

MINUTES OF THE BOARD OF REGENTS

June 22, 2009

ATTENDANCE

This scheduled meeting of the Board of Regents was held on Monday, June 22, 2009, in the Regents' Room of the Smithsonian Institution Castle. The meeting included morning and afternoon sessions, followed by an executive session. Board Chair Patricia Q. Stonesifer called the meeting to order at 9:00 a.m. Present were:

The Chief Justice ¹	Shirley Ann Jackson ³	Doris Matsui
Thad Cochran	Robert P. Kogod	David M. Rubenstein
Christopher Dodd ²	Patrick Leahy ⁴	Roger W. Sant
Phillip Frost		Patricia Q. Stonesifer

L. Hardwick Caldwell III, Smithsonian National Board Chair
France Córdova, Regent-designee⁵
David Silfen, Investment Committee Chair⁶

Vice President Joseph R. Biden, Representatives Xavier Becerra and Sam Johnson, John W. McCarter Jr., and Alan G. Spoon were unable to attend the meeting.

Also present were:

G. Wayne Clough, Secretary	Tom Ott, President of Smithsonian Enterprises
Charles Alcock, Acting Under Secretary for Science	Nell Payne, Director of Government Relations
Patricia L. Bartlett, Chief of Staff to the Secretary	A. Sprightley Ryan, Inspector General
Amy Chen, Chief Investment Officer	Jeffrey P. Minear, Counselor to the Chief Justice
Barbara Feininger, Senior Writer-Editor for the Office of the Regents	Sudafi Henry, Assistant to the Vice President
Grace L. Jaeger, Program Officer for the Office of the Regents	Evan Ryan, Assistant to the Vice President
Richard Kurin, Under Secretary for History, Art, and Culture	T.A. Hawks, Assistant to Senator Cochran
John K. Lapiana, Chief of Staff to the Regents	Colin McGinnis, Assistant to Senator Dodd
Judith Leonard, General Counsel	Kevin McDonald, Assistant to Senator Leahy
Evelyn S. Lieberman, Director of Communications and Public Affairs	Lorenzo Olivera, Assistant to Congressman Becerra
Alice C. Maroni, Chief Financial Officer	David Heil, Assistant to Congressman Johnson
Alison McNally, Under Secretary for Finance and Administration	Alexis Marks, Assistant to Congresswoman Matsui
Carole M.P. Neves, Director of the Office of Policy and Analysis	Lonnie Bunch, Director of the National Museum of African American History and Culture ⁷
	Carolyn L. Martin, Director of Internal Communications ⁸
	Linda St. Thomas, Director of Media Affairs ⁸

¹ The Chancellor, Chief Justice John G. Roberts Jr., attended the afternoon plenary session and executive session.

² Senator Dodd arrived at 10:22 a.m., departed at 11:30 a.m., and did not vote on any of the proposed motions.

³ Dr. Jackson departed the meeting at 2:34 p.m. but was present for the consideration of all proposed motions.

⁴ Senator Leahy voted on resolutions 2009.06.01 and 2009.06.02, left the meeting at 10:24 a.m., and returned at 2:38 p.m.

⁵ Dr. Córdova, Regent Designee, attended by invitation of the Regents and departed at 1:00 p.m.

⁶ Mr. Silfen arrived at 10:20 a.m. and departed at 12:00 p.m.

⁷ Mr. Bunch participated in the presentation on Arts, Culture, and History.

⁸ Ms. Martin and Ms. St. Thomas were present for the presentation on Communications.

MORNING PLENARY SESSION

OPENING REMARKS

Board Chair Patricia Stonesifer welcomed the attendees and noted that this was the first meeting that the Regents had conducted in the Regents' Room since June of 2008. Ms. Stonesifer then shared a photograph of Smithsonian benefactor James Smithson's coffin as it lay in state in the Regents' Room after former Regent Alexander Graham Bell had accompanied it from its original site of internment in Italy. She also commented on the historic Renwick chairs in the room, noting that they had survived the fire that destroyed most of the Smithsonian Castle in 1865.

REPORT OF THE BOARD AND EXECUTIVE COMMITTEE CHAIR

September 21, 2009, Annual Public Meeting

Ms. Stonesifer reminded the Board that the next Regents' meeting would be at the National Museum of the American Indian on September 21, 2009, and said that the final one-and-a-half hours of that meeting would be conducted in the Museum's Rasmuson Theater in order to host the annual public meeting of the Board of Regents. She said that the first public meeting of the Board, which had been conducted in the National Museum of Natural History's Baird Auditorium on November 17, 2008, had been well-received by the public, stakeholders in the Congress, the press, and Smithsonian staff, despite some audio difficulties that arose during the meeting. She added that she looked forward to the engagement of the full Board of Regents in the September public meeting.

Welcome to Mr. Rubenstein and Dr. Córdova

David Rubenstein, who was officially appointed to the Board of Regents on May 8, 2009, was welcomed to the Board. Mr. Rubenstein's proposed appointment to the Regents' Finance Committee would be considered later in this meeting. Ms. Stonesifer also thanked Regent-designee France Córdova for attending her second meeting in advance of her anticipated appointment. She reported that Dr. Córdova's appointment had been approved by the Senate and that her meeting with the members of the House of Representative's Committee on House Administration was scheduled for July 22, 2009. She added that it was anticipated that Dr. Córdova would be appointed officially to the Board by the time of its September 2009 meeting.

Appreciation to Regent Liaison Alexis Marks

Ms. Stonesifer then expressed her appreciation for the contributions of Regent Liaison Alexis Marks, Congresswoman Doris Matsui's assistant, who was attending her last Regents' meeting in that capacity. Ms. Matsui explained that Ms. Marks, who had contributed to the important initiatives of the Regents' Governance and Nominating Committee, had accepted a position as the Executive Director of the California Congressional Delegation.

Change in Meeting Agenda

Before turning to the agenda, Ms. Stonesifer reminded the Board that an in-depth discussion on the progress of the Institution's strategic planning initiative, including the presentation to the Board of a draft strategic plan, had been planned for this meeting. She reported, however, that although substantial milestones in

the strategic planning process had been reached, she and Secretary Clough had decided to defer the presentation until the September 2009 Regents' meeting. She explained that the Secretary and the unit directors had conducted a substantive review of the draft vision statement and proposed mission themes. Both the input of the unit directors and discussions with the Regents' Executive Committee had contributed to the Secretary's decision to revise the draft statement and themes to better incorporate input from these important discussions. She added that the Strategic Planning and Programs Committee and the Executive Committee would provide comment on the draft plan over the summer in anticipation of the September 2009 Regents' meeting.

Milestones in the Smithsonian's Governance

Ms. Stonesifer noted two important anniversaries. She said that this meeting marked the two-year anniversary of the Governance Committee's presentation of its governance recommendations to the Board of Regents, and noted that the Smithsonian's response to its governance challenges had since been recognized as an example of effective non-profit governance. She also said that July 1, 2009, would mark the one-year-anniversary of the arrival of Secretary G. Wayne Clough to the Smithsonian Institution. The Secretary said that the morning's presentation on Smithsonian communications reflected one of several initiatives that had been launched in the last year to strengthen the Institution and its ability to sustain its mission.

Approval of the April 6, 2009, Meeting Minutes

Two business items were next considered by the Board. Following a motion made and seconded, the Board approved the minutes of the April 6, 2009, meeting of the Board of Regents.

See attached Resolution 2009.06.01 (Minutes of the Board of Regents, Appendix A).

Regent Emeritus Eli Broad

Ms. Stonesifer then presented a motion to confer the title of Regent Emeritus on Eli Broad for his service to the Smithsonian Institution. The Regents noted that this designation was well-deserved and had also been conferred upon other former Regents. The motion was approved.

See attached Resolution 2009.06.02 (Minutes of the Board of Regents, Appendix A).

STRATEGIC FOCUS: COMMUNICATIONS (PUBLIC AFFAIRS AND GOVERNMENT RELATIONS)

Introduction to the Office of Communications and Public Affairs

Secretary Clough introduced the presentation on the communications strategies and initiatives of the Smithsonian's central Office of Communications and Public Affairs ("the Office of Communications"), which also includes the Office of Government Relations. He reported that since his arrival in July 2008, the Office of Communications had overseen a concerted effort to overhaul the Institution's internal and external communications strategies. He said that these activities had resulted in, among other things, a shift from a reactive communications posture and the cultivation of greater public awareness about the depth of the Institution's scientific assets. He then asked Director of Communications and Public Affairs Evelyn Lieberman and Director of Government Relations Nell Payne to update the Board on the Institution's communications and government relations strategies.

Ms. Lieberman thanked the Board for its support and the opportunity to discuss her office's history, baseline responsibilities and activities, and future plans. She reminded the Board that many of the Smithsonian's recent communications initiatives reflected the recommendations outlined in governance goal number 16, which addressed the need to build upon existing relationships with Smithsonian stakeholders and develop new relationships to enhance the reputation and awareness of the Smithsonian's programmatic activities. She introduced two members of her staff: Director of Internal Communications Carolyn L. Martin and Director of Media Affairs Linda St. Thomas.

Primary Goal

Ms. Lieberman explained that, as the collective voice of the Institution, the Office of Communications presented and advanced the Smithsonian's story. She said that its overarching communications goal was to make better use of new media resources to increase understanding of the Smithsonian's assets and contributions, enhance relations with existing stakeholders, cultivate new audiences, and strengthen support for the Institution.

Environment Changes

She highlighted two important changes that had permanently altered the environment in which the Smithsonian operated: a paradigm shift in the world of communications and governance transformations within the Smithsonian itself. Ms. Lieberman explained that the world of communications had shifted from a rhetorical to a conversational model with active participants who, if reached successfully, had the potential to receive, contribute to, and then carry the Smithsonian's message to others. She noted that new communication vehicles, such as Twitter, YouTube, and Facebook, were now recognized tools that could launch information into limitless cycles of distribution, review, development, and further diffusion. Ms. Lieberman said that the Smithsonian was no longer seen only as an authoritative source that developed and distributed knowledge. She said that dialectical media resources now offered greater opportunities to increase the depth and scope of available knowledge.

Regarding the transformation of the Smithsonian over the previous two years, Ms. Lieberman reminded the Board of the dramatic changes that took place from 2007 to 2008. During that time there were nine resignations from the ranks of the Smithsonian's leadership, including those of the Secretary, the Deputy Secretary, and two Under Secretaries. In addition, the Smithsonian was the subject of six Inspector General reports, five Congressional hearings (excluding annual appropriations hearings), three reports by the Government Accountability Office, and a comprehensive report by an independent review committee. She noted that the Smithsonian remained the subject of ongoing Congressional inquiries and was also well-monitored by the media. She said that, along with the paradigm shift in global communications, the transformation of the Smithsonian's governance had demanded a change in how the Office of Communications did business.

