



On April 14, 2009, the Smithsonian announced that the architectural team Freelon Adjaye Bond/SmithGroup had been chosen to design the National Museum of African American History and Culture. The selection was made by a jury chaired by Museum Director Lonnie G. Bunch.

Report to the Board of Regents Second and Third Quarters, Fiscal Year 2009

September 2009

Prepared by the
Smithsonian Institution
Office of Policy and Analysis

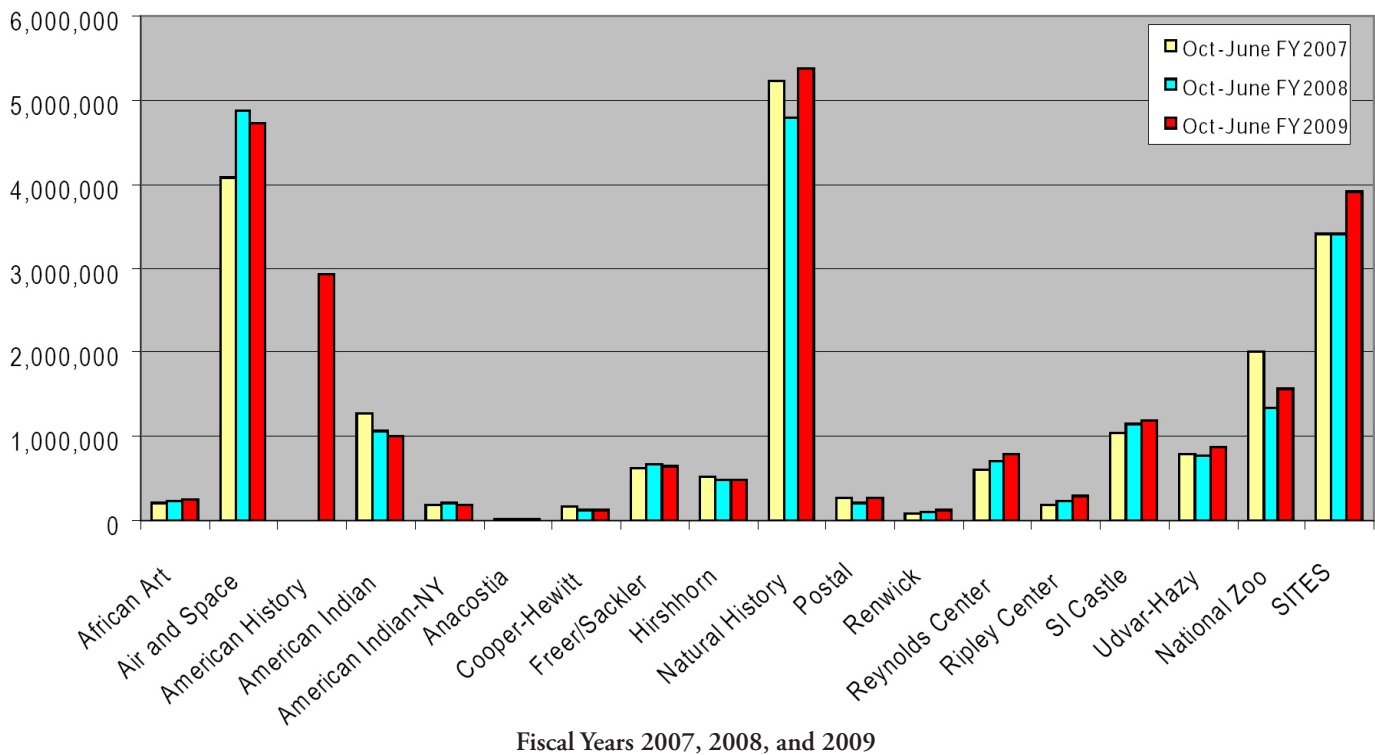
Public Impact

Visits to the Smithsonian

Through the third quarter of fiscal year 2009, the Institution counted **20.9 million visits** to its museums in Washington, D.C., and New York City, plus the National Zoo and Steven F. Udvar-Hazy Center—up **23 percent** from the same period in fiscal year 2008. This dramatic increase was mainly due to the reopening of the National Museum of American History in November 2008. However, even excluding this museum, the Institution saw a modest rise in visitorship.

The Smithsonian also counted approximately **3.9 million visits** to 50 traveling exhibitions mounted by the Smithsonian Institution Traveling Exhibition Service on view in 652 venues in all 50 states, plus the District of Columbia, Guam, and American Samoa. These figures included the widespread distribution of *The Mask of Lincoln*, a popular portfolio created for to schools, libraries, and museums across the country.

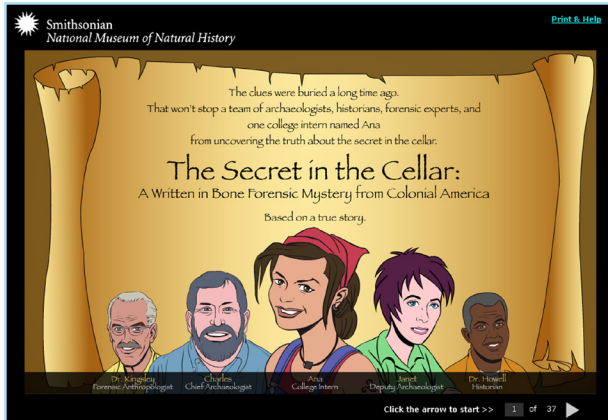
Visits to Smithsonian Museums and Traveling Exhibitions



Smithsonian Online

Smithsonian Web sites logged **137 million visits** in the first nine months of fiscal year 2009, up about **9 percent** from the figure for the same period in fiscal year 2008. Among the online highlights of the last two quarters were the following:

The Smithsonian’s online educational portal SmithsonianEducation.org was selected as a **Landmark Web site** on an inaugural list of the American Association of School Librarians’ “Best Web Sites for Teaching and Learning.”



The Secret in the Cellar is an interactive, graphic novel–style Web comic that serves as a companion to the National Museum of Natural History exhibition *Written in Bone*. The U.S. Distance Learning Association has selected it to receive the 2009 Best Practices in Distance Learning Programming Gold Award.

The National Museum of the American Indian launched *Collections Information on the Web* (Collections Search), a dynamic, database-driven public Web site presenting information about the Museum’s collections.

The Smithsonian Photography Initiative launched its blog, *The Bigger Picture*, which presents an inside look at the Smithsonian’s photography collections and invites audiences to engage in an online discussion about photography’s powerful impact on the world.

The Smithsonian Asian Pacific American Program launched a redesigned Web site integrating Web 2.0 features, such as the blog www.bookdragon.si.edu, which features hundreds of book reviews.

The National Museum of African Art’s Web site was selected by the editors of *Encyclopaedia Britannica* as a **Britannica iGuide** site. This means that when an iGuide member searches the online encyclopedia on a topic relevant to the Museum, a link to <http://www.nmfa.si.edu/> will appear.

Exhibition Highlights

The 2009 **Smithsonian Folklife Festival** (June 24–July 5, 2009), spearheaded by the Center for Folklife and Cultural Heritage, attracted over one million visitors. It included three major programs:

- *Wales Smithsonian Cymru*, showcasing both the traditions of ancient Welsh culture and contemporary cultural and technological efforts toward self-sustainability;
- *Giving Voice: The Power of Words in African American Culture* (with the National Museum of African American History and Culture), highlighting the contributions of African Americans to the nation’s culture through oratory, drama, poetry, hip-hop, music, and more; and
- *Las Américas: Un Mundo Musical/The Americas: A Musical World* (with the Smithsonian Latino Center), the fourth of a series of four Festival programs exploring the meaning of music in Latino culture, and the culmination of eight years of research and documentation.

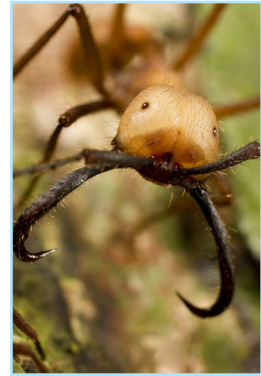


Inventing Marcel Duchamp: The Dynamics of Portraiture at the National Portrait Gallery (March 27–August 2, 2009) cast new light upon Duchamp (1887–1968), one of the most influential artists of the recent past.

On January 30, 2009, *The Scurlock Studio and Black Washington: Picturing the Promise* opened at the National Museum of African American History and Culture Gallery at the National Museum of American History. It celebrates the legacy of a noted family of local photographers and presents a vivid portrait of African American society in Washington, D.C.

