

# MINUTES OF THE OCTOBER 24, 2016, MEETING OF THE BOARD OF REGENTS

## ATTENDANCE

This scheduled meeting of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) was held on Monday, October 24, 2016. The Board conducted morning, afternoon, and executive sessions in the Regents’ Room and the Commons of the Smithsonian Castle in Washington, DC. Board Chair John W. McCarter, Jr., called the meeting to order at 8:29 a.m. Also present were Regents:

Barbara M. Barrett  
Steve Case  
John Fahey  
Shirley Ann Jackson

Robert P. Kogod  
Risa J. Lavizzo-Mourey  
Michael Lynton  
David M. Rubenstein

Robert MacDonald, Smithsonian National Board Chair  
Alan G. Spoon, Advancement Committee Chair

The Chief Justice, Vice President, Senator John Boozman, Senator David Perdue, Senator Patrick J. Leahy, Representative Xavier Becerra, Representative Tom Cole, Representative Sam Johnson, and Investment Committee Chair Tim O’Neill were unable to attend the meeting.

Also present by invitation of the Board were:

David J. Skorton, Secretary  
Patricia Bartlett, Acting Assistant Secretary  
Education & Access  
Greg Bettwy, Chief of Staff to the Secretary  
Epin Christensen,<sup>1</sup> Counsel to the Inspector  
General  
Virginia B. Clark, Assistant Secretary for  
Advancement  
Jennifer Ehlinger, Office of the Regents Senior  
Researcher & Writer (recorder)  
Rachel Goslins,<sup>1</sup> Director for the Arts & Industries  
Building  
Amanda Hamilton,<sup>1</sup> Assistant to Representative  
Johnson  
Toni-Marie Higgins,<sup>1</sup> Assistant to Senator Boozman  
Albert Horvath, Under Secretary for Finance &  
Administration/Chief Financial Officer

Kirk Johnson,<sup>2</sup> Sant Director of the National  
Museum of Natural History  
Richard Kurin, Acting Provost/Under Secretary for  
Museums & Research  
John K. Lapiana, Deputy Under Secretary for  
Finance & Administration and Acting Assistant  
Secretary Communications & External Affairs  
Judith Leonard, General Counsel  
Era Marshall, Director for the Office of Equal  
Employment and Minority Affairs  
Kevin McDonald<sup>1</sup>, Senior Adviser to Senator Leahy  
Jeffrey P. Minear, Counselor to the Chief Justice  
Rachel Parker, Deputy Chief of Staff to the  
Regents  
Nell Payne,<sup>1</sup> Director of Government Relations  
Porter N. Wilkinson, Chief of Staff to the Regents

<sup>1</sup> Participated in the morning session only.

<sup>2</sup> Participated in the afternoon session only.

# MORNING SESSION

## EXECUTIVE SESSION:

### BOARD LEADERSHIP ELECTIONS AND SMITHSONIAN CHANNEL UPDATE

The meeting of the Board of Regents began with an executive session. The Board discussed leadership positions for 2017 and received an update on the status of the Smithsonian Channel Put option.

#### Board Leadership Elections

The Board reviewed the Governance and Nominating Committee's recommendations for 2017 leadership. The Governance and Nominating Committee is charged with nominating candidates for election as Chair, Vice Chair, and member of the Executive Committee. The Chair and Vice Chair are elected for a term of one year and may serve no more than three consecutive terms. Having served three consecutive terms, current Board Chair John W. McCarter, Jr., and Vice Chair Shirley Ann Jackson will conclude their respective terms on January 30, 2017. The Governance and Nominating Committee recommended that the Board appoint David Rubenstein as Chair, Steve Case as Vice Chair, and Dr. Risa J. Lavizzo-Mourey as the third Executive Committee member to serve as the 2017 Board leadership team. As candidates under consideration, Mr. Rubenstein, Mr. Case, and Dr. Lavizzo-Mourey recused themselves from the discussion and vote. Upon motion duly made and seconded, the elections were approved en banc.

***See attached Actions 2016.10.01-2016.10.03 (Minutes of the Board of Regents, Appendix A).***

#### Smithsonian Channel Update

Secretary Skorton provided an update on the Smithsonian Channel Put Option. In 2011, the Smithsonian purchased additional equity interest in the Smithsonian Channel ("Channel"). The Smithsonian's joint venture agreement with its partner, Showtime, provided that the Smithsonian could sell back ("put") to its partner a portion, or all, of its ownership interest in 2014, 2016, or 2018. Under the agreement, Showtime is only obligated to execute against one of these possible dates. The Smithsonian declined to exercise this option in January 2014. The Board voted during its special telephonic meeting on May 1, 2016, to exercise the put option and sellback a portion of its equity stake in the Smithsonian Channel. On May 2, 2016, the Smithsonian initiated the formal put process by issuing a notice to Showtime.

The Secretary updated the Board on the status of the negotiations and sought the Board's advice on how best to proceed.

The executive session adjourned at 9:03 a.m.

## OPEN SESSION

### Welcome and Introductions

Smithsonian and Regent staff members entered the room and the meeting reconvened. Mr. McCarter called the open session to order at 9:08 a.m., welcomed everyone, and called for introductions around the room.

## REPORT OF THE BOARD AND EXECUTIVE COMMITTEE CHAIR

### Important Upcoming dates

Mr. McCarter noted important upcoming dates, including a dinner reception to be held on November 14, 2016, at the Cooper Hewitt, Smithsonian Design Museum in New York, NY to honor and posthumously award former and inaugural Investment Committee Chair David Silfen with the Regents' Gold Medal for Exceptional Service. Mr. McCarter also announced that the next Board meeting is scheduled to be held on Monday, January 30, 2017.

