

MINUTES OF THE JANUARY 25, 2010, MEETING OF THE BOARD OF REGENTS

ATTENDANCE

This scheduled meeting of the Board of Regents was held on Monday, January 25, 2010, in the Regents' Room of the Smithsonian Institution Castle. The meeting included morning, afternoon, and executive sessions. Board Chair Patricia Q. Stonesifer called the meeting to order at 8:31 a.m. Also present were:

| | | |
|--------------------------------|--------------------------|----------------------------|
| The Chief Justice ¹ | Sam Johnson ⁴ | John W. McCarter Jr. |
| Christopher J. Dodd | Shirley Ann Jackson | David M. Rubenstein |
| France Córdova ² | Robert P. Kogod | Roger W. Sant |
| Phillip Frost ³ | Doris Matsui | Alan G. Spoon ¹ |

Paul Neely, Smithsonian National Board Chair
David Silfen, Regents' Investment Committee Chair²

Vice President Joseph R. Biden, Senators Thad Cochran and Patrick J. Leahy, and Representative Xavier Becerra were unable to attend the meeting.

Also present were:

| | |
|---|---|
| G. Wayne Clough, Secretary | John Yahner, Speechwriter to the Secretary |
| Patricia L. Bartlett, Chief of Staff to the Secretary | Jeffrey P. Minear, Counselor to the Chief Justice |
| Amy Chen, Chief Investment Officer | T.A. Hawks, Assistant to Senator Cochran |
| Virginia B. Clark, Director of External Affairs | Colin McGinnis, Assistant to Senator Dodd |
| Barbara Feininger, Senior Writer-Editor for the Office of the Regents | Kevin McDonald, Assistant to Senator Leahy |
| Grace L. Jaeger, Program Officer for the Office of the Regents | Melody Gonzales, Assistant to Congressman Becerra |
| Richard Kurin, Under Secretary for History, Art, and Culture | David Heil, Assistant to Congressman Johnson |
| John K. Lapiana, Chief of Staff to the Regents | Julie Eddy, Assistant to Congresswoman Matsui |
| Judith Leonard, General Counsel | Francisco Dallmeier, Head of the National Zoological Park's Center for Conservation Education and Sustainability ⁵ |
| Evelyn S. Lieberman, Director of Communications and Public Affairs | Vicki A. Funk, Senior Scientist and Curator in the National Museum of Natural History's Department of Botany ⁵ |
| Alice C. Maroni, Chief Financial Officer | Mary Hagedorn, Fish Physiologist and Cryobiologist in the National Zoological Park's Center for Species Survival ⁵ |
| Alison McNally, Under Secretary for Finance and Administration | Michael A. Lang, Director of the Smithsonian Marine Science Network and the Science Diving Program ⁵ |
| Carole M.P. Neves, Director of the Office of Policy and Analysis | Scott Miller, Deputy Under Secretary for Science ⁵ |
| Tom Ott, President of Smithsonian Enterprises | Bruce Dauer, Director of the Office of Planning, Management, and Budget ⁶ |
| Nell Payne, Director of Government Relations | |
| Eva J. Pell, Under Secretary for Science | |
| A. Sprightley Ryan, Inspector General | |

¹ The Chancellor, Chief Justice John G. Roberts Jr., and Mr. Spoon attended the executive and afternoon sessions.

² Dr. Córdova and Mr. Silfen attended the morning session; Dr. Córdova departed at 11:50 a.m. after voting on resolutions 2010.01.01-2010.01.03.

³ Dr. Frost departed at 3:15 p.m. after voting on resolutions 2010.01.01-2010.01.14.

⁴ Representative Johnson arrived at 8:50 a.m. and voted on all resolutions with the exception of resolution 2010.01.01.

⁵ Drs. Dallmeier, Funk, Hagedorn, and Miller and Mr. Lang participated in the presentation on biodiversity.

⁶ Mr. Dauer participated in the Finance Committee report.

MORNING PLENARY SESSION

OPENING REMARKS

Board Chair Patricia Q. Stonesifer welcomed the attendees to the first Board of Regents' meeting of the new decade and noted that the agenda for this meeting of the Board was both full and interesting.

Ms. Stonesifer thanked the Regents who had been able to attend the previous evening's Regents emeriti dinner, which also was attended by senior staff and numerous members of the Institution's scientific leadership. She said that the emeriti members of the Board, an important stakeholder group with a demonstrated commitment to the Smithsonian, had been very appreciative of the opportunity to reengage with the Smithsonian, meet the current members of the Board, and have the opportunity to be informed about the strategic plan. She noted that similar dinners would be held every few years.

Ms. Stonesifer welcomed Under Secretary for Science Eva Pell, who began her appointment earlier in the month. She noted that Dr. Pell would participate in two presentations to the Board during this meeting.

REPORT OF THE BOARD AND EXECUTIVE COMMITTEE CHAIR

Ms. Stonesifer, Chair of the Executive Committee, reported that the Executive Committee had met twice since the September 21, 2009, meeting of the Board. She said that the Committee met on Wednesday, January 6, 2010, to review the proposed agenda for this meeting of the Board and then again on Wednesday, January 20, 2010, to discuss a loan agreement.

Loan Agreement for Copy of Emancipation Proclamation

The Chair said that the Executive Committee met on January 20, 2010, to review the loan of Regent David Rubenstein's copy of the Emancipation Proclamation to the White House for display in the Oval Office. The document, which previously had been on loan to the National Museum of American History, was unveiled on Martin Luther King Day. Ms. Stonesifer said that, in accordance with the Regents' Ethics Guidelines, a sale or loan to the Smithsonian of any object owned by a Regent or Regent family member is subject to the approval of the Executive Committee to ensure that a Regent does not receive "improper advantage" from the arrangement. Ms. Stonesifer explained that, although Mr. Rubenstein was not a Regent at the time of his initial loan to the Museum, the Executive Committee and Shirley Ann Jackson, chair of the Governance and Nominating Committee, reviewed the loan to ensure that both the letter and the intent of the Ethics Guidelines had not been compromised. She added that the Committee and Dr. Jackson were unanimous in their approval and support for the loan.

Regents' Annual Survey

The Chair discussed the results of the Board's annual self-assessment. She first thanked the Regents for their participation, noting that the increased number of responses reflected the Board's commitment to a key recommendation of the

Governance and Nominating Committee.

Ms. Stonesifer noted that the responses were especially strong and reflected positive trends. The survey showed significant agreement that the Board understands its role as a governing board and recognizes that its primary responsibility is to establish policies. The Regents were nearly unanimous in their perspective that the Board's work is independent of Smithsonian management, and that their efforts are conducted both in a transparent manner and in the Smithsonian's best interests. The survey also reflected a shared belief that the meetings of both the full Board and the Regents' committees are well-managed and substantive in their content. The Board also was satisfied with its informal and formal assessments of the Secretary's performance.

Two areas were noted as in need of improvement: the overall reporting of financial information and the Board's knowledge of fund-raising policies and its role in fund-raising efforts. The Chair said that steps were already being taken to address concerns in both areas. The Finance Committee will oversee the development of comprehensive quarterly financial reports and the Executive Committee has requested that a major projects scorecard be developed. Ms. Stonesifer added that the Advancement Committee continues to work with Office of Development staff to prepare for the national campaign by reviewing and revising Smithsonian fund-raising policies.

It was noted that the survey's relatively low scores with regard to fund-raising practices and policies likely reflected the fact that the Regents had not been briefed yet about the forthcoming national campaign. Ms. Stonesifer assured the Board that in-depth discussions about the national campaign would be conducted during the coming Regents' meetings.

The Board agreed that the results of the survey were very encouraging. Ms. Stonesifer said that members of the Office of the Regents, the Executive Committee, and the Governance and Nominating Committee would welcome additional suggestions to strengthen the Board.

**Minutes of the
September 21, 2009,
Meeting of the Board**

A motion was then presented to approve the minutes of the Board's September 21, 2009, meeting. The motion was approved.

See attached Resolution 2010.01.01 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE SECRETARY

Journey to Antarctica

The Secretary, who had recently returned from a trip to Antarctica with a small group of scientists and engineers that included United States Under Secretary of Energy Kristina Johnson. Among the sites visited were McMurdo Station and Observation Point, where lookouts had watched for the return of Robert Scott and his team from their ill-fated journey to the South Pole in 1912. Secretary Clough commented on the many historic connections that the Smithsonian has with the Antarctic, noting that many of the 60,000-some specimens collected during the 1838-1842 Wilkes Expedition (which had been undertaken to map the recently

discovered landmass) provided the foundation for the collections of the newly established Smithsonian Institution in 1846. Today the Institution's presence in the Antarctic can be seen in the astrophysical work at the South Pole Telescope, and the Antarctic Submillimeter Telescope and Remote Observatory; the 19 million specimens of the U.S. Antarctic Program Invertebrate Collections at the National Museum of Natural History; the 12,000 meteorite specimens in the U.S. Antarctic Meteorite Program, also housed at the Natural History Museum; and the U.S. Antarctic Diving Program that is a collaboration between the Office of the Under Secretary of Science and the National Science Foundation. The Secretary also spoke of the historic Antarctic Treaty and the Smithsonian-sponsored symposium in the fall of 2009 that contributed to its renegotiation.

Smithsonian Leadership

The Secretary updated the Board on the status of the Smithsonian's management team. He noted that this meeting was the first in his tenure in which there were not any acting members of senior management. He said that new Under Secretary for Science Eva Pell had participated in the selection of Dennis Kelly as the new director of the National Zoological Park and thanked Under Secretary for History, Art, and Culture Richard Kurin for his efforts in the appointment of new Cooper-Hewitt, National Design Museum Director Bill Moggridge.

Broadening Access: Visitorship

Secretary Clough reported that visitorship to the Smithsonian's museums continues to be strong. He noted that visitorship during the first quarter of fiscal year 2010 was 6 million higher than records at this time the previous year but also cautioned that the visitation increase that resulted from the 2009 Presidential Inauguration activities would obviously not be repeated.

Reaching New Audiences: Digitization and Web Access

He said that the Smithsonian continues to make significant progress in its efforts to reach new audiences through the Web and other social media initiatives. He reported that the London-based *Daily Telegraph* ranked the Encyclopedia of Life and the Encyclopedia Smithsonian among the top 10 educational Web sites in the world. The Secretary reported that 2.5 million digitized images of Smithsonian collections are being actively shared, and said that the Smithsonian's resources are rapidly expanding as more digitized information is added to the Web each day.

New Exhibitions

The Secretary commented on the numerous Smithsonian exhibitions on display. He reported that legendary singer Elvis Presley was the focus of a Smithsonian Traveling Exhibition Service exhibition, and that the late musician would also be addressed in a show at the National Portrait Gallery. He spoke of the historic Greensboro, North Carolina, lunch counter on display at the National Museum of American History, and noted that it was the 50th anniversary of the sit-in that figured prominently in the American civil rights movement.

Federal Budget Update

Secretary Clough then provided an update on the Smithsonian's Federal budgets. He said that the fiscal year 2011 Federal budget negotiations had resulted in a successful passback from the Office of Management and Budget. He said that it had appeared that the Smithsonian's Federal budget would be subject to a 5 percent cut but that the application of the strategic plan to the negotiations had strengthened the Smithsonian's position and resulted in a 5 percent increase. He reminded the Board, however, that the proposed budget had yet to be approved by the Congress and that it did not fully cover salaries and the requested funds for the Congressionally mandated National Museum of African American History and

Culture (NMAAHC).

The threat to the construction schedule of the new Museum, said the Secretary, was of paramount concern to the Smithsonian. He said that the efforts of the Museum's leadership and advisory council had resulted in raising \$50 million to date, and that support from the Obama administration and the expansion of the museum's advisory council also were promising. However, the state of the nation's economy will likely result in extremely difficult budget negotiations for the Smithsonian's fiscal year 2012 budget.

The Secretary said that, in an effort to maintain the momentum necessary for the Museum's realization, senior management had developed several budget negotiation strategies to help the Smithsonian secure funding for NMAAHC without suffering cutbacks to other programs. The leading proposal, he said, was to request the sum of the promised Federal funds for the Museum up front. He said that the Board's support, and especially that of the Congressional Regents, would be critical to this process. He also said that it was important for Congress to assume its share of financial responsibility for the Museum. He said that, although the successful fiscal year 2011 negotiations had resulted in passback support for a \$10 million increase for research and a \$4 million increase for collections care, funding for NMAAHC's site preparation work was not provided.

Trust Budget, Fund Raising, and the Endowment

The Smithsonian's Trust budget was next reviewed. Secretary Clough said that the Trust budget was challenging but that the Endowment's performance in fiscal year 2009 had been sound. The Endowment concluded fiscal year 2009 at \$883 million by managing its liquidity and significantly reducing risk to the portfolio over time. The Smithsonian exceeded its goals for fund raising, as well as those for government grants and contracts. Smithsonian Enterprises improved its bottom line and the Central Trust ended the year with a small surplus.

The Secretary said that an update on the development of the national campaign would be provided in the report of the Advancement Committee and that more comprehensive reports would be presented in future Regents' meetings. Secretary Clough commented that the Smithsonian's donor base is very strong in both higher and lower giving levels but that mid-level giving to the Smithsonian was notably weaker than that seen in most universities. He said that a successful national campaign will depend upon the Smithsonian's ability to reach mid-range donors and that, with the implementation of the strategic plan under way, he would now direct more of his attention to the development of the national campaign.

Grants and Contracts

The Secretary reported a significant increase in government grants and contracts over the last year, and added that such activities were continuing to grow in fiscal year 2010. He said that such contracts as the Smithsonian Astrophysical Observatory's \$540 million contract for the Chandra x-ray were accomplishments that will provide stable research funding for the next decade.

Updates on Pan-Institutional Activities

With regard to pan-Institutional activities, the Secretary said that an independent review of asbestos issues at the Smithsonian had been completed. He said that no issues in procedures or policies had been identified but that recommendations with regard to communications and follow-up activities had been made. He added that a second study of larger safety issues, the Smithsonian Environmental Assessment

Program, was under way and that a final report would be provided in February 2010.

Secretary Clough said that Under Secretary for Finance and Administration Alison McNally was overseeing a best-practices study designed to analyze the overall structure and organization of the Smithsonian. He said that the study would assess such issues as operational business processes, resources, and IT needs, as well as the Institution's ability to implement the goals of the strategic plan and management's capacity for facilitating entrepreneurial, creative work. He reported that the contract for the study had been awarded. Dr. Jackson asked if the Smithsonian had an office dedicated to managing grant and contract activities, similar to grant research offices found in many universities. The Secretary responded that the oversight of grant activities was currently the responsibility of the Office of External Affairs but would be moved to the Office of the Under Secretary for Finance and Administration to provide more administrative support for grant-related research and development. Dr. Jackson noted the cross-pollination opportunities that could be developed between that office and the Office of the Under Secretary for Science.

The Secretary then updated the Board on a branding study that would soon be launched under the direction of Director of Communications and Public Affairs Evelyn Lieberman. He said that the initiative would be completed by the end of fiscal year 2010, and would align with and advance the goals of the strategic plan. He noted that Target Corporation was providing strategic advice in support of the Smithsonian's branding efforts. Ms. Lieberman explained that the results of the branding initiative will strengthen the Smithsonian's ability to understand and present itself in new, engaging, and exciting ways to both existing and new audiences.

The results of the annual employee survey were discussed. The Secretary reported that the survey reflected very favorable results with regard to employees' job satisfaction and opinions of the Smithsonian's senior leadership; he also said that the survey indicated that the Institution could improve its ability to be a "learning organization." He expressed his appreciation to Office of Policy and Analysis Director Carole Neves and her staff for their work on the survey. The Secretary was asked about the number of participants in the survey and whether or not its results were an accurate reflection of employees' opinions. He responded that the survey required by the U.S. Office of Personnel Management was, in his opinion, too long and cumbersome and that the 40 percent response rate of Smithsonian employees exceeded that of most Federal agencies.

Awards and Recognitions

The Secretary highlighted several awards and recognitions that had recently been bestowed on Smithsonian employees or units. He reported that Smithsonian Astrophysical Observatory Senior Scientist Margaret Geller had been awarded the National Academy of Sciences' James Craig Watson Medal and the American Astronomical Society's 2010 Henry Norris Russell Lectureship, a lifetime achievement award; Smithsonian Astrophysical Observatory Senior Physicist Giovanni G. Fazio, the recipient of the 2009 Secretary's Distinguished Research Lecture Award, presented "Viewing the Universe with Infrared Eyes: The Spitzer Space Telescope"; and the National Science Resources Center had won the French Academy of Science and the École Nationale Supérieure des Mines de Saint-

Étienne's prestigious International Prize for the Scientific Literacy of the Children of the Planet, or puRkwa Prize, in recognition of the Center's history of excellence in innovative programs that have transformed science learning and teaching throughout the world. The Secretary noted that *Time* magazine had declared the Bosavi giant woolly rat discovered by Smithsonian biologist Kristofer Helgen the "Best New Species Discovery" and that three CINE Golden Eagle Awards had been awarded to the Smithsonian Channel. He also said that the first Secretary's Awards for Excellence were announced for staff-level interdisciplinary initiatives and the Smithsonian exceeded its Combined Federal Campaign (CFC) goal, as well as received a CFC award for increasing the Smithsonian's participation rate by 3 percent.

Changes at the National Zoological Park

Secretary Clough announced that the name of the National Zoological Park's facility in Front Royal, Virginia, had been changed to the Smithsonian Conservation Biology Institute. He also reported that the National Zoo's adolescent panda, Tai Shan, would return to China in early February 2010, in accordance with the Zoo's agreement with the Chinese government. He added that negotiations regarding extending the stay of Tai Shan's parents were currently under way.

Fiscal Year 2010 Smithsonian Goals

The Smithsonian's goals for fiscal year 2010 were then reviewed with the Board. The Secretary explained that the goals aligned with the strategic plan and reflected a top-down, comprehensive process to build staff and unit agreement with and commitment to the goals. He said that draft goals had been discussed by the Executive Committee and that the comments from that review, including a request for more quantifiable goals in the plan, had been integrated into the paper presented to the Board. He added that the application of SharePoint software would support weekly updates on progress towards the goals.

Dr. Jackson inquired about the Smithsonian's plans to accelerate its digitization efforts. The Secretary noted the difficulty of both quantifying and qualifying progress on an issue that is changing as rapidly as the field of digital technology. He reported that Chief Information Officer Ann Speyer and her staff were already applying fiscal year 2010 funds to create an infrastructure to support the digitization efforts of all Smithsonian units and said that a report on that initiative was forthcoming. He also said that the Smithsonian's units were very motivated to participate in the digitization of collections, research, and programs. He commented on the time and financial savings that can be achieved through virtual, not physical, access and said that these efforts also enhance the Institution's ability to protect and care for its collections.

Dr. Jackson and the Secretary discussed the challenges presented when projecting the future needs of such an issue sophisticated as sophisticated as digital technology. They spoke of specific developments in the field, such as the use of three-dimensional images that can be manipulated into time slices, and the technical, accessibility, and financial implications that are presented by such advancements. Dr. Jackson noted that the fiscal year 2010 goals included the development of standards, policies, and priorities for the Smithsonian's digitization program. She said that the development of standards is an especially appropriate goal in the digitization initiative and suggested that the Institution consider partnering with other institutions in the development of such standards.

There being no further comments on the Smithsonian's goals for fiscal year 2010, the Board was asked to affirm the goals. The motion was approved.

See attached Resolution 2010.01.02 (Minutes of the Board of Regents, Appendix A).

The Secretary concluded his report by noting that an update on the Arts and Industries building would be provided later in the meeting. He also thanked Dr. Neves and her staff for the fiscal year 2009 report that was included in the Board's meeting books. Ms. Stonesifer thanked the Secretary for his report and noted that many important Smithsonian stakeholders, such as the Smithsonian National Board, have expressed their appreciation for the leadership of the Secretary and the progress that has been made under his direction.

STRATEGIC FOCUS ON SMITHSONIAN SCIENCE: BIODIVERSITY

Under Secretary for Science Eva Pell, who began her appointment three-weeks' prior to this meeting, expressed her appreciation to the Board for the opportunity to discuss biodiversity and the Smithsonian's commitment to discovering, understanding, and sustaining the diversity of life on Earth. Dr. Pell said that four Smithsonian researchers would participate in the illustrated presentation on biodiversity: Francisco Dallmeier, head of the National Zoological Park's Center for Conservation Education and Sustainability; Vicki Funk, senior scientist and curator in the National Museum of Natural History's Department of Botany; Mary Hagedorn, fish physiologist and cryobiologist in the National Zoological Park's Species Survival Center; and Michael Lang, director of the Smithsonian Marine Science Network and the Science Diving Program. She thanked Deputy Under Secretary for Science Scott Miller for his contributions as Acting Under Secretary for Science, as well as for the assistance he provided, along with Mr. Lang, in her preparations for this presentation.

Biodiversity: Past, Present, and Future

Dr. Pell introduced the presentation by commenting on the enormous advances that have occurred in the sciences since James Smithson first conceived of his gift to the United States. At that time, she said, ideas regarding evolution, species differentiation, and biodiversity were unknown, whereas today entire genomes are sequenced on a regular basis, complex geographic data are provided by satellites circumnavigating the globe, and computational systems can create predictive models in support of efforts to protect the world's biodiversity.

Dr. Pell stated that biodiversity is an international concern, as demonstrated by the United Nations Secretary-General Ban Ki-moon and Germany Chancellor Angela Merkel's recent declaration that 2010 is the International Year of Biodiversity. The Smithsonian's focus on biodiversity, she said, will be essential to international efforts to reverse historic trends that have compromised the world's ability to sustain its ecosystems.

Biodiversity: Why It Matters

Dr. Pell then discussed the concept of biodiversity and its importance. Noting that the concept of biodiversity addresses the diversity of species within ecosystems and landscapes, as well as the genetic variability within species, she said that biodiversity includes animals, microbes, and plants, and can be seen, for example, in

terrestrial matter (both above and below ground) and marine matter.

She explained the importance of biodiversity and its critical role in sustaining life on Earth. Dr. Pell said that billions of people on Earth depend on wild organisms for healthy food, air, and water. She cited Taxol, a powerful plant-based form of chemotherapy, as an example of the significant role of biodiversity's relevance to human life, and said that the full extent of medicinal resources derived from plants or other organisms have yet to be discovered. She noted the economic implications of biodiversity and the importance of genes from wild sources in the development of disease-resistant plants. Dr. Pell said that the United States alone incurs over \$100 billion in annual losses to invasive species; she also noted that one-third of crops worldwide are insect-pollinated at a value of approximately \$117 billion, and that the recent decline in bee colonies reflected the real effect of a compromised biosystem.

Scientific studies of the history of biodiversity on Earth, she said, have revealed cycles of growth and extinction. Dr. Pell said that understanding and protecting the Earth's biodiversity will be essential to sustaining human existence on the planet, and ensuring that mankind doesn't become the dinosaurs of the future.

Biodiversity and the Strategic Plan

Dr. Pell then reviewed the strategic plan's grand challenge "discovering and understanding life's diversity," the questions targeted by this challenge, and their alignment with world opinion. She highlighted the significance of how this grand challenge is framed in the strategic plan and the five critical questions it poses:

How biologically diverse is the Earth, and how does this diversity change across geography and through time?

What does the planet's history teach about the impacts of environmental change on the evolution and extinction of species?

How can mankind better understand the life-sustaining services of ecosystems, and best sustain their contributions to human well-being, locally and globally?

How can mankind secure the survival and recovery of ecosystems, habitats, and species?

How can science better forecast environmental change and mitigate the adverse impacts of human-induced change on biological diversity?

Unique Position of the Smithsonian

The unique capabilities of the Smithsonian, she said, position it directly in the middle of global efforts to understand the past, monitor the present, and predict the future on both macroscopic and microscopic levels. She cited the Smithsonian Institution Global Earth Observatories (SIGEO) as an example of a powerful tool for studying the impact of global climate change on forests over time. The project, which began in 1980 on a 124-acre forest plot on Barro Colorado Island in Panama, is now a global network that monitors over 8,200 species and 3 million individual trees to measure the impact of climate change over time.

Other Smithsonian contributions to overarching studies of biodiversity include DNA barcoding, the Encyclopedia of Life (EOL) initiative, and the Consortium for the Barcode of Life. Dr. Pell said that molecular-based studies of biodiversity have

enabled researchers to identify DNA sequences and quickly categorize specific species. She cited studies of 1,900 mosquito specimens of 174 different species from the Smithsonian's collections, 90 percent of which are malaria-vectoring species. The Barcode of Life database now has sequences from almost 800,000 individuals representing 65,000 species. She stated that the collective contributions of Consortium members will revolutionize scientists' ability to advance biodiversity studies, share bioinformatics about species across the globe, and link the Smithsonian's collections, research, and outreach to specialists and casual researchers. Dr. Pell added that, unlike studies conducted at universities that operate on a grant-by-grant basis, the Smithsonian can conduct longitudinal studies and partner with other Federal agencies. The Smithsonian, she said, should be the global leader in biodiversity research.

**Smithsonian Centers
for Biodiversity
Research**

Dr. Pell then provided an overview of Smithsonian units that support research dedicated to biodiversity. The major centers, she said, include the National Museum of Natural History, the National Zoological Park, the Smithsonian Environmental Research Center, and the Smithsonian Tropical Research Institute; she also acknowledged the significant contributions of other, smaller field stations, such as those in Belize, Gabon, Guyana, and Kenya, among others.

The Museum of Natural History, she said, possesses collections of over 126 million specimens and hosts important exhibits, such as the widely acclaimed Sant Ocean Hall and the Human Origins Hall, which will open in 2010. Research conducted at the Museum includes collection-based studies of biodiversity, anthropology, geology, and paleobiology.

Dr. Pell characterized the National Zoological Park as the home of the Smithsonian's living collections. She noted that the Zoo possesses two facilities: one based in the District of Columbia's Rock Creek Park and the other, which was recently renamed the Smithsonian Conservation Biology Institute, is sited in Front Royal, Virginia. The two facilities host 2,000 live animals representing 400 different species and support research on animal health, conservation science, reproductive science, wildlife ecology, and landscape ecology. She added that National Zoo-based reproductive biology research extended beyond the widely known efforts to expand the National Zoo's panda populations and includes studies of animals that are endangered or extinct in the wild, such as the Przewalski's horse, the black-footed ferret, and the scimitar-horned oryx. She noted that the Zoo has successfully reintroduced the ferret and the oryx into the wild.

Dr. Pell announced that the Zoo was recently named one of 20 core sites for the National Ecological Observatory Network, or NEON, a National Science Foundation-funded programs dedicated to monitoring ecological and biological changes with the goal of creating predictive models. She said that the identification of the Zoo as a member of NEON was the result of a highly competitive process, and that its inclusion demonstrated recognition of the Smithsonian's capabilities.