Structure and Responsibilities

Ms. Lieberman then described the structure of the Office of Communications and its primary responsibilities. She explained that the 44-member office was the central administration's liaison for communications staff throughout the Smithsonian's museums and research centers. She said that it oversaw the Smithsonian's stakeholder communications, media relations, government relations, visitor services, and speechwriting, and brought collaborative, interdisciplinary, and critical review and support to units throughout the Institution. Ms. Lieberman said

that central Communications staff met monthly with representatives of Smithsonian units' communications staff, and interacted daily to review, advise, and collaborate on units' initiatives. She said that the central Office of Communications reviewed every Smithsonian press announcement, of which there were 550 the previous year, for accuracy and clarity. Crisis communications were likewise handled through the central office. She added that the Office of Communications was now better positioned to deal with issues in a proactive, not reactive, manner.

Noting that nearly every major Smithsonian undertaking had a communications component, Ms. Lieberman listed a number of initiatives or groups in which her office was involved: the strategic planning process, the Web and new media strategy, the Trust finance teams, the Arts and Industries advisory committee, the national fund-raising campaign, the branding initiative, the development of the Institution's budget, and the pan-Institutional digitization plan.

Recent Operational Changes

Ms. Lieberman reviewed the changes that had taken place within, as well as because of, the Office of Communications over the last two years. She said that the arrival of Secretary Clough signaled the beginning of an overhaul of her office and the way it did business. While performing its core activities with the same staff and budget, the office had reorganized and updated communications functions, created a new position to advance stakeholder communications, shifted job responsibilities to accommodate new priorities, and provided training to update the skills of existing staff. She noted that a social media position also would be added to her office. Ms. Lieberman said that strengthening proactive media efforts, especially with regard to science and education initiatives, and providing critical background information to enable key stakeholders to speak knowledgeably and persuasively about the Smithsonian were two of the Office of Communications' goals for the year.

Challenges and Opportunities

Challenges and opportunities for the Office of Communications were then discussed. Noting that many problems in fact presented opportunities, and vice versa, Ms. Lieberman said that the paradigm shift in the ways people communicate and changing demographics could both test the Smithsonian and advance its development. She cited ongoing challenges to the office, such as staff and budget limitations, ongoing external scrutiny, and the difficult task of clearly conveying the scope and complexity of the Smithsonian. Nevertheless, she said that the new Smithsonian leadership, as well as the agenda of President Obama, offered numerous opportunities to expand the Institution's reach.

Communications Goals

Ms. Lieberman then outlined four communications goals that her office had established to support larger institutional objectives: energize the Smithsonian brand, reach new audiences, promote the Smithsonian's contributions to science, and engage stakeholders as Smithsonian ambassadors.

She said that protecting and enhancing the Smithsonian's name was the most important function of her office, and that the Office of Communications would soon launch an Institution-wide branding initiative to energize the Smithsonian's brand. By fortifying its messages, presenting a consistent voice, and creating new messages, taglines, and stories, the Smithsonian could better articulate its vision and identify, as well as inform outside perceptions. Ms. Lieberman added that this

initiative would enable stakeholders to speak more effectively on the Smithsonian's behalf, and would be closely aligned with both the strategic plan and the national campaign.

Ms. Lieberman said that, to reach new audiences, the Office of Communications would develop its digital communications capabilities, make better use of social media outlets, redesign its online press room, and improve global communications. In addition to supporting the Smithsonian's historic audience, she said that the Smithsonian must engage the next generation of learners, develop new supporters, and reach out to international press by offering information through communication vehicles familiar to potential stakeholders. The breadth of the Smithsonian's international presence and the depth of its resources with regard to global issues should be clear and accessible.

Ms. Lieberman spoke of the third communications goal: promoting the Smithsonian's contributions to science. She said that her office was facilitating access to the Smithsonian's scientific work by launching a new Smithsonian science Web site, initiating quarterly briefings for science journalists, and creating a science communications team. She said that the office now had a press secretary who was responsible for coordinating communications about the Smithsonian's science initiatives to the news media. She noted that the anticipated launch of a science Web site in July 2009 also would elevate the public's understanding of the Institution's resources. She reported that the first briefing with science journalists was held in April 2009 and was well-received. Ms. Lieberman also said that a new science communications team within her department was working to bring well-informed, digital information to underfunded press, in addition to the Congress, donors, and other stakeholders. She added that two staff were currently shooting videos of Smithsonian scientists at work in Panama.

Engaging stakeholders as Smithsonian ambassadors, the fourth communications goal, was next discussed. Ms. Lieberman explained that a stakeholder communications operation had been created to improve communications and to increase outreach to stakeholders, such as staff, the Congress, members of the Smithsonian's governing and advisory boards, donors and volunteers. She emphasized the importance of the branding initiative, stating that it would strengthen and clarify the Institution's messages, as well as enable stakeholders to advocate better for the Smithsonian and expand its reach. Internal communications initiatives included moving the staff newspaper from a monthly paper-based publication to a weekly interactive electronic format, Web-casting the Secretary's quarterly meetings with staff, and redesigning the Smithsonian's intranet, which will be launched in the fall.

Measuring Progress

Ms. Lieberman said that the Office of Communications had made significant progress with regard to the communications recommendations found in governance goal number 16. She said that, although it could be difficult to measure and quantify, progress on the Smithsonian's communications initiatives was being assessed through surveys, media analyses, and Web analytics, among other things. She said the office was buoyed by the Secretary's support but mindful of the need to continue to refine, enhance, and advance the Smithsonian's communications initiatives. She also thanked the Board for its ongoing support for and advocacy on behalf of the Smithsonian.

Communications and the Office of Government Relations

Office of Government Relations Director Nell Payne then provided an overview of her office, including the core activities in which it engaged, the landscape in which it operated, the challenges and opportunities it faced, and the goals it advanced. Ms. Payne explained the underlying purpose of the Office of Government Relations was to help the Institution reach its goals by increasing the Federal government’s appreciation for the Smithsonian’s critical contributions to the nation. She noted that increased support from the administration and Congress could lead to increases in critically needed Federal funding. She also said that, because the Office of Government Relations was a centralized office that handled the government affairs work for the entire Institution, the efforts of the Congressional Regents and liaisons were essential to the successful initiatives of her office.

Government Relations: Challenges and Opportunities

Ms. Payne then reviewed the political landscape in which the Office of Government Relations operated, including the challenges and opportunities it faced. She noted that, because of the economic and political challenges facing the country, the administration and the Congress had less time to understand the Smithsonian’s complexities and issues. At the same time, the Institution continued to operate under heightened Congressional scrutiny. During a period of global economic upheaval and uncertainty, the essential nature of the nation’s museums, arts, and cultural organizations had come under question. Constrained Federal budgets had resulted in staff and budget cuts throughout all Federal agencies. Many politicians were focused on addressing the needs of the constituents who had elected them, yet the Smithsonian was not any one person or agency’s constituent. She said that the Smithsonian had to consistently and continually prove itself.

Ms. Payne reported that, regardless of these challenges, the Smithsonian was finding and continued to develop new opportunities and relationships in the Congress and the Obama administration. Ms. Payne said that affection for the Smithsonian remained strong and overtures from its leadership were well-received. She said that the Institution’s branding initiative would support efforts by the Office of Government Relations to present coherent and compelling reasons for the government to both provide support to and solicit the resources of the Smithsonian.

Core Activities

Ms. Payne provided an overview of the core activities of the Office of Government Relations. Noting that time would not allow her to discuss the full scope of her office’s initiatives, she said that all of its activities were conducted to promote and protect the Smithsonian, prove its relevance, and assure its accountability. Examples of activities included working with Congressional Regents and liaisons on Smithsonian-related issues; supporting the Smithsonian’s annual Federal budget request briefings; and working with Congressional appropriations committees. Ms. Payne noted that much of her office’s work was devoted to behind-the-scenes activities, such as preparing Smithsonian witnesses for Congressional hearings and ensuring that key Congressional stakeholders and other government agencies were provided with accurate and up-to-date information about Smithsonian-related news, issues, and events.

Goals

Next Ms. Payne reviewed the three overarching goals of the Office of Government Relations, noting that the intention of each was to increase existing Federal funding for the Smithsonian; identify new sources of Federal funding for the Institution;

promote the resources, expertise, and relevance of Smithsonian staff and their work; and identify new collaborative relationships that could provide for opportunities to improve the work of the Smithsonian. She outlined the three goals: create new opportunities to engage with the Obama administration, expand the Smithsonian's relationships with additional Congressional committees, and increase the engagement of the Smithsonian's Regents, advisory board members, and unit directors with the Congress and the Obama administration.

Ms. Payne said that the Office of Government Relations would create new opportunities with the Obama administration by identifying the administration's key priorities that would benefit from the Smithsonian's expertise. Examples included the Smithsonian's leadership role in climate change research, the Institution's global observatories program, and its highly regarded science education program. She said that the Smithsonian would engage with relevant cabinet secretaries to explore and develop new partnerships that could advance these common agendas, as well as promote the Smithsonian's art, history, and culture resources that identify, express, and preserve the American identity. Ms. Payne noted that the Secretary's anticipated meeting with Secretary of Energy Steven Chu would include a discussion about developing an exhibit on climate change at the Department of Energy's headquarters to teach youth about everyday activities that protect the environment. Expanding the Smithsonian's relationships with Congressional Committees, such as those with oversight responsibilities for the nation's education, energy, natural resources, and science, was a key priority of the Office of Government Relations. To support these relationships, Ms. Payne said that her staff constantly engaged with committee chairs and key staff, monitored committee agendas, suggested witnesses, and conducted briefings and tours, among other things.

Ms. Payne said that new funding sources would be identified and additional collaborations would be pursued to support these engagements. She reported that the Smithsonian's Office of Sponsored Projects, which had a robust system for attracting and identifying Federal and private grant opportunities, was working closely with the Office of Government Relations to provide a comprehensive tracking system of grant opportunities that could be accessed by all Smithsonian staff. Ms. Payne also said that the overarching narratives that would result from Smithsonian's branding initiative would support the Smithsonian's efforts to advance its relationship with the Obama administration and the Congress, and demonstrate that the Institution was much more than a collection of museums on the National Mall.

Ms. Payne also discussed efforts to increase the engagement of the Smithsonian's Regents, advisory board members, and unit directors with both the Congress and the administration. She reported that her office made concerted efforts to match the interests and expertise of these key stakeholders, citing the off-site joint House subcommittee hearing on climate change that was scheduled for the next day at the Smithsonian Environmental Research Center in Edgewater, Maryland. She also spoke of "elevator opportunities" and the importance of the Regents' ability to use impromptu conversations as opportunities to promote relationships with the Smithsonian, and commented on the efforts of her office to provide spokespersons with information that would support such conversations.

