

REVIEW OF SMITHSONIAN INSTITUTION CURRENT FACILITIES AND FUTURE SPACE NEEDS

(116-42)

HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTEENTH CONGRESS

FIRST SESSION

NOVEMBER 13, 2019

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Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

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NOVEMBER 8, 2019

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Economic Development, Public Buildings, and Emergency Management
FROM: Staff, Subcommittee on Economic Development, Public Buildings, and Emergency Management
RE: Hearing on “Review of Smithsonian Institution Current Facilities and Future Space Needs”

PURPOSE

The Subcommittee on Economic Development, Public Buildings, and Emergency Management will meet on Wednesday, November 13, 2019, at 2:00 p.m. in 2167 Rayburn House Office Building to hold a hearing titled, “Review of Smithsonian Institution Current Facilities and Future Space Needs.” At the hearing, Members will receive testimony from the Secretary of the Smithsonian Institution.

BACKGROUND

THE SMITHSONIAN INSTITUTION:

The Smithsonian Institution is the world’s largest museum and research complex, with 19 museums and galleries, numerous research centers, libraries, archives, and the National Zoological Park. Created by an Act of Congress in 1846 to carry out the trust included in James Smithson’s will, it has been engaged for 172 years in the “increase and diffusion of knowledge.”¹ The Smithsonian Institution is a unique instrumentality of the Federal government, as it is funded by both Federal and private sources and employs Federal and non-federal (or “trust”) staff.

The Smithsonian is the steward of over 155 million objects in the national collection, reflecting the cultural, artistic, and scientific heritage of the United States. Last year, the Smithsonian attracted over 28 million visitors to its museums, galleries, and zoological park.² According to the Smithsonian, the Institution owns and leases 680 separate buildings, comprising approximately 13.8 million square feet of space.

The Smithsonian is governed by a Board of Regents, consisting of the Chief Justice of the U.S. Supreme Court, the Vice President, six members of Congress, and nine private citizens. In June 2019, the Smithsonian’s Board of Regents voted to move its headquarters from the historic Smithsonian Castle in Washington, D.C. to a 632,000 square foot property located at 600 Maryland Avenue, Southwest.³

¹ <https://www.si.edu/about/mission>.

² <https://www.si.edu/about>.

³ <https://www.bisnow.com/washington-dc/news/office/smithsonian-to-acquire-southwest-dc-building-for-new-headquarters-99402>.

Deferred maintenance of the Smithsonian's highly-populated facilities, particularly its museums, has been an ongoing challenge. On September 18, 2019, Smithsonian Secretary Lonnie Bunch III and Inspector General Cathy Helm testified before the Committee on House Administration and spoke at length about the Smithsonian's \$937 million maintenance backlog.⁴ A 2016 Inspector General report that found the institution has not reduced the backlog because it is spending less than recommended on maintenance.⁵ According to Inspector General Helm's testimony at the September 18, 2019, hearing, the Smithsonian has been spending around 1% on maintenance annually, below the 2–4% range recommended for maintenance by the National Research Council.⁶

SMITHSONIAN FUNDING:

A significant portion of the Smithsonian's operations are funded by annual congressional appropriations. Federal appropriations are also provided for the construction or repair and restoration of its facilities. The table below summarizes the Federal appropriations for FY2017–FY2020.⁷

Account	FY2017 Enacted	FY2018 Enacted	FY2019 Enacted	FY2020 Request
Salaries and Expenses	\$729,444,000	\$731,444,000	\$739,994,000	\$759,345,000
Facilities Capital	\$133,903,000	\$311,903,000	\$303,503,000	\$219,000,000
Total	\$863,347,000	\$1,043,347,000	\$1,043,497,000	\$978,345,000

For FY2019, Congress appropriated \$303.5 million for Smithsonian facilities.⁸ For FY2020, the House Committee on Appropriations recommended \$219 million for the Facilities Capital account, \$84.5 million below the enacted level of the previous year.⁹ This is the same amount requested in Smithsonian's FY2020 budget request.¹⁰ A significant portion of this proposed funding would be for the multi-year, multi-phase renovation of the National Air and Space Museum (NASM). In the conference report for the FY2019 continuing appropriations resolution, conferees expressed support for the Smithsonian's Latino and Women's History initiatives and urged an expanded presence of these initiatives at the Smithsonian.¹¹ This support was also expressed in the explanatory statements for the FY 2017¹² and FY2018¹³ Consolidated Appropriations Acts.

In addition to support provided by Federal appropriations, the Smithsonian Institution has access to a trust fund which currently has a market value of \$1.6 billion, according to the Smithsonian's estimation.¹⁴ Trust funds are used to leverage the Smithsonian's research capacity through partnerships with federal agencies, universities, non-Governmental organizations, industry, and other private organizations, both national and international. Trust funds are also used to renovate and modernize exhibits throughout the Institution.

The Institution's trust funds are comprised of 1) general trust funds with limited or no restrictions on their use, 2) funds restricted by the donor or sponsor, and 3) Government grants and contracts. General trust funds are generated from investment income; payout from unrestricted endowments; net proceeds from museum shops, catalogues, and food service concessions; sales of Smithsonian books, records, and other products based on designs and objects in the collections; theater/planetarium operations at the NASM; licensing fees from the Smithsonian Channel and student travel programs; rental of exhibitions of the Smithsonian Institution Traveling Exhibition Service; membership programs (including subscriptions to Smithsonian and Air and Space magazines); the sale of posters, exhibition brochures, cata-

⁴ *Oversight of the Smithsonian Institution*, Hearing before the Committee on House Administration, 116th Congress, September 18, 2019.

⁵ Smithsonian Institution Office of the Inspector General, *Semiannual Report to the Congress*, March 31, 2016.

⁶ See supra note 4.

⁷ See Smithsonian Institution FY 2020 Budget Justification to Congress, pg. 7, March 2019; see also Smithsonian Institution FY 2019 Budget Justification to Congress, pg. 7, February 2018.

⁸ P.L. 116–6.

⁹ H. Rept. 116–100.

¹⁰ See supra note 7.

¹¹ H. Rept. 116–9, pg. 754–755, February 13, 2019.

¹² P.L. 115–31, pg. 1137–1138, 2018.

¹³ P.L. 115–141, Division G, pg. 1188, 2018.

¹⁴ Smithsonian FY2020 Budget Review Presentation, March 2019.

logues, and other publications; and admission fees.¹⁵ The table below summarizes the sources of trust operating funds.¹⁶

Fund	FY2017 Actuals	FY2018 Estimates	FY2019 Estimates
General	\$97,900,000	\$89,500,000	\$76,100,000
Donor/Sponsor-Designated	\$247,700,000	\$247,300,000	\$263,700,000
Government Grants and Contracts	\$113,700,900	\$117,500,000	\$116,900,000
Total Available for Operations	\$459,300,000	\$454,300,000	\$456,700,000

ACQUISITION AUTHORITY:

The Smithsonian Institution's authority to acquire property is generally vested in its Board of Regents through statutory language on individual facilities. For example, the Smithsonian's Board of Regents is authorized to "invest in, reinvest in, or purchase any property for the benefit of the National Portrait Gallery."¹⁷ The John F. Kennedy Center for the Performing Arts is a bureau of the Smithsonian Institution. Consequently, the Smithsonian's Board of Regents is authorized "to sell or exchange and to invest or reinvest in such investments as it may determine from time to time the moneys, securities, or other property composing trust funds given, bequeathed, or devised to or for the benefit" of the Kennedy Center.¹⁸

LEASING AUTHORITY:

The Smithsonian Institution is one of 25 Federal agencies that asserts it has its own leasing authority. The Smithsonian is not required to submit real property data to the Federal Real Property Council (FRPC)¹⁹ or comply with OMB's freeze the footprint directives. According to the Smithsonian, the Institution currently holds approximately 40 leases totaling 1.4 million square feet. This includes facilities for collection storage, general storage, office space, museum and specialty buildings, research buildings and laboratories, and retail facilities.²⁰ The annualized base rent for these leases totals \$45,138,771, with \$11,963,210 in additional costs.²¹

The Smithsonian's authorization to lease space has been included in annual appropriations bills, including:

- Pub. L. No. 116–6, 133 Stat. 253–54:
 - For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease agreements of no more than 30 years, and protection of buildings, facilities, and approaches;
- Pub. L. No. 115–31, 131 Stat. 489:
 - For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease agreements of no more than 30 years, and protection of buildings, facilities, and approaches;
- Pub. L. No. 114–113, 129 Stat. 2570:
 - For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease agree-

¹⁵ See *supra* note 7 at pg. 235.

¹⁶ *Id.*

¹⁷ 20 U.S.C. 75(d).

¹⁸ 20 U.S.C. 76(k).

¹⁹ *Independent Leasing Authorities: Increasing Oversight and Reducing Costs of Space Leased by Federal Agencies*; Hearing before the Subcommittee on Economic Development, Public Buildings, and Emergency Management; July 16, 2016.

²⁰ Smithsonian Institution Leased Space Presentation, pg. 3, April 2019.

²¹ *Id.*

- ments of no more than 30 years, and protection of buildings, facilities, and approaches;
- Pub. L. No. 113–235, 128 Stat. 2439:
- For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease agreements of no more than 30 years, and protection of buildings, facilities, and approaches;

According to the Smithsonian Institution, the following statute confers some real estate independence from the General Services Administration (GSA):

All functions with respect to the operation, maintenance, and custody of office buildings owned by the Government and of office buildings or parts thereof acquired by lease, including those post-office buildings which, as determined by the Director of the Bureau of the Budget, are not used predominantly for post-office purposes, are hereby transferred from the respective agencies in which now vested to the Administrator of General Services, exclusive, however, of all such functions with respect to (a) any building located in any foreign country; (b) any building located on the grounds of any fort, camp, post, arsenal, navy yard, naval training station, air field, proving ground, military supply depot, or school, or of any similar facility, of the Department of Defense, unless and to such extent as a permit for its use by another agency or agencies shall have been issued by the Secretary of Defense or his duly authorized representative; (c) any building which the Administrator of General Services finds to be a part of a group of buildings which are (1) located in the same vicinity, (2) are utilized wholly or predominantly for the special purposes of the agency having custody thereof, and (3) are not generally suitable for the use of other agencies; and (d) the Treasury Building, the Bureau of Engraving and Printing Building, the buildings occupied by the National Bureau of Standards, and the buildings under the jurisdiction of the regents of the Smithsonian Institution.²²

In 2016, the Subcommittee held a hearing titled “Independent Leasing Authorities: Increasing Oversight and Reducing Costs of Space Leased by Federal Agencies.”²³ The hearing examined a GAO study of how agencies independent of GSA were exercising that independent leasing authority, i.e. were they getting good deals for the taxpayer by reducing their costs and space footprint and were they acting within their legal authority.

The GAO witness reported that “a high percentage of the entities’ lease files lacked evidence for analyzing and documenting the budget effects of the lease. This is important because Federal entities must comply with the recording statute requires Federal agencies to record the full amount of their contractual liabilities, including leases, against funds available when the contract is executed. Violations of the recording statute can also result in Anti-Deficiency Act violations if lease obligations exceed available budget authority for the value of the entire lease term at the time the lease is executed.”²⁴

Regarding space utilization rates, the GAO witness said “all of the eight entities we reviewed leased more office space per employee than GSA’s recommended target of 150 square feet per employee. Twenty-eight of the thirty selected office leases we analyzed exceeded the GSA recommended target on average by a factor of two. Many of these leases had vacant office spaces, which can inflate the per person space allocation.”²⁵

Congressman Barletta said the following: “I understand the Smithsonian is currently reviewing its leasing authority. As Chairman of the subcommittee, it seems the answer should be a simple one: work with GSA to meet your leasing needs. When do you expect to have a decision on how the Smithsonian plans to proceed with its leases?” To which the Smithsonian witness replied: “Let me back up and just say that as we have entered into leases, we have done so in good faith, and we think we have very good grounds for doing so. The issue was raised in the last few months about whether we had the budget authority to do so or not, and there

²² 40 U.S.C. 301, Sec. 2 Transfer of Office Building Management Functions

²³ See *supra* note 19.

²⁴ *Id.* at pg. 5.

