



Unsigned drawing by Michelangelo  
discovered in April in the files of the  
Cooper-Hewitt, National Design Museum

**Report to the Board of Regents**  
**September 2002**

## INTRODUCTION

This report presents Smithsonian Institution data and highlights for the third quarter (April, May, and June) of fiscal year 2002, and includes some programs and activities that occurred in July.

## PUBLIC IMPACT

### VISITS TO THE SMITHSONIAN

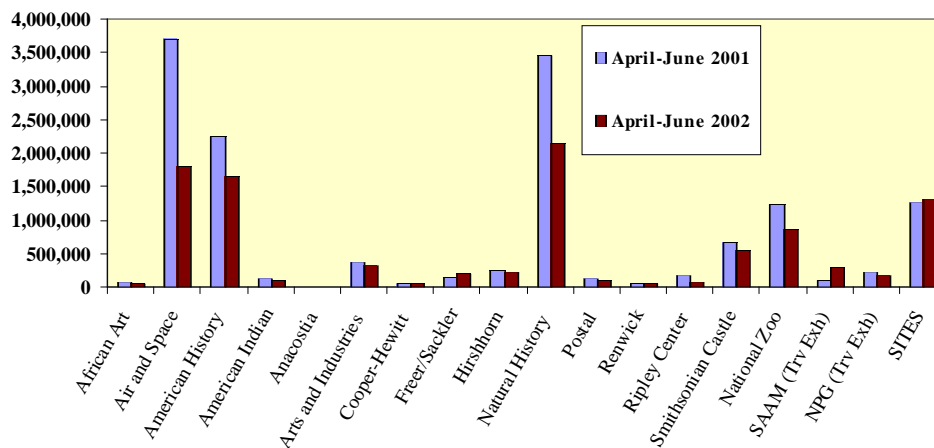
Visits to Smithsonian museums and traveling exhibitions during the third quarter of fiscal year 2002 were down 31% over the same three months in 2001, a disappointing slump following a decrease of 22% in the prior three months of January, February, and March, 2002. Tourism has not fully recovered from the decrease that followed the domestic terrorism scare in the fall of 2001. The drop in visitors to Washington and New York has been exacerbated by a slow national economic recovery and by the recent drop in consumer confidence due to the falling stock market.

In the first week of April, which followed the Passover and Easter holidays, visits were down only 7.8% compared to the same week in 2001. After that, visits in April and May – the traditional spring tourist season – were far below visit levels last year, with an average 42% decrease in visits. Visits began to pick up with the start of summer vacations in June, with a 10% increase in visits in the first three weeks. This upsurge was due in part to high visitation to the Freer and Sackler Galleries, relative to other museums. For example, during the week of June 2, visits to the Freer and Sackler Galleries increased 48% and 31%, respectively, compared to that week in 2001, while visits to other museums remained down. During the week of June 23, with the Smithsonian Folklife Festival opening June 26, visits were down only 23% compared to that week in 2001.

Smithsonian museums and traveling exhibitions had 9.9 million visits during the third quarter of fiscal year 2002: 7.3 million visits to museums; 855,000 visits to the National Zoo (NZP); and 1.8 million visits to traveling exhibitions organized by the Smithsonian Institution Traveling Exhibition Service (SITES), the Smithsonian American Art Museum (SAAM), and the National Portrait Gallery (NPG).

### Visits to Smithsonian Museums and Traveling Exhibitions

April to June, Fiscal Years 2001 and 2002



\*\*Visit statistics do not include two Smithsonian museums that were closed for renovation: SAAM and NPG.

Sources: Office of Protection Services, NZP, SITES, SAAM, NPG

## VIRTUAL ATTENDANCE

Virtual visitors have continued to increase at the Smithsonian's web sites, including the main web site ([www.si.edu](http://www.si.edu)) and the more than 70 other Smithsonian museum, zoo, and exhibit-specific web sites. Visitor sessions during the most recent six-month period topped 28.5 million; significantly surpassing the 21.6 million web visitors recorded in the corresponding six-month period of last year.

- Most recently, the Smithsonian main portal underwent redesign and deployment, although the effect on visitor statistics has yet to be determined. Hopefully, a global effect on all the Smithsonian web sites will be seen as this portal facilitates navigating the vast and ever increasing online resources of the Institution. The top tier pages include a highlights section that draws together information from the Institution's museums, libraries, archives, research facilities, the Zoo, and national programs. In the "Explore and Learn" area, visitors can explore online over 400 exhibitions and resources by topic – Art & Design, History & Culture, and Science & Technology.
- The Hirshhorn's redesigned web site ([www.hirshhorn.si.edu](http://www.hirshhorn.si.edu)) garnered a "gold" Muse Award from the Media and Technology Committee of the American Association of Museums in the category of "Collection Database or Reference Resource" for its innovative integration of information from the Museum's collection database into many facets of the web site. Visitors can now browse a collection of over 10,000 items online through a dynamic and intuitive interface.
- The National Museum of American History won a "gold" Muse Award in the "Best Online Exhibition" category for *A More Perfect Union: Japanese Americans and the U.S. Constitution*. The Museum also won a silver Muse Award for its *History Wired: A Few of Our Favorite Things* web site in the category of "Best Innovative and Experimental Application."
- The Smithsonian Institution Traveling Exhibition Service launched its new web site ([www.sites.si.edu](http://www.sites.si.edu)), which is designed to help exhibitors make selections and arrange bookings.
- For the second year in a row, The Smithsonian Associates (TSA) web site, [SmithsonianStudyTours.org](http://SmithsonianStudyTours.org), was awarded the "Best of the Web" designation under both the Cultural Tours and Nature Tours categories in the *Forbes* magazine *Best of the Web Travel Directory*. Web traffic to the major TSA web sites was up during the 3rd quarter of fiscal year 2002 as compared with the same period last year: visitor sessions increased 155% for [SmithsonianStudyTours.org](http://SmithsonianStudyTours.org), 93% for [CivilWarStudies.org](http://CivilWarStudies.org), 82% for Online Learning Programs, and 70% for [ResidentAssociates.org](http://ResidentAssociates.org).
- In May, Smithsonian Institution Libraries (SIL) launched an innovative web-based program, dubbed "SIL On Display." Similar to its digital edition initiative, the program brings rarely seen books and manuscripts that are usually confined to climate-controlled environment, to a wider audience. "SIL On Display" gives a wide array of SIL staff the opportunity to share their abundant knowledge about the collections they work with and steward.
- The Archives of American Art continued its digitization initiatives including the use of Encoded Archival Description (EAD) to provide online access to the Archives' finding aids to collections. Forty-three detailed finding aids are now available on its web site.

