

MINUTES OF THE
JANUARY 26, 2009, MEETING
OF THE
BOARD OF REGENTS
OF THE
SMITHSONIAN INSTITUTION



Smithsonian Institution

SMITHSONIAN INSTITUTION
Minutes of the Meeting of the Board of Regents
January 26, 2009

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MINUTES OF THE BOARD OF REGENTS

January 26, 2009

ATTENDANCE

This scheduled meeting of the Board of Regents was held on Monday, January 26, 2009, in the National Museum of the American Indian's conference rooms 4018-19. The meeting included a morning session and an executive session. In lieu of the afternoon session, a ceremony was held to install G. Wayne Clough as the 12th Secretary of the Smithsonian. Board Chair Roger Sant called the meeting to order at 9:03 a.m. Present were:

Xavier Becerra ¹	Phillip Frost	Doris Matsui
Eli Broad	Shirley Ann Jackson	Roger W. Sant
Thad Cochran	Sam Johnson ¹	Alan G. Spoon
Christopher Dodd ²	Robert P. Kogod	Patricia Q. Stonesifer
	John W. McCarter Jr.	

L. Hardwick Caldwell, Smithsonian National Board Chair
David Silfen, Investment Committee Chair ³

The Chief Justice, Vice President Joseph R. Biden, and Senator Patrick Leahy were unable to attend the meeting.

Also present were:

Regent Designee David M. Rubenstein ⁴
G. Wayne Clough, Secretary
Charles Alcock, Acting Under Secretary for Science
Richard Kurin, Acting Under Secretary for History, Art, and Culture
Alison McNally, Acting Under Secretary for Finance and Administration
Patricia L. Bartlett, Chief of Staff to the Secretary
Amy Chen, Chief Investment Officer
Virginia B. Clark, Director of External Affairs
James Douglas, Director of the Office of Human Resources
John K. Lapiana, Chief of Staff to the Regents
Evelyn S. Lieberman, Director of Communications and Public Affairs
Alice C. Maroni, Chief Financial Officer
Carole M.P. Neves, Director of the Office of Policy and Analysis

Tom Ott, President of Smithsonian Enterprises
Nell Payne, Director of the Office of Government Relations
A. Sprightley Ryan, Inspector General
Marsha S. Shaines, Acting General Counsel
Barbara Feininger, Senior Writer-Editor of the Office of the Regents
Grace L. Jaeger, Program Officer of the Office of the Regents
Jeffrey P. Minear, Counselor to the Chief Justice
T.A. Hawks, Assistant to Senator Cochran
Joe Hepp, Assistant to Senator Dodd
Kevin McDonald, Assistant to Senator Leahy
Melody Gonzales, Assistant to Congressman Becerra
David Heil, Assistant to Congressman Johnson
Alexis Marks, Assistant to Congresswoman Matsui

¹ Messrs. Becerra and Johnson arrived at about 9:25 a.m. and were present for the consideration of all proposed motions.

² Senator Dodd arrived at 9:10 a.m. and was present for the consideration of all proposed motions.

³ Mr. Silfen arrived at 10:00 a.m.

⁴ Mr. Rubenstein, co-founder and managing director of The Carlyle Group, attended at the invitation of the Regents.

MORNING PLENARY SESSION

OPENING REMARKS

Board Chair Roger Sant greeted the attendees and welcomed Regent designee David M. Rubenstein, whose appointment was pending final approval by the Congress and the President. Mr. Sant also commented on that day's *Washington Post* article on "Smithsonian 2.0: A Gathering to Re-Imagine the Smithsonian in the Digital Age." With funding from the Smithsonian National Board (SNB), the two-day conference held on January 23–24, 2009, gathered creative leaders from the Web, digital, and new media worlds to discuss the Smithsonian's ability to generate and disseminate information via the Web.

REPORT OF THE CHAIR

Mr. Sant, as retiring Chair of the Board, gave his final Report of the Chair. He thanked the Board for the opportunity to serve on what he characterized as the most collegial, collaborative, and cooperative board in his experience, especially in light of the governance challenges it had faced and addressed over the previous 18 to 20 months. He noted his appreciation for the unique contributions of each Board member with regard to the Smithsonian's governance crisis, especially those of Vice Chair Patricia Stonesifer and Dr. Shirley Ann Jackson. He expressed his confidence in and admiration for the leadership abilities of Ms. Stonesifer, the Chair-elect of the Board.

Governance Update

Mr. Sant then provided an update on the implementation of the Smithsonian's governance reform initiatives. He reported that all 25 governance recommendations were substantially complete, with the exception of the implementation of financial controls, adding that progress had been made regarding those controls, albeit not as much as he had hoped.

Mr. Sant emphasized that the Smithsonian aspires to be a leader in 21st century non-profit governance and that the Board must remain diligent in its efforts to reach that standard. He said that the recently established foundation for improved governance will provide a strong base for envisioning the Smithsonian's future. He also noted that the Board may have overcompensated with regard to certain governance reforms and that, in concert with senior management, some of the new practices may be slightly modified to permit flexibility necessary in Smithsonian operations.

Smithsonian Advisory Boards

Mr. Sant next reported on efforts to strengthen relations with the Smithsonian's advisory boards. He noted that he and Ms. Stonesifer had recently been guests of SNB Chair Hacker Caldwell in a SNB-sponsored meeting with at least 10 Smithsonian advisory board chairs. The group discussed initiatives to increase the effectiveness of the advisory boards and to enhance their relationships with the Board of Regents. Mr. Sant noted the desire to increase the Regents' involvement with these boards.

REPORT OF THE SECRETARY

Secretary Clough thanked Mr. Sant for his contributions as Chair of the Board of Regents, as well as the opportunity to work together. He also expressed his appreciation for Ms. Stonesifer's efforts to prepare for her upcoming role as Board Chair, which included meetings with employees and other Smithsonian stakeholders. The Secretary referenced Jim Collins's book *Good to Great: Why Some Companies Make the Leap . . . and Others Don't* (New York: HarperBusiness, 2001), concurring with the author's assertion that a creative organization must be disciplined to be successful.

Smithsonian Activities and the Inauguration of President Obama

The Secretary then reported on the Smithsonian's activities around the inauguration of President Barack Obama. He said that initial reports indicated that some 740,000 people visited the Mall museums over a four-day period, possibly setting an all-time visitation record for the Smithsonian. He noted that the large crowds presented unprecedented demands on Smithsonian staff, especially security, facilities maintenance, and special events personnel, and expressed his appreciation for the teamwork and dedication of Smithsonian participants. Many essential staff, as well as about 300 National Guard members, stayed overnight in Smithsonian facilities in order to provide seamless support for the inaugural activities. The Secretary added that, in addition to the inaugural activities, the Smithsonian had been host that week to the winter meeting of the Smithsonian National Board and the "Smithsonian 2.0" conference, and that his forthcoming installation ceremony had all required significant effort by staff.

The Secretary said that the First Lady's inaugural gown will become part of the Smithsonian's collections. He also hopes the Institution will receive the hat that singer Aretha Franklin wore during the inaugural ceremony. Smithsonian Enterprises (SE) President Tom Ott reported that SE made approximately \$2 million in gross sales over the inaugural weekend. These revenues are anticipated to help offset SE losses that have resulted from the economic downturn.

Smithsonian National Board Initiatives

The prior weekend's SNB meeting was discussed. The Secretary reported that the SNB-sponsored "Smithsonian 2.0" conference was evidence of the Smithsonian's efforts to restructure its working relationship with that board. The participation of SNB in an annual or biannual in-depth investigation of issues of importance to the Institution generates knowledgeable feedback from one of the Smithsonian's primary stakeholder groups. SNB also sponsored a recent symposium on the future of rainforests that was well-publicized and well-received. Drawing participants from all over the world, the meeting revealed the diversity of views held with regard to that issue.

