Smithsonian Institution

Management's Discussion and Analysis
FY 2006

A MESSAGE FROM THE SECRETARY

During fiscal year 2006, millions of Americans enjoyed the continuing success of the National Air and Space Museum's (NASM) Steven F. Udvar-Hazy Center in Chantilly, Virginia, the National Museum of the American Indian on the National Mall, and, in the renovated historic Patent Office Building, the newly opened Donald W. Reynolds Center for American Art and Portraiture, home to the National Portrait Gallery and the Smithsonian American Art Museum. It opened to the public July 1, 2006, and more than 330,000 people have visited so far this year.

At the conclusion of fiscal year 2006, the Smithsonian Institution reports a sound financial position. Museum visitation remains steady and private sector giving has been strong. The Institution's Endowment continues to perform well, outperforming the Smithsonian's market benchmarks.

The Smithsonian's reputation rests on a strong foundation that enables us to continue with our great plans for the future. For example, the National Zoo's new Asia Trail recently opened this fall, and a new home for our elephants is in the works. At the National Museum of Natural History we will open a new, live *Butterfly House* in 2007 and an *Ocean Hall* in 2008. In addition, the Robert and Arlene Kogod Courtyard, the signature space for the Donald W. Reynolds Center for American Art and Portraiture, will be completed in late 2007.

The Smithsonian continues to make considerable progress in achieving its stated goals. The Smithsonian remains focused on the revitalization of its aging and dilapidated physical infrastructure. An April 2005 report by the Government Accountability Office validated the Smithsonian's $2.3 billion facilities revitalization and maintenance requirement and further substantiated the compelling need to address the problem. In recognition of this requirement, OMB approved a 4.8 percent increase in the Institution's Federal appropriation request for FY 2007. Recently, a select group from our Board of Regents met with President Bush to emphasize the facilities revitalization and maintenance challenge the Smithsonian faces.

Work on enhancing Smithsonian security, modernizing information systems, and upgrading its financial control infrastructure continues, despite considerable staff shortfalls. To meet the Smithsonian's financial goals with respect to non-federal unrestricted resources, management continued a non-federal unrestricted hiring freeze throughout fiscal year 2006.

In fiscal year 2007, the Smithsonian will continue to focus on using federal funding to address high priority facilities revitalization projects/needs and private sector fund-raising to support the installation of world-class exhibitions. Efforts to address the revitalization and maintenance of the Smithsonian's physical plant remain the Smithsonian's highest priority.

Lawrence M. Small
Secretary of the Smithsonian Institution
November 15, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

MISSION AND ORGANIZATIONAL STRUCTURE

Overview of the Smithsonian Institution

For more than 160 years, the Smithsonian Institution has remained true to its mission, "the increase and diffusion of knowledge." In that time it has become the largest museum and research complex in the world, the most respected provider of museum experiences supported by authoritative scholarship, and an international leader in scientific research and exploration.

The Smithsonian is unique among the world's institutions. Not simply a museum or even a cluster of museums, it is a vast national research and educational center that encompasses—in addition to its exhibition galleries—laboratories, observatories, field stations, scientific expeditions, classrooms, performing arts events, publications, and more. The Smithsonian is an extensive museum and research complex that today includes 19 museums and galleries (including the National Museum of African American History and Culture which is currently under development), the National Zoological Park, and research centers around the nation's capital, in eight states, and the Republic of Panama. The Smithsonian is the steward for nearly 136 million objects which form the basis of world-renowned research, exhibitions, and public programs in the arts, history, and the sciences.

Yet, unfortunately, the Smithsonian is also an institution with a severely deteriorated infrastructure, outdated technology, and many aged, outmoded exhibitions. The Smithsonian has buildings that range in age from brand new to more than 160 years old. More than half of the buildings, and the heating, air-conditioning, and electrical distribution systems and controls required to operate them, have served well beyond their normal useful life spans. Although considerable progress has been made, the 2005 report of the Government Accountability Office makes it clear that the Institution has a well-documented and compelling need for dramatic increases in facilities revitalization and maintenance funding.

International and domestic events of the last few years have adversely affected attendance, although visitors have started to return. Today's challenge is to build on the Smithsonian's reputation, rebuild the physical plant, increase our visitation, and thereby expand the reach of a great and trusted institution.

Although the Institution depends on the federal Government for nearly 80 percent of its funding, including Government grants and contracts, the Smithsonian is not part of the Executive Branch. As a trust instrumentality of the United States, many of the laws and directives applicable to federal agencies do not apply to the Institution. However, ever mindful of and grateful for this support from the American public, the Smithsonian will continue working with both OMB and Congress to provide each with the information

necessary to justify their continued support. The Smithsonian is also working to improve its performance in line with the President's Management Agenda (PMA), and has numerous initiatives under way to advance financial management, use e-Government wherever possible, improve human capital planning and management, and more closely integrate budgeting with long-term performance goals. Specifically, on integrating the budget to our performance objectives, the Secretary personally conducts extensive operational reviews with the Institution's Directors to assess performance against Institutional performance goals. In FY 2006, the Smithsonian also:

1. Achieved "Green" status ratings on the PMA scorecard for both Financial Performance and Budget and Performance Integration
2. Continued linking all funds to a performance objective
3. Continued improving the Institution's performance plan to map directly to the budget structure and financial reporting
4. Completed the Program Assessment Rating Tool (PART) evaluation of the Facilities Operations and Maintenance program and received the highest rating
5. Completed a second workforce review that required each unit to refine its workforce plan that tied staff to performance plans and adjusted workforce based on priority

Highlights of FY 2006 Accomplishments

Fiscal year 2006 witnessed an unprecedented number of significant accomplishments for the Smithsonian that continue to generate positive momentum for the future. The year 2006 was one in which great strides were made towards achieving the four Smithsonian goals: Increased Public Engagement, Strengthened Research, Enhanced Management Excellence, and Greater Financial Strength. Some key FY 2006 performance achievements include:

1. **Increased Public Engagement**
   – Attracted more than 22 million visitors
   – Opened the Donald W. Reynolds Center for American Art and Portraiture
   – Selected the site for the National Museum of African American History and Culture
   – Established the Smithsonian on Demand partnership with Showtime
   – Launched the Smithsonian Photographic Initiative website almost entirely with private funds
   – Logged more than 140 million visits on Smithsonian websites
   – Presented 53 exhibitions at 201 locations in 44 states to 4.5 million people

2. **Strengthened Research**
   – Discovered two extra-solar planets – enhancing the use of networked small telescopes
   – Observed collision of galaxies confirming that a collision can separate dark and normal matter
   – Panda research results in dramatically improved breeding success and

survival rates
– First ever monitoring of health and diversity of tropical rain forests and the effects on and by global climate change
– Skeletal remains known as Kennewick man, dating back more than 9,000 years, add crucial insight into who first colonized the New World

3. **Enhanced Management Excellence**
   – Achieved the highest rating of "Green" in Financial Management and Budget Performance and Integration in the PMA
   – Completed the PART evaluation of the Facilities Operations and Maintenance program and received the highest rating
   – Conducted monthly metric based performance reviews
   – Initiated new performance appraisal system that ties to the Institution's performance objectives
   – Minimized damage from June floods by the emergency response of Smithsonian staff
   – Selected Government-approved e-travel service provider to replace Smithsonian's unique travel system

4. **Greater Financial Strength**
   – Exceeded goal by raising over $132 million in private funds
   – Refined the process to recoup private grant overhead costs
   – Exceeded investment benchmarks on the endowment
   – Hired a new Director of Investment

Smithsonian's Organization

The Smithsonian is a unique entity, an independent trust instrumentality that is governed by a Board of Regents. The Smithsonian is supported by a staff of more than 6,100 (combined federal and non-federal employees) and nearly 6,000 volunteers. Together these individuals support the operations of the largest museum and research complex in the world. An organization chart is attached as Appendix A to this report.

FY 2006 Financial Highlights

The Smithsonian's financial statements are prepared from the Institution's accounting books and records. The Institution uses *PeopleSoft* to manage its federal and non-federal resources. The financial data contained in the fiscal year 2006 federal closing package was subjected to a comprehensive review process to evaluate its accuracy and reliability.

The Smithsonian Institution's management and financial controls systems provide reasonable assurance that the Institution's programs and resources are protected from fraud, waste, and misuse, and that its financial management systems conform to government-wide requirements. Although the Smithsonian is not a department or agency of the executive branch, the Smithsonian has achieved the intent of the Federal Managers' Financial Integrity Act (FMFIA) (P.L. 97-255) to prevent problems through systematic

review and evaluation of the Institution's management and financial controls and financial management systems. A recent evaluation by the independent audit firm PriceWaterhouseCoopers found no material weaknesses in the Institution's internal controls. In addition, the Institution reported no violations of the Anti-Deficiency Act.

Looking Forward

The Smithsonian plays a vital role in our country's civic, educational, and cultural life. Through art, artifacts, history, and science, the Smithsonian tells a comprehensive story—America's story. To reach more Americans with such seminal stories, the Smithsonian needs to transform itself into a true 21st century institution and continue to serve the public in an exemplary manner, with both engaging, modern exhibitions backed by authoritative scholarship and groundbreaking scientific research and exploration.

HIGHLIGHTS OF PERFORMANCE GOALS AND RESULTS

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

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

Numerous sub-goals within each of these four main goals are delineated and tracked. A copy of the Detailed Performance Data report for fiscal year 2006 is attached as Appendix B. Additional detail on FY 2006 accomplishments is in Appendix C.

HIGHLIGHTS OF FINANCIAL POSITION

Overview of Financial Data

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

Balance Sheet: The Balance Sheet reflects total assets of $1,109.7 million, a 3.1 percent increase over the previous year. Approximately 78 percent of assets are invested in property and equipment with the balance of assets (approximately 22 percent) represented by cash and balances with the United States Treasury. Liabilities (accounts payable and accrued expenses) comprise approximately 42 percent of the Smithsonian's liabilities and increased by approximately 37.5 percent from the previous year. Reflecting the higher growth in assets than liabilities, the net position grew by $31.2 million or 4.1 percent in fiscal 2006.

Statement of Operations: Federal appropriations recognized in the current fiscal year ($647.3 million) increased by approximately $42.9 million or 7.0 percent from the prior year ($604.4 million). Of the total appropriations recognized in fiscal year 2006, approximately $523.4 million (approximately 82 percent) were operating funds while $123.9 million (approximately 18 percent) were construction funds, as shown in the graphs below. Comparable amounts for fiscal year 2005 were $493.1 million for operating and $111.4 Million for construction projects. Total expenditures increased by $57.5 million to $616.1 million (2.7 percent) over fiscal year 2005 expenditures of $558.6 million. The largest single increase in expenditures for fiscal year 2006 was a $76.4 million increase in administrative expenditures (principally mandated pay raises for federal employees and an accrual for federal employees compensation act benefits). Expenditures for education, public programs, and exhibition expenditures, collections and research expenses all decreased slightly form prior years amounts.

