



Smithsonian  
Institution

# Management's Discussion and Analysis FY 2012



## THE SMITHSONIAN INSTITUTION'S IMPACT ON AMERICA

The Smithsonian greatly appreciates the continued support of the Administration, the Congress, and the American people, and takes seriously the crucial role it plays in advancing the civic, educational, scientific, and artistic life of this nation. In response to this broad public support, the Smithsonian is addressing some of the world's most complex issues — and sharing the results with citizens and policy makers nationwide.

Thanks to the generous bequest of English scientist James Smithson, Congress established the Smithsonian Institution in 1846 as an independent federal trust instrumentality, a unique public-private partnership that has worked well for 166 years. The federal commitment is the foundation for everything we do, and is especially helpful in attracting private support. We leverage our federal funding to enrich the lives of the American people in accordance with our mission to advance “the increase and diffusion of knowledge.”

The Smithsonian is large and diverse, encompassing art, history, science, and culture, all of which are based on discovery and education. We have 19 museums and galleries, 20 libraries, numerous research centers, the National Zoo, and 176 affiliate museums in 41 states, Puerto Rico, and Panama. We have physical facilities in eight states and the District of Columbia, and operate in nearly 100 countries.

Our collections include 137 million objects and treasures, of which 127 million are scientific specimens, 335,000 works of art, plus two million library volumes, 137,000 cubic feet of archival material — and more than 2,000 live animals. We have moon rocks, tiny fossils, giant squid, Dorothy's ruby slippers, Lincoln's hat, Harriet Tubman's shawl, Nat Turner's bible, the Star-Spangled Banner, Edison's light bulb, the Wright Flyer, Amelia Earhart's plane, the Hope Diamond, the Allende meteorite that is more than four billion years old, and the desk on which Thomas Jefferson wrote the Declaration of Independence. We also have Asian, African and American art; the Apollo 11 Command Module, *Columbia*; and one of our newest iconic collections, the space shuttle *Discovery*, whose arrival was featured on the front pages of all of the national newspapers and enjoyed by thousands here in person and by hundreds of millions more over the World Wide Web. Our experts use these collections to engage the public in exciting learning experiences that start many journeys of discovery. We ask important questions that bring the American spirit to life.

In FY 2012, we had more than 30 million visits to our 19 museums and galleries and the National Zoological Park, the highest number in a decade, and another five million visited our traveling exhibitions in communities around the nation.

Our visitors enjoyed 89 new exhibitions, including the enormously popular *The Art of Video Games* in the Smithsonian American Art Museum, which had more than 686,000 visitors in just over seven months; *Song 1*, the Doug Aitken outdoor projection on the Hirshhorn Museum building; and *Titanoboa*, a physical display of the world's largest snake, at our Natural History Museum. More than 250,000 Girl Scouts visited us on “Girl Scouts Rock the Mall” weekend in June to celebrate the 100th anniversary of the Girl Scouts.

Digital technology is allowing us to reach new, diverse audiences and more people than ever before. We had nearly 103 million unique visits to more than 200 Smithsonian websites. One example is *History Explorer*, a website developed by our National Museum of American History in partnership with the Verizon Foundation. It offers dozens of free online resources for teachers and students, all designed to meet state standards. One teacher from Arizona who used these resources said, “I have been in the business 39 years, and now we have what teachers always wanted: standards-based lessons and object-based lessons, and it is free!”

We now have nearly two and a half million social media followers, 29 apps for mobile phones, and 11 mobile websites which have provided more than 500,000 downloads to our online visitors. Users can now navigate through our museums with an app we developed with Google, and receive a digital version of *Smithsonian Magazine* on their tablet devices. In addition, nearly 600,000 people used our main website’s Collections Search Center to view our collections.

We are also building digital platforms to help us speak to the larger American story. A good example is *Americans All*, our pan-Institutional initiative to explore the stories of all of the migrants and immigrants who helped create this great country. Through partnerships with organizations from the Newseum, here in our nation’s capital, and from Ellis Island in New York to Angel Island in California, we will help all Americans link to their heritage and allow them to share their individual stories with us so we can tell their larger story to the public.

The Smithsonian is working to be more transparent, accountable, and efficient than ever before. We are implementing our 2010 Strategic Plan that centers on four “Grand Challenges” and is buttressed by four consortia to promote interdisciplinary and Institution-wide collaboration. We are improving facilities maintenance and collections care to be better stewards of America’s treasures. We are working with new federal, state, and local partners to avoid redundancies and expand our reach. Above all, we are determined to increase public access to all of the resources we offer. We are providing everyone with a universal lens for learning, no matter where our audience lives — and it’s all free of charge.

In support of our Strategic Plan, Smithsonian Redesign is helping us automate our processes, measure and track our progress, and improve our efficiency. We have inspired potential donors and begun creating a more self-reliant Institution with the Smithsonian National Campaign, the first of its kind in the history of the Smithsonian. This year, through the hard work of our museum and research center directors and our development professionals, and with the generous support of our donors and friends, we raised a total of \$224 million, a record high for the Institution. These funds, when matched with the support we receive from the Administration, the Congress, and the American people, allow us to offer our visitors the best experience possible, one that allows them to learn by being here in person or by reaching us online.

Recently, we unveiled our new branding campaign that is designed to engage more Americans, reach a younger audience that might not otherwise connect with us, and define ourselves rather than letting others define us. Research told us that even

though people trusted us, they were simply unfamiliar with what we actually do. So, to remain relevant in the 21st century, we created something unprecedented for the Smithsonian — a national advertising campaign — the first of its kind in the history of the Institution. This effort is all about two words: *Seriously Amazing*. The campaign is fun and current, and people can visit our website at [seriouslyamazing.com](http://seriouslyamazing.com). During the first six weeks, we had more than 170,000 visits.

In terms of the resources we offer, our collections are a vital national asset and we have improved their display and storage conditions, balancing the preservation of, and access to, these collections. We are stepping up efforts to digitize as many of the collections as funds permit. The collections we maintain serve as a valuable resource for scientists from federal agencies such as the Departments of Agriculture and Defense, and the United States Geological Survey. We work with the Administration's Office of Science and Technology Policy to coordinate our efforts with federal agencies and avoid duplication of activities. Collections acquired a century or more ago are being used today to address the effects of global change, the spread of invasive species, and the loss of biological diversity and its impact on global ecosystems. Federal, state, and local authorities often look to our collections for answers; for example, during flu epidemics, oil spills, volcanic eruptions, and when aircraft are downed by bird strikes.

We have roughly 500 scientists who are tackling vital issues of the day, making important discoveries — and sharing them with the public. The results of our work can be seen everywhere. Smithsonian scientists assess the consequences of global change, keep aircraft safe from bird strikes, document and control invasive species, protect our soldiers from insect-borne diseases, and search the universe for planets similar to Earth. With our international partners and worldwide reach, the Institution has an unmatched capacity to tackle biodiversity issues. The Smithsonian Institution Global Earth Observatories network is a worldwide partnership of more than 30 institutions working to monitor the health of 4.5 million trees (8,500 species) on 47 plots in 21 countries. We're launching a new initiative, Tennenbaum Marine Observatories, to replicate this success and assess the health of coastal areas and the ocean.

At the University of Arizona, Smithsonian scientists are helping to construct the large mirrors, 28 feet in diameter, for the Giant Magellan Telescope, which will be built at the Las Campanas Observatory in Chile by an international consortium led by the Carnegie Institute with the Smithsonian as a member. This powerful new telescope will enable researchers to see distant stars and galaxies 10 times more clearly than with the space-based Hubble Telescope.

Scientists at the Smithsonian Center for Astrophysics helped create a computer simulation of the creation of the universe, compressing 9 billion years of cosmic evolution into 78 seconds. They are discovering new planets, using telescopes in outer space while allowing high school students to remotely access our land-based telescopes to find planets on their own. In addition, a National Air and Space Museum geologist is serving at NASA's Jet Propulsion Laboratory, helping with the *Curiosity* mission on Mars. He analyzes data to understand the geologic history of the Gale Crater to discover if there might have been habitable environments there in the ancient past.

The National Museum of Natural History (NMNH) is the leading partner in a global effort called the *Encyclopedia of Life* (EOL), an ambitious, five-year project that will become a key repository of scientific information about virtually every form of life on Earth. EOL is an online database that has financial, logistical, and research support from numerous partners, including the MacArthur and Sloan Foundations. It is expected to encompass the 1.9 million known species of animals, plants, and other life forms. Today, thousands of scientists, students, and teachers around the world use the EOL as a resource for their own class work, research, and academic and professional studies.

The Smithsonian Environmental Research Center in Maryland recently launched a new online database, *NEMESIS*, which tracks hundreds of invasive species along our nation's coastal regions. At the National Zoo, we opened our new state-of-the-art facilities, *Asia Trail* and *America Trail*. At *America Trail*, visitors can see seals and sea lions up close and let their kids splash in the tidal pool, while *Asia Trail* gives our elephants room to roam and exercise their creative talents. Our Smithsonian Conservation Biology Institute, partnering with George Mason University, just opened a new facility at our Front Royal, Virginia campus. It is a LEED Gold complex that will serve the growing need for global conservation training and will also serve the local community.

In today's world of global travel and new technologies, deadly viruses can reach around the globe in 24 hours, and nearly 75 percent of emerging pathogens in humans come from animals. Working with the USAID-funded Emerging Pandemic Threats Program, the Smithsonian is helping to avoid the next major pandemic health threat. Veterinary scientists and pathologists from the National Zoo are conducting regional wildlife pathology workshops to provide training to recognize and identify the next global health threat in its initial stages.

We are dedicated to helping our nation's teachers with the important work of educating the next generation. Hundreds of them came to the Smithsonian this summer for programs to increase their skills, while we worked with the Department of Education and teachers to develop new curricula for children living in the inner city in Houston, and rural areas in North Carolina and New Mexico. This year we held our annual Teachers' Night, which was attended by 2,300 teachers from the local area and 26 states.

We can do all this thanks to more than 6,400 dedicated employees, including award-winning scientists and scholars, curators, researchers, historians, and experts in fields from astrophysics to zoology, as well as more than 6,500 generous volunteers and more than 1,000 interns. They care deeply about this great Institution and the many services we provide. That is why the Smithsonian was, for the second year in a row, ranked as the fourth best place to work in the Federal Government.

With the continued help of our Board of Regents, the Administration, the Congress, and the American people, we will open more doors — like the ones on our newest museum. Recently, we celebrated the groundbreaking of the National Museum of African American History and Culture — on schedule to open in 2015.

For 166 years, the Smithsonian has served our nation and the world as a source of inspiration, discovery, and learning. Today, with its free museums, distinguished research and scholars, iconic American treasures, and the remarkable scope of

information accessible from its websites, the Smithsonian Institution is an even more valuable resource for the American people during these difficult economic times.

The Smithsonian is full of surprises, big and small. But what it does best is no surprise: inspire the next generation of scientists, doctors, businessmen and women, and just ordinary folks who have questions to ask or simply want to learn more about the world around them. We have always done this and will continue to do so.

The Smithsonian is becoming more innovative, disciplined, focused, nimble and self-reliant. We are determined to expand access to all we have to offer to new and diverse audiences — regardless of where they live — in keeping with our original mission. We face a future that holds both exciting opportunities and imposing challenges. However, by working with the Administration and the Congress, the Smithsonian will aggressively address these challenges and take full advantage of our many new opportunities.

Wayne Clough  
November 2012



# Smithsonian Institution

## Budget, Performance, and Financial Snapshot Fiscal Year 2012

**Mission:** For 166 years, the Smithsonian has remained true to its mission, “the increase and diffusion of knowledge.” Today, the Smithsonian is not only the world’s largest provider of museum experiences supported by authoritative scholarship in science, history, and the arts, but also an international leader in scientific research and exploration.

