

1979

## National Foundation on the Arts and Humanities: S. 1386 (1979): Speech 08

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### Recommended Citation

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Prepared Statement of

Lee Kimche, Director  
Institute of Museum Services

before the

Senate Subcommittee on Education,  
Arts, and the Humanities

June 28, 1979

Mr. Chairman and members of the Subcommittee, good morning. I am Lee Kimche, Director of the Institute of Museum Services (IMS). It is a pleasure to appear before you today.

Museums have grown enormously in popularity during the past 25 years. Attendance at the nation's 5,500 museums is estimated at close to 500 million persons a year, almost nine times more than the annual paid attendance at professional basketball, football, and baseball games.

According to a survey conducted for IMS by the National Center for Education Statistics (NCES), museums are barely holding their ground financially. With museum expenditures estimated at \$1 billion, an additional \$100 million is needed each year just to retain their real purchasing power in the face of an annual inflation rate of ten percent and persistent energy shortage. Fortunately, the Federal government has begun to take a larger role in museum financing. This is most timely because endowments and private giving are down in real terms and there must be limits on admission charges if groups, such as school children, are to be served. A consultant's report on museum finances aptly described the institutions as, "asset rich and cash poor."

The NCES Universe Survey conducted to determine the number of museums in the United States, drew responses from 4,785 museums, of which 4,214 reported operating budgets totalling \$795 million. Based on these figures, IMS estimates the actual number of museums to be as high as 5,500 with the aggregate operating budget likely to be nearly \$1 billion and the actual number of visitors at close to 500 million.

Our current program, only one and one-half years old, is accomplishing what Congress intended--providing Federal support for our nation's cultural, historic, and scientific heritage without Federal interference or influence in the institutions' academic freedom.

On establishing the Institute in Title II of the Arts, Humanities, and Cultural Affairs Act of 1976, Congress declared that:

**"It is the purpose of this title to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and post-secondary education and with programs of nonformal education for all age groups; to assist museums in modernizing their methods and facilities so that they may be better able to conserve our**

cultural, historic, and scientific heritage; and to ease the financial burden borne by museums as a result of their increasing use by the public."

The Institute was created to carry out this purpose, and the National Museum Services Board (NMSB) was established to provide policy direction. The Institute and Board work closely together in the activities of operating our current program and planning for the long-range future of Federal museum support.

IMS defines a museum as a public or private nonprofit institution which is organized on a permanent basis for essentially educational or aesthetic purposes and which, using a professional staff: (1) owns or uses tangible objects, whether animate or inanimate; (2) cares for these objects; and (3) exhibits them to the public on a regular basis.

Types of museums falling within this definition include: aquariums, arboretums, art museums, botanical gardens, children's museums, historic buildings, natural history museums, planetariums, science and technology museums, zoos, and a variety of specialized museums.

Today I would like to report to you on what the Institute has accomplished to date and suggest the direction that we believe our programs should pursue in the future.

I would like to begin by discussing the basic financial needs of museums for education, conservation, security, exhibitions, collections, management, energy, compliance with Federal regulations, training, research, and capital improvements.

Also, I would like to review the basic reasons for providing general operating support to museums and the IMS experience with this form of assistance during the past year.

Following a discussion of IMS' current general operating support (GOS) program and the varied impact the Institute has had since it was created, I will discuss our proposal for a multi-year GOS program requiring an increasing local match. It is to be called the Cornerstone Grant Program.

Finally, I would like to urge the Committee to favorably consider our request for reauthorization which would extend "Title II of the Arts, Humanities, and Cultural Affairs Act of 1976" through 1985 and authorize the expenditure of "such sums as may be appropriated" to carry out the Institute's program.

### Needs of U.S. Museums

Museums have a crucial role to play in our society, but they must raise about \$1 billion dollars this year in order to meet their continuing obligations and the rising demands placed upon them by the public.

