



Smithsonian Institution Archives

## **Board of Regents Minutes September 18, 1989**

This document is provided by the [Smithsonian Institution Archives](http://siarchives.si.edu).

**Please cite as –**

Smithsonian Institution Archives, Record Unit 1, SIA\_000001\_BORMTG\_19890918

When citing our collections online, please link to the Smithsonian Institution Archives  
<http://siarchives.si.edu>.



Bill  
MOSS

IDENTICAL LETTER TO:

The Vice President  
Sens. Garn, Moynihan, Sasser  
Reps. Conte, Mineta, Whitten  
Mmes. Armstrong, Clark and Wray  
Messrs. Bowen, Higginbotham, and McHenry

^F1^

^F2^

^F3^

Dear ^F4^:

I am pleased to forward the draft minutes of the September 18, 1989 meeting of the Board of Regents, subject to correction and final approval by the Board at its January 1990 meeting.

Kindly note that the next meeting of the Board of Regents will take place on Monday, January 29, 1990, at 9:00 a.m. Additionally, the Regents' Dinner is scheduled for the preceding evening, Sunday, January 28, at 7:00 p.m.

Sincerely,

James M. Hobbins  
Executive Assistant  
to the Secretary

Enclosure

JMHobbins:gje

bcc: Management Committee, Miss Nissley, Mrs. Spraggins, Sec. Files



IDENTICAL LETTER TO: Mr. Acheson, The Chancellor, Mr. Johnson

^F1^  
^F2^  
^F3^

Dear ^F4^:

I am pleased to forward the draft minutes of the September 18, 1989 meeting of the Board of Regents, subject to correction and final approval by the Board at its January 1990 meeting.

Kindly note that the next meeting of the Board of Regents will take place on Monday, January 29, 1990, at 9:00 a.m. Additionally, the Regents' Dinner is scheduled for the preceding evening, Sunday, January 28, at 7:00 p.m. Confirming earlier scheduling, let me remind you of the meeting of the Executive Committee at noon, on Thursday, January 18.

Sincerely,

James M. Hobbins  
Executive Assistant  
to the Secretary

Enclosure

JMHobbins:gje

bcc: Management Committee, Miss Nissley, Mrs. Spraggins, Sec. Files



SMITHSONIAN INSTITUTION  
Proceedings of the Meeting of the Board of Regents  
September 18, 1989

I N D E X

	<u>Page</u>
Summary of Proceedings.....	i-xiii
Attendance.....	1
Minutes of the Meeting of May 8, 1989.....	2
Report of the Executive Committee.....	2
Report of the Nominating Committee.....	3
Report of the Audit and Review Committee.....	6
Report of the Investment Policy Committee.....	8
The Secretary's Report.....	10
National Air and Space Museum Extension.....	15
Financial Report.....	27
Draft of the Five-Year Prospectus, Fiscal Years 1991-1995.....	40
Effectiveness of Institutional Organization and Administration.....	46
Legislative Actions and Issues.....	48
National Museum of the American Indian.....	52
African American Programming.....	54
Renovation of the National Museum of Natural History.....	55
Senior Level Pay.....	58
Proposed National Council of the National Museum of Natural History..	60
Commission of the National Portrait Gallery.....	63
Revised Bylaws of Cooper-Hewitt, National Museum of Design.....	67
Status Reports.....	71
Major Personnel Searches.....	71
Enhancement of Development and Groundwork for a Development Campaign.....	72



Proceedings of the Meeting of the Board of Regents  
September 18, 1989

I N D E X  
(Continued)

Status Reports (Continued)

	<u>Page</u>
National Postal Museum.....	73
Litigation Report.....	73
Smithsonian Council.....	76
Smithsonian Patent Policy and Disclosure Statement.....	76
Adjournment.....	86
Regents' Dinner.....	86
Next Meetings.....	86



SMITHSONIAN INSTITUTION  
SUMMARY PROCEEDINGS OF THE BOARD OF REGENTS

September 18, 1989

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee met on September 7, 1989, to review the agenda proposed for the September 18 meeting of the Board. Mr. Adams raised for discussion a number of items which he brought up again at the Board's meeting (see the Secretary's Report, below). Miss Leven noted that the Institution has still not reached its goal of maintaining a fund balance of 5% of the operating budget and added that disappointing summer visitation will require a downward revision of projected revenues from museum shops and restaurant concessions for fiscal year 1990. Mr. Jameson reported that the House-Senate Conference Committee on the fiscal year 1990 appropriations was expected to meet prior to the meeting of the Board.

The Executive Committee felt that the thorough report on site evaluation indicated clearly that both the Dulles and BWI facilities could amply accommodate the Extension of the National Air and Space Museum. The Committee shared the Secretary's view that the agenda papers could not adequately convey the full extent of the respective states' ultimate offers of financial support, and to that end they encouraged the Secretary to talk with both governors prior to the Regents' meeting, if possible.

In other discussions, the Executive Committee complimented the Secretary for initiating a process for the review of Smithsonian organization and management. The Committee felt that problematic salary matters suggest that priority be given to special initiatives rather than awaiting uncertain solutions to the more general problems of pay throughout the Federal agencies. And the Committee indicated its support for the Secretary's accomplishments in dealing with the issue of Native American skeletal remains in the National Museum of Natural History. Finally, the Committee suggested that the Audit and Review Committee examine the proposed strategy for renovating the Natural History Museum and bring its recommendations to the Board at the January meeting.

REPORT OF THE NOMINATING COMMITTEE

Dr. Bowen reported on the activities of the Nominating Committee over the summer. In a variety of meetings and telephone conferences with the Secretary, the Committee reviewed the credentials of some 120 highly qualified candidates. As discussed with the Regents at their May 8 meeting, special emphasis was given to identifying (1) an individual from the Washington Metropolitan area with considerable experience in Federal and cultural Washington, someone with both the aptitude and willingness to assist the Smithsonian with that kind of competence, in the tradition of the late Carlisle Humelsine, and (2) a scholar, preferably a scientist, who would bring to the Regents added strength in assessing programs of research, exhibition, and dissemination, much in the tradition of Murray Gell-Mann. The Committee was looking for truly exceptional individuals, people who might bring



additional strength to the Regents in the face of growing needs for increased fund-raising expertise and minority representation on the Board. In addition, the Committee sought people who are young enough to sustain energetic service to and leadership of the Board over two full terms, or twelve years.

The Committee voted unanimously at its meeting on September 17, 1989, to recommend to the Regents the nomination of Dr. Homer A. Neal, a 47-year-old physicist of Michigan, and the Honorable R. James Woolsey, Jr., a 48-year-old lawyer and public servant of Maryland. The following motion was approved by the Board:

VOTED that the Board of Regents nominates Robert James Woolsey, Jr., and Homer Alfred Neal as citizen members of the Board and requests the Congressional members of the Board to introduce and support Joint Resolutions of the Congress effecting their appointment to the Board of Regents for the statutory term of six years.

#### REPORT OF THE AUDIT AND REVIEW COMMITTEE

Meeting on June 1, the Audit and Review Committee discussed Coopers & Lybrand's audit plan for fiscal year 1989 and took issue with a proposed Financial Accounting Standards Board requirement to capitalize museums' collections. The Committee also reviewed actions taken in response to Coopers & Lybrand's recommendations to management (for fiscal year 1988), indicating extensive corrective activities with respect to Smithsonian's banking relationships in New York City and in Museum Shop management, with further progress to be reported at the Committee's next meeting. The Committee received documentation on several special retirement agreements, one of which had been overpaid (less than \$10,000). In the Committee's review of the most significant long-standing "open recommendations" of the Office of the Inspector General, management presented a record of closing out items related to Portrait Gallery accession records, rare book inventory in Paleobiology, the Museum of American History's inventory plan, and management improvements in Personnel. The Committee was also introduced briefly to the work of the Smithsonian Environmental Research Center, where the Committee joined in the dedication of the Mathias Laboratory later that morning.

#### REPORT OF THE INVESTMENT POLICY COMMITTEE

It was noted that the total value of the endowment funds is currently \$266,600,000, a new high. As of June 30, 1989, the market value of the endowment funds was \$252,889,000 compared to \$237,864,000 on March 31, 1988, and \$220,909,000 on June 30, 1988. The net increase in market value over the last complete quarter (March 31 - June 30) reflects: (1) market appreciation of \$12,056,000, (2) excess income reinvested to principal of \$953,000 over the quarter's total return payout requirement, and (3) an addition of \$2,015,000 in new money.

Of the Smithsonian endowment under active management, 63% was held in common stock, 25% in fixed income, 2.2% in convertible bonds, 0.3% in preferred stock, 3% in a mutual (common stock) fund, and 6% in cash and cash



equivalents. The fund underperformed the S&P 500 and the DJIA averages for the June quarter given its weighing in fixed income, convertible bonds, and cash. This conservative stance, however, is in line with that taken by other non-profit organizations.

#### THE SECRETARY'S REPORT

Mr. Adams mentioned a variety of Smithsonian developments which had not been represented in the agenda papers distributed in advance of this meeting. He noted that the Institution had closed on the purchase of the Fox House, a townhouse apartment building adjoining the Miller House of the Cooper-Hewitt Museum, for a total price of \$3,727,000. Renovation of interior spaces will be undertaken as the apartments are vacated.

The Secretary noted that the payback from Air & Space will take longer than expected because of the magazine's inability to increase the subscription base without a larger than prudent investment. The editorial content of the magazine was also discussed. The Secretary concluded discussion by noting that he must hold additional talks with Museum Director Martin Harwit and Publisher Joe Bonsignore before he can report further on these matters.

Mr. Adams described efforts at planning a Corporate Associate Program through which unrestricted funds would be realized through annual "dues" of \$25,000 and \$10,000 from corporations taking membership in the program. Work is currently under way on drafting a statement for the need for such funding, as well as the benefits of membership, two aspects of the program which the Regents felt needed particular attention. The Regents expressed their full endorsement of the Corporate Associate Program initiative and support for the Secretary's appeal for leadership from the nation's top corporate chief executive officers.

The Secretary noted that several influential members of Congress have strongly recommended that the Smithsonian consider imposing admission fees for visitors, consistent with the practice at national parks and elsewhere. He added that the Smithsonian was poised to conduct an experiment in soliciting voluntary donations in selected museums to determine the extent to which the visiting public would be willing to contribute. In discussion, it was the strong sense of the Regents that neither the Congress nor the public would tolerate either the solicitation of contributions or the imposition of general admission fees, and the matter ought to be dropped.

Mr. Adams informed the Regents that he had appointed Alice Green Burnette to the new position of Assistant Secretary for Institutional Initiatives. He described the range of her new set of responsibilities.

Mr. Adams reported that the staff has offered residents at the Smithsonian Environmental Research Center (SERC) a variety of alternatives to their present arrangements, including life estates, and has attempted to negotiate with them on terms of their choosing. He expressed appreciation for the willingness of Rep. Cardiss Collins' staff to help in bringing this matter to closure. In ensuing discussion, it was questioned whether the Smithsonian would have any interest in affiliating with the Johns Hopkins University research center at the Chesapeake Bay, and it was noted that the Smithsonian's research program was fundamentally different in terms of its orientation and goals.



Mr. Adams noted the significance of the recent death of John Kinard, the founding Director of the Anacostia Museum, in deliberations about a National Museum of African American History and Culture and the further development of the Anacostia Museum. The Secretary added that he would be better prepared to discuss these matters substantively at the January meeting of the Board. Mr. Adams pointed out that certain progress is being made in increasing the representation of minorities and women in the professional ranks of the Institution, and as an encouragement for still more progress he has asked his top administrative staff to prepare reports on progress in their areas for review in connection with their annual performance appraisal. The Board called for a statistical report on progress at its January meeting.

The Secretary reported that a decision has been reached to relocate the headquarters of the Archives of American Art from New York to Washington on a permanent basis. That move is expected to facilitate hiring of a director and a closer working relationship with the National Museum of American Art.

Mr. Adams mentioned that Senator Helms' proposed amendment to the fiscal year 1990 appropriations bill for the Department of the Interior and related agencies would have implications for the Smithsonian if enacted. Without commenting on those ramifications, he distributed to the Regents copies of the "Horizons" column he wrote for the forthcoming October issue of Smithsonian magazine.

Mr. Adams mentioned the continued interest in Congress and among several agencies, including the Smithsonian and the Environmental Protection Agency, in establishing a National Center for Biological Diversity in the Smithsonian. As presently conceived, this Center would involve cooperation with the EPA in such a way that the Smithsonian would be restricted to the scientific aspects of the work while the EPA would have responsibility for policy decisions -- in a relationship which is roughly analogous to the cooperative arrangements of Department of Agriculture and other agencies' scientists currently working in several departments of the National Museum of Natural History.

#### NATIONAL AIR AND SPACE MUSEUM EXTENSION

Preliminary findings of several studies indicate that either Dulles or BWI can support a full-scale National Air and Space Museum Extension and both sites also offer additional space for other Smithsonian activities. The full-scale Extension will require 1.5 million gross square feet of building area, with a footprint of approximately 27 acres, more than half of it for exhibition and restoration hangars. It can be constructed and financed in three phases. Phase I (requiring 673,000 gross square feet) will include most of the fundamental infrastructure required for the complete Extension, and will constitute a viable facility (with a balanced program of artifacts and exhibits, a large format film theater, and visitor support services) that can be opened to the public in 1995, at a cost of approximately \$162 million (escalated to 1993 dollars) to be met with state support, Federal support, and fund raising. Completion of Phases II and III will depend on availability of funding.

The Regents discussed the possibility of expressing at least a preference for one site over another as a means of expediting progress and lessening lobbying activities, but it was agreed by a show of hands to



postpone consideration of site selection until the January 1990 meeting of the Board when more information can be presented. It was suggested that the governors of each state, as well as the Washington Metropolitan Airport Authority, should be notified of the Regents' intention to select a preferred site in January and the governors should be invited to detail the extent to which their states are prepared to support construction; and the staff ought to develop a more complete analysis of the impact of operating and construction costs on Smithsonian budgeting. It was also noted that a commitment toward any site could be made only with the approval of the Congress. Accordingly, the following motion was suggested and approved:

VOTED that the Board of Regents requests the Secretary to advise the relevant jurisdictions, including the Washington Metropolitan Airport Authority, that the Board intends to decide the question of site selection for the extension of the National Air and Space Museum at its January 1990 meeting, with the understanding that final commitments cannot be made without authorization from the Congress of the United States.

#### FINANCIAL REPORT

As a result of the third quarter review, the fiscal year 1989 addition to Trust fund balance is projected to drop by \$193,000 to \$907,000, nearly \$600,000 below budget because of certain adjustments, most notably a decrease in Mail Order revenues and transfers to the Secretary's Program Contingency. Since May the Secretary's Program Contingency has funded legal fees arising from an international research endeavor and the completion of a research lab for the Director of the National Air and Space Museum. The current balance in the Secretary's Program Contingency is \$244,000. It was

VOTED that the Board of Regents approves the proposed revisions to the budget of the nonappropriated funds for fiscal year 1989 and authorizes expenditures by the Secretary in accordance therewith; any material changes in program plans incorporated in the revised budget, or any changes of more than \$250,000 in any general unrestricted Trust fund program or administrative expenditure, shall be made only with approval of the Board of Regents or its Executive Committee.

Both bills for fiscal year 1990 appropriations passed their respective chambers and the Conference Committee is expected to resolve differences after Labor Day. The following chart summarizes Congressional action to date.



( \$000's )	FY 1990 Budget			
	FY 1989 APPROP.	REQUEST	HOUSE MARK	SENATE MARK
Salaries and Expenses	\$211,240	\$227,737	\$231,981	\$223,029
Repair and Restoration	20,735	26,653	26,869	26,653
Zoo Construction	5,305	6,500	6,500	6,500
Construction				
- Museum of the American Indian	-0-	-0-	2,900	1,000
- Whipple Base Camp	3,185	-0-	-0-	-0-
- STRI	2,700	3,480	3,480	1,780
- Alterations & Modifications	2,020	4,040	4,040	4,040
- Construction Planning	750	730	730	730
- General Post Office Building Design	-0-	1,750	1,750	-0-
TOTAL	\$245,935	\$270,890	\$278,250	\$263,732

In the Salaries and Expenses account, the House allowed \$4.2 million above the request and applied to other unfunded needs approximately \$3.7 million that the Institution had budgeted for utilities but would not need as a result of Congressional decision to fund through other means. Major differences in the House and Senate actions include varying levels of funding for the Museum of the American Indian, Quincentenary activities, and Global Change initiatives. In the Repair and Renovation account, both the House and the Senate approved the Institution's request. In the Construction account, the House and Senate differed on funding for the Museum of the American Indian, for Smithsonian Tropical Research Institute's floating laboratory, and for the design of the General Post Office Building renovation. A letter is being prepared to the Conference Committee which will address the impact of all items of increase or decrease at variance between the House and the Senate.

There has been no change to the fiscal year 1990 Trust fund budget as approved by the Regents last September. However, a review of fiscal year 1990 indicates early decreases in the Secretary's Program Contingency reflecting out-year effects of earlier commitments. It was



VOTED that the Board of Regents approves the budget of appropriated funds for fiscal year 1990 and proposed revisions to the budget of the nonappropriated funds for fiscal year 1990 as presented, and authorizes expenditures by the Secretary in accordance therewith; any material changes in program plans incorporated in these budgets, or any changes of more than \$250,000 in any general unrestricted trust fund program or administrative expenditure, shall be made only with approval of the Board of Regents or its Executive Committee.

Approval of the Regents was sought for submission of the fiscal year 1991 budget to the Office of Management and Budget. The overall budget includes gross operating income of \$568.7 million compared to \$506.0 million budgeted for fiscal year 1990, an increase of 12%. The breakdown between Federal and Trust operating budgets is \$283.8 million and \$284.9 million, respectively. Net operating income, after deduction of auxiliary and bureau activity expenses, is expected to be \$381.2 million, an increase of \$61.7 million or 19%.

The fiscal year 1991 Federal budget request totals nearly \$400 million for all operating and capital needs. The basic strategy inherent in this budget is an emphasis on "infrastructure," focusing on catch-up needs to support baseline programs. The Institution is also requesting funding for two high priority program initiatives, Global Change Research and Cultural Pluralism. The budget reflects a more aggressive approach in the total sums requested than in the recent past. Significant increases in the Salaries and Expenses budget are being sought for automation needs, for major scientific instrumentation, for the Museum of the American Indian, for cultural pluralism, for Global Change Research initiatives, for exhibit hall renovation at the National Museum of Natural History, and for a variety of Columbus Quincentenary projects. In the Construction account, funds are sought for the renovation of the General Post Office Building, detailed planning for the National Museum of the American Indian and the National Air and Space Museum Extension, and for planning the National Museum of Natural History East Court. In the Repair and Renovation of Buildings account, the Institution is budgeting \$35.0 million; it is estimated that the backlog of repair projects will take seven to ten years to eliminate at this level of funding. The budget for Construction and Improvements at the National Zoological Park would provide for the continued implementation of the master plan, progress in the Front Royal Development Plan, and various repair and restoration projects.

Fiscal year 1991 net income from General Unrestricted Trust Funds is budgeted to total \$36.4 million, an increase of \$1.1 million over the original budget figure for fiscal year 1990. Major increases are expected from the National Associates Program, concessions, the Smithsonian Institution Press, and media activities. Offsetting these increases are more realistic projections of income for the Air and Space magazine, Museum Shops, and Mail Order. The budgeted net revenues provide for a program contingency, the annual \$3.0 million transfer to the Endowment, an increase to the General Unrestricted Trust Fund, and modest increases for new program initiatives. Projections for



Restricted funds are \$2.1 million lower than the fiscal year 1990 budget. In the Government Grant and Contract category, projections show a \$1.6 million increase from fiscal year 1990. Net funds provided from the special purpose fund group are projected to increase \$1.9 million over fiscal year 1990.

It was

VOTED that the Board of Regents approves the Smithsonian Institution budget of appropriated funds for fiscal year 1991 for presentation to the Office of Management and Budget and the budget of the nonappropriated funds for fiscal year 1991.

DRAFT OF THE FIVE-YEAR PROSPECTUS, FISCAL YEARS 1991-1995

The current draft of the Five-Year Prospectus more effectively articulates plans in a more attractive format for the Board of Regents, the Executive and Legislative branches of the Federal government, and broader audiences including potential donors, corporate sponsors, and the general public. Now in two volumes, the Prospectus's first section describes the Institution's planned initiatives and project resources required to meet its objectives, while the second volume presents supporting data that the Institution prepares for the Office of Management and Budget (OMB) and Congress and details for Collections Related Research and the Repair and Restoration of Buildings program.

The draft Prospectus describes the Institution's program plans and initiatives in such primary areas as Global Environmental Change, Infrastructure, the Museum of the American Indian, Quincentenary Programs, Cultural Pluralism, the Repair & Restoration of Buildings, Construction, and the Zoological Park and Conservation Research Center.

Looking at Institutional funding over the planning period, the Prospectus projects total operations to grow from \$569 million in fiscal year 1991 to \$782 million in fiscal year 1995. Smithsonian Federal construction requirements total \$482 million between fiscal years 1991 and 1995. Repair and restoration will cost approximately \$35 million annually, and Zoological Park construction and improvements will cost from \$7 million to \$26 million annually between fiscal years 1991 and 1995. The Prospectus also contains construction plans through fiscal year 1999 and general descriptions of facility issues into the next century.

The Secretary invited the Regents to provide him with the benefit of their views on the complete draft over the course of the fall. Several Regents mentioned their pleasure at the way in which the Prospectus has been improved, noting particularly its more sharply focused approach. The question arose as to whether more attention should be paid in the Prospectus to planning for the establishment of a new African American Museum on the Mall. Mr. Adams commented that plans could not be meaningfully laid in the absence of a consensus among the Black Caucus and, more generally, African-American scholars and museum professionals. He indicated his intention of continuing to participate in the dialogue without getting ahead of the Congress in this matter.



## EFFECTIVENESS OF INSTITUTIONAL ORGANIZATION AND ADMINISTRATION

Mr. Adams reported that a number of events suggest that it would be useful to conduct a comprehensive review of the organization and administration of the Institution to determine its tightness and effectiveness in dealing with current and prospective programs and priorities. Such a proposed review could examine the following kinds of issues: the composition and functions of the Secretary's Management Committee; the roles, relationships and responsibilities of individual members of the Management Committee in relationship to existing bureaus and offices; the degree to which those roles, relationships, and responsibilities are optimal for the management of new objectives, such as global environment, cultural diversity, American Indians, etc.; the mechanisms for implementing audit recommendations and imposing pre-emptive management improvements; the effectiveness of relationships between the providers and users of central services including the adequacy of bureau and office involvement in annual planning and operations; the adequacies of administrative, technical, and facilities staffs in all areas to handle current and future workloads, avoid problems, and maintain good accountability; and the status of the planning process.

In discussion, the Regents expressed support for this initiative. It was thought that a management study ought to be undertaken by an outside firm, with assistance provided by knowledgeable Smithsonian staff for maximum effectiveness. The hope was expressed that a well respected and highly qualified firm might be willing to contribute its services at least in part, though it was recognized that such a study could well be costly and, given its importance, the expense would be justified.

## LEGISLATIVE ACTIONS AND ISSUES

A report was given on the wide variety of legislation of Smithsonian interest that is pending before the Congress. The Regents were alerted that future legislative requirements will include authorizations for the NASM Extension and the Natural History Museum's East Court project, and in that context the Regents were informed about the initiative to authorize National Gallery and Smithsonian security personnel to escort high value collections in transit.

Section 5315 of Title 5, United States Code, provides for an "Assistant Secretary for Science, Smithsonian Institution" and an "Assistant Secretary for History and Art, Smithsonian Institution" at Executive Level IV. Section 5316 of the same title provides for a "Director, United States National Museum, Smithsonian Institution" and a "Director, Smithsonian Astrophysical Observatory, Smithsonian Institution" at Executive Level V. As a result of changes in the organization and staffing of the Institution, only the last of these describes a currently occupied position and a Smithsonian activity. The other three positions are unfilled because the functions designated in the titles no longer exist. Because two Assistant Secretaries are compensated as GS-18s since their responsibilities are not those described in the sections referenced, and to provide management flexibility as well as a greater degree of equity, it was proposed that the authorities for the Executive Level IV Assistant Secretary positions be amended to eliminate the specific designations and that the Executive Level V museum director position be amended so that as future needs arise it will be available for the head of any of the



designated national museums. Accordingly, it was

VOTED that the Board of Regents requests its Congressional members to introduce and support legislation to amend Sections 5315 and 5316 of Title 5, United States Code.

Discussion ensued about the status of legislation to establish a National African American Museum. The Secretary pointed out that movement on the legislation appears to be awaiting the emergence of a consensus among the Congressional Black Caucus. The Secretary indicated that at a hearing scheduled for September 21, 1989, in the House Administration Committee's Subcommittee on Libraries and Memorials, he is prepared to say that in the absence of such a consensus the Regents have not yet developed a position on the form and organizational relationships which the museum should take. The Secretary added that he and his staff will continue to enhance African American programming in Smithsonian bureaus and offices. At the same time they will do what they can to facilitate the development of a widely shared consensus. With that purpose in mind, a preliminary planning conference with many leading African American scholars has been planned for October; it is expected to be followed by a more formal colloquium at a conference center in the spring.

#### NATIONAL MUSEUM OF THE AMERICAN INDIAN

It was noted that legislation authorizing the establishment of the National Museum of the American Indian seems virtually assured, especially given agreements which have been reached with respect to the return of tribally identified human remains and funerary objects and with respect to assistance with cultural activities at the Audubon Terrace facility to be vacated by the Heye Foundation. The establishment of a committee to assist in the search for a director of the new National Museum has been enthusiastically received by the American Indian community, which is represented in the majority of membership. A Program Committee is being formed to begin the program planning process in anticipation of creating a Board of Trustees for the Museum. Since that Board should be formally appointed as soon as the authorization is complete, appropriations are received, and the courts of New York have approved the Heye Foundation's agreement with the Smithsonian, action may need to be taken by the Executive Committee on behalf of the Regents prior to their January meeting.

In discussion several Regents noted that the Heye Foundation collections are of such transcending significance for the settlement of the entire Western Hemisphere, not simply North America, that consideration should be given to the selection of truly outstanding representatives of indigenous cultures to reflect that quality. Requirements of the legislation notwithstanding, the involvement of those other than Federally recognized tribes should be encouraged. In addition, the increasing importance of Latin American interests was noted and it was suggested that special attention be paid to their representation in the Museum.



#### AFRICAN AMERICAN PROGRAMMING

It was reported that the commitment to more multicultural programming and affirmative action continues to grow within the Institution. In addition, the project for a sustained African American presence at the Institution has made measurable progress. Internal recruitment is under way for a special assistant in the Office of the Assistant Secretary for Museums to serve as interim director for the African American presence project until a formal search for a director has reached conclusion. A fiscal year 1990 appropriation request of \$155,000 for the African American presence project has been appealed to the House-Senate Conference Committee.

Progress has been made in planning an October conference consisting of Smithsonian leadership, the Smithsonian's senior African American curatorial and education staff, and non-Smithsonian African American scholars and museum professionals. This conference, and another in the spring, will focus on the form or forms that an African American presence on the Mall might take. It is hoped that the conferences will generate new ideas about African American research, public programming, and collecting opportunities, and that the participation of outside scholars will be provocative and helpful in shaping new Smithsonian directions. Greater understanding of and increased opportunities to work further with other African American collecting and research institutions also are anticipated results of the meeting.

Following the death of John Kinard, the Office of the Assistant Secretary for Museums selected Zora Felton to serve as acting director of the Anacostia Museum. Mrs. Felton has served the Museum well as education director since its inception. She has the confidence of the staff and the full support of central Smithsonian administration. She is most interested in making sure that the Museum continues to move ahead and in entering into the dialogue about the mission of Anacostia, mindful of the context of the African American presence project.

