

# Management's Discussion and Analysis FY 2008



#### A MESSAGE FROM THE SECRETARY

#### November 2008

The American people have great affection and high expectations for the Smithsonian Institution. The Smithsonian is steward to our nation's historic, scientific, artistic, and cultural heritage. Our collections, more than 137 million artifacts, works of art and scientific specimens, document our history and represent the natural and cultural diversity of our world. The Smithsonian protects our nation's treasures: moon rocks, tiny fossils, giant squid, the Hope Diamond, Gilbert Stuart's "Lansdowne" portrait of George Washington, the Star-Spangled Banner, the Wright Flyer and much more.

The Smithsonian aspires to tell our citizens the story of what it means to be an American. It is the principal repository of our nation's collective memory and a prime beacon of our hopes for the future. This great Institution seeks to educate, enlighten, and inspire each visitor every day.

Since it was founded in 1846 with the mission, "the increase and diffusion of knowledge," it has evolved to become the world's largest museum and research complex, providing transformative experiences for millions of visitors. Historian David McCullough once described the Smithsonian as a "storehouse of ideas." It is indeed that and much more. With 19 museums, numerous research centers, and the National Zoo, the Smithsonian is a leader in science, history, art, and culture. As an international institution, it offers the world a picture of America and America a picture of the world.

More than 24 million people from across the country and around the world came to the Smithsonian during the past year, and almost 173 million more visited our various websites. This past summer more than one million visitors enjoyed the 42nd annual Smithsonian Folklife Festival on the National Mall. We continue to reach out to more Americans through our Smithsonian Institution Traveling Exhibition Service, the largest touring exhibit program of its kind in the world. And we now have 162 affiliate museums in 40 states, plus Panama and Puerto Rico.

We recently opened Sant Ocean Hall at the National Museum of Natural History. This stunning exhibition will help visitors understand how important our ocean is to all life and what can be done to preserve it. The National Museum of American History will reopen this month with a new home for the Star-Spangled Banner and exhibitions that tell stories of our nation's struggles and triumphs. The Smithsonian Channel, which reaches millions of people, won its first Emmy Award earlier this year, the youngest network to win the award.

The world is rapidly changing in many ways — demographically, economically, and technologically — and the Smithsonian is looking to the future to continue to serve all its visitors. We've begun working on a new strategic plan for the Institution to assess our strengths and prepare for future challenges. We've instituted numerous governance reforms to ensure greater transparency and accountability to the public. With the support

of the administration and the Congress, the Institution will undertake larger initiatives — such as groups of researchers and educators involved in large-scale, multi-disciplinary projects, working across units and with outside partners, and which are supported by foundations, individuals, and corporations committed to addressing the critical challenges of our day. We are also continuing to expand our outreach efforts by digitizing our collections to make them more accessible to people around the world.

The Smithsonian is committed to raising private funds to leverage federal resources in furthering research and our mission. In fiscal year 2008, the Institution raised \$135 million in private contributions and \$125 million in competitive government grant and contract awards. Some of these funds were used to further important research projects, such as the Smithsonian Institution Global Earth Observatories and the *Encyclopedia of Life*. Looking forward to a national fund raising campaign, the Institution will be working hard to support its world-class research that addresses dire global challenges, such as climate change and loss of biodiversity.

As it expands and enhances its vital service to the public, the Smithsonian remains committed to its age-old mission, "the increase and diffusion of knowledge." The Smithsonian remains a unique public trust — committed to keeping the trust of the American people.

Despite the strength of the Institution, the Smithsonian faces significant challenges as it continues to serve the public with both engaging, modern exhibitions backed by authoritative scholarship, and groundbreaking research and exploration. By working with the Administration and the Congress, the Smithsonian will aggressively address these challenges and take full advantage of its many opportunities.

G. Wayne Clough

Secretary of the Smithsonian Institution

November 2008

### **Budget, Performance, and Financial Snapshot** Fiscal Year 2008

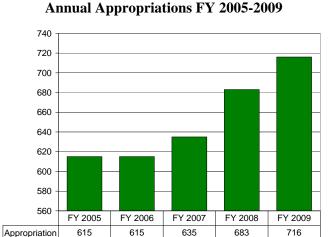
**Mission:** For 162 years, the Smithsonian has remained true to its mission, "the increase and diffusion of knowledge." Today, the Smithsonian is not only the world's largest provider of museum experiences supported by authoritative scholarship in science, history, and the arts, but also an international leader in scientific research and exploration.

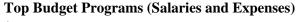
Organization: The Smithsonian is a unique institution—a vast national research and educational center that encompasses not only the museums for which it is famous, but also laboratories, observatories, field stations, scientific expeditions, libraries and archives, classrooms, performances, publications, and more.

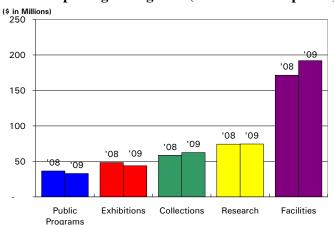
**Personnel:** The Workforce consists of 5,950 federal and non-federal employees, and over 5,000 volunteers.

Budgetary Resources: The Federal budgetary resources for FY 2008 totaled \$683 million. FY 2009 budget request is pending in Congress.

# **Budget Snapshot** (\$s in millions)







#### **Performance Snapshot**

Accomplishments: The spectacular Ocean Hall opened at the National Museum of Natural History in September 2008 and the National Museum of American History reopened in November 2008. Net income from Smithsonian Enterprises exceeded the goal and private sector giving was strong.

Challenges: Addressing Smithsonian's facilities maintenance and revitalization needs over the long term remains an enormous challenge

#### **Did You Know**

The Smithsonian is the largest museum and research complex in the world, with 19 museums and galleries, the National Zoological Park, and research centers in the Washington DC area, seven states, Panama, and Belize

#### **Financial Snapshot**

Clean Opinion on Financial Statements	Yes
Timely Financial Reporting	Yes
Material Weaknesses	No
Improper Payments Targets Met	Yes
FV 2008 (\$c in million)	

Total Assets	\$1,198.4
Total Liabilities	\$ 113.8
Total Net Assets	\$1,084.6

#### THE SMITHSONIAN'S FOUR STRATEGIC GOALS

#### STRATEGIC GOAL 1: INCREASED PUBLIC ENGAGEMENT: DIFFUSION OF KNOWLEDGE

Enlarge the Smithsonian's audiences, expand its degree of engagement with the public in Washington and throughout the country, and improve the quality of the Smithsonian impact on its audiences.

Key	Type	Prior year data	FY08 target	FY08 actual
Performance				
Indicator				
1.2.a Number of physical visits to SI museums and the National Zoo	Intermediate outcome measure. Standard indicator of museum/ zoo success	FY 2007: 24.6 M	24 million	24 million
1.2.c Number of SI website visitor sessions	Intermediate outcome measure. Indicator of level of public use of resources via the Web	FY 2007: 183.5 M	175 million web sessions	173 million web sessions

#### STRATEGIC GOAL 2: STRENGTHENED RESEARCH: INCREASE OF KNOWLEDGE

Pursue scientific advances, discovery, and scholarship in the natural, physical, and social sciences; arts; and humanities, by focusing resources in areas in which the Institution has recognized strengths.