## EXHIBITION HIGHLIGHTS

The Smithsonian Folklife Festival, *The Silk Road: Connecting Cultures, Creating Trust*, opened the morning of June 26 with the Aga Khan, Secretary of State Colin Powell, Senators Ted Kennedy

and Sam Brownback, and Secretary Small attempting, along with the audience, to learn Mongolian throat singing. The ten days on the National Mall that followed were extraordinary by any measure. More than 1.3 million visitors braved the hot humid weather to watch Syrian and Uzbek weavers, meet Kazak nomads, listen to Tajik musicians, follow along with Chinese story tellers, step inside an elaborately painted Pakistani truck, view the extraordinary scenography of India's Rajeev Sethi, and catch a free concert with Yo-Yo Ma and his magnificent Silk Road Ensemble. Random surveys found that visitors thought this the best Festival ever in its 36-year history. Sales of Turkish ceramics, Indian textiles, Turkmen carpets, Japanese paper, Uyghur calligraphy, and Central Asian recordings broke previous records. Outstanding media coverage and word of mouth drove an estimated 1.3 million visitors to the Mall; some 40,000 children picked up Festival passports to guide their journeys of discovery. To a Washington tentative about public gatherings, the Festival was a clear affirmation of the right and desire to assemble for the purposes of civic expression and enjoyment.



People learned more than a history lesson about the Silk Road of old and how it tied together various Asian and European societies through a network of trade in luxury goods and ideas. The aim of the Festival program was to have visitors learn about the Silk Road region – particularly Central Asia – and its connections to American life. Important as this may have been during the three years of planning, it assumed added significance after September 11th. The Festival helped Americans understand the cultures, histories, and traditions of the people living in the "stans" and in other nations prominent in the daily news. Three hundred seventy five artists, cooks, musicians and presenters – among them Muslims, Christians, Hindus, Buddhists, Taoists, Shintoists, Jews, and Sikhs, drawn from more than two dozen nations, speaking more than 30 languages – were the teachers. Over five dozen European, Asian and American anthropologists, ethnomusicologists, folklorists and other scholars helped frame the presentations.

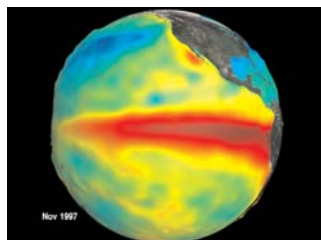
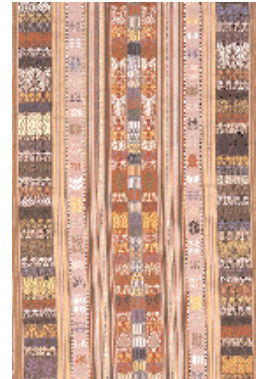
This year's Folklife Festival owes its success to the inspiration of Yo-Yo Ma, the support of the Aga Khan, the golden eye of designer Rajeev Sethi, the scholarship of Henry Glassie and Alma Kunyabay, the curatorship of Richard Kennedy and Ted Levin, the festival direction of Diana Parker, and the incredibly hard work of the Silk Road Project, the Asian Heritage Foundation, and the Smithsonian staff. The production was itself a Silk Road story, its creation encompassing those of varied faiths and backgrounds. For a few moments, Washington was a rest stop – an oasis on the Silk Road.



*The Adventures of Hamza* opened at the Arthur M. Sackler Gallery on June 26. *The Washington Post* art critic Blake Gopnik wrote in his review that some day museum goers will rank the Hamzanama with such masterpieces as the Mona Lisa, the Mask of Tutankhamen, the Sistine ceiling, and van Gogh's "Starry Night" if the "breathtaking, groundbreaking show at the Smithsonian's Sackler Gallery has the ripple effect it ought to." The exhibition is the first to examine in-depth one of the most unusual and important works made during the Mughal dynasty (1526-1858). Commissioned by the teenaged emperor Akbar (r. 1556-1605) in India, the Hamzanama originally contained 1,400 large-scale paintings that depict fantastic tales of the

exploits of Hamza, uncle of the Prophet Muhammad. Sixty-one of the best folios to survive are presented in this exhibition.

The National Museum of African Art (NMAfA) opened *Gifts and Blessings: The Textile Arts of Madagascar* in April. The exhibition of stunning 19th and 20th century textiles of woven silk, bark, reed, cotton, and raffia fibers examines historic and contemporary textile production in Madagascar and the role of textiles as gifts bestowed to forge local and international relations. It features two important silk cloths from the collection of the National Museum of Natural History that were given as diplomatic gifts to U.S. President Grover Cleveland in 1886 by Malagasy Queen Ranavalona III. A selection of silk wrappers, prestige cloths, fashions, and fiber arts that illustrates the dynamism of contemporary cloth production in Madagascar were field-collected for the exhibition by NMAfA. A scholarly publication, *Objects as Envoys: Cloth, Imagery and Diplomacy in Madagascar*, published by NMAfA and the University of Washington Press accompanies the exhibition.



*El Niño's Powerful Reach* opened at the National Museum of Natural History in July. The exhibition uses the El Niño weather phenomenon to demonstrate the dynamic interrelations among the Earth's four components - the geosphere (land), the atmosphere (air), the hydrosphere (water and ice), and the biosphere (life) - and the effects of these components felt around the world. The exhibition features weekly updates of an El Niño "watch" and ancient Peruvian artifacts that illustrate the far-reaching effects of El Niño. The colorful image of the earth at left shows El Niño at peak. The eastern Pacific is abnormally warm, shown by the red area.

*An Odyssey in Print: Adventures in Smithsonian Libraries* opened in the Smithsonian Libraries Gallery, located in the National Museum of American History, Behring Center, in May. On display are more than 100 examples of the Libraries' most visually alluring and historically valuable works, organized in three segments: "Journeys Over Land and Sea," "Journeys of the Mind," and "Journeys of the Imagination." Smithsonian Institution Press released the award-winning book of the same title in May. Perhaps more than any previous SIL publication, it celebrates the breadth and quality of the SIL collection, demonstrating that it spans centuries, straddles many fields of study, and offers a survey of the great minds and spirits of both the Western and Non-Western worlds.