#### RENOVATION OF THE NATIONAL MUSEUM OF NATURAL HISTORY

The Institution has completed an analysis of various alternative construction schedules for replacement of the heating, ventilating, and air conditioning and electrical systems in the Natural History Building. The option selected will require construction of a building of 80,000 square feet in the East Court of the Natural History Building to serve as staging space for the relocation of staff and collections in the course of the renovation work. The proposed East Court Building will cost approximately \$25 million, exclusive of furnishings and equipment. However, use of this building as on-site staging will reduce the cost of the systems work to \$116 million, compared to a projected cost of \$122 million for the 14-year scheme presented to the Regents two years ago. Equally important as the cost considerations are the benefits to the Museum in terms of allowing more public areas to remain open during the renovation and the availability of 80,000 square feet of permanent space within the Natural History Building footprint for decompression of currently overcrowded Museum activities at the end of the project.

The Institution will complete planning for the East Court Building in fiscal year 1990 and is requesting design funding in fiscal year 1991. Concurrently, the Smithsonian will begin the renovation with work that is not



dependent on the availability of the East Court staging space. Under the current plan, the renovation project will be complete in 1999. Although Congressional authorization is not required for the renovation work itself, the Board of Regents will be requested to support legislation for the construction of the building in the East Court at the January 1990 Regents' meeting.

#### SENIOR LEVEL PAY

Secretary Adams was not sanguine about any significant relief on Federal senior level pay forthcoming from the Congress. He expressed concern that to the degree to which the Smithsonian resorts to trust funds to pay salaries necessary for the recruitment and retention of its museum directors and other top staff, the Smithsonian runs the risk of crippling its own flexibility and exacerbating patterns of inequity among the compensation packages. In discussion the Regents suggested that enhanced efforts to raise funds for programs already budgeted could have the effect of freeing up scarce unrestricted Trust funds which could be redirected for compensation purposes. It was also noted that the interests of the Smithsonian should be kept in mind as Congress considers either general or special pay legislation.

A prepared report indicated that the Smithsonian has retained a consultant to review such matters of pay and benefits and to make recommendations which the Secretary expects to bring to the Board's attention in January. In addition, it noted that Smithsonian top administrative and professional staff are not eligible to participate in Senior Executive Service (SES), and the "super grade" positions they continue to hold have slipped from the comparability they once had with SES salaries. To regain a degree of comparability at a minimum, and thereby to enhance the Smithsonian's ability to recruit and retain top staff, letters have been sent to the Office of Personnel Management (OPM) and key members of Congress proposing a way to correlate and increase supergrade pay to SES pay, should the latter be raised. The Institution is staying in touch with all legislative proposals regarding pay should there be an opportunity to include Smithsonian interests. In the final analysis, the Smithsonian may need to seek its own legislation either to tie its senior staff pay to whatever pay raises are provided to the SES or to propose separate pay levels for the Smithsonian. That strategy will be explored and reported on at the January meeting of the Board of Regents.

#### PROPOSED NATIONAL COUNCIL OF THE NATIONAL MUSEUM OF NATURAL HISTORY

Mr. Adams introduced a proposal to establish a National Council of the National Museum of Natural History. As suggested by McKinsey Company in its study of the Natural History Museum, the Council would serve to generate support for the Museum and advise on matters of policy. To accomplish these goals, board members should include potential donors, active senior corporate executives, and distinguished scientists. Bylaws for the Council were prepared for the Regents' consideration, and it was

VOTED that the Board of Regents establishes the  
National Council of the National Museum of Natural  
History and approves the Council's bylaws as proposed.



#### COMMISSION OF THE NATIONAL PORTRAIT GALLERY

Mr. Adams introduced the report of the Commission of the National Portrait Gallery, and it was

VOTED that in accordance with Public Law 87-443 the Board of Regents reappoints to the Commission of the National Portrait Gallery Robert L. McNeil, Jr. and appoints Stephen Jay Gould, Marta (Mrs. Eugene) Istomin and David Levering Lewis to terms expiring November 1995.

#### REVISED BYLAWS OF COOPER-HEWITT, NATIONAL MUSEUM OF DESIGN

The Secretary introduced a proposal to revise the Bylaws of the Cooper-Hewitt Council, by which the Museum is named "Cooper-Hewitt, National Museum of Design." The bylaw revisions increase the membership on the Council to 25 and refer to ex officio members by their current titles. Accordingly, it was

VOTED that the Board of Regents approves the proposed revisions to the bylaws of Cooper-Hewitt, National Museum of Design.

#### STATUS REPORTS

Major Personnel Searches  
Enhancement of Development and Groundwork for a Development Campaign  
National Postal Museum  
Litigation  
Smithsonian Council  
Smithsonian Patent Policy and Disclosure Statement

#### REGENTS' DINNER

The traditional Regents' Dinner was held on the preceding evening, September 17, 1989, in the S. Dillon Ripley Center, beginning with a cocktail reception in the east end of the Concourse, followed by dinner. After dinner Mr. Adams rose to greet the Regents and their guests and introduced Assistant Secretary for Museums Tom L. Freudenheim. Mr. Freudenheim talked about the International Gallery's potential as a pan-Institutional exhibition facility and introduced Dr. Vera Hyatt, curator of the *Caribbean Festival Arts* exhibition currently running in the International Gallery. Dr. Hyatt offered brief remarks and invited the guests to view the exhibition after dinner.

#### NEXT MEETINGS

Executive Committee Meeting -- Thursday, January 18, 1990, noon  
Regents' Dinner -- Sunday, January 28, 1990, 7:00 p.m.  
Board of Regents' Meeting -- Monday, January 29, 1990, 9:00 a.m.



SMITHSONIAN INSTITUTION  
PROCEEDINGS OF THE BOARD OF REGENTS

September 18, 1989

ATTENDANCE

The meeting of the Board of Regents was held in the Regents' Room of the Smithsonian Institution Building and was called to order by the Chancellor at 9:00 a.m. on Monday, September 18, 1989. Present were:

Chief Justice William H. Rehnquist, Chancellor  
Senator Jake Garn  
Senator Daniel P. Moynihan  
Congressman Silvio O. Conte  
Congressman Norman Y. Mineta  
Honorable David C. Acheson  
Honorable Anne L. Armstrong  
Dr. William G. Bowen  
Honorable A. Leon Higginbotham, Jr.  
Mr. Samuel C. Johnson  
Mr. Barnabas McHenry  
Mrs. Gay F. Wray, Chairman, National Board of  
Smithsonian Associates  
Mr. Robert McC. Adams, Secretary

Unable to attend were Vice President Quayle, Senator Sasser, Mr. Whitten, and Mrs. Clark.

Also present were Under Secretary Dean W. Anderson; Assistant Secretaries John F. Jameson, Tom L. Freudenheim, Robert S. Hoffmann, Thomas E. Lovejoy, and Alice G. Burnette; Treasurer Ann R. Leven; Executive Assistant to the Secretary James M. Hobbins; Congressional Liaison Officer Margaret C. Gaynor; Consultant to the Secretary Phillip S. Hughes; Administrative Assistant to the Chief Justice, Lawrence H. Averill, Jr.; Counsel to the Vice President, Diane G. Weinstein, and Special Assistant to the Vice President for Legislative Affairs, William J. Gribbin; Assistant to Senator Garn, Jeff Bingham; Assistant to Mr. Conte, Tim Shea; Assistant to Mr. Mineta, Phyllis Guss; and Assistant to Mr. Whitten, Fred Mohrman. Dr. Martin Harwit, Director



of the National Air & Space Museum, joined the meeting for that portion of the agenda devoted to the Museum's extension.

MINUTES OF THE MEETING OF MAY 8, 1989

The Chancellor drew the Regents' attention to the minutes of the most recent Regents' meeting, and the following motion was approved:

VOTED that the Board of Regents approves  
the Minutes of the Meeting of May 8, 1989,  
as previously circulated on May 30, 1989.

REPORT OF THE EXECUTIVE COMMITTEE

Mr. Acheson introduced the following report of the Executive Committee, drawing attention in particular to the mention of the fiscal year 1991 budget submission, the Committee's preliminary examination of the Air and Space Museum extension site evaluation, and the Committee's remanding to the Audit and Review Committee consideration of strategies for the renovation of the National Museum of Natural History.

\* \* \* \* \*

The Executive Committee of the Board of Regents met at noon on Thursday, September 7, 1989, in the Ladies' Dining Room of the Supreme Court. Present were:

William H. Rehnquist, Chancellor  
David C. Acheson, Chairman  
Samuel C. Johnson  
Robert McC. Adams, Secretary

Also present were: Under Secretary Dean W. Anderson; Assistant Secretary for Administration John F. Jameson; Treasurer Ann R. Leven; Executive Assistant to the Secretary James M. Hobbins; and Administrative Assistant to the Chief Justice Lawrence H. Averill, Jr. The Committee reviewed the proposed agenda for the September 18, 1989, meeting of the Board of Regents and observed that, with the amplifications below, the agenda papers reflected the Committee's views. The Committee also received a report indicating that, in accordance with the Secretary's delegated authority, the Smithsonian has closed its bank accounts maintained on behalf of the Woodrow Wilson International Center for Scholars and has transferred accounts between several banks in order to serve better the Smithsonian Pooled Income Fund and several New York-based activities of the Institution.



In his Secretary's Report, Mr. Adams raised for discussion a number of items which he will raise again at the meeting of the Board, including the status of Air & Space magazine, the emerging Corporate Associate Program, a potential solicitation of voluntary donations by visitors at one or more of the museums, the status of residents on Smithsonian Environmental Research Center properties, the death of Anacostia Museum Director John Kinard, the location of headquarters of the Archives of American Art, and the recent publicity about Federally-supported art exhibitions.

Commenting on the Financial Report, Miss Leven noted that the Institution has still not reached its goal of maintaining a fund balance of 5% of the operating budget, or about \$14 million. She added that disappointing summer visitation will require a downward revision of projected revenues from museum shops and restaurant concessions for fiscal year 1990. Turning to the Federal budget, Mr. Jameson reported that the House-Senate Conference Committee on the fiscal year 1990 appropriations is now expected to meet a few days prior to the meeting of the Board of Regents.

The Executive Committee felt that the thorough report on site evaluation indicated clearly that both the Dulles and BWI facilities could amply accommodate the Extension of the National Air and Space Museum. The Committee shared the Secretary's view that the agenda papers could not adequately convey the full extent of the respective states' ultimate offers of financial support, and to that end they encouraged the Secretary to talk with both governors prior to the Regents' meeting, if possible. Foreseeing further such talks after the Regents' meeting, the Secretary suggested that a committee of the Regents might be formed to help in pulling together comparative best and final offers for the consideration of the Board.

In other discussions, the Executive Committee complimented the Secretary for initiating a process for the review of Smithsonian organization and management. The Committee felt that salary matters at the Institution were sufficiently problematic at the present that it should give priority to special initiatives rather than await uncertain solutions to the more general problems of pay throughout the Federal agencies. And the Committee indicated its support for the Secretary's accomplishments in dealing with the issue of Native American skeletal remains in the National Museum of Natural History. Finally, the Committee suggested that the Audit and Review Committee examine the proposed strategy for renovating the Natural History Museum and bring its recommendations to the Board at the January meeting.

The meeting of the Executive Committee was adjourned at approximately 1:15 p.m.

#### REPORT OF THE NOMINATING COMMITTEE

Dr. Bowen reported on the activities of the Nominating Committee over the summer. The Committee -- consisting of Dr. Bowen, Mrs. Armstrong, and Mr. Johnson -- was able to meet with the Secretary in two meetings in person, one telephone conference, and numerous additional conversations. The Committee



reviewed the credentials of some 120 candidates, including both those who were suggested and those who occurred to members of the Committee as especially qualified. As the Committee discussed with the Regents at their meeting on May 8, special emphasis was given to identifying (1) an individual from the Washington Metropolitan area with considerable experience in Federal and cultural Washington, someone with both the aptitude and willingness to assist the Smithsonian with that kind of competence, in the tradition of the late Carlisle Humelsine, and (2) a scholar, preferably a scientist, who would bring to the Regents added strength in assessing programs of research, exhibition, and dissemination, much in the tradition of Murray Gell-Mann. The Committee was looking for truly exceptional individuals, people who might bring additional strength to the Regents in the face of growing needs for increased fund-raising expertise and minority representation on the Board. In addition, the Committee sought people who are young enough to sustain energetic service to and leadership of the Board over two full terms, or twelve years.

The Committee voted unanimously at its meeting on September 17, 1989, to recommend to the Regents the nomination of Dr. Homer Alfred Neal, a physicist of Michigan, and the Honorable Robert James Woolsey, Jr., a lawyer and public servant of Maryland (see biographical sketches below). Dr. Bowen noted salient aspects of their careers which made them particularly well suited for appointment to the Board, including their service to the nation in various capacities and their longstanding admiration for the Smithsonian. Dr. Bowen added that he and the Secretary were scheduled to meet with Dr. Neal on September 20, as they had met earlier with Mr. Woolsey, to inform him in depth about the Smithsonian and the responsibilities attendant upon the members of the Board and to determine the extent of his willingness to undertake such service.



Subject to the findings of the Secretary and the Chairman of the Committee on September 20, but without any reservation about either nominee, the Nominating Committee suggested the following motion, which was approved by the Board:

VOTED that the Board of Regents nominates Robert James Woolsey, Jr., and Homer Alfred Neal as citizen members of the Board and requests the Congressional members of the Board to introduce and support Joint Resolutions of the Congress effecting their appointment to the Board of Regents for the statutory term of six years.

\* \* \*

HOMER A. NEAL

Residence: Michigan

Age: 47

Occupation: Physics educator, researcher, university administrator

Background: Asst. professor of physics, Indiana University, 1967-70, associate professor, 1970-72, professor, 1972-81; dean research and graduate development, 1976-81; professor of physics SUNY, Stony Brook, 1981-87, provost, 1981-86; professor of physics, chairman, University of Michigan, Ann Arbor, 1987 - ; member National Science Board, 1980 - ; chairman, Argonne Zero Gradient Synchrotron Users Group, 1970-72; trustee Argonne University Association, 1971-74, 77-80; physics advisory panel National Science Foundation, 1976-79, chairman physics advisory panel, 1987 - ; high energy physics advisory panel U.S. Department of Energy, 1977-81, chairman physics advisory panel, 1987 - ; board of directors N.Y. Sea Grant Inst., 1982-86; director Ogden Corporation. NSF Fellow, 1966-67; Sloan Fellow, 1968; Guggenheim Fellow, 1980-81. Fellow American Phys. Society, AAAS; member University Research Association.

B.S. in Physics with honors, Indiana University, 1961; M.S. in Physics (John Hay Whitney Fellow), University of Michigan, 1963, Ph.D. in Physics, 1966.



ROBERT JAMES WOOLSEY, JR.

Residence: Chevy Chase, Maryland

Age: 48

Occupation: Lawyer  
Partner, Shea and Gardner, Washington, D.C.

Background: Attorney firm O'Melveny & Myers, Los Angeles, 1968; program analyst, Office of Secretary of Defense, Washington, 1968-70; National Security Council, 1970; General Counsel, Committee on Armed Services, U.S. Senate, 1970-73; associate, Shea & Gardner, Washington, 1973-77, partner, 1979 - . Under Secretary of the Navy, 1977-79; Advisor to U.S. Delegation to S.A.L.T., Helsinki and Vienna, 1969-70. Member President's Commission on Strategic Forces, 1983-84, Blue Ribbon Commission on Defense Management, 1985-86; delegate-at-large Soviet Arms Talks, Geneva, 1983-86. Trustee Stanford University, 1972-74. Served with U.S. Army, 1968-70. Member Council on Foreign Relations. Woodrow Wilson Fellow, 1963; Danforth Scholar, 1963.

B.A. with great distinction, Stanford U., 1963; M.A. (Rhodes scholar), Oxford (Eng.) U., 1965; LL.B. Yale U., 1968. Bar: Calif. bar 1969; D.C. bar 1970.

REPORT OF THE AUDIT AND REVIEW COMMITTEE

Introducing the following report, Mr. Acheson noted that the Institution's internal audit function has been converted by statute into that of an Inspector General, whose first semi-annual report to Congress will be examined in draft at the Committee's forthcoming October 3 meeting. He added that the Committee continues to monitor progress in overcoming certain administrative and managerial weaknesses, primarily in the auxiliary activities.

\* \* \* \* \*

The Audit and Review Committee met on Thursday morning, June 1, 1989, in the Regents' Room and was called to order shortly after 8:00 a.m. by the Chairman. Present were:



David C. Acheson, Chairman  
Jake Garn  
Jeannine S. Clark  
Charles McC. Mathias, Jr.

Also present were: Secretary Robert McC. Adams; Under Secretary Dean W. Anderson; Assistant Secretaries John F. Jameson, Tom L. Freudenheim, and Robert S. Hoffmann; Deputy Assistant Secretary for Public Service/Media Affairs Robert A. Dierker; Treasurer Ann R. Leven; General Counsel Peter G. Powers; Executive Assistant to the Secretary James M. Hobbins; Comptroller Shireen Dodson; Acting Inspector General John C. Fawsett; Deputy Director of Museum Shops Edward F. Sullivan; Assistant to Senator Garn, Louanne Ferrin; Assistant to Senator Sasser, John Callahan; Assistant to Mr. Mineta, Phyllis Guss; Assistant to Senator Morgan, Carroll Leggett; and Engagement Manager A. Robert Bloom, Engagement Partner John D. Strom, and Concurring Partner John F. Silton, all of Coopers & Lybrand.

At Mr. Acheson's request, Mr. Strom described the most significant aspects of Coopers & Lybrand's plan for their audit of fiscal year 1989 financial statements and transactions. He emphasized that their procedures and schedule will follow the terms of their contract for such services and will involve both experienced personnel and a new concurring partner, Mr. Silton (who was previously head of the Washington office of Coopers & Lybrand). In discussion it was noted that certain special studies to be requested by management are likely to raise the total cost of services from the contracted price of \$125,000. After Mr. Bloom described the auditors' procedures, Mr. Silton reported on the proposal pending before the Financial Accounting Standards Board which would require museums to capitalize their collections as assets. It was recognized in discussion that such a requirement would place an unduly heavy burden on museums with large collections, since each item would need to be appraised. The Committee concurred with Coopers & Lybrand and staff that the implied purpose of the proposal, to ensure accountability for collections held in public trust, is worthy but ought to be met through more practicable means of museum registrars.

Miss Leven introduced the materials presented to the Committee describing actions taken to date on Coopers & Lybrand's recommendations to management stemming from their fiscal year 1988 audit. She noted that the banking activities of the Cooper-Hewitt Museum, as well as the New York operations of Smithsonian magazine and the Archives of American Art, have been moved successfully to a new bank. Expressing appreciation for Coopers & Lybrand's review of auxiliary activities inventory procedures, she and Mr. Sullivan outlined the steps that have been taken specifically to reorganize Museum Shop management. They also described coordinated efforts with the Inspector General, the Protection Division, and the Office of Personnel Administration to screen personnel, provide for enhanced security in the shops, and initiate other measures to prevent fraud, waste, and abuse. The Committee encouraged the staff to continue to bear down on these matters, requested a report on further progress at its next meeting, and suggested that target dates be established for the completion of each of the improvements.

Mr. Powers presented the documentation which the Committee had requested on three special Trust fund annuity agreements for former Smithsonian officials or their spouses. He noted it had been found that one annuitant,



widow of a deceased official, had been carried approximately three years beyond the expiration of the agreement. The Committee concurred with the staff's recommendation that the payments be stopped without requiring repayment of the amount paid in error (less than \$10,000). Miss Leven pointed out that the health of the endowment funds is such that the few special retirement agreements for Smithsonian officials are currently fully funded.

Mr. Fawcett brought to the Committee's attention several "open recommendations" from previous years which continue to represent appreciable risk. He pointed out that National Portrait Gallery accession records should be maintained in the Registrar's office rather than by the curators; Mr. Freudenheim replied that funds to effect this change have been requested in the Gallery's budgets for fiscal years 1990 and 1991. Mr. Fawcett reported that inventory control should be gained over the rare books in the Department of Paleobiology; in response, Dr. Hoffmann noted that the inventory should be completed during the summer of 1989 and added that the problem is emblematic of a number of Natural History Museum inadequacies prior to needed renovations. Mr. Fawcett then pointed to the National Museum of American History's lack of a current inventory plan in accordance with Smithsonian collection management policy; Mr. Freudenheim explained that the recommended inventory plan should be completed by August 1 and he alluded to the complexities of conducting thorough inventorying while simultaneously serving the needs of the Museum's scholars, exhibition staff, and visitors. Finally, Mr. Fawcett drew the Committee's attention to five recommendations which had been made in 1987 to improve the management of the Office of Personnel Administration; Mr. Jameson described follow-up activity, which has involved certain further studies, including one recently concluded by the National Academy of Public Administration, and expressed confidence that, with the appointment of Mr. Pat Stanton (former Director of the Office of Audits and Investigations) as a project manager, implementation of the recommendations can proceed in a concerted effort. Encouraged by these reports, the Committee urged Mr. Fawcett to monitor completion of these matters, to continue moving quickly on closing out open recommendations, and to bring selected ones to the Committee's attention.

Concluding the agenda, Dr. Hoffmann gave the Committee a brief overview of the history, purposes, and present scope of activities of the Smithsonian Environmental Research Center in Edgewater, Maryland. At the conclusion of the meeting several Committee members accompanied the staff to Edgewater, where they participated in the dedication of the newly-completed Charles McC. Mathias Laboratory.

It was agreed that the next meeting will be held as arranged by staff with the Committee, and this meeting was adjourned at approximately 9:30 a.m.

#### REPORT OF THE INVESTMENT POLICY COMMITTEE

Mr. McHenry introduced the following report of the Investment Policy Committee, noting particularly that the total value of the endowment funds is currently \$266,600,000, a new high. There ensued brief discussion of the



measures used to evaluate investment performance and the extent to which current guidelines constrain investment performance. The Committee will continue to discuss these issues and will explore the advisability and availability of South Africa-free international investments.

\* \* \* \* \*

As of June 30, 1989, the market value of Smithsonian Institution endowment funds under outside management was \$252,889,000 compared to \$237,864,000 on March 31, 1988, and \$220,909,000 on June 30, 1988. The net increase in market value over the last quarter of \$15,024,000 reflects: (1) market appreciation of \$12,056,000, a 5.07% increase from March 31, 1989, (2) excess income reinvested to principal of \$953,000 over the quarter's total return payout requirement, and (3) an addition of \$2,015,000 in new money, invested with Fiduciary Trust.

Total return performance (including interest/dividends as well as market appreciation/depreciation) is shown below for the composite portfolio.

	-----Annualized-----				
	<u>3/89</u> <u>6/89</u>	<u>6/88</u> <u>6/89</u>	<u>6/87</u> <u>6/89</u>	<u>6/86</u> <u>6/89</u>	<u>Since</u> <u>6/30/78</u>
Composite SI	6.35	14.77	5.05	8.80	15.63
S&P 500	8.82	20.42	5.86	11.93	16.63
DJIA	7.61	18.65	4.28	12.85	16.01
Shearson Lehman Govt/Corp.	8.04	12.33	9.88	8.12	11.19

Of the Smithsonian endowment under active management, 63% was held in common stock, 25% in fixed income, 2.2% in convertible bonds, 0.3% in preferred stock, 3% in a mutual (common stock) fund, and 6% in cash and cash equivalents. The fund underperformed the S&P 500 and the DJIA averages for the June quarter given its weighing in fixed income, convertible bonds and cash. This conservative stance, however, is in line with that taken by other non-profit organizations. As of this writing, the cumulative results for July and August are not available.

The Investment Policy Committee's regularly scheduled meeting will take place in October or early November. A special luncheon meeting is scheduled for September 5 in New York to honor William Salomon and present him with a Smithsonian Society Medal for service rendered to the Committee over a seventeen-year period. Informational meetings are being held with a limited group of potential investment managers specializing in small capitalization stocks.



THE SECRETARY'S REPORT

Mr. Adams mentioned a variety of Smithsonian developments which had not been represented in the agenda papers distributed in advance of this meeting.

Purchase of the Cooper-Hewitt's Fox House

As approved in principle by the Regents on January 30, 1989 and subsequently in particular by the Chairman of the Executive Committee, the Institution closed on the purchase of the Fox House, a townhouse apartment building adjoining the Miller House of the Cooper-Hewitt Museum, for a total price of \$3,727,000. With assistance from New York attorneys, the Museum currently has a petition pending before City authorities for permission to deny further tenancy upon the expiration of the tenants' present leases. Renovation of interior spaces will be undertaken as the apartments are vacated.

Air & Space Magazine

The Secretary noted that expectations of an earlier payback from Air & Space magazine have been dashed by the publication's inability to increase the subscription base beyond approximately 330,000 without a larger than prudent investment to that end. Accordingly, the magazine faces continuing losses of approximately \$500,000 in accrual accounting, which requires reserves for the completion of paid subscriptions. While that does not represent a loss in cash flow, it appears on the books and raises questions about how long such losses ought to be sustained. Coincidentally, there is a feeling in some quarters that the magazine could be strengthened editorially, and steps are being taken in that direction. The Secretary mentioned that editorial and fiscal improvements for the magazine may redound to the benefit of an eventual fund-raising drive for the Air and Space Museum extension and to the credit of the Smithsonian should the magazine be continued as a joint venture with



another institution. Discussion ensued about the possible lack of focus and the extent to which "air" and "space" may be unrelated in terms of readership interests -- both of which may be factors limiting growth in subscriptions. The Secretary concluded discussion by noting that he must hold additional talks with Museum Director Martin Harwit and Publisher Joe Bonsignore before he can report further on these matters.

#### Corporate Associate Program

Mr. Adams described efforts at planning a Corporate Associate Program through which unrestricted funds would be realized through annual "dues" of \$25,000 and \$10,000 from corporations taking membership in the program. Work is currently under way on drafting a statement for the need for such funding, as well as the benefits of membership, two aspects of the program which the Regents felt needed particular attention.

The Secretary expressed his gratitude for the efforts of Mrs. Armstrong, Dr. Bowen, and Messrs. Johnson and McHenry in helping him and his staff in outlining the program and identifying potential leadership from the corporate world. He noted that it had been agreed that a short list of particularly noteworthy chief executives should be approached in priority order to fill the position of chairman of the program's corporate committee. Concluding discussion on this matter, the Regents expressed their full endorsement of the Corporate Associate Program initiative and support for the Secretary's appeal for leadership from the nation's top corporate chief executive officers.

#### Consideration of Admission Fees, Voluntary Contributions

The Secretary noted that several influential members of Congress have strongly recommended that the Smithsonian consider imposing admission fees for visitors, as is the practice at national parks and elsewhere. He added that the Smithsonian was poised to conduct an experiment in soliciting voluntary



donations in selected museums to determine the extent to which the visiting public would be willing to contribute. In discussion, it was the strong sense of the Regents that neither the Congress nor the public would tolerate either the solicitation of contributions or the imposition of general admission fees, and the matter ought to be dropped.

#### Appointment of the Assistant Secretary for Institutional Initiatives

Mr. Adams informed the Regents that he had appointed Alice Green Burnette to the new position of Assistant Secretary for Institutional Initiatives. Since coming to the Smithsonian in 1988, Mrs. Burnette had served as the Deputy Assistant Secretary for External Affairs and Coordinator of Institutional Advancement. Her responsibilities will include new and long-range projects, which developments she will monitor and nurture until the programs are fully incorporated into the Smithsonian. For instance, her first undertaking will be the design and implementation of private sector fund raising for the proposed National Museum of the American Indian, including the development of a broad range of promotional and advertising activities to garner support for the new museum. At the same time she will work to enhance the Smithsonian's relationship with institutions of higher education (particularly to encourage more minorities to enter scientific fields), to coordinate the development of activities for the observance of the Smithsonian's 150th anniversary, and to assist in others' efforts to establish an African-American presence on the Mall, an extension of the National Air and Space Museum, and a Smithsonian Media Center.