Sources of Funding: What it is for…

Facilities Capital 18%
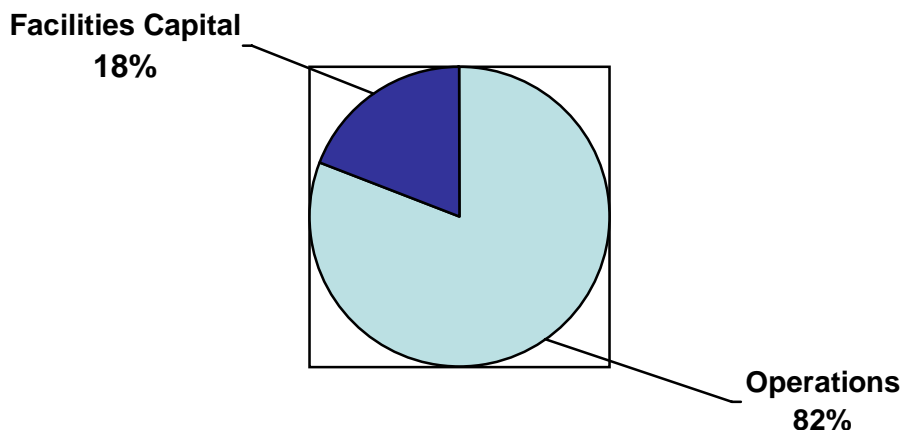
Operations 82%

Where it Goes for Operations…
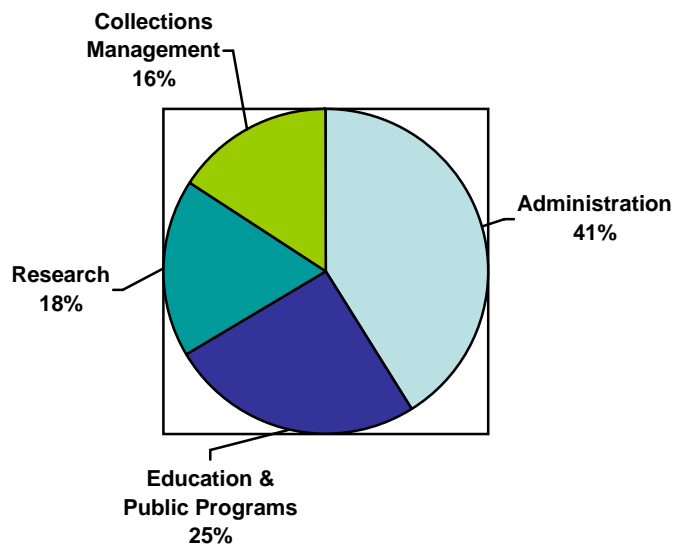
Federal spending for operations is the largest category of the Institution's budget and provides for pay and benefits, utilities, postage, rent, new museum staffing, move-in and start-up, information technology modernization, security personnel, and facilities maintenance costs.
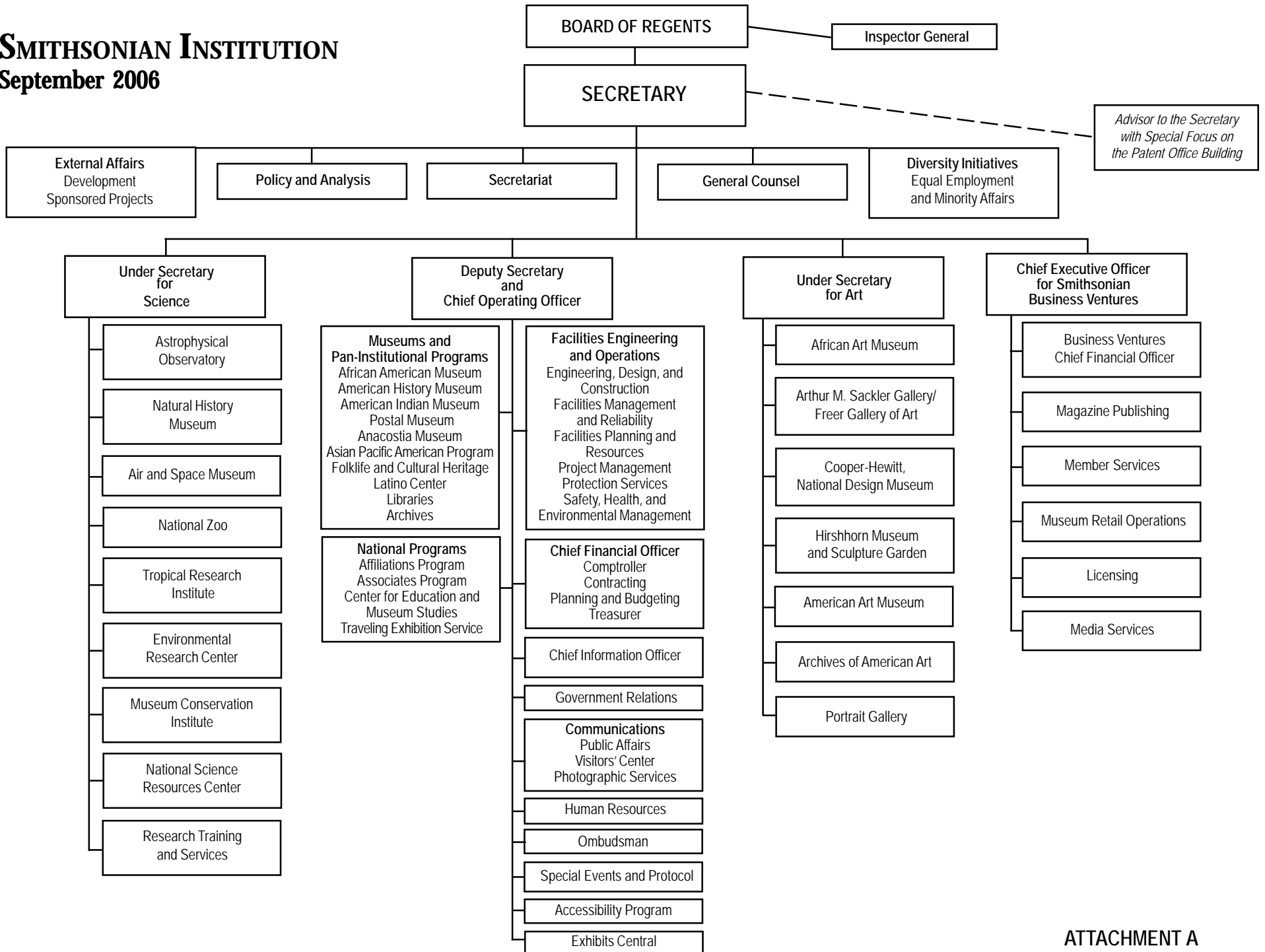
The remainder of the federal component of the Institution's budget is spent to support the Institution's Facilities Capital program. The Smithsonian is dependent on federal support for the revitalization and basic maintenance of its physical infrastructure. Facilities revitalization activities correct extensive and serious deficiencies, materially extend service life, and often add capital value to the buildings and systems that comprise the Smithsonian's physical plant. Maintenance, which is funded in the federal Salaries and Expense appropriation, is the more routine repair and maintenance work that is necessary to realize the originally anticipated useful life of a fixed asset. Although non-federal funds are often used to enhance the experience of the visitor in what would otherwise be an ordinary exhibition space, federal funding is essential to fulfill what is regarded as a federal obligation to revitalize the buildings. Funding for Smithsonian facilities continues to remain woefully inadequate.

<u>APPENDICES</u>

Appendix A: Smithsonian Organizational Chart

Appendix B: Detailed Performance Data Report—Fiscal Year 2006

Appendix C: Smithsonian Program Highlights

SMITHSONIAN INSTITUTION
September 2006

BOARD OF REGENTS

Inspector General

SECRETARY

Advisor to the Secretary with Special Focus on the Patent Office Building

External Affairs
Development
Sponsored Projects

Policy and Analysis

Secretariat

General Counsel

Diversity Initiatives
Equal Employment and Minority Affairs

Under Secretary for Science

- Astrophysical Observatory
- Natural History Museum
- Air and Space Museum
- National Zoo
- Tropical Research Institute
- Environmental Research Center
- Museum Conservation Institute
- National Science Resources Center
- Research Training and Services

Deputy Secretary and Chief Operating Officer

Museums and Pan-Institutional Programs
African American Museum
American History Museum
American Indian Museum
Postal Museum
Anacostia Museum
Asian Pacific American Program
Folklife and Cultural Heritage
Latino Center
Libraries
Archives

National Programs
Affiliations Program
Associates Program
Center for Education and Museum Studies
Traveling Exhibition Service

Facilities Engineering and Operations
Engineering, Design, and Construction
Facilities Management and Reliability
Facilities Planning and Resources
Project Management
Protection Services
Safety, Health, and Environmental Management

Chief Financial Officer
Comptroller
Contracting
Planning and Budgeting
Treasurer

Chief Information Officer

Government Relations

Communications
Public Affairs
Visitors' Center
Photographic Services

Human Resources

Ombudsman

Special Events and Protocol

Accessibility Program

Exhibits Central

Under Secretary for Art

- African Art Museum
- Arthur M. Sackler Gallery/ Freer Gallery of Art
- Cooper-Hewitt, National Design Museum
- Hirshhorn Museum and Sculpture Garden
- American Art Museum
- Archives of American Art
- Portrait Gallery

Chief Executive Officer for Smithsonian Business Ventures

- Business Ventures Chief Financial Officer
- Magazine Publishing
- Member Services
- Museum Retail Operations
- Licensing
- Media Services

ATTACHMENT A

DETAILED PERFORMANCE DATA REPORT

Fiscal Year 2006

DETAILED PERFORMANCE DATA REPORT

INTRODUCTION

The Smithsonian's strategic and annual performance plans flow from the Institution's four strategic goals: increased public engagement; strengthened research; enhanced management excellence; and greater financial strength. Under those four goals, the Smithsonian tracks institutional performance according to nine top-level programs that align with the program categories used in the Smithsonian's Federal budget documents and financial accounting system. This framework allows the Institution to meet the standards of success in the Budget and Performance Integration Initiative of the President's Management Agenda, including having a limited number of outcome-oriented goals and key performance indicators, and relating dollars budgeted and results achieved.

Short-term goals and performance objectives in the FY 2006 plan focused the Smithsonian's resources on priorities of the Institution, including completing all major construction and revitalization projects; securing the funding necessary to address the maintenance backlog threatening the Institution's historic buildings; opening new exhibitions and updating others that will have tremendous public impact; strengthening stewardship of the national collections; carrying out all recommendation of the Smithsonian Science Commission, including implementing measures of the impact of Smithsonian science; and continuing improvement of management functions and systems. Notably, the Smithsonian has made great progress in integrating performance indicators throughout the institution to track program results with linked performance metrics in individual performance plans.

The Institution ensures that strategic and short-term goals and key performance indicators in its GPRA plans are consistent across all internal performance reviews – particularly the Secretary's annual Goals-at-a-Glance used in monthly and quarterly Operational Reviews – and included in 100% of senior manager performance plans. This detailed report sets out actual performance compared to the Institutions short-term performance objectives for FY 2006, and against all annual performance targets for the Smithsonian's key performance indicators.

MISSION STATEMENT

For 160 years, the Smithsonian has remained true to its mission, "the increase and diffusion of knowledge." Today, the Smithsonian is not only the world's largest provider of museum experiences, but also an international leader in scientific research and exploration.

THE SMITHSONIAN'S FOUR STRATEGIC GOALS

STRATEGIC GOAL 1: INCREASED PUBLIC ENGAGEMENT: DIFFUSION OF KNOWLEDGE

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

STRATEGIC GOAL 2: STRENGTHENED RESEARCH: INCREASE OF KNOWLEDGE

Pursue scientific advances, discovery, and scholarship in the natural and physical sciences, arts, humanities, and social sciences by focusing resources in areas in which the Institution has recognized strengths due to staff, research platforms, and collections.

STRATEGIC GOAL 3: ENHANCED MANAGEMENT EXCELLENCE

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

STRATEGIC GOAL 4: GREATER FINANCIAL STRENGTH

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

INDEX TO PROGRAM PERFORMANCE GOALS

STRATEGIC GOAL	PROGRAM GOAL	TITLE
Increased Public Engagement: Diffusion of Knowledge	1.1	**Education:** Engage and inspire diverse audiences in a lifelong exploration and understanding of art, history, science, and culture
	1.2	**Other Public Programs:** Provide reference services and information to the public
	2.1	**Exhibitions:** Offer compelling, first-class exhibitions at Smithsonian museums and across the nation
	3.1	**Collections:** Improve the stewardship of the national collections for present and future generations
Strengthened Research: Increase of Knowledge	4.1	**Smithsonian Science Research:** Engage in research and discovery focused on understanding the origin and evolution of the universe, earth and planets, biological diversity, and human culture. Use our unique, publicly-accessible collections, research facilities and staff to inform, educate, and inspire a diverse audience
	4.2	**Art, History, and Cultural Studies Research:** Ensure the advancement of knowledge in the humanities through original research, including research on collections, that is reflected in publications, exhibitions/displays, and public programs
Enhanced Management Excellence	5.1	**Facilities Capital:** Execute an aggressive long-range revitalization program and limited construction of new facilities to ensure appropriate facilities in excellent condition to support SI mission
	5.2	**Facilities Maintenance:** Implement an aggressive and professional maintenance program to reverse the impact of many years of under funding, and to achieve world-class upkeep of SI cultural and scientific facilities
	5.3	**Facilities Operations:** Improve the overall cleanliness and efficient operation of Smithsonian facilities
	6.1	**Security:** Provide world-class protection for Smithsonian facilities, collections, staff, visitors and volunteers
	6.2	**Safety:** Provide a safe and healthy environment to support Smithsonian programs

	7.1	**Information Technology:** Modernize the Institution's information technology (IT) systems and Program
	8.1	**Performance Management:** Strengthen an Institutional culture that is customer centered and results oriented
	8.2	**Human Resources Management and Diversity:** Ensure that the Smithsonian workforce is efficient, collaborative, committed, innovative, and diverse. Demonstrate support of the Smithsonian's commitment to diversity and equal employment opportunity during the hiring process and throughout the employees' careers.
	8.3	**Financial Management:** Modernize the Institution's financial management and accounting operations
	8.4	**Public and Government Affairs**: Enhance the reputation of the Smithsonian by maintaining good relations with the news media and with federal, state, and local governments
	8.5	**Procurement and Contracting:** Modernize and streamline the Institution's acquisitions management operations.
Financial Strength	9.1	**Development**: Secure the financial resources needed to carry out the Institution's mission
	9.2	**SBV and Unit Business Activities**: Increase the net income of Smithsonian businesses
	9.3	**Investment Management**: Improve the management of the Institution's Endowment

STRATEGIC GOAL 1: INCREASED PUBLIC ENGAGEMENT: DIFFUSION OF KNOWLEDGE

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

PROGRAM GOAL 1: PUBLIC PROGRAMS *(ties to Program Code 1XXX in ERP)*

PROGRAM GOAL 1.1: EDUCATION *(ties to Program Code 11XX in ERP)*
Engage and inspire diverse audiences in a lifelong exploration and understanding of art, history, science, and culture.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
1.1.a Number of visitor sessions to Smithsonian educational websites	FY2005: 2.18 million visits to SmithsonianEducation.org. **FY2006 target:** 2.1 million visits SmithsonianEducation.org	There were >2.5 million visits to SmithsonianEducation.org. in FY2006. SCEMS and SCED determined criteria for defining and identifying all SI educational websites **Assessment: Exceeded target for visits to SmithsonianEducation.org. Progress made in measuring public use of all SI education websites.**
1.1.b Number of people participating in Smithsonian education programs.	FY2005: Output data collection measures developed for attendance at and use of five program types: (1) tours (2) hands-on learning centers, (3) presentations (4) workshops and courses and (5) educational publications **FY2006 target:** Implement and refine data collection protocols and launch web-based data collection system .	The web-based education program reporting system to aggregate education program outputs was delivered by InfoStructures, Inc. and Georgetown University, and the system went live on 8/1/06. Of 27 participating units, 21 are fully trained on system usage. Total reported number of visitor education experiences in ADCRS is 2,623,779. **Assessment: Target met.**
FY2006 Goal: Continue to		Performance elements and standards related to web-based data collection systems have

implement the Education Strategic Plan with specific metrics to be included in individual performance plans.		been incorporated into all applicable Directors' performance plans for 2006. **Assessment: Goal met.**
FY2006 Goal: Implement restructuring of National Programs and related units, resulting in recommendations for organizing SI non-museum education and outreach programs by the end of FY 2006.		The Deputy Secretary approved a National Programs restructuring plan. During FY 2006, TSA reengineered its program to accommodate a $1 million central trust allocation starting in FY 2007. Additionally, Folklife reduced its Federal and trust workforce by 5 FTEs to address a funding shortfall. The remaining elements of the National Programs restructuring plan will be fully implemented during FY 2007. There were no major programmatic changes as a result of the approved restructuring recommendations. **Assessment: A plan with recommendations was submitted in FY 2006.**

