

**Minutes of the Meeting of the U.S. Programs Board
of the Open Society Institute**

May 26-27, 2010

A meeting of the U.S. Programs Board (the "Board") of the Open Society Institute (OSI) was held at the offices of the Open Society Institute, 400 W. 59th Street, New York City, on May 26, 2010, at 2 p.m., and on May 27, 2010, at 9 a.m. There were present Board members Deepak Bhargava, Leon Botstein, Geoffrey Canada, Joan Dunlop, Mallika Dutt, Sherrilyn Ifill, Bill Moyers, Aryeh Neier, Jonathan Soros, Andy Stern, Bryan Stevenson, and Ethan Zuckerman.

Board guests attending were Andrea Soros Colombel and Alex Soros.

Board guests attending for program discussions were Bert Brandenburg, Danielle Brian, Steve Coll, Vivian Schiller, and Michael Waldman.

Attending the meeting by invitation were Maija Arbolino, Ann Beeson, Nancy Chang, Mimi Corcoran, Shawn Dove, Eric Ferrero, Tom Hilbink, Erlin Ibreck, Laleh Ispahani, Raquiba LaBrie, Michael McCutcheon, Lori McGlinchey, Diana Morris, Kay Murray, Lenny Noisette, Stewart Paperin, Stephen Rickard, Rashid Shabazz, Laura Silber, Bill Vandenberg, and Nancy Youman.

At the request of Jonathan Soros, Ann Beeson, Executive Director of U.S. Programs, served as chair of the meeting.

Ms. Beeson welcomed the Board and staff and explained that George Soros was not in attendance because he was in meetings in Oslo related to climate change. She offered a special welcome and introduction of new Board members Bill Moyers and Andy Stern. Mr. Moyers is an acclaimed journalist who served on the U.S. Programs Board several years ago, and Mr. Stern is the former president of the 2.2-million-member Service Employees International Union (SEIU). Ms. Beeson also reported that Robert Redford, an acclaimed actor and activist, has joined the U.S. Programs Board but was unable to attend the meeting.

Ms. Beeson offered an overview of the meeting, which was to include discussion about a proposed response to the crisis in journalism; the proposed scale-up of the Campaign for Black Male Achievement, the work of the Transparency and Integrity Fund, the U.S. Programs budget for 2011 and 2012, and other U.S. Programs Board administrative matters.

The minutes of the February 23-24, 2010, U.S. Programs Board meeting were offered for approval. Upon a motion duly made, seconded, and unanimously carried, the Board approved the minutes.

Aryeh Neier introduced and moderated a discussion among the Board, staff, and guests about the crisis in journalism. Mr. Neier noted that the decline of journalism is a serious

threat to open society worldwide, but that it is particularly alarming in the U.S. because our decentralized system of government requires local media all around the country to be able to report on important developments. Bill Moyers, National Public Radio President Vivian Schiller, and New America Foundation President Steve Coll outlined the sharp decline in reporting and editing capacity nationwide and explained that innovation and partnership are needed to help address the crisis. The panel agreed with the U.S. Programs staff assessment that OSI can be helpful by strengthening accountability journalism at the state and local level and increasing the level of international news for a domestic audience. Mr. Moyers underscored the importance of leveraging public financing for media. The Board and the panel discussed the changing nature of media and the need to develop multiple new models while focusing on building audiences for media (particularly in an increasingly partisan environment). Board members underscored the importance of ethnic media and OSI's role in supporting that field. Jonathan Soros noted that journalism is operating with a broken business model, and that an investment model has not yet been developed. The Board endorsed the staff's three-pronged proposal: strengthening accountability journalism on open society issues at the state and local levels, with a focus on criminal justice and racial justice; revitalizing, expanding and bringing greater diversity to the public media sector; and increasing and improving the production, distribution, and reach of international reporting for U.S. audiences. The staff will now spend a total of \$4.5 million per year, for three years (2010-2012) for new grantmaking in this area.