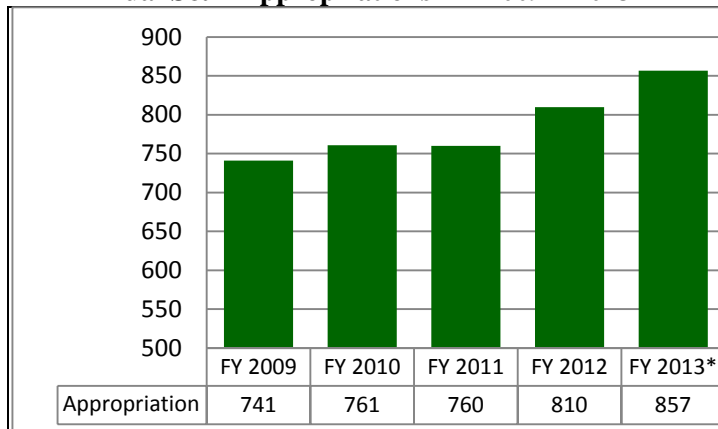
**Organization:** The Smithsonian is a unique institution — a vast national research and educational center that encompasses the museums for which it is famous as well as laboratories, observatories, field stations, scientific expeditions, libraries and archives, classrooms, performances, publications, and more.

**Personnel:** The workforce consists of more than 6,400 federal and non-federal employees and about 6,500 volunteers.

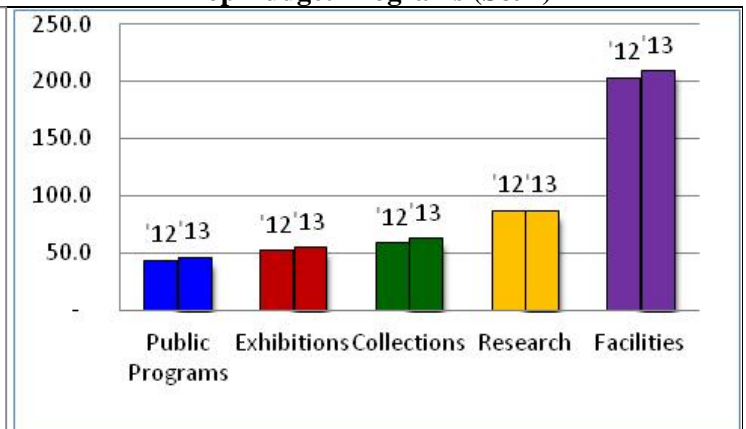
**Budgetary Resources:** The federal budgetary resources for FY 2012 totaled \$810 million. FY 2013 budget request totals \$857 million (\$660 million for Salaries and Expenses and \$197 million for Facilities Capital).

### Salaries and Expenses (S&E) Budget Snapshot (\$s in millions)

Annual S&E Appropriations FY 2009 – 2013



Top Budget Programs (S&E)



\* FY 2013 represents budget request to Congress.

### Performance Snapshot

**Accomplishments:** The Smithsonian had more than 30 million visits in FY 2012. Net income from Smithsonian Enterprises exceeded the goal and private-sector giving was strong.

### Did You Know?

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

### Financial Snapshot

|                                       |     |
|---------------------------------------|-----|
| Clean Opinion on Financial Statements | Yes |
| Timely Financial Reporting            | Yes |
| Material Weaknesses                   | No  |
| Improper Payments Targets Met         | N/A |


#### FY 2012 (\$s in million)

|                   |            |
|-------------------|------------|
| Total Assets      | \$ 1,571.5 |
| Total Liabilities | \$ 423.0   |
| Total Net Assets  | \$ 1,148.5 |

## SMITHSONIAN STRATEGIC PRIORITIES



### STRATEGIC GOAL: EXCELLENT RESEARCH

*Produce outstanding research in the sciences and history, art, and culture*

| Key Performance Indicator                            | Type   | Prior-year data | FY12 target | FY12 actual   |
|--|--------|-----------------|-------------|---|
| Number of peer-reviewed publications (calendar year) | Output | 2011: 1,846     | 2012: 1,800 | 1,513 (on track this calendar year)  |

### STRATEGIC GOAL: BROADENING ACCESS

*Reach new audiences and ensure that the collections, exhibitions, and outreach programs are relevant to all*

| Key Performance Indicators                                   | Type  | Prior-year data  | FY12 target | FY12 actual   |
|--|---|--|-------------|---|
| Number of physical visits to SI museums and the National Zoo | Intermediate outcome measure. Standard indicator of museum/zoo success                  | FY 2008: 24.0 M<br>FY 2009: 30.0 M<br>FY 2010: 29.9 M<br>FY 2011: 29.2 M | 30 million  | 30.3 million   |
| Number of unique visitors to SI websites                     | Intermediate outcome measure. Indicator of level of public use of resources via the Web | New KPI<br>FY 2011: 88.8 M   | 100 million | 102.6 million  |





### STRATEGIC GOAL: STRENGTHENING COLLECTIONS

*Be a responsible steward of the nation's collections*

| Key Performance Indicator                                       | Type  | Prior-year data  | FY12 target | FY12 actual        |
|---|---|--|-------------|--------------------|
| Percent of object collections digitized (14 million identified) | Outcome. Indicator of public access to SI collections | FY 2010: 12.13%<br>FY 2011: 9.3%<br>(baseline revised) | 9.0%        | Data not available |

### STRATEGIC GOAL: ORGANIZATIONAL EXCELLENCE

*Strengthen organizational services which allow the Smithsonian to deliver on our mission*

| Key Performance Indicators   | Type   | Prior-year data  | FY12 target                         | FY12 actual   |
|--|--|--|-------------------------------------|---|
| Percent of employees who are satisfied with working at the Smithsonian (on annual employee survey) | Outcome. Employee satisfaction is a standard indicator of a healthy organization | FY 2008: 78%<br>FY 2009: 80%<br>FY 2010: 84%<br>FY 2011: 82%                         | 85%                                 | 81%                          |
| Number of major capital projects meeting milestones  | Outcome  | FY 2011: Met goals in 5 of 7 projects  | Meet milestones of 7 major projects | Met goal in 5 of 7 projects  |
| Dollar amount of (1) voluntary support (gifts) and (2) non-Government grants and contracts         | Outcome  | FY 2008: \$135.6 M<br>FY 2009: \$126.6 M<br>FY 2010: \$158.4 M<br>FY 2011: \$182.0 M | \$200 million                       | \$223.8 million              |
| SI Government grants & contracts and non-Government contract awards                                | Output   | FY 2010: \$137.6 M<br>FY 2011: \$150.1 M   | \$150 million                       | \$130 million                |



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## MISSION AND ORGANIZATIONAL STRUCTURE

### Overview of the Smithsonian Institution

For more than 166 years, the Smithsonian Institution has remained true to its mission, “the increase and diffusion of knowledge.” In that time it has become the largest museum and research complex in the world, the most respected provider of museum experiences supported by authoritative scholarship, and an international leader in scientific research and exploration.

The Smithsonian is unique among the world's institutions. It is not simply a museum, or even a cluster of museums, so much as it is a vast national research and educational center that encompasses — in addition to its exhibition galleries — laboratories, observatories, field stations, scientific expeditions, classrooms, performing arts events, publications, and more. The Smithsonian is an extensive museum and research complex that includes 19 museums and galleries, including the National Museum of African American History and Culture (NMAAHC), which is under construction, 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 of more than 137 million objects, which form the basis of world-renowned research, exhibitions, and public programs in the arts, history, and the sciences. The Institution preserves and displays many of our nation's treasures, as well as objects that speak to our country's unique inquisitiveness, bold vision, creativity, and courage, such as: the *Star-Spangled Banner*, Edison's light bulb, the Wright flyer, Lewis and Clark's compass, the Apollo 11 Command Module, the *Discovery* space shuttle, and Mark Twain's self-portrait.

Today, global forces are causing a sea change in our world that demands the Smithsonian chart a bold path to meet the challenges ahead. During the next decade, the

Institution will be called upon to become more deeply and more visibly engaged than ever before with the great issues of our day. To meet these new demands, the Institution's Strategic Plan identifies four "Grand Challenges" which will help focus its energies:

1) Unlocking the Mysteries of the Universe; 2) Understanding and Sustaining a Biodiverse Planet; 3) Valuing World Cultures; and 4) Understanding the American Experience. To address these Grand Challenges, the Smithsonian is committed to broadening access to its vast resources for all audiences by using the latest technologies; strengthening the breadth and depth of its collections; revitalizing education both formally and informally; working across disciplines; and pursuing excellence at every opportunity.

The Institution depends on the federal Government for two-thirds of its funding. As a trust instrumentality of the United States, many of the laws and directives applicable to federal agencies do not apply to the Institution. However, the Smithsonian is ever mindful of and grateful for this support from the American public, and will continue working with both OMB and the Congress to provide each entity with the information needed to justify its continued support.

The Smithsonian is also working to improve its performance 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, the Secretary and his senior staff are conducting extensive reviews with the Institution's directors to assess the Smithsonian's performance against Institution-wide performance goals and integrate our budget so it is better aligned with our performance objectives. In fiscal year 2012, the Smithsonian also:

- continued implementing our Strategic Plan
- continued developing a comprehensive redesign effort to build a more efficient and inclusive Smithsonian that is prepared to fully implement the Strategic Plan
- continued implementing the Smithsonian Digitization Plan that describes how the Institution will digitize its resources for the widest possible public use
- continued linking all funds to performance objectives

- continued improving the Institution's performance plan to link it directly to financial reporting and the budget structure
- continued refining the workforce plan that ties staffing levels to performance plans and the size of our adjusted workforce

## **The Smithsonian Organization**

As an independent trust instrumentality governed by a Board of Regents, the Smithsonian is supported by a staff of more than 6,400 combined federal and non-federal employees and more than 6,500 volunteers. Together, these individuals support the operations of the largest museum and research complex in the world. An organizational chart included as Attachment A to this report shows the Institution's operational structure in detail.

## **Highlights of Fiscal Year 2012 Accomplishments**

The Smithsonian accomplished an unprecedented number of significant tasks in fiscal year 2012 which continue to generate positive momentum for the future. For example, the Smithsonian Redesign has led to an important re-organization of our administrative structure that is in alignment with the Strategic Plan. It continues in a new form with a focus on efficiency and productivity to help us automate our processes, measure and track our progress, and improve our efficiency. We now have budget and goal processes that better align with each other and, with our new dashboard, we can track progress on multiple fronts in real time as events occur. Redesign continues to shape our efforts and now has rolled down to the units responsible for implementation. Attachment B highlights Smithsonian achievements in fiscal year 2012, which include:

### **1. Focusing on Grand Challenges**

Examples of unique and significant Smithsonian research/program/exhibit activities across the four Grand Challenges include:

- The National Museum of African American History and Culture breaks ground on the new Museum building and achieves its collections goal
- The National Air and Space Museum acquires the space shuttle *Discovery* and receives national media coverage
- Expansion of the Smithsonian's worldwide network of forest plots and their integration into a system of Global Earth Observatories advances the strategic goal of Excellent Research
- The National Museum of Natural History's continued work on the *Encyclopedia of Life*, which gathers and shares knowledge about all of the Earth's 1.9 million known living species
- Leadership in the international effort to restore Haitian cultural assets and to train local Haitians to use their expertise in preserving their national treasures
- Opening the conservation-based training at the National Zoo's Smithsonian-George Mason University Conservation Studies Program at Front Royal, Virginia
- Opening the American Trail at the National Zoo, including the new *Seal and Sea Lion* exhibit
- Receiving national attention for new discoveries: e.g., Titanaboa (the world's largest snake), discovering a new sensory organ in the Rorqual whale
- Opening special programs at the National Museum of American History to commemorate events such as the 10-year anniversary of September 11th; the extensive restoration of the *Jefferson Bible*; and the development of *Preparing for the Oath*, a new website devoted to preparing for the civics portion of the citizenship test
- Celebrating the 100th anniversary of the Girl Scouts with numerous programs and activities. Nearly 250,000 Girl Scouts and their families were targeted with on-site and online programming

## **2. Broadening Access**

- Attracting more than 30 million personal visits to Smithsonian facilities
- Receiving nearly 103 million unique visits to more than 200 Smithsonian websites (a 16 percent increase over last year)

- Reaching all 50 states and almost five million visitors through the Smithsonian Institution Traveling Exhibition Service
- Increasing Affiliate membership to a total of 176 affiliates in 41 states, plus the District of Columbia, Puerto Rico, and Panama
- Opening 89 new exhibitions
- Launching a new branding campaign in September, *Seriously Amazing*, which has attracted 127,000 unique visitors in the first four weeks
- Improving the use of technologies, such as YouTube, Facebook, and Twitter, which are specifically directed to reaching new audiences, and issuing a new policy to make better use of social media
- Continuing the implementation of the Smithsonian Digitization Strategic Plan and making significant progress in digitization metrics and in digitizing collection objects (1.3 million digitized)
- Launching new mobile applications (apps) and mobile websites
- Growing the Smithsonian TV channel audience to 18.6 million households (a 50 percent increase from FY 2011).