### Recognition of Congressman Steven LaTourette

Mr. McCarter reviewed the first item for the full Board's consideration: the recognition for former Regent Congressman Steven LaTourette who passed away in August 2016. Congressman LaTourette served as a Congressman from Ohio for 18 years and provided invaluable support to the Smithsonian through his service on the Board of Regents and through his service on the House Appropriations Committee. Upon motion duly made and seconded, the Board voted to extend its sincere appreciation for the dedication and service of Congressman LaTourette to the Smithsonian and to the nation.

**See attached Actions 2016.10.04** (*Minutes of the Board of Regents, Appendix A*).

### Recognition of William G. Bowen

Mr. McCarter noted the recent passing of former Regent William G. Bowen, who served as a dedicated Regent and was an influential educator who transformed the landscape of higher education. Mr. McCarter asked the Board to pass a resolution to formally honor and recognize the many contributions of Mr. Bowen to the Smithsonian. Upon motion duly made and seconded, the Board voted to express its profound appreciation to the memory of Mr. Bowen as a former Regent, distinguished and influential educator, and friend of the Smithsonian and to extend its heartfelt sympathies to his family.

**See attached Actions 2016.10.05** (*Minutes of the Board of Regents, Appendix A*).

### Award of Joseph Henry Medal

Mr. McCarter presented the next item for the Board's consideration: the award of the Joseph Henry Medal to Dr. Elizabeth Broun, the Margaret and Terry Stent Director of the Smithsonian American Art Museum. Ms. Broun will be retiring from the Smithsonian at the end of November 2016, and the Secretary proposed awarding Betsy with the Henry Medal to recognize her many contributions to the Smithsonian. Upon motion duly made and seconded, the Board voted to present the Joseph Henry Medal to Dr. Elizabeth Broun, in recognition of her manifold contributions to the Smithsonian, most

significantly the transformation of the Smithsonian American Art Museum into an intellectually vibrant, pre-eminent institution that serves scholars, educators, and the public.

**See attached Actions 2016.10.06** (*Minutes of the Board of Regents, Appendix A*).

Mr. McCarter reminded Regents and staff that both the motion and award should be treated as confidential until officially announced at Dr. Broun's farewell dinner in late November.

**Actions Between Meetings**

Next, Mr. McCarter reported that, on behalf of the Board, the Executive Committee approved ten actions between the June and October meetings. The Executive Committee voted by email ballot, on behalf of the Board, to approve nine gifts, all requiring expedited approval in order to facilitate the timing of specific programs and announcements related to the grand opening of the National Museum of African American History and Culture ("NMAAHC"). The other action taken by the Executive Committee on behalf of the Board was the approval of the Smithsonian's fiscal year 2017 Federal and Trust Consolidated Budget.

**Former Secretaries' Portrait Fund**

Lastly, Mr. McCarter updated the Board on the status of the former Secretaries' portraits. The portrait of Larry Small has been completed and the portrait of Dr. G. Wayne Clough should be completed within the next month. Mr. McCarter asked the Regents to consider making a donation to help cover the final costs of framing and shipping for both of the portraits.

## APPROVAL OF THE CONSENT AGENDA

**Adoption of the Consent Agenda**

The Board reviewed the meeting's Consent Agenda ("Agenda"). Procedures of the Board's use of the Agenda mandate that an item will remain on the Agenda only by unanimous consent, and any Regent may ask the Office of the Regents to remove an item from the Agenda for discussion by providing three-days' notice in advance of the scheduled Board meeting.

Action items listed on the present meeting's Agenda include the draft minutes of the June 13, 2016, Board meeting; the appointment and reappointment of candidates to 13 Smithsonian Advisory Boards; and the proposed amendments to the bylaws of the Advisory Board of the Smithsonian Environmental Research Center. The Agenda also includes the approval of three proposed gift actions, one request for a change in recognition location, and the proposed establishment of a quasi-endowment, all of which comply with Smithsonian policies. Upon motion duly made and seconded, the Board voted to adopt the Agenda, constituting the approval of all action items listed therein.

**See attached Actions 2016.10.07** (*Minutes of the Board of Regents, Appendix A*).

## QUESTIONS ON WRITTEN COMMITTEE REPORTS

### Questions on Written Committee Reports

Mr. McCarter reminded the Board of the procedural meeting modifications, which were adopted in June 2015 and have been in use since the October 2015 meeting. The modifications allow for more time to be dedicated toward strategic discussions and include comprehensive written committee reports and modified oral reports. In line with these modifications, Regent Committees having no action or discussion items prepare written reports that were distributed in advance of the meeting. During the meeting, Regent committee chairs and senior Smithsonian staff were available to answer questions from the Board about the written reports.

### *Report of the Compensation and Human Resources Committee*

#### Update from the Compensation and Human Resources Committee

The Compensation and Human Resources Committee met on September 12, 2016. During the meeting, the Committee voted to approve the list of disqualified persons for 2017, which was updated to reflect the Secretary's reorganization of management in February 2016, the decision making levels for the 2017 compensation process, the methodology for determining comparable compensation for Trust executive positions, and the updated compensation philosophies. The Committee also reviewed its Charter and the compensation timeline for the 2017 process. Lastly, the Committee received a preview of potential investment incentive payouts, which will be a topic for discussion at the January 2017 Board meeting.

### *Report of the Facilities Committee*

#### Update from the Facilities Committee

The Facilities Committee met on September 21, 2016. During the meeting, the Committee reviewed routine amendments to the Committee's Charter, which include changes to ensure the Charter accurately reflects current practices, ensures that the Committees follows best practices across the non-profit sector, and ensures consistent structure and wording among all Regent Committee charters.

