ANNUAL REPORT 2004

SOLUTIONS



WORKING WITH TODAY'S AND TOMORROW'S LEADERS





HONORING OUR FOUNDER

ROBERT W. CRAIG



ob Craig, founder and president emeritus of The Keystone Center, could teach seekers of truth a thing or two. Widely respected as both an astute observer of the human condition and a visionary businessman, Bob has at various times been a climber (Mt. Everest and K2, among others), an author (*Storm and Sorrow in the High Pamirs*), a philosopher, an organizer (first executive director of The Aspen Institute, president of the American Alpine Club, and founder and CEO of his own industrial design company), and, most important for us, the driving genius behind The Keystone Center's thirty years of success.

Today, headstrong and vigorous as ever, he skis 100 days a year, fly-fishes with movie stars, dines with heads of state, and, in his greatest accomplishment yet, is married to Terry McGrath Craig, the only person he actually listens to and obeys.

When Bob founded The Keystone Center in 1975, the world was a very different place. Americans were struggling to implement the landmark environmental acts of the late 1960s. The Russians and Americans were finally cooperating on the Apollo-Soyuz mission. The city of Saigon had surrendered and America had just evacuated its embassy. Home videotape systems were coming into the marketplace and the smart thinking (wrong, of course) was on the Betamax format. That year, John W. Cornforth from Australia and Vladimir Prelog from Switzerland won the Nobel Prize for Chemistry for their research on the structure of biological molecules. *One Flew Over the Cuckoo's Nest* took top Oscars at the Academy Awards, and John N. Mitchell, H. R. Haldeman, and John D. Ehrlichman went to jail for their parts in the Watergate scandal.

This, then, was the political context in which Bob conjured up the idea of bringing some high-level friends from the private sector together with some high-level friends from the environmental

community for an improbable meeting. Bob had a hunch: If we could get people together and structure some disciplined and informed discussions, perhaps we could jointly come up with some better ideas that would leap away from theoretical discussions and actually impact public policy. And what better way get them talking than to get such people to shed their suits and ties and instead ride up a chairlift at 11,000 feet, legs dangling and noses dripping?

Ever the diplomat, Craig used this rather sneaky but effective strategy to break down the rigid barriers that wall off the worlds of business practitioners and environmental advocates. Once that happened, he got people talking to each other about making common cause. The Keystone Center's first dialogue, entitled, "The Next Million Years," brought together geologists, congressmen, environmentalists, and nuclear energy experts to discuss the geologic carrying-capacity of Planet Earth for high-level radioactive waste. The resulting consensus document was incorporated into nuclear waste disposal legislation, and paved the way for the hundreds more ground-breaking discussions which have resulted in significant policy changes over The Keystone Center's 30-year history.



September 2004 marked Bob Craig's 80th birthday. To commemorate this, the Board of Trustees and staff of The Keystone Center honored Bob with two celebratory dinners, one in Washington, DC, and one in Keystone, Colorado. Well-attended by friends and colleagues new and old, both evenings featured remarkable speeches and memorable stories of Bob's escapades and adventures. Special entertainment was provided by Colorado singer/songwriter Jim Salestrom, who wrote and performed a special song for Bob at both events. Just as important, proceeds from the dinners created yet another legacy: the establishment of the *Robert W. Craig Fellows Program*, which will enable The Keystone Center to draw upon the educational and policy talents of many future experts and specialists.

The Keystone Center staff is immensely honored and blessed to continue Bob's work and look forward to the next 80 years of his advice, counsel, vision, friendship!

1 ~ ROBERT W. CRAIG ~ 2

Dear Friend of The Keystone Center:

We are pleased to present the 2004 Annual Report of The Keystone Center. While we are justifiably proud of The Center's staff and the significant accomplishments they achieved across a broad range of issues and programs, reading about The Keystone Center is quite different from experiencing it. We hope those of you who haven't done so will use this report as a springboard for engagement with the talented team of individuals who comprise TKC staff and Board of Trustees.

FROM THE CO-CHAIRS

We are also very pleased to welcome Peter Adler into his new role as President of The Keystone Center. Peter's strong leadership skills, extensive experience with stakeholder

processes, and deep commitment to TKC's mission give us great confidence in the organization's future. The Board looks forward to working closely with him across the broad range of our public policy, science education, and leadership programs.

