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FUTURE DIRECTIONS OF THE INSTITUTE OF
MUSEUM SERVICES

FORTY-NINTH REPORT

BY THE

COMMITTEE ON GOVERNMENT
OPERATIONS



SEPTEMBER 28, 1984.—Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
Washington, DC, September 28, 1984.

HON. THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: By direction of the Committee on Government Operations, I submit herewith the committee's forty-ninth report to the 98th Congress. The committee's report is based on a study made by its Government Activities and Transportation Subcommittee.

JACK BROOKS, *Chairman.*

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FUTURE DIRECTIONS OF THE INSTITUTE OF MUSEUM
SERVICES

SEPTEMBER 28, 1984.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BROOKS, from the Committee on Government Operations, submitted the following

FORTY-NINTH REPORT

BASED ON A STUDY BY THE GOVERNMENT ACTIVITIES AND
TRANSPORTATION SUBCOMMITTEE

On September 25, 1984, the Committee on Government Operations approved and adopted a report entitled "Future Directions of the Institute of Museum Services." The chairman was directed to transmit a copy to the Speaker of the House.

I. INTRODUCTION

At its inception in 1976, the primary purpose of the Institute of Museum Services (IMS) was to provide General Operation Support (GOS) grants to museums and other cultural institutions via annual competitive applications for these grants. As currently constituted, the IMS also offers one-year funding grants for Special Projects (SP), Conservation and the Museum Assessment Program (MAP).

The first three categories require matching monies from requesting institutions while MAP grants are offered on a non-competitive "first-come, first serve" basis.

During the short history of the IMS, it has been shuttled between two Cabinet-level agencies—the Department of Health, Education and Welfare and then the Department of Education—followed by a third shift under the protective umbrella of the National Foundation for the Arts and Humanities, as an independent agency.

On October 26, 1983, the Government Activities and Transportation Subcommittee of the Government Operations Committee held

a hearing regarding management of the IMS and its implications for the future course of the Institute. At that time, a number of questions were posed by the Subcommittee regarding the organizational structure, management and overall operations of the IMS.

In the past several years, how well has the Institute handled its congressional mandate? Did the agency need additional tools and support to fulfill this role?

Additional questions posed by the subsequent investigation included: How do the prescribed roles of the Director and the Board differ? What is the status of Peer Review for assessing grants? What emphasis should be placed on Conservation and related grants? How can internal and external communications involving IMS be improved to facilitate a more efficient, effective agency? Should a better financial review of grants be provided by IMS, including follow-up audits?

In its initial inquiry, the Committee had also questioned whether museum aid by the Federal government should be centralized, with the functions of the National Museum Act program, which is administered as a line item in the Smithsonian budget through Federal monies, merged into IMS. There was also some investigation as to whether the Special Project grants, which were eventually dropped this year by IMS, should be transferred to the National Museum Act, as well as the conservation grant program, which was not begun by IMS until the Congress mandated it as part of the 1984 appropriation. (A brief description of the National Museum Act and its purposes is included in the Appendix.)

The Committee decided that while the National Museum Act did have a tangential relationship to the IMS because of shared grant-making functions, it would be more suitable for a separate study at a later date.

It should be noted that prior to the October 1983 hearing, only Appropriations hearings had been held on IMS' previous six years of activities. There were no separate oversight hearings to investigate IMS operations nor to review specific problems and/or allegations regarding the agency's management.

While its congressional creators had originally envisioned an annual appropriation of \$40 million by FY 1984, the agency was eventually left to founder without adequate funding or support services. During Fiscal Years 1982 and 1983, the Administration proposed zero IMS funding, but Congress saw fit to have the funding continue.

Many of the questions posed by the Subcommittee at the October 1983 hearing still need to be resolved in an open forum.

Representative Raymond McGrath, Ranking Minority Member of the Subcommittee, offered a succinct assessment of the Institute's situation:

A review of the relatively short history of the Institute indicates that it has never been a very stable organization . . . Unfortunately, Congress has given the agency only limited guidance in establishing its mission in support of our Nation's museums and related cultural institutions. This has further added to the confusion at the Institute. While it sounds noble and worthwhile to support

the important work of museums in their role of education and preservation of our heritage, we must make it clear how we want to support them.

Absent a more definite role for the IMS in Federal statute, the New York Congressman said, "the present administration or any other is left to decide what constitutes a *proper Federal role* in the area of promotion and assistance of museums and other institutions eligible for IMS grants. On the other hand, if we specify functions for the agency in detail, we would be dictating a national cultural policy. Obviously such an alternative is unacceptable and goes against the basic tenets of our democracy. This dilemma is not an easy one to solve. It leaves us as an oversight subcommittee in a position of having to assume what the role of the IMS should be.¹ [Emphasis added.]

II. SUMMARY OF THE HEARING

Purpose of the hearing was two fold: (1) to discuss the role of Federal funding for museums; and (2) to explore future directions of the Institute of Museum Services, "given its previous history of two years of the Administration's budget request for zero funding; four directors in four years; substantial staff cutbacks and a 66-percent cutback in administrative funding by the former director which created severe internal upheavals," noted Rep. Cardiss Collins, Chairwomen, House Government Activities and Transportation Subcommittee, in her opening remarks.²

Describing science museums as the "neglected stepchildren of Federal museum support programs," Dr. Joel Bloom, director of the Franklin Institute Science Museum of Philadelphia, testified that although 35 million people visit science-technology centers annually, this attention and interest is not reflected in Federal funding grants, with minimal amounts provided by the two National Endowments for the Arts and the Humanities.³

Bloom, who is also a vice president of the American Association of Museums, added that operating support—which is the primary grant offered by the Institute of Museum Services—is often the most difficult area in which to raise monies.

"No corporation, no wealthy donor wants to pay to wash the floors and keep the lights on. But I have a basic problem of \$100,000 a year just to wash the floors. It's very hard to go to wealthy Philadelphians and ask for that because that has very little drama or appeal," he told the subcommittee.⁴

Pleading the cause of smaller museums which may also be overlooked in the competition for Federal funds was Jack Agueros, director of El Museo Del Barrio in New York City. [In New York State, one-half of its state arts council budget goes to four major museums, with the remainder then divided among several hundred cultural institutions, Agueros said.]

¹ Hearings before a Subcommittee of the Committee on Government Operations, 98th Congress, 1st Session, "Future Directions of the Institute of Museum Services," October 26, 1983, hereinafter referred to as "Hearings," p. 5.

² Hearings, p. 3.

³ Hearings, p. 7.

⁴ Hearings p. 33.

In searching for outside funding, Agueros said his museum had written 200 letters last year to corporations. The appeal generated funds from 12, rejections from 101 and no response from the remaining 87. Requests to foundations were equally discouraging, he said.

Mrs. COLLINS. So it keeps you always operating on a shoestring budget?

Mr. AGUEROS. Absolutely. In fact, we can never really do the sort of planning or development work that we should as an institution because of that.⁵

While IMS funds would "never become a 'supersignificant' force in the life of our museum," Agueros stressed that they are beneficial to all modest-size museums since they free up operating monies which can then be used for program expenses.⁶

Following Agueros, two members of the National Museum Services Board cataloged past internal problems and suggested future options for smoother, more effective operations.

Dr. Peter Raven, who has served on the board since 1977 and was recently appointed for a second term to run until 1987, championed the creation of a Challenge Grants program tailored to the unique audience IMS serves. Only a "minority of museums," he noted, are now eligible for Challenge Grants from the Endowments, which tend to exclude science and natural history centers, planetariums, botanical gardens and zoos.⁷

Though in his second term, Raven said he favored only one five-year term for Board members. He supported concentration of special project grants within the Endowments rather than including them under IMS; additional staff as needed; and a peer review process for applications with mixed ratings or marginal content.⁸

In evaluating the Federal channels for museum support, Raven stressed that where there is a "significant institution of such obvious international standing . . . it becomes reasonable to think of a Federal role to help to stabilize its budget *for the benefit of all the people in the country* and as a sort of a national statement." [Emphasis added.]⁹

His Board colleague, Ann Duncan Haffner, detailed in her comments some internal procedures that should be upgraded to improve the efficiency of the agency and the communication with the Board members and potential grant applicants.

She noted that Board members were left as outsiders in fundamental IMS operations such as reviewing the grants and annual reports. ("It would be helpful for continuity and better understanding of what IMS spends for operational costs if annual reports were prepared and distributed. One of the problems is that the Board does not have enough insight into the mechanics of the operation.")¹⁰

Mrs. Haffner voiced strong support for Federal funding for the arts. "This is a legitimate role for IMS as well as a most important

⁵ Hearings, p 31.

⁶ Hearings, p 34.

⁷ Hearings, p. 43.