Museums are labor-intensive institutions, and while able to attract two volunteers for every paid professional, personnel costs dominate the operating budgets of most museums. About 60 percent of museums' operating budgets are directly related to personnel expenses--wages, salaries, and fringe benefits. When compared with professionals in the private sector, or even in other types of public or nonprofit institutions, museum professionals are paid on a lower scale.

With the growing pressures on families to have more than one wage earner, it is also becoming more difficult for museums to find committed volunteers.

The inflation that is troubling our whole society is causing museums to make adjustments in the way they operate. Rising costs lead to higher admission charges, and cutbacks in services to the public ranging from reduced hours and open days, to the closing of entire galleries or wings and the elimination of popular programs. In some cases inflation has reduced the capability of museums to care for their collections properly.

Museums are unique among other major public nonprofit institutions in the way that they are affected by today's inflation. Traditionally, the backbone of many museums has been the income derived from endowments, stocks, and bonds. A story in the April 23 edition of Business Week pointed out that in the last ten years, both common stocks and bonds have appreciated at 2.8 and 6.1 percent, respectively.

Because museum support has been largely private, it has, almost without exception, consisted of restricted funds. Private donors traditionally have resisted contributing to defray operating expenses. And yet, operating costs have been skyrocketing as museums have tried to keep pace with public demand for their exhibitions and related programs.

The financial health of museums cannot be easily measured. If a museum has financial difficulties, there is not a loss in profits. Instead, there is a slow decline in services and perhaps a reduction in the quality of performance of basic functions. Given the increasing demands made of museums and their central role in preserving our cultural heritage, it would be a national tragedy if conservation and

preservation functions were allowed to deteriorate.

### Background of IMS

The Institute received its first program appropriations, and it was not until December of that Fiscal Year that the Board and Director were sworn in and a staff formed. IMS moved quickly to distribute the Fiscal Year 1978 appropriations of \$3.7 million.

Policy decisions were made, regulations was drafted, approved, and published, and application forms were provided to over 4,000 museums with a six-week deadline for a response. More than 850 applications were received and evaluated, and 256 awards were made and announced by August. Of these, 93 percent were for General Operating Support (GOS) and the remainder were for Special Projects (SP).

With \$7.4 million appropriated to IMS for Fiscal Year 1979, the Institute is now near the end of its second grant cycle.

In carrying out its grants program, the Board declared that the policy of IMS is to:

1. Provide institutional support to museums to help maintain or improve their services to the public.
2. Promote opportunities for all Americans to enjoy the treasures and educational experiences of museums, regardless of race, sex, religion, income, education, age, or handicap.
3. Foster the conservation of our heritage in history, the arts, and science as represented by the collections and materials entrusted to the nation's museums.
4. Encourage efficient management, improvement of income, high conservation standards, and excellence in the quality of educational programs, exhibitions, scholarship, and curatorial activities by museums.

### Current Program

In 1978, over 50 percent of IMS' \$3.7 million in GOS awards went to museums with budgets between \$50,000 and \$500,000. Museums with budgets of \$1 million or more received 22 percent of the awards, while 19 percent of the awards went to museums with budgets under \$50,000. Of the dollars awarded by IMS in 1978, 35 percent went to science museums, including zoos, botanical gardens, and natural

history museums, 27 percent went to art museums, and 22 percent went to historical museums. Of the total number of awards, 30 percent went to historical museums, 29 percent to science museums, and 25 percent to art museums. IMS grants were awarded to museums in 49 states and three territories.

For the current fiscal year, IMS expects to award approximately 350 grants, from a total of 1,714 applications. Although a \$25,000 maximum per museum is in effect, grant requests totalled about \$27 million this year.

The profile of grant applicants is similar to what it was last year and to the profile developed by the Museum Universe Survey.

The IMS staff and the NMSB spent a great deal of time developing a panel review system that would be efficient and effective considering the volume of applications. (A detailed review of the Grants Process and the names of the reviewers is attached in Appendix A.)

#### Impact of IMS

The impact of IMS is now felt throughout the museum community and has been very positive. Interim reports demonstrate the necessity and productiveness of IMS funds by museums of all types, large and small, and in every region of the nation. (Appendix B contains some examples of the impact of IMS funds on individual museums.)

