

CITIZENS ECONOMY AND EFFICIENCY

COMMISSION

OF LOS ANGELES COUNTY



April 2, 1997

Chairman, Zev Yaroslavsky
Los Angeles County Board of Supervisors
Room 821, Hall of Administration
500 W. Temple Street
Los Angeles, CA 90012

Re: **Implementation Review of the Natural History Museum Recommendations**

Dear Chairman Yaroslavsky:

Background

On July 12, 1994 the Board of Supervisors took the following action:

“Requested the Los Angeles County Citizens’ Economy and Efficiency Commission and the County Counsel to study the requirements and make recommendations for public policy resulting in donating to and/or contracting with education institutions to maintain and conduct basic research regarding the surplus collections of the Museum of Natural History that are stored or not being currently exhibited . . .”

It is in response to this request, the Economy and Efficiency Commission undertook a review of the collections policy and collection-based activities of the Natural History Museum of Los Angeles County (NHMLAC).

On March 5, 1996 your Board considered the Economy and Efficiency Commission’s report entitled, *Analysis of the Collections and Collection-Based Activities of the Natural History Museum of Los Angeles County*. At this meeting the Board approved 30 of the 37 recommendations. The final recommendation of this report, which was adopted, directed “. . . that the Economy and Efficiency Commission conduct an implementation review of the NHMLAC within one year of the acceptance of this report and provide the Board of Supervisors an assessment of its progress. (Implementation: within one year).” This letter is being submitted in compliance with that direction.

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Scope of this Implementation Review

On July 31, 1995 the Natural History Museum submitted a report on the status of the adopted recommendations made in the Commission report to the Auditor-Controller. In the preparation of this report the Commission used the July 31, 1995 report, supplemented by additional Museum documentation on the status of the recommendations submitted on January 28, 1997. In addition to this documentation, the Museum Task Force had an opportunity to meet with Dr. Powell on March 12, 1997 to discuss these recommendations and to clarify other issues. Both the submitted information and the interview with Dr. Powell have been used as a basis for this review.

Status of Recommendations

The report submitted to the Auditor-Controller indicated the following status on the 29 recommendations concerning the museum that were adopted by the Board:

- 11 had been implemented
- 9 had been partially implemented
- 9 had not been implemented.

In the documentation submitted to the Economy and Efficiency Commission on January 28, 1997, the Natural History Museum reported the following status of these recommendations (A listing of these recommendations is included as Appendix I):

- 20 had been implemented
- 7 were in the process of being implemented or under consideration
- 2 had not been implemented for financial reasons

The Commission would like to recognize the commitment of the Natural History Museum in taking action to implement twenty seven of the recommendations approved by the Board. In the case of the two recommendations that have not been implemented as a result of financial constraints, the Commission recognizes the impediments that this situation creates. What is important, and is recognized and supported in concept by the Museum, is the intent of these two recommendations; to insure that staff is being adequately compensated and to insure that the Museum's collections are being adequately supported. How this is to be accomplished in the future will be dependent upon the financial circumstances as they develop for the Museum.

Addressing Major Issues

The objective of the Economy and Efficiency Commission's 1995 report was to make specific recommendations that would contribute to maintaining the Museum's position as one of the nation's leading institutions of its kind. In the strategic sense, it was felt that this report could be used to identify actions in major functional areas that would contribute to the success of this institution. Considering the recommendations approved by the Board, the Museum has recognized the strategic intent of the Commission's report and has expanded upon the concepts presented. This recognition is particularly evident

Chairman Zev Yaroslavsky
April 2, 1997
page 3

in the Museum's implementation of recommendation #9 suggesting the initiation of a strategic long-range plan, which the Museum has accomplished.

The recommendations made by the Commission fall into four general functional areas.

Operations

A Natural History Museum committee composed of staff and members of the Board of Trustees is currently investigating the broad issues of how to best provide collection management for all of their collections. This investigation includes the Seaver Collection, the value of which was particularly noted by the Commission. The Commission is also encouraged that the Museum will continue to explore ways to maximize the contribution of its collections.