⁸ Hearings, p. 44.

⁹ Hearings, p. 55.

¹⁰ Ibid.

one in preserving our national treasures and enabling citizens greater opportunities for education in the arts and humanities . . . The strong expanding educational possibilities for children have already proven that museums can educate in a very viable and inexpensive manner and I foresee museums being used more and more as classrooms. Museums give children tremendous motivation to learn due to visual stimulation," she said.¹¹

Final witness was Susan Phillips, Director-Designate of the Institute of Museum Services, whose appointment was confirmed later that afternoon (October 26, 1983) by the Senate.

Disputing the four previous speakers, Phillips maintained that funding for the arts in general and museums in particular was not a Federal priority, stressing that only local or regional governments should provide such assistance.

"I think it is a danger inherent in Federal support that he who pays the piper calls the tune," she stated. "The benign patron soon becomes the dictator. The danger exists that Federal funding of culture will lead to increased Federal intervention in the activities of our Nation's cultural institutions. With this in mind, I do not view my role as an advocate for museums in the halls of Congress."¹²

Phillips emphasized that:

To oppose Federal funding of a program, purpose or idea is not to oppose the program, purpose or idea. To recognize that a problem exists is not to admit that it is a Federal problem. To deem a program or activity worthwhile or even exemplary is not the same as nominating it for Federal support.¹³

Phillips acknowledged some of the major internal problems she has inherited, noting that most of her staff had been there less than 6 months.

I think that the Board's complaints that they haven't gotten enough information and that they haven't gotten it in a timely enough manner are quite justified . . . We are reorganizing within the agency so that people aren't handling 10 different activities. They have their own area of expertise for which they will be responsible and we are developing tracking systems for work assignments. We are getting there. It will take time. You can't do everything overnight.¹⁴

As for the actual grants process, Phillips noted that application forms have been revamped and outside peer review panels will be convened for special projects and conservation programs as well as those in the operating grants area which receive mixed reviews.

¹¹ Hearings, pp. 50-52.

¹² Hearings, p. 58.

¹³ Hearings, pp. 57-58.

¹⁴ Hearings, pp. 68-69.

III. BACKGROUND

A. THE BELMONT REPORT

Against this background, a galvanizing event for the American museum community was the release of the Belmont Report in October 1968, which focused attention on the mounting financial needs of America's museums and questioned what the Federal response to them should be.

The report reflects a consensus that:

... a strong case can be made for federal support. It is in the national interest to protect our cultural heritage as other countries have effectively done for many years. Collectively, the nation's museums preserve, exhibit and interpret the irreplaceable treasures of America and, of man. Together, with schools and libraries, they represent the communities'—and the nation's—resources for educating tomorrow's citizens. If the present financial dilemma were not a source of serious concern, these functions of museums alone would commend a sustained federal interest to a nation increasingly concerned with the quality of our national life.¹⁵

... a reduction of museum services at the very time when millions of Americans are looking eagerly to them—and to other cultural institutions—to give added dimension and meaning to their lives must not come about through inaction or inadvertence. Steps can be taken now to meet specific serious needs. Further steps should be taken in the near future to insure continuing support which will provide federal resources while encouraging increased support from traditional sources.¹⁶

To put the proposed role in perspective, the Belmont authors added the caveat that "This report does not suggest that the Federal Government assume dominant responsibility for the financial support of America's museums, but it does suggest that the time has come for the Government to assume a partnership role," rather than merely a passive, sidelines stance.¹⁷

At the time of the Report, less than 1 percent of the income for museums as a group came from the Federal government (with that largely channeled through the Smithsonian); the remaining 99 percent was generated by private givers and state and municipal sources. Operating expenses for museums more than doubled in the preceding 10-year period, and in one extreme case, they increased ninefold, according to the report.¹⁸ In addition to mounting inflation, museums also had to contend with rising rates of vandalism and theft, necessitating more security measures; costs of exhibits; salaries; and building maintenance.

Financed by the Federal government, the Belmont Report was seen as a preliminary attempt to discuss major needs of U.S. muse-

¹⁵ America's Museums: The Belmont Report, 1969, p. xiii. (The report drew its name from Belmont, a Maryland country estate where two lengthy conferences on the document were held.)

¹⁶ *Ibid.*, p. xiii.

¹⁷ *Ibid.* p. vii.

¹⁸ *Ibid.*, p. 25.

ums. Its successor report, the Commission on Museums for a New Century, is a privately financed, independent assessment which focuses on the less visible needs of museums (i.e. collections management, educational functions, inter-museum collaboration, public awareness.) Although IMS was invited to participate, it declined. Results of the project, which began in 1981, will be published October 1, 1984.

B. CREATION OF INSTITUTE OF MUSEUM SERVICES

Congressman John Brademas first proposed the idea of a federal agency to provide operating support for museums in 1968. But it took seven years for the idea to finally germinate and blossom as the Institute of Museum Services.

Opposition softened and compromises were reached which resulted in the passage of Public Law 94-462, the Museum Services Act, which was signed by President Gerald Ford on October 8, 1976.

Although it is less than three pages in length, the Act is sweeping in the broad goals it hopes to serve:

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.

Those eligible to apply for operating support include museums related to science, history, technology and art, zoos, and botanical gardens, planetariums, aquariums, nature centers, historic homes and arboretums.

For purposes of implementing the Act, a museum is defined as any "public or private nonprofit agency or institution organized on a permanent basis for essentially educational or esthetic purposes, which, utilizing a professional staff, owns or utilizes tangible objects, cares for them and exhibits them to the public on a regular basis."¹⁹

Because of the "educational role" of museums cited in the Act, the new agency was placed within the Department of Health, Education and Welfare. (Educational functions were separated out of HEW into an independent Department of Education in 1980.)

The importance of public museums as educational agencies was reiterated in 1976 legislation establishing the present Federal-State system by which Federal surplus property may be donated for public purposes. That measure, which was reported by this Committee and became Public Law 94-519, contained an amendment adding "museums which are attended by the public" to the list of examples of nonprofit institutions which would be eligible for sur-

¹⁹ Section 210(4), 20 USC 968. Regulations further require that the facility be open to the general public at least 120 days a year; that the museum has been open and providing services to the public for at least two years prior to filing an application; and that there be at least one paid or unpaid staff member, or full-time equivalent, whose primary responsibility is the acquisition, care or exhibition of objects owned or used by the museum.

plus property. The purpose of the added language was to make clear that museums are eligible to receive such property on an equal basis with other nonprofit educational institutions.²⁰

The first National Museum Services Board for the IMS was designed with 15 members serving staggered terms. Future members were to serve five-year terms. In addition, non-voting, ex-officio Board members were to be representatives from the two National Endowments, the Smithsonian Institution, the National Science Foundation and the Department of Education. A Board chairman was to be designated by the President of the United States. The Board was required to meet at least four times a year, and whenever one-third of the appointed members requested a meeting in writing. A quorum for any official Board meeting required the presence of eight appointed members.

Under the division of duties, Board members were charged with responsibility for devising general policies regarding powers, duties and authority vested in the Institute and to insure that these actions were coordinated with other activities of the Federal Government.

The Director, on the other hand, was to make available to the Board "such information and assistance as may be necessary to enable the Board to carry out its functions."²¹

Grantmaking was viewed by the framers of the IMS as the principal activity of the agency and was seen as a joint responsibility of both the Board and the Director. The IMS Director, "subject to the policy direction of the Board," was to make grants to increase and improve museum services. Among the suggested purposes to which grant funds would be applied were:

(1) for programs to enable museums to construct or install displays, interpretations, and exhibitions in order to improve their services to the public;

(2) to assist recipients in developing and maintaining professionally trained or otherwise experienced staff to meet their needs;

(3) to assist museums in meeting their administrative costs; to assist them in preserving and maintaining their collections, exhibiting them to the public, and providing educational programs to the public through the use of their collections;

(4) for assisting museums in cooperating with each other in the development of traveling exhibitions; for helping to meet transportation costs; and for identifying and locating collections available for loan;

(5) to assist museums in conservations of artifacts and art objects; and

(6) to develop and carry out specialized programs for specific segments of the public, such as programs for urban neighborhoods, rural areas, Indian reservations, and penal and other State institutions.²²

Under the amended statute of December 4, 1980, the Director was further required to "establish procedures for reviewing and

²⁰ See Senate Report No. 94-1323, p. 10. See also House Report No. 94-1429, p. 23.

²¹ Section 204(f), 20 USC 963(f).