PROGRAM GOAL 1.2: OTHER PUBLIC PROGRAMS *(ties to Program Codes 1200, 1300 & 1400 in ERP)*
Provide reference services and information to the public.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
1.2.a Number of SI website visitor sessions *FY2006 Goal: Increase the number of virtual visits over the prior year*	FY2003: 75.8 M FY2004: 97.5 M FY2005: 109.3 M **FY2006 target:** 115 million visitor sessions	The number of virtual visits (visitor sessions) was 144.6 million in FY 2006, as compared with 109.3 million visitor sessions in FY 2005 (an increase of 35.3 million, or +32%). **Assessment: Exceeded target. The number of visitors to Smithsonian websites continues to increase every year.**
FY2006 Goal: Begin the review of visitor services throughout the Institution with a goal of instituting best practices and creating a quality visitor program.		A study of volunteers in visitor services across SI was conducted by the Office of Policy & Analysis, which included a visitor satisfaction survey of museum visitor services at seven Mall museums during summer 2006. Report to be submitted to Public Affairs in Oct 2006. Held discussions with Disney between Dec 2005 and Feb 2006 to examine best industry practices. External survey of museums nationwide to study best practices will be completed in Nov 2006. Improved visitor services by implementing the following changes in FY 2006: ▪ Extended VIARC staffing of visitor desks by 30 minutes at the end of the day. ▪ Fully staffed visitor services at DWRC for three daily shifts. Status of SI*guide*: A reduced-fare version of the guide will be launched at NASM Hazy Center on 10/31/06. This pilot program will be in effect until key objectives are achieved. The first PDA-based audio tour will be offered at the Freer Gallery for the *In the*

		Beginning: Bibles Since the Year 1000 on 10/21/06. **Assessment: Although the visitor services review was started, some planned efforts were not completed during the fiscal year due to redirection of staff energies to address the Smithsonian on Demand matter.**

PROGRAM GOAL 2.1: EXHIBITIONS *(ties to Program Code 2XXX in ERP)*
Offer compelling, first class exhibitions at Smithsonian museums and across the nation.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
2.1.a Number of physical visits to SI museums and the National Zoo *FY2006 Goal: Increase the number of physical visits over the prior year*	FY2003: 25.2 M FY2004: 19.6 M FY2005: 24.2 M **FY2006 target:** 25.5 million [assumes 5% overall growth + opening of POB with 40% increase over 1999 attendance]	In FY 2006, there were **22.97 million visitors** to the Smithsonian, compared with 24.215 million in FY 2005 – a decrease of 1,247,112 (-5.2%) physical visits from last fiscal year. **Assessment: Fell short of target for number of physical visits to SI museums and Zoo.**
2.1.b Number of visitors, venues, and states/territories with Smithsonian traveling exhibitions organized by SITES	FY2003: 3.9M visitors; 223 venues; 42 states/territories FY2004: 3.5M visitors; 238 venues; 46 states/territories FY2005: 4.6M visitors; 211 venues; 45 states/territories **FY2006 target:** 3M visitors; 200 venues; 47 states/territories	There were **4.5 million visitors** to 53 SITES traveling exhibitions, compared to 4.6 million in FY 05. SITES exhibitions traveled to 201 venues in 44 states (plus DC). **Assessment: Exceeded targets on number of visitors and venues but fell short of target on number of states.**
2.1.c Percent large exhibitions that meet exhibition standards *FY2006 Goal: Implement Exhibition Guidelines, incl. measurement and evaluation of specific metrics in museum directors' performance plans*	New performance indicator **FY2006 target:** 100%	Major exhibits (with costs of at least $10 million) that must comply with 100% of exhibition standards are: Ocean Hall and Asia Trail **Assessment: Standard measures were incorporated into Directors' performance plans.**
2.1.d Percent of target audience	New performance indicator	Exhibits that are being tracked against the target of 30% audience rating of "superior" are:

rating their experience as "superior" or "excellent" on a scale of poor-fair-good-excellent-superior for all large exhibitions.	FY2004 Institution-Wide Museum Visitor Survey had average "superior" rating of 19% and "excellent" rating of 49%. **FY2006 target:** Establish baseline combined "superior" and "excellent" rating				

Unit	Exhibition	Combined Rating	Superior Rating	Excellent Rating
C-H	*Fashion in Colors*	71%	17%	54%
F/S	*Style and Status*	89%	35%	54%
F/S	*Hokusai*	93%	52%	41%
NMAfA	*Big & Small*	60%	14%	46%
NASM	*Explore the Universe*	71%	16%	55%
NMAI	*Listening to our Ancestors (Mall)*	71%	17%	54%
NMAI	*Born of Clay (NY)*	68%	15%	53%
NMAH	*Whatever Happened to Polio?*	53%	10%	43%
NMAH	*Disneyland: the First 50 years*	45%	11%	34%
NMAH	*SI Magazine: Through our Readers' Eyes*	51%	11%	40%
NMAH	*Azucar! The Life & Music of Celia Cruz*	59%	17%	42%

Assessment: Some progress in rating exhibits against the new guidelines was made. Of the exhibits surveyed in FY06, only two achieved the goal of 30% superior audience rating, and both exhibitions were at the Freer/Sackler.

2.1.e Percent of large exhibitions that open on time and within budget	New performance indicator **FY2006 target:** 100%	Opened all exhibitions on time and within budget during FY 2006. **Assessment: Goal met.**
FY2006 Goal: Plan and schedule the first exhibit of the Disney/Tishman African art collection.		The *First Look: The Walt Disney-Tishman African Art Collection* exhibition opened on 5/17/06 as scheduled. The manuscript for *Artistic Legacy* was completed. Photography for the book and design of the exhibition is in progress. All three shipments of Tishman collection objects were received during FY 2006. **Assessment: Goal met.**
FY2006 Goal: Open the Donald W. Reynolds Center on July 4, 2006		The Donald W. Reynolds Center opened on July 1st. A total of $475,000 was raised to support the opening events. **Assessment: Exceeded goal. The Museum reopened 3 days early.**
FY2006 Goal: Start		Exhibit design contract awarded in Feb 2006. 65% exhibition design status and 65%

construction of the Butterfly exhibition.		infrastructure renovation design completed Jun 2006. Infrastructure construction contract awarded Aug 2006. Demolition (Phase I of the construction project) start delayed from May 2006 to Aug 2006 because of HAZMAT removal. Turnover to exhibit fabrication is scheduled for May 31, 2007 and the exhibit opening is scheduled for Nov. 15, 2007. **Assessment: Although slightly delayed, construction on this exhibit's infrastructure did begin in FY 2006.**

PROGRAM GOAL 3.1 COLLECTIONS *(ties to Program Code 3XXX in ERP)*
Improve the stewardship of the national collections for present and future generations

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
3.1.a Number of collecting units with an up-to-date, approved collections management policy	FY2005: Standardized measure developed **FY2006 target:** Baseline data will be established as part of unit directors' FY2006 performance plans	The set of approved performance measures was included in all Directors' performance plans for 2006. **Assessment: Target met**
3.1.b Number of collecting units with an up-to-date, approved collections plan	FY2005: Standardized measure developed **FY2006 target:** Baseline data will be established as part of unit directors' FY2006 performance plans	The set of approved performance measures was included in all Directors' performance plans for 2006. **Assessment: Target met**
3.1.c Number of collecting units with up-to-date, approved cyclical inventory plan appropriate to unit's collections and available resources	New performance indicator **FY2006 target:** Baseline data to be part of unit directors' FY 2006 performance plans	The set of approved performance measures was included in all Directors' performance plans for 2006. **Assessment: Target met**
3.1.d Number of collecting	New performance indicator	The set of approved performance measures was included in all Directors' performance

units with a current digitization plan	**FY2006 target:** Baseline data to be part of unit directors' FY06 performance plans	plans for 2006. **Assessment: Target met**
3.1.e Number of collection objects/specimens documented in units' electronic collections information systems (CIS)	FY2003: 30.8 million FY2004: 31.5 million FY2005: 32.9 million **FY2006 target:** 33.1 million	FY 2006 actual was 33.2 million. **Assessment: Target met**
3.1.f Number of collection objects/specimens available in electronic form to the public	FY2003: 13.0 M FY2004: 12.4 M FY2005: 12.2 million (reflects clean up of duplicate records) **FY2006 target:** 24 million	FY 2006 actual was 22.5 million. **Assessment: FY 2006 actual number almost doubled the prior year number, although slightly short of target.**
FY2006 Goal: Show that plans are developed and progress is made on rationalizing collections storage space requirements.		The Smithsonian Collections Advisory Committee (SCAC) completed its review. SCAC and OFEO are working to modify the inventory to include collections accessibility issues and to implement a pilot study for improved facilities management regarding collections storage at Garber. Minimum standards for the storage of SI collections, either in owned or leased facilities, were developed and incorporated into the SD Implementation Manual (Sep 2006). **Assessment: Completion of the inventory review and modification of the Collections Implementation Manual were critical first steps accomplished towards rationalizing storage space requirements.**
FY2006 Goal: Issue SI Directive 600 Implementation Manual -- being revised to reflect recommendations of the Collections Management Study.		SD 600 was submitted by the SI Collections Manager to initiate the formal review and approval process on 9/22/06. The directive was distributed by the OPMB Directives staff for pre-clearance on 10/6/06. A draft of SD 600 Implementation Manual was posted on PRISM in Oct 06 for use by collection units pending completion of this manual. **Assessment: Neither SD 600 nor the associated Implementation Manual was issued in final form.**

STRATEGIC GOAL 2: STRENGTHENED RESEARCH: INCREASE OF KNOWLEDGE

Pursue scientific advances, discovery, and scholarship in the natural and physical sciences, arts, humanities, and social sciences by focusing resources in areas in which the Institution has recognized strengths due to staff, research platforms, and collections.

PROGRAM GOAL 4: RESEARCH *(ties to Program Code 4XXX in ERP)*

PROGRAM GOAL 4.1: SCIENCE RESEARCH *(ties to Program Codes 41XX, 42XX, 43XX, 4400, 45XX, 4610 & 4620 in ERP)*
Engage in research and discovery focused on understanding the origin and evolution of the universe, earth and planets, biological diversity, and human culture. Use our unique, publicly-accessible collections, research facilities and staff to inform, educate, and inspire a diverse audience.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
4.1.a Total dollar amount of external grants and contract awards	FY2004: $130.6 M FY2005: $127.029 M **FY2006 target:** $113 million	FY2006 actual grants and contracts awarded was $111.5 million. **Assessment: Fell just short of target.**
4.1.b Number of applications for Smithsonian-funded science fellowships	FY2004: 312 FY2005: 358 **FY2006 target:** 320	There were **376 applications** for SI-funded fellowships and 195 applications for SI internships for a total of 571 – an increase of 11% over the prior year. In addition, 1,224 applications for fellowships and internships were received for unit-funded research activities: SERC (158), STRI (183), NMNH (172), NZP (431), NASM (29), NSRC (13), MCI (4) and SAO (234). **Assessment: Exceeded target**
4.1.c Number of awards for Smithsonian-funded science fellowships	FY2004: 65 FY2005: 62 **FY2006 target:** 72	There were **99 awards** of SI-funded fellowships and 40 internships – an increase of 41 awards over the prior year total of 98 (+41.8%). In addition, there were 549 Unit-funded fellowship/internship awards: NMNH (199), NZP (70), STRI (172), NASM (24), SERC (58), SAO (13), MCI (4), NSRC (9). **Assessment: Exceeded target**
4.1.d Number of science unit annual visiting committee reviews	FY2005: 3 (SERC, CCRE & SMFS) **FY2006 target:** 2	STRI's visiting committee reviewed Academic Programs in Sept. 2006. They met with a representative sample of STRI fellows and interns, directors, and staff from the office of Academic Programs. The VC's report will be sent to the OUSS and STRI directors in October.

		A report based on the review and evaluation of marine science programs was produced in Aug 06. Two external reviewers from University of Alaska and a retired NOAA consultant participated in the review, which included site visits to assess strategic goals and activities of the marine science programs. **Assessment: Target met**
4.1.e Number of publications in high impact journals such as *Science* and *Nature*	FY2004: 124 FY2005: 555 articles, papers and other publications in high impact publications **FY2006 target:** 600	There were **782 publications in high impact scientific journals**, exceeding the prior year total of 555 by 227 (or +41%). **Assessment: Exceeded target**
4.1.f Citation rates per scientist for papers published in strategic plan theme areas	**FY2006 target:** Establish baseline though use of *Web of Science Citation Index*	Working with Thomson/ISI and Smithsonian Libraries on improving measurement. Meeting our needs proved more complex than Thomson thought. **Assessment: Efforts to establish a baseline for citation rates for SI publications are underway.**
4.1.g Number of published contribution series	FY2004: 4 FY2005: 3 (delay in establishing new SI Scholarly Publications Office affected publication production) **FY2006 target:** 4	SI Scholarly Press: The new Press Manager entered on duty in Jun 06. A partnership with Rowman & Littlefield was established to market and distribute the scholarly publications. A call for nominations for Content Review Boards was sent to all SI units in Sep 2006. **Assessment: Target not met but efforts to establish marketing and distribution of scholarly publications are underway.**
FY2006 Goal: Implement process to measure the impact of Smithsonian Science.		A new set of performance measures has been established to measure Smithsonian science reach. ▪ Number of visiting science days: 93,537 ▪ Number of SI science stories in major media: 793 ▪ Contributions to publicly available databases: tracking ongoing, but metric is inconsistent between units. ▪ Number of scientific presentations at regional/national/international meetings: 1,830 **Assessment: Great strides have been made in establishing metrics to measure Smithsonian science, and using these measures to focus the Institution's resources on key research and educational initiatives.**

PROGRAM GOAL 4.2: ART, HISTORY, AND CULTURAL STUDIES RESEARCH *(ties to Program Code 4700 in ERP)*
Ensure the advancement of knowledge in the arts and humanities through original research, including research on the collections, which is reflected in publications, exhibitions/displays, and public programs.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
4.2.a Number of scholarly publications/other outputs of four types: (1) exhibition catalogs, (2) monographs, (3) books, and (4) lectures and symposia *FY2006 Goal: Demonstrate an increase in the number of peer-reviewed publications based on Smithsonian research.*	Note: revised KPI for FY2006/7. FY2005: 11 major publications produced by Art museums. 28 publications produced by DS&COO museums and 10 key documentary recordings produced by Folkways. **FY2006 target:** Art organizations: 12 scholarly publications (including exhibition catalogues, monographs, and books)	Smithsonian Art units published **13 publications** (scholarly catalogues/books) in FY 2006. Awards: SAAM's *America's Art* was awarded the Frances Smyth-Ravenel Prize for Excellence in publications ("Best in Show") at the 2006 AAM Publications Awards. FSG received an Honorable Mention in the same category for its *Hokusai* catalogue. FSG won first prize in the Annual Report category for *Asiatica* and NMAfA won first prize for Educational Material for the *BIG/small* family guide. SAAM organized the *American Art in a Global Context* symposium in late Sep 06 that included over 350 scholar participants. The symposium was held in the McEvoy auditorium and also broadcast via webcast. Deputy Secretary units strove to increase the number of publications (exhibition catalogs/brochures, scholarly monographs, books, documentary recordings, etc.). In FY 2006, a total of **46 documents were published** (Folklife-3; NMAAHC-1; NMAH-24; NMAI-9; NPM-1; SITES-2; Asia-Pacific-1; and SLC-5) and 21 documentary recordings released (Folkways-18 and NMAH-3). **Assessment: There is evidence of a number of publications; however, it is not clear how many of these publications were peer-reviewed.**

STRATEGIC GOAL 3: ENHANCED MANAGEMENT EXCELLENCE

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

PROGRAM GOAL 5: FACILITIES *(ties to Program Code 5XXX in ERP)*
Provide and sustain world-class cultural and scientific facilities.