The Committee received an update on facilities maintenance and cost benchmarking, facility condition ratings, and the general assessment process. Progress has been made with regard to large revitalization projects at individual facilities; however, a large backlog of deferred maintenance and repairs continues to grow at other facilities. Maintenance funding has not kept pace with the increase in Smithsonian space and facilities' needs.

#### Update on the NASM Revitalization

The Committee briefed the Board on the update it received regarding the progress of the Smithsonian's major capital projects, including the revitalization of the National Air and Space Museum ("NASM"), which will be the Smithsonian's next major capital project. Smithsonian management has

spent the past three years planning for, and overseeing the design of, the extensive project. The detailed design of the renovation by architect Quinn Evans is approximately 50 percent complete and the goal is for construction to begin sometime in 2018, with projected costs estimated at \$675 million. The Smithsonian anticipates requesting federal revitalization funding for the project over fiscal years 2018 - 2022 to enable the revitalization to begin in early fiscal year 2018 (fall 2017).

The Smithsonian expects to award a Construction Management Contract sometime in fiscal year 2017, which will facilitate completion of the 100 percent design documents, construction of the exterior cladding mock-ups, and cost and schedule estimate validations. Construction will be phased so that visitors can continue to access a significant portion of the museum during the entire six-year span of the project. Before the renovation can begin, additional storage space for artifacts must be constructed at the Museum's Udvar-Hazy Center, near the Dulles Airport in Virginia. Design of the storage module is now complete and a construction contract should be awarded in February 2017, with completion of the module expected in 2018.

During the revitalization, NASM plans to simultaneously move forward with a complete refresh of the exhibits and galleries inside of the building. NASM Director, General Jack Dailey, is leading the effort to raise \$250 million in private funds to support the revitalization of the interior.

The Smithsonian has considered various scenarios for federal capital funding levels over the next 10 years. The costs projected for the NASM Revitalization were reflected in context with the Smithsonian's other capital priorities for a range of possible federal funding levels. The recommendation is that the Smithsonian continue to seek a commitment of \$200 million per year in base federal revitalization funding, and that the NASM Revitalization project funding be supplemental to the Smithsonian's base funding levels.

### *Report of the Finance Committee*

#### **Update from the Finance Committee**

The Finance Committee met on August 22, 2016. During the meeting, the Committee reviewed and voted to recommend that the Executive Committee approve the fiscal year 2017 Federal and Trust Consolidated Budget, on behalf of the full Board. The Consolidated Budget provides \$922.2 million for the Smithsonian, including \$759.2 million for Salaries and Expenses, and \$163 million for Facilities Capital.

The Committee received updates on the fiscal year 2018 federal budget, which would normally be due to the Office of Management and Budget ("OMB") in September 2016, however was delayed due to the 2016 election.

The Committee discussed the fiscal year 2016 financial results. Revenues for the period totaled \$1,268 million; expenses totaled \$1,076 million; and the Net Operating Revenue for the period was \$192 million.

**Charter Amendments** The Committee reviewed its Charter and voted to recommend the approval of three proposed amendments. The first amendment modifies current Charter language that requires the committee chair to notify the Governance and Nominating Committee every November of their preferred membership. Membership conversations typically happen informally and are not limited to the month of November. The second amendment modifies a provision requiring that all committees maintain a Regent majority. The Board previously approved non-Regent majorities on certain committees, currently the Advancement and Investment Committees. The proposed amendments simply reflect the Board’s decision on this matter. The last amendment modifies language for the appointment of a substitute to serve as chair at meetings when the residing chair is unable to attend. Current language requires members to be polled to select a substitute. The proposed amendment allows the residing chair to appoint any member who will be present at the meeting to serve as chair in their stead.

### *Report of the Investment Committee*

**Update from the Investment Committee** The Investment Committee met on Tuesday, September 20, 2016. During the meeting, the Committee reviewed the Investment Portfolio, Portfolio Implementation, and Operations. The Committee also reviewed its Charter, which was last revised in 2015 to reflect the Regents’ recommended changes with regard to term limits.

**Endowment Update** The Committee also reviewed the performance of the Endowment. As of June 30, 2016, the Endowment stood at \$1.29 billion, an increase of \$5.3 million since October 1, 2015. The change reflects a total return to the Endowment of \$28.5 million, new contributions of \$30.6 million, payout of \$52.5 million, and \$1.2 million for investment expenses. Over the trailing one-year, three-year, five-year and ten-year periods, the Endowment generated returns against the policy benchmark of -2.1% versus -1.9%, 6.0% versus 3.6%, 5.7% versus 3.4%, and 5.6% versus 3.6%, respectively.

### *Report of the Strategy, Innovation, and Technology Committee*

**Update from the Strategy, Innovation, and Technology Committee** The Strategy, Innovation, and Technology Committee met on September 8, 2016. During the meeting, the Committee reviewed its Charter and voted to recommend the approval of routine amendments. One such proposed modification will revise the current provision, which requires that the Committee Chair notify and present membership recommendations to the Governance and Nominating Committee Chair every November. The amendment will revise language to make recommendations permissive instead of mandatory and allowed throughout the year, not just in the month of November.

**Charter Amendments**

**Update on New Strategic Plan and Vision Statement**

The Committee received an update on the development of the Smithsonian's new Strategic Plan and vision statement. The current draft vision statement includes four elements: a date for realization, an ambitious statement of institutional purpose, an emphasis on meaningful conversations, and accountability. The draft statement was synthesized based on feedback from the Regents during the full Board meeting in April 2016. The Committee also reviewed a newly proposed "fifth" grand challenge, introduced by the Secretary.