Peter often refers to a "secret sauce" that sets the Keystone process apart. We're not sure whether it's the pure air at 9,000 feet, the stunning view of the Rockies, the opportunity to dive deeply into complex issues in a group representing a diverse spectrum of interests, or the ability to apply good science in a "hands-on" way to real problems—but we are certain that the Keystone formula works.

As The Center goes forward into 2005 and beyond, we know that there are literally thousands of policy makers, NGO and corporate leaders, and students, teachers and administrators who have been touched by Keystone. They—you—form a remarkable network, in the United States and throughout the world.

On behalf of the Board of Trustees, we pledge to do all that we can to support this extended Keystone family in its critical mission going forward.

David I. Greenberg Howard "Bud" Ris ounded in 1975, The Keystone Center (TKC) is a non-profit 501(c)(3) organization whose mission is to develop solutions to societal issue through the innovative use of deliberative frameworks, inclusive processes, and analytical scientific information.

The Keystone Center has garnered an international reputation of excellence for developing smart public policy that has lasting impact, and for building solid foundations for future leadership through creative approaches to education.

The Keystone Center accomplishes its goals through three outstanding programs:

THE KEYSTONE CENTER

THE CENTER FOR SCIENCE AND PUBLIC POLICY uses scientific reasoning, analytical frameworks, and alternative dispute resolution techniques to lead decision-makers in crafting solutions and developing sound policies.

KEYSTONE SCIENCE SCHOOL strives to help students develop an understanding and respect for science, the environment, self, and others by using scientific frameworks, inquiry, and interdisciplinary academic instruction as tools in informed decision-making.

THE CENTER FOR PROFESSIONAL EDUCATION AND LEADERSHIP provides educational resources that inspire positive action, improve

community engagement, and equip participants with tools and skills to approach complex problems with broader perspectives.

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Friends and Colleagues:

Recently, I gave a talk to a group of educators and policy makers who were interested in the facilitation and teaching methods we use at The Keystone Center. As I started my presentation, I described Keystone as "improbable, resilient, and results-oriented." Someone asked me to explain the word "improbable," and I noted that we have 43 staff members and 43 members on our Board of Trustees, that we have two Board co-chairs—one from industry and one from the non-profit

FROM THE PRESIDENT

will find a myriad of activities underway,which might include:A major consensus-building policy

sector—and that on any given day you

 A major consensus-outding poticy dialogue on a challenging public health, energy, or environmental issue.



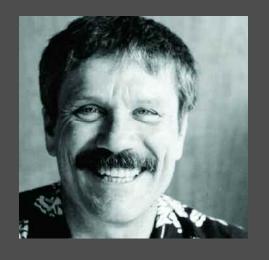
- Specialized teacher training programs in Colorado, Wisconsin, or Florida studying green chemistry, recycling and product stewardship, or space science.
- Research and technical preparation for a Youth Policy Summit on Child and Adolescent Nutrition in America that will bring 40 students from 10 high schools in 7 states to Keystone for a weeklong program in which students will come to consensus on a policy recommendation on how to encourage kids to lead healthier lives.

All the work we do in all of our programs is guided by key commitments. We insist on retaining our independence and neutrality. We foster, through certain key strategies and tools, critical thinking skills, cooperation, and teamwork. Most of all, we are committed to finding practical solutions to real problems by bringing together today's leaders and fostering the leadership skills of future generations.

The real story, of course, is in the details. With great pleasure, and with much pride, I invite you to examine the work we accomplished in 2004 and to contact any of us at anytime to explore opportunities to connect with The Keystone Center and to help contribute to one of the great adventures of our time: building bridges to solve problems and shape the future.

Peter S. Adler, Ph.D.

President



ince 1994, The Keystone Center has presented annual awards for outstanding leadership in government, the environment, industry, and education. Award recipients have all demonstrated a strong sense of vision and the ability to motivate others in a united effort to achieve important change. Honorees are universally dedicated to teamwork and consensus-building, exhibiting respect for all parties and all information available. All proceeds from the dinner, The Center's largest fundraising event, support The Center and its projects.

More than 400 guests joined The Keystone Center in honoring the 2004 awardees on June 2nd at the East Hall of Union Station in Washington, DC. The event was emceed by award-winning journalist Cokie Roberts.

11TH ANNUAL LEADERSHIP AWARDS DINNER

Keystone Center Board Member CLINT VINCE opened the program by recognizing retiring Keystone Center Board Chairman NICK REDING for his many years of dedication and service to the organization.