PROGRAM GOAL 5.1 FACILITIES CAPITAL *(ties to Program Code 5500 [Construction] and 53XX & 5400 [Revitalization, Facilities Planning & Design] in ERP)*
Execute an aggressive long-range revitalization and construction program to ensure facilities are appropriate for the mission, satisfy requirements, are in excellent condition, and support the SI mission.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
5.1.a Percent of available capital funds obligated compared to funds available	FY 2003: 92% FY 2004: 88% FY 2005: 91% **FY2006 target:** 85%	OFEO obligated **93%** of available funds, a total of $103.6 million in new obligations for the year. **Assessment: Target exceeded.**
5.1.b Number of major capital projects meeting milestones	**FY2006 target:** Meet milestones of seven major projects 5.1.b (1) through (7)	Achieved 6 of 8 individual capital projects. (POB and NMAH revitalization, Asia Trail, NMNH Ocean, AIB Relocation, Pod 5, VERITAS support building and NMAAHC site evaluation). At VERITAS, the National Science Foundation and the Tohono O'odam Nation continue to negotiate the resolution of the Federal preservation review process. At AIB, 92% of staff moved by October 2006. **Assessment: Target substantially met.**
5.1.b (1) Progress in revitalization of POB	**FY2006 target:** Complete revitalization to allow reopening of museums in July 2006	Complete. Public opening held July 1, 2006. **Assessment: Target met.**
5.1.b (2) Progress in revitalization of public space at NMAH	**FY2006 target:** Initiate Phase II revitalization in the central core of NMAH and the SSB exhibit	60% design development documents were completed in Jul 2006. Design/Build contract awarded in Jul 2006 for long-lead items and selected demolition. Selective demolition began Aug 2006, and the museum closed in Sep 2006 to facilitate completion of the major construction project elements. Fund raising challenges could delay start of construction

FY2006 Goal: Complete design work and raise funds for construction of NMAH's central core revitalization and Star Spangled Banner exhibition.		period of the SSB exhibition. $4.6 million in gifts and pledges have been raised. An additional $2.6 million is pending. **Assessment: Revitalization target met, although not all required funds have been raised for the SSB exhibition.**
5.1.b (3) Progress in construction of Asia Trail Phase I, and design of Phase II at NZP *FY2006 Goal: Open the NZP Asia Trail I on schedule*	**FY2006 target:** Complete Asia Trail Phase I construction	Construction completed on time; however, the opening of Asia Trail I was delayed one month (from Sep 2006 to Oct 2006) to provide additional time for the animals to acclimate to their new environment. **Assessment: Construction completed on time.**
5.1.b (4) Progress in revitalization of NMNH space for Ocean Exhibit and ongoing building renovation *FY2006 Goal: Construct the NMNH Ocean Hall on schedule and budget*	**FY2006 target:** Complete 80% of Ocean Exhibit public space revitalization	Facilities Project: On track for construction completion by Apr 2007. Invoicing and long-lead purchases reached 77% by end of FY 2006. Exhibition Project: Achieved 95% design completion for 5 of 8 areas. A/V content work underway. Work on basilosaurus restoration and remount began in Sep 2006. **Assessment: The project is progressing on schedule and budget.**
5.1.b (5) Progress in relocation of A&I staff and programs and closure of building *FY2006 Goal: Complete relocation of all staff from the A&I Building*	**FY2006 target:** Complete relocation of staff and place building in "mothball" status	Relocated 92% of staff in FY 2006. Those remaining beyond FY 2006 will be relocated by 12/31/06 in conjunction with related Victor Building moves. **Assessment: The relocation of all staff out of AIB was not completed this fiscal year, but will be completed by the end of the calendar year.**
5.1.b (6) Progress made in design and construction of Pod 5 *FY2006 Goal: Construct Pod 5 on schedule and budget*	**FY2006 target:** Complete 50% of construction of Pod 5 at the Museum Support Center	FY 2006 goal to achieve 50% completion met in Aug 2006. Above-grade structure completed Aug 2006. Work related to preparing wet collections for move is on schedule. **Assessment: Project is on track.**

5.1.b (7) Progress made in site evaluation for the National Museum of African American History & Culture (NMAAHC) *FY2006 Goal: Complete NMAAHC Site Selection*	**FY2006 target:** Complete site evaluation contract and initiate programming and planning for new museum at chosen site (assumes funding)	Decision on the museum site was announced publicly on 1/30/06. Awarded contract in Aug 2006 to complete the environmental/historic preservation documentation. Congress concurred with using Federal S&E funding to finance the environmental impact assessment. **Assessment: Goal met.**
5.1.c Percent of revitalization projects designed to 35% prior to request for construction funding	FY 2005: 67% **FY2006 target:** Complete 35% designs prior to OMB budget submission for 70% of major projects in the FY 2008 capital program	Completed this goal in 2006 within the current FY 2008 capital program. **Assessment: Target met.**
5.1.d Progress in reduction to $1.5 billion backlog of revitalization requirements *FY2006 Goal: Reduce 10% of revitalization backlog annually, subject to available funding (NAPA Report, July 2001, and Museums and Facilities: Critical Assessment and Improvement Objectives, September 2001)*	FY 2005: 8% **FY2006 target:** Achieve an additional 10% reduction of revitalization backlog *NOTE: FY 2006 appropriated level yields only a 5% reduction*	Achieved 5% reduction at the FY 2006 funding level. **Assessment: Fell short of target of 10% due to insufficient funding.**
5.1.e Percent of major projects completed within budget compared to initial government estimate at construction start	FY 2005: 100% **FY2006 target:** 100%	Completed 100%. Asia Trail baseline was increased to accommodate FY 2006 completion of otter habitat. **Assessment: Target met.**
5.1.f Percent of square footage in SI structures with an overall average facilities condition index (FCI) of 3 or higher	FY 2005: 38% **FY2006 target:** 39%	OFEO launched a parametric deferred maintenance model (developed by contractor in 2002 for NASA) and has completed collecting data from NMAH, the Zoo and Front Royal. **Assessment: Data for all buildings and CRV assignment will be completed by July 2007.**

5.1.g. Number of major projects whose change from the 35% design cost estimate to final project completion cost is within ±15% tolerance per Construction Industry Institute (CII) standards	New performance indicator **FY2006 target:** 3 of 4 POB AIB Relocation Asia Trail I VERITAS	Accomplished for POB and AIB. VERITAS project delay due to legal issues, which will increase project costs (the SI contribution will not change). Asia Trail I final cost will exceed the 35% project estimate due to the unexpected worldwide spike in commodity prices and local labor market conditions, but the overall project baseline was not exceeded. **Assessment: Fell short of target due to uncontrollable circumstances.**

PROGRAM GOAL 5.2: FACILITIES MAINTENANCE (*ties to Program Code 5200 in ERP*)
Execute an aggressive and professional maintenance program to reverse the impact of many years of under funding, and to achieve world-class upkeep of SI cultural and scientific facilities.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
5.2.a Planned maintenance cost as percent of total annual maintenance costs	FY 2003: 44% FY 2004: 58% FY 2005: 49% **FY2006 target:** 55%	Actual planned maintenance was 50%. **Assessment: Improved over last year, but short of goal**
5.2.b Percent of funding available for maintenance compared with current replacement value (CRV) of SI facilities	FY 2005: 0.8% **FY2006 target:** 2% of CRV ($94M) *NOTE: at the funding level requested for FY2006, we can only achieve 1.0% of CRV*	Developed a Maintenance & Minor Repair Plan for FY 2007 through 2011 which documents maintenance needs for 2% CRV. FY 2008 budget submitted to OMB at 2% of CRV level. FY 2006 funding provides only 1% of current CRV. **Assessment: While maintenance funding has improved some over the last several years, we have not been successful to date in getting the minimum 2% requirement.**
5.2. c Improve percent of time that temperature and humidity levels are within the target range of SI buildings to 80%.	**FY2006 target:** 80% of time that temperature and humidity levels are within the target range	Insufficient funds to properly repair and maintain HVAC equipment is preventing full success. The temperature goal was met; however, we fell short of the goal for humidity. **Assessment: Fell short of target**
5.2.d Percent reduction in growth of maintenance backlog compared to prior year	FY 2005: $45M per year added to backlog **FY2006 target:** Establish baseline	Baseline established. FY 2003 Maintenance Budget is the baseline. **Assessment: Target met.**

FY2006 Goal: Show that all steps were taken to defend the requirement for $2.3 billion in additional funds for maintenance and revitalization and an initiative was launched to achieve dramatically increased funding		Prepared status reports that the *ad hoc* Committee Chair used to update the Regents on this initiative at the Jan 06 and May 06 meetings.
		The requirement was incorporated into the FY 2007 Federal budget roll-out briefings presented to over 28 congressional offices (Jan/Feb 2006).
		Prepared supporting documentation for the 9/14/06 meeting with President Bush. Following this meeting, a "Message to the President" letter, signed by 15 Regents, was transmitted to the White House.
		Secured OMB approval to pursue a public-private venture to rehabilitate the Arts & Industries Building. As a result of Hill discussions, this initiative is on hold.
		OFEO completed Volume VI (Castle) in Aug 2006 and Volume VII (Art Museums) in Sep 2006 of the *Treasures in Trouble* books that document critical facility shortfalls and safety problems.
		Assessment: The Regents' September meeting with President Bush culminated the Institution's effort to justify the need for increased facilities funding.

PROGRAM GOAL 5.3: FACILITIES OPERATIONS (*ties to Program Code 5100 in ERP*)
Improve the overall cleanliness and operational efficiency of Smithsonian facilities.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
5.3.a Progress towards improving level of cleanliness from Moderate Dinginess (level 4) to Orderly Tidiness (level 2) on APPA scale *FY2006 Goal: Achieve APPA Appearance Level 3 in SI facilities*	FY 2005: Appearance Level 4 **FY2006 target:** Approach APPA Appearance Level 3 (Casual Inattention)	Progress has been made on cleanliness levels across SI. We are approaching APPA level 3, SI-wide. **Assessment: Target met**
5.3.b Percent of customer work orders that are completed within 120 days	New performance indicator **FY2006 target:** 75%	Accomplishment of this goal will require an extension into FY 2007. The asset inventory is complete. Management is in the process of training staff in tracking work orders. **Assessment: On track but target not met at end of FY 2006.**

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
FY2006 Goal: Begin relocation of staff from the Victor Building		Decisions on staff relocations were finalized on 2/28/06. Relocations from the Victor Building to Capital Gallery commenced in Jul 2006 with the move of Office of Protection Services and Office of Chief Information Officer staff. **Assessment: All staff will be relocated out of the Victor Building by 1/31/07, and the Regents' approved portion of the project will be completed within budget.**

PROGRAM GOAL 6: SECURITY & SAFETY *(ties to Program Code 6XXX in ERP; incorporates old Objective 3.9)*
Ensure a safe, secure and healthful environment in all Smithsonian facilities and protect collections from theft, fire and miscellaneous environmental concerns.

PROGRAM GOAL 6.1: SECURITY *(ties to Program Code 61XX in ERP)*
Provide world-class protection for Smithsonian facilities, collections, staff, visitors and volunteers.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
6.1.a Number of security system upgrade projects meeting milestones	New performance indicator **FY2006 target:** Meet target for 1 system upgrade: 6.1.a (HMSG)	HMSG security system installed. **Assessment: Goal met.**
6.1.b Crime rate (per million visitors) and intentional loss/damage to collections	FY2005: Crime rate less than 100 per million visitors and no instances of loss or damage to collections **FY2006 target:** Decrease crime rate to less than 7 per million visitors; decrease rate of intentional loss/damage to collections to 0	Crime rate was 2 incidents per million visitors. Complaints were 2 per million visitors. **Assessment: Targets met.**
FY2006 Goal: Demonstrate further progress on improving the Institution's security measures		Perimeter Barrier Projects. Construction of permanent security barriers at NASM is behind schedule and will not be completed until late Nov 2006 – one month later than reported last review. Construction contract for NMNH barriers was awarded in Aug 2006. A&E contract for barrier design at NMAH was awarded in Apr 2006. **Assessment: The NASM project is still not completed.**

PROGRAM GOAL 6.2: SAFETY *(ties to Program Code 62XX in ERP)*
Provide a safe and healthy environment to support Smithsonian programs.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
6.2.a Percent reduction in the number of new and repeat facilities safety deficiencies (RAC 1 and 2)	FY 2005: 216 total facilities deficiencies **FY2006 target:** 10% reduction from the baseline	Goal is being met. Only two RAC 1's in OFMR for FY 2006. **Assessment: Target met**
6.2.b Percent reduction in the number of new and repeat programmatic safety deficiencies (RAC 1 and 2)	**FY2006 target:** 20% reduction from the baseline	The baselines are the CY 2005 METRs and <u>each unit is responsible for reducing their programmatic findings.</u> To date, CY 2006 finding and deficiencies are about on par with those in CY 2005. However, over the course of a year, most units achieved better than 20% correction on identified deficiencies (not findings). **Assessment: Progress is being made.**
6.2.c Percent reduction in occupational injuries and illnesses	**FY2006 target:** 9% reduction from FY 2003 numbers per 2004 Presidential (SHARE) Initiative goals	The SI is on target to significantly exceed its 9% reduction goal, according to the latest statistics published by the Department of Labor (DOL). **Assessment: Expected to exceed target.**
6.2.d Percent reduction in number of production days lost per 100 employees	**FY2006 target:** 3% reduction from FY 2003 per the SHARE Initiative	According to the DOL, the SI has achieved Lost Production Days (LPD) of 86.7% through the first three quarters of the year, and its LPD goal is 86.4%. DOL will not have the final quarter's data for FY 2006 analyzed and posted for two more months. **Assessment: Expected to meet or exceed target.**
FY2006 Goal: Demonstrate further progress on improving the Institution's safety measures		OFEO reduced the number of recordable injury and lost workday injury rates by 9% from the FY 2003 numbers, which was the 2004 Presidential (SHARE) initiative goal. Units are tracking and monitoring their safety findings and deficiencies and progress is being made. **Assessment: Goals met. Safety is taken seriously at the Smithsonian.**