**Update from the Office of the Assistant Secretary for Education and Access**

The Committee was provided with a summary of the activities within the Office of the Assistant Secretary for Education and Access. The Learning Lab, which was launched several months ago, is an initiative that shifts the Smithsonian away from acting as an authoritative voice, using digital collections as an opportunity to connect and learn from its users. The Learning Lab was featured at the Denver Education Forum and received high praise, particularly in comparison with a similar effort recently launched by Amazon. The Smithsonian will consider a new direction for the George Mason University Masters of History and Decorative Arts program partnership. The Smithsonian and George Mason University are in the process of unwinding their partnership; however, due to the success of the program, the Smithsonian is considering a continuation of the program with a new partner.

**Exhibition Review and Revisions to Smithsonian Directive 603**

The calendar of upcoming exhibits was reviewed, with a focus on any exhibit that might generate greater than normal stakeholder interest. Exhibitions unveiled at the opening of NMAAHC in September were noted and discussed. The Smithsonian Directive 603, which is currently in the process of being revised, covers the process for developing and reviewing exhibitions, including those that could potentially generate public controversy. The revised Directive will include a supplemental provision for handling the review of exhibitions that may pose a legal and/or fiscal risk, and will expand coverage to include the review of public programs and activities that may also raise issues.

*Report of the Smithsonian National Board*

**Update from the Smithsonian National Board**

Smithsonian National Board ("SNB") Chair Robert MacDonald was asked to present a brief verbal update on the SNB's upcoming fall meeting to compliment the SNB's written report. The SNB will hold its Fall meeting from October 20 – 22, 2016, in Washington, DC. During the meeting, SNB members will spend time in discussion with Secretary Skorton, Smithsonian management, and museum directors about the visitor experience in museums across the Smithsonian. Members will be asked to provide input on a variety of topics including preparing visitors for a museum visit, reaching diverse audiences, creating memorable experiences for visitors, and fostering connections to the Smithsonian after a visit. Prior to the meeting, SNB members will visit a local museum in each of their communities, review and evaluate their experience, and report their findings. The fall meeting will also focus on the recent opening of the National Museum of African American



History and Culture. SNB members will learn how museums across the Smithsonian are recognizing the opening of the new museum and have an opportunity to visit NMAAHC during the SNB's dinner on Friday, October 21.

Additionally, during the fall meeting, the SNB will welcome seven new members whose terms became effective on October 1, 2016. The SNB's Advancement, and Nominating and Membership Committees will also convene; and the Human Capital and Smithsonian Enterprises working groups will continue their ad hoc work advising on a range of particular topics.

### *Report from the Office of Government Relations*

#### **Update from the Office of Government Relations**

The Office of Government Relations ("OGR") has continued congressional and White House engagement, hosting and participating in a number of programs and events. On June 14, 2016, the Smithsonian hosted its annual Congressional Night for members of Congress, their families, and staff at the National Museum of American History. The event featured many special programs, including activities for kids, special museum exhibitions, and a reception. On July 1, 2016, the Office of Government Relations hosted approximately 75 congressional staff members on a tour of the grounds of the Folklife Festival. Guests toured program areas with various curators and ended the visit with a Festival Food picnic lunch in the Arts and Industries Building. On September 10, 2016, the Smithsonian hosted the third annual Congressional Day at the Zoo, which featured live animal demonstrations, activities for children, and a reception. Secretary Skorton made opening remarks on behalf of the Smithsonian and approximately 450 members of Congress, staff, and their families were in attendance. Throughout the month of July, members and staff of key congressional offices were invited to view the ongoing construction of NMAAHC and on September 20, 2016, the Office of Government Relations together with NMAAHC, hosted a Congressional Open-House to celebrate the new museum.

OGR has continued to monitor the federal budget. On September 28, 2016, Congress passed the *Continuing Appropriations and Military Construction Veterans Affairs, Related Agencies Appropriations Act of 2017*, and the *Zika Response and Preparedness Act*, which includes short term funding for the Smithsonian. On September 29, 2016, the President signed the bill into law. The Smithsonian will continue to be funded at fiscal year 2016 levels until December 9, 2016.

OGR has also been monitoring pending legislation, *H.R. 6001, the Smithsonian American Latino Museum Act of 2016*, which was introduced on September 13, 2016, by Regent Representative Xavier Becerra. On the same day, Senator Menendez introduced companion legislation, S. 3314. The bills are identical to previously introduced legislation, which if passed, would establish the museum as part of the Smithsonian and designate the Arts and Industries Building as its location.

Smithsonian management and OGR have conducted a series of briefings to update key Congressional Committees on the current status of a number of important projects and initiatives, including invasive species and ballast water monitoring at the Smithsonian Environmental Research Center, corporate donations and preventing exhibit influence, the future plans for the Arts & Industries Building, and the NASM revitalization.

On July 6, 2016, Deputy Under Secretary for Finance and Administration John Lapiana testified on the Smithsonian's authority to lease real estate independently from the General Services Administration ("GSA") before the House Transportation and Infrastructure Subcommittee on Public Buildings. The hearing was called to coincide with the release of a Government Accountability Office report entitled *Federal Real Property: Actions Needed to Enhance Information on and Coordination with Federal Entities with Leasing Authority*. The report found that many agencies did not have explicit exemption from the Anti-Deficiency Act to enter into leases. The Subcommittee expressed a preference for all agencies to lease space through GSA; however, it took no position on the Smithsonian's independent authority.