RALPH PETERSON, Chairman and CEO of CH2M HILL Companies, received the LEADERSHIP IN INDUSTRY AWARD, presented by John H. Gibbons, former Science Advisor to The President of the United States. An inspirational leader who has been with CH2M HILL for 40 years, Ralph Peterson has worked to shape the company whose mission is to "Build a Better World." CH2M HILL performs work globally in such diverse areas as water treatment, environmental cleanup, transportation, energy,

and industrial services. Mr. Peterson embraces the global and human context of his decisions as a leader, and as an outspoken voice shaping policy on these wide-ranging issues.

Senator Ted Stevens presented the LEADERSHIP IN GOVERNMENT AWARD to Senator Daniel K. Inouye. Elected as Hawaii's first U.S. Congressman in 1959, Senator Inouye is currently serving his seventh consecutive Senatorial term and is the fourth most senior member of the U.S. Senate. Inouye was a World War II hero who led the legendary 442nd Regimental Combat Team of Nisei, which led to the loss of his right arm in a grenade explosion. He was awarded the Congressional Medal of Honor in 2000. He has fought for improved education and health care for all children, additional jobs for Hawaii's economy, affordable housing, and the protection of America's natural resources.

JONATHAN LASH, President of the World Resources Institute (WRI), was presented the LEADERSHIP IN ENVIRONMENT AWARD by PAUL V. Tebo of DuPont. Mr. Lash, who leads WRI, an independent organization that provides solutions to global problems of environment and development, served from 1993 until 1999 as co-chair of the President's Council on Sustainable Development—a group of government, business, labor, civil rights, and environmental leaders that developed visionary recommendations for national strategies to promote sustainable development. He is widely respected within the environmental community for his extensive experience and dedication to the promotion of global environmental health.



DANIEL RITCHIE, Chancellor of the University of Denver (DU), received the LEADERSHIP IN EDUCATION AWARD. Chancellor since 1989, Daniel Ritchie has been involved with the University of Denver for more than 20 years and is a steadfast activist in the areas of education policy, education financing, and the future of higher education. Prominent in the Denver civic and cultural community, Ritchie has proved to be a tireless advocate for the University, instrumental in bringing major gifts to DU and devoting a record-setting chunk of his own personal resources to improving the campus and its programs. U.S. Senator Byron Dorgan presented the award to Mr. Ritchie.

5 ~ FROM THE PRESIDENT ~ 6

HE CENTER FOR SCIENCE AND PUBLIC POLICY (CSPP) specializes in smart policy outcomes that are enabled by expert science, careful convening, and skilled process. CSPP L enables leaders from governmental, non-governmental, industrial, and academic organizations to find productive solutions to controversial and complex public policy issues. The Center's focus is always on collaboration and creating cooperative solutions that promote widespread political stability. The result? Implementable actions, new partnerships, and reduced conflict. Regardless of the issue, The Center personifies analytically viable, democratically achieved decisions that address controversial matters.

CSPP achieved solid growth in 2004, both programmatically and financially, while working

on many exciting efforts, on a variety of issues, within the focus areas of environment, energy and public health. CSPP was also successful in solidifying new work that will carry into and ensure a successful year in 2005.

One of CSPP's central projects is with Jet Propulsion Laboratories in Pasadena, California. One of the many efforts we have worked on together is the project on Space Nuclear Power. Funded by

AND PUBLIC POLICY NASA, the project is intended to advise NASA on the environmental and health issues associated

with space nuclear issues. Much of the background work was performed in 2004, including preparations for a multi-stakeholder meeting in 2005. The meeting will include representatives from NASA, the U.S. Department of Energy, relevant NGO groups, citizens from the launch community in Florida, environmental regulators, and others. In addition, CSPP has been asked by NASA to convene a group of thought leaders for a one-time meeting to discuss potential future spin-off opportunities in the environmental, energy, and health arenas from technological advances made in the pursuit of NASA's science goals.

n September of 1999, Chad Holliday, Chairman and CEO of DuPont, publicly stated that "we will **⊥**create a global, biotechnology advisory panel to guide our actions, help us create positions on important issues, and guide and challenge us in the development, testing, and commercialization of new products based on biotechnology. We will also ask this panel to audit our progress and

provide a public report on a regular basis."