The Smithsonian's unique ability to generate attention towards issues of global concern is significant. The Secretary said that he is working with Communications and Public Affairs Director Evelyn Lieberman to increase public and Congressional awareness of the depth of the Smithsonian's scientific knowledge and resources, especially in areas of global significance.

The Secretary discussed the "Smithsonian 2.0" conference and the importance of the Web to the future of the Smithsonian. At the conference, approximately 30

recognized Web and new media professionals and more than 30 Smithsonian staff discussed new ways to create collaborative, Web-based learning communities that will provide greater public access to the Smithsonian's 137 million-object collection and increase the Smithsonian's engagement with young people. The Secretary emphasized the Web's potential to support democratically based exchanges of information and engage Smithsonian experts with knowledgeable outside sources who could offer new information and perspectives. Representatives from Booz Allen Hamilton, the Smithsonian's outside consultants on the strategic planning process, facilitated the conference and their observations will be integrated into the forthcoming strategic plan.

Engagement with the New Administration

Commenting on the Smithsonian's relationship with the new Administration, the Secretary said that with the help of the Congressional Regents, staff would continue to find ways for the Smithsonian to provide support to the new President and his initiatives. He added that the scientific assets of the Smithsonian, and the international scope of its reach, offer numerous areas for fruitful engagement.

Focus on Excellence

The Secretary stated that the Smithsonian must expand beyond its mission to support "the increase and diffusion of knowledge" and reaffirm and sharpen its focus on excellence. He noted that just as the Smithsonian is the world's largest museum complex, General Motors had been — but no longer is — the world's largest car manufacturer. Strategically directing resources will expand the reach and currency of the Smithsonian in today's world.

Smithsonian Visitorship

He then gave a brief update on visitation. With 25.2 million visits, the Smithsonian saw an increase of about one million visitors in calendar year 2008; visitation trends in calendar year 2009 also are positive. The Secretary said that the November 2008 reopening of the National Museum of American History and the opening of new exhibitions contributed to these increases. He expressed cautious optimism that this trend will be maintained.

Smithsonian Leadership

Secretary Clough highlighted several personnel changes that had been effected since the last meeting of the Board of Regents. He announced that, following two searches, Dr. Richard Kurin and Alison McNally had been appointed, respectively, Under Secretary for History, Art, and Culture and Under Secretary for Finance and Administration. He said that the search for the next General Counsel was very active and that the final candidates soon would be selected for a last round of interviews. The search to appoint the next Under Secretary for Science is under way.

The Secretary announced that National Zoological Park Director John Berry had been tapped by President Obama to direct the Office of Personnel Management and that Acting Under Secretary for Science Charles Alcock had worked with Mr. Berry and National Zoo staff to name Dr. Steven Monfort acting director of the Zoo after Mr. Berry leaves. A national search will soon be launched for that position.

Update on the Smithsonian Budget

The Smithsonian continues to operate under a Continuing Resolution, which holds Federal funding to fiscal year 2008 funding levels. The Secretary said that, with few exceptions, a hiring freeze had been applied to all Central Trust vacancies and that other cost-cutting measures had been implemented. He commented that across-the-board hiring freezes are not the most strategic way to adjust budgets but that the Smithsonian had to take action to ensure its financial health.

He reported that Smithsonian Enterprises (SE) forecast a \$5–6 million drop in revenues for fiscal year 2009, but, on a positive note, the Smithsonian had been well-positioned to take advantage of revenue-producing activities related to the presidential inauguration. The forthcoming release of the film *Night at the Museum: Battle of the Smithsonian* was anticipated to generate enormous publicity and revenue. He said that plans were in place to host numerous events, such as museum sleepovers, that will tie-in with the film and generate revenues.

Nevertheless, the Smithsonian’s economic forecast remains challenging. The Secretary outlined actions that have been taken to offset the effects of the downturn in the national economy. Positions have been eliminated in the SE division and certain senior Trust fund salary increases and awards have been delayed indefinitely. In addition, all Smithsonian units have been requested to provide plans for revised budgets that reflect both 5 percent and 8 percent reductions in their Trust budgets. The Secretary said that this data, information about inauguration-based revenues, and updated perspectives on the national economy will be reviewed over the coming 30–45 days to determine the next steps the Smithsonian must take to control its expenses.

The Secretary commented on the potential impact of the proposed economic stimulus plan on the Smithsonian. The Senate and the House bills both include language that identifies \$150 million in funding for the Smithsonian. If passed, approximately \$75 million of the \$150 allocation would be dedicated to the clean-up and restoration of the shell of the Arts and Industries Building. The National Zoo’s infrastructure needs also have been identified for funding, as well as other infrastructure and energy-saving projects. The bills offer potential increases in science and education funding because of their strong overlap with the Smithsonian’s commitments. Dr. Clough explained that projects must be “shovel-ready” to receive funding.

Regarding the Legacy Fund, Secretary Clough said that Senator Dianne Feinstein was working with the Institution to change, in the Institution’s appropriations bill, the matching requirement to one-to-one. In addition, Senator Feinstein has been asked to support the inclusion of funds raised for programs and exhibits in the matching agreement. The Senator has also been in regular contact with the Institution with regard to the proposed economic stimulus plan.

The Secretary also reported that fiscal year 2009 fund raising has been steady and consistent. He noted that during difficult economic times donors like to invest in good things and good ideas — and that the Smithsonian offered both. He highlighted several important gifts recently received by the Smithsonian, including an unrestricted (and unanticipated) bequest of \$1,150,221 from the estate of Georgette Kamenetz that was given “in appreciation for opportunities afforded to myself and my husband by the United States of America,” as illustrations of the Smithsonian’s inherent appeal to potential donors.

Exhibition and Programmatic Activities

The Secretary then discussed Smithsonian’s exhibition and programmatic activities. As noted in the *New York Times*, a copy of the iconic portrait of Barack Obama by street artist Shepard Fairey had been donated to the National Portrait Gallery. The Secretary said the birth of a baby gorilla at the National Zoo had attracted much attention, as did the November reopening of the National Museum of American

History. Coinciding with the 200th anniversary of President Lincoln's birth, the Museum recently opened the exhibition *Abraham Lincoln: An Extraordinary Life*.

Secretary Clough reported that the Smithsonian's educational programs had reached over five million people in all 50 states and that over 3,000 teachers attended the Washington, D.C.-based "Teachers' Night." In concert with the initiatives discussed during the "Smithsonian 2.0" conference, Chief Information Officer Ann Speyer is working to create a live, Web-based "Teachers' Night" that, when implemented, will allow teachers across the country to participate in the successful program; a pilot program will soon reach five or six locations.

Noting that science education test scores continue to drop across the country, the Secretary said that the Smithsonian was well-positioned to help address this decline. He said that the Smithsonian had recently met with representatives from 13 local universities to discuss the development of collaborative programs. He reported that the response to the proposed partnerships was enthusiastic and that the Smithsonian was seeking incentive funds to facilitate the participation of Smithsonian staff in these efforts.

Media Coverage

Regarding the media's coverage of the Smithsonian, the Secretary commented on the outstanding media coverage of the recent symposium on rainforests, as well as the positive response to "Smithsonian 2.0." He said that the Smithsonian Channel is developing "Aerial America," which will present aerial views of each state. The dramatic, but successful, crash landing of a US Airways jet on the Hudson River also brought attention to the Smithsonian. As reported in the media, samples of the birds that shut down the jet's engines were identified by Carla Dove, head of the Smithsonian's Feather Identification Lab at the National Museum of Natural History.

