, and receive updates on Museum activities, events, and research including the International List of Current Activities Regarding Holocaust Victims' Assets. This direct link to the Museum offers immediate access to the resources of the United States Holocaust Memorial Museum, bringing the history and its lessons into homes and schools, not only across the nation, but around the world. Current average "attendance" to the Museum website totals 338,125 hits per week, with 15,896 separate visits to the site.

The Museum plans to meet the continuing demand for Holocaust remembrance and education activities largely through increased private contributions. The Museum's Council has approved an additional \$3 million from unrestricted donations to fund critical operational needs beyond the scope of the Federal request. As has been the guidance of OMB since the Museum opened five years ago, the focus of the Federal budget is primarily on operational and administrative areas that support the operation of the Museum and its basic programs. Accordingly, the Museum is requesting \$33,786,000, an increase of \$1,679,000 over base FY 1999. This funding level provides an additional \$1,179,000 for increases associated with fixed costs including necessary pay, inflation, and leased space.

In the areas of Repair and Rehabilitation and Exhibition Development, the Museum is requesting continuation of the funding level provided in the President's FY 1999 Budget.

In the area of Security, the Museum requests \$500,000 in no-year funding to begin addressing recommendations of 1998 Security Survey Report which provided an independent formal assessment of the Museum's vulnerability to external threats and evaluated the effectiveness of the overall security program. This study was performed with funds provided in the President's 1997 initiative to combat terrorism. In the wake of recent events both here in the Nation's capitol and abroad, the Museum is giving careful attention to the recommendations included in this report. The report includes a five-year plan of recommended improvements totaling \$2 million. No-year funding is requested to allow flexibility in the phasing of the work and to consolidate the necessary funding for larger projects from one year to the next.

II. Mission:

The United States Holocaust Memorial Council was established by the United States Congress (PL 96-388) for three purposes:

1. To plan, construct and operate a permanent living memorial museum to the victims of the Holocaust.
2. To provide for appropriate ways for the Nation to commemorate the Days of Remembrance as an annual, national, civic commemoration of the Holocaust.
3. To develop a plan for carrying out the recommendations of the President's Commission on the Holocaust in its Report to the President of September 27, 1979.

The Museum is America's national institution for the documentation, study and interpretation of Holocaust history, and serves as this country's memorial to the millions of people murdered during the Holocaust. The Holocaust was the state-sponsored, systematic persecution and annihilation of European Jewry by Nazi Germany and its collaborators between 1933 and 1945. Jews were the primary victims -- six million were murdered; Gypsies, the handicapped and Poles were also targeted for destruction or decimation for racial, ethnic or national reasons. Millions more, including homosexuals, Jehovah's Witnesses, Soviet prisoners of war and political dissidents, also suffered grievous oppression and death under Nazi tyranny.

The Museum's primary mission is to advance and disseminate knowledge about this unprecedented tragedy, to preserve the memory of those who suffered, and to encourage its visitors to reflect upon the moral questions raised by the events of the Holocaust and their own responsibilities as citizens of a democracy.

The Museum strives to broaden public understanding of the history of the Holocaust through a full range of strategies: exhibitions; research and publications; collecting and preserving material evidence, art and artifacts relating to the Holocaust; annual Holocaust commemorations known as Days of Remembrance; distribution of educational materials and teacher resources; and a variety of public programming designed to enhance understanding of the Holocaust and related issues, including those of contemporary significance.

In accordance with the Government Performance and Results Act (GPRA), the Museum has prepared a strategic plan covering the period through 2002 and an annual performance plan for FY 2000. The annual performance plan has been included as Appendix 1.

III. Rationale for Federal Role:

The United States Holocaust Memorial Council was created by an act of Congress to carry out the above mentioned objectives through a Public-Private partnership. Federal funds provide for the basic fulfillment of the legislated mission of the Museum and Council. Private funds support all areas of the Museum, including basic administrative infrastructure, but are focused largely on programmatic areas.

Current legislative authorization of the USHMC expires at the end of FY 2000. The Council will seek reauthorization during 1999.

Major Components of FY 2000 Budget (\$000)				
	FY 1998	FY 1999	FY 2000 Request	Increase or Decrease
Annual Funds				
Salaries & Expenses	28,868	29,268	30,447	1,179
No-Year Funds				
Repair & Rehabilitation	1,575	1,575	1,575	-0-
Exhibition Development & Production	1,264	1,264	1,264	-0-
Anti-Terrorism	-0-	-0-	500	500
Total, USHMC Base	31,707	32,107	33,786	1,679
Y2K Emergency Funding	0	680	0	-680

I. Overview of FY 2000 Request:

The FY 2000 budget request of \$33,786,000 will provide for continuation of operations at the current level of services and address essential security improvements. The focus of the FY 2000 budget of the USHMM is to ensure that mission-critical operations are afforded top priority for Federal resources while programmatic enhancements rely on private funding.

This approach will permit the Museum to fulfill its Federal role and protect its core programs from the vicissitudes of private sponsorship. Aside from the need to offset the effects of mandatory pay raises and inflation, recently heightened security concerns are also an issue for FY 2000 and are reflected by the request for \$500,000 to provide for high priority upgrades that cannot be accommodated within base resources.

II. Privately-funded Increases

Among the core responsibilities of the Museum, collections management remains a top priority, and though it is a core responsibility, improvements in this area of operations have been funded primarily through increases in private sector funding. The Museum's collections are held in trust for the American people, and proper conservation and management of these holdings are pivotal responsibilities. Obviously, because the Holocaust took place over 50 years ago, many of the Museum's artifacts are in a deteriorated condition when the Museum receives them, and thus proper conservation can often be a technically difficult and expensive undertaking. Because of the high

priority of collections management, the Council added \$1.7 million to its private-side support of the Collections program during fiscal years 1998 and 1999. It is important to point out that, in order to provide funds for Collections and other program initiatives, the Council also voted to undertake new fundraising initiatives requiring start-up costs of over \$1 million. During any given fiscal year, approximately 90% of the unrestricted donated-fund budget is derived from funds raised during that same year. Thus, should economic conditions adversely affect fundraising success, components of essential program objectives would have to be curtailed due to lack of funds. Thus, realistic fundraising objectives are essential to the success of privately funded Museum programs.

Any new program initiatives will be covered by increased private fundraising activity. Even with this approach to the public-private partnership, it is still necessary to forfeit or postpone programmatic goals in order to provide funds for essential operational needs not met by Federal funds. In FY 1999, \$3 million in additional private funds are earmarked for Collections storage space, scheduled upgrades of the financial and fundraising computerized systems, and to fund Y2K problems that exceed existing federal emergency funding.

Consistent with the results of the national survey, public demand for the Museum's services remains intense, ever-growing, and increasingly diverse in terms of the public's expectations of what the Museum can provide. In response, the Museum has pursued an ambitious commitment to a diversified program of educational offerings, both on site and through extensive outreach, exploiting the full range of delivery systems available. In addition to the development of exhibitions, which document and disseminate critical, primary research on Holocaust history, the Museum provides broad public access to its archival and library reference collections through its website; conducts teacher training programs and distributes curricular-materials nationwide; supports a major publications program; circulates several traveling exhibitions simultaneously; encourages student inquiry into Holocaust history through its annual art and writing contest, and through its newly established Center for Advanced Holocaust Studies, serves the scholarly community through fellowship programs, lecture series, international academic conferences, and the teaching of a "master class" for college professors. The priorities addressed elsewhere in this document reflect the competition for resources between ongoing operational efforts and the increasingly diversified programmatic necessities which are key to fulfilling the Museum's mission.

III. FY 2000 Federal Budget Priorities:

For FY 2000, the Holocaust Memorial Museum's request for all annual and no-year accounts totals \$33,786,000, an increase of \$1,679,000 over the FY 1999 base appropriation.

Proposed Increases**Fixed Costs**

Increases requested for necessary pay, inflation, and leased space are estimated at \$1,179,000, which consists of unavoidable cost increases due to pay raises, scheduled contract increases, and general inflation. Of this amount, \$233,000 is requested to complete funding for existing leased office space. Previous amounts provided for leased space do not accommodate existing lease commitments. Detailed information on pay, inflation, and other fixed cost increases is provided on pages 14 and 15.

Security Upgrades

A comprehensive threat assessment completed in 1998 revealed shortcomings that will require \$2 million over the next four years. Of this amount, \$500,000 is requested as no-year funds in FY 2000 to begin the highest priority projects identified in the assessment. The additional funds will be used to provide essential equipment upgrades necessary to meet appropriate standards of physical security and life safety for the Museum's visitors and staff as well as its property and collections.

Due to the sensitive nature of the details of security operations, additional information is provided in a separate document, which should not be made available for public release.

U.S. HOLOCAUST MEMORIAL MUSEUM
SALARIES AND EXPENSES

Summary of FY 2000 Changes

FY 1999 Enacted	32,107,000
Y2K emergency funds	680,000
Y2K funds non-recurred for FY 2000 base	-680,000
Pay Increases	600,000
FY 2000 Base Needs	32,707,000
 FY 2000 Increases / Decreases	
Non-personnel costs	579,000
Security upgrades	500,000
FY 2000 Request	\$33,786,000

FY 2000 BUDGET REQUEST - BY ACCOUNT TYPE		
<u>Salaries and Expenses</u>	<u>FTEs</u>	<u>\$000</u>
FY 1999 Enacted (Base)*	246	29,268
<u>Increases to Sustain Base Operations</u>		
Annualization of FY 1999 pay increase		125
Anticipated FY 2000 pay raise		475
Increases in utilities & postage		72
Security contract increases		87
Janitorial contract increases		24
Leased Space		258
All remaining Other Objects inflation increases		138
FY 2000 Salaries and Expenses Request	246	30,447
<u>Repair and Rehabilitation</u>		
FY 1999 Enacted	0	1,575
FY 2000 Repair and Rehabilitation Request	0	1,575
<u>Exhibition Development and Production</u>		
FY 1999 Enacted	0	1,264
FY 2000 Exhibition Development & Production Request	0	1,264
<u>Anti-terrorism</u>		
FY 2000 increase request		500
FY 2000 Anti-terrorism Request		500
TOTAL REQUEST	246	33,786

* Excludes non-recurring Y2K emergency funds of \$680,000 received in FY 1999

Analysis of FY 2000 Increases for Sustaining Base Operations

The United States Holocaust Memorial Museum is requesting funds for necessary pay increases, inflation and other fixed costs. These increased costs include yearly increases in personnel compensation plus the effects of rate hikes and inflation for utilities, leased space, and other non-personnel expenses. In FY 2000 the Museum is seeking a total of \$1,179,000 to pay for the costs listed below.

<u>Increases for Pay</u>	
1. Annualization of FY 1999 Pay Raises	125
2. Anticipated FY 2000 Pay Raises	475
Subtotal, Personnel Increases	600
<u>Non-personnel Increases</u>	
1. Utilities & Postage	72
2. Leased Space	258
3. Facilities Services	
Security	87
Janitorial	24
Maintenance Contracts	19
4. All other Inflation effects	119
Subtotal, Non-personnel Increases	579
Total Fixed-cost Increases	1,179

Impact of FY 2000 Pay Factors

SUBACTIVITY	ANNUALIZE 1999 PAY RAISE (\$000)	2000 PAY RAISE (\$000)	TOTAL FY 2000 PAY FACTORS (\$000)
Exhibitions & Educational Programs	21	80	101
Collections	26	99	125
Museum Services	13	49	62
Scholarly Programs	6	22	28
Museum Management	7	28	35
Administration	18	70	98
Communications	4	14	18
Operations & Maintenance	15	56	71
Technical Services	9	33	42
Security	6	24	30
Total Necessary Pay Costs	125	475	600

Annualization of 1999 Pay Raise - One quarter of the 1999 pay increase of 3.68% falls in FY 2000 and was therefore not included in the FY 1999 budget request. The total cost of this increase is \$124,930. Note that the FY 1999 budget was based on a raise of 3.1% and the additional cost of \$61,810 in FY 1999 was absorbed in base resources that year.

Proposed 2000 Pay Raise - Current Administration policy allows for a 4.4% pay increase in 2000. The impact of this increase in FY 2000, adjusted for 3 quarters of the fiscal year, totals \$474,567.

Impact of FY 2000 Non-Personnel Factors

Based on current policy guidelines projecting inflation at 2.1% for FY 2000 and estimates of increases to fixed cost areas, an increase of \$579,000 is required to offset declines in purchasing power and continue to provide services at the current level. Projections for utilities, postage, leased space, and the contracts separately identified below are based on estimates of actual cost and do not necessarily coincide with the general rate of inflation.

Cost Category	Uncontrollable Increase (\$000)
Utilities	62
Postage	10
Leased Space	258
Security	87
Janitorial	24
Facility & Eqt. Maintenance	19
All other costs subject to inflation	119
Totals	579

Non-Appropriated Funds

Fund Type	FY 1997	FY 1998		FY 1999
	Actual Expenditures (\$000)	Actual Expenditures (\$000)	Percentage by Type	Budgeted Amount (\$000)
Unrestricted ¹	13,119	17,422	73%	21,490
Restricted	3,134	3,900	16%	4,095
Museum Shop and Café	2,149	2,622	11%	3,082
Total Non-appropriated	18,402	23,944	100%	28,667

Unrestricted Funds

In FY 1999, unrestricted funds support almost all areas of the Museum including Council activities, exhibitions, education, visitor services, collections, technical services and building operations. Unrestricted funds completely support the activities of the Development Department.

Restricted Funds

Restricted funds generally provide support for a particular program or project. For example, the Oral History Department has recently received significant private support to underwrite the production of specified oral histories in Europe.

A gift from the Jack Friedman family of Palm Beach, Florida, is generously supporting the *Kovno Ghetto* exhibition, and the Joseph and Caroline Gruss Foundation and Miriam and Peter Haas Fund have given significant contributions for the traveling version of the exhibition *Remember the Children: Daniel's Story*.

The Fannie Mae Foundation and the Flom Foundation have provided funds for the development of highly successful and innovative community-based educational outreach programs to the school systems in Washington, D.C., and Baltimore, Maryland, respectively. Similarly, the Mandel Teacher Fellowship Program will identify and work intensively with 150 experienced Holocaust educators' over a seven-year period.

Funds provided by the May family support the Museum's annual National Writing and Art contest designed to encourage study of the Holocaust and its implications for contemporary society among Middle School-age and High School students. Funds from the Arthur and Rochelle Belfer family provide teacher training conferences for new and inexperienced teachers. In addition, the Resnick and Shapiro Fellowships provide funding to bring visiting scholars from around the world to work in residence at the Museum's Center for Advanced Holocaust Studies, where they carry out primary source

¹ Excludes self-sustaining operations of the Museum Shop and Café

research using the Museum's archival and artifact collections, and disseminate their findings through an ongoing program of public lectures and seminars.

These are just some examples of major restricted gifts which are critical to the fulfillment of the Museum's mission, and which enable the USHMM to respond to the broad-based demand for increased resources, tools, and expertise in Holocaust education.

Sources of Non-appropriated Funds

The Museum's enabling legislation stipulated that the Museum be built solely with private funds; therefore initial fundraising focused on the Capital Campaign. The Capital Campaign ended in FY 1994 having raised \$194 million in cash and pledges. The success of the Capital Campaign allowed the Museum to retire all debt in 1997.

Annual fundraising for yearly needs is done through the Education and Remembrance Fund and the Museum's membership program, which currently has approximately 210,000 active members. Unrestricted cash receipts totaled \$18.7 million in FY 1998 and are projected at \$21.1 million in FY 1999.

Additionally, funds restricted for specific programs include gifts and grants from individuals, foundations, organizations, and corporations that specify the use of the donation or bequest. Restricted cash receipts totaled \$10.2 million in FY 1998. Of this amount, \$4.7 million was available for programs, with the balance consisting of funds designated to restricted endowment principal. Restricted fundraising efforts are expected to raise a total of \$10.1 million in FY 1999. Of this amount, \$5.7 million is forecast to be available for expenditure, with the balance of \$4.4 million designated to restricted endowment principal.

