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FEDERAL FUNDING OF MUSEUMS

HEARING

BEFORE THE

FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT INFORMATION, AND INTERNATIONAL SECURITY SUBCOMMITTEE

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

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FEDERAL FUNDING OF MUSEUMS

WEDNESDAY, APRIL 5, 2006

U.S. SENATE,
SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT,
GOVERNMENT INFORMATION, AND INTERNATIONAL SECURITY,
OF THE COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:29 p.m., in room SD–342, Dirksen Senate Office Building, Hon. Tom Coburn, Chairman of the Subcommittee, presiding.

Present: Senators Coburn and Carper.

OPENING STATEMENT OF SENATOR COBURN

Senator COBURN. The hearing will come to order. It cannot be said that the Senate is always late. We are starting this hearing early. I would advise our witnesses that we will have something occurring on the floor at 3:15 this afternoon and I will have to leave here at about 3:05 p.m.

This is one of the fun hearings I get to have because we are going to hear from witnesses that do it right. We are oftentimes critical of the bureaucracy and what they accomplish. I am a big supporter of the arts in terms of art education and what our history through museums can give to us and the difference it can make in terms of rounding an education.

Our problems are that we have a wonderful structure as demonstrated by Mr. Ucko and Ms. Radice today, in terms of how things work and should work in government. The problem is that much of it is taken outside of their hands and it goes through earmarks which often times leads to not the best choice, it bypasses the grant system which we set up and appears to be wonderfully managed and supervised by you both.

One of the things we talk about here is accountability in government, and I am proud to say that our first two witnesses today through what we have ascertained in looking at the grant process, the management and the oversight, are doing exactly what we are talking about in terms of transparency, in terms of results, in terms of priority setting, responsiveness, and also spending discipline. One of the few areas that has grown not so much in the last 5 years have been the expenditures, even with earmarks on our art history, our museums, and those things that comprise what we would value as great educational tools. There is some concern we have seen with declining attendance at some of these institutions, and that is not about dollars, that is more about have we

taken our eye off the ball in terms of education and its value in our country.

What I am very much concerned about is how we bypass two out of the four, actually, all four agencies that are responsible for most of these grants, and we use it through an earmarking process that takes away the accountability and the transparency that should be there, and it is my hope that our other witnesses today will highlight some of that.

Because of our shortage of time, I will make my formal comments that I had prepared as a part of the record, and I will do that without objection since there is nobody here to object.

[The prepared statement of Senator Coburn follows:]

PREPARED STATEMENT OF SENATOR COBURN

There is great value for communities and citizens in the arts, historic collections and museums. They are a reflection of our culture and people, and are important to our history and national identity. Children and young learners benefit tremendously from art programs in the schools. Believe it or not, I certainly did. These activities make for well rounded citizens, tomorrow's leaders. Museums play an important role in our lives.

The focus of today's hearing is to examine the various avenues of Federal funding for museums including authorized programs, grantmaking agencies and earmarks. The Administration has requested at least $1.45 billion in FY 2007 funds for the arts, cultural or learning activities, and the buildings themselves. If history is a guide, Congress will likely exceed the amount of the request.

The Federal Government has spent $7 billion of taxpayer money on museums, centers, institutes, galleries, zoos, aquariums, and halls of fame since 2001. By my estimates, this type of funding has increased almost 25 percent in the past 5 years. Though the President actually cut the entire budget for Arts in Education for his FY07 budget request, he proposed a $65 million increase in other such spending overall.

According to 2003 data from the American Association of Museums, the 15,000+ museums in the country depend on government grants for one-fourth of their operating income.

Grantmaking agencies include: NEH, NEA, Institute of Museum and Library Services, and the National Science foundation's Informal Science Education Program. These grants are competitive. There is a process where an institution must prove its worth and is, from what I understand, closely monitored by the agencies. There are real consequences throughout the grant period if a museum doesn't adhere to the terms and conditions of the award. I wish there was more of that in Federal Government.

Earmarks, however, get to cut in line and skip the competitive application. Favored projects receive money without having to compete with the other museum. Some authorized funding exists solely for Member earmarking. The Department of Housing and Urban Development makes Economic Development Initiative grants available to Congress for home district projects. There is no competition.

A review of museum earmarks between fiscal year 2001 and 2006 appropriations bills conference reports uncovered more than 860 earmarks totaling $567 million. On average, the Appropriators directed 64 percent of the projects and money to their home States each year.

This type of spending peaked in FY 2005 at $88 million for 183 earmarks. For FY2006 total earmark spending approached $72 million for 111 earmarks. The decline was likely due to the ban on earmarks in the Labor HHS Education Appropriations bill.

The earmark review also revealed that several museums "double dip," splitting their earmark requests across bills in the same year to make the amounts more palatable for appropriators, or to hide second requests from one set of appropriators completely. This is like asking Mom for your allowance after Dad already gave it to you.

Even more revealing was the individual entitlements for a handful of museums who receive earmarks for same amounts to fund the same so-called "new" projects year after year. Between FY04 and FY06 one museum requested over $1.7 million. They had two earmarks each year—one for "construction of a new museum" and the other for "exhibits and programming." I guess they didn't plan too well, because in

2006 they also requested money for an "expansion." There is no review and no accountability. I will be releasing this report on my website this week for anyone who wants to dig further.

I also learned that several museums request money to build "visitors centers" or "learning centers" for the museum. This begs the question: Isn't the museum itself already a center for visitors which facilitates and fosters primary source learning? Isn't that what a museum is?

Given the local nature of most of the grants and earmarks, it is difficult to defend the expenditure of taxpayer dollars to benefit a small group of people in Muskogee, St. Louis, or Anchorage. If a community truly wanted such an institution or program, they would and should find a way to pay for it with local and State money, or through admission fees.

I am so pleased to learn of the many accountability principles that guide the grant work of Informal Science Education and the Institute of Museum and Library Services which we'll hear more about today. You're doing a good job, and you should be recognized.

I am not challenging the merit of a particular grant or institution today, but would like to remind my colleagues that the current fiscal environment of war, Katrina and Social Security and Medicare insolvency is a very serious situation. One criticism of the President I have is that he has not asked the American people to sacrifice during war time. We cannot, as a government, do everything we would like to do. I think the American people would be very forgiving and willing to make sacrifices if only asked.

During a time of war Presidents Roosevelt and Truman slashed non-defense spending by over 20 percent. It can be done. I am not advocating a complete termination of these programs or this type of spending. However, it is our responsibility to taxpayers to be frugal, and it is our duty to be transparent and accountable for every dollar of their hard earned money we spend.

Why not hold museum and arts funding steady at current levels? I believe that budget increases for nonessential activities during a time of great challenge to our Nation are indefensible. It is Congress who holds the purse strings and, frankly, we have been unwilling to make the tough decisions today for the future wellbeing of our grandchildren. We've got to stop focusing on political expediency and start thinking about future generations.

Senator COBURN. Anne-Imelda Radice is Director of the Institute of Museum and Library Services. She most recently was Acting Assistant Chairman for Programs at the National Endowment for the Humanities. Before joining the National Endowment of the Humanities, she served as Chief of Staff to the Secretary of the U.S. Department of Education. In the early 1990s, she served as the Acting Chairman and Senior Deputy Chairman of the National Endowment for the Arts. She was the first Director of the National Museum of Women in the Arts. She was confirmed as IMLS Director in March of this year.

David Ucko is a former university chemistry professor. He has directed ISE since 2003, and has an extensive background in science museums and centers, holding directorships around the country and posts at the National Science Foundation and the National Academy of Sciences. He served as President of Science City in Kansas City, Missouri, from 1990 to 2000. He also provides consulting services to assist museums and other organizations in carrying out mission-driven planning and innovation as President of Museums+more.

I would like to recognize each of you for 5 minutes. Your complete testimony will be made part of the record, and Ms. Radice, I think we will recognize you first.

TESTIMONY OF HON. ANNE-IMELDA M. RADICE,[1] DIRECTOR, INSTITUTE OF MUSEUM AND LIBRARY SERVICES

Ms. RADICE. Thank you, Mr. Chairman, and thank you for your gracious remarks. I am pleased to represent an agency that was built from the ground up with integrity, professionalism, transparency, and imagination. This is an agency where achievement is highlighted through competition, where return on investment is measured, grant-tracking required. We do share your commitment to ensuring that the Federal Government is a good steward of taxpayer dollars.

Through the competitive grant process, we assist our Nation's zoos, science centers, planetariums, national history museums, nature centers, history museums, historic houses, specialized museums, children's museums, art museums, botanical gardens, arboretums, aquariums, and libraries, to build capacity, develop programs that protect our heritage, provide training that develops new jobs, support research, and provides seed money for reports and how-to guides that have a life span beyond the tenure of any one director.

For nearly 30 years, the Institute has developed and refined the process. Every application receives a thorough and objective review, and those recommended for funding have received independent reviews from two different peer-review processes before I make the final decision. These expert reviewers are not Institute employees. We have a stringent conflict-of-interest policy, and we require matching funds for the projects. Prior to the awarding of the grants, IMLS staff also conducts cost analyses of these projects. A grantee is required to exert fiscal control and employ fund accounting procedures that ensure proper disbursement of and accounting for Federal funds. IMLS grantees may not award subgrants, and we do not accept applications for cost overruns.

Mr. Chairman, I, too, come from a family in the medical profession. My dad Lawrence was a neurologist, and my mother Anne was a surgical nurse. Their parents were immigrants who worked hard so that their children would have better opportunities to be educated, and a better life. My parents, by example and sometimes fiat, instilled the importance of integrity, hard work, and giving back. As a child growing up in Buffalo, I was brought to the library on Elmwood Avenue every Saturday morning, and the Albright-Knox Art Gallery in the afternoon. These visits were important for us, and provided me with the inspiration to pursue a career in the arts. And I have been a museum director and was acquainted with IMLS, the IMS, as a customer, and I must say, even those early days, this Federal agency was the gold standard. The dream was to receive a grant which gave not only important funds for operations, but a professional imprimatur and needed leverage for fund-raising.

Each dollar is precious, as is the education and betterment of each of our citizens. IMLS has long understood the tenants of return on investment and help that produces long-term solutions rather than quick fixes. My own personal passion is conservation which resonates with both libraries and museums. I was so pleased that one of my very first acts as director of the Institute was to an-

[1] The prepared statement of Ms. Radice appears in the Appendix on page 17.

nounce emergency grants to museums in the Gulf Coast. What a wonderful list they are. They include a State museum, an art museum, an arboretum, a children's museum, and Jefferson Davis's home. They underscore our commitment to help the Gulf Coast recover from these hurricanes.

I hope when my tenure is completed with the help of those who are interested and want to participate, that we will make great advances in preserving our heritage, objects, experiences, but that also we can help create some new jobs, and we can help create an army of volunteers, just as museums and libraries have done, docents, information specialists, and gift shop workers. And I say as you listen to Mr. Able today, you will marvel at how these structures are built on the goodwill, big hearts, and donated time of our fellow Americans.

Mr. Chairman, I am proud to represent a Federal agency that can look at itself straight in the eye and be proud of its transparency, efficiency, and accountability, and I believe that the American people are well served by what we do and what we are able to provide libraries and museums.

I welcome your questions, sir, and I seek your counsel.

TESTIMONY OF DAVID A. UCKO, PH.D.,[1] PROGRAM HEAD, INFORMAL SCIENCE EDUCATION PROGRAM, NATIONAL SCIENCE FOUNDATION

Mr. UCKO. Chairman Coburn, Senator Carper, thank you for the opportunity to describe the merit review process by which the National Science Foundation makes available grant funds for museums.

Have you had the opportunity to explore the hands-on exhibit "Invention at Play" at a science museum? Perhaps you have seen the "NOVA" program "Einstein's Big Idea" on TV, or watched "ZOOM" or "Peep" with your children or grandchildren. Or listened to "Science Friday" or "Earth and Sky" on the radio. Or been immersed in the film "Forces of Nature" in a giant screen theater. Or perhaps visited the Exploratorium Website on the science of cooking.

If so, you are familiar with the investments of the Informal Science Education Program, the primary source within NSF of funds for museums and other organizations that promote public interest, engagement, and understanding of science, technology, engineering, and math. Our program invests in projects that develop educational activities for self-directed learning outside the classroom for audiences from preschoolers to older adults.

Over the last two decades, the ISE program has catalyzed the expansion of science museums to some 338 institutions in the United States today, and made possible about half the national traveling exhibitions. The program has established science programming for children and adults on television, radio, and large-format film. Today the ISE program is funded at $63 million, within the $5.6 billion NSF budget. About 40 percent of ISE awards each year are made to science museums, including science-technology centers, natural history museums, children's museums, planetariums, zoos,

[1] The prepared statement of Mr. Ucko appears in the Appendix on page 23.

aquariums, botanical gardens, and nature centers. They represent nearly two-thirds of total NSF funding for museums. The rest comes from throughout the agency, such as research grants to scientists and curators in natural history museums and botanical gardens. In total, 40 to 50 museums receive grant funds each year.

The NSF appropriation does not receive earmarks for museums or other institutions. Funds are awarded solely through merit review based on the National Science Board criteria of intellectual merit and broader impacts. Funding is extremely competitive. Last year, the success rate for NSF overall was 23 percent, and 17 percent for our program. Project directors from museums and other organizations called principal investigators, or PIs in NSF lingo, submit proposals in response to our solicitation. To conduct merit review, program officers form panels of experts with relevant knowledge and experience in informal learning, scientific content, evaluation, and areas specific to the type of proposal, such as exhibition design and production.

First, panelists write independent reviews, rating proposals from excellent to poor. Then the panel meets as a whole to discuss the merits of the proposals, rating each as high, medium, or low as a priority for funding. All the reviewers and panelists serve as volunteers. Costs for running panels are modest, about one percent of program funds.

Program officers then meet as a group to recommend for funding from the most highly rated proposals those that will create a diverse portfolio of exhibition, media, community, youth, and technology projects, with greatest potential national impact on the public and the field. These recommendations and their rationale must be approved by the division director. Awards are then made by the Division of Grants and Agreements, following review of the budgets and the financial capability of the grantee organizations.

After a grant is made, the PI is required to submit an annual report describing progress. It must be approved by a program officer before the next annual funding increment of a multiyear award can be authorized. Site visits may be made by the program officer or by the Division of Grants and Agreements to monitor financial aspects.

