



Smithsonian Institution

Smithsonian Institution Archives

Proceedings of the Board of Regents Meeting held on January 23, 1984

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Fiscal Year 1984: Federal appropriations of \$174,803,000 have been received by the Institution. Congressional reductions of some \$4 million, related primarily to utilities, rental space, anticipated lapse-savings at the Museum Support Center, and the forward-funded reserve of Indian rupees, were substantially offset by some \$3 million in add-ons initiated by the Congress for security guards and equipment, scientific equipment at the Astrophysical Observatory, Truman Centennial activities, and pass-through grants for the John F. Kennedy Center for the Performing Arts. As part of the Fiscal Year 1984 appropriations bill, Congress also approved a rescission of \$8 million of the \$36.5 million appropriated in Fiscal Year 1983 for Quadrangle construction. Restoration of these funds will be sought in future years as requirements are identified.

Fiscal Year 1985: The OMB allowance for all appropriations, exclusive of the allowance for the January 1984 legislated pay raises, totaled slightly over \$193 million, an increase of some \$18 million above Fiscal Year 1984. This allowance will meet the Institution's highest priority needs, including initial operations of the Quadrangle, equipping and operations of the Museum Support Center, and repair and renovation of buildings. General support was expressed by the Board for gaining Congressional approval of funding for a Bicentennial Celebration of the Constitution at the National Museum of American History.

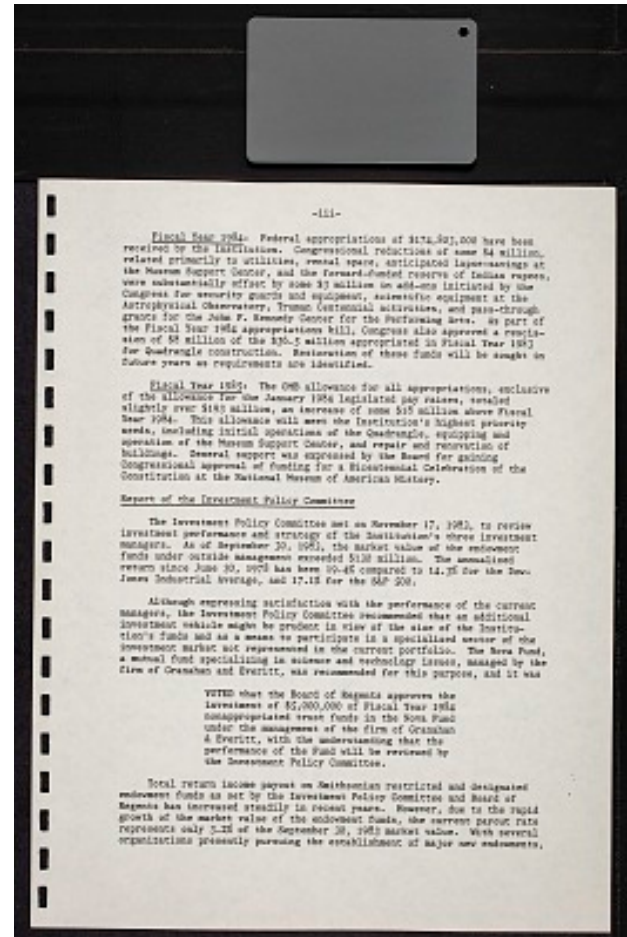
Report of the Investment Policy Committee

The Investment Policy Committee met on November 17, 1983, to review investment performance and strategy of the Institution's three investment managers. As of September 30, 1983, the market value of the endowment funds under outside management exceeded \$130 million. The annualized return since June 30, 1978 has been 19.4% compared to 14.3% for the Dow-Jones Industrial Average, and 17.1% for the S&P 500.

Although expressing satisfaction with the performance of the current managers, the Investment Policy Committee recommended that an additional investment vehicle might be prudent in view of the size of the Institution's funds and as a means to participate in a specialized sector of the investment market not represented in the current portfolio. The Nova Fund, a mutual fund specializing in science and technology issues, managed by the firm of Granahan & Everitt, was recommended for this purpose, and it was

VOTED that the Board of Regents approves the investment of \$5,000,000 of Fiscal Year 1984 non appropriated trust funds in the Nova Fund under the management of the firm of Granahan & Everitt, with the understanding that the performance of the Fund will be reviewed by the Investment Policy Committee.

Total return income payout on Smithsonian restricted and designated endowment funds as set by the Investment Policy Committee and Board of Regents has increased steadily in recent years. However, due to the rapid growth of the market value of the endowment funds, the current payout rate represents only 3.2% of the September 30, 1983 market value. With several organizations presently pursuing the establishment



of major new endowments,

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The mission of the Smithsonian is the increase and diffusion of knowledge - shaping the future by preserving our heritage, discovering new knowledge, and sharing our resources with the world. Founded in 1846, the Smithsonian is the world's largest museum and research complex, consisting of 19 museums and galleries, the National Zoological Park, and nine research facilities. Become an active part of our mission through the Transcription Center. Together, we are discovering secrets hidden deep inside our collections that illuminate our history and our world.

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