Collections Management

The Secretary reported that the December 2008 opening of the Pennsy Collections and Support Center in Landover, Maryland, represented a significant achievement in the Smithsonian's efforts to improve the management of its collections. He said that the state-of-the-art facility provided eight acres of climate-controlled space under one roof. Moreover, it had been completed on time and under budget.

Smithsonian Goals for 2009

He then reviewed the Institution's goals for 2009. The Secretary said that the distribution of the goals document, which was included in that morning's handout materials, had been delayed because of a desire to create a clearer, metric-based document. He said that the chart identified 11 specific goals that were divided under four broad areas: Planning for the Future; Advancing Our Mission; Preserving Our Treasures; and Aspiring to Best Work Place Practices. In the creation of the document, input was received from every major administrative and programmatic area. Secretary Clough noted that the document reflected a discipline-based approach to organizational management and that each goal included clear objectives, specific and measurable targets, action plans, and accountability requirements. He added that the development of the Smithsonian's goals for 2010 will begin earlier next year and will be guided by the forthcoming strategic plan.

In response to a question, the Secretary said that the Institution's fund-raising goal for 2009 reflected an increase of \$5 million. He added that this conservative goal reflected uncertainty about the economy. Mr. Sant noted that the goals had been previously reviewed and endorsed by the Executive Committee for the Board's

consideration. A motion to affirm the Smithsonian's goals for 2009 was then approved by the Regents.

See attached Resolution 2009.01.01 (Minutes of the Board of Regents, Appendix A).

**Increasing the
Visibility of
Smithsonian Science**

The Board discussed the need to develop greater understanding about and increase the visibility of the Smithsonian's scientific resources and achievements. Secretary Clough commented on the Smithsonian's ability to generate public debate on issues of global scientific significance, such as the future of rain forests. Communications and Public Affairs Director Evelyn Lieberman reported that the Smithsonian had recently hired a public affairs specialist whose efforts will be devoted entirely to science. The Board agreed that communicating the size and the scope of the Smithsonian's activities, particularly in the sciences, will enhance support from the Congress and the public.

The inclusion of media coverage as a communications measurable in the Smithsonian 2009 Goals was discussed, as well as the fact that media attention to the Smithsonian's scholarly journals does not necessarily generate greater public awareness. While noting that communications initiatives were already under way, the Secretary agreed to further refine the goals with regard to this suggestion.

Dr. Jackson proposed the inclusion of scientific societies, such as the American Association for the Advancement of Science (AAAS), in the Smithsonian's partnership initiatives. This suggestion prompted discussion about the numerous areas of overlap and potential that the Institution has with the Obama Administration and AAAS, the world's largest general scientific society based in Washington, D.C. The Secretary reported that he was scheduled to meet with Dr. Alan Leshner, the CEO of AAAS, and Dr. Jackson reminded the Board that President Obama's designee to head the White House Office of Science and Technology was Dr. John Holdren, the past president of AAAS. Secretary Clough added that President Obama had tapped National Museum of Natural History Advisory Board member Jane Lubchenco to head the National Oceanic and Atmospheric Administration. Dr. Lubchenco is an environmental scientist and marine ecologist who previously conducted research at the Smithsonian Tropical Research Institute in Panama.

Ms. Matsui said that the Smithsonian should be part of the Administration's conversations and Congressional hearings about the future of science and technology. The Secretary welcomed guidance from the Congressional Regents with regard to how to better cultivate Washington's understanding of the Smithsonian's science resources. The Board agreed that the Smithsonian should aspire to be the nation's qualitative reference source for scientific matters.

REPORT OF THE EXECUTIVE COMMITTEE

**Gift to Benefit the
Smithsonian
American Art
Museum**

Executive Committee and Board Chair Roger Sant reported that the Executive Committee conducted several teleconferences in December 2008 to discuss and advise the Secretary on a \$1 million anonymous gift to benefit the Smithsonian American Art Museum. The gift was considered out of cycle because of the donor's request to conclude the transaction by year-end, and the Executive Committee advised the Secretary that it was comfortable with the acceptance of the gift.

Pilot Program to Monitor Special Events Expenses

Mr. Sant said that the Executive Committee met on January 13, 2009, to review proposed spending guidelines for special events across the Institution. He reminded the Board that the initiative was developed in response to a governance recommendation that the Secretary create spending guidelines for all special events, including those conducted by the Regents. The Executive Committee authorized the Secretary to implement the guidelines as a pilot project. The spending guidelines will require supervisory approval for budgets of significant events, as well as require comparable data about prior events to demonstrate that proposed expenses are within reason and not lavish. Mr. Sant said that the Secretary will report back on the pilot program at the June 2009 Regents' meeting. The Secretary added that the program, although well-constructed, is somewhat complicated and will benefit from additional refinements during its pilot phase.

January 26, 2009, Meeting Agenda

The Executive Committee also met on January 7, 2009, to consider the proposed agenda for the January 26, 2009, plenary meeting of the Board. Mr. Sant reported that the Committee approved the agenda and that the Chancellor, who is a non-voting member of the Executive Committee, continues to provide thoughtful guidance with regard to the development of meeting agendas.

Approval of the Minutes of the November 17, 2008, Regents' Meeting

The minutes of the November 17, 2008, meeting were presented for approval. A proposed edit by Acting Under Secretary for Science Charles Alcock regarding the discussion of the Giant Magellan Telescope project was accepted and the motion was approved.

See attached Resolution 2009.01.02 (Minutes of the Board of Regents, Appendix A).

Reappointment of L. Hardwick Caldwell as SNB Chair

Mr. Sant commented on the contributions of L. Hardwick "Hacker" Caldwell to the governance of the Smithsonian National Board, as well as to the Board of Regents. A motion to approve the reappointment of Mr. Caldwell as SNB Chair was then approved.

See attached Resolution 2009.01.03 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE SMITHSONIAN NATIONAL BOARD

Smithsonian National Board Chair Hacker Caldwell reported on the activities of the Smithsonian's only pan-institutional advisory board, which has 36 members, 17 honorary members, and 174 alumni and represent 30 states and Washington, D.C. Mr. Caldwell noted that current and alumni members remain very active and committed to the Smithsonian, citing the contributions of the Regents' Investment Committee Chair and former SNB Vice Chair David Silfen, the only non-Regent chair of a Regents' committee, and the proposed nominations of SNB member Sakurako Fisher and SNB alumna Adrienne Mars to the Regents' Advancement Committee.

SNB Winter Meeting Activities

Mr. Caldwell reminded the Board that the goals of SNB are to provide outreach and advocacy on behalf of the Smithsonian in SNB members' communities and to raise financial resources for the Institution. The Smithsonian National Board conducted its winter meeting on January 22–24, 2009, in Washington, D.C. In addition to its members and alumni, at least 10 chairs of other Smithsonian advisory boards also were able to attend. Mr. Caldwell said that Mr. Sant, Ms. Stonesifer, and Secretary

Clough met for two hours with the board chairs and that the discussions provided a meaningful exchange of information and support, and demonstrated the quality of the Smithsonian's advisory boards.

During the SNB meeting, members agreed to submit for the Regents' approval a revised set of SNB bylaws. Mr. Caldwell noted the changes were both stylistic and substantive. [The proposed motion was presented during the Report of the Governance and Nominating Committee.] He added that the members of SNB also considered 11 nominees for SNB membership in the SNB class of 2009.

Support for Secretary Clough

Mr. Caldwell then reported that SNB members and alumni had been preparing ambitious nationwide plans to introduce Secretary Clough following his installation. He said that plans have already been developed to host events for the Secretary in Los Angeles, New York City, San Francisco, and Minneapolis.