PROGRAM GOAL 7.1: INFORMATION TECHNOLOGY *(ties to Program Code 7XXX in ERP)*

Modernize the Institution's information technology (IT) systems and Program.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
7.1.a Network Availability	System availability for email, file and print, directory, and network servers and network switches and routers during normal business hours FY2004: 99.99% FY2005: 99.99% **FY2006 target:** 99.98% system availability for email, file and print, directory, and network servers and network switches and routers during normal business hours	System availability for e-mail, file and print, directory has averaged 99.999 % during normal business hours. System availability for network servers and network switches and routers has averaged 99.997 % during normal business hours. **Assessment: Target met.**
7.1.b Telephone Call Manager and Voice Mail availability	FY2004: 99.99% FY2005: 99.99% **FY2006 target:** VoIP Call Manager and Voice Mail will maintain system availability of 99.99% during normal business hours	FY2006 actual was 99.80% due to the major power outage from the June 2006 flooding. **Assessment: Fell short of target due to natural disaster (major flooding)**
7.1.c Customer satisfaction with quality and timeliness of IT services	FY2004: 96.5% FY2005: 96% **FY2006 target:** 90% of customers rate the quality and timeliness of IT services satisfactory or better	Have met or exceeded commitment each month. The cumulative quality rating is 97%. The cumulative timeliness rating is 97%. **Assessment: Exceeded target.**

7.1.d Cost reduction for voice services through VoIP Telephony	FY 2002: cost to provide voice services was $8.3 million FY 2005: cost to provide voice services was $6.0 million **FY2006 target:** Reduce cost to provide voice services to $5.3 million.	FY22006 actual cost reduced to $5.31 million <u>**Assessment:**</u> **Target met**
FY2006 Goal: Complete scheduled IT upgrades and install HR automated systems. *Continue the implementation and support of the ERP system, including an upgrade to the latest PeopleSoft release, completion of the accounts receivable and billing modules, and the time and labor module.* *Replace 1500 obsolete desktop workstations*		*Financial ERP Status.* Implemented asset management module on time on 5/1/06. Formed and trained Accounts Receivable (A/R) teams in advance of deployment of the A/R module. Financial ERP Training: provided training to 911 attendees in FY 2006. 90% or better of the participants report that ERP training is meeting their needs. P-Card purchasing: Enhanced statement load and save processes to improve performance. Enhanced reporting and online inquiry capabilities. Implementation of Private Grant Overhead Rate: Implemented ERP capabilities to support Fund 802 indirect rates in April 2006. New ERP Reports: report mock-ups and requirements specifications for a new series of managerial financial reports were developed and reviewed by senior leadership and the Audits and Review Committee. Report specifications submitted to OCIO for implementation on 9/29/06. *Human Resources ERP Status.* Smithsonian Tracking and Applicant Referral System (STARS): Deployed on 1/4/06. The integration interface between HRMS and Monster.com has been delayed, and the new scheduled completion date for the bi-directional interface is Jan 2007. Due to delays on the part of Department of Labor, the electronic interface with DOL for workers compensation claims processing was not implemented by 9/30/06 as planned. *Other IT upgrades.* Smithsonian On-line Academic Appointments System (SOLAA): The SOLAA technical design was approved by the TRB on 9/16/06. Replaced Castle telephone system with VoIP system in Oct 2005. Completed installation of VoIP phones in L'Enfant Plaza, Reynolds Center, Herndon Data Center, and 3rd and 4th floors of Capital Gallery. **Replaced 1,583 desktop workstations in FY06**, thereby surpassing annual goal of 1,500. Replaced web servers supporting the Zoo in Nov 05 and replaced tape backup system in Dec 2005. Replaced most of the web infrastructure in May 06. Installation of the final web

		infrastructure components was completed on 9/30/06.
		Google search engine was implemented on SI's public website in Aug 2006.
		All major IT systems have been certified and accredited with the exception of the SMS ID Badging System, which is expected to have an accreditation decision by Oct 2006.
		Introduced free public wireless internet access (WiFi) in Aug 06 in the Castle visitor center and the Haupt Garden area.
		Data Center Relocation.
		Relocation completed on 6/3/06, later than original schedule.
		Assessment: With the exception of the data center relocation and the HR STARS integration, all other IT upgrades and ERP initiatives were accomplished on schedule.

PROGRAM GOAL 8: MANAGEMENT OPERATIONS *(ties to Program Code 8XXX in ERP)*

PROGRAM GOAL 8.1: PERFORMANCE MANAGEMENT *(ties to Program Code 81XX in ERP)*
Strengthen an Institutional culture that is customer-centered and results-oriented.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
8.1.a Percent of SI executives, managers, and employees with performance plans that link to SI mission, goals and outcomes; hold employees accountable for results appropriate to their level of responsibility; effectively differentiate between various levels of performance; and provide consequences based on performance	FY2004: 100% linkage for senior level employees FY2005: 100% of senior leadership performance plans linked to the Institution's performance objectives/goals. **FY2006 target:** 100% of senior leadership performance plans linked to the Institution's performance objectives and goals.	*Performance plans and appraisals*. As of 9/30/06, 100% of senior level performance appraisals were completed for the performance period ending 9/30/05, and 99.2% of non-senior level performance appraisals were completed for the performance period ending 12/31/06. Implementation of new performance management process for non-senior level employees is well underway. Over 2,000 employees attended Town Hall meetings on the new performance appraisal system. **Assessment: target met.**
FY2006 Goal: Demonstrate further progress on the development and implementation of process management and performance indicators throughout the		*President's Management Agenda (PMA)*. SI's year-end FY 2006 PMA status is: Green (Financial Performance and Budget/Performance Integration), Yellow (Human Capital and e-Gov) and Red (Competitive sourcing). Budget/Performance Integration achieved Green status for the first time in the September 2006 PMA scorecard. OPMB briefed the interagency management improvement group on secrets to SI's success

Institution and ensure that performance metrics are consistent and integrated into individual performance plans.		in improving PMA status. Completed PART for Facilities Maintenance and Operations, and received the highest rating "Effective" (387 out of 400). Signed e-Travel contract in Sep 2006. On schedule for implementation in Qtr 2/FY 2007. *Monthly metrics reviews.* Routine use of organizational metrics and monthly reviews continue at the following SI Units: ▪ ODS/COO: OFEO, OHR, CFO, CIO, OEEMA, NMAH, NMAI, ▪ External Affairs: OD, OSP ▪ US/Science: SERC, NASM, SAO, STRI, MCI, NZP, NMNH ▪ US/Art: AAA, SAAM, NPG. These units provide weekly statistics reports: F/S, C-H, NMAfA, HMSG A set of 25 leading indicators was developed to create a Smithsonian Monthly Metrics report. Reporting against these pan-Institutional metrics will begin in FY 2007. *Financial (accounting) staff competencies.* A training strategy based on the Booz-Allen study has been developed to improve core financial accounting competencies, and a phased approach will be implemented over the next few years depending on resources. *Human resources processes.* ▪ OHR and OFEO signed a customer service agreement to track timeliness of personnel actions on a weekly basis, but established standards were not met. ▪ Pilot e-learning program launched in Feb/Mar 2006. Launched "Training Bites for Supervisors." ▪ Conducted the initial "Nuts to Bolts" newcomer training program for executives in Apr 2006 and Sep 2006. ▪ Developed and began issuing a new employee handbook. ▪ Analysis of HR business process reengineering and the competency survey were completed in Jun 06. OHR began implementation of its new structure in Aug 2006. ▪ The SI succession management program identified over 60 applicants, but selection of final candidates was not accomplished. *Facilities Ops and Maintenance processes.* The June flooding event in Washington, DC provided an unplanned test of OFEO's work processes. The commitment, competency and dedication of OFEO's in-house operations and maintenance managers and workforce averted an Institutional disaster with their efforts during the June flood crisis. The quick and appropriate response to these challenges during the 4-day event provided evidence that work processes and training are "on target" as staff were able to respond to routine and

		emergency work requirements. However, the response also pointed out shortcomings and oversights in the Institution's emergency procedures. These situations are being documented in a formal lessons learned process. **Assessment: A number of noteworthy accomplishments support an overall Green rating for this goal: significant improvement in completing employee appraisals, SI response during and after the June flooding event, achievement of two Green status ratings on the President's scorecard, and delivery of more robust central training and career development opportunities.**
FY2006 Goal: Complete decision-making for Cooper-Hewitt real estate strategy.		Based on the Studley report and master planning discussions with Beyer, Blinder Belle, the decision was made to move office functions and art storage off-site, and to improve the current facility with capital funds to be raised. Studley real estate consultants were briefed in Jun 2006 on the requirements for a 20,000 square-foot off-site facility. On 5/22/06, the C-H Board approved a $35 million capital campaign for endowments and building renovation. **Assessment: A decision was made and actions are now being taken to implement the decision.**
FY2006 Goal: Convene Smithsonian Arts External Review Committee.		The Smithsonian Arts External Review Committee (ERC) met six times during the year, and drafted their report. The report will be revised to incorporate comments received from the SI leadership in mid-Oct 2006, and the final report is expected to be submitted for review in mid-Nov 2006. Development of a Smithsonian Arts Strategic Plan is underway, and will incorporate findings from ERC final report. Presentation of the strategic plan to the Board of Regents has slipped from Sep 2006 to Jan 2007. **Assessment: The ERC report was not completed in FY 2006, as planned. Presentation of the SI Arts Strategic Plan to the Board of Regents will be made in FY 2007.**

PROGRAM GOAL 8.2: HUMAN RESOURCE MANAGEMENT AND DIVERSITY/EEO *(ties to Program Codes 8200 & 8210 in ERP)*
Ensure that the Smithsonian workforce is efficient, collaborative, committed, innovative and diverse. Demonstrate support of the Smithsonian's commitment to diversity and equal employment opportunity during the hiring process and throughout the employees' careers.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
8.2.a Number of workdays to complete Recruitment Action following OPM model	FY2005: A 45-day hiring model was instituted by OHR. Using HR ERP data reporting tools, actual job-announcement-to-job-offer cycle time was established at just over 50 days **FY2006 target:** Meet OPM hiring timeliness model of 45 workdays from announcement to close of offer	The Smithsonian did not meet the 45-day OPM hiring timeliness goals, but it has reduced cycle time from over 80 days in the prior year to 62 days in FY 2006. **Assessment: Target not met, but hiring cycle time has been reduced.**
8.2.b Percent of employees who are satisfied with working at the Smithsonian on annual employee survey	FY2003: 56% (results of 2002 employee survey) FY2004:67%-average for 4 units FY2005:64%-average for 4 units **FY2006 target:** 65%	*Annual employee survey.* Four SI units (OCFO, CHNDM, NMNH and OEC) were surveyed in FY 2006. The percent of employees who said they are satisfied with working at the Smithsonian – average for the four units – is 69%. **Assessment: Exceeded target.**
8.2.c Percent of minorities in the Smithsonian workforce	FY 2004: Amer. Ind./AK Nat. 2.0% Asian/Pacific Island. 4.4% African American 31.3% Hispanic 4.6% FY 2005: Amer. Ind./AK Nat. 1.8% Asian/Pacific Island. 4.8% African American 31.5% Hispanic 4.5% **FY2006 target:** Meet or exceed DC Metro Civilian Labor Force (CLF) statistics	FY 2006 actual: (DC CLF/ SI) Amer. Ind./AK Nat. 0.5%/ 1.8% Asian/Pacific Island. 7.1%/ 5.0% African American 24.0%/ 30.3% Hispanic 8.1%/ 4.9% The percentage of all staff diversity decreased slightly compared with the prior year – from 42.6% to 42.0%. There were diversity shifts between categories: African American (-1.2%), Hispanic (+0.4%), and Asian (+0.2%). Native American remained the same. **Assessment: Overall, SI exceeded DC Metro Civilian Labor Force statistics (+2.3%). However, under representation exists for Asians and Hispanics.**

8.2.d Percent of minorities in the Smithsonian workforce in grades 13 to 15 *FY2006 Goal: Show improvements in percentages of minorities in grades 13 and above.*	New performance indicator FY 2005: Amer. Ind./AK Nat. 1.5% Asian/Pacific Island. 5.0% African American 8.6% Hispanic 3.2% **FY2006 target:** Demonstrate incremental progress	FY 2006 actual: Amer. Ind./AK Nat. 1.6% Asian/Pacific Island. 5.6% African American 8.8% Hispanic 3.5% **Assessment: The percentage of senior minority employees increased by 1.2% over the prior year.**
8.2.e Percent of women and minorities in the Institution's executive ranks (i.e., Top 200 positions) by salary *FY2006 Goal: Show an improved percentage of women and minorities (with focus on top 200 positions.)*	FY 2004: Women 33.2% Amer. Ind. /AK Nat. 1.4% Asian/Pacific Island. 3.3% African American 2.3% Hispanic 4.7% FY 2005: Women 39% Amer. Ind./AK Nat. 1.9% Asian/Pacific Island. 2.9% African American 2.4% Hispanic 5.3% **FY2006 target:** Demonstrate incremental progress	FY 2006 actual: Women 36.3% Amer. Ind./AK Nat. 1.4% Asian/Pacific Island. 3.7% African American 4.2% Hispanic 4.7% **Assessment: The percentage of minority leaders increased by 1.5% to 14.0% of the Top 200 workforce. There were gains in Asian (+2) and African American (+4) categories; however, these gains were offset by the loss of two minority leaders (one Hispanic and one Native American).**

PROGRAM GOAL 8.3: FINANCIAL MANAGEMENT *(ties to Program Code 8300 in ERP)*
Modernize the Institution's financial management and accounting operations.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
8.3.a Number of business days after month-end to close out monthly financial activities	FY2005: Met target of 8 business days **FY2006 target:** 8 business days	FY 2006 performance: 8 business days **Assessment. Target met.**