#### Residences at the Smithsonian Environmental Research Center

Mr. Adams reported that the staff has offered residents at the Smithsonian Environmental Research Center (SERC) a variety of alternatives to their present arrangements, including life estates, and has attempted to



negotiate with them on terms of their choosing. He noted that in two cases the residents had not responded despite several approaches from the Smithsonian, and he was delighted to note that Chairwoman Cardiss Collins' staff of the House Subcommittee on Government Activities and Transportation had volunteered to be of assistance in bringing the matter to a close.

In ensuing discussion, it was questioned whether the Smithsonian would have any interest in taking over, or merging with, the Johns Hopkins University research center at the Chesapeake Bay. In reply, it was noted that SERC had a long history of cooperation with the Johns Hopkins center through the Chesapeake Bay Research Consortium, and efforts were currently under way to place one of Hopkins' senior scientists on the SERC staff. But the types of research at the two sites are fundamentally different, and such a merger would have the unfortunate effect of reorienting the mission of SERC (long-term analyses of ecological dynamics of a watershed area) toward hydrology and physics, research areas that can be better undertaken by other institutions with Bay facilities, such as the University of Maryland.

#### **The Death of John Kinard; Anacostia Museum Planning**

Mr. Adams mentioned that the recent death of John Kinard, the forceful and energetic founding Director of the Anacostia Museum, could threaten to put planning for the Museum into disarray, but he was pleased to note that an interim Director, Zora Felton, has been named and has taken steps to coalesce divergent energies into forward motion. Mr. Kinard's strong views on the development and relocation of the Anacostia Museum to Poplar Point on the Anacostia River seemed to introduce additional dimensions of ambiguity into the already ambiguous discussions about the possibility of a National Museum of African-American History and Culture. The Secretary added that he and the staff would be better prepared to discuss these matters substantively at the



January meeting of the Board.

#### Progress in Affirmative Action

Mr. Adams pointed out that certain progress is being made in increasing the representation of minorities and women in the professional ranks of the Institution, and as an encouragement for still more progress he has asked the members of his top administrative staff to prepare reports on progress in their areas for review in connection with their annual performance appraisal.

Several Regents noted the absence of an affirmative action report in this agenda and suggested that the progress to which the Secretary alluded be described in succinct statistical detail at the Board's next meeting.

#### Archives of American Art

Mr. Adams suggested that the Institution's lack of success in recruiting a director for the Smithsonian's Archives of American Art could be attributed in large measure to the inability to offer a Federal salary sufficient to attract a talented and experienced candidate to New York City. That is a particularly unfortunate development because New York continues to provide the strongest base of support for the organization. At the risk of eliciting concern from traditionally supportive members of the Board of Trustees of the Archives, plans are being laid to relocate the Archives' headquarters in Washington on a permanent basis. The prospect of that action has given rise to the possibility of considering over the long term a closer affiliation of the Archives with the National Museum of American Art.

#### Senator Helms' Amendment

Mr. Adams mentioned that Senator Helms' proposed amendment to the fiscal year 1990 appropriations bill for the Department of the Interior and related agencies -- a move to restrict Federal funding of potentially offending art exhibitions -- could have implications for the Smithsonian, if enacted.



Without commenting on those ramifications, he distributed to the Regents copies of the "Horizons" column he wrote for the forthcoming October issue of Smithsonian magazine which touches on a number of related matters.

#### National Center for Biological Diversity

Mr. Adams mentioned the continued interest in Congress and among several agencies, including the Smithsonian and the Environmental Protection Agency, in establishing a National Center for Biological Diversity in the Smithsonian. As presently conceived, this Center would involve cooperation with the EPA in such a way that the Smithsonian would be restricted to the scientific aspects of the work while the EPA would have responsibility for policy decisions -- in a relationship which is roughly analogous to the cooperative arrangements of Department of Agriculture and other agencies' scientists currently working in several departments of the National Museum of Natural History.

#### NATIONAL AIR AND SPACE MUSEUM EXTENSION

The Secretary introduced the materials prepared for discussion of the proposed extension of the National Air and Space Museum. Noting that the site evaluation, prepared by Helmuth, Obata, and Kassabaum, indicates that both BWI and Dulles airport facilities could amply accommodate the needs of an extension well into the next century, Mr. Adams urged the Regents to take action in terms of expressing at least a preference for one site over another as a means of lessening the current level of lobbying.

There was widespread agreement among the Regents that the pressure being exerted on the members of the Board was not appropriate and ought to be discouraged. To that end the Regents were asked to recall their earlier action -- the motion approved September 16, 1986 stating the Regents' support for planning the extension at Dulles -- and to reaffirm that decision since,



it was argued, none of the facts had changed and the Dulles site continues to be at least as viable as any other. A number of Regents dissented from that view, expressing interest in the finding of greater accessibility of an ethnically more diverse local population at BWI and suggesting that the Regents have a responsibility to consider each state's best offer, which should include funds to meet construction costs. After further discussion it was agreed by a show of hands to postpone consideration of site selection until the January 1990 meeting of the Board.

There ensued discussion of what ought to be done to ensure that postponement of the matter until January would yield beneficial results, possibly even an offer of such magnitude that it would be preemptive of further consideration of the alternative site. It was suggested that the governors of each state, as well as the Washington Metropolitan Airport Authority, should be notified of the Regents' intention to select a preferred site in January and the governors should be invited to detail the extent to which their states are prepared to support construction; and the staff ought to develop a more complete analysis of the impact of operating and construction costs on Smithsonian budgeting. It was also noted that a commitment toward any site could be made only with the approval of the Congress. Accordingly, the following motion was suggested and approved:

VOTED that the Board of Regents requests the Secretary to advise the relevant jurisdictions, including the Washington Metropolitan Airport Authority, that the Board intends to decide the question of site selection for the extension of the National Air and Space Museum at its January 1990 meeting, with the understanding that final commitments cannot be made without authorization from the Congress of the United States.

Following is the summary report on site evaluation which had been distributed to the Regents in advance of the meeting.

\* \* \* \* \*



THE NATIONAL AIR AND SPACE MUSEUM EXTENSION  
WITH A GLOBAL VIEW

1. Introduction

The National Air and Space Museum was brought into life by a Congressional mandate to "collect, preserve, and display aeronautical and space flight equipment of historical interest and significance." This the Museum has diligently done, amassing the most important collection of air and spacecraft in the world, and in the process attracting millions of visitors every year. However, as it approaches the final decade of the 20th Century, the Museum sees its ability to carry out this mandate increasingly threatened.

Three major problems now jeopardize the future of the National Air and Space Museum. First, neither the Museum on the Mall nor its Paul E. Garber Facility in Suitland, Maryland, have sufficient space to house or exhibit the artifacts already in, or soon to be added to, the collection. Many important airplanes are stored in pieces at the Garber Facility and cannot be assembled there. Others are stored in the Arizona desert because there is no room to exhibit or house them in Washington.

Second, it is virtually impossible to transport very large air and spacecraft either to the Museum on the Mall or to the Garber Facility. For example, there is no way to transport to either location the Space Shuttle Orbiter Enterprise or the Concorde which has been promised by Air France. Very large artifacts cannot readily be moved by road, because obstacles such as overpasses would require their laborious and sometimes destructive disassembly. Most such artifacts can be moved intact only by air.

Third, the physical integrity of 80 per cent of the National Collections, housed at the Garber Facility, is threatened by the deteriorating condition of the overcrowded warehouses and the lack of proper environmental controls.

When the Museum opened on the Mall in 1976, it was already recognized that an Extension would eventually be needed if the Museum were to keep pace with developments in aerospace technology. In 1981, the Museum conducted a survey of sites with access to a runway located within one hour by car from the Mall. The prime candidate sites were the Dulles and Baltimore Washington International Airports. In January 1984, the Regents of the Smithsonian Institution approved submission of the request for project authorization to Congress. Legislation was introduced but not passed.

More recently, it was recognized that an Extension, in addition to providing adequate facilities for the exhibition and preservation of a growing collection of air and spacecraft, would also offer an opportunity to develop exhibits on the social impact of aviation and on global environmental systems, particularly as studied by airplanes and spacecraft. Many of these exhibits would make use of sophisticated computer interactive technology.

The Extension would house, preserve, restore, and exhibit the larger airplanes and spacecraft. Those are the machines which typically have had the greatest social impact, in contrast to the earlier, smaller ones which, to a large extent, were innovative or developmental precursors to what followed.



In this light, it makes sense to portray the social impact of aviation and spaceflight, as well as the policy questions they pose for the future, at an Extension where the relevant large-scale artifacts can be exhibited in their proper context.

At the National Air and Space Museum on the Mall, in counterpoint, the early histories of aviation and spaceflight would continue to be exhibited, with the smaller scale artifacts which played a critical role in those developments; and innovative current departures, which at first always entail small-scale efforts, will keep the spirit of the exhibits both exciting and current. Both the Extension and the parent Museum on the Mall will aim at intellectually challenging and questioning exhibits, to stimulate thought, educate young people, and inform the public.

## 2. "A Museum Extension with a Global View"

An important legacy of aviation and spaceflight is our ability to view the surface of our planet as a whole, and to examine, remotely or in person, almost any place we want, to any extent, at any time, whether that region lies on land, at sea, or high in the atmosphere. This ability also reveals that our technology has the power to alter the climate and habitability of the entire planet for better, for worse, or forever.

Humans have persistently forced their preferences on the environment, tinkering with its parts, often ignoring the possibility that we might topple the entire structure. While we have found the means to view the Earth as a whole, we still lack sufficient insight to perceive how all its parts interact, to better understand and control our actions and their consequences. This is what we must learn and what the Extension could help to teach. Such teaching would reflect an intelligent use of methods provided through aviation, spaceflight, and remote sensing.

The Extension would show how advances in these technologies have affected our lives in other profound ways -- with synchronous satellites linking the world in a network of information transmitted at the speed of light, across national borders, among institutions and between ordinary people; with satellite sensors providing warning of severe storms, and locating new resources; with surveillance aircraft and satellites observing the military disposition of potential adversaries, verifying treaty compliance and preventing false alarms.

Through these tools of observation and communication there unfolds also a story of spreading industrial pollution, bulging cities and tangled highways; of the destruction of forest and ecosystems that will not return; of massive soil erosion and the spread of deserts; of inadvertent climate modification and the addition of atmospheric trace gases and pollutants which could threaten the very survival of our global life support system.

Millions of us travel to distant lands each year, in large airplanes, thousands of which shuttle us from place to place, for pleasure, for knowledge, for trade, for military activities or diplomacy. We learn of other customs and cultures, each with its own history, with its own dignity. We begin to see the world not as detached observers, but as participants in a shared human enterprise, the long term survival of which is uncertain.



This view of the Earth could be emphasized at the Extension by an exhibit tracing, for example, the changing industrial, agricultural, and demographic nature of a given region through time, as related to the historical development of transportation -- roads, rails, and most recently airlines. On another level, the Extension could examine what we are learning about the Earth through studies in comparative planetology -- how our understanding of terrestrial climate change, the atmospheric greenhouse effect, desert landforms, and tectonic processes is expanding with the study of other planetary bodies by space probes.

A Museum Extension With a Global View would show the Earth as an intricately complex but nonetheless understandable whole. It would exhibit the airplanes and spacecraft that have done so much to reveal the planet; it would explain the principles of air and space flight and of global environmental systems; and it would integrate these elements into a coherent projection of our future on Earth.

### 3. Steps Toward an Extension.

Knowing what we would like to accomplish at the Extension is one thing. Deciding how that translates into buildings and their sizes, where the Extension is to be constructed, what it will cost, where the funds might be obtained, and how rapidly those funds would permit the required buildings to be erected, is another. To consider those practical aspects of planning and constructing the Extension, several different studies were undertaken and completed.

The size of the Extension and of its constituent buildings is largely determined by the scope of the Museum's collections. The type of construction required is determined by the size and weight of individual artifacts as well as by the need for temperature and humidity control. In order to specify those factors, the Museum's Aeronautics Department, whose collections will need by far the largest fraction of the planned Extension area, completed a detailed, year-long study to produce a "collections rationale." Based on the Museum's present holdings and its Congressional mandate to continue to collect and preserve significant air and space artifacts, the Department laid out a master plan for future acquisitions and deaccessions.

This plan is reasonably firm out to the year 2025, since all the airplanes which potentially could be included by then in our collections are already known. Aircraft coming on line today have life expectancies of about 40 years and will at earliest come out of service toward the end of the first quarter of the 21st century. The collections rationale thus permits the Museum to assess realistically its holdings, and hence its building needs, out to the year 2025.

In specifying the projected contents of our collections, the rationale also provides information determining the kinds of buildings that will be needed -- the dimensions of individual structures, their required floor loading, the strengths of beams from which aircraft would be suspended, and similar construction parameters.

The rationale projects that by the year 2025, the Museum will have acquired some 74 important airplanes in addition to the approximately 350



currently in the collection. These, together with the airplanes that must be moved from the Garber Facility and from storage at Davis-Monthan AFB in Arizona, will require a net interior area for exhibition hangars calculated at 580,000 square feet. Most of this area will be needed for the new acquisitions, many of which are large. For example, one of the hangars must provide an internal vertical clearance of 75 ft and be able to accommodate a Boeing 747 (length 231 ft, span 196 ft, height 63 ft), the largest airplane to be acquired. The other hangars will require a vertical clearance of 50 feet and floors that can support point loads up to 42,000 lbs (for a Boeing 707).

These parameters, together with other assessments on the size and future growth of the Museum's archives and exhibition facilities, were translated by the design firm of Hellmuth, Obata and Kassabaum (HOK), into a preliminary program for buildings designed to house the collections, exhibitions, and staff. The attached Table 1 summarizes the HOK findings, comparing the BWI and Dulles sites. The primary constraints faced in devising these layouts were FAA regulations on obstructions in the vicinity of runways and the configuration of wetlands at each site.

The full-scale Extension will require 1.5 million gross square feet of building area, more than half of it for the exhibition and restoration hangars. It can be constructed and financed in three phases, in such a manner that Phase I will constitute a viable facility that can be opened to the public.

Phase I will require 673,000 GSF and will include most of the fundamental infrastructure required for the complete Extension, and will include: (a) an exhibition hangar space for the proper housing and care of the collections currently stored at the Garber Facility, with additional space for the expected growth of the collection over the subsequent five-year period (134,000 GSF); (b) a restoration hangar for the preparation of artifacts for exhibit (156,000 GSF); (c) one Mall-quality exhibition gallery (47,500 GSF); (d) storage for the Museum's study collections and archives (168,000 GSF); (e) office support for professional staff; (f) a large format film theater; and (g) the necessary building and visitor services. Phases II and III will include the additional hangars and three further exhibition galleries, plus the required office, visitor, and support facilities for the complete Extension.

During Phase I construction, the Museum would vacate the buildings currently occupied at the Garber Facility, freeing this site for other Smithsonian needs. At the Extension, activities carried out and collections stored at Garber would find a new home, with expanded exhibition space, sufficiently large hangars to hold even the largest of our airplanes and spacecraft, and much better protection against temperature and humidity variations, ultraviolet radiation, dirt, atmospheric pollutants, and other destructive agents. We would have parking facilities for an anticipated initial 1.3 to 3.0 million visitors per year.

Completion of Phase I construction could allow a public opening of the Extension on July 4, 1995. At that time, the Space Shuttle Orbiter Enterprise could be viewed in the new Restoration hangar. On Aug. 6, 1995, there could follow the opening of a formal gallery exhibition of the B-29 Enola Gay in the historical context of strategic bombing in World War II.



Site preparation and building construction constitute the major anticipated costs of the Extension. The HOK study indicates that these costs will differ slightly at the two sites, but by amounts which are small compared to the uncertainties in the estimated Phase I construction cost of about \$ 162 million, escalated to 1993 dollars (the approximate midpoint of construction, used as a consistent basis of cost comparison). Construction of the completed Extension will cost approximately \$330 million (1993 dollars). The cost of moving the existing collections from the Garber Facility will be about \$9.8 million for BWI and \$5.3 million for Dulles, based on a study by senior Museum consultant David Scott. The difference is due to the additional cost of transporting artifacts now stored at Dulles (including the Space Shuttle Orbiter) to BWI. An itemized comparison of Phase I costs for the two sites is given in the attached Table 2.

Faced with these costs, construction phasing must be based on the availability of funds. The following four sources of funding have been investigated:

- o The State of Maryland and the Commonwealth of Virginia were asked whether they would be able to help defray the on-site costs of site preparation at the Extension and the off-site costs of access roads and near-by interchanges. The value of the on-site services offered, as estimated by HOK, amounts to approximately \$ 35.2 million at the BWI site and \$40.2 million at the Dulles site; deduction of these sums would reduce the remaining Phase I construction budget to \$127 million for both sites.

- o A Museum survey of leading executives of aerospace industries and airlines has suggested the extent to which industry might underwrite the costs of the Extension. A report of the fund raising counsel, Snelling, Kolb & Kuhnle shows that \$15-20 million might be raised in a well-planned funding drive. The report finds that aerospace executives outside the Virginia and Maryland areas believe that the Dulles site has a greater fund raising potential, but that most of the funds would have to be raised on a national or even international scale with only minor contributions from either state. A precedent may be found in the drive which led to the raising of \$26 million for the Museum of Flight in Seattle, which opened in 1987. To supplement the fund raising efforts, the Air & Space/Smithsonian Magazine (with a circulation of more than 300,000) could help reach potential supporters of the Extension.

- o Provided the Extension project were able to obtain 2:1 matching funds from Federal sources, this would permit the construction and opening of Phase I at a cost of \$174-178 million. A summary of these figures is given in the tables. The State of Maryland has evaluated its proposed contributions to the Extension (land value plus on-site and off-site improvements) at \$64 to 69 million (1989 dollars). The Commonwealth of Virginia did not place an evaluation on the land or the improvements offered.

- o For an additional funding option, an estimate of financing possibilities, based on anticipated revenues at either site, was kindly prepared for the Museum by Kenneth D. Fullerton of Lazard Frères & Co and James R. Johnson of Wheat, First Securities, Inc. Their finance schedule indicates that income from parking, a large format film theater, restaurant services and museum shops would enable us to borrow \$50 million dedicated entirely to a first phase, or else to undertake a sequence of bonds in the amounts of \$35, \$20 and \$12 million, respectively for Phases I, II and III.



**TABLE 1. SITE EVALUATION COMPARISONS**

(√ = fulfills criteria, no significant differences)

CRITERIA	BWI	DULLES
<b>1. LOCATION</b>		
Active Airfield	√	√
Distance to Taxiway	750 ft.	4000 ft.
Ultimate Visitor Forecast	3.3 - 4.5 million	2.7 - 4.1 million
Visitor Ethnic and Economic Diversity	Greater within 25 miles of the site	
<b>2. SITE PROGRAM</b>		
Accommodates Program	√	√
Total Acres Offered	100	100
(Potentially available)	(135)	(185)
Buildable Acres	113.3	136.5
<b>3. ACCESS</b>		
On-Site Improvements	<ul style="list-style-type: none"> <li>• 5 lane drive MD 170</li> <li>• 2-3 lane drive MD 176</li> </ul>	<ul style="list-style-type: none"> <li>• 4 lane parkway Barnsfield Rd.</li> <li>• 2 lane drive US 50</li> <li>• Shuttle from remote parking.</li> </ul>
Parking -Average Day - Peak Day	1075 spaces 3565 spaces	920 spaces 3040 spaces
Mass transit to Site	DC to BWI - <ul style="list-style-type: none"> <li>• private airport bus</li> <li>• AMTRAK/MARC Rail and free shuttle to airport.</li> </ul> Baltimore to BWI- <ul style="list-style-type: none"> <li>• public bus service</li> <li>• private airport bus</li> <li>• light rail transit and shuttle(1992)</li> </ul>	DC to Dulles - <ul style="list-style-type: none"> <li>• private airport bus from DC and from MetroRail</li> <li>• right-of-way available for MetroRail extension to airport</li> </ul> Baltimore to Dulles - <ul style="list-style-type: none"> <li>• none</li> </ul>
<b>4. SAFETY &amp; SECURITY</b>		
Site Wide Fire Reporting	√	√
Fire Fighting	√	√
Police	√	√
Rescue/Emergency Service	√	√
2nd Fire Flow	√	300,000 Gal. Tank Req'd



CRITERIA	BWI	DULLES
<b>5. COMPATIBILITY &amp; CONTEXT</b> Complies with: Airport Function Airport Master Plan County Land Use	√ √ √	√ √ √
<b>6. ECOSYSTEMS</b> Wetlands Wetland Disturbance Archeological Sites Soil  Noise Vibration Air Pollutants	18.5 acres (approx.) 2.5 acres (approx.) potential 350 ft. layered sands & clays above bedrock 65-75 Ldn* n/a √	11 acres (approx.) 2.2 acres (approx.) 5 identified on-site 30 ins. soil above weathered bedrock 60-65 Ldn* n/a √
<b>7. UTILITIES</b> Availability of Utilities Length of Extension •Water/Gas/Elec./Phone •Sanitary Sewer Storm Water Management Pond Size	√  200-300 ft. 3500 ft.  1.4 acre x 4 ft. deep	√  3600 ft. 450 ft.  1.7 acre x 4 ft. deep
<b>8. AESTHETICS</b> Visibility  Screening	prominent corner, MD 170 & MD 176  along MD 176	wooded, distant from roads, 2500 ft. to VA 28; 3600 ft. to US 50 along west property line
<b>9. COST ESTIMATES (IN THOUSANDS)</b> Construction Cost (1993 \$) Phase I Phase II Phase III Total	162,634 85,523 80,285 328,442	161,910 85,408 78,152 325,470

\*Ldn=A-weight decibel averaged for day-night sound level



CRITERIA	BWI	DULLES
<b>9. COST ESTIMATES</b>		
One-Time Costs (1995-\$)		
Phase I	16,310	11,858
Phase II	5,881	5,881
Phase III	11,469	11,469
Total	33,660	29,208
Annual Operating Costs (1995-\$)		
Phase I	9,822	9,822
Phase II	13,502	13,502
Phase III	16,885	16,885
<b>10. FLEXIBILITY</b>		
Restricting Factors	<ul style="list-style-type: none"> <li>• narrow parcel</li> <li>• wetlands</li> <li>• height controls</li> <li>• topography</li> <li>• smaller size</li> </ul>	<ul style="list-style-type: none"> <li>• narrow parcel</li> <li>• wetlands</li> </ul>
Future acres for Smithsonian Use	46	54
<b>11. PHASING</b>		
Phase I	√	√
Phase II & III	smaller site area may restrict construction staging	construction may interrupt US 50 access



TABLE 2 PROJECT COST ESTIMATE\*(IN THOUSANDS)

	PHASE I	
	<u>BWI</u>	<u>DULLES</u>
Building	77,870	77,870
Deer Foundation Premium	3,350	---
Site Preparation	19,180	20,560
Utilities	2,950	4,410
Design Reserve	10,000	10,000
SUBTOTAL (1989 \$)	113,350	112,840
Overhead (9%)*	10,200	10,160
Construction Contingency (5%)*	5,670	5,640
SUBTOTAL	129,220	128,640
Escalation to Mid-Point (16 %) (4%/yr to 1993)	20,680	20,580
TOTAL CONSTRUCTION COST ** (1993 \$)	149,900	149,220
AE Fee (6%)**	8,990	8,950
Smithsonian Construction Management (2 1/2 %) **	3,740	3,730
SUBTOTAL	12,730	12,680
TOTAL CONSTRUCTION BUDGET (1993 \$)	162,630	161,900
TOTAL START-UP COSTS*** (1995\$)	16,310	11,860
ANNUAL OPERATING COSTS*** (1995\$)	9,820	9,820

\* These figures do not include cost of operating the Extension.

\*\* Fees based on Total Construction Costs

\*\*\* Detailed in Appendix J-2



TABLE 3: FUNDING

	<u>BWI (\$ MILLION)</u>	<u>DULLES (\$ MILLION)</u>
ESTIMATED PHASE I COST	\$162	\$162
FUND RAISING POTENTIAL	15-20	15-20
ON-SITE IMPROVEMENTS*	35	40
SUBTOTAL	50-55	55-60
FEDERAL TOTAL NEEDED WITHOUT FINANCING (APPROX. 2:1 RATIO)	\$107-112	\$102-107

\*This amount, estimated by HOK, represents the value of the support offered by the states for on-site improvements.



FINANCIAL REPORT

Miss Leven began the Financial Report by advising that a significant drop in summer visitation to the Mall, a phenomenon noted by other Washington tourist and cultural attractions, has adversely impacted Smithsonian museum shop and restaurant revenues. The scheduled payments for the Air and Space Museum Terrace Restaurant will be met and fiscal year 1989 trust funds will be closed out in balance, as planned; however, the projections of trust fund revenues for 1990 and 1991 will need to be revised downward to reflect more realistic expectations.

Mr. Jameson added that virtually all Federal appropriations for 1989 will be obligated by the end of the fiscal year. He then drew the Regents' attention to the major items of appeal to the House-Senate conference committee on the 1990 appropriations (particularly funding for the National Museum of the American Indian, planning for the renovation of the Old General Post Office building, and the construction of a research vessel for the Smithsonian Tropical Research Institute) and to the anticipated \$6.6 million increase in the Repair and Restoration account. For fiscal year 1991, he noted, the Smithsonian is taking a more aggressive approach in its request to the Office of Management and Budget, with emphasis on realistic estimates of what is required to correct deficiencies in such infrastructure categories as scientific equipment, automation, collections management, and plant maintenance and security. He also highlighted the capital budget request, which includes the renovation of the Old General Post Office building, additional planning for the National Museum of the American Indian, the planning of the National Air and Space Museum extension, and the initial phase of renovation of the National Museum of Natural History.



The following motions were approved as proposed in the report below:

VOTED that the Board of Regents approves the proposed revisions to the budget of the nonappropriated funds for fiscal year 1989 and authorizes expenditures by the Secretary in accordance therewith; any material changes in program plans incorporated in the revised budget, or any changes of more than \$250,000 in any general unrestricted Trust fund program or administrative expenditure, shall be made only with approval of the Board of Regents or its Executive Committee.

VOTED that the Board of Regents approves the budget of appropriated funds for fiscal year 1990 and proposed revisions to the budget of the nonappropriated funds for fiscal year 1990 as presented, and authorizes expenditures by the Secretary in accordance therewith; any material changes in program plans incorporated in these budgets, or any changes of more than \$250,000 in any general unrestricted trust fund program or administrative expenditure, shall be made only with approval of the Board of Regents or its Executive Committee.

VOTED that the Board of Regents approves the Smithsonian Institution budget of appropriated funds for fiscal year 1991 for presentation to the Office of Management and Budget and the budget of the nonappropriated funds for fiscal year 1991.

\* \* \* \* \*

This report summarizes for the Regents the Institution's current fiscal year 1989 budget, projections for fiscal year 1989, and the previously approved budget for fiscal year 1990. Also presented to the Regents for their approval is the budget for fiscal year 1991.

#### Fiscal Year 1989 (Schedule B and C)

Schedule B continues to reflect the Institution's Trust Fund and Federal budgets without change from the May report to the Regents. Schedule C remains unchanged with respect to the Federal projection; however, Trust Fund projections have been updated.