At the end of the project, the PI must submit a final report summarizing outcomes and impacts, including an independent third-party summative evaluation, which must be posted at the Website informalscience.org so that others can learn from the project. Each NSF program is reviewed every 3 to 4 years by a group of outside experts called a Committee of Visitors. Last year our program was favorably reviewed by such a committee, including how well we carry out the merit review process.

That is not to say we cannot improve. We have recently started using Web conferences as a low-cost mechanism for reaching new prospective PIs. We are creating an online database to help us monitor projects. Through these and other means, we continue to work towards making the most effective investments in fostering a well-informed citizenry and a diverse future work force of scientists and engineers, a goal that supports the President's American Competitiveness Initiative. This outcome is especially important to our Nation today when science and technology play ever-increasing

roles in our daily lives, in local and national policy, and in the competitive global marketplace. Thank you.

Senator COBURN. Let me take this opportunity to give Senator Carper, my partner on this Subcommittee, both of us dedicated to making sure that we do have accountability, transparency, and efficiency in the Federal Government, an opportunity to speak, and then we will ask some questions.

OPENING STATEMENT OF SENATOR CARPER

Senator CARPER. Thank you. We are delighted that both of you are here. He leaned over to me and he said, "These two are great, aren't they?" And I feel we are very fortunate that you are here today and your testifying and proud of the kind of programs that you are running. I have some questions that we will get into here, but I will just reserve any other comments at this time. Thanks.

Senator COBURN. You both have testified about how your process works, the oversight that you have on it, the transparency, the innovation. You probably did not know that we had a hearing not long ago on travel and conferences, and the fact that you are using digital video to do some of these things and you are putting some of this online is great because it saves the taxpayers money.

My big concern is you have both demonstrated integrity in what you do, and yet over the last 5 years, over a half a billion dollars has gone outside of you through earmarks which are not necessarily, some are, I understand, but many are not subject to the same scrutiny. Without putting you in a position cross-wise with the very people who appropriate your funds, would you care to comment on the value that America would attain if everything we did in those areas actually went through, and I know some are checked and some are discussed between the Appropriations Committee, but the fact is they are not run on a competitive basis. They do not have to meet the same things.

What is the result when $567 million worth of funds, your budget is $63 million a year I think you testified, what is the result in terms of discouragement to those people who wait in line and are in competition for scarce dollars, when all of a sudden somebody jumps ahead of them with an earmark? What is the result in terms of, does it send more people to go get it that way so that we have less oversight? What is the result of that that you all see in terms of not only just the best priority, where do we spend the dollars the best and which is what your organization attempts to do, both of you, but also the scrutiny that money then undergoes? Do you have any comment on that, Ms. Radice?

Ms. RADICE. As you know, we do have some earmarks that are delivered to our door like Moses, and thank you for commenting, that, yes, we do in fact make sure that once they are delivered that they are well handled. I think you have said it very succinctly. It is a shame that they do not have the opportunity to have the review process, because a review process is not than a contest. It is the ability to seek technical assistance, it is being plugged into a network to know what else is going on in the field. There may be some efficiencies in developing partnerships. Of course, all of those steps cannot happen if, in fact, it is just delivered to you. And I have to say our staff, and thank you for noting that we have kept

our expenditures down, puts the same effort in making sure that those are handled correctly. But you said it very succinctly, sir. I could not add any more to that.

Senator COBURN. Mr. Ucko.

Mr. UCKO. We have not had the experience of earmarks at NSF, but we have found the merit review process to be a tremendous mechanism for encouraging extremely innovative and creative approaches to addressing issues in the field and a method that is really beyond reproach in terms of selecting those that are most worthy of funding. So we have found it to be an excellent way to allocate our scarce resources.

Senator COBURN. What happens when somebody is not compliant within your process now? In other words, they have not met the requirements of the grant, or they are overbudget, or they have fallen out of line as set up under your processes? What happens?

Ms. RADICE. Would you like to go first?

Mr. UCKO. For example, if the progress is not sufficient or if there are serious issues on a multiyear award, because each of our awards is made one annual increment at a time, future increments are held up. So there is a check on the continuing funding for that award if there is a problem with it.

Senator COBURN. Ms. Radice.

Ms. RADICE. We operate on a reimbursable procedure, so in a few instances there is some advanced money that can be sent, but it is minimal. And there are not only annual reports, but sometimes semiannual reports, and if there were any problem that the money was not spent correctly, we would have no problem in going and recovering it. But thank heavens, we have not really had to do that.

Senator COBURN. So the best treatment for that is prevention in the first place?

Ms. RADICE. And there is another point to your competitive process, because there is an opportunity to actually review the structure that the grant might be operated under. Again, they can get advice from us.

Mr. UCKO. One of the things we have started to do particularly for smaller organizations is Web conferencing on the financial aspects of awards with our Division of Grants and Agreements so that the PIs can become very familiar with the financial management issues as well as the program issues.

Senator COBURN. Ms. Radice, what I picked up from you is, when we go through the earmark process rather than the grant process, we do not take advantage of some of the things that could make organizations better, they could be more excellent. In other words, things do not get focused down the funnel of the experience that is out there both from your organization, but also from those people who you fund, that learn things. Is that a significant factor related to cost, first? And second, performance, in terms of how the money is actually spent?

Ms. RADICE. I think the rub on some of this is that the institutions that have come in for earmarks, and I would say 99.9 percent are very good institutions, and the project may be quite valuable, however, it could be even better if it had been, I think, competed.

Senator COBURN. So there is an opportunity cost there?

Ms. RADICE. There are some opportunity costs, but I have to say, and I think you have said this as well, sir, that in many instances they are great projects, but they could be better, and as you say, people bumping ahead of the line is an issue.

Senator COBURN. One final question. You have steps in place to recall a grant award or ask for reimbursement from a museum if they do not adhere to conditions?

Ms. RADICE. Yes, sir.

Senator COBURN. What are some examples of things that can get a grant pulled?

Ms. RADICE. Obviously, any kind of financial malfeasance, not doing what you say you're going to do. Those are pretty egregious. Because the grant process is intricate and because a lot of these reports about the condition of the museum or a zoo or whatever have already been submitted to IMLS, we are pretty confident that when that grant goes out it is going to be handled correctly. But there are instances where things happen.

Senator COBURN. And it does happen?

Ms. RADICE. It has happened, but the staff is on it.

Senator COBURN. That is great. I will have a few more questions, but will submit them for the record and in writing to you, if you would return those.

Senator Carper.

Senator CARPER. Thank you, Mr. Chairman. I want to follow-up a little bit on a question that has been asked by our Chairman. We have a project that is funded through an earmark as opposed to a regular competitive grant process. I think you mentioned, Ms. Radice, that most of them are good projects, and I think you also said that they actually could in some cases be better. Do you ever have a situation where, and I think Mr. Ucko alluded to this as well, we talked about the merit review process actually enhancing the quality of the projects that have occurred, do you ever have a situation where you put the merit review process at the end of the approval process for earmarks, realizing they do not have to go through this, they have been earmarked and they are going to get the money? Is there some way to do that to tag it on almost as an afterthought, but really as a way to better ensure that the monies that are going to be appropriated are well spent?

Ms. RADICE. Actually, Senator Carper, that is a great question, and the way we handle it is when it is apparent that an earmark is going to occur, a letter actually goes out from IMLS that is extremely detailed, budgets, schedule of completion. It hands out the general terms and conditions of IMLS grants. So even though the horse is out of the barn, folks are required to adhere to our regulations. But, yes, absolutely they have to.

Senator CARPER. Are folks ever surprised when they find that they have to?

Ms. RADICE. Since I have been there 3 weeks, I would guess they may be, some might be, but I cannot say for sure, sir.

Senator CARPER. What were you doing 4 weeks ago?

Ms. RADICE. I was at the National Endowment for the Humanities.

Senator CARPER. Mr. Ucko, you talked earlier in your comments and your testimony, and I wrote down these words, "Made possible

about half the traveling exhibitions," those words. Could you just go back and revisit that sentence and that statement and expand on that for us, if you will? What were you talking about there? I think I know, but I want to make sure.

Mr. UCKO. Museums have two kinds of exhibitions, what are considered permanent exhibitions, which have a lifetime from 5 to 10 or more years, and those that are there for typically a 3-month period and then move on to another institution. So these touring or traveling exhibitions are ones, many of which we have funded through our program, that get, over a course of years, to go to many museums across the Nation. Those are traveling exhibitions, typically 3,000, 5,000, maybe 10,000 square feet in size.

Senator CARPER. I was at the Children's Museum in Atlanta a year or two ago, and they are real proud of their museum and it is a real focus on science. They actually create some of their own traveling exhibitions. They have it on display there for a while as a sort of semipermanent exhibition, but then their exhibition goes on the road, and I think they actually do this as a way to make money to help pay for the cost of running their museum. Does that ring a bell?

Mr. UCKO. Yes, you can do that, if you do it right.

Senator CARPER. How common or how prevalent is that?

Mr. UCKO. It is fairly common. It is cost-effective for us because we are not just impacting one community, but we are impacting lots of communities across the Nation.

Senator CARPER. Let me ask you, Chairman, do you have in Oklahoma some Children's Museums or Science Museums?

Senator COBURN. We have a couple of Children's Museums. Of course, we have the Western Heritage Museum in Oklahoma City, and then we have the Murrah Building Bombing Memorial which is another area, as well as the Gilcrease Museum and the Philbrook Museum in Tulsa, so we have several.

Senator CARPER. There has been talk in Wilmington for a number of years to create a Children's Museum, really sort of a Children's Science Museum, and initially we are making sure they have a place to build their museum along the riverfront in Wilmington. If you ever come through Wilmington on the train in a year or two, hopefully you will be able to look outside the window and see the Children's Science Museum taking shape.

For a start-up like that, how can your agency be helpful to them?

Mr. UCKO. We cannot fund capital costs, but we could fund programmatic development that is part of it if they can come in with a competitive proposal. One of the roles our program officers play is working with people that are interested in submitting proposals well in advance of submitting one, to help them and guide them in developing something that is consistent with our solicitation. So we would be glad to talk to whoever is working on that project to see if there are some things that would fit.

Senator CARPER. Thank you. The Chairman mentioned earlier in his comments a hearing that we had a month or so ago focused on travel and to what extent agencies were using really too much money in some cases for travel, when they could just as easily have done meetings by teleconference or by videoconference. Some agencies are doing a real good job and others are not. If you had to look

at your agencies to say there are a couple of things we think we do really well that maybe the rest of the Federal Government or others in the Federal Government could benefit by replicating what we do, does anything come to mind as a really best practice?

Mr. UCKO. Certainly the merit review process for us would be a best practice, and it is one that works throughout the agency, and the agency is really known for what is the gold standard for making Federal awards through that process.

Senator CARPER. Thank you.

Ms. RADICE. I would say in addition to the review process, I believe IMLS has been super in developing partnerships, whether it is with the American Association of Museums or heritage preservation or you name it, we are open to partnerships, and we are very concerned about travel. When we can do it through the Internet we do. In many instances, though, there are large regional meetings and we will send someone because it is a face-to-face opportunity. I might also say that from what my notes tell me, there are over 200 museums in Oklahoma, and over 50 in Delaware, so you are very well represented.

Senator CARPER. I had no idea they had that many museums in Oklahoma. I knew we had 50. Thanks to both of you. Thank you.

Ms. RADICE. Thank you, sir.

Senator COBURN. Thank you all very much, and you will receive some written questions from the Subcommittee.

Mr. UCKO. Thank you.

Ms. RADICE. Thank you, Mr. Chairman.

Senator COBURN. Our next witnesses is Thomas Schatz, President of Citizens Against Government Waste. He is a nationally recognized spokesperson on government waste and has appeared on national television and radio talk shows as President of CAGW. They released their 2006 Congressional Pig Book today, an important resource for taxpayers where they can learn how Congress is spending money.

Also Edward Able, President and CEO of the American Association of Museums. Mr. Able has served as the President and CEO of AAM since 1986. He served for 9 years as Chief Staff Executive of the American Society of Landscape Architects and the Landscape Architecture Foundation. He also served for 4½ years as Assistant Director of the Resident Associate Program at the Smithsonian Institution.

I welcome you both. I will apologize to you that we will be leaving here in about 8 or 9 minutes, so your complete testimony will be made part of the record. Mr. Schatz, I will recognize you, and if we could do it in 2 or 3 minutes to give us a chance to ask some questions, it would be very important.

TESTIMONY OF THOMAS A. SCHATZ,[1] PRESIDENT, CITIZENS AGAINST GOVERNMENT WASTE

Mr. SCHATZ. Thank you again, Mr. Chairman, and thank you specifically for joining us this morning. We really appreciate your support of our efforts to reduce pork barrel spending, and your oversight, as well as you, Senator Carper. Somebody is trying to

[1] The prepared statement of Mr. Schatz appears in the Appendix on page 33.

look at all of this, and we appreciate the fact that there are oversight hearings.

When it comes to museums, Citizens Against Government Waste has uncovered more than one-thousand museum-related earmarks since 1995. Your number is $567 million, and it is even a little higher than ours, with about $27 million for 79 projects this year. Your first two witnesses certainly talked at great length and appropriately about the merit review and peer review process. We think that is the way museums should be funded.

So instead of adding more money to those particular agencies, Congress decided to go ahead and earmark projects itself. The Institute of Museum and Library Sciences has funded eight museum projects, at least on their Website that we could see, six of which are along the Gulf Coast. But Members of Congress decided they did not want to do that, they would rather fund places like the Sparta Teapot Museum, in Sparta, North Carolina. I do not know who might go there, it is 77 miles from Winston-Salem, clearly they didn't think they could pass muster with these agencies, and that may be one reason why it was added.

We have the Youth Health Museum in Boone County, Missouri, which got $750,000. In looking at the projects that the Institute funds, they are no more than $150,000. So not only are these not peer reviewed, often times the amounts are much higher. So we hope at least that these museums and everybody who wants money for a project will go through the peer-review process. And we also, of course, fully support the earmark reforms that you and others are trying to pass in Congress so we at least have a chance to see what exactly we are doing with our money.

While this is one area, it is an important one because we are talking about hundreds of millions of dollars over the years that may or may not be going to museums that are worthwhile or have passed some kind of peer review, but we think that is the least that they should do.

Thank you, Mr. Chairman, and thank you for printing my entire testimony in the record.

Senator COBURN. Thank you very much for your concise statement.

Mr. Able, thank you much for being here.

