

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

**September 22-23, 2010**

A meeting of the U.S. Programs Board (the “Board”) of the Open Society Foundations (OSF) was held at the offices of the Open Society Foundations, 400 W. 59<sup>th</sup> Street, New York City, on September 22, 2010, at 2 p.m., and on September 23, 2010, at 9 a.m. There were present Board members Deepak Bhargava, Leon Botstein, Geoffrey Canada, Joan Dunlop, Mallika Dutt, Sherrilyn Ifill, Aryeh Neier, Robert Redford, George Soros, Jonathan Soros, Andy Stern, Bryan Stevenson, and Ethan Zuckerman.

Board guests attending were Andrea Soros Colombel, John Simon, Alex Soros, and Strobe Talbott.

Board guests attending for program discussions were Maurice Emsellem, Vanita Gupta, Jakada Imani, Farhana Khera, and Kung Li.

Attending the meeting by invitation were Majja Arbolino, Ann Beeson, Nancy Chang, Wendy Chun-Hoon, Sophia Conroy, Mimi Corcoran, Adam Culbreath, Monique Dixon, Shawn Dove, Eric Ferrero, Morton Halperin, Hyon Seo Kwon, Erlin Ibreck, Laleh Ispahani, William Johnston, Raquiba LaBrie, Diana Morris, Kay Murray, Lenny Noisette, Stewart Paperin, Wendy Patten, Terrance Pitts, Stephen Rickard, Laura Silber, Luisa Taveras, Michael Vachon, and Bill Vandenberg.

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, guests, and staff and offered an overview of the meeting, which was to include a discussion of the Criminal Justice Fund’s work, an update on drug policy reform efforts, the proposed reauthorization of the National Security and Human Rights Campaign, a discussion of the proposed 2011-2012 U.S. Programs budget, and discussion of strategies for advancing open society over the next two years.

The minutes of the May 26-27, 2010, U.S. Programs Board meeting were offered for approval. Upon a motion duly made, seconded, and unanimously carried, the Board approved the minutes.

Board Member Bryan Stevenson introduced and moderated a discussion among the Board, staff, and guests about the work of the Criminal Justice Fund. Mr. Stevenson provided the context for the problems the Criminal Justice Fund addresses, and Lenny Noisette, Program Director, explained how the Fund is addressing these problems. Mr. Stevenson described over-incarceration, particularly as it relates to black men, and the consequences of it. He noted that very few foundations support criminal justice work, and that the Open Society Foundations support advocacy, direct services, idea-generation, and other strategies. Mr. Noisette outlined the history and strategies of the Criminal

Justice Fund. He said the Fund has always been focused on reducing incarceration and addressing racial disparities, including the structures that drive and support mass incarceration. He said the Fund also makes sure people in the criminal justice system are able to fight for themselves (through indigent defense programs and reform, for example) and addresses “front-end” problems that feed people into the system (by working to change police practices). He noted that all of these goals intersect with each other, just as the strategies OSF supports intersect, and he highlighted examples of specific grants to support multiple strategies. In response to a question from George Soros, Mr. Noisette explained that Board Advisers and leaders in the field help shape and guide the Criminal Justice Fund’s work. Mr. Noisette said that a challenge the Fund and the entire field grapple with is that the frames through which criminal justice are discussed can be limiting; these include a race frame and a frame that focuses on extreme examples of injustice without engaging the public on the more common flaws of the justice system. The Board engaged in robust discussion about public education on criminal justice issues, the need for re-entry services, the role of racism in the criminal justice system, and the history of over-incarceration. The discussion was joined by a panel of guests: Maurice Emsellem, Policy Co-Director at the National Employment Law Project; Vanita Gupta, Deputy Legal Director of the American Civil Liberties Union; Jakada Imani, Executive Director of the Ella Baker Center; and Kung Li, Open Society Fellow. The Board, guests, and staff discussed how to connect more with the public to advance substantial change on criminal justice issues – by emphasizing safety and cost, responding forcefully to opponents, promoting positive narratives, and using statistics strategically. The panel talked about the need to look to the next issues on the horizon (immigration enforcement and sex offender registries), and the Board and guests highlighted the success of the Soros Justice Fellows program.

Aryeh Neier introduced and moderated a discussion among the Board, staff, and guests about the work of the National Security and Human Rights Campaign. Mr. Neier explained that the U.S. has a long history of restricting civil liberties when the country is under a perceived threat. He introduced Nancy Chang, Campaign Manager of the National Security and Human Rights Campaign, who briefly updated the Board on the strategy and progress in this area. She explained that when OSF started this work in 2007, there were disparate groups working alone, and now there is a coordinated field that has made important progress, although much remains to be done. Morton Halperin, Wendy Patten, and Stephen Rickard, of OSI-DC, outlined the federal advocacy landscape, noting that the Obama Administration has not led on these issues as many had hoped. Mr. Rickard noted that public opinion is very difficult on these issues, which limits political will for progress. Mr. Neier introduced Farhana Khera, Executive Director of Muslim Advocates, who spoke about discrimination against Muslims. She talked about her organization’s work empowering Muslim individuals and institutions to know their rights, and she said Muslims increasingly have a voice with policymakers (such as her testimony before Congress on racial profiling). The Board engaged in a discussion about the mix of strategies being pursued in this area, which include advocacy, direct services, some litigation, communications, and arts and culture. George Soros asked about the status of joint ventures with other funders, and Ms. Beeson said that Atlantic Philanthropies is on a different timetable but is moving forward. The Board discussed the

importance of continuing to support this work, and discussed George Soros' suggestion to create a private commission to investigate human rights abuses after September 11. George Soros said that we should continue this work, and that progress on these issues is difficult, the battle is not completely lost, and the foundation is in the business of fighting losing battles. At the end of the discussion, Ms. Beeson asked if the Board had reached a consensus to continue the National Security and Human Rights Campaign for 2011 and 2012, and all of the Board members agreed.