The contributions of the Panama-based Smithsonian Tropical Research Institute, or STRI, were next discussed. There, she said, studies of archaeology and anthropology, behavioral ecology, paleoecology, forest and marine ecology, and evolutionary biology are conducted at a suite of research sites across the country. Dr. Pell said that she would soon visit STRI and noted that many ecologists she has

known have conducted research at the world-renowned Institute at some time in their careers. She added that the tropical site especially supports studies of changes in biodiversity in ecologically rich systems.

Dr. Pell provided an overview of the Smithsonian Environmental Research Center, or SERC. She said that the 3,200-acre reserve, which includes 14 miles of protected shoreline in the Chesapeake Bay, supports marine and terrestrial research on global climate change, estuarine and forest ecology, invasion studies, and plant physiology. She noted that SERC utilizes field sites across the world and has the longest-running CO₂ enrichment study in the United States, which has provided critically important information about the impact of rising CO₂ levels on resident species. SERC, she said, has also been active in studies of the spread and impact of marine invasive species.

The Under Secretary for Science also commented on the important contributions that have resulted from collaborative efforts between Smithsonian researchers. She cited the collective research of staff from the Museum of Natural History, the National Zoo, and the Smithsonian's Museum Conservation Institute that led to the identification of the species of geese involved in the January 2009 bird strike that downed a US Airways flight at LaGuardia Airport in New York City.

Biodiversity Outreach Initiatives

Dr. Pell briefly reviewed some of the many Smithsonian outreach initiatives in support of biodiversity research and education. She noted that the National Zoological Park's collaboration with George Mason University, which was formalized by the Board of Regents, will advance the education of future generations of researchers devoted to biodiversity studies. She said that the initiatives of the Smithsonian's National Science Resources Center, the recent Smithsonian-sponsored symposia on biodiversity, the Encyclopedia of Life, and other programs supported by the Smithsonian demonstrate the Institution's active engagement in and commitment to biodiversity-related outreach. She emphasized that the Encyclopedia of Life, unlike Wikipedia, demands a critical level of peer review before information is posted on the Web. The Consortium for the Barcode of Life, she said, also reflected the collaborative and rigorous contributions of many researchers. She stated that both demonstrate the collective power of collaborative programs, as well as the Smithsonian's leadership in global biodiversity initiatives.

Discussion of Dr. Pell's Overview

Prior to proceeding to presentations by staff on biodiversity, Ms. Stonesifer asked the Regents if they had any questions or comments. As some 95 percent of species that once existed on Earth are now extinct, Dr. Pell was asked about the Smithsonian's perspective with regard to monitoring versus preserving the species that still exist. Dr. Pell stated that it was not realistic for the Smithsonian to attempt to preserve all remaining species, but that it should advance efforts to control or slow down an extinction process wherever possible. She said that attention should be especially focused on organisms of particular value to mankind, adding that most life on the planet is within its oceans. Because human behavior controls a great deal of the environment, Dr. Pell said that the Smithsonian should be committed to both monitoring and galvanizing support for the world's biodiversity.

The Regents discussed the political and economic issues that influence sustainability initiatives, and the value judgments that underlie decisions about resources should be directed. When asked if the Smithsonian could serve as an

unbiased arbiter in such situations, the Secretary responded that the Institution was not equipped to undertake that role, although it was conceivable that it could participate in a collaborative effort to opine on such issues.

The Board agreed that the general population is essentially uninformed about what biodiversity is and the urgency of protecting it. The Regents discussed the leadership opportunity the Smithsonian can assume in educating the public about biodiversity and advocating for its protection.

The Regents also discussed how the efficacy of such actions could be measured. Dr. Pell said that, whether through saving species, supporting new discoveries, and/or motivating other organizations to participate in such processes, the Smithsonian's role should be to advance and participate in as many initiatives as practicable that support a biodiverse planet. Ms. Stonesifer noted that tracking peer-reviewed articles, measuring accessibility to the Smithsonian's resources, and increasing substantive educational opportunities are just a few of the many ways that the Smithsonian can measure its relevance and actual success with regard to this issue. The Secretary added that the Institution was very close to hiring a director of education who will guide focused efforts to extend its resources to educational institutions.

The Smithsonian's relatively new role in contributing to efforts to sustain, not just understand, biodiversity was considered. The Regents agreed that understanding and sustaining biodiversity on Earth involves numerous disciplines, many of which the Smithsonian supports. Dr. Pell spoke of the recent discovery by Smithsonian astronomers of a super-Earth 40 light-years from Earth. Saying that studies indicate the planet may possess a gaseous atmosphere and different forms of water, the Under Secretary said that studying the meteorological aspects of climate change on other earths may help scientists better understand both what is happening on Earth, as well as offer predictive information about what may happen in the future.

**Michael Lang:
Long-Term Biodiversity
Research and Outreach
Programs**

Dr. Pell then introduced Mr. Lang, who spoke of the Smithsonian Marine Science Network and the many individual and pan-Institutional programs that conduct long-term research on marine organisms, their life histories, and their ecological significance. Located in the Chesapeake Bay, Florida, Belize, and Panama, the Network's laboratories and research vessels span the western Atlantic and cross the isthmus of Panama in support of comprehensive, long-term studies of crucial marine ecosystems. Mr. Lang said that these studies provide an array of important information that supports the identification of new marine organisms, the creation of baselines for modeling and forecasting, and the understanding of the effects of environmental degradation on community changes, invertebrate diseases, invasive species, among other things.

Mr. Lang spoke of the overarching questions that are the focus of much marine science research. He said that marine studies explore the major patterns in biodiversity distribution; the effects of biodiversity, or its loss, on the functioning of ecosystems; and how mankind is changing the magnitude and distribution of biodiversity, as well as the patterns and consequences of such changes.

Mr. Lang commented on the impact of coastal habitat destruction in Belize and its impact on marine ecosystems. He said that mangrove clear-cutting in support of

shrimp farms and the development of coastal communities have stressed marine ecosystems and led to the mass spawning of green algae on coral reefs. In the Chesapeake Bay, he said, blue crab populations have decreased in response to a marine habitat compromised by pollution and rising CO₂ levels.

Mr. Lang said that, although rising CO₂ levels in marine habitats have challenged the health of many native species, invasive species often proliferate in response to such changes. He cited the overgrowth of certain species of cnidaria (often recognized as jellyfish) in certain marine environments and the ecological impact of such population explosions. He also spoke of the mass mortality of Caribbean black sea urchins in 1983, which dramatically altered marine ecosystems and led to the growth of micro-algae that suppress coral growth.

He then discussed the recent classification of the Caribbean snapping shrimp as a eusocial animal. He explained that eusociality, a form of animal social organization, is characterized by overlapping generations, reproductive division of labor, and the cooperative care of young. Similar to the honey bee, the snapping shrimp lives in colonies of up to 300 individuals, each containing only a single reproductive female.

Mr. Lang described the Panama Coral Reef Monitoring Network and its efforts to measure such stressors as oil and nutrient pollution, temperature changes, and sedimentation on these important marine animals. He commented on the application of DNA barcoding to, for example, identify and clarify fish species and their diversity; he also noted the importance of data management tools to support such studies.

Mr. Lang also discussed the wide range of educational initiatives that are integral to the Marine Science Network's outreach goals. He said that the Network provides graduate study opportunities and supports post-doctoral fellowships; hosts public seminars and educational programs for K-12 school groups; provides distance-learning opportunities, Web-based virtual tours, and other forms of Web-based access to its resources; and publishes a range of materials that range from field guides to bilingual interactive CD ROMs to peer-reviewed articles, journals, and books.

In closing, Mr. Lang said that the Sant Ocean Hall and its marine biodiversity exhibit demonstrate that the ocean is a global system essential to all life. He also noted that it was the 50th anniversary of the record-breaking dive of the *Trieste* in the Marianas Trench off of Guam, adding that the Rolex watch taken on the dive by crew member Jacques Piccard is in the collection of the National Museum of American History.

**Mary Hagedorn:
The Role of
Reproductive Biology in
Conservation**

Dr. Pell then introduced Mary Hagedorn, fish physiologist and cryobiologist in the National Zoological Park's Center for Species Survival, who discussed the role of reproductive biology in conservation. Dr. Hagedorn focused her presentation on coral species and their reproduction, the threats to the species' biodiversity from issues such as climate change, and the Smithsonian's participation in efforts to stabilize and conserve this fragile ecosystem.

Dr. Hagedorn spoke of the Smithsonian's historic leadership in the marine sciences. She said that nearly all of the marine specimens collected from the 40-year career

of the *Albatross*, built in 1882 as the first large ship designed especially for oceanographic research, are held in the Smithsonian's collections. These specimens, she said, remain the focus of many studies to this day.

Noting that 71 percent of the Earth is composed of water, Dr. Hagedorn emphasized the importance of marine studies to global conservation initiatives. She cited a seminal 1993 report from the Center for Marine Conservation, which stated "... the entire marine realm, from estuaries and coastal waters to the open ocean and deep sea, is at risk."

Dr. Hagedorn then directed her remarks to the study and conservation of coral, noting that the animals' reefs, which cover only 0.02 percent of the Earth's surface, provide habitats that support thousands of species. Coral reefs, she said, also purify the Earth's air, create natural storm barriers that protect coastlines, and support marine-based economies, such as fishing and tourism. In addition, coral reefs are a relatively untapped source of potential medicines, including antibiotics and cancer treatment agents.

However, said Dr. Hagedorn, it is possible that some 95 percent of the world's coral reefs may disappear over the next 40 years in response to both local and global changes. She spoke of the increase in sedimentation rates that have resulted from local mining, logging, and agricultural activities, some of which can be controlled, but also spoke of the large-scale impact of fossil fuel consumption and the challenges presented by human activities that compromise ecosystems on a global scale.

Dr. Hagedorn said that corals are now at their top level of stress, just as the world's oceans are becoming more acidic. She presented photographs of Rainbow Reef, Bahamas, in both 1991 and 2004. The images showed the dramatic degradation over time of the coral reefs, and demonstrated the devastating effect of compromised environments on marine life.

She then discussed the Smithsonian's cryoconservation program and its efforts to preserve coral species through cryopreservation. She said that the world's first coral cryobank contains approximately 450 samples of endangered coral sperm. Maintained in liquid nitrogen, the specimens are housed in three locations around the world. She reported that efforts to support both sexual and asexual reproduction of live and frozen coral have been successful, providing hope that endangered coral species may one day be reseeded in the world's oceans. Dr. Hagedorn concluded her presentation by citing some of the many Smithsonian programs—including the Center for Species Survival, the Center for Conservation Education and Sustainability, the Center for Conservation and Evolutionary Genetics, and the Conservation Ecology Center—that contribute to the study and conservation of coral.

**Francisco Dallmeier:
Biodiversity Research,
Monitoring, and
Conservation**

Francisco Dallmeier, director of the National Zoological Park's Center for Conservation Education and Sustainability (CCES), spoke to the Board about biodiversity research and monitoring, the impact of humans on ecosystems, and efforts to implement regional conservation and sustainable development. He emphasized the importance of knowing and understanding the biodiversity of a region, restoring and protecting its environment and species, educating and

establishing relationships with stakeholder groups, and monitoring the vital signs of an ecosystem. He noted that the efforts of many units of the National Zoological Park are directed towards conservation biology.

Dr. Dallmeier spoke of the impact of global development, including population growth, and its current and future impact on the environment. With regard to the CCES, Dr. Dallmeier said that the center's programs are dedicated to addressing the urgent need to integrate biodiversity science and conservation into sustainable development. Located in multiple sites around the globe, CCES programs include both marine and terrestrial biodiversity studies and initiatives.

One such program, said Dr. Dallmeier, is the Gabon Biodiversity Program. He said that the 10-year-old program has supported research, conservation, education, and sustainability initiatives in a politically stable country that hosts the largest and most diverse forest in Africa, species that are 20 percent endemic, and significant populations of African megafauna, as well as a relatively low human population density.

Dr. Dallmeier noted the biodiversity historically found in Gabon and surrounding regions. The region, he said, includes coastal areas on the Atlantic Ocean, savannas, coastal forests, rivers, lagoons, and rainforests. He said that the 75 plots studied by Smithsonian researchers and their partners include 374 species of trees, 86 species of reptiles, 78 species of amphibians, 456 species of birds, 70 species of mammals, 69 species of freshwater fish, and 1,600 morpho-typed insect species. Dr. Dallmeier said that the Gabon Biodiversity Program supports studies of seasonal elephant distributions and the long-distance migration of humpback whales, sea turtles, and other marine and terrestrial species. In addition, the region presents examples of the detrimental effect of invasive species, such as fire ants, on native ecosystems.

He said that the Gabon Biodiversity Program's outreach initiatives are many. The program, which currently hosts 56 researchers and educators from the National Zoological Park, the National Museum of Natural History, and the Smithsonian Tropical Research Institute, as well as representatives from outside partner organizations, educates local populations about biodiversity and provides professional training in biodiversity research and infectious diseases monitoring. In the last year alone, the program has supported the release of 128 publications, 76 of which were peer-reviewed, and the distribution of multiple briefing papers, field newsletters, posters, media articles, and documentaries.

Dr. Dallmeier said that the Gabon Biodiversity Program cultivates partnerships with multiple stakeholders and provides strategic advice to the government of Gabon and the private sector. He said that the significance of the Smithsonian program's contributions was recently recognized through the nomination of the site for Biosphere Reserve Status in the UNESCO-sponsored Man and Biosphere Program. Operating under the name Gamba Biosphere Reserve, the site would participate in global monitoring networks that observe the current health of an ecosystem and develop forecasting models in support of its future. Such efforts, said Dr. Dallmeier, are intended to mitigate human-induced impacts on biological diversity.

Vicki Funk:

Dr. Pell then introduced Vicki Funk, senior scientist and curator in the National

The Role of Collections in Studies of Biodiversity

Museum of Natural History's Department of Botany, who addressed the role of collections in broader studies of biodiversity. Dr. Funk explained that the Smithsonian's biodiversity collections include living collections, such as the collections of the National Zoological Park; museum specimens, such as the 126.5 million specimens in the collection of the Natural History Museum; bioinformatics, such as those found in the Smithsonian's Electronic Museum system (EMu); and ancillary collections, such as photographic and illustrated images.

Posing the rhetorical question "Why do we need all this stuff?," Dr. Funk explained that these collections support studies, including those of invasive species; species identification; public access and education initiatives; research on phylogeny and evolution; database and checklist development; monographs on floras and faunas; biodiversity and conservation research; and climate estimation forecasts. She commented on the range of tools, such as molecular techniques and digital photography, used in the study of these collections, and said that the introduction of new technologies continue to offer new ways of examining and understanding the Smithsonian's collections.

Dr. Funk said that the accurate identification of species demands an understanding of population variation and access to an abundance of material drawn from the range of that species. She cited the taxonomic identification of New Zealand's Tuatara, a lizard-like reptile whose evolution dates back to the Mesozoic Era, as a successful example of this process.

Dr. Funk emphasized the importance of collections to global collaborations in support of biodiversity and conservation. Collections, she said, have contributed to scientists' understanding of global patterns of biodiversity and species richness, as well as to predictive models that inform conservation initiatives. She cited the multiple contributions that have resulted in the creation of detailed phylogenies, or family trees, of complex groups, and the collections that house molecular samples of these groups. Dr. Funk said that specimens from the Smithsonian's collections have provided evidence of the dramatic decline of endemic Hawaiian birds. She said that bones dating from about 400 AD indicate that some-107 species once thrived on the Hawaiian Islands, whereas now only 11 are not endangered.

Dr. Funk spoke of the wealth of information about biodiversity that can be accessed on the Web, such as the *Plants Web* site hosted by the United States Department of Agriculture. She said that the Smithsonian's digitization initiative is enhancing access to its collections data, and that new Web applications, such as Google Earth, offer novel ways to gather information about global patterns of biodiversity on both micro and macro levels.

Dr. Funk then posed a second rhetorical question—"Why are you still collecting?"—and cited several recent discoveries and programs that have benefitted from the collecting activities of Smithsonian staff. She spoke of the biocode project under way in Moorea, Polynesia, which is providing vouchers and genetic material documenting life on the island, and the application of the *Survey Gap Analysis Tool* for predictive research in Queensland, Australia. The latter, she said, has resulted in the identification of 15 species that are new to the area, one of which is entirely new to science. In the year 2009, the Smithsonian's collections were used to create a history of white-nose syndrome, which has killed over 1 million bats to date and

threatens crucial ecosystems, and efforts to monitor the quality of freshwater have advanced because of information retrieved from analyses of caddisfly larvae from the collections.

Dr. Funk said that these are but a few of the opportunities that the Smithsonian's collections offer in the quest to understand biodiversity and support the conservation of global ecosystems. She added that the Smithsonian's ability to understand and disseminate knowledge about life on Earth will continue to expand as new ways are found to use and access its collections.

Discussion

Thanking Dr. Pell and the members of her staff for their compelling presentations, Ms. Stonesifer asked the Board for comment, particularly with regard to the grand challenge "discovering and understanding life's diversity." Ms. Stonesifer asked what the Smithsonian should be doing to ensure that this goal becomes a hallmark of the Institution's contributions to the knowledge, understanding, and conservation of a diverse planet, especially in the coming five years.

Dr. Pell said that, because it cannot possibly address all of the issues raised with regard to biodiversity and conservation, the Institution's challenge will be to determine its areas of focus. She said that strategically focused questions, such as determining the role of carbon sequestration in maintaining a sustainable environment, will contribute to global initiatives in support of biodiversity. She said that the strategic plan's call for a center dedicated to "discovering and understanding life's diversity" will be key to the Smithsonian's ability to achieve this goal. She said that a search was under way to select a center director who will organize working groups to determine the Smithsonian's capabilities, insufficiencies, and goals with regard to specific biodiversity initiatives.

Senator Dodd said that the public's inability to understand the importance of sustaining a biodiverse planet reflected the urgent need to take this message to the Congress. He said that a top priority of the Smithsonian should be to communicate the imminent threat presented by the diminished scope and capacity of the world's ecosystems. He said that the presentation clearly demonstrated the Smithsonian's research capabilities and contributions in efforts to mitigate such threats, and that the depth of the Institution's resources should be made clear to Congress.

When asked how to best present this information to Congress, the Senator advised that a more brief presentation be provided to more informal gatherings, such as lunches, on the Hill. Ms. Matsui agreed that the presentation made the Smithsonian's research activities come alive and that its focus especially aligned with the administration's focus on science and education.

When asked if other countries were conducting the same level of research on biodiversity and conservation, Dr. Pell said that the United States is a recognized leader in such efforts. She also said that the presentation provided an introduction to the scope of the Smithsonian's collaborations with organizations and countries across the globe.

Mr. Sant commented on, and welcomed, the presentation's strong conservation message. He said that information about ecosystem services and data about what biodiversity provides in terms of economic benefits for the world should be

presented to Congress, made clear to the public, and integrated into national economic indicators, such as the GDP.

Dr. Jackson concurred with Mr. Sant. She also noted that themes from the presentation could be pulled out and used to create more focused presentations. She suggested that future presentations include more information about the implications of not addressing challenges to the world's biodiversity, especially with regard to specific issues, such as the economy, public health, and agriculture. Dr. Jackson also requested that electronic copies of the presentation be provided to each Regent.

Noting that the presentation showed the capacity and the potential of the Smithsonian, Mr. Kogod asked if there were any ways to further enhance the partnerships in which the Smithsonian is engaged. He noted the importance of providing opportunities for all sectors of the Smithsonian to engage in the forward-looking momentum generated by such partnerships. Dr. Pell said that the Smithsonian is engaged in many dialogs about support for pan-Institutional collaborations that benefit all units in the Smithsonian. She also asserted her belief in the ability of scientific relationships to enhance global relationships.

Senator Dodd said that, although the Smithsonian cannot solve all of the problems confronting the world's ecosystems, it should assume a leadership position in raising global awareness about the economic implications of this issue. Dr. Pell commented on the opportunities provided by partnerships with universities, think tanks, and other organizations focused on issues of global importance.

Mr. Rubenstein inquired if there was a specific exhibition dedicated to the Smithsonian's biodiversity initiatives. Dr. Pell responded that, because of the enormous scope of the issue, pieces of the larger story of biodiversity are presented in many different exhibits. Mr. Kogod commented on the future potential of the Arts and Industries building to inform the public about the grand challenges of the strategic plan and the initiatives of the interdisciplinary centers that support those goals. Dr. Córdova added that the issue of biodiversity and the Smithsonian's commitment to sustaining a biodiverse planet offer a branding opportunity that can demonstrate the dynamic quality of the Smithsonian, its museums, and its research centers.

Concluding the discussion, Ms. Stonesifer expressed her appreciation to Dr. Pell and her staff for their substantive introduction to the importance of biodiversity and the Smithsonian's contributions to discovering, understanding, and sustaining life's diversity. The Board agreed and responded with an enthusiastic round of applause.

REPORT OF THE FINANCE COMMITTEE

Fiscal Year 2011 Federal Budget Request

Finance Committee Chair Roger Sant reported that the Finance Committee met on January 20, 2010, to consider a full agenda. He said that members devoted a considerable portion of their discussion to the Institution's successful negotiations with the Office of Management and Budget (OMB) regarding the fiscal year 2011 Federal budget request.

Mr. Sant reminded the Board that the Institution had submitted three different budget requests to OMB in September 2009: a freeze budget that held funding at the fiscal year 2010 level and a budget that reduced funding to a level 5 percent below the fiscal year 2010 level, both of which were in compliance with OMB's guidance, and a third, "requirements budget" that OMB subsequently agreed to consider.

He said that the tremendous efforts of Smithsonian management, a strong relationship with OMB staff, and the influence of a comprehensive strategic plan resulted in a fiscal year Federal budget request to Congress of \$798 million, a remarkable 5 percent increase over the Smithsonian's fiscal year 2010 appropriation and an outcome that the Committee would not have predicted two months earlier. He said that this request would cover most, but not all, of the Smithsonian's mandatory cost increases, support the implementation of the strategic plan, and advance collections care and research, as well as provide a \$12 million increase in the Institution's facilities capital budget. However, a \$7 million request was denied for funds to reduce risk to the construction schedule for the National Museum of African American History and Culture (NMAAHC). Mr. Sant emphasized that the budget request had yet to be approved by Congress.

Fiscal Year 2012 Forecast

Mr. Sant next spoke of the budgetary challenges the Smithsonian will face in fiscal year 2012. He said that potential budget issues must be identified early and that the Institution must begin developing strategies accordingly.

He said that the Smithsonian will start drafting its fiscal year 2012 budget submission in the coming months and that the Finance Committee would consider the Institution's budget priorities for fiscal year 2012 at the Committee's April 2010 meeting. Mr. Sant then asked Director of the Office of Planning, Management, and Budget Bruce Dauer to provide a more in-depth overview of the fiscal year 2012 outlook.

Mr. Dauer shared two charts with the Board, one with information about the four primary revenue streams anticipated in fiscal year 2012 and the other detailing the fiscal year 2012 funding needs. He outlined the four funding sources: Federal appropriations, monies from fund raising and the national campaign, government grants and contracts, and new revenue. Mr. Dauer said that fiscal year 2012 will be an extremely challenging year with regard to Federal appropriations, as well as government grants and contracts, because of the current economy and the focus on the national deficit. He said that, for planning purposes, management was projecting a flat budget for fiscal year 2012, with equal chances of increases or decreases below that figure.

Mr. Dauer said that the next biggest revenue stream, monies from fund raising and the national campaign, would likely have to make up for what is anticipated to be a tight Federal budget. He noted that the full impact of the 2008 economic downturn will be experienced by foundations in fiscal year 2012, when payouts will be affected by five-year rolling averages. In light of this, Mr. Dauer said that it will be especially important that the national campaign is effectively launched. With regard to grant and contract monies, Mr. Dauer said that the Institution had benefitted from an increase in such activities in the past year, as well as from

stimulus funds from the American Recovery and Reinvestment Act of 2009. The last group of funds, new revenue, is not anticipated to be a significant source of funding for the Smithsonian in fiscal year 2012, even with the possible income that could be received from such initiatives as a fee-based technical assistance program for outside museums or an international museum education program.

Mr. Dauer then discussed the initiatives that will present extraordinary budgetary challenges in fiscal year 2012: NMAAHC; the Arts and Industries Building; the Giant Magellan Telescope; the Smithsonian Institution Global Earth Observatories and research on global change; broadening access to the Institution; strengthening the Smithsonian's collections; and advancing the strategic plan's commitment to support the Smithsonian mission and expand understanding of both the American Experience and world cultures.

Much of the Board's discussion was focused on NMAAHC, a Federally mandated item with extraordinary funding requirements. Mr. Dauer said that, as a result of discussions with members of the Office of Management and Budget (OMB) about NMAAHC, the Smithsonian's Federal budget will likely be considered in an out-of-cycle spring review by OMB. He noted that, because of the Institution's relatively small size, the Smithsonian has never participated in a spring review but that the importance of this issue has been acknowledged by the OMB staff and warrants the enormous effort the process will require.

Mr. Dauer then said that Smithsonian management had concluded it should submit a Federal budget request of \$205 million for NMAAHC during a spring review with OMB. He said that the purpose of this request would be to secure upfront Federal funding for the new museum, and that the remainder of the Smithsonian's Federal budget request would be submitted during the regularly scheduled budget submission process. Ms. Stonesifer asked the Board for input regarding this proposal.

The Regents voiced significant concern that, although Congress had mandated the creation of the new museum and committed to providing Federal funding for 50 percent of its construction costs, an allocation of the full \$205 million request for NMAAHC in one year could be at the expense of funding for other Smithsonian programs equally deserving of and dependent upon Federal funding, such as the Institution's scientific research and the renovation of the Arts and Industries building. Likewise, the Board said that a reduction in the amount requested by the Institution for consideration in the spring review could establish a trend for insufficient Federal allocations for the museum in the future.

They noted that the fiscal year 2011 Federal budget request did not include funding to reduce risk to the new museum's construction schedule. The Regents also discussed the significant challenge that would be presented if Congress did not fulfill its commitment to fund 50 percent of the construction costs, leaving the Institution to raise an additional \$205 million from the private sector.

The Board discussed the strategic plan and the identification of the Smithsonian's key priorities in light of the funding needs of the new museum. The Congressional Regents noted that Congress had responded positively to the work that had been done on the Arts and Industries building using stimulus funds, as well as the

creation of the Institution's strategic plan, characterizing both as measures of the progress the Smithsonian has made in the past three years. They agreed that the creation of the new museum was a Congressional directive but noted that, as has been the case with securing Federal monies for the upkeep of other Smithsonian buildings created by Congress, securing sufficient Federal funding can be extremely difficult. The Congressional Regents also agreed that that prior budget requests of this magnitude have rarely been granted and that, if approved, often have been broken into smaller requests.

The Board advised management to remind OMB that the creation of NMAAHC was a Congressional directive and that, if approval of the entire \$205 million request appears unlikely, management should aggressively encourage OMB to establish an allocation schedule that will continue work on the new museum, as well as avoid the government's appearance of defaulting on its obligation.