Since that time, The Keystone Center has formed that advisory panel which has convened twice per calendar year. The first panel background information regarding the panel and the current membership; the panel's consensus assessment regarding their participation on the panel; and individual perspectives from each of the panel members regarding their particular areas of interest and expertise as they relate to biotechnology. The latest report, issued in early 2005, can be found at www.keystone.org.

ith funding support from numerous energy companies and the U.S. Department of Energy, CSPP conducted a dialogue on the barriers facing development of interstate transmission facilities. The recommendations of the Dialogue will inform the current policy debate about the role of national and state governments, regional transmission organizations and other stakeholders. It may also provide

advisory panel to quide our actions, help us create positions on important issues, and quide and challenge us in the development, testing, and commercialization of new products based on biotechnology." —Chad Holliday, Chairman and

CEO of DuPont

"We will create a global, biotechnology

workable model for collaborative planning, cost allocation and siting decisions. During the first phase of the project, The Keystone Center staff interviewed approximately 75 stakeholders affected by four regional transmission congestion areas in New England,

guidance on new permitting and public engagement procedures, and could help develop a

the Rocky Mountain region, the Midwest, and California. These case studies provided on-the-ground information about the major hurdles and some of the innovative approaches to resolving them. The final meeting of this dialogue will be held in 2005, with a final report release planned for April 2005.



KEYSTONE ENERGY BOARD

he Keystone Energy Board fosters dialogue that examines the linkages among energy, $oldsymbol{\perp}$ environmental, and economic policies. Through the Board, leaders from government, industry, and the environmental, consumer, and other public interest communities come together to develop timely and comprehensive policies for the nation's most challenging long-term energy problems.

The Board achieves this mission by meeting three times a year to discuss topics that influence energy policy. The meetings are designed to stimulate broad thinking about issues affecting energy policy and to anticipate the issues that may become a focus of future policy debates, all within the context of a neutral forum.

Once again in 2004, the annual winter meeting of the Board was held at The Keystone Center in Keystone, Colorado. Over the course of the dynamic, 2-day meeting, participants discussed topics ranging from a "big think" look at the role of competition in energy markets to more technical exploration of alternative fuel sources such as Integrated Gasification Combined Cycle (IGCC), Liquified Natural Gas (LNG), nuclear

The meetings are designed to stimulate broad thinking about

issues affecting energy policy and

to anticipate the issues that may

become a focus of future policy

debates, all within the context of a neutral forum.

power, and/or renewable energy. The summer meeting convened in Washington, DC, where Board members explored issues related to climate change and the implications of rising oil prices. Again in the fall, the Board met in Washington DC, this time to discuss the challenges surrounding securing America's energy future. At each meeting, valuable insight into current policy perspectives and priorities is provided by representatives of Federal and Congressional entities, including some of the Board's ten Congressional members.

The Board also serves to help shape Keystone policy dialogues that are of interest to its members. One example of a project born out of the Board is the recently concluded Dialogue entitled Regional Transmission Projects: Finding Solutions. The project convened a broad group of stakeholders to examine challenges surrounding the development of regional transmission facilities as one possible means of improving our national energy infrastructure. Consensus recommendations generated by the group are anticipated in spring 2005.

For more information regarding the Board and its membership, please visit www.keystone.org.



CENTER FOR SCIENCE

"Transparency, stakeholder

twenty-first century."

Ford Motor Company

engagement, and accountability...

will be the regulatory tools of the

-Bill Ford, Chairman and CEO,

report has been issued and provides information in three areas:

7 ~ CENTER FOR SCIENCE AND PUBLIC POLICY



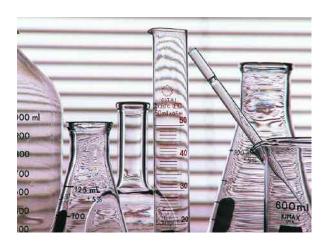
"I had the most awesome learning experience of my life at KSS. I loved all the hikes, night programs, and field days. I thought that was a really fun way to learn. Also, I thought the team building activities helped our class really become friendly to each other, so now we're one big group of friends. I could go on and on about how I loved your methods of teaching. Thank you for very much fun."

-Wesley Vandercook, Pagosa Springs Intermediate School student

In 1974, Bob's expedition mates dug him out of not one, BUT TWO AVALANCHES IN THE USSR'S PAMIR MOUNTAINS. BOB CREDITS HIS MOUNTAINEERING EXPERIENCE FOR HIS ABILITY TO BRING TEAMS TOGETHER FOR DIALOGUES.



hile these highlighted projects represent our largest efforts in 2004, CSPP also performed steady work with DOE on carbon sequestration, with USGS on strategic planning for their bio-informatics nodes, with BLM on collaborative land planning in the Vermillion Basin of Colorado, a project on the management of pandemic flu, and various other stakeholder processes.