The Museum has recognized in its strategic plan a responsibility to develop a funding plan for the Peterson Museum and to make the Exposition Park location an asset. Both of these initiatives are responsive to the original intent of the Commission's report and should be recognized as contributing to the overall advancement of the organization.

Strategic Planning/Policies

The Museum has published a Strategic Plan as was suggested in the Commission's report. Not only does this document set forth the mission and vision of the Museum, but it sets forth specific goals and strategies that will enhance the management, operations and future performance of the Museum. Many of the stated goals and strategies are directly responsive to the recommendations made in the Commission's report.

As part of the museum's strategic planning process, the Board of Trustees (including Governors) have embarked on a self-assessment aimed at strengthening the operation of the Board. Specifically, the areas being examined include using the Board of Governors more effectively, improving the development function of the Board, establishing a Board committee on building and grounds, obtaining Board support for information technology, creating a Budget committee, and establishing a Board committee on Museum Promotion. This effort is an excellent beginning to evaluating the efficiency and effectiveness of policy and procedures of the Museum's governance structure. The Commission supports this approach at self-assessment.

Adding credibility to a organizational assessment of the Museum's governance are the concepts of restructuring and revaluation currently being discussed within government. The Commission's original recommendation proposing the consideration of privatizing the museum, with the County responsible for infrastructure maintenance, was an attempt to introduce the concept of strategic revaluation. Since this concept is being implemented by the Museum, the larger objectives of this recommendation are being implemented. Meaningful consideration of the concept of organizational reevaluation is what is important, given the current environment faced by government in general, and County government in particular. It is important for each County department to contribute, to the maximum extent possible, to solving the problems of the County. It appears that the actions of the Natural History Museum are consistent with this philosophy.

Funding/Revenue Generation

The Museum's Strategic Plan has two goals that respond to the original intent of the Commission's report:

- II. Achieve excellence by focusing resources, and*
- III. Create a revenue and support base that will sustain excellence.*

These goals include both strategies and benchmarks that establish accountability and measure achievement. This approach to improving the financial situation of the Museum is commendable.

The current Museum endowment was raised by, and is held by, the private Museum Foundation. The management of the endowment is the responsibility of the Board of Trustees through its Investment Committee. Issues of the endowment's investment policy are continuously examined by the Investment Committee. The Committee attempts to follow the market appreciation and earnings while limiting risk of its endowment investments.

The Museum has reported that its current policy is to expend approximately 6.5%¹ of its endowment earnings in support of the Museum's operations. The operation of the Peterson Museum has made such expenditures essential. Once the Peterson Museum is more self sufficient the Commission believes that the expenditures of endowment monies at such a level should be continued for the general operations of the Museum to assure no greater burden will be placed on County taxpayers. Such an expenditure level is reasonable and the endowment expenditures by the Museum should be reviewed periodically for compliance with this objective.

In its report, the Commission recognized that it is important for the Museum to build their endowment from the current levels. We continue to be supportive of the Museum's efforts to expand the size of its endowment and the use of endowment funds for the general operations of the Museum. We also continue to strongly advocate the importance of these strategic efforts to insure the future health of the Natural History Museum.

Consistent with the Commission's support of the Museum commitment to effectively utilizing its funding, we support their efforts to explore every avenue of revenue enhancement, including seeking support from organizations utilizing the Museum's facilities. What is encouraging is that a continuation of this philosophy will encourage the Museum, as it should with all departments, to appraise sources that may not have been previously considered.

Customer Orientation

Goal I of the Museum's Strategic Plan responds to the customer orientation issues raised by the Commission. By "*Providing outstanding exhibits, programs, and service to a growing audience*" the Museum has demonstrated an increased attention to the needs of the community. A continuing evaluation of these types of opportunities will enable the Museum to capitalize on unique opportunities when they become available. The Commission feels, as does the Museum, that it is important to maximize the use of the Museum's

¹Letter from Dr. James Powell, President and Director, Natural History Museum, to Mr. Bruce Staniforth, Executive Director, Economy and Efficiency Commission, March 18, 1997.

Chairman Zev Yaroslavsky
April 2, 1997
page 5

resources and facilities. A consideration of how to effectively maximize these opportunities has become a part of the Museum's philosophy.