As a result of the third quarter review, the addition to fund balance is projected to drop by \$193,000 to \$907,000. This is \$593,000 below the original budget. The change is the result of a combination of factors. Major changes in net income included a \$250,000 increase in short term investment income, an increase of \$175,000 for the Smithsonian Institution Press, and a decrease of \$250,000 for Mail Order. Offsetting the net increase was \$408,000 transferred to the Secretary's Program Contingency. The Office of the Assistant Secretary for Institutional Initiatives was established on July 2nd. All funding for the remainder of the year will be covered by reprogramming previously budgeted funds.

Major allocations from the Secretary's Program Contingency since the May meeting were \$160,000 for legal fees arising from an international research endeavor and \$90,000 to complete funding for a research lab for the Director of the National Air and Space Museum. The current balance in the Secretary's Program Contingency is \$244,000. Anticipated fourth quarter allocations from the Contingency are expected to bring the balance down to zero.

The following motion is suggested:

VOTED that the Board of Regents approves the proposed revisions to the budget of the nonappropriated funds for fiscal year 1989 and authorizes expenditures by the Secretary in accordance therewith; any material changes in program plans incorporated in the revised budget, or any changes of more than \$250,000 in any general unrestricted Trust fund program or administrative expenditure, shall be made only with approval of the Board of Regents or its Executive Committee.

#### Fiscal Year 1990 - Budget (Schedule D)

--Federal Appropriations: Schedule D reflects the budget as submitted to Congress. Since that time the Smithsonian has received the mark-up from both the House and Senate Appropriations Committees. Both bills have passed their respective chambers and the Conference Committee is expected to take up the bill after Labor Day. The following chart summarizes Congressional action to date.



(\$000's)	FY 1990 Budget			
	FY 1989 <u>APPROP.</u>	<u>REQUEST</u>	<u>HOUSE MARK</u>	<u>SENATE MARK</u>
<u>ACCOUNT</u>				
Salaries and Expenses	\$211,240	\$227,737	\$231,981	\$223,029
Repair and Restoration	20,735	26,653	26,869	26,653
Zoo Construction	5,305	6,500	6,500	6,500
Construction				
- Museum of the American Indian	-0-	-0-	2,900	1,000
- Whipple Base Camp	3,185	-0-	-0-	-0-
- STRI	2,700	3,480	3,480	1,780
- Alterations & Modifications	2,020	4,040	4,040	4,040
- Construction Planning	750	730	730	730
- General Post Office Building Design	-0-	<u>1,750</u>	<u>1,750</u>	<u>-0-</u>
TOTAL	\$245,935	\$270,890	\$278,250	\$263,732

Following are highlights of Congressional action thus far:

In the Salaries and Expenses account, the House allowed \$4.2 million above the request. In addition, it applied to other unfunded needs approximately \$3.7 million that the Institution had budgeted for utilities but would not need as a result of Congressional decision to fund through other means. The House action allowed for the addition of \$6.0 million for the Museum of the American Indian, \$1.1 million for Quincentenary activities and \$1.1 million for Global Change initiatives. Other additions included \$113,000 for Smithsonian Institution Libraries, \$200,000 for the Smithsonian Tropical Research Institute, and \$246,000 for the Cooper-Hewitt Museum. Reductions included \$200,000 in Administration, \$610,000 in Facilities, and \$170,000 for Museum Support Center Equipment.

The Senate agreed with all of the House cuts except that for Museum Support Center equipment, but did not provide for any add-ons with the exception of \$1.1 million for the Museum of the American Indian.

In the Repair and Renovation account, both the House and the Senate approved the Institution's request. The House also provided \$216,000 for the renovation of Cooper-Hewitt's Fox House.

In the Construction account, the House provided full funding and added on \$2.9 million for the Museum of the American Indian. The Senate provided an add-on of \$1.0 million for the Museum of the American Indian. It cut \$1.7 million for the floating laboratory for the Smithsonian Tropical Research Institute and \$1.8 million for the design of the General Post Office Building.



A letter is being prepared to the Conference Committee which will address the impact of all items of increase or decrease at variance between the House and the Senate.

--Nonappropriated Trust Funds: There has been no change to the fiscal year 1990 Trust fund budget as approved by the Regents last September. However, a review of fiscal year 1990 has revealed the following. The Secretary's Program Contingency, which was established at \$900,000, will be reduced by \$480,000, reflecting out-year effects of fiscal years 1988 and 1989 funding decisions. This amount includes \$207,000 for the recently established Office of the Assistant Secretary for Institutional Initiatives. The addition of \$164,000 in reprogrammings will provide a total budget of \$371,000 for that office.

At this point current projections for auxiliary activities are not complete. However, diminished revenues for some activities in fiscal year 1989 suggest lowering projections for fiscal year 1990. The result may be further reducing or eliminating contingencies and/or the projected addition to fund balance.

The following motion is suggested:

VOTED that the Board of Regents approves the budget of appropriated funds for fiscal year 1990 and proposed revisions to the budget of the nonappropriated funds for fiscal year 1990 as presented, and authorizes expenditures by the Secretary in accordance therewith; any material changes in program plans incorporated in these budgets, or any changes of more than \$250,000 in any general unrestricted trust fund program or administrative expenditure, shall be made only with approval of the Board of Regents or its Executive Committee.

#### Fiscal Year 1991 - Budget (Schedule E)

Approval of the Regents is requested for submission of the fiscal year 1991 Federal budget to the Office of Management and Budget. Approval is also requested for the fiscal year 1991 Trust Fund budget. The overall budget includes gross operating income of \$568.7 million compared to \$506.0 million budgeted for fiscal year 1990, an increase of 12%. The breakdown between Federal and Trust operating budgets is \$283.8 million and \$284.9 million respectively. Net operating income, after deduction of auxiliary and bureau activity expenses, is expected to be \$381.2 million, an increase of \$61.7 million or 19%.

--Federal Appropriations: The budget, once approved by the Regents, will become the Smithsonian budget request to the Office of Management and Budget. The fiscal year 1991 budget totals \$399.4 million for all operating



and capital needs, \$114.3 million more than the Office of Management and Budget planning target. The basic strategy inherent in this budget is an emphasis on "infrastructure." It is hoped that focusing on catch-up needs to support baseline programs will help gain a more expansive view of "current services," a definition which the Office of Management and Budget is using as their yardstick in reviewing requests. The Institution is also requesting funding for two high priority program initiatives, Global Change Research and Cultural Pluralism. This budget also reflects a more aggressive approach in the total sums requested than in the recent past.

The Salaries and Expenses budget totals \$283.8 million incorporating approximately \$37.9 million in program increases. These increases include \$5.2 million for automation needs, \$4.4 million for major scientific instrumentation, \$3.2 million for the Museum of the American Indian (supplementing the assumed base of \$6.0 million recommended by the House for our 1990 appropriation), \$3.1 million for cultural pluralism, \$2.1 million for Global Change Research initiatives, \$1.0 million for exhibit hall renovation at the National Museum of Natural History, and \$913,000 for a variety of Columbus Quincentenary projects.

The budget includes \$61.5 million in the Construction account, \$48.2 million over the Office of Management and Budget planning target. This sum represents \$38.25 million for the General Post Office Building, \$8.2 million for the National Museum of the American Indian, \$6.0 million for the National Air and Space Museum extension, and \$1.5 million for the National Museum of Natural History East Court project.

In the Repair and Renovation of Buildings account the Institution is budgeting \$35.0 million, 14.0 million dollars for Major Capital Renewal projects, and \$21.0 million for Repair, Restoration and Code Compliance projects. It is estimated that the backlog of repair projects would take seven to ten years to eliminate at this level of funding.

The budget for the Construction and Improvements, National Zoological Park account is \$19.1 million. This provides \$12.0 million for the continued implementation of the master plan, \$4.3 million for the Front Royal Development Plan, and \$2.8 million for repair and restoration projects.

--Nonappropriated Trust Funds: Fiscal year 1991 net income from General Unrestricted Trust Funds is budgeted to total \$36.4 million, an increase of \$1.1 million over the original budget figure for fiscal year 1990. Major increases include \$1.5 million for the National Associates, \$590,000 for Concessions, \$400,000 for the Smithsonian Institution Press, and \$200,000 for Media Activities. Offsetting these increases are more realistic projections of income for the Air and Space magazine, Museum Shops and for Mail Order. Projections from these units are being re-evaluated for 1990.

The budgeted net revenues provide for a program contingency of \$1.3 million to allow funding for projects of merit that may arise during the course of the year or annualized costs of positions that may be approved during the course of fiscal year 1990. Recognizing fiscal year 1989 costs annualized into 1990, the fiscal year 1991 program contingency has been increased by \$444,000. The budget continues the annual \$3.0 million transfer to the Endowment and an increase to the General Unrestricted Trust Fund



balance of \$1.5 million. Thus, by the end of fiscal 1991 it is hoped the budgeted balance in the General Unrestricted Trust Fund will be \$12.4 million. At that point, the Institution would still be below its goal of establishing a balance equivalent to 5% of the gross operating Trust budget or \$14.2 million.

Increases for new program initiatives total \$1.4 million. Since the increase is smaller than in years past the focus has been to fund less costly projects with Museums receiving \$400,000 and Research \$275,000, primarily \$200,000 for the Scholarly Studies Program.

Projections for Restricted funds are \$2.1 million lower than the fiscal year 1990 budget. In the Government Grant and Contract category projections show a \$1.6 million increase from fiscal year 1990. Net funds provided from the special purpose fund group are projected to increase \$1.9 million over fiscal year 1990.

Note: In the Funds Applied section of Schedule E, the Special Programs category has been removed and expenditures have been distributed to the functional areas.

The following motion is suggested:

VOTED that the Board of Regents approves the Smithsonian Institution budget of appropriated funds for fiscal year 1991 for presentation to the Office of Management and Budget and the budget of the nonappropriated funds for fiscal year 1991.



SMITHSONIAN INSTITUTION				
SEPTEMBER 1989 (1,000's)	Summary Fiscal Years 1989-1991			
	FY 89 Budget (Sch. B)	FY 89 Projected (Sch. C)	FY 90 Budget (Sch. D)	FY 91 Budget (Sch. E)
OPERATING FUNDS				
FUNDS PROVIDED:				
FEDERAL APPROP. - S&E	211,240	211,240	227,737	283,769
GOVERNMENT GRANTS & CONTRACTS	23,481	23,481	29,970	31,576
NON-APPROP. TRUST FUNDS				
Investment Income	10,994	10,894	13,516	13,826
Gifts & Grants (Ex. Gifts to Endow)	10,692	10,692	15,859	16,525
Self-Generated Net Income				
Institutional (Gen. Unrest.)	25,390	25,250	27,620	28,635
Bureau (Special Purpose)	1,188	1,188	1,376	1,818
Other Miscellaneous	2,775	2,875	3,360	5,004
NET OPERATING FUNDS PROVIDED	285,760	285,620	319,438	381,153
FUNDS APPLIED:				
Research	68,332	69,443	76,786	99,769
Less: SAO Overhead Recovery	(3,062)	(3,850)	(3,850)	(5,332)
Museums	100,108	100,634	109,558	143,777
Public Service	5,260	5,509	5,673	14,011
International Activities	1,751	1,731	1,784	1,955
Special Programs/Inst. Initiatives	22,171	22,301	26,187	302
External Affairs	1,056	2,785	2,981	3,462
Administration	31,860	31,348	36,787	53,637
Less: SI Overhead Recovery	(10,980)	(11,225)	(12,120)	(13,200)
Facilities Services	62,734	62,673	70,206	75,052
TOTAL OPERATING FUNDS APPLIED	279,230	281,349	313,992	373,433
TRANSFERS (Non-Approp. Trust Funds)				
To Plant Funds	0	0	0	4,038
To Endowment Funds	3,678	3,653	3,470	2,962
Total Transfers	3,678	3,653	3,470	7,000
CHANGE IN FUND BALANCES	2,852	618	1,976	720
OTHER FEDERAL APPROPRIATIONS				
-Construction	34,695	34,695	43,153	115,590
TOTAL FEDERAL APPROPRIATIONS	245,935	245,935	270,890	399,359



SMITHSONIAN INSTITUTION						
SEPTEMBER 1989			Source & Application of Funds			Schedule B
(\$1,000s)			Budget			FY 1989
OPERATING FUNDS	Federal Approps.	Government Gr. & Cont.	Unrest. Trust Funds		Restricted Trust Funds	Total Op. Funds
			General	Sp. Purp.		
BEGINNING FUND BALANCE	0	0	9,036	34,394	16,576	60,006
FUNDS PROVIDED:						
Federal Appropriation	211,240	0	0	0		211,240
Investments	0	0	5,200	800	4,994	10,994
Gifts, Grants & Contracts	0	23,481	50	200	10,442	34,173
Self-generated-Gross Revenue						
Auxiliary Activities	0	0	179,749	0	0	179,749
Bureaus	0	0	0	8,989	0	8,989
Other Misc.	0	0	50	1,525	1,200	2,775
Total Income	211,240	23,481	185,049	11,514	16,636	447,920
Less Expenses-Self Generated						
Auxiliary Activities	0	0	(154,359)	0	0	(154,359)
Bureaus	0	0		(7,801)	0	(7,801)
Net Funds Provided	211,240	23,481	30,690	3,713	16,636	285,760
FUNDS APPLIED						
Research	40,097	20,729	4,280	1,485	1,741	68,332
Less: SAO O/H Recovery	0	0	(3,062)	0	0	(3,062)
Museums	81,362	1,023	2,451	3,436	11,836	100,108
Public Service	2,537	0	2,713	10	0	5,260
International Activities	791	0	649	150	161	1,751
Special Programs	7,267	1,729	1,535	11,046	594	22,171
External Affairs	0	0	1,021	15	20	1,056
Administration - SI	18,058	0	13,049	646	107	31,860
Less: SI O/H Recovery	0	0	(10,980)	0	0	(10,980)
Facilities Services	61,128	0	1,440	166	0	62,734
Total Funds Applied	211,240	23,481	13,096	16,954	14,459	279,230
TRANSFERS: Out (In)						
Current Funds						
-Bureau Revenue Sharing	0	0	1,400	(1,400)	0	0
-NASM Theatre	0	0	(695)	695	0	0
-Fellowships	0	0	2,879	(2,879)	0	0
-Special Programs	0	0	8,880	(8,880)	0	0
-Other	0	0	605	(1,797)	1,192	0
Endowment Funds	0	0	3,025	1	652	3,678
Total Transfers	0	0	16,094	(14,260)	1,844	3,678
CHANGE IN FUND BALANCE	0	0	1,500	1,019	333	2,852
ENDING FUND BALANCE	0	0	10,536	35,413	16,909	62,858

## CONSTRUCTION FUNDS PROVIDED

	Appropriated	Non- Appropriated
National Zoological Park	5,305	0
Restoration and Renovation of Bldgs.	20,735	0
Construction Planning	750	0
STRI-BCI Research Facility	2,700	0
Whipple Base Camp	3,185	0
Alterations and Modifications	2,020	0
Total Construction	34,695	0



SMITHSONIAN INSTITUTION						
SEPTEMBER 1989			Source & Application of Funds			Schedule C
(\$1,000s)			Projected FY 1989			
OPERATING FUNDS	Federal Approps.	Government Gr. & Cont.	Unrest. Trust Funds		Restricted Trust Funds	Total Op. Funds
			General	Sp. Purp.		
BEGINNING FUND BALANCE	0	0	9,036	34,394	16,576	60,006
FUNDS PROVIDED:						
Federal Appropriation	211,240	0	0	0	0	211,240
Investments	0	0	5,100	800	4,994	10,894
Gifts, Grants & Contracts	0	23,481	50	200	10,442	34,173
Self-generated-Gross Revenue						
Auxiliary Activities	0	0	185,860	0	0	185,860
Bureaus	0	0	0	8,989	0	8,989
Other Misc.	0	0	150	1,525	1,200	2,875
Total Income	211,240	23,481	191,160	11,514	16,636	454,031
Less Expenses - Self Generated						
Auxiliary Activities	0	0	(160,610)	0	0	(160,610)
Bureaus	0	0	0	(7,801)	0	(7,801)
Net Funds Provided	211,240	23,481	30,550	3,713	16,636	285,620
FUNDS APPLIED						
Research	40,097	20,729	5,391	1,485	1,741	69,443
Less: SAO O/H Recovery	0	0	(3,850)	0	0	(3,850)
Museums	81,362	1,023	2,977	3,436	11,836	100,634
Public Service	2,537	0	2,962	10	0	5,509
International Activities	791	0	629	150	161	1,731
Special Programs	7,267	1,729	1,665	11,046	594	22,301
External Affairs	0	0	2,750	15	20	2,785
Administration - SI	18,098	0	12,497	646	107	31,348
Less: SI O/H Recovery	0	0	(11,225)	0	0	(11,225)
Facilities Services	61,088	0	1,419	166	0	62,673
Total Funds Applied	211,240	23,481	15,215	16,954	14,459	281,349
TRANSFERS: Out (In)						
Current Funds						
-Bureau Revenue Sharing	0	0	1,600	(1,600)	0	0
-NASM Theatre	0	0	(695)	695	0	0
-Fellowships	0	0	2,879	(2,879)	0	0
-Special Programs	0	0	8,697	(8,697)	0	0
-Other	0	0	(1,053)	161	892	0
Endowment Funds	0	0	3,000	1	652	3,653
Total Transfers	0	0	14,428	(12,319)	1,544	3,653
CHANGE IN FUND BALANCE	0	0	907	(922)	633	618
ENDING FUND BALANCE	0	0	9,943	33,472	17,209	60,624

CONSTRUCTION FUNDS

	Appropriated	Non-Appropriated
National Zoological Park	5,305	0
Restoration and Renovation of Bldgs.	20,735	0
Construction Planning	750	0
STRI-BCI Research Facility	2,700	0
Whipple Base Camp	3,185	0
Alterations and Modifications	2,020	0
Total Construction	34,695	0



SEPTEMBER 1989 (\$1,000s)		SMITHSONIAN INSTITUTION Source & Application of Funds					Schedule D
		Budget		FY 1990			
OPERATING FUNDS	Federal Approps.	Government Gr. & Cont.	Unrest. Trust Funds		Restricted Trust Funds	Total Op. Funds	
BEGINNING FUND BALANCE	0	0	10,536	35,413	16,909	62,858	
FUNDS PROVIDED:							
Federal Appropriation	227,737	0	0	0	0	227,737	
Investments	0	0	6,100	800	6,616	13,516	
Gifts, Grants & Contracts	0	29,970	1,550	0	14,309	45,829	
Self-generated-Gross Revenue							
Auxiliary Activities	0	0	203,555	0	0	203,555	
Bureaus	0	0	0	11,966	0	11,966	
Other Misc.	0	0	50	2,310	1,000	3,360	
Total Income	227,737	29,970	211,255	15,076	21,925	505,963	
Less Expenses-Self Generated							
Auxiliary Activities	0	0	(175,935)	0	0	(175,935)	
Bureaus	0	0	0	(10,590)	0	(10,590)	
Net Funds Provided	227,737	29,970	35,320	4,486	21,925	319,438	
FUNDS APPLIED							
Research	42,383	25,640	5,498	2,050	1,215	76,786	
Less: SAO O/H Recovery	0	0	(3,850)	0	0	(3,850)	
Museums	84,721	1,422	2,664	4,759	15,992	109,558	
Public Service	2,736	0	2,926	11	0	5,673	
International Activities	839	0	692	150	103	1,784	
Special Programs	7,475	2,908	1,708	11,737	2,359	26,187	
External Affairs	0	0	2,940	21	20	2,981	
Administration - SI	21,187 *	0	14,548	926	126	36,787	
Less: SI O/H Recovery	0	0	(12,120)	0	0	(12,120)	
Facilities Services	68,396	0	1,656	154	0	70,206	
Total Funds Applied	227,737	29,970	16,662	19,808	19,815	313,992	
TRANSFERS: Out (In)							
Current Funds							
-Bureau Revenue Sharing	0	0	1,810	(1,810)	0	0	
-NASM Theatre	0	0	(370)	370	0	0	
-Fellowships	0	0	3,014	(3,014)	0	0	
-Special Programs	0	0	9,487	(9,487)	0	0	
-Other	0	0	717	(1,426)	709	0	
Endowment Funds	0	0	3,000	0	470	3,470	
Total Transfers	0	0	17,658	(15,367)	1,179	3,470	
CHANGE IN FUND BALANCE	0	0	1,000	45	931	1,976	
ENDING FUND BALANCE	0	0	11,536	35,458	17,840	64,834	

#### CONSTRUCTION FUNDS

	Appropriated	Non-Appropriated
National Zoological Park	6,500	0
Restoration and Renovation of Bldgs.	26,653	0
General Post Office Building Design	1,750	0
STRI-BCI Research Facility	3,480	0
Construction Planning	730	0
Alterations and Modifications	4,040	0
Total Construction	43,153	0

\* Includes \$730 thousand for the increased cost of the Federal Employees Retirement System and \$476 thousand for the increased cost of employees' health insurance which have not been distributed to the functional areas.



## SMITHSONIAN INSTITUTION

Source &amp; Application of Funds

Budget FY 1991

Schedule E

SEPTEMBER 1989  
(\$1,000s)

OPERATING FUNDS	Federal Approps.	Government Gr. & Cont.	Unrest. Trust Funds		Restricted Trust Funds	Total Op. Funds
			General	Sp. Purp.		
BEGINNING FUND BALANCE	0	0	11,536	35,458	17,840	64,834
FUNDS PROVIDED:						
Federal Appropriation	283,769	0	0	0	0	283,769
Investments	0	0	6,000	1,000	6,826	13,826
Gifts, Grants & Contracts	0	31,576	1,550	0	14,975	48,101
Self-generated-Gross Revenue						
Auxiliary Activities	0	0	206,012	0	0	206,012
Bureaus	0	0	0	11,958	0	11,958
Other Misc.	0	0	250	3,754	1,000	5,004
Total Income	283,769	31,576	213,812	16,712	22,801	568,670
Less Expenses-Self Generated						
Auxiliary Activities	0	0	(177,377)	0	0	(177,377)
Bureaus	0	0	0	(10,140)	0	(10,140)
Net Funds Provided	283,769	31,576	36,435	6,572	22,801	381,153
FUNDS APPLIED						
Research	52,478	28,871	7,098	8,097	3,225	99,769
Less: SAO O/H Recovery	0	0	(5,332)	0	0	(5,332)
Museums	114,350	1,005	2,900	10,420	15,102	143,777
Public Service	5,404	1,700	4,593	608	1,706	14,011
International Activities	1,157	0	648	150	0	1,955
Institutional Initiatives	0	0	302	0	0	302
External Affairs	561	0	2,493	393	15	3,462
Administration - SI	36,766 *	0	15,882	860	129	53,637
Less: SI O/H Recovery	0	0	(13,200)	0	0	(13,200)
Facilities Services	73,053	0	1,692	305	2	75,052
Total Funds Applied	283,769	31,576	17,076	20,833	20,179	373,433
TRANSFERS: Out (In)						
Current Funds						
-Bureau Revenue Sharing	0	0	1,715	(1,715)	0	0
-NASM Theatre	0	0	(565)	565	0	0
-Fellowships	0	0	3,014	(3,014)	0	0
-Special Programs	0	0	10,163	(10,163)	0	0
-Other	0	0	532	(1,051)	519	0
Construction Funds	0	0	0	0	4,038	4,038
Endowment Funds	0	0	3,000	423	(461)	2,962
Total Transfers	0	0	17,859	(14,955)	4,096	7,000
CHANGE IN FUND BALANCE	0	0	1,500	694	(1,474)	720
ENDING FUND BALANCE	0	0	13,036	36,152	16,366	65,554

## CONSTRUCTION FUNDS

Appropriated

National Zoological Park	19,100
Restoration and Renovation of Bldgs.	35,000
Construction	61,490
Total Construction	115,590

\* Includes \$10,200 thousand for necessary pay and inflation that have not been distributed to the functional areas.



SMITHSONIAN INSTITUTION			
SEPTEMBER 1989 (\$1,000s)	Trust Fund Balance Sheet		
	Schedule F		
***** CURRENT FUNDS *****	9/30/87	9/30/88	6/30/89
<b>ASSETS:</b>			
Cash	\$ 3,241	\$ 1,519	\$ 3,248
Investments (Book Values)*	78,268	69,270	71,573
Receivables	20,141	21,816	20,176
Merchandise inventory	12,001	12,037	13,616
Prepaid, deferred expense & other	13,911	16,105	14,657
Property & equipment	10,786	24,635	23,461
<b>Total Assets</b>	<b>\$ 138,348</b>	<b>\$ 145,382</b>	<b>\$ 146,731</b>
<b>LIABILITIES:</b>			
Accounts payable & accrued expenses	\$ 18,471	\$ 19,695	\$ 11,336
Deposits held in custody for other organizations	4,395	4,371	4,544
Interfund payables	15,339	14,048	10,931
Deferred revenue	33,626	35,199	37,536
Long term note payable	13,813	12,063	11,350
<b>Total Liabilities</b>	<b>85,644</b>	<b>85,376</b>	<b>75,697</b>
<b>FUND BALANCES:</b>			
Unrestricted general purpose funds	5,176	9,036	14,340
Unrestricted special purpose funds	33,759	34,394	37,195
Restricted funds	13,769	16,576	19,499
<b>Total Fund Balances</b>	<b>52,704</b>	<b>60,006</b>	<b>71,034</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 138,348</b>	<b>\$ 145,382</b>	<b>\$ 146,731</b>
<b>* Market Values</b>	<b>\$ 78,440</b>	<b>\$ 68,898</b>	<b>\$ 71,660</b>
<b>**** ENDOWMENT &amp; SIMILAR FUNDS ****</b>			
<b>ASSETS:</b>			
Investments (Book Values)*	\$ 199,668	\$ 212,588	\$ 230,028
Receivables and other assets	3,548	3,021	7,435
<b>Total Assets</b>	<b>\$ 203,216</b>	<b>\$ 215,609</b>	<b>\$ 237,463</b>
<b>LIABILITIES and FUND BALANCES:</b>			
Liabilities	2,105	519	\$ 4,794
Fund Balances	\$ 201,111	\$ 215,090	232,669
<b>Total Liabilities and Fund Balances</b>	<b>\$ 203,216</b>	<b>\$ 215,609</b>	<b>\$ 237,463</b>
<b>* Market Values</b>	<b>\$ 232,751</b>	<b>\$ 218,340</b>	<b>\$ 253,740</b>
<b>***** PLANT FUNDS *****</b>			
<b>ASSETS:</b>			
Receivables and other assets	14,491	12,748	9,332
Property & equipment	45,167	47,247	53,882
<b>Total Assets</b>	<b>\$ 59,658</b>	<b>\$ 59,995</b>	<b>\$ 63,214</b>
<b>LIABILITIES and FUND BALANCES:</b>			
Liabilities	\$ 766	\$ 558	\$ 3
Fund Balances	58,892	59,437	63,211
<b>Total Liabilities and Fund Balances</b>	<b>\$ 59,658</b>	<b>\$ 59,995</b>	<b>\$ 63,214</b>
<b>* Market Values</b>	<b>\$ 152</b>	<b>\$ 152</b>	<b>\$ 125</b>



DRAFT OF THE FIVE-YEAR PROSPECTUS, FISCAL YEARS 1991-1995

Secretary Adams introduced the following summary of the draft Five-Year Prospectus, Fiscal Years 1991-1995, copies of which had been forwarded to the Regents for their consideration in advance of the meeting. He invited the Regents' comments and suggestions for improvement prior to the January 1990 meeting, when the Prospectus will be submitted to the Regents for approval. Several Regents mentioned their pleasure at the way in which the Prospectus has been improved, noting particularly its more sharply focussed approach.

The question arose as to whether more attention should be paid in the Prospectus to planning for the establishment of a new African American Museum on the Mall. Mr. Adams commented that plans could not be meaningfully laid in the absence of a consensus among the Black Caucus and, more generally, African-American scholars and museum professionals. He indicated his intention of continuing to participate in the dialogue without getting ahead of the Congress in this matter.