8.3.b Number of business days to process unit service requests	FY2005: Met target of 5 business days **FY2006 target:** 5 business days	FY 2006 performance: Less than 2 days **Assessment. Target exceeded**
FY2006 Goal: Fill Director of Investments position.		Position was filled (Amy Chen) in Sep 2006. **Assessment. Goal met**
FY2006 Goal: Establish a financial analysis branch and a new relationship with a banking partner(s).		The financial analysis branch was established. The branch manager was hired in Aug 2006, and two additional staff members reported for duty in Sep 2006. Banking contracts were executed in Sep 2006. **Assessment. Goals achieved.**
FY2006 Goal: Strengthen internal controls and improve financial data made available to units.		*e-Travel Program*. Vendor selected and contract awarded in Sep 2006. *Federal reporting and SI audit.* Met filing date of 11/15/06 for FY 2005 Federal financial reports, including submission of the first Smithsonian Management Discussion and Analysis (MD&A) report. Achieved slight acceleration of final Federal audit over the prior year. KPMG audit adjustments were reduced by 80% in FY 2005. *Museum board financial report.* Phase 1 report mock-ups presented to senior leadership and Audit and Review Committee for review/comment. Phase 1 ERP report requirements submitted to OCIO on 9/29/06 for implementation. Phase 2 reports will require a change in business practices to incorporate revenue & expense variance reporting into these reports. *Financial management reforms*. Vendor maintenance forms have been revised to capture more accurate tax and diversity information. Bank reconciliation procedures and wire transfer controls have been strengthened. ERP reporting for grants and contracts improved which enabled dramatic reduction in Sponsored Projects accounts receivables. **Assessment: Progress has been made in adding rigor and discipline to financial processes and business practices.**
FY2006 Goal: Demonstrate that Administration and Congressional approval was given for year-over-year increases in the Federal appropriation for facilities capital, maintenance, and operations expenses in fiscal year 2007.		A year-over-year increase was achieved from the Administration. The FY 2007 budget request to Congress represents a $20.8 million increase (+4.0%) for S&E and an $8.5 million increase (+8.6%) for Facilities Capital. Funding for facilities operations increases by $11.6 million (+7.6%) and facilities maintenance increases by $5.8 million (+12.7%). Congressional approval of the Institution's FY 2007 S&E request is at risk based on the House Appropriations Committee action to decrease this budget request by $20.3 million, based on members' displeasure with the Smithsonian-Showtime Video on Demand contract and program. The Senate Appropriations Committee voted to approve the Institution's full

		budget request. Final action on the 2007 appropriations is still pending.
		A senior leadership team, led by the Budget Director, conducted routine budget briefings for 28 congressional offices to justify the FY 2007 budget request and respond to queries for additional information to work towards a positive FY 2007 appropriation outcome.
		The Deputy Secretary served as key witness at the House Appropriations Subcommittee hearing in Mar 2006. The CFO, General Counsel, and SBV CEO served as key witnesses at the House Administration oversight committee hearing in May 2006.
		Assessment: Although a great deal of effort was invested in defending the Smithsonian's FY 2007 budget request, year-over-year increases may not be achieved as a result of congressional reaction to the Smithsonian on Demand initiative. [Action on the FY 2007 Appropriations has not yet concluded.]

PROGRAM GOAL 8.4: PUBLIC AND GOVERNMENT AFFAIRS *(ties to Program Code 8400 in ERP)*
Enhance the reputation of the Smithsonian by maintaining good relations with the news media and with federal, state, and local governments.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
FY2006 Goal: Show that mutually beneficial relations with the media and government entities have been maintained.		Expanding media outreach with updates of the NMAAHC museum and site selection to African American media and communities. Extensive media outreach tied to opening of *Retratos*. Up-to-date releases/information for the news media are available on www.newsdesk.si.edu. Secured the President and First Lady as Honorary Patrons for the Reynolds Center opening events, and Chief Justice Roberts as a keynote speaker for the dedication ceremony. Organized multiple VIP panda visits for Congressional open house, DC City Council, Vice President, First Lady, Interior Appropriations Subcommittees staff, and Regents liaisons. SI staff met with numerous members of Congress and staff, and Executive Branch officials to discuss the Smithsonian and avian flu pandemic. Focus of media relations between Mar-Jun 06 was related to the Smithsonian on Demand (SOD) initiative and the reopening of the Reynolds Center. ▪ Much of the media on SOD was negative due to misperceptions and misunderstandings. SBV management prepared in-depth analysis of the SOD agreement for review by the Board of Regents in May 06, in response to Congressional and public concerns related to access to Smithsonian collections vis-à-vis the Smithsonian on Demand program.

| | | • Invited all 535 members of Congress and staff to an Open House/Preview of the Reynolds Center. An entire arts section of the Sunday *Washington Post* was devoted to SAAM and NPG and the museums reopening—a first! |
| | | |

Tai Shan's first birthday promoted Smithsonian Science with heavy media coverage on conservation and reproduction of this endangered species.

SAO scientists announced their discovery of new planets at a press conference in the Castle.

Publicity and advertising prior to the closing of National Museum of American History on Labor Day resulted in 15,000 visitors on the Museum's last day (up 3,000 over the prior year).

Assessment: Congressional misgivings related to the Smithsonian on Demand program clouded an otherwise positive Smithsonian year.

PROGRAM GOAL 8.5: PROCUREMENT AND CONTRACTING *(ties to Program Code 8600 in ERP)*
Modernize and streamline the Institution's acquisitions management operations.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
8.5.a Percent of total prime contracts awarded to minority- and women-owned business as set out in SI Supplier Diversity Program *FY2006 Goal: Show continued improvement in Smithsonian supplier diversity.*	Dec 31, 2005: Small business (SB): 34.2%; 8(a) small disadvantaged business (SDB): .08%; Non-8(a) SDB: 2.6%; Women-owned small business (WOSB): 3.1%; HUB Zone SDB: 0%; Service disabled veteran-owned small business (SDVOSB): 0% **FY2006 target:** Meet or exceed the government-wide goals: SB: 23.0% 8(a) SDB: 3.0% Non-8(a) SDB 5.0% WOSB 5.0% HUB Zone SDB 3.0% SDVOSB 3.0%	OCFO and OEEMA staff developed a set of small disadvantaged business performance metrics and conducted 3 briefings (Feb 06) for 20 SI organizations on methods to increase use of small and small disadvantaged businesses. The request to establish small business participation goals has been incorporated into Directors' 2006 performance plan templates. Achievement of government-wide goals follows (US Goal/Actual SI). Bolded percentages show categories in which goal has been exceeded: • Small Business (23%/51.4%) • 8(a) Small Disadvantaged Business (3%/3.4%) • Non-8(a) Small Disadvantaged Business (5%/21.2%) • Women-Owned Business (5%/8.8%) • Historically Underutilized Business Zone Small Business (3%/1.3%) • Service Disabled Veteran-Owned Small Business (3%/0%) **Assessment: All major supplier diversity goals were exceeded in FY 2006, including the small business awards, which was more than double the US goal.**

8.5.b Percent of SI contract actions completed within Federal Standards Timeframes *FY2006 Goal: Demonstrate improvement in the timeliness of contract and procurement actions, with emphasis on supporting critical facilities capital projects.*	FY2005: 80% **FY2006 target:** 82%	FY 2006 actual was 87% of contracts completed on time Repaid and defeased the Victor Building debt in Dec 2005 (variable debt) and Jan 06 (fixed debt). Awarded 33 contracts and 57 contract modifications to support the on-time reopening of the Reynolds Center. Estimated requirements associated with revitalizing the Castle Great Hall and maximizing its revenue generating potential. A strategy to fund the various elements of this project was developed. A $10 million fundraising proposal to seek donor funding was developed. **Assessment: Target exceeded. There were no programmatic delays caused by untimely contract or procurement actions.**

STRATEGIC GOAL 4: GREATER FINANCIAL STRENGTH

PROGRAM GOAL 9: SECURE THE FINANCIAL SUPPORT ESSENTIAL TO ACHIEVING THE INSTITUTION'S GOALS *(ties to Program Codes 8310, 9XXX & 01XX in ERP)*

PROGRAM GOAL 9.1: DEVELOPMENT *(ties to Program Code 9XXX in ERP)*
Secure the financial resources needed to carry out the Institution's mission.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
9.1.a Total dollar amount of voluntary support (gifts) to Smithsonian *FY2006 Goal: Raise $100 million in private sector philanthropy.*	FY2003: $75 M FY2004: $128 M FY2005: $141.8 M **FY2006 target:** $100 million	**$119.7 million** in voluntary support was raised—19.7% more than the $100 million goal. Hired project manager to lead the effort to establish a more robust online giving program. Retained contractor support for strategy development and web graphics design. Established project group to oversee effort. Issued 4 e-newsletters. Subscriber list reached 13,000, up 64% since launch. Prospect pool program improvements: Introduced use of Inclination Ratings to refine prospect pool identification. Established portfolios for Reynolds Center, Star Spangled Banner, NZP, Ocean Science, and NMAAHC. Increased pool by 7% to 5,738. Exceeded FY 2006 planned giving goal by raising $9.8M in restricted and unrestricted bequests and annuities. Exceeded Smithsonian National Board unrestricted FY 2006 goal of $775,000 by raising $904,600 with 20 members increasing the amount of their gifts over the prior year. SBV and External Affairs Office worked together to develop a plan to expand advertising and direct response marketing for planned giving in *Smithsonian* magazines. Use of a planned giving administrative fee will be used to generate a revenue stream to cover the costs of printing and distributing the ad pages. About $0.9 million was generated as a result of *Smithsonian* and *Air and Space* magazine marketing/advertising. **Assessment: Philanthropy goals were exceeded, SI prospect pool was broadened, and a more aggressive online giving program was instituted.**
9.1.b Total dollar amount of non-government grants and contracts *FY2006 Goal: Raise $13 million in non-government grants and contracts.*	FY 2003: $11.0 M FY 2004: $12.5 M FY 2005: $17.5 M **FY2006 target:** $13 million	Non-government grants/contracts: **$12.4 million** (95.4% of 13 million goal). **Assessment: Fell short of meeting the non-government grants and contracts goal in FY 2006.**

9.1.c Total dollar amount of federal, state, local and international government grants and contracts *FY2006 Goal: Raise $129 million in government grants and contracts*	FY 2003: $75 M FY 2004: $144 M FY 2005: $126.2 M **FY2006 target:** $129 million	Government grants/contracts: **$105.5 million** (81.7% of $129 million goal). Initiative to increase NSF funding: SI received 31 NSF grant awards totaling $2.5 million in FY 2006. Total NSF to SI awards in FY 05 was $3.8 million. **Assessment: The government grants and contracts goal was not met in FY 2006.**
FY2006 Goal: Raise $270 million in addition to the Smithsonian's annual appropriation.		Funds raised from donors and sponsors: $237.6 million (98% of $242 million 2006 goal). Funds raised from SBV Net Gains: $22.9 million (81.7% of $28 million 2006 budget). **Assessment: The Institution raised $260.5 million, $9.5 million (or 3.5%) below the goal.**

PROGRAM GOAL 9.2: SMITHSONIAN BUSINESS VENTURES AND UNIT BUSINESS ACTIVITIES *(ties to Program Code 01XX in ERP)*

Increase the net income of Smithsonian businesses.

KPIs and FY2006 goals	Baseline data and performance targets	Actual Performance
9.2.1 Total dollar amount of SBV net gain *FY2006 Goal: Raise $28 million in SBV net gain.*	FY 2004: $26.7 M FY 2005: $36.1 M **FY2006 target:** $28 million	SBV consolidated net gain of **$23.5 million** missed the $28 million goal by $4.5 million, due primarily to poor performance of the Catalog and a significant drop in museum retail activity linked to the drop in museum visitation. SI Journeys fully integrated into SBV and is expected to exceed budget by $0.2 million. Negotiations with American Express were not concluded in FY 2006. The Smithonian on Demand joint venture agreement with Showtime Networks was approved 12/22/05. The SBV Coordinator organization has been established, and work is underway to deliver the first 40 hours of original programming. The SI Coordinator conducted informational meetings with all SI museums/units. Issued first SI-wide call for annual mission critical programs to be produced by the Venture in FY 2007. Provided training to Public Information Officers, webmasters and OCON staff on compliance with terms of the Agreement. Generated 89 program concepts, 57 of which have been identified for further development, with 49 approved for production. **Assessment: SBV missed its budget by more than 16%.**

PROGRAM GOAL 9.3: INVESTMENT MANAGEMENT *(ties to Program Code 8310 in ERP)*

Improve the management of the Institution's Endowment.