TESTIMONY OF EDWARD H. ABLE, JR.,[1] PRESIDENT AND CEO, AMERICAN ASSOCIATION OF MUSEUMS

Mr. ABLE. I am going to try and compile this a little bit shorter. I will try and hit the high points for you.

AAM is the national organization that serves the entire museum community. We have 20,000 members, and all types and sizes of museums, A to Z, art museums and aquaria, to youth museums and zoos, and everything in between, museums with budgets of several hundred million, to one of $2,000.

I want to at least mention to you in the short time that I have what we have discovered in the museum financial surveys that we regularly conduct. The most recent one shows that in spite of the public perception, museums are not wealthy organizations. I think

[1] The prepared statement of Mr. Able appears in the Appendix on page 36.

we are perceived that way because of our collections, but that is not the case. Collections are not assets that we use.

In the other research, we learned that the public believes that government primarily funds museums. That is not the case. About 25 percent of the funding for all museums in the country comes from government. The lion's share, 95 percent of it, comes from State and local government, not from the Federal Government. The Federal Government provides about 5 percent. Earned income represents 30 percent of the revenue required for our museums. But by far the largest source is 35 percent coming from the generous philanthropy of private citizens, businesses, foundations, and corporations.

Museums compete with other charities for all of that money, and it takes all those pieces put together. I know that there is a great assumption that admissions, for example, fund a lot of our museums, the more people we get, the more money we make. We bring in about $5 plus on average from every visitor to a museum, everything they spend, admissions, shop sales, it costs us $21 per attendee. And we have in excess of 850 million visits a year to America's museums, and we maintain the collections of 750 million objects, which forms America's heritage.

I think that broad roles that museums play not only in education, but in strengthening economic development, Tulsa is a good example, where they even included their museums as a part of the economic development plan, Vision 2025, I think it is called.

Senator COBURN. That is correct.

Mr. ABLE. It is key to economic development. They generate an enormous amount of dollars from cultural tourism, in hotel tax, sales tax, restaurant tax, all of that, so they play a variety of roles.

The Federal Government, we believe, has a role. We have a unique public-private partnership with government, but the majority of the support for museums in this country comes from the private sector and not from government, and we do want to maintain that. We do feel that the Federal Government does have a role.

I want to tell you one quick thing which I have to get in here because in my 20 years, I do not consider myself the world's greatest expert in museums, but I do say I know enough to be dangerous.

Senator COBURN. That is kind of like Senator Carper practicing medicine.

Mr. ABLE. There you go. There is a great story about a museum right over here in Baltimore. It is called the American Visionary Art Museum. They have been working with the National Institute on Aging to dispel the stereotypes of old age. In the program's first year, medical students from Johns Hopkins University were paired with community members age 65 and older. Participants in the program visited the museum, met with artists, and took drawing lessons together. The results on the older participants was as was expected. They felt more vitality, creativity, and improved attitudes about aging. The effect of the program on the medical students was astounding. Participating medical students who planned to obtain specialized training in geriatrics doubled from 10 to 20 percent. One student noted, "Programs like this could increase hope for geriatrics and make it a more appealing specialty."

This is an example of the way that I am always talking about museums changing lives in unexpected ways, and the Federal support and participation in this effort is a critical component of it. Thank you, sir.

Senator COBURN. Let me ask you a question real quick, and then we are going to have to run. I apologize again, and we will submit questions for the record.

The Subcommittee research on this says that American museum attendance is declining.

Mr. ABLE. No, I do not agree with that.

Senator COBURN. Do you have data that you can give the Subcommittee on that that would show that differently?

Mr. ABLE. We do.

Senator COBURN. The basis for my question is this. For the benefits to be gained, we have this wonderful infrastructure out there, how do we get more utilization of it?

Mr. ABLE. We are trying to figure that out because that is one of the reasons that is driving so much museum expansion. In the prime visiting periods, Senator, we are overpopulated with people. We are cheek by jowl in many of our museums. If you go into the Smithsonian or any of the museums on the weekend, it is really undermining the quality of the individual visit. So we are talking to our museums about shifting their hours, to be open more in the evening, to take some of the pressure off the peak visiting times.

But visitorship is not dropping. We had a slight downturn after September 11 because of the drop in travel and tourism, but that was a very limited period of time.

Senator COBURN. Let me ask one other question. You are a taxpayer, I presume.

Mr. ABLE. Yes, I am. Very much so, sir.

Senator COBURN. The real Federal deficit last year was $520 billion.

Mr. ABLE. I don't like that either.

Senator COBURN. What we're doing is just putting it on our kids' backs.

Mr. ABLE. I agree.

Senator COBURN. If you were sitting in our position today, would you agree that what we ought to be doing is making priorities out of where we spend our money and that maybe we don't want to cut spending, but maybe we can't increase spending everywhere we would like and that the defense of the country, Medicare, Social Security, Medicaid, education, and if we could freeze or hold where we are, could you all make it? In other words, the real question is, where are we going to get the money to continue to be the 5 percent that you want us to be, because right now it is not there? What is happening is we are going on and spending the 5 percent, but we are using the credit card to charge it to our grand kids. The perspective of both who you represent and your interests there, but also your perspective as a taxpayer, can you give us any wisdom on where you would send it?

Mr. ABLE. In fact, I have seen the Federal support for museums actually drop over the last decade. By the time you take the actual cuts that were meted out to both the Institute of Museum and Library Services, the National Endowment for the Arts, the National

Endowment for the Humanities, and then you take inflation on top of that, the support of our museums is actually less than it was a decade ago. Yet the cost and the expansion of our public service, the public attendance at museums grew from 486 million visits in 1989, to 850 million in 1999. That is almost double in one decade. In fact, I feel that we have experienced a cut, and I certainly appreciate the Federal deficit and I appreciate the challenge that the Congress has in trying to figure out not only how much money to allocate, but the process by which it is allocated.

Senator COBURN. I won't have anything else to ask, and I have to leave.

Senator CARPER. The Chairman has asked you a couple of questions. I was going to try to get a feel for that 5 percent number, whether it is rising, going down, or stable. It sounds like the percentage of the Federal contribution is actually down a little bit.

Mr. ABLE. It is down, yes.

Senator CARPER. If that is down, is there some other part, whether it is philanthropy, that has grown?

Mr. ABLE. Philanthropy has really grown from, I think, 19 percent to 35 percent, and our museums have been very ingenious in finding other ways of generating funds.

Senator CARPER. Could you give us a couple of good examples?

Mr. ABLE. For example, they will host special events. They are adding spaces that don't expose the collection to damage where they can actually host special events for conferences and conventions and things like that, because it is very good to have the events in there. Royalties for reproductions and adaptations from our collections. Parking fees. The museum shop sales. Every place we can get it, frankly. But philanthropy is the biggest portion.

Senator CARPER. I want to go back to the number of people that are actually visiting the museums. Did I understand you to say that in the last decade it was up almost double?

Mr. ABLE. In a decade from 486 million to 850 million.

Senator CARPER. In our museums, and, frankly museums around the country, they have some great space and interesting exhibits, and a lot of them rent out their spaces for receptions, dinners, and the like.

Mr. ABLE. Right, and they get a substantial amount of income. I know of several museums that receive as much as 20 percent of their budget because they have a specialized space they can use for that, and it is a very desirable space for meetings, conferences, dinners, and receptions.

Senator CARPER. Mr. Schatz, if I could, just one question. The question relates to earmarks. You may well not know this, but if you do, if you would give us some guidance, I would appreciate it. There is a widespread suspicion that the percentage of earmarks that goes to appropriators, those who serve on the Appropriations Committees in the House and in the Senate, might be just a little bit greater than the percentage of the earmarks that go to those who do not serve on the Appropriations Committees. Can you put any light on that?

Mr. SCHATZ. I don't think it's a suspicion, I think it's true. Certainly the number up here, it says 64 percent directed to the States of appropriators makes sense, and in our Congressional Pig Book

we list pork per capita, and that is Alaska, Hawaii, West Virginia, North Dakota, it's the States that are represented in this case mostly by Senators from those States as the sole member of the Appropriations Committee in the House or the Senate.

There have been examples where earmarks have come in for hospitals. I believe this was about 2 years ago. Some 75 percent went to hospitals in the States and Districts of members of the Appropriations Committee. So 60 to 70 percent would not be an unreasonable estimate.

That is one of the problems. As the first panel pointed out, some of these museums may be worthwhile, they may have merit, but when they are added as an earmark, there really is no way to distinguish them. And your question about how can you judge any kind of merit, we have existing institutions that do that. So if Congress wanted to fund additional museums, if they thought this 5 percent was not enough or they found another way to finance it, let these agencies make those decisions.

Senator CARPER. What did you call the book that you released today?

Mr. SCHATZ. The Congressional Pig Book.

Senator CARPER. For folks to have the opportunity to appear and to grace the pages of the Pig Book, do they have to be prodigious appropriators in terms of getting earmarks for their States?

Mr. SCHATZ. You're not in it.

Senator CARPER. That is probably not a good thing during an election year.

Mr. SCHATZ. But you have lots of other things you can talk about. Generally, yes, it is appropriators.

Senator CARPER. These other States you mentioned, Alaska, West Virginia and some States, I wonder if they consider putting a badge of pride or a badge of shame back in their States? It would be interesting.

Mr. SCHATZ. I don't think I can say in public what Senators Stevens and Byrd have called this in the past, but in any event, yes, it depends on how you look at it, but it is a disproportionate use of those funds if you're going to spend the $29 billion that we identified. Of course, it has gotten members literally thrown in jail. That is how Congressman Cunningham got into trouble, and it's related to the Jack Abramoff and Tony Rudy situation, so there are a lot of reasons why earmark reform is necessary and I hope you will be one that will support that.

Senator CARPER. Thanks to both of you. I'm sorry that this has been somewhat truncated, but we are grateful that you are here and very much appreciate your testimony.

Mr. SCHATZ. Thank you.

Mr. ABLE. Thank you.

Senator CARPER. The hearing is adjourned.

[Whereupon, at 3:15 p.m., the Subcommittee was adjourned.]

APPENDIX

Statement of Anne-Imelda M. Radice,
Director of the Institute of Museum and Library Services
Before the Subcommittee on Federal Financial Management, Government Information, and International Security
U.S. Senate Committee on Homeland Security and Governmental Affairs
Hearing on "Museums and Federal Funding"
April 5, 2006

Chairman Coburn, Ranking Member Carper, members of the Subcommittee, thank you for the opportunity to testify before you today about federal funding of museums. As you have requested, my testimony will focus on museum funding trends in recent years and the role of the Institute of Museum and Library Services in awarding and administering such funds.

The Institute of Museum and Library Services is the primary source of federal support for the nation's non-federal museums, which number more than 15,000. The Institute supports the full range of museums, including art, history, science and technology, children's, natural history, historic houses, nature centers, botanical gardens, and zoos. Through its grant making, convening, reports, and research, the Institute builds the capacity of museums to be community leaders. It supports activities that enhance learning in families and communities, sustain cultural heritage, build twenty-first-century skills, and provide opportunities for civic participation.

Although the agency in its current configuration is relatively young --created in 1996--, the Museum Services Act it administers is nearly thirty years old and the library program dates back to 1956. The purposes of the Museum Services Act are as follows:

- To encourage and support museums in carrying out their public service role of connecting the whole society to cultural, artistic, historic, natural, and scientific understandings that constitute our heritage
- To encourage and support museums in carrying out their educational role, as core providers of learning and in conjunction with schools, families, and communities
- To encourage leadership, innovation, and applications of the most current technologies and practices to enhance museum services
- To assist, encourage, and support museums in carrying out their stewardship responsibilities to achieve the highest standards in conservation and care of the cultural historic, natural, and scientific heritage of the United States to benefit future generations
- To assist, encourage, and support museums in achieving the highest standards of management and service to the public, and to ease the financial burden borne by museums as a result of their increasing use by the public
- To support resource sharing and partnerships among museums, libraries, schools, and other community organizations

Museum Funding Trends 2000 – 2005

The Bush Administration supports libraries and museums because these institutions are part of the educational infrastructure of our country, for everyone at every age and stage of life. They are essential institutions that facilitate the free flow of information and ideas upon which a democracy depends.

Museums need to adapt their programs and services to meet the changing needs of the public, while remaining true to their mission of caring for collections, supporting scholarship, and providing public programming. Museums, along with other non-profits, must meet a greater demand for accountability. They face the challenge of using technology to increase efficiency and to expand access to services. To effectively fulfill their missions, they increasingly seek partnerships with businesses, schools, and community organizations.

The Institute of Museum and Library Services has responded to these needs by continually adapting its grant program emphases and providing tools and services that help museums plan and evaluate programs, create new partnerships, and increase accountability. All of these are skills museums need to be sustainable today.

In nearly all cases, federal funding is a very small part of the overall budget of museums in the United States. The Institute's grant programs are designed to maximize return on investment. Our strategy is to act as a catalyst for excellent museum management. We build the capacity of libraries and museums so that they can stay current and relevant and meet changing societal needs, thereby leveraging support from other public and private sources. This can be done most effectively by supporting library and museum programs that are grounded in sound methodology, solid planning, and rigorous evaluation.

Care of Collections
Conservation of museum collections has a significant public purpose: to ensure that the ideas and knowledge that museum collections hold is available for future generations. Our country's cultural, scientific, historic, and artistic heritage is preserved and protected only when museums have the proper resources and support to fulfill that critical mission.

Through its Conservation Project Support and Conservation Assessment Programs, the Institute raises the visibility of conservation as a cornerstone of museum practice. These programs take a comprehensive view of conservation practice that builds from assessment to treatment. The need for this type of activity was underscored by a study recently released by Heritage Preservation. With the support of the Institute and others, this study provides the first comprehensive look at the state of the nation's collections. The results are sobering.

Roughly 190 million objects held by archives, historical societies, libraries, museums, and scientific organizations are in need of conservation treatment; immediate action is needed to prevent the loss of millions of irreplaceable artifacts. The report concluded that

- sixty-five percent of collecting institutions have experienced damage to collections due to improper storage;

- eighty percent of collecting institutions do not have an emergency plan that includes collections, with staff trained to carry it out;
- forty percent of institutions have no funds allocated in their annual budgets for preservation/conservation.

