

Performance Update and Further Inquiry

Division of Culture and History

Culture and History Should Carefully Consider the Risks, Additional Expenses and Uncertainties in Alternative Plans to Resolve Dissatisfaction with an Acceptable Design of the Museum

There is Inadequate Protection and Risk of Loss to the Archives and Museum Collections Because of Improper Storage and Insufficient Fire Protection

The Division of Culture and History Faces Budget Depletion at Phase II of Museum Renovation Project



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January 9, 2005

The Honorable Edwin J. Bowman
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The Honorable J.D. Beane
House of Delegates
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Charleston, West Virginia 25305-0470

Dear Chairs:

Pursuant to the West Virginia Sunset Law, we are transmitting a Performance Update and Further Review of the *Division of Culture and History*, which will be presented to the Joint Committee on Government Operations on Sunday, January 9, 2005. The issues covered herein are "Culture and History Should Carefully Consider the Risks, Additional Expenses and Uncertainties in Alternative Plans to Resolve Dissatisfaction with an Acceptable Design of the Museum;" "There is Inadequate Protection and Risk of Loss to the Archives and Museum Collections Because of Improper Storage and Insufficient Fire Protection;" and "The Division of Culture and History Faces Budget Depletion at Phase II of Museum Renovation Project."

We transmitted a draft copy of the report to the Division of Culture and History on December 27, 2004. We held an Exit Conference with the Division of Culture and History on December 29, 2004. The agency opted not to respond to the report.

Let me know if you have any questions.

Sincerely,

Handwritten signature of John Sylvia in black ink.
John Sylvia

JS/tlc

Joint Committee on Government and Finance

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Executive Summary

This report is a second Update and Further Inquiry of the Full Performance Evaluation of the Division of Culture and History that was issued in June and September 2002. The purpose of this update is to determine whether or not the agency has complied with recommendations found not to be in full compliance in a December 2003 Performance Update.

The June 2002 report identified the following issue:

1. Culture and History Should Carefully Consider the Risks, Additional Expenses and Uncertainties in Alternative Plans to Resolve Dissatisfaction with an Acceptable Design of the Museum.

The purpose of this update is to determine whether or not the agency has complied with recommendations found not to be in full compliance in a December 2003 Performance Update.

This issue found that the Division of Culture and History had spent four years and \$1 million on a project to renovate the aging exhibits of the State Museum. A major part of the renovation was a design for the new museum. New leadership at the division proposed to redesign the museum creating the possibility of adding an additional \$1 million to the design costs. Since the original design firm provided a usable product, the Legislative Auditor requested that the division identify exactly what improvements were needed to the design, identify the additional costs and assess whether the improvements are worth the additional costs.

In 2003, the division was in full compliance with the first two recommendations of this issue, and in planned compliance with the third recommendation. However, the current update finds that the division did not follow through with a stated plan to inform the Legislature of the additional costs of contracting with a second design firm, and other details of the total cost of the museum renovation.

In 2003, the division was in full compliance with the first two recommendations of this issue, and in planned compliance with the third recommendation. However, the current update finds that the division did not follow through with a stated plan to inform the Legislature of the additional costs of contracting with a second design firm, and other details of the total cost of the museum renovation. **The level of compliance has been changed from Planned Compliance to Non-Compliance for Recommendation 3.**

In September 2002 the following issue was identified:

1. There is a Risk of Loss to the Archives and Museum Collections Due to Inadequate Storage and Insufficient Fire Protection.

This issue found that while the division serves as the repository for important documents and artifacts linked to the state's history, the current storage conditions, inadequate fire protection and disorganization of the collections posed a risk of damage or loss to both the museum artifacts and the archival materials. Nine recommendations were made to alleviate the risk of loss.