The Center also realized great success in 2004 with the launching of a new effort with the U.S. Food and Drug Administration to design, convene and facilitate a multi-stakeholder dialogue seeking voluntary action in the fight to prevent obesity and undue weight gain in the United States. This effort is intended to produce recommendations and actions for a range of participants, pursuant to supporting consumers' ability to manage energy intake within the scope of prepared meals purchased away from home.

"Consensus dispute resolution involving all affected basin parties has a core value, one separate from the worth of ending a confrontation for the time being. An agreement can glue former adversaries together in a continuing process jointly conceived. Consensus builds trusting communities. Agreements heal and strengthen places." — Charles F. Wilkinson, Professor

of Law, University of Colorado

EXECUTIVE EDUCATION PROGRAMS

004 marked the inception of the Key Innovations Summer Institute. The Institute provides a progression of leadership development programming that covers individual and organizational, collaborative leadership development. The Keystone Center brings in top leadership thinkers and provides innovative, experiential methods for participants to explore leadership dilemmas they face today. In the summer of 2004, the program partnered with John Lord and Louis Wood of the University of Virginia to offer a session on "Horse Sense"—using the nuances of working with horses to relate to the dynamics of individual relationships—and with Colorado College and the Leeds School of Business at the University of Colorado to explore leadership strategies for complex

issues such as climate change.

Throughout 2004, The Keystone Center also conducted a five-year evaluation of its Leadership Forum on Sustainable Development for Corporate Leaders. The results of the evaluation indicated that the program is best suited to high-level executives seeking new strategies for integrating sustainable development in their practices, and in 2005, will be refined to best meet this need.



EYSTONE SCIENCE SCHOOL (KSS) inspires in students respect for science, the environment, self, and others through scientific frameworks, inquiry, and interdisciplinary academic instruction in the natural world.



In 2004, KSS continued to provide its traditional high-quality outdoor science education programs while also developing new projects. Throughout the entire year, more than 3,500 clients were impacted by KSS programs. The Classroom Access to Science Education (CASE) program for

> school groups and our summer programs—Discovery CAMP, COUNSELOR ASSISTANT PROGRAM, and KEYSTONE Science Adventures backpacking program—were once again favorites of participating students, parents, and teachers. Exciting additions to the mix of KSS programs included new community and resort programs as well as the first annual Keystone Center Youth Policy Summit.

> KSS' first year of community and resort programs, which explored the local environment through afternoon hikes

and the world as well as individuals from the School's own local community. Partnering with Keystone Resort, with additional community collaboration and support, KSS plans to further diversify and expand these programs.

n a pilot project organized by The Keystone Center and the National of Science and Technology PTA, Cummins Inc., and the Ruth and Vernon Taylor Foundation.

and Nordic treks, were attended by more than 500 participants, including visitors from around the country

LConsortium for Specialized Secondary Schools of Mathematics, Science and Technology (NCSSSMST), 35 students from 10 specialized math and science schools across seven states met for a week in June 2004 to engage in a Youth Policy Summit, the first topic of which was Sustainable Energy Use for Transportation in the United States. Funding for the Summit was provided by General Motors, Conroe-ISD Academy

Following months of

Discovery Camp participant

-Austin Arrance, 12,

"I learned a lot about nature and the

environment, and how we need to keep it

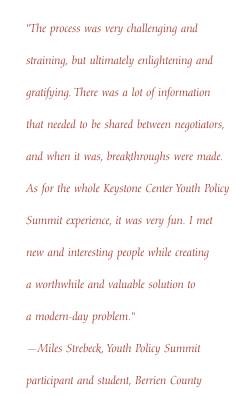
clean so that plants and animals can live."

KEYSTONE

SCIENCE SCHOOL

technical preparation and consultation with energy and transportation experts, the students met in Keystone, Colorado. Once assembled, they received training in negotiation theory and the basic tenets of sustainability and then participated in a simulated White House-initiated negotiation between government agencies, industry organizations, environmental advocates, and consumer groups. In their team roles, the students negotiated over a period of three days.