Mr. Sant thanked the Board for its discussion and said that management and the Finance Committee would apply the Board's advice to the pending negotiations with OMB. He said that a detailed update would be provided to the Board at its April 2010 meeting.

Concluding his report, Mr. Sant directed the Board's attention to the revised presentation format of the Institution's financial update and thanked Mr. Kogod for his guidance with regard to enhancing the accessibility and articulation of these reports. The Regents discussed the inherent difficulty of using Generally Accepted Accounting Principles (GAAP) in the Institution's financial summaries, and noted that each paper should be a standalone document with self-explanatory narratives. Mr. Sant said that both the Committee and management would welcome suggestions about other ways to improve the Smithsonian's financial reports to the Board; he also noted that the pending best-practices study was anticipated to identify efficiencies and productivity gains that will be reported in future financial summaries.

Ms. Stonesifer then returned the discussion to the fiscal year 2011 Federal budget request. She asked the Board to consider a motion to authorize the Secretary to submit the fiscal year 2011 Federal budget request to Congress and the motion was approved.

See attached Resolution 2010.01.03 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE INVESTMENT COMMITTEE

Investment Committee Chair David Silfen presented the report of the Committee. Mr. Silfen reported that, as of November 30, 2009, the market value of the Smithsonian's Endowment was \$893.3 million. At calendar year-end the Endowment's value rose to approximately \$911 million, achieving a \$22 million gain, or a 1.7 percent outperformance.

Mr. Silfen commented on the noteworthy performance of the Smithsonian's Endowment during an unprecedented period of market volatility. He said that the

fourth quarter 2008 decision to position the portfolio in a tactically defensive posture with increased liquidity had allowed the Endowment to effectively navigate the financial challenges of 2009. Mr. Silfen said that tactical asset allocation decision had provided downside protection and that the portfolio, which was 45 percent liquid as of December 2009, was in a good, albeit defensive, position. He noted that, as difficult as the previous year had been, the Smithsonian had ended the year in the second quartile of its peer universe. That group, he said, included many endowments that had been unable to raise additional capital and consequently had been forced to sell billions of dollars of taxable assets or make drastic budget cuts.

Regarding risk management and liquidity issues, Mr. Silfen reported that the management of the portfolio, including some 40 managers, was rigorous and ongoing; he noted that the portfolio had not been exposed to such issues as margins calls, derivate hedges, or suspended redemptions. He said that the Committee had worked closely with the Regents' Finance Committee to fund the Endowment's payout requirements.

Mr. Silfen said that the portfolio's defensive posture had been maintained from October 2008 until September 2009, at which time the sustained and significant recovery in credit and equity markets led to a decision to exit the allocation strategy. A revised long-term asset allocation policy was then developed and approved by the Investment Committee. He explained that under the revised policy the portfolio was less liquid but still defensive. He said that, given the long-term requirements of the Endowment, the portfolio was now better positioned to participate in market opportunities, including emerging markets, while benefiting from downside protection.

Commenting on the Endowment's performance over a trailing five-year average, Mr. Silfen said that the Endowment had one more legacy sub-optimum year to average into its overall performance. The Endowment, which is now securely in the second quartile, is then anticipated to move into the first quartile. As of November 30, 2009, the return on the Smithsonian's Endowment was 16.2 percent and, at the end of the calendar year, was 18.7 percent, with solid performance among all asset classes.

Mr. Silfen then provided an update on the Endowment's infrastructure. He reported that the audit of the Endowment was nearing completion and that the implementation of the new accounting standards under FAS 157 had been successful. He said that, as part of a larger effort to bring its technology services up to date, the Office of Investments had acquired a new portfolio management system that would be implemented in April 2010. He also noted that the Office of Investments would move to a new space in 2010 and that one senior staff position remained to be filled.

Looking forward, Mr. Silfen said that the revised long-term asset allocation program would be implemented over the next year and that private equity and real asset programs would continue to be rolled out. As was previously done with Cambridge Associates, the management of the Endowment will undergo a governance review during the March or June 2010 meetings of the Investment Committee. Mr. Silfen noted that Regent David Rubenstein would join the

Committee, and that the Committee's membership, which formed in 2005, would be rotated to avoid the simultaneous departure of multiple members.

During the Board's discussion of the Investment Committee report, Mr. Silfen explained that the Endowment's liquid assets included not only cash or cash equivalents but investments that are not locked in with fund managers. The Board discussed the Endowment's highest value in recent years, which was \$1.11 billion, as well as its lowest, which was \$756 million.

Mr. Silfen discussed the difficulty of benchmarking the Smithsonian's Endowment. He said that, whereas around 90 percent of other endowments operate on a June 30 fiscal year, the Institution operates on a September 30 fiscal year. Nevertheless, he said that the Smithsonian's Endowment is largely benchmarked against similar-sized endowments that operate on a June 30 fiscal year calendar. He reported that the 18 percent decline in the Smithsonian's Endowment in 2009 was a good outcome when compared against many in its peer universe.

Ms. Stonesifer noted that recognition of the excellent management of the Endowment, particularly during a period of unprecedented economic challenges, will be an important asset to the national campaign. Senator Dodd added that the successful management of the Endowment demonstrates a level of fiscal responsibility that should strengthen the Institution's position during Federal budget negotiations.

Prior to adjourning for lunch, Ms. Stonesifer announced that the order of the presentations during the remainder of the meeting would change. These minutes reflect the actual order of the afternoon reports, not the schedule included in the original materials provided to the Board in preparation for the meeting.

AFTERNOON PLENARY SESSION

EXECUTIVE SESSION

During the Board's executive session, the Regents discussed in more detail the results of the Regents' annual survey and reviewed a personnel matter presented by the Secretary, reports from the General Counsel and Inspector General, and the report of the Compensation and Human Resources Committee. Compensation and Human Resources Committee Chair Roger Sant ask for full disclosure of any real or perceived conflicts of interest that any Regents might have with any of the executives listed and received assurances that there were none. The Regents then discussed proposed compensation levels for specific Smithsonian senior executives in 2010, none of whom were present during these discussions. By unanimous vote, two motions were subsequently approved by the Board.

See attached Resolutions 2010.01.04–2010.01.05 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE ADVANCEMENT COMMITTEE

Report on the National Campaign

Advancement Committee Chair Alan Spoon provided the Committee's report. Mr. Spoon said that the Committee, which last met on January 13, 2010, was working closely with management to provide careful oversight on the development of the national campaign.

Mr. Spoon said that the Secretary spoke to the Committee about the critical relationship between the successful launch of the campaign and the transformation of the Institution, including the realization of its strategic plan. The Secretary also discussed at length the application of the strategic plan to the development of a compelling fund-raising case. The Committee acknowledged that articulating the Institution's key priorities would benefit both the strategic plan and the campaign. Mr. Spoon said that the Committee, upon the advice of the Secretary, agreed to allow more time for the campaign's development in order to allow the Smithsonian's units to participate in a bottom-up process of creating a more detailed and comprehensive statement of the Institution's key priorities and funding opportunities.

Mr. Spoon reported that, because the Smithsonian will have to raise millions of dollars to fund the campaign, the Committee has reviewed benchmarking data on campaign funding models for campaigns with goals of at least \$1 billion. He said that, in order to fund their campaigns, some organizations apply a type of tax on gifts or levy against the earning power of their endowment. Mr. Spoon said that neither option was attractive to the Committee but that the Board should be aware of the scope of the funding options being discussed.

Mr. Spoon said that the Committee reviewed the operational needs of the campaign and agreed that a new IT system, and its rapid implementation, will be critical to the success of the campaign. The new system will manage both donor prospects and the careful recording of gifts. At an estimated cost of \$7.5 million, the IT system will likely be the campaign's single largest expenditure. Mr. Spoon reported that management was close to contracting for the specification of the new system. He noted, however, that the campaign will be launched prior to the full implementation of the new IT system, as the system will take several years to be fully operational and addressing the funding needs of the Institution cannot be postponed. He also said that a more in-depth report on the purpose, needs, and impact of the campaign would be provided to the Board at its April 2010 meeting.

Proposed Gift Actions

Mr. Spoon then asked Director of External Affairs Ginny Clark to provide a fiscal year-to-date fund-raising report and an overview of the seven gift papers being presented for the Board's consideration. Ms. Clark said that since the Board last met, the Smithsonian's fund-raising goal for fiscal year 2010 had been increased from \$130 million to \$142 million. She explained the three reasons for this increase: the need to ramp up fund raising for the successful launch of the campaign, the necessity of attracting gifts within a very short timeline for the National Museum of African American History and Culture, and a recognition that a strong pipeline of anticipated gifts is in place for the coming year. Ms. Clark said that, although fiscal year-to-date fund-raising results (\$18.25 million, or 13 percent

of the fiscal year 2010 fund-raising goal) were slightly behind results at this time in 2009, management was confident that the fund-raising goal will be reached.

She then reviewed the seven proposals submitted for the Board's approval. Ms. Clark said that five had been approved for recommendation at the Committee's November 3, 2009, meeting and that two were considered at its January 13, 2010, meeting. She said that many of the gifts were for endowments, and noted that such gifts will be important elements of the national campaign and future fund-raising efforts. The proposed motions were approved en bloc.

See attached Resolutions 2010.01.06–2010.01.12 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE STRATEGIC PLANNING AND PROGRAMS COMMITTEE

The report of the Strategic Planning and Programs Committee was given by Committee Chair Doris Matsui. Ms. Matsui said that both topics in her report were familiar to the Board and that one was approaching a decision-making point and the other would benefit from input from the Regents about suggested next steps.

International Museum Professional Education Program

Ms. Matsui first discussed the proposed International Museum Professional Education Program. She reminded the Board that it had discussed the possible establishment of a pilot museum professional training program in Abu Dhabi during its September 2009 meeting. At that time the Board requested that management develop a concept paper that includes a clearly articulated vision for international program partnerships and an overarching set of program principles that would be applied to all programs, regardless of situation or location. The Board also agreed that an ad hoc group of Regents would provide specific guidance on the proposed pilot program in Abu Dhabi. Ms. Matsui said that the concept paper was included in the meeting materials but noted that the pilot program would not be the focus of this discussion. She then asked Secretary Clough to review the concept paper with the Board.

Secretary Clough explained that the rationale for the plan was prompted by the large number of requests for assistance that are received by the Smithsonian from other museums around the world, and the tremendous amounts of money and time that Smithsonian staff currently expend in support of these requests. He said that the plan would help the Smithsonian to, at the very least, recover its costs whenever appropriate. He said that the goal of the program also would be to raise sufficient funds to hire professionals to provide such training, which would allow existing staff to maintain their focus on Smithsonian-based initiatives.

The Secretary said that the development of the plan and the guiding principles reflected input from numerous universities and other groups currently working overseas. The next step, he said, would be to consider possible programs that would match the criteria outlined in the overarching plan and the guiding principles. He said that each proposed program would be considered on a case-by-case basis and presented to the Board for its review and approval.

At this point, said the Secretary, management was asking for the Board's endorsement of the umbrella concept and its guiding principles. Ms. Stonesifer said that the Executive Committee had reviewed and discussed the paper and was satisfied that it fulfilled the Board's request for an overarching plan and set of principles that can support the development of museum professional training programs and ensure their adherence to the Smithsonian's mission and strategic plan.

Update on the Arts and Industries Building

Ms. Matsui then reported on the status of the Arts and Industries building's renovation and discussions of its possible programmatic uses. She said that the stimulus money received in 2009 provided a modest boost towards efforts to repair the building and create a warm shell for new programming. She also reported that management was working on program concepts for the building's future use.

She informed the Board that the Latino Museum Commission had identified the Arts and Industries building (AIB) as one of the possible sites for its future museum. She also said that \$30 million in Legacy Funding would be available for the building's revitalization if appropriate matching funds were identified.

Ms. Matsui said that it was important at this time to develop some clarity with regard to the future use of AIB. She noted that this would be important to both Congressional stakeholders and to potential donors. She also said that supporters of both the future museum and AIB understood that the development timelines for each might not align and that decision-making processes for each, particularly in light of securing Legacy Funds, must nonetheless advance. She then asked the Secretary for his comments.

The Secretary said that the Institution has been discussing the potential use of the building with various interested parties, including Representative Becerra and other advocates for the future Latino museum. He said that discussions have also been devoted to the use of the building as a gateway or introduction to the full scope of the Smithsonian's activities. He emphasized, however, that making the building operational will be very expensive, regardless of its intended purpose.

Secretary Clough reported that the total cost of revitalizing the building's shell, which will include installing a new roof and meeting new blast-resistant requirements, will total about \$75 million and that the estimated total cost for revitalizing the building's core will be about \$184 million. The Secretary said that \$4.6 million was already being applied towards structural repairs to the building and that \$12.6 million of the fiscal year 2010 budget would be directed towards the project's design, as well as some interior work.

With regard to securing more Federal funds for the building's revitalization, the Secretary noted that additional negotiations with the Office of Management and Budget must occur and will likely parallel funding requests related to the National Museum of African American History and Culture. He also said that accessing the Legacy Funds in the fiscal year 2010 budget will require the identification of the building's future programmatic use which, as just discussed, has not been decided.

The Regents discussed the anticipated site selection process for the future Latino

museum. It was noted that, regardless of the site ultimately selected for that museum, it could not be operational until, at the earliest, the year 2020. Regents who had not been members of the Board during the site-selection process for the National Museum of African American History and Culture inquired about the role of Congress in this type of decision, asking if it should be assumed that Congress would support a request to position the future Latino museum in the Arts and Industries building, even if that decision would leave the building vacant for additional years. The Board agreed that such approval should not be presumed, and noted that the National Museum of African American History and Culture had been conceived during a time when the nation was not facing the economic and security challenges it confronts today.

Ms. Stonesifer reminded the Board that the purpose of this discussion was not to achieve agreement on a proposed use for the Arts and Industries building but rather to highlight the dilemma of two compelling but parallel tracks with regard to the building's use. She said that the Smithsonian would continue discussions with the Latino Commission to better ascertain its intentions and the anticipated timeline of that museum's development. Dr. Clough added that the building's revitalization costs will become increasingly clear as its design work progresses.

REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

Governance and Nominating Committee Chair Shirley Ann Jackson reported that the Committee focused almost entirely on its nominating duties during its December 9, 2009, meeting. She said that she would provide the Committee's recommendations for the Regents' committee assignments and appointments to the Smithsonian's advisory boards after she provided brief updates on other governance topics of interest.

Report of the Government Accountability Office

Dr. Jackson reminded the Board that, as part of the Smithsonian's fiscal year 2010 Federal appropriation, the Government Accountability Office (GAO) had been asked to review the progress of Smithsonian's governance reforms by December 31, 2009. She said that GAO had completed that review and presented its findings as part of testimony before the House Appropriations Subcommittee on December 11, 2009; she added that Secretary Clough and Inspector General Sprightley Ryan also had testified at the hearing.

Dr. Jackson reported that GAO found that significant progress had been made against all 25 Governance Committee recommendations, as well as those offered by GAO in its May 2008 review. She also said that GAO had determined that additional attention from the Regents on two areas would benefit the Smithsonian.

In its first recommendation, GAO concluded that the selection, use, and evaluation of non-Regents on Regent committees should be more transparent. Dr. Jackson said that, in particular, the GAO report referenced discussions from the Committee's July 2009 meeting on the development of a bylaw to codify the position that non-Regent committee members are "full and equal" to their Regent committee colleagues.

Dr. Jackson said that staff was subsequently asked for additional information on any potential ramifications should such a bylaw be enacted, especially with regard to the delegation of the statutory duties of Regents and the application of the Regents' ethical and financial disclosure obligations to non-Regent committee members. She added that, although the Committee would address the bylaw issue at its next meeting, it had assured GAO that the existing charters of all committees of the Board require all committee members, including non-Regent members, to file annual financial disclosures. GAO was also notified that this requirement is applied.

Dr. Jackson next reported on GAO's conclusion that additional efforts may be necessary to strengthen two-way communications between the Board of Regents and the Smithsonian's advisory boards. She said that GAO recognized the many outreach efforts that had been conducted by Board Chair Patricia Stonesifer and former Board Chair Roger Sant. GAO noted, however, that these efforts had not been "formalized" and therefore could not offer assurance that future chairs would continue to maintain and enhance these relationships.

Dr. Jackson said that she and Ms. Stonesifer had advised GAO that during the first quarter of 2010 the Governance and Nominating Committee would work to codify processes for two-way communications between the Regents and advisory board chairs. She said that the Committee intended to review the best practices of different organizations with similar advisory board structures and look for new ways to promote communications and strengthen the Board's partnership with these important stakeholders.

Dr. Jackson also said that GAO had noted that, as part of the Board's governance reform efforts, it had agreed to review the efficacy of its improvements during calendar year 2010. She said that the Committee would begin planning the framework for that review at its next meeting and she anticipated that its findings would be presented to the Regents at their September 2010 meeting.

She then asked if Secretary Clough and Ms. Ryan if they had any comments to add to her update on the GAO report. The Secretary said, and Dr. Jackson and Ms. Stonesifer agreed, that the overall GAO report was positive, as GAO had determined that the Smithsonian had successfully addressed 39 out of the 42 original recommendations by GAO.

Board Committee Assignments

The Governance and Nominating Committee report next addressed the proposed assignments to the Regents committees. Dr. Jackson directed the Regents' attention to the proposed assignments in the Board's meeting materials and noted that changes were not being proposed for either the Facilities Committee or the Audit and Review Committee.

Dr. Jackson noted that Paul Neely would represent the Smithsonian National Board and replace Hacker Caldwell on the Advancement Committee. She said that, with the appointment of Dr. Frost as chair of the Compensation and Human Resources Committee, all Citizen Regents with more than one year on the Board would serve as a chair of one committee.

She noted that a major change was proposed for the Executive Committee, which, by statute, is limited to three members. Dr. Jackson said that former Board Chair

Roger Sant would rotate off of the Executive Committee and that Robert Kogod had agreed to serve if so elected. She said that the membership of the Governance and Nominating Committee would expand from three to five members with the addition of Dr. Córdova and Mr. Sant, and that Dr. Córdova also would join the Strategic Planning and Programs Committee.

Dr. Jackson said that the membership and leadership structure of the Investment Committee would be strengthened with the addition of David Rubenstein and the creation of a vice chair position, which would be filled by Mr. Sant. She added that the new position was established in recognition that, although the Committee is ably chaired by David Silfen, leadership duties should be shared with a Regent with fiduciary-like responsibility for oversight of the Endowment.

The Regents then considered two motions, one to elect Mr. Kogod to the Executive Committee and the other to approve the proposed committee assignments. Mr. Kogod recused himself from the motion regarding his election to the Executive Committee, and the motions were approved en bloc.

See attached Resolutions 2010.01.13–2010.01.14 (Minutes of the Board of Regents, Appendix A).

**Advisory Board
Appointments**

Dr. Jackson next presented a proposed slate of appointments or reappointments to eight advisory boards and to the Smithsonian National Board. She noted that the information about a recent appointment to the Hirshhorn Museum and Sculpture Garden’s Board of Trustees was provided to support the Board of Regents’ understanding of each Smithsonian advisory board but that, pursuant to its founding statute, the Hirshhorn retains the authority to appoint new members. She also directed the Regents’ attention to three proposed appointments to the Council of the National Museum of African American History and Culture and reminded the Board of its previous decision to support an increase in the size of that advisory board; she added that additional nominations to the National Museum of African American History and Culture’s Council would be presented for the Board’s consideration during its next two meetings. The motions were approved en bloc.

See attached Resolutions 2010.01.15–2010.01.23 (Minutes of the Board of Regents, Appendix A).

INSPIRING GENERATIONS THROUGH KNOWLEDGE AND DISCOVERY: NEW RESEARCH

Ms. Stonesifer asked Under Secretary for Science Eva Pell and Under Secretary for History, Art, and Culture Richard Kurin to offer brief comments about one or two new research highlights in their respective divisions.

Dr. Pell spoke of the Smithsonian Astrophysical Observatory astronomers’ recent discovery of a “super-Earth” planet. The planet’s radius is about 2.7 times that of the Earth and its density suggests that it is composed of about three-fourths water and other ices, and one-fourth rock, and that it likely has a gaseous atmosphere. She said that the discovery supports assumptions that other Earth-like planets

exist.

Dr. Pell also reported on the successful artificial insemination of the National Zoo's female panda on January 9, 2010. She noted that it will be three to six months before a pregnancy can be confirmed but that staff are hopeful that a new cub might fill the pending void that will be left with the repatriation of Tai Shan.

Dr. Kurin next spoke of "East Meets West," a recent symposium organized by the Smithsonian American Art Museum with the cooperation of the Freer and Sackler Galleries, the Asian Pacific American Program, and the Archives of American Art. The symposium examined the mutual influences of Asian and American art. The Regents also were shown a Tibetan "thangka" that the Dalai Lama presented to the Smithsonian during his visit in 2000. Dr. Kurin noted that the watercolor on canvas piece depicted Buddha, representing knowledge and wisdom, above images of the Washington Monument, the Smithsonian Institution Castle, and the United States Congress.

REPORT OF THE FACILITIES COMMITTEE

The report of the Facilities Committee was presented by Chair Robert Kogod. Mr. Kogod reported that the Committee met on October 19, 2009, and was joined by its newest member, architect George Hartman, and the new director of the Office of Facilities Engineering and Operations (OFEO), Bruce Kendall.

National Postal Museum

Mr. Kogod said that the Committee received an update on the National Postal Museum's lease, which had previously been reviewed by the Board. He said that the conditions of the agreement had been met and the lease had been signed.

Facilities Capital and Maintenance Update

Mr. Kogod said that the estimate for the Institution's capital improvement and maintenance requirements had been revised from \$2.5 billion to \$2.293 billion. He said that, on an annual basis, the requirement for capital improvements is \$150 million (of which Federal appropriations fund \$100–125 million) and the estimated requirement for maintenance is \$100 million (of which about \$70 million is funded each year by Congress).

The Committee also received a report on the Facilities Capital program for fiscal year 2009. Mr. Kogod said that the report's highlights included the news that, for the 12th straight year, OFEO had exceeded its contract awards goal of \$120 million for the fiscal year. Some of the key projects cited included Udvar-Hazy Center Phase II, the National Zoo's seal and sea lion habitat, Pod 3 at the Museum Support Center, and the Smithsonian Environmental Research Center's Mathias Lab, the Smithsonian's first LEED-certified building. The Committee also reviewed a report on the Smithsonian's larger effort to "go green" and the initiative's alignment with the strategic plan. Mr. Kogod added that the Committee received an update on the Smithsonian's use of the \$25 million in stimulus funding that it had received through the American Recovery and Reinvestment Act.

NMAAHC Update

Mr. Kogod said that National Museum of African American History and Culture Director Lonnie Bunch gave the Committee a report on that museum's progress. He

**Construction
Authorization in
Support of
Conservation Studies
Program**

said that the contract with the building's architectural team was finalized and a strategy for the regulatory approval process was being developed. Mr. Bunch reported that the Museum's strong fund-raising efforts had resulted in \$50 million in private funds to date, including a \$10 million gift from the Bill and Melinda Gates Foundation.

Concluding his report, Mr. Kogod said that the Committee also reviewed a proposal to seek Congressional authorization, if necessary, for the design and construction of new and renovated facilities at the National Zoological Park's facility in Front Royal, Virginia. Mr. Kogod reminded the Board that this initiative was in support of an educational program in conservation studies with George Mason University and the Memo of Understanding for the partnership that the Board had previously approved. He said that the Committee had agreed to forward the motion for the approval of the Board of Regents. The motion was approved.

See attached Resolution 2010.01.24 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE AUDIT AND REVIEW COMMITTEE

The Audit and Review Committee report was presented by Committee Chair John McCarter. Mr. McCarter reported that the Committee met on January 13, 2010, and discussed several topics of particular interest to the Board.

Mr. McCarter said that the majority of the meeting was devoted to discussions with the Institution's external auditors, KPMG, about the status of the fiscal year 2009 financial statement audit and the Federal Closing Package, which was delivered on time in November 2009. With respect to the Federal Closing Package, he said that the Smithsonian was given an unqualified opinion without any management comments or material weaknesses and reported that the Committee was pleased with both the report and the efforts of staff. He noted that the prior year's observation of a significant deficiency had been addressed and noted that KPMG partner John Keenan would rotate off of the audit engagement as planned in April 2010.

The Committee also received an update on the plan to improve internal controls associated with the process of recording charitable contributions. Mr. McCarter noted that this initiative also is being conducted under the review of the Advancement Committee. He said that the Committee discussed plans to implement a complete development system upgrade that will be interfaced with the Institution's financial system. He said that the development system will be installed beginning in fiscal year 2013 and that its implementation would occur over several years.

Mr. McCarter reported that the Smithsonian's insurance program was reviewed by the Committee. He noted that that this review had not been conducted the previous year and that, going forward, a robust insurance update will be provided to the Committee on an annual basis.

Inspector General Sprightley Ryan also provided the Committee with an update on

the activities of her office, including its oversight of the annual financial statement audit process. Mr. McCarter said that he previously had never worked with an inspector general and thanked Ms. Ryan and her office for their efforts to conduct objective and comprehensive internal reviews.

Chief Financial Officer Alice Maroni spoke to the Committee about the Institution's IRS Form 990 tax returns for fiscal year 2009 and her office's efforts to strengthen internal financial controls. Mr. McCarter said that the 990 and 990-T returns required significantly more staff time and that the Committee would work with Ms. Maroni and her office in the coming months to support their efforts. He also reported that the Committee reviewed the status of internal control improvements under way in five financial processes identified as high-risk and discussed ongoing improvements for 18 other processes identified as lower-risk, some of which will require additional attention to stay on track. Mr. McCarter thanked Secretary Clough for his leadership and demonstrated commitment to strengthening the Smithsonian's internal financial controls.

Mr. McCarter concluded his report by stating that the Committee also discussed the application of the Sarbanes-Oxley Act to the Smithsonian and conducted executive sessions with the Secretary, the Inspector General, and KPMG.

REPORT OF THE SMITHSONIAN NATIONAL BOARD

Smithsonian National Board (SNB, or National Board) Chair Paul Neely presented the SNB report. Mr. Neely said that, in anticipation of the launch of the strategic plan, the National Board had initiated changes to its structure and goals. He said that SNB undertook this effort to both strengthen its alignment with the strategic plan and to enhance its ability to support the Secretary.

He said that many SNB committees, such as its Education and Development committees, have historically reflected the goals articulated in the new strategic plan. He noted that the appointment of a new director of education would enhance the efforts of the SNB Education Committee. The direction of other SNB committees, he said, will be further refined to support the goals of the strategic plan and, as an example, cited the pending renaming of the Smithsonian Across America Committee to align with the strategic plan goal of broadening access. He also noted that the National Board, which was formed as a development body, will be a strategic partner in the forthcoming National Campaign.