SNB Science Committee

Several initiatives of the SNB Science Committee were discussed. Mr. Caldwell commented on the success of the SNB-sponsored symposium on tropical rainforests. He noted that the January 12, 2009, event was attended by more than 400 people and received major international media coverage. Mr. Caldwell added that the Science Committee also agreed to assist in the promotion of the Antarctic Treaty Summit, which is scheduled to take place at the Smithsonian in November 2009.

SNB Financial Support

Regarding other financial support for the Smithsonian, Mr. Caldwell said that SNB again agreed to establish a goal to contribute \$1 million in unrestricted funds to the Smithsonian through its Board Annual Giving Campaign.

Motions for Regents' Approval

Two motions for proposed SNB appointments were then presented for the Regents' approval: one to reappoint Peggy P. Burnet and Paul Neely as SNB Vice Chairs and a second to reappoint Sakurako D. Fisher and Steven G. Hoch as members of the Smithsonian National Board. The motions were approved.

See attached Resolutions 2009.01.04 and 2009.01.05 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE ADVANCEMENT COMMITTEE

The Report of the Advancement Committee was presented by Committee Chair Alan Spoon, who noted that the Committee recently conducted a teleconference meeting to review proposed naming and endowment actions for the Regents' consideration. Before the Board considered the proposed actions, Mr. Spoon said that three other issues would be reviewed and requested Director of External Affairs Ginny Clark to first provide an update on the status of fund-raising activities at the Smithsonian.

Fund-Raising Update

Ms. Clark reported that the Smithsonian had raised approximately \$22.9 million, or 20 percent, of its \$120 million fund-raising goal for fiscal year 2009. Of the gift income raised to-date, \$5.37 million was unrestricted, representing 31 percent of the fiscal year 2009 unrestricted fund-raising goal of \$17.25 million.

Ms. Clarke noted that fund-raising income to-date was essentially on target but that the next few months would reveal much about the impact of the economic downturn

on the Smithsonian's gift income. She explained that the primary source of unrestricted funding for the Smithsonian is the Contributing Membership program, and reported that, although the program met its first-quarter projections, support from the Continuing Membership program had recently begun to soften at all donor levels.

The Regents inquired about recognition mechanisms for planned gifts, an important source of income for the Smithsonian. Ms. Clark explained that the Legacy Society provides multiple avenues of recognition for planned giving donors. Because the Smithsonian's philosophy is to treat Legacy Society members as current, not future, donors, the Society reaches out to members through regional outreach events, an annual program in Washington, D.C., and a newsletter. She said that planned gifts currently comprise only about 3–4 percent of the Institution's gift income, which she believes is too low, noting that planned giving income at two prominent universities comprises 15–20 percent of those institutions' overall fund-raising goals. Ms. Clark said that the Institution recently hired a director of planned giving to expand the Smithsonian's initiatives in this area.

When asked about the valuation of planned gifts, Ms. Clark explained that the Smithsonian employed metrics based on current planned-giving guidelines. She said that a bequest is counted as \$1 for current accounting purposes because an asset's real value can not be determined until it is received by the Smithsonian. Dr. Jackson recommended the Council for Advancement and Support of Education as a source for a variety of actuarial guidelines that could be considered in valuing planned gifts. Secretary Clough noted that, with the support of the Advancement Committee, similar guidelines for the forthcoming national campaign have yet to be established. He added that, when they are drafted, those guidelines will be presented to the Board of Regents for its consideration.

National Campaign Update

With regard to the national campaign, Mr. Spoon said that progress continues as planned on the development of the campaign, but in a frugal manner that recognizes the difficulties presented by the current fund-raising climate. He added that the campaign's structure will be guided by the strategic planning initiative and the priorities that are established during that process. He announced that Jenine Rabin had recently been hired as the national campaign director and that an outside fund-raising consulting firm, Marts & Lundy, had been engaged. Recognizing that the Institution is a unique combination of numerous museums and research units, Marts & Lundy also will advise on balancing centralization versus decentralization in the campaign, and the feasibility and capacity of the world to support an institution without alumni, and provide recommendations on the infrastructure required to conduct a campaign of national scope.

Addition of Non-Regent Members to the Committee

Mr. Spoon said that the Advancement Committee is looking forward to the addition of four non-Regent members. He noted that the Board would consider the proposed nominations during the Report of the Governance and Nominating Committee.

Naming and Endowment Actions

Moving to the discussion of four proposed naming and endowment actions, Mr. Spoon said that the first was the naming of a lecture at the National Portrait Gallery for the late Senator and Regent Daniel Patrick Moynihan. Mr. Spoon noted that the gift was consistent with Smithsonian policy and recommended by the Committee.

Mr. Spoon reminded the Regents that, pursuant to Smithsonian policy, the Board must approve endowments. He then said that the Advancement Committee recommended the proposed creation of the STRI General Endowment. He noted that the Committee had discussed with staff the current minimum requirement for establishing endowments (\$25,000) and asked that staff prepare materials so that the Committee can review the policy at a future meeting. If modified, the proposed policy would be submitted to the Board for its approval.

The creation of the Rubinoff's Big Bet Endowment, the third proposed action, was characterized as routine. The final proposed action, a motion to name a lecture series in honor of astronaut and Senator John H. Glenn Jr. was characterized as "somewhat retroactive" as, when the National Air and Space Museum began the series in 2004, it was unaware that this naming required the Board's approval. Mr. Spoon commented that the naming was otherwise consistent with Smithsonian policy.

With regard to the proposed creation of Rubinoff's Big Bet Endowment, Ms. Clark was asked about the Smithsonian's policy on naming opportunities that involve current Smithsonian employees. She said that current policies do not address this concern but would benefit from further clarification. The four motions were then approved en bloc.

See attached Resolutions 2009.01.06–2009.01.09 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE AUDIT AND REVIEW COMMITTEE

The Report of the Audit and Review Committee was presented by Committee Chair John McCarter. Mr. McCarter said that the Committee was scheduled to meet the next day, January 27, and that the meeting would include the review of the draft fiscal year 2008 financial statements with KPMG, the Smithsonian's external auditors.

Advisor to the Committee

The Regents were informed that Herb Schulken had agreed to serve as an advisor to the Committee. Mr. Schulken, a resident of Washington, D.C., is a retired partner of PricewaterhouseCoopers. Mr. McCarter noted that he had already had two productive conversations with Mr. Schulken about a number of issues, including the Smithsonian's overall relationship with KPMG, internal staffing, and auditor performance.

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Mr. McCarter said that the General Counsel's financial disclosure report would be reviewed by the Committee during its executive session the next day. He explained that the intention of the report was to identify potential, real, or appearances of conflicts of interest. He reported that all data had been received and that no problems were identified.

Mr. McCarter said that the major subject of the forthcoming meeting would be internal controls and governance recommendation 23. He reported that the Smithsonian was not yet where it had hoped to be with regard to internal controls and presented a color-coded chart that identified the status of the Smithsonian's efforts to improve internal controls. Mr. McCarter commented on the philosophies that underlie internal controls, particularly those that concern the issue of

centralization versus decentralization. With regard to the Smithsonian's internal controls, the Committee is continuing to refine its position concerning the implementation of central oversight improvements that provide for individual units' entrepreneurial initiatives.

Mr. McCarter also noted that some of the required internal control improvements can not be addressed without incurring substantial additional costs. He said that the Committee would review those costs and discuss how far the Smithsonian can go in its efforts to improve internal controls.