## REPORT OF THE SECRETARY

### **Campaign Announcement**

Secretary Skorton updated the Board on the state of the Smithsonian. The Secretary began his report by announcing that Smithsonian has exceeded its \$1.5 billion goal for the Capital Campaign ("Campaign") raising \$1.56 billion. The Campaign, launched in 2011, is the most ambitious capital campaign that has ever been mounted by a cultural organization. He also announced that with regard to general fundraising, the Smithsonian has raised \$296 million in fiscal year 2016, which makes it the highest fundraising year to-date. The Campaign will continue as planned, until December 2017, to achieve priorities that remain to be accomplished. The Campaign has broadened our base of support, strengthened our volunteer leadership, and reached new audiences.

### **Smithsonian Secretary's Scholars**

Next, the Secretary updated the Board on the status of his recently launched initiative, the Smithsonian Secretary's Scholars ("Scholars"), which aims to enhance the Smithsonian's creative and intellectual workforce by funding 40 new positions in the curatorial, conservation, research, and science fields. So far, sufficient funding has been secured to sponsor 14 Scholars, and the hiring of curators and scientists to fill these positions has begun. New Scholar positions will include a New Media Curator at the Hirshhorn Museum and Sculpture Garden ("Hirshhorn"), an Oral Historian at Archives of American Art, a Naval Aviation Curator at NASM, a Health Research Scientist, and a Marine Mammals Curator at NMNH, to name a few.

### **Youth Advisory Committee**

Next, the Secretary provided an update on his meetings with the Youth Advisory Committee, a group founded by the Secretary together with the late Secretary for Education and Access Claudine Brown. The Youth Advisory

Committee is a group of local teens who are interested in and engaged with the Smithsonian, and who are sharing their views on how we can change our visitor experience to present a more engaging environment for them. The meetings have led to a number of inspiring conversations and some overall lessons for the Smithsonian. The Youth Advisory Committee has expressed that they still are interested in seeing real collection objects, not just a digital version. Additionally, many comments have been made regarding improvements to the overall visitor experience and better tailoring the Smithsonian's programs and exhibits to visitors of all ages.

#### **NMAAHC Overview**

The Secretary concluded his report with an update on NMAAHC. The highly anticipated and heavily attended NMAAHC dedication ceremony and grand opening included speeches from Oprah Winfrey; Will Smith; Board Vice Chair Shirley Ann Jackson; Smithsonian Chancellor and Chief Justice John G. Roberts; Jr., President Barack Obama; and former president George W. Bush, who signed the 2003 bill that authorized the museum. Leading up to the grand opening, the museum received the most significant and sustained media coverage a new cultural institution in the United States has ever achieved. On opening day, the Smithsonian used Facebook and Twitter to provide live coverage for online audiences. The Facebook livestream reached 120,000 people and received 330,000 views. The Smithsonian also live-tweeted the entire two-hour ceremony, supplementing the live remarks with relevant content found in the museum. An impromptu video filmed by staff with NMAAHC Council member Oprah Winfrey, which was directed toward Smithsonian followers, was the museum's top tweet of the day with 162,000 impressions and 12,000 views. On opening day, there was live national broadcast coverage from C-SPAN, CNN, and local coverage from NBC4. Additionally, there was Associated Press photo coverage in most US daily newspapers, and all local and national broadcast stations covered stories from the museum. Based on coverage during the month of September alone—the museum had more than 9.7 billion impressions solely from online views and print media.

As of October 17, 2016, the museum had welcomed more than 213,000 visitors, which is based on approximately 8,000 visitors per day on the weekends, and around 6,000 visitors per day during the week. With that level of visitorship, the Smithsonian and NMAAHC have been working to refine certain logistics in order to improve visitor experiences. The cafeteria has recently been reconfigured to reduce wait times and has made over \$690,000 in sales through October 10, 2016. To reduce lines inside of the museum and eliminate congestion, staff have been re-routing entering visitors to begin their tours on the upper floors as well as the bottom floor. The number of volunteers has also been increased to accommodate visitor questions and services. Additional wheelchairs have also been brought in to accommodate visitors with mobility issues. The Secretary thanked Smithsonian staff and commended them on the amazing work done by all units that contributed to an extremely successful opening of the Smithsonian's 19th museum.

## REPORT OF THE ADVANCEMENT COMMITTEE

### Campaign and Fundraising Details

Advancement Committee Chair and Regent Emeritus Alan Spoon presented the Committee's report. Mr. Spoon provided additional details regarding the status of the Campaign and overall fundraising efforts. At the end of fiscal year 2016, 11 units had surpassed their Campaign goals and four more units were on track to surpass their goals as well. Mr. Spoon reported that fiscal year 2016 was also the fifth year in a row that the Smithsonian has raised over \$200 million, reaching \$296 million, which is the highest amount ever raised in a single fundraising year. Additionally, as of October 2016, 18 units had exceeded their annual fundraising goals, which is the highest number of units to reach their goal in the Smithsonian's fundraising history. NMAAHC was among those units that surpassed their Campaign goal reaching breaking a number of milestones: the museum raised \$357 million, surpassing its goal of \$270 million, and raised \$154 million in annual funds, which is the highest amount raised in a single year.

Mr. Spoon thanked the Advancement Committee members and Campaign co-chairs for their great work and support, and applauded the leadership of Secretary Skorton and the entire Smithsonian for their outstanding efforts. The Campaign has increased the level of support across the Smithsonian, expanded its donor base to provide a launching pad for the future, and strengthened the institutions volunteer support.