Strategic Planning and Meeting Public Needs
Perhaps the most significant programmatic change during this period is the transition away from awards for general operating support to project-based grants founded on sound strategic plans. From 1978 until 2003 the signature program of federal museum funding was called General Operating Support. To receive an award a museum needed to demonstrate excellence in managing its resources to achieve its mission. Awards were equal to a percentage of the museum's operating budget up to a maximum amount. These awards were a catalyst for outstanding museum management. To continue to advance museum service, the Institute launched a new program in 2004. Museums for America maintains the focus on excellent museum management, but it now requires that museums develop sound strategic plans and identify a project that will further the institution's mission and demonstrate how that program will meet community needs. This approach has the added benefit of helping museums articulate how their activities are enabling them to meet their goals and overall mission, a necessary skill when approaching any public or private funding source.

Partnership – Building Alliances to Meet Community Needs
With its special mandate to encourage partnership among museums, libraries, and other educational and community organizations, the Institute has an important leadership role in encouraging collaborations to meet community needs.

Over the years the Institute has particularly encouraged museum collaborations with schools. It has issued two national reports identifying trends and quantifying museums' role in helping teachers teach and students learn. According to one study, museums spend over a billion dollars and commit more than 18 million hours to K-12 education programs. A recent Institute-supported conference of leaders in the library, museum, and K-12 fields demonstrated the vitality and innovation of partnerships among these groups.

To encourage partnerships among museums, libraries, and public broadcasters to meet community needs, the Institute has worked collaboratively with the Corporation for Public Broadcasting to provide professional development opportunities for museum, library, and public broadcasting staff, including a web site that provides tips and tools for partnerships.

Technology
Digital technology has affected nearly every aspect of library and museum services, from the automation of internal recordkeeping systems to the digitization of physical collections, and from the acquisition of new "born-digital" works of art or library publications to the use of technology to present collections and engage audiences.

Digital technology enables the full range of holdings in our museums, libraries, and archives—audio, video, print, photographs, artworks, artifacts, and other resources—to be

cataloged, organized, combined in new ways, and made accessible to audiences in new ways. Funding from the Institute has supported the digitization of many museum and library collections. Working with library and computer science experts at Indiana University-Purdue University at Indianapolis, the Institute is supporting the development of a collections registry that will enable users to search all of these collections simultaneously.

New telecommunications initiatives allow learners to access more than museum and library collections. They also bring learners "face-to-face" electronically with curators, scientists, artists, and scholars. Technology-based learning initiatives address different learning needs through customized programming and presentation. Digital technology connects more people to the resources and services that only museums and libraries can provide.

Recognizing the expanding role of digital technology in both formal and informal learning, IMLS is advancing its use in our nation's museums and libraries through grant making, conferences, research, and publications.

Transparency

The Institute of Museum and Library Services carries out its grant-making mandate by administering several competitive grant programs each year. The program purposes include strengthening public service, caring for collections, enhancing professional development, providing national models and supporting research. Information about the Institute's programs is available on grants.gov, a government-wide electronic system for grant announcements and applications, and on the Institute's Web site. The Web site has all grant applications and is an excellent resource of tips and tools for applicants.

For nearly thirty years the Institute has developed and refined its competitive review process. Every application receives a thorough and objective review. A two-tiered process is used so that each application that is recommended for funding has received independent reviews from two different peer review processes before the Director makes a final determination. Reviewers, experts in their fields, are not Institute employees. A stringent conflict of interest policy ensures that reviewers are not associated with the applications they evaluate. Reviewers receive a modest $200 honorarium for their service.

Each year hundreds of experts representing a range of experience in management, education, scholarship, and collections care participate in the peer review process. In addition to expertise, the Institute seeks a balance of representation in terms of geography and institution size.

Reviewers evaluate each application based upon the criteria published in the program's application guidelines. They review project methodology, evaluation plans, potential impact, and appropriateness of project budget.

All applicants, whether funded or not, receive reviewer comments about their applications. These comments can help applicants develop stronger subsequent grant applications; they are also used by grantees who use comments strengthen their projects.

Planning for Results

The Institute maintains a leadership role in providing tools, training, and resources that help museums and libraries measure not just the quality of their collections and numbers of people served, but also the impact of these services.

To assist all applicants and grantees the Institute provides online tools to assist with planning and evaluation. These tools help institutions articulate and establish clear program benefits (outcomes), identify ways to measure those program benefits (indicators), clarify the specific individuals or groups for which the program's benefits are intended (target audience), and design program services to reach that audience and achieve the desired results.

In addition, the Institute provides technical assistance and training for grantee measurement of outcomes. This year IMLS provided thirteen intensive two-day workshops for grantees, designed to strengthen skills for outcome-oriented planning and evaluation. These workshops served 264 participants from 94 grantees and 42 project partner organizations.

Accountability

Before a grant is awarded, IMLS staff conducts a cost analysis of the proposed project to determine the grant amount. This analysis includes an examination of the cost data in the project budget and the necessity, reasonableness, and allowability of the costs under applicable law and OMB guidance.

All Institute grantees must have the legal authority to apply for federal assistance and the institutional, managerial, and financial capability (including match) to ensure proper planning, management, and completion of the project described in their application. The Institute requires that grantees administer or supervise the administration of their grant and apply fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for federal funds. Discretionary grantees in the museum programs may not award subgrants.

In accepting a grant, the grantee assumes the legal responsibility of administering the grant in accordance with federal requirements and Institute policy. Specific terms and conditions are explained in materials provided to all grantees and posted on the agency's Web site for all applicants. Recipients of financial assistance must maintain documentation, which is subject to audit, of all actions/expenditures affecting the grant. Failure to comply with the requirements of an award can result in suspension or termination of the grant and recovery of grant funds.

Grant payments are made, upon request, on a reimbursable basis for grant project-related expenditures. Small advance payments can be requested and approved by the Institute.

Grant expenses must be consistent with the proposal that is approved for funding by the Institute. Any change to a grant project's programmatic scope, key personnel, or budget must first be approved by the Institute. All requests for a change to a grant project must be signed by the authorizing official and submitted to the appropriate program officer

Grantees are required to provide reports, generally on an interim and final basis.

Requests for extensions of the grant period can be made pursuant to OMB circulars. The Institute will not accept requests for cost overruns. Supplementary awards for ancillary activities are made on an infrequent basis.

Funding for Museum Programs

Year	# Awards	$ Awards	# Apps	$ Requested	# Institutions
2000	584	$ 24,603,258	1529	$ 112,526,078	540
2001	632	$ 26,040,290	1516	$ 125,388,300	601
2002	571	$ 26,074,710	1578	$ 187,378,791	541
2003	567	$ 28,785,656	1695	$ 140,729,386	533
2004	555	$ 31,792,702	1506	$ 129,077,028	517
2005	558	$ 29,752,699	1293	$ 116,132,269	522
All	3467	$ 167,049,315	9117	$ 811,231,852	2355

Earmarks

Year	# Awards	$ Awards
2000	14	$ 7,054,298
2001	39	$ 21,007,000
2002	61	$ 21,466,000
2003	89	$ 27,484,191
2004	88	$ 26,009,637
2005	101	$ 32,082,272
All	392	$ 135,103,398

Mr. Chairman and members of the Subcommittee, I very much appreciate this opportunity to appear before you this afternoon and welcome your questions and comments.

TESTIMONY

David A. Ucko, Ph.D.
Head, Informal Science Education
Division of Elementary, Secondary, and Informal Education
Education and Human Resources Directorate
National Science Foundation

Before the
Committee on Homeland Security and
Governmental Affairs
Subcommittee on Federal Financial Management,
Government Information, and International Security
United States Senate
April 5, 2006

Chairman Coburn, Co-Chairman Carper, and distinguished members of the Subcommittee, thank you for the opportunity to describe the merit review process by which the National Science Foundation (NSF) makes available grant funds for museums. These institutions may compete for funds from programs throughout the agency. The Informal Science Education (ISE) program within NSF's Directorate for Education and Human Resources (EHR), which I represent, is most closely aligned with the educational mission of science museums[1] and will be the focus for this testimony.

Program Background

Initiated in 1983, ISE invests in projects that promote public interest, understanding, and engagement in science, technology, engineering, and mathematics (STEM) through voluntary, self-directed, and lifelong learning opportunities. Funded at $63 million in FY 2006, ISE achieves national impact through exhibition, media, technology, and community-based projects that reach some 150 million citizens of all ages and backgrounds in science museums, community centers, giant-screen theaters, outdoor settings, and homes.

ISE has altered the national landscape through impact both on the public and on the field of informal science education. The Foundation's ISE program is the major source of federal funding for public understanding of science. It has increased access to STEM experiences and resources for audiences ranging in age from pre-school to older adults.

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[1] The term "science museum" is used broadly here to describe awards to science-technology centers, natural history museums, children's museums, aquariums, zoos, planetariums, arboreta, nature centers, and similar types of institutions.

Examples of public impact include:

- Exhibitions. ISE has been a major force in supporting the development of innovative permanent and traveling exhibitions that engage millions of people each year at science museums in hands-on science experiences. Of the ~200 exhibitions that have been toured by the Traveling Exhibition Service of the Association of Science-Technology Centers (ASTC), more than half were made possible by ISE support. These exhibitions have traveled to institutions in every state, bringing science to the public and professional development to staff.

- Television and Radio Programs. ISE established the field of children's science programming on TV through support of *3-2-1 Contact*, *Bill Nye: The Science Guy*, and *The Magic School Bus*. Current investments enable such programs as *Cyberchase*, *ZOOM*, *PEEP and the Big Wide World*, and *Dragonfly TV* to reach millions of children each week. Similarly, ISE established adult-science programming through support of *NOVA* on television and the National Public Radio (NPR) science unit on radio. Most ISE-funded media programs now have an extensive after-life in schools, colleges, and libraries; they also attract tens of millions monthly to their associated Web sites.

- Large-format Films. ISE established this format as an immersive educational medium. There are now 107 institutional giant-screen theaters in 44 states (typically IMAX© theaters at science museums) that emphasize educational science films, most of which have been made possible through ISE investment.

- Community and Youth Programs. During the short time since this program focus was initiated, ISE has contributed greatly to both the quantity and quality of science-based activities used nationally in after-school and out-of-school programs, such as those offered by Girls Inc. Many of these programs target underserved youth in particular. ISE also made possible the development of "citizen science" programs that involve the public in activities that contribute to actual research, such as the *eBird* project at the Cornell Lab of Ornithology, which has generated some 15 million observations from across the nation that are used for research on population biology and ecosystems management.

In addition, ISE investments have had a significant impact on the field of informal STEM education.

- Expansion of Science Museums. The ISE program has been instrumental in early capacity building for the science museum field and its professional association (ASTC). Since 1973, the number of member institutions in the U.S. has jumped from 20 to 338. These science museums are now the principal means by which some 83 million citizens each year experience science first-hand, primarily as families and school groups. They are estimated to contribute more than $1 billion annually to our nation's economy.

- Advancing the Informal Science Education Field. The ISE program encourages best practices and stimulates innovation. It has raised standards and changed the culture of the field through emphasis on accuracy of STEM content (partnerships with university scientists); linkages to formal education (support of national standards, classroom activities, and teacher professional development); reaching underserved audiences (broader participation and partnerships with community-based groups); collaboration (linkages between synergistic efforts and organizations); and evaluation (systematic study of exhibits and programs).

- Investments in Infrastructure. ISE investment continues to strengthen the infrastructure of informal science education, professionalize the field, and further knowledge transfer among science museums and related organizations through conferences; professional development activities for building capacity; Web sites and professional publications; applied research projects that advance knowledge in the field; and other means.

Funding and Grants to Museums

The National Science Foundation is funded at $5.58 billion for FY 2006. The NSF appropriation does not receive earmarks for museums or other institutions. At $63 million, the ISE program represents approximately 1 percent of the total NSF budget. Grants to museums make up approximately 40 percent of the total ISE dollars awarded each year. They typically fund development and implementation of innovative permanent and traveling exhibitions, after-school programs and other educational activities, Web sites, planetarium shows, and ancillary materials for classroom use. Museums and other types of organizations submit proposals in response to the ISE program solicitation (*NSF 06-520*), which emphasizes strategic impact, innovation, and collaboration. The ISE program invests in specific projects that develop and implement exhibitions and other educational deliverables. Awards are typically made for a three-to-five year duration, with a maximum total investment of $3 million in any project. About 40 percent of a given year's ISE funding goes towards 25 to 30 major new project grant awards based on the merit review process. The remaining program funds provide continuing grant increments for earlier multi-year awards, as well as a small number of competitive grants for planning, conferences, and educational outreach by NSF researchers.

The total dollar amounts awarded by the Foundation to museums each year since FY 2000 are summarized below.

NSF Awards to Museums (in millions), Fiscal Years 2000-2005

	2000	2001	2002	2003	2004	2005	Total
ISE Program	$21.5	$20.2	$21.8	$21.0	$28.9	$25.9	$139.3
Other NSF	$7.5	$19.1	$14.0	$15.6	$13.4	$20.1	$89.8
Total	$29.0	$39.3	$35.8	$36.6	$42.3	$46.0	$229.1

Over the FY 2000-2005 period, NSF funding for museums has increased 67%. *Attachment A* shows the sources of funds within NSF for museums. The Informal

Science Education program provides 61% of the NSF funds awarded to museums; organizational units throughout the agency fund the remainder. Awards made by other programs within NSF's Directorate for Education and Human Resource represent 13% of funds going to museums in support of formal K-12 education. For example, the Center for Learning and Teaching program funded a *Center for Informal Learning and Schools* based at San Francisco's Exploratorium that advances research and develops leaders at the interface between formal and informal learning. The Foundation's research directorates represent about 26% of awards to museums. The Directorate for Biological Sciences, for instance, funds scientific research carried out by curators and scientists at natural history museums and botanical gardens.

Attachment B shows which museums have received grants in each of these years. In some cases, the grantee is a foundation associated with the museum or a university that serves as the parent organization. It should be noted that this table shows only the primary grantee institution. Since most projects involve multiple partner organizations, additional museums also receive funds through many of these awards, as well as through grants to other types of institutions as participating collaborators. As an example, the Queens Borough Public Library in New York received an award in partnership with three museums to embed science exhibits within a children's library. Principal museum awardees also typically disseminate or travel the results of the award to other museums across the nation. The Nanoscale Informal Science Education (NISE) Network out of the Museum of Science in Boston, for example, will create exhibits and other educational products on nanotechnology for some 100 museum sites.