Discussion

Mr. Sant noted that with the exception of the implementation of internal controls, the Smithsonian was in compliance with the Sarbanes-Oxley Act. He noted that addressing the Smithsonian's internal controls had proven an enormous undertaking but that under the direction of the Committee and the Secretary, significant progress had been made towards this goal.

The Board acknowledged the difficulties and expenses other organizations have encountered in their efforts to become Sarbanes-Oxley-compliant, but noted that such efforts tend to become easier and more successful in subsequent years. Dr. Jackson commented that earlier efforts by other corporations to become Sarbanes-Oxley-compliant often did not include risk-ranked methodologies. She added that using risk-ranked methodologies to identify key controls, and then defining the policies and activities necessary to address their effects, as well as establishing timelines to do so, enhance such efforts.

The Board concurred that the routine monitoring of internal controls should be continued. It also was agreed that updates on efforts to address the Smithsonian's internal controls, as well as associated costs, would continue to be provided to the Board.

REPORT OF THE STRATEGIC PLANNING AND PROGRAMS COMMITTEE

Committee Chair Doris Matsui reported on the activities of the Strategic Planning and Programs Committee. Ms. Matsui first commented on the Smithsonian's progress with regard to governance issues and how those efforts enabled the Institution to now look to the future and direct attention towards the development of a strategic plan. She reminded the Board that a Smithsonian-wide strategic planning process was launched in the fall of 2008. Operating under a mandate to conduct the process in an inclusive, transparent manner, the Smithsonian has supported opportunities for people both within and outside of the Institution to contribute a broad range of perspectives on the Smithsonian's future. Ms. Matsui reported that the process revealed an even greater array of views and perceptions than had been anticipated.

The process has been supported by a 22-member Steering Committee appointed by the Secretary in November 2008. Charged with providing guidance and serving as ambassadors to the staff and other constituencies, members of the Committee include staff representing a broad range of disciplines and some external experts. Because an initiative of this scope had never been attempted at the Smithsonian, consultants

Booz Allen Hamilton (BAH) and Global Business Network (GBN) also were employed to conduct a major part of the outreach effort and to provide expert guidance throughout. Ms. Matsui said that the consultants had been working with Office of Policy and Analysis staff, the Steering Committee, and the Secretary's senior staff to ensure that the outreach conducted during this first phase of the strategic planning process would be inclusive and yield valuable information that will inform the future phases.

Ms. Matsui noted that both the strategic plan and its development will be dynamic and reflect positive responses to a changing world. The scenario-planning efforts also will develop risk-related responses. She added that the dynamic nature of the strategic planning process will embrace all aspects of the process, as well as support the gathering of information that, if not applicable now, can inform future phases.

Completing Phase One of the Strategic Planning Process

Ms. Matsui reported that the first phase of the strategic planning process, information-gathering, was nearly complete and that final reports of the findings would likely be available by early February 2009. She reminded the Board that Phase One is the most labor-intensive part of the process and is intended to create a current "snapshot" of the Institution and gather views on its future from multiple perspectives and sources. It is anticipated that Phase One will produce a large amount of information about common themes, new ideas, opportunities, and challenges, all of which could be explored in more detail in the coming months.

She said that an online questionnaire had been sent to all 6,000-some Smithsonian employees in late November 2008 and that approximately 1,000 responses had been received, aggregated, and analyzed. In addition, consultants from Booz Allen Hamilton had conducted interviews with more than 125 individual stakeholders or stakeholder groups, such as Smithsonian senior leaders and staff, Regents, advisory board members, members of Congress, affiliates, and representatives from several external peer organizations. Ms. Matsui reported that written questionnaires were being sent to several dozen external experts and thought leaders to gather their views. She added that data from existing plans, reports, and studies also was being reviewed by the consultants and would be incorporated into the overall assessment. Ms. Matsui said that much useful information had already been received that will inform the rest of the process; she also reminded the Board that the cost of Phase One was \$492, 544, and that \$400,000 had been raised for the initiative thus far through donations.

Phase Two: Scenario Planning

Ms. Matsui said that the Committee recommended that with the Board's support, the Institution now proceed to Phase Two, the scenario-planning stage of the strategic planning process. Anticipated to start in February and conclude in May 2009, this phase will include four sets of two-day scenario-planning workshops led by GBN staff and GBN Co-founder and Chairman Peter Schwartz. Each workshop will include about 25 people, most of whom will be Smithsonian stakeholders, as well as some external participants. The Committee recommended that the Regents be invited to observe, but not participate, in these workshops.

The purpose of the workshops is to create one-to-two "positive" scenarios for how the Smithsonian might look in an ideal future and two-to-three "risk" scenarios that emphasize major challenges that could emerge. Ms. Matsui said that the workshops

will inform the content of two deliverables: a lengthy, detailed internal working document and a shorter communications document suitable for wider distribution that will outline the scenarios and describe their significance. Both documents will influence the content of the strategic plan that will be developed during Phase Three. She added that Phase Two will likely conclude in the fall of 2009 and will cost \$448,888.

Ms. Matsui commented on the excitement that had been generated both within and outside of the Smithsonian community with regard to the strategic planning process. She noted that it already had engaged staff, members of Congress, the media, and other important stakeholders, particularly those who had become especially vested in the Smithsonian's response to its prior governance issues. She added that the Secretary had taken advantage of every opportunity to solicit information for and input into this process.

Mr. Sant said that, although not required, a formal motion of authorization by the Board of Regents for the Secretary to proceed to Phase Two would benefit the strategic planning process and invited comment by the Board. Regent Designee David M. Rubenstein, although not a voting member of the Board, noted for the record that his company had acquired BAH, although he did not serve on the BAH board, and Mr. McCarter reported that he had worked for BAH some 13 years ago; each established that he had not participated in the Smithsonian's contract with contract with BAH.

Reviewing the projected timeline for the strategic planning process's deliverables, Ms. Stonesifer suggested that the Board of Regents receive an update on the strategic planning process at its June 2009 meeting. She also suggested, and Ms. Matsui concurred, that the Board receive another update at its September 2009 meeting and, if the final strategic plan is complete, adopt it at that time. The Regents agreed that the Board's engagement in the review and approval of the final strategic plan will be critical to its success.

Secretary Clough expressed his appreciation for the contributions of Office of Policy and Analysis Director Carole Neves and her staff. He also recognized the efforts of Under Secretary for History, Art, and Culture Richard Kurin, who recently had organized a meeting between the history, art, culture, and science unit directors. He said that that the strategic planning process will continue to help Smithsonian stakeholders understand that, beyond funding shortfalls, there are other significant challenges facing the Smithsonian. He said that the preliminary results of the strategic planning process revealed a consistency of thought in both internal and external stakeholders, as well as an understanding of the need for strategically planned growth and collaborative, cooperative actions. He characterized the substantive, thoughtful responses as encouraging and timely, especially with regard to the difficult economy.

The motion to authorize the Secretary to proceed to Phase Two of the strategic planning process was then approved.

See attached Resolution 2009.01.10 (Minutes of the Board of Regents, Appendix A).

LEGISLATIVE ACTIVITIES AND ISSUES

Mr. Sant asked Director of Government Relations Nell Payne to update the Board on Smithsonian-related legislative activities. Ms. Payne reported that proposed economic recovery bills in both the House and the Senate included \$150 million for the Smithsonian's infrastructure needs.

Ms. Payne was asked how many of the Smithsonian's proposed infrastructure projects were "shovel-ready," if they demonstrated sufficient job creation, and how many new jobs would result. She responded that, using an industry-accepted formula, the Office of Facilities Engineering and Operations (OFEO) concluded that the original funding request of \$403 million would create 1,700 new jobs. Using the same formula but with the new funding request, she reported that OFEO estimated that approximately 500–600 new jobs would result. (Later in the meeting the Board was advised that 650 jobs would be created by a Federal allocation of \$150 million for infrastructure needs.) Because job creation will be a critical determinant with regard to allocated funding, Ms. Payne agreed to provide more information to the Congressional Regents regarding the specific projects towards which the proposed funding would be directed and the anticipated number of jobs that would be created.