Mr. Neely then commented on the membership of the National Board. He cited the quality and expertise found in its 41 members, many of whom have significant ties to other institutions and governing boards. As advocates and ambassadors for the Smithsonian, he said that SNB members continue to provide advice and support to the Secretary, who has supported the National Board's efforts to engage in focused, substantive discussions during their meetings. SNB members also have facilitated the Secretary's visits around the country and strengthened stakeholder relations.

The meetings of the National Board, said Mr. Neely, take place three times a year, each over the course of three days, and allow members to become informed and

familiar with the Smithsonian and its programs. He noted that the last SNB meeting had been held the previous weekend and that the members had been presented with four different programs that addressed the four grand challenges of the strategic plan. He said that SNB members are inspired and engaged by such events, and return to their home communities energized and eager to advance public and private support for the Institution.

Mr. Neely noted the financial support that the National Board provides to the Smithsonian. Each year the National Board raises approximately \$1 million in unrestricted funds for the Institution. Significant individual gifts and other contributions are also provided by SNB members. He noted that SNB's membership now includes senior executives from many corporations, such as Target, IBM, Cisco, and 3-M, which have led to strategic partnerships that have benefited the Institution. SNB members also have provided advice and financial support for the Smithsonian's Leadership Development Program.

In closing, Mr. Neely stated his support for efforts to increase the Board of Regents' engagement with the Smithsonian's advisory boards, and the actions of the Governance and Nominating Committee to codify such relationships. He cited the association between the Board of Regents and the National Board as an example of a beneficial relationship that offers enormous support for the Institution. He said that Roger Sant's visits with SNB members during his tenure as Board Chair provided enormous reassurance to National Board members when the Smithsonian was undergoing a difficult transformation of its governance. He noted that Board Chair Patricia Stonesifer met with SNB members the previous Saturday and offered an intellectually challenging overview of the future issues and challenges the Smithsonian will face. Mr. Neely said that it was impossible to overestimate the value of these meetings and thanked Mr. Sant and Ms. Stonesifer for their efforts.

REPORT ON GOVERNMENT RELATIONS: LEGISLATIVE ACTIVITIES AND ISSUES

An update on Smithsonian-related legislative activities was provided by Director of Government Relations Nell Payne. Ms. Payne said that the Smithsonian's vehicle maintenance branch construction authorization bill was passed by the House in early December 2009. She reported that objections had been raised in the Senate regarding the authorization of additional Federal funding, despite the fact that Federal funds for the project have already been appropriated. Moreover, an amendment had been proposed to the Senate bill that would require the application of the Freedom of Information Act, the Federal Advisory Committee Act, the Privacy Act, and the Sunshine Act to the Smithsonian. Ms. Payne explained that the author of the amendment believes that the Smithsonian has made significant progress with regard to the transparency of its governance but that laws, not policies, should be used to monitor its activities.

CLOSING REMARKS

Prior to the meeting's conclusion, Ms. Stonesifer commented on one of the actions approved earlier in the meeting: the appointment of Mr. Kogod to the Executive Committee in response to the rotation of Mr. Sant off of that Committee. She noted that this was the one-year anniversary of her election as Board Chair and expressed her deep appreciation to Mr. Sant for the continuity, counsel, and mentorship he had provided as the prior Board Chair and member of the Executive Committee. The Chancellor added that it had been a privilege to work with Mr. Sant and that it was his wish to publicly recognize Mr. Sant for his extraordinary service to the Institution. The full Board responded with enthusiastic applause. Mr. Sant thanked the Chancellor and the other members of the Board, as well as expressed his best wishes to his successor, Mr. Kogod.

ADJOURNMENT

The meeting was adjourned at 3:45 p.m.

Respectfully Submitted,

G. Wayne Clough
Secretary

APPENDIX A

APPROVED RESOLUTIONS

JANUARY 25, 2010, MEETING OF THE BOARD OF REGENTS

VOTED that the Board of Regents approves the minutes of the September 21, 2009, meeting of the Board of Regents. [2010.10.01]

VOTED that the Board of Regents affirms the Smithsonian Institution Fiscal Year 2010 Annual Goals. [2010.10.02]

VOTED that the Board of Regents authorizes the Secretary to submit to Congress a Federal budget request for appropriated funds for fiscal year 2011 as part of the President's budget in the amount negotiated with OMB and authorizes the Secretary to inform OMB and Congress fully about the implications of the President's budget for the mission and priorities of the Smithsonian. [2010.10.03]

VOTED that the Board approves the Secretary's compensation recommendations for those positions in Tab B. [2010.10.04]

VOTED that the Board provide the Secretary with a 3 percent salary increase, a \$10,000 award, and a 40 hour time off award. [2010.10.05]

VOTED that the Board of Regents creates and names the Jeffrey P. Cunard Endowment, an endowment to support the needs of the Freer Gallery of Art and Arthur M. Sackler Gallery as determined by the director of the Galleries. The director will have the discretion to return any unspent income to the endowment for reinvestment. [2010.10.06]

VOTED that the Board of Regents creates and names The May Liang and James Lintott Foundation Endowment. The endowment will support the annual needs of the Freer Gallery of Art and Arthur M. Sackler Gallery until such time as the Galleries' director, in agreement with the donors, shall determine the endowment's designation, which shall take place before or by the conclusion of the Galleries' current endowment campaign. [2010.10.07]

VOTED that the Board of Regents approves the creation of an endowment for the Smithsonian American Art Museum to be established after the donor's death with a payment from a universal life insurance policy. The endowment will support the Museum's exhibitions program; it may not be used for salaries or for other operating or capital expenses. Its payout is to be used at the discretion of the Museum's director and may be returned to the endowment's principal. Further, the Regents approve naming the endowment, when it is established, the Charles Robertson Exhibitions Endowment. [2010.10.08]

VOTED that the Board of Regents creates and names the Catherine and Ralph Benkaim Endowment to support Indian art and associated programs at the Freer Gallery of Art and Arthur M. Sackler Gallery. At the discretion of the director of the Galleries, the endowment may also be used to support Islamic art and associated programs. [2010.10.09]

VOTED that the Board of Regents creates a quasi-endowment for the National Portrait Gallery for the general purposes of the Gallery. Further, the Board authorizes the transfer of funds identified for this purpose to the endowment, which shall be known for administrative purposes as the National Portrait Gallery Endowment. [2010.10.10]

VOTED that the Board of Regents creates a quasi-endowment for the National Zoological Park to support the proper preservation, care, treatment, and study of wildlife. For administrative purposes the quasi-endowment will be known as the Animal and Plant Care, Conservation, and Study Fund. Further, the Board authorizes the transfer of funds identified for this purpose. [2010.10.11]

VOTED that the Board of Regents permits \$3.25 million in unrestricted realized bequests to the Smithsonian be directed to meet a challenge grant by the Andrew W. Mellon Foundation and, using these bequests and the Foundation's \$1.75 million challenge grant, create an endowment to support the director's position for the Museum Conservation Institute. [2010.10.12]

VOTED that the Board of Regents elects Robert P. Kogod as a member of the Executive Committee effective January 25, 2010. [2010.10.13]

VOTED that the Board of Regents approves the proposed committee chairmanships and member assignments for 2010 and requests that the Chancellor make the necessary appointments. [2010.10.14]

VOTED that the Board of Regents appoints Laura Bush, Ruth Simmons, and Gregg Steinhafel to the Council of the National Museum of African American History and Culture for three-year terms effective immediately. [2010.10.15]

VOTED that the Board of Regents appoints Jack Martin to the Board of the National Museum of American History for a three-year term effective February 1, 2010. [2010.10.16]

VOTED that the Board of Regents reappoints Gabriela Febres-Cordero, William Frist, David Koch, Jane Lubchenco, and David Rubenstein to the Board of the National Museum of Natural History for three-year terms effective immediately; William Luers and Roger Sant to the Board for three-year terms effective May 1, 2010; and John Fahey to the Board for a three-year term effective June 1, 2010. [2010.10.17]

VOTED that the Board of Regents appoints Patricia M. Zell and reappoints Frederick Hoxie, Byron I. Mallott, Jacqueline Old Coyote, Tina Marie Osceola, Freda Porter, and Randall Willis to the Board of Trustees of the National Museum of the American Indian for three-year terms effective immediately. [2010.10.18]

VOTED that the Board of Regents appoints Mary Ann Bowman, Elizabeth Hisey, and May Day Taylor to the Council of Philatelists of the National Postal Museum for three-year terms effective immediately. [2010.10.19]

VOTED that the Board of Regents reappoints James Dyer, Steven A. Elmendorf, John Marriott, Susan Mars, Thomas Nides, Joseph Robert Jr., Ronald Rosenfeld, and J. Scott Wilfong to the Advisory Board of the National Zoological Park for three-year terms effective immediately. [2010.10.20]

VOTED that the Board of Regents appoints Aida M. Alvarez to the Commission of the Smithsonian American Art Museum for a four-year term effective January 31, 2010. [2010.10.21]

VOTED that the Board of Regents appoints Johnny A. Yataco to the Smithsonian National Board for Latino Initiatives of the Smithsonian Latino Center for a three-year term effective immediately. [2010.10.22]

VOTED that the Board of Regents that the Board of Regents reappoints Judy Hart Angelo, Jane Lipton Cafritz, John French III, Russell E. Palmer Jr., William M. Ragland Jr., Ronald A. Rosenfeld, Douglas C. Walker, and Mallory Walker to the Smithsonian National Board for three-year terms effective immediately. [2010.10.23]

VOTED that the Board of Regents seeks authorization, as necessary, for the design and construction of new and renovated facilities at the National Zoological Park's facility in Front Royal, Virginia. [2010.10.24]

APPENDIX B
AGENDA PAPERS

JANUARY 25, 2010, MEETING OF THE BOARD OF REGENTS

SMITHSONIAN INSTITUTION

Board of Regents

Meeting of the Board of Regents
Monday, January 25, 2010, 8:30 a.m.
Regents' Room

AGENDA **MORNING SESSION**

CALL TO ORDER – THE CHAIR

1. Report of the Board and Executive Committee Chair
 - A. Board Survey Results
 - B. Minutes of the September 21, 2009, Meeting

Proposed Motion: VOTED that the Board of Regents approves the minutes of the September 21, 2009, meeting of the Board of Regents.
 - C. Draft Minutes of the January 6, 2010, Committee Meeting
2. Report of the Secretary
 - A. Smithsonian Institution Fiscal Year 2010 Annual Goals

Proposed Motion: VOTED that the Board of Regents affirms the Smithsonian Institution Fiscal Year 2010 Annual Goals.
 - B. Annual Report to the Board of Regents: Fiscal Year 2009
3. Strategic Focus on Smithsonian Science: Biodiversity
4. Report of the Finance Committee
 - A. Fiscal Year 2009 Year-End Report
 - B. Fiscal Year 2011 Federal Budget

Proposed Motion: VOTED that the Board of Regents authorizes the Secretary to submit to Congress a Federal budget request for appropriated funds for fiscal year 2011 as part of the President's budget in the amount negotiated with OMB and authorizes the Secretary to inform OMB and Congress fully about the implications of the President's budget for the mission and priorities of the Smithsonian.
 - C. Minutes of the August 24, 2009, Committee Meeting
5. Report of the Investment Committee
 - A. Endowment Update and Year-End Report
 - B. Minutes of the June 9, 2009, Committee Meeting
6. Report of the Audit and Review Committee
Minutes of the September 8, 2009, Committee Meeting

Adjournment for Lunch

SMITHSONIAN INSTITUTION

Board of Regents

Meeting of the Board of Regents
Monday, January 25, 2010, 1:30 p.m.
Regents' Room

AGENDA

AFTERNOON SESSION

CALL TO ORDER – THE CHANCELLOR

7. Executive Session: Report of the Compensation and Human Resources Committee

Minutes of the September 14, 2009, Committee Meeting

8. Report of the Advancement Committee

- A. Endowment, Quasi-Endowment, and Bequest Actions

Proposed Motions: **VOTED** that the Board of Regents creates and names the Jeffrey P. Cunard Endowment, an endowment to support the needs of the Freer Gallery of Art and Arthur M. Sackler Gallery as determined by the director of the Galleries. The director will have the discretion to return any unspent income to the endowment for reinvestment.

VOTED that the Board of Regents creates and names The May Liang and James Lintott Foundation Endowment. The endowment will support the annual needs of the Freer Gallery of Art and Arthur M. Sackler Gallery until such time as the Galleries' director, in agreement with the donors, shall determine the endowment's designation, which shall take place before or by the conclusion of the Galleries' current endowment campaign.

VOTED that the Board of Regents approves the creation of an endowment for the Smithsonian American Art Museum to be established after the donor's death with a payment from a universal life insurance policy. The endowment will support the Museum's exhibitions program; it may not be used for salaries or for other operating or capital expenses. Its payout is to be used at the discretion of the Museum's director and may be returned to the endowment's principal. Further, the Regents approve naming the endowment, when it is established, the Charles Robertson Exhibitions Endowment.

VOTED that the Board of Regents creates and names the Catherine and Ralph Benkaim Endowment to support Indian art and associated programs at the Freer Gallery of Art and Arthur M. Sackler Gallery. At the discretion of the director of the Galleries, the endowment may also be used to support Islamic art and associated programs.

VOTED that the Board of Regents creates a quasi-endowment for the National Portrait Gallery for the general purposes of the Gallery. Further, the Board authorizes the transfer of funds identified for this purpose to the endowment, which shall be known for administrative purposes as the National Portrait Gallery Endowment.

VOTED that the Board of Regents creates a quasi-endowment for the National Zoological Park to support the proper preservation, care, treatment, and study of wildlife. For administrative purposes the quasi-endowment will be known as the Animal and Plant Care, Conservation, and Study Fund. Further, the Board authorizes the transfer of funds identified for this purpose.

VOTED that the Board of Regents permits \$3.25 million in unrestricted realized bequests to the Smithsonian be directed to meet a challenge grant by the Andrew W. Mellon Foundation and, using these bequests and the Foundation's \$1.75 million challenge grant, create an endowment to support the director's position for the Museum Conservation Institute.

B. Minutes of the September 10 and November 3, 2009, Committee Meetings

9. Report of the Strategic Planning and Programs Committee

- A. International Museum Professional Education Program
- B. Arts and Industries Building Update
- C. Draft Minutes of the September 14, 2009, Committee Meeting

10. Inspiring Generations Through Knowledge and Discovery: New Research

- A. Highlights of New Science Discoveries, Research Programs, and Initiatives
- B. Research in History, Art, and Culture: East Meets West

11. Report of the Governance and Nominating Committee

A. Committee Assignments

Proposed Motions: **VOTED** that the Board of Regents elects Robert P. Kogod as a member of the Executive Committee effective January 25, 2010.

VOTED that the Board of Regents approves the proposed committee chairmanships and member assignments for 2010 and requests that the Chancellor make the necessary appointments.

B. Advisory Board Appointments

Proposed Motions: **VOTED** that the Board of Regents appoints Laura Bush, Ruth Simmons, and Gregg Steinhafel to the Council of the National Museum of African American History and Culture for three-year terms effective immediately.

VOTED that the Board of Regents appoints Jack Martin to the Board of the National Museum of American History for a three-year term effective February 1, 2010.

VOTED that the Board of Regents reappoints Gabriela Febres-Cordero, William Frist, David Koch, Jane Lubchenco, and David Rubenstein to the Board of the National Museum of Natural History for three-year terms effective immediately; William Luers and Roger Sant to the Board for three-year terms effective May 1, 2010; and John Fahey to the Board for a three-year term effective June 1, 2010.

VOTED that the Board of Regents appoints Patricia M. Zell and reappoints Frederick Hoxie, Byron I. Mallott, Jacqueline Old Coyote, Tina Marie Osceola, Freda Porter, and Randall Willis to the Board of Trustees of the National Museum of the American Indian for three-year terms effective immediately.

VOTED that the Board of Regents appoints Mary Ann Bowman, Elizabeth Hisey, and May Day Taylor to the Council of Philatelists of the National Postal Museum for three-year terms effective immediately.

VOTED that the Board of Regents reappoints James Dyer, Steven A. Elmendorf, John Marriott, Susan Mars, Thomas Nides, Joseph Robert Jr., Ronald Rosenfeld, and J. Scott Wilfong to the Advisory Board of the National Zoological Park for three-year terms effective immediately.

VOTED that the Board of Regents appoints Aida M. Alvarez to the Commission of the Smithsonian American Art Museum for a four-year term effective January 31, 2010.

VOTED that the Board of Regents appoints Johnny A. Yataco to the Smithsonian National Board for Latino Initiatives of the Smithsonian Latino Center for a three-year term effective immediately.

C. Reappointments to the Smithsonian National Board

Proposed Motion: **VOTED** that the Board of Regents reappoints Judy Hart Angelo, Jane Lipton Cafritz, John French III, Russell E. Palmer Jr., William M. Ragland Jr., Ronald A. Rosenfeld, Douglas C. Walker, and Mallory Walker to the Smithsonian National Board for three-year terms effective immediately.

D. Minutes of the July 27, 2009, Committee Meeting and Draft Minutes of the December 8, 2009, Meeting

12. Report of the Facilities Committee

- A. Construction Authorization for the National Zoological Park's facility in Front Royal, Virginia

Proposed Motion: **VOTED** that the Board of Regents seeks authorization, as necessary, for the design and construction of new and renovated facilities at the National Zoological Park's facility in Front Royal, Virginia.

- B. Draft Minutes of the October 19, 2009, Committee Meeting

13. Report of the Smithsonian National Board

14. Report on Government Relations: Legislative Activities and Issues

Adjournment

REPORT OF THE BOARD AND EXECUTIVE COMMITTEE CHAIR

Board and Executive Committee Chair Patricia Q. Stonesifer will provide an oral update on issues of particular interest to the Board at its January 25, 2010, meeting.

A. Board Survey Results

B. Minutes of the September 21, 2009, Board of Regents' Meeting

Proposed Motion: **VOTED** that the Board of Regents approves the minutes of the September 21, 2009, meeting of the Board of Regents.

C. Draft Minutes of the January 6, 2010, Executive Committee Meeting

Results of the 2009 Regent Self-Assessment

Board Governance and Structure

Board Roles and Responsibilities

FINDING: Regents understand their roles and responsibilities as Board members --

- *The roles of the Board are clearly defined and is distinct from those of staff (100% agreement)*
- *The Board takes primary responsibility for setting Smithsonian policies (87% agreement)*
- *The Smithsonian's mission and purpose is understood and accepted by the Board (93% agreement)*
- *The Board delegates sufficient authority to the Secretary to lead the staff (100% agreement)*

Governance Practices

FINDING: Regents are generally comfortable with the Board's structure, transparency of operations, and practices –

- *Our Board's structure allows us to work effectively and in a timely way (86% agreement)*
- *The work of the Board is transparent (93% agreement)*
- *The Board's actions reflect independence from management, ethical behavior, and the best interests of Smithsonian stakeholders (93% agreement)*

Board Committees

FINDING: Regents generally agree that committees well support Board deliberations and actions --

- *Committee reports to the full Board provide appropriate and necessary information and promote deliberations (100% agreement)*
- *The Committees contain or have access to all needed skills and expertise (92% agreement)*
- *The work of the committees significantly improves Board performance (100% agreement)*

Board Engagement

Programmatic Planning

FINDING: Regents generally are confident that they have adequate knowledge about Smithsonian programmatic activities:

- *Regents are adequately knowledgeable about the Smithsonian's programs and services (87% agreement)*
- *The Board was appropriately involved in the development of the Smithsonian's strategic plan (80% agreement)*

Financial Management Practices

FINDING: Regents are generally satisfied with the Board's fiscal management practices; although some believe that the presentation of financial information to the Board could be improved:

- *Financial performance is monitored closely every quarter (80 % agreement)*
- *Necessary Board actions around financial issues are taken thoughtfully but quickly (87% agreement)*
- *The financial information is helpful (80% agreement)*
- *Board leadership takes step to ensure that fiscal reports are thoroughly understood by the Regents (80% agreement)*
- *I understand the Regents' role in the approval of the Smithsonian Federal and trust budgets (87% agreement)*
- *I receive sufficient information to make knowledgeable decisions about the Smithsonian's Federal and trust budgets (93% agreement)*

Fundraising Practices

FINDING: Regents are more knowledgeable about Smithsonian fundraising practices than in 2008, but still less so than in other major policy areas:

- *Smithsonian fundraising needs and strategies are understood by the Board (60% agreement)*
- *Regents play an appropriate role in Smithsonian fundraising efforts (54% agreement)*

Board Meeting Administration

General

FINDING: Regents generally agree that Board meetings are effectively conducted, properly supported by committee reports and staff, and focus on appropriate topics:

- *Our Board's meeting schedule has the right number and length of meetings. (100% agreement)*
- *The Board has access to all needed skills and expertise to carry out their work at meetings (87% agreement)*
- *Board meeting agenda and materials are distributed well in advance of meetings (100% agreement)*
- *Materials are well organized and helpful (100% agreement)*
- *Board meetings are well run and make good use of Regents time (94% agreement)*
- *Regents participate substantively at meetings (93% agreement)*
- *Staff provide the right amount and type of support to help Regents carry-out their duties (87% agreement)*
- *Work currently handled by the Board could be delegated to staff (14% agreement – down from 30% in 2008)*

Board-Secretary Relationships

Secretary Performance Assessment

FINDING: Regents are more satisfied with the Secretary's formal evaluation process and informal opportunities to provide feedback:

- *The Secretary's performance is formally assessed based on objectives established at the beginning of the year (86% agreement)*
- *The Secretary receives ongoing feedback regarding performance in addition to any formal assessments (83% agreement)*

Regent Preparation and Participation

General

FINDING: Regents are generally satisfied with their individual preparation, meeting participation, and overall engagement:

- *Respondent regularly reads the majority of meeting materials (93% agreement)*
- *Respondent participates substantively in Board and committee meetings (93% agreement)*
- *Respondent regularly reads the minutes of meetings to determine whether they are accurate (79% agreement)*
- *Respondent feels comfortable sharing governance concerns with fellow Regents or Board leadership (94% agreement)*
- *All Regents rate their performance as average or better (15% excellent; 55% very good; 30% average)*

Smithsonian Institution
2009 Regents' Self-Assessment

| BOARD – STAFF ROLES | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Don't Know | N/A | No Resp. | Total Responses | 2008 Total | 2009 Total |
|--|----------------|-----------|----------|----------|-------------------|------------|----------|----------|-----------------|---------------------------------|------------|
| Responses to this Section | 32 | 25 | 3 | 0 | 0 | 0 | 0 | 0 | 60 | Strongly Agree and Agree | |
| | 53% | 42% | 5% | | | | | | | | |
| The roles and responsibilities of our Board are clearly defined and distinct from those of the staff. | 9 | 6 | | | | | | | 15 | 90% | 100% |
| | 60% | 40% | | | | | | | | | |
| The Board takes primary responsibility for setting the Smithsonian's policies. | 7 | 6 | 2 | | | | | | 15 | 50% | 87% |
| | 47% | 40% | 13% | | | | | | | | |
| The Smithsonian's mission and purpose are clearly understood and accepted by our Board. | 8 | 6 | 1 | | | | | | 15 | 70% | 93% |
| | 53% | 40% | 7% | | | | | | | | |
| The Board delegates to the Secretary sufficient authority to lead the staff and achieve the Smithsonian's mission. | 8 | 7 | | | | | | | 15 | 70% | 100% |
| | 53% | 47% | | | | | | | | | |

| PLANNING PRACTICES | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Don't Know | N/A | NR | Total Responses | 2008 Total | 2009 Total |
|---|----------------|-----------|----------|----------|-------------------|------------|----------|----------|-----------------|---------------------------------|------------|
| Responses to this Section | 4 | 21 | 4 | 1 | 0 | 0 | 0 | 0 | 30 | Strongly Agree and Agree | |
| | 13% | 70% | 13% | 3% | | | | | | | |
| Regents are adequately knowledgeable about the Smithsonian's programs and services. | | 13 | 1 | 1 | | | | | 15 | 60% | 87% |
| | | 87% | 7% | 7% | | | | | | | |
| The Board has been appropriately involved in the current development of the Institution's strategic plan. | 4 | 8 | 3 | | | | | | 15 | n/a | 80% |
| | 27% | 53% | 20% | | | | | | | | |

| FISCAL MANAGEMENT PRACTICES | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Don't Know | N/A | NR | Total Responses | 2008 Total | 2009 Total |
|---|----------------|-----------|----------|----------|-------------------|------------|----------|----------|-----------------|---------------------------------|------------|
| Responses to this Section | 22 | 53 | 8 | 6 | 0 | 0 | 0 | 1 | 90 | Strongly Agree and Agree | |
| | 24% | 59% | 9% | 1% | | | | 1% | | | |
| Financial performance is monitored closely every quarter. | 5 | 7 | 1 | 2 | | | | | 15 | 70% | 80% |
| | 33% | 47% | 7% | 13% | | | | | | | |
| Necessary Board actions, around financial issues, are taken thoughtfully but quickly. | 5 | 8 | 2 | | | | | | 15 | 90% | 87% |
| | 33% | 53% | 13% | | | | | | | | |
| The financial information provided is helpful. | 4 | 8 | 2 | 1 | | | | | 15 | 100% | 80% |
| | 27% | 53% | 13% | 7% | | | | | | | |
| Board leadership takes steps to ensure that fiscal reports are thoroughly understood by Regents. | 2 | 10 | 2 | 1 | | | | | 15 | 70% | 80% |
| | 13% | 67% | 13% | 7% | | | | | | | |
| I understand the Regents' role in the approval of the Smithsonian's federal and trust budgets. | 3 | 10 | 1 | 1 | | | | | 15 | n/a | 87% |
| | 20% | 67% | 7% | 7% | | | | | | | |
| I receive sufficient information to make knowledgeable decisions about the Smithsonian's federal and trust budgets. | 3 | 10 | | 1 | | | | 1 | 15 | n/a | 93% |
| | 20% | 67% | | 7% | | | | 7% | | | |