### **3. Revitalizing Education**

- Continued partnering with educators, and working with schools, libraries, universities, and other cultural institutions to provide high-quality educational experiences to learners of all ages (ePals global includes 800,000 schools)
- Continued to execute a Department of Education grant providing professional training to teachers and professional services to education personnel
- Conducted a series of workshops for teachers and students to establish Smithsonian leadership in the use of mobile technologies for informal learning
- Focusing on key areas, such as Science, Technology, Engineering, Art, and Math (STEAM) education, and civic engagement
- Partnerships with researchers from several museums and research centers, along with colleagues across the country, to create hands-on, inter-active experiences at the following facilities:
  - National Postal Museum: *EdLab Mobile Learning* (332 participants)

- Hirshhorn Museum: *ArtLab+* and *All Access Digital Arts Camp* (820 participants)
- National Museum of the American Indian: opened *imaginationATIONS Activity Center*, offering Native history, culture, and customs
- Sponsorship of the Annual Smithsonian Teachers' Night (20th anniversary), with 2,240 teachers from 26 states. Included workshops on using media and teaching common core state standards for English/language arts
- Working with educators and the Korean Ministry to translate the curriculum *Smithsonian in Your Classroom* into Korean and to train Korean teachers

#### **4. Crossing Boundaries**

- Continued a Consortia in each Grand Challenge area to coordinate work and optimize efforts with our research partners. Awarded 68 internal grants with the program, generating \$18 million in external support
- Conducted successful idea fairs around the four Grand Challenges and initiated challenging grants to effectively develop those ideas

#### **5. Strengthening Collections**

- NASA transfer of the *Discovery*, the longest-serving orbiter in the space shuttle fleet, to the Institution
- Exceeded our annual goal for digitizing the national collections and making more of them available to the public
- Achieved goal of all collecting units implementing collections management plans

#### **6. Enabling the Mission through Organizational Excellence**

- Continuing the Smithsonian Redesign program for process improvements
- Exceeded the Institution's goals for fund raising, private grants awards, business income, and endowment growth
- Continued renovating the historic Arts and Industries Building interior and exterior structures, including roof and window replacements

- Holding the groundbreaking ceremony for the National Museum of African American History and Culture and awarding the construction contract
- Opening new facilities to support the joint conservation biology program between the Smithsonian and George Mason University at Front Royal, Virginia
- Continuing major renovation projects at the National Zoological Park, the National Museum of Natural History, and the National Museum of American History
- Continued constructing a new laboratory and creating support space at the Smithsonian Environmental Research Center in Edgewater, Maryland

## **FY 2012 Financial Position**

The Smithsonian's financial statements are prepared from the Institution's accounting records. The Institution uses *PeopleSoft* to manage its federal and non-federal resources. The financial data contained in the fiscal year 2012 federal closing package was subjected to a comprehensive review and thorough independent audit to ensure 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 by systematically reviewing and evaluating the Institution's management and financial controls and financial management systems. Previous independent audits have found no material weaknesses in the Institution's internal controls. In addition, the Institution reported no violations of the Anti-Deficiency Act.

## **Looking Forward**

The Smithsonian plays a vital role in the nation's educational, research, and cultural life. The Smithsonian is a trusted name because it represents excellence in

research and education and is well on the road to representing excellence in management, operations, oversight, and governance. Despite the continuing strength of the Institution, the Smithsonian faces significant challenges as it continues to serve the public with both engaging, modern exhibitions and groundbreaking scientific research and exploration.

In fiscal year 2013, with the support of the Administration and the Congress, the Smithsonian will continue to aggressively address our challenges and take advantage of our opportunities, using the dedication of our staff and the efficiencies of new technology to fulfill our longstanding mission.

## **HIGHLIGHTS OF PERFORMANCE GOALS AND RESULTS**

Performance goals and results are tracked and reviewed throughout the year. The goals of the Smithsonian, as set by the Secretary, are tracked via performance metrics; accomplishments or outcomes are evaluated against goals and objectives. The five main fiscal year 2012 directions of the Smithsonian follow: 1) Excellent Research; 2) Broadening Access; 3) Revitalizing Education; 4) Strengthening Collections; and 5) Enabling Mission through Organizational Excellence.

Numerous sub-goals within each of these five main goals are delineated and tracked. The Detailed Performance Data Report for Fiscal Year 2012 is located on the Smithsonian's public website at <http://www.si.edu/about/policies>.

## **HIGHLIGHTS OF FINANCIAL POSITION**

### **Overview of Financial Data**

The Smithsonian's financial statements (e.g., balance sheet and statement of operations) and related footnotes, as included in the closing package, were prepared by the Institution. These financial statements can be considered complete and reliable as evidenced by the report provided by the independent audit firm of KPMG LLP. These

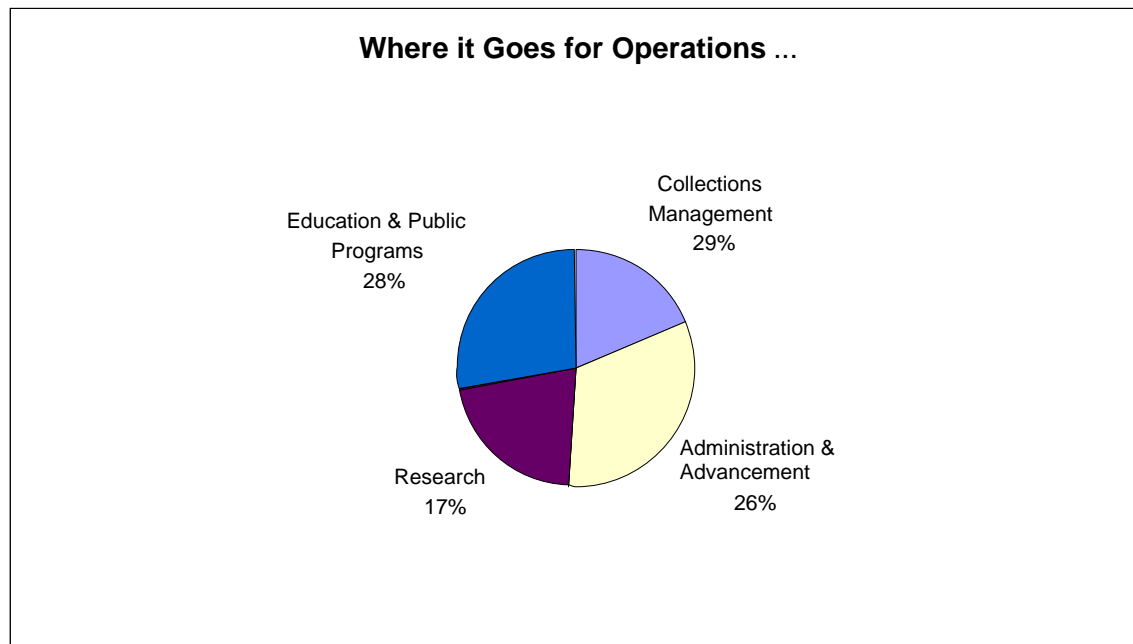
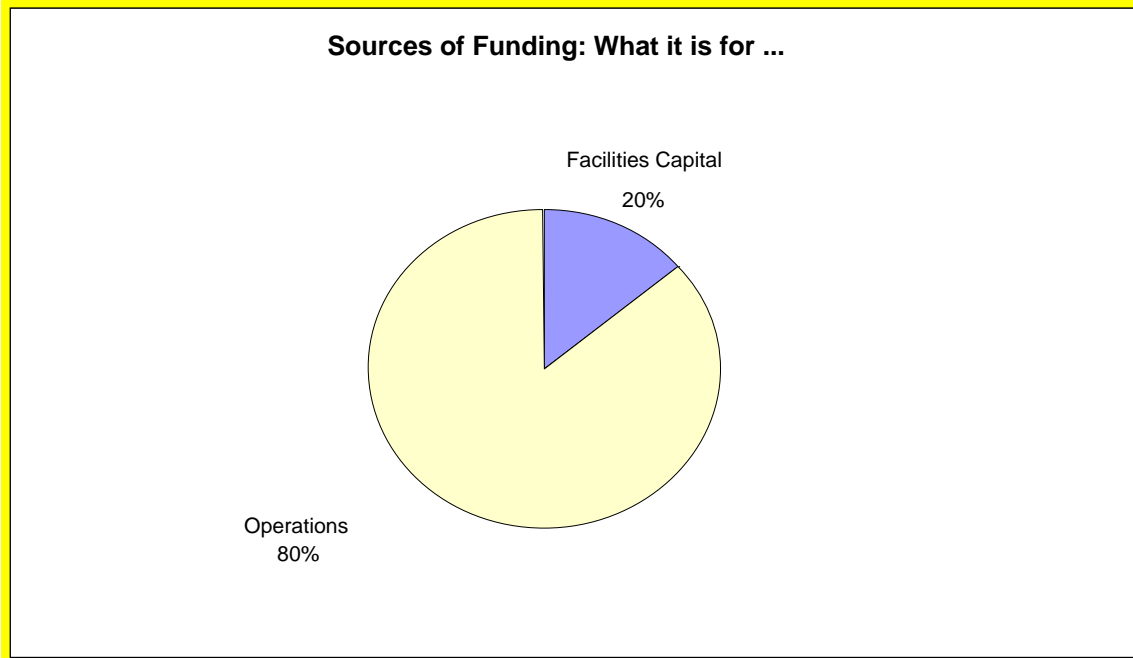


statements represent the results of all activities supported by federal appropriations granted to the Smithsonian. Additional financial activity, which is supported by non-federal activities, is not included in the financial information and discussions noted herein.

**Balance Sheet:** The Balance Sheet reflects total assets of \$1,571.5 million, a 7.0 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 principally by cash and balances with the United States Treasury. Liabilities (accounts payable and accrued expenses) comprise approximately 32 percent of the Smithsonian's liabilities and are higher than the previous year by \$4.0 million. The remaining liabilities (approximately 68 percent) are comprised of unexpended federal appropriations balances. Reflecting the higher growth in assets than liabilities, the total net assets grew by \$84.8 million or 8.0 percent in fiscal year 2012.

**Statement of Operations:** Federal appropriations recognized in the current fiscal year are \$800.5 million (including reimbursables and other of \$5.0 million) and represent an increase of approximately \$35.6 million or 4.7 percent from the prior year (\$764.9 million). Of the total appropriations recognized in fiscal year 2012, approximately \$638.2 million (approximately 79.7 percent) were operating funds while \$162.3 million (approximately 20.3 percent) were construction funds, as shown in the graphs below. Comparable recognized appropriation amounts from fiscal year 2011 were \$634.0 million for operating costs and \$130.9 million for construction projects. Total expenditures (including \$3.3 million in collections items purchased) increased by \$ 19.1 million to \$715.7 million (2.7 percent) from fiscal year 2011 total expenditures of \$696.6 million. The largest single increase in expenditures for fiscal year 2012 was an \$85.8 million increase in collections management expenditures, followed by an increase of \$36.1 million in expenditures for education, public programs, and exhibitions, and a \$2.4 million increase in advancement expenditures. A decrease in expenditures of \$56.5 million in administrative expenditures followed by a decrease of \$48.3 million in research expenditures was also experienced while collection items purchased decreased by \$0.4 million and accounted for the balance of the overall net increase in expenditures. The large changes in the recorded expenditures balances were primarily caused by a change in allocation methodology from one generally accepted allocation methodology to another

generally accepted allocation methodology, adopted in fiscal year 2012. Expenditures for security, safety and depreciation comprise the charges that are allocable to the natural functional expense categories noted above.