²⁵ *Id.*

was some lack of clarity. We are working with OMB right now in addressing those issues, and we will keep the committee apprised of our results there.”²⁶

The Smithsonian’s Board of Regents vets and approve all leases by the Smithsonian with a net present value of \$5 million or more.²⁷

CURRENT MAJOR INFRASTRUCTURE PROJECTS:

In 2016, the Smithsonian unveiled a new master plan for the South Mall campus. The plan includes renovations to the Castle and Arts and Industries Building, new Mall-facing entrances to the National Museum of African Art and the Arthur M. Sackler Gallery, improved visibility and access from the Freer Gallery of Art to the Hirshhorn Museum and Sculpture Garden.²⁸

The National Air and Space Museum is currently under renovation—the first major overhaul of the facility since it opened in 1976.²⁹ The renovation will address the building envelope and terraces, improve energy efficiency, upgrade the structure’s blast and seismic resistance, modernize the building’s mechanical engineering and plumbing systems, and improve functionality of spaces affected by the systems renewal. Phasing plans have approximately half of the museum under renovation while the remaining half will remain open to visitors. To safeguard artifacts during construction, most have been moved to a new collection’s storage facility at the museum’s Steven F. Udvar-Hazy Center in Chantilly, VA. Funding for the renovation consists of \$650 million in Federal appropriations for building revitalization and \$250 million in trust funds for new exhibits.³⁰ The project is expected to be completed in 2024.³¹

Increased collections storage capacity has been a priority for the Smithsonian in recent years. The Smithsonian is currently crafting the Suitland Collections Center Master Plan, which will assess collections space needs across the Smithsonian for the next 40 years. This plan will facilitate reductions to leased space, collections growth, relief of overcrowding, and relocation of collections from deficient or vulnerable locations. The plan will be submitted for review by the National Capital Planning Commission during FY2020.³² The Smithsonian is also in the design stage for the final phase of the Suitland Museum Support Center building, Pod 6, which is expected to be completed in 2025.³³

NEW MUSEUM BILLS:

Two bills have been referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management during the 116th Congress to establish new museums at the Smithsonian: H.R. 1980 and H.R. 2420.

H.R. 1980, the *Smithsonian Women’s History Museum Act*, authorizes the Smithsonian Institution to plan, construct, and operate a museum dedicated to women’s history. The bill currently has 293 cosponsors. The bill establishes a 50–50 cost share between the Federal government and non-Federal sources. The Congressional Budget Office (CBO) estimates that implementing H.R. 1980 would cost \$190 million over the next decade: \$83 million for construction and \$107 million for staffing, planning, creating exhibits and educational programs, and operating the museum.³⁴

H.R. 2420, the *National Museum of the American Latino Act*, establishes the National Museum of the American Latino in the Smithsonian Institution to (1) illuminate Latino contributions to the story of the United States; (2) provide for the collection, study, research, publication, and establishment of exhibitions and programs related to Latino life, art, history, and culture; and (3) provide for collaboration with Smithsonian Institution museums and research centers and other museums and educational institutions in the United States and abroad. The bill establishes a Board of Trustees for the museum to make recommendations to the Board of Regents concerning the location, planning, design, and construction of the Museum. The bill establishes a 50–50 cost share between the Federal government and non-Federal sources.

²⁶ Id. at pg. 12–13

²⁷ Id. at pg. 10.

²⁸ Smithsonian Outlook, *Projects and Planning Update*, Fall 2019.

²⁹ Smithsonian Press Release, *Major Renovation Underway at National Air and Space Museum*, January 30, 2019.

³⁰ See supra note 28 at pg. 2.

³¹ Id.

³² Id. at pg. 6.

³³ Id. at pg. 4.

³⁴ Congressional Budget Office, Cost Estimate for H.R. 1980, October 7, 2019. Available here: <https://www.cbo.gov/publication/55701>.

SMITHSONIAN AND SUSTAINABLE CONSTRUCTION:

Smithsonian facilities design standards require the integration of sustainability and energy efficiency in the design, construction, operations and maintenance of all Smithsonian building projects.³⁵ Effective strategies implemented at the Smithsonian include decreased consumption of electricity, steam, and natural gas; decreased petroleum use in vehicles and equipment; and green power purchasing.³⁶ The National Museum of African American History and Culture (NMAAHC) was awarded a Gold certification by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) program.

Smithsonian staff have assessed the vulnerability of its major facilities in D.C., Maryland, New York, and Florida to the impacts of flooding and sea level rise as a part of the Institution's ongoing climate change adaptation planning. This enables the Smithsonian to prioritize projects and incorporate resilience principles into its master plans and projects. This work has informed master plans for the National Museum of American History and the National Museum of the American Indian and led to the decision to relocate the rare book collection at the National Air and Space Museum to the less vulnerable Udvar-Hazy Center in Chantilly, VA.³⁷

Since the 102nd Congress, the following construction and space acquisition authorization bills related to the Smithsonian Institution were referred to the Committee on Transportation and Infrastructure:

115TH CONGRESS (2017–2018):

- H.R.4009—Smithsonian National Zoological Park Central Parking Facility Authorization Act. Became Public Law No.: 115–178.

114TH CONGRESS (2015–2016):

- H.R.3702—Smithsonian Collections Space Authorization Act

111TH CONGRESS (2009–2010):

- H.R.5717—Smithsonian Conservation Biology Institute Enhancement Act: H. Rept. 111–612, Part 1; H. Rept. 111–612, Part 2
- H.R.608—Smithsonian Institution Facilities Authorization Act of 2009. H. Rept. 111–53
- H.R.3224—To authorize the Board of Regents of the Smithsonian Institution to plan, design, and construct a vehicle maintenance building at the vehicle maintenance branch of the Smithsonian Institution located in Suitland, Maryland, and for other purposes. H. Rept. 111–276, Part 1; H. Rept. 111–276, Part 2

110TH CONGRESS (2007–2008):

- H.R.6541—To authorize the Board of Regents of the Smithsonian Institution to plan, design, and construct laboratory space to accommodate the Smithsonian Tropical Research Institute's terrestrial research program in Gamboa, Panama
- H.R.6542—To authorize the Board of Regents of the Smithsonian Institution to plan, design, and construct laboratory and support space to accommodate the Mathias Laboratory at the Smithsonian Environmental Research Center in Edgewater, Maryland.
- H.R.6627—Smithsonian Institution Facilities Authorization Act of 2008. H. Rept. 110–842, Part 1; H. Rept. 110–842, Part 2
- H.R.5492—To authorize the Board of Regents of the Smithsonian Institution to construct a greenhouse facility at its museum support facility in Suitland, Maryland, and for other purposes. H. Rept. 110–545

108TH CONGRESS (2003–2004):

- H.R.2195—Smithsonian Facilities Authorization Act. Became Public Law No.: 108–72.
- H.R.5105—To authorize the Board of Regents of the Smithsonian Institution to carry out construction and related activities in support of the collaborative Very Energetic Radiation Imaging Telescope Array System (VERITAS) project on Kitt Peak near Tucson, Arizona. Became Public Law No.: 108–331.

³⁵ *Smithsonian Institution Facilities Design Standards*, Section IV, January 2012.

³⁶ Smithsonian Institution, *Roadmap for the Development of a Climate Change Adaptation Plan*, pg. 3, September 2013.

³⁷ See *supra* note 28 at pg. 7.

106TH CONGRESS (1999–2000):

- H.R.4729—To authorize the Board of Regents of the Smithsonian Institution to plan, design, construct, and equip laboratory, administrative, and support space to house base operations for the Smithsonian Astrophysical Observatory Submillimeter Array located on Mauna Kea at Hilo, Hawaii.

104TH CONGRESS (1995–1996):

- H.R.3933—To authorize construction of the Smithsonian Institution National Air and Space Museum Dulles Center at Washington Dulles International Airport, and for other purposes

103RD CONGRESS (1993–1994):

- H.R.848—To continue the authorization of appropriations for the East Court of the National Museum of Natural History.
- H.R.855—District of Columbia Land Use Notification Act of 1993.
- H.R.2677—To authorize the Board of Regents of the Smithsonian Institution to plan, design, and construct the West Court of the National Museum of Natural History building. H.Rept 103–231 Part 1; Became Public Law No.: 103–151.

102ND CONGRESS (1991–1992):

- H.R.2757—To authorize the Board of Regents of the Smithsonian Institution to acquire land for watershed protection at the Smithsonian Environmental Research Center, and for other purposes.: H.Rept 102–456 Part 1, H. Rept.102–456, Part I.
- H.R.2758—To authorize the Board of Regents of the Smithsonian Institution to acquire an administrative service center, and for other purposes. Ordered to be Reported.

WITNESS LIST

Mr. Lonnie G. Bunch III, Secretary, The Smithsonian Institution

REVIEW OF SMITHSONIAN INSTITUTION CURRENT FACILITIES AND FUTURE SPACE NEEDS

WEDNESDAY, NOVEMBER 13, 2019

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC
BUILDINGS, AND EMERGENCY MANAGEMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:04 p.m. in room 2167, Rayburn House Office Building, Hon. Dina Titus (Chairwoman of the subcommittee) presiding.

Ms. TITUS. The subcommittee will come to order. I ask unanimous consent that the chair be authorized to declare recesses during today's hearing.

Without objection, so ordered.

I also ask unanimous consent that Members not on the subcommittee be permitted to sit with the subcommittee at today's hearing, and ask questions.

Without objection, so ordered.

First let me just say how pleased we are to have you here, Secretary Bunch. It is a delight for us. We want to congratulate you on this new position. As I said earlier at your reception, we first met when you were at UNLV doing a symposium there, and they send you greetings and congratulations. So thank you for joining us.

As we all know, the Smithsonian is really a crown jewel for our Government. It is the world's largest research, education, and museum complex in all the world, 21 museums and galleries which attracted more than 28 million visitors just last year alone.

In addition, the Smithsonian Affiliations program connects this Washington-based institution to nearly every State in the country—it is not just limited to here, it is everywhere—as well as Puerto Rico. And I know you have many research programs around the world, as well.

My district in Las Vegas, for instance, is home to the Smithsonian-affiliated National Atomic Testing Museum, which tells the story of our nuclear weapons testing program at the test site, its contributions to national defense, and also the impacts, both good and bad, that the testing had on the region and the people involved there, and also those who lived downwind.

So thank you very much for bringing the show-and-tell articles from the museum to share with us.

All of these collections are just critical to telling our Nation's story, educating current and future generations. What child doesn't want to go to see the Air and Space Museum? What historian doesn't want to visit the East Wing, or other parts of the museum here? You have an incredible treasure.

And we, although you deal with appropriators, are really the committee that is responsible for overseeing all the public buildings, including the facilities of the Smithsonian. And so it is important that we carry out that oversight, and American taxpayers know that they are really getting their money's worth if they can't come and see it for themselves.

So today's hearing will examine the Smithsonian's current real estate portfolio, as well as expansion, renovation, and acquisition plans, the maintenance backlog, the purchase of a new headquarters building, and the Smithsonian Institution's building naming policy.

I would point out here how much we appreciate the fact that you have a commitment to sustainability, and that the new National Museum of African American History and Culture has met the LEED gold standard. And so we want to encourage that to continue.

We are delighted that you are here.

Another thing I want you to talk about, if you will, Mr. Secretary—I am a cosponsor of the Smithsonian Women's History Museum bill, which passed out of committee last night, and also the National Museum of the American Latino Act. So, if you could, address kind of where those might be going, or what we can do to help to promote those, and tell us how you are growing those endeavors.

I am relatively new to this chairmanship, but over the last year or so I have noticed that there is a real disconnect between the Smithsonian and our committee. I believe the last Smithsonian oversight hearing that we held was in 2007. We don't want that to be the case, going forward. I feel a real affinity for this institution, and want us to work together to develop more of a relationship, and more of a collaboration.

We know that the Smithsonian is looking at appropriations, but we don't want that to just be the authorizing process without coming to us. We want transparency in real estate acquisitions. You get 70 percent of your budget from Congress, so you have to let us know what is going on, even though you have your own Board of Regents.

You have a great story to tell to the American people, and to visitors from around the world. We thank you for that, and we want to be part of helping you tell that story. So I look forward to our discussion today.

[Ms. Titus' prepared statement follows:]

Prepared Statement of Hon. Dina Titus, a Representative in Congress from the State of Nevada, and Chairwoman, Subcommittee on Economic Development, Public Buildings, and Emergency Management

The Smithsonian Institution is the world's largest research, education, and museum complex in the world.

The twenty-one museums and galleries attracted more than 28.5 million visitors last year.

In addition, the Smithsonian Affiliates program connects this Washington-based institution to nearly every state in the Union as well as Puerto Rico.