²² Section 206(a) of the statute.

evaluating grants, contracts and cooperative agreements."²³ One of the procedures is known as Peer Review, a method of impartial review by a panel of professional equals (peers) to determine the merits of a application to win a grant. The members of such panels are chosen in a manner to insure the widest possible representation. The concept has at its root the assumption that professional equals, working in a given field, are best equipped to evaluate funding and support requests from qualified applicants in their own respective fields. Such reviews are widely used within Federal agencies which provide grants on a competitive basis.

Within special provisions of the 1976 Act, the Institute had the authority to accept "in the name of the United States, grants, gifts or bequests of money for immediate disbursement in furtherance of the functions of the Institute."²⁴

To get the IMS operation off the ground, the initial authorization sought for Fiscal Year 1977 was \$15 million, with \$25 million requested for FY 1978 and "such sums as may be necessary" for future years with \$35 million to \$45 million envisioned as an annual appropriation.²⁵

IV. DISCUSSION

UNCERTAIN COURSE

Under the Museum Services Act (P.L. 94-462), the Institute of Museum Services was initially placed under the wing of the Department of Health, Education and Welfare, with the IMS Director reporting to the HEW secretary. When HEW was divided in 1980, the fledgling IMS was transferred to the new Department of Education, with the IMS Director reporting to the Secretary of Education. The move to the Department of Education proved totally unsatisfactory for the tiny museum agency, lost in another huge bureaucracy, especially one that the Administration specifically wished to eliminate as part of its campaign promises. Appropriations for the IMS were a source of contention within the Education Department along with staffing requests because of a hiring freeze at the larger agency.

From 1981 to mid-1983, the embattled IMS was in a state of chaos. Totally vulnerable, the agency was forced to contend with a lack of funding and personnel; turf battles within the Education Department; a lack of support in the White House and in many corners of Capitol Hill; ongoing management upheavals and a lack of direction; and an inability of the National Museum Services Board to function properly because of Board vacancies, leading to a lack of a quorum on policy questions and allegations of closed meetings.

When the new Reagan Administration announced its federal priorities, funding for the arts was not among them. According to a Report issued by this Committee, even before the new administration was sworn into office, David Stockman, who was about to

²³ P.L. 96-496, Sec. 201(d), 94th Stat. 2592.

²⁴ Section 207, 20 USC 966.

²⁵ Hearings held before a Subcommittee of the Committee on Education and Labor, 94th Congress, 1st Session, H.R. 7216 and H.R. 1118, September 27, 1975, p. 220.

become the Director of the Office of Management and Budget, first proposed no funding for the arts.²⁶ Fifty percent cuts were requested for the National Endowments for the Arts and the Humanities coupled with elimination of the IMS.

Speaking before the members of the National Museum Services Board at its December 12-13, 1980, Board meeting, James Rutherford, Assistant Secretary for Educational Research at the Department of Education, gave his views on preliminary meetings between the transition team and IMS officials. "He reported that there appeared to be a lack of knowledge about and interest in museums on the part of the transition team. . . . Dr. Rutherford also reported that the transition team had asked him whether or not museums and libraries, as community organizations, should be supported locally. He had responded that museums need multiple levels of support."²⁷

IMS was initially given a \$100,000 appropriation in 1977 to hire a Director and to recruit a national advisory Board. Its budget increased to \$4 million in FY 1978, \$7 million in FY 1979, and \$10.9 in FY 1980.

For FY 1981, a budget of \$12.9 million was proposed, followed by a rescission request of \$12.3 million, with a total elimination of the IMS increase sought for FY 1982.

During 1981, four Directors became involved in the budget process and tried to shepherd it through Congress. Lee Kimche, a Carter appointee, stepped down on January 23, 1981. An interim successor, John (Jack) Lyons, was named. Lyons previously served at the Department of Education, where he had been as Assistant Director for Administration and Analysis. At his first meeting with the Board on March 6, 1981, Lyons reported that staff had been reduced by 30 percent due to resignations and transfers.

Giving an update on the budget battles embroiling the Congress over the fate of IMS, Lyons noted that the day before, the House had approved \$14.4 million, versus a Senate version of \$8.4 million. Both bills provided a shift of the IMS from the Department of Education to the National Foundation for the Arts and Humanities.

By October, Lyons had moved over to the National Center for Education Statistics and George Youstra, another Department of Education employee, stepped into the breach. Youstra was the third Director of the Institute within a year.

The outlook for funding and placement of IMS within the Federal structure remained grim as the Board convened its October 9, 1981, session. "I am sorry that we can't sit here today and know at least where we stand definitely in terms of position in the federal government, location, if you will, and finances," said Board Chairman George Seybolt.²⁸

The President's budget, as submitted, did not include any funds for the IMS program for Fiscal Year 1982.

Even while funding for the embattled agency was still in dispute, some Senators continued to fight for Federal financial support to

²⁶ "The Interrelationship of Funding for the Arts at the Federal, State and Local Levels," Report No. 98-547, 98th Congress, 1st Session, Committee on Government Operations, November 15, 1983, pp. 14-15.

²⁷ Minutes of the December 12-13, 1980, National Museum Services Board Meeting, p. 8.

²⁸ Minutes of the October 9, 1981 National Museum Services Board meeting, p. 4.

museums and to the IMS. In his remarks before the Senate confirmation hearing of Director-nominee Lilla Tower on December 9, 1981, Senator Robert Stafford, Chairman of the Senate Education, Arts and Humanities Subcommittee, acknowledged that:

The Institute of Museum Services, established by the Education Amendments of 1976, has been an important part of our Federal effort to promote our cultural resources. From modest beginnings, the Institute has provided much-needed general operating support for the great repositories of our cultural and scientific heritage . . . I recognize the critical role museums play in our Nation's educational fabric. The Congress, too, has continued to recognize the importance of IMS in the budget and appropriations process this year, and I believe it will continue to do so.²⁹

Added his colleague, Senator Orrin Hatch, Chairman of the Senate Labor and Human Resources Committee, on the value of the IMS:

While the Institute of Museum Services commands a modest budget authorization for Fiscal Year 1982, it, nonetheless, plays an important role in coordinating the Federal effort to aid museums. Most importantly, in this assistance role, it also serves as a contact point where the achievements and wisdom as well as the foibles of the past, instruct and inspire the present, and are preserved for the future.

Also, as with all grant-making bodies, the Institute, through its selection process, wields a stamp of approval, an imprimatur of legitimacy to innovations and trends in a field where excellence is sometimes hard to define and promise remains unfulfilled after the dollars are spent.³⁰

On December 10, 1981, the Senate and House approved H.R. 4035 with an amendment for a 4 percent cut across-the-board, with legislation sent to the President for his signature that would provide \$11.5 million for IMS for FY 1982. Of that, \$10.8 million was allotted for programs, \$576,000 for administration and \$67,200 for Board expenses.

At the December 11 Board meeting, Acting Director Youstra reported that OMB was considering asking for a rescission of 1982 funds. The Administration's \$10,877,000 rescission would have crippled the agency, leaving it with a budget of only \$220,000, which would have been used to phase out the agency. On December 23, 1981, Congress appropriated \$11.5 million for IMS.

Continuing the Administration's negative position on IMS funding, President Reagan did not recommend any funding for IMS for FY 1983. However, Congress remained firm in its support, appropriating \$10.8 million for the agency.

²⁹ Hearing Before the Committee on Labor and Human Resources, United States Senate, 97th Congress, First Session, on Lilla Burt Cummings Tower, of Texas, to be Director, Institute of Museum Services, Dec. 9, 1981, p. 1.

³⁰ *Ibid.*, p. 2.

For Fiscal Year 1984, the Administration actually requested \$11.5 million but Congress appropriated \$20.15 million on November 4, 1983. On February 1, 1984, the Administration requested \$11.6 million for FY 1985 but the House Interior Appropriations Subcommittee has requested \$27 million. The Senate Appropriations Committee has requested \$14,387,000.

STAFFING PROBLEMS

Staffing problems at the agency came to a head in 1981, coupled with the different signals given by four different Directors during that 12-month period.

When Youstra assumed control of IMS in October, the staffing outlook had further deteriorated because of the uncertainty surrounding the future operations of the small agency. Speaking at a National Museum Services Board meeting, Mary Kahn, IMS program director, related that "We are currently six people and we are going to be five at the end of the month, and we will be four in January and three in April."³¹

By April 1982, she predicted that the agency:

Will have one professional part-time staff [person] and we will have one secretary and one administrative clerk. This is not predicting that people will leave on their own volition because they will not want to stay in a situation, in an environment where they will be asked to assume responsibilities and workloads that are far beyond any normal bounds . . . the work is there and continues to be there. It is only the people we are losing.³²

We are reaching the point where the uncertainty and inertia is going to prevent us from working," said IMS Program Director Mary Kahn. "One thing I see is a clear [lack] of understanding of the depth of the minimal staffing required to maintain the Institute until such decision is made of its future. There needs to be a training period. There needs to be hiring time. If we had to advertise and hire from outside [the agency], it is not unusual for that to take four to six months."³³

By 1982, the original IMS staff of 21 was whittled down to 3 and the \$576,000 administrative budget was reduced—at Director Tower's request—by two-thirds to \$192,000. With the extensive turnover, staff lacked orientation to learn specific IMS processes in relation to the jobs they had been hired to perform. There was a lack of in-house manuals on specific internal procedures to ensure a continuity of information for employees and to provide an agency memory bank. At one point, the employee with the longest tenure had been at the agency less than a year.

