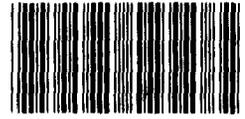


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STATEMENT OF
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GENERAL GOVERNMENT DIVISION
BEFORE THE
SUBCOMMITTEE ON GOVERNMENT INFORMATION,
JUSTICE AND AGRICULTURE
COMMITTEE ON GOVERNMENT OPERATIONS
HOUSE OF REPRESENTATIVES
ON
PROPOSED LEGISLATION CONCERNING
THE ACQUISITION, OPERATION, AND MAINTENANCE
OF PRESIDENTIAL LIBRARIES



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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the three bills you are considering--H.R. 2446, H.R. 3138, and H.R. 4017--concerning the acquisition, operation, and maintenance of presidential libraries. These bills propose three different ways to reduce the costs to taxpayers of operating future presidential libraries. My purpose is to discuss our views on how these bills would affect the costs and operation of the presidential library system. To that end, I would like to begin by offering some background on the system.

BACKGROUND

The Presidential Libraries Act, passed in 1955, created a framework for developing a presidential library system which could be gradually expanded as needed. It established a plan for the preservation of former U.S. Presidents' papers and historical materials. These items are one of the great heritages of the American people. The manuscripts, documents, and papers of our presidents and their contemporaries are a picture of the political, economic, and cultural conditions of the time.

Until the presidential library system was created, it was only through happenstance that many of the papers, manuscripts, and documents of previous presidents remained intact. In several cases, these priceless documents were lost or destroyed. To prevent this loss of documented history, the Presidential Libraries Act was passed to: "Provide a system of archives (to store and preserve presidential documents and other historical materials) in

their proper surroundings, and keep them intact for the benefit of the American people now and for the future."

The act authorizes the Administrator of General Services to accept, on behalf of the United States, private donations of buildings, land, equipment, papers, museum objects, and other historical materials to create a presidential library. The Administrator is also authorized to maintain, operate, and protect these libraries as part of the National Archives system and to accept private gifts and bequests to operate the donated facilities.

All seven existing presidential libraries, which are dispersed throughout the country, were constructed with private contributions to the federal government. In turn, the government pays for operating and maintaining the libraries. Under this traditional system of acquiring libraries (1) the government incurs no initial construction costs; (2) former presidents and/or their supporters and associates greatly influence the location, size, and design of the libraries; (3) larger segments of the general public have access to the libraries because of their regional character; and (4) records are dispersed, thus safeguarding against their collective destruction.

Also, as envisioned originally, each library can serve as a regional depository, if needed, to store other valuable archival materials. In his prepared statement for the 1955 hearings on the act, the Archivist of the United States said that one of the principal benefits of dispersing the libraries was that the donated property could "be used not only for Presidential papers,

but also for the preservation of valuable Federal records accumulated outside of Washington." He stated that some documents, such as district court records, which are very valuable for historical research and relate to matters of a particular state, could be kept in that state rather than in Washington. To our knowledge, however, the existing libraries have not been used in this manner.

We see two disadvantages to the current system: (1) because the libraries are dispersed, researchers whose interests extend beyond one administration are forced to travel to or contact more than one library, and (2) because the government can only indirectly control the size and design of the libraries, it has limited influence over the amount of operating costs it will assume.

During the 1955 hearings, Archives officials stated that at the end of 100 years--if 15 presidential libraries were donated to the government--the annual net maintenance and operating costs would be \$100,000 each, or \$1.5 million, in 1955 dollars, for all 15 libraries. GSA made no detailed economic study to develop the estimate of the annual net maintenance and operating costs. The only operating cost data available at the time was for the Roosevelt Library. This raw data was used, without adding inflation costs, to project the anticipated operating costs for future libraries. GSA officials acknowledged at the time that their cost estimate was purely guesswork and that factors such as size and location would affect the costs of maintaining and operating future libraries.