Key Performance Indicator	Туре	Prior year data	FY08 target	FY08 actual
Dollar amount of external grants and contract awards	Output measure	FY 2007: \$118 M	\$114 million	\$119 million
Number of publications resulting from research in high impact journals such as <i>Science</i> and <i>Nature</i>	Output measure	FY 2007: 696	Increase number of journals over FY 2007 level	703

#### STRATEGIC GOAL 3: ENHANCED MANAGEMENT EXCELLENCE

Modernize Smithsonian management systems by bringing each of them to a level of quality and sophistication appropriate to an organization of the size and complexity of the Institution.

Key Performance Indicator	Туре	Prior year data	FY08 target	FY08 actual
Number of major capital projects meeting milestones	Outcome measure	FY 2007: Met milestones in 9 of 10 major projects	Meet milestones of 9 major projects	Met goal in 6 of 9 projects
Number of major projects whose change from the 35% design cost estimate to final project completion cost is within ±15% of standard	Outcome measure	FY 2007: Met 2 of 3	Meet standard on 2 of 2 projects	Met standard on 2 of 2 projects

#### STRATEGIC GOAL 4: GREATER FINANCIAL STRENGTH

Provide the financial support essential to achieving the Institution's goals.

<b>Key Performance</b>	Type	Prior year data	FY08 target	FY08 actual
Indicator				
Total dollar amount of	Outcome measure	FY2007:\$134.2 M	\$100 million in new	\$136 million
voluntary support (gifts) to			contributions and	
Smithsonian			private grants	

#### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### MISSION AND ORGANIZATIONAL STRUCTURE

#### **Overview of the Smithsonian Institution**

For more than 162 years, the Smithsonian Institution has remained true to its mission, "the increase and diffusion of knowledge." In that time it has become the largest museum and research complex in the world, the most respected provider of museum experiences supported by authoritative scholarship, and an international leader in scientific research and exploration.

The Smithsonian is unique among the world's institutions. It is not simply a museum or even a cluster of museums, so much as it is a vast national research and educational center that encompasses — in addition to its exhibition galleries — laboratories, observatories, field stations, scientific expeditions, classrooms, performing arts events, publications, and more. The Smithsonian is an extensive museum and research complex that includes 19 museums and galleries, including the National Museum of African American History and Culture (NMAAHC), which is currently under development, the National Zoological Park, and research centers around the nation's capital, in eight states, and the Republic of Panama. The Smithsonian is the steward for more than 137 million objects which form the basis of world-renowned research, exhibitions, and public programs in the arts, history, and the sciences.

Yet, unfortunately, the Smithsonian is also an institution with a severely deteriorated infrastructure, outdated technology, and many aged, outmoded exhibitions. The Smithsonian has buildings that range in age from brand new to more than 160 years old. More than half of the buildings have heating and cooling systems that are well beyond their normal, useful life spans. This issue concerns not only the buildings themselves, but more importantly the fact that the buildings enable us to educate the public, exhibit national collections, and create the ideal experience for our visitors. Without the proper facilities in safe operating order, none of this is possible.

Today's challenge is to build on the Smithsonian's reputation, rebuild the physical plant, strengthen our programs, and thereby expand the reach of a great and trusted institution. Although the Institution depends on the federal Government for nearly 80 percent of its funding, including Government grants and contracts, the Smithsonian is not part of the Executive Branch. As a trust instrumentality of the United States, many of the laws and directives applicable to federal agencies do not apply to the Institution. However, the Smithsonian is ever mindful of and grateful for this support from the American public, and will continue working with both OMB and Congress to provide each with the information it needs to justify their continued support.

The Smithsonian is also working to improve its performance in line with the President's Management Agenda (PMA), and has numerous initiatives under way to advance financial management, use e-Government wherever possible, improve human capital planning and management, and more closely integrate budgeting with long-term performance goals.

Specifically, on integrating the budget to our performance objectives, the Secretary personally conducts extensive operational reviews with the Institution's directors to assess the Smithsonian's performance against Institution-wide performance goals. In FY 2008, the Smithsonian also:

- achieved "Green" status ratings on the PMA scorecard for Financial Performance, E-Government, and Performance Improvement Initiative
- continued linking all funds to a performance objective
- continued improving the Institution's performance plan to map directly to the budget structure and financial reporting
- continued refining the workforce plan that ties staff to performance plans and adjusted workforce based on priority

#### **Smithsonian's Organization**

The Smithsonian is a unique entity, an independent trust instrumentality that is governed by a Board of Regents. The Smithsonian is supported by a staff of almost 6,000 combined federal and non-federal employees and more than 5,000 volunteers. Together, these individuals support the operations of the largest museum and research complex in the world. An organizational chart is included as Attachment A to this report.

#### **Highlights of FY 2008 Accomplishments**

Fiscal year 2008 witnessed an unprecedented number of significant accomplishments that continue to generate positive momentum for the future. The year 2008 was one in which great strides were made toward achieving the four Smithsonian goals: Increased Public Engagement, Strengthened Research, Enhanced Management Excellence, and Greater Financial Strength. Smithsonian highlights for fiscal year 2008 are in Attachment B. Some of the key FY 2008 achievements include:

#### 1. Increased Public Engagement

- Attracted 24 million visitors, not including virtual visits or traveling exhibits
- Received an Emmy award for outstanding cinematography in the Nature Documentary category on the Smithsonian channel
- Received the 2008 District of Columbia Mayor's award for excellence at the Anacostia Community Museum
- Received the prestigious Keck Award from the International Institute for Conservation of Historic and Artistic Works
- Logged more than 173 million visits on Smithsonian websites
- Reached all 50 states through the SITES traveling exhibits

#### 2. Strengthened Research

- Awarded a five-year re-accreditation by the Association of Zoos and Aquariums for the National Zoo
- Opened the spectacular Sant Ocean Hall exhibit that showcases the world's oceans as a single global system that is essential to all life on earth

- Developed and built the X-Ray Telescope, along with the Japan Aerospace Exploration Agency. The telescope was on board the Hinode satellite, recently launched to study the sun's magnetic field
- Launched an undergraduate semester in conservation biology program, in partnership with George Mason University, at the Zoo's facility in Front Royal, Virginia
- Discovered a low-density area on Mars, by scientists from the National Air and Space Museum's Center for Earth and Planetary Studies, indicating possible buried ice deposits that may support future manned landings on Mars

#### 3. Enhanced Management Excellence

- Continued strong performance in the President's Management Agenda
- Saved more than \$1.3 million through energy conservation
- Completed the move of hazardous collections to Pod 5 at the Museum Support Center

### 4. Greater Financial Strength

- Exceeded goal by raising more than \$135 million in private funds
- Initiated the planning process for a Smithsonian-wide fund raising campaign
- Exceeded benchmarks for Endowment investments

#### **FY 2008 Financial Highlights**

The Smithsonian's financial statements are prepared from the Institution's accounting books and records. The Institution uses *PeopleSoft* to manage its federal and non-federal resources. The financial data contained in the fiscal year 2008 federal closing package was subjected to a comprehensive review process to evaluate its accuracy and reliability.