The National Museum of Natural History debuted several new exhibitions in the last two quarters:

- *Written in Bone: Forensic Files of the 17th-Century Chesapeake* opened on February 7, 2009, and will be on view through 2011. It incorporates about 340 objects, artifacts, and human bones to tell the story of how early English and African settlers in the Chesapeake region lived and died 400 years ago.
- *Farmers, Warriors, Builders: The Hidden Life of Ants* opened on May 30, 2009. It features 39 incredible close-up photographs of ants by photographer Mark W. Moffett. The exhibit also includes a live leaf-cutter ant colony from the lab of Ted Schultz, the Museum's curator of ants.
- *Orchids through Darwin's Eyes* (January 24–April 26, 2009) presented thousands of live orchids, and a display of the only known orchid fossil. It was developed in partnership with the Smithsonian's Horticultural Services Division and Office of Exhibits Central, and the U.S. Botanic Garden.

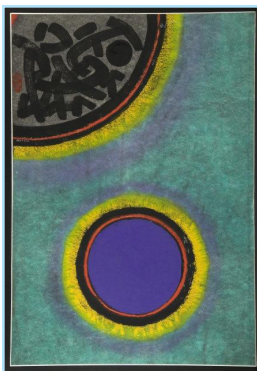


The Hirshhorn Museum and Sculpture Garden presented a major retrospective of the works of **Louise Bourgeois**, a leading figure in 20th-century art (February 26–May 17, 2009). Among the works was the massive “Crouching Spider” (2003), a nine-foot-tall bronze-and-steel spider installed outside the Museum's entrance.



Cooper-Hewitt, National Design Museum, unveiled a number of new exhibitions:

- It is the debut venue for a national tour of *Design for a Living World* (May 14, 2009–January 4, 2010), which features works by leading designers that make use of sustainably grown and harvested materials;
- *Fashioning Felt* (March 6–September 7, 2009) explores new uses of felt;
- *Doodle 4 Google: What I Wish for the World* (May 21–July 5, 2009) presented 39 designs selected from tens of thousands submitted by K–12 students from all 50 states to Google's annual design competition, which challenges kids to think like designers; and
- *Shahzia Sikander Selects: Works from the Permanent Collection* (March 6–September 7, 2009), the ninth in a series of exhibitions of works selected by leading designers from the permanent collection.



Universal Dimensions: The Space Art of Wang Ming (April 10–October 9, 2009) at the National Air and Space Museum showcases the art of Chinese painter Wang Ming, who presents space motifs using calligraphy combined with unique materials and techniques. Also at the Air and Space Museum, a redesigned and refurbished *How Things Fly* gallery was unveiled on March 18, 2009, featuring new displays and a section of the new Boeing 787 *Dreamliner*.

Ramp It Up: Skateboard Culture in Native America (June 12–September 13, 2009) at the National Museum of the American Indian celebrates the vibrancy, creativity, and controversy of American Indian skate culture.

Franklin D. Roosevelt used stamps to communicate with the American people, overseeing changes in the look of stamps to convey messages of hope, optimism, and solidarity. The National Postal Museum exhibition *Delivering Hope: FDR and Stamps of the Great Depression* (June 9, 2009–June 6, 2010) offers insight into FDR's personality and his concern for the welfare of the nation.

The Freer and Sackler Galleries opened five new exhibitions, including the spectacular *The Tsars and the*

East: Gifts from Turkey and Iran in the Moscow Kremlin (May 9–September 13, 2009), a collaboration with the Moscow Kremlin Museums that features more than 60 lavish gifts that Ottoman Turkey and Safavid Iran offered to the Russian tsars, dating from the early 16th to the late 17th centuries.

Three new exhibitions opened at the Smithsonian American Art Museum:

- *1934: A New Deal for Artists* (February 27, 2009–January 3, 2010) recognizes the 75th anniversary of the Public Works of Art Project, the first Federal program to support the arts nationally;
- *Jean Shin: Common Threads* (May 1–July 26, 2009) featured works by an artist whose monumental installations transform castoff materials into elegant artistic expressions, including a new site-specific installation *Everyday Monuments* commissioned by the Museum; and
- *The Art and Craft of Greene and Greene* (March 13–June 7, 2009) at the Renwick Gallery presented a range of architecture and decorative arts designed by brothers Charles and Henry Greene, recognized internationally as among the finest of the American Arts and Crafts movement.



The George Gustav Heye Center of the National Museum of the American Indian presented exhibitions of the works of two Native American artists, **Andrea Carlson** (Anishinaabe/European) and **Annie Pootoogook** (Inuit); both are on display from June 13, 2009, through January 10, 2010.

Mami Wata: Arts for Water Spirits in Africa and Its Diasporas, a traveling exhibition organized by the Fowler Museum on display at the National Museum of African Art (April 1–July 26, 2009), presented the many faces of the “Mother Water” spirit through traditional and contemporary art from west and central Africa, the Caribbean, Brazil, and the United States.

Collections Highlights

The National Portrait Gallery made two important acquisitions:

- The portrait that came to symbolize the historic campaign of **President Barack Obama** has found a permanent home at the National Portrait Gallery. Shepard Fairey’s iconic portrait, a large-scale, mixed-media stenciled collage, was installed at the Gallery on January 17, 2009, thanks to the generosity of local art collectors Heather and Tony Podesta, in honor of Tony’s late mother, Mary K. Podesta.
- The Portrait Gallery also installed a special portrait of the late **Eunice Kennedy Shriver**, founder of Special Olympics, commissioned from David Lenz, winner of the Outwin Boochever Portrait Competition 2006. It is the first portrait commissioned by the Gallery of an individual who has not served as a President or First Lady.



Jao Chu, a female **clouded leopard** at the National Zoo’s Conservation and Research Center (CRC), gave birth to two male cubs on March 24, 2009. This is the first litter for Jao Chu and her mate Hannibal. More than 70 cubs of this endangered species have been born at the CRC in the last three decades.

On January 10, 2009, the National Zoo's 26-year-old **western lowland gorilla**, Mandara, gave birth to a female baby sired by the Zoo's 16-year-old male gorilla, Baraka. More than 10,000 people voted in a naming contest, in which the name Kibibi, which means "little lady" in Swahili, was selected.



The Smithsonian American Art Museum acquired the complete estate archive of **Nam June Paik** (1932–2006), one of the most influential artists of his generation, who transformed television and video into artists' media.

Education, Event, and Public Program Highlights

As part of the January 2009 celebrations surrounding the inauguration of Barack Obama as the 44th President of the United States, a number of units featured special offerings. Some of these were the following:

- The National Museum of American History presented *Renewing America's Promise*, a four-day celebration with music, gallery talks, book signings, and actors portraying Presidents Washington, Jefferson, and Lincoln. More than 100,000 visitors came to the Museum during the event.
- The National Museum of the American Indian took the lead in a three-day multicultural festival of music, dance, and storytelling called *Out of Many*, which featured more than 400 performers. Smithsonian partners included the Center for Folklife and Cultural Heritage, the National Museum of African American History and Culture, the Latino Center, and the Asian Pacific American Program.
- The Smithsonian Institution Traveling Exhibition Service partnered with the Abraham Lincoln Presidential Library and Museum and the Presidential Inaugural Committee to present a unique mobile exhibition, *Abraham Lincoln: Self-Made in America*, housed in a 53-foot, double expandable trailer. After its debut in January 2009, it began to visit area public schools.
- A special shuttle bus service connected the Smithsonian Castle and the Anacostia Community Museum, which featured tours of its exhibition *Jubilee: African American Celebration* and special public programming, including a reading and book signing with Deborah Willis and Kevin Merida, coauthors of *Obama: The Historic Campaign in Photographs*.

The Smithsonian Latino Center launched a series of 21 programs examining Panama's social, cultural, and natural heritage, *Panama at the Smithsonian*. The series is a collaboration with the Smithsonian Tropical Research Institute and Museo del Canal Interoceánico de Panamá (a Smithsonian Affiliate), and many other Smithsonian units also contributed. The program kicked off with a concert by renowned jazz pianist, Danilo Pérez. Activities will continue through December, and the showcase exhibition, *Panamanian Passages*, which opens in October 2009, will remain on display at the Ripley Center through May 2010.



The National Museum of Natural History celebrated Asian Pacific American Heritage Month on May 8, 2009, with arts-and-crafts demonstrations that included Chinese paper folding, Indian rangoli designs, Japanese doll-making, and Korean calligraphy and fiber art.

The National Air and Space Museum hosted two successful family day events. *Space Day*, held at the Mall facility on May 2, 2009, offered visitors the chance to enjoy hands-on activities, meet astronauts and authors, and talk live to an astronaut on the International Space Station. The fifth annual *Become a Pilot* event was held on June 20, 2009, at the Udvar-Hazy Center, with 41 aircraft on view outside.