\* \* \* \* \*

General Comments

The Five-Year Prospectus describes the Institution's plans for program emphasis for fiscal years 1991-1995, and for facilities development and refurbishment through fiscal year 1999. It also includes brief descriptions of longer-range potential facility issues carrying into the first decade of the next century. Resource projections associated with program and facility plans build on the Institution's fiscal year 1991 federal budget submission to the Office of Management and Budget, and the trust budget projections for fiscal years 1990 and 1991 as reviewed and approved by the Board of Regents in September 1989. Institutional management will revise projections as the Regents', Executive Branch, and Congressional budget actions and other information becomes available.

To make the Prospectus a more generally readable document and to expand its usefulness as a publication for diverse audiences, the Institution has reorganized the materials and format of the Prospectus since the last published version in February 1989. Content materials are organized into two volumes.

- o Volume I contains the Institution's statements of its basic purpose, goals to be achieved over the long term, and areas of operational and



facility emphasis for fiscal years 1991 through 1995. Following these sections are descriptions of major program and facility initiatives upon which the Institution will concentrate energies in future years. Also included in Volume I is a summary of projected program and facility resource requirements to carry through with institutional initiatives and objectives.

- o Volume II includes: contains examples of collection related research at the Institution; definitions of the various types of programs conducted; and tables containing resource projections by bureau and office, program, and source of funding. Volume II also contains detail regarding plans for repair and restoration of Institutional facilities, and for construction and improvements at the National Zoological Park.

The following table and summaries are adapted from the draft Prospectus.

#### Operational Growth

The Institution projects operational growth from \$569 million in fiscal year 1991 to \$782 million in fiscal year 1995, with federal operational appropriations increasing from the fiscal year 1991 level of \$284 million to \$415 million. Inflation in pay scales and necessary pay, utilities, rent, and other costs will amount to approximately \$54 million of the increased need for appropriations, and the balance of approximately \$77 million is for increases to program initiatives.

Trust operations will grow from approximately \$253 million in fiscal year 1991 to \$334 million in fiscal year 1995. Much of the projected increases result from the growth in the unrestricted expenses of auxiliary and associates activities. The Institution expects net revenues from these operations to increase during the planning period, allowing increased funding for central award programs, transfers to endowment, and bureau and office initiatives as determined annually through the budget process. Projections of gifts, grants, and fund raising efforts are conservative. The Institution will revise projections of resources generated through expanded fund raising efforts as further information becomes available regarding the campaign for the National Museum of the American Indian and other Institutional efforts.

The Institution anticipates continued growth in restricted funds. Management projects conservatively returns on investments and bureau and office decentralized fund raising activities. This conservatism accommodates potential fluctuations in the economic environment and recognizes continued competition for donor, foundation, and other private funds.

Grant and contract activity is difficult to project because of the uncertainty surrounding funding for source agencies in future years. The Institution's objective is to maintain at least a relatively stable level of funding through grants and contracts and to continue to approach actively various agencies with proposals for research support in areas related to the Smithsonian's unique scientific interests.



SMITHSONIAN INSTITUTION  
FUNDING REQUIREMENTS

Fiscal Years 1991 - 1995  
(Millions of Dollars)

	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
Operating Funds:					
Federal Salaries and Expenses	\$284	\$315	\$345	\$375	\$415
Trust Funds	253	269	289	308	334
Government Grants & Contracts	32	32	33	34	33
Total Operating Funds	\$569	\$616	\$667	\$717	\$782
Repair and Restoration <sup>1/</sup>	\$35	\$38	\$35	\$36	\$36
Smithsonian Construction <sup>2/</sup>	\$61	\$96	\$106	\$61	\$67
Zoo Construction & Improvements <sup>2/</sup>	\$19	\$17	\$22	\$26	\$7
Total Funding <sup>3/</sup>	\$684	\$767	\$830	\$840	\$892

1/ Includes Repair, Restoration and Code Compliance, and Major Capital Renewal.

2/ Includes Construction, Alterations and Modifications, and Construction Planning. Includes federal appropriations only. Projected federal appropriations through fiscal year 1995 total \$482 million. The Institution plans to supplement certain construction projects with nonappropriated funds.

3/ Projections will be revised based on effects of congressional action on the fiscal year 1990 pending budget request; any supplemental request allowed by OMB; further information from OMB on economic and pay assumptions for the planning period; Board of Regents actions and approval of consolidated Institutional budget estimates for fiscal years 1990-91; and further Institutional review of projections as submitted by bureaus and offices.



### Infrastructure

The Institution plans to seek increased levels of federal appropriations for basic operations in many areas to improve the effectiveness and delivery of services to the public and to stay abreast of increasing program demands. The Institution will dedicate resources to such activities as library and archival support; technical and clerical support to the professional staff; acquisition of computer hardware and software; equipment replacement; collection management and conservation systems, and other basic infrastructure operating needs. Bureaus and offices have identified approximately \$63 million of infrastructure requirements that need to be addressed and funded over the next several years. The Institution is requesting \$25 million for Infrastructure requirements in the fiscal year federal 1991 budget.

### Global Environmental Change

The current environmental situation demonstrates enormous deficiencies in human understanding of biological and physical processes. The Institution, because of its collections, interests and qualifications in biological and astrophysical research, has special responsibilities to its national and international constituencies to assist in remedying these deficiencies.

The Institution plans to expand its research on global environmental issues including biodiversity and ecosystem studies; wildlife conservation and preservation; and major scientific instrumentation. The Institution will seek approximately \$25 million in appropriations for increased levels of research in global environmental studies over the planning period, and several millions of dollars of support from donors and the private sector for these purposes.

### Cultural Pluralism

Cultural diversity has always been a strength of the nation. As this diversity increases it creates many new public demands upon and challenges for the Smithsonian. The Smithsonian is pursuing ways to address these demands and meet these challenges. The Institution is committed to enhancing its public education programs, exhibitions, and other efforts to provide a comprehensive and meaningful interpretation of the many facets of the changing social and cultural environment. The Smithsonian's objectives are to broaden the diversity of its programs, improve the minority and gender representation of staff and management, and increase the participation and involvement of various groups and audiences in the development and presentation of their cultural traditions.

The establishment of the National Museum of the American Indian and the activities surrounding the Institutional commemorations of the Columbian Quincentenary will contribute to these ends. The Institution estimates that operations of the National Museum of the American Indian ultimately will cost \$25 million annually. Over the period, the Institution anticipates attaining sustained levels of Federal appropriations of approximately \$17 million for program and facility planning, transition and operating costs associated with New York and Washington based activities. Quincentenary exhibitions, symposia, conferences, and other activities will require several million over the period. The Institution anticipates appropriations of approximately \$2 million to \$3 million for fiscal year 1991 and fiscal year 1992, with follow



on costs in later years devoted to publishing results of the commemorations and continuing programs. The Institution is seeking substantial amounts also from private donors and other sources of program support for the National Museum of the American Indian and the Quincentenary commemorations.

In addition to the National Museum of the American Indian and Quincentenary initiatives, the Institution plans to enhance its cultural diversity by developing less expensive traveling exhibitions, developing new and more effective publications and other media products, and expanding African-American programs. The Institution anticipates gaining additional appropriations of about \$5 million for these purposes by fiscal year 1995. In addition, the Institution will seek private support for cultural pluralism initiatives.

#### Construction, Repair & Restoration, and Improvements

##### Smithsonian and Zoological Park

From fiscal year 1990 through fiscal year 1999, the Institution projects a need for \$894 million for new construction; of this amount, the Institution requires \$482 million of federal appropriations for fiscal years 1991 through 1995. The Institution anticipates receiving approximately \$19 million in fiscal year 1990 appropriations, much of which is directed to planning and design of the National Museum of the American Indian, and for Zoological Park projects.

The Institution is pursuing seven construction objectives through fiscal year 1999. Projects and their total costs fiscal years 1990-99 include:

- o National Museum of the American Indian. The Institution anticipates federal appropriations of \$124 million for construction of the new facilities, with \$51 million to be raised from other sources. Total Cost: \$175 million.
- o The creation of an Air and Space Extension. The National Air and Space Museum plans this extension in three phases. Phase I will cost approximately \$162 million, of which one-third will result from fund raising and state support (\$55 million), and two-thirds federal appropriations (\$107 million). The Institution is seeking \$6 million in its fiscal year 1991 federal appropriation request for planning and design of Phase I. The Institution will request the balance in its federal appropriation requests for Phase I in fiscal years 1992 and 1993. Phase II is estimated at \$106 million in federal appropriations.
- o The restoration of the General Post Office Building. Total Cost: \$75 million in federal appropriations.
- o A maintenance facility at the Tropical Research Institute. Total Cost: \$2 million in federal appropriations.
- o The East Court of the Museum of Natural History. Total Cost: \$30 million in appropriations.



- Collection Management Centers for art, history, archival, and library collections. Total Cost: \$134 million in appropriations.
- Continued construction and improvements to the National Zoological Park's facilities at Rock Creek and the Front Royal Conservation Center. Total Cost: \$131 million, including \$5 million derived from parking revenues.

In addition, the Institution will seek about \$7 million to \$9 million annually in appropriations for minor construction, alterations, modifications, and general construction planning.

#### Repair and Restoration of Buildings

The objectives of the Repair and Restoration program are to provide appropriate, safe, and accessible facilities for research, education, and care of collections. Maintenance and preservation of facilities to ensure their long-term operation is one of the Institution's highest priorities. This priority reflects the Institution's great concern for the condition of its buildings, many of which are landmarks, and several of which date to at least the turn of the twentieth century.

In past years, funding for maintenance, repair, and preservation of buildings has not kept pace with need, resulting in a currently identified backlog of \$195 million in R & R requirements. In fiscal year 1991, the Institution is seeking \$35 million in appropriations for repair and restoration of buildings. The R&R program will require this annual funding level throughout the next five years in order to make progress in eliminating the backlog. In the years following fiscal year 1995, the Institution will continue with the replacement of environmental control systems in the National History Museum, American Art and Portrait Gallery, Arts and Industries Building, and the original Smithsonian Building.

#### Into the Twenty-First Century

Beyond fiscal year 1999, the Institution will continue to require new facilities. Collections management and storage facilities will remain among the Institution's highest priorities. At Suitland, the Institution will be clearing the Garber site and fulfilling conservation, preservation, and research objectives associated with those collections and new collections at the NASM Extension. The Institution also is contemplating the establishment of facilities for archival, library, art and history collections, and additional laboratories and research space for conservation and natural history activities for the Suitland site.

The Institution recognizes several potential additions to Mall facilities. A wing for the National Museum of American History could accommodate a national focus for African-American programs. Public interest and demand for understanding cultural change, and Institutional logistical and program benefits, are serious reasons to consider the erection of a new facility at Poplar Point for the Anacostia Museum and selected Institutional Mall based operations. While an expanded Suitland facility will meet collection management needs for the Hirshhorn Museum the Museum is a small



structure, and will require additional space for its exhibition and research programs.

To help keep pace with growing environmental research programs, the Institution will continue to acquire and develop property at the Environmental Research Center. For example the Institution envisions the recently completed Mathias Laboratory as doubling in space during the first decade of the twenty-first century. The Zoological Park, at Rock Creek and Front Royal will progress with its aspirations to become a Biodiversity Park, and continue to develop facilities, exhibits, and other programs to fulfill its objectives as a national center in wildlife management and research.

#### EFFECTIVENESS OF INSTITUTIONAL ORGANIZATION AND ADMINISTRATION

Mr. Adams introduced the following report and suggested that it is an indication of senior management's concern that operations and organization will need to be materially enhanced or strengthened to meet the challenges of the future. At present, it might be argued, management has responsibility for a complex multiplicity of bureaus and offices without effective groupings into larger organization entities and without clearly defined lines of authority.

In discussion, the Regents expressed support for this initiative, agreeing that there may be problems relating to the span of control. It was thought that a modern management study ought to be undertaken by a competent outside firm, working closely with top Smithsonian management, and with assistance provided by knowledgeable Smithsonian staff for maximum effectiveness. The hope was expressed that a well respected and highly qualified firm might be willing to contribute its services at least in part, though it was recognized that such a study could well be costly and, given its importance, no expense should be spared.

\* \* \* \* \*

A number of events suggest that it would be useful to conduct a comprehensive review of the organization and administration of the Institution to determine its tightness and effectiveness in dealing with current and prospective programs and priorities. These events include a paper from many of the bureau and office directors expressing a variety of shared concerns about Institutional communications, authorities, budget priorities and decision-making. Adding in part to these concerns has been a series of audit



and management reviews calling attention to weaknesses in certain administrative and support functions. In response to these reports (but not excusing the deficiencies), the Audit and Review Committee expressed a sense in the minutes of its March 7, 1989, meeting that the "Institution may have failed to augment less glamorous administrative and managerial functions at a pace commensurate with its phenomenal expansion of activities over the last several decades."

In recent years the Institution has adopted several new sets of objectives (global environmental initiatives, cultural diversity, etc.) for which the traditional form of Smithsonian organization may not be perfectly suited. Looking ahead, unease is being expressed by the Institution's staff as to its ability to plan for and manage the large capital budget and program expansions envisioned for the National Museum of American Indian and the Air and Space Museum Extension. As another indicator of concern, investigations and discussions aimed at developing a more rigorous strategic planning effort have identified questions about Institutional identity, organization, decision-making ability, tensions, complacency and wariness about perceived priorities that could affect the conduct of formal planning.

While all of these issues may not need to be addressed in concert, an organization and management review would be useful. Such a proposed review could examine the following kinds of issues:

1. Composition and functions of the Secretary's Management Committee.
2. Roles, relationships and responsibilities of individual members of the Management Committee in relationship to existing bureaus and offices.
3. Degree to which those roles, relationships, and responsibilities are optimal for the management of new objectives, such as global environment, cultural diversity, American Indians, etc.
4. Mechanisms for implementing audit recommendations and imposing preemptive management improvements.
5. Effectiveness of relationships between the providers and users of central services including the adequacy of bureau and office involvement in annual planning and operations.
6. Adequacies of administrative, technical and facilities staffs in all areas to handle current and future workloads, avoid problems, and maintain good accountability.
7. Status of the planning process.

In order to achieve the level of objectivity required, two methods for the conduct of such a review have been discussed among staff: (1) use of a consultant or consulting firm assisted by a carefully selected group of knowledgeable users, or (2) use of a group of bureau and office representatives with one or more outside members perhaps from other agencies, educational institutions, or private business. The first approach is likely to be more effective and quicker, albeit more expensive. In either case, the reviewers would need staff assistance for logistical and other support.



Guidance from the Board of Regents would be useful as the Secretary prepares to undertake this examination.

LEGISLATIVE ACTIONS AND ISSUES

The Secretary introduced the report which follows, and the following motion was adopted as suggested:

VOTED that the Board of Regents requests its Congressional members to introduce and support legislation to amend Sections 5315 and 5316 of Title 5, United States Code.

Discussion ensued about the status of legislation to establish a National African American Museum. The Secretary pointed out that movement on the legislation appears to be awaiting the emergence of a consensus among the Congressional Black Caucus. The Secretary indicated that at a hearing scheduled for September 21, 1989, in the House Administration Committee's Subcommittee on Libraries and Memorials, he is prepared to say that in the absence of such a consensus the Regents have not yet developed a position on the form and organizational relationships which the museum should take. The Secretary added that he and his staff will continue to enhance African-American programming in Smithsonian bureaus and offices. At the same time they will do what they can to facilitate the development of a widely-shared consensus. With that purpose in mind, a conference with many of the nation's leading Black scholars had been planned for October at the Johnson Foundation's Wingspread Center in Racine, Wisconsin, but, seeing the need for the preparation of agendas and background papers, the Secretary concluded that it would be preferable to hold a planning meeting at the Smithsonian in October, with a goal of culminating discussions at Wingspread in the spring.

\* \* \* \* \*



Proposed Changes to Title 5, United States Code

Section 5315 of Title 5, United States Code, provides for an "Assistant Secretary for Science, Smithsonian Institution" and an "Assistant Secretary for History and Art, Smithsonian Institution" at Executive Level IV. Section 5316 of the same title provides for a "Director, United States National Museum, Smithsonian Institution" and a "Director, Smithsonian Astrophysical Observatory, Smithsonian Institution" at Executive Level V.

As a result of changes in the organization and staffing of the Institution, only the last of these describes a currently occupied position and a Smithsonian activity. The other three positions are unfilled because the functions designated in the titles no longer exist.

Two current members of the Secretary's Management Committee are designated as Assistant Secretaries, but are compensated as GS-18s because the activities for which they are responsible (Administration and Public Service) are not those described in the sections herein referenced. The United States National Museum associated with the Executive Level V position today consists of many museums within the Smithsonian. The three largest - American History, Natural History, and Air and Space - as well as American Art and African Art all carry "National Museum" in their official titles.

To provide management flexibility, as well as equity, particularly if legislative and executive pay levels are increased, it is proposed that the authorities for the Executive Level IV Assistant Secretary positions be amended to eliminate the specific designations and that the Executive Level V museum director position be amended so that as future needs arise it will be available for the head of any of the designated national museums.

A draft bill to implement this proposal is offered for consideration, and the following motion is suggested:

VOTED that the Board of Regents requests its Congressional members to introduce and support legislation to amend Sections 5315 and 5316 of Title 5, United States Code.



D R A F T

A B I L L

To amend Section 5315 and Section 5316 of Title 5, United States Code, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Section 5315 of Title 5, United States Code, is amended by striking "Assistant Secretary for Science, Smithsonian Institution" and "Assistant Secretary for History and Art, Smithsonian Institution" and inserting in lieu thereof "Assistant Secretaries of the Smithsonian Institution (2)".

(b) Section 5316 of Title 5, United States Code, is amended by striking "Director, United States National Museum, Smithsonian Institution" and inserting in lieu thereof "Director, National Museum, Smithsonian Institution".

\* \* \*

Legislative Status Report

The following summarizes bills introduced since the May 1, 1989, meeting and reports on the status of measures previously identified.

Smithsonian-sponsored Legislation

Regent Reappointments - H.J. Res. 357 and H.J. Res. 358 providing for the reappointments of Mrs. Clark and Mr. Johnson respectively were introduced in the House by Mr. Conte on July 12 and referred to the Committee on House Administration. Senator Moynihan introduced companion measures, S. 1519 and S. 1520, on August third; they were referred to the Committee on Rules and Administration.

Centennial Year of the National Zoo - No action.

National Zoological Park Police Pay - H.R. 2866 was introduced July 12 by Mr. Conte and referred to the Committee on House Administration. S. 1521, introduced by Senator Moynihan on August third, was referred to the Committee on Rules and Administration.



Smithsonian-Related Legislation

America in Space National Historical Park - H.R. 2944, introduced July 20 by Mr. Hefley (R-CO) and referred to the Committee on Interior and Insular Affairs, provides for the preservation of U.S. space landmarks and artifacts by the Department of the Interior. The bill directs the Smithsonian to assist in the preservation of the historic integrity of affiliated sites; provide technical assistance for site and object preservation and interpretation; and document sites and objects.

Cooper-Hewitt Museum Expansion and Renovation - No action.

DeSoto Trail Commission Act of 1989 - The Senate Committee on Energy and Natural Resources held a hearing on June eighth and marked up S. 555 on July 19.

Federal Advisory Committee Amendments - No action.

Indian Remains Reburial - No action on legislation introduced by Messrs. Dorgan, Bennett, and Udall.

S. 1021, the Native American Grave and Burial Protection Act, introduced May 17 by Senator McCain (R-AZ) requires Federal agencies to undertake a two-year inventory of remains and objects and to disseminate results within one year. Tribes are to respond within one year. The return of items is required unless acquired by consent or necessary for the completion of scientific study. If retained for study, return is to occur 90 days following study completion; failure to comply would preclude receipt of further Federal funding. The bill also prohibits the sale, use for profit, or interstate transport of material; provides for fines up to \$10,000; and authorizes U.S. district courts to enforce provisions.

National African-American Heritage Memorial Museum - The Subcommittee on Libraries and Memorials of the Committee on House Administration has scheduled a hearing for September 21 on the concept of such a museum on the Mall. Discussion will not be restricted to provisions of pending legislation.

National Air and Space Museum Extension - No action.

National Biological Diversity Conservation and Environmental Research Act - Dr. Lovejoy, Assistant Secretary for External Affairs, testified at a hearing held May 17 by the Subcommittee on Natural Resources, Agriculture Research, and Environment of the House Committee on Science, Space, and Technology. On July 26 the Subcommittee ordered reported to the full Committee an amendment in the nature of a substitute to H.R. 1268. Among its provisions is the establishment within the Smithsonian Institution of a National Center for Biological Diversity and Conservation Research in cooperation with the Environmental Protection Agency.

Smithsonian Numismatic Collection - No action.

World Environment Policy Act of 1989 - No action.



World War II Memorial and Museum - A hearing was held June 15 on H.R. 537 by the House Committee on Veterans Affairs. Testimony revealed significant reservations about establishing a permanent World War II museum. Subsequently, a modified bill, H.R. 2807, was introduced; it provides for the establishment of a memorial and encourages the Smithsonian to promote appropriate exhibitions and commemorations in honor of World War II veterans.

Future Smithsonian Legislative Requirements

It is expected that legislative proposals with respect to expansion of the National Air & Space Museum and construction of the East Court facility at the National Museum of Natural History will be presented to the Board of Regents at the January 1990 meeting.

At the request of the National Gallery of Art, Mr. Clay (D-MO), Chairman of the Subcommittee on Libraries and Memorials of the Committee on House Administration, will introduce legislation to extend existing police authority of the Gallery and the Institution to include the conduct of security escorts of high value works of art and other objects in transit. Enactment of such legislation is necessary because the Department of Justice no longer will commission special deputies for this purpose. When copies of the bill and related documentation are available, they will be provided to the Congressional Regents.

NATIONAL MUSEUM OF THE AMERICAN INDIAN

Invited by Secretary Adams to comment on the following report, Mr. Hughes noted that legislation authorizing the establishment of the National Museum of the American Indian seems virtually assured, especially given agreements which have been reached with respect to the return of tribally-identified human remains and funerary objects and with respect to assistance with cultural activities at the Audubon Terrace facility to be vacated by the Heye Foundation. Mr. Hughes added that the establishment of a committee to assist in the search for a director of the new National Museum has been enthusiastically received by the American Indian community. A Program Committee is being formed to begin the program planning process in anticipation of creating a Board of Trustees for the Museum. Since that Board should be formally appointed as soon as the authorization is complete, appropriations are received, and the courts of New York have approved the Heye



Foundation's agreement with the Smithsonian, action may need to be taken by the Executive Committee on behalf of the Regents prior to their January meeting.

In discussion it was noted that the Heye Foundation collections are of such transcendent significance for the settlement of the entire Western Hemisphere, not simply North America, that consideration should be given to the selection of truly outstanding representatives of indigenous cultures to reflect that quality. Requirements of the legislation notwithstanding, the involvement of those other than Federally-recognized tribes should be encouraged. In addition, the increasing importance of Latin American interests was noted and it was suggested that special attention be paid to their representation in the Museum.

\* \* \* \* \*

#### Legislative Initiatives

On May 11 Senator Inouye introduced S. 978 to establish the National Museum of the American Indian (NMAI) within the Smithsonian Institution. The following day a joint hearing was held before the Senate Committee on Rules and Administration and the Select Committee on Indian Affairs. After mark-up on May 16 an amendment in the nature of a substitute was ordered reported; however, a report on the measure has not yet been filed.

H.H. 2668 was introduced on June 15 by Ben Nighthorse Campbell (D-Colorado) and referred to the committees on House Administration, Public Works and Transportation, and Interior and Insular Affairs which held a joint hearing on July 20. No further action has been taken.

Both bills are more complex than the draft legislation endorsed by the Regents at the May meeting. Among the additional issues covered are the repatriation of skeletal remains and funerary objects; relationships with museums beyond the Smithsonian; and the future of Audubon Terrace. Intensive negotiations are being pursued in order to resolve differences over these and other issues so that action on the bills can be completed in September.

The Interior appropriations bill approved by the House includes \$6 million for initial operating expenses of the new museum and \$2.9 in facilities planning funds. The Senate version of the same bill includes a million dollars for each account. An appeal to sustain the House amount has been forwarded to the Conference Committee which is expected to convene shortly after the August recess.



### Planning Process

A committee has been formed to search for a director of the NMAI. Chaired by Under Secretary Dean Anderson, it includes members of the Smithsonian staff, as well as individuals outside of the Institution. Of the 16 members of the committee, 11 are American Indians.

A program planning council is in the process of being organized, and an outline of program planning tasks is being prepared. Efforts are under way to secure the donation of off-Mall headquarters office space for a national campaign to raise approximately \$35 million of an estimated \$106 million for construction of the museum building on the Mall. It is estimated that the Custom House renovation will cost \$25 million, of which \$16 million has been pledged by New York City and State. The Museum Support Center component of the NMAI is estimated at \$44 million, for which Federal funding will be requested.

Consideration is being given to the processes associated with the selection of architects and facilities planners to ensure that American Indian people have a significant role in that aspect of museum development. Currently it is anticipated that the goals of facility construction will be occupancy of the renovated Custom House space in 1993; occupancy of the Museum Support Center structure in 1994; and public opening of the Mall museum in 1997.

### Next Steps

After the authorizing and appropriations processes are complete, the Heye Foundation Trustees will move quickly to secure judicial approval of the transfer of their property to the Smithsonian. It is anticipated that at the January 1990 meeting nominations for the Board of Trustees of the NMAI will be presented to the Regents, together with a more complete program outline and a schedule of the tasks that must be accomplished.

### AFRICAN AMERICAN PROGRAMMING

The Secretary introduced the following paper, noting that substantive discussion of its several points had been conducted under the foregoing headings of the "Draft Five-Year Prospectus..." and "Legislative Actions and Issues."

\* \* \* \* \*

The commitment to more multicultural programming and affirmative action continues to grow within the Institution. In addition, the project for a sustained African American presence at the Institution has made measurable progress.



In July all senior scholars, educators, and administrators in the Smithsonian's African American community were asked to suggest fellow staff members suited to act as interim director for the African American presence project. As Special Assistant in the Office of the Assistant Secretary for Museums, this person would serve until a formal search for a director has been conducted and concluded.

An appropriation of \$155,000 for the African American presence project was included in the fiscal year 1990 House Interior Appropriations bill which is now awaiting conference with the Senate. The Senate's version of the bill includes no comparable funds; an appeal to approve the House amount is being submitted by the Institution to the House-Senate Conference Committee.

A conference consisting of Smithsonian leadership, the Smithsonian's senior African American curatorial and education staff, and non-SI African American scholars and museum professionals is being planned for October 10-12. Partially funded by the Johnson Foundation, and to be held at its Wingspread facility in Racine, WI, the two-day meeting will focus on the form or forms that an African American presence on the Mall might take. The conference is being organized by the Smithsonian's newly-restructured Office of Museum Programs, which is dedicated to the training of minority museum professionals.

It is hoped that the conference will generate new ideas about African American research, public programming, and collecting opportunities, and that the participation of outside scholars will be provocative and helpful in shaping new Smithsonian directions. Greater understanding of and increased opportunities to work further with other African American collecting and research institutions also are anticipated results of the meeting.

Following the death of John Kinard, the Office of the Assistant Secretary for Museums selected Zora Felton to serve as interim acting director of the Anacostia Museum. Mrs. Felton has served the Museum well as education director since its inception. She has the confidence of the staff and the full support of central Smithsonian administration. She is most interested in making sure that the Museum continues to move ahead and in entering into the dialogue about the mission of Anacostia, mindful of the context of the African American presence project. Anacostia's future will be addressed as part of the Wingspread conference at which Mrs. Felton will be a full participant.