The Museum Shop and Café are self-sustaining operations which use their proceeds to support their activities.

Outlook for Increasing Private Support to Address Unfunded Needs

In response to Congressional report language accompanying the FY 1997 appropriations bill, the Council has twice voted to increase private operational support to the Museum for a total increase of \$8 million in two years. This is an increase of 89% since FY 1994 compared to a 50% increase in Federal funds during the Museum's crucial initial operational years, i.e. the first five years of operation.

Over the next several years, the Museum plans to launch a major fundraising initiative geared toward raising endowment funds. The success of this initiative is crucial to establishing a stable private-side funding base. Because of the focus on this new initiative, it is highly unlikely that the Council will be able to increase the donated budget beyond the rate of inflation in future years.

It is important to point out that, in order to raise these additional funds, the Council also voted to undertake new fundraising initiatives requiring added expenses of over \$1.5 million (privately funded). During any given fiscal year, approximately 95% of the unrestricted donated budget is derived from funds raised during that same year. This means that at least \$20 million must be raised each fiscal year in order for "private-side" programs to be carried out as planned. Should economic conditions prevent the

Museum from achieving its fundraising objectives, privately funded components of budget must be curtailed, or eliminated, due to lack of funds. The Council is now focussing on raising endowment funds in order to create a more stable operating base on the private side. This source of income, however, cannot realistically be achieved for many years.

Endowment Campaign

The Council takes seriously its challenge to create an endowment in order to ensure the long-term viability of the private component of the institution's public-private partnership. Thus far, the Museum has enjoyed remarkable success in its annual fundraising (i.e. funds derived from Museum memberships and one-time gifts). However, based upon the experience of other institutions, it will be difficult to sustain the level of annual fundraising achieved to date. Therefore a strong and flexible endowment is essential to the Museum's future.

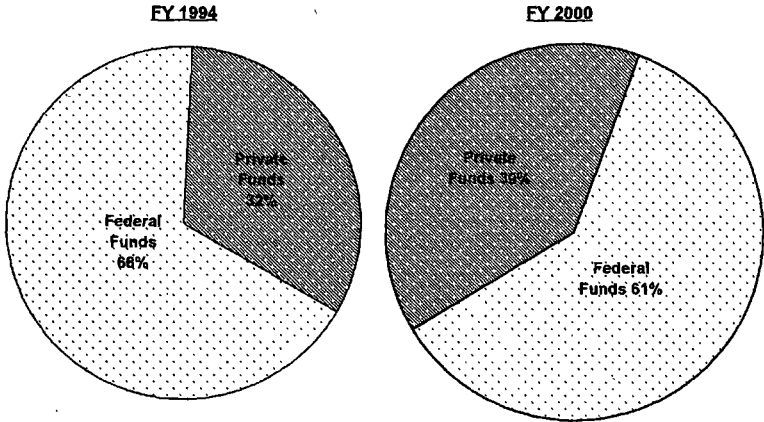
The income from this endowment will constitute a source of private funds for the Museum's annual operating budget to offset the expected diminishing return from annual fund raising in the future. The endowment currently stands at \$50 million, with the majority of its funds designated for restricted purposes. Endowment policy at the Museum emphasizes long-term growth and preservation of principal in order to provide a cushion against short term volatility such as that currently plaguing the securities market. In order to provide adequate investment revenues, therefore, a significant endowment is required. An endowment director has just been hired to be planning a campaign with a preliminary target of at least \$250 million in unrestricted funds.

U.S. HOLOCAUST MEMORIAL COUNCIL

Application of Non-appropriated Funds

	Unrestricted Funds (\$000)		Restricted Funds (\$000)		Endowment Funds (\$000)	
	FY-97 Actual	FY-99 Estimate	FY-97 Actual	FY-98 Actual	FY-97 Actual	FY-99 Estimate
Public Programs						
Education & Exhibitions	968	1,815	2,156	3,279	54	104
Collections	679	1,379	433	473		
Visitor Services	348	298		2		
Subtotal, Public Programs	1,995	5,280	2,589	3,754	54	104
Center for Advanced Holocaust Studies						
Scholarly Programs	371	403	528	118	110	237
Museum Management and Operations						
Museum Management	1,144	1,480	15	15		
Administration	1,369	1,305		10		
Communications	686	984				
Operations & Maintenance	166	616	2			
Space Requirements		879				
Technical Services	109	347				
Security	1	42				
Subtotal, Museum Management and Operations	3,475	7,082	17	25		
Development						
Endowment Campaign		30				
National & Regional Offices	2,047	2,418		3	11	922
Membership	5,231	4,517			23	79
Subtotal, Development	7,278	6,965		3	34	1,001
Contingency						
General Endowment						
Rubinstein Theater Endowment						
Total, Miscellaneous						
Total Funds Applied	13,119	17,422	3,134	3,900	198	1,342

United States Holocaust Memorial Council
Comparison of Federal and Private Funding
FY 1994 - FY 2000



	<u>FY 1994</u>	<u>FY 2000</u>	<u>% Growth</u>
Federal Funds	21,679	33,786	56%
<u>Private Funds *</u>	<u>10,418</u>	<u>21,490</u>	<u>106%</u>
Total	32,097	55,276	72%

* Unrestricted funds only

Status of Organizational Restructuring

Organizational realignment consistent with Congressional and OMB approval of the proposal submitted with the FY 1998 budget requests is largely complete. Refinements proposed in the FY 1999 budget submission are in progress as described below.

Collections – As requested in FY 1999, the Survivor's Registry has been shifted from the Collections department to the Exhibitions & Education activity, in recognition of its primary reference and educational uses. This registry is an electronic archive that allows researchers to explore the pre-war, wartime, and post-war experiences of Holocaust survivors who emigrated to America.

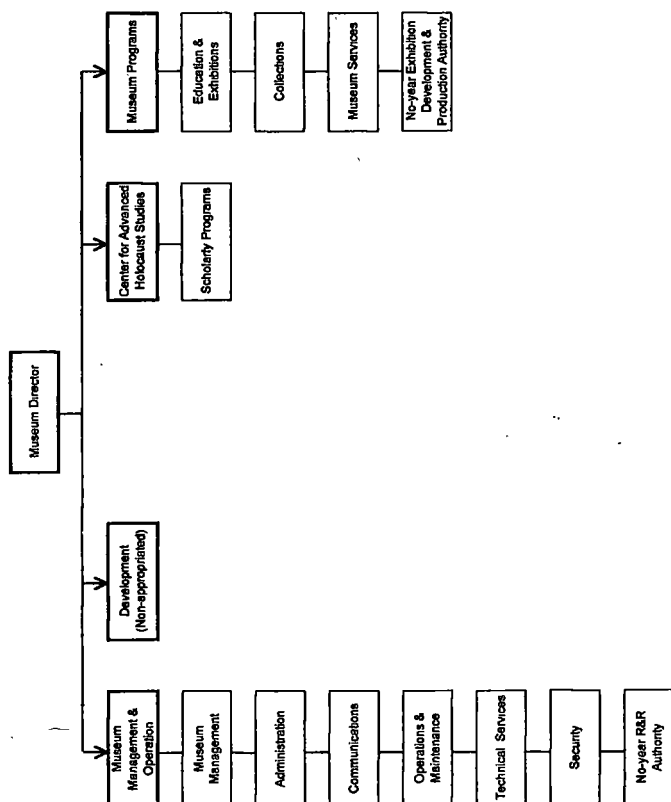
Exhibitions and Educational Programs – The Learning Center is a computer-based Holocaust education and research tool available to the general public. It is accessible through computer terminals located in the Museum building and was physically relocated in late 1998 to improve public access. Organizationally, the Learning Center has been shifted from Museum Services to the Exhibition & Education activity, to reflect its primarily educational focus as an interactive learning resource. Likewise, the specialized unit that provides technological dissemination of educational products, such as the Museum's world-wide web site, have been shifted from Technical Services to the Exhibition & Education activity.

Operations and Maintenance – As requested in the FY 1999 budget, space requirements have been combined with Operations and Maintenance to reflect their common function and goals in the Museum. Object class distinctions will still permit complete accounting for the cost of leased space within the overall budget. Technical Services, while requested for consolidation, has been left as a separate activity after reconsideration of its cross-functional role in support of Museum goals. During the coming year, the Museum intends to hire a Chief Information Officer.

Center for Advanced Holocaust Studies – All of the various collecting functions previously programmed within the former Research Institute (Archives; Photo Archives; Oral History; Film and Video; Music) have now been consolidated with other collecting functions within the Office of Museum Programs to provide improved coordination and consistency in this core Museum function.

The Center serves as a core resource not only for Museum programs, but for other organizations, federal agencies, scholars, etc., pursuing work relating to Holocaust history. Rather than amassing and caring for collections, the new Center will focus instead on the critical pursuit of scholarly research, providing support for the creation and dissemination of new knowledge of the Holocaust; promoting the growth of the field of Holocaust studies in American universities; implementing the ongoing training of future generations of young scholars specializing in the Holocaust, and serving as the intellectual engine behind the Museum's programmatic efforts, which will ensure that these exhibition and educational efforts remain at the cutting edge of contemporary scholarship. Private funding will continue to play a major role in supporting the programmatic efforts of the Center, while Federal funds provide base operational support.

United States Holocaust Memorial Council
Organizational Structure
FY 1989



United States Holocaust Memorial Council

Summary of Request by Activity - FY2000

Budget Activity	FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Requested Change	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
Education & Exhibitions	35	\$ 3,079	39	\$ 2,926	39	\$ 3,039	0	\$ 113
Collections	45	3,878	46	4,087	46	4,238	0	151
Museum Services	41	1,729	41	1,573	41	1,638	0	65
Scholarly Programs	5	569	10	832	10	864	0	32
Museum Management and Operation	8	1,013	9	1,059	9	1,100	0	41
Administration	29	2,619	32	2,643	32	2,745	0	102
Communications	3	770	6	790	6	816	0	26
Operations & Maintenance	28	7,441	33	8,227	33	8,687	0	460
Technical Services	9	2,286	15	1,940	15	1,999	0	59
Security	14	5,336	15	5,191	15	5,321	0	130
R&R No-year	0	956	0	1,575	0	1,575	0	-
Exhibitions No-year	0	768	0	1,264	0	1,264	0	-
Anti-Terrorism No-year	0	30	0	-	0	500	0	500
Total, USHMM Base	217	\$ 30,474	246	\$ 32,107	246	\$ 33,786	0	\$ 1,679
Y2K Emergency Funding	0	-	0	680	0	-		
Total, USHMM	217	\$ 30,474	246	\$ 32,787	246	\$ 33,786		

**Museum Programs
Education and Exhibitions**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
35	3,079	39	2,926	39	3,039	0	113	0	113

Program Summary: The USHMM fulfills its mission of educating about the Holocaust primarily through its dynamic, experiential exhibition program. Through the innovative use of multi-media displays, survivor testimony, and the dramatic presentation of surviving artifacts, the Museum's exhibitions offer visitors a personalized encounter with history and serve to transform an historical event of unimaginable magnitude into a comprehensible, immediate reality. During its first five years, the Museum's exhibition program has included the acclaimed Permanent Exhibition covering three floors of the Museum; a permanent presentation for younger audiences, their families, and teachers: *Remember the Children: Daniel's Story*; the continual offering of original, temporary exhibitions which have provided in-depth focus on such diverse subjects as underground rescue efforts, the challenge of liberation, the controversy of the 1936 Olympic Games, and the stark reality of ghetto life; various smaller exhibitions which have variously documented the activities of Oscar Schindler, the Nazi persecution of homosexuals, the heroic actions of a Catholic rescuer in France, and the artistic record of life in an internment camp created by a Black American expatriate of Jewish descent, among others; and an ambitious program of traveling exhibitions.

These exhibitions are meeting a very real need: results of a national survey undertaken in 1997, indicate that 80% of the public thinks the Holocaust is "extremely" or "very" important in teaching the lessons of history, and two out of every three Americans wants to learn more about the Holocaust, 61% *specifically* by visiting the U.S. Holocaust Memorial Museum. The Museum has struck a chord with a majority of Americans; for a young institution, it has garnered a high level of name recognition, with three out of four Americans saying they have heard of the Museum. And, visitor response is overwhelmingly favorable: sixty-five percent of visitors rate their overall experience at the Museum as a "10" on a standard 10-point scale, and ninety-one percent say they "definitely" would recommend a visit to a friend.

The Museum's exhibition and education programs contribute directly to this high level of public interest. Educational efforts provide an interpretive corollary to the exhibition program. Museum educators produce pre-visit and post-visit curricular packets to accompany all exhibitions, for use both on-site and with exhibitions circulating to communities around the nation; they develop new educational materials for classroom use, including an award-winning Artifact Poster set and accompanying teacher's guide; they administer the national art and writing contest, sponsor annual educator conferences, and train regional high school students to become ambassadors of history to their own communities through the innovative "Bringing the Lessons Home" project.

The Museum's educational functions also embrace the continuing coordination of the annual national civic commemoration of Days of Remembrance, a Congressionally-mandated observance. Although the national ceremony is held in the Capitol Rotunda, the Museum's national outreach activities encourage and support commemorations held in hundreds of cities nationwide, through efforts targeted to governors, mayors, and civic organizations.

Staff responsibilities within the Exhibition division include conceiving, planning, and implementing all temporary and traveling exhibitions (with development, design, fabrication, and installation accomplished primarily through the no-year exhibition development and production fund). The division also has responsibility for the ongoing maintenance and historical accuracy of all exhibitions, pursuing, as needed, any content or design revisions to these exhibitions. The education division is responsible for developing materials that enhance the Museum's interpretive functions. This division produces public programs, publications, curricular materials, and teacher guides to amplify exhibition messages; provides training for the personalized presentation of exhibitions to visiting student and adult groups, and works with other Museum departments to develop Internet and Learning Center applications that can continue to be available long after a particular exhibition closes.

In short, the Museum's exhibition and education programs are the core of the Museum's role as the national center for Holocaust education.

Level of Funding Requested: The \$113,000 increase requested in FY 2000 for Collections will fund increases for necessary pay and inflation.

Current Accomplishments: As the Museum enters its sixth year of operation, education and exhibition programs are continuing to enjoy extraordinary popularity with the public. The Internet has added an enormous new audience for the Museum's programs and services, with current weekly website usage averaging in excess of 338,000 "hits" and nearly 16,000 separate visits to the site. An average user looks at 21 pages on the Museum website, with more than half going to pages which exemplify the Museum's unique offerings -- its document archive catalogs, library holdings, and photographic archive images. In coming years, it will be essential for the Museum to build upon its early success to reach and sustain these new audiences as well as to attract larger and more diverse audiences.

During the past year, a major special exhibition, *Hidden History of the Kovno Ghetto*, opened to the public. Supported partially by a generous grant from the Friedman Family, this groundbreaking exhibition explores the brief, though nightmarish, three-year life of the Kovno ghetto in Lithuania, whose terrorized Jewish community engaged in a remarkable, organized act of defiance. Determined to leave a record of the ghetto's history, the people of Kovno methodically created secret archives, diaries, drawings, and photographs to document their ordeal. Many of these documents were buried under the ghetto in wooden crates, metal containers, and ceramic jugs. Unearthed after the war, the remnants of this documentation reveal the hidden history and lost lives of the Kovno ghetto. A catalogue published in conjunction with Little Brown and Company accompanied the exhibition.

A major traveling exhibition program was also launched last year. As a result of private funding, the Museum recreated two of its earlier exhibitions – *Assignment Rescue: The Story of Varian Fry and the Emergency Rescue Committee* and *Remember the Children: Daniel's Story* – for presentation to local communities around the nation. Traveling versions of these exhibitions have been shown in New York, Chicago, San Francisco, Las Vegas, and Los Angeles during FY 1998 and have an ambitious schedule for FY 1999, which will include Denver, Oklahoma City, Granville (Ohio), Wheeling (Illinois), Boulder, Palo Alto, and Edmund (Oklahoma). *THE NAZI OLYMPICS Berlin 1936*, which enjoyed a highly successful year on display at the USHMM, was designed to permit ready conversion to a traveling exhibition. A national tour of this popular exhibition began in late 1997, with visits to Grand Rapids, Canton, and Milwaukee. This exhibition is scheduled to visit Portland, Oregon, San Diego, and San Francisco.