Smithsonian Institution
2009 Regents' Self-Assessment

| BOARD MEETINGS | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Don't Know | N/A | NR | Total Responses | 2008 Total | 2009 Total |
|---|----------------|------------|-----------|----------|-------------------|------------|----------|----------|-----------------|---------------------------------|------------|
| Responses to this Section | 31 | 100 | 23 | 6 | 0 | 1 | 0 | 3 | 164 | Strongly Agree and Agree | |
| | 19% | 61% | 14% | 4% | | 1% | | 2% | | | |
| Our Board's meeting schedule has the right number and length of meetings. | 2 | 13 | | | | | | | 15 | 90% | 100% |
| | 13% | 87% | | | | | | | | | |
| The Board has access to all needed skills and expertise to carry out their work during Board meetings. | | 13 | 2 | | | | | | 15 | 90% | 87% |
| | | 87% | 13% | | | | | | | | |
| Board meeting agendas and supporting written materials are distributed well in advance of our meetings. | 2 | 13 | | | | | | | 15 | 90% | 100% |
| | 13% | 87% | | | | | | | | | |
| Board meeting materials are well organized and helpful. | 5 | 10 | | | | | | | 15 | 90% | 100% |
| | 33% | 67% | | | | | | | | | |
| Board meetings are well run and make good use of Regents' time. | 7 | 7 | 1 | | | | | | 15 | 90% | 94% |
| | 47% | 47% | 7% | | | | | | | | |
| Regents participate substantively at meetings. (e.g., pose probing questions, challenge assumptions, ask for additional information when needed) | 5 | 9 | 1 | | | | | | 15 | 100% | 93% |
| | 33% | 60% | 7% | | | | | | | | |
| Committee reports provide the Board with the information needed to make decisions. | 1 | 13 | 1 | | | | | | 15 | 100% | 94% |
| | 7% | 87% | 7% | | | | | | | | |
| I receive the right amount and the right type of support from Smithsonian staff to properly carry-out my role as a Regent. | 6 | 7 | 2 | | | | | | 15 | n/a | 87% |
| | 40% | 47% | 13% | | | | | | | | |
| Smithsonian management and staff provide needed information between meetings. | 3 | 9 | 1 | 1 | | | | 1 | 15 | 80% | 86% |
| | 20% | 60% | 7% | 7% | | | | 7% | | | |
| The Regents website is helpful in carrying-out my duties as a Regent.* | | 4 | 8 | | | 1 | | 1 | 14 | 20% | 33% |
| | | 29% | 57% | | | 7% | | 7% | | | |
| There is work currently handled by the Board, either as a whole or at the committee level that could be delegated to internal staff. | | 2 | 7 | 5 | | | | 1 | 15 | 30% | 14% |
| | | 13% | 47% | 33% | | | | 7% | | | |
| * - One Regent responded both "Agree" and "Neutral" to this question and left the prior question blank, presumably intending one of these responses to be for the prior question. | | | | | | | | | | | |

| BOARD COMMITTEES | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Don't Know | N/A | NR | Total Responses | 2008 Total | 2009 Total |
|--|----------------|-----------|----------|----------|-------------------|------------|----------|----------|-----------------|---------------------------------|------------|
| Responses to this Section | 12 | 42 | 1 | 0 | 0 | 4 | 0 | 1 | 60 | Strongly Agree and Agree | |
| | 20% | 70% | 2% | | | 7% | | 2% | | | |
| Committee reports to the full Board provide appropriate and necessary information and promote deliberations on appropriate issues by the Board | 3 | 11 | | | | 1 | | | 15 | 100% | 100% |
| | 20% | 73% | | | | 7% | | | | | |
| The committees contain or have access to all needed skills and expertise. | 2 | 10 | 1 | | | 1 | | 1 | 15 | 90% | 92% |
| | 13% | 67% | 7% | | | 7% | | 7% | | | |
| The work of the committees significantly improves the Board's performance. | 6 | 8 | | | | 1 | | | 15 | 100% | 100% |
| | 40% | 53% | | | | 7% | | | | | |
| The amount of time I spend on Board and committee work is reasonable. | 1 | 13 | | | | 1 | | | 15 | 80% | 100% |
| | 7% | 87% | | | | 7% | | | | | |

Smithsonian Institution
2009 Regents' Self-Assessment

| BOARD-EXECUTIVE RELATIONSHIP | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Don't Know | N/A | NR | Total Responses | 2008 Total | 2009 Total |
|--|----------------|-----------|----------|----------|-------------------|------------|----------|----------|-----------------|---------------------------------|------------|
| Responses to this Section | 6 | 16 | 4 | 0 | 0 | 4 | 0 | 0 | 30 | Strongly Agree and Agree | |
| | 20% | 53% | 13% | | | 13% | | | | | |
| The Secretary's performance is formally assessed, at least annually, based on objectives established at the beginning of the year. | 4 | 8 | 2 | | | 1 | | | 15 | 40% | 86% |
| | 27% | 53% | 13% | | | 7% | | | | | |
| The Secretary receives ongoing feedback regarding job performance in addition to any formal assessments. | 2 | 8 | 2 | | | 3 | | | 15 | 56% | 83% |
| | 13% | 53% | 13% | | | 20% | | | | | |

| PREPARATION AND PARTICIPATION | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Don't Know | N/A | NR | Total Responses | 2008 Total | 2009 Total |
|---|----------------|-----------|----------|----------|-------------------|------------|----------|----------|-----------------|---------------------------------|------------|
| Responses to this Section | 24 | 29 | 6 | 0 | 0 | 0 | 1 | 0 | 60 | Strongly Agree and Agree | |
| | 40% | 48% | 10% | | | | 2% | | | | |
| I regularly read a majority of the material sent prior to Board and committee meetings and address any issues in advance of the meetings. | 6 | 8 | 1 | | | | | | 15 | n/a | 93% |
| | 40% | 53% | 7% | | | | | | | | |
| I participate substantively in Board and committee meetings. (e.g., ask probing questions, challenge assumptions, request additional information when needed, suggest alternatives, | 5 | 9 | 1 | | | | | | 15 | 90% | 93% |
| | 33% | 60% | 7% | | | | | | | | |
| I regularly read the minutes of meetings to determine whether they accurately represented the proceedings, including decisions and action items. | 3 | 8 | 3 | | | | 1 | | 15 | 90% | 79% |
| | 20% | 53% | 20% | | | | 7% | | | | |
| I feel comfortable sharing my governance concerns with my fellow Regents or our Board leadership. | 10 | 4 | 1 | | | | | | 15 | 100% | 94% |
| | 67% | 27% | 7% | | | | | | | | |

| | Excellent | Very Good | Average | Below Average | Poor | NR | | | Total Responses | 2008 Total | 2009 Total |
|---|-----------|-----------|----------|---------------|------|----------|--|--|-----------------|------------|------------|
| I rate my attendance at full Board and committee meetings as: | 3 | 8 | 2 | | | 2 | | | 15 | n/a | 85% |
| | 20% | 53% | 13% | | | 13% | | | | | |
| I rate my overall performance as a Board member as: | 2 | 7 | 4 | | | 2 | | | 15 | 90% | 69% |
| | 13% | 47% | 27% | | | 13% | | | | | |

12% or more positive from FY 08 to FY 09
12% or more negative from FY 08 to FY 09

Regent Comments

Are Regents' skills, expertise, and interests utilized effectively? If not, how can they be better utilized?

- Yes, for the most part. The recent reassignment of Regents to committees will improve their effectiveness.
- Nice matching here, with due care. Never perfect, of course.
- Yes (5 responses).
- In general, yes, very effectively. A deep, searching "entry interview" might be considered, to unearth unusual expertise of Regents as they come aboard.
- Good utilization of skills.
- Yes – thought is given to Regents' assignments to committees. Selection of new Regents takes into account the need for a Board that possesses a diversity of experience, talent and background.
- There is always room to engage citizen Regents more in developing leadership and best practices. I appreciate the support of the elected Regents and the Chief Justice.

What additional support or information do you need from the Office of the Regents or other Smithsonian staff? (e.g., quick dissemination of information, gateway to other Smithsonian leaders, administrative support)

- Quick dissemination of information; gateway to other Smithsonian leaders.
- Committees need to be supported by exceptional staff work that anticipates as well as serves. Sometimes uneven on this measure.
- None – though increased strengthening of Regent website has been welcome.
- For some reason, I don't get many communications between meetings.
- No additional support or information is needed.
- They are wonderful – no additional needs.

Regent Comments

How could meetings be more productive and efficient?

- There has been a vast improvement.
- More about decisions – less about briefings.
- Meetings are well-run.
- More discussion time; shorter presentations.
- The Secretary needs to get meetings back on track if we've veered away from the set agenda for too long – needs to “[grab] the reins!”
- No improvements needed here.
- The meetings are appropriately productively and efficient.

The most important contribution the Board has made to the Smithsonian in the past 12 months has been:

- Improvement in governance practices.
- Consolidating its plan and programs, and the new Secretary's position. Developing and contributing to strategic plan for the next decade, and integrating the plan with major long-term fundraising efforts.
- Strategic plan - bringing focus, clarity and specificity about results.
- Improving transparency and governance.
- Strategic plan monitoring and reflection was strong; input to plan was not as strong across all Regents.
- Completion of governance reforms.
- Governance reform; effective committee work.
- Selection of new secretary; reorganizing governance policies.
- Strategic plan input.
- Hired a great Secretary; implemented new governance changes.
- Restoring confidence in the Institution and its mission within and outside of the walls of the Smithsonian.
- Carefully reviewing the work of the officers and staff of the Smithsonian and providing candid and thoughtful observations, and suggestions that maintain the highest possible standards of performance of the Institution.
- Support of the new Secretary in his first year.

Regent Comments

My biggest concern with the Board is:

- Sustainability of reforms as new Regents come on board.
- The Board is small – the size is legally circumscribed but the Board is still small given its responsibilities.
- Scheduling done without adequate consideration of Regents' other commitments, e.g. conflict with other board meetings.
- Small-ish board, heavy load! How to find more quality "shoulders" without rewriting the charter.
- Relationship with constituent unit boards, which GNC will address in 2010.
- The VP's lack of participation. We should either get him to show up, or make him non-voting. Five of six congressional Regents have poor attendance at committee meetings.
- Not critical enough of management.
- No concerns.
- We do not get adequate heads up about problems at the Smithsonian.
- Generating ongoing enormous commitment to funding the strategic plan, a major undertaking – and making good on the commitment, as we build the African American Museum, and possibly a Latino museum.
- I am concerned that we are able to continue to attract the best qualified and dependable senior staff to manage the operations and activities of the Smithsonian.

MINUTES OF THE BOARD OF REGENTS

September 21, 2009

ATTENDANCE

This scheduled meeting of the Board of Regents was held on Monday, September 21, 2009, at the National Museum of the American Indian. The meeting included a morning session and executive session in conference rooms 4018-19 and an afternoon session devoted to the Board's second annual public meeting in the Museum's Rasmuson Theater. Board Chair Patricia Q. Stonesifer called the meeting to order at 8:35 a.m. Also present were:

| | | |
|--------------------------------|----------------------------|---------------------|
| The Chief Justice ¹ | Phillip Frost ² | Doris Matsui |
| Xavier Becerra | Sam Johnson | David M. Rubenstein |
| Thad Cochran | Robert P. Kogod | Roger W. Sant |
| France Córdova | Patrick J. Leahy | Alan G. Spoon |

L. Hardwick Caldwell III, Smithsonian National Board Chair
Paul Neely, Smithsonian National Board Chair-elect

Vice President Joseph R. Biden, Senator Christopher J. Dodd, Shirley Ann Jackson, and John W. McCarter Jr. were unable to attend the meeting.

Also present were:

| | |
|---|---|
| G. Wayne Clough, Secretary | Nell Payne, Director of Government Relations |
| Patricia L. Bartlett, Chief of Staff to the Secretary | Eva J. Pell, Under Secretary for Science-designee |
| Amy Chen, Chief Investment Officer | A. Sprightley Ryan, Inspector General |
| Virginia B. Clark, Director of External Affairs | John Yahner, Speechwriter to the Secretary |
| Barbara Feininger, Senior Writer-Editor for the Office of the Regents | Jeffrey P. Minear, Counselor to the Chief Justice |
| Grace L. Jaeger, Program Officer for the Office of the Regents | Evan Ryan, Assistant to the Vice President |
| Richard Kurin, Under Secretary for History, Art, and Culture | T.A. Hawks, Assistant to Senator Cochran |
| John K. Lapiana, Chief of Staff to the Regents | Colin McGinnis, Assistant to Senator Dodd |
| Judith Leonard, General Counsel | Kevin McDonald, Assistant to Senator Leahy |
| Evelyn S. Lieberman, Director of Communications and Public Affairs | Melody Gonzales, Assistant to Congressman Becerra |
| Alice C. Maroni, Chief Financial Officer | David Heil, Assistant to Congressman Johnson |
| Alison McNally, Under Secretary for Finance and Administration | Julie Eddy, Assistant to Congresswoman Matsui |
| Scott Miller, Acting Under Secretary for Science | Charles Alcock, Director of the Smithsonian Astrophysical Observatory |
| Carole M.P. Neves, Director of the Office of Policy and Analysis | Elizabeth Broun, Director of the Smithsonian American Art Museum ³ |
| Tom Ott, President of Smithsonian Enterprises | Johnnetta B. Cole, Director of the National Museum of African Art ³ |
| | Steven L. Monfort, Acting Director of the National Zoological Park ³ |

¹ The Chancellor, Chief Justice John G. Roberts Jr., attended the afternoon public meeting.

² Dr. Frost attended the morning session.

³ Drs. Broun, Cole, and Monfort participated in the presentation of the Strategic Plan.

MORNING PLENARY SESSION

OPENING REMARKS

Board Chair Patricia Stonesifer welcomed the attendees to the last full Board of Regents' meeting of 2009. She reminded the Regents that the meeting would include a morning session primarily devoted to the presentation of the Strategic Plan, a working lunch, and an afternoon session dedicated to the second annual public meeting of the Board. She asked that most of the Regents' committee reports be limited to 10 minutes to allow time for both the Board's review of the Strategic Plan and the afternoon public meeting.

Ms. Stonesifer announced that President Obama had signed France Córdova's appointment to the Board of Regents on the previous Friday, September 18, 2009. Dr. Córdova, who had attended the two previous Regents' meetings at the request of the Board, was given an official, and enthusiastic, welcome to the Board of Regents.

Retiring Smithsonian National Board (SNB) Chair Hacker Caldwell, who was attending his last Regents' meeting in that capacity, was thanked for his enormous contributions to the Board, including his participation in the search process that led to the appointment of Secretary Clough and as a member of the Investment Committee. Asked to comment on his tenure, Mr. Caldwell said that it had been a privilege to serve with a Board capable of successfully navigating the enormous challenges and changes that faced the Smithsonian over the previous two years. Ms. Stonesifer welcomed SNB Chair-elect Paul Neely, who attended the meeting at the invitation of the Board, and reminded the Board of Mr. Neely's membership on the Strategic Planning and Programs Committee.

Ms. Stonesifer circulated copies of a group photograph taken at the 1927 Conference on the Future of the Smithsonian. Participants included such historic figures as President Calvin Coolidge, Chief Justice and Smithsonian Chancellor William Howard Taft, Secretary of the Treasury Andrew W. Mellon, Secretary of State Frank B. Kellogg, and Secretary of Commerce Herbert C. Hoover.

REPORT OF THE BOARD AND EXECUTIVE COMMITTEE CHAIR

Lease and Gift Agreements for the National Postal Museum

Ms. Stonesifer reported that the Executive Committee had met three times since the last Regents' meeting. The Committee had provided guidance to the Secretary on the development of the Strategic Plan and had acted on two specific matters on behalf of the Board. She reminded the Board that at its last meeting it had delegated to the Executive Committee the authority to authorize the execution of a lease agreement with the National Postal Service and to approve the terms of a gift agreement related to the lease transaction. She reported that the Committee agreed on August 31, 2009, to provide authorization to the Secretary to execute a lease agreement to benefit the National Postal Museum, and approved a significant

gift agreement in support of the proposed expansion of the Museum. Ms. Stonesifer said that the Smithsonian had subsequently completed the lease transaction under the terms previously reviewed by the Board and that the gift for the Museum's expansion would be transformational.

Ms. Stonesifer reported that the Executive Committee also had approved the submission of the fiscal year 2011 Federal budget to the Office of Management and Budget. She acknowledged the Regents' preference that Federal budget submissions be approved by the full Board and explained that the early deadline for the fiscal year 2011 budget submission had required that the Committee act on behalf of the Board. She also said that the entire Board had been invited to participate in the August 24, 2009, meeting of the Finance Committee, during which the proposed budget was reviewed.

Approval of the June 22, 2009, Meeting Minutes

The Board was asked to approve the minutes of the June 22, 2009, Meeting of the Board. The motion was approved.

See attached Resolution 2009.09.01 (Minutes of the Board of Regents, Appendix A).

Joseph Henry Award

The Board then considered a motion to award the Joseph Henry Medal to Dr. Ira Rubinoff for his many contributions to the Smithsonian and, in particular, the Smithsonian Tropical Research Institute, which he had directed from 1974 to 2008. The Secretary explained that the Joseph Henry Medal was typically awarded to Smithsonian staff who have provided exceptional service to the Smithsonian and its mission. He noted that an internal review of the Smithsonian's award-granting process had delayed the award of the medal to Dr. Rubinoff, who retired from the Smithsonian in 2008. The motion was approved.

See attached Resolution 2009.09.02 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE SECRETARY

The Secretary said that this meeting of the Board was especially significant for two reasons: the presentation to the Board of the Strategic Plan and the closing, at the end of the month, of an eventful fiscal year. He noted that fiscal year 2009 had been characterized by both its challenges and its accomplishments, and proceeded to provide an overview of the important activities that had taken place in the previous months.

Broadening Access and Reaching New Audiences

Secretary Clough reported that visitation would surpass 30 million by the close of the fiscal year, representing a 6 million increase from fiscal year 2008 and the highest visitation levels in nearly a decade. He said that this achievement reflected the hard work of staff, the opening of more than 90 new exhibitions, extended summer hours in many museums, and the activities related to the inauguration of President Obama. He added that the economic downturn also had contributed to the increase in visits to Smithsonian museums, as families took advantage of the Institution's free admission policies. The Board agreed that the minutes should reflect the Regents' appreciation to Smithsonian staff and leadership, whose efforts

contributed to and supported the noteworthy increase in physical and virtual visitors to the Institution in fiscal year 2009.

Highlights: Museums, Exhibitions, and Collections

The Secretary then cited several Smithsonian exhibitions that opened in fiscal year 2009: *Bittersweet Harvest: The Bracero Program 1942–1964*, a collaboration between the National Museum of American History and the Smithsonian Institution Travelling Exhibition Service that will travel to 29 cities across the nation; the National Museum of African Art exhibition *Artful Animals*, which reflected the contributions of at least four other museums; and the Ripley Center’s installation of *Accelerate*, a national juried exhibition for emerging young artists with disabilities.

The Secretary discussed special events hosted by Smithsonian museums, noting that the Hirshhorn Museum and the Freer-Sackler Galleries had each hosted two successful after-hours events that reached new and younger audiences. The National Air and Space Museum celebrated the 40th anniversary of the first landing on the moon with inspirational speeches by Apollo 11 Astronauts Buzz Aldrin, Neal Armstrong, and Michael Collins during one of many anniversary-related events.

Stating that Smithsonian now has 164 affiliates in 41 states, the District of Columbia, Panama, and Puerto Rico, Secretary Clough said that Senator Leahy had spoken at the national affiliates reception, which was also attended by Senator Cochran and other members of Congress.

He directed the Regents’ attention to the report “Highlights from the Collections,” and also reported progress on the Institution’s efforts to digitize and expand Web access to its collections.

Awards and Recognition

The Secretary mentioned several awards that recently recognized Smithsonian staff or staff initiatives: *SmithsonianEducation.org* was selected as a Landmark Web Site in the American Association of School Librarians’ list of Best Web Sites for Teaching and Learning; *Dig It! The Secrets of Soil*, a collaboration between the National Museum of Natural History and the Smithsonian Environmental Research Center, was selected to receive the Renewable Natural Resources Federation’s 2009 Outstanding Achievement Award; And Manjula Kumar of the Smithsonian Center for Education and Museum Studies received the Mahatma Gandhi Memorial Foundation’s Fellowship of Peace Award. The 2009 Eminent Ecologist Award, one of the highest honors in its field, was given to Smithsonian Tropical Research Institute scientist Stephen Hubbell by the Ecological Society of America. Dr. Hubbell’s nomination included letters of support from former Pulitzer Prize winners Jared Diamond and E.O. Wilson.

Trust Budget Update

Secretary Clough then updated the Board on the Trust budget and the Institution’s revenue-generating activities. He reported that the Smithsonian’s budgets continue to be challenging, but said that the Institution was poised to finish fiscal year 2009 on a positive note. The Central Trust budget anticipated a \$2 million surplus at the end of fiscal year 2009, which would be applied to the Central Trust’s share of the fiscal year 2010 debt service.

The Secretary said that, despite the weak economy, philanthropic gifts to the Smithsonian in fiscal year 2009 were anticipated to total \$110 million and that

many had been directed towards strategic objectives. Smithsonian retail sales, which provide critical funding for the Central Trust budget, generated \$26 million in net gain in fiscal year 2009, an unanticipated increase of 17 percent. The Secretary expressed his appreciation for the extraordinary efforts of Smithsonian Enterprises (SE) and SE President Tom Ott.

The Secretary also noted his gratitude for the Investment Committee's management of the Smithsonian's Endowment. He said that the Endowment was anticipated to close fiscal year 2009 at about \$810 million because of the downturn in global markets. Although this figure represented a 19 percent drop from the Endowment's peak, it compared favorably to other endowments in the Institution's peer universe, some of which suffered declines of 30 percent during the same period. He also noted the Finance Committee's contributions to the management of the Endowment's payout.

Commenting on funding received from grant and contract awards, Secretary Clough first compared funding for activities unrelated to the Smithsonian Astrophysical Observatory (SAO) in fiscal years 2008 and 2009. He said that 366 proposals in fiscal year 2008 had resulted in awards totaling \$44.8 million. In fiscal year 2009, 450 proposals had resulted in awards totaling \$63.3 million, a 41 percent increase over awards received in fiscal year 2008 and a 22 percent increase in proposals. The Secretary noted that the leadership of Under Secretary for History, Art and Culture Richard Kurin contributed to the increase in proposal submissions.

Regarding SAO grant and contract awards, the Secretary said that 333 proposals had been submitted in fiscal year 2009, resulting in \$102.3 million in awards for the Smithsonian. He noted that SAO also was the remaining competitor for a \$550 million award that, if received, would be directed towards the operation of the Chandra X-ray Observatory. The Secretary said that the overall increase in grant submissions and awards strengthened the Institution's fiscal base and reflected the outstanding talents and entrepreneurial initiatives of Smithsonian staff.

The Secretary said that estimates for future Trust budgets were conservative and that the Institution would maintain the budgetary restraints implemented in the fiscal year 2009 Trust budget. He said that two budget teams charged with reassessing the management of the Smithsonian's Trust budget, the Zero-Based Central Trust Budget Committee and the Revenue-Generating Committee, would soon provide reports of their recommendations to the Board. He reported that the Institution had recently received approval from the Office of Personnel Management to offer early retirement packages to Federal employees, and that both Federal and Trust employees would be offered buyout incentives.

Federal Budget Updates

Discussing the Smithsonian's fiscal year 2010 Federal budget, the Secretary reported that the House had passed a budget of \$759 million. The budget was subsequently approved in Senate committee and was awaiting floor action. The Secretary explained that both Congressional bills reflected a 6 percent increase in funding over the Smithsonian's fiscal year 2009 budget and would fully fund new initiatives that reflect the Strategic Plan, such as digitization efforts, Web access, and the Smithsonian Institution Global Earth Observatories (SIGEO). He said that it was anticipated that Federally mandated salary increases would be held at

2 percent and that both budgets included \$125 million for major facilities revitalization projects, such as the Arts and Industries building and the new National Museum of African American History and Culture.

The Secretary then addressed the fiscal year 2011 Federal budget submission process. The Office of Management and Budget's (OMB) original budget guidance had called for the submission of two budgets: one that was flat with the fiscal year 2010 budget and one that reflected a 5 percent decrease. He explained that successful negotiations with OMB had resulted in the Smithsonian's submission of a third, needs-based budget. He added that the six million increase in Smithsonian visitorship in fiscal year 2009 had strengthened the Institution's case for a needs-based budget.

Closing Remarks

Secretary Clough noted that an initiative to identify operational best-practices was in progress. He also updated the Regents on the Institution's asbestos-related issues, saying that analyses were ongoing and on track, reviews of the Institution's asbestos-related policies and procedures had not revealed any issues, and relevant employee surveys and interviews were in progress.

The Secretary welcomed Dr. Eva Pell, Senior Vice President and Dean of Pennsylvania State University, who will assume the position of Under Secretary for Science in January 2010. He also thanked Dr. Charles Alcock, Smithsonian Astrophysical Observatory Director and former Acting Under Secretary for Science, and Dr. Scott Miller, the current Acting Under Secretary for Science, for their leadership contributions.

REPORT OF THE AUDIT AND REVIEW COMMITTEE

Audit and Review Committee member Robert Kogod provided the Committee's report on behalf of Committee Chair John McCarter. The Committee met on September 8, 2009, and received several updates before it held separate executive sessions with the Smithsonian's independent auditors, the General Counsel, the Inspector General, and the Chief Financial Officer, after which it met alone.

Report of the Smithsonian's Independent Auditors

Mr. Kogod reported that the Smithsonian's independent auditors, KPMG, provided the Committee with the audit plan for fiscal year 2009. He said that two new accounting pronouncements would be applied to the Smithsonian's fiscal year 2009 audit: one that would apply to the Institution's Endowment and another that would apply to the adoption of accounting standards regarding the fair value measurement of nonmarketable, or alternative, investments. He said that the most significant impact of the new pronouncements would be the addition of several pages of disclosures to the Institution's financial statements.

Mr. Kogod said that the overall audit plan for fiscal year 2009 was similar in scope to the prior year's audit. He said that KPMG, which began its interim audit work in July 2009, would meet the November 16, 2009, filing date for Federal financial reports. KPMG noted it would continue working closely with the Office of the Inspector General and, at the request of the Inspector General, again would conduct

a review of Smithsonian Enterprises' net gain. Mr. Kogod explained that these figures are used by the Regents' Compensation and Human Resources Committee to determine certain staff incentive payments.

The Committee also was informed that KPMG's separate audit of government grants and contracts awarded to the Smithsonian for fiscal year 2008 had received an unqualified opinion with one immaterial noncompliance item note. Mr. Kogod reported that that the matter had since been resolved by the Institution.

Report of the Inspector General

Mr. Kogod said that the Committee next received an update from Inspector General Sprightley Ryan. The Committee discussed at length a recent audit concerning the proper use of certain maintenance funds for an unplanned capital improvement project. He said that management had disagreed with the findings of the audit but had agreed with the Inspector General's recommendations for funding decision-making policies and procedures, including associated documentation. Ms. Ryan also presented her audit plan for the coming year and was asked by the Committee to focus on the security of the Smithsonian's collections, including that of the Smithsonian Institution Libraries.

Report of the Chief Financial Officer

Mr. Kogod then reported on Chief Financial Officer Alice Maroni's report to the Committee. Ms. Maroni updated the Committee on the status of KPMG's management letter for fiscal year 2008 and reported that the resolution of each of the identified issues scheduled to be completed was either closed or on schedule to be closed during fiscal year 2009.

Ms. Maroni updated the Committee on the status of the internal controls improvement project. She reminded the Committee that the review of the internal controls environment associated with 23 separate financial processes had identified five processes as high risk. Remediation plans were developed to address the weaknesses for all 23 processes and critical milestones in the remediation plans for all five high-risk areas will be met in fiscal year 2009. Remediation plans for the remaining moderate- and low-risk areas were under review.