REPORT OF THE GENERAL COUNSEL

The Report of the General Counsel, which addressed the Smithsonian Institution Policy on Museum Acquisitions, did not elicit questions from the Board.

REPORT OF THE FINANCE COMMITTEE

Committee Chair Eli Broad provided a report on the activities of the Finance Committee, highlighting four topics from the Committee's January 13, 2009, meeting.

Performance of the Endowment

Mr. Broad said that Chief Investment Officer Amy Chen updated the Committee on the Endowment and its assets which, as of December 31, 2008, totaled \$783 million. He reported that, to mitigate the impact of the current economic recession, Ms. Chen was developing a plan to reduce risk and improve returns by reducing the Endowment's exposure to equity and by increasing allocations to other asset classes, such as corporate debt, gold, and Treasury Inflation Protected Securities (TIPS). The Committee suggested that the plan consider the Institution's cash and liquidity requirements, including cash assets outside the Endowment.

Smithsonian Enterprises

Mr. Broad reported that SE President Tom Ott briefed the Committee about SE's budget projections for fiscal year 2009 and cost-control measures either implemented or under consideration.

Smithsonian Enterprises' original budget projections for fiscal year 2009 included total revenue of \$174.9 million and a net gain of \$27.2 million. By December 2008, the effect of the challenging economy was visible in the media and retail businesses, especially the magazine and the catalog, with poor forward indicators for the travel business. As a result, Mr. Ott reported that SE was projecting a budget gap of \$13 million in revenue and \$5–6 million in net gain for fiscal year 2009.

To offset these losses, SE has been implementing a program of cost control and new business initiatives that is expected to produce \$5.8 million of incremental net gain, which at this time would fully close the projected budget gap. SE also has been reducing staff, renegotiating key media contracts, reducing the size and scope of the spring and summer catalogs, and pursuing revenue initiatives tied to the inauguration, *Night at the Museum*, and extended hours.

Year-End Financial Report for Fiscal Year 2008

Mr. Broad said that Chief Financial Officer Alice Maroni presented the Committee with an overview of the Smithsonian's fiscal year 2008 year-end report. Ms. Maroni reported that, despite the slump in the economy, the Institution was in sound financial position at the end of fiscal year 2008. She said that net income from SE had exceeded budget; that private-sector giving was stronger than expected; and that, although it had shrunk, the Endowment fared better than its policy benchmark. She noted, however, that the Institution's net assets decreased by \$100 million, primarily due to the impact of the U.S. economic recession on the Endowment, and unrestricted, non-Federal sources of income were not growing. She added that efforts to respond to this challenge included planning for a national fund-raising campaign and identifying new, perhaps untraditional, sources of revenue.

Budgets for Fiscal Years 2009 and 2010

Mr. Broad reported that the Committee also heard reports on the fiscal year 2009 and 2010 budgets by Office of Planning, Management, and Budget Director Bruce Dauer. Mr. Broad reminded the Board that it had approved the submission of an \$883 million Federal budget request for fiscal year 2010 to the Office of Management and Budget. The Bush Administration, however, had prohibited the Smithsonian's submission and he reported that the new Obama Administration also had not yet requested a submission.

With respect to the fiscal year 2009 Federal budget, Mr. Broad said that the Institution was operating under a Continuing Resolution that holds spending to the fiscal year 2008 level and that Senate staff expect the Continuing Resolution to remain in effect through the rest of the year. House staff, however, have indicated that an appropriation may be passed. In addition, and as noted by Ms. Payne, the Institution is being considered for inclusion in the economic stimulus package. Mr. Broad said that both Citizen and Congressional Regents are actively working to ensure the Institution's inclusion in the package.

With regard to the Institution's fiscal year 2009 Trust budget, Mr. Broad reported that a drop in income appears likely because of the impact of the declining economy on the Institution's investments and membership programs. He added that the Institution was implementing actions to mitigate this drop, including delaying pay increases for senior-level Trust employees and instituting a full Trust hiring freeze. Mr. Broad concluded his report and no discussion ensued.

REPORT OF THE INVESTMENT COMMITTEE

The Investment Committee Report was presented by Committee Chair David Silfen. It included a review of the Endowment's calendar year 2008 performance; key decisions made by the Committee during its January 13, 2009, meeting; and the Committee's plans for the coming year. He said that the Committee was meeting

more often because of the market's volatility and praised the efforts of Committee members and staff to address the unprecedented challenges to the management of the Endowment.

Endowment's Performance in 2008

Mr. Silfen first discussed preliminary, unaudited numbers for the Endowment's calendar year 2008 performance. Although it fared better than its policy benchmark, the Endowment's value at year-end was \$783 million, a drop of 25 percent that largely occurred during the second half of the year. In contrast to prior years' performances, absolute return managers within the Endowment underperformed, whereas equity managers performed slightly above benchmark. Mr. Silfen noted that the decision to increase the Endowment's cash and fixed income portfolio had served the Endowment well with respect to recent upheavals in the financial markets.

Mr. Silfen gave a brief overview of the Committee's strategic decisions during calendar year 2008. He pointed out that the Endowment's exposure to the global equity markets was reduced by 17 percent in 2008, which provided for the reallocation of funds to private equity (5 percent), absolute return (6 percent), and a combination of cash and fixed income (6 percent).

Target Asset Allocations for 2009

Target asset allocations for calendar year 2009 were then discussed. Noting that the decisions departed from historic policy ranges, Mr. Silfen reported that the Committee agreed to reduce the Endowment's allocation to global developed equities and increase investments in fixed-income strategies that may offer better risk-adjusted opportunities. He said that this would bring the Endowment's global developed equities below its policy range and raise fixed income exposure above its policy range.

Next Steps

Mr. Silfen discussed shifting the Endowment's asset allocation; improving risk and exposure reporting; implementing the staffing plan for the Office of Investments, as advised by Cambridge Associates; and selectively adding new members to the Investment Committee. Mr. Silfen noted that the Committee was in the fourth year of its eight-year term and that it was important to both add new members to the Investment Committee and stagger the members' terms.

Discussion

The effects of the volatile market and the implications of FAS 157 on similar endowments were discussed. (FAS 157, the fair-value measurement standard created by the Financial Accounting Standards Board, will be implemented by the Smithsonian in fiscal year 2009.) As Mr. Silfen explained, the 40–45 percent drop in the value of public securities in 2008 should prompt many general partnerships to consider marking down non-marketable securities. FAS 157 states that a mark-down is determined by a fair value hierarchy that is not based on an entity-specific model value but rather the current, market-based price that would be received to sell an asset or paid to transfer a liability. Mr. Silfen added that FAS 157 also requires that a board of trustees, not just an organization's investment committee, stand behind an organization's valuations.

REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

The Report of the Governance and Nominating Committee was presented by Committee Chair Shirley Ann Jackson. Dr. Jackson reported that, as evidenced by the

**SD 807: Requests for
Smithsonian
Institution
Information**

number of agenda topics her discussion would cover, the Committee had been very productive since the Board's November 17, 2008, meeting.

Dr. Jackson said that the primary focus of the Committee's efforts had been to finalize Smithsonian Directive 807: Requests for Smithsonian Institution Information (SD 807). She said the revised SD 807 reflects the Smithsonian's best efforts to embrace the principles of disclosure reflected in the Freedom of Information Act (FOIA) and to follow its spirit when considering public requests for information; she added that the revised policy demonstrates the Smithsonian's commitment to transparency while balancing the legitimate interests of the Institution. She also said that it reflects the hard work and sustained efforts of Senator Leahy and his staff, Committee members, and the Office of General Counsel.