KPI	Baseline data	FY06 target
9.3.a Total dollar value of annual Endowment payout	FY 2003: $34.0 M FY 2004: $34.9M FY 2005: $36.5M **FY2006 target:** $36.5 million	FY 2006 actual payout was $37.3 million. **Assessment: Target exceeded.**
9.3.b Total dollar value of the Endowment portfolio	FY 2003: $622M FY 2004: $697M FY 2005: $779.3 M **FY2006 target:** $808 million (updated)	FY 2006 actual $843.8 million. **Assessment: Target exceeded.**
FY2006 Goal: Demonstrate the Smithsonian's Endowment was invested according to the new recently approved asset allocation.		Updated the Smithsonian Investment Committee on new strategy on 2/28/06 and 6/28/06. Presented preliminary benchmarks. As of 8/31/06, invested $144 million in hedge funds against a target of $163 million. Made three commitments to venture capital/private equity firms. Another two were approved at the Feb 06 and Jun 06 meetings. Restructured the international equity portfolio by terminating investment with Morgan Stanley and investing with City of London and Emerging Markets Investment Corporation. Decision was made to hire LSV and Silchester, two active international equity managers. **Assessment: Investments in and commitments to alternative asset classes were made during FY 2006 in accordance with Regents' direction.**

Acronym or Abbreviation	Full Text
AAA	Archives of American Art
AIB; A&I	Arts and Industries Building
Anacostia	Anacostia Museum
CHNDM	Cooper-Hewitt National Design Museum
DOL	Department of Labor
DS&COO	Deputy Secretary and Chief Operating Officer
DWRC	Donald W. Reynolds Center
ERP	Enterprise Resource Planning
FSG	Freer & Sackler Galleries
GGHC	George Gustav Heye Center
HMSG	Hirshhorn Museum and Sculpture Garden
HRMS	Human Resources Management System
MCI	Smithsonian Museum Conservation Institute
NASM	National Air and Space Museum
NCP	National Collections Program
NMAAHC	National Museum of African American History and Culture
NMAfA	National Museum of African Art
NMAH	National Museum of American History
NMAI	National Museum of the American Indian
NMNH	National Museum of Natural History
NPG	National Portrait Gallery
NPM	National Postal Museum
NSRC	National Science Resource Center
NZP	National Zoological Park
OC	Office of the Comptroller
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OCON	Office of Contracting
OD	Office of Development

OEEMA	Office of Equal Employment and Minority Affairs
OFEO	Office of Facilities, Engineering and Operations
OFM	Office of Facilities Management
OGC	Office of the General Counsel
OHR	Office of Human Resources
OP&A	Office of Policy and Analysis
OPA	Office of Public Affairs
OPMB	Office of Planning, Management and Budget
OPS	Office of Protection Services
ORTS	Office of Research, Training and Services
OSP	Office of Sponsored Projects
POB	Patent Office Building
RCM	Reliability Centered Maintenance
SAAM	Smithsonian American Art Museum
SAO	Smithsonian Astrophysical Observatory
SBV	Smithsonian Business Ventures
SCED	Smithsonian Council of Education Directors
SCEMS	Smithsonian Center for Education and Museum Studies
SERC	Smithsonian Environmental Research Center
SI	Smithsonian Institution
SIA	Smithsonian Institution Archives
SIL	Smithsonian Institution Libraries
SITES	Smithsonian Institution Traveling Exhibition Service
SSB	Star Spangled Banner
STRI	Smithsonian Tropical Research Institute
TSA	The Smithsonian Associates
UHC	Steven F. Udvar-Hazy Center (NASM)
US/A	Under Secretary for Art
US/S	Under Secretary for Science
VERITAS	Very Energetic Radiation Imaging Telescope Array System
VoIP	Voice over Internet Protocol

OEEMA	Office of Equal Employment and Minority Affairs
OFEO	Office of Facilities, Engineering and Operations
OFM	Office of Facilities Management
OGC	Office of the General Counsel
OHR	Office of Human Resources
OP&A	Office of Policy and Analysis
OPA	Office of Public Affairs
OPMB	Office of Planning, Management and Budget
OPS	Office of Protection Services
ORTS	Office of Research, Training and Services
OSP	Office of Sponsored Projects
POB	Patent Office Building
RCM	Reliability Centered Maintenance
SAAM	Smithsonian American Art Museum
SAO	Smithsonian Astrophysical Observatory
SBV	Smithsonian Business Ventures
SCED	Smithsonian Council of Education Directors
SCEMS	Smithsonian Center for Education and Museum Studies
SERC	Smithsonian Environmental Research Center
SI	Smithsonian Institution
SIA	Smithsonian Institution Archives
SIL	Smithsonian Institution Libraries
SITES	Smithsonian Institution Traveling Exhibition Service
SSB	Star Spangled Banner
STRI	Smithsonian Tropical Research Institute
TSA	The Smithsonian Associates
UHC	Steven F. Udvar-Hazy Center (NASM)
US/A	Under Secretary for Art
US/S	Under Secretary for Science
VERITAS	Very Energetic Radiation Imaging Telescope Array System
VoIP	Voice over Internet Protocol

Smithsonian Institution

*The renovated Donald W. Reynolds Center for American Art and Portraiture
in the historic Patent Office Building re-opened on July 1*

Smithsonian Highlights
Fiscal Year 2006

Introduction

This report presents programmatic and management highlights for the Smithsonian Institution in fiscal year 2006. The Smithsonian continues to make great strides in revitalizing an organization beloved by millions of visitors from across the country and around the world, as it pursues its four strategic performance goals:

- Increased public engagement
- Strengthened research
- Enhanced management excellence
- Greater financial strength

The highlights presented here illustrate the unique role the Smithsonian continues to play in our nation's civic, scientific, and cultural life. Through its museums, *Smithsonian* magazine, web sites, tours, events, and public programs, the Smithsonian connects people to their heritage, and invites them to understand the richly diverse mosaic of our national identity.

Public Impact

Visits to the Smithsonian

In fiscal year 2006, the Institution counted **27.5million** visits to its museums, traveling exhibitions, and National Zoo:

- **23.0 million** visits to Smithsonian museums in Washington and New York, plus the National Zoo and Udvar-Hazy Center (down **5 percent** from the comparable period in the previous fiscal year);

- **4.5 million** visits to traveling exhibitions mounted by the Smithsonian Institution Traveling Exhibition Service (down **2 percent** from the comparable period in the previous fiscal year).

Much of the overall small decline in attendance in comparison with fiscal year 2005 was attributable to decreases in visitorship at two destinations: the National Museum of the American Indian (down 34 percent) and Udvar-Hazy Center (down 19 percent). In both cases, this reflects an expected loss of the "novelty factor" at these new museums.

Visitation to the National Zoo was up by 34 percent, thanks to public interest in the panda cub Tai Shan. Visitation was also strong at the Smithsonian American Art Museum and National Portrait Gallery in the newly-renovated Reynolds Center for American Art and Portraiture; nearly 275,000 visitors filed into the Reynolds Center in the first three months after it re-opened its doors to the public on July 1. And Smithsonian art museums had a spectacular year, with a modest increase in visitorship at the Hirshhorn (5 percent) and major increases at the National Museum of African Art (23 percent), Renwick Gallery (24 percent), Cooper-Hewitt (30 percent), and Freer and Sackler Galleries (37 percent).

The Smithsonian Institution Traveling Exhibition Service (SITES) presented 53 exhibitions at 201 locations in 44 states. SITES also put five new shows on the road: *Wondrous Cold: An Antarctic Journey; Documenting China: Contemporary Photography and Social Change; In Focus: National Geographic Greatest Portraits*; *381 Days: The Montgomery Bus Boycott Story;* and *Covered Bridges*.

Visits to Smithsonian Museums and Traveling Exhibitions

Fiscal Years 2004, 2005, and 2006
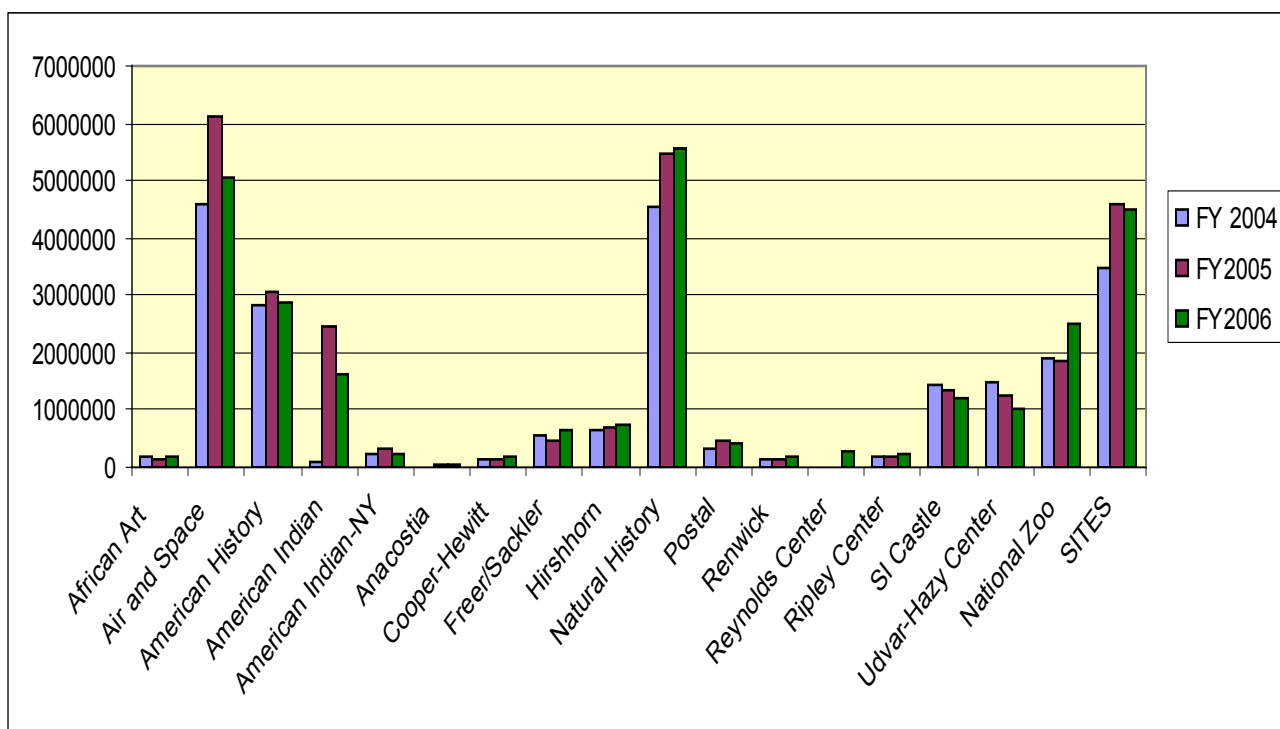
Smithsonian Online

Smithsonian websites logged over **140 million visits** in fiscal year 2006. The public continued to flock to the National Zoo's website to see the giant panda cub Tai Shan and to learn about all things panda.

A major highlight of the Smithsonian's online offerings in fiscal year 2006 was the launch of a new website by the **Smithsonian Photography Initiative** to serve as a gateway to the 13 million-plus photographs in the Institution's collections, www.photography.si.edu. Among the more than 1,800 images initially available on the site are a daguerreotype of abolitionist John Brown taken by Augustus Washington circa 1846; an x-ray image of the incandescent center of the Milky Way; a sobering photograph of the now-extinct Tasmanian hyena at the National Zoo; candid pictures of President John F. Kennedy with his four-year-old daughter before his inauguration in 1961; and more than 250 images by the Institution's first photographer, Thomas Smillie, documenting the Smithsonian in the late 1800s. The site was funded almost entirely by private donations.

Among the numerous websites launched and awards received in fiscal year 2006, other highlights include the following:

- As part of the collaborative **Biodiversity Heritage Library** (BHL) project, the Smithsonian Institution Libraries has created an interface that provides access to all BHL-related digital content in the Libraries' collections—77,000 page images.

- The Smithsonian American Art Museum's blog *Eye Level* won an American Association of Museums' Silver Muse award.

- For the second year, the **National Museum of African Art's** website was selected as a National Endowment for the Humanities' *EDSITEment* online resource.

- The Smithsonian Center for Education and Museum Studies (SCEMS) website **SmithsonianEducation.org** was honored by the National Endowment for the Humanities, and another SCEMS website, **SmithsonianSource.org**, was chosen as a "site of the day" by Federal Resources for Educational Excellence.

- The National Postal Museum launched *Arago,* a website created specifically for the study of philately and postal history that combines the Museum's collections database with innovative storytelling tools.

- The **National Air and Space Museum** launched an online collections database. Information on over 16,000 of the Museum's nearly 40,000 artifacts is now available via the Web.

Exhibition Highlights

On December 8, 2005, the public finally got a chance to meet **Tai Shan**, the National Zoo's giant panda cub, when the Zoo opened his exhibit space for limited public viewing for the first time since his birth on July 9, 2005. The response was rapturous.

The 40th annual **Smithsonian Folklife Festival** opened on June 30 on the Mall, featuring *Alberta at the Smithsonian*, *Carriers of Culture: Living Native Basket Traditions*, *Nuestra Musica: Latino Chicago*, and a series of evening concerts of African-American music from New Orleans, *Been in the Storm So Long*—the first public program sponsored by the Smithsonian's new National Museum of African American History and Culture. Over 900,000 people attended the ten-day event.

Smithsonian art museums had a memorable year, with a string of popular and critically acclaimed exhibitions that drew in large crowds:

- The Sackler Gallery presented two blockbusters. *Style and Status: Imperial Costumes from Ottoman Turkey* (October 29, 2005–January 22, 2006) featured sumptuous Turkish imperial robes (*kaftans*) from the collection of the Topkapi Palace in Istanbul. *Hokusai* (March 4–May 14) offered an unprecedented display of more than 180 works by the renowned Japanese artist Katsushika Hokusai (1760–1849), whose print *The Great Wave* is one of the most recognized images in the art world.

- The Sackler also scored a hit with Hiroshi Sugimoto's *History of History* (April 1–July 30), which juxtaposed Sugimoto's own photographs with traditional Japanese and ritual artifacts.

- The Cooper-Hewitt, National Design Museum's *Fashion in Colors* (December 9, 2005-March 26, 2006) explored color as a design element in Western clothing. Over 4,000 visitors toured it during the week between Christmas and New Year's Day.

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- The National Museum of African Art's *African Art Now: Masterpieces from the Jean Pigozzi Collection* (November 16, 2005–February 26, 2006) offered a stunning selection of contemporary African art from around the continent. This much-discussed show fueled a 61 percent increase in Museum attendance over fiscal year 2005 figures for the months of January and February.

- Over 37,000 visitors filed into the International Gallery between October 21, 2005, and January 8, 2006, to see the National Portrait Gallery's *Retratos: 2,000 Years of Latin American Portraits*, a collaboration with the Smithsonian Institution Traveling Exhibition Service.

- *Hiroshi Sugimoto*, a career survey of one of Japan's most important contemporary artists, ran from February 16 through May 14 at the Hirshhorn Museum. Also at the Hirshhorn, *Anselm Kiefer: Heaven and Earth* (June 20-September 10), the first American survey of the renowned German artist's work in almost 20 years, featured 40 large works that integrated mythological and mystical themes with modern history.

- The Renwick Gallery's *Grant Wood's Studio: Birthplace of 'American Gothic'* (March 10–July 11) included the iconic painting *American Gothic*, which is rarely loaned by the Art Institute of Chicago. A preview reception on March 9 was attended by First Lady Laura Bush.

Listening to Our Ancestors: The Art of Native Life Along the North Pacific Coast (February 3, 2006-January 2, 2007) opened at the National Museum of the American Indian to warm reviews. It featured more than 400 objects, representing 11 tribes of the Pacific Northwest region.

The Spirit of Ancient Colombian Gold (November 9, 2005-May 10, 2006), an exhibition of pre-Columbian gold treasures from Colombia's Museo del Oro, brought together artifacts covering more than 2,500 years, many of which had never before left Colombia.

It was a busy year for exhibitions at the National Postal Museum. Highlights included *John Lennon: The Lost Album* (October 6, 2005–April 10, 2006), featuring Lennon's boyhood stamp collection, and *Rarity Revealed: The Benjamin K. Miller Collection,* (May 27, 2006–October 1, 2007), featuring the "1-Cent Z Grill"—the rarest of all U.S. stamps, with only two copies known to exist.