Today, 29 years later, the costs of the seven existing libraries are, not surprisingly, significantly higher than GSA's

original estimate. Currently, GSA spends an average of \$1.5 million annually to operate, maintain, and protect each library. This cost growth to the taxpayer has long been a matter of concern to the Congress. The three bills being considered here today are outgrowths of that concern. We commend the Subcommittee's efforts to find a solution to control future cost growth in operating presidential libraries.

At this point, then, I would like to discuss the first bill under consideration, H.R. 2446.

H.R. 2446 - A CENTRAL LIBRARY

H.R. 2446, which also covers benefits to former presidents, calls for one central presidential library, in lieu of continuing the present system of individual, dispersed libraries. This central library would be built to hold all presidential records for which the federal government has title (that is, for all presidents after President Carter). It would also hold any personal records and other materials relating to former presidents donated to the government. The bill specifies a formula for calculating the amount of space each former president would be allocated for archival and research use based on the number of years served as president. In addition, each president would be allocated museum space up to a maximum of 5 percent of the space allowed for archival and research use. We discuss these aspects of the bill in greater detail later. The central library is to be developed in phases, the first phase providing space for the materials of two former presidents.

Having a central presidential library would offer certain economies. It would provide an opportunity to optimize or reduce, in total, the amount of space and associated costs devoted to specific uses, such as cold storage vaults and common support areas. A central library would also offer some operating economies, such as lower staffing levels, which are not possible in dispersed, smaller institutions. Scholarly review of the materials of several presidents or administrations would be possible without long-distance correspondence or extensive travel. Convenient access was discussed in the 1955 hearings. Witnesses testified that while dispersed libraries might cost more, their intrinsic values, such as enhanced accessibility, could not be measured in dollars.

The advantages and disadvantages of a central library were thoroughly discussed during the 1955 hearings. Witnesses voiced concerns that the potential for loss of all presidential records by fire or other disaster would be much greater in a central library and that fewer people would have convenient access to it. They also expressed concern that former presidents and their associates might be less willing to donate records or other historical materials if the records were to be placed in a central depository. (The Presidential Records Act of 1978 differentiates between personal records and records that relate to the president's conduct of his office which are now government property.)

All these concerns are still valid today. Safety of the presidential papers and ease of access to the papers by the general public are very important. While dispersed libraries may not

allow researchers to see the papers and historical materials of several administrations, they do provide a larger segment of the population, especially young school children and low-income families, the opportunity to visit a library in their area or region. The Congress, in 1955, gave these factors a great deal of weight in passing the act.

It is difficult to compare the costs to the taxpayer of a central library versus dispersed libraries. The acquisition costs of a central library would clearly be higher for the government. Currently, these costs are minimal because the government does not pay the costs of constructing the libraries. However, under this bill, all costs of designing and building the central library would be borne by the government. Also, depending on how the structure is designed and built (single building or a complex of buildings) and the location (a low- or high-cost area), a central library may or may not be less costly to operate.

Limiting the size of the central library as proposed in H.R. 2446 would help to reduce operating costs. However, we believe the formula proposed for determining the space allowed for each former president is inappropriate.

Under the bill, archival and research space to be provided each former president in the central library is to be calculated as follows. The total square feet of archival and research space provided in all the existing libraries is to be divided by the number of years served as president by all former presidents having libraries. This will give a square foot allocation per year

served as president, which is then multiplied by the number of years the former president served to determine how much space each would be allocated in the central library. Using the formula, a president serving a 4-year term would be allocated roughly 16,600 square feet, and a president serving an 8-year term about 33,250 square feet for archival and research use. Under the 5 percent criteria that determines museum space, a president serving a 4-year term would also be allowed about 830 square feet, and a president serving an 8-year term about 1,660 square feet for museum space. The table in the attachment gives further details on these calculations.