With no funding, there was no need for recruitment. An agency of this type needs a steady stream of talent—individuals who possess significant academic credentials, professional training and familiarity with the museum and cultural institution community. To

³¹ Minutes of the October 9, 1981, meeting of National Museum Services Board, p. 48.

³² *Ibid.*, pp. 51-52.

³³ *Ibid.*, p. 57.

adequately function, IMS needs a staff skilled in the areas of programs, grants, internal operations, administration, computerization, auditing, budgeting and personnel.

BOARD AND DIRECTOR CONFLICTS

While the lengthy October 9, 1981, Board meeting was in session, the White House sent to the Senate Labor and Human Resources Committee the official nomination of Lilla Tower as IMS Director. Mrs. Tower was confirmed on December 10, 1981 as the fourth IMS Director of that year.

At the December 11, 1981, National Museum Services Board meeting, Acting Director Youstra noted that OMB was considering asking for a rescission of IMS 1981 funds. Midway through the meeting, Mrs. Tower arrived, following her swearing-in ceremony.

Discussion was centered on the appropriate organizational placement of IMS. The minutes note that:

Mrs. Tower asked the chairman, where, in his opinion, her responsibility and the Board's responsibility started and stopped concerning the interagency agreement [between IMS and the Department of Education.] The Chairman responded that it will be a creative, cooperative effort between the Board's Committee and the Director. The necessity of examining the draft agreement with due care in the weeks ahead was expressed. Mrs. Tower submitted that this was probably "a housekeeping, managerial matter and not a policy matter."³⁴

After the uncertainty of two interim Directors, Mrs. Tower approached the job with determination, but she and the Board soon openly disputed their respective roles according to the statute. The Director was authorized to "perform such duties and exercise such powers as the Board may prescribe."³⁵

A further difference in the enabling legislation was that the IMS Director, unlike the Chairman of the two Endowments, did not report directly to the President as agency heads, but to Department-level officials (first the Secretary of Health, Education and Welfare, and then the Secretary of the Department of Education) which further short-circuited budget discussion, staffing decisions and other internal operations.

In addition to battles waged between the Board and the Director over philosophical issues, there were also frequent complaints regarding the selection process for Board vacancies, and the resulting paperwork crunch once nominated. There were also complaints concerning tardy reimbursements for Board expenses; a lack of information provided by the IMS Director and staff to the Board; the lack of a Board quorum at business meetings and the holding of closed meetings. During this period, contrary to previous practices, there was little or no staff and Board on-site assessment in the field regarding difficulties and operations within the museum community.

³⁴ Minutes of the December 11, 1981, meeting of National Museum Services Board, p. 7.

³⁵ Section 205(a)(1). But the Board, rather than the Director, was assigned the policymaking role, unlike the National Councils for the Arts and Humanities, which serve only advisory roles.

Board vacancies were a problem even prior to the Tower appointment. In 1981, there were 6 empty slots on a roster of 15; all 8 of the remaining members were needed for a meeting quorum. Board member C. Douglas Dillon noted that, by the end of that year, they would have 9 vacancies, thus making any official votes impossible because of the quorum requirements. Acting Director Youstra told the Board that the Assistant Secretary for the Department of Education had suggested 6 names to the White House but that no action had been taken to fill the vacancies.

For almost a three-year period, there was not a full roster on the Board, with no quorum possible because of vacancies for a nine-month period.

At the inception of the IMS Board, nearly every member had some professional or practical knowledge of museums. Those originally chosen were not merely representatives of various geographical, ethnic, social, cultural or political groups for the purpose of filling a quota. During the intervening period, however, until the appointment of Susan Phillips, membership on the Board appeared to be treated less seriously, with a number of appointees having limited professional experience with museums. Similarly, during that time, there appeared to be a particular emphasis on California-related appointees. At one point, 7 of the 15 members of the Board were from California.

A factor in the Board vacancy issue was the length of a Board member's term. When the IMS began, terms were staggered for the first group of Board members. Under the statute (Section 204(b)(2)), three members were to serve in each category of terms, ranging from one to five years. As terms began to expire, some members were reappointed; others were not. Their replacements were not forthcoming. Legislative language was also vague on the specific length of terms for reappointed members.

Reimbursements were another major sore point, with members of the Board attacking the lack of accurate bookkeeping procedures and the difficulty in dealing with department-level computers. Delays of two or more years in remuneration for travel expenses and participation in IMS functions were not unusual.

In August of 1983, the Subcommittee initiated an investigation to determine why reimbursements were so tardy. Part of the problem was that some paperwork was lost during the transfer of IMS from HEW to the Department of Education and during the subsequent transfer of records to the NEH computer system. It appears that the problems have now been resolved.

On April 13, 1984, an announcement was made at the Board meeting held in Memphis that all accounts were up to date. On April 16, the Subcommittee received a similar written notification. In the future, it is expected that NEH will provide prompt processing of payments. Members have also been strongly encouraged to make full use of Government Travel Requests (GTR's) wherever possible to economize on travel and to eliminate the additional paperwork for members and subsequent delays in reimbursements.

Members who did manage to attend meetings, often at their own expense, operated in the dark since there was seldom an advance agenda. When background material was provided, it was in the

form of huge volumes of paper and members had little time to adequately read through it.

Nor were there regular written updates provided by IMS on its activities to the Board in between the regularly scheduled quarterly meetings. As to general communication with the Board, prior to Susan Phillips, who became Director of IMS on October 26, 1983, members received no orientation into the mechanical workings of the agency.

While discussion of an agency's budget is a major component of the IMS Board's policymaking role, members were not briefed on White House and Office of Management and Budget submissions by IMS, nor were they given information on summary budget statements by the two Endowments regarding museum programs to discuss possible overlapping or overlooked needs. Similarly, no annual report on agency activities was prepared for Board members so they would be more knowledgeable about the agency.

In earlier days of IMS, Board members played a major role in reviewing applications for grants. But by 1983, some of the Board members did not see any of the applications nor did they receive a list of the recipients until several days after the initial public announcement.

At one Board meeting, the question of closed meetings was a prominent issue on the agenda. Later, on June 25, 1982, Director Tower arranged a Board meeting at the State Department. The IMS has no minutes in its files for this session nor of the prior one held on March 5, 1982. Because there are no written records on these sessions, there is a question whether the statutory requirement cited in 20 USC 963, which requires four meetings annually, was indeed met for 1982. Similarly, there is a question of a quorum for the October 23, 1982, meeting since the names of those attending were not listed in the Board minutes.

Following the IMS Board meeting of July 15-16, 1983, Director Tower tendered her resignation. Susan Phillips had joined the agency only four days before as Deputy Director. She was named Acting Director on July 19 and was formally nominated on September 12, 1983, with Senate confirmation on October 26. (The announcement was made concurrent with the House Government Activities and Transportation Subcommittee hearing held that day which serves as the basis for this report. The investigation did not deal directly with Mrs. Phillips' service as Director since her term was subsequent to this hearing.)

GRANTS

The IMS has offered one-year funding grants in four areas: General Operating Support (GOS), Special Projects (SP), Conservation and the Museum Assessment Program (MAP).

Criteria for the various museum categories for grant applications at IMS are: small, budgets up to \$150,000; medium, budgets from \$150,000 to \$600,000; and large, budgets over \$600,000.

Since providing *General Operating Support* was the major impetus for the creation of IMS, it is also the main thrust for the appropriations. For Fiscal Year 1984, applicants may seek up to \$50,000 or up to 10 percent of a museum's non-Federal operating income,

whichever is less, or a minimum of \$5,000. Among the eligible areas of support are: salaries and wages; supplies and materials; transportation and delivery costs; insurance payments; normal repair bills and utilities; and other ongoing operational expenses. Some museum officials have requested that no more than 10% of the IMS budget be allocated to purposes other than operating support.

Special Projects grants up to \$50,000 are also available, with IMS funding no more than one-half the cost of the project. General criteria for this category are projects that are deemed innovative or exemplary and "likely to provide general, unique, model or financial benefits to many museums."³⁶

Among Special Projects targeted for consideration by IMS are: educational programs; those designated to improve management capacity, such as electronic data processing services; collaborative and cooperative endeavors; and those aimed at specialized segments of the public (e.g. handicapped, rural areas, Indian reservations, penal institutions).