On June 13–14, 2009, the National Museum of the American Indian hosted a two-day **Hawaiian Celebration** featuring Hawaii’s arts, music, dance, and history, plus a talk on the islands’ ecology and cultural relevance. More than 14,000 visitors attended the festival programs.



Three Udvar-Hazy Center education shows—created in partnership with Fairfax County Public Schools in Fairfax, Virginia, and broadcast to 29,000 schools across the nation with a potential audience of up to 11 million students and teachers—were recipients of the 30th Annual Telly Awards:

- *Flight School: From Above*, an award winner in the educational program category, explores what is learned about the planet by traveling above it.
- *Flight School: Blast Off*, an award winner for its use of special effects, investigates how the development of rocketry led to the space program.
- *Flight School: Inspired to Fly*, which introduces the principles and practices of early powered flight, won an award in the category of live events.

Several Smithsonian Folkways recordings earned **Independent Music Awards** in early 2009: *Territory*, by Tony Trischka (Best Americana Album); *On The Right Road Now*, by the Paschall Brothers (Best Gospel Album); and *¡Ayombe! The Heart of Colombia’s Música Vallenata*, by various Colombian artists (Best Vox Populi Latin Album).

In February 2009, the National Museum of American History launched the Smithsonian’s first YouTube contest—a national anthem-singing contest in partnership with *USA Weekend* magazine. The winner, Jordan Shelton of Arvada, Colorado, got to perform the national anthem during the Museum’s Flag Day Naturalization ceremony for 24 children and at a Baltimore Orioles game later that day.



A New Birth of Freedom, a double portrait of Presidents Abraham Lincoln and Barack Obama created by artist Zilly Rosen out of more than 5,600 cupcakes, was constructed in the Smithsonian American Art Museum’s Luce Foundation Center on February 14, 2009, in conjunction with Presidential Family Fun Day, an event jointly sponsored by the Museum and the National Portrait Gallery.

In May 2009, the redesigned *Archives of American Art Journal* was nominated by the Society of Publications Designers for the best redesign in the “non-newstand” category in 2008, and won inclusion in *Step Into Design*

magazine’s 2009 list of “100 Trend-Setting Projects.”

The Society for History in the Federal Government awarded the **Thomas Jefferson Prize for Documentary History** to the Smithsonian Institution Archives’s Joseph Henry Papers Project for completion of their series *The Papers of Joseph Henry*.

The Hirshhorn hosted two of its popular **After Hours** events for adults on March 12 and July 24, 2009. At the first, video artists Ricardo Rivera and the Klip Collective transformed the Hirshhorn’s outdoor plaza with site-specific architectural projections. The second featured Iona Rozeal Brown, a visual artist with a work in the Museum’s collection, who provided the music alongside two guest DJs.

A **curriculum on the Vietnamese American experience** is now available on the Asian Pacific American Program Web site. Geared toward middle-school students, it covers Vietnamese American history, culture, and contemporary issues.

On February 2, 2009, the Smithsonian Institution Libraries welcomed a CBS film crew into the Joseph F. Cullman 3rd Library of Natural History to tape a segment about photographer Jonathan Singer's *Botanica Magnifica* for a broadcast of CBS News *Sunday Morning*. *Botanica Magnifica* is a unique five-volume folio that holds 250 detailed shots of rare flowers, which Singer donated to the Library in 2008.

The National Museum of African Art held a gala on May 20, 2009, to celebrate its 30th anniversary as part of the Smithsonian. Over 300 guests attended, including Smithsonian Secretary Wayne Clough, actor Jeffrey Wright, model Chanel Iman, actor Chris Tucker, and civil rights icon Dorothy Height.



National and International Outreach

During the second and third quarters of fiscal year 2009, **Smithsonian Affiliations** welcomed **six new Affiliates**: the Historical Society of Washington, D.C.; Conner Prairie (Fishers, Indiana); Sonoma County Museum (Sonoma, California); National Civil War Museum (Harrisburg, Pennsylvania); Tellus Northwest Georgia Science Museum (Cartersville, Georgia); and Georgia Aquarium in Atlanta.

There are now **164 Affiliates** in 41 states, the District of Columbia, Puerto Rico, and Panama. Over **135 artifacts** were loaned to Affiliate communities from Smithsonian museums during the reporting period.

In other Affiliates news, the National Museum of the American Indian loaned 49 artifacts to the **Historic Arkansas Museum** as part of a collaboration on an exhibition to tell the story of three Native American tribes whose history resides in Arkansas, but whose people were transplanted to Oklahoma.

The **Smithsonian Institution Traveling Exhibition Service (SITES)** put three new shows on the road in the second and third quarters of fiscal year 2009:

- *Lasting Light: 125 Years of Grand Canyon Photography* began its national tour in Phoenix, Arizona. The exhibition, which explores one of this nation's most beautiful places, is currently on view at the Booth Western Art Museum in Cartersville, Georgia, and will tour through spring 2013.
- *The Kennedys | Portrait of a Family: Photographs by Richard Avedon* premiered at the Riverside Metropolitan Museum in California, a Smithsonian Affiliate. The exhibition, developed from rarely shared images from the National Museum of American History collections, showcases photos of the "picture-perfect" first family.
- Five copies of the newest *Museum on Main Street* exhibition, *Journey Stories*, opened in small towns in Illinois, Kansas, Mississippi, North Dakota, and Oklahoma. Each will visit six rural towns during year-long statewide tours. The exhibition examines the intersection between modes of travel and Americans' desire to feel free to move.



SITES has also developed an educational portfolio version of the National Portrait Gallery's *Mask of Lincoln* exhibition for middle- and high-school students and their teachers. The portfolios present 10 mini-poster portraits with interpretive text. Through collaborations with the American Library Association, Federation of State Humanities Councils, Smithsonian Affiliations, Smithsonian Center for Education and Museum Studies, and The Smithsonian Associates, SITES has distributed portfolio sets to schools, libraries, and museums in all 50 states.

Abraham Lincoln, the first in a new series of free online educational conferences from the **Smithsonian Center for Education and Museum Studies (SCEMS)**, presented two days of live, participatory sessions (now archived online for replay), led by curators and educators from nine Smithsonian units, to an audience of nearly 6,000 in every state and 78 countries. The next conference in the series, funded by the Office of the Chief Information Officer, will explore climate change.



SCEMS also partnered with the Smithsonian Institution Traveling Exhibition Service and Affiliations Program to offer the workshop “**Introduction to Creating Interpretive Museum Exhibitions**” to staff from small museums in Puerto Rico, Maryland, Virginia, South Carolina, and Guam.

From January through June 2009, **The Smithsonian Associates** visited **14 communities in seven states**, presenting Smithsonian experts in local schools, museums, and other cultural organizations. The Associates presented the first annual *Smithsonian Week in Riverside* in collaboration with the Riverside Metropolitan Museum in California, a new Smithsonian affiliate. This year’s programs featured three Smithsonian speakers who shared their expertise on American history.

The **Discovery Theater** added two Black History Month shows, “How Old Is a Hero?” and “Going the Distance,” to its touring program. Along with “Latino Soul,” these plays were presented to more than 18,000 children in 67 area schools.



The National Zoo and the World Bank Group signed a memorandum of understanding to launch the **Global Tiger Initiative** to restore wild tiger populations and save the endangered species from extinction in its natural habitats.

The National Museum of the American Indian held *Renewing Connections* events at Native American venues in Albuquerque, Minneapolis, Phoenix, San Diego, and Missoula, Montana. These aimed to raise awareness of the Museum among, and improve its interactions with, tribal communities.

In April 2009, the Smithsonian Accessibility Program, in partnership with the Senator John Heinz History Center, an Affiliate in Pittsburgh, hosted more than 350 students at *Ability Pittsburgh*, an event for students with disabilities modeled on the 2007 Individuals with Disabilities Education Act program at the National Air and Space Museum. The Office of Development, Office of Policy and Analysis, and Affiliations Program helped bring the event to fruition.

Smithsonian Environmental Research Center scientists and educators provided expert testimony for three Congressional hearings on the impact of climate change on the Chesapeake Bay, on invasive species in U.S. coastal waters, and on Smithsonian education programs.

On March 21, 2009, the National Museum of African American History and Culture exhibition *Let Your Motto Be Resistance: African American Portraits*, a collaboration with the Smithsonian Institution Traveling Exhibition Service, went on view at its seventh venue, the Museum of African Diaspora in San Francisco, after which it will visit Atlanta, Chicago, Boston, Princeton, and Cincinnati.

