

**Minutes of the Meeting of the U.S. Programs Board  
Of the Open Society Foundations  
October 5 and 6, 2011**

A meeting of the U.S. Programs Board (the “Board”) of the Open Society Foundations (“OSF”) was held at the offices of OSF in New York City, on October 5 and October 6, 2011. There were present Board members Deepak Bhargava, Leon Botstein (by videoconference), Geoffrey Canada, Joan Dunlop, Mallika Dutt, Sherrilyn Ifill, Aryeh Neier, Andrea Columbel Soros, George Soros, Jonathan Soros, Andy Stern, Bryan Stevenson, and Ethan Zuckerman.

Attending portions of the meeting by invitation were Maija Arbolino, Caroline Chambers, Nancy Chang, Shawn Dove, Eric Ferrero, Mort Halperin, Erlin Ibreck, Laleh Ispahani, Andy Ko, Raquiba LaBrie, Diana Morris, Kay Murray, Lenny Noisette, Stewart Paperin, Laura Silber, Michael Vachon, Bill Vandenberg, and George Vickers.

Board chair Sherrilyn Ifill opened the meeting by thanking the Board for its work and involvement throughout the spring and summer and its engagement with the staff to review intensively the grantmaking and operations of U.S. Programs. Ms. Ifill thanked acting executive director Diana Morris for her help with this process and expressed the view that the dramatic change in U.S. Programs was, not surprisingly, unsettling for all concerned. She described how the Board had reaffirmed the core content of U.S. Programs but had reassessed and determined to consider eliminating and/or reorganizing certain initiatives. One purpose of the meeting was to review and vote on the 2012 budget, understanding that the Board and staff know that the 2013 budget is completely uncommitted.

She described some of the challenges to open society values in the U.S.: the newly-passed anti-immigrant measures in Alabama, U.S. drone attacks which had killed an American without public outcry, and also some hopeful developments, such as a change in New York City policies on marijuana arrests, and increased graduation rates for African-American boys in Baltimore high schools. She pointed out that the Board’s consensus was that U.S. Programs had not heretofore made a large enough impact to help the most marginalized members of society, but that the staff and Board were taking the challenge to change that quite seriously. She also described the bureaucratic challenges of re-thinking and reallocating the previously proposed 2012 budget.

A motion to approve the minutes of the meeting of the Board of June 9, 2011 was duly made, seconded and unanimously approved.

Mr. Neier described the situation in New York City (“NYC”) involving hundreds of thousands of “stops and frisks” of young men of color by the police, and the resulting, likely illegal, numbers of arrests for marijuana possession of tens of thousands of these people. He discussed the possible incentives for this practice and how OSF had worked to address this injustice by supporting academic research, analysis of the situation, and a coalition of activists. Mr. Soros mentioned the work of Senior Advisor Herb Sturz in this

area and the media attention that had led to the NYC Police Chief's recent pronouncement curbing the practices leading to unfair marijuana arrests. He described the implications on city policy arising out of U.S. Programs' contribution, both financial and substantive, to Mayor Bloomberg's Young Men's Initiative ("YMI").

Shawn Dove and Lenny Noisette explained the partnership between the City and the Campaign for Black Male Achievement and the Criminal Justice Fund. It was spurred by the announcement in August of OSF's \$30 million grant over three to five years in matching contributions to the Bloomberg Philanthropies' contribution to YMI. They described how OSF's contribution would be allocated to educational, post-incarceration support, and fatherhood initiative programs in the City. They described the deep involvement of U.S. Programs staff and Ms. Ifill in negotiating with the City over the substantive uses and assessment standards of its investments in the YMI programs as well as the role, responsibilities and membership of an advisory board to oversee YMI prior to issuing grant agreements. The Board discussed the implications and benefits of such a partnership and how it may be used to leverage policy changes at the City level.