In 2003, the division was in full compliance with two recommendations, in partial compliance with two recommendations, in planned compliance with three recommendations, in non-compliance with one recommendation and in dispute with one recommendation. **Since 2003, only one recommendation has changed from planned to partial compliance.**

In examining the status of the Division of Culture and History's efforts toward compliance in the June and September 2002 reports, this update used the following designations for levels of compliance:

Table 1: Levels of Compliance
<u>In Compliance</u> - The division has corrected the problems identified in the 2002 audit reports.
<u>Partial Compliance</u> - The division has partially corrected the problems identified in the 2002 reports.
<u>Planned Compliance</u> - The division has not corrected the problem but has provided sufficient documentary evidence to find that the division will do so in the future.
<u>In Dispute</u> - The division does not agree with either the problem identified, or the proposed solution.
<u>Non-Compliance</u> - The division has not corrected the problem identified in the 2002 audit reports.
<u>Requires Legislative Action</u> - The recommendation was intended to call the attention of the Legislature to one or more statutory issues.

Issue 3 Further Inquiry

The Division of Culture and History Faces Budget Depletion at Phase II of Museum Renovation Project.

The Division of Culture and History has spent 7 years and \$2.7 million on a renovation of its state museum housed in the lower level of the Cultural Center. The museum has been closed to visitors since January, 2004 while a construction firm removed all walls, ceilings, alcoves, and standing exhibits from the museum space. However, when the division received construction bids of over \$4 million to rebuild the walls, ceilings and other display spaces, it found that the bids far exceeded the planned reconstruction cost of \$1.6 million. This part of the project is only Phase II, with a final Phase III required to create the actual exhibits. The exhibits are estimated to cost another \$4 million. Presently, the division has only about \$4 million to cover the costs of both Phase II and Phase III.

In 2002, after the division had obtained a museum design from a Boston design firm, the Legislative Auditor warned of the risk of budget depletion if a second design firm was employed to create another museum design. However, the division employed a California firm to produce a second design at a cost of \$995,475. It now appears that the division does not have sufficient funds to complete the state museum renovation. In addition to the cost of a second design, the museum project has also been affected by changes in leadership which have impacted spending decisions. Finally, the division has underestimated other costs of the renovation. Current leaders have difficult decisions to make that will impact and possibly delay the museum's completion.

It now appears that the division does not have sufficient funds to complete the state museum renovation.

Recommendation

1. *The Division of Culture and History should consult with the finance committees and the new Administration without delay to obtain direction on the decisions to be made regarding the museum renovation.*

Review Objective, Scope and Methodology

This further inquiry review of the Division of Culture and History is required and authorized by the West Virginia Sunset Law, Chapter 4, Article 10, Section 4a of the West Virginia Code, as amended. The Division of Culture and History is responsible for the preservation and advancement of the culture of the state by creating opportunities to present, preserve, collect, document and promote the state. The state museum, located within the division, presents displays that incorporate artifacts and archival information to inform the public about the state.

Objective

The current status of the renovation project of the state museum was examined in this report, in order to determine the impact of the cost of the second design for the museum, and the progress toward completion of the state museum renovation. During the initial 2002 Full Performance Evaluation, delays in this project had raised concerns of ineffective management and possible waste of financial resources. The division has since discovered that it does not have enough money to complete the museum renovation.

Scope

The ongoing renovation of the state museum covers the period from 1998 to 2005. The further inquiry examined the present status of the museum renovation.

Methodology

The Legislative Auditor examined documents provided by the agency such as projected museum expenses, fund account activity, and future staffing requests in addition to information from the State Budget Office on state museum renovation funds. A representative of the Legislative Auditor's office attended the bid opening for Phase II, and reviewed the contracts for the new design firm and the Phase I construction company at the Purchasing Division office. Photographs of the museum space were taken on December 20, 2004. Every aspect of this evaluation complied with **Generally Accepted Government Auditing Standards (GAGAS)**.

Issue 1

Second Update

In order to further evaluate the compliance of the Division of Culture and History with recommendations that were not found to be in full compliance in a December 2003 Performance Update, the Legislative Auditor asked the Division of Culture and History questions regarding the status of these recommendations. In order to allow the reader a comparison of the status in December 2003, and the status of the recommendations in December 2004, the full text of the 2003 update is reprinted. Bold sections following the text are the December 2004 updates. The status of each recommendation is listed, and in parentheses is the 2004 status whether changed or remaining the same from the previous update.

June 2002 (ISSUE 1)

Culture and History should Carefully Consider the Risks, Additional Expenses and Uncertainties in Alternative Plans to Resolve Dissatisfaction with an Acceptable Design of the Museum.