Conclusion

The Economy and Efficiency Commission is encouraged by the professionalism demonstrated in the development of a Strategic Plan by the Natural History Museum. This action is appropriate and should be recognized as a major step in advancing the operations of the Museum. The Commission looks forward to the implementation of the strategic concepts presented in this plan.

Although the Commission is pleased that the Strategic Plan, as it is proposed, addresses many of the concerns that they originally identified and that the actions taken to date are, for the most part, implemented, we did not have the resources available to conduct any additional review of the Museum or its operations. We want to be clear that this review was based on written submissions as to project status and an interview with the Museum's President.

Any effort to review the Museum further will require the commitment of appropriate resources from the Board. If the Board of Supervisors wants the Commission to conduct any further review of the Museum it would be pleased to do so. Lacking this Board direction, the Commission will consider this report to complete its assignment on this matter.

Respectfully submitted,



David Abel
Chairman

- c: Each Supervisor
 Each Commissioner
 David Janssen, Chief Administrative Officer
 Alan Sasaki, Auditor Controller
 Dr. James Powell, Ph. D., President, Natural History Museum

APPENDIX I

SUMMARY OF RECOMMENDATIONS

Botany (Fungi and Algae)/Molecular Genetics

1. NHMLAC should transfer current collection of cryptograms to appropriate institutions able to utilize their potential. (Implementation Status: **Implemented**)
2. The NHMLAC should retain botany, and develop within it a focus on fungi. (Implementation Status: **Under Consideration**)
3. The NHMLAC should maintain its molecular genetics laboratory, since it is essential in today's modern natural history museums that have collection-based programs. (Implementation Status: **Implemented**)
4. The director of the molecular genetics laboratory should develop highly funded programs, both academic and commercial, to support the laboratory. (Implementation Status: **Under Consideration**)
5. All biological collection-oriented staff should be encouraged to build cooperative programs with the molecular genetics laboratory. (Implementation Status: **Implemented**)

History

6. The History Section should be retained and rebuilt, but with a focus on a limited set of priorities and an increased concern for addressing the needs of the collection. (Implementation Status: **In Progress**)
7. The museum should expand the space devoted to the Seaver Collection, add its own 1000 ln. ft. of archives to the collection, and assign to it a trained archivist-curator. (Implementation Status: **Not Adopted**)
8. The museum should place an increased emphasis on reestablishing the reputation of the history collection with the objective of developing national funding sources. (Implementation Status: **In Progress**)

Utilization of Collections

9. The Director of the museum should initiate a strategic long-range plan to cover all of the elements of the museum, including all aspects of its collections. (Implementation Status: **Implemented**)

Growth of Collections

10. Within the Strategic Planning process, the NHMLAC should develop a mechanism to periodically review policies to insure that they continue to reflect the needs of NHMLAC and are consistent with nationwide practices. (Implementation Status: **Implemented**)

11. NHMLAC should focus and specialize in collections and collection-based research that capitalize on the unique and competitive strengths of the NHMLAC collections identified in this report. One of the factors to be used in evaluating the acquisition of a new collection should be, to the extent possible, to fund both its acquisition and maintenance with revenues other than the county contribution under the master agreement. (Implementation Status: **Implemented**)

12. NHMLAC should maintain the current rate of collections growth as it is responsible and under the rate of growth in peer museums. (Implementation Status: **Implemented**)

Policy for Collections

13. The museum should review the Collections Policy for the museum and the Collection Centers and revise them to reflect the issues identified in this report. (Implementation Status: **Implemented**)

Warehouses and Collections

14. NHMLAC should consolidate the collections and supplies spread throughout four warehouses into one storage facility. (Implementation Status: **Implemented**)

15. The facilities at the Seville Ave. Warehouse, or a comparable consolidated facility, should develop an exhibit around whales and large mammals to capitalize on the public's interest in these types of creatures. (Implementation Status: **Not Adopted**)

Curatorial Staffing

16. The museum should develop an effective policy to improve the communication between curatorial staff, exhibits staff and other museum departments. (Implementation Status: **Implemented**)

17. NHMLAC should implement policies for staff evaluation and promotion to include peer review. Staff must be expected to be more productive in obtaining research grants and contracts. (Implementation Status: **Implemented**)