Measuring Success

Ms. Payne closed her presentation by stating that the most obvious measure of her office's success was a positive trend in Federal funding. Second to that, the number of briefings, tours, trips, and meetings conducted by the Office of Government Relations on behalf of the Smithsonian demonstrated the success of its initiatives. Ms. Payne said that her office actively sought out stakeholder feedback and would welcome more ideas about ways to measure and improve upon the activities of the Office of Government Relations.

Regents' Discussion of the Communications Presentation

Board Chair Patricia Stonesifer thanked Ms. Lieberman and Ms. Payne for their presentations and asked the Board for comment. Senator Leahy spoke of Smithsonian Web sites' ability to help inform visitors in advance of their trips; he also commented on the uneven quality of the Smithsonian's different Web sites. He suggested a number of ideas to enhance the Smithsonian's primary public site, including the introduction of exhibition Web cams, weekly notices of special events and activities for visitors, interactive activities for children, and highlights of recent scientific discoveries.

Ms. Lieberman acknowledged that the quality of the Smithsonian's Web site did not always reflect the high communications standards to which the Smithsonian aspired. She said some units' Web sites were excellent but others were difficult to navigate and visually confusing. She also said that navigating between different Smithsonian Web sites could be problematic. Ms. Lieberman reported that, although there was not a recognized Webmaster for the entire Smithsonian, she and Chief Information Officer Ann Speyer were leading a Web and new media strategy committee, the purpose of which was to address the recognized limitations of the Smithsonian's Web site, among other issues. She added that the committee's recommendations would be provided to the Secretary by the end of the month. Ms. Lieberman also said that interim measures had been taken to improve the Web sites for the public and employees, and that the public Web page recently benefitted from the addition of a regularly updated calendar. Secretary Clough noted that the Smithsonian's Web site would be used to introduce the results of the strategic plan. Mr. Sant commented that the Smithsonian's communications plan might need to be refined in response to the strategic plan, including its revised mission statement and themes.

Regarding initiatives to highlight new Smithsonian discoveries, Dr. Frost cautioned that, in an effort to put out regular bulletins of new findings, the Institution might risk trivializing some of its work if the scope, context, and relevance of the discoveries were not made clear. The Board discussed the difference between communications about important new discoveries made by Smithsonian staff and interesting stories and facts about the Smithsonian.

The growing use of banner headlines on Web sites was discussed. Ms. Lieberman told the Board that the Smithsonian's current Web site had one banner that changed daily and three that changed each week and said that more might be added.

In response to Senator Leahy's comments about visitors' use of the Web to organize trips prior to their departure, Secretary Clough said that the Smithsonian's Web site should support the development of broader "learning journeys" that included, but

not be restricted to, visits to the Smithsonian's museums. He spoke of the Web's potential to support visitors' planning and research activities in advance of their trips; to guide visitors to more resources, including collections and staff expertise, upon their arrival; and to support ongoing access to the Smithsonian's resources when visitors return home. Acknowledging that many people might never be able to conduct a physical visit to the Smithsonian, the Board also discussed the critical importance of the internet to those who could only access the Smithsonian's resources through virtual visits. Ms. Stonesifer emphasized that the ability to provide first-rate virtual access to the Smithsonian would be critical to efforts to establish the relevance and accessibility of the Smithsonian to the entire nation.

The Board discussed the use of targeted tours that were dependent on both expressed interests and allotted time. Dr. Kurin noted that the Smithsonian was involved in such activities, including some that provided linkages between different museums via the Web, pda devices, and text messages. He cited a current collaboration with local institutions in honor of the bicentennial of Abraham Lincoln's birth. He said that the initiative was intended to support a coherent exploration of the many local sites related to the life of President Lincoln, and said that the results of that communications effort were being reviewed.

Ms. Stonesifer asked for specific recommendations to further strengthen the Smithsonian's relationship with Congress, particularly with respect to pending negotiations on the Smithsonian's Federal budget. The Congressional Regents were very supportive of the enormous strides that the Institution had made over the previous two years. Mrs. Matsui commented that members of Congress regularly asked for updates on and stated their support for the Smithsonian. She expressed her appreciation for the efforts to keep the Congressional Regents apprised of Smithsonian activities, including issues that could be of particular interest to the Congress and the press. She added that Secretary Clough's numerous visits to engage stakeholders had benefited the Smithsonian and that, given the economic and governance challenges that the Smithsonian had faced, it was exceptionally well-positioned.

Ms. Lieberman thanked the Board for their support and engagement. She noted that the efforts of the Congressional Regents had been especially essential at this time in the Institution's history. Ms. Stonesifer added that contributions of the Congressional liaisons also had been tremendously important. Ms. Lieberman requested ongoing help in developing relationships between the Smithsonian and government leaders, and asked that the Congressional Regents and their staff set up and participate in meetings between the Secretary and strategic members of Congress and the Obama administration. She also confirmed that improving the Smithsonian's Web sites would be a primary focus for her office over the next year.

REPORT OF THE SECRETARY

Report on International Travel and Collaborations

The Secretary opened his presentation by discussing international trips he recently had conducted on behalf of the Smithsonian. He said that the purpose of the visits had been to become familiar with several sites in the 90 countries around the world where the Smithsonian had a presence, as well as to become better informed about

specific issues that would be the subject of impending decisions. He described his trip to Las Campanas Observatory in the southern portion of the Atacama Desert in Chile and said that a number of important telescopes used by Smithsonian researchers were located on the site. He also said that the Observatory would host the future Giant Magellan Telescope (GMT) that was under development by an international team of scientists that included Smithsonian staff. He reminded the Board of its recent decision to support, in principle, the Smithsonian's involvement in the GMT initiative, and said that his visit to the Observatory included visits with current and prospective GMT partners. Secretary Clough also commented on his visit to Mpala Research Centre in Kenya, the site of a research partnership between the Smithsonian and Princeton University. He said that his visit included, among other things, discussions about the future governance of this important science preserve, as well as the effect of encroaching communities on the protected site and the species that live there.

With regard to protected habitats and species, Secretary Clough noted that he had signed a memo of understanding with the World Bank on a critical initiative to protect Asian tigers and their habitat, the potential extinction of which was now viewed as an international crisis. He said that the important project would be generously funded by the World Bank and would provide \$5 million annually for five years to provide training and to set policies around the world to protect the tigers' habitat. He added that the Smithsonian Environmental Research Center's receipt of \$25 million in funding for its research activities represented another example of the Smithsonian's capacity to raise funds to support its research initiatives.

**Donor Cultivation
Events**

Secretary Clough spoke of the numerous trips he had made across the United States in preparation for the national campaign. He said that his visits to Boston, Minneapolis, Omaha, Philadelphia, and San Francisco included successful meetings with current Smithsonian donors and provided for opportunities to cultivate future supporters.

**Strategic Planning
Update**

He then provided a progress report on the strategic planning initiative. The Secretary said that the first two phases of the strategic planning process (information planning and scenario-based planning) had been essentially completed. He said that meetings with key stakeholders and unit directors had been held at the end of phase two, and that the substantive feedback from those discussions would inform phase three, the writing of the plan. He said that Office of Policy and Analysis would guide the strategic planning process towards its conclusion and draft the final plan. He also reported that the Strategic Planning and Programs Committee would review and provide its final comments on the draft plan in late July 2009 and that the final plan would be presented to the Board at its September 2009 meeting. The Secretary also said that a fourth phase, the implementation of the strategic plan, had been added to the strategic planning process.

**Process Plans for
2009 and 2010 and the
Secretary's Fiscal Year
2009 Organizational
Goals**

The Regents were directed to a chart in the Board's agenda books that provided a graph of the parallel and overlapping pan-Institutional processes that were under way at the Smithsonian: the development of a strategic plan, the implementation of the strategic plan (including the alignment of units and an organization study), the

development of the Smithsonian's Federal and Trust budgets, the development of a national campaign, and the development and implementation of management performance standards. The chart also included other Smithsonian-wide initiatives, such as its digitization plan, branding initiative, Web strategy, and the revitalization of the Arts and Industries building. It demonstrated how many of the Smithsonian's processes inform, complement, and control the progress of other parallel and overarching initiatives.

The Board then reviewed a series of charts that supplemented the overview of the Smithsonian's key processes. The Secretary explained that, with the use of the internet-based collaborative program Microsoft SharePoint, the charts were able to provide detailed, up-to-date reports on the Smithsonian's progress towards meeting the Secretary's 11 organizational goals for fiscal year 2009. He said that the charts were readily accessible to the Secretary's management team and could be made available to the Regents.

Legislative Update

Secretary Clough said that, although units as small as the Smithsonian had not been able to participate in the Federal budget hearings, he had had the opportunity to participate in a one-on-one meeting with Representative Norman D. Dicks (D-WA), the Chairman of the House Interior and Environment Appropriations Subcommittee. The Secretary said that he felt that the Smithsonian's case had been favorably received. He added that the entire Subcommittee came to the Smithsonian several months before for a four-hour meeting with the Smithsonian's leadership. He said that he was cautiously optimistic about the Smithsonian's Federal budget, that it had been marked up in the House, and that Office of Government Relations Director Nell Payne would provide the Regents with a more detailed report later in the meeting.

The Secretary also reported that, after a number of meetings, Senator Dianne Feinstein (D-CA) had agreed to revise the language of the Legacy Fund to allow for more fund-raising possibilities. He said that the changes would benefit the renovation of the Arts and Industries building, and included in-kind funds and exhibit maintenance endowments. In addition, Senator Feinstein agreed to update the Fund's language and allow the Smithsonian to go back and capture previous years' funding.

He then gave an update on the issue of asbestos in Smithsonian facilities. The Secretary said that the Smithsonian was making steady progress to address the asbestos findings that had been the subject of prior Congressional hearings. He said that the contracting process was under way to select an independent contractor to conduct a comprehensive study of the problem and report its findings to the Office of the Secretary. The Secretary also reported that new asbestos-related issues had arisen involving dust in certain collections areas in the National Museum of American History. He said that, although small amounts of asbestos had been found in the dust, extensive air-quality measurements had not found any air-borne asbestos safety problems. He added that the Smithsonian would continue to carefully study and clean other rooms in the Museum.