Diana Morris described the campaign the Criminal Justice Program is waging in California to reduce mass incarceration. She described Governor Brown's "Realignment" plan to prevent the incarceration of individuals with sentences for crimes that are deemed "non-violent, non-sexual, non-third strike" offenses. The campaign recognizes Realignment will not suffice and has several other policy goals: to reduce levels in local jails and not just state prisons; to promote community supervision over jail terms, including for technical violations; to reform "Three Strikes" laws; to make drug offenses not punishable with incarceration; and to reduce parole time. Ms. Morris said the program was considering candidates for a campaign manager and listed other foundations that U.S. Programs had successfully engaged to co-fund the effort. The Board discussed the need for a larger effort, and Mr. Neier pointed out that several conservative governors were trying to reduce incarceration levels in their states for budgetary reasons, and that it was a good idea to try to find a way for OSF to work with them. Mr. Stevenson pointed out that it was important to advocate at the county, and not just at the state level. Ms. Morris explained the Realignment program that Governor Brown had initiated and that could meet the Supreme Court requirements to reduce prison overcrowding would take two years to implement, that the more comprehensive campaign that U.S. Programs and the co-funders were envisioning would take three to four years, and that the working budget for the campaign was approximately \$2.5 million per year.

Mr. Soros expressed the view this was not ambitious enough and that a "splash" needed to be made first, and quickly. He agreed that a coalition of fiscal conservatives and justice advocates should be formed for a new way forward. He requested that when a campaign manager was retained, that person should come up with a larger budget and set OSF's sights higher in this area. The Board discussed the great complexity of such an effort and how it was realistically a very long term effort, and that OSF needs in-house capacity to win a campaign of ideology in this area.

The Board then reviewed and discussed the proposed 2012 budget for U.S. Programs. Ms. Morris presented the proposed budget, which was formed based on guidance from the Board's midterm review of each program and on its executive session of September 1. With respect to 2012 discretionary funds for grants, the proposed allocations of the Chairman's amount for grants (\$20 million per year) and the Board's amount for grants (\$10 million per year) were presented. It was noted that the total amount of discretionary funds in 2011 was \$15 million.

Mr. Soros requested that \$10 million from the Chairman's portion of the 2012 discretionary funds be reserved. The Board raised for discussion a proposal from some its members to allocate \$9 million from 2012 discretionary funds to go towards additional nonpartisan voting related work. Laleh Ispahani described the challenges posed to democratic participation by the passage of Voter I.D. requirements and their enforcement. The Board then went into executive session to discuss that proposal and the 2012 budget.

The Board discussed the need to address past and continuing human rights challenges posed by the nation's national security policies and the level of effectiveness of the National Security and Human Rights ("NSHR") campaign over the years of its existence, as well as the Board's discussion and decisions made on September 1 to decrease investment in the NSHR campaign. Ultimately, the Board resolved to delegate to a subcommittee comprised of Jonathan Soros, Diana Morris, Sherrilyn Ifill, and Nancy Chang, with Aryeh Neier as chair, the authority to determine the 2012 budget for the National Security and Human Rights Campaign.

The Board then discussed the proposal to invest \$9 million from the Board's discretionary funds grant line into non-partisan voter mobilization work, which would be in addition to the allocation of \$3.77 million from the Democracy and Power Fund budget. Members described various such proposals for discretionary funds brought by staff and Board members, and Mr. Soros explained that he can and may make his own personal contributions to such work as well. After discussion, the Board resolved to reserve \$2.75 million from the Board's discretionary funds for emergency funding to be used by the Transparency and Integrity Fund to address voter mobilization, suppression, and registration challenges, with priority given to voter protection activities.

The Board turned to the rest of the proposed 2012 discretionary funds grants. It unanimously approved a grant to the Drug Policy Alliance of \$5 million, of which \$1 million in 2012 would come from discretionary funds and the balance from the Campaign for a New Drug Policy's funds. Diana Morris explained that the amounts of \$1 million in 2011 and \$2.2 million in 2012 were allocated from discretionary funds to pay for the grants supporting the YMI in New York City, that the balance would be paid by the Campaign for Black Male Achievement and the Criminal Justice Fund budgets beginning in 2012, and that these grants were contingent over their three to five year terms and therefore could be allocated and accounted for on a yearly basis.