My district in Las Vegas, for instance, is home to the Smithsonian-affiliated National Atomic Testing Museum, which tells the story of America's nuclear weapons testing program at the Nevada Test Site, its contributions to our national defense, but also the impacts, good and bad, that this testing has had on our region and in downwind communities across the West.

These collections are critical to telling our nation's story and educating current and future generations.

As the Committee with the responsibility of overseeing public buildings, including the facilities of the Smithsonian, it is important to the American taxpayer that we conduct rigorous oversight and ensure that taxpayer resources are being utilized appropriately.

Today's hearing will examine the Smithsonian Institution's current real estate portfolio as well as expansion, renovation, and acquisition plans; the maintenance budget and backlog; the purchase of a new headquarters building, and the Smithsonian Institution's building naming policies.

I would like to welcome today's witness—the Smithsonian Institution's recently appointed 14th Secretary—Mr. Lonnie Bunch III.

Secretary Bunch, congratulations on your stewardship of the successful effort to establish the National Museum of African American History and Culture and on your appointment to lead the Smithsonian Institution.

Secretary Bunch, as a cosponsor of H.R. 1980, the Smithsonian Women's History Museum Act and H.R. 2420, National Museum of the American Latino Act, I am interested to hear your thoughts on the future expansion of the Smithsonian Museum family as support for these two endeavors continues to grow.

Secretary Bunch, I am relatively new to this Chairmanship, but over the course of the last year I have observed a disconnect between the Smithsonian Institution and its authorizers.

The Smithsonian seems to work closely with its appropriators while keeping the authorizers minimally informed and at arm's length.

Given the fact that this Subcommittee has not held a Smithsonian oversight hearing since 2007, perhaps that distance is understandable.

But I can assure you, that will not be the case moving forward.

The Smithsonian must do a better job of collaborating with its Congressional authorizers.

No more securing authorization via the appropriations bills.

No more major real estate acquisitions without transparency.

When contemplating major transactions, the Smithsonian should inform Congress at the outset and utilize expertise from other relevant federal agencies.

The Smithsonian cannot take 70 percent of its annual budget from Congress and then claim that the Trust structure makes the Smithsonian completely independent of Congressional oversight.

Again, you have a great story to tell and to share with the American people and with visitors from around the world and I thank you for being here today as we examine these important issues.

I look forward to a fruitful discussion.

Ms. TITUS. And I will now recognize the ranking member, Mr. Palmer.

Mr. PALMER. Thank you, Chairwoman Titus. I want to welcome Secretary Bunch, the 14th Secretary of the Smithsonian Institution, and congratulate him on his appointment. I was talking with him earlier, that the last time I saw him was when he gave remarks on the 50th anniversary of the death of Dr. Martin Luther King, Jr.

You were both eloquent and inspiring.

Secretary Bunch brings a significant amount of experience and knowledge to the position. As Director of the National Museum of African American History and Culture, he oversaw the development and opening of this project.

Secretary Bunch, bringing your experience and background to bear on museums, research, and programs across the Smithsonian will be critical.

With that said, the committee's jurisdiction focuses on the Smithsonian's buildings and grounds. The Smithsonian has 19 museums, 9 research centers, 3 cultural centers, and the National Zoo, and owns or leases nearly 14 million square feet of space and nearly 29,000 acres of land.

While the Smithsonian raises funds on its trust side, a majority of the Smithsonian's budget is funded by the taxpayer through appropriations. The Smithsonian's buildings, acquisition and space management practice have a significant impact on cost, accessibility to the public, and the artifacts that the Smithsonian is trusted with. With the proposed purchase of one-half million square feet of space for a headquarters building, and the \$650 million renovation of the Air and Space Museum, we need to ensure these projects make sense and are appropriately managed.

We owe the taxpayer full transparency regarding how their dollars are being spent, and why. That is why our oversight is critical, and why it is important for this committee to receive timely and accurate information. It is critical that, where the Smithsonian requires authorization for projects and activities, such a need should be communicated to your authorizing committees.

In 2016, for example, the Smithsonian promised this subcommittee during a hearing that we would be kept fully up to date on its plans for its leased administrative office space, yet the committee received few details on the plans for a new headquarters building until years later. We still have questions on this acquisition, and whether the proposed arrangement, a condo-style purchase, makes sense.

We know your deferred maintenance is significant. We also recognize the challenge with balancing budget constraints with the need to invest in maintenance to avoid more costly repairs in the future. But if we can find ways to better utilize the trust side to address this issue, we can leverage private dollars to potentially help meet these needs.

Secretary Bunch, I know these issues predate your appointment. That said, we look forward to working to improve transparency and communication, and working together to find innovative ways to help you manage the space you need to carry out your mission.

[Mr. Palmer's prepared statement follows:]

**Prepared Statement of Hon. Gary J. Palmer, a Representative in Congress
from the State of Alabama**

I want to welcome Secretary Lonnie Bunch, the 14th Secretary of the Smithsonian Institution, and congratulate him on his appointment. The last time I saw him, he gave eloquent and inspiring remarks on the 50th anniversary of the death of Martin Luther King, Jr.

Secretary Bunch brings a significant amount of experience and knowledge to this position. As Director of the National Museum of African American History and Culture, he oversaw the development and opening of this project. Secretary Bunch, bringing your experience and background to bear on museums, research, and programs across the Smithsonian will be critical.

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centers, and the National Zoo, and owns or leases nearly 14 million square feet of space and nearly 29,000 acres of land.

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Secretary Bunch, I know these issues pre-date your appointment. We look forward to working with you to improve transparency and communication, and working together to find innovative ways to help you manage the space you need to carry out your mission.

Mr. PALMER. With that I yield back the balance of my time.

Ms. TITUS. Thank you. I now go to the chairman of the full committee, Mr. DeFazio.

Mr. DEFAZIO. Thank you, Madam Chair.

Mr. Secretary, good to see you again. And again, congratulations. The chair raised a number of issues. I won't be repetitive of concerns that I have.

In particular, I am hoping that you are going to address what we are going to do with the maintenance backlog. I mean, over \$1 billion. And you have had to relocate the headquarters out of the Castle. I want to know how we are going to get all this done, and how quickly we can get it done, and begin to pay that down.

And then, obviously, you will be moving artifacts around during some of the restoration work, and you are acquiring new—so I am also curious about long-term plans for storage.

I appreciate the fact that you own the majority of your buildings, unlike many Federal agencies, who end up paying—you know, the taxpayers don't benefit when we lease, and re-lease, and re-lease, and re-lease. And so, by owning, you are helping to conserve resources. And I appreciate that. But then along comes the obligation for the maintenance.

I do want to emphasize—and hopefully we can sort of turn a new page here, with the relationship between the authorizing committee and the Institution. For whatever reason, we have seen a lot of end runs to the Appropriations Committee.

We want to approach your concerns and problems and future plans thoughtfully in authorizing language. And if things are happening over in Approps that are basically impacting those things, we need to know. And we can be helpful with appropriations, but

also we are the authorizing committee, and there is a little sensitivity around that.

And, as the chair mentioned, we have at this point plans and authorization for two new museums, and I would be interested in your thoughts on that, since I believe the Smithsonian provides a 50-percent match on those institutions. And the Federal Government, obviously, will have an obligation.

And then the question about location. Any ideas you have on that, or it may be premature at this point.

[Mr. DeFazio's prepared statement follows:]

Prepared Statement of Hon. Peter A. DeFazio, a Representative in Congress from the State of Oregon, and Chairman, Committee on Transportation and Infrastructure

Thank you, Chairwoman Titus.

Secretary Bunch, thank you for joining us today and congratulations on your recent appointment.

The Smithsonian's extensive real estate portfolio is a significant part of what allows for the Institution's continued "diffusion of knowledge" around the world. However, when it comes to the Smithsonian's maintenance backlog, you have your work cut out for you. The most recent estimate of the cost of addressing overdue maintenance is over \$1 billion.

A backlog of this size undoubtedly affects the Smithsonian's ability to plan and implement strategic initiatives. Without necessary restoration of these aging facilities, the Smithsonian will not be able to carry out its important research or provide world-class exhibits to the public.

Among the many Smithsonian facilities in need of renovation is the Institution's headquarters at the historic castle. The Board of Regents voted this summer to relocate its headquarters to an office building near L'Enfant Plaza.

It's clear that deferred maintenance is affecting operations at the Smithsonian, so I'm interested in what your plan is to address the backlog and the need for additional storage space for the Smithsonian's growing collection of artifacts.

I appreciate that the Smithsonian owns the majority of its buildings, rather than leasing them. It doesn't make sense to waste taxpayer dollars on lease renewals when an up-front purchase or a purchase-option could save money in the long term.

However, I share Chairwoman Titus' concerns about the Smithsonian's repeated circumvention of authorization by this Committee. Given the significant contribution Congress makes toward the Smithsonian's budget, I think it's fair to say that funding needs to be cleared through the proper channels.

In addition, I'm interested to hear your thoughts on legislation referred to this Committee to construct new museums focused on the history of women and Latinos in America. H.R. 1980, the Smithsonian Women's History Museum Act, and H.R. 2420, the National Museum of the American Latino Act, have broad bipartisan support in the House of Representatives. In fact, I'm a cosponsor of both bills myself. I'd like to hear your plans for both museums if these bills are enacted.

Thank you again for attending this hearing and I look forward to your testimony.

Mr. DEFAZIO. So, with that, Madam Chair, I would love to hear from the Secretary. Thank you.

Ms. TITUS. Thank you.

Well, Mr. Secretary, welcome once again.

For the record, we have Mr. Lonnie Bunch III, who is the Smithsonian Institution Secretary.

And we are delighted to have you, and look forward to hearing your testimony.

Without objection, our witness' full statement will be included in the record.

And since your written testimony will be part of the record, we request that you limit it to 5 minutes. Thank you.

**TESTIMONY OF LONNIE G. BUNCH III, SECRETARY, THE
SMITHSONIAN INSTITUTION**

Mr. BUNCH. Is that now working now? OK, thank you.

My tenure as the 14th Secretary of the Smithsonian is just beginning. However, my relationship with the Smithsonian goes back to 1978, when I first joined the Institution as a historian at the National Air and Space Museum. Then I served as the Associate Director for Curatorial Affairs at the National Museum of American History. And then finally, I was fortunate enough to be the Founding Director of the National Museum of African American History and Culture.

I am pleased and humbled to assume the role of Secretary of the Smithsonian Institution, an institution that I love so much.

But for most of our visitors, their first impression of the Smithsonian is of our iconic buildings on the National Mall, home to some of the Nation's greatest treasures. What they may not realize is that the Smithsonian extends far beyond the Mall.

Since our founding, the Smithsonian has been a local, national, and global institution, doing work that you might not expect. The global team that captured the first image of a black hole was directed by Smithsonian scientists at our Astrophysical Observatory in Cambridge, Massachusetts. Researchers at the National Zoo and the Conservation Biology Institute work to reintroduce species that have gone extinct in the wild back to their native habitat. Experts at the Smithsonian Environmental Research Center track and monitor invasive species in every port in the United States.

Though I have spent my entire career at the Smithsonian, I am constantly amazed, because I am learning new things about this wondrous institution.

But all these incredible achievements are enabled by our facilities, which face tremendous challenges. Much of the Smithsonian's infrastructure is aging, with systems that have exceeded their lifespan. As a result, many of our facilities fall short of industrial best practices for their care and maintenance. This is the result of an accelerated growth in Smithsonian buildings that spanned several decades.

Currently, we have a maintenance backlog of just over \$1 billion. A billion-dollar backlog may sound insurmountable, but it is not. Since becoming Secretary, I have had a chance to look at this with fresh eyes. In order to be more strategic in our approach, I have directed our staff to begin analyzing our projects in a new way.

Rather than simply seeing a backlog in total as \$1 billion, I want us to analyze our maintenance projects building by building. With this approach we have a better sense to communicate our existing priorities, develop a better sense of where our limited Federal dollars are best spent, and find opportunities to address our maintenance needs as part of our capital revitalization projects. The strategic combination of capital projects with steady growth and maintenance from Congress will yield greater results. I believe that addressing our maintenance backlog is of paramount importance to the future of the Smithsonian.

We are so fortunate to receive the support of Congress in addressing our recent and most pressing infrastructure needs: the renovation of the National Air and Space Museum. Because of this

support, we are on track. Exhibits in the western half of the building are scheduled to reopen in 2022, and to fully reopen in 2025.