Update on Stimulus Spending

Regarding the stimulus funds provided for the Smithsonian, Secretary Clough reported that the Institution was on track to meet the expectations for spending its stimulus funds and generating jobs. He said that, although only 50 percent of

stimulus funds had to be obligated by June 15, 2009, the Institution had in fact obligated 72 percent of its work by that date. Moreover, bids for the Smithsonian's projects had come in under budget, resulting in an unanticipated increase in available funding

Update on Senior Management

The Secretary welcomed new General Counsel Judith Leonard and commented on her extensive experience in government agencies and academic institutions. He reported progress on the search for the new Under Secretary for Science, noting that the process was still open, a robust pool of candidates was being cultivated, and interviews were under way. He said that interviews for the next director of the Office of Facilities Engineering and Operations also were being conducted.

The Secretary then reported that a significant gift from a member of the Board of Regents would provide for the creation of a temporary senior-level position to oversee a pan-Institutional education initiative. A Director of Education would establish consistent and rigorous standards for the educational programs in 32 Smithsonian units. He said that a position description for a term appointment was being written and would be directed towards educational experts skilled in the use of new media. He also asked that the Regents recommend candidates for consideration.

Night at the Museum: Battle of the Smithsonian

The Secretary said that the premiere of the film *Night at the Museum: Battle of the Smithsonian* had been very successful and that the Institution had received its initial allocation for royalty fees. Noting that other proceeds were tied to box office receipts in the United States, he said that those sales had just surpassed \$150 million and that, as per its contract, the Smithsonian would now receive an additional \$250,000.

Visitors, Exhibits, and Programs

Secretary Clough reported that visitorship to the Smithsonian's museums was up by two million over the previous year and that restaurant revenues were up about 23 percent. He said that new exhibitions had opened in nearly every Smithsonian museum and that many had received excellent reviews.

The Board was reminded that the Smithsonian Folklife Festival, which annually draws about one million visitors, was scheduled to open in two days. The Secretary said that the 2009 festival would feature *Giving Voice: The Power of Words in African American Culture*; *Wales Smithsonian Cymru*; and *Las Américas: Un Mundo Musical/The Americas: A Musical World*. The Secretary also commented that the 2009 festival was personally meaningful because he was of Welsh descent.

The Secretary concluded his presentation by directing the Regents' attention to two items that each had received: a CD with a downloadable screensaver of images of baby animals recently born at the National Zoological Park and a USB flash drive with digitized images from the Smithsonian's collections. He noted that nearly all of the animals were members of endangered species and could also be viewed via live Web cams. Secretary Clough explained that the USB flash drive provided an introduction to the digitization process and a sampling of the Smithsonian's digitization efforts to date.

NEW DISCOVERIES

Introduction

Ms. Stonesifer reminded the Regents that during their last Board meeting they had discussed the role of science at the Smithsonian. She said that she had invited Acting Under Secretary for Science Charles Alcock to continue that discussion by reviewing recent discoveries and research that reflected the enormous scope of the Smithsonian's scientific resources. She noted that these discussions would inform the Smithsonian's strategic plan and welcomed Dr. Alcock.

Dr. Alcock thanked the Board for the opportunity to speak about the Smithsonian's science initiatives. He noted that the Smithsonian's science activities supported the fourth Smithsonian organizational goal for fiscal year 2009: to advance the Smithsonian's mission by encouraging and producing outstanding research in the sciences, history, arts and culture that builds upon Smithsonian collections and areas of intellectual expertise. He directed the Regents to two documents in their agenda materials, saying that he would discuss highlights from both, as well as inform the Board of a late-breaking announcement about one of the Smithsonian's science initiatives.

Discovery of *Homo floresiensis*

Dr. Alcock first discussed a story about the *Homo floresiensis* skeletal remains discovered on Flores Island, Indonesia, in 2003. Nicknamed the "hobbits" because of their diminutive stature and relatively large feet, the extinct population might in fact have been mankind's last surviving relative. Dr. Alcock said that the skeleton shed new light on the evolution of bipedal gait. He also said that the remains presented more of a mystery than a discovery because of its implications about the dispersal of hominin into Asia.

Smithsonian Leadership in Studies of the Universe

Dr. Alcock discussed the Smithsonian's leadership in studies of the universe and the recent discovery of a previously unknown, large-impact basin on Mercury. He said that the discovery had been made by a partnership of National Aeronautics and Space Administration (NASA) and National Air and Space Museum scientists using NASA's MErcury Surface, Space ENvironment, GEochemistry, and Ranging (MESSENGER) spacecraft. Dr. Alcock noted that the early images reflected an impact history similar to that of the earth's moon, as well as multiple stages of volcanic and tectonic activity.

Dr. Alcock next spoke of Smithsonian Astrophysical Observatory (SAO) scientists' involvement in searches for planets that orbit stars other than the earth's sun. He reported that SAO scientists and collaborators had found over 350 known planets to date using several SAO-pioneered methods, such as the "transit" method that detects the very small reduction in light that occurs as a planet passes across the face of its parent star. He said that the ultimate goal was to find planets the size of earth in the habitable zones of stars, and said that it was possible that such a discovery could be made within the next two years.

Dr. Alcock then reported late-breaking news from NASA, which had announced that a team of Smithsonian scientists had been selected to partner with Lockheed Martin in one of two "Small Explorers" space missions. He said that the Interface Region Imaging Spectrograph mission, which had been selected from a pool of over 40

proposals, would study the sun's corona, including the source of its heat and the role of magnetic rays in the heat's distribution.

He then commented on the effect of solar activities on the earth, citing disruptions of radio communication. Dr. Alcock said that studies of the universe, and in particular the sun, contribute to scientific research on other issues, such as climate changes on earth. He spoke of the Smithsonian Environmental Research Center's (SERC) important study of increases in levels of carbon dioxide in air and water over the past four to five decades. He said that SERC's research demonstrated that carbonic acid, which resulted when carbon dioxide combined with water, inhibited the development of carbonic shells. He explained that the disruption of carbonic shell growth had the potential to impact not only water-based ecosystems but the entire chain of life on earth.

**Science Collaborations
and Universal
Applications**

Offering additional examples of collaborative activities and the application of Smithsonian science to other fields of study, Dr. Alcock spoke of the pan-Institutional effort to determine the precise cause of the January 15, 2009, downing of US Airways flight 1549 at LaGuardia Airport in New York City. He explained that, while it had been quickly ascertained that bird strikes were the source of the aircraft's engine failures, it was the work of Smithsonian researchers at the National Museum of Natural History, the National Zoological Park, and the Museum Conservation Institute that established that three migratory, not local, Canada geese had been involved in the crash. He said that this finding would inform future efforts to mitigate bird collisions with aircraft.

Dr. Alcock concluded his presentation by noting that the luncheon lecture by Scott Wing, Curator of Fossil Plants at the National Museum of Natural History, also would demonstrate how the results of scientific studies could be applied to other fields of research. He said that Dr. Wing would discuss his research on the fossil records of ancient global warming and the application of those studies to current research on climate change.

**Discussion of Dr.
Alcock's Presentation
and the Benchmarking
of Scientific Research**

Ms. Stonesifer thanked Dr. Alcock for his presentation and invited comment from the Regents. The Board engaged in a discussion about the Smithsonian's scientific resources, the Institution's position in global science initiatives and the potential contributions it could make, the need to develop the world's understanding of and access to the Smithsonian's resources, and the evaluation or benchmarking of scientific research and initiatives.

Dr. Alcock said that Smithsonian scientists and senior staff, as well as scientists around the world, wrestled with the issue of how to best evaluate scientists' work. He said that Smithsonian scientists were largely evaluated by the quantity of articles they had published in high-impact journals. Dr. Alcock proposed that the Smithsonian apply process-based citation analyses as the primary tool to benchmark the work of its scientists, adding that modern media tools would facilitate this effort. Ms. Stonesifer commented that it would be interesting to conduct a review next year of citations that result from the science initiatives discussed by Dr. Alcock during his presentation.

A substantive discussion ensued about citation analysis standards. Dr. Alcock said that different fields of research produce different quantities of papers, and that

citation numbers therefore carry different meanings in different fields. Dr. Jackson added that the hierarchy of journals, from scholarly to popular, should also be considered. She then discussed the application of the Hirsch number, or h-index, to measure both the scientific productivity and the apparent scientific impact of a scientist's work, explaining that the h-index weights a career that produces many consistently cited papers against a career that results in fewer but often-cited papers.

Questions about the utility and importance of research activities were discussed, especially with regard to limited budgets and reductions in available research funding. Dr. Jackson stated that many innovations come to fruition after an extended period of research and development, noting that current applications of nanotechnology were based on research conducted over 30 years ago. She said that this issue posed important questions about the role and nature of science at the Smithsonian, including its contributions to larger scientific initiatives, its propagation into larger society, and its influence on Smithsonian exhibits and curatorial activities.

Secretary Clough noted that the strategic planning process had included asking several peer institutions and Federal agencies to provide their opinions on what the Smithsonian's science should be. He said that the groups, which included NASA, the United States Department of Agriculture, and the National Oceanic and Atmospheric Administration, had noted the unique capabilities of many Smithsonian scientific resources.

Dr. Córdova commented on the special role that Smithsonian scientists held in carrying out the Institution's mission and the need to also assess researchers' ability to contribute to the Institution's educational and public outreach initiatives. She noted the ability of science to inspire people through the use of popular media, and said that such communication vehicles also can measure the impact of scientists' work. Secretary Clough added that the communications strategies discussed by Ms. Lieberman demonstrated the Smithsonian's commitment to the wide dissemination of its scientific research and resources.

Ms. Stonesifer concluded the discussion by recommending that the Board and the Strategic Planning and Programs Committee continue to lead discussions about the role of science at the Smithsonian. She noted that the strategic plan and its themes would inform how the Smithsonian engages in, as well as measures, its future science initiatives. She added that the impact of the Smithsonian's science activities would be reviewed in depth in the first and second quarters of 2010, in order to provide time for the next Under Secretary for Science to become familiar with, assess, and report to the Board on his or her findings.

REPORT OF THE INVESTMENT COMMITTEE

Introduction

Investment Committee Chair David Silfen presented the report of the Committee. Mr. Silfen noted that investment reports were typically made on a quarterly basis but that the Office of Investments had generated more frequent updates on the Smithsonian's Endowment in response to the volatility of the markets. He also said

that, while the economy presented ongoing challenges, this report would be more positive than other recent updates because of the relative stability of the market compared to conditions six months ago.

Endowment Performance

Mr. Silfen said that, as of May 31, 2009, the preliminary market value of the Smithsonian's Endowment was \$813.4 million. He reminded the Board that a tactical decision had been made to move the Endowment to a more defensive posture in the third and fourth quarters of fiscal year 2008 and reported that, as of May 31, 2009, the Endowment's investments in cash and fixed income had increased to 26 percent.