At the May 15 *Odyssey in Print* opening reception, Smithsonian Secretary Lawrence Small and Libraries' Director Nancy E. Gwinn contemplate a scientific text written by James Smithson.



*Open City: Street Photographs since 1950* opened at the Hirshhorn Museum and Sculpture Garden in June. The exhibition, which includes more than 100 photographs by 19 international artists, was co-curated by Hirshhorn chief curator Kerry Brougner. Charting the street as a theater of human activity, *Open City* begins with the raw, edgy imagery of the 1950s and '60s and ends with contemporary views influenced by advertising, fashion, and cinema. The show received rave reviews in both *The Washington Post* and *The Washington Times* its opening weekend and was featured on the *Newshour with Jim Lehrer*. The Hirshhorn is the final and only American venue for the exhibition, which was also on view in England and Spain.



In April, *Booming Out: Mohawk Ironworkers Build New York* opened at the National Museum of the American Indian, George Gustav Heye Center. The photography exhibition portrays the history, contemporary lives, and achievements of Mohawk ironworkers from the Kahnawake and Akwesasne Mohawk communities.

The exhibition *New York, September 11 by Magnum Photographers* in the Arts and Industries Building during May and June, presented photographs by a group of 11 photographers renowned for their work photographing warfare, violence, and turmoil around the globe. Photographs in two sections reflected the individual photographers response to the attack and memorialized the World Trade Towers in Manhattan. An American flag found in the rubble of the twin World Trade Towers was also on view. Visitor reaction to this exhibit was extraordinary – the atmosphere around the exhibit was like that of a religious sanctuary. The exhibit gave visitors the chance to really look at the devastation and grasp the enormity of it in a much different way than watching fleeting TV images.

Three other exhibitions that opened this spring in the Arts and Industry Building illustrate the diversity of that venue's public offerings:

*Chicano Visions: American Painters on the Verge* reflects the depth and multifaceted nature of the country's fastest-growing community. It is made up 70 works by more than 20 Chicano artists, many from the private art collection of actor Cheech Marin.



*History Through Deaf Eyes*, produced by Gallaudet University and presented by the Smithsonian's Accessibility Program, places the social history of deaf Americans within the broader context of American history. Objects and images collected by individuals, organizations, and schools for deaf students, and from the National Museum of American History, are used to illustrate shared experiences of family life, education, and work.

*Kaho'olawe: Rebirth of a Sacred Hawaiian Island*, produced by the Bishop Museum and presented by the Smithsonian's Asian Pacific American Program, explores the culture, spiritual practices, and political aspirations of Native Hawaiians by focusing on the history of the Hawaiian Island of Kaho'olawe.



*Marcel Breuer: A Centennial Celebration* opened in the Archives of American Art's New York Gallery Space on April 5. The exhibition, which “scored heavily on the New York art scene,” includes letters, photographs, and writings, and documents Breuer's career as one of the most important designers and architects of the twentieth century. The Archives recently completed the processing of the Breuer papers and will soon publish *A Finding Aid to the Marcel Breuer Papers, 1920-1986*. The Office of Exhibits Central provided the exhibition design and script editing.

*SKIN: Surface, Substance, and Design* opened at the Cooper-Hewitt, National Design Museum in May. *SKIN* highlights the responses of designers from around the world to a culture obsessed with physical appearance and transformed by biotechnology. Reflecting the convergence of natural and artificial life, *SKIN* demonstrates how designers today manipulate the relationship between the inside and outside of objects, garments, and buildings to create surfaces that both reveal and con-

ceal: skins that have depth, complexity, and their own behaviors and identities. The exhibition focuses on works designed from 1997 to the present, and features products, fashion, furniture, architecture, and media that are expanding the conventional definition of surface.

***Hovercraft***, an exhibition about Alaska Hovercraft mail delivery to seven villages in southwestern Alaska, opened at the National Postal Museum in June. The exhibit features a scale model of the hovercraft as well as a video introduction by Senator Ted Stevens. Because there are no roads connecting the villages to allow surface transport of parcel post, hovercraft are used to provide reliable year-round service over ice in winter and on the river in summer.

***At the Controls***, a new exhibition at the National Air and Space Museum, features large-format color photographs of the cockpits of airplanes and spacecraft from NASM's world-renowned collection. Included are cockpits from the Wright 1903 Flyer, Ryan NYP Spirit of St. Louis, Grumman F4F-4 Wildcat, Supermarine Spitfire Mark VII, and the Space Shuttle Columbia. These compelling images let viewers imagine what it might be like to sit in the cockpits of these historic aircraft.



## NATIONAL OUTREACH

In the 3rd quarter of fiscal year 2002, the Office of National Programs and its four units - Smithsonian Affiliations, Smithsonian Institution Traveling Exhibition Service, Smithsonian Center for Education and Museum Studies, and The Smithsonian Associates - continued their efforts to expand the Smithsonian's presence across America. National Programs' units organized an exciting variety of public programs, traveling exhibitions, teacher training workshops, and new affiliations. third quarter activities brought the nine-month total for fiscal year 2002 to 1,528 activities in all - enabling the Smithsonian to reach audiences in 47 states, the District of Columbia, Puerto Rico, and Panama.

**Smithsonian Affiliations:** Eleven new organizations became affiliates during the third quarter, bringing the overall totals to 110 affiliates in 34 states, the District of Columbia, Puerto Rico, and Panama. New affiliates are: the African American Museum (Dallas, Texas); the Durham Western Heritage Museum (Omaha, Nebraska); the Las Vegas Natural History Museum (Las Vegas, Nevada); the Louisiana State Exhibit Museum (Shreveport, Louisiana); the Lowell National Historical Park (Lowell, Massachusetts); the National D-Day Museum (New Orleans, Louisiana); The National Mississippi River Museum and Aquarium (Dubuque, Iowa); the North Carolina Transportation Museum (Spencer, North Carolina); The Pinhead Institute (Telluride, Colorado); Repertorio Español (New York, New York); and the York County Culture and Heritage Commission (Rock Hill, South Carolina).