Mathematics and Science Center



The consensus reached was, in the short-term, to promote more efficient gasoline vehicles, gasoline-electric hybrid vehicles, and low-sulfur diesel and bio-diesel vehicles. The consensus for the long-term was to develop the technology and

infrastructure for a hydrogen or electric-based transportation system. The students agreed on policies to support this plan that range from monetary distribution to federal mandates.

This report, written mainly by the students, lists the specific agreements that were reached during the Policy Summit and has been forwarded to the White House, members of Congress, and thought leaders from the private and civic sectors. The student's research papers can be found at the Policy Summit website at http://www.keystonecenterpolicysummit.org.

The Second Annual Youth Policy Summit, focusing on Child and Adolescent Nutrition in America, is scheduled for the summer of 2005.



"The hands-on learning experiences and game-oriented exercises to reinforce the learning were invaluable." The retention that my students have on all of the various topics is proof that experiential learning works! My students have extended their learning in the classroom by choosing to do research projects on pine beetles, erosion, glaciers, habitats and tracks. We all returned from this trip excited about school and learning." -Nicol Lepke, Teacher, Pagosa Springs Intermediate School and CASE program participant

11 ~ KEYSTONE SCIENCE SCHOOL KEYSTONE SCIENCE SCHOOL ~ 12



"I enjoyed feeling like I was part of something big. This curriculum is well-balanced and properly thought-out. I have a much more well-rounded understanding of the mars program now."

—Annette DeJong, "Rovers, Reward, Risk and the Red Planet" training participant

resources that inspire positive action, improve community engagement, and equip participants with tools and skills to approach complex problems with broader perspectives. PEL's programs and services include teacher training, curriculum development, and consulting. All programs are non-biased and allow participants, through their own direct experience, to draw their own conclusions using the best information available.

Teacher training programs continue to be the cornerstone of PEL's work. 2004 saw the success of

HE CENTER FOR PROFESSIONAL EDUCATION AND LEADERSHIP (PEL) provides educational

Teacher training programs continue to be the cornerstone of PEL's work. 2004 saw the success of two new training programs, TRI-STATE KEY ISSUES and "ROVERS, REWARD, RISK & THE RED PLANET." Plans continue to emerge for additional training programs and curriculum development.

CENTER FOR PROFESSIONAL EDUCATION AND LEADERSHIP

"I have come away from this experience with knowledge, ideas, activities, and materials that will enhance my teaching and my students' learning experiences.

I have also had the pleasure of working with many dedicated educators in one of the most beautiful settings."

—Trish Thompson, Key Issues

participant sponsored by GE Foundation

TEACHER TRAINING

In its 14th year, the Key Issues Institute remains the signature program of PEL. In 2004, more than 170 teachers attended three sessions of the professional development program Key Issues: Bringing Environmental Issues to the Classroom. PEL also introduced the first location-based Key Issues Institute: Tri-State Key Issues. Located at the intersection of Pennsylvania, Delaware, and New Jersey, the program gathered teacher participants to investigate the Delaware River Watershed. The pilot training was met with enthusiasm from sponsors and teachers alike, and its success has prompted PEL staff to begin investigating opportunities to bring similar programs to teachers in Louisiana and Pueblo. Colorado in 2006.

In 2004, 17 educators from across the country participated in the "ROVERS, REWARD, RISK & THE RED PLANET" curriculum training held in Tempe, Arizona. Representatives from NASA, Jet Propulsion Laboratories, and Arizona State University attended. Upon their return to their classrooms, the educators implemented the curriculum with much success. In December, PEL staff met with Florida science teachers to introduce the "ROVERS, REWARD, RISK & THE RED PLANET" educational unit and garner support for a local teacher training. PEL staff plan to hold a training in Florida in 2005 to reach specific Florida launch communities. The unit continues to attract the interest of teachers nationwide as the two NASA rovers, Spirit and Opportunity, gather data on Mars.

CURRICULUM DEVELOPMENT

EL's CSI: CLIMATE STATUS INVESTIGATIONS, a curriculum unit investigating global climate change, was shared with educators through a four-day teacher training in Keystone, Colorado. Participating educators implemented the curriculum with their middle school students at the end of 2004, and more than 500 copies of the CSI: CLIMATE STATUS INVESTIGATIONS curriculum were distributed to teachers attending regional 2004 National Science Teachers



AS A U.S. NAVY SEAMAN IN WORLD WAR II, BOB'S SHIP WAS ONE OF THE FIRST TO DOCK IN NAGASAKI AFTER THE ATOMIC BOMB WAS DROPPED.