Asset Allocations

Mr. Silfen noted that the Endowment's current asset allocations, while less defensive than at the end of 2008, were more conservative than those of peer institutions, especially with regard to illiquid exposures.

Risk Management

Mr. Silfen reported that the Smithsonian's Endowment did not present any liquidity issues. He said that a strategic cash position continued to be maintained and over half of the portfolio had daily or monthly liquidity. He also said that the gradual introduction of absolute return strategies and other efforts to further diversify the portfolio over time had achieved a significant reduction in risk to the Endowment. He noted, however, that although these tactical asset allocations could provide better protection during market downturns, the portfolio would lag equity during market rallies.

Financial Accounting Standard (FAS) 157

He next discussed the application of FAS 157 to the management of the Smithsonian's Endowment. He reminded the Board that all endowments must now adhere to the new accounting standard and "mark to market" their securities. Mr. Silfen noted, however, that the Smithsonian did not appear to have significant exposure in its illiquid portfolio.

Infrastructure Updates

Mr. Silfen reported that the Office of Investments, without the use of a search firm, had received over 200 applications for two full-time senior investment positions. Many of the applicants were characterized as high-quality candidates. In addition, he reported that the Office of Investments was working with the Chief Information Officer to implement a comprehensive contact and data management system.

Mr. Silfen then noted that the Committee was preparing to restructure its membership to provide for leadership continuity through the staggering of terms. He expressed his deep appreciation for the contributions of the current Committee members, most of whom had served together over the previous four years, and said that one or two new Committee members would soon be proposed to the Board for its consideration. He added that candidates for the Committee would likely be drawn from persons who were already affiliated with the Smithsonian.

Discussion

Ms. Stonesifer thanked Mr. Silfen for his exceptional guidance and opened the discussion. Mr. Silfen was asked if the Endowment had experienced any private equity capital calls. Ms. Chen responded that a limited number had recently been called, to which Mr. Silfen added that the Smithsonian was in the minority in this regard and that calls during distressed times could in fact be beneficial.

REPORT OF THE FINANCE COMMITTEE

Committee Chair Roger Sant presented the report of the Finance Committee. Mr. Sant said that he would focus his report on two topics discussed at length by the Committee during its June 10, 2009, meeting.

Proposed Payout Policy for Fiscal Year 2010

The Committee reviewed the Smithsonian's Endowment payout policy for fiscal year 2010. Mr. Sant explained that the Smithsonian's Endowment payout policy had been to pay out 5% of the average market value per share over the previous five years, which, if applied, would result in an increase in the Endowment's payout for fiscal year 2010. He reported that, in light of current economic conditions, both the Committee and staff were uncomfortable applying this policy to the fiscal year 2010 payout. The Committee considered several payout models, concluded it did not want to make a formal change to the payout formula at this time, and agreed to recommend that the Board freeze the payout at its fiscal year 2009 level. The Committee also agreed that it would review the payout policy again in fiscal year 2011. The Board considered the Committee's recommendation and approved a motion to freeze the payout for fiscal year 2010 at the fiscal year 2009 level of \$38.72 per share.

See attached Resolution 2009.06.03 (Minutes of the Board of Regents, Appendix A).

Refinancing the Smithsonian's External Debt

Mr. Sant then presented a motion to authorize the Secretary to proceed with negotiations to refinance the portion of the Institution's external debt related to the Discovery Center at the National Museum of Natural History. He explained that refinancing the debt, which currently was about \$34 million, could achieve substantial savings, but would require the initiation of a six-month application process with the District of Columbia. He added that the motion provided that the cost of the new debt must be less than that of the existing debt. In response to a question about variable-rate debt, Mr. Sant said that the external debt related to the National Air and Space Museum's Udvar-Hazy Center was variable rate-based. He noted, however, that the difference between the rate of return on funds held in reserve and the interest cost for that project had in fact proved beneficial to the Institution. The motion was approved.

See attached Resolution 2009.06.04 (Minutes of the Board of Regents, Appendix A).

Forthcoming Review of the Fiscal Year 2011 Federal Budget Request and the Fiscal Year 2010 Trust Budget

The Board was reminded that the Smithsonian's fiscal year 2011 Federal budget request and fiscal year 2010 Trust budget would be reviewed by the Committee at its August 24, 2009, teleconference meeting. Mr. Sant said that these reviews were in support of governance recommendation 22 (which aimed to strengthen the Committee's engagement in the Institution's budget processes), as well as in response to the September 14, 2009, deadline for the submission of fiscal year 2011 Federal budget requests to the Office of Management and Budget. Because both budgets were expected to incorporate, as best possible, the new priorities being identified in Smithsonian's strategic planning process, Mr. Sant encouraged each member of the Board to participate in this important meeting and said that more information about the meeting would be forthcoming.

Session Adjournment

Ms. Stonesifer adjourned the morning session at 11:57 a.m.

AFTERNOON PLENARY SESSION

The Chancellor called the afternoon session to order at 1:20 p.m.

REPORT OF THE STRATEGIC PLANNING AND PROGRAMS COMMITTEE

Committee Chair Doris Matsui presented the report of the Strategic Planning and Programs Committee and updated the Board on two major initiatives that were discussed during the Committee's June, 8, 2009, meeting. She also noted that two of the three new non-Regent Committee members, Smithsonian National Board (SNB) Chair-elect Paul Neely and SNB Vice Chair-elect Judy Huret, participated in the meeting.

Proposed International Museum Training Program

Ms. Matsui reported that the Committee first had engaged in an extensive discussion about the proposed establishment of an international museum training program. She explained that, under the proposed plan, the Smithsonian would partner with an outside organization to create internationally based accredited and degree-granting programs in cutting-edge museum training. The initiative would be launched by a proposed pilot program located in Abu Dhabi and funded by the United Arab Emirates.

Ms. Matsui stated that the Committee said that any international initiative of the Smithsonian, and especially those made in partnership with a foreign government, must receive the explicit support of the United States government. The Committee concluded that it was premature to either review a business plan or to endorse the concept before receiving an unambiguous commitment by the United States government to support both the larger museum training initiative and the proposed location of the pilot program in Abu Dhabi. In addition, the Committee agreed that such an initiative should not be launched prior to the finalization of the Smithsonian's strategic plan. Ms. Matsui said that staff had been asked to identify and engage the appropriate Government agencies and come back to the Committee with an updated report as soon as was practicable.

Update on the Strategic Planning Initiative

Ms. Matsui said that the Committee also had discussed the status of the strategic planning initiative and that, as the Secretary had previously noted in this meeting, the Committee had agreed to delay the presentation of the draft strategic plan to the Board until the September 2009 Regents' meeting. She said that the Committee was very satisfied with the progress on the plan; it also agreed that the plan would benefit from the thoughtful integration of the comments received during the Secretary's review of the plan's initial outline with the unit directors. Ms. Matsui added that the Secretary and the Committee also had discussed the Arts and Industries Building within the context of the strategic plan and the development of the plan's mission statements. Ms. Matsui said that the Committee would meet again in July 2009 to provide further guidance on the plan and invited other Regents to participate in that process.

REPORT OF THE SMITHSONIAN NATIONAL BOARD

Nomination of New Members

Smithsonian National Board (SNB) Chair L. Hardwick Caldwell III reported that, during their spring 2009 meeting, SNB members had voted to nominate eight new members for the approval of the Board of Regents. He said that, pending the nominees' approval by the Regents during their September 2009 meeting, the Smithsonian's only pan-institutional advisory board would have 41 members, 17 honorary members, and 172 alumni from 31 states, the District of Columbia, and three countries.

Fulfilling the Goals of the National Board

Mr. Caldwell reminded the Board that SNB's goals were to provide outreach in members' communities on behalf of the Smithsonian, to advise the Secretary, and to raise financial resources for the Institution. He said that as part of its advisory role, the National Board supported the Smithsonian's educational initiatives and, in support of its outreach goal, continued to introduce the Secretary into SNB members' home communities. Mr. Caldwell reported that SNB members hosted events for the Secretary in six cities: Los Angeles (with the support of former Regent Eli Broad), New York City, Boston (with the support of Regent Alan Spoon), the District of Columbia, San Francisco, and Minneapolis. During the Secretary's visit to Minneapolis, National Board members Michael Francis and Bob MacDonald arranged very productive meetings with Target and 3M; the Secretary also was interviewed by Minnesota Public Radio and met with local cultural leaders. Mr. Caldwell said that these events renewed ties with the Smithsonian, cultivated new support, and built awareness of and established good will towards the Institution.

Other National Board Initiatives

Mr. Caldwell reported that new support from SNB members would provide for the next phase of the Smithsonian Leadership Development program. He said that the Smithsonian's strategic planning process continued to benefit from the involvement of the National Board, which would help review the plan's mission and vision themes in the coming month. He said that the National Board was involved in several levels of the forthcoming national campaign. He also reported that the SNB's Board Annual Giving campaign provided unrestricted financial support for the strategic planning process, *Smithsonian 2.0*, interdisciplinary research, and collaborative partnerships with local academic institutions. Mr. Caldwell added that SNB members and alumni contribute to the Regents' committees and reminded the Regents that Investment Committee Chair David Silfen also was an alumnus of the National Board.

Leadership Transitions

Mr. Caldwell concluded his report by reminding the Board that his term as SNB Chair would conclude on October 1, 2009. He reported that, pending approval by the Board of Regents at its September 2009 meeting, Paul Neely would serve as the next Chair of the National Board, and Judy Huret and Gary Moore, along with current Vice Chair Peggy Burnet, would serve as the next SNB Vice Chairs. He reported that the National Board was unanimous in its support for Mr. Neely, who had chaired the SNB Development Committee as well as served as a 12-year member of the Williams College Board. Mr. Caldwell added that Mr. Neely would continue to build on the momentum of the SNB's initiatives.

Mr. Caldwell said that it had been a privilege to serve as the Chair of the Smithsonian National Board and to participate in the activities of the Board of

Regents over the past three years. The Board responded with enthusiastic applause in appreciation of Mr. Caldwell's contributions.

REPORT OF THE ADVANCEMENT COMMITTEE

Orientation of New Committee Members

On behalf of Advancement Committee Chair Alan Spoon, Robert Kogod presented the report of the Committee. Mr. Kogod reported that a substantive orientation program had been conducted for three of the Committee's four new non-Regent members prior to its June 16, 2009, meeting. He said that staff would create similar orientation programs for other Regents' committees in the coming months, as well as develop similar resources for the advisory boards of each Smithsonian unit.