Beyond the Air and Space Museum, we are beginning to plan for the revitalization of two of our oldest buildings, the Castle and the Arts and Industries Building. This project will address physical deterioration, replace obsolete systems, install seismic protection, and incorporate modern accessibility and safety standards. Planning for this project is an opportunity for us to develop a vision of how best to use these historic landmarks to better serve our audiences.

Projects like this are highly visible components of our immediate facility needs. But many of our greatest challenges are behind the scenes. We care for 155 million objects, most of which are not on display. They are actively used as research objects by dozens of Federal agencies and scientists worldwide.

But sadly, 47 percent of our collection space is inadequate. To address this problem, we have begun implementing a collection space plan, an ongoing cycle of constructing state-of-the-art facilities, relocating at-risk collections, and revitalizing substandard spaces.

We are making steady progress. We recently finished a collection space building at the National Air and Space Museum Udvar-Hazy Center. It was immediately used as swing space to help us move the artifacts from the Air and Space Museum, as it is going under renovation. And when the Air and Space Museum is completed, that storage space will allow us to remove many of the aviation collections that are in poor conditions at the Garber facility.

We have got a planning phase for additional pods at the Smithsonian Museum Support Center, and for this project we are collaborating with the National Gallery of Art to share construction costs and operations of this facility. This is a win-win situation for both institutions.

But as we look at potential future facility needs, there are many knowns, but many unknowns. We know that our collections will grow. Research continues to advance, and history unfolds before our eyes. And to continue to tell the story of America, we need to continue to collect collections.

But we also know that we have to protect those collections in light of the changing environment. We know that Washington, DC, will have more intense precipitation, increased storm surge, a rising Potomac. So we know that the National Mall may be at risk. We have already implemented preventative measures. We have moved many of the archives of the National Air and Space Museum out to the Udvar-Hazy Center. We have relocated objects from the ground floors of the National Museum of American History building, which is really the building most at risk.

And when we look to build new buildings, we do what we did with the National Museum of African American History and Culture. We made sure that water protection measures were incorporated into the design, so that the Smithsonian, if they are mandated to build new museums, we want to make sure that climate considerations will be crucial. The prospect of new museums is really the great unknown for us.

The current proposal for a National Museum of the American Latino and National Women's History Museum enjoy broad bipartisan support. As I have said to you and many others, if Congress

deems it in the public interest to move forward with these proposals, we believe it is critical that any additions to the Smithsonian do not negatively impact our existing facilities, many of which I will outline for you today.

A new museum needs funds, both for the creation and the long-term operation, the care of collections, the building of staff, and the safety and protection of our visitors. It is my responsibility to ensure that all our museums, all our research centers are appropriately cared for. But I believe, with proper support, we can create new museums that exceed our imaginations and build on the standards of excellence set by the Smithsonian.

This desire for new museums reflects a need to ensure that our Nation's cultural institutions provide a complete and inclusive representation of the American experience. We will work diligently to tell a broader, more complete narrative with the resources we already have. I am proud of the work that we have done with the Latino Center and the Asian Pacific American Center. And most recently we have launched the American Women's History Initiative. All of these efforts work to make sure that the Smithsonian, beyond individual museums, creates programs, mounts exhibitions, and grows collections.

The Smithsonian is the steward of the Nation's museums, collections, exhibits, research, libraries, and educational resources. Our museums are powerful symbols of our shared cultural values. The buildings that line the National Mall tell the world what it means to be an American. Our cultural institutions are greater than the sum of their parts. They are more than bricks and mortar. Because of that, I thank you for taking the time to hold this hearing and making our facilities such a priority.

It is a privilege to testify before you today, and I welcome any questions you have.

[Mr. Bunch's prepared statement follows:]

Prepared Statement of Lonnie G. Bunch III, Secretary, The Smithsonian Institution

Chairwoman Titus, Ranking Member Meadows, and Members of the Committee, thank you for the opportunity to testify today on the current and future facilities needs at the Smithsonian.

My tenure as the 14th Secretary of the Smithsonian Institution is just beginning. However, my relationship with the Smithsonian spans many years. I originally joined the Smithsonian in 1978 at the National Air and Space Museum. Since then, I have served as associate director of curatorial affairs at the National Museum of American History. Most recently, I was honored to serve as founding director of the National Museum of African American History and Culture. I am pleased and humbled to assume my role as the Secretary of this Institution, one that I love so much.

For most of our visitors, their first impression of the Smithsonian is of our iconic buildings on the National Mall, home to some of our nation's greatest treasures. What they may not realize is that the Smithsonian extends far beyond the Mall. Since our founding, the Smithsonian has been a local, national, and global institution, doing work that you might not expect. The global team that captured the first image of a black hole was directed by Smithsonian scientists at our Astrophysical Observatory in Cambridge Massachusetts. Researchers at the National Zoo and Conservation Biology Institute work to reintroduce species that had gone extinct in the wild back to their native habitats. Experts at the Smithsonian Environmental Research Center track and monitor invasive species for every port in the United States. Though I have spent most of my professional life at the Smithsonian, even I am constantly learning about the amazing accomplishments of my colleagues.

All of these incredible achievements are enabled by our facilities, which face tremendous challenges. Much of Smithsonian's infrastructure is aging, with systems that have exceeded their useful lives. As a result, many of our facilities fall short of industry best-practices for their care and maintenance. Currently, we have a maintenance backlog just over \$1 billion. This is the result of an accelerated growth in Smithsonian buildings over several decades.

A billion-dollar backlog may sound insurmountable, but it is not. Since becoming Secretary, I've had a chance to look at it with fresh eyes. In order to be more strategic in our approach, I have directed our staff to begin analyzing our projects in a new way. Rather than seeing our backlog in total, we will be analyzing our maintenance projects building by building. With this approach, we'll be better able to communicate our existing priorities, develop a better sense of where our limited federal dollars are best spent, and find opportunities to address maintenance needs as part of our capital revitalization projects. The strategic combination of capital projects with steady growth in maintenance from Congress will yield greater results. I believe that addressing our maintenance backlog is of paramount importance to the future of the Institution. We have been fortunate to receive the support of Congress, in addressing our most recent and pressing infrastructure need, the renovation of the National Air and Space Museum. Because of this support, we are on track. Exhibits in the western half of the building are on schedule to reopen in 2022, and to fully reopen in 2025.

Beyond Air and Space, we are beginning to plan for a revitalization of two of our oldest buildings, the Castle and the Arts and Industries Building. This project will address physical deterioration, replace obsolete systems, install seismic protection, and incorporate modern accessibility and safety standards. Planning for this project is an opportunity for us to develop a vision for how to best use these historic landmarks to better serve our visitors.

Projects like this are a highly visible component of our facilities needs, but many of our greatest needs are behind-the-scenes. We care for 155 million objects in our collections. These items are not limited to our on-display artifacts. They are actively used research objects for historians and scientists worldwide. Our collections support the work of dozens of federal agencies to perform their missions. Whether they are used to identify invasive species or to prevent planes from making a potentially deadly bird strike, our collections are an essential resource for the country. Sadly, about 47% of our collections space is inadequate. To address this problem, we have been implementing a Collections Space Framework plan. Under this plan, we are engaged in an ongoing cycle of constructing state-of-the-art facilities, relocating at-risk collections, and revitalizing sub-standard spaces.

We are making steady progress on our collections needs. We recently finished a collections space at the National Air and Space Museum's Udvar Hazy Center in Chantilly, Virginia. It was immediately put to use as the swing space for artifacts removed from the Air and Space Museum on the Mall during its revitalization. Upon completion of that project in 2024, the Udvar Hazy storage space will enable us to move and restore aviation collections currently in poor condition at the Garber facility in Suitland, MD.

In the same Suitland campus, we are also in the planning phase of an additional collections Pod at the Smithsonian Museum Support Center. For this project, we have been collaborating with the National Gallery of Art to share the costs of construction and operations of the facility. This is a win-win for both institutions, and a great value to taxpayers.

As we gain capacity in these new spaces, we can begin to empty our inadequate spaces, and ultimately demolish and redevelop the site. We are currently master planning for the future development of the Suitland campus. Through this steady progress, we can improve our existing collections care and prepare for collections needs into the future.

As we look at potential future facility needs, there are many knowns, but also many unknowns. We do know that our collections will grow. Research continues to advance, and history unfolds before our eyes every day. To continue appropriately telling the story of America, it's paramount that we collect the objects that tell our ever-evolving story.

We also know that protecting the artifacts and buildings we have now will become more difficult. We live on a planet with a rapidly changing climate, and our facilities are not immune from it. The Washington D.C. Metro area will be impacted by intensification of precipitation, increased storm surge, and a rising Potomac. According to National Park Service projections, much of the Mall will be at risk of severe flooding after a major storm by 2030.

We are assessing this threat throughout our facilities and have already implemented some preventive measures. For example, the archives of the National Air

and Space Museum have been relocated to the Udvar Hazy Center, where flood risk is significantly reduced. Similarly, objects have been removed from first floor storage at the National Museum of American History, our building with the most severe flood risk.

This assessment also impacts how future buildings are designed. When the site of the National Museum of African American History and Culture was selected, we knew from the beginning that there was an elevated flood risk, so water protection measures had to be incorporated into its design. Should the Smithsonian be mandated to construct any new museums, climate considerations will be a crucial part of any site selection and planning.

The prospect of new museums being created is the great unknown for the Institution's future. The current proposals for a National Museum of the American Latino and a National Women's History Museum enjoy bi-partisan support here in the House of Representatives. As I have said to you and many of your colleagues, if Congress deems it in the public interest to move forward with these proposals, we will believe it is critical that any additions to the Smithsonian do not negatively impact Smithsonian's pressing infrastructure and collections space needs that demand our immediate and on-going attention as I have outlined for you today.

A new museum requires funds for both the creation and long-term operations of the facilities, the care and preservation of its collections, the safety and protection of our visitors, and the on-going success of its programs. It is my great responsibility to ensure that all of our museums, research centers, libraries, and educational centers are appropriately cared for. Only then can we create new museums that exceed our imaginations and build on the standards of excellence set by the Smithsonian.

The desire for new museums reflects a need to ensure that our Nation's cultural institutions provide a complete and inclusive representation of the American experience. While Congress deliberates, we will work diligently to tell a broader and more complete narrative with the resources already at our disposal.

An example of a current effort to expand inclusivity is the Smithsonian American Women's History Initiative, *Because of Her Story* which launched in 2018. *Because of Her Story* represents a pan-institutional embrace and celebration of women's history as an integral part of the American story. Three *Because of Her Story* exhibitions have opened this year, and five more are slated to open within the next two years. *Because of Her Story* funded 10 internships in summer 2019. Additionally, there are 14 public programs or educational efforts currently funded. This is only the beginning of a transformative way of thinking about our content. I want to thank Congress for their on-going support and commitment to this important priority.

The Institution has been working diligently for more than twenty years to increase the Latino presence throughout the Smithsonian's museums, collections, research, and programs. The Smithsonian Latino Center was created in 1997 to promote Latino presence within the Smithsonian. The Center is not represented in one physical location; rather, it works collaboratively with the Institution's museums and research centers, ensuring that the contributions of the Latino community in the arts, history, national culture, and scientific achievement are explored, presented, celebrated, and preserved.

Our museums and programs have increased their collections and mounted scores of exhibitions and programs that relate to Latino American history. Currently, the Smithsonian Latino Center is preparing to unveil the first Latino gallery to open on the National Mall. The new permanent Molina Family Latino Gallery will open in the National Museum of American History in the fall 2021. The Latino Center currently has fifteen curators and nine curatorial assistants who we have added to our Museum staff in the last several years. We expect that many more diverse staff will be added in the future.

The Smithsonian also founded the Smithsonian Asian Pacific American Center (APAC) in 1997 which has served to further the inclusion of Asian Pacific Americans across the Smithsonian's collections, research, exhibitions, and programs. APAC aims to bring the diversity and complexity of Asian Pacific America—the fastest growing ethnic group in the U.S. with a population of almost 20 million—to the Smithsonian. The Center is currently fundraising for the first permanent gallery dedicated to Asian Pacific American history, art, and culture in the Smithsonian.

The Smithsonian's museums are more than a space to mount exhibits, to conduct research, or to educate visitors. They are powerful symbols of our shared cultural values. The buildings lining the National Mall tell the world what it means to be an American. They represent our history, our ingenuity, and our creativity. You need only ask the people of Brazil, who lost their National Museum, or the people of France who now must rebuild Notre Dame. Our cultural institutions are greater than the sum of their parts, they are more than brick and mortar.