In response to the explosion of public demand for Internet access to programs and resources, the USHMM has vigorously employed its website to deliver educational materials and visitor information. Serving as "virtual exhibitions" which reach nearly 16,000 on-line visitors per week, the Museum's website versions of the *Nazi Olympics*, *Fr. Jacques*, *Nassy*, and *Kovno* exhibitions were all created during the previous year.

A special section on the Museum's website has been devoted to testing a student outreach project based on the Museum's Permanent Exhibition. Incorporating the Museum's collections to illustrate the history of the Holocaust, the site was designed for interaction among students, teachers, and a Museum historian. The project has recently completed its test phase with six different schools, and this curricular resource will now become available to teachers nationwide. In addition to using the website for educational purposes, the Museum's Internet home page also offers visitors access to various Museum resources, including its catalogued archives and library holdings, photographic collection, and transcripts of recently delivered lectures, as well as calendar updates on Museum events and public program offerings, and practical information about the Permanent Exhibition pass system, group reservations, and membership.

In the past year, the education staff has produced a variety of interpretive materials to support special exhibitions as well as the Permanent Exhibition. Teaching materials were developed to enhance students' learning experiences in the touring versions of the *Olympics* and *Remember the Children* exhibitions, and the on-site presentation of *Hidden History of the Kovno Ghetto*. Additionally, as part of its series of educational booklets on the non-Jewish victims of Nazism, the Museum published a booklet about the persecution of Poles by the Germans during World War II.

Teachers and students continue to be among the Museum's most important audiences. Through all of its on-site and outreach activities, training programs, workshops, fellowships and conferences, and its widely-distributed resource packets, exhibition-related publications, and curricular and teaching guideline materials, the Museum serves approximately 30,000 teachers annually. Educational programs range from the services of the Resource Center for Educators to intensive training programs funded by private foundations. One of these programs, funded by the Fannie Mae Foundation and geared primarily to Washington area high schools, has served over 10,000 teachers and students in its four years of operation. In the course of its regular program of Museum visits for school groups, approximately 335,000 students in 3,055 groups were served this past year.

A major effort of the Survivor's Registry during the past two years has been to trace the fate of the 936 passengers aboard the S.S. St. Louis, a ship bearing refugees from Nazism which was denied safe harbor in both Cuba and the United States in the spring of 1939, only to return its ill-fated passengers to a Europe on the brink of war. The project will ultimately provide museum visitors, both on-site and through Internet access, with a complete picture of the lives of each person on board the St. Louis, using interactive technology to present audio and video interviews of some of the S.S. St. Louis survivors, and life histories of those less fortunate. The project represents a groundbreaking effort to document the consequences, down to the present moment, of a single event in the Holocaust.

Relation to G.P.R.A. Performance Plan: The Education and Exhibitions activity focuses on mission goal I: Serve as the nation's pre-eminent center for holocaust education and remembrance. Activities serving this goal are the cornerstone of the Museum's public service mission.

**Museum Programs
Collections**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
45	3,878	46	4,087	46	4,238	0	151	0	151

Program Summary: The Collections underwent a comprehensive reorganization during the past year. As previously discussed, the objective has been to consolidate all collecting functions within the Museum, so that intake, processing, documentation, and ongoing collection maintenance can be centrally coordinated, and collecting imperatives prioritized in light of an institutional, rather than departmental, focus. Thus, archival collections previously under the direction of the Research Institute (documents, photographs, film and video, music, and oral history) have now been brought together with the art and artifact collections under the administrative auspices of the Office of Museum Programs. As part of this move towards consolidation and coordination of complementary functions, the Library has also been added to Museum Programs.

The Archives of the USHMM represent a major repository of Holocaust documentation, now comprising over eight million pages of handwritten documents, personal papers, and microfilms, both from American collections and from important European collections. In particular, as a result of the Museum's systematic archival microfilming projects in various European countries and the former USSR, the USHMM now possesses the single most comprehensive collection of historical documents relating to the Holocaust that can be found in one location. An aggressive pursuit of additional archival materials has resulted, for example, in a recent unprecedented agreement with the French national archives that will add millions of pages of documents relating to the Holocaust in France. Archival researchers and curators are currently working in 31 different countries to identify and copy relevant materials. A catalogue of the Museum's archival holdings is now available on the Web, and is constantly updated to reflect the growing collection.

The Museum's artifact collection currently numbers 30,000 objects in addition to 9,000 objects held on long-term loan. This collection represents the most comprehensive body of Holocaust-related artifacts outside of the camp sites in Europe. As with all museum collections, these artifacts require conservation, storage, documentation, and cataloguing in compliance with professional museological practices and in observance of the Museum's fiduciary obligations as custodians in the public trust, so that the artifacts will be available to the public for educational and scholarly purposes in perpetuity. The consolidation of the collecting units will allow the Museum to assess, prioritize, and better address the conservation needs for all original material -- documents, photographs, artifacts, and rare books -- held by the entire institution.

Level of Funding Requested: The \$151,000 increase requested in FY 2000 for Collections will fund increases for necessary pay and inflation.

Current Accomplishments: The Museum's collections currently include approximately 8 million pages of original and microfilmed documents, 60,000 photographic images, 30,000 objects, 6,000 oral histories, and 220 hours of historical film and videotape. The Library contains 27,000 items. Although the Museum currently holds one of the world's largest and most comprehensive collections of Holocaust documentation, significant amounts of important original material still remain in various archival institutions and in individual hands worldwide. Working at institutions in politically fragile countries and reaching out to survivors, liberators, and others as the generation of eyewitnesses dwindles, the Museum has aggressively sought to expand its collections at this timely moment. The Museum seeks to build most of its collections through donations and partnerships with institutions around the world.

The oral history archive contains some interviews produced by the Museum, but the majority of its holdings are copies of testimonies produced by other institutions within the United States and abroad. As a result of a restricted grant, the Museum is producing interviews with individuals who are underrepresented in our collections and not available elsewhere, such as Jehovah's Witnesses, Roma (Gypsies), and perpetrators of the Holocaust.

Similarly, the art and artifact collection generally seeks donations but has also received a restricted grant to purchase items that would otherwise be unavailable. During the past fiscal year, the Museum received 150 new collections, including the extraordinary correspondence between a husband and wife while he was interned in Dachau and she in Auschwitz, written on camp letterhead, together with sketches the husband made that were turned into set designs for theater performances after the war. Other recent acquisitions have included the Sara Milo Collection of graphic illustrations saved by her father inside the Kovno Ghetto and the original manuscript of Mina Pachter's "*Kochbuch*," a collection of recipes written into a hand-sewn book by a group of women prisoners inside the Terezin ghetto. Facing hunger, degradation, and fear of death, these women attempted to alleviate their starvation by recalling and recording favorite family recipes.

In the past year, the photo archives, now referred to as the Photographic Reference Collection, acquired several thousand new images from individual donors and archival institutions in Europe and Israel. Among the many groups who benefit from the services provided by the Photo Archive are researchers, publishers, film producers, news organizations, museums, and other cultural and historic institutions. For example, in the past year, extensive services have been provided to the Capetown Holocaust Center; Imperial War Museum in London; Mainichi Newspapers, Japan, which is publishing a journal series on the Holocaust, and the Simon Wiesenthal Center in Los Angeles.

The document archives received more than 300 collections in the past year, which included 236 manuscripts and collections of personal papers totaling 15 linear feet and 80 microfilm collections totaling 963 reels and 221 microfiches. Collections were acquired from various individuals and institutions, including the Latvian State Archives, Centre Documentation Juive Contemporain (Paris), International Committee of the Red Cross (Geneva), and the Jewish Holocaust and Research Centre (Victoria, Australia).

Relation to G.P.R.A. Performance Plan: The Collections activity provides the means and resources necessary for mission goal II: Serve as the world's premiere repository for holocaust-related artifacts and archival collections.

**Museum Programs
Museum Services**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
41	1,729	41	1,573	41	1,638	0	65	0	65

Program Summary: The Office of Museum Services (formerly called Visitor Services) is responsible for operating the Museum facility and providing an environment for visitors that is welcoming, safe, broadly accessible, and educationally enriching. Since the Museum's April 1993 opening, Museum Services has served more than 11 million visitors from urban, rural, inner city, and international communities. Managing circulation, providing information, servicing school and adult groups, offering educational guidance, and assisting with special events, Museum Services is also involved in formal and informal assessments of visitation and the development of a variety of public information and educational materials for the institution.

Level of Funding Requested: The \$65,000 increase requested in FY 2000 for Museum Services will fund increases for necessary pay and inflation.

Current Accomplishments: Visitation remains consistently high, with an annual attendance since opening of approximately two million visitors, and every indication that this level of attendance will remain stable or more likely, increase. The need for an energetic, well trained, and responsive Museum Services division remains a top priority, helping to ensure that visitor experiences at the Museum are positive and fulfilling.

In order to most effectively serve the public which comes to the Museum, Museum Services tailors its operations based upon data gleaned from quarterly demographic visitor surveys, which also include attitudinal questions, along with the findings of a major nationwide survey conducted in 1997. Accordingly, Museum Services staff take note of, and plan in light of, the fact that of the 11 million who have visited as of mid-August 1998, approximately 3 million have been schoolchildren. Museum Services is also cognizant of the fact that visitation to the USHMM has become more diverse, and is now similar in profile to those who visit the other museums on the National Mall. A review of the 1997-1998 quarterly demographic survey prepares Museum Services personnel to anticipate and assist the 45% of individual (non-group) visitors who are under age 40; the 71% under age 50; the 14% from foreign countries; the 18% who are repeat visitors; the 13% who are minorities, and the 78% of the Museum's visitors who are not Jewish.

The degree of effectiveness of the Museum Services program can be ascertained, again, using the findings of visitor surveys. We have learned that some 78% of visitors spend two hours or more at the Museum. Surveys also indicate a strong trend away from "destination visitors," who carefully planned their visits and represented a majority at the Museum during the first years after opening. Most visitors now plan only a few days in advance, if at all, and require significantly more guidance once in the Museum.

One response was addressed during the past year, when the Museum inaugurated its orientation film. Funded by a private donor, the film is designed to help visitors understand the pass system and to learn about the many exhibitions and activities that are available without a pass. The film, which is shown twice hourly in one of the Museum's two theaters, has helped our visitors enormously in planning their visits, with the result that visitors actually experience more of the Museum. The orientation film has also encouraged repeat visitation.

A huge majority continues to give the Museum extremely high ratings, with 90% of visitors giving the Museum a rating of 8 or higher on a scale of 1 to 10. The most frequent complaints from visitors relate to overcrowding and lack of understanding of the pass system required for timed entry to the Permanent Exhibition. Unfortunately, because visitation remains so high, these problems are hard to resolve; nevertheless, Museum Services staff remains vigilant about them and sensitive to visitor needs.

Relation to G.P.R.A. Performance Plan: Museum Services provides the day to day support required for mission goal I: Serve as the nation's pre-eminent center for holocaust education and remembrance. Museum Services staff are the primary link between visitors and the Museum's public activities.

**Center for Advanced Holocaust Studies
Scholarly Programs**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
5	568	10	832	10	864	0	32	0	32

Program Summary: In the restructured organization of the Museum the new Center for Advanced Holocaust Studies has assumed all of the scholarly research and academic functions previously assigned to the Research Institute. The Center will build upon this foundation to promote the growth of the field of Holocaust studies, including dissemination of scholarly publications in the field, and will ensure the ongoing training of future generations of scholars able to teach and undertake research about the Holocaust. The Center's activity is both national and international in scope. In addition to its scholarly activity, the Center provides substantial research assistance to all Museum divisions, especially Exhibitions, Education, and International Programs. The Center also provides research assistance as requested for Congressional offices and committees and for other Federal agencies involved in such issues as the adjudication of claims by U.S. citizens against Germany and the recovery of Holocaust victim's assets.

The Center's primary mission is the generation of new knowledge about the Holocaust. Accordingly, its goal is to provide a fertile atmosphere for scholarly discourse and debate through an expanded program of visiting scholars and fellows, conferences and seminars; a strategic research and publication program designed to make access to study of the Holocaust easier for new scholars; and the implementation of a dense network of cooperative programs with universities, university faculty and advanced students in the United States and abroad.

The Division of the Senior Historian, within the Center, safeguards the scholarly accuracy of the Museum's programs and provides for the academic integrity of programs carried out jointly with colleges, universities, and other research institutions to enhance the quality of teaching and research about the Holocaust on university campuses. The Center sponsors fellowship and scholarship programs that ensure opportunities for outstanding scholars at every level -- from graduate students to senior scholars -- to pursue their work. Plans are underway for the establishment of an annual "Holocaust Master Class for College Professors," with the first such class to be taught in the summer of 1999. In the spring of that year, the Center also plans to convene its inaugural conference, which will address the pivotal issue of an agenda for Holocaust Studies for the 21st Century. The Center is also committed to an expanded program of academic publications, including a "core reference series" on Holocaust topics of key interest to the scholarly community.

The Center has a base level of staffing and the Museum plans to seek private funds to expand and enhance the scope of the Center's activities.

Level of Funding Requested: The \$32,000 increase requested in FY 2000 for Scholarly Programs will fund increases for necessary pay and inflation.

Current Accomplishments: Notable accomplishments in 1997 included contributions by staff of the Historian's office to the Eizenstat Report² and preparation of briefing materials describing internment camps for the Foreign Claims Settlement Commission, which is an effort under the jurisdiction of the Justice Department aimed at adjudicating claims by U.S. Citizens against Germany regarding internment during World War II. In addition, the Division hosted 19 visiting fellows during 1998 both from the United States and abroad.

The Senior Historian and other staff are working on projects related to law and the Nuremberg trials, in particular development of a text-based database of postwar trials of Nazi criminals in various national jurisdictions and a compilation of Nazi racial laws. Future projects include an encyclopedia of camps and ghettos in Nazi-dominated Europe. Publishing new research on the Holocaust will be a primary activity of the Center, along with the sharing of new findings through colloquia, conferences, and other scholarly gatherings. This is accomplished through the Museum's Journal of Holocaust and Genocide Studies and through joint efforts with private publishers. In 1998 the Center cosponsored with Gallaudet University an international conference on "The Deaf in Hitler's Europe 1933-1945," which assembled every authority in the world on the treatment of the deaf, blind, and people with disabilities by the Nazi regime.

In the coming year, Center staff and fellows will continue to develop and conduct scholarly research programs and projects in Holocaust and genocide studies, and cooperate with research organizations and universities throughout the United States and abroad. Activities include the provision of expert advice on the Holocaust and its historical context to government agencies, academic institutions, professional organizations, and Museum staff.

Relation to G.P.R.A. Performance Plan: The scholarly programs activity provides the primary resources to achieve mission goal III: Serve as the world's pre-eminent center for scholarly research of the holocaust. This goal is heavily dependent upon private funding.

² "U.S. and Allied Efforts to Recover and Restore Gold and Other Assets Stolen or Hidden by Germany during World War II," coordinated by Stuart E. Eizenstat, Under Secretary of Commerce for International Trade; Prepared by William Z. Slany, The Historian, Department of State.

**Museum Management and Operation
Museum Management**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
8	1,013	9	1,059	9	1,100	0	41	0	41

Program Summary: The Museum's Council establishes overall policy for the Museum's basic operations and program activity. The Council consists of 68 members. Fifty-five of the 65 voting members of the Council are appointed by the President with an additional ten Congressional members, five appointed by the Speaker of the House of Representatives and five appointed by the President Pro Tempore of the Senate. The Secretaries of Interior, State and Education appoint three non-voting members, respectively. Council members, by law, are eligible to be paid the daily equivalent of the maximum annual rate of basic pay in effect for GS-18 for each day during which they are engaged in the actual performance of duties of the Council. Members are also authorized to have their travel expenses reimbursed, in the same manner as persons employed intermittently in government service. In practice, no Council member currently collects the pay entitlement, however, most Council members do request reimbursement for travel expenses.

