

**Summary of FY 2011 Budget Increases/(Decreases)**

**COMPENSATION & BENEFITS**

**( + \$2,127,000)**

An increase of \$2,127,000 is requested in FY 2011 for compensation and benefits.

These funds will support the compensation and benefits increases for 885 FTE positions. Please see Tab 8 for a complete listing of these positions by function and department. The FY 2011 increase is composed of the following:

- \$2,068,000 is the sum of the January 2010 general pay raise (2.42%) annualized for the first quarter of FY 2011, the anticipated 1.4% January 2011 pay raise for three-quarters of a year, and other pay and benefits increases.
- \$59,000 is for the cost of compensation and benefits increases for the staff included in the no-year Special Exhibition program.

**OTHER NECESSARY PROGRAM CHANGES**

**( - \$6,332,000)**

A net decrease of \$6,332,000 is requested in FY 2011 for other program changes. A summary by program is listed below.

**Art Care ( - \$1,522,000)**

- An increase of \$66,000 is requested for air and ground transportation. The funds are used to ship art for off-site professional restoration and for loan exchanges with other museums.
- A net decrease of \$1,376,000 is for other services, consisting of the following:
  - A decrease of \$1,545,000 is for special exhibitions services.
  - \$58,000 increase is for contracts to repair and maintain the building and equipment, of which \$51,000 is for the increase in costs of skilled labor to repair and maintain the permanent collection galleries, and \$7,000 is for maintenance and repair contracts to maintain costly scientific equipment used by art conservators to preserve the art.
  - \$74,000 increase is needed to cover the rising costs of IT professionals to enhance the Web Site IT backbone and functionality.
  - \$11,000 increase is for Conservation services including those provided by professional contract art restorers. Professional contract art restorers are an important resource that allows outside specialists to work on highly complex projects.
  - \$26,000 increase is for a variety of other services including \$24,000 for on-line database subscriptions for the library and other departments, and \$2,000 for other conservation services.

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- A net decrease of \$192,000 is for supplies, consisting of the following:
  - A decrease of \$200,000 is for no-year funding for supplies and materials for special exhibitions.
  - \$8,000 increase is for supplies related to the maintenance of the permanent collection galleries. These supplies are utilized for carpentry, painting, lighting and electrical systems required to maintain the galleries and public spaces, as well as for uniforms, professional grade papers, inks, design supplies, and general office supplies not stocked in-house.
- A decrease of \$20,000 is for IT equipment resulting from the replacement of the meta-library server for the Integrated Library System in FY 2010.

**Operations & Maintenance ( + \$3,054,000)**

- An increase of \$1,554,000 is requested for utilities and equipment rental as described below:

<b>Description</b>	(amounts in thousands)		<b>FY 2011</b>
	<b>FY 2010</b>	<b>FY 2011</b>	<b>Increase/ (Decrease)</b>
Water & Sewer	\$ 951	\$ 951	\$ -
Chilled Water	1,516	2,935	1,419
Steam	3,335	3,451	116
Electric	3,669	3,669	-
Natural Gas	-	14	14
Structural Rental	12	12	-
Equipment Rental	-	5	5
<b>Total Rent, Comm. &amp; Utilities</b>	<b>\$ 9,483</b>	<b>\$ 11,037</b>	<b>\$ 1,554</b>

- An increase of \$1,419,000 is requested for chilled water. This increase include an anticipated 15.1% rate increase above the FY 2010 rate (including a significant increase in the capacity charge) that has been announced by GSA, and a 4.7% increase in projected usage.
- An increase of \$116,000 is requested for steam. This increase is needed for a shortfall in the base steam budget resulting from a GSA rate increase in FY 2010 that was not funded in the Gallery's FY 2010 appropriation.
- \$14,000 is requested for natural gas to reflect actual usage at the Gallery's Landover, Maryland warehouse.
- \$5,000 is requested for the rental of lifts to prune trees and shrubbery.

See Section 10 for additional information on the Gallery's FY 2011 utility request.