Mr. Noisette provided a brief update on the work of the Campaign for a New Drug Policy, highlighting a meeting of leaders in the field and George Soros a few days earlier. The Board discussed the need to focus on treatment and harm reduction.

Over dinner (with a couple of Board members, including George Soros, absent), Jonathan Soros introduced a discussion about the proposed 2011-2012 U.S. Programs budget. He provided a brief history of the work to develop the budget, including George Soros' decision to keep the budget within \$320 million over two years and the Board's decision to scale up the Campaign for Black Male Achievement, reduce the Special Fund for Poverty Alleviation, and meaningfully increase funding for the core programs. He explained that the newly formed Board Budget Committee worked with the staff to develop the proposed budget, which was also reviewed in depth by Board Advisers to each program area. He explained that the Board had made its choices about program priorities over the last couple of years, and that the remaining work was to ensure that the budget reflects those priorities and George Soros' vision. Ms. Beeson and the staff walked through the shifts in the overall budget and in individual program areas that were made in response to the Board's guidance. Deepak Bhargava and Ethan Zuckerman recapped the work they did as members of the Budget Committee (along with Jonathan Soros and Mr. Neier). Several Board members said the format of the budget materials was extremely useful and helped them understand how goals and strategies align with proposed funding, while one Board member said the materials didn't provide enough detail about the size of specific grants. The Budget Committee agreed to work with the staff in future years to explore whether and how to provide deeper detail without overwhelming Board members. The Board and staff engaged in free-wheeling discussion about a range of issues connected to the budget and the programmatic work -- including the size of grants, the overarching strategies driving the work, mechanisms for accountability, emerging open society issues, and the goals within program areas.

The Board meeting resumed on September 23, 2010. Ms. Beeson introduced two special guests joining the discussion: John Simon and Strobe Talbott. Andy Stern then introduced and moderated a discussion about the external climate in which U.S. Programs is operating. Mr. Stern outlined principles for designing transformational change, which include planning from victory backward and having a strong strategic direction. He explained that success requires capacity and infrastructure as well as constant evaluation and readjustment. George Soros said he was extremely disturbed by the state of affairs in the U.S. on the full range of open society issues. Several Board members, including Jonathan Soros, Geoffrey Canada, Deepak Bhargava, Joan Dunlop, and Mallika Dutt, shared this concern but noted that there are opportunities for progress and that the

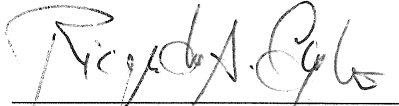
foundation's work is particularly critical in this climate. Board members highlighted federal funding opportunities, racism and xenophobia, the need to educate the public and engage unusual allies, the impact of the crisis in journalism, and the need for long-term strategies for fundamental progress. Kay Murray, OSF's Deputy General Counsel, noted that the foundation is nonpartisan and does not support political parties or take partisan positions in any elections.

Jonathan Soros outlined the Board's role in overseeing the development of the 2011-2012 budget and recapped the Board's dinner discussion the previous evening. He reported that the Board generally agreed that the programs reflect the right priorities. He said some Board members suggested additional priority areas (such as jobs and education), and that the Board had engaged in productive discussion about the strategies of U.S. Programs and the format of Board meetings. George Soros expressed dissatisfaction with the foundation. He said the foundation should not measure its output by how much money it spends, and that systemic change should be driven by ideas rather than money. He noted that policies and systems can be changed through a blend of services and advocacy, and by supporting institutions and mobilizing communities, but that all of these must be driven by strategies and ideas. Board members asked a series of questions to better understand George Soros' concerns. George Soros said these concerns have been building for some time, and that he would be increasing his level of involvement to ensure that the foundation's work reflects his vision. He suggested that a portion of the 2011-2012 budget remain flexible to allow the foundation to operate more nimbly.

The Board entered Executive Session and continued its discussion about strategies and the proper roles of the Board and the staff. The Board agreed to increase the unallocated funds in the budget from \$10 million per year to \$15 million per year (for grants approved by the Chairman and Board); with that adjustment, the Board voted to approve the budget for 2011 and approve 50% of the budget for 2012. The Board decided to hold a retreat to address some of the broader issues about vision, strategies, and governance, to develop a process for accessing the unallocated funds in the budget, and to decide how to proceed with the rest of the 2012 budget.

The U.S. Programs Board meeting then adjourned.

Dated as of February 10, 2011

  
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Ricardo A. Castro  
General Counsel and Secretary