A new 2,500-square-foot interactive traveling exhibition created by educators and scientists at the Smithsonian Astrophysical Observatory, *Black Holes: Space Warps and Time Shifts*, opened on June 21, 2009, at the Boston Museum of Science. It began a three-year national tour in September 2009.

The exhibition *Artists in Their Studios: Images from the Smithsonian's Archives of American Art* was on display at the Norman Rockwell Museum, Stockbridge, Massachusetts (February 7–May 25, 2009).

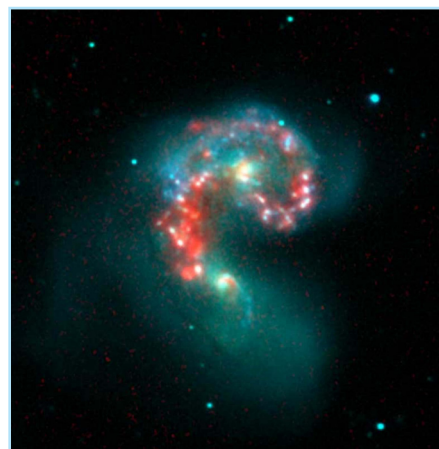
Scholarship

Science Units

Smithsonian Astrophysical Observatory (SAO)

During this period, SAO scientists published **263 articles in peer-reviewed journals**, with another 450 articles in non-peer-reviewed journals, books, and conference proceedings. In the same period, SAO research was cited in eight articles in the *New York Times*.

DOGs (Dust-Obscured Galaxies) are a newly discovered type of galaxy that is extremely luminous but also heavily obscured by dust. SAO astronomers discovered emission from large carbon-rich molecules in DOGs that were active when the universe was only about three billion years old. Since star formation is characterized by this type of emission, the discovery indicates that these early galaxies were busy making new stars at the time—a finding that challenges traditional understanding of the early universe.



Several SAO researchers were recognized by their peers for their outstanding scholarship:

- **Christine Jones** received the Marcel Grossman Prize in June 2009 for her fundamental contributions to X-ray studies of galaxies and clusters.
- **Lester Cohen** was awarded the NASA Distinguished Public Service Medal in April “...for [his] crucial and hugely significant role in the development of the lightweight telescope structure and mirrors for the James Webb Space Telescope and the highly successful Chandra Observatory.”
- **David Charbonneau** was awarded the 2009 Alan T. Waterman Award of the National Science Foundation for his work on the development of novel techniques for the detection and characterization of planets orbiting nearby sun-like stars.

Smithsonian Tropical Research Institute (STRI)

STRI added **131 publications** to its bibliography database from January 1 to June 30, 2009, including three books.

It published 28 articles in the **high-impact journals** *American Naturalist*, *Ecology*, *Evolution*, *Marine Biology*, *Molecular Ecology*, *Nature*, *Oecologia*, *Proceedings of the National Academy of Sciences*, *Proceedings of the Royal Society of London (Biological Sciences)*, and *Science*.

Carlos Jaramillo and his colleagues discovered a fossil record of the “**world’s largest anaconda**” (*Titanoboa cerrejonensis*) in Cerrejón, Colombia. They published their results in *Nature*. The snake, which lived about 58–60 million years ago, must have reached 13 meters in length and weighed more than a ton.

Several STRI scientists were recognized for professional excellence:

- **Dolores R. Piperno**, a STRI-NMNH archaeologist, received the Pomerance Award for Scientific Contribution to Archaeology by the Archaeological Institute of America, in January 2009.
- Staff scientist **William F. Laurance** and research associate **Thomas E. Lovejoy** won the inaugural BBVA Foundation Frontiers of Knowledge Award in Ecology and Conservation Biology.
- Staff scientist **Stephen P. Hubbell** received the Eminent Ecologist Award 2009 from the Ecological Society of America.



National Zoological Park (NZIP)

NZIP researchers produced 50 publications in the second and third quarters of fiscal year 2009, including 47 in peer-reviewed scientific journals (10 of those in high-impact journals); one book; one book chapter; and one article in a non-peer-reviewed animal keeper publication.

Scientists at the Zoo's Conservation and Research Center (CRC) successfully performed an artificial insemination on a **white-naped crane**. The resulting female chick is one of the most genetically valuable cranes in the North American Species Survival Program.

In May 2009, Dr. JoGayle Howard conducted five artificial inseminations on **black-footed ferrets** at the CRC using cryopreserved semen that was frozen 10–20 years ago. This resulted in the birth of a genetically valuable litter of black-footed ferrets on June 18, 2009.

National Museum of Natural History (NMNH)

Handbook of the Mammals of the World. Vol. 1: Carnivores is the first of an eight-volume series edited by the Museum's Don E. Wilson and Russell A. Mittermeier of Conservation International; it is inspired by the highly regarded *Handbook of the Birds of the World*.

Museum Conservation Institute (MCI)

This year, MCI has worked on **98 projects** with 37 Smithsonian museums, research centers, and offices, as well as external organizations including the Library of Congress, National Park Service, U.S. Capitol, and Folger Shakespeare Library, producing 11 publications in peer-reviewed journals, two books and catalogues, and two edited books, and giving 33 professional presentations and 20 public presentations.



Robert J. Koestler recently chaired a panel at an international symposium organized by the French Ministry of Culture to investigate anthropogenic-induced changes to a cultural treasure: the Paleolithic painted caves in Lascaux, France.

In April 2009, MCI convened an international workshop on “**Biocolonization of Stone: Control and Preventive Measures**” to facilitate interaction among biologists, material scientists, and conservators with expertise in microbial (bacterial and fungal) damage to stone.

MCI is developing **proteomics capabilities** as a part of its central research infrastructure. Proteomics, the large-scale study of protein structure and function, allows scientists to gather more information from objects and biological specimens, and to learn more about their materials, origins, and deterioration.

MCI scientists, working with researchers from the National Zoo, National Museum of Natural History, Federal Aviation Administration, and National Transportation Safety Board, analyzed feather remains from the January 15, 2009, U.S. Airways Flight 1549 **bird strike**. The results will help wildlife professionals develop policies and techniques to reduce the risk of future bird-airplane collisions.

Smithsonian Environmental Research Center (SERC)

SERC scientists published more than **75 papers in peer-reviewed journals and books** from January to July 2009, averaging an annual rate of six papers per lead scientist. SERC principal investigators received grants and contracts for 25 government awards totaling \$3.74 million and four non-government awards totaling \$897,000.

SERC has reported a **new invasive species** in San Francisco Bay—a large algal kelp species *Undaria pinnatifida* from the western Pacific Ocean along Japan and China. The kelp probably spread from an initial invasion in southern California. Scientists based at SERC's satellite laboratory in Tiburon, California, were quoted in a story in the *New York Times* highlighting the new invasion.

National Air and Space Museum (NASM)

Recent publications from the National Air and Space Museum include:



- An article by **Tom Watters** of NASM's Center for Earth and Planetary Studies in *Science*, May 2009, in a special section on the *MESSENGER* mission flyby of Mercury;
- *Spacesuits: The National Air and Space Museum Collection*, by Amanda Young with photos by Mark Avino, which examines spacesuits from the first designs of the 1930s through the landmark Apollo-Soyuz program of 1975;
- *The Smithsonian Atlas of Space Exploration* by Roger Launius and Andrew K. Johnston, which presents the story of space exploration from the earliest theories of the universe to the successes (as well as the heartbreaking setbacks) of the past 50 years; and
- *Lighter Than Air: An Illustrated History of Balloons and Airships* by Tom Crouch.

Art Units

Louise Cort, David Rehfuss, and George Williams of the Freer and Sackler Galleries led a **worldwide Webinar on the ceramics of southeast Asia**, taking questions from nearly 100 participants from U.S. museums and places as far away as India and Cambodia. The Galleries also hosted a multidisciplinary symposium on **medieval Japanese religious and narrative painting**. The event was organized by Ishikawa Toru of Keio University in conjunction with the Sackler Gallery exhibition *The Tale of Shuten Doji*.

The **National Portrait Gallery** presented a scholarly symposium in conjunction with the exhibition *One Life: The Mask of Lincoln*, consisting of four lectures that examined various aspects of Lincoln and his times. The spring of 2009 also brought two new National Portrait Gallery books: *Inventing*

Marcel Duchamp: The Dynamics of Portraiture by Anne Collins Goodyear and James W. McManus and *Reflections/Refractions: Self-Portraiture in the Twentieth Century* by Wendy Wick Reaves.

Cooper-Hewitt, National Design Museum published catalogues for its exhibitions *Fashioning Felt* and *Design for a Living World*.