Mr. Kogod said that the Committee was informed that the review of internal controls had shown that some of the efforts to improve internal control environments were ahead of schedule, whereas unanticipated issues had adversely affected the remediation plans for other financial processes. He said that the Chief Financial Officer was especially concerned about the pending impact of new external financial reporting requirements and the increase in requirements to comply with the data security standards being imposed by the credit card industry for all merchant card accounts. Mr. Kogod said both issues were a high priority to the financial staff and that management had approved funding to support efforts to strengthen the Institution's financial control environment.

REPORT OF THE FINANCE COMMITTEE

Finance Committee Chair Roger Sant presented the Committee's report. The Committee previously met on August 24, 2009, to review several important topics.

Two Regents who were not Committee members also participated in the discussion.

**Fiscal Year 2010
Federal and Trust
Budgets**

Mr. Sant reported that the Committee first reviewed the proposed fiscal year 2010 Federal and Trust budgets. He said that management had based the Federal budget on the fiscal year 2010 budget request submitted to Congress in February 2009 and that it was assumed that the budget would be approved. Mr. Sant also said that the Central Trust budget in fiscal year 2010 had been balanced as a result of four major initiatives. Noting that some of the decisions could be controversial, he outlined them for the Board.

**Funding the National
Campaign**

Mr. Sant said that management had proposed a special Endowment payout to fund the expenses of the planned national campaign, which he said was estimated to be about \$3.1 million for fiscal year 2010. He said that management had recommended a payout not to exceed \$2.5 million, which would be combined with the remainder of the funds previously made available to the campaign for expenses. Mr. Sant said that the Finance Committee approved the proposed payout, subject to the approval of the proposed expenses by the Advancement Committee, and that that committee had subsequently approved the proposed national campaign program and items budgeted for it.

**The Smithsonian
Associates**

Mr. Sant then reported that the Committee also had discussed at length management's proposal to initiate a study and restructuring of The Smithsonian Associates (TSA), a popular program that sponsors fee-based seminars, tours, and lectures for the local metropolitan Washington audience. He explained that the intention of the plan would be to move TSA from a loss-generating operation to one that broke even or better. Under the terms of the proposal, TSA would be dramatically restructured or closed down if it could not generate sufficient revenues. Mr. Sant said that the recommendation also had been reviewed and approved by the Strategic Planning and Programs Committee.

Trust Revenue Targets

Mr. Sant said that the third initiative designed to balance the fiscal year 2010 Trust budget was management's decision to issue revenue targets to the Trust Finance Implementation teams. He said that the budget assumed \$650,000 in new revenue streams during fiscal year 2010, and explained that the new monies would be generated by conducting a special events pilot program in the Castle, charging a small fee for the *goSmithsonian* guide, and implementing a more robust overhead recovery program.

Personnel Initiatives

A fourth proposal to support balancing the fiscal year 2010 Trust budget was discussed by the Committee. Mr. Sant said that management had originally proposed three personnel initiatives—a pay freeze for Trust-funded staff, a buyout program for Federal and Trust staff, and a Trust hiring freeze—and that the Committee had approved the inclusion of all three in the budget, contingent upon the Compensation and Human Resources Committee's approval of the pay freeze. He reported, however, that three positive changes in the Central Trust budget had occurred subsequent to the Finance Committee's meeting. He explained that the sum of the changes had restored enough flexibility in fiscal year 2010 to fund modest pay increases for non-senior and senior level Trust-funded staff and that a final decision regarding these increases would be made in December 2009.

After summarizing the Committee's discussions about the fiscal year 2010 Federal and Trust budgets, Mr. Sant asked the Board to consider three motions that the Finance Committee had approved and forwarded to the Board: a motion to approve the budget and expenditure of fiscal year 2010 appropriated funds, a motion to approve the fiscal year 2010 Trust budget, and a motion to approve a payout from the Endowment to fund the fiscal year 2010 expenses for the planned national campaign. The three motions were approved en bloc.

See attached Resolutions 2009.09.03–2009.09.05 (Minutes of the Board of Regents, Appendix A).

**Fiscal Year 2011
Federal Budget**

Mr. Sant then spoke of the Committee's review of the proposed three-level fiscal year 2011 Federal budget request that had been submitted to the Office of Management and Budget (OMB) the previous week. He noted that the process of building the Federal budget had been highly unusual for the Smithsonian this year: OMB had requested that the Smithsonian submit two budgets: one frozen at the fiscal year 2010 request level and a second that reflected a 5 percent reduction from the fiscal year 2010 request.

Mr. Sant said that the Smithsonian had negotiated with OMB for the opportunity to submit a proposed "requirements budget" that included increases for necessary expenses and programmatic initiatives. He spoke of the anticipated impact of the other two budgets on the Smithsonian's units, including departments, programs, and research initiatives, as well as cuts to the Institution's facilities maintenance efforts.

He noted that all three budgets assumed that \$24 million of Legacy Funds would be available in fiscal year 2011 for the renovation of the Arts and Industries building, which would require that the Smithsonian raise \$24 million in matching private funds. The budgets also assumed that OMB would support funding outside of the constraints of the two budgets submitted—the freeze budget and the 5 percent reduction budget—to support construction funding for the National Museum of African American History and Culture.

Mr. Sant also reported that the Committee reviewed the Institution's fiscal year 2009 year-end budget forecast, as well as Smithsonian Enterprises' fiscal year 2009 performance and proposed fiscal year 2010 budget.

**Report of the
Investment Committee**

Mr. Sant explained that the time constraints of this meeting required that the Investment Committee's update on the Smithsonian's Endowment be included in the Report of the Finance Committee. He then asked Chief Investment Office Amy Chen to report on that Committee's activities.

Ms. Chen reported that as of June 20, 2009, the Endowment's preliminary market value was \$818.3 million. She said that the Committee's efforts had contributed to the Smithsonian's ability to successfully navigate the markets' unprecedented volatility, exceed its benchmark return, and favorably compare to peer funds. She said that the Endowment's liquidity had been effectively managed, allowing it to avoid the shortcomings that befell many other endowments and foundations during this period. She also noted that the second phase of the Tactical Asset Allocation Implementation Plan had been completed.

Ms. Chen then outlined the plans for Endowment's management for the remainder of calendar year 2009. She said that the third phase of the Tactical Asset Allocation Implementation Plan was being assessed in response to the sizable rebounds in the credit and equity markets and that the implementation of the private equity and real asset program would continue. Private equity, hedge fund, and real estate investment valuations would be reviewed to assure compliance with FAS 157, the Financial Accounting Standards Board's recently implemented standard regarding fair value measurements. Ms. Chen noted that one of two open investment officer staff positions in her office had been filled and that a technology upgrade initiative would be completed with the implementation of a contact management system.

Discussion

The Board discussed the annual schedule of Regents' meetings in relation to the preparation of the Smithsonian's Federal budget for the Office of Management and Budget. Ms. Stonesifer noted that OMB's deadline currently conflicts with the schedule of Regents' meetings, precluding the review of the Federal budget submission during a regularly scheduled Board meeting. She inquired about the Board's interest in participating in this process and asked if the annual June meeting of the Board should be moved to the month of July. The Board agreed that all Regents would be invited to participate in a Finance Committee conference call in July or August, during which time the proposed Federal budget would be presented and discussed.

REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

Reelection of the Chair and the Vice Chair

Representative Doris Matsui presented the report of the Governance and Nominating Committee on behalf of Committee Chair Shirley Ann Jackson. Ms. Matsui said that the Committee had met in July 2009 to consider a series of key appointments. She first reported that the Committee recommended that the Board of Regents reelect Patricia Stonesifer as Chair of the Board and Alan Spoon as Vice Chair of the Board. Ms. Stonesifer and Mr. Spoon recused themselves from the Board's discussion, during which Mr. Sant commented on the considerable achievements that had been realized under Ms. Stonesifer's leadership. The Board unanimously approved the motions en bloc.

See attached Resolutions 2009.09.06-2009.09.07 (Minutes of the Board of Regents, Appendix A).

Non-Regent Appointment to the Facilities Committee

The Board next considered the Committee's recommendation to appoint George Hartman as a non-Regent member of the Facilities Committee. The motion was approved.

See attached Resolution 2009.09.08 (Minutes of the Board of Regents, Appendix A).

Leadership Appointments to the Smithsonian National Board

Ms. Matsui then presented the Committee's recommendation to appoint Paul Neely as Chair and Judy Huret and Gary Moore as Vice Chairs of the Smithsonian National Board. She noted that both Mr. Neely and Ms. Huret had made tremendous contributions as non-Regents members of the Board's Strategic Planning and Programs Committee. The motion was approved.

See attached Resolution 2009.09.09 (Minutes of the Board of Regents, Appendix A).

**Appointments to
Smithsonian Advisory
Boards**

The Regents next considered proposed appointments to seven Smithsonian advisory boards. Ms. Matsui noted that the reappointment of Regent Emerita Jeannine Smith Clark to the Anacostia Community Museum Board was included in the motion for that board. The motions were approved en bloc.

See attached Resolutions 2009.09.10–2009.09.16 (Minutes of the Board of Regents, Appendix A).

Discussion

Representative Xavier Becerra commented that the Smithsonian’s commitment to diversity, as stated in its Strategic Plan, should be extended to its advisory boards to ensure that each reflects the diversity of the American people.

REPORT OF THE ADVANCEMENT COMMITTEE

Advancement Committee Chair Alan Spoon gave the Committee’s report. Mr. Spoon said that the Committee had discussed five topics during its September 10, 2009, meeting: the Strategic Plan, the planned national campaign, the fiscal year 2010 campaign budget request, fund-raising results and goals, and proposed gift agreements. Because the Strategic Plan would be discussed in detail later during the Board meeting, Mr. Spoon did not comment on it during his report.

Campaign Progress

Mr. Spoon said that plans for a national campaign were on schedule and included screening donor prospects, assessing the IT system, increasing front-line staff, developing the campaign’s budget, and supporting the development of individual units’ campaigns. He said that external consultants Marts & Lundy’s final internal assessment report would be delivered in December 2009 and that the Regents would review the initial campaign plan in April 2010. The ability of the Strategic Plan to support the identification and articulation of individual units’ campaign needs also was discussed.

**Fiscal Year 2010
Campaign Budget
Request**

Mr. Spoon then reviewed the portion of the fiscal year 2010 budget request that pertained to the planned national campaign. He said that the Smithsonian would spend about \$3 million on the campaign, of which approximately \$800,000 would come from a carryover of prior funding for the campaign and \$2.3 million was requested to build the campaign’s capacity and infrastructure. He explained that 43 percent of the budget would be devoted to building capacity, 24 percent to infrastructure, and 23 percent to building the case for the Campaign. Mr. Spoon noted that the Advancement Committee had recommended that the Board approve the proposed fiscal year 2010 budget to support the planned national campaign and other development-related projects. The Regents discussed the possible impact of a national campaign on the Smithsonian’s support from the Federal government.

Fund Raising Report

Reports on the Smithsonian’s fund-raising results, as of August 31, 2009, and the fiscal year 2010 fund-raising goal were then provided. Mr. Spoon said that the Institution anticipated that fiscal year–end 2009 would reflect \$110 million in fund-

raising results, despite the impact of the economic downturn and Smithsonian leadership transitions. He noted that the Smithsonian had secured funding for its Strategic Plan and the planning of the National Museum of African American History and Culture, and received the largest gift ever bestowed upon the National Postal Museum. He added that other significant gifts to the Institution included those from the Moore Foundation and Airbus, and that Contributing Membership would again make its fund-raising goal.

Mr. Spoon said that the \$130 million fund-raising goal for fiscal year 2010 was ambitious, representing a 20 percent increase over the Institution's fiscal year 2009 results and the standard ramping up of an annual goal in support of a larger campaign.

Gift, Endowment, Quasi-Endowment, and Naming Actions

Mr. Spoon then presented eight proposed gift actions for the Board's consideration. The Board noted the range in size and purpose of the proposed gifts and approved the motions en bloc.

See attached Resolutions 2009.09.17–2009.09.20 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE STRATEGIC PLANNING AND PROGRAMS COMMITTEE

Representative Doris Matsui, the Chair of the Strategic Planning and Programs Committee, gave the Committee's report. She said that since the Board's June 2009 meeting the Committee had devoted most of its efforts towards providing guidance on two significant topics, the Strategic Plan and the possible creation of an international museum education program. She noted that because both issues would be discussed at length later in this meeting, she would focus the Committee's report on the discussion of the Trust budget for fiscal year 2010.

Ms. Matsui reminded the Board that its approval of the Trust budget included the decision to withdraw contributions from the Central Trust in support of The Smithsonian Associates (TSA). Because the program is very popular in the greater Washington, D.C., area, the Committee had asked for a briefing on the impact of the proposed budget cut, as well as any subsequent changes proposed for TSA.

She then asked Under Secretary for History, Art and Culture Richard Kurin to update the Board on the development of short- and long-term plans for TSA. Dr. Kurin explained that TSA membership had dropped from approximately 40–50,000 to about 20–30,000 households. Although some \$5.5 million to \$6 million was generated through TSA's ticket sales, the program's budget required over \$1 million in additional support from the Central Trust budget. He said that the goal of restructuring TSA's budget would be to change it from a money-losing enterprise to one that at least broke even.

Dr. Kurin said that some of the TSA programs, such as its masters program offered in collaboration with the Corcoran College of Art + Design, were money-making

initiatives and that other programs, such as the popular summer camp program, also performed well. However, he also reported that only 60 percent of 1,000-some TSA programs related to the Smithsonian and that only 10 percent of those programs were strongly aligned with both the programs and the mission of the Institution.

Ms. Matsui concluded her report by noting that non-Regent Committee member Clark Bunting had stepped off of the Committee because his schedule would not allow him to participate at the level that he desired. Mr. Bunting will continue to have strong ties to the Smithsonian through his position as Chair of the National Zoological Park's Advisory Board.

REPORT OF THE COMPENSATION AND HUMAN RESOURCES COMMITTEE

Roger Sant, Chair of the Compensation and Human Resources Committee, provided the Committee's report. Mr. Sant said that since the Committee's June 2009 report to the Board two major areas had been reviewed by the Committee: the 2010 compensation process and the development of a "dashboard," or at-a-glance update, of the Smithsonian's personnel data.

Compensation Process Update

Mr. Sant reported that the Committee had reviewed the basic foundation components for the 2010 executive compensation process and reaffirmed the delegation of decision-making authorities. He reminded the Board that it would again be responsible for the compensation decisions for 16 senior staff and that the Committee would determine the compensation levels for an additional 21 positions. Likewise, the Secretary would be delegated the authority to determine the compensation decisions for almost 190 positions.

The Committee also updated the list of disqualified persons, removing the now-abolished position of Under Secretary for Art, updating titles, and adding the new position of Smithsonian Enterprises Director of Business Development and Licensing.

Mr. Sant said that the Committee refined the compensation philosophies to document how the Smithsonian's process aligns with the new IRS Form 990 requirements. He noted that the General Counsel had proposed this improvement.

The Committee also established the compensation timeline and provided general guidance to the compensation contractor for the 2010 process. Mr. Sant noted that the compensation data for 2009 would be aged appropriately and that new analyses would be conducted for certain positions, such as the newly created Director of Education, the Secretary, and certain investment positions.

Mr. Sant said that the Committee did not envision any difficulties with the 2010 compensation process and that the Secretary would brief the Committee in December 2009 in the event that any economic changes would have an adverse impact on potential compensation increases.

The Committee Dashboard

Mr. Sant next directed the Board's attention to the Committee's update on diversity, attrition, performance management, and employee survey results. He said that the Committee's dashboard report would continue to be refined and that additional information would be included in the future. He also noted that specific information on executive diversity, attrition, and performance ratings was included because of the Committee's responsibility for the executive resources of the Institution. He added that the 2009 employee survey was in progress and that the results would provide additional trend data.

Other Remarks

Mr. Sant concluded his report by noting that the Smithsonian was making very good progress on its leadership development activities and the conclusion of a busy executive search period. He noted his appreciation for the leadership of the Secretary and the generosity of the Smithsonian National Board in support of the leadership development initiative. He added that the first executive forum had been held the previous week and that different topics would be addressed during each future session. He said that the executive forum had focused on leadership's role in advancing diversity and Ms. Stonesifer commented on the importance of ensuring diversity within the Smithsonian's recruitment pools.

With regard to ongoing executive searches, Mr. Sant said that the Secretary had reported that the search for the next Director of the National Zoological Park was nearing completion and that searches for the Director of Cooper-Hewitt, National Design Museum and the new Director of Education were actively under way.

HIGHLIGHTS FROM THE COLLECTIONS

Ms. Stonesifer recommended the report on the Smithsonian's collections to the Board. Because of time limitations, the Board did not discuss the paper.

LEGISLATIVE ACTIVITIES AND ISSUES

Director of Government Relations Nell Payne asked if the Regents had any questions about the report on Smithsonian-related legislative activities and issues. There being none, Ms. Stonesifer asked that the meeting advance to the Report of the General Counsel.

REPORT OF THE GENERAL COUNSEL

General Counsel Judith Leonard said that the litigation report provided to the Board was current with the exception of one or two new cases. She also said that responses to all current information disclosure requests were up to date.

Ms. Leonard reported that over 700 employees had submitted the annual Confidential Financial Statement to the Office of the General Counsel (OGC). All were reviewed by OGC Ethics Counselors.

She said that a study of the staffing needs of the OGC would soon commence. Secretary Clough added that two other staffing studies had recently been undertaken in other Smithsonian units but that the launch of the OGC study had been delayed until the arrival of the new General Counsel. He noted that the results of these studies are first reviewed by the Board's Governance and Nominating Committee.

Ms. Leonard reported that OGC staff currently consisted of 10 lawyers (including one providing counsel on a temporary, part-time basis), one contract lawyer, and six support staff. She added that the study of the office would include productivity and training assessments.

When asked about a bankruptcy item included in the litigation report, Ms. Leonard responded that she would investigate the issue further and provide more information to the Board at later date.

THE SMITHSONIAN INSTITUTION STRATEGIC PLAN

Secretary Clough thanked the Board for the opportunity to present the Smithsonian Institution Strategic Plan for fiscal years 2010 to 2015. He stated that an effective discussion of the plan would require that the Regents consider two critical issues: Was this the right strategic plan for the Smithsonian, and was the plan appropriate in its scale and the resources it would require? He invited four Smithsonian directors—Smithsonian Astrophysical Observatory Director Charles Alcock, National Zoological Park Acting Director Steve Monfort, National Museum of African Art Director Johnnetta Cole, and Smithsonian American Art Museum Director Betsy Broun—to participate in the presentation.

An Inclusive Process— An Expanded Vision

The Secretary spoke of the inclusive process that led to the development of the plan and thanked the Board, in particular the Executive and Strategic Planning and Programs committees, for their support and input. He emphasized that every member of the Smithsonian community had been offered the opportunity to participate in the strategic planning process and that their contributions were reflected in a plan that drew upon the historic resources of the Institution and charted a bold, but attainable, course for its future. Noting that the Smithsonian's historic mission remained the "increase and diffusion of knowledge," he said that the Strategic Plan expanded that vision to include "shaping the future by preserving our heritage, discovering new knowledge, and sharing our resources with the world." He said that the Strategic Plan and its vision embraced six core Smithsonian values: discovery, creativity, excellence, diversity, integrity, and service.

Expanding Intellectual Capital and Recognition

Secretary Clough spoke of the tremendous strengths of the Smithsonian and said that the Strategic Plan would capitalize upon the intellectual and physical resources of the Institution. Under the plan, the Smithsonian would continue to advance its role as a world-recognized model for museums, exhibitions, and research, but with greater focus, revitalized relevance, and an enhanced ability to reach and serve physical and virtual visitors from across the globe. He said that this vision would

embrace the Institution's disparate parts and increase the dynamic, interdisciplinary potential of the whole.

**Four Grand Challenges:
A Dynamic Roadmap to
the Future**

The Secretary said that the Strategic Plan offered a critical point of departure for the Smithsonian and that the Institution's ability to provide leadership on issues of global significance would be limited if it maintained its current course of action. He then explained the key priorities of the plan, the first of which was "focusing on four grand challenges." The four challenges were based on key issues that the Smithsonian was uniquely qualified to champion: unlocking the mysteries of the universe, understanding and sustaining a biodiverse planet, valuing world cultures, and understanding the American experience. He said the Strategic Plan was designed to capture the Smithsonian's existing capabilities within a logical and overarching framework that encourages cross-pollination between divisions and the development of ideas.

Broadening Access

A key priority of the Strategic Plan is broadening access. Secretary Clough spoke of the need to use new tools and technology to increase global access to the Smithsonian's resources. He said that new media and social networking vehicles would deliver information in unique ways and to more people, adding that the physical experience for on-site visitors would continue to be enhanced.

Revitalizing Education

Secretary Clough discussed another important priority: revitalizing education through informal educational programs. He said that the Smithsonian would use its rich resources, including the expertise of its staff, to help strengthen American education and enhance the nation's ability to compete globally. He said that the Strategic Plan's educational model was a centralized approach that would leverage resources, strengthen communications, coordinate programming, and reward inventive thinking and collaboration. He also noted that a significant gift from Mr. Kogod would fund the creation of a central office of education, the function of which would be to create innovative models and methods of informal educational programming that could be linked to the nation's formal education system.

Crossing Boundaries

The Strategic Plan addressed another important priority: crossing boundaries. The Secretary said that the success of the Strategic Plan would depend on the ability of the Smithsonian to marshal its resources across disciplines, as well as strengthen external collaborations. He explained that Smithsonian centers would be developed to encourage and facilitate dynamic interdisciplinary initiatives that support the four grand challenges. The centers would report to the individual Under Secretaries and would not require a large administrative function. The Secretary added that funds for the centers' initiatives would be competed. He said that the new Office of Education also would support efforts to reach diverse audiences and broaden access to the Smithsonian's resources and that the plan's commitment to technology would support all of these goals.

**Strengthening
Collections**

Secretary Clough noted that the Smithsonian's collections represented the nation's rich heritage, as well as diverse artistic, cultural, and natural resources from across the globe, and said that the preservation of the Smithsonian's collections is one of the key priorities of the Strategic Plan. A pan-Institutional plan would be developed to support the management, storage, and access to the Institution's collections,

which would in turn strengthen the four grand challenges and other interdisciplinary initiatives.

Enabling Mission through Organizational Excellence

The Secretary spoke of the Strategic Plan's commitment to strengthening organizational services that support the Institution's mission. He said that the plan would support the creation of an entrepreneurial and innovative workplace, the development of a diverse workforce, the advancement of new communications systems, the expansion of essential support services, and the creation and maintenance of healthy physical environments. He also said that to ensure its financial strength, the Smithsonian would launch a national campaign and pursue new revenue-generating opportunities using strategies informed by the Strategic Plan and in concert with the museums and centers.

Measuring Performance

Secretary Clough maintained that performance measurement was critical to both sustaining the highest standards of excellence and communicating the Smithsonian's achievements to external audiences. He said that progress towards the Institution's goals would be measured annually against specific criteria, and that the performance indicators would be transparent and updated regularly.

Resourcing the Plan

The Secretary said that to reach the bold—but attainable—outcomes of the Strategic Plan the Smithsonian would need to refocus its existing resources and generate, on a cumulative basis over the next six years, an additional \$1–2 million (approximately 16–32 percent) above the Institution's current base. He explained that the Strategic Plan would guide future decisions about the Smithsonian's financial resources, better leverage its Federal allocations, and provide a foundation for the forthcoming national campaign. He also said that the plan was designed to respond to different future possibilities and would likewise depend upon a flexible series of revenue options. He said that Federal support would continue to be critical to sustaining the mission of the Smithsonian but that the Institution would become more entrepreneurial and fund new initiatives through a variety of new sources.

Dr. Charles Alcock: "Unlocking the Mysteries of the Universe"

After expressing his enthusiasm for the plan and its potential, Secretary Clough invited the four directors to elaborate upon the four grand challenges. Charles Alcock addressed the Strategic Plan's goal of "unlocking the mysteries of the universe" and the Smithsonian's commitment to leading efforts to understand the fundamental nature of the universe. He discussed the ability of such investigations to offer insight into other fields of study, comparing areas of overlap to the 20th element, calcium. Generated by exploding stars, calcium is found in such diverse places as human bones, limestone, and cosmic dust.

Dr. Alcock spoke of the immense lack of knowledge about the universe. Fundamental questions remain unanswered, such as how the first galaxies formed and what is the essential nature of dark energy, dark gas, and dark mass. He commented on the mysteries of super novi and their ability to create heat and gas without exploding galaxies. The importance of the Giant Magellan Telescope (GMT) project was discussed, including its anticipated ability to provide images of the very first galaxies and insight into the building blocks of life. Dr. Alcock also commented on findings from current initiatives within and outside of the Smithsonian, such as the initial information received from the Kepler Mission's search for Earth-sized planets in the habitable zones of stars.

In response to questions from the Board, Dr. Alcock discussed the collaborative efforts already under way between the Smithsonian and other research institutes. He noted that programs such as the GMT and the Chandra X-ray Observatory Center involve both collaboration and intense competition among groups, particularly with regard to funding. He also said that the Smithsonian Astrophysical Observatory, which has been enormously successful since its founding in 1890, exemplified both this grand challenge and the Smithsonian mission to support “the increase and diffusion of knowledge.”

The Regents discussed the importance of making the public aware of the depth of the Smithsonian’s scientific resources, such as the fact that about one-sixth of Smithsonian staff work at SAO. Dr. Alcock said that the Strategic Plan’s commitment to expanding access to all Smithsonian resources, as well as the branding of the Smithsonian identity, would advance these efforts. He added that future announcements about SAO initiatives would benefit from being released in Washington, D.C., and in particular the National Museum of Natural History, in order to better cultivate public, Congressional, and media interest, as well as to optimize the collaborative potential of future work with other Smithsonian units.

Dr. Alcock was asked about the number of world-recognized leaders, such as Nobel Prize recipients, affiliated with SAO, as well as what other research organizations were comparable in the quality and scale of their work. He said that SAO’s efforts have been characterized by “sustained discoveries” and that nearly all astrophysicists have either trained at or been employed by SAO, including several Nobel Prize winners. He noted that there were no real American peers in both the quality and scale of SAO’s work, although European endeavors were becoming increasingly robust.

Dr. Alcock again spoke of the interdisciplinary goals of the Strategic Plan and the Smithsonian’s unique ability to present a coherent, interwoven focus on the four grand challenges. He discussed the interconnectedness of the challenges and how advances in one would in turn advance the goals of the others, particularly with a commitment to the diffusion of information and the use of new technologies and media. He noted that showcasing the similarities and differences of the Smithsonian museums and research centers, as well as increasing collaborations with outside organizations such as NASA, would maximize both individual and collective potential.