The Dr. Samuel D. Harris National Museum of Dentistry (Baltimore, Maryland) implemented its affiliation in June with a loan from the National Museum of American History of several historical artifacts pertaining to the history of dentistry, bringing the total number of fully implemented affiliates to 34 (or 31%) out of 110.

The fourth annual Smithsonian Affiliations National Conference was held on June 10-12. A special evening reception featured The American Association of Retired Persons' (AARP) announcement of its generous gift of \$300,000 in support of the Smithsonian Affiliations Cultural Alliance Initiative, dedicated to creating exhibition, training and programmatic endeavors with multicultural perspectives. Seven senators and 25 members of Congress attended the Congressional Reception at the United States Botanic Garden.

**The Smithsonian Associates (TSA):** In the third quarter of fiscal year 2002, TSA created 320 different educational programs designed to reach learners of all ages: 298 programs occurred in 22 states and the District of Columbia, and 22 international tours visited countries around the world.

TSA's Regional Events program visited six states during this period, to present Smithsonian lectures in schools and public venues. In May, for example, TSA's "Scholars in the Schools" program brought three Smithsonian experts in the fields of marine biology, forensic anthropology, and musical theater to the Tucson Unified School District, an affiliate.

Among the 46 U.S. and international study tours and seminars, TSA offered its first program focusing completely on Romania. Other Associate travelers met cutting edge astronomers and learned about large new telescopes and space-based astronomy at the Smithsonian Astrophysical Observatory in Tucson.

**The Smithsonian Institution Traveling Exhibition Service (SITES):** The final U.S. showing of *Star Wars: The Magic of Myth* took place at the Brooklyn Museum of Art. Extensive press and media coverage included the *Associated Press*, *The New York Times*, *The Wall Street Journal*, *CBS Early Show*, and *The Learning Channel*.



Senator Thad Cochran congratulates a *Produce for Victory* honoree at 4th of July ceremony in Meridian, Mississippi

The SITES exhibition *Produce for Victory: Posters on the American Home Front, 1941-45*, was the focus of Fourth of July activities in Meridian, Mississippi. "Home Front Heroes," selected from the seven rural communities that hosted the Museum on Main Street tour, were honored by Senator Thad Cochran, with citations that read: "The Smithsonian Institution Joins the Nation in Remembering with Gratitude your Contributions as a Home Front Hero." Those honored ranged in age from 82 to 89, and included Ethel Kelly, the original "Rosie the Riveter," who worked the four-to-midnight shift at Lockheed repairing wing sections of fighter planes during the war.

*Corridos sin Fronteras* opened to great fanfare at the Mexican Heritage Corporation, a Smithsonian affiliate in San Jose, California on May 15.

The opening events featured a VIP gala dinner and a concert by the Grammy Award-winning *corrido* group, Los Tigres del Norte.

With the Office of Government Relations, SITES co-hosted a private viewing and book signing at the National Air and Space Museum of *At the Controls* for Rep. Sam Johnson, a Smithsonian Regent and former fighter pilot. He and NASM Deputy Director Don Lopez reminisced about the many planes they had flown, which are depicted in the exhibition's compelling cockpit images.

**Smithsonian Center for Education and Museum Studies (SCEMS):** SCEMS published two new, comprehensive guides that will bring Smithsonian educational resources and web sites into classrooms across the country: *The Educator's Guide to Smithsonian Websites* and *The Educator's Guide to Smithsonian Publications*. Together, they list more than 500 Smithsonian books, teaching kits, videos, recordings, activities, and web sites that teachers can use in their classrooms.

On May 17, SCEMS hosted its first national Smithsonian Teachers' Night with concurrent events at the Smithsonian Astrophysical Observatory in Boston; the Charles H. Wright Museum of African American History in





Detroit; the Museum of Fine Arts, Houston; The Presidio Trust in San Francisco; and the National Museum of Natural History in Washington, D.C. Participants included 28 Smithsonian units and 31 other museums and education organizations, including the U.S. Department of Education, the National Writing Project, the National Gallery of Art, and the College Board. In all, Smithsonian Teachers' Night gave more than 2,000 educators across the country the opportunity to learn about museums and their educational resources. The events were made possible by support from financial services organization Teachers Insurance and Annuity Association–College Retirement Equities Fund (TIAA-CREF).

### OTHER TRAVELING EXHIBITIONS



The National Portrait Gallery has had an outstanding quarter of traveling exhibitions including *George Washington: A National Treasure*, the eight-stop nationwide tour of the famous "Lansdowne" portrait of George Washington by Gilbert Stuart, as well as the opening in June of *American Women: A Selection from the National Portrait Gallery* in the International Gallery on the Mall. The portraits of notable American women depict their vast range of individual accomplishments. The pieces date from colonial times to the modern day, and include a variety of media including oils, sculpture, photographs, and prints.

*Treasures to Go*, the ambitious art tour of eight traveling exhibitions mounted by the Smithsonian American Art Museum (SAAM), continued to crisscross the nation with the support of the Principal Financial Group®. *Treasures to Go* visited 13 museums in 11 states from April 1 to June 30. Total attendance was exceptionally high due to a significant increase in visitors to the *Lure of the West* exhibition, on view in Utah during the Salt Lake City Olympics.

### SMITHSONIAN EVENTS

The Cooper-Hewitt, National Design Museum has unearthed among its treasures an unsigned drawing by Michelangelo. Sir Timothy Clifford, Director of the National Galleries of Scotland, Edinburgh, discovered the drawing in April when he was sifting through a box containing light fixture designs by unknown artists during a sabbatical visit to the Cooper-Hewitt. Scholars in the field have unanimously verified the authenticity of this rare and magnificent find. The black chalk, brush and brown wash drawing on cream lined paper, one of the very few by Michelangelo known to reside in public or private collections in the United States, measures 17 1/16 by 10 inches and is in pristine condition. The last known discovery in the United States of a Michelangelo drawing was in 1976, when a work in the Metropolitan Museum of Art collection was attributed to the great master. Art dealer Richard Feigen estimates the value of the Cooper-Hewitt object at \$10 to \$12 million.