As part of the FY 1984 appropriation [P.L. 98-146, November 4, 1983], \$114,000 was allotted for a review of the effectiveness of Special Project grants at IMS.

This review concluded that:

In general, the funding points to a lack of distinctiveness of these projects. This suggests that the basic rationale of the program should be reassessed. The physical needs [of museums] could be addressed under General Operating Support without incurring additional administrative costs that appear to be required to manage the program as currently desired.³⁷

As a result, the National Museum Services Board voted on December 9, 1983, to drop Special Projects as part of its annual budget request and the House Interior Appropriations Subcommittee dropped the category from its projection for FY 1985. Recipients of these grants will have until September 30, 1985, to draw down their funds that were allotted as part of the FY 1984 Special Projects grants' competition.

CONSERVATION

The Belmont Report authors had cited conservation³⁸ as one of the 10 major unmet needs of museums and recommended a minimum of 10 regional centers as a starting point to meet the country's conservation needs. (Today, 11 such centers exist; see Appendix.)

³⁶ 1984 Special Project Support guidelines, Institute of Museum Service, p. 1.

³⁷ An Evaluation of Special Projects Support Grants, Vol. 1, Analysis and Findings, dated March 31, 1984, pp. XI.

³⁸ By definition, conservation is the act of preserving, protecting and guarding cultural items from loss, decay, injury or violation—whether caused by man or nature. It remains the greatest single need of the museum community today, according to museum officials interviewed by the Committee. They stated that it is fruitless to merely acquire paintings and artifacts with no thought for their environmental condition and long-term care. According to the American Institute for Conservation (AIC), 75 percent of the denials by the American Association of Museums (AAM) for accreditation under the IMS program are because an institution has not or cannot take proper care of its collections.

Subsequently, the original enabling legislation of the IMS directed the agency to provide grants to museums to assist in the "conservation of artifacts and art objects."³⁹ Lee Kimche, the agency's first Director, had listed conservation as a primary goal in her long-range plans, with it accounting for one-fourth of her planned \$16 million budget for FY 1981. But no specific Conservation grant programs were actually created until the Congress required the agency to do so.

As part of the FY 1984 budget appropriation, Congress funded a Conservation grant program at IMS, with an initial \$3 million appropriation. Monies for these one-year grants (up to \$25,000) may be used for: research and training in conservation; providing optimal environmental conditions for housing, exhibiting, monitoring, nurturing and/or transporting objects; and physical treatment of objects such as stabilizing, conserving, restoring and preserving their condition.

The FY 1984 appropriation included a \$150,000 grant to fund two major surveys in conjunction with the American Association of Museums (AAM), the National Institute for Conservation of Cultural Property and the American Institute for Conservation. These surveys, currently underway, will provide substantial data on the extent of the conservation problem in the United States. One survey has been sent to 700 museums, chosen for type and budget size. The second has been sent to 3,000 conservators and conservation facilities in all disciplines. The four major areas of concern are: institutional priorities regarding conservation; needs for trained staff; condition of facilities (i.e., climate, humidity, lighting controls, security); and public awareness of the problems.

Willard Boyd, President of the Field Museum in Chicago, testified that his own institution's conservation needs were estimated at more than \$400,000. "Some of our collections are so badly in need of conservation that the objects can hardly be handled, let alone exhibited to the public," he said.⁴⁰

However, in spite of the intricate conservation survey and resulting data that was sought, IMS dropped any mention of Conservation grants when it submitted its FY 1985 budget request to the Office of Management and Budget.

Similarly, some museums criticized efforts by IMS to limit participation in the 1984 Conservation program because inadequate time was provided to complete the required paperwork for the new guidelines. IMS mailed out the information at the beginning of March 1984, with a letter of intent to apply requested by March 16 and a deadline of April 6. In spite of the short notice, 468 applicants applied within the one-month period.

No evaluation by the Committee of the success of the initial Conservation Grant Program at IMS was possible since the grants were not voted on until July 20, 1984 and were not announced until mid-August. However, the House Appropriations Committee voted to include \$4.3 million for conservation grants for FY 1985.

³⁹ Section 206(a)(5), 20 USC 965.

⁴⁰ Statement before the Subcommittee on the Interior and Related Agencies, Committee on Appropriations, April 12, 1984, p. 2.

At present, there is no national, coordinated Conservation policy regarding Federal assistance to U.S. museums by various agencies (i.e., IMS, National Endowment for the Arts, National Endowments for the Humanities, the National Museum Act, Smithsonian Institution, National Park Service). In its investigation, the Committee noted that Canada instituted a formal, central conservation policy in 1972 for that country's 1,500 museum and galleries. A specific Conservation Assistance Program, begun in 1981, provides grants in the form of supplemental salary aid to museum staff as well as training in technical and research skills related to conservation. Such a program could serve as a basis for discussion in this country regarding joint Federal conservation efforts, with IMS assuming a lead role.

MUSEUM ASSESSMENT PROGRAM

While some IMS grants require the inclusion of matching monies by the recipient institution, the *Museum Assessment Program* (MAP) award does not. These one-time, \$600 grants provide an independent professional assessment of programs and operations, in conjunction with the American Association of Museums. Funding for the non-competitive awards is on a "first-come, first-serve" basis. Winning an MAP grant does not eliminate eligibility for GOS, SP and Conservation grants.

Since the program began in 1980, over 750 museums have participated in the MAP consultation process. Of these, 579 museums have won accreditation, with 159 reaccredited, 35 additional museums currently seeking accreditation and 45 seeking reaccreditation. For Fiscal Year 1984, IMS awarded MAP grants to 151 museums, thus far, with an estimated funding for 400 grants available. For FY 1985, the MAP program will be expanded with the stipend for grants rising from \$600 to \$1,000, per applicant, with a total budget of \$400,000.

A second MAP program has also been initiated which allows those who took the first phase to receive additional training on conservation and collection management. During FY 1985, IMS plans to award 200 of these grants, valued at \$1,000 each.

CHALLENGE GRANTS

A fifth type of grants, Challenge Grants,⁴¹ impact on the IMS, although the agency itself provides no direct monies for these programs. On October 23, 1982, a highly restrictive and damaging policy was established by the Board when it voted to bar any museum from receiving operating support from IMS in the same Fiscal Year that it received Challenge Grant funds from either of the Endowments.

Thus, the effect was to prohibit a facility from receiving any IMS funds for hiring a security guard or repairing a leaky roof during

⁴¹ In 1976, Congress authorized the Challenge Grants program at both Endowments. Federal monies were to be used to aid non-profit institutions in their long-term development, financial planning and audience-building plans. Both Endowments required a 3-to-1 match of private monies, with NEA requiring a 4-to-1 match for construction. Grants are allocated over a three-year period, for a maximum of \$1.5 million. At NEA, among museums, only those in the arts qualify for Challenge Grants, while at NEH an estimated one-third of the applicants are museums with a similar percentage winning grants.

the same fiscal year it received a contribution toward its own endowment funds from either of the National Endowments.

Congress subsequently struck down this provision for FY 1984 and for FY 1985. On July 20, 1984, the Board voted to repeal this prohibition.

PEER REVIEW MODELS

In 1980, Congress amended the IMS statute to require that the agency establish procedures for reviewing and evaluating grants, contracts and cooperative agreements. Peer Review is one such procedure.

Although Lee Kimche, the first IMS Director, was a strong supporter of concept, and subsequent interim directors adhered to this practice, Director Tower abolished it. Director Phillips has since taken steps to reestablish the process. [See Appendix.]

At one Board meeting, for example, "Dr. [Peter] Raven expressed the point that IMS had to get the money to start assigning panels, and that the only way that IMS can do an effective review is by a combination of readers and panels. The Chairman [George Seybolt] brought up the use of panels at NEA, the emerging institutions panel, in particular, and spoke of the soundness of the panel system."⁴² At the same session, Dr. Barry Rosen, Director of the McKissick Museums of the University of South Carolina, "noted that the quality of the reviewers used by IMS was uneven and that a standard for them should be established and maintained."⁴³

Peer Review is fully utilized by the two National Endowments which operate under the same jurisdictional "umbrella" of the National Foundation for the Arts and the Humanities, which IMS shares.⁴⁴

During 1983, every IMS application was reviewed by three independent field readers but no panels were employed. Problem applications were brought before the Board at the July 1983 meeting.