### Online Fundraising Initiatives

Mr. Spoon briefed the Board on additional fundraising initiatives. The Smithsonian has started to engage in a number of creative fundraising opportunities, including the use of social media. Last year, in its first online campaign, "Reboot the Suit," the Smithsonian raised \$720,000 thousand from 9,500 donors to enable NASM to conserve, digitize, and display the spacesuit worn by Neil Armstrong in 1969 for the moon landing of Apollo 11, and the spacesuit worn by Alan Shepard for the first American manned spaceflight in 1961. On October 17, 2016, the Smithsonian and the NMAH launched another major Kickstarter effort, announcing the "#KeepThemRuby" campaign to fund the conservation and display of Dorothy's Ruby Slippers, made famous in 1939 by the landmark MGM musical, the *Wizard of Oz*. The campaign reached its Kickstarter goal of \$300,000 on October 23, 2016, far ahead of schedule, thanks to more than 5,300 supporters in 41 countries and across six continents. The money raised will fund the immediate conservation, care, and display of the slippers designed to protect the slippers from environmental harm. The Smithsonian is also on track toward its goal of \$85,000 to conserve the Scarecrow costume from the *Wizard of Oz*. Mr. Spoon thanked Regent Michael Lynton, who was instrumental in helping the Smithsonian secure the rights to use the soundtrack from the movie for the online campaigns.

## REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

### Bylaw Amendments

Governance and Nominating Committee Chair Steve Case presented the report of the Committee. Mr. Case presented one action item for the Board's consideration: the proposed amendments to the bylaws of the Board of Trustees of the Cooper Hewitt, Smithsonian Design Museum, which were reviewed by the Governance and Nominating Committee during its meeting on September 22, 2016. Due to an unusual provision relating to term limits and a rollback provision, the proposed amendments were not included on the Consent Agenda.

General Counsel Judith Leonard explained each of the provisions, which include an increase in membership capacity, revised term-limits and the inclusion of a rollback provision, formal recognition of emeritus and alumni roles, and the inclusion of the Smithsonian's standard conflict-of-interest statement for advisory boards. Ms. Leonard explained that Cooper Hewitt, which is located in New York City, operates in a different market than the museums located on the National Mall in Washington, DC. The Cooper Hewitt's amended term-limit provision, which provides that trustees may be elected for a three-year term and may be reelected to serve up to a total of five consecutive terms, is in line with those of other New York City non-profit boards. The roll-back provision, which provides that current trustees who have served three or more terms will remain eligible to continue serving on the Board for five additional terms once the new term-limits take effect, is critical to providing continuity in board leadership and securing the resources for the transformation of the historic Carnegie Mansion into a 21st century museum. The Committee agreed to the membership provisions due to the Cooper Hewitt's unique circumstances, but noted that roll-back provision should not serve as a precedent for other advisory boards. Upon motion duly made and seconded, the Board voted to approve the proposed bylaw amendments.

**See attached Actions 2016.10.08** (*Minutes of the Board of Regents, Appendix A*).

### Update on New Regent Search

Next, Mr. Case briefed the Board on the status of the search for two new Regents to fill Dr. Shirley Ann Jackson's and Robert Kogod's seats since each of their Regent terms will expire in May 2017. He reminded the Board that Mr. Kogod's seat must be filled by a DC resident, while Dr. Jackson's replacement can be from any state not already represented by a citizen Regent. Following a competitive process, executive search firm Spencer Stuart was retained to assist with the identification, vetting, and selection of two Regent candidates. Spencer Stuart developed a position description and competency matrix to assess the skills and abilities that are currently represented on the Board and pinpoint the experience, knowledge, and perspectives still needed.

The matrix was distributed to all Regents in early October and the completed matrix was included in the meeting materials for the Board to review. Spencer Stuart incorporated the feedback received from the Regents into the final position description.

The Board reviewed the completed matrix and position description and discussed the desired qualities and skills that Spencer Stuart and the Governance and Nominating Committee should take into consideration while searching for potential Regent candidates. The Board asked that Spencer Stuart conduct a call with each of the Regents individually, in order to solicit additional feedback needed to engage in the search.

Over the next several months, the Governance and Nominating Committee will continue to work with Spencer Stuart to identify potential candidates who fit the selection criteria and have the time and inclination to serve. The goal is to present a list of finalists to the Board for review and a vote in January 2017, so that they may be appointed in time for the June 2017 meeting.

**Planning for the  
April 2017  
Strategic Meeting**

Lastly, Mr. Case briefed the Board on current plans for the April 2017 Strategic meeting. At its meeting in June 2015, the Board agreed to convene one strategic meeting each year at a facility other than the Castle. The first strategic meeting, held in April 2016, took place at NMAH. Several committees have started to consider the agenda and possible locations for the Board's next Strategic Meeting, which is scheduled to be held on April 3, 2017.

The current plan is to host a technology demonstration, which will give Regents and Smithsonian leadership an opportunity to test new technologies relevant to the museum experience and to discuss future opportunities for integrating these advances across the Institution.

Recognizing that the Smithsonian does not have a facility with the necessary space and infrastructure to support an event of this nature, the Governance and Nominating Committee considered and recommended the use of alternative venues. After discussing the advantages and disadvantages of hosting the meeting at a third-party location, the Board agreed with the Committee's recommendation to hold the meeting off-site provided that the Smithsonian serves as the primary convener and host of the meeting, the Smithsonian extends the invitations and plans the agenda, and a broad array of entities are included.

Since none of the Congressional Regents were able to attend the October 2016 meeting, the Office of the Regents notified all Congressional Liaisons about the prospective of holding the April 2017 meeting off-site. No objections have been received to-date.

The next steps in planning will be to extend invitations to potential participants who may be interested in displaying their technologies during the meeting in April. The Board was asked to send any recommendations regarding potential participants to the Office of the Regents.

## REPORT OF THE AUDIT AND REVIEW COMMITTEE

### **Financial Disclosure and Conflict of Interest Review**

Chair of the Audit and Review Committee Ambassador Barbara Barrett presented the report of the Committee and briefed the Board on the annual financial disclosure and conflict of interest review.