In order to carry out its policy oversight, the Council has implemented a committee system that consists of an executive and 12 other committees and six subcommittees. The entire Council meets on a semi-annual basis, and has delegated its oversight authority to an Executive Committee in between these meetings. The Executive Committee meets monthly, but both the Council and Executive Committee communicate frequently between meetings via phone, fax and special mailings. Most of the various committees and subcommittees meet twice annually.

This budgetary component also funds salaries and expenses related to upper-level management of the Museum, and includes not only positions providing support to the Council but also to senior management, such as legal counsel, Chief of Staff, an internal auditor, and support positions and associated expenses related to institution-wide management.

Level of Funding Requested: The \$41,000 increase requested in FY 2000 for Museum Management will fund increases for necessary pay and inflation.

Current Accomplishments: In parallel with the GPRA strategic planning process, the Council and senior management have been working on a comprehensive long-range strategic plan for the Museum. This effort includes a full scale review of long-term programmatic goals, operational needs, management practices and organizational structures. The Museum is committed to undertaking its activities in the most efficient manner possible and with informed compliance with all Federal requirements. During FY

1997, the structural reorganization of the Museum was approved by the Council and subsequently by the Congress for implementation at the start of FY 1998.

The Committee on Conscience, formed in June 1996 to alert the national conscience and stimulate worldwide action to confront and halt acts of genocide and crimes against humanity, has been organized and staffed during FY 1997 and FY 1998. This committee is a result of the recommendations of the report of the President's Commission on the Holocaust (September 27, 1979) which was the basis for the legislation which established the Council in October 1980.

Relation to G.P.R.A. Performance Plan: Museum management affects achievement of all of the USHMC goals by providing direction and allocating resources to the subordinate activities of the Museum.

**Museum Management and Operation
Administration**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
29	2,619	32	2,643	32	2,745	0	102	0	102

Program Summary: Administration includes those functions needed to fulfill Federal requirements for operating any public Federal facility. These include budget and financial services, contracting, personnel and payroll, and property management. In addition to its Federal responsibilities, the Museum also has a significant number of privately-funded programs. The private funds must also be managed in accordance with accepted financial management practices, and privately-funded staff positions must also receive personnel, payroll and benefit support similar to the Federal positions. Funds received through private sector donations are often subject to specific restrictions, and must be managed and allocated in accordance with the terms and conditions of the individual gifts.

Level of Funding Requested: The \$102,000 increase requested in FY 2000 for Administration will fund increases for necessary pay and inflation.

Current Accomplishments: As the Museum has become fully operational, contracting for services has become an overwhelming portion of the administrative function. The contract for security services alone requires full-time contract administration. Between the security contract and the janitorial contract, the Museum has 150 contract workers, with an additional 15 contract workers providing exhibition maintenance services. During 1997 the automated procurement information system was upgraded to improve security and system efficiency. The Budget office, working with the Finance office and an outside contractor, developed an automated financial reporting tool that provides financial management reports on demand over the Museum's network using world wide web technology to combine information from disparate Federal and private fund accounting systems. Work is underway to extend this system to budget development.

Although the Museum continues to have a relationship with the National Park Service (NPS) for use of its accounting and payroll system, the Museum had to acquire in-house expertise to deal with the increased scope of services needed by the operational Museum. Beginning in October 1998, Federal payments processing was shifted from NPS to the Financial Management Service of the US Treasury Dept. Staffing improvements, begun in FY 1998 in the Finance office, are expected eventually to eliminate the need for these interagency agreements.

Relation to G.P.R.A. Performance Plan: Administrative functions are responsible for addressing the infrastructure goals outlined in the FY 2000 performance plan.

**Museum Management and Operation
Communications**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
3	770	6	790	6	816	0	26	0	26

Program Summary: The Communications Department provides the Council and the Museum with comprehensive internal and external information dissemination and services. Its activities include communications planning and implementation on behalf of Council and Museum initiatives; media relations; public information activities; general publications, including support of the Museum's electronic communications; advertising, including public service announcements; editorial services; documentation of Council and Museum activities through video, audio, and photography services; visitor surveys; public opinion research; and internal communications.

For the five years of the Museum's existence, there has been tremendous and sustained media interest in all aspects of the Museum's programmatic activities and institutional objectives. The Communications Department works to service this demand, providing timely information and serving as the authorized respondent to all media inquiries and requests.

Level of Funding Requested: The \$26,000 increase requested in FY 2000 for Communications will fund increases for necessary pay and inflation.

Program: In addition to routine activities such as management of media contacts, public information inquiries, publication of informational materials, and advertising, the Division's major programmatic activities include broadening the Museum's audience and extending its reach across the country by publicizing traveling exhibitions, public programs, educational outreach activities, and scholarly initiatives; and by publicizing the major special exhibition *Hidden History of the Kovno Ghetto* and other on-site exhibitions, programs, and scholarly conferences. Through its public information component, the Division also ensures that queries to the Museum are answered fully and promptly.

The Communications Department works closely with the United States Holocaust Memorial Council's Days of Remembrance Committee to focus public attention on Holocaust remembrance observances around the country as well as the national civic commemoration held in the Capitol Rotunda each year. The Department continues its national efforts to support private-sector fundraising, through publication of the Museum's newsletter which is sent quarterly to 200,000 supporters, and through close coordination with the Museum's four regional fundraising offices.

Relation to G.P.R.A. Performance Plan: The USHMC communications activity plays an integral supporting role in all of the externally-oriented goals of the institution.

**Museum Management and Operation
Operations and Maintenance**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
28	7,441	33	8,227	33	8,687	0	460	0	460

Program Summary: Operations and Maintenance operates, maintains and repairs more than 400,000 square feet of Museum space, office space, warehouse space, grounds, and parking lots. The group maintains and operates the building envelope and interior spaces, including fire protection systems, elevators and lifts, electrical and mechanical systems, sanitary water distribution systems, pavements, and grounds. The Division has primary responsibility for office and space management, two major concerns given the shortage of space within the Museum complex. The Division also manages the inventory and property management programs, mail services, and the telecommunications program, including telephone systems, pager systems and cellular phone systems.

This Department has primary responsibility for management of recurring maintenance, service contracts, pest management, waste and recycling, utilities and energy management, and exhibition maintenance program. As the Museum has become fully operational, the adjacent administrative annex was insufficient to house all approved positions. As of January 1, 1999, the Museum leases 24,344 square feet of office space at L'Enfant Plaza and 37,600 square feet of warehouse space in Linthicum, Maryland for collections, exhibitions, and museum shop materials storage.

Level of Funding Requested: The \$460,000 increase requested will provide full funding for leased space and fund increases for necessary pay and inflation.

Current Accomplishments: The completion of buildout and furnishing leased space and relocation of employees was the most significant accomplishment of FY 1998. The inefficiency due to lack of proximity of leased space to the Museum, especially for the Linthicum space, has been reduced as much as possible by considering the functions and typical work of all staff and making large-scale reassignments of offices during FY 1998. In the long run, the Museum hopes to better consolidate staff in fewer and closer locations; but until such time as suitable office space becomes available, all currently leased space is necessary.

Relation to G.P.R.A. Performance Plan: The operations and maintenance activities provide the resources to maintain the physical plant as cited in the infrastructure goal in the FY 2000 performance plan.

**Museum Management and Operation
Technical Services**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
9	2,286	15	1,940	15	1,999	0	59	0	59

Program Summary: Technical Services is responsible for all aspects related to the use and implementation of technology employed during the daily operation of the Museum in both the operational and programmatic areas. Duties include the procurement, installation and maintenance of all computer and audiovisual hardware and software. Additionally, Technical Services is charged with operating all the collections databases as well as the electronic media contained in the Museum's permanent and special exhibitions, the Wexner Learning Center, two theaters and the Resource Center for Educators. Technical Services is the focal point for all technical requirements for all Museum functions, thus assuring continuity and full integration among applications and departments.

Level of Funding Requested: The \$59,000 increase requested in FY 2000 for Technical Services will fund increases for necessary pay and inflation.

Current Accomplishments: Technical Services provides all technical support for the entire institution from sophisticated Museum systems for the Finance Department to word processing and electronic mail for all individual users and workstations. During FY 1998, Technical Services staff installed over 145 new computers and network servers, responded to over 10,000 calls for technical assistance from the Museum's user community and provided essential support for new systems in Finance and the Learning Center. Additionally, this department continued, on a daily basis, to assure the smooth operation of the audiovisual portions of the permanent and special exhibitions.

Technical Services is also continuing the process begun in FY 1997 to design, configure, and install a digital library and multi-media system that will make the Museum's digital archives available on-line to academic programs, student outreach activities, and distance learning initiatives. The purchase of equipment for this project was completed in FY 1998.

Relation to G.P.R.A. Performance Plan: Due to the high degree of integration of automated systems in the exhibitions and other programmatic activities of the USHMC, the Technical services function crosses the boundary between providing purely administrative technical support and being an integral part of accomplishing mission goals for education and collections.

**Museum Management and Operations
Security**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
14	5,336	15	5,191	15	5,321	0	130	0	130

Program Summary: The Protection Services Branch is responsible for assuring comprehensive protection of the Museum and its employees, visitors, facilities, collections/artifacts, resources, and entrusted properties, while maintaining a safe level of public access to these entities. Protection Services also ensures a suitable level of occupational medical services and emergency first aid services to employees and visitors.

The main functions of Protection Services are to provide support through physical and technical security, communications, and fire and public safety programs. This includes developing and implementing a fire and emergency evacuation plan; managing a contract security force consisting of 90 officers; providing technical and maintenance support for radios, access control systems, electronic intrusion detection and duress alarm systems, and closed circuit television equipment and devices; conducting security surveys and vulnerability assessments; and the design, development, implementation and testing of security systems. Protection Services maintains a proactive liaison with the security, law enforcement, and intelligence community regarding security matters pertaining to Museum personnel, facilities, assets, or activities.

Level of Funding Requested: The \$130,000 increase requested in FY 2000 for Security will provide funding of necessary pay and inflation.

Current Accomplishments: In 1998, Protection Services executed an interagency agreement with the Department of the Navy to provide security support for systems design, development, and engineering. This agreement included conducting a comprehensive security survey of the Museum, Annex, and off-site facilities and making recommendations to enhance the museum's overall security posture. Protection Services also implemented new entrance security procedures and adopted a computerized training program for security officers to improve entry-control procedures. In conjunction with the R&R program, security improvements were included in the project to provide improved visitor access to the Meyerhoff theater.

Relation to G.P.R.A. Performance Plan: Security operations provide a key support service as described in the infrastructure goals in the FY 2000 performance plan. Adequate security is also an implicit prerequisite to the successful accomplishment of the public education and exhibition missions of the Museum.

U.S. HOLOCAUST MEMORIAL MUSEUM**No-year Funding****Summary of FY 2000 Changes**

<u>FY 1999 Enacted</u>	<u>3,339</u>
<u>FY 2000 Increases</u>	
<u>Anti-terrorism</u>	<u>500</u>
<u>FY 2000 Request</u>	<u>3,839</u>

Multi-year Funding
Y2K Emergency Funds

<u>FY 1999 Enacted</u>	<u>680</u>
<u>Non-recur Funds</u>	<u>-680</u>
<u>FY 2000 Request</u>	<u>0</u>

**Repair and Rehabilitation
(No-Year Funding Authority)**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
0	956	0	1,575	0	1,575	0	0	0	0

Program Summary: The repair and rehabilitation program provides funding to make repairs to areas affected by wear and tear and to correct deficiencies so that the Museum and Annex buildings do not accumulate a large maintenance backlog. The primary purpose of the program is to provide a safe environment for visitors, staff and Museum collections that adheres to applicable codes and that ensures proper preservation, repair, and renewal of facilities and systems.

Associated tasks include contracted architectural, engineering, and planning services, as well as project design and construction management. Other needs include the preparation of feasibility studies, construction estimating, and preparation of construction drawings.

Level of Funding Requested: No increase is requested for the Repair and Rehabilitation program.

Current Accomplishments: The success of the Museum in attracting visitors has the ancillary effect of increasing the frequency of required repairs. The Museum building and environmental systems require constant repair and attention to insure maximum public access and safety and to minimize the potential for the type of large and costly failures in the future that have recently plagued numerous prominent public monuments and museums in Washington D.C. The FY 1999 and FY 2000 Project list follows on page 47.

Highlights of the 1998 R&R program include:

- Contracts were let and work begun on major security-related projects including loading dock renovation, parking lot modifications, and bollard installation . Construction is expected to be complete on these projects by early 1999 with total costs of approximately \$4 million.
- Repair of Roof and Skylight Systems - Upon completion and analysis of an extensive study in 1997, repairs in the north tower were completed in early 1998. Results will be monitored for one year and work on the remaining four towers is expected to begin after analysis of results and completion of any indicated design changes.
- Life-Safety Improvements - Unexpectedly high visitation led to an exhaustive facility study in 1997 and to numerous improvements. Electrical safety modifications and changes associated with the Americans with Disabilities Act are in progress during

1998. Improvements behind the scenes to provide safety harnesses and catwalks in mechanical areas of the Museum and Annex are also in progress, but unexpected cost increases due to the need to reinforce the supporting trusses in the Annex building have forced completion into 1999.

- Expansion of the concourse kitchen to better handle special events and creation of a code-compliant staff lunchroom was completed in 1998.

Relation to G.P.R.A. Performance Plan: Repair and rehabilitation of USHMC facilities is addressed in the infrastructure goal in the FY 1999 performance plan.

United States Holocaust Memorial Council
Repair & Rehabilitation Budget Plan
FY 1989 and FY 2000

Repair & Rehabilitation Projects Currently Identified			Cumulative Impact of Security Projects on Repair & Rehabilitation Budget		
Project	FY 1989 & Carryover	FY 2000 Funds	Project Description	Total Cost	Notes
HVAC upgrades	575,000		14th St. bollards	700,000	
Conservation HVAC design	50,000	200,000	15th St. bollards	1,197,000	
Annex roof truss reinforcement	388,000		Parking lot / bollards	570,000	
Annex catwalk system	275,000		Bollards construction Mgt.	140,000	
Construction administration	148,900		Loading dock modification	1,240,000	additional \$800,000 from Anti-terrorism Supplemental
Bookstore construction	500,000				
As-built drawings	21,000				
Museum exterior cleaning	22,000				
14th St. bollard design changes	140,000				
14th St. bollard implementation	590,000				
Permanent exhibit casework	100,000	400,000			
Museum roof railings & harness	150,000				
Permanent exhibit egress doors	85,000				
Museum entrance design	100,000	500,000			
Museum tower repair (phase 2 of 4)	30,000				
Project administration	50,000	100,000			
Emergency contingency	50,000	25,000			
Replace Annex windows		300,000			
Replica Café tiles		50,000			
Total funded	3,242,900	1,575,000	Total R&R funds for Security	3,847,000	

Repair & Rehabilitation Projects Projected to be in Backlog at end of Fiscal Year		
Project	FY 1989	FY 2000
Museum roof drain replacement	200,000	200,000
Casework in Perm. Exhibit	700,000	300,000
Museum carpet replacement	310,000	310,000
Café tile replacement	50,000	
Conservation HVAC replacement	200,000	
Museum entrance replacement	500,000	
Annex roof replacement	300,000	
Annex window replacement	300,000	300,000
Annex mezzanine renovation	300,000	200,000
HVAC modifications in 5th floor		

**Exhibition Development and Production
(No-Year Funding Authority)**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
0	768	0	1,264	0	1,264	0	0	0	0

Program Summary: Exhibitions are the primary means by which all museums educate the public. At the USHMM, exhibitions are key to helping visitors understand the complex and disturbing history of the Holocaust. Exhibitions serve to make history immediate: through the presentation of authentic artifacts in environmental settings, together with the creative integration of audiovisual elements, historical film footage and eyewitness testimony, the exhibitions at the Holocaust Museum provide an exceptionally effective way to help visitors begin to personalize a history which for many, defies comprehension.