The length of time served as president is not a reliable measure of space requirements because what occurs during the presidency will more likely determine the volume of presidential records than the length of time in office. Further, the bill assumes that the materials in the existing libraries are of a fixed content. This has not been the experience of the existing libraries which continue to grow and add new holdings to their collections each year. Only three of the seven existing libraries (Hoover, Roosevelt, and Truman) are considered fully mature. The Eisenhower is approaching maturity, while the others (Kennedy, Johnson, and Ford) are still growing. The National Archives estimates that the presidential materials it receives at the time a president leaves office will constitute about 50 percent of the holdings in the mature library. Another important point to consider is that the four oldest libraries contain materials which were generated during a much less information intense era. Thus,

the three newest libraries and the future libraries can be expected to contain more materials than the earlier libraries.

The criteria in the proposed legislation may be too restrictive. Some provision needs to be made to allow more space if needed. The primary objective of the library is to preserve presidential materials and the heritage they represent. Consequently, each former president should, at a minimum, be allocated sufficient space to archive all his valuable and intrinsic materials. We must also note that if Presidents Carter and Nixon were to fall under the criteria proposed in this bill, neither would be allocated sufficient space for the materials now in the government's possession, as the following examples show.

The National Archives holdings of President Carter's materials consist of roughly 22,000 cubic feet of records (papers, books, and audiovisual materials) and 8,500 cubic feet of museum items. According to Archives officials, 1 cubic foot of records equals about 1 square foot of storage space. Therefore, it is easy to see that the 16,600 square feet of archival space and the 830 square feet for museum would be inadequate. The materials of President Nixon are far greater than President Carter's, totaling about 38,000 cubic feet. The 25,000 square feet a president serving 6 years would be allocated would also be inadequate to store this volume of material.

Further, limiting the museum space to 5 percent may not be sufficient to provide any meaningful exhibits. The Congress' original intent was to provide for museums in each library. The

libraries have served a useful purpose in scholarly research, but their exhibit rooms have proven to be a very popular aspect of the libraries because of their cultural and historical interest.

I would now like to discuss the second bill under consideration, H.R. 3138.

H.R. 3138 - ENDOWMENT FOR LIBRARIES

H.R. 3138 would terminate the use of appropriated funds for the maintenance of presidential libraries. No building, land, or equipment could be accepted by GSA for a presidential library unless there is available, by gift or bequest, a sufficient endowment to cover the anticipated costs of maintaining the building, land, and equipment. Furthermore, no appropriated funds could be used to maintain the building, land, and equipment. The bill provides that the income from the endowment would be available to cover the costs of maintenance and utilities but not for archival functions, such as preservation and research assistance.

The primary objective of this bill is to shift some of the cost of operating and maintaining the presidential libraries to the donors of the libraries. Now such costs are borne entirely by the government. Rather than attempting to limit the size of future libraries or dictate where they would be located, this bill suggests that donors should assume more of the financial responsibility directly related to the library's design and the site selection. If a former president and the donor group want a large library that would be costly to operate, or want the library located in a high-cost area, this bill would permit this without committing the government to excessively large future costs.

We feel this bill has two primary advantages: (1) government costs would be lower because some of the costs currently paid by the government would be paid from the endowment income, and (2) an incentive for smaller, more efficient structures might arise because the private donors could reasonably be expected to minimize the operating costs, so as to keep the accompanying endowment as low as possible.

Both the Presidential Libraries Act and the National Archives Trust Fund Act allow the Administrator of General Services to receive donated funds and expend the income from their investment for operating expenses. Requiring an endowment, on the other hand, will aggravate the fund-raising problems of the sponsors of future libraries. Further, if the necessary monies could not be raised, the government could end up with no library and full responsibility for the storage and preservation of the official presidential papers.

We wanted to gain some perspective on the size of endowments that would be needed if this legislation passed. Therefore, we estimated the size of endowment that would have been required to generate sufficient income to cover the fiscal year 1983 building operations costs of the Roosevelt (\$431,000), Johnson (\$1,024,000), and Ford (\$642,000) libraries. The results showed that endowments of \$5.4 million, \$12.8 million, and \$8.1 million, respectively, would have had to be available, assuming an average return of 8 percent. Obviously, there is a need for guidance on the calculation of endowments that would give due recognition to long-term yields and operating cost growth.