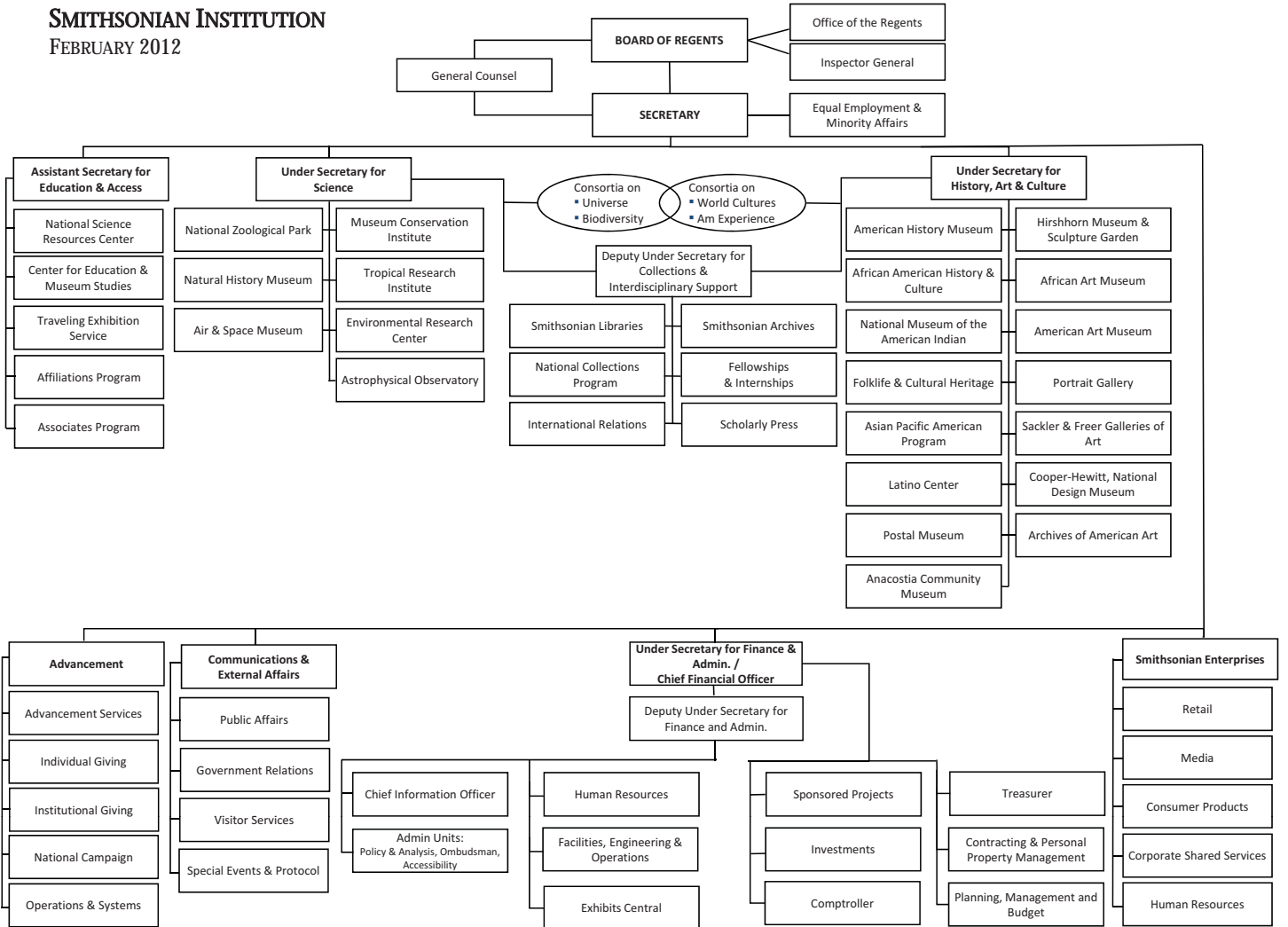
Federal spending for operations is the largest category of the Institution's budget and provides for pay and benefits, utilities, postage, rent, communications, new museum staffing, move-in and start-up expenses, information technology modernization, collections care, scientific instrumentation, security 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 depends 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 form 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 a federal obligation to revitalize the buildings.

### **Attachments**

- |               |  |
|---------------|--|
| Attachment A: | Smithsonian Organizational Chart           |
| Attachment B: | Smithsonian Highlights in Fiscal Year 2012 |

**SMITHSONIAN INSTITUTION**  
**FEBRUARY 2012**





*Scores of people, including President Barack Obama, gathered on the National Mall on February 22, 2012 to celebrate the historic groundbreaking for the National Museum of African American History and Culture. Pictured, from left to right, are Museum Council Co-chair Richard D. Parson; Board Vice Chair Patricia Q. Stonesifer; former First Lady Laura Bush; Smithsonian Secretary G. Wayne Clough; Museum Director Lonnie Bunch; Under Secretary for History, Art, and Culture Richard Kurin; Board Chair France Córdova; and Museum Council Co-chair Linda Johnson Rice.*

## Smithsonian Highlights

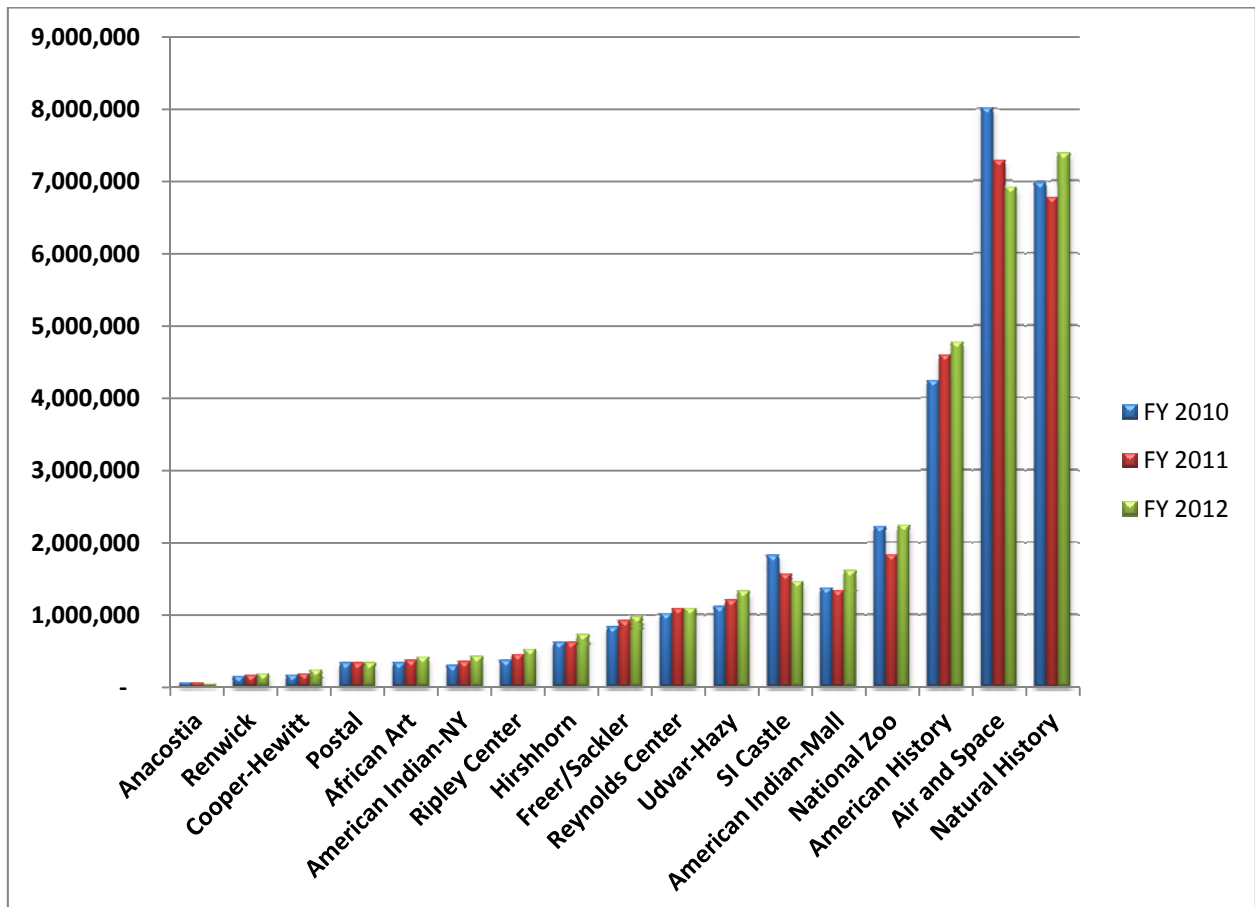
Fiscal Year 2012

# Broadening Access: Visitation Summary



In fiscal year 2012, the Smithsonian counted 30.3 million visits to its museums and exhibition venues in Washington, DC and New York City, plus the **National Zoological Park** and **Steven F. Udvar-Hazy Center** — the best in 10 years. The Smithsonian also counted 102.6 million unique visits to more than 200 websites — a 16 percent increase from last year.

**Visits to Smithsonian Venues**  
Fiscal Years 2010, 2011, and 2012



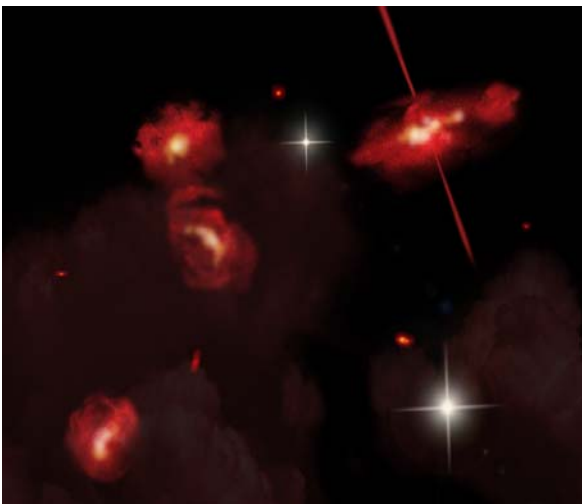


# Grand Challenges Highlights

## *Unlocking the Mysteries of the Universe*

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

Construction workers blasted three million cubic feet of rock from a mountaintop in the Chilean Andes to make room for SAO's highest long-term research priority: the Giant Magellan Telescope, which at 25 meters in diameter will be the world's largest telescope when completed near the end of this decade.



Red Galaxies

**SAO** astronomers have found four extremely red galaxies, so distant that their light has been traveling toward us for more than 11 billion years. Galaxies are red because they are dusty (a sign of star creation activity), because they contain many old red stars, or, if distant, because the expansion of the universe reddens their light. All three reasons seem to apply to these four galaxies, which were found by using the SAO-led camera on the Spitzer Space Telescope.

## *Understanding and Sustaining a Biodiverse Planet*

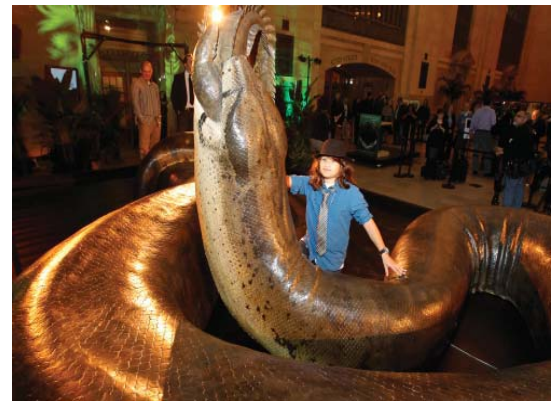


### **Smithsonian Environmental Research Center (SERC)**

SERC hosted a Chesapeake Bay science seminar with the National Oceanic and Atmospheric Administration (NOAA). SERC outlined the threat of invasive blue catfish and explained the potential problems resulting from an imbalance between female and male blue crabs, and other research organizations discussed their projects in the region.

The **Smithsonian Tropical Research Institute's** team discovered a trove of amazing fossils from the first South American rainforests 60 million years ago, including fossils of the titanoboa — the largest snake ever. The titanoboa story reached the public in a big way:

- The **Smithsonian Institution Traveling Exhibition Service** exhibit *Titanoboa: Monster Snake*, had a media preview at Grand Central Station in New York City before opening at the **National Museum of Natural History** (March 30, 2012–January 6, 2013). It features a full-scale model of this giant prehistoric serpent.