For the 1984 grants, current Director Susan Phillips, at Congressional urging, reinstated peer review panels on an experimental basis for Conservation grants and for reviewing problematic applications in General Operating Support and Special Projects. Estimated cost for Panel Review for 1984 is \$18,000 based on IMS projections. Field reviewers (those who read applications via the mail rather than meet in Washington for convened panels) will also be utilized in evaluating applications for an estimated cost of \$50,000.

AUDITS, DISCLOSURES AND DUPLICATIONS

Audits have proven to be invaluable tools for effective oversight of financial management practices. However, audits have not been applied consistently at IMS. In fact, Director Tower eliminated the practice altogether. During the early years of the agency, grants

⁴² National Museum Services Board minutes, October 10-11, 1980, p. 10.

⁴³ *Ibid.*

⁴⁴ See 20 USC 959(a)(4). During FY 1984, NEH budgeted \$610,000 for 1,000 participants in its Peer Review and NEA allotted \$591,630 for 612 panelists. One of the most extensive of the Federal peer review systems is found at the National Science Foundation, which uses an estimated annual pool of 40,000 professionals with an estimated \$1.7 million budget for FY 1984.

Guidelines for the Federal Advisory Committee Act (P.L. 92-463, October 16, 1972 as amended) can also be applied to the government's peer review processes.

were audited, but "No one has every really looked at those financial statements" in the past, according to Board member Alice Algood.⁴⁵ IMS often lacked adequately trained in-house personnel to analyze the complicated data.

Problems also arose in reviewing submissions of financial statements accompanying grants when a museum was considered part of a city or a state government or another similar institution and the financial records were blended together. IMS had difficulty obtaining a separate annual audit from each applying entity.

Director Phillips has proposed a five-year study to measure how the grants have been handled. At present, there is no comprehensive policy on how IMS grants should be audited, nor on the staffing and appropriations required to do the task.

On the other side of the coin, during the Committee investigation, some museum officials expressed concern about the time and cost incurred in preparing financial documentation to accompany IMS applications for grants.⁴⁶

Another problem cited is a grantee reporting requirement which often entails the submission of duplicate information from year to year. Under the current IMS guidelines, museums and cultural institutions are required to rewrite their statement of purpose every year, even though the collections, departments, population served, financial management, parking arrangements, etc., seldom change.

Museum officials viewed this as an unnecessary burden to impose on museums that are already short on staff and funding. A relevant point of interest is the fact that museums are required to file the different financial statements for local, state and various federal agencies in order to apply for grants.

ACTUAL OPERATIONS

The initial authorization for FY 1977 was \$100,000 for the purposes of organizing a skeleton staff. The first round of grants was launched in 1978 with \$3.7 million divided among 259 museums and cultural institutions.

Gradually, IMS operating support and special projects grants began to increase, rising to 403 museums grants totaling \$7.3 million for 1979, with \$10 million sought for 1980.

By FY 1982, IMS grants totaling \$10.2 million were awarded to 439 museums in 47 states and the District of Columbia. It should be noted, however, that despite IMS efforts, a survey by the Museums Collaborative, a New York-based training organization for museum professionals, discovered that 52 percent of all American museums received less support from all Federal agencies in 1982 than during the previous year and that 39 percent of these institutions had reduced their budgets. Support from state and local governments had also decreased, along with attendance.

During the 1982 grant cycle, Director Tower denied IMS staff permission to counsel grant applicants regarding the preparation of

⁴⁵ National Museum Services Board minutes, July 24-25, 1981, p. 51.

⁴⁶ As an example, the Museum of the City of New York spent an estimated \$5,000 to fill in the financial form required by IMS. The additional cost was based on services from an accountant, comptroller, consulting lawyer and clerical work, plus printing and duplication of the materials. The application ran 44 pages, plus the financial audit which was prepared by Arthur Andersen & Co.

materials that they submitted for review. As a result, IMS turned down nearly 70 institutions' applications because they were incomplete.

To correct the problem, Congress, in 1983, established an appeals process for rejected applications.

Under the guidance of Director Phillips, IMS has revised guidelines for all its major grant programs and now includes an invitation to museums to seek help from the staff in preparing the required forms.

V. FINDINGS

1. From 1981 to mid-1983, the IMS lacked internal organization, a sense of direction and an ability to perform efficiently because of inadequate funding, staffing and information.

2. Members of the National Museum Services Board did not receive an adequate orientation on the purpose of the Board, its duties and responsibilities, nor its internal workings. The Committee also finds that members did not receive adequate preparation for Board meetings with an advance agenda nor prompt mailings of minutes in order to prepare for the next meeting.

3. Members did not receive an annual report listing operating costs, assets, liabilities, etc.; number of grants and their amounts; regional and categorical distribution; long-term and short-term agency goals; projects completed during the year; and goals that are pending. Nor did Board members receive an adequate annual briefing on the agency's submission to the Office of Management and Budget on the proposed IMS budget.

4. Poor record-keeping and records preservation methods have existed at IMS. This has resulted in long delays in reimbursement to Board members for expenses incurred pursuant to their official duties. These lapses also resulted in an absence of minutes for the March 5, 1982, and June 25, 1982, meetings. It is over these sessions that allegations of "no quorum" and "closed meetings" occurred. Regarding the October 23, 1982, meeting, there was also a question of a quorum since the names of those attending were not listed.

5. Under the terms of P.L. 98-305, signed on May 31, 1984, hold-over National Museum Services Board members will continue to sit on the Board until replacements have been sworn into office. The quorum has also been revised from eight members to seven members. Both steps should eliminate the pervasive problem of recent years of the inability to muster a quorum for IMS Board meetings.

6. As part of the FY 1984 budget appropriation process, (P.L. 98-146, November 4, 1983), Congress funded a Conservation grant program at IMS with an initial \$3 million appropriation that included \$150,000 for a study of Conservation needs to be handled by the American Association of Museums.

7. Although Conservation was cited as one of the fundamental objectives of grants by the IMS in its enabling legislation, the agency did not begin a specific program until mandated by Congress to do so for FY 1984. Before the actual grants were reviewed and awarded, the agency dropped any mention of Conservation grants for its subsequent fiscal year 1985 budget request.

8. During the years of 1981 through 1983, many complaints about the complexity of the application forms as well as the time and expense incurred for the financial documentation requirements were justified.

9. Agency audits of grants have been inadequately analyzed. At one point, audits were discontinued altogether.

10. A number of grant applicants have complained about the complexity of forms and the unnecessary duplication of information which may be required of them.

11. Although Congress had mandated that the Director of IMS establish procedures for reviewing grants, contracts and cooperative agreements, Peer and Panel Review processes were largely ignored from 1981 to mid-1983.

VI. RECOMMENDATIONS

1. The Committee recommends that incoming Board members receive an orientation on the purpose of the agency and their relative role in it.

2. All Board members should receive prompt reimbursement for allowable expenses incurred in their official service to IMS.

3. The Committee recommends adequate liaison between Board members and IMS. IMS should adhere to a practice of providing Board members with an agenda prior to quarterly meetings and a copy of Board minutes after such meetings.

4. IMS should prepare an Annual Report discussing administrative expenses; allocation of grants; and both its long-term and short-term programs and funding goals. This document should be concise and easy to read and should also be available to Members of Congress, the museum community and other interested parties.

5. The Committee recommends that the IMS improve and clarify instructions in grant applications. An annual calendar of all IMS application deadlines should be prepared and distributed.

6. IMS should thoroughly audit performance of grants. IMS personnel should be adequately trained to analyze audit reports.

7. The Committee recommends that IMS meet its legislative mandate by making the conservation of art and artifacts an ongoing agency role.

8. The Committee recommends that full Peer Review be considered for use at IMS in a fashion similar to that utilized by the National Endowments.