Recommendation 3 (Made in June 2002)

Any proposed improvements and additional costs should be presented to the Legislature for its review. If it is determined that the improvements are not worth the additional costs, the division should consider executing Chadbourne's design with any necessary modifications.

Level of Compliance: Non-Compliance (Changed from Planned Compliance in December 2003)

In December 2003, when the first update was written, the commissioner of the division was scheduled to make a presentation to the Legislative Oversight Committee on Education and Accountability (LOCEA) in 2004. She stated:

The division entered into a contractual agreement with Matthew Martin Design Works in July 2003 for an adaptive re-design of the Chadbourne plan, integrating previously missing historical content. The design for the State Museum will be presented to a committee of combined legislative

leaders on January 11, 2004. The current fabrication budget is 4.2 million compared to a 4,077,754 budget in December 2000.

Since the December 2003 update, the Legislative Auditor has concluded that the Division of Culture and History failed to inform the Legislature of the additional costs incurred by contracting with Matthew Martin Design Works. At the time of the January meeting, the commissioner had already committed the division to a contract with this new design firm. The only museum renovation costs presented to the Legislature were the fabrication and installation estimates. According to the division, details about the total cost of the renovation were not part of the presentation. Escalators were under consideration during the March budget meetings but these costs were not presented to the Legislature.

Since the December 2003 update, the Legislative Auditor has concluded that the Division of Culture and History failed to inform the Legislature of the additional costs incurred by contracting with Matthew Martin Design Works.

September 2002 (ISSUE 1)

There is Inadequate Protection and Risk of Loss to the Archives and Museum Collections Because of Improper Storage and Insufficient Fire Protection.

Recommendation 1 (Made in September 2002)

The division should request an assessment of the storage areas for archival materials and State Museum artifacts through one of the many national organizations to determine how improvements can be made and at what costs.

Level of Compliance: Partial Compliance (Unchanged from December 2003)

The Division of Culture and History is not in compliance with the specific language of this recommendation in that it has not requested a national organization to assess the storage areas of the museum artifacts and archival materials.

Such a review might have identified all of the problem areas to be addressed in addition to providing solutions for existing problems. One such problem to be addressed is how to stop molded and mildewed materials from contaminating non-contaminated materials. **This condition has not been addressed.**

However, the division has taken a number of actions to correct the original problems found in the storage areas for archives and the museum collection. These actions reflect an intent to comply with this recommendation. A tour of the archives storage revealed that progress has been made in organizing and storing archival materials, ridding the archives areas of excess furniture and old machinery, providing additional shelving and map storage cabinets and discarding duplicate items. Appropriate work areas have also been established. The graphics processing area has been reorganized, and work with old films and photographs is conducted in an organized and orderly environment. The museum collections did not reflect the same degree of organization. This area remains the same as 2002 while undergoing an inventory. Eventually part of the collection will be moved into additional storage space. The division anticipates the purchase of new art racks and some space-saver cabinetry that will increase the amount of space available for storage.

Since the December 2003 update, the division has not requested an assessment of the storage areas of the museum artifacts and archival materials by a national organization. In September, the division notes that it applied for a \$295,680 grant from the National Endowment for the Humanities to purchase the condensed storage equipment which would be half of the total equipment cost. The division will provide the other half as a match, if the grant is awarded. The division expects to hear about the status of its grant application in May 2005. If the grant is awarded, the division will receive the money after July 1, 2005.

Since the December 2003 update, the division has not requested an assessment of the storage areas of the museum artifacts and archival materials by a national organization.

Recommendation 2 (Made in September 2002)

The State Museum should consider amending its present policy to allow for artifacts to be deaccessioned under certain circumstances.

Level of Compliance: Planned Compliance (Unchanged from December 2003)

The division is currently in the process of inventorying and relocating the museum artifacts collection. The commissioner stated that both a deaccession policy and a collection strategy to focus efforts toward the mission and programming goals of the division will be completed by 2005.

Division officials noted that the highest priority for any possible deaccession policy would be state government transfers.

Since the December 2003 update, the division's museum collections staff has been compiling sample deaccession policies from other institutions and conducting research on deaccession policies. According to the division, the formulation of a draft deaccession policy has been delayed because the staff's time has been dedicated to the museum renovation project and the agency has been focusing its collecting efforts on neglected topics such as African-American history.