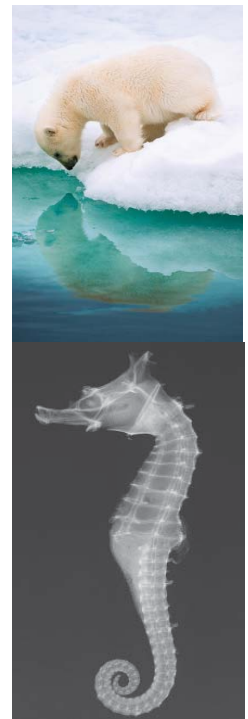
The Titanoboa at Grand Central Station

- The Smithsonian Channel documentary film *Titanoboa: Monster Snake*, which tells the story of the spectacular find, premiered at the **National Museum of Natural History**. In conjunction with the film's release, the Smithsonian's newsdesk received more than 400 information requests, primarily from the press, as well as an unprecedented 56,000 unique page views on its news website.

The **Smithsonian Conservation Biology Institute's** Tiger Conservation Partnership led a regional "Smart Patrol" training course for frontline staff from tiger reserves in Bangladesh, Bhutan, India, Nepal, China, and Russia. Participants were taught strategies to combat poaching and address other threats to tigers. Senior officials from the Smithsonian, the Government of Nepal, the World Bank, and other partners participated in the opening of the course at Chitwan National Park in Nepal.

Two visually arresting exhibitions went on display at the **National Museum of Natural History**:

- *X-Ray Vision: Fish Inside Out*, an exhibition developed by the **Smithsonian Institution Traveling Exhibition Service**, opened in the Museum's *Sant Ocean Hall* Focus Gallery (February 4–August 5, 2012). It highlights research conducted by Smithsonian scientists and presents radiographic images of specimens from the Museum's fish collection.
- The 2012 *Nature's Best Photography* exhibition of winners of the Windland Smith Rice International Awards went on display (March 30, 2012 – January 6, 2013). The stunning collection of 48 large-format prints showcased was selected from more than 20,000 submitted images.

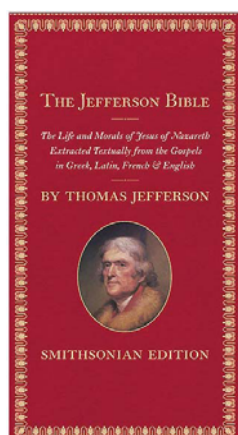


Images from *Nature's Best Photography* (top) and *X-Ray Vision* (bottom)



## Understanding the American Experience

In a moving ceremony on the National Mall on February 22, 2012, the Smithsonian broke ground for its 19th museum, the **National Museum of African American History and Culture**. President Barack Obama was among the speakers, and other honored guests included First Lady Michelle Obama, former First Lady Laura Bush, U.S. Representative John Lewis, and Kansas Governor and former Senator Sam Brownback. The ceremony took place on the Museum's site adjacent to the Washington Monument.



At the **National Museum of American History**, the meticulously conserved Jefferson Bible went on public display in the exhibition *Jefferson's Bible: The Life and Morals of Jesus of Nazareth* (November 11, 2011–July 15, 2012) in the Albert H. Small Documents Gallery. This exhibit was part of a focus in FY 2012 on Jefferson at the Smithsonian. In January 2012, the **National Museum of African American History and Culture** partnered with the Monticello estate to unveil *Slavery at Jefferson's Monticello: Paradox of Liberty* (January 27–October 14, 2012) at the **National Museum of American History (NMAH)**, an exhibition that introduces visitors to six slave families on Jefferson's plantation.

The **National Museum of the American Indian** presented the exhibition *A Song for the Horse Nation* (October 29, 2011–January 7, 2013), showcasing 122 historic objects, artworks, photographs, songs, and personal accounts that tell the epic story of the horse's influence on American Indian tribes.



*A Song for the Horse Nation*

At the **National Portrait Gallery**, *The Black List* (October 27, 2011–April 22, 2012) offered photographer Timothy Greenfield-Sanders' images of prominent African Americans. In conjunction with its opening, the Gallery hosted a private event attended by 500 people, including more than a dozen of the individuals portrayed in the exhibition.

In September 2012, **NMAH** opened the very popular *American Stories* exhibition, featuring an engaging mix of artifacts from the Museum's vast holdings to tell stories about the country's history. Through more than 100 objects, visitors can follow a chronology from the Pilgrims' 1620 arrival in Plymouth, Massachusetts through the 2008 presidential election. Objects include Lincoln's pocket watch, a piece of Plymouth Rock, and Kermit the Frog.



Two permanent exhibitions opened at the **National Postal Museum**:

*Mail Call* (opened November 10, 2011) explores how the military postal system works and why mail has always been so important to the deployed men and women of the armed forces. This exhibition also features a virtual exhibition counterpart.

*Systems at Work* (opened December 14, 2011) describes 10 eras in the nation's history, providing information about aspects of postal operations from each. Together, they reveal the evolution of the postal system over time. A companion virtual exhibit was created for those who are not able to visit the Museum in person.



Artifacts from *Systems at Work*

The **Archives of American Art** exhibition, *Memories Arrested in Space: A Centennial Tribute to Jackson Pollock*, went on display in the Lawrence A. Fleischman Gallery at the Donald W. Reynolds Center (January 28–June 4, 2012) to celebrate the 100th anniversary of Pollock's birth. It presented Pollock's enduring legacy through family photographs, correspondence, rare printed material, and writings.

The **National Portrait Gallery** opened *1812: A Nation Emerges* (June 12, 2012 — January 27, 2013). Through portraits and objects, the exhibition narrates this pivotal event in American history and highlights individuals who influenced events, such as President James Madison and First Lady Dolley Madison, General Andrew Jackson, Henry Clay, John C. Calhoun and the powerful Indian leader, Tecumseh.

*'Something of Splendor': Decorative Arts from the White House* went on display at the **Renwick Gallery** of the **Smithsonian American Art Museum** (October 1, 2011–May 6, 2012). It explored the decorative arts in the official residence of the President. The Museum also produced a short film, *At Home in the White House*, in which first families offered their personal memories about living in America's most famous home.



Artifact from *Something of Splendor*

The **Smithsonian American Art Museum** opened *African American Art: Harlem Renaissance, Civil Rights Era, and Beyond* (April 27—September 3, 2012) that presented a selection of paintings, sculpture, prints, and photographs by 43 black artists who explored the African American experience from the Harlem Renaissance through the Civil Rights era and the decades beyond, which saw tremendous social and political changes.

The opening of *The Art of Video Games* at the **Smithsonian American Art Museum** (March 16–September 30, 2012) coincided with “GameFest,” one of the Museum’s most ambitious series of public programs for an exhibition, consisting of three days of talks, panel discussions, movies, game playing, music, and more. The *Art of Video Games* alone attracted more than 600,000 visitors.



### *Valuing World Cultures*

At the **Arthur M. Sackler Gallery**: *Hokusai: 36 Views of Mount Fuji* (March 24–June 17, 2012) featured works from the most acclaimed print series by Japan’s most famous artist, Katsushika Hokusai (1760–1849), including *Under the Wave off Kanagawa* (better known as *The Great Wave*).



This exhibition was part of the commemoration of the *Centenary of the Cherry Blossom Festival*, with multiple related events at the **Freer and Sackler Galleries**.

The **Center for Folklife and Cultural Heritage** hosted another successful Smithsonian Folklife Festival with programs highlighting the AIDS Quilt, 150th anniversary of the Land Grant Universities Act, and *Citified: East of the River* spotlighting DC culture east of the Anacostia River.

The **National Museum of African Art** opened *African Cosmos: Stellar Art* (June 20 – December 9, 2012). This large contemporary art exhibit describes how the sun, moon, stars, and the phenomena of lightning and rainbows inspired the arts of Africa for thousands of years.







In October 2012, the **Smithsonian American Art Museum** organized “Encuentros: Artistic Exchange between the U.S. and Latin America,” a symposium that drew about 200 scholars. Papers reported on how artists and artworks have crossed the border separating the U.S. and Latin America (defined as Mexico, Central and South America, and the Caribbean), creating new artistic dialogues and influencing each other's work in meaningful ways.

With seven new cases of artifacts and mummies —most of which have not been on display at the Smithsonian — the new permanent exhibition *Eternal Life in Ancient Egypt* (opened November 2011) at the **National Museum of Natural History** focuses on the insights that mummies, burial rituals, and cosmology provide about life in ancient Egypt.



*Eternal Life in Ancient Egypt*

### *Crossing Boundaries*

In November 2012, The **Archives of American Art** partnered with the Getty Research Institute on the symposium “Artists and Archives” at the Getty Center in Los Angeles. Featuring noted cultural theorists, art historians, and artists, the symposium considered how primary sources can not only document works of art, but also become works of art in their own right.



The **Hirshhorn Museum and Sculpture Garden** displayed *Doug Aiken: SONG 1*, a monumental, 360-degree projection on the exterior surface of the Museum by internationally renowned artist Doug Aiken. This unique commissioned work, which was shown daily from sunset to midnight between March 22 and May 20, 2012, melded art, architecture, music, film, and technology. It received an extraordinary amount of local, national, and international media attention, including a large photograph on the front page of *The Washington Post*.

The **Hirshhorn** also offered the exhibitions *Suprasensorial: Experiments in Light, Color, and Space* (February 23–August 12, 2012), a tribute to the Latin American Light and Space Movement, that consists of immersive environments by five artists; and *Dark Matters: Selections from the Collection* (February 3–May 13, 2012), which brought together works from the Museum’s own collection that deal with the theme of darkness.



**Cooper-Hewitt’s** 2007 exhibition *Design for the Other 90%* has been developed into an ongoing series. *Design with the Other 90%: Cities*, the second exhibition in this series (October 15, 2011–January 9, 2012), focused on design solutions to the challenges created by rapid urban growth. It was on display at the United Nations headquarters in New York City, an ideal place to connect with stakeholders. A variety of media and social media initiatives were launched to support the exhibition, including a fully illustrated catalogue, an interactive blog, a campaign of daily Tweets and Facebook posts, an online database of socially responsible design projects, and a four-part series produced by the Smithsonian Channel.



*Design with the Other 90% at the United Nations*



**Renwick Gallery:** *40 under 40: Craft Futures* features 40 artists born since 1972, the year the Smithsonian American Art Museum’s contemporary craft and decorative arts program was established at its branch Museum, the Renwick Gallery. The exhibition investigates evolving notions of craft within traditional media such as ceramics and metalwork, as well as in fields as varied as sculpture, industrial design, installation art, fashion design, sustainable manufacturing, and mathematics. The range of disciplines represented illustrates new avenues for the handmade arts and crafts in contemporary culture.

Young visitors to the exhibition *MathAlive!*, which launched its national tour at the Smithsonian’s **S. Dillon Ripley Center**, learned that mathematics are a part of many of the things they love. From March 10 to June 3, 2012, the exhibition drew huge, enthusiastic crowds to the wealth of interactive stations and immersive environments in its six themed galleries.



# Strengthening Collections

The **National Air and Space Museum** had a festival of activities — *Welcome Discovery* — to celebrate the acquisition of the space shuttle *Discovery*. The festival began when the orbiter arrived in Washington, DC on April 17, 2012 and featured four days of space-related activities, including performances, appearances by space pioneers, films, and displays at the shuttle's new home, the **Steven F. Udvar-Hazy Center** in Chantilly, Virginia. The *Discovery* was officially transferred from NASA to the Smithsonian in an outdoor ceremony open to the public. The Institution presented the *Welcome Discovery* festival in cooperation with NASA.



*Discovery's* final crew, the six astronauts who flew the STS-133 mission in March 2011, bid their spacecraft farewell. Photo courtesy of collectSPACE.

## National Postal Museum

The National Postal Museum opened *Fire and Ice: Hindenburg and Titanic* on March 22, 2012 to commemorate the 75th anniversary of the *Hindenburg* disaster and the 100th anniversary of the *Titanic's* sinking. The *Hindenburg* was the largest flying post office ever, and the *RMS Titanic* — *Royal Mail Ship Titanic* — was the largest floating post office of its day. The Postal Museum exhibition notes the many similarities between the two disasters and features many extraordinary artifacts, including a rare piece of mail sent from the *Titanic*.



*Hindenburg*



This pocket watch with an engraved gold-plated case was found on the body of John Starr March (1861–1912), an American sea post clerk assigned to the *Titanic*. The watch's hands point to 1:27, probably having stopped on the morning of April 15, 1912 as the ocean liner sank in the North Atlantic.



## National Zoo Welcomes Endangered Newborns

Births abound at the National Zoo but this year some especially precious animals arrived, with the births of two cheetah cubs, two fishing cat kittens, two Cuban crocodiles, a black howler monkey, and several endangered black-footed ferrets. Each birth represents a step forward in conservation efforts; some are the first offspring of their species at the **National Zoological Park**.