The Smithsonian Institution's management and financial controls systems provide reasonable assurance that the Institution's programs and resources are protected from fraud, waste, and misuse, and that its financial management systems conform to Government-wide requirements. Although the Smithsonian is not a department or agency of the Executive branch, the Smithsonian has achieved the intent of the Federal Managers' Financial Integrity Act (FMFIA) (P.L. 97-255) to prevent problems through systematic review and evaluation of the Institution's management and financial controls and financial management systems. Previous independent audits have found no material weaknesses in the Institution's internal controls. In addition, the Institution reported no violations of the Anti-Deficiency Act.

#### **Looking Forward**

The Smithsonian plays a vital role in educational, research, and cultural life. The Smithsonian is a trusted name because it represents excellence in research and education and is well on the road to representing excellence in management, operations, oversight, and governance. Despite the continuing strength of the Institution, the Smithsonian faces significant challenges as it continues to serve the public with both engaging, modern exhibitions and groundbreaking research and exploration.

In 2008, the spectacular new Ocean Hall at Natural History opened with large-screen, high-definition videos and a live coral reef that makes visitors feel as though they are deep beneath the waves in a giant submarine. In addition, the remodeled American History Museum will reopen with a spectacular Star-Spangled Banner exhibit. We continue to mount fabulous exhibitions.

In fiscal year 2009, with the support of the Administration and the Congress, the Smithsonian will continue to aggressively address our challenges and take advantage of our opportunities.

#### HIGHLIGHTS OF PERFORMANCE GOALS AND RESULTS

Performance goals and results are tracked throughout the year. The goals of the Smithsonian, as set by the Secretary, are tracked via performance metrics; accomplishments or outcomes are evaluated against these goals and objectives. There are four main goals of the Smithsonian, as follows:

- 1. Increased Public Engagement
- 2. Strengthened Research
- 3. Enhanced Management Excellence
- 4. Financial Strength

Numerous sub-goals within each of these four main goals are delineated and tracked. The Detailed Performance Data Report for Fiscal Year 2008 is located on the Smithsonian's public website at <a href="http://www.si.edu/about/policies">http://www.si.edu/about/policies</a>.

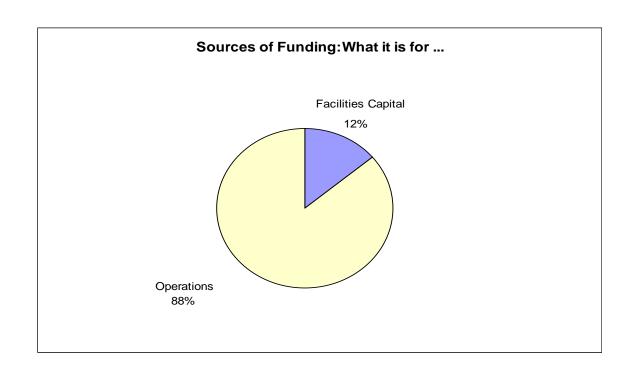
#### HIGHLIGHTS OF FINANCIAL POSITION

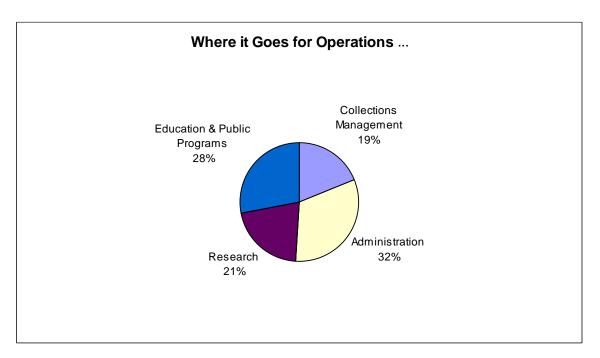
#### **Overview of Financial Data**

The Smithsonian's financial statements (balance sheet and statement of operations) and related footnotes, as included in the closing package, were prepared by the Smithsonian. The financial statements presented can be considered complete and reliable as evidenced by the report provided by the independent audit firm of KPMG LLP. These statements represent the results of all activities supported by federal appropriations granted to the Smithsonian. Additional financial activity, which is supported by non-federal activities, is not included in the financial information and discussions noted herein.

**Balance Sheet:** The Balance Sheet reflects total assets of \$1,198.4 million, a 5.2 percent increase over the previous year. Approximately 76 percent of assets are invested in property and equipment with the balance of assets (approximately 24 percent) represented principally by cash and balances with the United States Treasury. Liabilities (accounts payable and accrued expenses) comprise approximately 32 percent of the Smithsonian's liabilities and are only a slightly lower percentage than the previous year. The remaining liabilities (approximately 68 percent) are comprised of unexpended federal appropriations balances. Reflecting the higher growth in assets than liabilities, the net position grew by \$21.3 million or 2.6 percent in fiscal 2008.

**Statement of Operations:** Federal appropriations recognized in the current fiscal year (\$640.3 million) an increase of approximately \$20.3 million or 3.3 percent from the prior year (\$620.0 million). Of the total appropriations recognized in fiscal year 2008 approximately \$561.7 million (approximately 88 percent) were operating funds while \$78.6 million (approximately 12 percent) were construction funds, as shown in the graphs below. Comparable amounts for fiscal year 2007 were \$536.4 million for operating and \$83.6 million for construction projects. Total expenditures (including collections items purchased of \$2.6 million) increased by \$29.8 million to \$620.9 million (5.04 percent) from fiscal year 2007 total expenditures of \$591.1 million. The largest single increase in expenditures for fiscal year 2008 was a \$14.1 million increase in research expenditures followed by an increase of \$9.3 million in administration expenditures. Additional increases in expenditures for education, public programs, and exhibitions (\$3.9 million), collections management (\$1.9 million) and advancement (\$.2 million) accounted for the balance of the increased expenditures.