The second annual Smithsonian Botanical Symposium, The Convention on Biological Diversity: The Globalization of Natural History Science, was held at the National Museum of Natural History in April. The two-day symposium included an evening keynote address by the Honorable Bruce Babbitt, former Secretary of the U.S. Department of the Interior, and had 180 registrants, including representatives from at least seven foreign countries. With the visibility generated by this symposium, NMNH is assuming a leadership role in calling for global cooperation among scientists to share biodiversity information.

On May 23, the National Air and Space Museum presented the Charles A. Lindbergh Memorial Lecture celebrating the 75th anniversary of Lindbergh's historic Atlantic flight from New York to Paris. Reeve Lindbergh, his daughter, addressed a full theater of about 500 guests and touched the hearts of all with her reflections and reminiscences on the accomplishments of her father.

## FOCUSED, FIRST-CLASS SCIENCE

### SCIENCE RESEARCH FUNDING STUDY

Early in 2002, the Office of Management and Budget (OMB) requested that the Smithsonian contract with the National Academy of Sciences (NAS) and National Academy of Public Administration (NAPA) to assess whether the Institution should substantially increase the degree to which it competes for its scientific research funding and lessen its reliance on direct, annual Federal appropriations. On July 10, the two organizations gave a status report of their activities to Smithsonian representatives, the Smithsonian's Science Commission (represented by Jeremy Sabloff), OMB, and the White House Office of Science and Technology Policy (OSTP).

NAS held its first meeting on May 27. Three subcommittees were formed and met May 28: astronomers for the Smithsonian Astrophysical Observatory; ecologists, environmental scientists, and zoologists for the Smithsonian Environmental Research Center, the Smithsonian Tropical Research Institute, and the National Zoological Park and Conservation Research Center; and museum and materials research scientists for the National Museum of Natural History and the Smithsonian Center for Materials Research and Education. NAS is on track to deliver its final report to NAPA by mid-September.

NAPA held its first meeting June 6, and a second teleconference on July 12. Data gathering has been broad, from Smithsonian central offices, research units, scientific staff, OSTP, and OMB, as well as other comparable Federal and non-government research organizations. Discussions have also been held with staff of the American Association of Museums and the Congress. NAPA expects to provide a consolidated report to the Science Commission by the end of October so that the Commission can give its final recommendations to the Secretary and Regents in December.

### SCIENTIFIC ACHIEVEMENTS

#### *National Museum of Natural History*

- Recent field work on Kilauea Volcano, Hawaii, indicates that the volcano erupts more frequently and energetically than previously thought and is thus far more dangerous. Richard Fiske and Tim Rose rediscovered ash layers indicating that the volcano's caldera formed between 400 and 650 years ago, and that past eruptions propelled baseball-sized rocks as much as 10 kilometers from the volcano's summit.
- On May 13, Carolyn Rose, past Chair of the Department of Anthropology, was awarded the George Washington University President's Medal for her seminal role in conservation science, ethnographic conservation, and the establishment of the University's Museum Studies program. Previous recipients of the award include Abba Eban, Walter Cronkite, Victor Borge, and Mikhail Gorbachev.

#### *National Zoological Park*

- JoGayle Howard, reproductive physiologist at the Conservation and Research Center (CRC), and a team of reproductive biologists, veterinarians, and animal managers produced the 100th black-footed ferret by artificial insemination. The black-footed ferret, once the most endangered mammal in all of North America, has made a remarkable recovery, in part, due to the natural and assisted breeding activities of National Zoo scientists. The CRC has been involved in the conservation program since the mid-1980s when the last 18 surviving black-footed ferrets were discovered in Wyoming.

- Susan Lumpkin and John Seidensticker published *The Smithsonian Book of Giant Pandas* in May. The Smithsonian Institution Press published the illustrated volume, which features the natural history of the panda and the worldwide conservation efforts being made on behalf of the panda species.

#### ***Smithsonian Astrophysical Observatory (SAO)***

- The National Aeronautics and Space Administration's Comet Nucleus Tour (CONTOUR) science mission was launched in July. Dr. Fred L. Whipple, an earthbound member of the CONTOUR team, at age 95, is the oldest-ever member of a space mission science team. Namesake of the SAO Whipple Observatory in Arizona, Dr. Whipple is a former Director of SAO. He originated the "dirty snowball" model of comet structure in 1950 and theorized that comets were solid chunks of ice with dust and rocky particles mixed in.

#### ***Smithsonian Center for Materials Research and Education (SCMRE)***

- SCMRE research on the long term chemical stability of cellulose in paper showed that samples of newsprint (woodpulp) paper, considered especially unstable, which had been stored at the Museum Support Center over 15 years, had suffered little or no noticeable cellulose degradation over that period. Extension of this research to a wide range of book paper samples (including earlier rag papers) over a time span of several hundred years is ongoing. A paper on accelerated aging of paper was presented at a meeting of the American Chemical Society.

#### ***Smithsonian Environmental Research Center (SERC)***

- SERC successfully produced the Electronic Field Trip *Where the River Meets the Sea* that included two live interactive video broadcasts of 90 minutes each. The satellite transmissions reached 12 million school children across the country. The Electronic Field Trip involved close partnership with Ball State University, Schenectady City School District, Washington, DC schools, and SERC. Best Buy Corporation underwrote the production.

#### ***Smithsonian Tropical Research Institute (STRI)***

- The National Geographic Channel featured work at STRI as part of a week of National Geographic Today special reports on Panama. Leaf cutting ants in Gamboa, migrating butterflies on Gatun Lake, elusive ocelots on Barro Colorado, genetic research at Gamboa and Naos and an interview with Acting Director Cristian Samper made the final cut. The segment, first aired on June 5, reached an estimated audience of 30 million U.S. viewers. National Geographic also presented two longer documentaries filmed at STRI, "Panama Wild" and "Beeman," as part of their June programming.

## **MANAGEMENT EXCELLENCE**

### **SMITHSONIAN MANAGEMENT**

Several new outstanding leaders have joined the Smithsonian while other staff have departed from the Institution during the third quarter of fiscal year 2002.