Endowments would seem to be a reasonable approach to controlling future cost growth in the presidential library system. Our concerns about the endowment approach relate to how it will be implemented more than the concept itself.

We believe the bill needs to more clearly define what specific costs the endowment income must cover. The phrase "maintenance cost" is too vague. Some of the questions which need to be resolved, for example, include: Who will pay for protection costs? Will the endowment pay all utility costs, including those associated with program functions? Does maintenance cover all upkeep and repairs? Will the government retain full control over the expenditure of the endowment funds? Who will cover remodeling, renovation, and expansion costs? If a portion of the building is destroyed or damaged, who will be responsible for costs associated with rebuilding the facility? If the facility is expanded at government expense, who is liable for the maintenance costs on that part of the building? The term to be used in calculating the endowment needs to be clearly specified. Is the endowment to be for perpetuity or some specific period of time?

It is also appropriate to recognize that it is highly unlikely that the sizes of endowments can be precisely calculated because of uncertainties regarding future returns on investment and the magnitude of inflation driven growth in operating costs. We therefore believe contingencies for these and other potential situations need to be more clearly spelled out in the legislation.

This brings me to the third and final bill under consideration, H.R. 4017.

H.R. 4017 - NO DONATED LIBRARIES

This bill would terminate GSA's authority to (1) accept land, buildings, or equipment offered as a gift to the United States for creating a presidential archival depository or (2) make agreements with any outside organization to use land, buildings, or equipment belonging to that outside organization as a presidential archival depository. The bill does not affect GSA's authority to maintain, operate, or protect the existing presidential archival depositories.

This bill leaves many questions unanswered, such as: Will the government build libraries and add them to the presidential library system? Will future libraries, if built by the government, be centralized, regionalized, or continue as they are today as individual libraries dispersed throughout the country?

This proposal may have only a minimal effect on future costs associated with presidential papers. While future presidential library costs would be eliminated, many of the costs would just be transferred to another function within the National Archives. Much of the presidential material to be stored in the future libraries will be government property. If there are no donated libraries, the government still must either construct libraries or provide some other depository to store this government-owned material.

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That concludes my testimony, Mr. Chairman. My associates and I will be happy to answer any questions you may have.

CALCULATION OF SPACE ALLOCATION
IN CENTRAL LIBRARY
BASED ON YEARS SERVED AS PRESIDENT

<u>Former president</u>	<u>Years served</u>	<u>Space allocated in existing Presidential Libraries (sq. ft.)</u>		
		<u>Storage^a</u>	<u>Reference & work space^a</u>	<u>Total archival & research space</u>
Hoover	4	8,397	4,380	12,784
Roosevelt	12	16,576	3,823	20,399
Truman	8	8,201	11,199	19,400
Eisenhower	8	18,013	6,346	24,359
Kennedy	3	13,729	9,846	23,575
Johnson	5	37,140	12,690	49,830
Ford	2	15,216	8,996	24,212
Total	42			174,559

^aSource: NARS, Office of Presidential Libraries, Allocation of Space in Presidential Libraries, October 1983.

Calculations:

Average archival and research space used per year served:

$$174,559 \text{ sq. ft. divided by } 42 \text{ years} = 4,156 \text{ sq. ft.}$$

Space allocations in a central library for future presidential libraries:

President serving a 4-year term:

$$\begin{aligned} \text{Archival/research space:} \\ (4,156 \text{ sq. ft.} \times 4 \text{ yrs.}) &= 16,624 \text{ sq. ft.} \end{aligned}$$

$$\begin{aligned} \text{Museum space:} \\ (16,624 \text{ sq. ft.} \times .05) &= 831 \text{ sq. ft.} \end{aligned}$$

President serving an 8-year term:

$$\begin{aligned} \text{Archival/research space:} \\ (4,156 \text{ sq. ft.} \times 8 \text{ yrs.}) &= 33,248 \text{ sq. ft.} \end{aligned}$$

$$\begin{aligned} \text{Museum space:} \\ (33,248 \text{ sq. ft.} \times .05) &= 1,662 \text{ sq. ft.} \end{aligned}$$

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