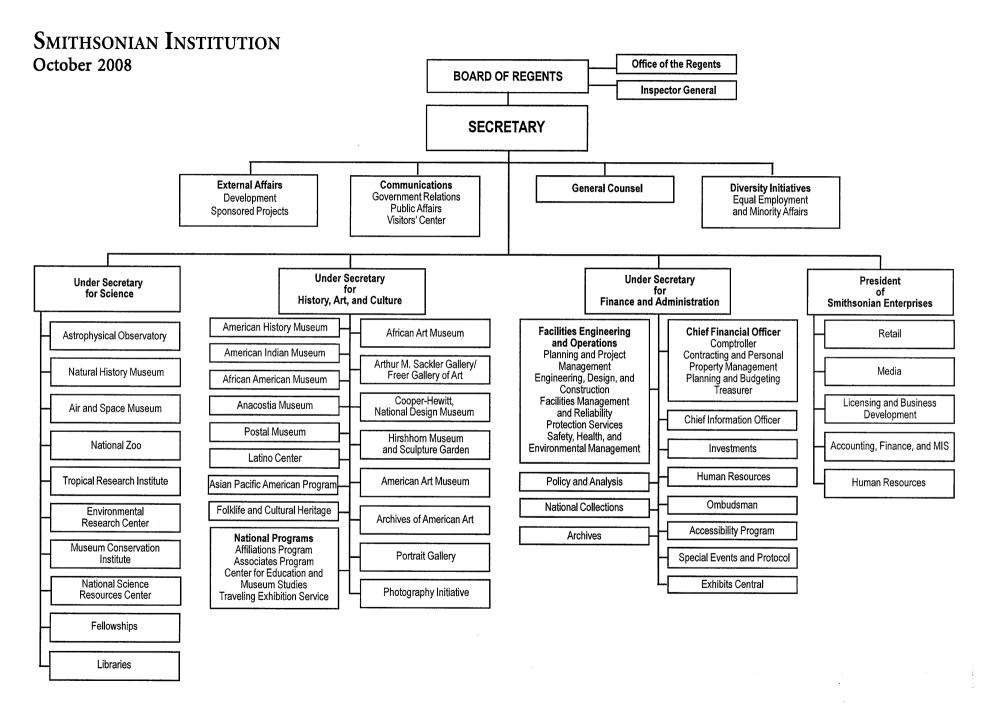
Federal spending for operations is the largest category of the Institution's budget and provides for pay and benefits, utilities, postage, rent, new museum staffing, move-in and start-up, information technology modernization, security personnel, and facilities maintenance costs.

The remainder of the federal component of the Institution's budget is spent to support the Institution's Facilities Capital program. The Smithsonian is dependent on federal support for the revitalization and basic maintenance of its physical infrastructure. Facilities revitalization activities correct extensive and serious deficiencies, materially extend service life, and often add capital value to the buildings and systems that comprise the Smithsonian's physical plant. Maintenance, which is funded in the federal Salaries and Expense appropriation, is the more routine repair and maintenance work that is necessary to realize the originally anticipated useful life of a fixed asset. Although non-federal funds are often used to enhance the experience of the visitor in what would otherwise be an ordinary exhibition space, federal funding is essential to fulfill what is regarded as a federal obligation to revitalize the buildings.

#### **Attachments**

Attachment A: Smithsonian Organizational Chart

Attachment B: Smithsonian Highlights Fiscal Year 2008



# Smithsonian Institution



The National Museum of Natural History's Sant Ocean Hall opened in September 2008. This 23,000 square foot exhibition combines state-of-the-art technology with hundreds of marine specimens and models to explore the past, present, and future of Earth's ocean system and humanity's impact upon it.

# Smithsonian Highlights Fiscal Year 2008

# Introduction

This report presents programmatic and management highlights for the Smithsonian Institution in fiscal year 2008, a year of great change at the Smithsonian.

On March 15, 2008, the governing Board of Regents announced its selection of **G. Wayne Clough** as the 12th Secretary of the Institution. In his previous position as President of the Georgia Institute of Technology, Dr. Clough dramatically raised that university's profile as a top-tier national research institution. He also serves on the President's Council of Advisors on Science and Technology, the National Science Board, and the Council on Competitiveness (as Vice Chair).

Prior to Dr. Clough's arrival, the Board of Regents, working with Acting Secretary Cristián Samper, took steps to address acknowledged weaknesses in the Institution's governance policies and processes.

# Public Impact

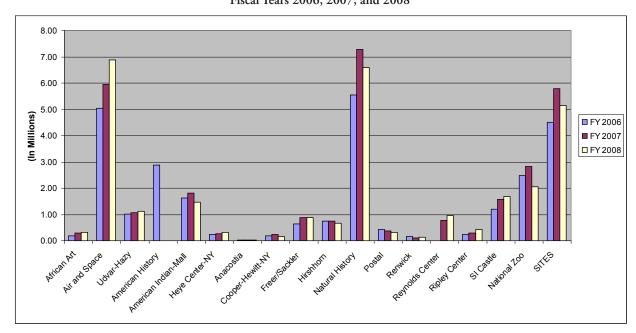
#### Visits to the Smithsonian

In fiscal year 2008, the Institution counted **24.0 million** visits to its museums in Washington, D.C., and New York, plus the National Zoo and Steven F. Udvar-Hazy Center—down **2 percent** from fiscal year 2007. This small decrease follows a strong surge in visitation in fiscal year 2007, and reflects the general downturn in the economy.

The Smithsonian also counted approximately **5.15 million** visitors to 58 traveling exhibitions mounted by the Smithsonian Institution Traveling Exhibition Service, on view in 510 locations in all 50 states plus the District of Columbia, Guam, and American Samoa.



Visits to Smithsonian Museums and Traveling Exhibitions Fiscal Years 2006, 2007, and 2008



#### Smithsonian Online

Smithsonian websites logged 173 million visits in fiscal year 2008, down less than 1 percent from the fiscal year 2007 figure of 183 million (which was itself a 31 percent jump over the previous year).

Among the other online highlights for the Smithsonian in the fiscal year were the following:

- The International Academy of Digital Arts and Sciences announced the winners of its prestigious annual Webby Awards in June, and the Cooper-Hewitt, National Design Museum's *Design for the Other 90%* exhibition website won in the Cultural Institutions category. In addition, the Cooper-Hewitt's online Educator Resource Center and *Piranesi as Designer* exhibition site were Official Honorees in the Education and Art categories, respectively; and for the second consecutive year, the Smithsonian Center for Education and Museum Studies' SmithsonianEducation.org won the People's Voice Award for Best Cultural Institution website.
- The Smithsonian's National Museum of American History, in partnership with Verizon's Thinkfinity. org, launched the *Smithsonian History Explorer*, offering free, standards-based, innovative resources for teaching and learning American history.
- The Smithsonian Institution Scholarly Press and Smithsonian Institution Libraries completed digitization of more than 1,000 legacy volumes of the **Smithsonian Contributions** series of research works on a wide range of subjects, and have made them available online in PDF format.
- The Smithsonian Center for Education and Museum Studies launched *Smithsonian across America*, a website that provides information on Smithsonian programming across the country.
- The Smithsonian Photography Initiative launched *click! photography changes everything*, a web-based forum that seeks to stimulate a dialogue about how photography shapes our lives.
- The National Museum of African American History and Culture's new website offers an innovative feature called *Memory Book*, which allows site visitors to upload stories, images, and audio.