APPENDIX



INSTITUTE OF MUSEUM SERVICES • 1100 Pennsylvania Avenue, N.W., Room 510 • Washington, D.C. 20506

August 22, 1983

MEMORANDUM

TO: Kathleen Burns
Government Activities and
Transportation Subcommittee
U.S. House of Representatives

FROM: Sara Traut ~~X~~
Special Assistant to the Director
Institute of Museum Services

SUBJECT: Information Requested Per Telephone Conversation
August 18, 1983

<u>FY 1984</u>		<u>FY 1981</u>	
Budget Est.	\$11,520,000	Budget Est. '81	\$12,900,000
		Proposed Recission '81	12,357,000
<u>FY 1983</u>		Revised Budget Est. '81	500,000
Budget Est.	\$ - 0 -	Approp. '81	12,857,000
Brought Forward from '82	720,000		
Approp. '83	10,800,000	<u>FY 1980</u>	
Total Avail. '83	\$11,520,000	Budget Est. '80	\$10,900,000
		Approp.	10,900,000
<u>FY 1982</u>		<u>FY 1979</u>	
Proposed Recission	\$ - 10,877,000	Budget Est. '79	\$ 7,752,000
Budget Est.	220,000	Approp. '79	7,852,000
Approp. '82	\$ 11,520,000		
		<u>FY 1978</u>	
		Budget Est. '78	?
		Approp. '78	\$ 4,011,000* supplemental
		<u>FY 1977</u>	
		Approp. '77	\$ 100,000

NATIONAL ENDOWMENT FOR THE HUMANITIES

Support of Museums
FY 1974 - FY 1983

Amount Obligated in Support of Museums

<u>FY</u> <u>(1)</u>	<u>NEH</u> <u>Obligations</u> <u>1/</u> <u>(2)</u>	<u>Museums</u> <u>program</u> <u>2/</u> <u>(3)</u>	<u>Challenge</u> <u>3/</u> <u>(4)</u>	<u>Other</u> <u>programs</u> <u>(5)</u>	<u>Total</u> <u>(6)</u>
1974	\$54,405,240	\$2,876,391	n/a	\$346,624	\$3,223,015
1975	68,709,036	4,861,176	n/a	481,608	5,342,784
1976	80,493,010	4,058,143	n/a	1,034,927	5,093,070
TQ	24,791,537	1,679,698	n/a	127,100	1,806,798
1977	99,677,118	4,731,662	\$1,155,000	1,035,497	6,922,159
1978	120,144,980	7,903,302	4,876,163	2,063,494	14,842,959
1979	142,148,033	8,387,549	4,690,426	1,194,100	14,271,975
1980	142,589,466	9,869,372	4,522,756	1,429,739	15,821,867
1981	144,366,330	9,482,676	2,801,392	897,842	13,181,910
1982	115,818,324	4,182,160	2,821,917	683,884	7,687,961
1983	123,314,689	5,336,494	2,564,468	786,033	8,686,995

1/ Includes Definite, Treasury, Challenge, and carryover funds. Gifts and administrative funds are excluded.

2/ Includes all obligations for the program "Humanities Projects in Museums and Historical Organizations." Some grants may have been awarded to historical societies or historical sites, but generally a museum component is involved.

3/ The first Challenge Grants were obligated in FY 1977.

n/a = not applicable.

NATIONAL ENDOWMENT FOR THE HUMANITIES

WASHINGTON, D.C. 20008

HUMANITIES PROJECTS IN MUSEUMS AND HISTORICAL ORGANIZATIONSFUNDING HISTORY

The following charts the amount of Federal dollars obligated through the Endowment's program for Humanities Projects in Museums and Historical Organizations since its inception. The Outright column reflects Federal dollars obligated to the grantee. The Match column reflects Federal dollars obligated to the grantee institution which match, on a 1:1 ratio, monies contributed as gifts to the project by third parties.

<u>FISCAL YEAR</u>	<u>NUMBER OF PROJECTS</u>	<u>OUTRIGHT</u>	<u>MATCH</u>	<u>TOTAL FEDERAL DOLLARS OBLIGATED</u>
1967	15	\$ 223,780	\$ —	\$ 223,780
1968	20	302,740	—	302,740
1969	9	164,750	—	164,750
1970	16	319,956	—	319,956
1971	12	261,180	—	261,180
1972	16	440,750	—	440,750
1973	34	734,430	61,821	796,251
1974	92	2,808,891	67,500	2,876,391
1975	94	4,457,176	404,000	4,861,176
1976	100	3,700,066	358,077	4,058,143
TQ*	47	1,517,198	162,500	1,679,698
1977	209	4,731,662	—	4,731,662
1978	269	7,291,406	111,896	7,403,302
1979	205	7,509,058	878,491	8,387,549
1980	188	8,292,288	1,577,084	9,869,372
1981	179	8,549,682	932,994	9,482,676
1982	102	3,937,160	245,000	4,182,160
1983	97	5,326,494	10,000	5,336,494

(Grants Approved
To Date)

1984	64	2,729,395	—	2,729,395
<u>TOTALS</u>	1,768	\$63,298,062	\$4,809,363	\$68,107,425

* This figure represents Transition Quarter funds — the three month period when the end of the fiscal year was moved from June 30 to September 30. The FY 1977 figure therefore represents program funds for the time period October 1, 1976 to September 30, 1977.

SH:av
2/27/84

National Endowment for the Arts
Funding Summary for Museums

<u>FY</u>	<u>Total NEA Appropriation</u>	<u>Museum Prg. Grants</u>	<u>Challenge Grants</u>	<u>Total Funds To Museums</u>
73	42,030,998	4,615,040	*	4,615,040
74	60,775,000	9,050,907	*	9,050,907
75	74,750,000	10,836,336	*	10,836,336
76	82,000,000	11,460,099	*	11,460,099
77	33,937,000	2,632,640	*	2,632,640
77	94,000,000	10,969,402	1,936,740	12,906,142
78	123,850,000	11,577,155	6,300,000	17,877,155
79	149,585,000	11,551,582	14,237,974	25,789,556
80	154,610,000	11,234,167	11,125,548	22,359,715
81	158,795,000	13,234,638	3,800,000	17,034,638
82	143,875,000	11,456,150	4,400,000	15,856,150
83	143,875,000	10,008,000	3,950,000	13,958,000
84	162,000,000	12,200,000	to be determined	

* First challenge grants obligated in 1977.

(Information provided by Linda Bell, NEA Museum Program Administrator)



INSTITUTE OF MUSEUM SERVICES • 1100 Pennsylvania Avenue, N.W., Room 510 • Washington, D.C. 20506

March 6, 1984

Memorandum

TO: Mr. Fred Mohrman
Staff
House Appropriations Committee
Subcommittee on Interior and Related Agencies

FROM: Sara Traut *Sara Traut*
Director of Administration

RE: Your telephone request of March 5

1. Panel Review Costs

A. FY 83 Actual Cost = \$0

Panelists were not used to evaluate any applications in FY 83.

B. FY 84 Estimate = \$18,000

	GOS 5-7 members 2 days in DC	SP 5 members 1 day in DC	CP 9 members 2 days in DC	Total
Honorarium \$100 per working day	\$1,400	\$500	\$1,800	= \$3,700
Per diem \$75 per travel day	\$1,575 3 days	\$750 2 days	\$2,025 3 days	= \$4,350
Travel \$450 per traveler	\$3,150	\$2,250	\$4,050	= \$9,450
Total	\$6,125	\$3,500	\$7,875	= \$17,500
				\$18,000 rounded

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2. Field Reviewer Costs

	GOS	SF	CZ	Total
FY 83				
#	141	9	0	150
\$	\$14,100	900	0	\$15,000
FY 84				
estimate				
#	225 (210)*	15	33	= 273
\$	\$45,000 (\$42,000)*	\$3,000	\$6,600	= \$54,600 \$(31,600)* \$50,000 rounded

*Revised estimate after receipt of GOS application end of February.

3. Field Reviewer Compensation

In Fiscal Year 1983, each field reviewers was paid \$100 to read approximately 22-25 applications. It was estimated by IMS that a minimum of 40 hours would be required to read and evaluate the assigned applications. Comments received from FY 83 reviewers in a follow-up questionnaire included the following:

"Too many applications (23 for me) to review in the time allocated. I know the honorarium is just that, not payment for services rendered, but spending 40-50 hours on the review process is asking too much, in my opinion, from individual reviewers ..."

from another reviewer:

"I spent over 30 hours on my 22 applications; even then I was unable to give each the attention it deserved. The amount of the honorarium should be increased or the number of applications reduced. I know colleagues who have declined to serve because of the time required."

and yet another reviewer stated:

"Do a better job of forewarning reviewers of the work involved. The hours needed to do a conscientious job when compared to the honorarium make the \$100.- almost laughable."

In Fiscal Year 1984 the decision has been made to pay each field reviewers \$200 to read approximately 18 applications. This pay increase, to our knowledge, is the first such increase in honorarium since IMS began to send applications to the field for review. We are actively soliciting new reviewers to further increase the pool of potential reviewers available to IMS. Through these two actions, increasing pay and decreasing the number of applications to be read, IMS is striving to improve the quality of the review process.