Planning for the National Campaign

Mr. Kogod said that much of the Committee's meeting had been devoted to a substantive discussion about the planning process for the forthcoming national campaign. He reminded the Board that outside campaign counsel Marts & Lundy and the Smithsonian's Campaign Director Jenine Rabin had been hired in January 2009. He reported that Marts & Lundy had conducted a comprehensive study of the Smithsonian's current fund-raising capabilities and had provided a preliminary assessment to the Committee at its meeting.

Mr. Kogod said that Marts & Lundy had concluded that the Smithsonian is a unique organization that would require a similarly unique campaign and campaign infrastructure. The firm also said that the Smithsonian was well-positioned to be the first cultural institution to complete a capital campaign of over \$1 billion.

The firm noted that the Smithsonian's fund-raising program was relatively young and, although it had experienced success, was too dependent on securing large gifts from relatively few donors. Marts & Lundy said that this approach did not foster the creation of a large and diverse donor base and in fact could present risks to the Institution. The firm consequently provided several suggestions for the Smithsonian to consider with regard to a national campaign. These included strengthening the Institution's donor base through additional prospect screening, increasing front-line fund-raising staff, improving accountability and metrics, increasing the focus of existing staff to major and principal gift fund raising, consolidating the service function of membership programs, centralizing gift recording and receipting, and improving the technology that supports development operations through the conversion to a new database.

Proposed Campaign for the Smithsonian American Art Museum

Mr. Kogod next spoke about the proposed campaign plan for the Smithsonian American Art Museum. He said that Museum Director Elizabeth Broun had presented a thoughtful, well-developed, and professional plan. The Committee suggested some refinements to the proposed plan but agreed that, with these changes and in consultation with the Secretary and other senior staff, the Museum's campaign could go forward. The Committee also recommended that the plan serve as a prototype for the creation of other units' campaign plans.

Fund-Raising Update

Mr. Kogod said that Committee members with outside affiliations shared observations about the impact of the challenging economic climate on not-for-profit

fund raising. With regard to the Institution's fund raising, he reported that for the period ending May 31, 2009, the Smithsonian raised \$65.3 million, or 54 percent, of its fiscal year 2009 goal of \$120 million. He added that some slowing had been seen in that month's fund-raising results of \$5.3 million, but said that the Committee remained hopeful that the Institution would reach its fiscal year 2009 fund-raising goal.

Consideration of Proposed Actions

The Regents were then asked to consider four action items that had been forwarded from the Committee to the Board for its approval: the transfer of funds for and creation of a quasi-endowment for the Smithsonian Institution Libraries, the transfer of funds for and creation of a new fund under an existing quasi-endowment for Cooper-Hewitt, National Design Museum; the creation and naming of an endowment for the National Postal Museum; and a sponsorship gift agreement. Mr. Kogod said that the Committee discussed the definition of a quasi-endowment. He explained that, whereas an endowment retained its principal and distributed the interest on that principal, a quasi-endowment was a gift to the Institution that the Secretary or the Board decided to treat as an endowment, but with the understanding that the fund could revert to its original status at any time. He then said that none of the proposed actions raised any questions or concerns with the Committee. The Board approved the four motions.

See attached Resolutions 2009.06.05-08 (Minutes of the Board of Regents, Appendix A).

Notice of Change in Use of a Quasi-Endowment

The Board's attention was then directed to a notice from the Hirshhorn Museum and Sculpture Garden regarding the use of proceeds from the Holenia Trust Fund for acquisitions and general purposes. Mr. Kogod reported that the change, which did not require the approval of the Regents, was consistent with the original unrestricted gift to the Museum from the Trust, as well as with the terms of the quasi-endowment that had been established.

Discussion

Mr. Kogod concluded his report and opened the meeting for discussion. In response to a question about the anticipated length of the forthcoming national campaign, Mr. Kogod said that preliminary estimates were that it would be conducted over four to seven years.

REPORT OF THE FACILITIES COMMITTEE

Overview of Committee Updates

Mr. Kogod, the Chair of the Facilities Committee, then reported on the issues reviewed during the Committee's June 1, 2009, meeting. He said that the Committee received updates on the search for the next director of the Office of Facilities Engineering and Operations, the status of the Arts and Industries Building, the progress of six major construction projects, and the Smithsonian's efforts with regard to the American Recovery and Reinvestment Act. The Committee also conducted its semiannual review of the Smithsonian's estimated facilities capital and maintenance requirements for the next 10 years and received a PowerPoint presentation on the Smithsonian's maintenance program. Mr. Kogod said that the purpose of the presentation was to better inform the Committee about the

procedures for and monitoring of all maintenance projects throughout the Institution.

Increasing the Committee's Membership

Mr. Kogod reported that the Committee, which had four members, sought to augment its membership. He reported that the Committee had reviewed the qualifications of George Hartman, the retired founding partner of Washington, D.C.-based Hartman-Cox Architects, for membership on the Committee. Mr. Kogod said that the Committee agreed to recommend Mr. Hartman for the consideration of the Regents' Governance and Nominating Committee with the anticipation that Mr. Hartman's name would be presented to the Board for its approval during the Regents' September 2009 meeting.

Proposed Lease Agreement for the National Postal Museum

The Regents next considered the Secretary's request to lease additional space for the National Postal Museum and were directed to supporting materials in the agenda books. Mr. Kogod noted that some of the materials had been produced subsequent to the Committee's meeting and, because of the time-sensitive nature of the proposed lease agreement, had not had the benefit of the full Committee's review and recommendation. He added that, on behalf of the Committee, he had conducted due diligence and made a physical inspection of the site.

Mr. Kogod explained that the National Postal Museum currently occupied, without charge, space in the Old City Post Office building, which was owned by the U.S. Postal Service and strategically sited adjacent to Union Station. The Postal Service had offered the right of first refusal to lease approximately 9,200 square feet of ground-floor space to the Museum, which has been housed in space that is largely below street level. Mr. Kogod added that the lease for the space under consideration would expire in 2011 and that the Museum must exercise its right of first refusal before the end of June 2009.

Mr. Kogod proceeded to outline key factors for the Regents' consideration. He first noted that if the Museum were to assume the proposed lease, the anticipated capital costs would be over \$18 million in current dollars. The costs would be expended in three phases, the first of which would cost \$10.8 million. Mr. Kogod explained that the Museum's ability to enter into the lease agreement was contingent upon the successful execution of an \$8 million gift that had been offered toward the outfitting of the new space. That gift, along with Museum funds already in hand, would cover at least the first phase of the project. Mr. Kogod said that that the Committee recommended that each subsequent phase of the initiative only be launched when funds are available.

He then said that projected operational costs for the new space, again in 2009 dollars, would be about \$600,000 per annum, of which the Institution would absorb approximately \$500,000 on an annual basis. The remainder of the costs would be the responsibility of the Museum. Mr. Kogod noted that Museum Director Allen Kane was confident in the Museum's ability to raise the remaining funds through a capital campaign, and added that the Museum had \$2 million in additional existing unrestricted gift funds that would be held in reserve to provide for operational costs should other funding not become available.

Mr. Kogod next commented on the possibility of adverse publicity if the proposed lease agreement were executed. He noted that the current establishment at the site

was popular and that he was aware of at least one other inquiry about the availability of the site. He also said that the space's current occupants would be offered two years to relocate.

Mr. Kogod concluded his presentation by stating that, in his opinion, the proposed lease agreement was a unique opportunity that would transform the Museum and allow it to reach its full potential. It would expand the visibility and accessibility of the National Postal Museum and allow for a more comprehensive exhibition of the National Philatelic Collection. He added that, in exchange for a competitive lease rate, the Museum would assume the custody of and care for the Postmaster General's Stamp Collection for the length of the lease. With the Museum's own substantial collection of stamps, as well as the anticipated long-term loan of The New York Public Library's Benjamin K. Miller Collection, the National Postal Museum would house the most comprehensive philatelic collection in the United States, if not the world.

The Secretary commented on the historic generosity of the Postal Service to the National Postal Museum. Under Secretary for History, Art, and Culture Richard Kurin noted that the Smithsonian's investment in the agreement, between Federal and Trust funds, would be just less than \$1 million whereas the Postal Service's commitment would over \$3 million. In addition, the agreement would be in effect until 2042 with a subsequent option to extend. Dr. Kurin added that, next to the Federal government, the Postal Service had been the Smithsonian's second-largest contributor since 1993 in the total value of its contributions.

The Regents agreed to allow the Secretary to move forward with the proposed lease agreement and a motion to delegate to the Regents' Executive Committee the authority to approve the agreement, subject to the conditions outlined, was then made and seconded. The motion was approved.

See attached Resolution 2009.06.09 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE COMPENSATION AND HUMAN RESOURCES COMMITTEE

Summary of Committee's Achievements

Committee Chair Roger Sant presented the report of the Compensation and Human Resources Committee. He reminded the Board that, under the leadership of former Committee Chair Patricia Stonesifer, the Committee had addressed significant process-based parts of the Institution's compensation practices, especially those that applied to the Smithsonian's senior executives. He said that, with that foundation in place, the Committee was well-positioned to advance other forward-looking issues and would especially focus on two key areas: diversity and leadership development.

Diversity at the Smithsonian

Mr. Sant reported that the Committee had discussed its concerns about the Smithsonian's progress with regard to diversity. He said that the Secretary had formed an executive-level committee to address diversity issues in the Smithsonian workplace and asked Secretary Clough to comment on that effort.

The Secretary said that the committee was largely populated by senior administrators but also included members who reflected the diversity of professional levels and opinions at the Smithsonian. He said that everyone was in agreement that a diverse workforce should be a top priority for the Smithsonian but that the issue could be too easily pushed aside in the face of the day-to-day problems that confront the Institution. The Secretary explained that the committee was to meet three to four times a year to conduct a robust review of the Smithsonian's progress with regard to diversity and to maintain the Institution's focus on and commitment to the issue. He also said that the committee would consider the issue of cultural change as an aspect of diversity and, to that end, would meet with Smithsonian advisory board members who possessed professional experience in implementing cultural changes in major corporations and non-profit organizations. Secretary Clough added that the Smithsonian's dedication to diversity also must be reflected in curatorial activities, including collections, exhibitions, and outreach initiatives, that address and express the multicultural American identity.

Leadership Development

Mr. Sant next discussed the development of the Smithsonian's leadership, the second area identified by the Committee for increased attention. He commented on the Committee's prior focus on succession planning and said that the reinvigoration of the Smithsonian's leadership development activities had been one of the most significant changes in the Institution's human resources program in recent years. Mr. Sant thanked Secretary Clough for his leadership in the creation of a more robust and comprehensive leadership development program. Mr. Sant also expressed appreciation for the financial support and personal involvement of several Smithsonian National Board members, which had significantly advanced the leadership development program.