Two cheetah cubs

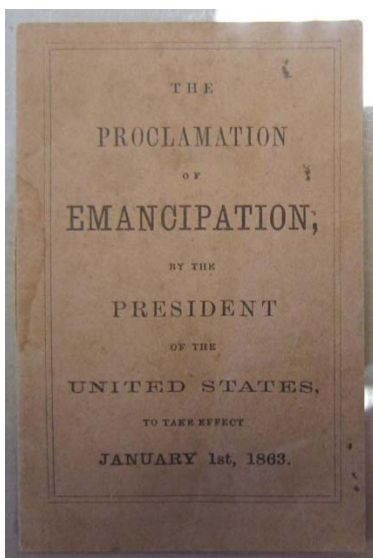


Rosebud the black-footed ferret

Four maned wolf pups were born at the **Smithsonian Conservation Biology Institute (SCBI)**. Maned wolves are difficult to breed under human care; researchers believe that their productive challenges are caused, in part, by gastrointestinal disorders that may be linked to diet. SCBI is one of 19 institutions participating in a study to determine whether a diet that more closely simulates what maned wolves eat in the wild will boost reproductive rates.



Maned wolf pups



Significant new collections in FY 2012 include the **National Museum of African American History and Cultures'** acquisition of this printing of the Emancipation Proclamation, commissioned by John Murray Forbes, a Boston abolitionist. The printing occurred a month before the Proclamation took effect and was the only contemporary printing of the Proclamation in book form. The miniature pamphlet reportedly was issued by the tens of thousands to Union troops for distribution to African Americans along the front lines. It was Union Army policy to read the Proclamation aloud at public gatherings as troops moved through the South.

In May 2012, the **National Museum of American History** received a collection of material from former Secretary of State Madeleine K. Albright. Secretary Albright presented the material in the Museum's *Flag Hall* at a combined donation and citizenship ceremony at which she was the keynote speaker. The donation represents Albright's career at the United Nations and State Department, and includes the suit she wore for the public announcement of her 1996 nomination to be the 64th, and first female, Secretary of State.



In July 2012, **Smithsonian Folkways Recordings** released *Woody at 100: The Woody Guthrie Centennial Collection*, a 150-page, large-format book with three CDs containing 57 tracks, including Woody's most important recordings such as the complete versions of "This Land Is Your Land" and "Pretty Boy Floyd." The book's illustrations include reproductions of photographs, artifacts, and drawings/paintings by Woody, as well as his letters and pages of lyrics. *Woody at 100* has received significant national and international acclaim.

The **National Museum of African American History and Culture** (NMAAHC), assisted by the **National Air and Space Museum** (NASM), acquired a major artifact for the former's collection: *The Spirit of Tuskegee*, one of the few surviving planes used to train the Tuskegee Airmen, the all-black corps that served in the Army during World War II. It will be on display at NASM's **Udvar-Hazy Center** until NMAAHC opens on the National Mall in 2015.



*The Spirit of Tuskegee* at the Udvar-Hazy Center



The **Hirshhorn** acquired a significant and beautiful piece, *Cube Light* (2008), by Chinese artist Ai Weiwei. In addition to his fame as an artist, Ai has become a major public figure as a result of his work as artistic consultant on the Beijing National Stadium for the 2008 Beijing Olympics and his outspoken social and political activism.



# Revitalizing Education and Outreach

The **Smithsonian Center for Education and Museum Studies (SCEMS)** launched the second year of its *Shout* environmental webinar series for educators and students. “Water Matters” focuses on human use of oceans, rivers, lakes, and other water resources. Half of its six days of programming will be broadcast from the **Smithsonian Tropical Research Institute** and **Smithsonian Environmental Research Center**.

**SCEMS** and its partners also presented major family days for Black History Month and Women’s History Month at the Reynolds Center.

The **National Science Resources Center (NSRC)** remained active in promoting reform in the teaching of science in the nation’s schools and beyond. Events sponsored by the NSRC brought together educators and educational leaders from elementary and middle schools in the Houston, Texas, Independent School District and from 13 districts and three private schools in Orange County, California, to explore innovative approaches to science instruction.

**Smithsonian Affiliations** offers museums and other organizations access to the Institution’s collections and other resources. There are 176 Affiliates in 41 states, Panama, and Puerto Rico, and thousands of Smithsonian artifacts were on view at Affiliates’ events.

Along with the **Smithsonian Early Enrichment Center**, Affiliations sponsored a “National Symposium on Early Learning” to lay the groundwork for future Smithsonian innovations in this area.

The Desert to Rainforest Initiative, a partnership including Arizona State University, Audubon Arizona, Audubon Panama, Panama’s Ministry of Education, and the **Smithsonian Tropical Research Institute**, seeks to give children in Phoenix and Panama greater opportunities to learn about biodiversity and increase their cultural awareness.

An extremely rare and valuable 1933 Saint-Gaudens Double Eagle \$20 coin from the National Numismatic Collection of the **National Museum of American History** traveled to seven European countries on a 28-day tour that attracted huge audiences. More than 100 million households across Europe learned the story of this legendary U.S. coin through television, print, radio, and online interviews with the Smithsonian staff who traveled with it.



The **Smithsonian Institution Traveling Exhibition Service (SITES)** mounted 46 exhibitions at 455 venues in 50 states, plus the District of Columbia and Guam, where they were viewed by approximately five million visitors.

Via mobile outreach, the **Smithsonian Latino Center** launched a beta version of *Chequea esto!*, a series of animated shorts focusing on Latino youth and science-technology-engineering-math (STEM) careers.

The **National Museum of the American Indian** pilot project “Reporting from Indian Country” provided five Native schools with equipment and training to produce short video pieces on environmental issues important to their tribes.

The Discovery Theater of **The Smithsonian Associates (TSA)** welcomed Ojibwe artist Thirza Defoe to the Rasmuson Auditorium of the **National Museum of the American Indian** for a special Women’s History Month program, “Sacagawea’s Sisters.”

The **TSA** also presented a panel discussion with legendary major league baseball player and manager Joe Torre, which was attended by an audience of 1,500. Joining Torre were Mike Wise of *The Washington Post*; Johnny Holliday from *Nats Xtra*; Phil Wood of *The Washington Examiner*, and moderator Phil Hochberg, former Washington Senators stadium announcer.

**Museum Conservation Institute (MCI)** staff offered various undergraduate, graduate, and professional studies opportunities in the areas of museum studies, conservation, and materials science:

- Research Scientist Christine France and six MCI senior personnel were awarded a three-year National Science Foundation Research Experiences for Undergraduates grant to support short-term opportunities for undergraduates to work on research projects with MCI scientific staff.
- Furniture Conservator Don Williams hosted and taught a course on the “Technology of Historic Furniture Making” as part of the Smithsonian/ George Mason University Master’s Program in the History of the Decorative Arts.
- In collaboration with the State Department, Department of Homeland Security, and the Smithsonian **Office of International Relations**, MCI organized its sixth training workshop for Homeland Security agents tasked with preventing the illicit trade in art and antiquities. These courses have trained more than 150 agents thus far.



# Organizational Excellence

## Leadership

Christopher Liedel was named President of **Smithsonian Enterprises**. Mr. Liedel comes to the Smithsonian after 16 years at the National Geographic Society, where he served as Executive Vice President and Chief Financial Officer.



Chris Liedel



Scott Dahl

Scott S. Dahl was named **Inspector General** for the Smithsonian. Previously, Mr. Dahl served as Deputy Inspector General at the U.S. Department of Commerce (2010–2012), Inspector General for the Office of the Director of National Intelligence (2007–2010), and senior counsel to the Inspector General at the Department of Justice (2003–2007).

Deron Burba took over the position of **Chief Information Officer**, to which he brings more than 20 years of IT experience. Since 2001 he has served as head of the Smithsonian’s Office of System Modernization, where he directed the implementation of Smithsonian-wide IT systems supporting collections, digital assets, business operations, and facilities.



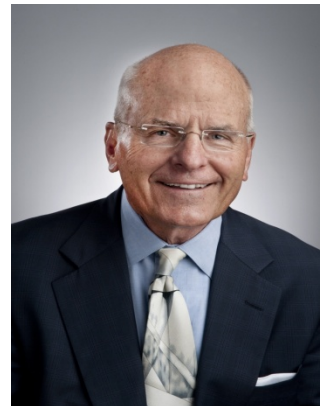
Deron Burba



Nancy Bechtol

Nancy Bechtol was named **Director of Facilities Engineering and Operations (OFEO)**. Prior to being named Director, Ms. Bechtol served as the Director of the Office of Facilities Management and Reliability within OFEO, and provided a safe environment for people and collections by preserving the integrity of Smithsonian facilities.

John Gray was named Director of the **National Museum of American History**. Previously, he served as founding president of the Autry National Center of the American West, a consolidation of three cultural organizations in Los Angeles and Denver. Mr. Gray was known for his leadership in banking and government service until he became director of the Autry Museum of Western Heritage in Los Angeles.



John Gray

## Major Construction, Renovation, and Facilities Projects

### ***National Museum of African American History and Culture***

*\$500 million total estimated project cost*

Museum is on schedule to be opened in late 2015. Approximately 7% of construction is complete and 100% of building footprint has been excavated. Design is at 65%, with 95% expected by February 2013 — and on schedule. Received final design approval from Commission of Fine Arts in September 2012, with National Capital Planning Commission final hearing scheduled for November 2012. Concrete prep work starts in early December 2012 and installation of steel framework starts in fall 2013.



### ***National Zoological Park, Smithsonian Conservation Biology Institute Smithsonian-Mason School of Conservation***

*\$36 million total estimated project cost*

Construction of joint Smithsonian-Mason program facilities is complete in Front Royal, Virginia. Work on George Mason University building facilities was funded through a \$20 million state bond, while the Smithsonian renovated and expanded an existing building to house a new education center. All facilities were completed for the start of the fall 2012 semester. With 60 double occupancy rooms, the new LEED Gold complex will serve the growing need for global conservation training and will also serve the local community.

### ***National Zoological Park, Seal / Sea Lion Exhibit—The American Trail***

*\$41 million total estimated project cost*

The Zoo's *Seal/Sea Lion* exhibit was revitalized to meet standards for animal care and to improve accessibility. The project also includes an upgrade of underground utilities in what was formerly called Beaver Valley (and was recently renamed *The American Trail*). Construction was completed in September 2012. The non-capital, interpretive component of the project was funded with about \$1 million in Trust funds, while the Federal capital contribution was approximately \$40 million in fiscal years 2009–2012.

### ***National Zoological Park, General Services Building, Phase II***

*\$29 million total estimated project cost*

Phase II includes \$29.0 million for the General Services Building (GSB) construction and replacement of an adjacent retaining wall. Federal funding has been requested in fiscal years 2012 – 2015 for Phase II construction. The request for proposal is scheduled to be announced in the first quarter of FY 2013.



### ***National Postal Museum, New Program Space***

*\$18.8 million total estimated project cost*

The National Postal Museum, located in the historic Washington, DC City Post Office Building, has been given 12,000 square feet of space and use of a central hall by the U.S. Postal Service. Using funds primarily from non-Federal sources, this new space will be transformed into a philatelic center and a visitor orientation space. Design was completed in late summer 2011. A \$2.9 million exhibit fabrication contract was awarded in March 2012, and a \$6.6 million infrastructure contract was awarded in May 2012. The new facility's opening is scheduled for September 2013.

### ***Arts and Industries Building (AIB)***

*\$49.5 million estimated cost for shell only*

Shell project construction 67% complete. Roof steel erection was completed on August 24, 2012, with reconstruction of the roof decks in progress. Window testing is ongoing with installation expected to start in October 2012.



### ***Smithsonian Tropical Research Institute, Gamboa Laboratory Facilities***

*\$23.4 million total estimated project cost*

The Smithsonian Tropical Research Institute is building a new terrestrial science lab to replace outdated facilities on its recently acquired Gamboa site, funded with \$19.94 million in Federal and \$3.46 million in Trust funds. In February 2012, 22 members of the Smithsonian National Board, along with their spouses, special guests and alumni, joined by Smithsonian leadership and representatives of the Government of Panama, celebrated the groundbreaking for this facility. Project completion is expected in 2014.