## **Exhibition Highlights**

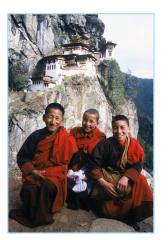
The Sant Ocean Hall opened in September 2008 at the National Museum of Natural History. The 23,000 square foot exhibition features state-of-the-art media technology and nearly 700 specimens and models. Created in partnership with the National Oceanic and Atmospheric Administration (NOAA), the Hall is named in honor of Washington philanthropists Victoria and Roger Sant, who

donated \$15 million to endow the new exhibition and related programs.

The National Air and Space Museum's completely renovated *America by Air* civil aviation gallery reopened in November 2007. In addition to displays of classic airplanes and walk-in exhibits of a 747 nose and DC-7 fuselage, *America by Air* offers a wide range of artifacts, photographs, artwork, and interactive displays that tell the story of commercial aviation.

On February 15, 2008, the National Museum of Natural History premiered *Butterflies+Plants: Partners in Evolution*, a permanent exhibition that combines traditional and experiential learning. An immersive Live Butterfly Pavilion gives visitors a close personal look at the living results of this evolutionary story.





The **42nd annual Smithsonian Folklife Festival** drew hundreds of thousands of visitors to the Mall from June 25 through July 6, 2008, to see featured programs on *Bhutan: Land of the Thunder Dragon, NASA: Fifty Years and Beyond*, and *Texas: A Celebration of Music, Food, and Wine*.

The inaugural exhibition of the National Museum of African American History and Culture, *Let Your Motto Be Resistance: African American Portraits*, co-sponsored by the National Portrait Gallery, was on display in the Portrait Gallery from October 19, 2007 through March 2, 2008, before moving on to the Louisiana State Museum in New Orleans.

A new exhibition from the Anacostia Community Museum, *Separate and Unequaled: Black Baseball in the District of Columbia*, was on display from May 18 through October 5 at the Historical Society of Washington, D.C.,

along with a complementary exhibition from the Negro Leagues Baseball Museum, *Discover Greatness:* An Illustrated History of Negro Baseball Leagues.

From July 12 through October 5, 2008, the Smithsonian celebrated the imagination of Muppets creator Jim Henson with the exhibition *Jim Henson's Fantastic World* in the International Gallery of the Ripley Center. After its run here, the show—which features Henson's original artworks, props, photographs, videos, and of course, Muppets themselves—began a national tour.

Smithsonian art museums presented a diverse array of exhibitions to suit every art lover's taste. The following are only a small sampling of the variety of exciting shows offered in fiscal year 2008:

- The Hirshhorn Museum and Sculpture Garden presented *The Cinema Effect*, a two-part exhibition of contemporary film, video, and digital works that explores how moving pictures have blurred the distinction between illusion and reality.
- More than 100 beautiful works from the collection of Etsuko and Joe Price, one of the finest private collections of Japanese art, were featured in *Patterned Feathers, Piercing Eyes: Edo Masters from the Price Collection* (November 10, 2007–April 13, 2008) at the Sackler Gallery.
- *RECOGNIZE! Hip Hop and Contemporary Portraiture* (February 8–October 26, 2008) at the National Portrait Gallery focused on the broad cultural impact of hip hop music. In addition to paintings and photographs, it featured video, poetry, spoken word, and graffiti displays.
- Georgia O'Keeffe and Ansel Adams: Natural Affinities, on view at the Smithsonian American Art Museum from September 26 through January 4, 2009, examines the friendship of two iconic artists who were attracted to the distinctive landscapes of the American West.
- *El Anatsui: Gawu* (March 12-September 7, 2008) at the National Museum of African Art featured huge metal "tapestries" and other imposing sculptures by one of Africa's leading contemporary artists.
- Cooper-Hewitt, National Design Museum presented *Rococo: The Continuing Curve, 1730–2008* (March 7–July 6, 2008), exploring the Rococo style and its revivals through the present day

The 30-foot-tall sculpture *Modern Head* by Roy Lichtenstein went on view at the Smithsonian American Art Museum in August, 2008. As well as being an example of a major artist's best work, the sculpture was a silent witness to history, having been on display one block from the World Trade Center at the time of the September 11, 2001 terrorist attack that brought down the twin towers.



A unique portrait of self-proclaimed national treasure **Stephen Colbert** of Comedy Central was on temporary display at the National Portrait Gallery—outside the Presidents gallery, between two restrooms. It proved to be a sensationally popular backdrop for picture-taking by visitors.

### Collections Highlights

The Smithsonian is the steward of more than 137 million objects and specimens, documenting both the nation's heritage and the natural diversity of the planet. Smithsonian collections include the Hope Diamond, the Burgess shale fossils, the Star-Spangled Banner, Lincoln's top hat, Gilbert Stuart's portrait of George Washington, the Wright Flyer, Kermit the Frog—everything including the kitchen sink (from Julia Child's kitchen). New acquisitions this year included the following:



• After a seven-year, three-billion-mile journey to rendezvous with a comet, the **Stardust return capsule** joined the national collection of flight icons at the National Air and Space Museum, where it will be displayed in the central *Milestones of Flight* gallery along with treasures such as Charles Lindbergh's Spirit of St. Louis, Chuck Yeager's Bell X-1, and the Apollo 11 Command Module.



- At a ceremony at the El Portal Theater in North Hollywood on January 29, nine leading ladies of Hollywood and Broadway donated objects from their careers to the collections of the National Museum of American History. These included Carol Channing's diamond dress from *Lorelei*, Tippi Hedren's script from *The Birds*, Angela Lansbury's costume from *Mame*, and Julie Newmar's Catwoman suit from the *Batman* television series.
- The National Museum of American History also received a collection of objects from the acclaimed 1990s television sci-fi series *The X-Files*. Series creator Chris Carter presented the Museum with items such as an annotated script from the series pilot and props.



- On November 3, 2007, the Smithsonian American Art Museum unveiled a large-scale, site-specific light sculpture by Jenny Holzer, an artist renowned for her pioneering work incorporating texts into light-based art. The sculpture, titled *For SAAM*, is on display in the museum's third-floor Lincoln Gallery.
- Two female **Przewalski's horses** brought from Europe to the National Zoo's Conservation and Research Center gave birth to foals sired by a National Zoo stallion. These births infuse genetic diversity into a captive population descended from just 14 animals. The species, native to China and Mongolia, is extinct in the wild.
- On March 7, a **North Island brown kiwi chick** hatched at the National Zoo. These birds are one of the world's most endangered species, and are extremely rare in captivity.
- The Smithsonian American Art Museum acquired the definitive documentary record of a major early work by renowned artists **Christo and Jeanne-Claude**, *Running Fence*. The work itself, a white fabric and steel-pole fence over 24 miles long and 18 feet high, existed for only two weeks. The collection acquired by the Museum includes over 350 sketches, scale models, photographs, films, and other items of material culture pertaining to the project—including a fabric panel and pole from the work.

### Education, Event, and Program Highlights

The Smithsonian Channel, a joint venture between the Institution and Showtime Networks, won its first Emmy Award this year, for the cinematography in "The Magic of Motion," an episode of the popular series, *Nature Tech*.