In the ISE program, museums may apply for small amounts of additional funding as supplements to original awards in amounts up to 20 percent or $200,000, whichever is less. These supplements are intended either to protect the initial investment by ensuring completion of the original project scope if changes in conditions have occurred after the original award was made, or to take advantage of opportunities to extend further the project impact. Cost overruns are not grounds for awarding a supplement. In FY 2005, ISE awarded three such supplements to museums, with average funding of $164,163.

The ISE program does not fund operating support or capital expenses. Museums, like other NSF grantees, are eligible to recover approved indirect costs necessary to the general operation of the organization in support of the proposed project, such as certain administrative expenses. Organizations are required to support proposed indirect cost rates shown on their grant proposal budget by submission of a current indirect cost rate agreement negotiated with a Federal agency.

Merit Review Criteria

The ISE program holds competitions and corresponding review panels two times each year. All ISE awards are made competitively through the NSF merit review process and are based on the National Science Board criteria of *intellectual merit* and *broader impacts*. The following criteria are considered by reviewers in assessing ISE proposals:

Within intellectual merit, reviewers assess:

Deliverables. Does this project creatively "push the envelope" in enhancing informal science learning? Have the deliverables been selected and integrated to achieve the greatest project impacts? Are front-end and formative evaluation efforts adequate for their development? Are the scope and depth of STEM content appropriate to the target audience?

Project Design. Are the deliverables, project design, and timeline well developed and integrated to produce the specified impacts? Does the project design build on informal learning research and on lessons learned from prior efforts? Is the proposed budget reasonable and adequate? Does the proposal present meaningful strategies for managing potential risks?

Project Team. Is the team qualified to carry out the project? Do external advisors provide the expertise necessary to conduct the project, including relevant expertise based in informal science learning, STEM content, any media used, and evaluation?

Partnerships. Does the project fully take advantage of partnerships to enhance project impacts? Is there a credible strategy and plan for fostering or strengthening collaboration among the partners?

Within broader impacts, reviewers assess:

Audience. Is the primary target audience, as well as any secondary audience, clearly identified and segmented into subgroups as appropriate? Does the project demonstrate knowledge about the target audiences, their needs, and their interests?

Public Audiences. Will the project likely achieve a significant impact on the target audience of informal learners? Does the project maximize reach to audiences nationally, regionally, or community-wide? Does the proposal offer effective ways to reach nontraditional audiences and underrepresented groups?

Professional Audiences. Will the project likely achieve a significant impact on professionals in the field of informal science learning?

Impact Evaluation. Are there clear, appropriate measures and criteria for defining project success? Is there an appropriate summative evaluation plan for assessing impact? Is there an effective plan for broadly sharing project outcomes and findings?

Strategic Impact. Is the project likely to advance the field of informal science education in a significant way?

Results achieved through any prior NSF funding are considered in light of these review criteria. In each proposal, the principal investigator (PI), who serves as project director, is required to describe outcomes from previous NSF awards. New projects from prior grantees or resubmissions of previously declined proposals are subject to the same competitive review process as all other proposals.

Merit Review Process

Program officers facilitate merit review by forming diverse panels of experts with relevant knowledge and experience in informal science education, STEM content, evaluation, and areas specific to the type of proposal, such as exhibition design and production. All reviewers and panelists serve as volunteers. Selected panelists for each proposal submit written reviews with ratings (excellent, very good, good, fair, or poor) in advance of the panel meeting. After discussion at the panel meeting, reviewers then rank each proposal as high, medium, or low as a priority for funding, and a panel summary is written by an assigned panelist. After funding decisions are finalized, anonymous copies

of the reviews and panel summaries are made available to principal investigators to indicate the panel's assessment of their projects and offer suggestions for improvement.

After the panel meetings, program officers meet as a group to determine which of the most highly rated proposals will be recommended for funding. Their goal is to create a diverse program portfolio, based on such factors as type of deliverable (e.g., exhibit, TV series, after-school program, Web) and target audience, in order to achieve the greatest national impact for the dollars invested.

The program officer recommendations and their rationale must then be approved by the Division Director. The official awards are then made by the NSF Division of Grants and Agreements, following review of the budget and financial capability of the awardee. The ISE program is highly competitive; the funding rate in FY 2005 was 17 percent.

Costs for running merit review panels, covered by program funds, are modest. The ISE program provides reimbursement for non-local panelists at a flat rate of $480 for each meeting day (typically three days for ISE panels) and $280 for each of two travel days. Reviewers residing in the local metropolitan area receive compensation of $280 for each full day of the meeting. These amounts are intended to cover all expenses, including lodging (as appropriate), taxis, parking, meals, and incidental expenses, except travel, which is paid directly. The following table shows the costs associated with holding ISE panels. These figures cover two sets of museum panels per year and currently represent about 1% of the funds awarded by ISE to museums annually. (The 2005 figure reflects greater use of external reviewers for preliminary proposal panels in response to an increased number of submitted proposals.)

ISE Museum Panel Expenses, Fiscal Years 2000-2005

2000	2001	2002	2003	2004	2005
$47,692	$57,753	$58,651	$80,687	$54,958	$112,674

Post-Award Accountability Measures

As throughout NSF, each ISE program officer is responsible for ongoing post-award management for an assigned portfolio of awards. Significant changes in the original scope, project management, and budget must be submitted for review and approval by the cognizant program officer, and when required, the Division of Grants and Agreements.

Every grantee is required to submit an annual report describing progress of the project each year; award of the next annual continuing grant increment requires approval of the report by the cognizant program officer. Site visits also may be conducted by program officers to monitor progress and by the Division of Grants and Agreements to monitor financial aspects of awards.

Upon completion of the project, a final report is required that describes the outcomes of the award, including a summative evaluation of project impact carried out and written by an independent, third-party evaluator. The principal investigator for each ISE award is

required to post these summative evaluations on the www.informalscience.org Web site so that others can learn from their experiences.

Program Review

Every three to four years, each NSF program is reviewed by a Committee of Visitors (COV) consisting of outside independent experts. The ISE program recently underwent such a review. The complete report, entitled "Informal Science Education Program COV," and the "Response to ISE COV Report" by staff are posted for public access at http://www.nsf.gov/od/oia/activities/cov/covs.jsp#ehr under the heading "EHR 2005."

Regarding merit review, the COV reported that ISE's mechanisms were extremely well suited to the tasks; that the process was efficient; and as orchestrated by program officers, the process seemed strictly and appropriately (if not impressively) implemented to meet all ISE goals. It noted that panelists were appropriately balanced between scientists with content expertise and experienced practitioners within the informal science education field, and that program officers were very careful in meeting desired characteristics of geographic, institutional, gender, and ethnic diversity. In addition, the COV stated that individual reviews were, at most times, comprehensive and written in such a way as to provide helpful comments to assist proposers. In general, the COV stated that the overall quality of the reviews was strong and, in almost every case, addressed both merit review criteria.

Opportunities

The ISE program continually seeks ways to improve its efficiency and effectiveness. It has started to use Web conferencing as a cost-effective means to orient reviewers and panelists in advance, as well as to help prospective proposers become more familiar with the program and develop competitive proposals, especially from those states with fewest awardees. The ISE program is developing an online database to enable program officers to monitor awards and analyze the impact of the portfolio. The current solicitation calls for proposals to establish an ISE Resource Center, which will support continued professionalization and build capacity across the field; provide assistance to current and prospective project directors; and help assess the program.

The ISE program supports the development of a well-informed citizenry and a diverse, well-prepared workforce of scientists, engineers, mathematicians, and technicians, an effort that complements the President's recently announced American Competitiveness Initiative. This outcome is especially important to our nation today when science and technology play ever-increasing roles in our everyday lives, in local and national policy, and in a competitive global marketplace.

Attachment A

NSF Museum Funding
Fiscal Years 2000-2005

	2000	2001	2002	2003	2004	2005	Total $	%
Informal Science Education	$21,450,377	$20,243,729	$21,794,384	$21,027,656	$28,846,217	$25,890,479	$139,252,842	60.8%
Biological Sciences	$2,379,623	$6,367,090	$5,931,763	$7,128,310	$5,267,513	$6,224,308	$33,298,607	14.5%
Other Educ. & Human Res.	$3,517,297	$9,443,750	$1,523,817	$5,136,990	$4,572,202	$6,135,513	$30,329,569	13.2%
Geosciences	$464,441	$951,787	$2,044,946	$1,406,879	$1,302,650	$1,607,560	$7,778,263	3.4%
Math. & Physical Sciences	$466,500	$1,391,165	$1,362,369	$475,426	$940,208	$2,712,765	$7,348,433	3.2%
Social, Behav. & Eco. Sci.	$310,524	$232,280	$714,151	$1,370,381	$745,628	$1,082,317	$4,455,281	1.9%
Computer & Info. Sci. & Eng.	$300,000	$165,000	$2,144,691	-	$242,094	$374,525	$3,226,310	1.4%
Office of Polar Programs	$70,534	$579,122	$328,944	$40,000	$393,530	$343,589	$1,755,719	0.8%
Engineering	-	-	-	-	-	$1,640,280	$1,640,280	0.7%
Total $	$28,959,296	$39,373,923	$35,845,065	$36,585,642	$42,310,042	$46,011,336	$229,085,304	

Attachment B NSF Museum Awards FY 2000-2005

2000	2001	2002
Adler Planetarium (IL)	Amer. Museum of the Moving Image (NY)	Bay Area Discovery Museum (CA)
Anchorage Museum Assn. (AK)	Anchorage Museum Assn. (AK)	Brooklyn Childrens Museum (NY)
California Science Center Fdn.	Brookiyn Childrens Museum (NY)	Buffalo Bill Historical Center (WY)
Chabot Space and Science Center (CA)	Buffalo Bill Historical Center (WY)	California Science Center Fdn.
Children's Discovery Mus. of San Jose (CA)	California Science Center Fdn.	Children's Museum of Houston (TX)
Children's Museum of Indianapolis (IN)	Chabot Space and Science Center (CA)	Exploratorium (CA)
Exploratorium (CA)	Children's Discovery Mus. of San Jose (CA)	Fort Worth Mus. of Sci. & History (TX)
Field Museum of Natural History (IL)	Children's Museum of Houston (TX)	Franklin County Historical Society (OH)
Franklin Institute Science Museum (PA)	Children's Museum of Indianapolis (IN)	Great Lakes Mus. of Sci., Env. & Tech. (OH)
Great Lakes Mus. of Sci., Env. & Tech. (OH)	Discovery Place, Inc. (NC)	Huntington Lib. & Botanical Gardens (CA)
Hudson River Museum (NY)	Exploratorium (CA)	Illinois State Museum Society
Illinois State Museum Society	Field Museum of Natural History (IL)	Independence Seaport Museum (PA)
LA County Museum Nat. History Fdn. (CA)	Franklin County Historical Society (OH)	Liberty Science Center, Inc. (NJ)
Louisville Science Center (KY)	Franklin Institute Science Museum (PA)	Maine Discovery Museum
Maryland Science Center	Great Lakes Mus. of Sci., Env. & Tech. (OH)	Miami Museum of Science (FL)
Miami Museum of Science (FL)	Independence Seaport Museum (PA)	Minnesota Children's Museum
Minnesota Children's Museum	Indianapolis Zoological Society Inc (IN)	Montshire Museum of Science (VT)
Montshire Museum of Science (VT)	Louisville Science Center (KY)	Museum of Science (MA)
Mount Washington Observatory (NH)	Maryland Science Center	New England Aquarium Corp. (MA)
Museum of Science (MA)	Miami Museum of Science (FL)	New Mexico Museum of Nat. History Fdn.
Museum of Science and Industry (IL)	Milwaukee Public Museum (WI)	New York Hall of Science
National Aquarium in Baltimore (MD)	Minnesota Children's Museum	North Carolina Museum of Life & Science
New England Aquarium Corp. (MA)	Montshire Museum of Science (VT)	Oregon Museum of Science & Industry
New Mexico Museum of Nat. History Fdn.	Museum of Science (MA)	Pacific Science Center Fdn. (WA)
New York Hall of Science	New England Aquarium Corp. (MA)	San Diego Museum of Man (CA)
North Carolina Museum of Life & Science	New Mexico Museum of Nat. History Fdn.	San Diego Society of Natural History (CA)
Oregon Museum of Science & Industry	New York Hall of Science	Science Museum of Minnesota
Reuben Fleet Space Theatre Sci. Ctr. (CA)	North Carolina Museum of Life & Science	Smithsonian Institution (DC)
San Diego Society of Natural History (CA)	Oregon Museum of Science & Industry	St Louis Science Center (MO)
Sci. & Tech. Interactive Ctr. (SCITECH) (IL)	San Diego Museum of Man (CA)	Tech Museum of Innovation (CA)
Science Museum of Minnesota	San Diego Society of Natural History (CA)	University of California-Berkeley
St Louis Science Center (MO)	Sci. & Tech. Interactive Ctr. (SCITECH)	University of Florida
University of California-Berkeley	Science Museum of Minnesota	University of Nebraska-Lincoln
University of Nebraska-Lincoln	University of California-Berkeley	Wildlife Conservation Society (NY)
Whitaker Center for Science & Arts (PA)	University of Nebraska-Lincoln	
Wildlife Conservation Society (NY)	Wildlife Conservation Society (NY)	

Additional Museums Funded by Other NSF Programs:

American Museum of Natural History (NY)	Academy of Natural Sciences (PA)	American Museum of Natural History (NY)
Buffalo Society of Natural Science (NY)	Adler Planetarium (IL)	Bernice P. Bishop Museum (HI)
Delaware Museum of Natural History	American Museum of Natural History (NY)	Chicago Botanic Garden (IL)
Denver Museum of Nature & Science (CO)	Bernice P. Bishop Museum (HI)	Cleveland Museum of Nat. History (OH)
Milwaukee Public Museum (WI)	Denver Museum of Nature & Science (CO)	Denver Museum of Nature & Science (CO)
Missouri Botanical Garden	LA County Museum Nat. History Fdn. (CA)	Field Museum of Natural History (IL)
New York Botanical Garden	Missouri Botanical Garden	LA County Museum Nat. History Fdn. (CA)
Santa Barbara Museum of Nat. History (CA)	National Tropical Botanical Garden (HI)	Missouri Botanical Garden
Smithsonian Institution (DC)	New York Botanical Garden	New York Botanical Garden
Virginia Museum of Natural History	Santa Barbara Mus. of Nat. History (CA)	Santa Barbara Mus. of Nat. History (CA)
	Smithsonian Institution (DC)	Virginia Museum of Natural History
	Virginia Museum of Natural History	
46	**48**	**45**
$28,959,296	$39,373,923	$35,845,065