History and Culture Units

The **National Museum of the American Indian** Research Unit / Office for Latin America staff delivered 19 scholarly presentations; organized and chaired conference panels at various professional meetings; and produced three publications in peer-reviewed journals. Two titles were added to the Museum's publications catalogues: *The Land Has Memory: Indigenous Knowledge, Native Landscapes* and *Most Serene Republics: Edgar Heap of Birds*, a companion to the Museum-sponsored exhibition by the eponymous Cheyenne/Arapaho artist at the 2007 Venice Biennale. The Museum also hosted *Mother Earth: Confronting the Challenge of Climate Change*, a symposium to explore how indigenous peoples are responding to the challenge of climate change. The Museum's Heye Center in New York City presented the symposium *Indian/Not Indian: Native Identity in the 21st Century* in collaboration with New York University's Native People's Forum and the Public Theater.



On March 30 and 31, 2009, the **National Museum of African American History and Culture** presented *1968 and Beyond: A Symposium on the Impact of the Black Power Movement on America*. The event featured, among others, poet Sonia Sanchez, playwright Woodie King, and political strategists Donna Brazile and Ron Walters. The Museum also published *The Scurlock Studio and Black Washington: Picturing the Promise* (Smithsonian Books, 2009), which was selected by Booklist as one of the 10 best black nonfiction titles for 2009 and nominated for the Smithsonian's Scholarly Publication Award.

Scholars from the **National Museum of American History** created over a dozen print and electronic publications and delivered over 20 scholarly presentations, including Pete Daniel's Presidential Address to the Organization of American Historians, "Tobacco Culture: Marion Post Wolcott's FSA Photographs," and Bart C. Hacker's editing of "The Social History of Military Technology," a special issue of *ICON: Journal of the International Committee for the History of Technology*. As part of the launch of its Community Documentation Center initiative, the **Anacostia Community Museum** launched a mapping and documentation project of religious institutions in Ward 8 of Washington, D.C.. The initiative began on June 1, 2009.

Management Excellence

Leadership Milestones

David M. Rubenstein, cofounder and managing director of The Carlyle Group, was appointed a citizen member of the Board of Regents. Rubenstein also serves on the boards of the Johns Hopkins University, Lincoln Center for the Performing Arts (as vice chairman), Kennedy Center for the Performing Arts, Dance Theatre of Harlem, and Duke University.



Judith E. Leonard became General Counsel in June 2009. She previously served as Vice President for Legal Affairs and General Counsel at the University of Arizona, where she was also an adjunct Associate Professor in the College of Education. Prior to that appointment, she spent 10 years in Washington, D.C., at posts in the Department of Education and the Office of National Drug Control Policy.



Alison McNally agreed in January 2009 to remain a permanent part of the Castle management team as Under Secretary for Finance and Administration; she had been serving as Acting Under Secretary since October 2007.

Johnnetta Cole became Director of the National Museum of African Art in March 2009. Cole had been serving as Board Chair of the Johnnetta B. Cole Global Diversity and Inclusion Institute at Bennett College for Women, where she had been President from 2002 to 2007. Prior to that, she served as Presidential Distinguished Professor of Anthropology, Women's Studies, and Afro-American Studies at Emory University and as President of Spelman College.



Richard Koshalek assumed the post of Director of the Hirshhorn Museum and Sculpture Garden in April 2009. Previously he was President of the Art Center College of Design in Pasadena, California, and before that served as Director of the Museum of Contemporary Art in Los Angeles.

Office of the Chief Information Officer (OCIO)

Strategic Planning

A **Web and New Media Strategic Plan** was finalized after gathering the input of 323 people from 55 units in a series of moderated Web and new media workshops, and building on the ideas generated in the recent Smithsonian Web 2.0 conference.

The **Smithsonian digitization strategic plan committee** completed the final draft of the Digitization Strategic Plan. The process involved six working groups comprised of 55 staff members from 31 units. The final plan is on schedule for submission to the Secretary by the end of September 2009.

OCIO developed **The Smithsonian in Your Pocket**, a presentation loaded on a thumbdrive, to educate and inspire current and potential supporters of digitization. The content includes a series of short videos that answer the question "What is digitization at the Smithsonian?" and links to representative Smithsonian Web sites that showcase digital assets.

Efficiency and Modernization

The first phase of the **data center consolidation** initiated in 2007 is nearing its conclusion: 162 Smithsonian servers have been successfully colocated in the Herndon data center from various locations across the Institution. OCIO initiated the consolidation project to improve system availability and lower the costs of supporting and maintaining server infrastructure.

Microsoft donated nearly \$4 million worth of **Microsoft Office SharePoint Server 2007** software, licenses, and services that will enable the Institution to fully implement SharePoint, as well as allow OCIO to redesign Prism. In the future, SharePoint can also be used for collaboration with external colleagues and as a platform to develop custom systems and applications.

A new version of the Facilities Management System was deployed in June 2009, offering improved

functionality for tracking and managing space, building assets, and building service requests. New modules were developed to track and report on safety inspections and hazardous materials.

Improving Smithsonian Web Sites

Public Web sites across the Smithsonian have been implementing a **Software as a Service calendaring solution** that both meets unit-specific presentation needs and aggregates events in a common calendar. This calendar solution will improve visitor access to information on events across the Smithsonian.

OCIO implemented a newly design **Prism Web site** for the Smithsonian intranet in February 2009. The new design improves the site's appearance and ease of use as an interim step to Prism 2.0, which OCIO will implement in fiscal year 2010.

Major Construction, Renovation, and Facilities Projects

Donald W. Reynolds Center for American Art and Portraiture

\$19.5 million total estimated project cost

By agreement with the National Capital Planning Commission, the Smithsonian will reconstruct the F Street stair and add landscaping and security. This will complete the Center's renovation. Costs (fiscal year 2016 estimates) are \$9.5 million Federal and \$10.0 million Trust.

National Museum of American History, Kenneth E. Behring Center

Revitalization of west wing public space, package III: \$60 million total project cost

With the completion and reopening of the central core in November 2008, the focus will shift to modernization of the Museum's west wing. Federal appropriations for awarding design in fiscal years 2009–2010 and construction funding for 2011–2013 have been programmed to renovate all three public floors of the west wing.

National Museum of African American History and Culture

\$500 million total estimated project cost

In April 2009, the team of Freelon Adjaye Bond/SmithGroup was selected from a field of six renowned architects in a design competition for the newest museum on the Mall. By early fall 2009, the selected architects will be under contract, and conceptual design will begin on the \$280 million museum building. Once the interior design of the building is formalized, design of the exhibits will follow. The new Museum is scheduled to open to the public in December 2015.



National Zoological Park, General Services Building

\$28.4 million total estimated project cost

Design is continuing for structural repairs and fire protection and safety improvements at the Zoo's General Services Building (GSB). This facility houses vital support functions (such as the animal nutrition commissary, FONZ merchandise warehouse, exhibits and horticulture spaces, shops, and

offices) that must remain operational throughout construction. The phased project will entail the temporary relocation of other units to swing space and the proposed permanent relocation of the vehicle maintenance branch from the GSB to the Smithsonian's Suitland Collections Center. The Smithsonian's request for construction authorization for a new Vehicle Maintenance Branch facility in Suitland, Maryland, is currently under review by Congressional committees. Funding has been requested for fiscal year 2010. Design on the GSB project will be complete by the end of 2009, and structural renovation is expected to begin in 2012; Federal funding has been requested for fiscal years 2012–2014.

National Zoological Park, Seal / Sea Lion Exhibit

\$40.0 million total estimated project cost

The life-support systems and associated facilities for the Zoo's seal / sea lion exhibit, which date from 1987, are in need of major revitalization to meet current standards of the U.S. Department of Agriculture and the Association of Zoos and Aquariums. Also, the pathway through the exhibit area is too steep and has many cross-slopes, making it difficult for strollers and people with disabilities. In addition to bringing the facility into compliance with codes and standards for animal care and accessibility, this project will upgrade underground utilities. It has received final approvals from both the U.S. Commission of Fine Arts and the National Capital Planning Commission. Design is complete, and the award of a construction contract is anticipated by the end of fiscal year 2009. The non-capital, interpretive component of the project will be funded with \$1 million in Trust funds; the total Federal capital component is approximately \$39 million, with multi-year construction funding in fiscal years 2009–2011.



National Zoological Park, Asia Trail II: Elephant Trails

\$52.8 million estimated total project and program cost

The second phase of the Asia Trail project will renovate the historic elephant house and enlarge yard space into three habitat areas and a trail at a projected cost of \$52.8 million—\$35.6 million Federal (received in fiscal years 2006–08) and \$17.2 million Trust. Construction began in March 2008 and is scheduled for completion in April 2011. The elephants will move into their new holding area in the fall of 2009, after which renovation of their current facilities can commence.