Division officials noted that the highest priority for any possible deaccession policy would be state government transfers. Currently, the West Virginia State Code requires government officials to transfer gifts worth more than \$25 to the State Museum collection. As a result, the division must accept and house numerous items not directly related to West Virginia history, including T-shirts, ball caps and bumper stickers. According to the division, this code requirement has resulted

in the addition of more than 500 items to the collection over the last four years alone. In fact, these transfers are coming into the collection at a faster rate than are historical artifacts.

There is as yet no draft of a deaccession policy. According to the division, this is because draft policies cannot be completed until all the artifacts have been identified for the exhibit areas in the new museum. Since these areas will provide extra exhibit space for thousands of artifacts previously kept in storage, the availability of these new exhibit areas will need to be factored into both the deaccession policy and the collections strategy. The division hopes to have a draft deaccession policy by June 30, 2005, and a final policy in place by December 31, 2005.

The division hopes to have a draft deaccession policy by June 30, 2005, and a final policy in place by December 31, 2005.

Recommendation 3 (Made in September 2002)

The State Museum should set a goal of becoming accredited through the American Association of Museums.

Since the December 2003 update, the division has not made an application to the American Association of Museums to begin the accreditation process because it is not ready for such a process to commence.

Level of Compliance: Planned Compliance (Unchanged from December 2003)

The division has not made an application to the American Association of Museums to begin the accreditation process. However, the commissioner states that the division has obtained the guidelines for accreditation and plans to pursue accreditation.

Since the December 2003 update, the division has not made an application to the American Association of Museums to begin the accreditation process because it is not ready for such a process to commence. The division noted that it has overcome most of the obstacles to accreditation outlined in a 1993 conservation assessment. The issues that have not been resolved yet are related to storage and organization of the collections which is dependent on the museum renovation and the installation of a condensed storage system. Officials stated that the division will submit an accreditation application when these two issues are resolved.

Recommendation 4 (Made in September 2002)

The division should 1) identify the cost and 2) move toward obtaining funds for the following items: installation of a sprinkler system in the storage areas, purchase of non-combustible storage cabinets to be used in collection storage rooms, and replacement of the open wire mesh barrier in the State Museum storage area with a 1-hour fire rated wall between the State Museum storage area and the display areas.

Level of Compliance: Partial Compliance (Changed from Planned Compliance in December 2003)

During budget hearings of the 2003 Legislature, the Division of Culture and History made two requests relating to fire code compliance. It requested \$526,837 for Fire Code Compliance as an “Improvement Level Request” and also \$526,837 as a “One Time Supplemental Appropriation” for Fire Code Compliance. These requests were not funded. The commissioner stated: *We continue to search for funding streams to address these critical concerns.* Presently, the division is reviewing non-appropriated revenue sources and federal funding. However, no applications for funding have been made.

A division official noted that the fire code compliance issues at the Cultural Center will be a priority for this funding.

Since the December 2003 update, the division stated that it has not submitted any more requests to the Legislature for funding to address fire code issues. However, the agency recently received access to the Cultural Facilities and Capital Resources grant program for capital improvements to its facilities. A division official noted that the fire code compliance issues at the Cultural Center will be a priority for this funding. In addition, the division has contracted with Buchanan Sound & Electronics Inc. to address the alarm citations in the fire marshal’s report, and this work is under way. The agency continues to address improvements that can be managed in-house such as replacing fire extinguishers and dropping open ceilings in closets.

As part of Phase II of the museum renovation, division officials stated that sprinklers will be installed in the entire lower level of the building, including the museum collections and archives processing areas. This work has been bid through the Division of Purchasing, and the bid opening was held December 8, 2004. The Phase II work is expected to begin in early 2005. Sprinklers for the rest of the building will be installed as funding allows. According to the division, compliance reports are being submitted regularly to the fire marshal to document that a good faith effort is being made to bring the Cultural Center into compliance.

Recommendation 5 (Made in September 2002)

The division should explore with General Services establishing a direct tie to the Charleston Fire Department for immediate notification of fire in storage areas.

Level of Compliance: Non-Compliance (Unchanged from December 2003)

Since the December 2003 update this position remains the same because the agency's Memorandum of Understanding with the General Services Division specifies that General Services is responsible for the Cultural Center's current fire alarm panel.