Perhaps the most encouraging reports received indicate that GOS dollars from IMS have stimulated rather than substituted for new local contributions. In many cases, these have more than doubled the value of the IMS grant.

Although figures are not yet available, a review of first round grant recipients indicates that one new person was hired for about every \$10,000 awarded by IMS. Museum directors report that jobs were filled in the whole range of museum functions, but there appear to have been a special emphasis on developing stronger educational programs.

#### IMS Coordination with Other Federal Agencies

In addition to administering its basic grants program, the Institute believes that its coordination activities with other Federal agencies that aid museums is very important. Some of the agencies with which IMS has collaborated include the following:

NEA, NEH, NSF, and the Smithsonian Institution--The

heads of these four agencies serve as ex-officio members on the NMSB and the staffs of all four coordinate grant programs with IMS to avoid unwanted duplication and to steer prospective grant applicants to the agency that can best accommodate their particular needs.

Federal Council on the Arts and the Humanities--Both the IMS Director and Chairman of the NMSE sit on the Council, which is charged with coordinating Federal cultural programs which cross agency boundaries. IMS has played an active role in the Council's Museum Working Group, which drafted the museum agreement mentioned earlier.

General Services Administration (GSA)--GSA, at the request of IMS, made museums eligible to receive surplus government property. IMS coordinated a joint mailing with GSA to let museums know about this new opportunity.

Comprehensive Employment Training Act (CETA)--A joint mailing by IMS and the Labor Department's Employment and Training Administration (CETA) on CETA and the Arts, paid for by CETA, went to the nation's museum directors.

Environmental Protection Agency (EPA) and the State Department--IMS was named the lead Federal agency in an international conservation research effort to study the impact of pollution on cultural property. The topic is so broad that a U.S. Steering Committee agreed to narrow the project and to conduct research on stone as a model for research on other materials that are affected by weather, pollution, and time.

Office of the Assistant Secretary for Education (ASE)--Working with ASE, IMS is developing a series of nationwide seminars designed to assist local school administrators in using their local museums to supplement their formal education programs more effectively.

### Looking to the Future

In establishing the Institute's GOS program, decisions were made to offer one-year grants, require a 50-50 match for 80 percent of the program, allot at least 75 percent of the program funds for GOS, exclude the use of these funds for capital construction projects, give priority to museums in existence for at least two years, and impose a \$25,000 ceiling on the amount of IMS funds that could go to any one museum.

This year, for example, even with the \$25,000 ceiling, IMS received \$27 million in grant requests.

Based on a staff analysis of the current GOS program and other Federal museum direct support programs, discussions with museum professionals and representatives, HEW officials, legislators and their staff aides, and following a decision by the NMSB at its meeting in February, 1979, IMS is planning to develop a multi-year program beginning in Fiscal Year 1981 and title it the Cornerstone Grant Program. This program can be implemented under existing statutory authority.

The new program would provide funding on a multi-year basis with local matching requirements and would be divided into two different grant categories: one designed for established institutions and one for smaller or developing museums. The museum will have the option to select the category which best suits its particular situation and needs. Further details will be developed and supplied with the President's 1981 budget request.

The Board agreed that IMS would work with the American Association of Museums (AAM), the American Association of Zoological Parks and Aquariums (AAZPA), the American Association of Botanical Gardens and Arboretums (AABGA), and any other established accreditation bodies to assist in establishing standards for IMS applicants. Unlike other Federal agencies which provide substantial support for hospitals, schools, and libraries, and had accreditation programs already developed by the profession, IMS must work to augment the accreditation efforts of organizations which serve museums.

#### IMS Reauthorization Request

The Administration believes the Institute has worked well. Therefore it is seeking only minimal changes in its reauthorization.

1. Extend Title II through 1985

IMS was authorized in Title II of the legislation creating NEA and NEH, and in order to maintain coordination of their museum programs with the programs of the Institute, the three agencies would remain in the same reauthorization cycle.