Bob Craia

"This was the best lesson. It really helped me understand how my actions influence the world and how I can help."

—Lindsay Erickson, student, Summit

Middle School, regarding the DOE

CSI: Climate Status Investigation unit

Association (NSTA) conventions. Additionally, PEL created a comprehensive website, www.keystonecurriculum.org, where teachers can easily access lesson plans. In addition to this contract to develop this middle-level curriculum unit on global climate change, the U.S. Department of Energy has also contracted with PEL to design a high school version of the unit which will be piloted with teachers in 2005.

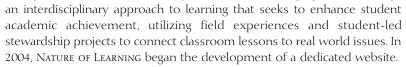


Also in 2004, PEL was contracted by Pfizer Foundation to develop a curriculum unit on Green Chemistry. PEL plans to host a pilot teacher training on the curriculum in spring 2005. Having received funding from Pfizer to modify the curriculum to meet the needs of middle school-aged students in the United Kingdom, PEL staff is working with two U.K. teachers to coordinate logistics and modify curriculum and host a training in the U.K. in 2005.

Lastly, PEL staff worked throughout the year to complete the Can Manufacturers Institute (CMI) middle level recycling curriculum entitled, "Talkin' Trash with ABCs (Aluminum Beverage Cans)." The curriculum was presented through workshops at the NSTA convention. CMI has contracted with PEL to present workshops and staff booths at the national and regional NSTA conventions in 2005, and staff will disseminate the curriculum through teacher training programs and in partnership with Keystone Science School's Classroom Access to Science Education program.

PUBLIC SECTOR PROGRAMS

n 2004, the Nature of Learning program, a collaboration between The Keystone Center, the U.S. Fish & Wildlife Service (USFWS), and National Fish & Wildlife Foundation (NFWF), distributed more than \$150,000 in grants to 31 local partnerships. A typical partnership includes teachers, students, USFWS personnel, and community leaders. Partnership goals encourage





Hands on the Land provides a national network of field classrooms to enhance kindergarten through high school student-learning. Each site produces an environmental curriculum which is uploaded to the website www.handsontheland.org, creating a vast resource for both teachers and students. New items include environmental databases and student-directed projects.

THE KEYSTONE CENTER DECEMBER 31, 2004 (WITH COMPARATIVE TOTALS FOR 2003)

		2004		2003
ASSETS				
Cash	\$	137,133	\$	73,052
Investments		54,058		-
Receivables		495,043		444,973
Science School store inventory		11,580		11,258
Prepaid expenses		2,967		56,269
Deposits and other		13,874		18,171
Investments, restricted		94,830		131,204
Property and equipment, net		3,600,679		3,759,840
	Total assets \$	4,410,164	\$	4,494,767
LIABILITIES				
Accounts payable	\$	91,313	\$	224,378
Accrued liabilities		105,470		57,888
Deferred revenue		43,562		36,210
Line of credit		293,000		378,676
Deferred compensation payable		96,429		131,212
Severance obligation		-		278,683
Related party note payable		1,117,820		1,100,000
Long-term debt		801,660		849,260
	TOTAL LIABILITIES \$	2,549,254	\$	3,056,307
NET ASSETS				
Unrestricted	\$	1,107,673	\$	903,252
Temporarily restricted		701,237		483,208
Permanently restricted		52,000		52,000
7	Total net assets \$	1,860,910	\$	1,438,460
TOTAL HABILITIES AND AUT ASSETS.			¢	1 10 1 7/5
Total liabilities and net assets \$		<u>4,410,164</u>	\$	<u>4,494,767</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



"This week has been the most uplifting, encouraging and stimulating training I have ever received as a teacher...It has been fun to learn from other science teachers from around the country and to get new ideas for my classroom." —Kathy C. Mellette, Key Issues participant sponsored by Carqill

In 1997, Keystone resort dedicated the ski run

"Oh, Bob" to Bob Craig. At age 80, Bob racked

UP 82 SKI DAYS DURING THE 2004-2005 SEASON.



Abbott Laboratories Peter S. Adler. Ph.D. **Agilent Technologies** Jim and Sue Aiken Albemarle Corporation Alcan Inc. Alcoa Foundation Herb and Judy Allen Alliant Energy

SOURCES OF SUPPORT 2004

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