Arts and Industries Building (AIB)

\$75 million estimated cost for roof and window replacement and infrastructure system revitalization

Current planning is focused on developing a program for AIB that will support the Institution's Strategic Plan and be appropriate to the building's architecture, history, and floor plan. Scheduling and planning for \$75 million in roof and window replacement and infrastructure system are proceeding while the building's future use is under discussion. An historic structure report will be completed by September 2009, and a roof investigation has been completed. A contract for design of the roof and windows will be awarded in fiscal year 2009, with construction to start in fiscal year 2010. Construction has begun on masonry repairs and interior demolition and hazmat removal.



Cooper-Hewitt, National Design Museum

\$57 million total estimated project cost

Transfer of collections to a storage facility was completed in March 2009. Design for the Fox-Miller townhouses renovation is complete, with construction expected to start in August 2009. Design for the Carnegie Mansion renovation is scheduled for completion in December 2009. A one-year delay in the Mansion renovation was approved to allow time to complete fund raising for the project; a construction contract is expected to be awarded in January 2011. Of the \$21 million Federal appropriation, \$2.7 million has been received and spent on design and collections storage, \$1.7 million was appropriated in fiscal year 2009 for the Fox-Miller work, and the balance is programmed in fiscal years 2011 and 2012. Of the \$36 million in required private funds, \$27 million has been identified in gifts and pledges.



National Air and Space Museum—Steven F. Udvar-Hazy Center, Phase 2

\$81 million (Trust) total project cost

Phase 2 of the Udvar-Hazy Center at Dulles International Airport is under construction. It will add 237,000 square feet of collections care space to the current facility, including a restoration hangar, storage and processing space, conservation laboratory, and archives. Completion is expected in mid-2011.

Museum Support Center of the National Museum of Natural History, Pod 3

\$42.6 million total estimated project cost

The July 2008 award of a \$22.6 million construction contract for renovations to Pod 3 in Suitland, Maryland, began the next phase in the Smithsonian's drive to improve collections care. The renovated Pod 3, on schedule to be complete in March 2010, will provide a consolidated site for frozen, refrigerated, gas-preserved, and dry collections, allowing the Smithsonian to vacate leased properties and freeing up congested space in the Hirshhorn, African Art, Freer/Sackler, and Natural History museums. More than \$15 million of shelving/racking, collections and meteorite cases, and freezers will be installed. Transfers of collections from the Mall are expected to be completed after July 2011; estimated moving costs are \$5 million.

Smithsonian Environmental Research Center, Mathias Replacement Laboratory Project

\$41.0 million total estimated project cost

The Smithsonian Environmental Research Center is eliminating unsafe trailers (which currently house 25 percent of the Center's lab space and 65 percent of its office space) and renovating and reconfiguring the existing Mathias Lab to create 52,000 square feet of laboratory and support space. The new space will employ sustainable technologies and building materials that will yield substantial reductions in energy and maintenance costs. A solicitation for design was issued in May 2008, with an architect/engineer award in early 2009. Design is scheduled for completion by early 2010 and construction will be completed by mid-2012.

Permanent Physical Security Barriers

\$55 million total project cost

The first phase of construction of security barriers at the National Museum of Natural History is complete. The final phase along Madison Drive and 12th Street will be awarded for construction in fiscal year 2010. Construction of barriers for all but the south side of the National Museum of American History is in progress, with completion expected in summer 2009; work on the south side commenced in spring 2009 and will be completed in spring 2010. Construction on security barriers for the Castle and Quadrangle is scheduled to start in fiscal year 2013. Design and construction of off-Mall barriers will follow in order of priority.

Smithsonian Tropical Research Institute, Gamboa Laboratory Facilities

\$19.1 million total estimated project cost

With the acquisition (purchase and custodianship) of 172.5 acres of land in Gamboa from the Republic of Panama in 2007, the Smithsonian Tropical Research Institute is proceeding with the replacement of existing laboratory and office facilities that have outgrown their space and would need major infrastructure adjustments to support modern terrestrial tropical science. A new facility on the Gamboa site, funded with \$15.67 million in Federal and \$3.46 million in Trust funds, will be dedicated to terrestrial science. Programming and design of the laboratory are currently under way, with the first construction procurement actions scheduled for fiscal year 2010.

American Recovery and Reinvestment Act of 2009 Projects

\$25.0 million total project cost

The American Recovery and Reinvestment Act, signed into law on February 17, 2009, provides \$25 million for urgently needed repair and revitalization projects throughout the Smithsonian not covered by anticipated fiscal year 2009 funding. Most of these projects involve safety/code compliance or increased sustainability and energy efficiency. By June 19, 2009, 18 projects totaling \$17.99 million (more than 72 percent of the total) were under contract. Another \$4 million in contracts will be awarded by late summer 2009. Construction on all projects is scheduled to be complete by early fiscal year 2011. In compliance with the Act, the Smithsonian is reporting on jobs created and expenditure of funds and will submit its first formal report in October 2009.

Energy Savings Performance Contract

\$20.6 million total implementation cost, contractor financed

Construction was completed in May 2009 on work that included the installation of a new 3,000-ton chiller plant and conversion of the domestic water heating system from steam to natural gas at the National Museum of American History; upgrades to the chiller plant and HVAC system at the National Museum of Natural History; and retrofit of more than 15,000 lighting fixtures at both museums. First-year expected energy savings are 45 billion BTUs and \$1.6 million; the cost of the project will be paid from guaranteed savings over a 20-year term. Additional benefits include reduction of greenhouse gas emissions by 3,908 tons per year, and removal of 8,000 pounds of obsolete, ozone-depleting refrigerant.

Financial Strength

Fiscal year 2009 has been a difficult year financially. The economic crisis that began in fiscal year 2008 continued to take its toll throughout fiscal year 2009. The decline in the financial markets worldwide reduced the value of the Institution's Endowment; the significant drop in consumer spending affected its business revenue; and the decline in interest rates reduced the Smithsonian's interest income. Private sector giving is also now forecast to end the year below budget.

For the first half of the fiscal year, the Institution **operated under a Continuing Resolution** that held Federal spending to fiscal year 2008 levels. Meanwhile, Congress approved a 4.78 percent pay raise for Federal employees effective for calendar year 2009. In the face of uncertainty about the enactment of a full year fiscal year 2009 appropriation with a substantial, unfunded pay raise, management imposed a Federal hiring freeze and forestalled certain categories of spending. Among other things, management withheld spending for computer desktop replacements and vehicle replacements.

In February 2009, the Institution received \$25 million for Smithsonian facilities revitalization projects from the **American Recovery and Reinvestment Act of 2009**, which was created to increase jobs for Americans. In March 2009, an omnibus appropriations bill was enacted that resulted in a 7 percent increase in Federal funding for the Smithsonian over the prior year. The appropriation covered most of the mandated Federal pay raise, increases in mandatory expenses associated with rent and utilities, and necessary increases in security and maintenance, while restoring base funding for existing public programs, education, and research that had been cut by the Office of Management and Budget.

With respect to the **unrestricted Central Trust budget**, all major sources of income experienced declines due to the economic recession. The income source most seriously affected by the economic decline was the business activities operated by Smithsonian Enterprises (SE). As a direct result of the failing global economy, SE revenue dropped by \$21 million or 12 percent. By implementing a series of aggressive cost reductions and cost controls totaling \$11.5 million, and by taking advantage of opportunities to maximize revenue associated with the inauguration of President Obama, the release of the *Night at the Museum: Battle of the Smithsonian*, and the 40th Lunar Landing Anniversary, SE was able to hold decreases in net gains to only \$2.2 million (or 8 percent).

To address the expected budget gap in the Central Trust budget, Smithsonian management took action to **reduce spending** by \$7 million by freezing pay increases and merit bonuses for Trust executive employees whose salaries were either market-based or those deemed to hold Federal-equivalent positions being paid above the Federal cap; eliminating some vacant positions; and shifting funding for some unrestricted Central Trust activities to alternative funding sources. In addition, funding for some leadership training activities was eliminated, an annual behind-the-scenes volunteer appreciation event was canceled, food was not provided to staff and volunteers at the annual Smithsonian picnic on the Mall, and funding for research travel awards was reduced.

Financial Performance

The year-end projection for fiscal year 2009 shows that revenues are anticipated to fall below budget by \$8 million, reflecting declines in amounts budgeted in charitable giving, interest income, and Smithsonian Enterprises net gain, which were offset by an increase in Federal revenues (which are recognized as revenues when spent), funding received from the Presidential Inaugural Committee, and government grants and contracts. Notable specific revenue variances follow.