2. Authorize the expenditure of "such sums as may be appropriated" to carry out the Institute's program.

This request comports with Administration policy and is the same as the requests made by NEA and NEH.

### Division of Federal Museum Responsibility

The creation of IMS means that there are now five agencies charged with providing direct Federal support to museums: IMS, NEA, NEH, the National Science Foundation (NSF), and the National Museum Act (NMA) program of the Smithsonian Institution.

Because of the way these programs evolved, there was a need for a clearer delineation of agency responsibilities. Under the auspicious of the Federal Council on the Arts and the Humanities (FCAH), the five agencies agreed last month upon general areas of responsibilities for each.

Under the agreement, IMS was the only agency delegated to provide museums with operating support. The agreement says:

**"The Institute for Museum Services will offer outright and matching grants for general operating support in appropriate amounts, available for suitable periods of time. The funds will be available to museums and other institutions as defined in its enabling legislation (Public Law 94-462)."**

In closing, I want to reiterate what I believe to be the major theme of this testimony--the great need of museums for general operating support to conserve our national patrimony and stimulate the innovative education programs conducted by museums.

Congress has presented the museums of America with a challenge and with your continued help, IMS will meet that challenge.

Thank you.

1979 Grants Evaluation and Procedures

This year 99 field reviewers evaluated grant applications; last year there were only 21. These reviewers were selected so that their distribution among regions, museum disciplines, and museum sizes, correlated with the spread shown by the applications received. As far as possible, IMS selected reviewers among those who were highly regarded by the profession, but had not served repeatedly on panels for the Endowments and other granting agencies. While HEW regulations require that at least 30 percent of the reviewers must change each year, this year 90 percent served as IMS reviewers for the first time.

Each panel which considered applications for general operating support, consisted of three reviewers, one from within the applicant's region and two from outside; all three, with few exceptions, were from museums of the same discipline and size as the applicant. Panels considering applications for special projects were assigned in the same way, but with an attempt to achieve a mix of professional responsibilities; a typical panel, for example, might have consisted of an administrator, an educator, and a curator.

Each reviewer had about a month to evaluate an average of 45 to 50 applications and assign a numerical value from zero to ten to the applicant's stated ability to meet each criterion; these values were then totaled and averaged. In addition, the reviewer had to write a quarter-page narrative supporting his or her ratings and specifying potential policy issues raised by the application.

When the review forms were returned to IMS, the computer ran a special check to assure that all panels had graded applications by essentially the same standards. In other words, "easy graders" and "hard graders" were balanced by mathematical formula.

Then 15 of the field reviewers and three Board members met in Washington May 24 and 25 to go over their colleagues' evaluations and recommended a list of awards. The grant recommendations were presented to the IMS board on June 22 and have been presented to the Director for final approval. In July the HEW grants office will negotiate the awards. The grants will be announced by mid-August.

Examples of Impact of the Institute of Museum Services Funds

Children's Museum of Indianapolis--A \$23,860 grant to the Children's Museum of Indianapolis, Inc. is being used in part to hire a full-time pre-school planner to develop programs for three- to five-year-old children. The planner is conducting workshops for parents and teachers on utilizing the museum's educational resources, providing special tours and programs for inner-city pre-schoolers, and conducting an outreach program for Central Indiana.

Other Institute of Museum Services (IMS) funds are being used by the Children's Museum to hire nine part-time craftsmen and craftswomen to demonstrate and interpret the Museum's Americana exhibits in a log cabin setting.

Old Salem, North Carolina--The IMS awarded Old Salem, Inc. of Winston-Salem, North Carolina, a grant of \$23,414 for general operating support.

With the IMS grant, Old Salem was able to create the position of Membership Secretary which featured individual letters to 1,000 key prospects. Using a leased IBM Memory typewriter, the Membership Secretary prepared letters which asked for specific amounts from each prospect. All former contributors were asked to increase their gifts this year. For the first time, a special Corporate Drive was mounted through personalized letters. The campaign, which officially ends on March 31, has already been highly successful. To date Old Salem has raised over \$55,000 towards its goal of \$56,000, the highest amount ever raised in their annual campaign, and well over last year's final amount of \$33,308.