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- An increase of \$1,565,000 is requested for other services, consisting of the following:
  - \$1,500,000 is requested for repair and maintenance of the Gallery's grounds, buildings, and equipment. The Gallery's buildings are reaching an age at which significant refurbishment and reinvestment are required. In FY 2011, the West Building opened 70 years ago and the East Building opened 33 years ago. Many repairs are required for components that are imminently in danger of failing. Existing staff time is almost fully devoted to breakdowns and emergency repairs, and preventative maintenance is inadequate. This increase addresses a fraction of the more than \$30 million maintenance backlog, and consists of the following:
    - \$1,200,000 is for repairs to the Gallery's HVAC system to extend its service life and increase the operational efficiency of this essential equipment, of which \$500,000 is for replacing blocked and failing heating coils and \$700,000 is for repairs to the air distribution system.
    - \$150,000 is for caulking the West Building skylights. One quarter of the three acres of skylights require re-caulking each year to protect against water damage.
    - \$125,000 is for caulking of various pavers throughout the Gallery's complex. The pavers, which are subject to outdoor weather conditions, are traversed by the public daily and have many failing joints. Caulking is required to maintain safe conditions for the public.
    - \$25,000 is for maintenance service contracts for piping, drains, and hot water pipes. The 33-year old piping has had several failures, and testing and monitoring are required. The Gallery must protect the original works of art in its care from water damage, including art secured in storage vaults located on the ground floor and lower levels.
  - An increase of \$65,000 is requested for IT other services to support the Building Automation System (BAS). This amount represents the projected FY 2011 cost for the multi-year program to acquire and connect additional alarms and sensors to gallery spaces that are used for temporary exhibitions and staff offices not previously connected to the BAS. This increase in costs will be funded by a transfer from BAS equipment described below.
- A decrease of \$65,000 in FY 2011 is for IT equipment for the Building Automation System. Funds will be used to contract support for the BAS.

### **General Administration ( + \$174,000)**

- An increase of \$164,000 is requested for other services, consisting of the following:
  - A net increase of \$86,000 for IT services consisting of the following:
    - \$331,000 decrease for systems management, hosting and maintenance costs of the new Financial Management System (FMS).

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- \$20,000 increase for maintenance and support costs for the intranet and web infrastructure.
- \$141,000 increase for the outsourced Help Desk contract and software license fees, and the Help Desk contract which supports the network administration, maintenance fees for Cisco hardware and software and IT professionals who support the Gallery's network.
- \$216,000 increase to maintain and support IT security programs including meeting the required certification and accreditation requirements under the Federal Information Security Management Act (FISMA)
- \$6,000 increase to maintain and support the Gallery's Enterprise Architecture.
- \$34,000 increase for processing fees to the Office of Personnel Management for the OMB-mandated electronic-Official Personnel File (e-OPF).
- An increase of \$37,000 for staff training services. This is primarily the result of mandatory federal training for contracting personnel, and training for retirement and financial planning, and supervisory development.
- An increase of \$41,000 for services of which \$19,000 is for Office of Personnel Management and Federal Occupational Health to provide certification, investigations and training services, and \$22,000 is for various other services and maintenance costs required by all General Administration departments.
- An increase of \$10,000 is requested for supplies and materials primarily for increased costs of subscriptions for the Office of the General Counsel.

### **Master Facilities Plan ( - \$10,788,000)**

- A decrease of \$10,788,000 is reflected in the FY 2011 Budget Request for the Master Facilities Plan.

### **East Building Stone Repairs ( + 2,250,000)**

- An increase of \$2,250,000 is requested in FY 2011 for stone repairs to the National Gallery's East Building facade. Beginning in 2006, the large stone veneer panels on the East Building exterior began tilting at the top, and in some extreme cases had been displaced over one inch. The Gallery hired a forensic structural engineer to investigate the cause. The investigation concluded that the Gallery must undertake remedial repair work as soon as funds can be made available to replace the supports for the over 16,000 panels that cover the East Building exterior. See Tab 4 for detailed information on the FY 2011 budget request for East Building stone repairs.

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**Ongoing Renovations ( + \$500,000)**

- An increase of \$500,000 is requested for ongoing renovations primarily to fund ADA required wheelchair lifts, to renovate telecommunications closets, and perform an energy management study.