A special traveling exhibition commemorating the 200th anniversary of a legendary expedition, *Lewis and Clark: The National Bicentennial Exhibition* was on view at the National Museum of Natural History from May 12 through September 10.

The Smithsonian Latino Center celebrated Hispanic Heritage Month by presenting *Myth, Mortals and Immortality: Works from Museo Soumaya de México* in the International Gallery (September 14-November 2), showcasing works by Mexican artists spanning the 16th to the 20th century.

Collections Highlights

On April 24, in a ceremony held at the Castle, the National Portrait Gallery unveiled the portraits of **President Bill Clinton** and **First Lady Hillary Rodham Clinton** that will join its collections.

On May 24, a litter of three **Sumatran tiger cubs** was born at the National Zoo, consisting of one male and two females.

On May 23, Steve Fossett donated the **Virgin Atlantic Global Flyer**, which flew around the world in 80 hours without refueling, to the National Air and Space Museum. The aircraft, designed and built by Burt Rutan, is on display at the Udvar-Hazy Center.

In October 2005, the National Museum of American History announced it had acquired an unparalleled collection of fire-fighting and maritime history artifacts, the **Historical Collection of the Insurance Company of North America**. The collection was a gift from the CIGNA Corporation.

Education, Event, and Program Highlights

Without a doubt, the Smithsonian's headline event of 2006 was the reopening to the public, on July 1, of the gloriously renovated **Donald W. Reynolds Center for American Art and Portraiture.** Located in the historic Patent Office Building, the Reynolds Center hosts both the **Smithsonian American Art Museum** and the **National Portrait Gallery**. Pre-opening festivities took place from June 19 through July 1; honored guests and dignitaries participated in celebratory dinners, tours, and a dedication ceremony on June 21. The Reynolds Center broke Smithsonian opening day attendance records, with more than 18,000 visitors on July 1.

On September 6 in the Castle, the Smithsonian Latino Center held its inaugural benefit gala, *Smithsonian Con Sabor*. Among the guests were Florida governor Jeb Bush and his wife Columba; U.S. Representatives Xavier Bacerra and Ileana Ros Lehtinen; and Hispanic Heritage Foundation award recipients Juliet Villarreal Garcia (the first Latina president of a U.S. university), baseball Hall of Famer Juan Marichal, and recording artist Jose Feliciano. More than $600,000 was raised.

On July 9, the National Zoo and Friends of the National Zoo celebrated the first birthday of **Tai Shan**, the giant panda cub. Visitors were invited to enjoy the day's festivities, which included traditional Chinese dancers and music, talks by panda keepers and scientists, refreshments, and crafts activities. Tai Shan himself got a special present—a custom-made frozen treat, prepared by Zoo nutritionists, consisting of bamboo leaves, carrots, pears, beets, apples, and apple juice suspended in ice.

In February, the **Freer Gallery** held the first in a yearlong series of special events marking the centennial of Charles Lang Freer's gift to the nation.

In January, the Cooper-Hewitt's exhibition *Josef + Anni Albers: Designs for Living* won the International Art Critics Association's award for Best Architecture or Design Show. Two Hirshhorn shows also were honored: *Ana Mendieta* was named Best Monographic Exhibition and *Visual Music* was named Best Exhibition Featuring Video, Film, or Performance Art.

In February, the National Museum of American History launched *Hip-Hop Won't Stop: The Beat, the Rhymes, the Life*, a multi-year initiative to develop an extensive hip-hop collection at the museum.

The Smithsonian American Art Museum's *America's Art* was awarded the Frances Smyth-Ravenel Prize ("best in show") at the 2006 American Association of Museums Publication Awards. The Freer and Sackler's *Asiatica* won first prize in the annual report category, and the National Museum of African Art's family guide to its exhibition *BIG/small* won first place in the educational materials division.

A companion book to the Smithsonian Institution Traveling Exhibition Services' *Wondrous Cold: An Antarctic Journey* received an award for graphic design in the American Association of Museums' 2006 Museum Publications Competition.

On April 27, the Cooper-Hewitt, National Design Museum welcomed over 400 guests for the opening celebration of its **Target National Design Education Center**. Activities featured creation of a graffiti wall with artist Sub, music by MTV's VJ Cipha, and a keynote address by designer Mark Ecko.

The National Aeronautic Association awarded the National Air and Space Museum docent corps its **2005 Frank G. Brewer Trophy** for significant contributions to aerospace education.

Twenty-four young people were selected out of a nationwide pool of 13,000 applicants for the Smithsonian Latino Center's **Young Ambassadors Program**, which gives artistically gifted Latino high school seniors a chance to experience the arts field and explore their cultural identity.

Strengthened Research

The Smithsonian is unique among the world's institutions. Not simply a museum or even a cluster of museums, it is a vast national research and educational center that encompasses—in addition to its exhibition galleries—laboratories, observatories, field stations, scientific expeditions, classrooms, and more.

The Smithsonian is currently introducing a new strategic emphasis on increasing the quality and quantity of its scholarly research in the fields of art, history, and culture, to complement its globally recognized excellence in scientific fields. The fruits of this new initiative will unfold over the coming years.
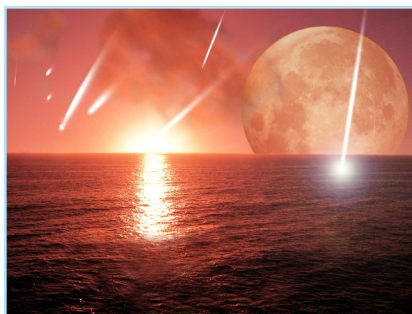

The number of publications by Smithsonian researchers in high-impact scientific journals increased to 782 in fiscal year 2006, exceeding the previous year's total of 555 by 41 percent.

The National Zoo, Smithsonian Tropical Research Institute, and Office of the Under Secretary for Science have been forging partnerships within the U.S. government to apply the expertise of the Smithsonian to the national effort to address **avian flu**. Smithsonian science units have published some 700 papers on the ecology of wildlife diseases in the last 10 years.

At the American Academy of Forensic Sciences conference in Seattle, Doug Owsley of the **National Museum of Natural History** presented key findings on the 9,000-year-old skeletal remains known as Kennewick Man—one of the oldest human skeletons to be found in the Americas. Owsley is

coordinating more than 20 researchers in the next phase of study on Kennewick Man, which promises to add crucial insights into the question of who first colonized the New World.
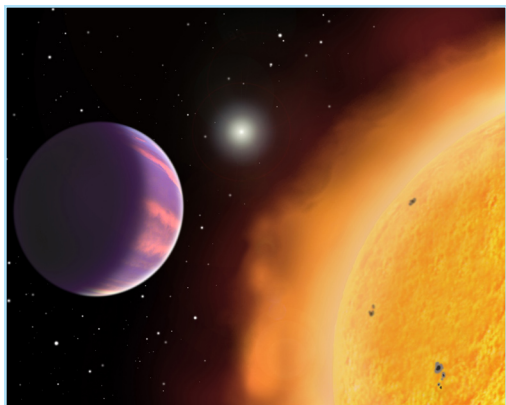
Astronomers at the **Smithsonian Astrophysical Observatory** discovered a strange new planet unlike any other. Designated HAT-P-1 and orbiting a distant star about 450 light-years away from Earth, it is both the largest planet ever found (with a radius about 1.38 times Jupiter's), and the least dense (with a mass only half of Jupiter's).

The Center for Tropical Forest Science of the **Smithsonian Tropical Research Institute** has big plans to expand its system for monitoring biodiversity in the world's tropical rain forests. A challenge grant of $10 million has been offered by Frank Levinson to help convert the Center's complex of 18 large-scale forest-research sites into an "Earth observatory" to monitor the state of the world's tropical forests in real time.

In June, the National Zoo launched **Elephant Trails: A Campaign to Save Asian Elephants,** an initiative with four elements: a new habitat at the Zoo's Rock Creek Park facility for its Asian elephants; a conservation program built on decades of Smithsonian science; a public education program; and a new research facility at the Zoo's Conservation and Research Center in Front Royal, Virginia.

A team of scientists led by Scott Wing of the **National Museum of Natural History** has found that a period of rapid global warming 55 million years ago caused major changes in the geographic distribution of plants in North America. Their research, based on fossil plants found in Wyoming, was published as the cover story in *Science*.

The July 2006 issue of *National Geographic* focused on giant panda research at the **National Zoo**, which has resulted in dramatically improved breeding success and survival rates.

The **Smithsonian Environmental Research Center's** field experiment on how rising atmospheric carbon dioxide affects natural plant communities marked its 20th year. The longest-running project of its type in the world, it has received support from the Department of Energy, U.S. Geological Survey, and National Science Foundation.

An environmental leadership and training program to promote conservation in tropical forests has been established at **Yale University**; it will be coordinated in partnership with the Smithsonian Tropical Research Institute.

Scientists on the staff of the National Air and Space Museum's Center for Earth and Planetary Studies serve on science teams for several spacecraft missions, including the **Mars Exploration Rovers**, **Mars Reconnaissance Orbiter**, **Mars Express**, and **MESSENGER to Mercury**.

Smithsonian Institution

# Management Excellence

Leadership Milestones

Camille Giraud Akeju became director of the Anacostia Museum in December, 2005. She previously served as president / CEO of the Harlem School of the Arts in New York City.

John G. Roberts, Jr., Chief Justice of the U.S. Supreme Court, was elected chancellor of the Smithsonian by the Board of Regents on November 9, 2005. He succeeds the late William Rehnquist.

John W. Smith was named director of the Archives of American Art. He previously served as assistant director for collections, exhibitions, and research at the Andy Warhol Museum.

Major Construction and Renovation Projects
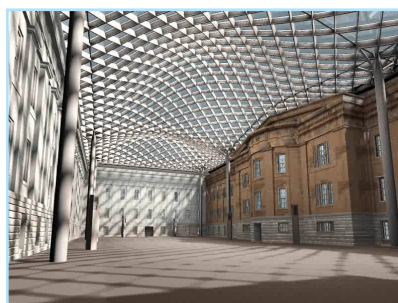
The Donald W. Reynolds Center for American Art and Portraiture in the historic Patent Office Building reopened to the public on July 1, 2006. The anticipated opening date for the privately funded courtyard enclosure is late fall 2007.

The first phase of the the **Asia Trail at the National Zoo,** providing news homes for the giant pandas and a number of other animals, was completed and opened to the public shortly after the end of the fiscal year. The second phase of the Asia Trail project will renovate the elephant house and expand the elephants' outdoor environment.

The **National Museum of American History** closed to the public in September for major renovations to the central core and Star-Spangled Banner exhibit, and is expected to reopen in summer 2008. While closed, a highlights exhibit of iconic artifacts from the Museum's collection will be on display in the National Air and Space Museum; the exhibit will open in November.

On January 30, the Board of Regents designated a site on the National Mall for the new **National Museum of African American History and Culture**. Currently under the jurisdiction of the National Park Service, the site will be transferred to the Smithsonian.

The **National Museum of Natural History** is in the midst of its largest renovation of public space in the last 40 years, involving seven major halls. A centerpiece of the building renewal will be a spacious new Ocean Hall exhibition which is expected to open in September 2008.

Construction of a fifth storage pod at the **Museum Support Center** in Suitland, Maryland, began in October 2005. Pod 5 will house most of the alcohol collections at the Natural History building and all of the collections from Pod 3 at MSC. This will eliminate a major safety concern by removing 365,000 gallons of alcohol from non-code-compliant facilities.

All but 8 percent of the staff formerly housed in the mothballed **Arts and Industries Building** had been moved out to other office space by the end of fiscal year 2006. Staff remaining in the building are expected to be out by the end of the calendar year.

Work on **permanent physical security barriers** around Smithsonian facilities, to replace temporary perimeter security barriers installed after September 11, 2001, continued in fiscal year 2006, with Mall facilities taking precedence. Permanent perimeter security barriers are now in place at the National Museum of the American Indian, and are expected to be completed by the end of the calendar year at the National Air and Space Museum.

The Smithsonian's **Victor Building** in downtown DC was sold, to monetize a substantial increase in the building's value since its purchase by the Institution. The sale will require relocation of approximately 750 staff to leased space and consolidation of remaining staff on lower floors of the Building. All moves are expected to be complete by January 31, 2007.

Torrential rains and flooding in late June forced the closure to the public of several Smithsonian facilities, including the Castle, the National Museum of American History, and the National Museum of Natural History, and put priceless collections at risk. The exemplary response of trained in-house facilities staff averted a major crisis for Smithsonian buildings, systems, and collections.

Conclusion

Fiscal year 2006 was another productive year in the Smithsonian's ongoing drive to revitalize the Institution and bring it into the 21st century. The Smithsonian continues to make great strides in the pursuit of its ongoing mission to promote the "increase and diffusion of knowledge" by bringing its research and collections to the public through a variety of channels, and by producing cutting-edge research in both the natural sciences and other fields. To achieve these ambitious goals, the Smithsonian aims to set and achieve the highest standards for management excellence, and to create a solid financial foundation to build upon.

With regard to the latter, the Institution's Endowment continued to perform well in fiscal year 2006, goals for private-sector philanthropy fundrasing efforts were met and exceeded, and a number of major new Smithsonian Business Ventures (SBV) activities got underway—including preparations for the launch of the *Smithsonian On Demand* television programming service, a licensing revenue agreement (**EF/Smithsonian**) with the student tour operator EF Group, and a marketing program with **Corbis Images**, the largest image archive in the world. SBV's partnership with **HarperCollins Publishers** saw the recent debut of the much-anticipated work *Hope Diamond* by Richard Kurin, the story behind the most famous (and infamous) gem in the world.

Looking beyond the end of this fiscal year, the National Air and Space Museum will soon open a completely renovated Air Transportation Hall; the Sackler Gallery is staging an exhibition of Bible manuscripts (*In the Beginning: Bibles Before the Year 1000*) that has been making waves with both the public and the scholarly community; the National Museum of African Art will offer a major exhibition of works from its recently-acquired Disney-Tishman collection of traditional African masterpieces; and, looking a little further out, major permanent exhibition halls on human origins and the Earth's oceans are in the works at the National Museum of Natural History.

The Smithsonian has an ambitious agenda, but the American public deserves no less. On the one hand, it is daunting task to take a sprawling organization that has evolved over more than a century and get all of its parts to move together harmoniously toward common strategic goals. But at the same time, it is very exciting. Despite the inevitable difficulties and occasional setbacks, it is hard to think of a major American institution that has revitalized itself as significantly and as rapidly as the Smithsonian has.