- David L. Evans, formerly the Assistant Administrator for Research at the National Oceanic and Atmospheric Administration, will become Under Secretary for Science at the Smithsonian starting September 9. He fills the slot left by J. Dennis O'Connor who, as of May 31, became Vice President for Research and Dean of Graduate Studies at the University of Maryland. Irwin I. Shapiro was appointed as Interim Under Secretary for Science, but continued to serve as Director of the Smithsonian Astrophysical Observatory, a position he has held since 1983.

- Douglas H. Erwin was named Interim Director of the National Museum of Natural History effective June 10. Erwin is Chairman and Curator in the Museum's Department of Paleobiology.
- Rosalyn Walker, Director of the National Museum of African Art, retired effective June 28 for health reasons. Walker served at the Museum for 21 years, the last five as Director.
- Virginia B. Clark was appointed as Director of External Affairs; she will oversee the Office of Development and the Office of Sponsored Projects. Clark has been in the professional development field for 24 years at the University of Pennsylvania, rising to the top slot in fund raising there as Vice President for Development and Alumni Relations. Previously she had been Associate Dean for External Affairs at the Wharton School.
- Evelyn S. Lieberman was named Director of Communications and Public Affairs; she began work here July 1. Her former positions include Under Secretary of State for Public Diplomacy and Public Affairs, Director of the Voice of America, and senior official in the White House.
- J.J. McLaughlin was appointed as Director of the Office of Protection Services. McLaughlin was Deputy Director of that office since 1998. Before joining the Smithsonian, he served for 28 years with the U.S. Park Police.
- Don Fehr was appointed as Director of Smithsonian Institution Press effective July 8. Fehr's career in publishing includes posts as Publishing Director of The Perseus Press, and Senior Editor at Viking Penguin, Addison Wesley, and Atheneum. He succeeds Peter F. Cannell, who worked at Smithsonian Press since 1988 and served as Director for five years before his death on May 18.

#### **INFORMATION TECHNOLOGY UPDATE**

The Enterprise Resource Planning "ERP" project, an initiative to integrate financial and human resources information technology management, is well under way. Three workgroups - General Ledger, Accounts Payable, and Purchasing - were formed to implement the software used remotely by those offices. The workgroups and the Financial Management Steering Committee, chaired by the Chief Financial Officer, have been meeting regularly since last September. The General Ledger workgroup has defined a new Chart of Accounts and the Chief Financial Officer has defined new program codes.

The PeopleSoft production software has already been installed. The first phase of the project was piloted in the National Air and Space Museum in mid-July. User training will begin in early September. The first phase of the ERP system will be deployed throughout the Institution by October 1, 2002.

#### **STRATEGIC PLAN AND PERFORMANCE MEASUREMENT**

The Smithsonian has put in place a Strategic Plan for fiscal years 2003 to 2007, and has taken major steps to respond to the President's initiative on integrating budget and performance information. For the first time, the Institution developed its fiscal year 2004 budget request by requiring all units to link their budget information to the Institution's strategic plan goals, and draft performance plan objectives. The fiscal year 2003 performance plan will be finalized after an Institution-wide review involving all museums, research institutes, and offices. This plan, the first such comprehensive Institution-wide plan developed, will be implemented on October 1, 2002, and will include the first round of systematic performance data collection, measurement, and reporting.

## MAJOR PROJECTS

In this section, a regular feature of the Secretary's report to the Regents, readers are informed of the progress of the Institution's major construction and refurbishment projects.

PROJECT	PROJECT STATUS
<p><b>Patent Office Building (POB)</b>  <b>382,000 sq. ft.</b>  <b>\$216.0 million total estimated cost</b></p>	<ul style="list-style-type: none"> <li>• Project includes renewal of the 166-year-old building, a 350-seat auditorium, open labs and storage areas, and a glass enclosed courtyard.</li> <li>• Contract for non-historic and hazardous material removal and preservation of historic fabric is close to 90% complete and is projected for completion in September 2002.</li> <li>• Replacement of the windows and cleaning/repairing of the stone façade of the building is almost 20% complete; work to be finished by April 2003.</li> <li>• 100% design drawings for the renovation project were presented to the Smithsonian in August. RFP to be issued in September with contract award in the second quarter of 2003.</li> <li>• \$48.6 million in Federal funds provided to date, FY 2003 request of \$25 million included in both House and Senate bills. The request for FY 2004 will be \$48 million.</li> <li>• Design competition for courtyard enclosure scheduled for the fall.</li> </ul>
<p><b>National Museum of the American Indian Mall Museum</b>  <b>454,000 gross sq. ft.</b>  <b>\$219.3 million total estimated cost</b></p>	<ul style="list-style-type: none"> <li>• Funds have been obligated for the foundation, core structure, enclosing the building, purchase of mechanical and electrical equipment, and build-out of the basement, ground and second floors.</li> <li>• Building is 25% complete; basement, first, second and third floor concrete complete; installation of major duct runs, chilled water mains and electrical conduit racks under way in basement; on time and on budget.</li> <li>• Program planning has begun; films and multi-media presentations in planning or pre-production and permanent exhibits have completed design development.</li> <li>• \$103.3 million in Federal funds provided to date, FY 2003 request of \$10 million. House bill includes that request; Senate bill has \$20 million.</li> <li>• \$66.3 million has been raised from private sources for the construction.</li> </ul>
<p><b>National Air and Space Museum's Steven F. Udvar-Hazy Center</b>  <b>761,000 sq. ft.</b>  <b>\$309 million total estimated cost</b></p>	<ul style="list-style-type: none"> <li>• Funds have been obligated for the aviation hangar, space hangar, public amenities, central utility plant, and other site-related work.</li> <li>• Parking lot work is progressing and Virginia has awarded the contract for the Route 28 interchange providing access to the Center.</li> <li>• Project is 50% complete with aviation hangar trusses in place, roofing complete, hangar doors framed, and glass being installed on time and within budget.</li> <li>• 72 aeronautical and 13 space artifacts ready, films and other public programming in final design or production.</li> <li>• To date, \$216 million has been raised from private sources, the Commonwealth of Virginia, and local governments.</li> </ul>
<p><b>National Museum of American History, Behring Center</b>  <b>250,000 sq. ft.</b>  <b>\$200.0 million total estimated cost</b></p>	<ul style="list-style-type: none"> <li>• The National Museum of American History, Behring Center is in the early stages of renovation/renewal.</li> <li>• A number of large gifts and agreements permit planning for several exciting exhibits as well as for the extensive renovation of the building. <ul style="list-style-type: none"> <li>&gt; <i>Public Space Renewal.</i> Contract issued to Skidmore, Owings and Merrill for initial design concepts, due October 2002.</li> <li>&gt; <i>America on the Move.</i> Hall of Transportation is closed, with most artifacts removed. 95% Exhibit Design due in September. Script has been reviewed. Demo and construction contract out for bid. Fabrication contract to be bid from 95% design in late September.</li> <li>&gt; <i>The Price of Freedom.</i> Design contract issued in August with completion planned for November 2004. Removal of artifacts will be phased to allow several exhibitions to remain pending construction.</li> <li>&gt; <i>For Which it Stands.</i> Star-Spangled Banner preservation is underway. A design contract for the flag exhibit is to be issued in September with completion of the design scheduled for December 2003.</li> </ul> </li> </ul>