Ms. Beeson then introduced Mimi Clarke Corcoran, Director of OSI's Special Fund for Poverty Alleviation (SFPA). Ms. Beeson explained that SFPA is making a number of very large grants quickly in order to meet deadlines set by federal and state agencies offering matching funds to potential grantees, and that grants over \$2 million must be approved by the Board. She proposed that the Board delegate this authority with respect to such grants to the Board Advisors to SFPA, who are Jonathan Soros, Deepak Bhargava and Geoffrey Canada. Upon a motion duly made, seconded and unanimously carried, the Board delegated authority to approve SFPA grants over \$2 million to the Board Advisors to SFPA. Ms. Corcoran briefly described one of the pending grants over \$2 million that would make healthy food more available in "food deserts" in Michigan and also improve systems for accessing food stamps in the state. The Board Advisors to SFPA approved the grant.

Guests and most staff then left the meeting, and the Board discussed the preliminary U.S. Programs budget for 2011 and 2012. Jonathan Soros explained that George Soros has set the U.S. Programs budget at \$320 million over two years (2011-2012) and \$150 million per year thereafter. He explained that U.S. Programs is now operating within constraints and that the entire budget is under the Board's discretion. Jonathan Soros said the staff would develop a detailed budget proposal for 2011-2012 for discussion at the September Board meeting, based on the priorities the Board conveys to the staff.

After robust discussion, the Board agreed that core programs should be meaningfully increased over the next two years and that the flexible areas of the budget were large initiatives (primarily SFPA and the Campaign for Black Male Achievement). The Board

agreed to revisit the discussion the following day, after the CBMA discussion, and the Board asked the staff for more information on SFPA's pipeline grantmaking – and the potential consequences of reducing SFPA's budget significantly – in advance of the September meeting. Several Board members noted that these decisions are part of the traditional Board role and that they welcomed the evolution in the U.S. Programs Board's role and were pleased to have the opportunity to discuss the budget before it is fully fleshed out.

The Board meeting resumed on May 27, 2010, with a discussion of the Transparency and Integrity Fund (TIF). Ethan Zuckerman and TIF Program Director Laleh Ispahani led a discussion of TIF's evolution and work. Mr. Zuckerman explained that the Obama Administration's stated aspirations and intentions to operate a more transparent federal government have not fully materialized. He said there may be federal momentum, but it is moving slowly. He also said that TIF's focus is broadening to include more state-level transparency work. Mr. Zuckerman outlined several examples of promising developments at the local and state levels and said TIF is investing in these models while helping spread them to other jurisdictions. More broadly, he said a challenge in the transparency field in the U.S. is to move from data to knowledge and to move beyond finance to bring transparency to processes that are opaque (such as elections and bias in the judiciary) and to the media. Finally, Mr. Zuckerman explained that a key challenge is tying transparency to integrity. He said that the reason transparency is a priority is that it allows people to hold the government accountable – and that what connects TIF to CBMA and other U.S. Programs funds and campaigns is that the transparency work helps people understand the magnitude of problems and measure success in addressing them.

Ms. Ispahani outlined several examples of TIF grantees' recent successes. She highlighted efforts involving the West Virginia mining disaster which show that access to information leads to increased citizen engagement; grantees' work on FOIA practices that led the White House to issue stronger guidance on compliance, largely because grantees went beyond issuing a report and actively used the report to press for policy improvements; a potentially groundbreaking U.S. Supreme Court finding that campaign donations can influence judges and should lead to recusal; and ongoing non-partisan efforts to modernize voter registration that could lead to 65 million more people participating in elections.

The Board discussed the importance of the full range of TIF's work. Ms. Beeson noted that OSI can have a significant impact in this area with relatively modest investments because so few funders are involved in these issues. Stephen Rickard, Director of OSI-Washington, said the government sometimes manipulates data and that the need for accountability connects to the previous day's discussion about journalism. Kay Murray, OSI's Associate General Counsel, noted that, to the extent our grantees work toward policy reforms involving legislation, OSI utilizes strong controls to ensure that OSI funds are not earmarked to support lobbying on legislation.

Board member Bryan Stevenson introduced and moderated a discussion among the Board and three guests who lead organizations funded by TIF. Mr. Stevenson framed the

discussion with a focus on majoritarian issues. He explained that there will always be people who are oppressed and denied opportunities that an open society should extend to everyone, and that core open society values are threatened when courts lose their ability to enforce rights that are not favored by the majority. Danielle Bryan, Executive Director of the Project on Government Oversight; Michael Waldman, Executive Director of the Brennan Center for Justice at New York University; and Bert Brandenburg, Executive Director of Justice at Stake, discussed their organizations' work to increase government transparency and maintain judicial independence.