REVENUES

Revenues are forecast to fall short of budget, due primarily to:

- A decline in contributions, including a decrease in Trust revenue from Contributing Memberships attributed to the economic recession and a larger than budgeted loss from The Smithsonian Associates
- A decrease in short-term investment income
- A reduction in SE revenue and associated net gain due to the decline in magazine advertising, travel program weaknesses, and losses experienced by licensing partners
- A decline in the number and scope of special events
- A decline in the amount of new funds added to the Endowment compared to recent years

The decrease in revenue will be partially offset by:

- An increase in Federal revenues (which are recognized as revenue when spent) associated with higher than budgeted spending of current year funds
- An increase in revenues associated with unbudgeted funding from the American Recovery and Reinvestment Act of 2009 for facilities improvements (also recognized as revenue when spent)
- An increase in funding activity for government grants and contracts
- Unforeseen income received from the Presidential Inaugural Committee and higher retail sales associated with the Inaugural events, the release of *Night at the Museum: Battle of the Smithsonian*, and the 40th anniversary of the lunar landing
- Reopening of the National Museum of American History and higher than budgeted revenue from associated retail activities

Expenses for fiscal year 2009 are forecast to exceed budget by \$5 million due largely to an increase in Federal spending for operations offset by management actions to reduce unrestricted Trust spending. Notable variances in expenses are forecast to occur as reflected below.

EXPENSES

Expenses are forecast to exceed budget, due primarily to:

- An increase in Federal spending for operations, including unbudgeted spending associated with the American Recovery and Reinvestment Act of 2009 for facilities improvements
- An increase in unrestricted spending associated with enhanced visitor services during the Presidential Inaugural festivities
- An increase in non-cash Trust depreciation associated with the Star-Spangled Banner and the Sant Ocean Hall exhibitions
- An increase in spending on government grants and contracts at the Smithsonian Astrophysical Observatory

The increase in expenses will be partially offset by:

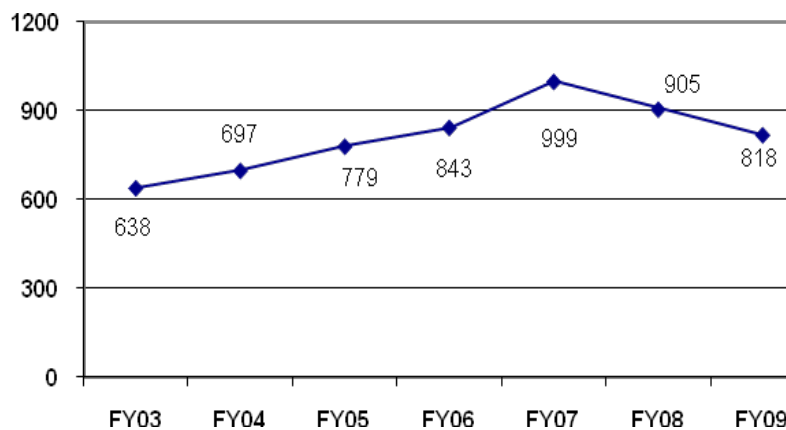
- A decrease in unrestricted Trust expenses to bring spending in line with revenues
- A decrease in non-cash Federal depreciation expenses associated with completed facilities work
- SE cost and restructuring actions of \$11.5 million taken to mitigate impacts on net gain

Through the third quarter, SE has been on track to deliver its \$25 million net gain forecast. SE operational divisions continue to make extraordinary efforts to mitigate the effects of the economic recession.

Although the Institution has not changed its investment principles or long-term policy portfolio, the Institution changed its fiscal year 2009 targets to increase its cash and fixed income allocation to better protect the portfolio in down markets; however, the decline in the financial markets has adversely affected the performance of the Endowment. This forecast does not attempt to predict the Endowment's performance for the last quarter of the fiscal year. Rather, it assumes an ending value that is based on the Endowment's current market worth, plus new money and less payouts.

Compared to the policy benchmark, which is a blend of indices based on the Endowment's allocation targets, the fiscal year 2009 performance of the Smithsonian's Endowment through June 2009, -7.6 percent, beat the policy benchmark return, -10.0 percent, while the total return on the Endowment over the last five years annualized through June 2009, 3.3 percent, also exceeded the policy benchmark return, 1.8 percent. The Institution's diversified investment portfolio had a value of \$818 million for June 2009.

Smithsonian Institution Year-End Endowment Value (\$ in millions)



The forecast for year-end indicates that revenues will exceed expenses overall. This is due in part to the extraordinary efforts of the Smithsonian community to sacrifice both program and core operating expenses to balance the unrestricted Central Trust budget. Overall, as shown below, the Institution's net assets are forecast to decrease at year-end by \$31 million — \$122 million below budget — due to the poor performance of the economy.

Smithsonian Institution Financial Performance for Fiscal Year 2009 (\$ in millions)

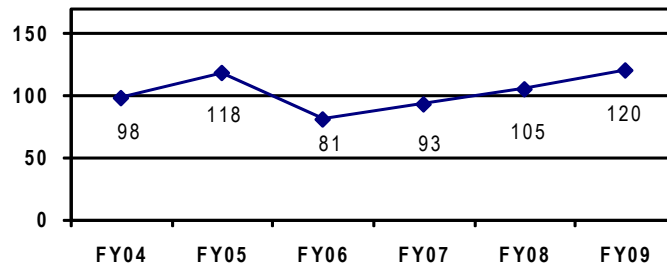
	FY2009 Budget	FY2009 Forecast	Variance to Budget
Revenues	1,018	1,010	(8)
Expenses	958	963	(5)
Endowment Gains/Unrealized Losses	40	(69)	(109)
Net Collection Activities/Other	(9)	(9)	0
Change in Net Assets	91	(31)	(122)

In response to the decline in unrestricted Central Trust revenue, the Secretary challenged his leadership team to rethink how the Institution does business. The Institution is moving proactively to consider every possible option for stimulating new and re-purposing existing unrestricted Trust resources. In that regard, two analytical teams were chartered to ask and answer some very difficult questions and make

recommendations to management. The first team — the “Revenue Generation Ideas Team” — was tasked with assessing the potential of existing revenue-generating activities for producing more revenue, identifying new sources of revenue, and rethinking how indirect overhead support could be changed to recover a greater portion of the Institution’s full costs on gifts, grants, and contracts. The second team — the “Zero-Base Central Trust Budget Review Team” — was tasked with evaluating the composition of the Institution’s Central Trust budget, establishing a philosophy to govern its allocation, and identifying candidates for elimination or alternative funding. Management is actively working to implement the proposed recommendations and believes the revenue generation recommendations have the potential to generate new revenue streams.

As in previous years, management is fully engaged in efforts to increase funding for important programmatic initiatives, facilities revitalization, and maintenance requirements. Funding for the revitalization of the Smithsonian’s physical infrastructure totaled \$120 million in fiscal year 2009. The \$120 million total excluded \$3 million for the design of the National Museum of African American History and Culture (NMAAHC), \$15 million to continue the Legacy Fund, and the one-time appropriation of \$25 million from the American Recovery and Reinvestment Act of 2009. These stimulus funds are being put to work immediately to support “shovel-ready” projects, generating an estimated 120 blue collar jobs.

Funding for Smithsonian Facilities Revitalization (\$ in millions)



Work continues apace on the Institution’s strategic plan and planning for the national campaign. With the completion of a Web survey and nearly 300 individual and group interviews, the Institution anticipates the release of the strategic plan in the fall 2009. Planning for the national campaign is well under way with the 2009 hire of a campaign director and the engagement of a campaign consulting firm. Funding for the national campaign was authorized by a Board of Regents’ motion in May 2008.

Management remains committed to the revitalization of the Institution’s physical infrastructure and to funding equally critical programmatic priorities that have suffered many years of underfunding. Securing adequate Federal funding and gaining support for Federal funding increases remain enormous challenges. Likewise, management recognizes the need to generate new sources of unrestricted Trust income to forestall the erosion of ongoing programs and to take advantage of new mission-related opportunities. Meeting these challenges will allow the Institution to proudly continue to serve the American people and accomplish its time-honored mission, “the increase and diffusion of knowledge.”

External Affairs

Through June 30, 2009, the Institution generated **\$70.4 million** in private support from individuals, foundations, and corporations, 59 percent of its goal of \$120 million for fiscal year 2009. Due to the effect of the economic recession, the Institution now forecasts private support will generate \$110 million in fiscal year 2009, \$10 million (or 8 percent) below the budgeted goal.