### ***Smithsonian Environmental Research Center, Mathias Replacement Laboratory***

*\$50.7 million total estimated project cost*

The Smithsonian Environmental Research Center is eliminating trailers that house lab space and offices; renovating and reconfiguring the Mathias Lab; and creating replacement labs that meet national standards. The 95,000-square-foot project uses sustainable technologies and building materials that will yield substantial reductions in energy and maintenance costs. Following a groundbreaking ceremony in May 2011, construction began in June 2011 and is expected to be complete by mid-2014.



***National Museum of American History, Kenneth E. Behring Center***

*\$67 million total estimated project cost*

Revitalization of West Wing public spaces, package III: The third phase of renovation at the National Museum of American History will focus on three West Wing public spaces, replacement of windows, and the relocation of the Alexander Calder sculpture. The contract was awarded in September 2012.

***National Museum of Natural History, Main Building Ground Floor and Mezzanine***

*\$25.1 million total project cost*

The entire north ground floor of the main Natural History Building is under renovation. The 15,500-square-foot west end of the floor will become a new education center, and the 27,600-square-foot east end will house an expanded Smithsonian Early Enrichment Center, renovated Smithsonian Institution Libraries facilities, a paleobiology laboratory, and a consolidated facility support operations center. The project should be completed in late November 2012.

***Cooper-Hewitt, National Design Museum***

*\$59.9 million total estimated project cost*

The renovation of the Fox-Miller townhouses is complete. Design for the Carnegie Mansion renovation was completed in April 2011, with a construction contract awarded in December 2011. Construction started in March 2012, with completion scheduled for early 2014. Total project costs include \$27.3 million in Federal funds and \$32.6 million in private funds.



Smithsonian  
Institution

**Annual Performance Report**  
*Fiscal Year 2012*

## **MISSION STATEMENT**

*The increase and diffusion of knowledge*

## **VISION STATEMENT**

*Shaping the future by preserving our heritage, discovering new knowledge, and sharing our resources with the world*

## **INTRODUCTION**

The Smithsonian's annual performance plan for fiscal year 2012 is based on the Institution's Strategic Plan, Fiscal Years 2010-2015. The Strategic Plan is built around four grand challenges which provide an overarching strategic framework for Smithsonian programs and operations — Unlocking the Mysteries of the Universe; Understanding and Sustaining a Biodiverse Planet; Valuing World Cultures; and Understanding the American Experience. Strategic priorities which will enable the Institution to make leading contributions to national and global efforts in the four challenges include conducting world-class research, broadening access, revitalizing education, crossing boundaries, strengthening collections, and achieving organizational excellence. Under each strategic priority are annual organizational goals and key performance indicators which will be used to assess Institutional performance. The organizational goals are aligned with the program structure used in the Smithsonian's Federal budget documents and Enterprise Resource Planning (ERP) financial accounting system. This framework allows the Institution to focus on program results and organizational accountability as mandated by the Government Performance and Results Act (GPRA), GPRA Modernization Act of 2010, and related Office of Management and Budget (OMB) performance standards, which include having a limited number of outcome-oriented goals and key performance indicators, and relating dollars budgeted and results achieved. The Smithsonian has made great progress in integrating performance indicators throughout the Institution to track program results, and with incorporating linked performance metrics in individual performance plans.



## THE SMITHSONIAN'S OVERARCHING STRATEGIC FRAMEWORK: FOCUSING ON FOUR GRAND CHALLENGES

- **Unlocking the Mysteries of the Universe**

We will continue to lead in the quest to understand the fundamental nature of the cosmos, using next-generation technologies to explore our own solar system, meteorites, the Earth's geological past and present, and the paleontological record of our planet.

- **Understanding and Sustaining a Biodiverse Planet**

We will use our resources involving scientific museums and research centers to significantly advance our knowledge and understanding of life on Earth, respond to the growing threat of environmental change, and sustain human well-being.

- **Valuing World Cultures**

As a steward and ambassador of cultural connections, with a presence in some 100 countries and expertise and collections encompassing the globe, we will build bridges of mutual respect, and present the diversity of world cultures and the joy of creativity with accuracy, insight, and reverence.

- **Understanding the American Experience**

America is an increasingly diverse society that shares a history, ideals, and an indomitable, innovative spirit. We will use our resources across disciplines to explore what it means to be an American and how the disparate experiences of individual groups strengthen the whole, and to share the American story with people of all nations.

## THE SMITHSONIAN'S STRATEGIC PRIORITIES

**Sustaining Excellent Research**

**Broadening Access**

**Revitalizing Education**

**Crossing Boundaries**

**Strengthening Collections**

**Enabling Mission through Organizational Excellence**

**INDEX TO STRATEGIC PRIORITIES AND ORGANIZATIONAL GOALS**

| <b>Overarching Strategic Framework: Grand Challenges</b>         |  |                               |  |
|--|--|-------------------------------|--|
| <b>Unlocking the Mysteries of the Universe</b>                   | <b>Understanding and Sustaining a Biodiverse Planet</b>  | <b>Valuing World Cultures</b> | <b>Understanding the American Experience</b> |
| <b>STRATEGIC PRIORITY</b>  | <b>ORGANIZATIONAL GOALS</b>  |                               |  |
| <b>1. SUSTAINING EXCELLENT RESEARCH</b>                          | <ul style="list-style-type: none"> <li>Establish the Smithsonian as national leader in each Grand Challenge area by pursuing comprehensive strategies that build upon SI strengths in research, collections, exhibitions, education and outreach, and that emphasize interdisciplinary and collaborative activity</li> </ul>   |                               |  |
| <b>2. BROADENING ACCESS</b>                                      | <ul style="list-style-type: none"> <li>Broaden access to and invite collaboration with new and diverse audiences, using a variety of tools of engagement</li> </ul>  |                               |  |
| <b>3. REVITALIZING EDUCATION</b>                                 | <ul style="list-style-type: none"> <li>Clarify and expand SI's leadership role in education for learners of all ages</li> </ul>  |                               |  |
| <b>4. CROSSING BOUNDARIES</b>                                    | <ul style="list-style-type: none"> <li>Grand Challenge Consortia to move forward in stimulating interdisciplinary, pan-institutional scholarship and outreach</li> </ul>   |                               |  |
| <b>5. STRENGTHENING COLLECTIONS</b>                              | <ul style="list-style-type: none"> <li>Strengthen collections stewardship to ensure the vitality and accessibility of the Smithsonian's vast and diverse collections</li> </ul>  |                               |  |
| <b>6. ENABLING OUR MISSION THROUGH ORGANIZATIONAL EXCELLENCE</b> | <ul style="list-style-type: none"> <li>Build financial strength and ensure accountability</li> <li>Optimize SI assets by developing and sustaining physical infrastructure, information technology, management capabilities and human capital</li> <li>Cultivate SI as a learning organization committed to openness, inclusion, innovation, continuous improvement and cost efficiency</li> </ul> |                               |  |




**STRATEGIC PRIORITY 1: SUSTAINING EXCELLENT RESEARCH**

Focusing on the Four Grand Challenges: advance knowledge at the forefront of understanding the universe and solid Earth; advance and synthesize knowledge that contributes to the survival of at-risk ecosystems and species; contribute insights into the evolution of humanity and the diversity of the world’s cultures, arts, and creativity; and advance and synthesize knowledge that contributes to understanding the American experience, particularly its history, arts and culture, and its connections to other world regions

**TIES TO PROGRAM CATEGORIES IN ERP:**

- **RESEARCH** (*Program Code 4XXX*)

**Key Performance Indicators—Sustaining Excellent Research**

| Key Performance Indicators                           | Type   | Prior-year data              | FY 2012 target        | FY 2012 actual   |
|--|--------|------------------------------|-----------------------|--|
| Number of peer-reviewed publications (calendar year) | Output | 2011: 1,846                  | 2012: 1,800           | 1,513 (on track calendar year)  |
| Number of Fellows in residence                       | Output | FY 2011: 520                 | Increase over FY 2011 | 512                             |
| Number of Grant and Contract proposals submitted     | Output | FY 2010: 725<br>FY 2011: 647 | Increase over FY 2011 | 693                             |






**STRATEGIC PRIORITY 2: BROADENING ACCESS**

Reach new audiences and ensure that the Smithsonian’s collections, exhibitions, and outreach programs speak to all Americans and are relevant to visitors who come from around the world.

**TIES TO PROGRAM CATEGORIES IN ERP:**

- **PUBLIC PROGRAMS** (*Program Code 1XXX*)
  - **WEB DEVELOPMENT ACTIVITIES IN SUPPORT OF PUBLIC PROGRAMS**
  - **IT ACTIVITIES IN SUPPORT OF PUBLIC PROGRAMS**
- **EXHIBITIONS** (*Program Code 2XXX*)

## Key Performance Indicators—Broadening Access

| Key Performance Indicators                                   | Type  | Prior- year data  | FY 2012 target                           | FY 2012 actual                              |   |
|--|---|---|--|---|---|
| Number of physical visits to SI museums and the National Zoo | Output. Indicator of museum/zoo success   | FY 2009: 30 M<br>FY 2010: 29.9 M<br>FY 2011: 29.2 M   | 29.5 million                             | 30.3 million                                |  |
| Number of unique visitors to SI websites                     | Output. Indicator of level of public use of SI resources via Web                      | New KPI<br>FY 2011: 88.8 million  | 100 million                              | 102.6 million                               |  |
| Number of major exhibitions opened                           | Output  | FY 2010: 82<br>FY 2011: 90  | 85                                       | 89 exhibitions opened                       |  |
| Number of Smithsonian traveling exhibition venues            | Output. Indicator of outreach success and national access to SI resources             | FY 2010: 512 venues, 50 states and overseas<br>FY 2011: 492 venues, 50 states and overseas  | 500 venues in all 50 states and overseas | 455 locations in all 50 states and overseas |  |
| Number of Smithsonian Affiliates in 41 states                | Output. Indicator of extent/success of outreach and national access to SI collections | FY 2009:165 Affiliates in 41 states, DC, PR, Panama<br>FY 2010:166 Affiliates in 41 states, DC, PR, and Panama<br>FY 2011:170 Affiliates in 41 states, DC, PR, and Panama | 170 Affiliates in 41 states              | 176 Affiliates in 41 states                 |  |


### STRATEGIC PRIORITY 3: REVITALIZING EDUCATION

Inspire people to probe the mysteries of the universe and planetary systems; inspire all generations of learners to turn knowledge of life on Earth into awareness and action aimed at improving sustainability; inspire audiences to explore the cultural and artistic heritage of diverse peoples; and turn knowledge into awareness, action, and results that encourage American cultural vitality.

#### TIES TO PROGRAM CATEGORIES IN ERP:

- **EDUCATION** (*Program Code 11XX*)

#### Key Performance Indicator—Revitalizing Education


| Key Performance Indicator                                  | Type  | Prior year data   | FY 2012 target           | FY 2012 actual  |
|--|---|---|--------------------------|---|
| Number of people served by Smithsonian education programs. | Output. Indicator of level of public use/quality of SI education programs | FY 2009: 5.3 million participants<br>FY 2010: 5.3 million participants<br>FY 2011: 6.3 million participants | 6.0 million participants | 4.4 million. Decrease resulted from the severe storm that cancelled several days of the Folklife Festival  |

#### STRATEGIC PRIORITY 4: CROSSING BOUNDARIES

Maximize the Smithsonian's impact on complex issues and problems by marshaling resources across disciplines and strengthening external relationships.

##### TIES TO PROGRAM CATEGORIES IN ERP:

- **PUBLIC AND GOVERNMENT AFFAIRS** (*Program Code 8400*)


| Key Performance Indicator                           | Type                                   | Prior year data                          | FY 2012 target        | FY 2012 actual  |
|---|--|--|-----------------------|---|
| Number of Grand Challenges Consortia grants awarded | Output. Indicator of Consortia success | CY 2010: 29 awards<br>CY 2011: 29 awards | Increase over CY 2011 | 68 grants awarded  |

#### STRATEGIC PRIORITY 5: STRENGTHENING COLLECTIONS

Strengthen collections stewardship to ensure the vitality and accessibility of the Smithsonian's vast and diverse collections.