Unlike other museums, however, which tend to collect and exhibit in areas well documented by scholars, historians, and even other museums, the USHMM is faced with an unusual challenge. There are few, if any, existing exhibitions on Holocaust subjects which the Museum can borrow. Because the Holocaust was relatively recent, much of the documentation is only now being gathered, cataloged, and reviewed and much of the research which would contribute to the presentation of historical exhibitions on the subject is only now being conducted. Each time the USHMM commits to the presentation of an exhibition on a particular subject, it must, in effect, carry out its own primary research: tracking down appropriate authentic materials, most of which remain in Europe; reviewing all manner of documentation to establish a valid historical framework; and subjecting that "thesis" to the critical review of experts in the field of Holocaust studies, in order to "vet" the historical accuracy of the exhibition's perspective.

In order to provide a dynamic series of exhibitions which can complement the Permanent Exhibition of the USHMM and offer in-depth focus on particular themes, the Museum has had to commit to an ambitious schedule of original exhibition development. Most originally-produced exhibitions require at least three to four years of advance planning and research, during which curators establish the thematic concept and message of a proposed exhibition, and systematically review various collections for appropriate exhibition material. Once an exhibition enters its implementation phase, staff begins the intense work of narrative formulation and script writing; execution of loan agreements, conservation treatments, and mount-making; audio visual production; design, and fabrication and installation. Even after an exhibition has been mounted, the work continues with post-production modifications and specialized maintenance.

Exhibitions represent the single most intensive activity of the institution as a whole, in terms of both financial and human resources. As the "public face" of the Museum, they represent the institution's mission and character as does no other public program offering. Exhibitions draw on all facets of the Museum: collection staff work closely with exhibition curators to utilize the Museum's artifacts, archives, photographs, film and

video, and oral history collections, effect loans, and ensure the physical stability of all exhibited materials.

Level of Funding Requested: The Museum is requesting to maintain a stable funding level in this project account, thus allowing for a continuing cycle of special exhibition development and production. The effects of pay increases and inflation on purchasing power, estimated at \$34,867 in FY 2000, will be absorbed within the base.

Current Accomplishments: Although the Museum seeks private support for exhibitions, Federal no-year funds are essential to this very important undertaking. Because exhibitions are the institution's largest single undertaking, requiring substantial funds and long lead times, the Council's Education Committee adopted a long-term exhibition plan through the year 2008.

In November 1997, the Museum opened its special exhibition *Hidden History of the Kovno Ghetto*, created with no-year funds and support from private donors. This exhibition is a model of the public-private partnership: private funding supported historical and primary source material research, concept development, audio-visual production, and publication of a catalogue, while Federal funds went towards exhibition design, fabrication, and installation.

To make the most of the Museum's investment, the *Kovno* exhibition will remain on view until the Fall of 1999. Because of the long duration of the exhibition, many additional artifacts have needed to be borrowed so that paper and textiles can be rotated after a few months on display, to ensure their preservation and proper care. The 5,200 square foot exhibition involves approximately 500 artifacts, 300 of which are on display at any given time.

Following the *Kovno* exhibition, the Museum plans to open a major exhibition in the Spring of 2000 that will tell the remarkable story of the flight of Polish Jewish refugees on the eve of the Holocaust through Lithuania, the Soviet Union, and Japan, and on to final destinations in China, the United States, and beyond. The exhibition will intertwine the major social and political developments with the lives of the refugees and those family members who remained to face Nazi terror or Soviet persecution. The roles of the Japanese consul Chiune Sugihara, diplomat Jan Zwartendyk from The Netherlands, and other individuals and organizations that aided the refugees will be highlighted. This exhibition is scheduled to run through the fall of 2001.

In accordance with its long-term plan for the first decade of the next century, the Museum has begun preliminary research to develop an original exhibition on the topic of American responses to the Nazi book burnings (scheduled to open in the spring of 2002, and planned for circulation following its run in Washington). The Museum will also develop a major exhibition on Vichy France (scheduled to open in the spring of 2003), and subsequent exhibitions on the themes of hidden children and Nazi racial science. In addition, smaller scaled exhibitions, such as one presented for the 60th anniversary of Kristallnacht in November 1998, will be selected each year and designed to support the Museum's other programs or outreach efforts.

Relation to G.P.R.A. Performance Plan: No-year funding of exhibition development provides the long-range planning needed for the exhibitions aspect of the primary mission of the Museum.

**Anti-Terrorism
(No-Year Funding Authority)**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
0	30	0	110	0	500	0	0	500	500

Program Summary: In FY 1997, the Museum received a \$1 million one-time supplemental appropriation to enhance security at the Museum and improve its protection against potential security threats. Funds were applied during 1997 to undertake major physical security enhancements and to fill two additional security positions. The remaining balance of \$128,000 to complete ongoing project work from the original appropriation will be spent during FY 1999. The program proposed to begin in FY 2000 addresses essential security needs identified in the threat assessment described in the confidential report submitted as a separate document.

Level of Funding Requested: \$500,000 is requested in FY 2000 to begin work described in the separate report.

Current Accomplishments: Because of the sensitivity of the subject matter, security constraints prevent disclosure, in this document, of progress to date.

Relation to G.P.R.A. Performance Plan: No-year funds provided for security enhancements are a critical resource to accomplishment of the long-range infrastructure goals in the FY 2000 performance plan.

**Y2K Emergency Funding
(Three-year Funding Authority)**

FY 1998 Actual		FY 1999 Estimate		FY 2000 Request		Analysis of Changes			
FTE	(\$000)	FTE	(\$000)	FTE	(\$000)	FTE	Pay & Inflation (\$000)	Program (\$000)	Net Change (\$000)
0	0	0	680	0	0	0	0	-680	0

Program Summary: The Museum received \$680,000 in emergency funding during FY 1999 to address mission-critical computer systems that were not compliant with the year 2000. These funds are available through FY 2001, but are expected to be fully obligated during FY 1999 due to the Presidentially mandated March 31, 1999 deadline for year-2000 compliance.

Level of Funding Requested: No new funds are requested in FY 2000.

Current Accomplishments: Contracts have been issued and testing and abatement begun well in advance of the March 31, 1999 deadline. Upon completion of implementation of remedial measures and equipment replacement, additional testing and validation will continue into the year 2000. The two largest compliance projects are the replacement of the access control systems to the Museum and Annex and the detailed testing and replacement where necessary of every component of the USHMM network. The USHMM network is unique in that provides not only the administrative systems to employees in eight geographically diverse locations, but is integral to the programmatic mission of the Museum through audio-visual components, internet services, and numerous stand alone systems, such as the Learning Center.

Relation to G.P.R.A. Performance Plan: The funds made available in FY 1999 provided the means to ensure compliance for this critical infrastructure goal prior to the year 2000.

APPENDIX: GOVERNMENT PERFORMANCE AND RESULTS ACT**ANNUAL PERFORMANCE PLAN - FY 2000****Mission Statement**

The Museum's primary mission is to advance and disseminate knowledge about this unprecedented tragedy; to preserve the memory of those who suffered; and to encourage its visitors to reflect upon the moral and spiritual questions raised by the events of the Holocaust as well as their own responsibilities as citizens of a democracy.

General Goals and Performance Goals

This document provides an outline of goals, objectives, and potential measurement indicators for the FY 2000 performance plan. The final performance plan will address in greater detail the relationship between measurement indicators and goals.

This performance plan is a continuation and extension of planning work begun in 1997 to meet the initial requirements of GPRA. A strategic planning initiative begun at the request of the Council in 1996 resulted in adoption of a system of annual goals and objectives and quarterly progress reports beginning in FY 1997. Since that time, the USHMM Strategic Plan has been further examined and refined to create a format and goals structure more closely aligned to the organizational structure of the Museum and to satisfy the needs of G.P.R.A. Those changes to the initial strategic plan are reflected in this document.

The combined public-private funding of the USHMM results in a complex dependency of performance plans on resource availability. Most program activities of the Museum rely on a mix of Federal and non-Federal funds. Those activities of the Museum that are wholly supported by non-appropriated funds have been excluded from this plan.

Performance elements were selected whose accomplishment will be readily determinable, measurable, and will have a clear impact on the goals to which they relate. Museum managers will be held accountable in annual performance plans for their objectives and will be the source of performance reports for future phases of GPRA.

The Museum has considerable experience in the use of visitor surveys, focus groups, and outside evaluations and intends to make continued use of these and similar tools for validating and verifying the measured outcomes of annual plans. Beginning in FY 2000, such analyses will become a routine part of the annual budget execution process.

The format used for the performance plan links measurable performance elements to the primary mission goal. Under the heading of each mission goal, the strategy for fulfilling the mission is outlined. For each strategy statement, measurable activities are identified.

SERVE AS THE NATION'S PRE-EMINENT CENTER FOR HOLOCAUST EDUCATION AND REMEMBRANCE

Sustain and broaden on-site Museum audiences

- Enhance the experience of Museum visitors
Measurement indicators:
 Learning Center visitation statistics
 Percentage of requests for group accommodations able to be honored
 Attendance at special events and programs
 Quantity of special printed materials distributed
- Mount compelling special exhibitions
Measurement indicators:
 Degree of sustained outreach to members and donors
 Attendance at special exhibitions
- Offer compelling public programs
Measurement indicators:
 Attendance at public programs
 Use of coded tickets for subsequent permanent exhibit visitation
- Make Museum programs and exhibitions accessible to special-needs visitors (including visitors with disabilities and non-English speaking visitors)
Measurement indicators:
 Profile of visitor demographics
 Attendance at targeted programs or events
 Usage statistics for special-needs materials

Activities Planned for FY-2000

- Opening of Flight and Rescue exhibition at USHMM
- CAHS Speakers on contemporary genocides
- Develop auxiliary learning aids, including audio tours
- Offer special programs for school children and informal programs for casual visitors
- Committee on Conscience conference & speaker activities
- International Society of Jewish Deaf – conference planned
- Keep bookstore open during extended hours
- Public information outreach to persons with disabilities
- Media outreach to national and international travel and tourism press
- Hold member nights 6-8 times annually with improved regularity
- Improve regularity of contact with members and donors to at least 10 times annually
- Develop paid and free programmatic advertising campaign
- Develop institutional identity advertising campaign
- Pursue AAM accreditation
- Hold extended hours during the spring and summer months

Serve national audiences

- Offer high quality traveling exhibitions to diverse communities throughout the United States

Measurement indicators:

Geographic distribution of traveling exhibition venues
 Attendance at traveling exhibitions
 Media coverage for regional programs and events

- Offer an array of activities and products to complement travelling exhibitions

Measurement indicators:

Number of exhibit-related programs and products
 Statistics on requests for materials

- Offer a comprehensive and integrated website that reflects the broad range of Museum programs

Measurement indicators:

Website visitation statistics
 Sales statistics for materials in teacher's catalog [bookstore]

- Offer a series of quality public programs to communities throughout the United States

Measurement indicators:

Number of programs
 Program visitation

Activities Planned for FY-2000

- "Remember the Children" exhibition to Oklahoma City and Milwaukee
- "Nazi Olympics 1936" exhibition to San Francisco, Chicago, and St. Louis
- CAHS Speaker outreach to Universities
- CAHS recruitment activities at Universities
- Create and distribute a bookstore catalog oriented toward teachers
- Implement comprehensive advertising programs for each travelling exhibition/venue
- Produce travel and tourism brochure
- Produce program calendars for traveling exhibition sites as appropriate
- Expand development outreach to currently under- or unserved communities
- Undertake targeted institutional outreach efforts
- Undertake targeted media relations campaigns for key audiences
- Offer education programs at key traveling exhibition venues

Serve the national educational community

- Encourage and support Holocaust education efforts at the community
Measurement indicators:
 Number of entries to May Family contest
 Statistics for materials requests
- Enhance awareness and increase usage of the Museum's classroom and teacher training programs and resources
Measurement indicators:
 Number of requests for materials
 Number of applications to training program
 Geographic distribution of program participants
- Extend the reach of the Museum's educational resources through quality internet programming.
Measurement indicators:
 Website visitation statistics

Activities Planned for FY-2000

- Commission an outside evaluation of the new Learning Center
- Prepare the Learning Center for export
- CAHS outreach to Universities for Holocaust studies
- Develop advertising campaign for education media
- Create an online educational Resource Center
- Launch the Student Outreach website
- Hold teacher nights at the Museum

SERVE AS THE WORLD'S PREMIERE REPOSITORY FOR HOLOCAUST-RELATED ARTIFACTS AND ARCHIVAL COLLECTIONS**Build the largest, most comprehensive Holocaust-related artifact and archival collections in the world**

- Acquire artifacts and objects necessary for permanent exhibition rotation
Measurement indicators:
 : Maintenance of rotation schedule
- Acquire artifacts and objects necessary for development of Special Exhibitions
Measurement indicators:
 Number of objects located for special exhibitions
- Acquire collections that address weaknesses in the USHMM collection
Measurement indicators:
 Number of collections objects acquired
 Elimination of collections lacunae

- Identify likely sources of artifacts, documents, photographs, moving images, and oral histories and reach out effectively to them

Measurement indicators:

- Number of new collections accessioned
- Depth and breadth of new collections identified and researched

Activities Planned for FY-2000

- Outreach effort in Sweden, Denmark, Hungary, and Czech Republic
- Microfilming, surveying, and acquisition in targeted countries
- Outreach to survivor groups
- Advertising and other communications outreach to targeted audiences

Safeguard the Museum's collections

- Provide for appropriate display and care of collections on exhibit

Measurement indicators:

- Incidents of collections damaged while on public display
- Incidents of collections improperly or inadequately displayed
- Rotation statistics

- Provide for appropriate care and conservation of collections in storage or in transit

Measurement indicators:

- Incidents of collections damaged while in transit or storage
- Environmental and security deficiencies in storage areas

Activities Planned for FY-2000

- Develop a comprehensive collections management policy
- Develop a conservation plan
- Undertake phase II of casework in the permanent exhibition
- Create and implement a detailed targeted fundraising plan to meet the budgetary needs of the long-term collections goals
- Locate long-term off-site storage facility
- Complete space analysis and report

Ensure the accessibility of Museum collections on-site and nationally

- Create and implement a comprehensive integrated cataloging and collections information system that provides current, accurate online access to relevant Museum collections information

Measurement indicators:

- Percentage of material available online
- Usage statistics for online and manually accessed materials

- Serve the national and international museum community through an active collections loan program

Measurement indicators:

- Number of loans made & number of objects loaned
- Geographic distribution of loans

Activities Planned for FY-2000

- Complete the roll-out of the Collections management software

**SERVE AS THE WORLD'S PRE-EMINENT CENTER FOR SCHOLARLY RESEARCH
OF THE HOLOCAUST**

Advance the field Holocaust scholarship in the United States and abroad

- Provide support to Holocaust scholars
Measurement indicators:
 - Number of scholars supported at the USHMM
 - Usage statistics for USHMM research resources
 - Fundraising results for scholarly programs
 - Number of papers written/published/presented
 - Number and geographic distribution of scholars
 - Number of scholarly conferences and attendance
- Work to increase and improve Holocaust studies in higher education
Measurement indicators:
 - Number of Holocaust studies programs offered at Universities and Colleges
 - Degree and distribution of media coverage
 - Number and kind of relationships formed with educational institutions
 - Number of degrees granted in Holocaust studies

Activities Planned for FY-2000

- Develop consistent procedures for fellowship programs
- Develop off-site visibility for Fellows
- Expand recruitment efforts for new fellowships
- Link fellowship programs to major Museum goals & archival holdings
- Participate in major conferences (presentations by staff & visiting scholars)
- Hold conference on the state of the field of Holocaust studies
- Initiate reference and document study series in reprint/translation activity
- Hold 4 joint programs with U.S. and foreign Universities
- Increase the flow of Fellows, staff, and speakers to U.S. Universities
- Hold a summer seminar at the Museum for teachers
- Begin to make grants for research & dissertations
- Host a summer research laboratory for young scholars
- Develop comprehensive press package for CAHS
- Promote visiting scholars program through media outreach and update

PROVIDE THE NECESSARY INFRASTRUCTURE TO ACCOMPLISH THE PROGRAMMATIC MISSION OF THE MUSEUM AND TO MEET ALL APPLICABLE REGULATORY AND LEGISLATIVE REQUIREMENTS

Provide a well-qualified, well-trained, well-informed, and motivated workforce

- Establish and maintain institution-wide standards of service for all Museum functions
Measurement indicators:
 Constituent survey results
 Performance appraisal results
- Implement recruitment, development, and internal communications policies and practices that provide the best possible staffing for all Museum functions and programs
Measurement indicators:
 Staffing statistics
 Constituent survey results
 Outside honors and awards received
 Grievance reports

Activities Planned for FY-2000

- Develop regular method of employee communication (such as newsletter)
- Participate in diversity recruitment fairs
- Assess employee training needs
- Restructure journeyman positions to entry level to attract trainees
- Undertake regular surveys of Museum visitors
- Train Museum leadership and other key staff in media issues

Provide the administrative and technological infrastructure necessary to support the staff, programs, and constituents of the USHMM

- Identify, procure, and maintain automated systems necessary to provide integrated access to administrative, financial, and programmatic information to those with a need to access this information regardless of their location.
Measurement indicators:
 Degree of integration of similar databases
 Progress reports on major systems projects
 System performance statistics
 User satisfaction
- Provide necessary staffing, policies, and procedures to carry out the non-programmatic functions that support the programmatic mission of the USHMM
Measurement indicators:
 Completion of projects on schedule and in budget
 Number of functions performed by contract versus staff
 Overtime hours worked
 Vacancy rate in support positions

- Operate a strategic planning system to ensure adequate linkage between programmatic and financial goals

Measurement indicators:

- Adequacy of funding for new initiatives and projects
- Private fund raising statistics
- Self-assessment of major projects

Activities Planned for FY-2000

- Complete final review and testing of systems for Y2K compliance
- Begin phased implementation of new financial system
- Complete and test LC system for export
- Install and test high speed link to Shoah
- Construct and test digital repository for public access
- Complete network infrastructure upgrade
- Develop and implement a consolidated mailing list for all museum activities
- Develop a long-range financial plan
- Quantify endowment objectives and launch comprehensive marketing program
- Begin regular production of annual report

Maximize use of Museum facilities to meet the needs of staff, visitors, and collections in a safe, secure manner

- Operate security and safety programs that address all applicable health, safety, and security requirements.