2003	2004	2005
Anchorage Museum Assn. (AK)	Bay Area Discovery Museum (CA)	Anchorage Museum Assn. (AK)
Bay Area Discovery Museum (CA)	Brooklyn Childrens Museum (NY)	Bay Area Discovery Museum (CA)
Brooklyn Childrens Museum (NY)	California Academy of Sciences	Brooklyn Childrens Museum (NY)
California Academy of Sciences	California Science Center Fdn.	California Academy of Sciences
Chabot Space and Science Center (CA)	Chabot Space and Science Center (CA)	California Science Center Fdn.
Chicago Botanic Garden (IL)	Children's Discovery Mus. of San Jose (CA)	Chabot Space and Science Center (CA)
Children's Discovery Mus. of San Jose (CA)	Childrens Museum Boston (MA)	Chicago Children's Museum (IL)
Children's Museum of Houston (TX)	Children's Museum of Houston (TX)	Children's Museum of Houston (TX)
Exploratorium (CA)	Denver Museum of Nature & Science (CO)	Denver Museum of Nature & Science (CO)
Fort Worth Mus. of Sci. & History (TX)	Exploratorium (CA)	Exploratorium (CA)
Franklin Institute Science Museum (PA)	Fort Worth Mus. of Sci. & History (TX)	Franklin Institute Science Museum (PA)
Garfield Park Conservatory Alliance (IL)	Franklin Institute Science Museum (PA)	Garfield Park Conservatory Alliance (IL)
Great Lakes Mus. of Sci., Env. & Tech. (OH)	Garfield Park Conservatory Alliance (IL)	Hugh Moore Hist. Park & Museum (PA)
Hugh Moore Hist. Park & Museum (PA)	Hugh Moore Hist. Park & Museum (PA)	Miami Museum of Science (FL)
Liberty Science Center, Inc. (NJ)	Huntington Lib. & Botanical Gardens (CA)	Montshire Museum of Science (VT)
Mashantucket Pequot Museum (CT)	Indiana State Museum Fdn.	Museum of Science (MA)
Miami Museum of Science (FL)	Liberty Science Center, Inc. (NJ)	Museum of Science and Industry (FL)
Montshire Museum of Science (VT)	Louisville Science Center (KY)	New York Hall of Science
Museum of Science (MA)	Maryland Science Center	North Carolina Museum of Life & Science
Museum of Science and Industry (FL)	Mashantucket Pequot Museum (CT)	Pittsburgh Children's Museum (PA)
New York Hall of Science	Miami Museum of Science (FL)	Science Museum of Minnesota
North Carolina Museum of Life & Science	Montshire Museum of Science (VT)	St Louis Science Center (MO)
Ocean Institute (CA)	Museum of Science (MA)	University of California-Berkeley
Oregon Museum of Science & Industry	Museum of Science and Industry (FL)	University of Florida
Pacific Science Center Fdn. (WA)	New England Aquarium Corp. (MA)	University of Nebraska-Lincoln
San Diego Society of Natural History (CA)	New York Hall of Science	Wildlife Conservation Society (NY)
Science Museum of Minnesota	North Carolina Museum of Life & Science	
Smithsonian Institution (DC)	Ocean Institute (CA)	
Tech Museum of Innovation (CA)	Oregon Museum of Science & Industry	
University of California-Berkeley	Pacific Science Center Fdn. (WA)	
University of Florida	Pittsburgh Children's Museum (PA)	
University of Nebraska-Lincoln	Science Museum of Minnesota	
	Smithsonian Institution (DC)	
	Tech Museum of Innovation (CA)	
	University of California-Berkeley	
	University of Florida	
	University of Nebraska-Lincoln	
	Wildlife Conservation Society (NY)	

American Museum of Natural History (NY)	American Museum of Natural History (NY)	Adler Planetarium (IL)
Bernice P. Bishop Museum (HI)	Bernice P. Bishop Museum (HI)	American Museum of Natural History (NY)
Cleveland Museum of Nat. History (OH)	Chicago Botanic Garden (IL)	Bernice P. Bishop Museum (HI)
Cincinnati Museum Center (OH)	Dallas Museum of Natural History (TX)	Chicago Botanic Garden (IL)
Field Museum of Natural History (IL)	Delaware Museum of Natural History	Dallas Museum of Natural History (TX)
LA County Museum Nat. History Fdn. (CA)	Field Museum of Natural History (IL)	Field Museum of Natural History (IL)
Milwaukee Public Museum (WI)	LA County Museum Nat. History Fdn. (CA)	LA County Museum Nat. History Fdn. (CA)
Missouri Botanical Garden	Missouri Botanical Garden	Milwaukee Public Museum (WI)
New England Aquarium Corp. (MA)	New York Botanical Garden	Missouri Botanical Garden
New Mexico Museum of Nat. History Fdn.	North Carolina State Museum	New York Botanical Garden
Santa Barbara Mus. of Nat. History (CA)	Santa Barbara Mus. of Nat. History (CA)	Santa Barbara Mus. of Nat. History (CA)
		Seattle Aquarium Society (WA)
		Smithsonian Institution (DC)
43	**49**	**39**
$36,585,642	$42,310,042	$46,011,336

Testimony

of

Thomas A. Schatz,
President,
Citizens Against Government Waste

Museums and Federal Funding

Mr. Chairman and members of the subcommittee, thank you for the opportunity to testify today on behalf of the 1.2 million members and supporters of Citizens Against Government Waste (CAGW). We are grateful to have the chance to expose the excessive waste that flows into earmarked museum projects. Mr. Chairman, we very much appreciate your leadership in the effort to enact effective earmark reform.

As you know, Mr. Chairman, CAGW has been cataloguing earmarks and reporting them in our *Congressional Pig Book* since 1991. Our seven-point criteria to identify pork-barrel spending was developed in conjunction with the bipartisan Congressional Porkbusters Coalition. These criteria are:

- The project was requested by only one chamber of Congress;
- The project was not specifically authorized;
- The project was not competitively awarded;
- The project was not requested by the President;
- The project greatly exceeds the President's budget request or the previous year's funding;
- The project was not the subject of a hearing; and,
- The project only serves a local or special interest.

In the first *Pig Book*, CAGW recorded 546 projects totaling $3.1 billion. Unfortunately, those numbers have grown exponentially. Earlier today, CAGW released the *2006 Congressional Pig Book*. In fiscal year 2006, appropriators funded 9,963 projects, totaling $29 billion in pork. The dollar figure was a record amount, 6.2 percent higher than last year's total of $27.3 billion. That occurred despite a 29 percent drop from the record 13,997 projects in fiscal 2005. In total, since 1991, CAGW has uncovered 76,421 projects and $241 billion in pork.

As funding continues to grow for the war on terrorism and unforeseen events such as Hurricane Katrina, the federal government must start exercising fiscal restraint and members of Congress must curb the desire to fund pet projects. Some of the more egregious examples of pork-barrel spending come in the form of funding for museum projects. Since 1995, appropriators have poured $527.4 million into 1,030 museum-related earmarks, with a total of $27.3 million for 79 projects in fiscal year 2006.

The Institute of Museum and Library Sciences is an independent grant making agency that provides funding to museums and libraries in an attempt to augment learning and promote cultural heritage. It provides funds on a competitive basis. In 2006, it has provided funding for eight museum projects, five of which are in New Orleans and one of which is in Biloxi, Mississippi. The highest amount provided is $150,000. At least this agency is trying to help the Gulf Coast recover from Hurricanes Katrina and Rita.

But that is not the case with members of Congress, who, rather than providing additional funds to the museum and library institute, decided to pick "worthy" museums themselves. The $27.3 million for 79 museum projects was spread among the Science, Commerce, Justice and State; Labor, Health and Human Services, and Education; Interior; and Treasury, Transportation, and Housing and Urban Development appropriations bills.

Among those projects was the poster child of pork for fiscal year 2006, the Sparta Teapot Museum, located in Sparta, North Carolina. Like several other museum projects, the teapot museum received a double appropriation in the fiscal 2006 Transportation/Treasury/Housing and Urban Development Appropriations Act. Both the city of Sparta and New River Community Partners, Inc., the company responsible for the building of the museum, received $250,000 for construction of the Sparta Teapot Museum, for a total of $500,000. Supporters of the project claim that the museum "will expose its visitors to an unexpected art form – the teapot."

The museum was proposed in the hope that it would increase tourism to the economically deficient town. Officials from the New River Community Partners project that the museum will attract 60,000 additional visitors to Sparta, a town with a population of 1,118. However, one official noted that there is no way of determining whether or not the museum will draw substantial crowds. The town itself is located 77 miles from Winston-Salem – making it the museum in the middle of nowhere – and it is doubtful that tourists will make the trip simply to see a teapot museum. State Representative Jim Harrell referred to the museum as a crap shoot. Regardless of the circumstances, taxpayers do not deserve to see their hard-earned money gambled away on this project.

Another example from this year's *Pig Book* is the Youth Health Museum, also known as the Youzeum, in Boone County, Missouri which received $750,000 in fiscal year 2006. Although the idea for this museum was hatched more than a decade ago, a location for the project was not established until September 2003. The president of the museum board claims that the lack of location was actually positive because it allowed the organization the chance to expand the center. However, taxpayers are consistently footing the bill for excessive time spent on these types of projects.

It is bad enough that these projects receive a one-time appropriation, but they often receive multiple earmarks in one fiscal year. For example, in fiscal 2006, the Arab Community Center for Economic and Social Services in Dearborn, Michigan received $550,000 for construction of a museum and $600,000 for museum expansion. This project was guilty of the same offense in fiscal year 2005 when it received $100,000 for exhibits and museum programs and $169,750 for construction of the museum. Only in Washington could money be appropriated to expand a museum that is still being constructed.

Other examples of the excessive waste in museum projects have occurred in past years; there is no guarantee these projects won't receive additional funds in the future. One of the most expensive has been The Please Touch Me Museum in Philadelphia, which received $5.2 million between 2001 and 2005. This museum was created with the intent to establish hands-on learning for children. Although the museum has a $10 admission fee, appropriators continue to stick taxpayers with the bill. Taxpayer's wallets have been touched enough.

In fiscal year 2005, taxpayers paid $1.5 million for the Anchorage Museum of History and Art's Transit Intermodel Depot, otherwise known as a bus stop. In this case, not only were the taxpayers responsible for the costs of the museum, but they also paid the bill for a bus stop that lies near the building. The director of public transportation in Anchorage, Tom Wilson, expressed his disbelief and concern about how to spend the money. In a May 2005 MSNBC article Wilson claimed, "It is going to be a showpiece stop. We have a senator (Ted Stevens) that gave us the money and I certainly won't want to appear ungrateful." However, Wilson was also concerned that the public would view the first-class bus stop as wasteful and insisted that he would only spend what was necessary. Plans for the bus stop included top-of-the-line seating and lighting, electronic signs, and heated sidewalks. Wilson stated, "If it only takes us $500,000 to do it, that's what we will spend." Five hundred thousand dollars is about 50 times the average amount spent on a bus stop.

A *Wall Street Journal* article published on December 27, 2005 noted that rural museums are becoming an entity of the past. As visitor numbers begin to decline, the demand for smaller museums in rural areas is dropping as well. If this is the case, why are appropriators continuing to pour funding into these declining projects? Without a steady stream of tourists, these museums will not be self-sustaining and will continue to rely on government funding to keep them afloat.

It is clear that the pork-barrel funding going toward these museum projects is unnecessary and excessive. Appropriators must start demonstrating some fiscal responsibility and exercising fiscal restraint in order to meet the more essential problems that face this country.

I thank you for the opportunity to testify.

AMERICAN ASSOCIATION OF MUSEUMS | AAM100

Statement of
Edward H. Able, Jr., President and CEO
American Association of Museums

Before the

Subcommittee on Federal Financial Management, Government Information and International Affairs

Committee on Homeland Security and Government Affairs

April 5, 2006

Chairman Coburn, Senator Carper and distinguished members of the subcommittee, the American Association of Museums (AAM) appreciates the opportunity to testify for your hearing on *Museums and Federal Funding*.

Founded in 1906, AAM is dedicated to promoting excellence within the museum community. We currently have more than 20,000 members, including nearly 14,000 individual members, more than 3,100 museums. We are the only national organization that serves the entire scope of the museum community. Our individual and institutional members represent museums of art, history, science, military and maritime museums, children's museums as well as aquariums, zoos, botanical gardens, arboretums, historic sites, planetariums, and science and technology centers. The services we provide the field benefit the entire field, not just our members. Through representation, professional education, accreditation and guidance on how to achieve current professional standards of performance, AAM helps museum staffs, boards and volunteers across the country serve the public.

At the foundation of our association's service to museums is our role as a forum for ongoing discussion about the development and measurement of museum performance across our field. AAM's Museum Assessment Program (MAP) and Accreditation program are respected within the field of museums and by other charitable and philanthropic communities for our role in strengthening museums' capacity and in recognizing excellence in operations and public service.

For 25 years, AAM has worked with Institute of Museum and Library Services to help museums reach their full potential through the Museum Assessment Program. Museums of all types and sizes have participated in the program to attain excellence in operations. The program offers four assessments:

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- **Institutional Assessment**: Assessing overall operations and planning
- **Collections Management Assessment**: Focuses on collections issues as they relate to overall museum operations
- **Public Dimension Assessment**: Evaluates how well a museum serves, collaborates with, and is valued by its community
- **Governance Assessment**: Working with the museum's board to examine its structure, roles and responsibilities, and performance

These assessments provide museums an outside peer review of their operations; recognition of strengths, weaknesses and opportunities for improvement, and an introduction to a formal assessment process similar to AAM's Accreditation program. MAP has served museums in all fifty states.

Many museums that participate in the MAP program subsequently pursue accreditation. Accreditation from AAM is recognition of a museum's commitment to excellence, accountability, the highest professional standards and continued institutional improvement. AAM's Accreditation program is more than 30 years old. Accreditation of a museum is a recognized seal of approval that brings national recognition to a museum, regardless of its size or location. The program strengthens individual institutions, and improves the profession as a whole by promoting ethical and professional practices that enable museum leadership to make informed decisions, allocate and use resources wisely, and remain accountable to the public. The program has served as the field's primary vehicle for quality assurance and self-regulation. AAM accredited museums are located in all 50 states, the District of Columbia and Puerto Rico and include institutions of all types and sizes.