The division continues to follow standard capitol complex procedures regarding notification of the fire department in the event of a fire. These procedures involve verification by General Services that a fire exists before notification of the fire department.

Since the December 2003 update, this position remains the same because the agency's Memorandum of Understanding with the General Services Division specifies that General Services is responsible for the Cultural Center's current fire alarm panel. According to officials, when the new fire suppression system is in place, the division will explore the possibility of establishing a direct tie to the Charleston Fire Department.

Recommendation 7 (Made in September 2002)

The division should develop duplicate museum and archives collections inventories to be secured at an offsite storage location.

Level of Compliance: Partial Compliance (Unchanged from December 2003)

Archives and History has completed a duplicate, electronic inventory of materials which is kept stored away from the Division of Culture and History building in the State Treasurer's vault. There is also a procedure developed to allow for updating of these inventories on an annual basis. However, the museum collection inventory, and merging paper and photographic images into an electronic database is still in process. The division plans to duplicate the inventory and store it off-site once the inventory is completed.

The division estimates that the inventory will be completed by 2008.

Since the December 2003 update, approximately 20 percent of the museum collection has been inventoried. According to the division, the inventory has been halted temporarily due to the museum renovation project. Once the museum opens, the staff will resume adding records to the database. The inventory will establish the storage location of each artifact in its database record, so it will not be possible to complete the inventory until all the artifacts have been moved to their permanent storage locations, either installed in the new museum, or stored in the new collections storage system. When the museum collection inventory is complete, the database will be duplicated and stored offsite. The duplicate inventory will be updated on an annual basis. The division estimates that the inventory will be completed by 2008.

Recommendation 9 (Made in September 2002)

The division should comply with the Inventory Management Regulations by entering reportable property and guns into the fixed asset system of the State.

Level of Compliance: In Dispute (Unchanged from December 2003)

The commissioner of the division responded to the Legislative Auditor by stating:

We respectfully maintain our previous position that the division's acquisitions are not fixed assets and treating them as such is philosophically incorrect, a position supported by The American Association of Museums and other national institutions.

The Legislative Auditor continues to assert that the division should comply with the Purchasing Division requirement to report items valued at \$1,000 or more that have been either purchased by the agency or donated to the agency. Guns, regardless of value, should be reported and re-checked every three years to make sure that serial numbers are entered correctly. **West Virginia Code (5A-3-34) gives the director of purchasing full authority over inventories and property. Sections 3.6, 3.6.1 and 3.8 of Appendix G - Inventory Management and Surplus Property Disposition- of the Purchasing Division's Policies and Procedures manual specifically address these requirements.**

Since the 2003 December update, the division’s position on this recommendation remains the same. The division noted that at least four professional organizations support the division’s position, including the American Association of Museums, Association of Art Museum Directors, American Association for State and Local History, and the International Council of Museums.

Since the 2003 December update, the division’s position on this recommendation remains the same.

Further Inquiry

The Division of Culture and History Faces Budget Depletion at Phase II of Museum Renovation Project.

Issue Summary

It appears that the division is now faced with the depletion of the legislative appropriation for its museum renovation.

Despite a warning from the Legislative Auditor's office in 2002 about the risks of spending additional funds to modify an acceptable design for the Cultural Center Museum, the commissioner of the Division of Culture and History spent almost \$1 million on another design firm. It appears that the division is now faced with the depletion of the legislative appropriation for its museum renovation. The hiring of a second design firm at a cost of \$995,475 due to dissatisfaction with the original museum redesign is only one factor in the budget depletion. Two other factors have contributed to the present situation:

- Changes in leadership of the project;
- Underestimation of costs.

When bids for the museum reconstruction were opened in early December, they were almost triple the cost anticipated by division officials.

The division is nearing completion of the first of three phases in the museum renovation. It has demolished the old museum and is completing the installation of escalators and Americans With Disabilities Act (ADA) compliant restrooms. The next two phases involve the construction of the new museum infrastructure, and the fabrication and installation of the museum exhibits. However, when bids for the museum reconstruction were opened in early December, they were almost triple the cost anticipated by division officials. With all bids exceeding \$4 million, the lowest construction bid for Phase II of the museum renovation will consume \$1.6 million set aside for Phase II in addition to the existing appropriation of \$2,387,836. It appears that there is not enough money presently appropriated for the actual construction and installation of the museum exhibits.