##### TIES TO PROGRAM CATEGORIES IN ERP:

- **COLLECTIONS** (*Program Code 3XXX*)
- **Key Performance Indicators—Strengthening Collections**

| Key Performance Indicators   | Type   | Prior-year data                                     | FY 2012 target                   | FY 2012 actual  |
|--|--|---|----------------------------------|---|
| Percent of collections groups in “appropriate” condition. SI cares for 757 named collections encompassing 140 million objects, archival items, and library volumes, and more than 100,000 cubic feet of archival material. To attain “Appropriate Condition,” the collections must have been assessed at a rating of 3 or above on a 5-point scale (1 = lowest and 5 = highest) for each of the four condition elements (storage equipment/housing; preservation; physical access; and collections space). | Outcome. Indicator of established standards and sound management practices for collections | 2011: 343 (45%)                                     | Increase over calendar year 2011 | On track for calendar year<br> |
| Percent of collection holdings digitized   | Outcome. Indicator of public access to SI collections                                      | FY 2010: 13.12%<br>FY 2011: 9.3% (Baseline revised) | 9.0%                             | Data not Available  |







## STRATEGIC PRIORITY 6: ENABLING OUR MISSION THROUGH ORGANIZATIONAL EXCELLENCE

Strengthen those organizational services that allow us to deliver on our mission.

### TIES TO PROGRAM CATEGORIES IN ERP:

- **FACILITIES** (*Program Code 5XXX*)
- **PERFORMANCE MANAGEMENT** (*Program Code 81XX*)
- **HUMAN RESOURCES MANAGEMENT** (*Program Code 8200*)
- **DIVERSITY/EEO** (*Program Code 8210*)
- **PROCUREMENT AND CONTRACTING** (*Program Code 8600*)
- **INFORMATION TECHNOLOGY** (*Program Code 7XXX*)
- **FINANCIAL MANAGEMENT** (*Program Code 8300*)







### Key Performance Indicators—Organizational Excellence

| Key Performance Indicators   | Type   | Prior-year data   | FY 2012 target                | FY 2012 actual   |      |      |        |     |     |     |       |     |     |     |      |     |     |     |       |      |      |      |          |     |     |     |  |  |
|--|--|---|-------------------------------|--|------|------|--------|-----|-----|-----|-------|-----|-----|-----|------|-----|-----|-----|-------|------|------|------|----------|-----|-----|-----|--|--|
| Workdays to complete recruitment action against OPM End-to-End Hiring Model                      | Efficiency   | FY 2010: 160.9 days<br>FY 2011: 136.1 days  | Goal of 80 days               | 125.0 (progress made over last year)  |      |      |        |     |     |     |       |     |     |     |      |     |     |     |       |      |      |      |          |     |     |     |  |  |
| Percent of SI contract actions completed within Federal Standard Time Frames                     | Efficiency   | FY 2009: 90%<br>FY 2010: 90%<br>FY 2011: 91%  | 90%                           | 93%                                   |      |      |        |     |     |     |       |     |     |     |      |     |     |     |       |      |      |      |          |     |     |     |  |  |
| Business days to process unit service requests   | Efficiency   | FY 2009: 2 days<br>FY 2010: 1.25 days<br>FY 2011: 3 days  | Goal of 3 days                | 3 days                                |      |      |        |     |     |     |       |     |     |     |      |     |     |     |       |      |      |      |          |     |     |     |  |  |
| Percent of employees who are satisfied with working at the Smithsonian on annual employee survey | Outcome. Employee satisfaction is a standard indicator of a healthy organization | FY 2009: 81%<br>FY 2010: 84%<br>FY 2011: 82%  | 85%                           | 81%                                   |      |      |        |     |     |     |       |     |     |     |      |     |     |     |       |      |      |      |          |     |     |     |  |  |
| Percent of workforce diversity by race/ethnicity   | Output   | <table border="1"> <thead> <tr> <th></th> <th>2009</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Nat Am</td> <td>1.9</td> <td>1.8</td> <td>1.8</td> </tr> <tr> <td>Asian</td> <td>5.2</td> <td>5.4</td> <td>5.4</td> </tr> <tr> <td>NHPI</td> <td>0.2</td> <td>0.2</td> <td>0.2</td> </tr> <tr> <td>Black</td> <td>30.9</td> <td>30.8</td> <td>30.6</td> </tr> <tr> <td>Hispanic</td> <td>4.6</td> <td>4.6</td> <td>4.5</td> </tr> </tbody> </table> |                               | 2009   | 2010 | 2011 | Nat Am | 1.9 | 1.8 | 1.8 | Asian | 5.2 | 5.4 | 5.4 | NHPI | 0.2 | 0.2 | 0.2 | Black | 30.9 | 30.8 | 30.6 | Hispanic | 4.6 | 4.6 | 4.5 | <u>Meet CLF std</u><br>Nat Am 0.5<br>Asian 7.0<br>NHPI 0.1<br>Black 24.1<br>Hispanic 8.1 | Nat Am 1.7<br>Asian 5.6<br>NHPI 0.2<br>Black 30.7<br>Hispanic 4.4<br>(Panama Staff not included)<br> |
|  | 2009   | 2010  | 2011                          |  |      |      |        |     |     |     |       |     |     |     |      |     |     |     |       |      |      |      |          |     |     |     |  |  |
| Nat Am   | 1.9  | 1.8   | 1.8                           |  |      |      |        |     |     |     |       |     |     |     |      |     |     |     |       |      |      |      |          |     |     |     |  |  |
| Asian  | 5.2  | 5.4   | 5.4                           |  |      |      |        |     |     |     |       |     |     |     |      |     |     |     |       |      |      |      |          |     |     |     |  |  |
| NHPI   | 0.2  | 0.2   | 0.2                           |  |      |      |        |     |     |     |       |     |     |     |      |     |     |     |       |      |      |      |          |     |     |     |  |  |
| Black  | 30.9   | 30.8  | 30.6                          |  |      |      |        |     |     |     |       |     |     |     |      |     |     |     |       |      |      |      |          |     |     |     |  |  |
| Hispanic   | 4.6  | 4.6   | 4.5                           |  |      |      |        |     |     |     |       |     |     |     |      |     |     |     |       |      |      |      |          |     |     |     |  |  |
| Customer satisfaction with quality and timeliness of IT services                                 | Outcome  | FY 2009: Quality 98.2% Timeliness 97.5%<br>FY 2010: Quality 99.17% Timeliness 98.74%<br>FY 2011: Quality 98.6% Timeliness 98.2%   | Quality 98%<br>Timeliness 97% | Quality 98%<br>Timeliness 97%       |      |      |        |     |     |     |       |     |     |     |      |     |     |     |       |      |      |      |          |     |     |     |  |  |






**TIES TO PROGRAM CATEGORIES IN ERP:**




- **SECURITY & SAFETY** (Program Code 6XXX)
- **FACILITIES** (Program Code 5XXX)

**Key Performance Indicators — Facilities Capital/ Maintenance and Safety/Security**

| Key Performance Indicators   | Type  | Prior-year data  | FY 2012 target                                  | FY 2012 actual   |
|--|---|--|---|--|
| Percent of available capital funds obligated compared to funds available | Efficiency (obligation rate is indicator in initiating capital work in a timely manner) | FY 2009: 86.5%<br>FY 2010: 87.5%<br>FY 2011: 91%   | 85%   | 93%   |
| Number of major capital projects meeting milestones (see below):         | Output  | FY 2009: Met milestones on 9 of 11 projects<br>FY 2010: Met milestones on 10 of 11 projects<br>FY 2011: Met milestones on 5 of 7 projects  | Meet milestones on all 7 major projects         | Met milestones on 5 of 7 major projects           |
| Revitalization of National Museum of American History, Public Space III  | Output  | New project (FY 2012–2014)   | Award construction contract                     | Full-scope project contract awarded               |
| Revitalization of the National Zoological Park Seal/Sea Lion project     | Output  | FY 2009: Seal/Sea Lion contract was awarded.<br>FY 2010: Construction is 20% completed on Seal/Sea Lion project.<br>FY 2011: Construction is 80% completed on Seal/Sea Lion project.   | Complete Construction on Seal/Sea Lion project. | Construction completed on Seal/Sea Lion project  |
| Complete facilities earthquake damage remediation plan                   | Output  | New project  | Complete plan/start repairs                     | Plan completed; repairs started                 |
| Revitalization of the Arts and Industries Building                       | Output  | FY 2009: Completed historic structure report and structural survey. Begin masonry repair<br>FY 2010: Targets met, critical masonry repairs were completed and shell contract awarded<br>FY 2011: Shell construction is 25% completed | Complete 50% of A&I shell construction          | Completed 67%                                   |



| Key Performance Indicators   | Type  | Prior-year data  | FY 2012 target  | FY 2012 actual  |
|--|---|--|---|---|
| Design and construct National Museum of African American History & Culture                   | Output  | FY 2009: Architectural program was completed and design firm was selected.<br>FY 2010: Awarded design contract; began schematic designs<br>FY 2011: Awarded Construction Management at Risk Contract in July | Design 65%<br>Construction: 10%<br>Excavation: 30%  | Design: 65%;<br>Construction:10%<br>Excavation: 50%        |
| Construction of Mathias Laboratory at SERC   | Output  | FY 2009: Design contract awarded<br>FY 2010: Target met, design completed.<br>FY 2011: Completed 4% construction (hurricane/storms delayed construction)   | Complete 50% construction   | Completed 42% construction (weather delayed construction)  |
| Construction of Gamboa Lab (replace Santa Cruz School)                                       | Output  | FY 2009: Design was delayed. A pre-design contract awarded in September<br>FY 2010: Targets met, contract awarded in September<br>FY 2011: Permit issues have pushed start of construction to FY12           | Construction: 10%   | Permit issues delayed construction (8%)                    |
| Percent of revitalization projects designed to 35% prior to request for construction funding | Efficiency (35% design prior to funding improves cost estimates; early award avoids cost escalation and project delays) | FY 2009: 80% target not met due to lack of planning funds<br>FY 2010: 80% target not met due to lack of planning funds<br>FY 2011: 80% target not met due to lack of planning funds                          | Complete 35% design prior to Congressional budget submission for 80% of major projects in the FY 2012 capital program | Target not met due to lack of planning funds             |
| Percentage of buildings with Facilities Condition Index (FCI) above 90%                      | Output. Higher % shows improvement of buildings condition   | FY 2010: 65.8%<br>FY 2011: 66.7%   | 67%   | 73.6%    |




| Key Performance Indicators   | Type  | Prior-year data  | FY 2012 target        | FY 2012 actual   |
|--|---|--|-----------------------|--|
| Planned maintenance cost as percent of total annual maintenance costs          | Efficiency — a higher proportion planned vs. unplanned is indicator of more efficient use | FY 2009: 55%<br>FY 2010: 50%<br>FY 2011: 55%               | 55%                   | 55%                           |
| 100% of facilities at level 3 “managed care” for cleanliness on the APPA scale | Output. Shows improvement in buildings cleanliness  | FY 2010: Maintained Level 3<br>FY 2011: Maintained Level 3 | Maintain APPA Level 3 | Achieved 85% of APPA level 3  |
| Safety: total recordable case rate (injuries per 100 employees)                | Output (annual basis)   | 2010: 3.43<br>2011: 3.33                                   | 3.00                  | 2.78                          |

### Financial Strength

#### TIES TO PROGRAM CATEGORIES IN ERP:

- **DEVELOPMENT** (*Program Code 9XXX*)
- **SMITHSONIAN ENTERPRISES (SE) AND UNIT BUSINESS ACTIVITIES** (*Program Code 01XX*)
- **INVESTMENT MANAGEMENT** (*Program Code 8310*)

#### Key Performance Indicators—Financial Strength

| Key Performance Indicators   | Type   | Prior-year data  | FY 2012 target | FY 2012 actual  |
|--|--------|--|----------------|---|
| Dollar amount of (1) voluntary support (gifts) and (2) non-government grants | Input  | FY 2009: \$126.6 million<br>FY 2010: \$158.4 million<br>FY 2011: \$182.1 million | \$200 million  | \$223.8 million  |
| SI Government grants & contracts and non-government contract awards          | Output | FY 2010: \$137.6 million<br>FY 2011: \$150.1 million                             | \$150 million  | \$130 million    |
| Smithsonian Enterprises net gain   | Input  | FY 2009: \$26 million<br>FY 2010: \$27.8 million<br>FY 2011: \$29.1 million      | \$29.2 million | \$29.5 million   |