Because of that, I thank you for taking the time to hold this hearing, and making our facilities such a priority. It is a privilege to testify today, and I welcome any questions you may have.

Ms. TITUS. Thank you very much, Mr. Secretary. We will now move on to the Members' questions. Each Member will be recognized for 5 minutes, and I will start by recognizing Mr. DeFazio.

Mr. DEFAZIO. Thanks, Madam Chair. I have to meet with the head of maritime safety for the Coast Guard, so I appreciate your accommodating my schedule.

So, Mr. Secretary, the Smithsonian, obviously, has kind of a split personality here. Sixty-two percent of the budget comes from the Feds, and 100 percent of the maintenance, and then you have got to come up with the balance.

But again, this points us back to authorization, appropriations. I have been an authorizer for 33 years, and we get a little sensitive about these things. And there have been a couple of instances that were of concern where, at one point, you purchased a building and then paid the trust back with Federal lease payments, and then you sold it for a profit, and put the profit in the trust, and then leased it back again. Again, all without sort of, I would say, proper oversight.

And now you want to buy a new headquarters building. And you have asked the appropriators to allow the Smithsonian to use Federal rent payments to pay the trust back for the purchase, but the building will be owned by the trust and not the Federal Government. And at least your predecessor said the Smithsonian does not need authorization for that.

Do you agree with that?

Mr. BUNCH. I think that what is clear to me is that the Board of Regents feels that they have great statutory authority, based on the charter, to enter into work with the trust. That is the mission of the Smithsonian.

I think the most important issue for me is to say, candidly, the Smithsonian has made a lot of mistakes, in terms of communication, in terms of really working effectively with the authorizers.

And the one thing I can say to you is, if I look at my career over the last 14 years, it has been clear that I have worked very well with Congress, and I have really embraced transparency.

So my notion is that the Smithsonian will not make those mistakes again. And one of the things I have done is I have asked the Smithsonian staff to work together to bring together a group that will actually pull together a periodic white paper for Members of Congress, so that any issues that I think are important that need to be raised, you will see them in a timely fashion. I am committed to making sure we don't repeat the mistakes of yesterday.

Mr. DEFAZIO. OK. Well, I appreciate that. And it sounds like perhaps we can begin to turn the page here, and that would be good, because we want to be advocates for you and help with these issues.

As far as I know, the annual appropriations bills at this point—I mean, you are recognizing Congress has to have a role, not just the Board of Regents—are authorizing your leasing authority. And is that—do you understand that, that that is the way it has been working?

Mr. BUNCH. Oh, absolutely.

Mr. DEFAZIO. Right.

Mr. BUNCH. That we have statutory—and you make sure that the Federal leasing authority is something that you grant to us.

Mr. DEFAZIO. Right. Well, you have—40 U.S.C. 301 doesn't allow for it to be sort of outside of the process. So I appreciate some recognition of that on your part.

At this point, I am going to yield my time back to the chair for her more incisive questions, and I have got to run off and try to be an expert on maritime safety.

So thank you, Mr. Secretary.

Ms. TITUS. Thank you, Mr. Chairman. I just will continue that, too, but I would like to go back to the backlog that you mentioned, the billion-dollar backlog.

You said it is not insurmountable and you have some plans to address it. Could you lay out for us some of those plans, how you are going to retire it?

Since we already provide about 70 percent of the overall budget, can you go somewhere else for the money as you look at these programs in a more piecemeal fashion, rather than just coming back for an additional appropriation?

Mr. BUNCH. I think we are going to look at this in several different ways.

What is important to me is that this is one of the priorities for the institutions crucial to our future.

It seems to me that, one, I do want to acknowledge the fact that you have helped us by giving us more resources to wrestle with our deferred maintenance and our backlog. That is crucial. And we are working now to think about what is the best strategy to do that, moving forward.

And what we realized is, one, is to have a better systematic approach to what is our backlog, and to be able to understand what are the priorities so that we can really make decisions about today and for tomorrow.

We also realized that one of the key things we have to do is, in addition to spending money for maintenance, is to make sure we are spending money on preventative maintenance. And for us, this is really the key, and we have really begun to rethink how we do that to make sure that we can maintain the newest of buildings, as well as many of the older buildings.

Part of what we want to try to do is recognize that, when we do our capital revitalization projects, that what we want to do is use those as a way to get at some of this backlog. If you look, for example, at what we are doing with the Air and Space Museum, that allows us, in addition to the rejuvenation of that building, it allows us to address more than \$200 million of deferred maintenance. So we are looking at different strategies to do this.

We also always look to see if there are private donors that can support us. But the truth of the matter is very few donors are interested in providing for that kind of back-of-the-house, nonvisible. But it doesn't mean that we can't think creatively about, when we are looking for support for major exhibitions, again, a part of that being peeled off to help with that. We are looking at a variety of ways to do that.

But I think the systematic approach, really marrying the capital rejuvenation with backlog, and really doing a much better job of preventative maintenance, will allow us to really take a good whack at this. The reality is that we would love to be at 3 percent of the CRV, which would allow us not only to end backlog, but to begin to cut them down in significant ways. So we are looking at all the different ways we can do it. But I do think this new systematic approach will at least give us clarity.

Ms. TITUS. Thank you. I know at one point it was recommended that you do, like, 2.8 percent, and the reality was about 1 percent.

Mr. BUNCH. We are at 1 percent, and we are looking at what are other possibilities.

Ms. TITUS. I want to go back to the chairman's questions about the statutory authorization for the purchase. Do you have an internal document that justifies that purchase, or have you just relied on just the way it was done before, or have the appropriators said it is OK? Because at one point the House didn't agree with the Senate on what was going to be allowed for the Smithsonian to do, in terms of this kind of condo arrangement.

Mr. BUNCH. Well, I think what we are relying on is the sort of charter and the history of the Smithsonian. But what I would like to do, for the record, is go back and have the experts who know this better than I prepare a response for you in that area, because I am a pretty good historian, but not a good lawyer.

Ms. TITUS. All right, thank you. And we will ask them to do that.

Well, would you just address a little further the two new museums that are being proposed, and how do we find somebody like you to head up those efforts? Is that going to be possible?

Mr. BUNCH. You flatter me. I think that it is important to realize that the Smithsonian, given the right resources, can make institutions that are magical. And I think we can find people that can do that. The question, really, is can we really get the resources that are needed, both Federal and private, to build the institutions, but also to maintain them? And can we do it in such a way that the Smithsonian continues to receive the resources it needs to maintain its current programs and current buildings? That is the challenge.

With that done, there is no doubt in my mind we can make major institutions that will make the world proud.

Ms. TITUS. And in the meantime, though, you have initiatives going in both of those areas, I believe.

Mr. BUNCH. What is key for me is my whole career has been about expanding the canon, making sure that the diversity of America is explored in many ways. And I am very proud of what the Smithsonian has done.

I think the Latino Center, which has been around for 20 years, has really done something crucially important. It has embedded curators in different museums who care about Latino culture.

And, as you know, in a museum, curators are the people that shape everything, even more than directors. And to have that support, congressional support that allowed us to do that, really does begin to make a difference. So my hope is that, even if there isn't a museum, we will continue to make sure those stories are told very powerfully.

And I am very proud of the new—relatively new initiative on—the American Women’s History Initiative, because I think it is crucial for us to recognize that we at the Smithsonian should not be telling stories about women just because they are separate stories. We should be saying that the story of women is really the best lens to understand what it means to be an American. So therefore, all the institutions that touch that as part of the Smithsonian should be doing that. And so this new Women’s History Initiative is allowing us to do that.

So the best part about that is that, if there are museums, we now have people that are working in those areas, collections are beginning to be built. Obviously, they would be a foundation upon which any new museum would build.

Ms. TITUS. I know that is true in Las Vegas with the National Atomic Testing Museum. There is a whole oral history project of women who were there, who were certainly in the minority, but who have an interesting story to tell. So—

Mr. BUNCH. And I think it is so interesting, because I have listened to that oral history project. And what it really tells you is how central they were to the project itself. Right? And so that, in essence, it is not an ancillary story, it is the central story. And that is what I would like the Smithsonian to do when it comes to women’s history.

Ms. TITUS. Thank you. I may come back in a minute, but we will move ahead.

Mrs. Miller, you will be recognized.

Mrs. MILLER. Thank you, Chairwoman Titus, for having this today.

And welcome to our committee.

Mr. BUNCH. Thank you.

Mrs. MILLER. I believe that art and science and culture are so very important, a part of human history. In my little State of West Virginia, people just associate beautiful trees and coal mines. But we have culture, we have Lebanese people, Italian people. There are still pockets of individuals that speak almost Elizabethan English. This culture is so important.

I must say that I am a little biased, because I was a member of the West Virginia Commission on the Arts for a number of years. So what you do I hold very dear to my heart, as well. And I think it is very important for our future generations that they are able to share in our culture, our diverse culture, and the art, and just how we can educate people.

And, you know, now that we understand that STEAM education is so important, and that the arts do hold a wonderful part to our lives, in your testimony you mentioned disaster-resistant building design. Do you plan to include disaster-resistant building updates in your revitalization plans?

Mr. BUNCH. Because the issue of sustainability is so important to me, as evidenced by the work we did at the National Museum of African American History and Culture, we have taken on a desire to make sure that everything we do is pointing us toward sustainability.

As we are beginning to look at what we are redoing with the Castle, and the Arts and Industries Building, we will look and see

what are the things we can do to make it sustainable, to make sure that it is protected against disaster.

It is early, so we don't have any plans, formal plans. But the goal, the commitment is to make sure that these buildings contribute a sense that the Smithsonian is modeling the kind of sustainability we expect.

Mrs. MILLER. Can you tell us about how you are analyzing maintenance on a building-by-building basis?

Mr. BUNCH. What we are looking at is, instead of saying, you know, we have a billion-dollar backlog and it is all lumped together, what I want to do is to be able to go through every system in every building, so we know when they are at the end of their lives, where we are now, what are the ones that are most crucial. And that would then allow us to, every year, begin to make adjustments to make sure that we are spending our money at the most important parts of the institutions, facilities that need to be preserved and revitalized.

I think that, by doing that, it will also give us a discipline to be able to make sure that we are spending the time on preventive maintenance, as well as fixing old and lasting problems.

Mrs. MILLER. Are you making progress in terms of prioritizing that funding?

Mr. BUNCH. I think we are. What we have done is I have asked the staff to really make this the priority, and so we are working on pulling that data together. I don't have it yet, but it is something I have asked the staff, and I will have.

Mrs. MILLER. You know, even in your own home, you put the date on the hot water tank when you replace it. You put the date on the furnace, so you know when you have done work on your roof. I am sure it is the same, just millions of dollars larger.

What are some of the maintenance challenges that you foresee in the next couple of years?

Mr. BUNCH. Well, I think the biggest challenge is that, for so long, the Smithsonian has created new facilities with not corresponding maintenance support. And so, really, it is now to basically turn that around and put the resources and put the time and energy to make sure that we don't continue—for this hole to get bigger and bigger and bigger.

So my goal is to, basically, one, bring a systematic approach to it, and then look as creatively as we can to address this. We will always need congressional support to help do that.

Mrs. MILLER. Absolutely. And can you tell us about the specific changes that you plan to make in revitalization of the Castle and the Arts and Industries Buildings?

Mr. BUNCH. I think it is early in the work to be able to be very specific, except that I can say that the Arts and Industries Building and the Castle are two of the buildings that mean a lot to me. The Arts and Industries Building, as you know, has spent a lot of money to take care of the exterior, that we have—we have given stability. The roof is strong. But it is still a shell.

And at this stage what we are doing is we are testing the use of it. We did the installation, my installation, in there. We have done things with the Folklife Festival. We want to see how that space can be fixed, and how it can be used. The challenge is that

we still have to fix all the internal systems. There are issues of accessibility, safety that have to be addressed. But what we are doing is we are putting together a team of people that are looking at the 175th anniversary of the Smithsonian. And what we want is we want the exhibition to be in that building. And we want to use that to begin to actually move pieces in that will make that building more useful again, and usable, and test what we can do.

The truth of the matter is the Arts and Industries Building is still a major work in progress, because there is so much that needs to be done.

In terms of the Castle, we are really at the preliminary stages. What I have asked is that I want to look at the Castle as more than an office space. How is it something that we serve the visitors better, the space is more accommodating to visitors? So we are really beginning now to look at that plan to say how is this both a space for offices and people, but how is it also something that provides auditory, or provides space to engage the public more effectively?