Measurement indicators:

- OSHA reports
- OWCP payments and lost-work hours
- Statistics from security blotter

- Maintain the structures and mechanical systems to ensure they meet or exceed functional requirements throughout their expected useful life

Measurement indicators:

- Unexpected systems failures
- R&R spending

Activities Planned for FY-2000

- Complete renovation of bookstore
- Complete Y2K compliance upgrades for physical plant
- Re-compete and award security guard contract
- Install 14th Street bollards
- Begin Annex window upgrades
- Begin security upgrades as outlined in 1998 survey

U.S. HOLOCAUST MEMORIAL COUNCIL			
Total (\$000)			
IDENTIFICATION CODE	1998 actual	1999 estimate	2000 Request
95-3300-0-8-806			
Obligations by program activity:			
01.10 Direct Program	30,472	34,616	33,536
10.00 Total Obligations	30,472	34,616	33,536
Budgetary resources available for obligation			
21.40 Unobligated balance available, s.o.y	1,502	2,587	758
22.00 New budget authority (gross)	31,707	32,787	33,786
22.30 Unobligated balance expiring (-)	(150)	0	0
23.90 Total budgetary resources available for obligation	33,059	35,374	34,544
23.95 New obligations (-)	(30,472)	(34,616)	(33,536)
24.40 Unobligated balance available, e.o.y.	2,587	758	1,008
New Budget Authority (gross), detail			
Current			
40.00 Appropriation	31,707	32,107	33,786
40.15 Appropriation (emergency)	0	680	0
70.00 Total new budget authority	31,707	32,787	33,786
Change in unpaid obligations			
Unpaid obligations, s.o.y.			
72.40 Obligated balance, s.o.y	12,105	13,009	14,627
73.10 New obligations	30,472	34,616	33,536
73.20 Total outlays (gross)(-)	(28,743)	(32,998)	(32,949)
73.40 Adjustments in expired accounts	(825)	0	0
Unpaid obligations, e.o.y.			
74.40 Obligated balance, e.o.y.	13,009	14,627	15,214
Outlays (gross), detail			
86.90 Outlays from new current authority	22,926	26,288	26,388
86.93 Outlays from current balances	5,817	6,710	6,561
87.00 Outlays (gross)	28,743	32,998	32,949
89.00 Budget authority (net)	31,707	32,787	33,786
90.00 Outlays (net)	28,743	32,998	32,949

U.S. HOLOCAUST MEMORIAL COUNCIL			
Total (\$000)			
IDENTIFICATION CODE 95-3300-0-8-806	1998 actual	1999 estimate	2000 request
Direct Obligations:			
Personnel Compensation:			
11.1 Full-time permanent	8,934	11,191	11,664
11.3 Other than Full-time Permanent	713	70	73
11.5 Other Personnel compensation	842	98	102
11.9 Total Personnel Compensation	10,489	11,359	11,839
Other			
12.1 Personnel benefits	2,404	2,895	3,018
13.1 Benefits for former personnel	0	0	0
13.4 D.O.L. Unemployment compensation	22	0	0
21.0 Travel and trans.-persons	610	639	651
22.0 Travel and trans.-things	29	439	441
23.1 Rental Payments to GSA	826	1,066	1,323
23.2 Rental Payments to others	0	0	0
23.3 Communications, utilities & misc	1,983	2,339	2,395
24.0 Printing and reproduction	348	313	324
25.2 Other services	3,381	3,508	3,599
25.3 Services from other Gov't. agencies	104	391	400
25.4 Operation of facilities	6,420	9,009	7,473
25.7 Operation & maint. of eqt.	658	660	264
26.0 Supplies and materials	667	1,003	1,026
31.0 Equipment	2,034	995	783
32.0 Land & Structures	497	0	0
42.0 Insurance claims & indemnities	0	0	0
99.0 Total Obligations	30,472	34,616	33,536
Total compensable workyears:			
Full-time equivalent employment	217	246	246

U.S. HOLOCAUST MEMORIAL COUNCIL Detail of Annual Funding (\$000)			
IDENTIFICATION CODE	1998 actual	1999 estimate	2000 Request
95-3300-0-8-806			
Obligations by program activity:			
01.10 Direct Program	28,718	29,268	30,447
10.00 Total Obligations	28,718	29,268	30,447
Budgetary resources available for obligation			
21.40 Unobligated balance available, s.o.y	0	0	0
22.00 New budget authority (gross)	28,868	29,268	30,447
22.30 Unobligated balance expiring (-)	(150)	0	0
23.90 Total budgetary resources available for obligation	28,718	29,268	30,447
23.95 New obligations (-)	(28,718)	(29,268)	(30,447)
24.40 Unobligated balance available, e.o.y.	0	0	0
New Budget Authority (gross), detail			
Current			
40.00 Appropriation	28,868	29,268	30,447
43.00 Appropriations total	28,868	29,268	30,447
70.00 Total new budget authority	28,868	29,268	30,447
Change in unpaid obligations			
Unpaid obligations, s.o.y.			
72.40 Obligated balance, s.o.y	7,673	8,523	8,224
73.10 New obligations	28,718	29,268	30,447
73.20 Total outlays (gross)(-)	(27,043)	(29,567)	(30,168)
73.40 Adjustments in expired accounts	(825)	0	0
Unpaid obligations, e.o.y.			
74.40 Obligated balance, e.o.y.	8,523	8,224	8,503
Outlays (gross), detail			
86.90 Outlays from new current authority	22,870	24,764	25,607
86.93 Outlays from current balances	4,173	4,803	4,561
87.00 Outlays (gross)	27,043	29,567	30,168
89.00 Budget authority (net)	28,868	29,268	30,447
90.00 Outlays (net)	27,043	29,567	30,168

U.S. HOLOCAUST MEMORIAL COUNCIL Detail of Annual Funding (\$000)			
IDENTIFICATION CODE 95-3300-0-8-806			
	1998 actual	1999 estimate	2000 request
Direct Obligations:			
Personnel Compensation:			
11.1 Full-time permanent	9,113	11,191	11,664
11.3 Other than Full-time Permanent	542	70	73
11.5 Other Personnel compensation	838	98	102
11.9 Total Personnel Compensation	10,493	11,359	11,839
Other			
12.1 Personnel benefits	2,404	2,895	3,018
13.1 Benefits for former personnel			
13.4 D.O.L. Unemployment compensation	22		
21.0 Travel and trans.-persons	488	572	584
22.0 Travel and trans.-things	5	124	126
23.1 Rental Payments to GSA	826	1,066	1,323
23.2 Rental Payments to others	0		
23.3 Communications, utilities & misc	1,979	2,339	2,395
24.0 Printing and reproduction	265	286	292
25.2 Other services	2,857	2,492	2,549
25.3 Services from other Gov't. agencies	379	391	400
25.4 Operation of facilities	5,784	5,766	5,898
25.7 Operation & maint. of eqt.	625	258	264
26.0 Supplies and materials	659	1,003	1,026
31.0 Equipment	1,932	717	733
32.0 Land & Structures			
42.0 Insurance claims & indemnities			
99.0 Total Obligations	28,718	29,268	30,447
Total compensable workyears:			
Full-time equivalent employment	217	246	246

U.S. HOLOCAUST MEMORIAL COUNCIL Detail of No-Year Funding (\$000)			
IDENTIFICATION CODE	1998 actual	1999 estimate	2000 Request
95-3300-0-X-806			
Obligations by program activity:			
Direct Program			
10.00 Total Obligations	1,754	4,668	3,089
Budgetary resources available for obligation			
21.40 Unobligated balance available, s.o.y	1,502	2,587	758
22.00 New budget authority (gross)	2,839	2,839	3,339
22.30 Unobligated balance expiring (-)	0	0	0
23.90 Total budgetary resources available for obligation	4,341	5,426	4,097
23.95 New obligations (-)	(1,754)	(4,668)	(3,089)
24.40 Unobligated balance available, e.o.y.	2,587	758	1,008
New Budget Authority (gross), detail			
Current			
40.00 Appropriation	2,839	2,839	3,339
43.00 Appropriations total	2,839	2,839	3,339
Change in unpaid obligations			
Unpaid obligations, s.o.y.			
72.40 Obligated balance, s.o.y	4,432	4,486	6,315
73.10 New obligations	1,754	4,668	3,089
73.20 Total outlays (gross)(-)	(1,700)	(2,839)	(2,693)
73.40 Adjustments in expired accounts	0	0	0
Unpaid obligations, e.o.y.			
74.40 Obligated balance, e.o.y.	4,486	6,315	6,711
Outlays (gross), detail			
86.90 Outlays from new current authority	56	932	781
86.93 Outlays from current balances	1,644	1,907	1,912
87.00 Outlays (gross)	1,700	2,839	2,693
89.00 Budget authority (net)	2,839	2,839	3,339
90.00 Outlays (net)	1,700	2,839	2,693

U.S. HOLOCAUST MEMORIAL COUNCIL Detail of No-Year Funding (\$000)			
IDENTIFICATION CODE 95-3300-0-X-806	1998 actual	1999 estimate	2000 request
Direct Obligations:			
Personnel Compensation:			
11.1 Full-time permanent	(179)		
11.3 Other than Full-time Permanent	171	0	0
11.5 Other Personnel compensation	4		
11.9 Total Personnel Compensation	(4)	0	0
Other			
12.1 Personnel benefits	0	0	0
13.1 Benefits for former personnel			
13.4 D.O.L. Unemployment compensation			
21.0 Travel and trans.-persons	122	67	67
22.0 Travel and trans.-things	24	315	315
23.1 Rental Payments to GSA			
23.2 Rental Payments to others			
23.3 Communications, utilities & misc	4		
24.0 Printing and reproduction	83	27	32
25.2 Other services	524	1,016	1,050
25.3 Services from other Gov't. agencies	(275)		
25.4 Operation of facilities	636	3,243	1,575
25.7 Operation & maint. of eqt.	33		
26.0 Supplies and materials	8		
31.0 Equipment	102		50
32.0 Land & Structures	497		
42.0 Insurance claims & indemnities			
99.0 Total Obligations	1,754	4,668	3,089
Total compensable workyears:			
Full-time equivalent employment	0	0	0

U.S. HOLOCAUST MEMORIAL COUNCIL Detail of Emergency Y2K Funding (\$000)			
IDENTIFICATION CODE	1998 actual	1999 estimate	2000 Request
95-3300-0-9/1-806			
Obligations by program activity:			
Direct Program			
10.00 Total Obligations		680	0
Budgetary resources available for obligation			
21.40 Unobligated balance available, s.o.y		0	0
22.00 New budget authority (gross)		680	0
22.30 Unobligated balance expiring (-)		0	0
23.90 Total budgetary resources available for obligation		680	0
23.95 New obligations (-)		(680)	
24.40 Unobligated balance available, e.o.y.		0	0
New Budget Authority (gross), detail			
Current			
40.00 Appropriation			
40.15 Appropriation (emergency)		680	
43.00 Appropriations total		680	0
Change in unpaid obligations			
Unpaid obligations, s.o.y.			
72.40 Obligated balance, s.o.y		0	88
73.10 New obligations		680	0
73.20 Total outlays (gross)(-)		(592)	(88)
73.40 Adjustments in expired accounts		0	0
Unpaid obligations, e.o.y.			
74.40 Obligated balance, e.o.y.		88	0
Outlays (gross), detail			
86.90 Outlays from new current authority		592	
86.93 Outlays from current balances			88
87.00 Outlays (gross)		592	88
89.00 Budget authority (net)		680	0
90.00 Outlays (net)		592	88

U.S. HOLOCAUST MEMORIAL COUNCIL Detail of Emergency Y2K Funding (\$000)			
IDENTIFICATION CODE 95-3300-0-9/1-806	1998 actual	1999 estimate	2000 request
Direct Obligations:			
Personnel Compensation:			
11.1 Full-time permanent			
11.3 Other than Full-time Permanent			
11.5 Other Personnel compensation			
11.9 Total Personnel Compensation	0	0	0
Other			
12.1 Personnel benefits			
13.1 Benefits for former personnel			
13.4 D.O.L. Unemployment compensation			
21.0 Travel and trans.-persons			
22.0 Travel and trans.-things			
23.1 Rental Payments to GSA			
23.2 Rental Payments to others			
23.3 Communications, utilities & misc			
24.0 Printing and reproduction			
25.2 Other services			
25.3 Services from other Gov't. agencies			
25.4 Operation of facilities			
25.7 Operation & maint. of eqt.		402	
26.0 Supplies and materials			
31.0 Equipment		278	
32.0 Land & Structures			
42.0 Insurance claims & indemnities			
99.0 Total Obligations	0	680	0
Total compensable workyears:			
Full-time equivalent employment	0	0	0

THE PRESIDIO TRUST
FISCAL YEAR 2000 BUDGET JUSTIFICATION

(1291)

THE PRESIDIO TRUST
FISCAL YEAR 2000 BUDGET JUSTIFICATION

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EXECUTIVE SUMMARY

Congress established the Presidio Trust in 1996 to preserve and enhance the 222-year old Presidio as a national park and to become financially self-sustaining in fifteen years.

During its first full year of operation, the Presidio Trust developed a plan for eliminating its need for federal appropriations by Fiscal Year 2013. It also established streamlined procurement, billing and personnel systems, implemented a comprehensive preventive maintenance system and embarked on an aggressive leasing program. Rehabilitation of Presidio buildings and infrastructure is underway to support leasing activities.

In Fiscal Year 2000, the Trust will continue to lay the foundation for the long-term financial viability of the park. Additional revenue-producing facilities will be brought into service and work will begin on the Letterman and Public Health Service Hospital complexes – both critically important contributors to the Trust's efforts to establish a sustained long-term revenue stream for the park.