The panel presentation sparked a wide-ranging discussion among the Board and guests. Mr. Waldman explained that litigation challenging the U.S. Supreme Court ruling in *Citizens United* (greatly reducing restrictions on corporate campaign spending) would be unwise right now. Ms. Bryan said that nonprofit organizations have more power and influence in Washington, DC, now and that Congressional staffers have a growing appetite to understand Congress' oversight functions (but that national security remains an area where Congress is reticent to exercise oversight). Mr. Brandenburg said public financing of judicial elections is gaining momentum in the states. The Board discussed resurgent efforts to roll back the rights of immigrants and people of color and the need to connect with the public more deeply about the need for courts to help enforce people's rights.

Ms. Beeson then introduced Shawn Dove, Campaign Manager of the Campaign for Black Male Achievement, to present the scale-up plan for CBMA that was requested at the February Board meeting. Mr. Dove said that the plan presented to the Board includes five accountability points the Board outlined in February: keeping the issue at the center of the national policy debate; leveraging public and private funding; strengthening organizational leadership and development; measuring OSI and grantee impact and sharing what works; and sustaining the campaign for the long term. He explained that the CBMA scale-up proposal includes a "splash phase" of significant funding up-front, followed by a "wave phase" of sustained funding demonstrating to the field that OSI is committed to these issues. The Board enthusiastically endorsed the mission of CBMA after substantial discussion about the challenges of measuring the impact of our efforts and learning from the history of earlier initiatives that did not succeed. The Board decided that CBMA is becoming a long-term program, and its budget should increase significantly. The Board agreed that CBMA's budget should be scaled up gradually over the next couple of years rather than having a "splash" of very large spending in 2011 that tapers down after that. The Board also discussed the need for CBMA to address issues involving job creation and gender roles/equity.

Ms. Beeson turned to a request to fund drug-policy work for the remainder of 2010. She explained that \$4.5 million was designated to fund this work in 2010 and that the Board approved a request, at its February meeting, to use up to \$2 million of those funds while the overall strategy in this area was further developed. Lenny Noisette, Program Director of the Criminal Justice Fund, updated the Board on the current drug policy strategy, which focuses on access to treatment, harm reduction, and decriminalization of addiction, non-dependence drug use, and low-level involvement in the illicit drug trade. Mr.

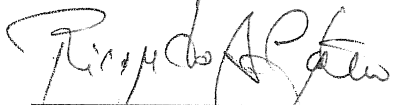
Noisette explained that there are several urgent opportunities in this area that lead to immediate funding opportunities, including access to drug treatment created by passage of healthcare reform, harm reduction principles becoming a focus of federal policy efforts, and continued momentum for repealing drug-sentencing disparities. Upon a motion duly made, seconded, and unanimously carried, the Board approved spending up to \$2.5 million in additional funds in 2010 on drug-policy work. Ms. Beeson explained that the Board would have an opportunity to discuss the longer-term strategy for this work when considering the 2011-2012 U.S. Programs budget in September.

Guests and most of the staff left the meeting and the Board resumed its discussion of the 2011-2012 U.S. Programs budget. First, Jonathan Soros noted that Joan Dunlop and Geoffrey Canada are set to rotate off of the Board after September and that there is a need for new Board member nominations (particularly those that can bring better gender balance). Some individual names were discussed, and the Board agreed that it should review a longer list of candidates over the summer.

Turning to the budget, the Board had a deep discussion of the priorities within U.S. Programs and the areas of the greatest potential impact over the next two years. The Board decided to reduce SFPA's original budget significantly, scale up CBMA spending substantially, and meaningfully increase funding for core programs. The Board created a Budget Committee – consisting of Jonathan Soros, Aryeh Neier, Ethan Zuckerman and Deepak Bhargava – to work with the staff as it develops the budget proposal for the September meeting.

The U.S. Programs Board meeting then adjourned.

Dated as of September 9, 2010



Ricardo A. Castro
General Counsel and Secretary