So right now we are in the beginning stages of those plans, and I am just getting briefed on that now.

Mrs. MILLER. Thank you, Mr. Bunch. I yield back my time.

Ms. TITUS. Thank you. The Chair now recognizes Ms. Holmes Norton to ask questions for 5 minutes.

And remember, this is your constituent.

[Laughter.]

Ms. NORTON. I won't let anybody forget it.

And I want to congratulate you once again, Mr. Bunch, on what you have done, and on the vote of confidence you really have had in your past work, which is why you are where you are now.

Actually, I am intrigued by the real estate deals that the trust has done, and almost want to congratulate you on them. The Congress doesn't look like it is going to fork over any money soon. Some of them raised a little eyebrows. But as long as they don't violate the Antideficiency Act, it seems to me that we will let you be as experimental as you can be.

This headquarters move from the Castle to a building where— it looks like you are already in part of that building on Maryland Avenue. Is that a building you would like to buy in its entirety?

Mr. BUNCH. What we did, as you recall, is that, after talking to GSA to get some guidance, we did an RFP where there were five, basically, sites that were in the running. Two were very conducive. One was an empty site that needed to—had construction, and the other was Cap Gallery. And part of what—where we are leaning towards now.

And part of the issue for us was where can we consolidate the most of our staff, where can we be sure we are not going to run into building construction delays and the like, and, also, in some ways, because there has been so much investment, if you will, in the Cap Gallery space, in terms of our emergency control centers, and archives there, that it made better sense, once we analyzed everything, to acquire portions of that building.

And the challenge is as you framed it. What we are attempting to do, we would like to acquire one complete tower and part of the second. But in essence, we enter into a partnership, that we have

a partner who is going to handle some of the retail, some of the parking, some of the spaces we don't need. And then, ultimately, it would allow us to provide the adequate security and completely in one tower, and then appropriate measures for security in the second tower.

I think, in a way, there is no doubt this could be seen as a little unorthodox. But the real challenge is we need to think, as the Smithsonian, how to be more nimble in the 21st century. And I think working to consolidate the leases, thinking about new ways of ownership will allow us, I think, to ultimately save the Federal Government money and serve the taxpayer better.

Ms. NORTON. And you think—again, along with your deals, that you have the funds to purchase this building?

Mr. BUNCH. What we have, what we are asking, is the opportunity to—we will get a bond that will pay for it. What we would like to be able to do is use the Federal rent money that we are receiving to put that into the trust account and use that to pay down the debt.

Ms. NORTON. And you think you can work the deal that way?

Mr. BUNCH. We hope you will let us work the deal that way, yes.

Ms. NORTON. Well, considering that we are not appropriating money, it seems to me we have got to listen very carefully on how you intend to do it, because your creativity is welcomed.

I am concerned, though, that the Smithsonian—in fact, the GAO did a study and found that those with independent authority are not in compliance with this reduced footprint that the rest of the Federal Government is in. I am actually for the reduced footprint. And it seems to be working out very well.

Remember, we are not talking about space for exhibitions. We are talking about spaces which—sometimes Federal employees work at home.

In considering new space, have you considered this GAO report which criticizes not only you, but all those that have independent leasing authority? Have you considered bringing yourself, as you look for more space, into compliance with this reduced footprint that other agencies are held to?

Mr. BUNCH. What we are looking to do is, yes, is look at that. As part of, let's say, the Capital Gallery, some of the space is already reconfigured. But any new space that we would use, we would come in compliance. That is really important to us.

The other thing that is crucial is that, as we are trying to anticipate the future, we are trying to make sure we have enough space for swing space when we move people out of the Castle.

But even more importantly, if we are asked to build new museums, when we were asked to build the National Museum of African American History and Culture, it took us a while to find the space, so I couldn't hire staff. So what I am trying to do is give the Smithsonian as much flexibility as possible, so that if we are asked to take on more, we can handle that.

Ms. NORTON. I see my time has expired. Thank you very much.

Ms. TITUS. Just to your earlier question, I would point out again that the fiscal year 2020 House appropriations bill specifically denied the Smithsonian's request to use the money from the rent to pay back the trust for the purchase of this. And we don't know

what is going to happen with that bill, or if we are going to do a continuing resolution, or there will be a conference, but that will be a challenge. Is that correct?

Mr. BUNCH. I would have to doublecheck that. I am not 100 percent sure, but that sounds correct. They are nodding and telling me it is correct.

Ms. TITUS. All right, thank you. Now [inaudible].

Miss GONZÁLEZ-COLÓN. Thank you, Madam Chair. And good afternoon.

First I want to discuss the proposed National Museum of the American Latino, H.R. 2420. It has already 244 cosponsors, as we speak. And having experience of the National Museum of African American History and Culture, I would like to know what kind of impact a museum like this and the women's museum can help us out.

Mr. BUNCH. I am sorry, I didn't hear the last part of what you said, I am—I apologize.

Miss GONZÁLEZ-COLÓN. I support the National Museum of the American Latino. And I know, at the time the National Museum of African American History and Culture was in the research process, a lot of questions were asked.

My question to you will be what is needed to get the National Museum of the American Latino finalized?

Mr. BUNCH. I think there are several things because, if there is one thing I know how to do, it is how to build a new museum. And I think that part of it is recognizing that it is a longer term commitment, that getting the resources to build the institution is one thing, but getting the resources to make sure you can hire the right staff, that you can build the collections that are needed, and that you have got the resources for the long run is really some of the challenges.

I also think that, in a very practical way, that when the National Museum of African American History and Culture was asked to be built, it was a 50/50 public-private partnership, I know that is the plan for the National Museum of the American Latino. But there wasn't a mechanism to ensure when those resources would be released, and that made it more difficult for planning, and took extra years to get the process done.

So there are some very specific things that I can say that would help move that process along. But I think the most important thing is to recognize that it is going to have to not only have the resources to open, but also resources to support the Smithsonian. Because one of the most important things that happens when a new building comes on is that the maintenance, the security—there are central institution activities that are carried on independently of the museum, and we are going to need to give the Smithsonian the resources to be able to do that, as well.

Miss GONZÁLEZ-COLÓN. How can the Smithsonian Institute either provide already leased space for a new museum, or acquire the necessary new space for a prospective museum?

Mr. BUNCH. I think that, according to the legislation, the Smithsonian would be asked by—the Board of Regents would be asked to find the space, and we would look and see what are the available

spaces. It would be based on everything from visitor access—there are environmental issues that we would look at—

Miss GONZÁLEZ-COLÓN. Is it realistic to still use the 150 feet per person that GSA is requiring?

Mr. BUNCH. It is hard to use that for a museum, itself. It is easier for office space, but it is hard to use that for a museum.

Miss GONZÁLEZ-COLÓN. In the last Congress this committee worked with the administration to pass H.R. 4009, the Smithsonian National Zoological Park Central Parking Facility Authorization Act, and will leverage using private financing to allow construction of the new parking at the National Zoo. But later on the Smithsonian decided it will not proceed to this project.

How is the Smithsonian planning to address the parking needs of the National Zoo?

Mr. BUNCH. I think that that notion, when we were going to build the parking at the zoo, ultimately the partner that we worked with wasn't effective, and we felt it wasn't the right partner for us to do that.

I think that, at this stage, the Smithsonian is still always working with the District of Columbia to look at how we handle parking.

One of the challenges of a new building is just the simple fact that it will bring more people, and we do what we do, which is encourage people to take public transportation.

Miss GONZÁLEZ-COLÓN. How can you decide whether you lease or buy new land? What is the measure for that?

Mr. BUNCH. Well, the goal is always to get out of all these leases. These leases are things that, ultimately, will keep going up as new businesses—Amazon is coming to Virginia. So the goal is to try to limit as many leases as we can. And that is why owning a building, allowing us to consolidate leasing and staff, is really, ultimately, more a better business model, and more effective down the road.

Miss GONZÁLEZ-COLÓN. My question is made because one thing is having a new building or a new facility. There is a Smithsonian—one is a temporary facility, and another one is a permanent one. How do you manage with—I mean, do you consult the GSA, with the Government Accountability Office, or any other entity about the interest when you buy a property, whether it is better for the taxpayers' money when you need to put that money in front, than actually having a lease? Is that something that you work with the Federal agencies, or is it just a decision from the Smithsonian Institute?

Mr. BUNCH. We have, for example, over this last—thinking about buying this new building, we did consult with GSA, got their guidance. We clearly are comfortable, as we move forward, looking at spaces that GSA may have. We would be willing to have those conversations with GSA.

Miss GONZÁLEZ-COLÓN. You did that? You did have those conversations?

Mr. BUNCH. We had some conversations where we asked for guidance from GSA as we went forward with the RFP.

Miss GONZÁLEZ-COLÓN. My time expired. Thank you, Madam Chair.

Ms. TITUS. [Inaudible.]

Mr. BROWN. Thank you, Madam Chair, Mr. Secretary. Maryland's Fourth Congressional District that I have the privilege to represent is home to the Museum Support Center, the Smithsonian's principal off-site collections, preservation, and research facility. It is located, as you know, in Maryland: Suitland, Maryland. The facility houses 55 percent of the Institution's irreplaceable national collections, with approximately 300 full-time and about 50 rotating personnel. The center maintains the latest in museum technology and design to provide optimum conditions for the preservation and study of the Smithsonian's collections.

I want to ask you a few questions about that. But before I do I just want to take this opportunity to say I love the number 14. I love it for two reasons. One is I love our 14th Librarian of Congress, and I deeply admire our 14th Secretary of the Smithsonian Institution. I want to congratulate you.

No doubt your successful career will become a very storied career as an educator, historian, curator, director, president, founder, and now Secretary. And having served in museums from Chicago to California and our Nation's Capital, I really, really appreciate your contributions to recording and preserving our Nation's history, our heritage, our culture, and who we are, and what we are, as a people. So, from the bottom of my heart, I really want to thank you.

Mr. BUNCH. Thank you.

Mr. BROWN. Now my question. The Smithsonian has a 30-year collection space framework plan that would renovate almost 700,000 square feet of existing storage facilities and add an additional 1 million square feet of storage, for a total cost of \$1.3 billion. Can you tell us what the status of the plan's funding is, and how would the plan affect the Smithsonian's current \$1 billion maintenance backlog?

Mr. BUNCH. As a former museum director, as a curator, the thing that I know is most important are the collections. And I think, in 2015, we came with—that collection framework was one of the most important things the Smithsonian did in that area. Because, for the first time, the Smithsonian understood exactly the status of all of its collections, all of its buildings, all of its housing. And as a result of that, it has allowed us to make very strategic decisions, in part with support from Congress, to be able to address that.

And I am pleased to say that the Smithsonian has made some major steps. I think, as you know, that we have entered into an agreement with the National Gallery of Art to construct a new pod out in the Suitland campus. And I think that is going to be really important as a way for us to begin to collaborate more effectively, but to also share the cost of doing these things.

I am also so pleased that what we have looked at are looking at some of the problems with the old Garber aviation sites. We have been able to decontaminate them. We have also completed a new pod out at Dulles, which allows us to take some of the material, once the swing space is done, once we reopen the Air and Space Museum, some of the material that were in weakened places in facilities that were substandard, to move them into the new facilities.

I think we have also, because of this plan, been able to look at Suitland, and look at where we have been able to bring in new equipment that is more efficient, more space saving.

And I think maybe the most important thing for me is that we are in the process of finishing now a master plan just for the Suitland campus to really help us think more creatively, help us figure out what are the resources we need. Because the Suitland campus is crucial. It is not going to solve all the problems, but being able to use that campus to its fullest extent will help the Smithsonian continue to be the institution that preserves America's culture.

Mr. BROWN. Thank you. And just to follow up on that, because you now just referenced that, the Suitland Collections Center master plan, which you just mentioned, and that is going to be completed, I believe, next year. Can you give us any preview on any additional storage facility projects that might be underway, or that are planned for the near future in Suitland?

Mr. BUNCH. I would love to tell you that, but we are still working on that final plan.

Mr. BROWN. Excellent. OK. My time is about to expire, so I won't burden you with another question.

Thank you, Madam Chair. I yield back.

Ms. TITUS. Thank you. I apologize, Mr. Secretary, that more of us are not here. Some of our Members are in impeachment hearings right now. Not that that is more important, but that is where they are.

Mr. BUNCH. I understand.

Ms. TITUS. I would ask, does anybody have any additional questions?

Mr. BROWN. Well, I do have an additional question, then, Madam Chair. Thank you.