The Trust will also continue to expedite environmental remediation of the Presidio, a closed military base, by working with the Department of the Army to create a means for asserting Trust leadership in cleanup activities. Through this process, the Trust aims to ensure that remediation will dovetail closely with Trust leasing priorities and that cleanup of the park will be thorough, expeditious and cost effective.

In order to carry out its programs in Fiscal Year 2000, the Trust is requesting \$24.4 million. This is the amount specified in the Trust's *Financial Management Program* that was provided to Congress on July 8, 1998. The *Financial Management Program* established a schedule of annually declining appropriations levels that result in zero appropriated dollars in Fiscal Year 2013, fifteen years after the Trust's Board of Directors held its first meeting.

Congress provided the Trust with a variety of financing and credit enhancement tools to encourage the use of non-federal funds to rehabilitate the park's historic buildings and infrastructure. In Fiscal Year 2000, the Trust is requesting that up to \$1,040,000 of its operating funds be available to support the loan guarantee program. The Trust projects that by reserving this amount, it can leverage up to \$200 million in private sector investment for improvements to the park.

Congress also authorized the Trust to borrow up to \$50 million from the federal Treasury. Of this amount, the Trust is requesting appropriations authority to borrow \$20 million for critical building and infrastructure improvements needed to support the Trust's aggressive leasing program. These improvements are essential to Trust efforts to achieve financial

self-sufficiency.

Since the Trust assumed jurisdiction of the Presidio from the National Park Service in July, significant progress has been made in establishing momentum toward achieving financial self-sufficiency. Full funding is essential in these early years to ensure that the Presidio's incomparable natural, scenic and historic resources are protected and that financial independence from federal funding is achieved.

**THE PRESIDIO TRUST
FISCAL YEAR 2000 BUDGET JUSTIFICATION**

BACKGROUND

Congress established the Presidio Trust in 1996 in order to provide an appropriate management framework for a complex national park site. The Presidio, the oldest continuously operated military post in the nation, is part of the Golden Gate National Recreation Area. The 222-year-old post was designated as a National Historic Landmark District in 1962. It is a magnificent site located at the confluence of San Francisco Bay and the Pacific Ocean with commanding views of the Golden Gate. In 1972, Congress declared the Presidio to be "one of America's great natural and historic sites" and directed that it be included in the national park system should it become excess to the needs of the military.

In 1994, five years after the Base Realignment and Closure Commission determined it to be excess to the military's needs, the Army transferred the Presidio to the National Park Service for management as a national park site. Congress subsequently authorized the establishment of the Presidio Trust, a wholly-owned corporation of the Federal government, and equipped it with specific authorities designed to assist in managing the Presidio. President Clinton appointed six members of the Trust's 7-member Board of Directors and they were sworn in on July 9, 1997.

The Presidio Trust assumed administrative jurisdiction over approximately 80% of the Presidio (Area B) on July 1, 1998. The remaining area of the Presidio (Area A) is managed by the National Park Service.

Authorities of the Presidio Trust

The Presidio Trust was established to preserve and enhance the Presidio as a national park in an urban area and to achieve financial self-sufficiency by Fiscal Year 2013. In establishing the Presidio Trust as a government corporation, Congress created an organization that could operate in the marketplace, make real-time decisions and reinvest revenues into the park in order to generate sufficient cash flow eventually to operate the park without federal appropriations.

The Act provided significant operational latitude in staffing, contracting, leasing and the retention of revenues. Through a combination of direct staffing and contracting, the Trust is managing park operations and leasing functions in the most cost-effective manner

possible. By Fiscal Year 2013, the Trust projects operational savings of at least 20 percent. Significant savings have already been achieved in maintenance operations and in utility expenditures.

The Trust is required by law to develop a comprehensive program for management of the Presidio which includes a schedule of appropriated funding that will enable the Trust to become financially self-sufficient fifteen complete fiscal years after its first meeting. For the fourteen complete fiscal years following the submission of the funding schedule, appropriations are authorized for the Trust at the levels indicated in the schedule. The Trust submitted this program – its *Financial Management Program* – to the Administration and Congress on July 8, 1998.

COMPLETING THE TRANSITION OF OPERATIONS

During Fiscal Year 1999, the Presidio Trust will continue to assume operational functions that have heretofore been performed by the National Park Service. The President's Budget for Fiscal Year 1999 recognized that a significant level of operations would continue to be performed by the National Park Service throughout this transition year. A corresponding division of funds between the Presidio Trust and National Park Service was requested and appropriated. The Trust and the National Park Service have entered into several interagency agreements establishing the framework for carrying out this operational split.

By Fiscal Year 2000, the transition will be essentially completed. The Trust will have assumed all operational functions pertaining to Area B of the Presidio and will be working cooperatively with the National Park Service regarding its provision of interpretive, educational and visitor services. Funding for activities under Trust jurisdiction will flow directly to the Trust.

The National Park Service will provide certain services in Area B such as law enforcement, fire and emergency services and specified natural resource functions. Two Memoranda of Understanding (MOU) – for law enforcement and fire/emergency services -- are currently in place that establish the parameters for this contractual relationship and a mechanism for payment by the Trust. The Trust will enter into annual interagency agreements to effect the transfer of funds from the Trust to the National Park Service pursuant to these memoranda.

During the transition, the Trust has made every effort to accommodate the needs of permanent Presidio-funded personnel of the National Park Service. Currently, over half of the Presidio Trust's staff consists of former National Park Service employees. In the area of maintenance, the Trust has made a particular outreach to National Park Service employees and has succeeded in averting any dislocation of workers, saving the Park

Service relocation costs.

Effective October 1, 1998, the Trust assumed all key administrative functions that were previously performed by the National Park Service including contracting, accounting and reporting. The Trust's accounting system was developed and installed by the Financial Management Service, Department of the Treasury, and complies with all federal government requirements. Payments associated with Presidio properties are now received directly by the Presidio Trust and retained in accordance with Public Law 104-333.

A PLAN FOR ACHIEVING FINANCIAL SELF-SUFFICIENCY

On July 8, 1998, the Presidio Trust submitted its *Financial Management Program* to Congress, as required by Public Law 104-333. The *Program* provides a schedule of annually decreasing appropriations necessary to achieve financial self-sufficiency by Fiscal Year 2013. The level of investment delineated in this schedule is critical to achieving a continuous break-even status after Fiscal Year 2013. To ensure that the Trust would achieve financial self-sufficiency – and maintain it – a 30-year financial model was developed. It indicates that, given sufficient investment in early years, the Trust will achieve financial self-sufficiency in Fiscal Year 2013 and will require no subsequent appropriations.

In accordance with the *Financial Management Program*, the Trust is requesting \$24.4 million for operations in Fiscal Year 2000. These funds will be used to fund Trust operations as well as those functions performed by the National Park Service under reimbursable agreements. Appropriations are projected to decline each subsequent year until they reach zero in Fiscal Year 2013. The *Financial Management Program's* 30-year cash flow model projects a slight surplus from Fiscal Year 2013 forward, assuming that the Trust receives specified appropriations in earlier years.

**PRESIDIO TRUST OPERATIONS
FISCAL YEAR 2000**

Administration	4.7m
General Management	
Legal	
Public Affairs	
Contracting	
Human Resources	
Information Management	
Budget and Accounting	
Loan Guarantee Subsidy Costs	
Real Estate and Planning	2.6m
Leasing	
Property Management	
Planning	
Facilities Management	12.1m
Building and Grounds Maintenance	
Environmental Remediation	
Utilities	
Telecommunications	
Compliance	
Public Safety*	5.0m
Law Enforcement	
Fire and Emergency Services	
TOTAL OPERATIONS	24.4m

* To be provided through reimbursable agreement with the National Park Service

PRESERVING HISTORIC PROPERTIES AND ESTABLISHING A SUSTAINED REVENUE STREAM

The Presidio contains over 500 historic structures. These buildings, and several hundred non-historic buildings, are the keys to providing revenue that will enable the Presidio Trust to become financially self-sustaining.

Moving aggressively to lease Presidio buildings

Since assuming administrative jurisdiction over Area B lands and facilities on July 1, 1998, the Presidio Trust has moved aggressively on a program of rehabilitation and leasing of residential and non-residential buildings.

There is more than three million square feet of non-residential building space and 1,119 residential units in the Presidio. Nearly all of these buildings need upgrades in order to ready them for leasing. The Trust plans to offer up to 74% of the Presidio's non-residential space for lease by the end of 1999.

The Trust has signed a lease agreement for the former Sixth Army Headquarters and is seeking qualified tenants for twelve historic buildings on the Main Post.

The Trust has selected four organizations as finalists in the competition for the opportunity to build up to 900,000 square feet at the Letterman Complex, after demolition of the current obsolete hospital structure. The Letterman Complex represents almost one-third of the Presidio's non-residential building space and a critical revenue component. Detailed proposals from finalists are due on March 1. The Board of Directors will select an organization with which to negotiate a lease in April.

The Trust has moved expeditiously to provide opportunities for bringing Presidio housing into use. Over 150 students and faculty from a consortium of San Francisco universities are currently living in Presidio housing as part of an agreement forged during the summer of 1998.

Demand for Presidio housing is very strong; there is currently a waiting list for housing units. The Trust's residential leasing program is constrained only by the extent to which housing units can be rehabilitated and made ready for lease. Treasury borrowing, authorized for Fiscal Year 1999, will make it possible to bring 384 housing units on-line this year. Additional units will be brought into service in Fiscal Year 2000, provided sufficient Treasury borrowing authority is made available.

Capital Investment in the Presidio

Capital investment into both residential and non-residential buildings and related infrastructure is critical to establishing adequate inflows of revenue. Although the Trust is implementing a variety of leasing strategies aimed at attracting private funds for building rehabilitation, there is a critical need for capital investment by the Trust to prepare facilities for lease. Recognizing this need, Congress provided authorization in Public Law 104-333 for the Trust to borrow up to \$50 million at any given time from the Treasury, subject to appropriations acts.

The Trust's *Financial Management Program* and supporting documentation identifies investments over a fifteen year period funded through a mixture of tenant-funded renovation and new development and Trust-funded rehabilitation of buildings and infrastructure. The *Financial Management Program* projected that the Trust would fund \$25.8 million of capital investment by the end of Fiscal Year 2000. The Trust anticipates investments in non-residential buildings to be \$3.1 million in Fiscal Year 1999 and \$22.7 million in Fiscal Year 2000. Associated investments in infrastructure, needed to support the planned leasing program, will total \$4.2 million in Fiscal Year 2000.

By the end of Fiscal Year 1999, the Trust anticipates having completed the initial lease-up of 800 residential units on the Presidio. Additional units will be upgraded and leased in Fiscal Year 2000. Housing renovations in Fiscal Year 2000 are projected to cost \$3.1 million.

The Trust's *Financial Management Program* assumes a total of \$50 million in available Treasury borrowing during Fiscal Year 1999 and Fiscal Year 2000. The Omnibus Appropriations Act passed in October 1998 included \$20 million in Treasury borrowing for the Trust. The Trust is requesting \$20 million in Treasury borrowing in Fiscal Year 2000 with the remainder of borrowing authority reserved for use in Fiscal Year 2001. Treasury borrowing would be secured by revenues from existing and new tenants.

The Trust will repay Treasury borrowings from lease revenues; appropriated funds would not be used to repay Treasury borrowings. Once authorized, specific terms and conditions of Treasury borrowing will be negotiated with the Treasury Department in accordance with the Trust Act, the Federal Credit Reform Act and other relevant statutes and regulations. The *Financial Management Program* demonstrates complete repayment of \$50 million in Treasury borrowing at the end of 30 years through tenant revenues.

Encouraging Private Sector Investment in the Presidio with Loan Guarantees

Congress authorized the Presidio Trust to provide limited loan guarantees to third party investors in order to encourage private investment in the rehabilitation of national park property. Through the use of loan guarantees, limited government resources can leverage

much greater amounts of non-federal investment in the upgrade of key government assets. In FY2000, the Trust is seeking to use up to \$1,040,000 of its appropriation as a subsidy cost for leveraging up to \$200,000,000 in private sector funds for capital improvements in revenue-producing facilities as the park. The Trust is not seeking additional funding for this program; it is requesting authority to use a portion of its appropriation as a means of encouraging much greater investment in the Presidio by non-federal entities.

Loan guarantees would be subject to terms and conditions approved by the Treasury Department and made in accordance with the Federal Credit Reform Act. The Trust is required to estimate the subsidy costs associated with the loan guarantees and fund a financing account at the time that the Trust obligates the government for the guarantee.

Loan guarantees would be used to support private sector investment in Presidio properties. In offering Presidio properties for lease, the Trust is also requiring tenants to make significant investments into buildings. By offering additional assurances to lenders, loan guarantees can be a critical component in securing private sector capital for rehabilitation of the Presidio's historic and non-historic buildings. Additionally, loan guarantees can be used to assist non-profit organizations and educational institutions with strong programmatic contributions to the Presidio in securing the financing needed to rehabilitate a building on the Presidio.

As the Trust moves forward with leasing efforts, it will enter into several types of development transactions. For some facilities, such as the housing stock and some non-residential buildings, the Trust expects to use its own resources to renovate buildings. In other cases, private sector financing will be used. In a limited number of transactions, loan guarantees will be provided. The Trust will estimate the subsidy cost for each of these transactions prior to obligating the loan guarantee and funding the financing account. However, for budgetary purposes, the Trust has projected a range of subsidy costs associated with its anticipated FY2000 program.

Establishing loan guarantee subsidy cost

In projecting subsidy costs, the Trust has looked to private sector experience in commercial real estate lending undertaken by banks, thrifts and insurance companies. To estimate its potential exposure on loan guarantees, the Trust has considered several components including the expected default rate over the course of the loan.

To arrive at a projected subsidy cost, the OMB credit model was run using the parameters established in the private marketplace and assuming a 15% rate of default. This resulted in a projected subsidy rate of 0.5%.

The Trust projects that, in FY2000, the face value of loans guaranteed under its program

would range between \$50 million and \$200 million. Using the range of loan guarantees projected, subsidy costs for the program would range between \$250,000 and \$1.04 million. To accomplish the program, the Trust is therefore requesting authority to allocate up to \$1.04 million for loan guarantee subsidy costs in FY2000. Funds not used for the loan guarantee program would remain available for other costs associated with Trust operations.

During Fiscal Year 1999, the Trust is establishing underwriting criteria, model guarantee documents, loan monitoring systems and a refined subsidy rate estimation procedure in preparation for the loan guarantee program in Fiscal Year 2000.

ENVIRONMENTAL REMEDIATION

Part of the challenge in reuse of the Presidio involves ensuring that environmental remediation of the post occurs quickly and in accordance with the Trust's leasing and reuse priorities. Because of its tremendous potential impact on the Trust's ability to establish streams of revenue to support operations and rehabilitation, the Trust is moving aggressively in negotiations with the Army and others to ensure that the cleanup is expedited. The Trust seeks innovative solutions to the complex issues of remediation that will result in a cleanup that is protective of human health and the environment, consistent with the Trust's reuse priorities and cost-effective. It is essential that sufficient funding be provided through the Department of Defense to ensure the completion of this program.