## FINANCIAL STRENGTH

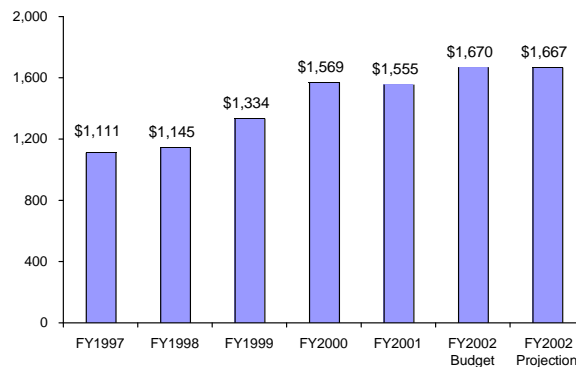
With three-quarters of fiscal year 2002 completed, the Smithsonian Institution is generally on track to meet its projections for financial performance. Despite double-digit declines in both museum visitation and the stock market in fiscal year 2002, the Institution expects to increase its net worth as budgeted.

### FINANCIAL POSITION

The financial strength of the Smithsonian Institution is affected directly by the strength of the overall economy and museum visitation. Nationwide, the economic recovery has been slow and halting, uncertain at best. The recent drop in consumer confidence together with the drop in the stock market has taken a toll on tourism, which has never fully rebounded from the domestic terrorism events in the fall of 2001. Reported museum visitation at the Smithsonian Institution is down 31% from the prior year for the ten-month period October 2001 through July 2002.

The net assets (or net worth) of the Smithsonian reflects the combined value of the Institution's endowment, investments, buildings and equipment, and outstanding pledges minus its liabilities. The historic pattern of growth in the Institution's net assets includes a projection of growth for fiscal year 2002.

**Smithsonian Institution Growth in Net Assets**  
(\$ millions)



*The Smithsonian Institution's net assets are projected to grow in fiscal year 2002 by 7% or \$112 million, essentially as budgeted, from \$1.555 billion in fiscal year 2001 to \$1.667 billion in fiscal year 2002.*

The fiscal year 2002 budget anticipated a less robust fund raising environment overall, a modest improvement in the stock market, and a continuation of Federal investment in physical assets compared with the prior year. With three-quarters of fiscal year 2002 completed, the Institution continues to project that net assets will increase by 7% or \$112 million. This projection largely reflects an increase in private contributions, primarily for NASM's Udvar-Hazy Center at Dulles and the NMAI Mall Museum, and Federal support, primarily for the Patent Office Building and for the Institution's facilities capital program, all of which offsets a smaller than budgeted return on the endowment.

## Smithsonian Institution Financial Position

(\$ millions)

	FY 2002 Budget	FY 2002 Projection	Variance FY 2002 Projection to FY 2002 Budget Increase/(Decrease)
Federal Deposits	245	245	0
Endowment	641	631	(10)
Other Investments	110	110	0
Smithsonian Buildings and Equipment	862	870	8
Outstanding Pledges	238	238	0
Other	109	113	4
<b>Total Assets</b>	<b>2,205</b>	<b>2207</b>	<b>2</b>
<b>Liabilities</b>	<b>535</b>	<b>540</b>	<b>5</b>
<b>Net Assets</b>	<b>1,670</b>	<b>1,667</b>	<b>(3)</b>
<b>Total Liabilities and Net Assets</b>	<b>2,205</b>	<b>2207</b>	<b>2</b>

*For fiscal year 2002, the Smithsonian Institution projects an increase in net assets of \$112 million to a total of \$1.667 billion, a negative variance of \$3 million from the increase budgeted. A smaller than budgeted return on the endowment is largely offset by an increase in the valuation of Smithsonian buildings and equipment, because of continued Federal and private sector support for facilities capital initiatives.*

### FISCAL YEARS 2002 AND 2003 SOURCES AND USES OF FUNDS

In light of the economic recession and weak recovery, the fiscal year 2002 financial picture for the Smithsonian is mixed. Unanticipated growth in funding from the National Air and Space Administration (NASA) for activities at the Smithsonian's Astrophysical Observatory (SAO) and continued philanthropic support of the Institution, together with the swift actions taken by the Institution's management to cut Trust fund expenses in fiscal year 2002, have contributed to a projected year-end operating surplus of \$1 million.

With three quarters of the fiscal year complete, projections indicate that the combination of private contributions and Federal support for the facilities capital program will offset the smaller return on the endowment in fiscal year 2002, generating a projected year-end non-operating surplus of \$111 million. The net assets of the Institution are projected to increase by \$112 million, nearly the amount budgeted.

For the immediate future, the challenge for the Smithsonian Institution continues to be the cost of maintaining the aging building stock, upgrading exhibitions and administrative and financial systems, and investing in human resources.