In the intervening years there have been four commissioners and each has had a separate vision of the museum renovation project.

Changes in Leadership

The Division of Culture and History began the planning in 1998 to identify artifacts and modernize the museum exhibits. However, in the intervening years there have been four commissioners and each has had a separate vision of the museum renovation project.

The renovation started with a national museum design firm, Charles Chadbourne Associates, who produced a museum redesign, and several displays and banners for a "soft" museum opening in late 2000. At the opening,

visitors saw a display case, entrance desk, banners, a vertical stairwell display and learned about the museum design. This first effort toward the museum renovation cost over \$1 million. Following the opening, the first commissioner stepped down and an interim commissioner was appointed for a brief period of time.

In 2001, when a new commissioner was appointed, the division expressed dissatisfaction with the museum design.

In 2001, when a new commissioner was appointed, the division expressed dissatisfaction with the museum design, and evaluated it for historical inclusion. The first design had already been reviewed by historians around the state, as well as members of the division's staff. However, the new commissioner concluded that a large portion of 20th century history was not included in the design, and that additional work on the design needed to be completed in order to incorporate post-1930 historical events. In addition, there was a concern that the displays needed more diversity to entertain the museum visitors. A second design firm, experienced with designing electronic, interactive and audiovisual displays, was engaged. The contract with this firm, Matthew Martin Design Works, is for \$995,475. This firm, as part of the museum experience, incorporated into the design the use of escalators as part of the visitor experience.

Since the "soft opening" of the museum in 2000, the original display case in the Great Hall of the Cultural Center, the exhibit contained in the case, and the banners and signs leading visitors to the museum and providing information about the state's history, have all been removed. Only the vertical stairwell display, and the entrance hall desk still remain.

In June 2004, another commissioner was appointed to lead the division. This commissioner is faced with budget shortfalls and the problem of how to raise money for the actual museum exhibits.

In June 2004, another commissioner was appointed to lead the division. This commissioner is faced with budget shortfalls and the problem of how to raise money for the actual museum exhibits. The process is now far enough along, that fewer changes, even if necessary to conserve scarce resources, can be made to the museum renovation. Phase I, which includes the demolition of the prior museum space, the installation of two new Americans With Disabilities Act (ADA) compliant restrooms, and the installation of escalators is presently taking place under a \$850,000 contract with Danhill Construction Company of Gauley Bridge, awarded in April 2004. The former museum space has been demolished, and is not usable without reconstruction. The escalators have already been delivered and are partially installed.

Underestimation of Costs

Following the museum redesign, the museum renovation consists of three phases: demolition (Phase I), reconstruction (Phase II) and the fabrication and installation of the actual exhibits (Phase III). The division significantly underestimated reconstruction costs for Phase II, the build-out of the new museum infrastructure. Reconstruction bids were anticipated and budgeted to

be about \$1.6 million for this phase. Instead, the division received two construction bids of over \$4 million. The division set aside \$1.6 million for Phase II and has only \$2,387,836 in unencumbered funds for the remaining museum renovation. The fabrication and installation costs for the actual new museum displays (Phase III) are still unknown, and believed to cost between \$4.2 and \$4.7 million. The combined total for Phases II and III could be as high as \$8 million.

The present commissioner was aware that there might be a shortfall in the budget for actual fabrication of displays and began to discuss this with legislators during the interim session in Shepherdstown, West Virginia.

The present commissioner was aware that there might be a shortfall in the budget for actual fabrication of displays and began to discuss this with legislators during the interim session in Shepherdstown, West Virginia. Other costs were also beginning to impact the budget. Prior to receiving the unexpectedly high \$4 million reconstruction bid, the deputy commissioner noted that the museum project was going to cost more than originally estimated due to previously unidentified and unbudgeted needs. She attributed the reason for this to the fact that nobody on the division staff had experience with a major museum renovation. She noted that the division became aware of the unbudgeted items from the two designers. Such items include:

- ADA compliant restrooms, carpeting and other items related to the preparation of the museum space;
- Photographic research and rights fees;
- Educational program development; and
- Fire code compliance.