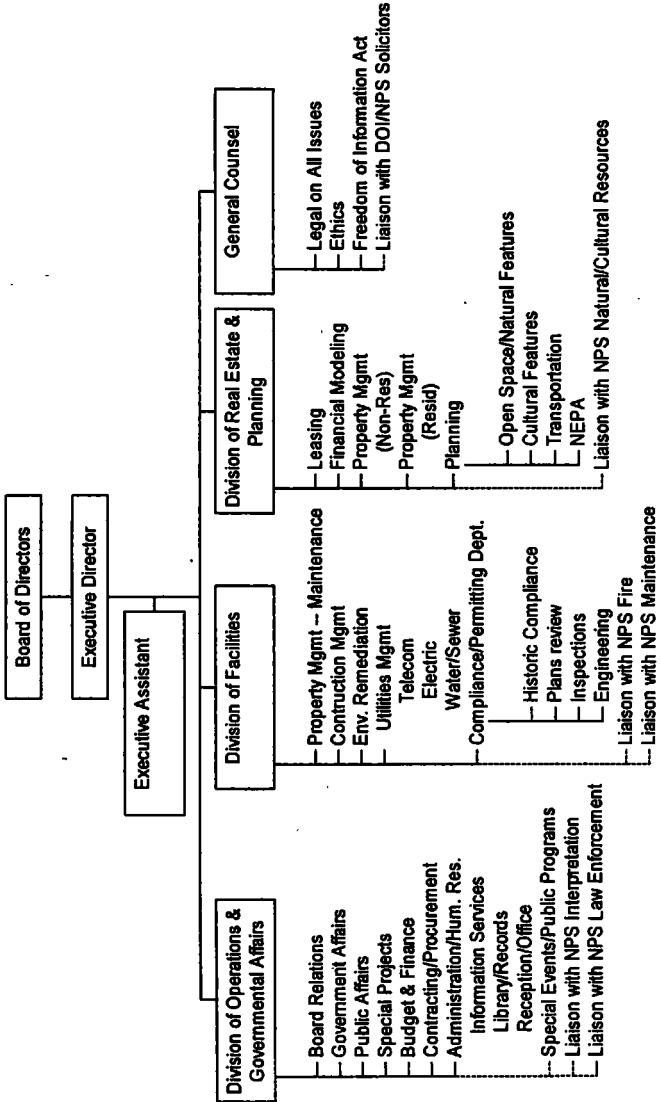
CONCLUSION

Since assuming jurisdiction of over 80% of the Presidio in July, the Presidio Trust has moved assertively to consolidate operational functions, create a partnership framework for working effectively with the National Park Service, establish momentum in the leasing program, and gain control over the pace and quality of environmental remediation. The Trust has also submitted to Congress a program for reducing federal appropriations to the Trust each year resulting in complete financial self-sufficiency by Fiscal Year 2013.

To continue to achieve the results envisioned by the President and Congress and outlined in the Trust's *Financial Management Program*, it is essential that adequate funding be provided in Fiscal Year 2000. The Trust appreciates the strong support it received from the Administration and Congress during the Fiscal Year 1999 budget cycle and looks forward to moving ahead in Fiscal Year 2000 with its program for bringing the Presidio closer to true financial sustainability.

PRESIDIO TRUST

Organizational Chart



Proposed Appropriations Language**PRESIDIO TRUST**

For necessary expenses to carry out title I of the Omnibus Parks and Public Lands Management Act of 1996, \$24,400,000 shall be available to the Presidio Trust, to remain available until expended, of which up to \$1,040,000 may be used for the cost of guaranteed loans, as authorized by section 104(d) of the Act; Provided that such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974; Provided further, that these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$200,000,000. The Trust is authorized to issue obligations to the Secretary of the Treasury pursuant to section 104(d)(3) of the Act, in an amount not to exceed \$20,000,000.

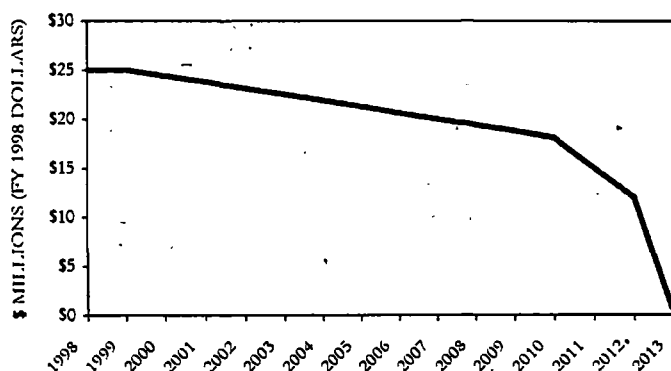
FINANCIAL MANAGEMENT PROGRAM SUMMARY

The Presidio Trust Financial Management Program, summarized in spreadsheet form in Appendix B, demonstrates the feasibility of financial self-sufficiency for the Presidio. The program is a long-range projection, subject to adjustment over time. Given the assumptions outlined above, including continued federal appropriations at the levels specified, the Trust should achieve its mission by fiscal year 2013 and ensure that the Presidio remains viable into the future.

Financial Management Program highlights include:

- **Declining Federal appropriations:** As illustrated in Exhibit 2, the Trust assumes Federal appropriations decline by \$625,000 per year through 2010, after which they decline more steeply to a zero level in fiscal year 2013. Appropriated funds will be used to fund a declining percentage of operating costs, allowing lease revenues to be invested in property renovations to ensure future cash flow and retirement of Treasury debt.

Exhibit 2: Federal Appropriations



- **Decreasing operational costs:** Through operating efficiencies implemented by the Trust, and Federal and private investment in infrastructure improvements, the Trust will decrease operational costs at the Presidio. Exhibit 3 summarizes costs over fifteen and thirty year timeframes.

Exhibit 3 Summary of Costs
 (Millions of FY 1998 Dollars)

	15 YEAR TOTAL	30 YEAR TOTAL
Operating Budget	\$380	\$729
Improvements/Demolition		
Non-Residential Buildings	84	84
Residential	112	118
TOTAL	196	202
Replacement Reserves*		
Non-Residential Buildings	36	111
Residential	25	78
-Expended for res'l replacement	(25)	(25)
Infrastructure	11	33
Parkwide Improvements	11	33
TOTAL	58	230
Grounds and Infrastructure		
Non-Residential Buildings	35	35
Residential	31	31
Parkwide Improvements	50	50
TOTAL	116	116
TOTAL COSTS	\$750	\$1,277
* 30-yr. totals do not reflect all expenditures of reserves that might be required in years 15-30.		

- Increasing revenue: As residential and non-residential square footage is leased, revenues will increase. Exhibit 4 illustrates projected revenues.

Exhibit 4: Revenue Sources
 (Millions of FY 1998 Dollars)

	15 YEAR TOTAL	30 YEAR TOTAL
Revenues		
Non-Residential Net Lease Revenue	\$172	\$431
Residential Net Lease Revenue	248	604
Federal Appropriation	311	311
Starting Revenue	1	1
Utilities Revenue	11	26
Total Net Revenues	743	1,373
<i>(Net of Building Operating Costs)</i>		
Financing		
Treasury Borrowing	50	50
Debt Service	(41)	(118)
TOTAL	9	(68)
Total Revenues After Debt Service	\$752	\$1,305

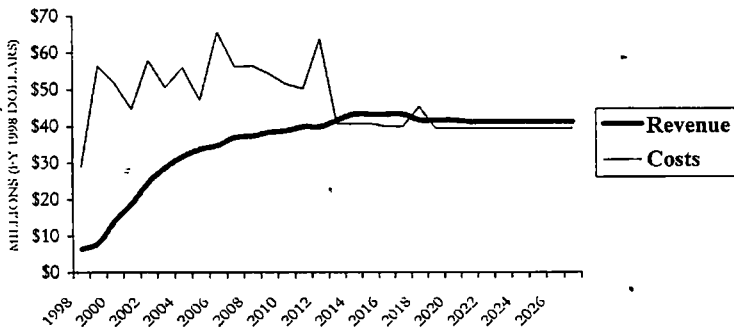
- Financial self-sufficiency by fiscal year 2013: As indicated by the financial snapshot illustrated in Exhibit 5, the Trust plans to reach stabilized self-sufficiency by fiscal year 2013.

Exhibit 5: Fiscal Year 2013: Self-Sufficiency
(FY 1998 Dollars)

Costs	\$35.7 million
- Operations	\$24.2 million
- Renovation/replacement	11.5 million
Revenue	\$36.6 million
- Non-residential leasing	\$15.0 million
- Residential leasing	20.6 million
- Utilities	1.0 million
- Federal appropriations	\$ 0.0

- Exhibit 6 shows that self-sufficiency is maintained going forward.

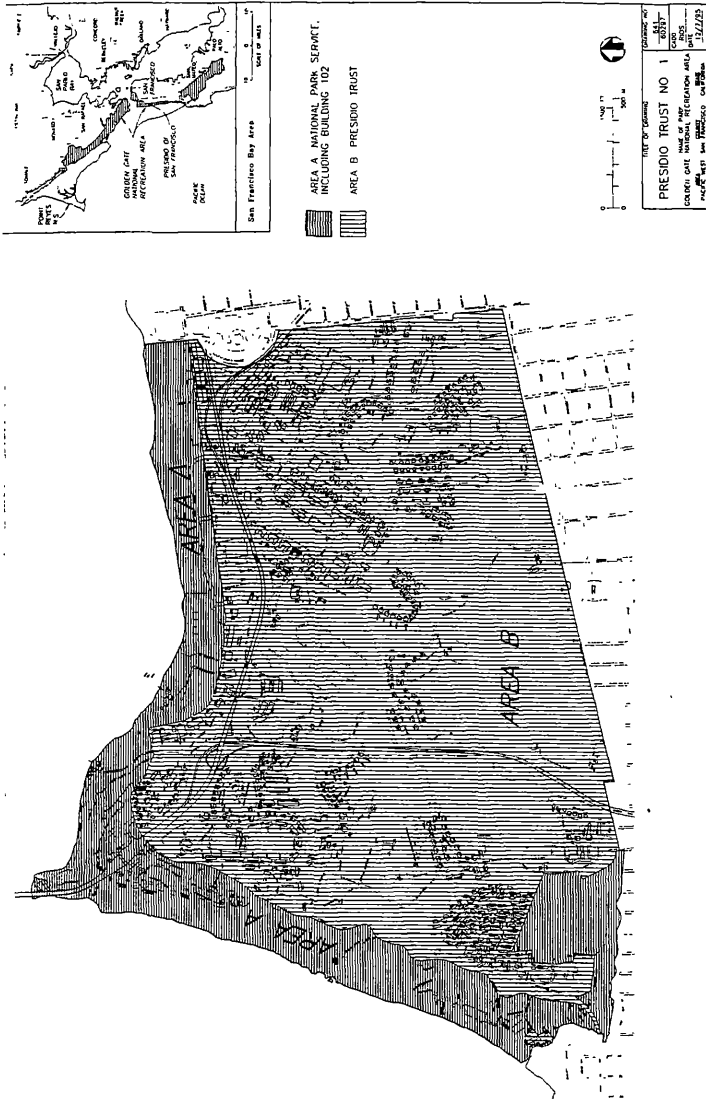
Exhibit 6: Revenue and Cost Summary



CONCLUSIONS

Through careful stewardship of the Presidio's resources and utilization of the authorities granted by the Trust Act, the Presidio Trust will deliver the results expected by the U.S. Congress:

- Enhancement of the Presidio as an outstanding National Park in an urban area.
- Financial self-sufficiency by fiscal year 2013.
- Demonstration of economic, environmental, and cultural sustainability.
- Use of private sector resources.
- Continuation of broad public support for the Presidio.



APPENDIX B
SUMMARY OF ANNUAL CASH FLOWS
FISCAL YEAR ENDING 1998 THROUGH 2027

ALL CURRENCY IN 1998 DOLLARS		FLOW (\$100,000)																Simpled	Simpled
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2017	2022	2027	2027
REVENUES --																			
CASH INFLOW	31.4	33.1	38.6	42.7	47.9	51.3	53.6	55.1	55.4	57.0	56.7	57.1	56.9	54.9	51.9	41.7	43.4	41.3	42.3
COSTS --																			
CASH OUTFLOW	28.9	54.9	48.8	41.7	54.9	47.6	53.0	44.1	62.7	53.2	53.5	51.3	48.5	47.2	60.8	35.7	34.9	34.4	34.4
NET CASH FLOW BEFORE FINANCING	2.6	(21.8)	(10.3)	1.0	(7.0)	3.7	0.6	11.0	(7.2)	3.8	3.2	5.8	8.4	7.7	(8.9)	6.0	8.5	6.9	8.0
FINANCING --																			
CASH INFLOW/(OUTFLOW)	0.0	23.5	22.0	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(5.1)	(5.1)	(5.1)	(5.1)
NET CASH FLOW AFTER FINANCING	2.6*	1.7	11.7	(2.0)	(10.0)	0.7	(2.4)	8.0	(10.2)	0.8	0.2	2.8	5.4	4.7	(11.9)	0.9	3.3	1.7	2.8
CUMULATIVE CASH FLOW	2.6	4.2	16.0	14.0	4.0	4.7	2.3	10.3	0.0	0.8	1.0	3.8	9.2	13.9	1.9	2.8	14.7	19.1	28.9
FEDERAL APPROPRIATIONS	25.0	25.0	24.4	23.8	23.1	22.5	21.9	21.3	20.6	20.0	19.4	18.8	18.1	15.0	12.0	0.0	0.0	0.0	0.0
TREASURY LOAN	0.0	25.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEBT SERVICE	0.0	1.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	5.1	5.1	5.1	5.1

* 1998 amounts reflect the Trust will have access in that are dedicated to specific programs (e.g. Government Improvement Accounts related to collective contracts and NPS and interim trust financing program)

July 7, 2007: TWP TABLE

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FINANCIAL MANAGEMENT PROGRAM
THE PRESIDIO TRUST

THE PRESIDIO TRUST
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar Amounts in Millions)

Object Class	Description	1999 Estimate	2000 Estimate
11	Personnel compensation	9	11
12	Personnel benefits	3	4
23	Communications, utilities	4	4
25.1	Advisory and assistance services	1	1
25.2	Other services	2	2
25.3	Purchase of government goods	4	3
25.4	Operation and maintenance of facilities	2	2
26	Supplies & materials	4	5
32	Land and structures	14	24
43	Grants, subsidies, and contributions		1
	Total	43	57

**THE PRESIDIO TRUST
PROGRAM AND FINANCING
(Dollar Amounts in Millions)**

Description		1998 Actual	1999 Estimate	2000 Estimate
Obligations by Program Activity:				
0001	Operations		34	43
0002	Loan Guaranty Subsidy			1
0100	Operations	0	34	44
0900	Reimbursable Program		9	13
1000	Total New Obligations	0	43	57
Budgetary Resources Available for Obligation:				
2140 01	Unobligated Balance Available, Start of Year		1	1
2200	New Budget Authority (gross)		43	57
2240 01	Capital Transfer to General Fund		-1	-2
2390	Total Budgetary Resources Available for Obligations		43	56
2395	Total New Obligations		-43	-57
2440 01	Unobligated Balance Available, End of Year	1	1	1
New Budget Authority (gross), Detail				
4000 01	Appropriation		14	24
4700 01	Authority to Borrow		20	20
Permanent Spending Authority from Offsetting Collections				
6800 01	Offsetting Collections (cash)		10	15
6827 01	Capital Transfer to General Fund		-1	-2
Spending Authority from Offsetting Collections (total)			9	13
7000	Total New Budget Authority		43	57

Description		1998 Actual	1999 Estimate	2000 Estimate
Change in Unpaid Obligations				
7240 01	Unpaid Obligations, Start of Year:			
	Obligated Balance, Start of Year		1	17
7310	Total New Obligations		43	57
7320	Total Outlays (gross)		-26	-49
7440 01	Unpaid Obligations, End of Year:			
	Obligated Balance, End of Year	1	17	26
Outlays (gross), detail				
8690 01	Outlays from New Current Authority		17	24
8693 01	Outlays from Current Balances			10
8697 01	Outlays from New Permanent Authority		9	13
8700	Total Outlays (gross)		26	49
Offsets Against Gross Budget Authority and Outlays				
Offsetting Collections (cash) from:				
8800 01	Federal Sources		5	6
8840 01	Non-Federal Sources		5	9
8890	Total, Offsetting Collections (cash)		10	15
Net Budget Authority and Outlays				
8900	Budget Authority		33	42
9000 01	Outlays	-2	16	34

**THE PRESIDIO TRUST
CREDIT SUBSIDY DATA
(Dollar Amounts in Millions)**

Description		1998 Actual	1999 Estimate	2000 Estimate
	Guaranteed Loan Levels Supportable by			
	Subsidy Budget Authority			
2150	01 Loan Guarantee Levels			200
	Guaranteed Loan Subsidy			
2320	01 Subsidy Rate (%)			.52
2330	01 Subsidy Budget Authority			1

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