It was pointed out that the 2013 budget would be drawn up from scratch after U.S. Programs had been fully reorganized and a new Executive Director in place, so that discretionary funds might not be allocated going forward as they were for 2011 and 2012.

Ms. Ispahani joined the meeting to describe a proposal for the use of \$900,000 in 2011 discretionary funds and \$950,000 from the Transparency and Integrity Fund to support the creation at Arizona State University's Cronkite School of a fellowship program for journalists to investigate the effect of money in politics. The proposal was a response to the Board's interest in addressing the Citizens United Supreme Court decision and the effects of money on the political process. George Soros and the Board discussed the procedural problems revealed by having a grant of this size proposed without having first had the Board investigate and discuss its merits. Ms. Morris noted that the initiative was presented to the Board as a proposal; it could be revised or declined. Mr. Soros emphasized the importance of having partners in funding initiatives of this nature before proceeding as far as this proposal had. The Board discussed whether individual members could devote the time to developing proposals with staff such as had been demanded by the YMI grants, and whether the several executive Board sessions it had conducted over the past several months had led to the staff not being adequately informed about the direction U.S. Programs was taking. Mr. Neier suggested staff should be engaged in Board meetings going forward, and Ms. Ifill noted the current executive session was only for the decisions to be made about discretionary funds allocations.

The Board continued to discuss the merits of the proposed initiative, and it was resolved that \$1 million should be reserved from the Board's discretionary funds to address the challenges to democracy and transparency raised by Citizens United, but that any proposal such as the fellowship initiative needed to be matched by funding partners. The Board then discussed the appropriate procedural and substantive parameters by which staff should bring proposals to spend discretionary funds to the Board. Ms. Morris pointed out that the staff understands that discretionary funds are not for staff projects, but that the proposals could not be adequately vetted by the Board without staff input. The Board acknowledged the accuracy of that observation and resolved that the staff would be brought into more Board discussions to receive clear guidance, with the understanding that the reorganization of U.S. Programs is not yet done.

Mr. Soros suggested the Board consider making evergreen grants to core grantees and having professional staff continuously review them while also funding campaigns around a Citizens United response, continued work in fighting incarceration rates, and city/state focused funding, pointing out that the investment in Baltimore paid off after ten years. He suggested these elements inform the 2013 budget, and that staff be fully informed as partners in the Board's decisions. Ms. Ifill suggested that the need to think through the issues, pinpoint priorities, and devise the best way to address them effectively required that the Board create a concrete, transparent process for making those decisions.

Upon further discussion, a motion to approve the 2012 budget, with details to be determined as described in the previous discussions related to the NSHR campaign, and amended as resolved to reduce discretionary funds for voter participation to \$2.75 million from the proposed \$9 million, to add placeholder funds of \$1 million from discretionary funds to address money in politics, and to reserve \$10 million from the Chairman's discretionary funds, was duly made, seconded and unanimously passed.



On October 6, the Board began by discussing the newly-passed Alabama immigration law, the most punitive and extreme in the nation. Various ideas for fighting its abusive treatment of immigrants and the danger of similar laws passing in other states were raised by several Board members. Mr. Neier described the effectiveness of the “Black Sash” campaign in South Africa during apartheid. It was agreed that nonpartisan efforts, including economic boycotts and litigation, to raise awareness and combat the law quickly were of the essence. The Board unanimously resolved to allocate \$250,000 to \$300,000 from the 2011 Strategic Opportunities Fund and discretionary funds to fund these efforts.