The Office of the General Counsel (“OGC”) oversees the financial disclosure process for the Smithsonian and the Board. In fiscal year 2016, two substantive changes were implemented to the process due to changes in the Smithsonian’s standards of conduct policy. The first change incorporates more objective standards, which were adopted in order to help identify those individuals required to file a disclosure. The second change requires that almost all Smithsonian employees file a conflict-of-interest declaration. Additionally, the Smithsonian has moved to an electronic filing system for financial and conflict-of-interest disclosures in order to provide real-time conflicts-of-interest checks in connection with all procurements and grants prior to awards.

Following a review of the filed disclosures, OGC found that any conflicts of interest, or circumstances creating the appearance of conflicts of interest, were manageable through recusal or other means.

## STRATEGIC PROJECT UPDATE

### **Introduction of Rachel Goslins and Update on AIB**

The Secretary introduced Rachel Goslins, who was appointed as director for the Arts and Industries Building (“AIB”) on August 22, 2016. Ms. Goslins is the former executive director of the President’s Committee on the Arts and as AIB director, will be responsible for developing and implementing plans for the building, including programming, exhibitions, and infrastructure. Ms. Goslins briefed the Board on the status of AIB.

Ms. Goslins reported that although a long-term use for the building has yet to be determined, she is working with Smithsonian management to move forward with ideas to develop two different spaces within the building, each to provide a valuable and informative visitor experience. The first space would be used as a place to educate and inspire visitors about the impact of creativity and innovation on society. The installation would be highly interactive, participatory, and engaging, and also serve as a dynamic place for public programming, conferences, seminars, and trainings. Adjacent to the innovation space would be a Smithsonian American Latino Gallery. The gallery would provide a landing spot for the Latino American experience on the National Mall and act as a point of entry for Latino-related content in other

Smithsonian collections. The Smithsonian Latino Center has been actively working on the concept and design for the gallery. A design firm has been hired to help develop and illustrate the concepts for both spaces and an Innovation Project Team has been assembled, which is made up of creative thinkers and professionals from across the Smithsonian.

**Update on London Opportunity**

Next, the Board received an update on the Smithsonian’s opportunity for a presence in London. On May 1, 2016, the Board held a special teleconference and voted to approve the Secretary’s request to engage in a long-term collaboration with the Victoria & Albert Museum (“V&A”) to develop a jointly organized, permanent gallery space, to be housed in the new V&A Building at Queen Elizabeth Olympic Park. Subsequently, in June 2016, the Smithsonian and the V&A announced plans to pursue an international collaboration as part of the redevelopment of the Queen Elizabeth Olympic Park in London. Since then, teams from each organization have worked together to develop the programmatic strategies, business model, and terms of a formal agreement.

Current plans for the collaboration include a space for exhibitions jointly curated by a team of V&A and Smithsonian scholars as well as a temporary gallery space that would serve to periodically house Smithsonian exhibitions. Other partner institutions at the Olympic Park include Sadlers Wells Dance Theater, University of the Arts London, and University College London.

## **EXECUTIVE SESSION: “GATEKEEPER” REPORTS**

**Gatekeeper Reports**

The Board then conducted an executive session with General Counsel Judith Leonard and Secretary Skorton.

## **AFTERNOON SESSION**

The meeting reconvened in the Commons of the Smithsonian Castle and Mr. McCarter called the afternoon session to order at 11:59 a.m.

## **WORKING LUNCH: STRATEGIC PLANNING**

Regent Vice Chair; Strategy, Innovation, and Technology Chair; and Co-Chair of the Strategic Planning Committee Dr. Shirley Ann Jackson led the Board in a lunch discussion about the development of the Smithsonian’s next Strategic Plan.

**Strategic Planning Discussion**

During the April 2016 Strategic Meeting, the Board discussed strategies for revising the Smithsonian’s current Strategic Plan, which is set to expire in 2017. In June 2016, the Board continued these discussions and provided feedback regarding the future of the Smithsonian and how that could be reflected in a comprehensive vision statement and a new Strategic Plan that will chart the Smithsonian’s strategic direction for years to come. To lead the effort, the Secretary assembled a Strategic Planning Committee (“Committee”), Co-



Chaired by Regent Vice Chair Dr. Shirley Ann Jackson and National Museum of Natural History Director Kirk Johnson. The Committee is composed of 15 members, including Regents and staff, all who have deep ties to the Smithsonian's museums, education efforts, and research centers. The Committee has been working to engage a broad cross-section of the Smithsonian community so that the new Plan will effectively and accurately reflect the Smithsonian's mission and incorporate the insight of all who work to represent it. The Committee has an aggressive schedule to gather and analyze data and draft a plan, with the goal of presenting a first draft at the Regents' Strategic meeting in April 2017.

**Approval of a "Fifth"  
Grand Challenge for  
Current Strategic Plan**

The Board discussed aspects of the current Plan, which is structured around four grand challenges: (1) Unlocking the Mysteries of the Universe; (2) Understanding and Sustaining a Biodiverse Planet; (3) Valuing World Cultures; and (4) Understanding the American Experience. Dr. Jackson presented the Secretary's proposal to add a "fifth" grand challenge related to the arts, which focuses on the Smithsonian's ability to understand and encourage the transformative power of arts and design. Dr. Jackson noted that the fifth challenge was reviewed and endorsed by the Strategy, Innovation, and Technology Committee during its meeting on September 8, 2016. Upon motion duly made and seconded, the Board voted to amend the existing strategic plan by adding a fifth grand challenge that focuses on the Smithsonian's ability to understand and encourage the transformative power of art and design.