Dr. Jackson reminded the Board that the policy was first issued in November 2007 in accordance with recommendation 17 of the Governance Committee Report and that FOIA "requester groups" and other stakeholders had quickly expressed concerns about ways in which the policy deviated from the letter of the actual FOIA law. Although not an Executive Branch agency and therefore not subject to FOIA, the Smithsonian subsequently embarked upon a comprehensive effort both to make substantive revisions as well as to add new provisions to its policy in order to better address the concerns of those stakeholders. This effort included numerous meetings with representatives from the requestor community and the Congress, the circulation of multiple drafts of the revised policy to these stakeholders, the solicitation of comments and concerns, and an active commitment to addressing, as best possible, all questions and concerns.

The revised policy, Dr. Jackson reported, ties the Smithsonian's disclosure policy more directly and explicitly to FOIA and clearly emphasizes the Institution's commitment to transparency. She then highlighted the key revisions and new provisions to the policy.

Dr. Jackson noted that the Smithsonian's commitment to SD 807 was made prior to, but is in accord with, President Barack Obama's memorandum on FOIA that had been recently distributed to the heads of all Executive Agency departments and agencies. Both that memo and the revised SD 807 apply a presumption of disclosure in considering requests for information. SD 807 makes clear that the Smithsonian will disclose information unless the policy clearly provides otherwise, except where disclosure would be harmful to a Smithsonian interest.

Dr. Jackson reviewed the key exemptions provided for by the policy. The revised SD 807 permits the withholding of information about those aspects of the Smithsonian's financial investments subject to confidentiality provisions contained in agreements with investment firms. Similarly, the policy provides for the withholding of Smithsonian commercial or financial information directly related to revenue-generating activities when release would likely cause the Smithsonian substantial competitive harm or impair its ability to carry out its charitable and educational mission by raising private funds. However, information involving Federal appropriations or assets would not be withheld, unless the information is directly related to Smithsonian revenue-generating activities.

Unpublished research also may be withheld in such instances where disclosure prior to publication would preclude the ability of Smithsonian scientists to first publish their own research. The revised policy also provides for the withholding of donor files and information, including donor-identifying information.

Dr. Jackson then directed the Regents' attention to the "effective date" of the policy, which makes clear that the policy does not apply to contracts entered into prior to the effective date of the current policy, which is November 2007. The revised policy states that the policy may only be amended with the approval of the Board and outlines an external review process that provides for appeals to decisions made under the policy.

In response to Dr. Jackson's presentation, the Board first commended the work of the Committee Chair. It was noted that by addressing the spirit of FOIA, the revised policy was now also closer to the letter of FOIA.

The Board discussed the provision for the withholding of information regarding employees' conflict of interest and financial disclosure forms, especially in comparison to provisions that apply to Federal executives outside of the Institution. Dr. Jackson agreed that the Committee would refine the policy's language to clarify expectations regarding employee's rights in these areas. The motion to adopt the revised Smithsonian Directive 807: Requests for Smithsonian Information was then approved.

See attached Resolution 2009.01.11 (Minutes of the Board of Regents, Appendix A).

**Nomination of
France Córdova**

Dr. Jackson then presented the Committee's recommendation that the Board of Regents nominate Purdue University President France Córdova to fill the pending vacancy created by the forthcoming retirement of Eli Broad. She noted that the Committee's recommendation was based on a substantive vetting process supported by consultants Isaacson, Miller.

Dr. Jackson noted that recent nomination of David Rubenstein and the proposed nomination of Ms. Córdova reflected a concerted effort to identify two potential candidates with either great depth in substantive areas related to the Smithsonian's mission or a strong commitment to philanthropy and exceptional and creative business acumen.

The Board was assured that Dr. Córdova was aware of the substantial expectations and time demanded of Board members. Dr. Jackson also said that, if nominated, Dr. Córdova had indicated her willingness to serve on the Board of Regents. The motion was then approved.

See attached Resolution 2009.01.12 (Minutes of the Board of Regents, Appendix A).

**Election of Vice
Chair Alan Spoon**

The Regents then considered a motion to appoint Alan Spoon as the next Vice Chair of the Board. They were reminded that, pursuant to her election during the Board's September 22, 2008, meeting, Patricia Stonesifer would assume the position of Chair of the Board following the meeting and that the role of Vice Chair would become vacant. Mr. Spoon indicated his willingness to serve if elected and the motion was approved.

See attached Resolution 2009.01.13 (Minutes of the Board of Regents, Appendix A).

Revision to the Board Bylaws

Dr. Jackson next presented a proposed revision to the Bylaws of the Board of Regents. The current duties of the Board Chair, as approved by the Board in September 2007, require service as a non-voting, ex officio member on eight Regent committees and as the voting chair on Executive Committee. As suggested by Board Chair Roger Sant, and with the support of the Governance and Nominating Committee, the proposed revision to the Bylaws' definition of the Chair's responsibilities would state that, besides membership on the Executive Committee, the Chair shall serve as a voting member of the Compensation and Human Resources Committee and allow for the Chair to serve as an ex officio, non-voting member on all other committees. Dr. Jackson stated that the proposed change would better support the strategic use of the Chair's time and membership on certain committees. She added that the revision also provides for the ability of the Chair's ex officio participation on certain committees to be counted toward those committees' quorum requirements.

Dr. Jackson said that because revisions to the Bylaws of the Board of Regents require 30 days' advance notice, the proposed revision was being presented for informational purposes. She added that a mail ballot would be circulated subsequent to this meeting.

Regents' Committee Appointments

Proposed assignments to the Regents' committees were reviewed. Dr. Jackson reminded the Board that each January the Board reviews its committee assignments and chairmanships and provides their recommendations to the Chancellor for subsequent appointment. She noted that the inclusion of Eli Broad on the committee matrix reflected his decision to remain on the Board of Regents until its April 2009 meeting. The Board approved the motion.

See attached Resolution 2009.01.14 (Minutes of the Board of Regents, Appendix A).

Non-Regent Committee Appointments

Dr. Jackson then presented the Committee's recommendation to appoint non-Regent members to the Regents' Advancement Committee. She noted that this initiative reflected an important implementation of the governance recommendation to appoint non-Regents — particularly members of Smithsonian advisory boards or other individuals with strong ties to the Institution — to appropriate Board committees and that four outstanding candidates had been identified by the Secretary, the Director of the Office of External Affairs, and Advancement Committee Chair Alan Spoon. Dr. Jackson said, in light of the launching of a national campaign, the Committee concurred that the Advancement Committee would benefit from the addition of these non-Regent members. She added that the Advancement Committee anticipated establishing a campaign steering sub-committee and that these additional members could serve either on that subcommittee or assist in the oversight of it. The Board approved the motion.

See attached Resolution 2009.01.15 (Minutes of the Board of Regents, Appendix A).

Smithsonian National Board Bylaw Revisions

A proposed motion to approve advisory board bylaw revisions was presented on behalf of the Smithsonian National Board. Dr. Jackson said that the proposed revisions were stylistic changes designed to make the SNB bylaws more clear and user-friendly. The motion was approved.

See attached Resolution 2009.01.16 (Minutes of the Board of Regents, Appendix A).