18. As part of NHMLAC policy, full job descriptions for all curator-level positions should be developed (assistant to full curator), making clear what the duties and expectations are relative to the five points for the evaluation of staff presented in this report. (Implementation Status: **Implemented**)

19. NHMLAC should review the duties of the position of Deputy Director for Research and Collections and revise them to reflect the suggestions put forth in this report. (Implementation Status: **Implemented**)

20. The Director of Personnel should be directed to undertake a review of the salaries paid to the curatorial staff to insure that they are consistent with the recruitment of a staff of the highest quality. (Implementation Status: **Unable to Implement due to Financial Constraints**)

Governance and Structure

21. The Board of Governors of NHMLAC and the Board of Trustees of the Foundation should review their policies and procedures to assess their effectiveness in governing the museum. The objective of this review is to merge the two boards, resulting in a downsizing of the governance of the museum in accordance with the considerations presented in this report. (Implementation Status: **Not Adopted**)

22. NHMLAC should prepare, prior to the year 2000, to undertake a 20-year transition from County Museum to a Private Museum, with the County providing and maintaining grounds, buildings, utilities and security. (Implementation Status: **Not Adopted**)

Inventory Computerization

23. NHMLAC should hire a computer professional to coordinate data processing and networking throughout the organization. (Implementation Status: **Implemented**)

Security

24. NHMLAC should conduct a security review and take those actions necessary to insure that facilities and their contents are protected to the maximum extent possible. (Implementation Status: **Implemented**)

Budget

25. The NHMLAC should create and implement a uniform museum-wide policy to charge all nonmembers of the museum for the use of collection resources. (Implementation Status: **In Progress**)

26. Funds raised by charging for the use of the collection resources in the preceding recommendation, should be allocated to the collecting department for the maintenance and improvement of that collection. (Implementation Status: **Implemented**)

27. NHMLAC should expand the practice of licensing reproductions to include all other replicable holdings in the museum collections, especially highly valued objects. (Implementation Status: **In Progress**)

28. NHMLAC should institute higher cost, "specialized" tours of the collections that would include "behind the scenes" access to parts of the collections and presentations by collection managers conveying the mission and the uniqueness of the collections. (Implementation Status: **Implemented**)

29. NHMLAC, in consultation with the County Superintendent of Schools, should, by the year 2000, contract with educational institutions using the facilities to assist in the funding of educational programs provided by the museum. (Implementation Status: **Not Adopted**)

30. NHMLAC should institute a method for the retrieval of information within the museum collection resources that is available to the public, and especially the public schools. (Implementation Status: **In Progress**)

31. The business aspects of the Petersen Museum should be developed to the point that this portion of the institution is able to cover its operations, and ideally, generate additional funds to cover other museum expenses. It is important that the Petersen Museum not be operated at a loss since such a course of action would cut into the mission of an already financially stressed Natural History Museum. (Implementation Status: **Implemented**)

32. The NHMLAC, over the next five years, should develop its budget to increase spending for collections and collection-based activities from 14% of the budget to approximately 20% of the budget. Private funding should be encouraged to accomplish this recommendation. (Implementation Status: **Unable to Implement due to Financial Constraints**)

Endowment Management

33. The museum foundation should implement a prudent and well-defined endowment policy that reduces its investment risk as a result of holding the majority of its endowment in one stock and which will provide the museum with levels of revenue consistent with those of comparable institutions. (Implementation Status: **Not Adopted**)

34. The County should review the provisions of its agreement with the Museum Foundation with the objective of insuring that the Foundation is supporting the museum operations adequately from endowment earnings. (Implementation Status: **Not Adopted**)

35. The museum foundation should place greater emphasis on increasing its endowment. (Implementation Status: **Implemented**)

36. The NHMLAC management should put into place effective policies within which curators are able to increase the endowment. (Implementation Status: **Implemented**)

Conclusion

37. Direct that the Economy and Efficiency Commission conduct an implementation review of the NHMLAC within one year of the acceptance of this report and provide the Board of Supervisors an assessment of its progress. (Implementation Status: **Completed**)