So what is a typical museum? There is no one mold from which a museum is cast. Museums in America reflect the diversity of our communities and range from the largest art museums and zoos to the smallest of our historic homes or a children's museum in a shopping mall. Wealthy industrialists, collectors, educators, scientists, parents and patriotic citizens have founded museums. The earliest museum predates the founding of the United States. In 1773, the Charleston Library Society gathered samples of animals, plants and minerals from the South Carolina low country and this collection formed the foundation of the first American museum. There are in excess of 15,000 museums in the United States.

Museum budgets range from several hundreds of millions to a few thousand dollars. They are primarily nonprofit organizations with the largest portion of their budgets – 35 percent – funded through the generous philanthropy

of private citizens, businesses, and foundations. They get additional support from earned revenue (31 percent), investment income (11 percent), and funding from local, state and the federal government (25 percent) through competitive grants, direct appropriations, or special tax revenues. State and local governments contribute by far the largest portion of government funding to museums. Within the charitable community, museums have one of the most diversified sources of income.

Museums along with other charities face a challenging and competitive fundraising environment. The most recent data available from Independent Sector shows that the charitable sector has grown from 739,000 organizations in 1977 to 1.19 million organizations in 1997. In addition, charities that provide social services are seeing a decline in spending for health and human services at all levels of government. To make up for government shortfalls, social service organizations are turning to the private sector. In my view, communities are exceeding their capacity to support the charitable organizations in their community. The ongoing expansion of the charitable sector increases the number of charities seeking the same donor dollars and the costs of fundraising are escalating.

In competing for funding, museums must dispel the many myths that surround their operations and finances. Several years ago, AAM conducted a research study to understand the public's views of museums. We learned that the public believes that museums are primarily funded by government. In reality, as I noted previously, museums are funded primarily through private contributions and earned income. Another misunderstanding about museums surrounds the ownership of museum collections. The staff, or director, or the trustees do not own the collections in museums – the public does. Museums act on behalf of the public as stewards of natural and cultural heritage and develop programs and activities around the collections to educate and inspire the public.

At the heart of every museum is the pursuit of knowledge and understanding of the world around us, our past and what will be our future. We are the only institutions that collect, preserve, display, interpret and educate for the public. We are stewards of who and what we are today, and have been in the past. From the beginning, museums have played an important role in public education serving our youngest learners to our senior citizens. From their earliest days, museums have worked with teachers on how to use their resources to help students engage with history, science, nature and art. Today, museums spend in excess of $1 billion annually in support of K-12 education.

In fact, the percentage of museums' median annual operating budgets spent on educational programming has increased four-fold just since 1996. With more than 18 million instructional hours in 2000-01, museums are offering a broad range of services to schools. They are key partners in developing

curriculum, providing professional development for teachers, and offering direct services to students through visits to museums, classroom visits by museum educators, and Web based educational materials and programs. In a number of communities, students attend schools in museums operated jointly by museum and school district staff.

The commitment of museums to education does not end with their ties to formal education. Museums are also places of lifelong learning. They provide an environment rich with opportunity for intergenerational learning and sharing where children, their parents, and their grandparents can work together to connect ideas and experiences in direct, vivid and meaningful ways. Museum visitors can come to know the struggles and accomplishments of different cultures and unfamiliar people and achieve a deeper understanding of their own families, neighborhoods, the country in which they live, and the world.

Museums do not undertake this educational responsibility without an equal commitment to the care, protection and preservation of our nation's heritage. There are more than 750 million objects and living specimens being held in the public trust by American museums. This number grows as museums continue to acquire the material patrimony of our civilization and to assure that this cultural heritage remains publicly available for generations to come. A rough estimate places the annual expenditure for the care of those public collections at $1.1 billion. The need for conservation is substantial and ongoing. These costs will continue to grow with time as collections expand and age.

Museums also play a key role in community identity. Museums have deeply rooted and unique connections with their communities. Their buildings are city landmarks. Visiting the local museums is a shared community experience as destinations for school field trips or weekend family outings to learn about, appreciate and connect with treasured artifacts and collections.

Our museums serve as forums and safe places to talk about issues of concern to the community. This capacity is at the center of how museums are helping people understand current events in a broader historical and cultural context. For example, within three months after the riots in its community in April 2001, the Cincinnati Museum Center mounted Civil Unrest in Cincinnati: Voices of Our Community, a display on the history of civil unrest in Cincinnati. The exhibition helped citizens better understand the civil unrest precipitated by a recent event in which a policeman shot and killed an unarmed African American youth.

This spirit was also reflected in the response of America's museums to the events of September 11, 2001. People across the nation gathered at museums to seek solace. Museums also helped with community fundraising efforts and blood drives for those citizens who wanted to contribute to the victims of 9/11.

And a year later communities came together at museums to remember the tragic events through patriotic celebrations, memorial services, and special exhibitions. In Texas, the Sam Rayburn House coordinated community observances that included an organized effort by local churches to provide potluck suppers to local firefighters and police.

Museum leaders are also working with local officials and business leaders to create vibrant communities, which are attractive to businesses and tourists. Quality of life is a key ingredient to attracting and retaining businesses in a community. Across the country, museums are a key part of redevelopment and development efforts by cities and towns. In 2003, voters in Tulsa, Oklahoma approved a one-penny county sales tax increase for regional economic development and capital improvements for Vision 2025. Among the projects approved by voters in Vision 2025 are the Oklahoma Aquarium, Tulsa Air and Space Museum, American Indian Cultural Center, Oklahoma Jazz Hall of Fame, and Mohawk Park, which includes the Tulsa Zoo and Oxley Nature Center.

Convention and visitor bureaus across the country highlight their local museums among the key assets in attracting visitors, conventions and conferences. According to the Travel Industry Association, travel and tourism is a $1.3 trillion industry and one of the United States largest employers. TIA also notes that museums are among the leading tourist destinations and nearly half of travelers on journeys of 50 miles or more visit at least one cultural, art or historic venue, including museums.

With the multiple roles our museums play in American society today, there is an important place for financial support from all levels of government, including the federal government. Unlike our counterparts in most of the rest of the world, our nation's patrimony is held not by the government, but by its citizens. The government is also not the primary financial support with the majority of support contributed by private donors. In most other countries, the government bears the sole financial responsibility for support its country's museums. The United States supports its museums through a unique private-public partnership. We fully support continuing that tradition. We need the federal government to continue its commitment to ensuring our museums have the capacity to operate in the best interests of all our citizens. Federal programs, like those represented here today by the Institute of Museum and Library Services and National Science Foundation and others such as the National Endowment for the Arts and the National Endowment for the Humanities, are key partners in providing our citizens access to lifelong learning opportunities in our nation's museums.

For 30 years, the Institute of Museum and Library Services has served to advance the professionalism of our field and promote innovation in public service. Museums in all settings, country and rural, urban and suburban and the citizens of these communities have benefited from the programs of IMLS. These

investments in our nation's museums consistently pay off. In Fiscal Year 2005, the agency's largest program, Museums for America awarded nearly $17 million to 169 museums. The museums matched these awards with more than $32 million in privately raised funds.

The National Science Foundation and the museum community have worked together for 22 years through the Informal Science Education program to promote public understanding of science, technology, engineering, and mathematics (STEM). The NSF Informal Science Education program works with museums to help students, educators, parents and the public to design learning experiences that increase interest, engagement and understanding in STEM. This investment is critical as policymakers, educators and the business community seek to improve K-12 learning in science and mathematics. Science museums are a key player in inspiring youth to pursue a future in science by providing self-directed and hands on learning experiences.

As our organization celebrates 100 years of service to museums, we have been reflecting on the value that museums bring to our society. We believe our core values remain the protection and preservation of our collections and promoting lifelong learning in our society. There are numerous anecdotes and stories our museums can share about the ways in which they have inspired countless schoolchildren to become scientists, historians, artists, and productive citizens in our democratic society. We need the federal government as partners to ensure these opportunities remain available for future generations.

Thank you for the opportunity to testify today.

Questions for the Record
Senate Subcommittee on Federal Financial Reform

The Honorable Anne-Imelda Radice
Director
Institute of Museum and Library Services
1800 M Street, N.W.
Washington, D.C. 20036

1. When considering a grant application, does IMLS consider their endowment to see if they could fund the project themselves?

We do not consider an applicant's endowment when reviewing the application. The criteria we use for museum applications include:

- *Assessment of Need:* Applicants must show that they have clearly defined the project's audiences and researched relevant projects completed by other institutions.
- *Project Design:* Applicants must provide clear project descriptions and must demonstrate that the project supports the Institute's grant program goals.
- *Budget, Personnel and Management:* Applicants must demonstrate that they will effectively complete the project activities through the deployment and management of resources including money, facilities, equipment, and supplies.
- *Sustainability:* The project's benefits must continue beyond the grant period, either through ongoing institutional support of project activities or products, or through broad long-term access to project products.
- *Dissemination:* The applicant must show that the results, products, models, findings, processes, or benefits of their project will be made transparent and accessible through effective professional communication channels and elsewhere.

- *Impact and Evaluation:* The project must reflect an understanding of current issues related to museum services, creatively address issues facing museums of similar size or discipline, and envision change in the field that could result from the project. The application must contain evidence that the evaluation plan ties directly to project goals through measurable project outcomes, products, or other findings, and that the evaluation will provide reliable information on which to judge impact.

2. Has IMLS ever pulled a grant or asked for a refund because a grantee didn't comply with the award conditions?

- How many times has this happened?
- Does that disqualify the recipient from ever applying for a grant?

The Institute has almost never had to rescind a grant because of noncompliance. We monitor grant progress closely and have almost always been able to correct problems before they became irreparable. We do, however, have clear procedures in place for such an occurrence.

If IMLS determines that a grantee has failed to comply with the terms of the award, we may suspend or terminate it. This action normally will be taken only after the grantee has been notified of the deficiency and given sufficient time to correct it, but this policy does not preclude immediate suspension or termination when such action is required to protect the interests of the government.

In the event that an award is suspended and corrective action is not taken within 90 days of the effective date, the Institute may issue a notice of termination. No costs that are incurred during the suspension period or after the effective date of termination will be allowable except those that are specifically authorized by the suspension or termination notice or those that, in the opinion of IMLS, could not have been reasonably avoided.

When all reasonable efforts have been made to obtain overdue reports or the refund of award monies, the Institute will issue a letter declaring the grantee ineligible to receive further IMLS funding until the required reports are submitted. Ineligibility is effective for three years or until the required report is submitted. Those organizations that owe funds to IMLS either because they did not spend all the award funds during the award period or costs have been disallowed as a result of an audit, will remain ineligible until the funds are repaid to IMLS.

We monitor grantees that have had serious administrative or financial problems that IMLS staff become aware of either through an audit of the organization or through problems they encounter in administering the award. These problems would include such things as ineffective oversight of project activities, failure to report promptly significant changes or problems in carrying out project activities, habitually late reporting, an inadequate financial management system, or the lack of compliance with fundamental grant management responsibilities. Such organizations will not receive new awards from the Institute until we are confident the past problems have been resolved

Do you deny awards to those who are past recipients?

No. But if a museum has an active Museums for America award it cannot reapply until that award period ends. We have implemented this policy to help ensure that the greatest number of museums is served by this program, which is the largest federal source of museum funding.

4. How do you handle cost overruns if recipients return for more money?

We do not accept requests for cost overruns.

5. Is the expanding role of digital technology one reason museum attendance is declining?

The American Association of Museum's 2006 Museum Financial Information Survey found that attendance held steady from 2000 to 2005.

However, if there is a drop in museum attendance, it is likely attributable to cyclical economic conditions and not declining public interest. In its 2006-2007 Occupational Outlook Handbook, in a section on museum professionals, the Bureau of Labor Statistics states, "Museum and zoo attendance has experienced a drop in recent years because of a weak economy, but the long-term trend has been a rise in attendance, and this trend is expected to continue. There is healthy public and private support for and interest in museums…"

Whatever the trend, museum attendance is not negatively affected by digital technology. On the contrary, anecdotal evidence suggests that the public's ability to access museum resources online increases its interest in visiting a physical museum. Moreover, in the twenty-first century, providing digital resources is *per se* a museum service.

Museums today serve their audiences in many new ways that do not show up in visitorship statistics. Museums provide offsite resources at schools, community centers and libraries, and produce online exhibits, interactive programming, and other services that do not necessarily result in the user entering a museum building. But these services are as essential to the public value of today's museum as its physical exhibits.

Many of the grants awarded by IMLS help recipients adjust to and make the most of digital technology.

6. How do we get communities and people involved and excited about museums again?

People are involved with and excited about museums. According to the American Association of Museums, one-third of Americans say they have visited an art museum, history museum, aquarium, zoo, botanical garden, or science and technology center within the past six months. Museums rank in the top three family vacation destinations.

Support from IMLS helps museums maintain and expand their public value and appeal. Museums for America grants support projects and activities that strengthen museums as active resources for lifelong learning and key players in the establishment of livable communities. They can be used for ongoing museum activities, research and other behind-the-scenes activities, planning activities, new programs or activities, purchase of equipment or services, or other activities that will support the efforts of museums to upgrade and integrate new technologies into their overall institutional effectiveness. National Leadership Grants spur innovative thinking and the dissemination of successful strategies. Through these programs and others, the Institute helps museums remain current and relevant, strengthening their ability to serve the public.

7. In your testimony you mention that the Institute provides technical assistance and training for measurement of outcomes for the grantees. If the grantee received the award, why should taxpayers subsidize even further the way they report their results to you so they can be compliant?

- Shouldn't the grant project and the results speak for themselves?

Our Outcomes-Based Evaluation (OBE) training is not intended merely to help applicants be compliant. It is an important means of protecting the taxpayers' investment in libraries

and museums. The OBE workshops we provide help grant recipients to design their projects in a way that will yield measurable results and produce best practices that can be shared throughout the field. The program is essential to ensuring that the spending of taxpayer money creates public value.

8. On the final page of your testimony you outline the dollar amounts of your earmarks and competitive grants. It looks like in some cases $ for earmarks exceeds the $ for competitive grants. Will you comment on this?

The dollar amounts members of Congress are directing to museums and libraries in their states and districts provide a strong indication of the value these institutions provide to their communities and the nation and of the high regard in which they are held by members and their constituents. As I said in my testimony, the overwhelming majority of these earmarks go to quality institutions doing valuable work. Museums and libraries are key democratic institutions that provide opportunities for learning throughout a lifetime for families and communities in nearly every neighborhood in the country.