**Cooper-Hewitt
Board of Trustees
Bylaw Revisions**

A second set of proposed bylaw revisions was presented for the Board’s consideration. Dr. Jackson explained that the Board of Trustees of Cooper-Hewitt, National Design Museum asked that its bylaws be revised to allow trustee term limits to be waived in “extraordinary circumstances, such as a major fundraising campaign.” She reminded the Board of Regents that it previously had approved a similar waiver for the Board of the National Museum of African American History and Culture. The Regents approved the motion.

See attached Resolution 2009.01.17 (Minutes of the Board of Regents, Appendix A).

**Advisory Board
Appointments**

Dr. Jackson next directed the Board’s attention to the proposed appointments or reappointments of members to 11 Smithsonian advisory boards and said that the handouts distributed that morning included an additional set of biographic summaries for six candidates to the Advisory Board of the National Museum of African Art. She added that because of an inadvertent omission, those recommendations had not been reviewed by the Governance and Nominating Committee, but were supported by the Secretary; the Under Secretary for History, Art, and Culture; the Office of External Affairs; and the Museum. The motions were approved en bloc by the Board.

See attached Resolutions 2009.01.18 – 2009.01.27 (Minutes of the Board of Regents, Appendix A).

ADJOURNMENT

This meeting of the Board of Regents was adjourned at 12:16 p.m., after which the Regents met in executive session to consider proposed compensation levels for specific Smithsonian senior executives in 2009. Three motions were subsequently approved by the Board.

See attached Resolutions 2009.01.28 – 30 (Minutes of the Board of Regents, Appendix A).

Ms. Stonesifer thanked the Board for their participation and adjourned the executive session at about 12:35 p.m. Subsequent to the meeting of the Board, Dr. G. Wayne Clough was installed that afternoon as the 12th Secretary of the Smithsonian Institution.

RESPECTFULLY SUBMITTED,

G. WAYNE CLOUGH
SECRETARY

MINUTES OF THE BOARD OF REGENTS

January 26, 2009

APPENDIX A APPROVED RESOLUTIONS

VOTED that the Board of Regents affirms the fiscal year 2009 Organizational Goals for the Smithsonian. [2009.01.01]

VOTED that the Board of Regents approves the minutes of the November 17, 2008, meeting of the Board of Regents. [2009.01.02]

VOTED that the Board of Regents reappoints L. Hardwick Caldwell III as Chair of the Smithsonian National Board for a final one-year term effective immediately. [2009.01.03]

VOTED that the Board of Regents reappoints Peggy P. Burnet and Paul Neely as Vice Chairs of the Smithsonian National Board for one-year terms effective immediately. [2009.01.04]

VOTED that the Board of Regents reappoints Sakurako D. Fisher and Steven G. Hoch as members of the Smithsonian National Board for three-year terms effective immediately. [2009.01.05]

VOTED that the Board of Regents recognizes the generosity of the Malkin Fund Inc. and Peter and Isabel Malkin to the National Portrait Gallery and approves naming a public lecture the Daniel Patrick Moynihan Lecture. [2009.01.06]

VOTED that the Board of Regents creates the STRI General Endowment, a quasi-endowment to benefit the programmatic purposes of the Smithsonian Tropical Research Institute, and authorizes the transfer of funds identified for this purpose. [2009.01.07]

VOTED that the Board of Regents recognizes the generosity of the Silicon Valley Community Foundation and Frank H. Levinson to the Smithsonian Tropical Research Institute and creates and names the Rubinoff's Big Bet Endowment. The purpose of the endowment is to advance new frontiers and creative ideas and initiatives in science, including high-risk scientific ventures. Funds are to be expended at the discretion of the Director of the Institute. [2009.01.08]

VOTED that the Board of Regents approves naming a lecture series held annually at the National Air and Space Museum the John H. Glenn Jr. Lecture Series. [2009.01.09]

VOTED that that the Board of Regents authorizes the Secretary to proceed to Phase II of the strategic planning support contract and asks that periodic progress reports be provided to the Strategic Planning and Programs Committee. [2009.01.10]

VOTED that the Board of Regents adopts the revised Smithsonian Directive 807: Requests for Smithsonian Information. [2009.01.11]

VOTED that the Board of Regents nominates France A. Córdova of West Lafayette, Indiana, for a statutory term of six years, succeeding Eli Broad. Furthermore, the Board asks its Congressional members to introduce and support legislation to this effect as soon as possible. [2009.01.12]

VOTED that the Board of Regents appoints Alan G. Spoon as Vice Chair of the Smithsonian Institution's Board of Regents for a one-year term effective immediately. [2009.01.13]

VOTED that the Board of Regents approves the proposed committee chairmanships and member assignments for 2009 and requests that the Chancellor make the necessary appointments. [2009.01.14]

VOTED that the Board of Regents appoints, should they agree to serve, Travis Engen, Sakurako Fisher, David H. Koch, and Adrienne Bevis Mars to the Regents' Advancement Committee effective immediately. [2009.01.15]

VOTED that the Board of Regents approves the revised bylaws of the Smithsonian National Board. [2009.01.16]

VOTED that the Board of Regents approves the proposed revisions to the bylaws of the Board of Trustees of Cooper-Hewitt, National Design Museum. [2009.01.17]

VOTED that the Board of Regents appoints Dwight S. Cropp to the Advisory Board of the Anacostia Community Museum for a three-year term effective immediately. [2009.01.18]

VOTED that the Board of Regents appoints John Herzog to the Advisory Council of the Center for Folklife and Cultural Heritage for a three-year term effective immediately. [2009.01.19]

VOTED that the Board of Regents appoints John R. Hoke III and reappoints Agnes C. Bourne, Harvey M. Krueger, Nancy Marks, Richard M. Smith, and Esme Usdan to the Board of Trustees of Cooper-Hewitt, National Design Museum for three-year terms effective immediately. [2009.01.20]

VOTED that the Board of Regents appoints T. Allan McArtor to the Advisory Board of the National Air and Space Museum for a three-year term, effective immediately. [2009.01.21]

VOTED that the Board of Regents appoints Doreen Bassin, Stuart Bohart, Lalla Essaydi, Dixit Joshi, Adebayo Ogunlesi, Mark A. Pickett, and Noah Samara and reappoints Art U. Mbanefo and John Pemberton III to the Advisory Board of the National Museum of African Art for three-year terms effective immediately. [2009.01.22]

VOTED that the Board of Regents appoints John Ernst to the Board of Trustees of the National Museum of the American Indian for a three-year term effective immediately.

VOTED that the Board of Regents appoints Jane Buikstra and Paula Kerger and reappoints Shirley Sherwood to the Advisory Board of the National Museum of Natural History for three-year terms effective immediately. [2009.01.23]

VOTED that the Board of Regents appoints William Wittliff to the Commission of the National Portrait Gallery for a four-year term effective February 1, 2009. [2009.01.24]

VOTED that the Board of Regents appoints Jennie Turner Garlington to the Advisory Board of the National Zoological Park for a three-year term effective immediately. [2009.01.25]

VOTED that the Board of Regents appoints Elizabeth MacMillan and Mike Wilkins and reappoints Samuel G. Rose to the Commission of the Smithsonian American Art Museum for four-year terms effective immediately. [2009.01.26]

VOTED that the Board of Regents appoints Verna K. Holtzendorf and Zina C. Pierre to the Advisory Board of the Smithsonian Environmental Research Center for three-year terms effective immediately. [2009.01.27]

AGREED that the Board adopts the recommendation of the Secretary regarding the deferral of executive compensation and freezing of Trust awards. [2009.01.28]

VOTED that the Board provide the Secretary with no salary increase or award at the current time, and that the issue of his compensation be revisited by the Compensation and Human Resources at their meeting in June. [2009.01.29]

VOTED that the Board approves the Secretary's compensation recommendations for those positions in Tab D. [2009.01.30]