The National Science Resources Center held two important national outreach events:

- Working with the Indiana Governor's Office, Indiana State Department of Education, and other partners, the Center hosted 125 business, government, and education leaders at the 2008 *Indiana Building Awareness of Science Education Symposium*. Held on April 25, this event was the first step in a proposed 10-year partnership to help Indiana reform its K-16 science education programs.
- In partnership with the North Carolina Science, Math, and Technology Education Center and the Burroughs Wellcome Fund, the Center held its second annual *North Carolina Science Education Strategic Planning Institute* for 15 school district leadership teams representing over 130,000 students, nearly half of whom live in poverty. The Center has a 10-year agreement with North Carolina to help it establish effective K-12 science programs for all students.

More than 9,000 people visited Cooper-Hewitt during its second annual National Design Week, October 14–20, 2007. A highlight was the eighth annual National Design Awards Gala, attended by nearly 500 guests, including many prominent names in the design world.



In January, the Conservation and Research Center of the National Zoo, in partnership with George Mason University, launched an **undergraduate semester in conservation biology program** at the Zoo's facility in Front Royal, Virginia.

In December 2007, the Friends of the National Zoo held **ZooLights**. For 25 nights, the Zoo shone with thousands of environmentally friendly LED lights and animated exhibits featuring the Zoo's most popular animals. ZooLights attracted 43,000 visitors.

The Smithsonian Center for Education and Museum Studies hosted its annual **Smithsonian Teachers' Night** on November 2, 2007, welcoming 2,800 educators to the National Air and Space Museum to learn what the Institution offers.

The Masters Program in the History of Decorative Arts and Design, a joint program of the Parsons School of Design and Cooper-Hewitt, celebrated its 25th anniversary in January.

#### National Outreach

Smithsonian Affiliations offers museums, cultural institutions, and educational organizations across the country access to Smithsonian collections and resources. Through the Affiliations program, the Smithsonian fulfills its outreach mission of sharing artifacts, programs, and expertise. Since its founding in 1996, Smithsonian Affiliations has established partnerships with more than 160 museums and educational and cultural organizations in 40 states, Panama, and Puerto Rico. Smithsonian Affiliations hosts a national conference each June in Washington, D.C. This year's conference drew representatives of 68 Affiliates from 34 states, Puerto Rico, and Panama; a congressional reception in the Rayburn House Office Building drew 30 Capitol Hill attendees, including five U.S. Representatives.

The Smithsonian Institution Traveling Exhibition Service (SITES) continued to sustain a high level of outreach activity through its traveling exhibitions. In fiscal year 2008, SITES put the following new shows on the road:



- Let Your Motto Be Resistance: African American Portraits opened at the California African American Museum in Los Angeles.
- The White House Garden debuted at the U.S. Botanic Garden in Washington, D.C.
- *The Working White House* opened at the State Historical Society of Iowa in Des Moines.



- Beyond Baseball: The Life of Roberto Clemente, opened at the Louisville Slugger Museum and Factory in Louisville, Kentucky.
- The Dancer Within opened at the Ypsilanti District Library in Michigan.
- Ancestry & Innovation: African American Art from the American Folk Art

  Museum opened at Reynolda House Museum of Art in Winston-Salem, North
  Carolina.
- *Freedom's Sisters* opened at the Cincinnati Museum Center in Cincinnati, Ohio.
- Beyond: Visions of Planetary Landscapes opened at the Monmouth Museum in

Lincroft, New Jersey.

- Singgalot (The Ties that Bind) launched at Remy's on Temply Art Gallery in Los Angeles, California.
- A special poster exhibition of satellite images, *Earth from Space*, opened in more than 300 locations in September 2008.



The Smithsonian Associates coordinated **Teaching American History workshops** in three school districts in New York and Michigan at which Smithsonian educators were joined by historians, performers, and interpreters to teach the principles of object-based learning to dozens of K-12 public school teachers.

The first group of Smithsonian-trained Teacher Ambassadors from 20 states completed a year of service, demonstrating how to use Smithsonian educational resources to other educators across the nation.

The Smithsonian Jazz Masterworks Orchestra, under the direction of David Baker and accompanied by National Museum of American History Director Brent Glass, undertook a tour of **Egypt**, performing at the Pyramids, Cairo Opera House, Alexandria Opera House, and Cairo American College.

# Scholarship

Because of its famous collections and museums, the Smithsonian is often referred to as the "Nation's Attic," but that is only half the story. Historian David McCullough offered a more complete description of the Institution as a "storehouse of ideas." The Smithsonian conducts cutting-edge research around the globe, deepening our understanding of the origins of the universe, the diversity and evolution of life on



Earth, the history of America, and the diversity of our cultures. On the science side, the Smithsonian's laboratories, observatories, field stations, expeditions, libraries, and living and natural history collections rank with the world's finest in many areas. In the arts and history/culture fields, Smithsonian researchers not only have access to unrivalled collections of art, cultural artifacts, documents, photographs, films, and archival materials, but are constantly searching for new acquisitions to collect, study, and document. The following are just a few highlights of Smithsonian research from the past fiscal year.

#### Science Units

Smithsonian scientists discovered a new species of bird in Africa; their findings were published in the international science journal *Zootaxa* in August. The previously unknown **olive-backed forest robin** (*Stiphrornis pyrrholaemus*) was first observed in 2001 during a field expedition of the National Zoo's Monitoring and Assessment of Biodiversity Program in southwest Gabon.

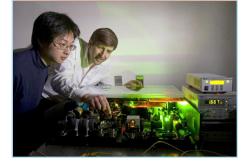
On October 9, 2007, National Zoo Director John Berry and U.S. Representative Frank Wolf of Virginia formally opened the **Cheetah Science Facility** at the Zoo's Conservation and Research Center in



Front Royal, Virginia—the first new research facility to be constructed on the property in 22 years. NZP has been a leader in cheetah conservation efforts, both in the wild and in captivity, for the last 30 years.

Scientists from the Harvard-Smithsonian Center for Astrophysics have invented a revolutionary new laser device to improve measurements of minute velocities (down to one centimeter per second) in astronomical sources. The "astrocomb" produces an extremely fine, stable yardstick of reference wavelengths.

Astronomers including Jonathan Weintroub of the Harvard-Smithsonian Center for Astrophysics have taken the closest look ever at the giant black hole in the center of the Milky Way



by combining telescopes in three locations. Their observations are among the highest resolution ever achieved in astronomy.



A study published in *Geology* (January 2008) by the National Museum of Natural History's Jeffrey Post and six other researchers probed the mysterious phosphorescence of NMNH's famous **Hope Diamond**, which glows fiery red in ultraviolet light. They discovered that almost all natural blue diamonds display phosphorescence that mixes blue and red light, but that the characteristics are unique to each diamond, thus providing a "fingerprint" that can be used to identify individual gems.