Meeting or exceeding their 2009 fund-raising goals as of June 30, 2009, are the National Museum of African Art, National Museum of the American Indian, Smithsonian American Art Museum, Smithsonian Center for Education and Museum Studies, and Smithsonian Institution Libraries.

From October 1, 2008, through June 30, 2009, the Institution received **13 gifts of \$1 million or more**. Notable new support includes:

- \$3 million from the **Rockefeller Foundation** and \$1 million from the **Prudential Foundation** for architectural design and construction of the National Museum of African American History and Culture;
- \$1 million from **Robert H. and Clarice Smith** to expand the Smithsonian American Art Museum's education programming; and
- \$1 million from the estate of **Arthur Ross** to endow Cooper-Hewitt, National Design Museum's gardens and general operations and \$1 million from **Target** to sponsor the Museum's National Design Awards, National Design Week, and *Design USA* exhibition.

Also received were bequests benefiting the Smithsonian of \$1 million from **John R. Huggard** and \$2 million from **M. Clay Adams**, which creates a charitable gift annuity for his son.

Other notable new gifts in the third quarter include \$100,000 from **Alan and Terri Spoon** to develop and post Smithsonian content on social online media, and \$100,000 from **Kari Wenger** to fund ecology research that will inform environmental stewardship and land-use practices in the tropics. In the first three quarters of fiscal year 2009, **six National Zoological Park advisory board members** contributed a total of \$515,000 for the Elephant Trails project.

The **Contributing Membership** has generated \$10.4 million in unrestricted revenues year-to-date, 83 percent of its goal of \$12.6 million. The total number of member households remains stable, at 89,885. The National Air and Space Museum and the National Museum of the American Indian membership programs have raised 77 percent and 87 percent of their goals, respectively.

Smithsonian National Board members and alumni helped host Secretary Clough at eight events in six cities this spring that introduced many potential donors and volunteer leaders to the Smithsonian. Several National Board members continue to provide support for the Smithsonian's Leadership Development Program, which will begin training a new class of staff leaders who will soon help carry out the goals of the strategic plan. Through the end of the third quarter, National Board members and alumni gave \$839,000 in unrestricted support through the Board Annual Giving Campaign, 84 percent of its \$1 million goal.

Planning for the **national fund-raising campaign** is well under way. The campaign counsel Marts & Lundy delivered an interim report on the internal assessment in June 2009, and will complete its assessment work in the first quarter of fiscal year 2010. The Office of External Affairs is preparing for a major database screening; investigating the need for a new database system; preparing a campaign budget; and developing campaign training and policies. Museums, research centers, and programs are developing individual campaign plans, which will serve as a foundation for the Smithsonian's campaign plan.

Smithsonian Enterprises (SE)

Through the third quarter of fiscal year 2009, SE's **revenue decreased by \$1.7 million** (-1 percent) from the prior year to \$114.7 million, and fell short of budgeted growth by \$14.7 million (-11 percent). SE's **net gain of \$17.8 million** was lower than in fiscal year 2008 by \$3.5 million (-16 percent) and \$0.7 million (-4 percent) below the fiscal year 2009 budget.

Performance was **significantly impacted by overall economic conditions**, with an 8 percent drop in store revenue, a 31 percent deterioration in print advertising revenue, and a 33 percent drop in product licensing; these were partially offset by the reopening of the National Museum of American History. SE's current projection is that revenue will fall short of its fiscal year 2009 budget by approximately \$21.2 million (-12 percent).

Management enacted **swift and immediate cost reductions** in November 2008 and supplemented this plan further through June 2009. Cost and revenue actions are now expected to deliver \$11.5 million in net gain benefit in fiscal year 2009, mitigating much of the expected gap. As a direct result of these early actions, SE is **expected to contribute \$25 million in net gain** to the Institution in fiscal year 2009.

Retail

Despite the significant challenges posed by an economic downturn, **the Retail group is on target to achieve its budgeted year-end net gain** through a combination of beneficial one-time events and an aggressive mitigation plan encompassing targeted cost reductions and leveraged revenue-generating opportunities.

The businesses that depend upon visitor spending have all suffered as museumgoers spend less in museum stores and curtail ticket purchases for theaters and concessions. While visitors are shopping less, they are still eating—and high visitation numbers helped the **Food and Beverage division** post strong sales against both prior year and budget.



The world premiere of *Night at the Museum: Battle of the Smithsonian* was held in May 2009 at the Lockheed Martin IMAX Theater at the National Air and Space Museum. This red carpet gala was attended by stars Ben Stiller, Amy Adams, Hank Azaria, Robin Williams, Owen Wilson, and Ricky Gervais, and was covered by a worldwide media contingent. The ensuing buzz helped drive ticket sales for the film, which started playing in heavy rotation at Smithsonian theaters, including showtimes before the museums opened.

Several other bright spots helped keep Retail performance on plan, including the Presidential inauguration (the most successful January on record for Retail operations); a unique line of *Night at the Museum*-related products sold exclusively in museum

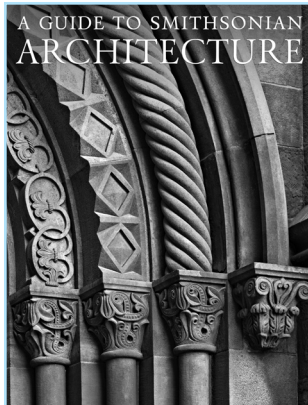
stores and SmithsonianStore.com; and extended operating hours at several museums.

The **Smithsonian Catalog** achieved its net gain target against a revised plan with greatly reduced operating costs and catalog distribution.

Media

Smithsonian Networks signed a distribution deal in April 2009 with Time Warner, making its content available on the high-definition linear service, as well as making a limited amount of content available in a variety of other Time Warner formats such as Road Runner High Speed Online, HD on Demand, and the Enhanced TV services Start Over and Look Back. At the end of the third quarter, Smithsonian Channel distribution stood at **3.3 million households** receiving high-definition linear programming and **12.4 million households** having video-on-demand capability.

More than 30 program proposals were submitted to Smithsonian Networks in the Institution's annual put program (also known as mission critical) submission process. These proposals represent a broad array of topics and interests from across the Institution.



In January 2009, Smithsonian Books published *A Guide to Smithsonian Architecture* with text by Amy Ballard of the Institution's Office of Architectural History and Historic Preservation and Heather Ewing. This comprehensive book details the rich architectural history of all the Smithsonian buildings in Washington, D.C., and beyond, from the original 19th-century Castle to the National Museum of the American Indian completed in 2004.

The **Abraham Lincoln collector's edition bookazine** went on sale in December 2008 in celebration of the 200th anniversary of Lincoln's birthday. More than 50,000 copies have been sold at an \$8.99 cover price through a combination of newsstand, online, and museum store sales.

The **advertising environment** continues to be challenging, with advertisers reducing, canceling, or postponing their commitments. *Smithsonian* magazine ad pages were down 30 percent for the fiscal year to date, with the trend anticipated to continue through the remainder of 2009.

Unique visitors to Smithsonian media Web sites grew 22 percent in January through June 2009 in comparison with the previous year, which enabled online advertising to remain flat in a challenging environment. To capture more time-sensitive and regional advertisers, new e-newsletters and geo-targeting capabilities have been added this year. Key advertisers in the period included Conoco Phillips, Mexico Tourism, and Public Broadcasting Service.

Working in collaboration with SE's retail team and a pan-Institutional task force, the publishing group produced McDonald's-sponsored **treasure maps to accompany the *Night at the Museum: Battle of the Smithsonian*** film; the maps are available at museum visitor desks and online.

Licensing and Business Development

The Institution earned \$250,000 in licensing fees in fiscal year 2009 for the use of the Smithsonian name in *Night at the Museum: Battle of the Smithsonian*, on top of the \$500,000 fee paid to the Institution upon the deal's completion last year.

Fifty Smithsonian members participated in *Smithsonian Journeys'* "Extraordinary Cultures: Around the World by Private Jet," a 26-day tour to 13 countries led by Smithsonian Under Secretary Richard Kurin. Smithsonian anthropologists Ramiro Matos (National Museum of the American Indian) and Adrienne Kaeppler and Mary Jo Arnoldi (National Museum of Natural History) accompanied portions of the tour. Participants learned about the vibrancy of indigenous cultures in Peru, Tonga, New Zealand, Australia, Bhutan, India, Jordan, Mali, and Morocco.



To commemorate the bicentennial of Lincoln's birth, *Smithsonian Journeys* offered the five-day tour "Lincoln in Washington." Among the tour highlights were private tours of the Smithsonian's Lincoln exhibitions with National Museum of American History curator Harry Rubenstein and National Portrait Gallery historian David Ward. The tour sold out, with 30 Smithsonian members taking part.