According to the fiscal year 2020 budget request to Congress, the Smithsonian is only requesting \$6.5 million for the facility's capital program at the Suitland Collections Center, \$5.5 million for revitalization, \$1 million for planning and design. I think that is on page 10. The total requests for the facility's capital program in fiscal year 2020 was \$210 million.

So do you believe that \$6.5 million is sufficient funding for a project that should be prioritized?

Mr. BUNCH. I think that the notion was that we have got to make sure that we spend the money that is needed in Suitland. We have also got to take care of Dulles to be able to have this kind of ripple effect.

So some of those choices are really about how do we make sure that we, in a logical way, are able to address this issue. I think that I will go back and relook at that, and make sure I understand that more fully. But that is my understanding.

Mr. BROWN. Thank you, Madam Chair. I yield back.

Ms. TITUS. Miss González-Colón.

Miss GONZÁLEZ-COLÓN. Thank you, Madam Chair. I've just got one extra question.

I do know how important it is for the American people to access the collections of the Smithsonian. But I also know that many people cannot afford to pay a ticket to Washington, DC, and actually get the opportunity to visit those museums. And coming from Puerto Rico, I mean, we do have a lot of those people.

What is the Smithsonian doing to allow access for those collections for people living in rural areas, or areas that are not in Washington, DC?

Mr. BUNCH. One of my priorities as Secretary is to realize that the Smithsonian should touch every school and every home.

And one of the ways to do that is by really embracing the virtual Smithsonian, to really think about how do you create something that is not the Virtual Museum of American History or the Virtual Art Museum, but is the Smithsonian, that allows the public to both have access to those amazing collections, but also the expertise of the scholars at the Smithsonian, and how to make sure that those collections also begin to shape the educational opportunities of students.

So I think that one way is to really think, with the new technologies, how does the Smithsonian virtually touch everyone?

But then it is also building on things we do even better. I think that the Smithsonian Institution Traveling Exhibition Service, which goes around the country, really does serve so many communities, large urban communities and also small, rural communities, projects like the Museum on Main Street, which brings stories to rural communities, in sites that might not be seen as museum sites. It is really an important contribution.

I think the final piece is for the Smithsonian to work more effectively with its Affiliations program. There are hundreds of institutions around the country that are affiliated with the Smithsonian. Let us do a better job of utilizing them as places to bring content, to bring collections. And that would allow the Smithsonian to extend its reach.

So I am committed to the kind of virtual Smithsonian, and recognizing that our goal ought to be to touch every home, to touch every school.

Miss GONZÁLEZ-COLÓN. Thank you for your service.

Ms. TITUS. Well, thank you very much for being with us today, Mr. Secretary.

I would just ask you in closing two things.

One, you can tell from a number of members of the committee that there is concern about this new purchase, because it is outside the box, and we want to be sure that it is properly authorized, it is not going to run into trouble down the road. So will you loan us your gentleman in the blue shirt to meet with our staff to answer some of those questions, and then we won't have to go into them today with you?

Mr. BUNCH. Absolutely.

Ms. TITUS. Or whoever is appropriate. But he seems to nod or shake whenever something is asked.

And my second request is that you will just look to us, and have us be a partner with you, and not just focus everything on appropriations, but remember that we are here, and this committee wants to be engaged, and we want it to be a positive, collaborative relationship.

Mr. BUNCH. I agree. My history has been a good, collaborative relationship throughout Congress, and I will continue to do that.

Ms. TITUS. Well, thank you very much.

Mr. BUNCH. Thank you.

Ms. TITUS. All right. Let me get back to the script here, do this officially.

All right, I will now ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted in writing, and unanimous consent that the record remain open for 15 days for any additional comments and information submitted by Members or witnesses to be included in the record of today's hearing.

Without objection, so ordered.

So, if no other Members have anything to add, this committee stands adjourned. Thank you.

[Whereupon, at 3:03 p.m., the subcommittee was adjourned.]

APPENDIX

QUESTIONS FROM HON. PETER A. DEFAZIO TO LONNIE G. BUNCH III, SECRETARY, THE SMITHSONIAN INSTITUTION

Question 1. In June of 2019, the Board of Regents approved of the purchase of the 631,629-square-foot Capital Gallery building near L'Enfant Plaza for headquarters and administrative space.

Question 1.a. What statutory authority is the Smithsonian using for this purchase?

ANSWER. The Smithsonian is relying on the statutory authority of the Board of Regents to conduct the business of the Institution through use of its trust (non-federal) assets in a manner designed to further the Smithsonian's mission. *See* 20 U.S.C. §§ 42(a), 55, 56, 57. Please see the attached memorandum for a more detailed explanation.

Question 1.b. Is there an internal legal document that justifies this purchase?

ANSWER. Yes. Please see the attached memorandum.

Question 2. This is an unusual transaction because the Smithsonian plans to purchase some—but not all—of the building from Boston Properties.

Question 2.a. Is there a name for this type of transaction? Is the Smithsonian purchasing a condo?

ANSWER. The Smithsonian will be purchasing Assessment & Taxation lots in the building. In essence, Boston Properties will create Assessment and Taxation (“A&T”) lots covering the portions of the Building transferred to the Smithsonian. First, Boston Properties will prepare a lot division plan and metes and bounds descriptions that describe the A&T lots covering the portions of the building offered for purchase and submit a Division of Lots Request Application including the lot plans and descriptions with the District of Columbia's Office of Tax and Revenue. Boston Properties will then convey clear title to the subdivided lots to the Smithsonian in fee simple at the Closing. The subdivision of property is a normal transaction in the commercial marketplace.

Question 2.b. Is there precedence for this? Are you aware of GSA or any federal agency purchasing a portion of a building from a private sector owner?

ANSWER. This is not a model we commonly see by federal agencies; however, we are aware of Enhanced Use Leases (EUL), used by the GSA to partner with private sector companies. In these arrangements, GSA leases federally owned ground to private companies. The companies then construct major facilities on the land, resulting in complex shared interests of the resulting assets. The EUL provides benefit to the private sector and the government provided there are appropriate contractual provisions used to structure these partnerships.

Question 2.c. Who will own the common areas of the building?

ANSWER. Common elements of the West Building will be owned by the Smithsonian. Some common elements of the East Building and the corridor between the two structures will remain under the ownership of Boston Properties.

Question 2.d. Will the Smithsonian be financially responsible for the operations and maintenance of the retail and parking spaces that they don't own?

ANSWER. The Purchase & Sale Agreement will include a Reciprocal Easement Agreement that will define the parties' responsibility for maintenance of common elements and will be scaled to the Smithsonian's presence in the buildings.

Question 3. How will the Smithsonian ensure it does not trigger the Anti-Deficiency Act?

ANSWER. This transaction will not trigger the Anti-Deficiency Act as all of the risk and obligation is carried by the nonfederal assets of the Smithsonian, which are not subject to the Act.

The Institution will pay the costs associated with the purchase of the building with trust (nonfederal) funds. The Smithsonian will use existing trust funds as well as funds appropriated for lease or rent payments but expended as rent payable to the Smithsonian and deposited into the general trust funds of the Institution and available as trust funds for expenses associated with the purchase of the building.

Additionally, language included in the Further Consolidated Appropriations Act, 2020 explicitly states the use of federal funds as trust funds for expenses associated with the purchase of the building shall not be construed as debt service for, a federal guarantee of, a transfer of risk to, or an obligation of the Federal Government.

Question 3.a. Will Boston Properties be able to levy special assessments on the Smithsonian?

ANSWER. Boston Properties will not be able to levy special assessments. The management of the building, including all common elements, will also be described in detail in the Purchase and Sale Agreement. Our due diligence process includes a detailed study of all building elements and systems, which will allow us to design a long-term maintenance plan. The Smithsonian will contribute to the care of common elements of the building under the terms of the sale agreement.

Question 4. How will the Federal appropriations for rent payments be utilized?

ANSWER. Federal funds appropriated for lease or rent payments will be deposited into the general trust funds of the Institution and utilized as trust funds for expenses associated with the purchase of the building. These expenses will include debt service, acquisition costs, and transaction costs.

Question 5. If the Trust is using Federal lease payments to cover the mortgage, why should the Trust own the building instead of the Federal government?

ANSWER. As noted above, the Institution will use federal funds appropriated for lease or rent payments as trust funds to cover a portion of the expenses associated with the purchase of the building, including debt service. The purchase is properly considered a trust acquisition because the Smithsonian will finance the acquisition solely through debt and that debt will solely be an obligation of the trust. The Institution's trust assets will assume all risk associated with the purchase. The language included in the FY 2020 Interior Appropriations Act makes clear that the use of federal funds as trust funds shall not be construed as debt service for, a federal guarantee of, a transfer of risk to, or an obligation of the Federal Government.

QUESTIONS FROM HON. MARK MEADOWS TO LONNIE G. BUNCH III, SECRETARY, THE SMITHSONIAN INSTITUTION

Question 1. Secretary Bunch, under your leadership, the development and opening of the National Museum of African-American History and Culture by all accounts is a success. Are there lessons-learned from that project that can be applied across the Smithsonian? If so, can you explain?

ANSWER. Creating and opening the National Museum of African American History and Culture was one of the most rewarding and challenging projects in my career. Throughout that effort, I learned that we all benefited greatly when we had coordinated communication efforts, so that all of the many disparate teams working on aspects of the project had the same basic information. I also learned that we needed to look at our internal administrative infrastructure and learn from best practices throughout the government to help us improve our internal processes and procedures. I also learned that planning is critical, and that the best plans permit flexibility to change when circumstances dictate.

I also learned the critical importance of having a public/private partnership to raise the money necessary to create, open, operate and maintain a world-class museum. Federal financial contributions are needed in order to leverage private support, and another lesson that we learned was that a planned approach to the release of appropriated funds could greatly benefit our philanthropic activities.

Question 2. Secretary Bunch, the proposed purchase of a new headquarters building is a bit unusual—instead of purchasing the entire building and having clear title, the Smithsonian is planning to purchase part of a building. What analysis did the Smithsonian do to determine if there is precedent for this type of purchase by a federal entity? How will shared building systems be managed and who will be responsible for maintenance? How will security be addressed?

ANSWER. The Smithsonian will have clear title to its interest in Capital Gallery.

Boston Properties will divide its interest in the building into a number of lots and then convey clear title to the subdivided lots to the Smithsonian in fee simple at the Closing. The subdivision of real property is not considered an unusual transaction.

The Smithsonian will be responsible for maintenance of common elements in proportion to its footprint in the building—this is enabled by the registration of assessment and taxation lots mentioned above. Security will be evaluated in the same way two agencies might require sharing a complex of buildings with different levels of security. SI guidelines will govern the perimeters of SI occupied units and the Smithsonian can coordinate effectively with BXP.

We consider our experience sharing space with GSA at facilities at the Alexander Hamilton Court House in New York and the National Postal Museum, or building the National Air & Space Museum on MWAA land, to be useful precedent for sharing management and maintenance responsibilities for Capital Gallery with Boston Properties.

The Smithsonian will hold clear title to its lots and same will be registered with DC.

Question 3. Secretary Bunch, the Smithsonian has proposed using federal appropriations to pay back the Smithsonian Trust for the purchase of the new headquarters building. If the Smithsonian were to sell this property where would the proceeds be deposited—in the trust or paid back to the federal government?

ANSWER. It is the Smithsonian's intention to hold the building as an administrative headquarters for the future. There is no intention to sell the building or to hold and sell it for profit-making purposes. If unforeseen events ever caused the Smithsonian to consider selling the building, the Smithsonian would consult with relevant congressional committees, including this Committee, in advance and would report on the intended use of any proceeds (to the extent such a sale would generate a profit). This is also a requirement included in the Further Consolidated Appropriations Act, 2020. Any proceeds would be trust assets, but the Smithsonian would utilize those assets in a manner that would advance the Institution's statutory mission.

Question 4. Secretary Bunch, the National Air and Space Museum project is costing us \$650 million. This is a significant amount of money—more than it cost to build the National Museum for African-American History and Culture from the ground up. What mechanisms has the Smithsonian put in place to ensure this project stays under budget and on schedule?

ANSWER. With any major project, the better the planning the lower the likelihood of being surprised later. Our planning, design and procurement process was thorough, and our estimates validated by an independent review from the Government Accountability Office. There are also safeguards built into the project, such as budgeting for contingencies. Our planning and design approach also builds in safeguards. Our own staff, engineers, and contractors are able to work collaboratively to prevent conflicts between design and construction before they occur. Periodic risk assessments for current conditions to the end of the project are also performed to identify possible issues along with monthly Change Management Boards to review any major cost related items before the construction contingency is applied. While it's always possible to encounter an unexpected challenge, we have taken precautions to prevent escalation in federal costs. To date, we are on track to bring the project to completion on time and on budget and will make every effort to continue on that path.