In addition to these unanticipated costs, the division has spent \$1.8 million on the design process. It has expended additional funds from its budget in making the fundamental change to its facility of adding escalators.

In addition to these unanticipated costs, the division has spent \$1.8 million on the design process. It has expended additional funds from its budget in making the fundamental change to its facility of adding escalators. The escalators not only represent a cost, but create a substantial ongoing expense to the facility in maintenance and energy costs. A maintenance contract for the escalators will cost \$1900 per month, while energy costs have not been calculated by division officials. **The escalators replace an almost cost-free set of ramps and stairs. While the ramps and stairs were not ADA compliant, neither are the escalators.** With the incorporation of the escalators as part of the museum experience, the elevators (which are used to comply with ADA standards) must also be made part of the audio-visual experience in order to meet ADA compliance for the museum experience.

Museum Completion Not Near

The present commissioner faces decisions that will not yield a timely completion to the museum renovation project. He can re-bid the contract with scaled back specifications and have a two-thirds completed museum renovation with no money to finish the project. Or, he could decide to stall the museum renovation by not awarding the project, and not taking any further action on the Phase II bid process. In any event, the museum will not be finished according to completion dates that existed prior to the realization of the budget shortfall.

In any event, the museum will not be finished according to completion dates that existed prior to the realization of the budget shortfall.

Conclusion

After seven years and the expenditure or commitment of over \$2.7 million, the Division of Culture and History is not nearing completion of the museum renovation project. The state museum has been closed for one year, since January, 2004. When the museum is finally opened, its new design requires complex equipment which must be maintained, and consequently staffed. The division has prepared budget requests for 13 new staff members to operate the new museum. The budget requests for additional staff were prepared prior to the realization that the second of the three phases of the museum reconstruction could not be completed without emptying the renovation budget. Now the division faces a major shortfall in the budget to complete the renovation as it is presently designed. Current leaders have difficult decisions to make that will impact and possibly delay the project's completion. Contributing factors in this situation appear to be the cost of two designers for the museum, changes in leadership and consequently in priorities for the designs, inexperience on the part of leadership, underestimation of costs, and a major purchase of the escalators.

Current leaders have difficult decisions to make that will impact and possibly delay the project's completion. Contributing factors in this situation appear to be the cost of two designers for the museum, changes in leadership and consequently in priorities for the designs, inexperience on the part of leadership, underestimation of costs, and a major purchase of the escalators.

Recommendation (For the current report)

1. *The Division of Culture and History should consult with the finance committees and the new Administration without delay to obtain direction on the decisions to be made regarding the museum renovation.*



Main museum looking toward south end of building.



North Wing looking toward the garden exit.



Main museum at location of former log cabin exhibit.



New restroom which has ADA compliant facilities.



South escalator under installation.

Appendix A: Transmittal Letter

WEST VIRGINIA LEGISLATURE *Performance Evaluation and Research Division*

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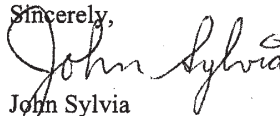
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1900 Kanawha Boulevard East
Charleston, West Virginia 25305-0300

Dear Acting Commissioner Body:

This is to transmit a draft copy of the Update and Further Inquiry of the 2002 Full Performance Evaluation of the Division of Culture and History. This report is scheduled to be presented on January 9, 2004 between 4-6 p.m. to the Joint Committee on Government Operations in room E-215. It is expected that a representative from your agency be present at the meeting to orally respond to the report and answer any questions the committee may have.

We have agreed to have an exit conference at 10:00 a.m. on December 29, 2004 at the Performance Evaluation and Research Division to discuss any concerns you may have with the report. We need your written response by noon on January 3, 2005 in order for it to be included in the final report. If your agency intends to distribute additional material to committee members at the meeting, please contact the House Government Organization staff at 340-3192 by Thursday, January 6, 2005 to make arrangements.

We request that your personnel treat the draft report as confidential and that it not be disclosed to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,

John Sylvia

c: Kay Goodwin, Cabinet Secretary
Department of Education and the Arts

Joint Committee on Government and Finance

Appendix B: Agency Response

Agency Opted not to Respond to the Report