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INSTITUTE OF MUSEUM SERVICES GRANTS

ATTACHMENT B

IMS GRANTS HISTORY

	<u>YEAR</u>	<u>PROGRAM</u>	<u>APPS RCVD</u>	<u>APPS FUNDED</u>	<u>FUNDS OBLIGATED</u>
	1978	GOS	816	243	\$ 3,519,014
		SP	67	12	180,699
TOTAL			883	255	\$ 3,699,713
	1979	GOS	1473	352	\$ 6,459,470
		SP	248	51	861,107
		EMERG	2	2	20,000
TOTAL			1723	405	7,340,577
	1980	GOS	1359	366	\$ 9,450,568
		SP	120	39	883,251
TOTAL			1479	405	10,333,819
	1981	GOS	1208	573	\$11,660,000
		SP	107	15	292,315
		EMERG	?	5	65,000
		MAP	400	400	240,000
TOTAL			1715	993	\$12,257,315
	1982	GOS	1145	439	\$10,150,416
		SP	-	-	-
		MAP	-	-	-
TOTAL			1145	439	10,150,416
	1983	GOS	1065	321	\$9,966,800
		SP	61	17	332,465
		MAP	365(a)	312	187,200
TOTAL			1491	650	\$10,486,465
	1984	GOS	1245		
		SP	53		
		CP	466		
		MAP(b)	154	151	9,060

- (a) 46 applications received were incomplete and therefore ineligible for funding. Three withdrew, three were duplicates, and one was deemed ineligible because it had not been open for two years prior to application.
- (b) There remains one additional MAP deadline in the current grant cycle.

INSTITUTE OF MUSEUM SERVICES

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GRANT BREAKDOWN BY SIZE OF INSTITUTION, 1978-1983(a)

	<u>Apps Reviewed(b)</u>	<u>Grants Awarded</u>	<u>% of Total Grants Awarded</u>
1978(c)			
L	350	83	34
M	189	90	37
S	128	70	29
(d)	<u>114</u>		
TOTAL	781	243	100%
1979(c)			
L	?	103	29
M	?	82	23
S	?	167	48
TOTAL	?	352	100%
1980(c)			
L	298	95	26
M	524	135	37
S	<u>535</u>	<u>136</u>	<u>37</u>
TOTAL	1357	366	100%
1981(c)			
L	321	229	40
M	497	178	31
S	<u>387</u>	<u>166</u>	<u>29</u>
TOTAL	1205	573	100%
1982(e)			
L	472	214	49
S	<u>586</u>	<u>225</u>	<u>51</u>
TOTAL	1058	439	100%
1983(e)			
L	515	173	54
S	<u>515</u>	<u>148</u>	<u>46</u>
TOTAL	1030	321	100%

- (a) Statistics are for GOS grants only.
- (b) Reviewed applications will be fewer in number than received applications (previous page) due to the excluding of applications from review because of incomplete or missing information or because the application was received from an ineligible institution.
- (c) Large(over 500K); Medium(100-500K); Small(under 100K).
- (d) Financial information not available for these applications.
- (e) Large(over 250K); Small(under 250K).

NATIONAL ENDOWMENT FOR THE ARTS

May 10, 1984

TO: JUDY LANDIS, CONGRESSIONAL
 FROM: LINDA BELL, MUSEUMS
 RE: CONSERVATION FUNDING, 1971 - 1984

Here are the figures you requested. In some cases, two areas under Conservation were actually split into two separate allocation figures--I found this misleading, however, and combined them for you. What you'll find below are the real totals of what was spent in all types of Conservation activities by the Museum Program since the Program began:

CONSERVATION

1971	\$ 100,300	
1972	443,291	
1973	784,360	
1974	818,387	
1975	1,515,290	
1976	531,013	
1977	1,217,330	
1978	1,386,580	
1979	1,277,190	
1980	1,274,720	
1981	1,429,660	
1982	1,223,370	
1983	1,195,000	
1984	1,677,000	(Conservation became a sub-category this year under the major category heading Museum Collections and resources.)

APPENDIX

National Museum Act Program

As noted in the Introduction, the Committee initially considered whether the Federal support for museums should be consolidated in one entity rather than spread throughout the Endowments and the National Museum Act program. The investigation also questioned whether all museum functions apart from general operating support should be removed from IMS so that it could concentrate on that primary function.

Because of the tangential relationship the National Museum Act bears to the IMS regarding grants to museums, a brief mention is warranted.

Although the National Museum Act was first drafted and approved in 1965, no funds were appropriated until 1972, with an initial budget of \$600,000. In the following 12 years, the amount has increased by only \$186,000. Grants average \$10,000 per recipient with a range from \$1,500 to \$50,000. The program is administered as a line item under the Smithsonian Institution budget.

An Advisory Council, composed of 11 museum professionals from around the country who are appointed for a three-year term, review the applications. (The Smithsonian Assistant Secretary for Museum Programs is a voting member of this Council). Prior to the panel review, the National Museum Act staff reviews applications for technical accuracy. Applications are screened first for quality, and then the available amount of total monies are considered in allocating all awards.

Categories for grants are: graduate/professional education and training; museum internship; stipends to individuals for conservation studies; special studies and research; seminars; and service to the field. The National Museum Act offers no operating support grants, which are the sole province of the IMS.

APPENDIX

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Grants are not awarded on a formal matching basis, as is the case with other agencies under the National Foundation for the Arts and Humanities umbrella, but these applicants must provide some supplemental funding. While the National Museum Act does not impose limits on the duration of a project, funding is granted only in one-year increments. A new application, subject to full-review, must be filed annually for each year of support requested.

To monitor the grants, the National Museum Act requires four quarterly financial and performance reports. Site visits are also scheduled. The final 15 percent of the total award is not given until all reports have been submitted and accepted. Awards are made payable to applicant organizations, not to individuals. Based on its initial track record for the past dozen years, the National Museum Act appears to be functioning according to its legislative intent.

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NATIONAL MUSEUM ACT
SUMMARY OF PROGRAM ACTIVITY
FY 1972 - FY 1983

	APPROPRIATION	APPLICATIONS RECEIVED		GRANTS AWARDED	
		NOS.	AMT.	NOS. (*)	AMT. (*)
FY 1984	786,000	225	4.6 million	64 (2) (42)	(NET FINANCED YET)
FY 1983	784,000	144	2,878,450	64 (51)	693,000 (508,000)
FY 1982	779,000	139	2,671,447	56 (39)	676,360 (439,460)
FY 1981	803,000	181	3,426,316	56 (32)	705,307 (386,662)
FY 1980	802,000	156	2,755,694	60 (34)	710,191 (354,999)
FY 1979	794,000	189	3,039,460	74 (34)	697,141 (325,780)
FY 1978	790,000	179	2,648,124	55 (33)	721,185 (338,571)
FY 1977	792,000	224	3,015,880	69 (33)	728,373 (296,846)
FY 1976 [#]	964,000	175	2,937,705	67 (22)	892,609 (294,251)
FY 1975	802,000	141	2,386,168	56 (11)	751,586 (212,568)
FY 1974	901,000	173	1,230,437	63 (11)	612,243 (114,393)
					++200,000
FY 1973	798,000	184	1,246,184	25 (6)	543,583 (136,188)
					++200,000
FY 1972	600,000	47	1,428,016	21 (4)	359,368 (47,750)
					++200,000
TOTAL	\$9,609,000	1,932	\$29,663,881	666 (310)	\$8,690,946 (3,455,068)

(*) Conservation-related awards are shown in parentheses. The number of grants and the dollars are included in the preceeding totals.

** In each of these years, an amount of \$100,000 was transferred to each of the Endowments.

Includes transition quarter.

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NATIONAL MUSEUM ACT
SUMMARY OF FY 1984 AWARDS BY PROGRAM

	<u>TOTAL</u>		<u>CONSERVATION</u>	
	<u>Number of</u> <u>Grants</u>	<u>Amount</u>	<u>Included on total at left</u>	
			<u>Number of</u> <u>Grants</u>	<u>Amount</u>
Graduate/Professional Training	6	\$125,000	3	\$ 65,000
Museum Internships	16	\$162,000	9	\$102,000
Stipends to Individuals for Conservation Studies	19	\$101,000	19	\$101,000
Seminars	9	\$ 76,000	4	\$ 26,000
Special Studies and Research	8	\$ 95,000	7	\$ 80,000
Services to the Field	6	\$127,000	4	\$ 47,000
	<u>64</u>	<u>\$686,000</u>	<u>46</u>	<u>\$421,000</u>

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Regional Conservation Centers in the United States

Balboa Art Conservation Center	San Diego, California
Center for Conservation and Technical Studies, Fogg Museum, Harvard University	Boston, Massachusetts
Conservation Center for Art and Historic Artifacts	Philadelphia, Pennsylvania
Conservation and Collection Center of New York State	Peebles Island, New York
Intermuseum Conservation Association Oberlin College	Oberlin, Ohio
Maine State Museums Regional Conservation Center	Augusta, Maine
Northeast Documents Conservation Center	Andover, Massachusetts
Pacific Regional Conservation Center	Honolulu, Hawaii
Rocky Mountain Regional Conservation Center	Denver, Colorado
Upper Midwest Regional Conservation Association	Minneapolis, Minnesota
Williamstown Regional Conservation Center	Williamstown, Massachusetts