Compensation Update

Mr. Sant also provided an update on the executive compensation process. He reminded the Board that at its January 2009 meeting it had accepted, based on the budget situation, the Secretary's proposal that salary increases and cash awards for certain Trust executives be frozen. He reported that, because the Smithsonian's financial situation had not improved, the Secretary had recommended that the freeze be maintained. Mr. Sant said that the Committee concurred with the Secretary's recommendation and that the Secretary would provide the Committee with objective criteria with regard to when the freeze might be lifted.

Completed and Ongoing Executive Searches

Mr. Sant commented on the successful conclusion of several critical executive searches and noted that, since his arrival last year, Secretary Clough had filled five of the six key vacancies he had inherited. Mr. Sant congratulated the Secretary on the creation of an excellent management team and noted that the final vacancy, that of the Under Secretary for Science, would soon be filled. The Under Secretary for History, Art, and Culture added that the search for the next Director of Cooper-Hewitt, National Design Museum, had prompted the interest of several outstanding candidates.

Mr. Sant also recognized the appointments of new directors for the Hirshhorn Museum and Sculpture Garden, the National Museum of African Art, and the Smithsonian Latino Center. He commented on the energy that each director had brought to his or her respective unit. Mr. Sant concluded his presentation by noting

that the search process for each of these positions, as well as that for the Secretary, revealed that the Smithsonian had surmounted its recent governance problems and maintained its reputation as a destination employer.

FOCUS ON ARTS, CULTURE, AND HISTORY

Introduction to the Update on the National Museum of African American History and Culture

Under Secretary for History, Art, and Culture Richard Kurin introduced a report on the construction and opening of the National Museum of African American History and Culture, noting that it would be the single largest project undertaken by the Smithsonian in the years ahead. He reminded the Board that the Museum's enacting legislation was signed in 2003, its distinguished 19-member Advisory Council was formed in 2004, and, in 2005, renowned public historian and former long-time Smithsonian employee Lonnie Bunch was appointed the Founding Director of the Museum. Dr. Kurin added that the selection of Mr. Bunch had brought increased respect for the Institution and instilled confidence in its ability to realize this historic project.

Selection of Museum's Architectural Firm and Design Concept

Dr. Kurin then asked Mr. Bunch to update the Board on the Museum's progress. Mr. Bunch said that the recent selection of architectural firm Freelon Adjaye Bond represented an important moment for the Museum, second only to the Regents' selection of the building's site on the National Mall, adjacent to the Washington Monument. He then explained how the architectural firm had been selected and what could be seen in their proposed model, which was in the Regents' Room for the Board's review.

Mr. Bunch reminded the Board that six of the leading architectural firms in the world had been asked to participate in a design competition for the new Museum and that the entries had been reviewed by a distinguished group of jurors, one of whom was Regent Robert Kogod. He said that the participating firms had been considered for their ability to reflect all of the complexities of African American culture and to examine all of the possibilities for the Museum's site. He said that the selection of Freelon Adjaye Bond had been made in part because it was clear that the firm understood the regulatory process in Washington, D.C., and the challenge of working with historians. The firm also grasped the importance of crafting a signature, and green, building for the National Mall. Mr. Bunch noted that that the bronze-clad building would juxtapose neatly with, but not compete against, the Washington Monument.

Stating that the model on display represented the firm's concept, but not final design, for the Museum, Mr. Bunch discussed the ideas that had especially excited the reviewing committee. He said that the firm's concept for the new Museum expressed the resiliency and permanent presence of the African American community, as well as the optimism and spirituality that have sustained its development. Mr. Bunch said that feelings of spirituality and optimism were expressed in the design's upward thrust, which evoked images of uplifted arms, such as those seen in African American spiritual gatherings and celebrations. The design also suggested the stately coronas, or crowns, found in West Africa and West African sculpture, which inferred both an African presence and the continuity and

strength of that lineage. Mr. Bunch said that another important element in the firm's concept was its elongated plinth and references to the important social role of porches in African American and Southern communities.

Summarizing the strengths of the winning submission, Mr. Bunch said that Freelon Adjaye Bond's concept successfully addressed the cultural and contextual issues that the future building must express, showed that the building would enhance the National Mall and not compete with the Washington Monument, and demonstrated that the firm could design a building that would successfully function as a museum. He noted again that the model represented a concept, not a final design, and that elements would change as work progressed. Mr. Bunch said, for example, that the long plinth would likely be shortened and a stronger landscape would be created to provide for better linkage to the Washington Monument. He also said that the final design would provide enhanced visitor services at the western end of the Smithsonian's buildings on the National Mall.

Mr. Bunch reported that both national and international reaction to the design had been overwhelmingly positive. He said that architectural critics had expressed their optimism that the building could represent the successful addition of another signature building in Washington, D.C.

Mr. Kogod then commented on the design competition process and the quality of both the jury and the firms that participated. He said that all six teams had been prequalified, had strong professional reputations, and were capable of executing a project of this scope. In reviewing the submissions, the jury agreed that the winning concept addressed the building's needs as both a standalone structure and in context to neighboring buildings. Moreover, the concept was the sole entry that successfully mediated changes in the site's terrain and provided the same level of entry from either Constitution Avenue or the Mall by integrating internal grade changes. Mr. Kogod also noted that there had been substantial consensus within the jury and that the design had strongly resonated with each nearly every member.

Building the Museum's Collection

Mr. Bunch next spoke of the development of the Museum's collections. He reported that over 8,000 objects, some as large as a 1920s Jim Crow-era segregated railroad car from Tennessee, had been collected over the past two years for the Museum's collection. Mr. Bunch said that the success of this effort had allayed early fears about potential difficulties in developing a comprehensive collection, adding that he continued to travel the country to cultivate interest in the Museum and to acquire objects for its collection.

The Regents were then shown two objects that recently had been donated to the collection: a letter written by Frederick Douglass to Booker T. Washington and the signatures of former slave Josiah Henson. Mr. Bunch explained the historical significance of each and noted that they came from a family collection in Washington, D.C., the longtime home of abolitionist Frederick Douglass. The letter from Douglass was written two days before his death and included ideas about ways to increase opportunities for African American productivity. Mr. Bunch said that Harriet Beecher Stowe's famous novel *Uncle Tom's Cabin* was based on the life of Josiah Henson, who had learned to write only after he had escaped to Canada. He

said that the signatures were examples of the former slave's early attempts to sign his name.

**Museum Programs,
Collaborative Activities,
and Continuing the
History of Living
Culture**

Dr. Kurin then spoke of the Museum's efforts to develop exhibitions and public programs. He commented on the collaborative efforts between the Museum and other Smithsonian units, outside museums, educational institutions, and other organizations, and cited such projects as collecting African American oral histories with StoryCorps, the travelling exhibition *Let Your Motto Be Resistance*, and Smithsonian Folkways's release of *A Voice Ringing O'er the Gale! The Oratory of Frederick Douglass Read by Ossie Davis*. He added that these collaborations provided opportunities for other Smithsonian museums to look at their collections and consider whether or not certain objects would be best served by being loaned to the new Museum or jointly exhibited.

Dr. Kurin then spoke of another Frederick Douglass connection. He told the Board that, prior to the fire of 1865, the area just outside of the Regents' Room had once been part of the largest lecture hall of its time in Washington. He said that the hall, which had been built to seat 2,000 people, had been used by the Washington Lecture Association to host a series of lectures in 1861 and 1862 by renowned abolitionists. The lectures had been attended by luminaries such as President Lincoln, and created a great stir in Washington, D.C., and among the Regents with divided loyalties over the Civil War. Frederick Douglass had been scheduled to be the final speaker for the series.

Dr. Kurin also noted that support for the tradition of African American oratory and oral histories could be seen in the Folklife Festival that was to begin on the National Mall. He said that one of the Festival's themes, "Giving Voice," would illustrate the importance of the oral tradition in African American culture and would provide another opportunity for the new Museum to have a living presence on the Mall.

**Expansion of the
Museum's Advisory
Council**

The Board was thanked for its April 2009 decision to approve the expansion of the Museum's Advisory Council from 19 to 35 members. Dr. Kurin said that this change would significantly increase the Council's ability to raise private funds, as well as provide for the founding members' ability to continue their service until the time of the Museum's opening. He also said that the recent meeting of the Museum's Advisory Council had been notable for, among other things, the members' enthusiasm for the selected concept for the building. He said that the Council was energized by the prospect of using the design plans in private fund-raising efforts directed towards potential donors and corporate communities.

Funding the Initiative

The Board discussed funding for the new Museum. In response to a question, Mr. Bunch said that the new Museum would be funded by approximately \$250 million in Federal funds and \$250 million in private funds, although it would not be an exact one-to-one match. Some of the funds would be raised in the Smithsonian's upcoming national campaign. He said that the Smithsonian would seek as much Federal funding for the Museum as possible for fiscal years 2011 and 2012 and that construction would commence only when enough money was in hand to fund the uninterrupted construction of the building. Noting that the construction was anticipated to take about two to two-and-a-half years, Mr. Bunch said that he was optimistic that the Museum would break ground in late 2011 or early 2012 and that

construction would be completed in late 2014, after which the building would be outfitted and exhibitions would be installed.

Mr. Bunch was asked about the guidelines that determined the project's overall budget. He said that the budget was based upon projected construction costs that had been reviewed and supported by outside consultants. He added that he did not want to advance a plan that exceeded the Museum's ability to raise funds and said that limiting the budget would control cost overruns. He also was asked about the size of the proposed structure in relation to other Smithsonian museums on the Mall. Mr. Bunch reported that the new building would be about 320,000 square feet in size, as compared to the 380,000 square feet of usable space found in the National Museum of the American Indian and the 580,000 square feet of the National Museum of American History. The Museum, as planned, would be sizable but shorter than most buildings on the National Mall.

Secretary Clough noted that receptions had already been held with outside regulatory groups who would review the building's design at a later date. He noted that, although these groups did not yet have to render their opinions, the early engagement of and robust discussions with these groups would support the design review process.

Cultivating Support for the New Museum

Ms. Stonesifer concluded the discussion by asking that the Regents host receptions for Mr. Bunch in their home communities, just as Smithsonian National Board members continued to do for Secretary Clough. The purpose of these gatherings would be to engender interest in and cultivate funding for the Museum, as well as to support the development of its collection. She said that she recently had hosted an event in Seattle, Washington, that generated tremendous support for the Museum, and that one local organization later inquired about the possibility of hosting a live Web cam that could provide updates on the progress of the new Museum's construction.

REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

Governance and Nominating Committee Chair Shirley Ann Jackson presented the report of the Committee. Dr. Jackson reminded the Board that, at the April 2009 Regents' meeting, she had reported on the March 23, 2009, meeting of the Committee. She said that the Committee had not met since that time but had conducted a mail ballot on a series of motions for the full Board's consideration at this time.