A Smithsonian memorial service for John Kinard will be held in the Baird Auditorium on September 14, 1989, the 22nd anniversary of the founding of the Anacostia Museum.

#### RENOVATION OF THE NATIONAL MUSEUM OF NATURAL HISTORY

At Mr. Adams' invitation, Mr. Jameson introduced the following report, noting that the Secretary and the staff will be looking forward to discussing it in detail with the Audit and Review Committee at its forthcoming October 3 meeting. He suggested that the strategy outlined below, which calls for the



construction of an 80,000 sq. ft., permanent structure within the east court of the Natural History building as an initial step, has been generally accepted by consultants and staff as the best combination of long-term benefits and efficiencies in terms of time, money, and the inevitable relocations of staff and collections.

\* \* \* \* \*

The heating, ventilating and air conditioning (HVAC) systems and electrical equipment in the Natural History Building have reached the end of their useful life. The Institution recognized this fact several years ago, and contracted with a firm to recommend remedial action in a construction sequence that would avoid major disruption to Museum activities over the course of the construction. The result was a 14-year project schedule at an estimated cost in excess of \$100 million. This figure included a substantial amount to replace equipment not expected to last through the construction period, as well as costs for relocating staff and collections during construction.

At the Regents' recommendation, the Institution asked the contractor in the fall of 1987 to review other potential construction scheduling options, including the possibility of closing the building completely to staff and public. In July 1989 the contractor presented an initial comparative analysis of five options to the project steering committee. These options range from the original schedule, which projects a ten-year period of actual construction, to a scheme that projects a four-year construction period.

Two schemes, which project the shortest construction periods, are predicated on a complete or partial close-down of the building and full or partial relocation of staff and collections to off-site leased space. The analysis made it clear that these two options are by far the most costly alternatives, despite some savings in construction costs due to compression of the actual construction schedule. The cost of leasing and preparing appropriate space to house the collections and ongoing program activities for the duration of construction is, in fact, considerably more expensive than the construction itself. A move to an off-site location would also take a terrible toll on the academic and public life of the Museum, and full or partial closing of the Museum would deny an important educational opportunity to the visiting public for a number of years.

Of the remaining options, one scheme stands out as the best combination of cost effective construction sequence with less overall disruption to the Museum's public activities. This option projects the complete renovation of the building's aging HVAC and electrical systems, along with asbestos removal, window replacement throughout the building, and some work on fire protection and security systems over a seven-year construction period. The magnitude of the work will require the temporary dislocation of large blocks of collections, most occupants, and virtually every activity in the building during the course of the construction. Exhibition spaces will temporarily close to the public in turn as work proceeds through the building, and objects on display



will be removed or protected from damage. The Museum will require 125,000 square feet of on-site staging space to accommodate these relocations. Under the selected option, the Museum will use a 80,000 square-foot building to be constructed within the East Court of the Natural History Building as staging space during HVAC construction. Although this falls short of the estimated need for staging space, the Museum can manage the necessary relocations by temporarily compressing some of the activities and collections within the Natural History Building and by using a limited amount of exhibition space for the duration. Construction of the East Court building will cost an estimated \$25 million, exclusive of equipping costs, and will require relocation of the current chiller plant to a new vault under the Museum's parking lot as well as accommodation for other functions now in the East Court space. The HVAC construction will be pushed back about two years to allow relocation of the chiller plant and construction of the East Court Building. However, the resulting increase in the cost of the HVAC renovation is offset by substantial savings in the cost of building temporary staging areas within the Natural History Building, for a total estimated renovation cost of \$116.3 million. Construction of the East Court Building to serve as staging space will avoid major closing of additional exhibitions for the duration of the construction project. The impact on the visiting public of such closings could be very damaging to the Museum over many years. Another particularly compelling benefit of construction of the East Court Building is the acquisition of permanent space to allow decompression of currently overcrowded Museum activities at the end of the construction period.

In fact, although the proposed building is a key component in the Smithsonian's plans to renovate the HVAC and electrical systems in the building, it is the Museum's desperate need for additional permanent space to house its diverse and expanding programs that argues most strongly for the construction of the East Court Building. The Natural History Building houses over 1,200 employees of the Smithsonian Institution and related agencies. Included in this number are 230 scientists who, with over 3,000 visiting scientists annually, conduct basic, collection-related research in a broad range of subjects critically important in advancing scientific knowledge and understanding of natural phenomena. Other staff are involved in managing and caring for a collection of over 100 million specimens, the development and installation of public exhibitions in 30 major halls, and associated educational and outreach activities.

During fiscal year 1990 the Institution will complete the necessary planning for the East Court building. The planning process will identify the program elements to be included, develop specific space and configuration requirements, and provide a more precise cost estimate and construction schedule. The Institution has included an amount of \$1.5 million in the fiscal year 1991 request to the Office of Management and Budget for design of the new building. It is essential that construction of the new building take place quickly in order to allow the HVAC renovation to proceed as planned.

While planning and design of the East Court Building proceeds, the Institution will begin design and construction of portions of the HVAC renovation project that are not dependent on the availability of the East Court space. These components include construction of the new underground chiller plant and penthouses to house mechanical equipment over the east and west wings, window replacement, and installation of roof insulation and new



roof rain leaders. The Institution will use \$1 million appropriated in fiscal year 1989, \$9,950,000 anticipated in fiscal year 1990, and \$10,140,000 requested for fiscal year 1991 for this work, and to pre-design the entire renovation project in conjunction with planning and design of the East Court Building.

Although the renovation of the HVAC and other systems can proceed under the Institution's continuing authority for the repairs and restoration of buildings (20 U.S.C. 53a), legislation will be required for the construction of the East Court Building. Such legislation will be proposed at the January meeting of the Board of Regents.

#### SENIOR LEVEL PAY

Introducing the following report, the Secretary was not sanguine about any significant relief on Federal senior level pay forthcoming from the Congress. He noted that to the degree to which the Smithsonian resorts to trust funds to pay salaries necessary for the recruitment and retention of its museum directors and other top staff, the Smithsonian runs the risk of crippling its own flexibility. He acknowledged that this practice has also introduced patterns of inequity among the compensation packages. As the paper below indicates, the Smithsonian has retained a consultant to review such matters of pay and benefits and to make recommendations which the Secretary expects to bring to the Board's attention in January.

In discussion, Under Secretary Anderson explained that the Smithsonian had not been included in the establishment of the Executive Branch Senior Executive Service because its status outside of that branch was deemed inappropriate to the goal of maintaining a pool of high-level, fully trained managers who could be readily reassigned in accordance with the Administration's greatest needs. At the Smithsonian, where staff is responsible to the Secretary and, ultimately, to the Board of Regents, the Senior Executive Service would be ill-fitting.



In addition, the thought was raised that special efforts should be made to raise funds for activities which had already been budgeted. If the fund raising is successful, it would allow the Secretary the flexibility to supplement further top level trust fund salaries from the supplanted budget funds. Finally, it was noted that the Congress may be considering either general or special pay bills and the interests of the Smithsonian ought to be kept firmly in mind.

\* \* \* \* \*

The Institution continues to monitor closely Administration and Congressional developments concerning senior level pay for its administrative and professional staffs. For those persons at the Supergrade level (the Smithsonian is not eligible to participate in the Senior Executive Service), the pay cap is \$75,500. This group includes a few members of the Secretary's Management Committee, some bureau and office directors and deputy directors, and over 30 senior scientists. Other members of the Management Committee and several of the museum directors are paid from trust funds above the cap at salaries varying from \$87,500 to, in one case, \$115,000 plus an annual ten percent in bonus. While such salaries are needed to attract and retain highly qualified persons, the pay cap for others and the disparity in pay among jobs of substantially equal responsibility are causing significant equity issues and morale problems. And for those positions which remain at the pay cap, particularly in the program area, significant recruitment problems exist.

A number of actions have been taken to address these concerns. The Institution has retained a consultant to recommend actions to clarify and make more rational pay and benefit decisions. Letters have been sent to the Office of Personnel Management (OPM) and key members of Congress proposing a way to correlate and increase supergrade pay to Senior Executive Service (SES) pay, should the latter be raised. The Institution is staying in touch with all legislative proposals regarding pay should there be an opportunity to include Smithsonian interests. Information from the OPM is that there is not likely to be a study in the near future of supergrade pay as called for in the report of the 1989 Commission on Executive, Legislative and Judicial Salaries.

The likely necessary solution is for the Institution to seek legislation either to tie our senior staff pay to whatever pay raises are provided to the SES or to propose separate pay and related legislation for the Smithsonian. Depending on the results of the consultant's work and further Congressional acting regarding pay, such legislation may be proposed for action by the Board of Regents at its January 1990 meeting.



PROPOSED NATIONAL COUNCIL OF THE NATIONAL MUSEUM OF NATURAL HISTORY

Mr. Adams introduced the following proposal to establish the National Council of the National Museum of Natural History, and it was

VOTED that the Board of Regents establishes the  
National Council of the National Museum of Natural  
History and approves the Council's bylaws as proposed.

\* \* \* \* \*

The National Museum of Natural History staff and the Secretary have felt for some years that some upgrading and redefinition of functions at the management level was needed for the Museum. As a start in this direction McKinsey Company undertook a study, with much staff involvement, which resulted in recommendations which included the setting up of a "national board" ("A Management Agenda," McKinsey Co., 1987). McKinsey Co. considered the national board as a necessary part of the "development enterprise" of the Museum, which they expected could generate \$7 million in annual contributions by 1995. The role of the board would be to generate support for the Museum and to advise on matters of policy. To accomplish these goals, board members "should include potential large donors; active senior corporate executives (preferably chief executive officers); and distinguished, articulate scientific spokesmen."

Dr. Talbot, Director of the National Museum of Natural History, has been seeking members from major cities around the country who have shown interest in their local natural history museums or in natural history generally and who have the capability to support and the willingness to commit.

While it has been possible to raise funds for exhibit halls, or scientific and educational activities, solicitation for uncommitted funds which would help pay for fund-raising efforts have fared extremely poorly. The proposed National Council, both through its members' own donations and through its fund-raising committee, is an integral part of the plans to raise unrestricted funds.

The activities of the National Council are described in the proposed bylaws which appear below. The following motion is suggested:

VOTED that the Board of Regents establishes the  
National Council of the National Museum of Natural  
History and approves the Council's bylaws as proposed.

\* \* \* \* \*



NATIONAL COUNCIL  
NATIONAL MUSEUM OF NATURAL HISTORY  
SMITHSONIAN INSTITUTION

BYLAWS

I. PURPOSE

The National Council of the National Museum of Natural History is established to provide advice and support to the Museum in its three-part mission of research, care of the national collections, and public education in science. Council members will receive information and be encouraged to visit the Museum to make themselves cognizant of the mission and activities of the Museum.

The Council will consult with the Director of the Museum on a regular basis and will advise the Director and, when appropriate, the Secretary of the Smithsonian Institution on issues of concern to the Director or the Council in all areas of the Museum's activities. The Council will assist the Director's efforts to enhance the profile and the public's understanding of the Museum's activities locally, nationally, and internationally. The Council, and its members, will assist the Museum in strengthening its financial resources by providing leadership and guidance in the Museum's efforts to raise funds to support the Museum's activities.

II. MEMBERSHIP

A. The Council shall have no more than 32 members. At least six members shall be persons with high scientific standing and with an interest in the science functions of the Museum. The remaining members shall be persons of distinction in their communities. The Secretary of the Smithsonian and the Director of the Museum shall be ex officio members of the Council. The Secretary and the Director may designate representatives to serve in their absence.

B. The Board of Regents of the Smithsonian Institution shall appoint members to the Council. The Secretary of the Smithsonian shall submit to the Board of Regents names of the nominees for vacancies on the Council, after receiving the advice of the Council.

C. Members of the Council shall serve terms of three years, and no member may serve more than three consecutive terms. There shall be a staggered system of appointment so that the terms of approximately one-third of the members shall expire each year. The terms of the initial members shall be determined by lot, with one-third of the members serving terms of two years, one-third serving terms of three years, and one-third serving terms of four years. Following the initial cycle, members shall be appointed to standard terms of three years.

D. In the event of a member's unexcused absence from three or more consecutive regular meetings of the Council, that member's appointment may be terminated by majority vote of the Council.



E. The terms of all members of the Council shall continue until their successors are appointed.

F. Members shall serve without compensation, but necessary travel or other expenses incurred by a member in connection with the transaction of Council business may be reimbursed.

### III. OFFICERS

A. The officers of the Council shall be a Chairman and a Vice Chairman who shall be elected annually by the members from the membership of the Council.

B. The Chairman shall preside at all meetings and shall have the usual powers of a presiding officer. The Chairman and the Director shall be ex officio members of all committees of the Council.

C. The Vice Chairman shall perform the Chairman's duties in the absence or disability of the Chairman.

D. The terms of all officers of the Council shall continue until their successors are elected.

### IV. COMMITTEES

A. The Chairman of the Council, with the concurrence of the Director of the Museum, may establish standing or ad hoc committees to assist the Council in the transaction of its business.

B. Members and chairmen of standing committees shall be appointed by the Chairman with the approval of the Council, and shall serve for terms of two years.

C. Members and chairmen of ad hoc committees shall be appointed by the Chairman, and shall serve at the pleasure of the Council.

D. The chairman of any committee shall be a member of the Council, but persons who are not members of the Council may be appointed as members of committees.

E. Established committees shall meet at such times and places as designated by the committee chairman or as otherwise agreed by the Council.

### V. MEETINGS

A. There shall be not less than two regular meetings of the Board each year. One regular meeting shall be the Annual Meeting, at which officers of the Council will be elected. The Annual Meeting shall be held in Washington, D.C. in the spring. The second regular meeting of the Council may be held at some area of research interest to the Museum. The Director of the Museum, in consultation with the Chairman of the Council, will designate the time and place of regular meetings. Members will be given notice of regular meetings not less than six months in advance of a meeting.



B. Special meetings of the Council may be called by the Director upon giving to the members, not less than twenty-one days in advance of the meeting, written notice of the time and place of the meeting.

C. The presence at a meeting of the Council of one-half of the total membership then appointed shall be necessary and sufficient to constitute a quorum. The Council may take action upon the agreement of a majority of the members present at a meeting at which a quorum is present.

D. The Director of the Museum shall provide to the Council the current mission statement of the Museum, and annually shall report to the Council on the goals, strategies, and a summary budget for the Museum. Not less than fourteen days prior to each regular meeting, the Director shall distribute to the members of the Council the agenda for the meeting, including appropriate information concerning the Museum's progress and current issues of importance to the Museum in attaining its goals, and information on such other matters as the Council may request.

E. The Director shall cause to be kept minutes of all meetings of the Council and its committees.

#### VI. AMENDMENTS

These bylaws may be amended only by action of the Board of Regents of the Smithsonian Institution. The Council or the Director of the Museum may recommend bylaw amendments to the Board of Regents for its approval.

#### COMMISSION OF THE NATIONAL PORTRAIT GALLERY

Mr. Adams introduced the following report of the Commission of the National Portrait Gallery, and it was

VOTED that in accordance with Public Law 87-443 the Board of Regents reappoints to the Commission of the National Portrait Gallery Robert L. McNeil, Jr. and appoints Stephen Jay Gould, Marta (Mrs. Eugene) Istomin and David Levering Lewis to terms expiring November 1995.

\* \* \* \* \*

The provisions of Public Law 87-443, April 27, 1962, provided for the establishment of the National Portrait Gallery as a bureau in the Smithsonian Institution and for the creation of the National Portrait Gallery Commission. The statute states that the number, manner of appointment, and tenure of the members of the Commission, and the rules and regulations for the conduct of the affairs of the Commission, shall be such as the Board of Regents may from time to time prescribe. The Commission's Bylaws, which were amended in 1981, established the normal term of service on the Commission as six years, renewable as appropriate.



At this time, the Board of Regents is requested to approve the following individuals for terms expiring in November 1995: for reappointment, Robert J. McNeil, Jr., active member of the National Portrait Gallery Commission since 1971, collector of early American art, a notable businessman, and an inventive man of science, Wyndmoor, Pennsylvania; for new appointment, Stephen Jay Gould, professor of geology at Harvard University, Cambridge, MA; Marta (Mrs. Eugene) Istomin, artistic director of the John F. Kennedy Center for the Performing Arts, Washington, D.C.; and David Levering Lewis, professor of history, Rutgers University, New Brunswick, NJ. The new nominees would replace Robert O. Anderson (term ended in May 1989--not reappointed), Barry Bingham, Sr. (deceased), and Katie L. Louchheim (resigned for illness). Biographical sketches on the new Commissioners follow.

Accordingly, the following motion is suggested:

VOTED that in accordance with Public Law 87-443 the Board of Regents reappoints to the Commission of the National Portrait Gallery Robert L. McNeil, Jr. and appoints Stephen Jay Gould, Marta (Mrs. Eugene) Istomin and David Levering Lewis to terms expiring November 1995.

A list of the proposed membership and expiration of terms of the National Portrait Gallery Commission follows the biographical information.

**Stephen Jay Gould**

Title: Professor of Geology, Harvard University

Office: Museum of Comparative Zoology  
Harvard University  
Cambridge, MA 02138

Born: New York, New York, September 10, 1941

Education: A.B., 1963, Antioch College  
Ph.D., 1967, Columbia University

Affiliations: Member, Harvard University faculty  
AAAS Fellow  
Member, Paleontological Society  
Society for the Study of Evolution  
Society for Systematic Zoology  
American Society of Naturalists

Author: Ontogeny and Phylogeny (1977)  
Ever Since Darwin (1977)  
The Panda's Thumb (1980)  
A View of Life (1981)  
The Mismeasure of Man (1981)  
Hen's Teeth and Horse's Toes (1983)  
The Flamingo's Smile (1985)  
and many articles in journals and magazines



Awards: National Magazine Award (1980)  
National Book Award for Science (1981)  
National Book Critics Circle Award (1982)  
McArthur Foundation prize fellow (1981--)

Marta (Mrs. Eugene) Istomin

Title: Artistic Director  
John F. Kennedy Center for the Performing Arts

Office: John F. Kennedy Center for the Performing Arts  
Washington, D.C. 20566

Born: Puerto Rico, November 2, 1936

Education: 1950-54, Mannes College of Music, NYC

Affiliations: Prof. cello, Conservatory of Music, San Juan, P.R.  
Vis. Prof. cello, Curtis Inst., Philadelphia  
co-chmn. bd., music dir. Casals Festival  
Dir., Harcourt Brace Jovanovich, Inc., NYC  
Trustee, Marlboro Sch. Music and Festival  
Trustee, Marymount Sch., NYC

Awards: Cultural Achievements Award, City of San Juan, 1975  
Mus.D. (hon.), World U., P.R., 1972  
L.H.D. (hon.), Marymount College, 1975  
Casita Maria Medal, NYC, 1978

David Levering Lewis

Title: Professor of History, Rutgers University

Office: Department of History  
Rutgers University  
New Brunswick, NJ 08903

Born: Little Rock, Arkansas, May 25, 1936

Education: B.A., 1956, Fisk University  
M.A., 1958, Columbia University  
Ph.D. (econ. hist.), 1962, London School of Economics

Affiliations: Lecturer history, University of Ghana, 63-64  
Econ. hist., Howard University, 64-65  
Visiting Asst. prof., European History, University of  
Notre Dame, 65-66  
Assoc. prof. econ. hist., Morgan State University, 66-70  
Professor of History, University of the District of  
Columbia, 70-80  
Professor of History, University of California, San  
Diego, 82  
Martin Luther King, Jr. Prof. History, Rutgers Univ.,  
-- present



Fellow, Woodrow Wilson Intl. Ctr. Schol., 76-77  
Fellow, Ctr. Advanced Study in Behav. Sci., 80-81  
Member, Orgn. Am. Historians, Member, AHA

Publications: King, A Biography (1970); Presence of Honor: The Dreyfus Affair (1973); District of Columbia: A Bicentennial History (1976); When Harlem Was In Vogue (1981); The Race of Fashoda (1988); and many articles in journals, encyclopedias, and symposia

MEMBERS OF THE NATIONAL PORTRAIT GALLERY COMMISSION

<u>Name</u>	<u>Expiration of Term</u>
Mrs. Jeannine Smith Clark, Chair Washington, D.C.	May 1992
Mr. Michael Collins Washington, D.C.	November 1991
Mr. Thomas Mellon Evans New York, New York	January 1992
Professor Stephen Jay Gould Cambridge, Massachusetts	November 1995
Mrs. Marta Istomin Washington, D.C.	November 1995
Mr. W. John Kenney Washington, D.C.	November 1991
Professor David Levering Lewis New Brunswick, New Jersey	November 1995
Professor R.W.B. Lewis Bethany, Connecticut	November 1991
Mr. Robert L. McNeil, Jr. Wyndmoor, Pennsylvania	November 1995
Honorable Robert B. Morgan Lillington, North Carolina	January 1992
Professor Barbara Novak New York, New York	January 1993
Mr. Frank Stanton New York, New York	January 1990
<u>Ex Officio</u>	
Mr. Robert McCormick Adams	
Mr. J. Carter Brown	
Honorable William H. Rehnquist	



REVISED BYLAWS OF COOPER-HEWITT, NATIONAL MUSEUM OF DESIGN

The Secretary introduced the following proposal to revise the Bylaws of the Cooper-Hewitt Council, by which it is implied that the Cooper-Hewitt Museum shall henceforth be known as the "Cooper-Hewitt, National Museum of Design." Accordingly, it was

VOTED that the Board of Regents approves the proposed revisions to the bylaws of Cooper-Hewitt, National Museum of Design.

\* \* \* \* \*

Cooper-Hewitt has long been using "The Smithsonian Institution's National Museum of Design" as a parenthetical part of its name. In order to place more emphasis on the focus of the Museum rather than the affiliation, and to bring its name into closer alignment with other Smithsonian museums, the Museum has recently adopted "Cooper-Hewitt, National Museum of Design, Smithsonian Institution" in all print references to its name or programs.

At its May 1989 meeting the Advisory Council of Cooper-Hewitt voted to recommend a revision of its bylaws to increase the maximum membership of the Council from 18 to 25 members. These new positions are essential for Cooper-Hewitt to increase the public awareness not only of design, but also of the Museum itself, and to achieve broader national representation. An expanded Advisory Council is a vital element in Cooper-Hewitt's master plan to fulfill its position as the National Museum of Design. Pending the Regents' approval, a Nominating Committee of the Advisory Council will begin meeting to search for and nominate candidates to fill the new positions.

Specifically, it is recommended that the membership of the Advisory Council be expanded to reflect a broader geographic representation on a national and/or international level, to achieve a more culturally diverse representation, and to obtain increased professional expertise and representation in fields related to Cooper-Hewitt programming. The revised bylaws, which appear below, also reflect current titles of Smithsonian officials.

The following motion is recommended:

VOTED that the Board of Regents approves the proposed revisions to the bylaws of Cooper-Hewitt, National Museum of Design.

\* \* \* \* \*



Proposed Bylaws of the Advisory Council of Cooper-Hewitt,  
National Museum of Design

I. ESTABLISHMENT

At its meeting on January 28, 1965, the Board of Regents of the Smithsonian Institution authorized the Secretary to negotiate with Trustees of the Cooper Union Museum in New York City for the transfer of the Cooper Union Museum collections and library to the Smithsonian. An agreement between the two institutions was signed on October 9, 1967, and on May 14, 1968, the Cooper Union Museum formally became part of the Smithsonian Institution following approval by the Supreme Court of the State of New York. After transfer of the Carnegie property at 91st Street and Fifth Avenue in New York to the Smithsonian on January 24, 1972, and renovation of the Mansion on the property, the new Cooper-Hewitt Museum opened to the public in October 1976. In 1978, the Secretary established a new Council for the Cooper-Hewitt Museum to advise on development and use of the collections, development of Museum services, and promotion and support of the Museum's activities.

II. FUNCTIONS, POWERS, AND DUTIES

1. The Cooper-Hewitt Council shall have the primary function of advising the Secretary of the Smithsonian and the Director of the Museum on the general welfare of the Museum, on development of the Museum's collections, on utilization of the Museum's collections for exhibition and study, on the development of extension services, and on promotion and support of the Museum's activities.
2. The Council shall review proposed accessions to and deaccessions from the collections and, in accord with the policies and procedures laid down by the Board of Regents, shall make recommendations to the Secretary as to acceptance or disposition of such objects.
3. An annual report shall be submitted to the Secretary at the conclusion of each fiscal year, including such recommendations as deemed appropriate.

III. MEMBERSHIP

1. The Council shall be composed of up to 25 appointed members and the Secretary of the Smithsonian and the Assistant Secretary for Museums as members ex officio. \*increase from 18 members; replaces "Assistant Secretary for History and Art"
2. The members of the Council shall be appointed by the Board of Regents for terms of three years and shall be eligible for reappointment.
3. No member of the Council shall receive any compensation for his or her services as a member of the Council or of any Committee, but necessary travel or other expenses incurred by any Council member in attendance at meetings or in connection with the



transaction of the business of the Council may be reimbursed.

4. The Director of the Museum shall serve as non-voting Secretary to the Council.

#### IV. OFFICERS OF THE COUNCIL

1. There shall be a Chairman and a Vice-Chairman of the Council who shall be appointed by the Secretary.

2. The Chairman shall preside at all meetings and shall have the usual powers of a presiding officer.

3. The Chairman shall be an ex officio member of all committees of the Council.

4. In the absence or disability of the Chairman, the Vice-Chairman of the Council shall perform the Chairman's duties.

#### V. MEETINGS OF THE COUNCIL

1. The Council shall hold three regular meetings each year, and such special meetings as shall be called by the Secretary, the Director of the Museum, or the Chairman of the Council by notice served personally upon or mailed to the usual address of each member not less than fourteen days prior to the meeting.

2. A majority of members of the Council shall constitute a quorum for the transaction of business, and the act of a majority of the Council members present at any meeting at which there is a quorum shall be the act of the Council.

3. Following each Council meeting, minutes shall be circulated to members with the request that corrections or approval of the minutes be submitted at the next meeting of the Council.

#### VI. COMMITTEES

1. The Standing Committees of the Council shall be the Executive Committee and the Committee on Collections.

2. a. The Executive Committee shall consist of the Chairman of the Council, the Vice-Chairman, at least two members of the Council who shall be appointed annually by the Chairman, and the Secretary of the Smithsonian Institution who may be represented by a delegate. The Chairman of the Council shall be the Chairman of the Executive Committee. The act of a majority of the members of the Executive Committee shall be the act of the Executive Committee.

\*replaces "Assistant Secretary for History and Art"



b. With respect to any matter on which the Executive Committee finds that action should not be deferred, the Executive Committee may exercise all of the powers of the Council during the intervals between meetings of the Council.

c. Meetings of the Executive Committee shall be called by the Chairman and held at such times and places as may be fixed by him or her. Notice of all such meetings shall be communicated by mail, telegram, or telephone to all members thereof at least three days in advance of the meeting. The Committee shall keep regular minutes of its proceedings and a report shall be sent to all members of the Council.

3. a. The Committee on Collections shall consist of at least three members of the Council who shall be appointed annually by the Chairman of the Council.

b. In accordance with the policies adopted by the Board of Regents in May 1970 (see attachment to Bylaws), and with the exceptions noted in (d.) below, the Committee on Collections shall consider the accession of objects for the Cooper-Hewitt Museum Collections recommended by the Director and the deaccession of objects and their disposition by exchange, gift, sale, or other means, and make recommendations thereon to the Council for subsequent approval by the Secretary. Between meetings of the Council, the Committee on Collections shall have vested in it full authority to recommend to the Secretary accession (by gift or purchase) for the collections of the Cooper-Hewitt Museum. A report of such recommendations will be presented to the Council at its next formally constituted meeting.

c. In carrying out the duties of the Committee on Collections under (b.) above, the concurrence of at least majority of the members is required.

d. Individual purchases of objects for the collections at \$10,000 or less may be made, and gifts judged to be valued at \$10,000 or less may be accepted by the Director at her or his discretion and will be reported to the Council at its next meeting.