UNITED STATES SENATE
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT,
GOVERNMENT INFORMATION, AND INTERNATIONAL SECURITY
HEARING ON MUSEUMS AND FEDERAL FUNDING

April 5, 2006

QUESTIONS FOR THE RECORD SUBMITTED BY
SENATOR TOM COBURN TO

Dr. David A. Ucko, Head, Informal Science Education, National Science Foundation

Informal Science Education

QUESTION: When considering a grant application, does ISE consider their endowment to see if they could fund the project themselves?

ANSWER: Funding decisions are made based on the merits of the proposal. The only financial consideration NSF gives in the review and award process is a determination by the Division of Grants and Agreements on whether the grantee institution has the financial capacity to manage the award successfully.

QUESTION: Has ISE ever pulled a grant or asked for a refund because a grantee didn't comply with the award conditions? How many times has this happened? Does that disqualify the recipient from ever applying for a grant?

ANSWER: We are not aware of a case where an ISE grantee did not comply with the award conditions resulting in termination of the award. The Office of Budget, Finance, and Award Management monitors all NSF awards and conducts reviews; the NSF Office of Inspector General carries out audits. Occasionally, as a result of these reviews and audits, or internal audits conducted by the grantee, certain costs may be disallowed for various reasons, requiring adjustments on the next Federal Cash Transaction Report, or more rarely, a refund by the institution. Unless the issues were pervasive, or very large dollar amounts were disallowed and could not be repaid, or if the grantee refused to take appropriate corrective action, would a recommendation be made to terminate an award or not provide additional awards. We also are not aware of such a situation for an ISE award. There is at least one case, however, in which a recommended award was not made by the Division of Grants and Agreements because it was determined that the institution lacked the financial capability to properly manage federal funds.

QUESTION: Do you deny awards to those who are past recipients or put them in a different column?

ANSWER: New projects from prior grantees are subject to the same competitive review process as all other proposals. Principal Investigators (PIs) are required, however, to describe the outcomes and impacts of recent previous NSF grants, and reviewers consider that information as part of the merit review process.

QUESTION: How do you handle cost overruns if recipients return for more money?

ANSWER: ISE does not fund cost overruns.

QUESTION: In your testimony you mention that ISE encourages best practices and stimulates innovation. Please explain in more detail with specific examples.

ANSWER: ISE encourages best practices through such means as requirements that all projects be guided by the results of educational research and include both formative and summative evaluation. ISE also encourages best practices through national conferences, such as Best Practices in Science Exhibition Development held in 2003 at the Exploratorium in San Francisco. Involving a wide range of science exhibition professionals, from developers, researchers, and managers, to evaluators, educators, and designers, the conference generated a book and other materials for sharing best practices with the museum field.

ISE stimulates innovation by requiring all projects to demonstrate an understanding of the state-of-the-art in the area of their proposal, such as exhibitions, and to demonstrate how their project will advance the field through innovative approaches or deliverables. For example, the California Science Center is embedding live animal habitats within its interactive World of Ecology science exhibition, integrating the best of museum and zoo approaches. Another example is Investigations in Cell Biology in which the Science Museum of Minnesota developed hands-on experiences that engage museum audiences for the first time in cell, microbiology, and molecular biology through open-access, wet-lab, micro-experiment benches.

QUESTION: Why do your awards average 3-5 years?

ANSWER: ISE typically invests in large projects that require three to five years to design, implement, and evaluate the deliverables being developed, such as a major permanent or traveling exhibition. This process usually involves prototyping or other aspects of formative evaluation with the target audience to help ensure that the final products will achieve their intended educational outcomes.

QUESTION: Do you have a grant cap which a single award cannot surpass?

ANSWER: The maximum amount for a single ISE award is a total of $3 million over a period of up to five years.

QUESTION: According to your testimony, over 2000-2005 NSF museum funding increased by 67%. Does anyone justify or argue the budget increases with specific reasons, or is an increase assumed yearly, as it is for most government agencies?

ANSWER: Funds awarded to museums vary from year-to-year since awards are based on the merits of proposals submitted rather than a predetermined dollar amount. Most of the increase resulted from an unusually low figure for non-ISE awards to museums in FY 2000. If that first year is dropped, the increase is 17 percent from 2001 to 2005. For ISE awards to museums over the entire six year period (FY 2000-2005), the increase in funding for museums was 20 percent. It should be noted that during this period, the numbers of proposals submitted to the ISE program approximately doubled. This greater number of proposals resulted in a lower funding rate, which is currently 17 percent, lower than the NSF average of about 23 percent for all proposals in FY 2005.

QUESTION: Are the review panel expenses (per diems, etc.) included in the overall ISE budget or do those fall under the administrative budget of NSF?

ANSWER: Review panel per diems are included in the overall ISE budget.

Follow up questions for the record Re: FFM Subcommittee Hearing

"Federal Funding of Museums"

May 17, 2006

Mr. Thomas Schatz, President of Citizens Against Government Waste

1. You mentioned duplicated earmarks where a museum receives money for the same project every year. In your opinion how does this happen?

- Are the Appropriators buying votes and building constituencies?

RESPONSE: Earmarks and especially museum earmarks are an easy way to curry favor back home because they are a visible reminder of the fact that the government is "working." Appropriators have the opportunity to add projects as they control the writing of legislation. They brag about the earmarks yet they never mention the deficit or debt.

- Do they just not remember they gave money to the same project last year, and the year before?

RESPONSE: CAGW thinks that they probably do remember because Members of Congress are very cognizant of any money going back to their state or district especially an earmark that they requested.

2. With earmarks, there is no competition to weed out the mediocre. What do taxpayers get in return for these earmarks?

RESPONSE: There is no vetting process to ensure that the money is being spent on national priorities. Funding the Smithsonian Institute versus a Teapot Museum is an excellent example. The Smithsonian is a stellar collection of scientific and anthropologic artifacts. The Teapot Museum in Sparta, North Carolina is a "niche" museum that has no national significance. In addition, Sparta is a rural community of about 1,110 people, and the museum project will create few jobs, making the "economic development" rationale for the earmark suspect. Local museums should be funded locally; if they cannot be sustained based upon attendance and local support, taxpayers should not be forced to subsidize their continued existence.

3. In your earmark search for museums in the last several years, did you notice how many dozens of museums which were created by earmarks years ago receive an earmark every year?

- Why is that?
- Do they come to rely on that funding for general operating expenses?

RESPONSE: There are a number of museums that have received multiple earmarks over the years. For example, one of the most expensive projects is the Please Touch Me Museum in Philadelphia, which received $5.2 million between 2001 and 2005. Another recurring project, the National Museum for Women in the Arts, consistently receives $1 million a year. Whether or not these funds are designated for general operating expenses, the earmark makes it easier for the organization to finance its operations by reducing the need to rely on non-taxpayer funds.

While the requesters haven't admitted it, CAGW believes that once one earmark is given, future earmarks are based on that amount as a starting point for subsequent years. When funds are provided over a period of years, the earmarks for museums (and other projects) become a form of entitlement spending.

4. Do you see a conflict of interest when art advocates head up these projects, institutions and agencies?

RESPONSE: There is no reason to believe that the person who asks for the earmark and will benefit financially from the earmark can be objective in determining a funding level. Since taxpayers are paying that individual's salary or a portion thereof, individuals requesting earmarks should not have a financial or political stake in the level of funding for the earmark.

Mr. Edward Able, President and CEO of the American Association of Museums

1. You mentioned that museum attendance is increasing. Can you please provide me with those statistics? At the hearing you described the period between 1988 and 1998. Please also provide 2000 – 2005 data.

AAM has periodically taken a snapshot of museum attendance. At the hearing, I noted the growth in visitation between 1988 and 1998. For the record, I want to cite the source of the information. The 1989 National Museum Survey documented a 5 percent increase in visitation between 1986 to 1988 with 566 million visits in 1988. In 1998, for an article in *Museum News*, AAM compiled seven sources of museum visitation data and arrived at an estimated 865 million visits.

Data on attendance for the period between 2000 and 2005 is from two AAM publications – *Museum Financial Information 2003* and the yet-to-be-published *Museum Financial Information 2006*. Using these results to project to all U.S. museums suggests a total attendance of more than 1 billion. Our best trend data for this six-year period shows attendance holding steady.

2. How can we get communities interested in museums and convince them to utilize them more?

I would respectfully disagree with the apparent premise of your question, as it seems to presuppose that communities are not interested in their museums and are not utilizing them.

For example, research from IMLS published in *True Needs, True Partners* documents the growth of museum service to our nation's schools, teachers, and students. The median amount a museum spends on K-12 education has increased four-fold in the five-year period between 1995 and 2000. Museums also reported continued increases in the numbers of schools, students and teachers served in that five-year period.

I could relay hundreds of anecdotes from media reports, museum directors, community leaders, philanthropists and the public of how the lives of citizens have been transformed by participating in programs and activities at their local museum. Recently there was an Associated Press story in the *Boston Globe* about the Metropolitan Museum of Art's "Meet Me at MoMA." The program offers people with Alzheimer's and their caretakers a free visit and a guided tour of some of the world-famous paintings on Tuesdays when the museum is closed and at other times by appointment. A visit to the museum can provide mental stimulation for the Alzheimer patient and a meaningful opportunity for recreation with their caregiver. Similar programs are available at the Museum of Fine Arts in Boston and the Bruce Museum of Arts and Science in Connecticut.

Despite the harried and busy lives we lead today, people still find value in visiting and being involved in the activities and attending the exhibitions our museums present.

In my 20 years at AAM, I have seen museums continue to evolve to meet the changing expectations of their audiences. AAM will continue to share with our field ways in which they can better serve the public. A few years ago, we completed a three-year initiative, *Museums and Community*, which encouraged museums to re-examine their relationship with their communities and seek, with advice from the community and key community leaders, even more ways to engage the public. Museums have been able to accomplish this work in part through the support they have received from the federal government.

3. Could communities survive if we held museum and arts funding steady?

I would be hesitant to say that our communities would die if public funding for museums were held steady, but I would say that communities without vibrant cultural activities like those in museums are less appealing to our citizens, whether they are already living in the community or considering relocating or visiting there. The costs of running museums are not fixed; they are subject to inflation like any other business or nonprofit. Furthermore, our nation's museums are dealing with aging infrastructures, deferred costs associated with collections preservation and care, and the increasing demands of the public for relevant and inspiring programs.

From our financial surveys, we have seen a steady percentage decline in government funding – from an overall median 39.2 percent in 1989 to 24 percent from our most recent survey data in 2005 – as a source of income with the largest portion coming from state and local governments. It appears that museums have made up for that shortfall by increasing the percentage of their income from private sources. But, as I noted in my testimony, I am concerned that museums will need to spend even more money on private fundraising. Those that cannot find enough private sources of funds due to the lack of wealth in their community will be in danger of failure. Taken to extremes, we could lose the small museums that are so important in preserving the history and values in smaller and rural communities. If these museums cannot keep their doors open and care for their collections, they risk failure. If a museum were to fail, the collections they hold in the public trust could easily fall into private hands and never again be seen by the public.

Finally, the lack of growth in competitive federal grants has resulted in some institutions seeking alternative sources of federal funding by pursuing earmarks.

4. Wouldn't you agree that without competition as found in the grant process that earmark recipients miss out on peer review and other benefits that might strengthen the institution?

Competition for federal resources is not limited to the grant making process; recipients of earmarks also face a competitive environment in getting the attention and support of their lawmaker and the subsequent scrutiny and competition from other lawmakers' earmarks.

The competitive grant process can certainly help strengthen an institution's ability to present its case for funds so that it can withstand the scrutiny of peers. Pursuing federal funds through the competitive grant process with the limited availability of funds under the present circumstances can also be extremely frustrating and disheartening. After significant staff time has been invested in developing a project and filling out forms, many institutions with excellent projects are not successful. Despite the quality of the application and positive review from peers, many projects are turned away because there are insufficient resources to fund the number of quality applications an agency receives. Many museums choose to pursue earmarks because the resources available for competitive grants are so inadequate.

5. Do you think earmarks hurt the public's perception of museums when we see museums for teapots or a million dollar bus stop at a museum in Alaska?

We do not know the facts in these cases, and even if we did, we are not in a position to tell local people what their priorities should be. We do know that museums typically do not undertake new projects without carefully considering how this will provide an important new public benefit—funds, space and staff time are so difficult to find, and even when you get the funds, you still need to divert internal resources to making the project happen. And in the case of successful museum earmarks, the museum has not only gotten the backing of its board, which represents the local public, but also persuaded the lawmaker, who has many other worthy demands for the funds he or she could provide.

So I would hope that anyone interested in a given museum earmark would work at getting the facts in detail before deciding on the relative merits of a given project. And it makes sense for museums to anticipate where a project might create an appearance problem if described superficially and to proactively provide the background information that makes clear the public service need for the project.

6. In one of your annual reports you outline that for every $21 a museum spends, they get $5.50 back from visitors. Why won't more people charge or pay for museums?

There are at least two reasons why museums hesitate to charge very much, if anything (some museums still have free admission) for admittance.

The first is the nature of the service, and how we as a society see that kind of service. There are certain services that we as a society want to make available to all, without user fees. Those include such obvious things as fire and police protection, but they also include public schools and libraries. And there are others, such as access to higher education, where both the government, through tax deductions and federal loans and grants, and the providing college or university, through endowment, government support, and scholarships, subsidize the cost to students of a higher education, greatly reducing its effective cost to the student. The presumption is that these are such essential services to citizens, and to the future of the country, that we all should contribute something to making them financially available to most, if not all, of our citizens.

The second reason is the nature of the providing institution. Most museums are 501(c)3 organizations, set up to hold their collections, if they are collecting institutions, in trust for the public, and to provide educational services. Thus their missions are to provide those services as broadly as possible in society, and that implies maximizing financial accessibility, which in turn implies keeping the cost of access as low as possible.

On the topic of how much people are willing to pay: we know that people like to visit our museums; under our present admissions policies, we have more than 1 billion visits per year to American museums. We also quite sure that if we were to raise admissions prices substantially, we would deter many visitors, especially large family groups of modest means. Since museums in this country were mostly founded for the purpose of bringing education to a wide sector of citizens, and because of our ongoing mission of education, museums typically seek to exhaust every other possible source of income before raising admission fees.

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