The new position of Membership Secretary and the new equipment not only made the Friends campaign a great success, but it also gave the Development Director more time to devote to other fundraising matters. In the Fall, the Development Director attended a workshop at the Smithsonian on their successful Resident Associates Program, and he has incorporated elements of that program into the long-range planning for Old Salem's Development Office. He also attended the Southeastern Council of Foundations meeting in October, 1978. Both trips were made possible by the IMS grant. In March, he will visit several restorations and museums similar to Old Salem to discuss development planning and operations and to lay the groundwork for a conference on historic

restorations which Old Salem intends to host in 1980. The purpose of the trip and the conference would be to explore the feasibility of forming an association of historic restorations which would meet on an annual basis to share information. The Development Office has also coordinated a small campaign to raise an additional \$80,000 for a project from the 1976 Capital Fund Campaign which originally fell short of its goal (so far some \$40,000 has been raised since November).

Other development activities funded by the IMS grant include securing an award of \$5,000 from the Jessie Bell DuPont Fund for a new Museum Education Center.

Oregon Museum of Science and Technology--An operating support grant of \$25,000 will enable the Oregon Museum of Science and Technology in Portland to maintain its current level of operations. The museum has suffered severe financial setbacks as a result of the increase in utility costs. Public programming has been reduced and conservation of the museum's collection has been deferred due to insufficient funding. IMS assistance is allowing the museum to maintain its present level of services by preventing further reduction of the museum's financial resources.

Ohio Historical Society--An operating support grant for \$21,500 is assisting the Ohio Historical Society of Columbus increase its public services. Rising demands for educational services have necessitated the enlargement of the education department's staff. IMS funding is supporting two additional professionals, a full-time Director of Education Services and a part-time Coordinator, who will develop educational materials and programs for use in Ohio Village, the Society's 19th Century town.

Little Rock Museum of Science and History--The Museum of Science and History, Little Rock, Arkansas, was awarded a \$25,000 grant to improve its museum services. With the aid of IMS funding, the museum has hired two professional staff members, a curator of historical collections, and an exhibits specialist. Lack of previous funding for the curatorial position had deferred the cataloging, appraising, and conserving of the historical collections. IMS dollars will enable a curator to prepare the historical collections for education, research, and display purposes. IMS support will provide funding for an exhibits specialist to direct and coordinate the renovation, refurbishment, and capital improvement of the museum's facilities--including exhibition areas.

Rosenbach Museum and Library--The \$10,000 grant awarded the Rosenbach Museum and Library in Philadelphia, Pennsylvania

by IMS for fiscal year 1979 has marked a critical turning point in our 25-year history as a Museum. The IMS grant has acted as a catalyst in generating local financial support from area businesses and foundations, and has itself provided much-needed relief from an operating deficit caused by increased public interest in the Rosenbach's educational programs.

With the help of the IMS, the Rosenbach has been able to chart a future course of increased public service and access; without the IMS, it might well have been forced to cut back radically on its educational service to the people of Philadelphia.

In the beginning of 1978, the Rosenbach faced a crucial choice. In the first 20 years of its operations, the income from endowments was adequate to support programming. Increased public demand in recent years had caused an operating deficit. For some time, this deficit was met by sales of secondary elements of the Rosenbach collections. By 1978, it became clear that these sales could not continue without serious detrimental effect. On the other hand, public demand was steadily increasing. Since the Rosenbach had never sought financial support from government, business, or foundations, the establishment of a fundraising program was perceived as extremely difficult. But the alternative was to cut back on service to the people of Philadelphia. The Rosenbach Trustees decided to expand public services and seek financial support.

The announcement of IMS support was crucial in catalyzing local support. In the last six months, the Rosenbach was able to raise enough money to establish a fundraising program that will eventually support the museum's expanded educational service to Philadelphia. Without IMS' participation, this preliminary success would have been unlikely.