Ms. Ifill then laid out the remaining agenda for the meeting: a discussion of the future structure of U.S. Programs; the status of the Executive Director (“ED”) and new OSF President searches; and potential nominees to the Board. Ms. Ifill described the work of the Board with staff since Mr. Soros had charged it with reimagining and reorganizing U.S. Programs. Based on these discussions and work, Ms. Ifill proposed that the Board consider appointing a small number of senior programmatic thought leaders as advisors in the core areas that are agreed priorities of U.S. Programs: justice (including criminal justice, drug policy and judicial integrity); equality and rights (including democratic participation and voting rights); integrity and accountability of public institutions; and an “ideas fund,” which could devise city/state strategies, among other things. Although not wedded to those areas, she asked the Board to consider the proposal to appoint senior advisors as thought leaders, who would join work groups for each priority areas with two Board members, the Executive Director and Program Directors, and to ask the work groups to make recommendations in a paper for work and a vision for going forward.

The Board discussed whether the proposed senior program thought leaders should be chosen after or before appointment of a new ED of U.S. Programs and the extent to which their appointment would inform the type of ED chosen. All agreed that a strong leader for ED should be chosen, and that the senior thought leaders could provide service in various ways, as part time consultants or volunteers or in a fellowship capacity.

A discussion about the effectiveness of US Programs’ external communications led to a proposal that the Board appoint a communications working group, comprised of Joan Dunlop, Bryan Stevenson and staff members Maria Archuleta, Diana Morris, Debra Rubino and Laura Silber, to explore and advise the Board on how better to amplify the views of OSF and its United States grantees on open society issues in the U.S. The Board approved the formation of this working group.

Ms. Ifill then described the process and status of the ED search. Several strong candidates were described and their candidacies discussed, but no decision was made. The Board will continue to consider other candidates, understanding that the forthcoming naming of a new president of OSF will inform its decision on an ED.

The discussion turned to Board membership and nominations. Mallika Dutt announced that she would resign from the Board after this meeting, citing her demanding travel schedule. Ethan Zuckerman announced that he would leave the Board following its next scheduled meeting, as he was a member of the board of the Information Program, an OSF

network program. He proposed on behalf of the nominating committee the addition of Yochai Benkler. With Mr. Zuckerman abstaining, the rest of the Board unanimously agreed to invite Mr. Benkler to join the Board. Other candidates for Board membership were discussed and the nominating committee noted that it intended to forward additional candidates to the Board and the Trustees for approval.

Jonathan Soros updated the Board on the search for a new president of OSF to take office when Mr. Neier steps down as President in mid-2012. Several very strong candidates had been interviewed and the search committee was on target to name a new president shortly before or after the new year.

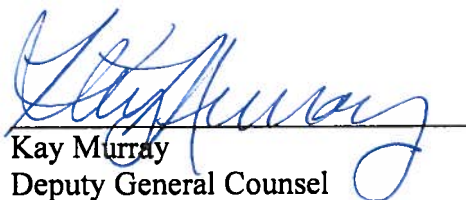
The Board then ended its executive session and staff of U.S. Programs entered the meeting. Staff members from OSI's Washington, D.C. office, who are enabled to work for the Open Society Policy Center ("OSPC"), a 501(c)(4) organization, described OSPC and its work in both the U.S. and abroad. OSPC is affiliated with OSI and a fact sheet setting forth the legal and governance parameters of the organizations' work in tandem and cooperation on open society issues was distributed. OSPC, by its own internal policy, does not engage in partisan political activity. The Board discussed various ways the organizations could increase communication and cooperation, within the bounds of the laws regulating both organizations.

A proposal to focus on jobs as an urgent issue facing the country was made by Board members Andy Stern and Deepak Bhargava. A discussion of other foundations involved in economic concerns and poverty occurred. After discussion, it was agreed to review the proposal and the issue of jobs in the context of an ideas portfolio, and Mr. Soros expressed that he was open to supporting certain aspects of the proposal if matching funds were found from philanthropic partners. He emphasized again that he favors finding matching support for new endeavors, including for city/state initiatives, although the "match" need not necessarily be in funds.

He expressed a desire that the staff of U.S. Programs be part of the process of deciding the direction for 2013, to which the Board agreed.

There being no further business, a motion to adjourn was duly made, seconded and approved.

Dated as of February 1, 2012

  
Kay Murray  
Deputy General Counsel