4. Other Committees consisting of at least one member of the Council and any desired number of associates, not necessarily members of the Council (when selected in consultation with the Director of the Museum and the Council), may be appointed by the Chairman of the Council on any subject coming within the purview of the Council.



## VII. AMENDMENTS

These bylaws may be amended by the Board of Regents.

\* \* \*

### ATTACHMENT TO THE BYLAWS OF THE COUNCIL OF THE COOPER-HEWITT MUSEUM

At its meeting in May 1970, the Board of Regents adopted policies applicable to the National Museum of American Art and the National Portrait Gallery which now apply to other Smithsonian museums. They are:

(1) No object in the collection of the Museum valued at more than \$1,000 shall be exchanged or sold without prior approval of the Museum Director, the Council, the Smithsonian's Office of General Counsel, and of the Secretary.

(2) No object in the collection of the Museum valued at more than \$50,000 shall be exchanged or sold without prior approval of the Museum Director, the Council, the Smithsonian's Office of General Counsel, the Secretary, and the Board of Regents.

(3) The exchange or sale of any object in the Museum collection shall be reported to the Secretary who shall report to the Board of Regents, and the proceeds from any such sale shall be used solely for the acquisition of objects for the collection.

### STATUS REPORTS

The Secretary drew attention to the following status reports and invited questions and comments from the Regents:

\* \* \* \* \*

### MAJOR PERSONNEL SEARCHES

#### **National Museum of American Art**

Recruitment for the director of the National Museum of American Art has concluded with the selection of Elizabeth Broun, the Museum's former deputy (and acting) director.

#### **Anacostia Museum**

With John Kinard's death in August, the Institution must begin to plan for the search for a successor. Zora Felton, who is the chief of the Museum's education department, has been appointed acting director.

#### **Archives of American Art**

The search for the director of the Archives will be reopened in early September, with advertisements in major professional journals and general



circulation publications appearing in October. In order to attract the highly qualified candidates the position requires, the location of the director's office may be changed to Washington, D.C., and the position will be posted as both Trust and Federal. The latter change enables the Institution greater flexibility for both recruiting and hiring. Both the cap on the Federal salary and the location of the director in New York were considered serious handicaps in the prior recruitment. There will be a strong effort to attract minority and women candidates. Susan Hamilton has been serving as the acting director since November 1988.

#### Museum of the American Indian

The Secretary has appointed a committee to begin the search for a director of the Museum of the American Indian. Dean Anderson, Under Secretary, will serve as chairman. The first meetings of the committee are in the process of being scheduled. Active recruitment for the position is now taking place.

#### ENHANCEMENT OF DEVELOPMENT AND GROUNDWORK FOR A DEVELOPMENT CAMPAIGN

The Smithsonian's Office of Membership and Development has continued its efforts to lay basic groundwork for an eventual development campaign of the type outlined for the Board of Regents at its May meeting. These efforts have been concentrated in aspects of reorganization of the Office, an internal development funding review, and the drafting of an Institutional "case statement," or, better put, a statement that there is a case to be made for the Smithsonian. It is expected that the case statement will be completed by January 1990.

Upon completion of an extensive self-study aided by Knowledge Systems and Research, Inc. of Syracuse, New York, the Office of Membership and Development is in the process of implementing an internal reorganization. The restructuring creates a management cabinet for the office, consisting of the Director and Deputy Director of Development, the Director of the National Associates Program, and the Director of Development Activities, a newly-created position which will be filled shortly. The plan also calls for the establishment of three development centers under the Director of Development Activities: Individual Giving, Corporate/Foundation, and Development Services, the last of which will focus on providing support to the bureaus and offices of the Institution. In addition, the plan will allow for enhanced research and record-keeping capabilities and the formation of a development publications program. Finally, the Office continues to work toward designing an improved information management system to support all facets of development activity in the Office of Membership and Development and across the Institution. The system will be selected by mid-fall and implementation will begin immediately thereafter.

Assistant Secretary Lovejoy has formed an ad hoc committee to review the various methods used to fund development activity in the Office of Membership and Development and the bureaus, to review the use of overhead, to discuss implementation of systems for generating unrestricted income, and to explore possible financial incentives for generating development activity among bureaus presently relying on the central Office. The committee will hold a



series of meetings in September and will share preliminary findings at the Development Committee meeting in mid-October.

Other specific development initiatives include "Tropical Forest Research, Training, and Education at the Smithsonian Institution," a proposal which will be submitted to the MacArthur Foundation for its October 15 Board meeting. A Quincentenary Development Board has been created to assist in identifying prospects and seeking financial support for Quincentenary projects. The Board, consisting of business and community leaders and chaired by Mr. Leveo Sanchez of Development Associates in Arlington, Virginia, will hold its first meeting in September. In addition, the Office of Membership and Development is producing a corporate fund-raising brochure for the Quincentenary which will be available by October 1.

#### NATIONAL POSTAL MUSEUM

Negotiations continue between the United States Postal Service and the Smithsonian concerning the creation of the National Postal Museum. Significant differences with respect to funding, design and construction oversight, and administrative control have been resolved without substantially altering the previous draft agreement provided to the Regents last January. With meetings continuing at the staff level, direct meetings are being scheduled between American History Museum Director Roger Kennedy and Postmaster General Anthony Frank aimed at resolving the remaining principal areas that appear to require negotiation. It is hoped that the agreement can be prepared for ratification by the Smithsonian and the Postal Service by early fall. It will be recalled that, at the January 30, 1989 Regents' meeting, the Board approved "in principle" the establishment of the Museum "as presented" and authorized the Secretary to negotiate a detailed agreement, subject to the approval of the Chairman of the Executive Committee.

#### LITIGATION REPORT

##### NEW CASES:

##### 1. Mac'Avoy v. The Smithsonian Institution

In July 1989 Edouard Mac'Avoy filed lawsuits against the Smithsonian and the National Museum of American Art in the U.S. District Court for the District of Columbia and in the Tribunal de Grande Instance, Paris, France, in which he claims that he is the true owner of a collection of paintings and drawings by Romaine Brooks that the Museum acquired as gifts from the artist between 1966 and 1970. The plaintiff claims that Mrs. Brooks only intended to lend the works to the Museum and that she had sold them to him before she sent them to the Museum. The plaintiff first demanded the return of the works in 1983, but the Museum refused, claiming that it had title to the collection. He is asking the courts to declare him the true and rightful owner of the collection, to order the works returned to him, and to award money damages. The Department of Justice is handling these actions on behalf of the Institution.



CASES PREVIOUSLY REPORTED:

2. Solomon v. Secretary, Smithsonian Institution

This suit was filed in the U.S. District Court for the District of Columbia on August 11, 1988. Plaintiff, who is employed as a Management Assistant in the Smithsonian's Management Analysis Office, alleged discrimination on the basis of her handicap (stuttering) and reprisal in her non-selection for promotion, a two-day suspension, and a failure to reasonably accommodate her handicap through modifications to her workplace. Plaintiff sought retroactive promotion, back pay, voidance of her suspension, expunging of her records, and award of attorneys' fees. An administrative hearing before the Equal Employment Opportunity Commission found no discrimination or reprisal, but did find that the Institution's modifications to plaintiff's workplace were not adequate, and corrective actions were taken. Following the trial in this case on May 12, 14, and 15, 1989, a ruling from the bench in favor of the Smithsonian was entered and an order entering judgment was signed on June 21, 1989. A notice of appeal has been filed by the plaintiff with the U.S. Court of Appeals for the District of Columbia Circuit.

There have been no significant developments in the following cases, which have been reported previously to the Board:

3. Beatty v. Smithsonian Institution, et al. (contest of the Last Will and Testament of Florence F. Evans, Item SEVENTH of which bequeaths to the Smithsonian Institution certain Indian relics purported to have belonged to Chief Sitting Bull) - Filed September 3, 1987, in the Common Pleas Court (Probate Division) of Jackson County, Ohio, by the heirs of the Testatrix. No formal appearance by the Smithsonian entered, as the Institution has no knowledge of the principal matters at issue in the proceeding. SI is being kept informed of developments by the executor of and counsel for the estate.
4. In re the Estate of William H. Burnette (petition for instructions as to the proper distribution of certain art work and WWI memorabilia bequeathed to the SI Anacostia Museum) - Filed January 1986 in the Probate Division of the Superior Court of the District of Columbia. Settlement negotiations are in progress.
5. Dickson v. Smithsonian Institution (discrimination on the basis of his race (white)) - Filed September 15, 1986, in the U.S. District Court for the District of Columbia. Plaintiff, who was temporarily employed as a guard in the Office of Protection Services, seeks reinstatement with full back pay and benefits and attorneys' fees. A motion to amend complaint was filed on July 29, 1988, and was granted. The amended complaint was filed; an amended motion to dismiss or for summary judgment also was filed and is pending.
6. Elliott v. United States (tort claim for injuries allegedly sustained by plaintiff's minor daughter on May 1, 1987, from a fall from "Uncle Beasley") - Filed September 27, 1988, in the U.S. District Court for the District of Columbia. Plaintiff seeks \$250,000 in damages. Pre-trial discovery is proceeding. A status hearing is scheduled for October 10, 1989.



7. United States v. Rogers Electric Company (counterclaim by subcontractor sued by the U.S. for improper storage/disposal of PCBs) - Filed in February 1989 in the U.S. District Court for the District of Maryland under the Comprehensive Environmental Response, Compensation, and Liability Act for reimbursement of or contribution to any costs for which the defendant may be held liable. Discovery is underway. No Smithsonian involvement has been identified to date.

CASES DISPOSED OF:

8. Cofield v. Adams

This pro se suit was filed in the U.S. District Court for the District of Columbia on July 29, 1988, appealing the dismissal by the Equal Employment Opportunity Commission (EEOC) of plaintiff's administrative complaint arising out of the termination of his temporary appointment as a Smithsonian security guard in 1985. The EEOC dismissal followed a December 16, 1986, decision of the U.S. District Court for the District of Columbia, granting the Institution's motion for summary judgment in a previous suit concerning plaintiff's 1985 termination. The District Court granted the United States' motion to dismiss in the current case on grounds of res judicata, among other defenses, on October 24, 1988, and denied plaintiff's petition for reconsideration of that order on November 15, 1988. A notice of appeal in the case was filed on December 1, 1988. The U.S. Court of Appeals for the District of Columbia Circuit granted a motion for summary affirmance of the October 24, 1988, order, on May 10, 1989, and, on June 19, 1989, denied plaintiff's motion for a rehearing en banc. No further appeal of this case has been taken.

9. Myers v. United States

This suit, filed on August 25, 1988, in the U.S. District Court for the District of Maryland, was brought under the Federal Tort Claims Act, for injuries allegedly sustained by plaintiff's minor daughter when she was allegedly attacked, on two separate occasions, by a Smithsonian guard dog in the custody at the time of a Smithsonian guard at his residence in Fort Washington, Maryland. The administrative tort claim filed in this case had been denied for failure of plaintiff's counsel to provide information on the amount of the claims. Plaintiff sought \$100,100 in damages. On July 13, 1989, the case was settled for \$11,500, to be paid from the U.S. judgment fund.



#### SMITHSONIAN COUNCIL

The Smithsonian Council will convene in New York City on October 13-15, 1989 for its annual meeting, which will open with a full day's discussion of the role, programs and plans of the Cooper-Hewitt Museum with Dianne Pilgrim and her staff. For the meeting's second day, the Council will be introduced to developing plans for the Museum of the American Indian through a tour of associated facilities and locations in New York as the basis for future Council consultation on the efforts involved. The day's events will also include a look at the regional office of the Archives of American Art to complete a sense of the Smithsonian presence in New York. The meeting in New York also provides an appropriate setting for some attention to the larger question of the scope and rationale of Smithsonian museum activities outside of Washington. The meeting will adjourn after a concluding half-day session to consider results and plans for the next annual meeting in 1990.

#### SMITHSONIAN PATENT POLICY AND DISCLOSURE STATEMENT

After reviewing efforts by universities to stimulate disclosure of potentially patentable items and processes made by faculty and staff members, the Smithsonian has recently developed the attached policy to encourage its employees to disclose and seek patents for inventions made in furtherance of their official duties. Reference is made in the policy to appropriate means available to reward employees for their efforts relating to patentable, and potentially patentable, items. This policy is considered experimental as the Smithsonian gains experience in the matter.

In order to develop a better sense of the type and scope of potentially patentable inventions being made at the Institution, Mr. Wayne E. Swann, of the University of Maryland Office of Technology Liaison, was engaged as Smithsonian Patent Consultant. Through personal visits to Smithsonian units, he is undertaking a systematic survey of potentially patentable inventions. He also is providing expert guidance to employees in the evaluation of inventive concepts and is assisting in the preparation of voluntary written disclosures for the description and protection of inventions which hold promise of patentability.

The Smithsonian also has contracted with University Science, Engineering and Technology, Inc. (USET) to serve as its patenting, marketing and licensing agent. USET will carry out any necessary patent searches that may result from the disclosures and will file applications for inventions deemed patentable. At the same time, USET will assess the marketability of such inventions and undertake commercial licensing where feasible.



## SMITHSONIAN PATENT POLICY AND INVENTION DISCLOSURE

Creative activities in many parts of the Smithsonian may give rise to new and useful inventions which could be granted protection and professional recognition in the form of patents issued in the name of the inventor. Some patentable inventions may have commercial applications in new technology which, through licensing, could provide additional funds to support the work of the inventor or his or her organization unit.

The technical evaluation of inventions and the obtaining and licensing of patents is a complex process. In the past, the Institution has provided the resources necessary to secure a patent in a few instances on an ad hoc basis. Recently, Wayne E. Swann of the University of Maryland Office of Technology Liaison has been engaged as Smithsonian Patent Consultant to initiate a more systematic encouragement of invention disclosure, by visiting Smithsonian units and providing expert guidance in the evaluation of inventive concepts, and to assist in the voluntary process of formal disclosure and protection of inventions which hold promise of patentability. Attached is the Smithsonian Invention Disclosure Form which will be used for this purpose.

The Institution has also contracted with University Science, Engineering and Technology, Inc. (USET) to serve as its patenting/marketing/licensing agent. USET will carry out the necessary patent searches and will file applications for inventions deemed patentable. At the same time, USET will assess the marketability of such inventions and undertake commercial licensing where feasible.



It should be emphasized that, under United States law, a patent application is not affected by a publication describing the invention if the application is filed within one year of such publication. For this reason, the process of filing for a patent should not affect the normal free-flow and exchange of information among and between our scientists and their non-Smithsonian colleagues as they pursue their research. However, under the laws of most other countries, any prior publication describing an invention would bar the granting of a patent in those countries. Consequently, inventors should consider how the timing of a publication might affect the right to obtain a patent outside the United States.

Since inventions conceived or reduced to practice in the course of Smithsonian employment, or using Smithsonian facilities or equipment, are normally considered to be intellectual property owned by the Institution, Smithsonian personnel must not enter into outside agreements regarding such inventions without first consulting with the Office of the General Counsel. Inventions in which the Smithsonian has no ownership interest may be donated to the Institution for possible patenting, as above. The patenting procedures outlined herein will take account of any applicable laws, regulations, or the relevant provisions of grants, contracts, or donations.

In order to provide incentives for creativity and to encourage the disclosure of inventions, the Institution will make decisions to obtain patents for inventions on the basis of intrinsic merit, and not solely with regard to immediate commercial application. Inventors to whom patents are issued will be eligible for special recognition through cash awards, following existing procedures. Smithsonian policy permits cash awards up to



\$25,000, though awards over \$10,000 for civil service employees require additional permission from the Office of Personnel Management. Non-inventor contributors to a successful invention process may also be considered for awards. Royalties received in excess of the allocated costs of the patent process normally will be made available to the originating unit as additional support for its mission. Above a reasonable threshold, net royalties could also assist in financing common expenditures, such as those of the Institution's central fellowship program or the Scholarly Studies Program. Should the Institution decide not to pursue or to abandon the patenting of a disclosed invention, a transfer of patent rights to the inventor may be requested.

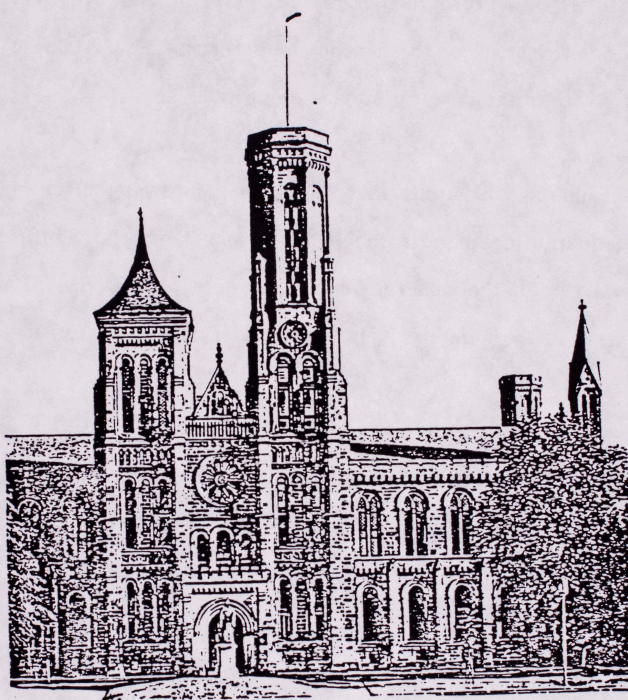
Advice on numerous questions that can arise concerning inventions, invention disclosure and the patenting process should be sought from the Smithsonian Patent Consultant or the Office of the General Counsel, as appropriate. Should an issue arise which cannot be resolved administratively, the matter may be referred to the Under Secretary for his decision.

The Smithsonian Patent Consultant, Wayne E. Swann, may be reached as follows:  
Wayne E. Swann, Director, Office of Technology Liaison, University of Maryland, College Park Campus, 2114 South Administration, College Park, Maryland 20742. Phone: (301) 454-4002.

Attachment: Smithsonian Invention Disclosure Form



SMITHSONIAN INSTITUTION



INVENTION DISCLOSURE



## SMITHSONIAN INVENTION DISCLOSURE

The Smithsonian Institution encourages the inventive process and the scholarly publication of research results. Within the limits of financial practicality, and with the assistance of specialists, the Smithsonian will evaluate the feasibility of bringing an invention to the point of public use. Most often this is achieved through the patenting and licensing process. Obtaining a patent for a discovery dramatically increases the chances that the invention will be actively pursued and developed for the public benefit, not just recorded in the literature.

Under United States law, a patent application is not affected by a publication describing the invention if the application is filed within one year of such publication; under the laws of most other countries, any prior publication describing the invention bars the granting of a patent. Inventors should consider how the timing of a publication might affect the right to patent.

What actually constitutes a patentable invention might well be decided by the resolution of complex legal questions. If you think you have made an invention, but are not sure, consult the Smithsonian Institution Patent Consultant, whose name appears on the back of this form, before completing the formal disclosure.

Since the majority of invention disclosures received are at an early stage of development, it is critical to have your total cooperation and assistance during the patenting and licensing effort. By placing your name on the Invention Disclosure Form, the Smithsonian accepts the fact that you are in agreement, and will work with the Institution to the best of your ability, consistent with the Institution's Patent Policy.



# SMITHSONIAN INVENTION DISCLOSURE

Invention Disclosure Number \_\_\_\_\_

## 1. INVENTOR INFORMATION

TITLE:

Inventors:

a. Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name in Full \_\_\_\_\_  
Citizenship \_\_\_\_\_ Social Security Number \_\_\_\_\_  
Home Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_  
Official Duties and Responsibilities \_\_\_\_\_  
\_\_\_\_\_

Percent Contribution of  
Inventor to the Invention  
\_\_\_\_\_

b. Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name in Full \_\_\_\_\_  
Citizenship \_\_\_\_\_ Social Security Number \_\_\_\_\_  
Home Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_  
Official Duties and Responsibilities \_\_\_\_\_  
\_\_\_\_\_

Percent Contribution of  
Inventor to the Invention  
\_\_\_\_\_

c. Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name in Full \_\_\_\_\_  
Citizenship \_\_\_\_\_ Social Security Number \_\_\_\_\_  
Home Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_  
Official Duties and Responsibilities \_\_\_\_\_  
\_\_\_\_\_

Percent Contribution of  
Inventor to the Invention  
\_\_\_\_\_



## SMITHSONIAN INVENTION DISCLOSURE

### 2. STATEMENT OF INVENTION AND SUGGESTED SCOPE

Give a complete description of the invention. If necessary, use additional pages, drawings, diagrams, etc. Description may be by reference to a separate document (copy of a report, preprint, grant application and the like) attached hereto. If so, identify the document positively.

### 3. SPONSORSHIP

How was the work that led to the invention sponsored? Smithsonian appropriated funds \_\_\_\_  
Smithsonian trust funds \_\_\_\_ federal contract or grant \_\_\_\_ non-federal contract or grant \_\_\_\_

SPONSOR

CONTRACT OR GRANT NUMBER

### 4. RESULTS DEMONSTRATING THE CONCEPT IS VALID

Cite specific results to date. Indicate whether you have completed preliminary research studies, laboratory model or prototype testing. Attach additional pages if necessary.



## SMITHSONIAN INVENTION DISCLOSURE

### 5. VARIATIONS AND ALTERNATIVE FORMS OF THE INVENTION

State all of the alternative forms envisioned to be within the full scope of the invention. List all potential forms of the invention, whether currently proven or not.

### 6. NOVEL FEATURES

a. Specify the novel features of your invention. How does the invention differ from present technology?

b. What is the deficiency in the present technology which your invention improves upon?

### 7. APPLICATIONS OF THE TECHNOLOGY

List all products you envision resulting from this invention and whether these products can be developed in the near term (less than two years) or long term.



## SMITHSONIAN INVENTION DISCLOSURE

### 8. SUPPORTING INFORMATION

a. Are there publications, reports, preprints, reprints, etc. pertaining to the invention? Please list with publication dates. Include manuscripts for publication (submitted or not), news releases, feature articles and items from internal publications.

b. What was the date the invention was first conceived? Is this date documented? Where? Give reference numbers and physical location of lab records, but do not enclose.

c. A literature search should be done by the inventor. Please list any known publications or patents known to you which may be relevant.

d. Date, place and circumstances of any disclosure. If disclosed to specific individuals, give names and dates.

e. What firms do you think may be, or are, interested in the invention? Why? Name companies and specific persons if possible.



ADJOURNMENT

The meeting of the Board of Regents was adjourned at approximately 11:30 a.m. and was followed by a luncheon with the Secretary and his management staff.

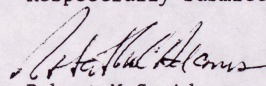
REGENTS' DINNER

The traditional Regents' Dinner was held on the preceding evening, September 17, 1989, in the S. Dillon Ripley Center, beginning with a cocktail reception in the east end of the Concourse, followed by dinner. After dinner Mr. Adams rose to greet the Regents and their guests and introduced Assistant Secretary for Museums Tom L. Freudenheim. Mr. Freudenheim talked about the International Gallery's potential as a kind of pan-Institutional exhibition facility and introduced Dr. Vera Hyatt, curator of the *Caribbean Festival Arts* exhibition currently running in the International Gallery. Dr. Hyatt offered brief remarks and invited the guests to view the exhibition after dinner.

NEXT MEETINGS

Executive Committee Meeting -- Thursday, January 18, 1990, noon  
Regents' Dinner -- Sunday, January 28, 1990, 7:00 p.m.  
Board of Regents' Meeting -- Monday, January 29, 1990, 9:00 a.m.

Respectfully submitted,

  
Robert McG. Adams  
Secretary

SEARCHED INDEXED  
SERIALIZED FILED  
OCT 24 1989  
FBI - NEW YORK



M E M O R A N D U M

October 16, 1989

TO: Heads of Bureaus and Major Offices

FROM: James M. *JMH* Hobbs, Executive Assistant to the Secretary

SUBJECT: Minutes of Board of Regents' Meeting of September 18, 1989

I am pleased to forward the attached Summary of Proceedings from the September 18, 1989 meeting of the Board of Regents.

As in the past, I hope you will find this summary useful and informative, and I would be pleased to receive your comments or questions.

Attachment



SMITHSONIAN INSTITUTION  
 Proceedings of the Meeting of the Board of Regents  
 September 18, 1989

I N D E X

	<u>Page</u>
Summary of Proceedings.....	i-xiii
Attendance.....	1
Minutes of the Meeting of May 8, 1989.....	2
Report of the Executive Committee.....	2
Report of the Nominating Committee.....	3
Report of the Audit and Review Committee.....	6
Report of the Investment Policy Committee.....	8
The Secretary's Report.....	10
National Air and Space Museum Extension.....	15
Financial Report.....	27
Draft of the Five-Year Prospectus, Fiscal Years 1991-1995.....	40
Effectiveness of Institutional Organization and Administration.....	46
Legislative Actions and Issues.....	48
National Museum of the American Indian.....	52
African American Programming.....	54
Renovation of the National Museum of Natural History.....	55
Senior Level Pay.....	58
Proposed National Council of the National Museum of Natural History..	60
Commission of the National Portrait Gallery.....	63
Revised Bylaws of Cooper-Hewitt, National Museum of Design.....	67
Status Reports.....	71
Major Personnel Searches.....	71
Enhancement of Development and Groundwork for a Development Campaign.....	72



Proceedings of the Meeting of the Board of Regents  
September 18, 1989

I N D E X  
(Continued)

Status Reports (Continued)

	<u>Page</u>
National Postal Museum.....	73
Litigation Report.....	73
Smithsonian Council.....	76
Smithsonian Patent Policy and Disclosure Statement .....	76
Adjournment.....	86
Regents' Dinner.....	86
Next Meetings.....	86



SMITHSONIAN INSTITUTION

SUMMARY PROCEEDINGS OF THE BOARD OF REGENTS

September 13, 1989

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee met on September 7, 1989, to review the agenda proposed for the September 18 meeting of the Board. Mr. Adams raised for discussion a number of items which he brought up again at the Board's meeting (see the Secretary's Report, below). Miss Leven noted that the Institution has still not reached its goal of maintaining a fund balance of 5% of the operating budget and added that disappointing summer visitation will require a downward revision of projected revenues from museum shops and restaurant concessions for fiscal year 1990. Mr. Jameson reported that the House-Senate Conference Committee on the fiscal year 1990 appropriations was expected to meet prior to the meeting of the Board.

The Executive Committee felt that the thorough report on site evaluation indicated clearly that both the Dulles and BWI facilities could amply accommodate the Extension of the National Air and Space Museum. The Committee shared the Secretary's view that the agenda papers could not adequately convey the full extent of the respective states' ultimate offers of financial support, and to that end they encouraged the Secretary to talk with both governors prior to the Regents' meeting, if possible.

In other discussions, the Executive Committee complimented the Secretary for initiating a process for the review of Smithsonian organization and management. The Committee felt that problematic salary matters suggest that priority be given to special initiatives rather than awaiting uncertain solutions to the more general problems of pay throughout the Federal agencies. And the Committee indicated its support for the Secretary's accomplishments in dealing with the issue of Native American skeletal remains in the National Museum of Natural History. Finally, the Committee suggested that the Audit and Review Committee examine the proposed strategy for renovating the Natural History Museum and bring its recommendations to the Board at the January meeting.

