

Senate Committee on Rules and Administration

Testimony of

**Roger W. Sant
Chair, Executive Committee
Board of Regents**

Smithsonian Institution

April 11, 2007

I am pleased to be here today to address the recent concerns expressed by the Congress and the public about expenditures and governance at the Smithsonian. I have been on the Smithsonian's Board of Regents since October 2001 and have served recently as Chair of the Executive Committee, Chair of the Audit and Review Committee, and a member of the Compensation Committee. I also am currently the Chairman of The Summit Foundation.

Today's hearing marks the first time that members of the Board of Regents have had the opportunity to speak directly to the Congress about this current controversy, and my fellow board member, Patty Stonesifer, and I want to state right from the beginning that we have heard clearly the concerns of the Congress and the public. We sincerely regret the circumstances that have led to a loss of confidence in the spending practices and oversight at the Smithsonian, and we are here today to describe what the Board has done in response to those concerns and our plans for future improvements.

Although many factors and personalities contributed to the current spotlight on the Smithsonian, Ms. Stonesifer and I, speaking for ourselves, believe that the Board has moved promptly in reaction to the controversy by demonstrating our determination to address any spending excesses and to implement the best governance practices at the Smithsonian. As my testimony will demonstrate we have, in fact, taken important steps during the past months and have made plans for significant governance improvements at the Smithsonian in the future. We are confident that the actions we are taking will begin to restore public and Congressional confidence in the Smithsonian and the Regents.

Let me describe briefly some of the Board's steps to address concerns about expenditures and governance at the Smithsonian. First, prior to Secretary Small's resignation, the Regents announced on March 19, 2007, the creation of two committees to assist the Regents in responding to public concerns and to ensure, on a going-forward basis, the use of best governance practices for non-profits by the Smithsonian and the Board. The Board named an Independent Review Committee ("IRC") to report to the Board on Secretary Small's compensation, expenses and donations and the Regents' responses and actions with respect to the audit of those activities. The Board appointed three independent-minded and respected members to this committee, which is chaired by the former Comptroller General of the United States,

Charles A. Bowsher. It is our expectation that the IRC will issue an independent and critical analysis for the Board.

At the same time, the Regents created a new, standing Committee on Governance with Ms. Stonesifer as Chair. I am going to let Ms. Stonesifer, who will speak next, describe to you the work of the Governance Committee. She will also describe certain additional interim steps the Executive Committee has taken at the request of the Governance Committee to restore strong oversight and controls on spending. The Board of Regents looks forward to the IRC's report and the continuing guidance of the Governance Committee.

Upon Secretary Small's resignation, the Regents demonstrated decisive and responsive action. We met the next day, a Sunday, with 15 of 17 Regents present and accepted his resignation and appointed Dr. Cristián Samper, a respected scientist and executive at the Smithsonian, to serve as Acting Secretary. I believe that he resigned, in part, to help clear the air and allow the Smithsonian to move forward and begin the restoration of public confidence. And that is exactly what the Board is committed to doing.

When former Secretary Small resigned last month, Chairman Feinstein, you noted three important issues to be discussed at today's hearing: The first two were the need for an active and engaged Board interested in vigorous oversight of the Smithsonian and the need for a careful review of the compensation and spending practices of the Secretary and other top staff members. I hope you can see from the actions that I have just described that the Regents fully agree.

The third purpose for this hearing was the need for a plan to address the \$2.3 billion needed to fix and maintain the Institution's buildings and facilities. Again, the Regents could not be in stronger agreement with you. The facts here are of great concern to the Regents and I know to this committee. It is incontrovertible that the Smithsonian is losing ground each year in the struggle to maintain the Smithsonian's infrastructure, particularly its buildings and their roofs. There were over 50 leaks in the Museum of Natural History alone last year. Every homeowner knows that failure to attend to such matters only generates a bigger future repair bill when the leaks lead to further damage.

The Smithsonian is currently only spending about half of what it should each year for minimum facilities upkeep. Each year, the backlog of maintenance projects grows approximately another \$43 million. In addition to growing repair bills for the buildings, there is the potential for extensive and permanent damage to live and inanimate collections due to our inability to provide a safe and secure environment for preservation. Dr. Samper's testimony provides more detail concerning the infrastructure needs of the Smithsonian.

We understand that we must look for sources of funding beyond additional federal funds. I, speaking as one board member, believe that we need to discuss options more broadly than we have in the past. It is time to sit down and have frank discussions about all possible funding sources – all with an eye toward the best long-term interests of the Smithsonian.

As the Smithsonian and Regents move forward to enhance governance at the Smithsonian and pick a permanent leader, I want to stress the importance the Regents place on working

cooperatively and closely with the Congress. We embrace the need for oversight and are dedicated to working with the committee members and staff as we chart a course for an improved Smithsonian. As you know, six of the Regents are Members of Congress. All of us share a dream that the Smithsonian realize its full potential “to increase and diffuse knowledge,” and about which all members of Congress and all Americans can feel justifiably proud. I would be happy to answer any of your questions after Ms. Stonesifer speaks. Thank you.