Appointments to Nine Smithsonian Advisory Boards

She reported that the first set of motions consisted of proposed appointments and reappointments to nine Smithsonian advisory boards. Dr. Jackson explained that the Office of External Affairs and some of the unit boards requested that the Regents consider these out-of-cycle appointments so that new and reappointed members could be in place for the September and October 2009 meetings of certain advisory boards. She said that the Committee had recommended the approval of each motion, noting that one regarded a request by the National Museum of American History to appoint Ms. Matsui to its board, where she would join fellow Regent Senator Thad Cochran. Dr. Jackson noted that other Regents with current or

recent ties to unit boards included Phillip Frost, Roger Sant, and Alan Spoon, as well as newly appointed Regent David Rubenstein. The Regents approved the motion.

See attached Resolutions 2009.06.10–18 (Minutes of the Board of Regents, Appendix A).

Appointment of David Rubenstein to the Finance Committee

The Board next considered a motion to recommend the appointment of Mr. Rubenstein to the Regents' Finance Committee. Dr. Jackson said that the Committee had consulted with Board Chair Patricia Stonesifer and Committee Chair Roger Sant in advance of Mr. Rubenstein's official appointment to the Board and that both had supported the proposed Committee assignment. She added that Mr. Rubenstein had been a guest of the Committee at its June 10, 2009, meeting and that Chief Financial Officer Alice Maroni and Under Secretary for Finance and Administration Alison McNally had provided him with a baseline understanding of the Smithsonian's financial issues and challenges of particular concern to the Committee. Dr. Jackson explained that this appointment was being expedited so that the Committee could immediately benefit from Mr. Rubenstein's expertise. She added that, in support of the "Duties and Responsibilities of the Regents" recommendation that each Regent serve on at least two committees, the Committee would propose a second committee appointment for Mr. Rubenstein when all Regents' committee assignments for 2010 were considered during the September 2009 Regents' meeting. The Board then approved a motion to request that the Chancellor appoint Mr. Rubenstein to the Regents' Finance Committee and the Chancellor agreed to implement the Board's request.

See attached Resolution 2009.06.19 (Minutes of the Board of Regents, Appendix A).

LEGISLATIVE ACTIVITIES AND ISSUES

Fiscal Year 2010 Budget

Director of Government Affairs Nell Payne updated the Board on Smithsonian-related legislative activities. With regard to the Smithsonian's fiscal year 2010 budget, Ms. Payne reported that it was expected that both chambers of Congress would provide an additional \$30 million in funding for Smithsonian facilities and that this anticipated action reflected a renewed faith in the Smithsonian. She said that the House bill containing the Smithsonian's fiscal year 2010 budget had been marked up and would be going to the House floor later that week, during which time the companion Senate bill was scheduled to be marked up in both subcommittee and full committee and then go to the floor.

American Recovery and Reinvestment Act

With regard to the American Recovery and Reinvestment Act, or stimulus bill, she advised the Board that Senator Tom Coburn (R-OK) had released a series of criticisms of the Act's provisions. She said that Senator Coburn claimed that the Act contained \$5 billion in wasted funds, including \$11.4 million for the National Zoological Park.

Pending Congressional Actions

Ms. Payne said that Regent designee France Córdoba was scheduled to meet with the Committee on House Administration on July 22, 2009. She noted that she was optimistic that the House would move swiftly to conclude the nomination of Dr.

Córdova, who could then participate as a fully appointed Regent in the forthcoming September 2009 Board meeting. She also reported that the Board's request for Congressional authorization to construct a new Smithsonian vehicle maintenance facility was still pending.

Discussion

Dr. Clough commented that an anticipated Congressionally mandated increase in salaries would negatively impact the Smithsonian's fiscal year 2010 budget and result in a payroll shortfall of \$6–12 million. Ms. Payne said that there had been some discussion with the appropriations committees about the possibility of addressing such shortfalls by redirecting some of the appropriated funds for Smithsonian facilities. Ms. Stonesifer acknowledged the depth of the Smithsonian's needs but also said that, given the poor economy, the Smithsonian was especially fortunate in the amount of Federal funding it had been appropriated. She added that, when compared to peer organizations, the Institution was perhaps the best-situated arts, history, culture, and science institution in the country at this time.

REPORT OF THE GENERAL COUNSEL

Newly appointed General Counsel Judith Leonard was offered the opportunity to introduce herself, as well as her vision for the Office of General Counsel. Ms. Leonard thanked the Board for the opportunity to join the Smithsonian's management team and said that she hoped to earn the trust of the Board and Smithsonian staff in the coming months.

Ms. Leonard said that she had received her bachelor's degree from Cornell University, after which she had been awarded a master's degree in education and then a juris doctor degree, both from the University of North Carolina in Chapel Hill. She reported that she had worked for two public research universities and most recently served for 10½ years as the Vice President for Legal Affairs and General Counsel at the University of Arizona, where she had been the principal legal advisor and served on the cabinet and advisory group for the University President. Ms. Leonard also said that she had spent 10 years in the Office of General Counsel for the United States Department of Education and had worked in the Office of National Drug Control Policy in the Executive Office of the President.

Ms. Leonard said that the Smithsonian Office of General Counsel and her former office at the University of Arizona were similar in both staff size and scope of responsibilities. She commented on the strength of the staff in the Smithsonian's Office of General Counsel and its collaborative spirit.

Ms. Leonard noted her positive vision for the Office of General Counsel. She said that she expected the Smithsonian's lawyers to generate high quality and timely legal advice so that the Institution's administrative team could accomplish its goals during an historically challenging time. She said that she would advance the shift of the Institution's legal posture from a reactive stance to a position that was both anticipatory and collaborative. She added that she had been recognized previously for her ability to promote productivity as well as to support the advancement of institutional causes.

Ms. Leonard said that she planned to devote much of the immediate future to orienting herself within the Institution, meeting with staff and other stakeholders, and learning more about the Smithsonian's strategic plan and vision. She closed her remarks by stating that she would always be available to address the Regents' questions or concerns.

ADJOURNMENT

This meeting of the Board of Regents was adjourned at 2:40 p.m., after which the Regents met in executive session. The executive session was adjourned at 3:10 p.m.

Respectfully Submitted,

G. Wayne Clough
Secretary

MINUTES OF THE BOARD OF REGENTS

June 22, 2009

APPENDIX A APPROVED RESOLUTIONS

VOTED that the Board of Regents approves the Minutes of the Meeting of April 6, 2009. [2009.06.01]

VOTED that the Board of Regents confers the title of Regent Emeritus on Eli Broad with gratitude for the outstanding service he has provided to the Smithsonian Institution. [2009.06.02]

VOTED that the Board of Regents approves a payout rate of \$38.72 per share for all Endowment funds for fiscal year 2010. [2009.06.03]

VOTED that the Board of Regents authorizes the Secretary to issue up to \$40 million in tax-exempt bonds through the District of Columbia to refinance the existing debt used to fund the Discovery Center at the National Museum of Natural History, provided that the cost of the new debt is less than that of the existing debt. [2009.06.04]

VOTED that the Board of Regents approves the creation of the Art Libraries Endowment for the Smithsonian Institution Libraries, a quasi-endowment to support the acquisition of art-related books, journals, and electronic databases; art-related preservation activities; and other art-related programmatic needs. The Board of Regents also authorizes the transfer of funds identified for this purpose. [2009.06.05]

VOTED that the Board of Regents creates a new fund under the Arthur Ross Garden and Terrace Endowment, an existing quasi-endowment, to provide ongoing support for the maintenance of the Arthur Ross Garden and the Arthur Ross Terrace, as well as for the wrought iron fence bordering the Garden, and for general purposes of the Museum. Further, the Regents authorize the transfer of funds identified for this purpose. [2009.06.06]

VOTED that the Board of Regents that the Board of Regents recognizes the generosity of the late George W. Brett to the National Postal Museum and creates and names The George W. Brett Philatelic Publications Endowment Fund, a publications endowment for the Museum. [2009.06.07]

VOTED that the Board of Regents recognizes the generosity of Target Corporation and accepts the terms of the sponsorship gift agreement. [2009.06.08]

VOTED that the Board of Regents delegates to the Executive Committee the authority to approve the terms of a lease agreement to accommodate the expansion of the National Postal Museum. [2009.06.09]

VOTED that the Board of Regents appoints Gilbert H. Kinney to the Board of Trustees of the Archives of American Art for a three-year term effective immediately. [2009.06.10]

VOTED that the Board of Regents appoints Stuart Bohart and Marissa Mayer and reappoints Beth Comstock, Ronald M. Daignault, Madeleine Rudin Johnson, Francine S. Kittredge, Claudia Kotchka, Barbara Mandel, Henry R. Muñoz III, and Ruth Ann Stewart to the Board of Trustees of Cooper-Hewitt, National Design Museum for three-year terms effective immediately. [2009.06.11]

VOTED that the Board of Regents appoints Merit E. Janow and Ladislaus von Hoffman to the Board of Trustees of the Freer Gallery of Art and the Arthur M. Sackler Gallery for four-year terms effective September 11, 2009. [2009.06.12]

VOTED that the Board of Regents appoints Doris O. Matsui, Frederick J. Ryan, and Nicholas F. Taubman to the Advisory Board of the National Museum of American History, Kenneth E. Behring Center, for three-year terms effective October 1, 2009. [2009.06.13]

VOTED that the Board of Regents appoints Bruce Babbitt, Jonathan Fink, and Jeremy Sabloff to the Advisory Board of the National Museum of Natural History for three-year terms effective immediately. [2009.06.14]

VOTED that the Board of Regents appoints Wendy Block and Curtin Winsor III to the Advisory Board of the National Zoological Park for three-year terms effective immediately. [2009.06.15]

VOTED that the Board of Regents appoints Dorothy Tapper Goldman to the Commission of the Smithsonian American Art Museum for a four-year term effective July 1, 2009, and reappoints Judah Best and John T. Kotelly to the Commission for four-year terms beginning July 1, 2009, and January 1, 2010, respectively. [2009.06.16]

VOTED that the Board of Regents appoints John C. Stamato to the Advisory Board of the Smithsonian Environmental Research Center for a three-year term effective immediately. [2009.06.17]

VOTED that the Board of Regents appoints Raquel Egusquiza, Margarita Flores, Richard Marin, and Socorro Vasquez to the Smithsonian National Latino Board for three-year terms effective immediately. [2009.06.18]

VOTED that the Board of Regents requests that the Chancellor appoint David M. Rubenstein to the Finance Committee. [2009.06.19]