Arguably the most important safeguard has been the robust federal support from the beginning of the project. By funding the project in larger installments, we were able to lock in costs on items such as glass and stone at the start. This has provided some insulation from the volatility in material costs. It also has provided assurance to the contractors on the long-term funding of the project, enabling them to better manage the resources.

Question 5. Secretary Bunch, deferred maintenance is an issue across government agencies. Yet, we know if regular maintenance is not done, more costly emergency fixes are likely down the road. For the Smithsonian, the results can be catastrophic given the collections you are charged with protecting. Unlike most other federal entities, the Smithsonian has the ability to raise private funds. Traditionally private donations may only go to new construction, exhibits, or research. What is the Smithsonian doing to explore fundraising to address ongoing maintenance and repair needs?

ANSWER. While private donations have primarily supported exhibitions, research, and the creation of new museums, there is no prohibition on fundraising for other

purposes such as maintenance. The challenge historically has been finding donors with an interest in the day-to-day operational support.

The Smithsonian uses the private funds it receives in accordance with the donor's intended purpose for each gift. We do engage donors in discussions about deferred maintenance needs but have consistently found that they are primarily interested in funding exhibitions and programs that align with their personal interests.

Where the Institution is able to be creative is in finding synergies between our maintenance, facilities capital, and private funding. Revitalizing a privately funded exhibition creates opportunities to address maintenance items at a lower cost. This takes significant planning, but it ensures the best value for donors and taxpayers alike.

Question 6. Secretary Bunch, generally, the Government Accountability Office has found that owning space for long-term needs is cheaper than leasing. However, this assumes the federal government is providing full funding upfront to construct or purchase space. In the case of the proposed new headquarters, the Smithsonian Trust will be borrowing the funds and paying back with interest. Did the Smithsonian consult with GAO, GSA or other outside entity to verify the financing makes sense for the taxpayer? If so, with whom?

ANSWER. The Smithsonian consulted with staff from the General Services Administration on the Request for Proposal, but not on the financing. We did utilize private consultants, Newmark Knight Frank, to test numerous scenarios supporting the business case for the purchase. This information was extensively reviewed internally and the resulting business case was presented to our authorizing and appropriations committees.

Question 7. Secretary Bunch, during the hearing questions were raised regarding the Smithsonian seeking authorization for projects through appropriations committees rather than the Smithsonian's authorizing committee. Do you commit to ensuring this Committee is appropriately kept informed in a timely manner of major building and real estate projects? Do you commit to working with Smithsonian's authorizing committees where authorizations are needed?

ANSWER. Through creating the National Museum of African American History and Culture, I came to appreciate Congress as a partner whose support was an essential element of the museum's success. Now as Secretary, that is the model by which I seek to operate. I am committed to working with our authorizing committees as it relates to new projects and real estate, but also to keep you informed of our program priorities. It's important that we do not lose sight of the important work our buildings enable, and why they continue to earn the support of Congress.

Question 8. Secretary Bunch, prior to and during the hearing, there have been questions regarding the Smithsonian's real estate authorities. Please provide the Committee with explanations of the scope and the legal citations for the Smithsonian's authorities for each of the following real estate activities listed below. If there is a distinction between authorities for office space and special use space, such as for a museum, please specify.

ANSWER. While we do not believe there is a distinction between office space and "special use" space in terms of authority, the answers to these questions can depend on the type of funds involved and/or the manner in which the Smithsonian acquired the property at issue. Without addressing every possible circumstance, we address the principal scenarios below.

Question 8.a. Leasing of space

ANSWER. The Smithsonian's appropriations bill specifically provides the Institution may spend federal S&E funds to enter into "lease agreements of no more than 30 years." See, e.g., the FY 2020 Interior Appropriations Act. As a practical matter, the Smithsonian limits such leases to five (5) years under the authority of the Federal Acquisition Streamlining Act. When leasing with trust funds, the Smithsonian relies on the statutory authority of the Board of Regents to conduct the business of the Institution through use of its trust (nonfederal) assets in a manner designed to further the Smithsonian's mission. See 20 U.S.C. §§ 42(a), 55, 56, 57.

Question 8.b. Purchase of space

ANSWER. The Smithsonian would seek new statutory authority before purchasing a building directly with federal funds. If purchasing a building with trust funds, the Smithsonian would rely on the statutory authority of the Board of Regents to conduct the business of the Institution through use of its trust (nonfederal) assets in a manner designed to further the Smithsonian's mission. See 20 U.S.C. §§ 42(a), 55, 56, 57.

Question 8.c. Construction of space

ANSWER. The Smithsonian would seek new statutory authority to construct a building with federal funds. If constructing a building with trust funds, the Smithsonian would rely on the statutory authority of the Board of Regents to conduct the business of the Institution through use of its trust (nonfederal) assets in a manner designed to further the Smithsonian's mission. *See* 20 U.S.C. §§ 42(a), 55, 56, 57.

Question 8.d. Sale or disposal of space

ANSWER. We are not aware that the Smithsonian has sold or disposed of a building, such as a museum building, purchased or constructed with federal funds, but the Smithsonian would seek congressional authorization before selling or disposing of such a building. If selling or disposing of a building purchased or constructed with trust funds, the Smithsonian would rely on the statutory authority of the Board of Regents to conduct the business of the Institution through use of its trust (nonfederal) assets in a manner designed to further the Smithsonian's mission, *see* 20 U.S.C. §§ 42(a), 55, 56, 57, and would inform Congress in advance as appropriate of its intentions.

Question 8.e. Outleasing of space

ANSWER. The Smithsonian has authority to manage the buildings under its control and interprets that authority to include the ability to license the use of its space to third parties conducting activities consistent with the Smithsonian's mission. *See* 20 U.S.C. § 46; B-145878, 1961 U.S. Comp. Gen. LEXIS 2585 (Sept. 1, 1961). If the term "outlease" refers to a commercial leasing program like the General Services Administration's, through which GSA outleases vacant space at market rates to private businesses or other entities, the Smithsonian does not have such a program.

ATTACHMENT

MEMORANDUM

SMITHSONIAN AUTHORITY TO ACQUIRE ADMINISTRATIVE HEADQUARTERS BUILDING

The Smithsonian is seeking to acquire a portion of an office building to serve as an administrative headquarters. The Smithsonian would finance the purchase of the building by taking on debt. The debt would be a general obligation of the trust assets of the Smithsonian. The Smithsonian is seeking language in its appropriations bill to enable it to deposit federal appropriations designated for lease payments into its general trust funds and to use those funds as trust funds to pay the expenses associated with the purchase of the building, including debt service, to the extent that federally supported activities will be housed there. The risk associated with taking on debt is an obligation solely of the Smithsonian trust: the proposed language provides that the use of such amounts in the general trust funds of the Institution shall not be construed as be debt service for, a federal guarantee of, a transfer of risk to, or an obligation of the Federal Government, and that no appropriated funds may be used "directly" (i.e., without first going into trust funds) to service debt incurred to finance the purchase.

The Smithsonian has the statutory authority to acquire a building in this manner. The Smithsonian was established by Congress as a trust instrumentality of the United States to carry out the bequest of James Smithson. As a trust instrumentality the Smithsonian has broad powers under its enabling statute to act with respect to its trust assets in furtherance of its mission to "increase and diffus[e] knowledge." When the Smithsonian was established, it was not funded with appropriated funds. Rather, Congress broadly authorized the Institution's Board of Regents—composed of Members of Congress, the Chief Justice, the Vice President, and public citizens—to conduct the "business of the Institution" through use of the Institution's trust assets in a manner best designed to further the Institution's mission. 20 U.S.C. § 42(a). Thus, Congress authorized the Regents: to "receive money or other property by gift, bequest, or devise, and to hold and dispose of the same in promotion of the purposes thereof"; *id.* § 55; to make "such disposal of any other moneys which have accrued, or shall hereafter accrue, as interest upon the Smithsonian fund, . . . as they shall deem best suited for the promotion of the purposes of the testator"; *id.* § 56; and to approve payment for "the debts or performance of the contracts of the institution . . . for making the purchases and executing the objects authorized" by Congress to conduct the business of the institution. *Id.* § 57.

Unlike a federal agency, therefore, Congress did not design a statutory scheme whereby it specifically authorized each individual activity the Smithsonian could engage in. Congress, instead, determined to give an esteemed Board of Regents broad, plenary authority to manage and operate the Institution with nonappropriated funds in a manner consistent with the Smithsonian's mission and charter. *See* 20

U.S.C. § 41 (Smithsonian shall “have perpetual succession with the powers, limitations, and restrictions hereinafter contained, and no other”). Over a decade after the Smithsonian was established, Congress decided to appropriate funds to the Institution to care for certain government collections, and then, over the next 160 years, expanded the Smithsonian’s federal appropriation and assigned to the Smithsonian numerous additional statutory tasks, such as creating various national museums. But the Smithsonian has retained its broad authority with respect to its trust (non-federal) assets.

This includes the authority to lease or acquire facilities with trust funds to meet the Institution’s needs or to accept real estate and property by gift. Congress knew the Smithsonian would need to acquire facilities and the original act creating the Smithsonian authorized the Institution to use the interest on the Smithson fund “for the erection of suitable buildings.” See Act of August 10, 1846, Sec. 2. Congress further gave the Smithsonian authority to administer and manage its property. For example, Congress provided that the “site and lands selected for buildings for the Smithsonian Institution shall be deemed appropriated to the institution,” 20 U.S.C. § 52, and empowered the Secretary to “take charge of the building and property of the institution . . .” *Id.* § 46. Congress further provided that “[a]ll laws for the protection of public property in the city of Washington shall apply to, and be in force for, the protection of the lands, buildings, and other property of the Smithsonian Institution.” *Id.* § 53.

The Institution’s authority over its buildings was recognized over 100 years ago in the construction of the Freer Gallery on the original Smithsonian reservation, which was done with trust funds gifted by Freer and without seeking congressional approval. The War Department’s Office of Public Buildings and Grounds objected to the construction, believing that the property should be regarded as a “reservation, park, or public grounds” under its jurisdiction and any construction subject to Congress’s approval. The Judge Advocate General’s Office, however, agreed with the Smithsonian that it could construct the building on its own authority, noting that:

It appears to have been the purpose of Congress, in creating the establishment known as the Smithsonian Institution, to create an incorporated body with authority to hold and administer the property of said institution and to manage its affairs in accordance with the provisions of said [1846] act of establishment or incorporation, and such further provisions as Congress might from time to time prescribe.

Opinion of the Judge Advocate General of the War Department (June 3, 1916).

Indeed, it is a basic principle of trust law that, unless prohibited by the terms of the trust instrument or by statute, trustees generally are empowered to take such actions as are necessary or appropriate to carry out the purposes of a trust, including the power to “acquire or sell property, for cash or on credit, at public or private sale.” Uniform Trust Code, § 816(2) (2000); see also *Estate of McAlpine v. Commissioner*, 968 F.2d 459, 463 (5th Cir. 1992) (trustee power to lease). This principle applies by analogy here, and the Smithsonian has long relied on its broad statutory powers to acquire and administer real property with its trust authority, including, for example, when it acquired the Carnegie Mansion by gift in the late 1960s (which now houses the Cooper Hewitt, Smithsonian Design Museum) and when it acquired, over time by purchase and gift beginning in the 1960s, the 2,650 acres comprising the Smithsonian Environmental Research Center. Congress recognized this authority when it appropriated funds under the same legislative model proposed here to facilitate the Smithsonian’s acquisition of the Victor Building. See Public Law No. 106–113 at 222 (Nov. 29, 1999) (Smithsonian Institution, Salaries and Expenses).

Finally, while the Institution is seeking permission to use federal funds—as trust funds—to pay certain expenses associated with the purchase of the building, the purchase is still a trust acquisition. Like the Victor Building acquisition, the Smithsonian is seeking to buy a building through debt it will take solely as a general obligation of the trust. All of the risk associated with the purchase is on the Institution’s trust assets. The proposed language specifically provides that the use of such amounts in the general trust funds of the Institution shall not be construed as debt service for, a federal guarantee of, a transfer of risk to, or an obligation of the Federal Government. For these reasons, the transaction is properly characterized as a trust acquisition.