The most comprehensive investigation to date of **evolutionary relationships among hard corals**, conducted by an international team including Natural History's Nancy Knowlton, has provided evidence that many of the traditional assumptions about family relationships among corals are incorrect. In addition to setting the record straight, the research could have implications for coral conservation efforts.

The discovery by NMNH's William DiMichele and a colleague of a 300-million-year-old rainforest covering in Illinois coal mines made national news. The forest was preserved when an earthquake dropped the area a few feet, allowing flooding from an adjacent river to bury the plant life in sediment.



In June, the Center for Tropical Forest Science of the Smithsonian Tropical Research Institute (STRI) launched an ambitious **long-term study of ecosystem services**—water, carbon and biodiversity—provided by tropical forests. The findings of this study, conducted on a 3.3-square-mile site in Panama, will have implications for tropical land use worldwide.

Seven years ago, STRI's Jeremy Jackson and his co-authors published a landmark paper about how marine environments have been radically altered by human exploitation. In the August 12, 2008 issue of the *Proceedings of the National Academy of Sciences*, Jackson outlines steps that could reverse the decline of the oceans.

STRI and its partners met in Shanghai in December 2007, to launch China's contribution to the **Smithsonian Institution Global Earth Observatories** program. STRI is also collaborating with local partners to establish observation plots in India and Brunei.

Scientists from the Smithsonian Environmental Research Center (SERC) published six papers in *Reviews in Fishery Science* that summarize their research on replenishing the **blue crab population** in the Chesapeake Bay. This research is widely recognized as some of the world's most comprehensive work on fishery stock enhancement.

A study by SERC's Donald Weller and Kathy Boomer (with Thomas Jordan) in the *Journal of Environmental Quality*, comparing actual **sediment measurements** in Chesapeake watershed streams with predictions from the most up-to-date models, finds the models' predictions to be extremely unreliable. This surprising finding appears to result from the models' use of a mathematical equation originally developed for a different purpose.

In the past 200 years, carbon dioxide levels in the atmosphere have increased by 35 percent; oceans and waterways have been soaking up excess carbon, and growing more acidic. Whitman Miller of SERC is investigating the effects on the Chesapeake Bay's **oyster population**, which today stands at 2 percent of what it was in colonial times.

Jeff Speakman of the Smithsonian's Museum Conservation Institute (MCI) and his collaborators published a paper in the *Proceedings of the National Academy of Sciences* describing the discovery of a **4,000-year-old gold necklace** at an archaeological site in Peru's Lake Titicaca basin—the oldest worked-gold object found to date in the Americas.

Using the Mars Subsurface and Ionospheric Sounder aboard the European Mars Express Spacecraft, scientists from the National Air and Space Museum's Center for Earth and Planetary Studies (CEPS) discovered a low-density area on **Mars** indicating either volcanic ash or buried ice deposits. If confirmed, the possibility of ice may support future manned landings on Mars.



#### Art Units

Smithsonian art museums published numerous catalogs to accompany this year's exhibitions, including the following:



- Japanese Masterworks from the Price Collection from the Freer and Sackler Galleries, as well as the second and third volumes to accompany the Freer and Sackler Galleries' monumental 2007 Encompassing the Globe exhibition;
- Ballyhoo! Posters as Portraiture and Zaida Ben-Yusuf: New York Portrait Photographer from the National Portrait Gallery;
- The Cinema Effect: Illusion, Reality, and the Moving Image and Amy Sillman: Third Person Singular from the Hirshhorn Museum and Sculpture Garden;
- Piranesi as Designer and Provoking Magic: Lighting of Ingo Maurer from Cooper-Hewitt; and
- Inscribing Meaning: Writing and Graphic Systems in African Art by the National Museum of African Art's Christine Mullen Kreamer, which was awarded the Secretary's 2008 Research Prize for Outstanding Publication.

Smithsonian American Art Museum Senior Curator **Virginia Mecklenburg** was honored by the National New Deal Preservation Association for her work with New Deal-related art.

The second book in the Archives of American Art's publishing partnership with HarperCollins was released in January 2008. *With Love: Artist's Letters and Illustrated Notes from the Archives of American Art* was co-authored by curator Liza Kirwin and Archives technician Joan Lord. The Archives also launched a re-designed and expanded version of its *Archives of American Art Journal*, featuring full-color images and greater focus on scholarship that makes use of the Archives' collections.

Stephen Van Dyk of the Cooper-Hewitt, National Design Museum Library worked with photographer and design historian Andrew Garn on the book *Exit to Tomorrow: World's Fair Architecture, Design, Fashion 1933-2005*.

### History and Culture Units

In September, the third annual **Winton M. Blount Postal History Symposium**, a national conference of scholars and philatelists sponsored by the National Postal Museum and the American Philatelic Society, was held in the Museum's Blount conference center.

National Museum of American History research staff published several books: *The Star-Spangled Banner: The Making of an American Icon* by Lonn Taylor, Kathleen K. Kendrick, and Jeffrey L. Brodie; *America's Forested Wetlands: From Wasteland to Valued Resource* by Jeffrey K. Stine; *The Kennedys: Portrait of a Family* by Shannon Thomas Perich; and *Holidays on Display* by William L. Bird.

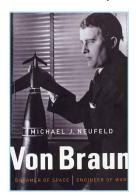
National Museum of the American Indian Research Unit staff organized the symposium *Mother Earth: Call to Consciousness on Climate Change*, which brought together scholars and community members engaged with climate change issues in Indian Country. Unit members have also accepted positions in the Cultural Studies Association, Indigenous Studies Association, and American Academy of Religion.

The National Museum of the American Indian and the Heard Museum published *Remix: Modernities in a Post-Indian World* to accompany an exhibition of the same name. The book focuses on the work of 15 contemporary artists of mixed Native and non-Native background.



The Anacostia Community Museum launched a **documentation project on Korean American merchants** and African American residents in D.C.'s East of the River communities, using archival and library research, surveys, oral history interviews, photography, and material culture. The Museum hopes to partner with local cultural and community organizations to spread this research model to other cities.

In February, the exhibition catalog for the National Museum of African American History and Culture's *Let Your Motto Be Resistance* won the Outstanding Contribution to Publishing Citation from the American Library Association.



Two books from the National Air and Space Museum's Space History Division recently received awards. *After Sputnik: Fifty Years of the Space Age*, edited by Martin Collins, won second prize in the Washington Book Publishers 2007 Book Design and Effectiveness Awards. Michael Neufeld's *Von Braun: Dreamer of Space, Engineer of War* won the Richard W. Leopold Prize of the Organization of American Historians.

The Eugene S. Ferguson Award of the Society for the History of Technology has been awarded to the Smithsonian Institution Archives' Joseph Henry Papers Project for *The Papers of Joseph Henry*, documenting the life of the Institution's first Secretary.

The Smithsonian Networks film *Sound Revolution: The Electric Guitar*—based on the Lemelson Center's research on the history of the electric guitar—won a Gold World Medal in the Arts category at the New York Festival's television broadcasting awards.