REPORT OF THE NOMINATING COMMITTEE

Dr. Bowen reported on the activities of the Nominating Committee over the summer. In a variety of meetings and telephone conferences with the Secretary, the Committee reviewed the credentials of some 120 highly qualified candidates. As discussed with the Regents at their May 8 meeting, special emphasis was given to identifying (1) an individual from the Washington Metropolitan area with considerable experience in Federal and cultural Washington, someone with both the aptitude and willingness to assist the Smithsonian with that kind of competence, in the tradition of the late Carlisle Humelsine, and (2) a scholar, preferably a scientist, who would bring to the Regents added strength in assessing programs of research, exhibition, and dissemination, much in the tradition of Murray Gell-Mann. The Committee was looking for truly exceptional individuals, people who might bring



additional strength to the Regents in the face of growing needs for increased fund-raising expertise and minority representation on the Board. In addition, the Committee sought people who are young enough to sustain energetic service to and leadership of the Board over two full terms, or twelve years.

The Committee voted unanimously at its meeting on September 17, 1989, to recommend to the Regents the nomination of Dr. Homer A. Neal, a 47-year-old physicist of Michigan, and the Honorable R. James Woolsey, Jr., a 48-year-old lawyer and public servant of Maryland. The following motion was approved by the Board:

VOTED that the Board of Regents nominates Robert James Woolsey, Jr. and Homer Alfred Neal as citizen members of the Board and requests the Congressional members of the Board to introduce and support Joint Resolutions of the Congress effecting their appointment to the Board of Regents for the statutory term of six years.

#### REPORT OF THE AUDIT AND REVIEW COMMITTEE

Meeting on June 1, the Audit and Review Committee discussed Coopers & Lybrand's audit plan for fiscal year 1989 and took issue with a proposed Financial Accounting Standards Board requirement to capitalize museums' collections. The Committee also reviewed actions taken in response to Coopers & Lybrand's recommendations to management (for fiscal year 1988), indicating extensive corrective activities with respect to Smithsonian's banking relationships in New York City and in Museum Shop management, with further progress to be reported at the Committee's next meeting. The Committee received documentation on several special retirement agreements, one of which had been overpaid (less than \$10,000). In the Committee's review of the most significant long-standing "open recommendations" of the Office of the Inspector General, management presented a record of closing out items related to Portrait Gallery accession records, rare book inventory in Paleobiology, the Museum of American History's inventory plan, and management improvements in Personnel. The Committee was also introduced briefly to the work of the Smithsonian Environmental Research Center, where the Committee joined in the dedication of the Mathias Laboratory later that morning.

#### REPORT OF THE INVESTMENT POLICY COMMITTEE

It was noted that the total value of the endowment funds is currently \$266,600,000, a new high. As of June 30, 1989, the market value of the endowment funds was \$252,889,000 compared to \$237,864,000 on March 31, 1988, and \$220,909,000 on June 30, 1988. The net increase in market value over the last complete quarter (March 31 - June 30) reflects: (1) market appreciation of \$12,056,000, (2) excess income reinvested to principal of \$953,000 over the quarter's total return payout requirement, and (3) an addition of \$2,015,000 in new money.

Of the Smithsonian endowment under active management, 63% was held in common stock, 25% in fixed income, 2.2% in convertible bonds, 0.3% in preferred stock, 3% in a mutual (common stock) fund, and 6% in cash and cash



equivalents. The fund underperformed the S&P 500 and the DJIA averages for the June quarter given its weighing in fixed income, convertible bonds, and cash. This conservative stance, however, is in line with that taken by other non-profit organizations.

#### THE SECRETARY'S REPORT

Mr. Adams mentioned a variety of Smithsonian developments which had not been represented in the agenda papers distributed in advance of this meeting. He noted that the Institution had closed on the purchase of the Fox House, a townhouse apartment building adjoining the Miller House of the Cooper-Hewitt Museum. for a total price of \$3,727,000. Renovation of interior spaces will be undertaken as the apartments are vacated.

The Secretary noted that the payback from Air & Space will take longer than expected because of the magazine's inability to increase the subscription base without a larger than prudent investment. The editorial content of the magazine was also discussed. The Secretary concluded discussion by noting that he must hold additional talks with Museum Director Martin Harwit and Publisher Joe Bonsignore before he can report further on these matters.

Mr. Adams described efforts at planning a Corporate Associate Program through which unrestricted funds would be realized through annual "dues" of \$25,000 and \$10,000 from corporations taking membership in the program. Work is currently under way on drafting a statement for the need for such funding, as well as the benefits of membership, two aspects of the program which the Regents felt needed particular attention. The Regents expressed their full endorsement of the Corporate Associate Program initiative and support for the Secretary's appeal for leadership from the nation's top corporate chief executive officers.

The Secretary noted that several influential members of Congress have strongly recommended that the Smithsonian consider imposing admission fees for visitors, consistent with the practice at national parks and elsewhere. He added that the Smithsonian was poised to conduct an experiment in soliciting voluntary donations in selected museums to determine the extent to which the visiting public would be willing to contribute. In discussion, it was the strong sense of the Regents that neither the Congress nor the public would tolerate either the solicitation of contributions or the imposition of general admission fees, and the matter ought to be dropped.

Mr. Adams informed the Regents that he had appointed Alice Green Burnette to the new position of Assistant Secretary for Institutional Initiatives. He described the range of her new set of responsibilities.

Mr. Adams reported that the staff has offered residents at the Smithsonian Environmental Research Center (SERC) a variety of alternatives to their present arrangements, including life estates, and has attempted to negotiate with them on terms of their choosing. He expressed appreciation for the willingness of Rep. Cardiss Collins' staff to help in bringing this matter to closure. In ensuing discussion, it was questioned whether the Smithsonian would have any interest in affiliating with the Johns Hopkins University research center at the Chesapeake Bay, and it was noted that the Smithsonian's research program was fundamentally different in terms of its orientation and goals.



Mr. Adams noted the significance of the recent death of John Kinard, the founding Director of the Anacostia Museum, in deliberations about a National Museum of African American History and Culture and the further development of the Anacostia Museum. The Secretary added that he would be better prepared to discuss these matters substantively at the January meeting of the Board. Mr. Adams pointed out that certain progress is being made in increasing the representation of minorities and women in the professional ranks of the Institution, and as an encouragement for still more progress he has asked his top administrative staff to prepare reports on progress in their areas for review in connection with their annual performance appraisal. The Board called for a statistical report on progress at its January meeting.

The Secretary reported that a decision has been reached to relocate the headquarters of the Archives of American Art from New York to Washington on a permanent basis. That move is expected to facilitate hiring of a director and a closer working relationship with the National Museum of American Art.

Mr. Adams mentioned that Senator Helms' proposed amendment to the fiscal year 1990 appropriations bill for the Department of the Interior and related agencies would have implications for the Smithsonian if enacted. Without commenting on those ramifications, he distributed to the Regents copies of the "Horizons" column he wrote for the forthcoming October issue of Smithsonian magazine.

Mr. Adams mentioned the continued interest in Congress and among several agencies, including the Smithsonian and the Environmental Protection Agency, in establishing a National Center for Biological Diversity in the Smithsonian. As presently conceived, this Center would involve cooperation with the EPA in such a way that the Smithsonian would be restricted to the scientific aspects of the work while the EPA would have responsibility for policy decisions -- in a relationship which is roughly analogous to the cooperative arrangements of Department of Agriculture and other agencies' scientists currently working in several departments of the National Museum of Natural History.

#### NATIONAL AIR AND SPACE MUSEUM EXTENSION

Preliminary findings of several studies indicate that either Dulles or BWI can support a full-scale National Air and Space Museum Extension and both sites also offer additional space for other Smithsonian activities. The full-scale Extension will require 1.5 million gross square feet of building area, with a footprint of approximately 27 acres, more than half of it for exhibition and restoration hangars. It can be constructed and financed in three phases. Phase I (requiring 673,000 gross square feet) will include most of the fundamental infrastructure required for the complete Extension, and will constitute a viable facility (with a balanced program of artifacts and exhibits, a large format film theater, and visitor support services) that can be opened to the public in 1995, at a cost of approximately \$162 million (escalated to 1993 dollars) to be met with state support, Federal support, and fund raising. Completion of Phases II and III will depend on availability of funding.

The Regents discussed the possibility of expressing at least a preference for one site over another as a means of expediting progress and lessening lobbying activities, but it was agreed by a show of hands to



postpone consideration of site selection until the January 1990 meeting of the Board when more information can be presented. It was suggested that the governors of each state, as well as the Washington Metropolitan Airport Authority, should be notified of the Regents' intention to select a preferred site in January and the governors should be invited to detail the extent to which their states are prepared to support construction; and the staff ought to develop a more complete analysis of the impact of operating and construction costs on Smithsonian budgeting. It was also noted that a commitment toward any site could be made only with the approval of the Congress. Accordingly, the following motion was suggested and approved:

VOTED that the Board of Regents requests the Secretary to advise the relevant jurisdictions, including the Washington Metropolitan Airport Authority, that the Board intends to decide the question of site selection for the extension of the National Air and Space Museum at its January 1990 meeting, with the understanding that final commitments cannot be made without authorization from the Congress of the United States.

#### FINANCIAL REPORT

As a result of the third quarter review, the fiscal year 1989 addition to Trust fund balance is projected to drop by \$193,000 to \$907,000, nearly \$600,000 below budget because of certain adjustments, most notably a decrease in Mail Order revenues and transfers to the Secretary's Program Contingency. Since May the Secretary's Program Contingency has funded legal fees arising from an international research endeavor and the completion of a research lab for the Director of the National Air and Space Museum. The current balance in the Secretary's Program Contingency is \$244,000. It was

VOTED that the Board of Regents approves the proposed revisions to the budget of the nonappropriated funds for fiscal year 1989 and authorizes expenditures by the Secretary in accordance therewith; any material changes in program plans incorporated in the revised budget, or any changes of more than \$250,000 in any general unrestricted Trust fund program or administrative expenditure, shall be made only with approval of the Board of Regents or its Executive Committee.

Both bills for fiscal year 1990 appropriations passed their respective chambers and the Conference Committee is expected to resolve differences after Labor Day. The following chart summarizes Congressional action to date.



(\$000's)	FY 1990 Budget			
	FY 1989 APPROP.	REQUEST	HOUSE MARK	SENATE MARK
ACCOUNT				
Salaries and Expenses	\$211,240	\$227,737	\$231,981	\$223,029
Repair and Restoration	20,735	26,653	26,869	26,653
Zoo Construction	5,305	6,500	6,500	6,500
Construction				
- Museum of the American Indian	-0-	-0-	2,900	1,000
- Whipple Base Camp	3,185	-0-	-0-	-0-
- STRI	2,700	3,480	3,480	1,780
- Alterations & Modifications	2,020	4,040	4,040	4,040
- Construction Planning	750	730	730	730
- General Post Office Building Design	-0-	1,750	1,750	-0-
TOTAL	\$245,935	\$270,890	\$278,250	\$263,732

In the Salaries and Expenses account, the House allowed \$4.2 million above the request and applied to other unfunded needs approximately \$3.7 million that the Institution had budgeted for utilities but would not need as a result of Congressional decision to fund through other means. Major differences in the House and Senate actions include varying levels of funding for the Museum of the American Indian, Quincentenary activities, and Global Change initiatives. In the Repair and Renovation account, both the House and the Senate approved the Institution's request. In the Construction account, the House and Senate differed on funding for the Museum of the American Indian, for Smithsonian Tropical Research Institute's floating laboratory, and for the design of the General Post Office Building renovation. A letter is being prepared to the Conference Committee which will address the impact of all items of increase or decrease at variance between the House and the Senate.

There has been no change to the fiscal year 1990 Trust fund budget as approved by the Regents last September. However, a review of fiscal year 1990 indicates early decreases in the Secretary's Program Contingency reflecting out-year effects of earlier commitments. It was



VOTED that the Board of Regents approves the budget of appropriated funds for fiscal year 1990 and proposed revisions to the budget of the nonappropriated funds for fiscal year 1990 as presented, and authorizes expenditures by the Secretary in accordance therewith; any material changes in program plans incorporated in these budgets, or any changes of more than \$250,000 in any general unrestricted trust fund program or administrative expenditure, shall be made only with approval of the Board of Regents or its Executive Committee.

Approval of the Regents was sought for submission of the fiscal year 1991 budget to the Office of Management and Budget. The overall budget includes gross operating income of \$568.7 million compared to \$506.0 million budgeted for fiscal year 1990, an increase of 12%. The breakdown between Federal and Trust operating budgets is \$283.8 million and \$284.9 million, respectively. Net operating income, after deduction of auxiliary and bureau activity expenses, is expected to be \$381.2 million, an increase of \$61.7 million or 19%.

The fiscal year 1991 Federal budget request totals nearly \$400 million for all operating and capital needs. The basic strategy inherent in this budget is an emphasis on "infrastructure," focusing on catch-up needs to support baseline programs. The Institution is also requesting funding for two high priority program initiatives, Global Change Research and Cultural Pluralism. The budget reflects a more aggressive approach in the total sums requested than in the recent past. Significant increases in the Salaries and Expenses budget are being sought for automation needs, for major scientific instrumentation, for the Museum of the American Indian, for cultural pluralism, for Global Change Research initiatives, for exhibit hall renovation at the National Museum of Natural History, and for a variety of Columbus Quincentenary projects. In the Construction account, funds are sought for the renovation of the General Post Office Building, detailed planning for the National Museum of the American Indian and the National Air and Space Museum Extension, and for planning the National Museum of Natural History East Court. In the Repair and Renovation of Buildings account, the Institution is budgeting \$35.0 million; it is estimated that the backlog of repair projects will take seven to ten years to eliminate at this level of funding. The budget for Construction and Improvements at the National Zoological Park would provide for the continued implementation of the master plan, progress in the Front Royal Development Plan, and various repair and restoration projects.

Fiscal year 1991 net income from General Unrestricted Trust Funds is budgeted to total \$36.4 million, an increase of \$1.1 million over the original budget figure for fiscal year 1990. Major increases are expected from the National Associates Program, concessions, the Smithsonian Institution Press, and media activities. Offsetting these increases are more realistic projections of income for the Air and Space magazine, Museum Shops, and Mail Order. The budgeted net revenues provide for a program contingency, the annual \$3.0 million transfer to the Endowment, an increase to the General Unrestricted Trust Fund, and modest increases for new program initiatives. Projections for



Restricted funds are \$2.1 million lower than the fiscal year 1990 budget. In the Government Grant and Contract category, projections show a \$1.6 million increase from fiscal year 1990. Net funds provided from the special purpose fund group are projected to increase \$1.9 million over fiscal year 1990.

It was

VOTED that the Board of Regents approves the Smithsonian Institution budget of appropriated funds for fiscal year 1991 for presentation to the Office of Management and Budget and the budget of the nonappropriated funds for fiscal year 1991.

DRAFT OF THE FIVE-YEAR PROSPECTUS, FISCAL YEARS 1991-1995

The current draft of the Five-Year Prospectus more effectively articulates plans in a more attractive format for the Board of Regents, the Executive and Legislative branches of the Federal government, and broader audiences including potential donors, corporate sponsors, and the general public. Now in two volumes, the Prospectus's first section describes the Institution's planned initiatives and project resources required to meet its objectives, while the second volume presents supporting data that the Institution prepares for the Office of Management and Budget (OMB) and Congress and details for Collections Related Research and the Repair and Restoration of Buildings program.

The draft Prospectus describes the Institution's program plans and initiatives in such primary areas as Global Environmental Change, Infrastructure, the Museum of the American Indian, Quincentenary Programs, Cultural Pluralism, the Repair & Restoration of Buildings, Construction, and the Zoological Park and Conservation Research Center.

Looking at Institutional funding over the planning period, the Prospectus projects total operations to grow from \$569 million in fiscal year 1991 to \$782 million in fiscal year 1995. Smithsonian Federal construction requirements total \$482 million between fiscal years 1991 and 1995. Repair and restoration will cost approximately \$35 million annually, and Zoological Park construction and improvements will cost from \$7 million to \$26 million annually between fiscal years 1991 and 1995. The Prospectus also contains construction plans through fiscal year 1999 and general descriptions of facility issues into the next century.

The Secretary invited the Regents to provide him with the benefit of their views on the complete draft over the course of the fall. Several Regents mentioned their pleasure at the way in which the Prospectus has been improved, noting particularly its more sharply focused approach. The question arose as to whether more attention should be paid in the Prospectus to planning for the establishment of a new African American Museum on the Mall. Mr. Adams commented that plans could not be meaningfully laid in the absence of a consensus among the Black Caucus and, more generally, African-American scholars and museum professionals. He indicated his intention of continuing to participate in the dialogue without getting ahead of the Congress in this matter.



## EFFECTIVENESS OF INSTITUTIONAL ORGANIZATION AND ADMINISTRATION

Mr. Adams reported that a number of events suggest that it would be useful to conduct a comprehensive review of the organization and administration of the Institution to determine its tightness and effectiveness in dealing with current and prospective programs and priorities. Such a proposed review could examine the following kinds of issues: the composition and functions of the Secretary's Management Committee; the roles, relationships and responsibilities of individual members of the Management Committee in relationship to existing bureaus and offices; the degree to which those roles, relationships, and responsibilities are optimal for the management of new objectives, such as global environment, cultural diversity, American Indians, etc.; the mechanisms for implementing audit recommendations and imposing pre-emptive management improvements; the effectiveness of relationships between the providers and users of central services including the adequacy of bureau and office involvement in annual planning and operations; the adequacies of administrative, technical, and facilities staffs in all areas to handle current and future workloads, avoid problems, and maintain good accountability; and the status of the planning process.

In discussion, the Regents expressed support for this initiative. It was thought that a management study ought to be undertaken by an outside firm, with assistance provided by knowledgeable Smithsonian staff for maximum effectiveness. The hope was expressed that a well respected and highly qualified firm might be willing to contribute its services at least in part, though it was recognized that such a study could well be costly and, given its importance, the expense would be justified.

## LEGISLATIVE ACTIONS AND ISSUES

A report was given on the wide variety of legislation of Smithsonian interest that is pending before the Congress. The Regents were alerted that future legislative requirements will include authorizations for the NASM Extension and the Natural History Museum's East Court project, and in that context the Regents were informed about the initiative to authorize National Gallery and Smithsonian security personnel to escort high value collections in transit.

Section 5315 of Title 5, United States Code, provides for an "Assistant Secretary for Science, Smithsonian Institution" and an "Assistant Secretary for History and Art, Smithsonian Institution" at Executive Level IV. Section 5316 of the same title provides for a "Director, United States National Museum, Smithsonian Institution" and a "Director, Smithsonian Astrophysical Observatory, Smithsonian Institution" at Executive Level V. As a result of changes in the organization and staffing of the Institution, only the last of these describes a currently occupied position and a Smithsonian activity. The other three positions are unfilled because the functions designated in the titles no longer exist. Because two Assistant Secretaries are compensated as GS-18s since their responsibilities are not those described in the sections referenced, and to provide management flexibility as well as a greater degree of equity, it was proposed that the authorities for the Executive Level IV Assistant Secretary positions be amended to eliminate the specific designations and that the Executive Level V museum director position be amended so that as future needs arise it will be available for the head of any of the



designated national museums. Accordingly, it was

VOTED that the Board of Regents requests its Congressional members to introduce and support legislation to amend Sections 5315 and 5316 of Title 5, United States Code.

Discussion ensued about the status of legislation to establish a National African American Museum. The Secretary pointed out that movement on the legislation appears to be awaiting the emergence of a consensus among the Congressional Black Caucus. The Secretary indicated that at a hearing scheduled for September 21, 1989, in the House Administration Committee's Subcommittee on Libraries and Memorials, he is prepared to say that in the absence of such a consensus the Regents have not yet developed a position on the form and organizational relationships which the museum should take. The Secretary added that he and his staff will continue to enhance African American programming in Smithsonian bureaus and offices. At the same time they will do what they can to facilitate the development of a widely shared consensus. With that purpose in mind, a preliminary planning conference with many leading African American scholars has been planned for October; it is expected to be followed by a more formal colloquium at a conference center in the spring.

#### NATIONAL MUSEUM OF THE AMERICAN INDIAN

It was noted that legislation authorizing the establishment of the National Museum of the American Indian seems virtually assured, especially given agreements which have been reached with respect to the return of tribally identified human remains and funerary objects and with respect to assistance with cultural activities at the Audubon Terrace facility to be vacated by the Heye Foundation. The establishment of a committee to assist in the search for a director of the new National Museum has been enthusiastically received by the American Indian community, which is represented in the majority of membership. A Program Committee is being formed to begin the program planning process in anticipation of creating a Board of Trustees for the Museum. Since that Board should be formally appointed as soon as the authorization is complete, appropriations are received, and the courts of New York have approved the Heye Foundation's agreement with the Smithsonian, action may need to be taken by the Executive Committee on behalf of the Regents prior to their January meeting.

In discussion several Regents noted that the Heye Foundation collections are of such transcending significance for the settlement of the entire Western Hemisphere, not simply North America, that consideration should be given to the selection of truly outstanding representatives of indigenous cultures to reflect that quality. Requirements of the legislation notwithstanding, the involvement of those other than Federally recognized tribes should be encouraged. In addition, the increasing importance of Latin American interests was noted and it was suggested that special attention be paid to their representation in the Museum.



#### AFRICAN AMERICAN PROGRAMMING

It was reported that the commitment to more multicultural programming and affirmative action continues to grow within the Institution. In addition, the project for a sustained African American presence at the Institution has made measurable progress. Internal recruitment is under way for a special assistant in the Office of the Assistant Secretary for Museums to serve as interim director for the African American presence project until a formal search for a director has reached conclusion. A fiscal year 1990 appropriation request of \$155,000 for the African American presence project has been appealed to the House-Senate Conference Committee.

Progress has been made in planning an October conference consisting of Smithsonian leadership, the Smithsonian's senior African American curatorial and education staff, and non-Smithsonian African American scholars and museum professionals. This conference, and another in the spring, will focus on the form or forms that an African American presence on the Mall might take. It is hoped that the conferences will generate new ideas about African American research, public programming, and collecting opportunities, and that the participation of outside scholars will be provocative and helpful in shaping new Smithsonian directions. Greater understanding of and increased opportunities to work further with other African American collecting and research institutions also are anticipated results of the meeting.

Following the death of John Kinard, the Office of the Assistant Secretary for Museums selected Zora Felton to serve as acting director of the Anacostia Museum. Mrs. Felton has served the Museum well as education director since its inception. She has the confidence of the staff and the full support of central Smithsonian administration. She is most interested in making sure that the Museum continues to move ahead and in entering into the dialogue about the mission of Anacostia, mindful of the context of the African American presence project.

#### RENOVATION OF THE NATIONAL MUSEUM OF NATURAL HISTORY

The Institution has completed an analysis of various alternative construction schedules for replacement of the heating, ventilating, and air conditioning and electrical systems in the Natural History Building. The option selected will require construction of a building of 80,000 square feet in the East Court of the Natural History Building to serve as staging space for the relocation of staff and collections in the course of the renovation work. The proposed East Court Building will cost approximately \$25 million, exclusive of furnishings and equipment. However, use of this building as on-site staging will reduce the cost of the systems work to \$116 million, compared to a projected cost of \$122 million for the 14-year scheme presented to the Regents two years ago. Equally important as the cost considerations are the benefits to the Museum in terms of allowing more public areas to remain open during the renovation and the availability of 80,000 square feet of permanent space within the Natural History Building footprint for decompression of currently overcrowded Museum activities at the end of the project.

The Institution will complete planning for the East Court Building in fiscal year 1990 and is requesting design funding in fiscal year 1991. Concurrently, the Smithsonian will begin the renovation with work that is not



dependent on the availability of the East Court staging space. Under the current plan, the renovation project will be complete in 1999. Although Congressional authorization is not required for the renovation work itself, the Board of Regents will be requested to support legislation for the construction of the building in the East Court at the January 1990 Regents' meeting.

#### SENIOR LEVEL PAY

Secretary Adams was not sanguine about any significant relief on Federal senior level pay forthcoming from the Congress. He expressed concern that to the degree to which the Smithsonian resorts to trust funds to pay salaries necessary for the recruitment and retention of its museum directors and other top staff, the Smithsonian runs the risk of crippling its own flexibility and exacerbating patterns of inequity among the compensation packages. In discussion the Regents suggested that enhanced efforts to raise funds for programs already budgeted could have the effect of freeing up scarce unrestricted Trust funds which could be redirected for compensation purposes. It was also noted that the interests of the Smithsonian should be kept in mind as Congress considers either general or special pay legislation.

A prepared report indicated that the Smithsonian has retained a consultant to review such matters of pay and benefits and to make recommendations which the Secretary expects to bring to the Board's attention in January. In addition, it noted that Smithsonian top administrative and professional staff are not eligible to participate in Senior Executive Service (SES), and the "super grade" positions they continue to hold have slipped from the comparability they once had with SES salaries. To regain a degree of comparability at a minimum, and thereby to enhance the Smithsonian's ability to recruit and retain top staff, letters have been sent to the Office of Personnel Management (OPM) and key members of Congress proposing a way to correlate and increase supergrade pay to SES pay, should the latter be raised. The Institution is staying in touch with all legislative proposals regarding pay should there be an opportunity to include Smithsonian interests. In the final analysis, the Smithsonian may need to seek its own legislation either to tie its senior staff pay to whatever pay raises are provided to the SES or to propose separate pay levels for the Smithsonian. That strategy will be explored and reported on at the January meeting of the Board of Regents.

#### PROPOSED NATIONAL COUNCIL OF THE NATIONAL MUSEUM OF NATURAL HISTORY

Mr. Adams introduced a proposal to establish a National Council of the National Museum of Natural History. As suggested by McKinsey Company in its study of the Natural History Museum, the Council would serve to generate support for the Museum and advise on matters of policy. To accomplish these goals, board members should include potential donors, active senior corporate executives, and distinguished scientists. Bylaws for the Council were prepared for the Regents' consideration, and it was

VOTED that the Board of Regents establishes the  
National Council of the National Museum of Natural  
History and approves the Council's bylaws as proposed.



#### COMMISSION OF THE NATIONAL PORTRAIT GALLERY

Mr. Adams introduced the report of the Commission of the National Portrait Gallery, and it was

VOTED that in accordance with Public Law 87-443 the Board of Regents reappoints to the Commission of the National Portrait Gallery Robert L. McNeil, Jr. and appoints Stephen Jay Gould, Marta (Mrs. Eugene) Istomin and David Levering Lewis to terms expiring November 1995.

#### REVISED BYLAWS OF COOPER-HEWITT, NATIONAL MUSEUM OF DESIGN

The Secretary introduced a proposal to revise the Bylaws of the Cooper-Hewitt Council, by which the Museum is named "Cooper-Hewitt, National Museum of Design." The bylaw revisions increase the membership on the Council to 25 and refer to ex officio members by their current titles. Accordingly, it was

VOTED that the Board of Regents approves the proposed revisions to the bylaws of Cooper-Hewitt, National Museum of Design.

#### STATUS REPORTS

Major Personnel Searches  
Enhancement of Development and Groundwork for a Development Campaign  
National Postal Museum  
Litigation  
Smithsonian Council  
Smithsonian Patent Policy and Disclosure Statement

#### REGENTS' DINNER

The traditional Regents' Dinner was held on the preceding evening, September 17, 1989, in the S. Dillon Ripley Center, beginning with a cocktail reception in the east end of the Concourse, followed by dinner. After dinner Mr. Adams rose to greet the Regents and their guests and introduced Assistant Secretary for Museums Tom L. Freudenheim. Mr. Freudenheim talked about the International Gallery's potential as a pan-Institutional exhibition facility and introduced Dr. Vera Hyatt, curator of the *Caribbean Festival Arts* exhibition currently running in the International Gallery. Dr. Hyatt offered brief remarks and invited the guests to view the exhibition after dinner.

#### NEXT MEETINGS

Executive Committee Meeting -- Thursday, January 18, 1990, noon  
Regents' Dinner -- Sunday, January 28, 1990, 7:00 p.m.  
Board of Regents' Meeting -- Monday, January 29, 1990, 9:00 a.m.