**Dr. Steven Monfort:
“Understanding and
Sustaining a Biodiverse
Planet”**

Steve Monfort spoke of the Strategic Plan’s second grand challenge: understanding and sustaining a biodiverse planet. He discussed the fundamental role of biodiversity in maintaining and reflecting the health of the planet, and the fact that little is known about the diversity and scope of life that have evolved over the past 4 billion years on Earth. Although a single ton of soil can contain as many as 4 million separate species of bacteria, only 10,000 species have been identified to date. He said that an estimated 10 quintillion insects—approximately 200 million per human being—were alive at any given time. He noted that one-quarter of all prescription drugs dispensed by American pharmacies contain compounds derived from flowering plants, yet fewer than 3 percent of such plants have been tested for potential use as medicines. He said that understanding and preserving these organisms, including their interactions, are essential to sustaining the web of life and the very existence of mankind.

Dr. Monfort said that the value of biodiversity was unquestioned, yet the destruction of biodiverse environments outpaces the ability to discover its secrets, limiting mankind's understanding of how ecosystems function, reducing the harvest of products beneficial to humans, increasing environmental instability, and impacting global wealth and prosperity. He asserted that, because the survival of mankind depended on the health of the planet's species, understanding biodiversity was as challenging as, and possibly more urgent than, efforts to understand the origins of the universe.

He spoke of the resources and initiatives of the Smithsonian that support understanding of and support for a biodiverse planet. The Smithsonian's outstanding network of museums and research centers provide unparalleled research platforms, host the world's largest faculty of biodiversity and conservation scientists, possess the world's largest collection of living and non-living biological specimens, and offer strong partnership networks with trusted reputations. He said that Smithsonian scientists can help manage the forces changing the planet by studying the processes underlying historical global change and planning for the future. He cited the Institution's leadership role in documenting and understanding biodiversity through the Encyclopedia of Life and the Consortium for the Barcode of Life initiatives.

With respect to sustaining biodiversity, Dr. Monfort reported that a pan-institutional team was in the beginning stages of organizing the Planetary Genome Project. A global consortium of institutions will collect and preserve planetary genomes that could one day be crucial to developing new technologies and advancements in medicine, agriculture, environmental management, and even national security.

He also spoke of the Smithsonian's efforts to sustain living animal diversity, noting the Smithsonian National Zoo's efforts to ensure the survival and recovery of such diverse species such as the golden-lion tamarin, the Przewalski's horse, and Asian elephants and tigers. He said that Smithsonian researchers had discovered the fungus responsible for the enigmatic decline in global amphibian populations, were working with Federal and state agencies to protect the Virginia big-eared bat from White-Nose Syndrome, and were partnering with other institutions on a USAID-funded program for predicting and responding to global wildlife disease pandemics.

Dr. Monfort emphasized the importance of long-term objective data in efforts to understand and mitigate rapid global changes. With regard to forest productivity, he noted that Smithsonian units were involved in an interdisciplinary initiative to create the Smithsonian Institution Global Earth Observatories (SIGEO), a long-term science platform designed to address fundamental questions about how forests and their ecosystems respond to climate changes. He added that SIGEO already had leveraged \$10 million in new private and grant support and would receive Federal support beginning in fiscal year 2010.

Asserting that contemporary environmental problems were daunting, trans-generational, and urgent, Dr. Monfort said that the Strategic Plan provided a framework that would enable the Smithsonian to both accomplish more and do a better job of addressing these issues. He cited the Institution's valuable assets in

the biodiversity sciences, such as its long-term study sites, collections, and data sets, but also spoke of the need to enhance and support the facilities and technology that support such resources.

Citing initiatives such as SIGEO and the Global Tiger Initiative with the World Bank, Dr. Monfort said that the Smithsonian must continue to develop both pan-institutional collaborations and partnerships with outside organizations. He said that the Strategic Plan acknowledged the importance of the Smithsonian's many parts but recognized that its whole was greater than the sum of its assets. Dr. Monfort said that the Smithsonian must better exploit its reputation as one of the world's most trusted, impartial, knowledge-based institutions. He said that by expanding the ability of the Institution to raise awareness, share information, and leverage assets, the Smithsonian would realize its goal of being a global leader in understanding and sustaining a biodiverse planet.

When asked about other institutions that do cutting-edge research in biodiversity, Dr. Monfort commented on the Smithsonian's unique status. He said that more than 200 Smithsonian scientists currently work on initiatives related to biodiversity, adding that the already prodigious quantity of their work would be further enhanced and strengthened through increasing numbers of interdisciplinary initiatives. The Regents discussed the need for incentives that support collaborations between Smithsonian units and colleagues.

The Regents discussed the plan to create Smithsonian centers dedicated to advancing interdisciplinary work. Asked about possible concerns related to such centers, Dr. Monfort said that some Smithsonian units might fear that their authority could be compromised and that already limited resources could be redirected. Dr. Alcock said that the Smithsonian's ability to collaborate with external colleagues was likely stronger than its current capacity to advance interdisciplinary initiatives. Dr. Monfort explained that such divisions exist within the larger scientific community, noting, for example, that it was not uncommon for scientists to be committed to either understanding or sustaining biodiversity, although research that advanced both was most profitable.

Commenting on the centers, Secretary Clough said that the model for the proposed centers would speak to the power of the Institution and rely upon the depth of the Smithsonian's disciplines. He also explained that the centers would be administered by "facilitators."

**Dr. Johnnetta Cole:
"Valuing World
Cultures"**

Johnnetta Cole began her discussion of the third grand challenge, valuing world cultures, by posing a rhetorical question: Why do we have to value world cultures? She cited the late Dr. Martin Luther King and his assertion that mankind was "caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly."

Dr. Cole said that mankind was increasingly—and irrevocably—interconnected and interdependent because of globalization and technological advances that support the immediate dissemination of ideas. She also emphasized that virtual and near-instant contact do not necessarily foster mutual understanding and respect, and that intolerance and discrimination still govern the actions of many people.

The Strategic Plan addresses this issue by noting that “one way to build respect is to raise awareness of the universality of art and creativity.” Dr. Cole said that the Smithsonian, through its research, collections, exhibitions, and outreach initiatives, had the potential to present the diversity of world cultures with accuracy, insight, and reverence.

She then presented several examples of the National Museum of African Art’s efforts to engender greater understanding of, respect for, and meaningful engagement with the world’s peoples and cultures. Similar examples could be offered by the directors of every Smithsonian museum or center devoted to art, culture, or history.

Dr. Cole described the recent opening of *Mami Wata*, an exhibition devoted to the presence of water spirits in Africa, the Caribbean, Latin America, the United States, and India. She said that although the National Museum of African Art mounted the exhibition, the art of *Mami Wata* spoke to spiritual relationships that extended beyond the shores of Africa, reflecting the Museum’s commitment to expanding global understanding of migrations, diasporas, and the interaction of cultural groups. Dr. Cole said that similar exhibitions in the future would benefit from the Strategic Plan’s focus on interdisciplinary collaborations and that an exhibition such as *Mami Wata* could draw from such resources as the National Museum of the American Indian, the Anacostia Community Museum, the National Museum of African American History and Culture, the Freer and Sackler Galleries, the Latino Center, the Pacific-Asian American Program, the Smithsonian Center for Folklife and Cultural Heritage, the Smithsonian American Art Museum, and the National Museum of American History.

She spoke of efforts to encourage cross-disciplinary initiatives that promote appreciation for the interplay of and relationships between cultural and scientific knowledge. The Museum is organizing *African Cosmos*, a major travelling exhibition and publication that will explore the historical legacy of African cultural astronomy and its intersection with traditional and contemporary African arts. The exhibition also will employ new technologies and social media vehicles.

Noting that organizers of *African Cosmos* were exploring collaborations with museums both within and outside of the Institution, Dr. Cole spoke of the importance of working across disciplines to document, understand, and preserve different types of knowledge systems. She said that this commitment was reflected in the Strategic Plan’s promise to form “strategic alliances and partnerships with cultural communities and organizations, domestically and internationally, that advance cultural exchange and the ability of people to preserve, extend, and represent their own cultures.” She added that the ability to understand and respect the cultures of the world would expand Americans’ capacity to better appreciate and value the diverse peoples that comprise their own culture.

Asked about the resources needed to support the grand challenge of “valuing world cultures,” Dr. Cole said that a commitment to the better use of current resources would advance many, but not all, of the proposed initiatives. She spoke of the need to support collaborations between the Smithsonian’s science units, which are better funded, and the history, arts, and culture units. She also noted that a scarcity of resources also would encourage both internal and external partnerships.

Representative Becerra commented that the Smithsonian’s ability to cultivate partnerships could be considered a matter of will, and agreed that encouraging collaborative initiatives would be essential to meeting the challenge of “valuing world cultures.”

**Dr. Elizabeth Broun:
“Understanding the
American Experience”**

Betsy Broun then addressed the fourth grand challenge: understanding the American experience. She said that the strategic planning process had reflected the American experience of democratic participation, and that supporting pan-Institutional buy-in would contribute to the plan’s success in the coming years.

Dr. Broun said that because of its talented staff and rich collections the Smithsonian was uniquely qualified to translate the complicated issues of national identity for the greater American public. She spoke of the Smithsonian’s ability to cultivate formal and informal collaborations, both within the Institution and with outside partners, and cited the recent success of the Webinar on President Lincoln that benefited from the year-long celebration of the 200th anniversary of his birth. She noted the importance of being attuned to what the public wanted from the Smithsonian.

Dr. Broun commented that the American “melting pot” was actually “chunky” in its textured diversity. She said that American society has always been global because of its immigrant history, and talked about the defining characteristics of the American people. She said that many Americans immigrated for the promise of a better life, and that America’s “legacy character” reflected the many reasons for their journeys. Understanding the different immigrant experiences, such as the English settlers’ search for religious freedom or the French and Dutch explorers’ hunt for land and raw commodities, contributes to the understanding of such present day issues as religious fundamentalism, materialism, and disregard for the environment. Likewise, the traditions of different immigrant groups contributed to artistic, political, and cultural legacies that are seen to this day.

Dr. Broun also spoke of the nation’s immigrants who came against their will, namely African Americans, and how the “promise of a better life” was taken from Native Americans. She said that the Smithsonian must continue to develop a leadership role in helping America come to terms with its legacies of injustice. She cited the establishment of the National Museum of the Native American and the National Museum of African American History and Culture as efforts to help understand and mitigate the impact of those parts of the American experience.

She noted other aspects of the American experience that could be addressed through interdisciplinary collaborations. She said that land use and management issues could be considered through the dual perspectives of historic accounts of early immigrants’ encounters with nature in the new world and contemporary scientific research directed towards understanding and protecting the natural world. She commented on technology’s impact on modern life and the precedents seen in the Industrial Revolution’s influence on art, science, and culture.

Dr. Broun was asked about the existence of information “silos” and the ability of Smithsonian units to conduct interdisciplinary collaborations. She noted that many collaborative relationships exist within the Smithsonian but receive little recognition. When asked about parallels between the “chunky” American melting

pot and the disparate parts of the Smithsonian, Dr. Broun said that it was important that the Strategic Plan support the integrity of individual units while fostering a commitment to the entire Institution.

Discussion of the Strategic Plan

After a brief break, the Board discussed the Strategic Plan. Ms. Stonesifer reminded the Regents that their deliberations should especially consider whether or not the plan presented the right vision for the Smithsonian, and if it provided the appropriate framework to achieve that vision.

The Regents reviewed the proposed budgets and projected funding sources for the plan. The Secretary noted that the ranges in the anticipated budgets reflected a structured but flexible resourcing framework that anticipated such unknowns as how quickly the plan's elements could be implemented. He also reminded the Board that the financing of the Strategic Plan's initiatives would be annually reviewed over the life of the plan.

Ms. Stonesifer asked what would happen if the Smithsonian could not obtain the funding required to implement the Strategic Plan, or if only a small fraction were secured. Secretary Clough noted that nearly all of the Strategic Plan's goals were flexible and could be scaled to fit different funding environments. He said that approximately 60 percent of the necessary funding would come from a mix of both new and older, redirected sources and that the remainder would come from entirely new sources. He also said that, by design, the plan was structured to lessen, but not eliminate, the Smithsonian's dependence on Federal funding. The Board discussed incremental funding increases and agreed that the budgets would have to be regularly adjusted in response to such changes.

Secretary Clough spoke of the Strategic Plan's goals and their ability to support the generation of new financial resources. He said that the plan's implementation would capitalize on the Institution's international reputation as an established, unbiased entity. He also said that, within the Institution, the proposed centers would generate their own financial resources. He added said that an inspirational plan would encourage buy-in by staff and promote an entrepreneurial workforce.

The Secretary was asked if the plan addressed the renovation of the Arts and Industries building. He said that part of the "broadening access" budget would be devoted to the revitalization of the historic building.

The Secretary said that further refinements and more specifics, such the metrics that would be applied to measure the plan's performance, would be presented to the Board at its January and April 2010 meetings. He noted, however, that some of the plan's initiatives, such as the Giant Magellan Telescope, already had established measurables.

The Regents were enthusiastic in their support for the Strategic Plan's vision and framework, but they also considered whether it was realistic to advance a plan that was dependent upon both dwindling Federal resources and an uncertain economy. The Board discussed whether it could endorse the plan in spirit, or if support should only be conveyed upon the plan at a later stage in its development. Ms. Stonesifer stated that, in good faith to Smithsonian staff, it was imperative that the Board determine if it could support the plan at this time.

The Secretary said that the plan's ability to cite clear and specific goals would inform and support each round of the Institution's ongoing budget processes. The Board agreed that, regardless of the pace that funding is secured, the plan would rationalize not only the budget processes, but all of the initiatives of the Smithsonian.

The Regents commended the leadership of the Secretary in the creation of the plan. The Board also expressed its appreciation and respect for the participation of the Smithsonian staff in the plan's development. By unanimous vote, the Board then strongly endorsed and approved the Smithsonian's Strategic Plan for fiscal years 2010–15 and commended the Secretary and the entire staff for their valuable contributions to the Strategic Plan's development.

See attached Resolution 2009.09.21 (Minutes of the Board of Regents, Appendix A).

Session Adjournment

Ms. Stonesifer adjourned the morning session at 1:00 p.m. and the Board went into executive session, which was adjourned at 1:55 p.m.

AFTERNOON PLENARY SESSION

**The Second Annual
Public Meeting of the
Board of Regents**

The afternoon session, which was the second annual public meeting of the Board, was called to order by the Chancellor at 2:35 p.m. The Chancellor welcomed the members of the audience, as well as those participating via live Webcast. He explained the Board's role in the governance of the Smithsonian and introduced the members of the Board of Regents, including those unable to be present for the meeting.

Ms. Stonesifer said that the meeting demonstrated just one aspect of the Board's commitment to supporting an ongoing dialogue with the public and other Smithsonian stakeholders. She provided an overview of the morning session and invited the Secretary to speak in more depth about the Smithsonian Strategic Plan.

Secretary Clough outlined the four themes, or "grand challenges," of the Strategic Plan: unlocking the mysteries of the universe, understanding and sustaining a biodiverse planet, valuing world cultures, and understanding the American experience. He discussed the plan's commitment to increasing access to the Smithsonian and its resources, noting that the Institution's Web, social media, and digitization initiatives would extend the reach of the Smithsonian.

Chief of Staff to the Regents John Lapiana then explained the interactive format of the meeting. He said that comments and questions could be submitted to the Board via e-mail, in-person using a microphone, or by comment cards made available to audience members, which would then be read by Mr. Lapiana. He noted that members of the press had been invited to participate in the meeting. He also explained the time and content constraints of the meeting, noting that only issues related to the Smithsonian would be discussed in this exchange.

The Regents then responded to questions posed by the meeting's physical and virtual participants. A variety of questions were posed about a broad range of topics, such as the introduction of admission fees to Smithsonian museums, the future of the Arts and Industries building, and the Smithsonian's commitment to green building practices.

ADJOURNMENT

On behalf of the Board of Regents, the Chancellor thanked the audience for attending the meeting. He also thanked the Regents for their participation and service. The meeting was adjourned at 3:45 p.m.

Respectfully Submitted,

G. Wayne Clough
Secretary

MINUTES OF THE BOARD OF REGENTS

September 21, 2009

APPENDIX A APPROVED RESOLUTIONS

VOTED that the Board of Regents approves the Minutes of the Meeting of June 22, 2009. [2009.09.01]

VOTED that the Board of Regents presents to Ira Rubinoff the Joseph Henry Medal in recognition of his many contributions to the Smithsonian Institution as the Director of the Smithsonian Tropical Research Institute beginning in 1974. [2009.09.02]

VOTED that the Board of Regents approves the budget of appropriated funds for fiscal year 2010 when signed into law by the President and authorizes expenditures by the Secretary in accordance therewith. Any material changes in program plans incorporated into this budget shall be made only with the approval of the Board of Regents or its Executive Committee. [2009.09.03]

VOTED that the Board of Regents approves the institutional budget for Trust funds for fiscal year 2010 as reflected in this report and authorizes expenditures by the Secretary in accordance therewith. Any material changes in program plans incorporated into this budget shall be made only with the approval of the Board of Regents or its Executive Committee. [2009.09.04]

VOTED that the Board of Regents approves a special payout from the Institution's Endowment not to exceed \$2.5 million to fund the fiscal year 2010 expenses of the National Campaign and other related development funding requirements. [2009.09.05]

VOTED that the Board of Regents reelects Patricia Q. Stonesifer as Chair of the Smithsonian Institution's Board of Regents for a one-year term effective January 25, 2010. [2009.09.06]

VOTED that the Board of Regents reelects Alan G. Spoon as Vice Chair of the Smithsonian Institution's Board of Regents for a one-year term effective January 25, 2010. [2009.09.07]

VOTED that the Board of Regents approves the appointment of George E. Hartman as a non-Regent member to the Facilities Committee. [2009.09.08]

VOTED that the Board of Regents appoints Paul Neely as Chair and Judy S. Huret and Gary B. Moore as Vice Chairs of the Smithsonian National Board for three-year terms effective October 1, 2009. [2009.09.09]

VOTED that the Board of Regents appoints Diane Scott-Jones to the Advisory Board of the Anacostia Community Museum for a three-year term effective immediately and reappoints Jeannine Smith Clark, Arrington Dixon, Sam Gilliam, Frederick D. Gregory, Gloria Herndon, and Anas Shallal to the Advisory Board for three-year terms effective October 1, 2009. [2009.09.10]

VOTED that the Board of Regents appoints Judith Jones, Nicholas Lowry, and Ellen Phelan and reappoints Warren Adelson, Lynn Johnston, and Barbara Mathes to the Board of Trustees of the Archives of American Art for three-year terms effective immediately. [2009.09.11]

VOTED that the Board of Regents appoints Jameson McJunkin to the Advisory Board of the National Air and Space Museum for a three-year term effective October 1, 2009. [2009.09.12]

VOTED that the Board of Regents appoints James T. Bartlett, Linda S. Ferber, Steven K. Hamp, and James Reinsch and reappoints Anthony C. Beilenson and Mallory Walker to the Commission of the National Portrait Gallery for four-year terms effective immediately. [2009.09.13]

VOTED that the Board of Regents reappoints Kathryn S. Fuller and Sandra Day O'Connor to the Advisory Board of the National Museum of Natural History for three-year terms effective immediately. [2009.09.14]

VOTED that the Board of Regents appoints John W. Butler to the Advisory Board of the Smithsonian Environmental Research Center for a three-year term effective immediately. [2009.09.15]

VOTED that the Board of Regents appoints John Germano and Augustus C. Miller and reappoints Pamela J. Braden, Kay Dryden, Hope L. Furth, and George Gwynn Hill to the Advisory Board of Smithsonian Institution Libraries for three-year terms effective January 1, 2010. [2009.09.16]

VOTED that the Board of Regents recognizes the generosity of Microsoft Corporation to the Office of the Chief Information Officer and accepts the terms of the gift agreement. [2009.09.17]

VOTED that the Board of Regents recognizes the generosity of the Hattie M. Strong Foundation to the National Zoological Park and, in honor of the foundation's former president and chairman, names the Think Tank exhibit's new classroom/lab The Hank Strong Enrichment Lab for 20 years or until the classroom/lab's next major renovation, whichever is latest. [2009.09.18]

VOTED that the Board of Regents creates a true endowment and a quasi endowment to support a research fellowship at the National Zoological Park and authorizes their establishment using funds identified for this purpose. Further, the Regents approve naming the fellowship The David Challinor Fellowship. [2009.09.19]

VOTED that the Board of Regents recognizes the generosity of Eric R. Keto to the Smithsonian Astrophysical Observatory and approves naming The Eric R. Keto Prize for Graduate Students in Theoretical Astrophysics, which is made possible by his gift. The Board of Regents also approves the creation of an endowment to support this prize. [2009.09.20]

VOTED that the Board of Regents strongly endorses and approves the Smithsonian's strategic plan for fiscal years 2010–2015 and commends the Secretary for his leadership and the entire staff for their valuable contributions toward its development. [2009.09.21]

DRAFT MINUTES OF THE JANUARY 6, 2010, EXECUTIVE COMMITTEE MEETING

The Executive Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution met on January 10, 2010, beginning at 11:35 a.m. at the Supreme Court in Washington, D.C., to discuss the agenda for the January 25, 2009, meeting of the Board of Regents. In attendance were Chancellor of the Board of Regents John G. Roberts Jr., Chief Justice of the United States; Board Chair Patricia Q. Stonesifer, and Committee member Alan G. Spoon. Committee member Roger W. Sant was unable to attend. Also present by invitation of the Committee were Secretary G. Wayne Clough, Counselor to the Chief Justice Jeffrey P. Minear, Chief of Staff to the Secretary Patricia Bartlett, Chief of Staff to the Regents John K. Lapiana, and General Counsel Judith Leonard.

Ms. Stonesifer called the meeting to order.

REVIEW OF JANUARY 24, 2010, REGENTS EMERITI PROGRAM

Ms. Stonesifer noted that all Regents emeriti have been invited to attend a briefing led by the Secretary on the Strategic Plan and dinner with the current Regents at the National Museum of Natural History. At dinner, Cristián Samper, the Museum’s director, will discuss the challenges facing the Earth’s oceans.

The briefing and dinner mark the first formal outreach to Regents emeriti and Ms. Stonesifer said she expects that the Regents will repeat the effort every three to five years. Regents emeriti, the Committee members agreed, are an important and underutilized Smithsonian stakeholder group. Eleven Regent emeriti and their guests are expected to participate. Smithsonian staff members have offered emeriti behind-the-scenes tours the following day.

AGENDA FOR THE BOARD OF REGENTS’ MEETING

Ms. Stonesifer noted that the agenda was designed to engage the Regents with the Smithsonian’s strategic initiatives in science, particularly those in the area of biodiversity. Future Regents’ meetings will similarly focus on a single overarching topic, such as the American experience or world cultures.

She then directed the Committee’s attention to the agenda for the meeting contained in the draft meeting book, previously distributed to the Committee on December 30, 2009.

Report of the Chair of the Board and the Executive Committee. Ms. Stonesifer said that in her report, she will lead a discussion of the 2009 Regents’ self-assessment. She noted that although the results were still being tallied, participation was expected to significantly exceed that in 2008.

Report of the Secretary. Secretary Clough explained that his report would consist of two major parts. The first would be an update of news from around the Smithsonian. The

“headline,” he said, would be that visitation is over 30 million for the first time since 2000. He said that maintaining that level for 2010 would be a challenge without hallmark events such as the Inauguration boosting visitation to Washington, D.C., but noted his belief that early results indicate that “last year was not a fluke.”

In addition, the Secretary indicated he would highlight awards and citations the Smithsonian and its staff received in 2009 and recent senior hires, such as Bill Moggridge at Cooper-Hewitt, National Design Museum. Two nascent initiatives will also be discussed: the best practices review and a Smithsonian branding study. In both instances, the Secretary stressed that the Regents’ input and guidance would be actively solicited.

The second major part of the Secretary’s report will focus on the Smithsonian’s fiscal year 2010 organizational goals. Ms. Stonesifer noted that the Committee had been providing the Secretary with input as the goals were being developed and that the Secretary will ask the Regents to affirm the goals at the meeting.

Finance Committee. Ms. Stonesifer reviewed the draft Finance Committee report, focusing on the fiscal year 2011 budget negotiations with the Office of Management and Budget. The “settlement,” if enacted by Congress, would represent a 5 percent increase over the fiscal year 2010 Federal budget. After reviewing the fiscal year 2011 Federal facilities capital budget, Mr. Spoon suggested that staff create a more graphic way of presenting the status of capital projects.

Ms. Stonesifer said that the meeting agenda had been drafted to also allow the Regents to conduct a meaningful conversation with the Secretary on the fiscal year 2012 Federal budget climate.

Investment Committee. Ms. Stonesifer said that Investment Committee Chair David Silfen would provide a detailed update on the Smithsonian’s Endowment and that committee’s asset allocation strategies.

Lunch. Secretary Clough noted that paleoanthropologist Rick Potts, the director of the Smithsonian’s Human Origins Program and curator of anthropology at the National Museum of Natural History, would be the Regents’ luncheon speaker. Dr. Potts will discuss the creation of the David H. Koch Hall of Human Origins, which is scheduled to open in March 2010. Committee members noted that the Hall may be controversial and stressed that the Smithsonian must be respectful of differing points of view. The Secretary explained that significant outreach was conducted during the development of the Hall, including the establishment of a religious advisory group.

Compensation and Human Resources. Ms. Stonesifer explained that the Committee’s report will be conducted in executive session. The Board will be asked to review the Secretary’s performance for fiscal year 2009 and approve his compensation for 2010. In addition, the Board will review the compensation recommendations for approximately 15 other senior officers. Compensation recommendations, both Ms. Stonesifer and the Secretary noted, will reflect the increase range being applied to the Federal civil service and the poor economy.

Strategic Planning and Programs Committee. The Secretary and Strategic Planning and Programs Committee Chair Doris O. Matsui will lead a discussion on two recurring topics—the proposed International Museum Training Program and the future of the Arts and Industries Building. With regard to the latter, Secretary Clough noted that the presidentially appointed commission on a proposed National Museum of the American Latino informed the Smithsonian that the Arts and Industries Building would likely be identified as a potential location for the new museum.

Governance and Nominating Committee. Ms. Stonesifer explained that the Governance and Nominating Committee will recommend that the Board elect Robert P. Kogod as a member of the Executive Committee to replace Roger W. Sant, who is rotating off of that committee. In addition, the Board will vote on committee assignments for 2010. Committee members also noted that Congressional Regent Christopher Dodd had announced earlier that morning his intention to not seek reelection as a Senator from Connecticut. Senator Dodd's retirement will result in a new Senate Regent being appointed in 2010.

Smithsonian National Board Report. Ms. Stonesifer noted that Paul Neely, the new chair of the Smithsonian National Board (SNB), will make his inaugural report at the meeting. The SNB is scheduled to meet on January 22–23, 2010, and, because the Secretary will be in Antarctica, Ms. Stonesifer has accepted an invitation to attend the SNB's business session.