# Management Excellence

#### Leadership Milestones



On July 1, **G. Wayne Clough** assumed his duties as the 12th Secretary of the Smithsonian Institution, taking over from Acting Secretary Cristián Samper, who returned to his previous post as Director of the National Museum of Natural History.

In September, the Board of Regents elected **Patricia Stonesifer** to succeed Roger Sant as Chair of the Board, effective January 2009. Stonesifer, senior advisor and former chief executive officer of the Bill and Melinda Gates Foundation, has been a Regent since 2001. As chair, she will serve as leader of the Board and its executive committee.



In March, John W. McCarter, Jr. was appointed to the Board of Regents. Since 1996, McCarter has been President and Chief Operating Officer of the Field Museum in Chicago. He previously served as Senior Vice President of Booz Allen and Hamilton and as President of the DeKalb Corporation.





Charles Alcock became Acting Under Secretary for Science in April. An internationally renowned astrophysicist and member of the National Academy of Sciences, Alcock joined the Smithsonian as Director of the Smithsonian Astrophysical Observatory in 2004, and will continue to serve in this role while functioning as Acting Under Secretary.

In April, the Smithsonian's art units were organizationally joined to the history and culture units under a renamed Office of the Under Secretary for History, Art, and Culture. **Richard Kurin** will serve as Acting Under Secretary for this new division.





Eldredge "Biff" Bermingham was named the director of the Smithsonian Tropical Research Institute in Panama City, Panama. Bermingham has been the Institute's acting director since March 2007. He joined the Institute's scientific staff in 1989 and has served as deputy director since 2003.

Martin E. Sullivan was named Director of the National Portrait Gallery. Sullivan previously served as Chief Executive Officer of the Historic St. Mary's City Commission in Maryland and Director of the Heard Museum in Phoenix. He has also chaired three national boards concerned with advancing museum standards, ethics, and practices.



## Information Technology

In May, the Smithsonian launched the **Smithsonian Digitization Strategic Planning Committee (SI-DigiSPC)** to develop a pan-Institutional digitization strategic plan by fall 2009. Chaired by Katherine Spiess, Director of the Central Digitization Office, it includes 14 senior unit representatives.

The Smithsonian joined Flickr Commons—a leading photo-sharing community—posting 861 images with no known copyright restrictions from seven of its museums, research centers, and archives. In the first three weeks, these images were viewed over 286,000 times. The Smithsonian hopes to learn more about its audiences through their interactions with Smithsonian images on Flickr.

To address the need for a pan-Institutional, centrally-supported video teleconferencing (VTC) system, the Smithsonian's Office of the Chief Information Officer (OCIO) completed installation for a pilot run of Cisco Meeting Place. (Currently, several differently-configured VTC systems are scattered across the Smithsonian.) The system is expected to be in production in the first quarter of fiscal year 2009.

At the end of February, OCIO released its updated enterprise architecture models and the Institution's **five-year Smithsonian Information Technology Plan** for fiscal years 2008–2013.

The Getty Foundation has agreed to fund initial development of a **Smithsonian Enterprise Digital Asset Network** (EDAN) that gives scholars, scientists, and the public the ability to locate and retrieve digital files stored across systems within the Institution, without having to access each system individually.

In January, the Smithsonian's first secure wireless network was rolled out by OCIO in the National Museum of Natural History. It enables staff to connect to the Smithsonian network and Internet while

minimizing risk to the former. It also features isolated "visitor zones" that allow visiting colleagues to connect to their home institutions. Additional secure wireless access points will soon be installed at the National Museum of the American Indian, National Zoo, Smithsonian Environmental Research Center, Smithsonian Institutional Traveling Exhibition Service, and Freer Gallery of Art.

### Major Construction, Renovation, and Facilities Projects



The Robert and Arlene Kogod Courtyard, at the heart of the Donald W. Reynolds Center for American Art and Portraiture, opened to the public on November 18, 2007. The Courtyard, with its elegant glass canopy, was designed by world-renowned architects Foster + Partners.

At the end of fiscal year 2008, construction work on the most extensive renovations of the **National Museum of American History's** public space in over 40 years was on schedule for the Museum's reopening on November 21, 2008.

The second phase of the National Zoo's Asia Trail project, Elephant Trails, will renovate and expand the historic elephant house and enlarge existing yard space into three habitat areas and a trail. Construction began in March 2008 and is on schedule for completion in April 2011.

Work continues on the design phase of the new National Museum of African American History and Culture. Museum construction and exhibit design, fabrication, and installation are scheduled to be completed by December, 2015.

The July 2008 award of a design and construction contract for renovations to the **Pod 3 storage facility** in Suitland, Maryland begins the next phase in the Smithsonian's drive to improve care for its collections. The renovated Pod 3 will provide a consolidated location for proper care of frozen, refrigerated, gaspreserved, 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.

The Regents voted in May 2008 not to proceed further with exploration of a public-private partnership to restore the mothballed **Arts and Industries Building**. A strategic planning process has begun to examine options for the building's renovation and to identify opportunities for programmatic uses of this landmark building.

# Conclusion

The Smithsonian is the repository of our nation's values, icons, memories, and aspirations. It is a symbol of America around the world. For 162 years, the Smithsonian Institution has built its collections, disseminated its research, and welcomed millions of visitors to its museums. At a time when globalization is bringing countries and peoples closer together, yet when tensions among some nations and cultures are on the rise, the Smithsonian has an important role to play by showing the positive side of America to its own citizens and to the world.

Despite the difficult economic and budgetary circumstances, incoming Sectretary G. Wayne Clough has brought an infusion of positive energy to the Institution. One of the first tasks being undertaken by Secretary Clough is a re-examination of the Smithsonian's role, through an extensive year-long strategic planning initiative that will involve staff and other stakeholders at all levels in setting goals and directions for the Institution.

While it is impossible to know what the future will actually bring, it is vital that the Institution understand the factors likely to shape it, as well as the challenges and opportunities it may confront not only in the next few years, but in the next decade, the next century, and beyond. By exploring different scenarios, the Smithsonian can position itself to respond nimbly and productively. Some of the key questions confronting the Institution under its new Secretary include:

- How can the Smithsonian become a leading destination of choice—in person or virtually—not only
  to its traditional adult and family audiences, but to younger generations and to America's increasingly
  diverse population?
- How can the Smithsonian play a positive role in fostering greater understanding among Americans of their nation's legacy, as well as greater understanding across nations?
- How can the Smithsonian become more self-reliant and entrepreneurial so as to generate the resources it needs to produce high-quality programs and support continued world-class research?
- How can the Smithsonian better apply its world-class scientific research to addressing dire global challenges such as climate change and loss of biodiversity, as well as pursuing exciting opportunities such as the exploration of space?
- How can the Smithsonian use emerging Web technologies to make a greater part of its 137 millionobject collection—less than 2 percent of which is on display at any given time—accessible in useful ways to researchers, scholars, teachers, students, and the general public?