



**Testimony of Lori Fogarty, Director and CEO, Oakland Museum of California
on behalf of the American Alliance of Museums
to the House Appropriations Subcommittee
on Labor, Health and Human Services, Education and Related Agencies
in support of the IMLS Office of Museum Services
May 19, 2021**

Chairwoman DeLauro, Ranking Member Cole, and members of the subcommittee, thank you for the opportunity to submit this testimony. My name is Lori Fogarty, and I am Director and CEO of the Oakland Museum of California (OMCA) testifying on behalf of the American Alliance of Museums (AAM). I urge you to provide the Office of Museum Services (OMS) within the Institute of Museum and Library Services (IMLS) with \$80 million for fiscal year (FY) 2022, an increase of nearly \$40 million. We request that \$2.5 million of this increase be directed to fund projects and to explore establishing a roadmap to strengthen the structural support for a museum Grants to States program administered by OMS, as authorized by the Museum and Library Services Act, *in addition* to the agency's current critical direct grants to museums. AAM, representing more than 35,000 individual museum professionals and volunteers, institutions of all types and corporate partners serving the museum field, stands for the broad scope of the museum community.

I want to express the museum field's gratitude for the \$40.5 million in funding for OMS in FY 2021, and we applaud the 151 bipartisan Representatives who recently wrote to you in support of FY 2022 OMS funding. This small program is a vital investment in protecting our nation's cultural treasures, educating students and lifelong learners alike, and bolstering local economies. During the COVID-19 pandemic, OMS has provided critical leadership to the museum community through its CARES Act

grants. For example, the agency has been providing science-based information and recommended practices to reduce the risk of transmission of COVID-19 to staff and visitors engaging in the delivery of museum services. IMLS awarded \$13.8 million through the IMLS CARES Act Grants to Museums and Libraries to 68 museums and libraries to support their response to the coronavirus pandemic. IMLS received 1088 applications from museums but was only able to fund 39 awards or 4 percent for a total of \$8.28 million – far below the \$261.5 million requested. Unfortunately, none or very little of the \$200 million allocated to IMLS in the American Rescue Plan is expected to be awarded to museums.

Museums are economic engines and job creators. According to *Museums as Economic Engines: A National Report*, pre-pandemic U.S. museums supported more than 726,000 jobs and contributed \$50 billion to the U.S. economy per year. For example, the total financial impact that museums have on the economy in the state of Connecticut is \$834 million, including 10,229 jobs. For Oklahoma, it is a \$405 million impact supporting 6,404 jobs. Museums spend more than \$2 billion yearly on education activities and the typical museum devotes 75% of its education budget to K-12 students.

IMLS is the primary federal agency responsible for helping museums connect people to information and ideas. Its Office of Museum Services (OMS) supports all types of museums—from art museums to zoos—by awarding grants that help them better serve their communities.

OMS awards grants in every state to help museums digitize, enhance and preserve collections; provide teacher professional development; and create innovative, cross-cultural and multi-disciplinary programs and exhibits for schools and the public.

Congress reauthorized IMLS at the end of 2018, with wide bipartisan support. OMS grants to museums are highly competitive and decided through a rigorous peer-review process. In addition to the dollar-for-dollar match generally required of museums, grants often spur more giving by private foundations and individual donors.

There is high demand for funding from the OMS. In FY 2020 OMS received 784 applications requesting nearly \$146 million, but current funding has allowed the agency to fund only a small fraction of the highly rated grant applications it receives. \$80 million would allow OMS to double its grant capacity for museums, funds which museums will need to help recover from the pandemic and continue to serve their communities. This substantial funding increase would still be greatly shy of the high demand of \$146 million in highly rated grant applications. A Grants to States program administered by OMS, *in addition* to the agency's current direct grants to museums, would merge federal priorities with state-defined needs, expand the reach of museums and increase their ability to serve their communities, address underserved populations, and meet the needs of the current and future museum workforce.

Museums will be vital to our nation's recovery from this pandemic, and after sudden and long-term closures, they will require financial assistance to reopen, maintain their staffs, provide educational programs to communities, and assist in rebuilding local tourism economies. PPP 1 and PPP 2, and Shuttered Venue Operators Grants (for which museums with theatres with fixed seating are eligible) have and will provide a critical lifeline for many museums. But the museum field will need robust ongoing support from IMLS, especially as not all museums were eligible for pandemic relief funds. According to a report by McKinsey and Company, the arts, entertainment,

and recreation sectors will not fully recover from this public health crisis and muted economy until 2025.

Museums across the country are struggling with the devastating impacts of the COVID-19 pandemic. Survey data shows that 15 percent of museums may shutter permanently without immediate support—the loss of up to 5,400 museums and 55,800 jobs. 29 percent of museums remain closed since the March 2020 lockdown and those that have reopened are operating on an average of 41 percent of their regular attendance (and many still operating under mandated capacity limits)—a reduction that is unsustainable long-term even with recent federal relief support. 76 percent are experiencing lower operating income than in 2019, with an average decrease of 40 percent. Museums have not been able to make up for that loss with cost cuts: 61 percent have a lower net operating performance—an average of 38 percent lower than in 2019. 46 percent have decreased their staff size, by an average of 29 percent, and less than half (44 percent) plan to rehire/increase staff size in the coming year.

Despite these enormous challenges, museums, for months, have safely served as community centers for education and places of respite, inspiration, and even vaccines themselves. For OMCA, as with many organizations, we accelerated our digital efforts, utilizing online platforms to stay in touch with our community and provide virtual programming. With the COVID-19 pandemic, we quickly shifted our focus from large in-person gatherings to digital engagement, utilizing technological innovations to build upon OMCA's long-standing strengths in community engagement. OMCA introduced newly digitized collections, online *Learn At Home* participatory art activities, virtual field trips for school children, and virtual community and cultural celebrations.

We also continued planning for new exhibitions and programs that we will present when we reopen, including a project that an IMLS grant supported most recently. We are currently underway with a new learning space, the Family Nature Play Room, within our Gallery of California Natural Sciences dedicated to intergenerational exploration and learning for visitors two to five and their adult companions. We hope to open this new space in 2022. OMCA has had a strong track record in securing IMLS grants, which have provided critical funding for a wide range of programming, particularly those serving school children, families, and the diverse Oakland community.

For OMCA, as with other museums, additional OMS funding at this time would provide essential and urgently needed support. Due to the COVID-19 health crisis, our Museum closed its doors to staff and the public as of March 13th, 2020 and remains closed as of May 2021, with a planned reopening date of June 11th. The impact of the pandemic and resulting closure have been significant. To date, OMCA lost approximately \$3.8 million in gross earned revenue through the end of March 2021, and anticipates an additional approximately \$3.3 million in total revenue losses through June 30, 2022. As a result, we have had to reduce our staffing by 15% and we anticipate that recovery will be a multi-year process.

In closing, I highlight recent national public opinion polling that shows that 95% of voters would approve of lawmakers who acted to support museums and 96% want federal funding for museums to be maintained or increased. Museums have a profound positive impact on society. Thank you again for the opportunity to testify.