**See attached Actions 2016.10.09** (*Minutes of the Board of Regents, Appendix A*).

As part of the strategic planning process, the Committee will engage a broader section of the Smithsonian community by asking each unit director and their staff to identify unit and Institutional priorities for the next five years. Among other topics, the Committee members inquired about the areas in which each unit holds a leadership position, the vital activities that are not currently being undertaken, and the programs and activities that could possibly be eliminated in order to make room for other priorities. The Committee also inquired about the existing strategic plan related to each unit and whether it had been effective in guiding the Smithsonian's strategic direction, and how each unit might be able to contribute to the Smithsonian's overarching goals.

The Board and participating Smithsonian staff members provided their feedback on the Smithsonian's current Plan and its grand challenges, as they relate to its overall effectiveness in guiding the Smithsonian's goals, mission, and future strategic direction. Further, the Board discussed their individual perspectives regarding the Smithsonian's strengths, weaknesses, opportunities, and threats.

## **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at approximately 1:08 p.m., after which Mr. Lapiana provided a briefing for Regents participating in the Eighth Annual Public Forum (“Public Forum”).

Regents and staff then proceeded to Ring Auditorium at the Hirshhorn Museum and Sculpture Garden (“Hirshhorn”) for the Forum.

## **EIGHTH ANNUAL PUBLIC FORUM WITH THE SMITHSONIAN BOARD OF REGENTS**

### **Eighth Annual Public Forum**

The Regents’ Public Forum began at approximately 1:30 p.m. in the Ring Auditorium at the Hirshhorn. Board Chair John W. McCarter, Jr., Regents Dr. Risa Lavizzo-Mourey, Steve Case, John Fahey, David M. Rubenstein, Robert Kogod, Michael Lynton, and Secretary Skorton reviewed the business conducted during the Regents’ morning meeting. The Regents presented on and entertained questions about the Smithsonian’s major initiatives and capital improvement projects. Following the Regents’ presentations, Chief of Staff to the Regents Porter Wilkinson moderated a question and answer session for the benefit of the public and the press.

Respectfully submitted,

David J. Skorton  
Secretary

## APPENDIX A: ACTIONS OF THE OCTOBER 24, 2016, MEETING OF THE BOARD OF REGENTS

**VOTED** that the Governance and Nominating Committee recommends the election by the Board of Regents of David M. Rubenstein as Chair of the Smithsonian Institution's Board of Regents for a one-year term effective January 31, 2017. [2016.10.01]

**VOTED** that the Governance and Nominating Committee recommends the election by the Board of Regents of Steve Case as Vice Chair of the Smithsonian Institution's Board of Regents for a one-year term effective January 31, 2017. [2016.10.02]

**VOTED** that the Governance and Nominating Committee recommends the election by the Board of Regents of Risa J. Lavizzo-Mourey as a member of the Smithsonian Board of Regents' Executive Committee for a one-year term effective January 31, 2017. [2016.10.03]

**VOTED** that the Board of Regents expresses its profound appreciation to the memory of the Honorable Steven C. LaTourette, former Regent, esteemed statesman, and friend of the Smithsonian Institution, and extends its heartfelt sympathies to his wife, Jennifer, and family. [2016.10.04]

**VOTED** that the Board of Regents expresses its profound appreciation to the memory of William G. Bowen, former Regent, distinguished and influential educator, and friend of the Smithsonian Institution, and extends its heartfelt sympathies to his wife, Mary Ellen, and family. [2016.10.05]

**VOTED** that the Board of Regents presents the Joseph Henry Medal to the proposed candidate. At the request of the Board and the Secretary, the action is being treated as confidential until the candidate is publicly announced. [2016.10.06]

**VOTED** that the Board of Regents adopts the Consent Agenda, which constitutes the approval of all action items listed therein. [2016.10.07]

**VOTED** that the Board of Regents approves the minutes of the June 13, 2016, Meeting of the Board of Regents.

**VOTED** that the Board of Regents approves the proposed slate of candidates for appointment or reappointment to 12 Smithsonian advisory boards.

**VOTED** that the Board of Regents approves the proposed amendments to the bylaws of the Advisory Board of the Smithsonian Environmental Research Center.

**VOTED** that the Board of Regents recognizes the generosity of Peter and Linda Claussen to the National Museum of American History and names the Linda and Pete Claussen Hall of American Democracy for 20 years or until the next major renovation, whichever occurs later; and creates an endowment, named the Linda and Pete Claussen Fund for Democracy.

**VOTED** that the Board of Regents recognizes the generosity of Emily and Carl W. Knobloch, Jr. to the Smithsonian American Art Museum and names two galleries each the Carl and Emily Knobloch Gallery until the next comprehensive building renovation.

**VOTED** that the Board of Regents recognizes the generosity of Marie Halff to the Smithsonian American Art Museum and names the Marie and Hugh Halff Gallery until the next comprehensive building renovation.

**VOTED** that the Board of Regents approves the change of location for the Enid and Lester Morse Gallery and the Usdan Family Gallery naming recognition for the remainder of the 40-year naming term.

**VOTED** that the Board of Regents creates a quasi-endowment for the benefit of the Freer Gallery of Art and Arthur M. Sackler Gallery to support exhibitions associated with the art, culture, and history of Asia. Further, the Board authorizes the transfer of the funds identified for this purpose.

**VOTED** that the Board of Regents approves the proposed amendments to the bylaws of the Board of Trustees of the Cooper Hewitt, Smithsonian Design Museum. [2016.10.08]

**VOTED** that the Board of Regents approves the proposed Arts Challenge and directs that it be incorporated into the Smithsonian Institution's Strategic Plan, which expires in December 2017. [2016.10.09]