**Smithsonian Institution Annual Financial Activity**  
(\$ millions)

	FY2002 Budget	FY2002 Projection	Variance FY2002 Budget to Projection Better/(Worse)
Total Operating Sources	630	648	18
Total Operating Expenses	623	647	(24)
Operating Surplus	7	1	(6)
Total Non-operating Surplus/(Deficit)	108	111	3
<b>Net Assets Increase/(Decrease)</b>	<b>115</b>	<b>112</b>	<b>(3)</b>

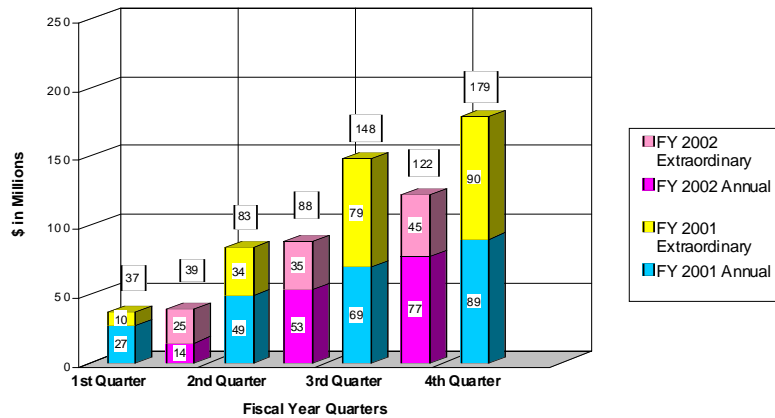
*With three-quarters of the fiscal year completed, the Institution is generally on track to meet its projections for financial performance for fiscal year 2002.*

**DEVELOPMENT**

As the Smithsonian entered the final quarter of fiscal year 2002, it recorded relatively strong giving activity from private philanthropy during the first three quarters. While total voluntary support and sponsorship commitments of \$122 million through June 2002 rank lower than the \$148 million achieved by the same time last year, fund raising is still strong, especially given the downturn of the economy and the stock market and the events of September 11, which affected philanthropic activity, as well as Smithsonian attendance and revenues. The Smithsonian is still on track in its major construction projects and efforts across the Institution to reinvigorate programs and services for 21st century audiences. In 2001, total private sector fund raising amounted to \$179 million. Equalling that total in 2002 will be challenging.

**Annual Giving and Extraordinary Gifts\*, Fiscal Years 2001 and 2002**

\*Extraordinary gifts are those of \$5 million or more.



*Columns reflect cumulative fund raising amounts*



One extraordinary gift was received this quarter from the Oneida Indian Nation of New York, which pledged \$10 million as a construction gift for the National Museum of the American Indian, currently under construction on the National Mall.

The following is a list of other major gifts received in the third quarter of fiscal year 2002:

- Charles and Valerie Diker gave \$1 million for renovation of the pavilion space at the National Museum of the American Indian's George Gustav Heye Center in New York City as an educational, programming, and exhibition space. The renovated space, to be called the Diker Arts and Cultural Gallery, expands by 30% the space available to the Museum for these activities. This naming opportunity was approved by the Regents in Executive Committee in January 2002.
- Charles Dern gave \$1.25 million in the form of an irrevocable living trust to the National Museum of Natural History toward the Museum's \$22.5 million Human Origins Initiative that will substantially advance and endow the research of Dr. Rick Potts and renovate the largest Anthropology hall at the Museum. To date, including the Dern gift, the Museum has raised \$3.7 million of that goal, including a \$2.5 million grant from the National Science Foundation.
- Dr. Herbert R. and Evelyn Axelrod pledged \$1 million as part of their ongoing support of the Herbert and Evelyn Axelrod Endowment at the National Museum of American History. The gift was made in the form of a challenge to the Friends of Music to raise the same amount for support of chamber music programs and education by the end of this calendar year.

In addition to these gifts, the Office of Development continues to rebuild a strong Planned Giving program that will significantly enhance the Smithsonian's long-term resource base as these gifts mature in the future. Begun in 1996, the program thus far has secured approximately \$8.6 million in charitable gift annuities. Departure of several staff members slowed the program's growth this past year, but, with renewed advertising in *Smithsonian Magazine* and ongoing filling of staff vacancies, as much as \$1.3 million in new gift annuities is anticipated for 2002, and the office plans to achieve a \$3 million annual level by 2004. The Planned Giving program will also continue to develop leads for gifts to the Smithsonian through bequests, charitable remainder trusts, and other planned giving vehicles.

In response to the dramatic downturn in income and attendance beginning last fall after the terrorist attacks, the Smithsonian sent out an urgent fund raising appeal letter from the Secretary. Coordinated through the Contributing Membership Program, the appeal was sent to more than 240,000 people, including a combination of pan-Institutional members, high level donors, and others with multiple affiliations with the Smithsonian. Mailed in December 2001 and January 2002, the appeal was extraordinarily successful, and follow-up to 400,000 people was sent in June 2002. By mid-August, the appeals together had netted just over \$1 million in unrestricted revenue for the Institution. The success of this project has encouraged the Secretary's office to establish the appeal as a regularly scheduled annual fund raising project, known as the "Secretary's Annual Fund." The appeals will be sent in November and February to a wide array of pan-Institutional constituents.

### **SMITHSONIAN BUSINESS VENTURES**

In the third quarter of fiscal year 2002, Smithsonian Business Ventures (SBV) contributed net gain of \$7.4 million, which was \$1 million greater than the budget for the quarter and \$1.5 million less than in the third quarter of last year. For the fiscal year to date (9 months), SBV net gain totaled \$13.4 million, \$2.3 million more than the budget, but \$6.9 million less than last year.

SBV is expected to produce a net gain of \$16 million in fiscal year 2002 despite the decline in museum visitation (fiscal year to date visitation is down 31% compared to last year, a steeper drop than was anticipated in the budget). Museum Retail Division sales (stores, restaurant and IMAX theaters) are down only 17% from last year. *Smithsonian Magazine's* year-to-date net gain is in line with budgeted expectations, although it is \$4 million below last year due to the continuing recession in the advertising market. During the third quarter, SBV recorded several accomplishments that not only enhanced current income, but positioned the business units to take advantage of a rebound in museum visitation:

- Opened a new concept restaurant at the National Air and Space Museum, featuring a wide range of foods under three separate brands of the McDonald's Corporation.
- Published the first edition of an advertiser-supported *Visitor Guide to the Smithsonian*, which is distributed free to visitors.
- Opened the Fossil Café in the National Museum of Natural History – the first quick service café located adjacent to an exhibit hall.
- Installed interactive flight simulators at the National Air and Space Museum, allowing visitors to experience the thrill of piloting jet aircraft.
- Upgraded and re-opened the Einstein Planetarium, with new full dome digital video projection and a new show, "Infinity Express." Planetarium attendance in May and June was up 30% over last year.