Facilities Committee. Ms. Stonesifer reviewed the Facilities Committee materials, noting that the Regents will be asked to approve a request for Congressional authorization for certain construction at the National Zoological Park's facility in Front Royal, Virginia. The Secretary pointed to the proposed presentation on sustainability at the Smithsonian and explained the key role sustainability plays in the Smithsonian's fiscal years 2010–2015 Strategic Plan.

Advancement Committee. Mr. Spoon provided a preview of the January 13, 2010, Advancement Committee meeting agenda, which will form the basis for his report to the Board. He said that staff and the Smithsonian's outside consultants have been looking closely at the proposed costs of the national campaign and potential methods of funding. Mr. Spoon noted that he is working with staff on a calendar for the Regents' approval of campaign milestones, budgets, and funding sources. Mr. Spoon noted that a fundamental concern is the need for an automated donor records management system.

The Secretary noted that a latent benefit of the campaign after its completion will be a significantly larger donor base and a staff trained in sophisticated development processes.

The meeting was concluded at 12:55 p.m. with members and the Secretary joining the Chancellor for lunch.

Respectfully submitted,

Patricia Q. Stonesifer, Chair

REPORT OF THE SECRETARY

Secretary G. Wayne Clough will provide an oral update on the state of the Institution to the Board of Regents at its January 25, 2010, meeting. The following materials will support his presentation.

A. Smithsonian Institution Fiscal Year 2010 Annual Goals

Proposed Motion: **VOTED** that the Board of Regents affirms the Smithsonian Institution Fiscal Year 2010 Annual Goals.

B. Annual Report to the Board of Regents: Fiscal Year 2009

Smithsonian Institution FY 2010 Goals

| STRATEGIC PLAN PRIORITY | GRAND CHALLENGES | | | |
|-------------------------------|---|--|------------------------|--|
| | Unlocking the Mysteries of the Universe | Understanding and Sustaining a Biodiverse Planet | Valuing World Cultures | Understanding the American Experience |
| Excellent Research | <ul style="list-style-type: none"> • Plan and/or conduct four grand challenge related conferences that convene thought leaders, scholars & policy makers to deliberate on research agendas and policy issues that advance knowledge around core challenge questions • Select measures of success: <ul style="list-style-type: none"> ○ Increase of at least 2% over FY09 level of 1,725 research and scholarly publications; ○ Increases of at least 2% over FY09 level of 782 proposal submissions; ○ Under Secretary engagement with Directors and Research Centers resulting in specific improvements to research infrastructure in areas such as indirect cost recovery that support long term SI research excellence. | | | |
| Broadening Access | <ul style="list-style-type: none"> • Web/New Media/Visitation <ul style="list-style-type: none"> ○ Attract new and diverse on-site and virtual visitors by enhancing the Smithsonian's digital presence and accessibility, by implementing new Web and media strategies; redesigning the Web site; and expanding social networking activities. Specific, select measure of success will be: <ul style="list-style-type: none"> ▪ Measure the success of the si.edu refresh using the Foresee Customer Satisfaction Survey results. <ul style="list-style-type: none"> • Specifically, achieve a 4 point improvement in the quarterly average customer satisfaction index score by the end of FY 2010 over a final quarter baseline index score of 79. • Outreach & Exhibitions <ul style="list-style-type: none"> ○ Demonstrate SI scholarship excellence as measured by launching new exhibits: real and virtual, traveling and permanent; resulting in 72% or better rating of excellent or superior by visitors attending those exhibitions surveyed and at least 25% of exhibits receiving an 80% or better rating of excellent or superior. • Digitization <ul style="list-style-type: none"> ○ Develop standards on how to count digital assets for adoption across the Institution ○ Develop pan-Institutional digitization program policy ○ Develop guidance on how to establish digitization priorities for implementation at unit level <p><i>Specific select measures of success involving a standards driven digitization effort:</i></p> <ul style="list-style-type: none"> ○ Complete at least 15% (a 5% increase over FY09 levels) of the 1.9 million species web pages that constitute the Encyclopedia of Life (EOL); <p>In history, art and culture museum collections, increase the number with digital records by 2%, over FY09 levels of 1.6M, the number of digital images by 10% over FY09 levels of 780K, the number digital records on the web by 2% over FY09 levels of 119K and the number of digital images on the web by 8% over FY09 levels of 93.4K .</p> | | | |
| Revitalizing Education | <ul style="list-style-type: none"> • Hire Director of Education and complete strategic vision for SI education | | | |
| Crossing Boundaries | <ul style="list-style-type: none"> • Centers/Cross-Unit <ul style="list-style-type: none"> ○ Complete the Centers plan and establish leadership for the four Grand Challenge Centers by June 2010 and complete two year centers plans by September 2010 • A&I <ul style="list-style-type: none"> ○ Define the A&I program ○ Complete planned FY2010 facility revitalization projects • External Collaboration <ul style="list-style-type: none"> ○ Leverage SI research capacity through new and expanded internal and external collaborations, forming at least one new public-private partnership and creating at least two inter-unit/interdisciplinary research teams around grand challenges | | | |

Smithsonian Institution FY 2010 Goals

| STRATEGIC PLAN PRIORITY | GRAND CHALLENGES | | | |
|---|---|--|------------------------|--|
| | Unlocking the Mysteries of the Universe | Understanding and Sustaining a Biodiverse Planet | Valuing World Cultures | Understanding the American Experience |
| Strengthening Collections | <ul style="list-style-type: none"> • Implement SI-wide collections assessment tool to identify collections priorities • Increase from 50% to 100% collecting units' collections management policies that are compliant with SD 600 by the end of FY 2010 • Develop phase 1 collections plans (intellectual frameworks) for 75% of collecting units | | | |
| Enabling Our Mission Through Organizational Excellence | <p><u>Enhancing Organizational Culture</u></p> <ul style="list-style-type: none"> • Strategic Plan Implementation <ul style="list-style-type: none"> ○ Realign Institution processes to conform with strategic plan priorities • Accountability/Internal Controls <ul style="list-style-type: none"> ○ Complete the funded critical milestones established in the internal control work plans for the high risk processes for FY 2010 • Efficiency/Admin Reform <ul style="list-style-type: none"> ○ Complete the best practices study and identify a plan of action based on the study's conclusions and recommendations • Equal Opportunity <ul style="list-style-type: none"> ○ Meet and Exceed Smithsonian's supplier diversity goals, achieve at least 80% EEO training compliance and improve the percentage of underrepresented employee groups on decision making boards and committees and in senior level positions. • Safety <ul style="list-style-type: none"> ○ Develop an action plan to address the recommendations of the independent asbestos program evaluation and begin implementation • Strategic Human Capital Development <ul style="list-style-type: none"> ○ To monitor human resource alignment to strategic plan implementation, the Office of Human Resources (OHR) will collect and report monthly to the Secretary on post buy out hiring using the number of job announcements with specific recruitment factors tied to the strategic plan grand challenges and priorities. ○ The Institution will track competency gaps in the information technology workforce as measured by an annual IT competency assessment and semi-annual reports on progress toward closing gaps ○ The Institution will track training and development activities geared toward addressing leadership competencies by conducting competency assessments of SLDP participants, measuring levels of involvement in activities geared to leadership and collecting participant evaluation of leadership development activities. <p><u>Optimizing Assets</u></p> <ul style="list-style-type: none"> • Facilities Capital/ Maintenance; Technology Infrastructure; Workforce <ul style="list-style-type: none"> ○ Complete funded FY2010 milestones in existing operational plans; Select measures of success include: <ul style="list-style-type: none"> ▪ (Facilities) Complete critical funded milestones needed to achieve completion of NMAAHC by 2015 ▪ (Technology) Double the usage of EDAN in building SI websites which incorporate digital images over the FY2009 level ▪ (Workforce) Increase the number of processed job requisitions meeting the OPM 80 day standard by 5% from 20% to 25%. • Diversity <ul style="list-style-type: none"> ○ Identify and implement two new initiatives to increase diversity at the Institution | | | |

Smithsonian Institution FY 2010 Goals

| STRATEGIC PLAN PRIORITY | GRAND CHALLENGES | | | |
|----------------------------|--|--|------------------------|--|
| | Unlocking the Mysteries of the Universe | Understanding and Sustaining a Biodiverse Planet | Valuing World Cultures | Understanding the American Experience |
| | <ul style="list-style-type: none"> • Sustainability <ul style="list-style-type: none"> ○ Establish SI-wide sustainability program ○ Meet the funded FY2010 milestones set in Executive Orders 13514 and 13423 on sustainability • <u>Ensuring Financial Strength</u> • Federal/Trust Budgets <ul style="list-style-type: none"> ○ Transform federal and trust budgets to align with strategic plan and Trust Finance Teams recommendations ○ Secretary and Under Secretaries to conduct monthly assessments of trust and federal budget issues • Fundraising/National Campaign <ul style="list-style-type: none"> ○ Stretch goal: \$142M; includes \$50M in pan institutional leadership gifts in support of Campaign goals and assumes approximately \$25M in new gifts for strategic plan priorities over and above unit and center program goals. ○ Continue Campaign planning efforts and assess Development Systems and begin implementation of results and recommendations. ○ Identify and implement Campaign financing plan. • Generate Revenue <ul style="list-style-type: none"> ○ SE to deliver a stretch goal of at least \$26M in total net gain over the FY09 goal of \$25M. SI to launch a minimum of 2 new revenue generating initiatives that yield at least \$500K in new revenues • Grants/Contracts <ul style="list-style-type: none"> ○ Increase grants and contracts awards by 4% over the FY09 goal of \$125M. ○ Increase of 3% (and no less than 2%) in SI grants and contracts expenditures over FY09 levels of \$124M. • Endowment <ul style="list-style-type: none"> ○ Endowment performance to exceed the policy benchmark and perform in the top quartile of comparable peers over the long term(exceed 5.5% real return), Short-term cash portfolio will deliver budget income of \$3.4 million.(and exceed the ML T-Bill Index) | | | |



Photo by Jonny Keeling

Kristofer Helgen of the Smithsonian's National Museum of Natural History discovered a new species of giant rat while on a filmmaking expedition with the BBC to a remote rainforest in Papua New Guinea. This photo shows BBC cameraman Gordon Buchanan with the 3.5-pound rodent.

Annual Report to the Regents Fiscal Year 2009

Public Impact



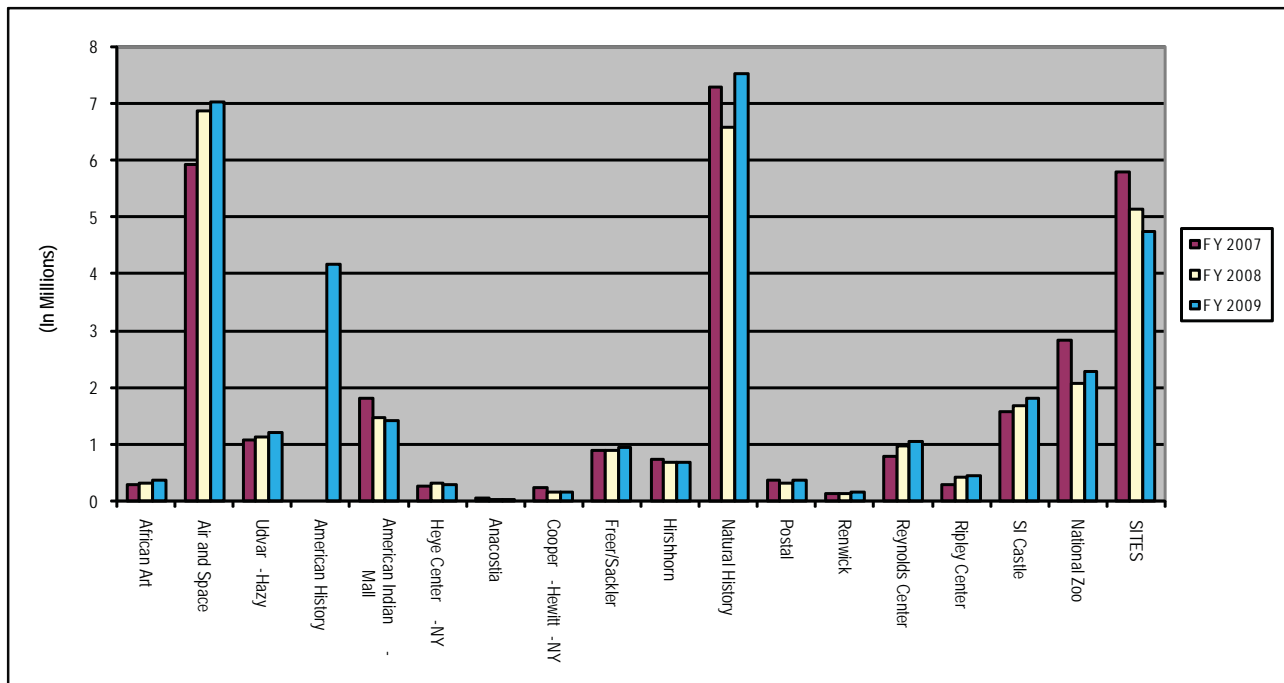
Visits to the Smithsonian

In fiscal year 2009, the Institution counted **30.0 million** visits to its museums in Washington, D.C., and New York, plus the National Zoo and Steven F. Udvar-Hazy Center—up almost **25 percent** from fiscal year 2008. This significant jump in visitation was largely attributable to the reopening of the National Museum of American History, which saw nearly 4.2 million visitors after being closed for extensive renovations throughout fiscal year 2008.

The Smithsonian also counted approximately **4.75 million** visits to 52 traveling exhibitions mounted by the Smithsonian Institution Traveling Exhibition Service. The exhibitions were on view in 697 venues in all 50 states plus the District of Columbia, Guam, and American Samoa. These figures include *The Mask of Lincoln*, a portfolio created for widespread distribution to schools, libraries, and museums across the country.

Visits to Smithsonian Museums and Traveling Exhibitions

Fiscal Years 2007, 2008, and 2009



Smithsonian Online

Smithsonian Web sites logged more than **188 million** visits in fiscal year 2009, up **9 percent** from the fiscal year 2008 figure. Among the online highlights for the fiscal year were the following:

- The **Encyclopedia of Life (EOL)**, a consortium including the Smithsonian that seeks to make extensive information on all known species easily accessible online through a single Web site, now

features 170,000 expert-reviewed species pages. The public used tools such as Flickr to upload over 30,000 images, videos, and other data into EOL.

- The Smithsonian’s central online education portal **SmithsonianEducation.org** was selected as a Landmark Website on the inaugural list of the American Association of School Librarians’ Best Websites for Teaching and Learning.
- “**Ghosts of a Chance**,” an alternative reality game from the Smithsonian American Art Museum, attracted thousands of players online and hundreds to the finale at the Museum on October 25, 2008. It received coverage in several national news outlets and was an Official Honoree in the new Interactive Advertising category at the 13th Annual Webby Awards.
- “**The Secret in the Cellar**,” an interactive, graphic novel–style Webcomic companion to the National Museum of Natural History exhibition *Written in Bone*, was chosen by the U.S. Distance Learning Association to receive a 2009 Best Practices in Distance Learning Programming Gold Award.
- The Smithsonian Photography Initiative launched the second version of its *click! photography changes everything* Web site, which includes mini-documentaries on the power of photography featuring Smithsonian experts. The Initiative also launched a blog, *The Bigger Picture*.
- The Smithsonian Institution Scholarly Press and Smithsonian Institution Libraries completed the digitization of legacy volumes of the **Smithsonian Contributions Series**—a total of 1,072 volumes (more than 107,000 pages) of research in a wide range of subject areas—and posted PDFs online.
- The Archives of American Art’s **Oscar Bluemner Collections Online** Web site won the Fredric M. Miller Finding Aid Award of the Mid-Atlantic Archives Conference. The Archives Web site also won an Honorable Mention in the 2009 Best on the Web Awards sponsored by the Archives Next blog.



Exhibition Highlights

The National Museum of American History reopened on November 21, 2008, after its most extensive renovations in over 40 years. New highlights include a popular permanent exhibition, *The Star-Spangled Banner: The Flag That Inspired the National Anthem*, and the 3,500-square-foot Lemelson Hall of Invention, which made its debut with an exhibition titled *Invention at Play*.

The 2009 **Smithsonian Folklife Festival** (June 24–July 5), spearheaded by the Center for Folklife and Cultural Heritage, attracted over one million visitors. It included three major programs:

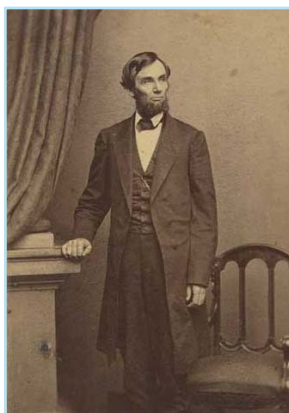
- *Wales Smithsonian Cymru*, showcasing traditional and contemporary Welsh culture;
- *Giving Voice: The Power of Words in African American Culture* (with the National Museum of African American History and Culture); and
- *Las Américas: Un Mundo Musical/The Americas: A Musical World* (with the Smithsonian Latino Center).



Among the new exhibitions at the National Museum of Natural History were *Written in Bone: Forensic Files of the 17th-Century Chesapeake* (opened February 7, 2009); *Orchids through Darwin's Eyes* (January 24–April 26, 2009), a collaboration between the Smithsonian Horticulture Services Division and U.S. Botanic Garden; and *Since Darwin: The Evolution of Evolution* (September 12, 2009–July 18, 2010) to mark the 200th anniversary of Charles Darwin's birth.

The Smithsonian American Art Museum offered a number of new exhibitions, including *1934: A New Deal for Artists* (February 27, 2009–January 3, 2010), in honor of the 75th anniversary of the first Federal program to support the arts, and *Georgia O'Keeffe and Ansel Adams: Natural Affinities* (September 26, 2008–January 4, 2009), which highlighted these two influential artists' appreciation of the natural world.

Among exhibition highlights at the National Air and Space Museum were *Painted Apollo: The Art of Alan Bean* (July 2009–mid-January 2010), which gives visitors a chance to see the moon through the eyes of an artist who walked on the lunar surface, and the opening of a public observatory on the southeast terrace of the Museum's Mall building.



The National Portrait Gallery featured several new exhibitions, including the much-discussed *One Life: The Mask of Lincoln* (November 7, 2008–July 5, 2009), which chronicled Lincoln's presidency and the use of photography to shape his identity as a national leader, and *Inventing Marcel Duchamp: The Dynamics of Portraiture* (March 27–August 2, 2009), which cast new light upon one of the most influential artists of the recent past.

The Panza Collection (October 23, 2008–January 11, 2009) at the Hirshhorn Museum and Sculpture Garden presented 39 important artworks from the late 1960s and early 1970s recently acquired by the Museum. Also at the Museum, *Louise Bourgeois* (February 26–May 17, 2009) presented a major retrospective of the works of a leading figure in 20th-century art.



The National Museum of African American History and Culture presented *Road to Freedom: Photographs of the Civil Rights Movement, 1956–1968* in the International Gallery of the Ripley Center (November 8, 2008–March 9, 2009) and *The Scurlock Studio and Black Washington: Picturing the Promise* (opened January 30, 2009) at the National Museum of American History.

The Freer and Sackler Galleries opened several new exhibitions, including *The Tsars and the East: Gifts from Turkey and Iran in the Moscow Kremlin* (May 9–September 13, 2009) and *Garden and Cosmos: The Royal Paintings of Jodhpur* (October 11, 2008–January 4, 2009), which showcased newly discovered paintings from the court collection of Marwar-Jodhpur.



Fritz Scholder: Indian/Not Indian, on display at both the National Museum of the American Indian's facility on the Mall and its George Gustav Heye Center in New York City (October 29, 2008–August 16, 2009), presented works from one of the most influential American artists of the 20th century. Also at the Museum, *Ramp It Up: Skateboard Culture in Native America* (June 12–September 13, 2009) celebrated American Indian skate culture.

At the National Museum of African Art, *Desert Jewels: North African Jewelry and Photography from the Xavier Guerrand-Hermès Collection* (October 8, 2008–January 11, 2009) offered striking displays of jewelry and photographs. The Museum also launched *Artful Animals* (July 1, 2009–July 2010), part of a collaborative project with performances,

storytelling, and other activities at the National Postal Museum, National Zoo, Discovery Theater, and National Museum of Natural History.

Staged Stories: Renwick Craft Invitational 2009 (August 7, 2009–January 3, 2010) at the Renwick Gallery celebrates the work of four artists whose work illuminates the shift in contemporary studio craft from functionality to narrative.

The Anacostia Community Museum presented *Jubilee: African American Celebration* (December 7, 2008–September 20, 2009), which explored a wide variety of distinctive African American holidays and celebrations through images, artifacts, traditional songs and music, and folklore.

Cooper-Hewitt, National Design Museum was the debut venue for the national tour of *Design for a Living World* (May 14, 2009–January 4, 2010), which features works that use sustainable materials. It also unveiled several other new exhibitions, including *Wall Stories: Children's Wallpaper and Books* (October 3, 2008–April 5, 2009) and *Fashioning Felt* (March 16–September 7, 2009).

The National Postal Museum exhibition *Delivering Hope: FDR and Stamps of the Great Depression* (June 9, 2009–June 6, 2010) shows how Franklin D. Roosevelt communicated with the American people through stamps, using them to convey messages of hope, optimism, and solidarity.

The Smithsonian Institution Libraries exhibition *Darwin's Legacy*, on display at the National Museum of Natural History (September 10, 2009–September 12, 2010), features the first edition of Charles Darwin's *On the Origin of Species* (1859), a book that changed the course of modern science.



Collections Highlights

New acquisitions this year included the following:

- The portrait that came to symbolize the historic campaign of **President Barack Obama** found a permanent home at the National Portrait Gallery. Shepard Fairey's iconic image was installed at the Gallery on January 17, 2009. The Gallery also unveiled portraits of **President and Mrs. George W. Bush** to wide acclaim.



- Jao Chu, a female **clouded leopard** at the National Zoo's Conservation and Research Center, gave birth to two male cubs on March 24, 2009. On January 10, 2009, the Zoo's 26-year-old **western lowland gorilla**, Mandara, gave birth to a female baby sired by the Zoo's 16-year-old male gorilla, Baraka.
- The Smithsonian American Art Museum acquired the estate archive of **Nam June Paik** (1932–2006), who became one of the most influential artists of his generation by transforming television and video into artists' media. The Museum also installed the monumental sculpture *Modern Head* by Roy Lichtenstein outside the Donald W. Reynolds Center for American Art and Portraiture.

In other collections news, the National Museum of Natural History celebrated the 50th anniversary of the gift of the **Hope Diamond** to the Museum. To mark the occasion, the Museum commissioned three new temporary designs for the 45-carat blue diamond, which is the centerpiece of the National Gem Collection.

Education, Event, and Program Highlights

The **three-day reopening festival** for the National Museum of American History began with a ribbon-cutting ceremony featuring former Secretary of State **Colin Powell** reading the Gettysburg Address. The festivities, which featured performances, living history interpreters, and other events, drew over 77,000 people.

As part of the January 2009 celebrations surrounding the inauguration of Barack Obama as the 44th President of the United States, a number of units featured special programs, including:

- The National Museum of American History's **Renewing America's Promise**, a celebration with music, gallery talks, book signings, and actors portraying great Presidents of the past;
- **Out of Many**, a multicultural festival of music, dance, and storytelling spearheaded by the National Museum of the American Indian in collaboration with the Center for Folklife and Cultural Heritage, National Museum of African American History and Culture, Smithsonian Latino Center, and Asian Pacific American Program; and
- The debut of the Smithsonian Institution Traveling Exhibition Service's unique mobile exhibition, *Abraham Lincoln: Self-Made in America*, housed in a 53-foot, double expandable trailer.

The world premiere of *Night at the Museum: Battle of the Smithsonian* was held in May 2009 at the Lockheed Martin IMAX Theater at the National Air and Space Museum. The red carpet gala was attended by stars Ben Stiller, Amy Adams, Hank Azaria, Robin Williams, Owen Wilson, and Ricky Gervais, and was covered by a worldwide media contingent. The film went on to become a box-office hit.

Using a broad range of Smithsonian resources, the **National Science Resources Center** continued to expand its work to transform K–12 science education in the United States and the world. Highlights include the following:

- Developing **16 instructional units** in the life, earth, and physical sciences that school districts and states can use to construct a comprehensive science program at the 6th–10th grade levels;
- Sponsoring its first **National Science Education Leadership Forum** for national and state leaders to showcase current research and best practices in high school science education;
- Broadening work with university faculty and high school teachers through the **Geneticists' Educator Network Alliance**; and
- Sponsoring the annual meeting of presidents of the **National Academies of Sciences** from Canada, the United States, and South America, resulting in the development of a plan to transform K–16 science education programs in South America.



In collaboration with the Smithsonian Tropical Research Institute and Museo del Canal Interoceánico de Panamá (a Smithsonian Affiliate), the Smithsonian Latino Center launched **Panama at the Smithsonian**, a series of 21 programs examining Panama's social, cultural, and natural heritage.

Educators from the National Portrait Gallery and Smithsonian American Art Museum worked with the Smithsonian Center for Education and Museum Studies to host the annual **Smithsonian Teacher's Night** event at the Reynolds Center, which drew more than 2,800 teachers.



Among the activities held by the National Air and Space Museum to commemorate the 40th anniversary of the Apollo 11 moon landing was the Museum's annual John Glenn Space Lecture, which featured Apollo 11 astronauts **Buzz Aldrin, Neil Armstrong, and Mike Collins**.

A memorandum of understanding between the National Zoo and **George Mason University** was finalized in October 2008 to develop a comprehensive conservation education program for undergraduates, graduates, and professionals.

Cooper-Hewitt, National Design Museum welcomed 9,000 visitors during its 3rd annual **National Design Week** in October 2008, the highlight of which was the 9th annual National Design Awards gala.

First Lady Michelle Obama, who served as honorary patron for the 10th National Design Awards program, hosted a White House ceremony for the 2009 award winners and finalists in July 2009.



Among the highlights for **Smithsonian Folkways Recordings** this year were the following:

- Two Folkways albums were nominated for Grammy awards: *From Now On: Michael Doucet and Amor, Dolor Y Lagrimas: Musica Ranchera: Mariachi Los Camperos de Nati Cano*. The latter was a winner when the awards were announced in February 2009.
- Several Folkways recordings earned **Independent Music Awards**: *Territory*, by Tony Trischka; *On The Right Road Now*, by the Paschall Brothers; and *Ayombe! The Heart of Colombia's Música Vallenata*, by various Colombian artists.
- Nine Folkways albums were cited in Tom Moon's popular new book *1,000 Recordings to Hear Before You Die: A Listener's Life List*.

In May 2009, the redesigned *Archives of American Art Journal* was nominated by the Society of Publications Designers for the 2008 best redesign in the Non-Newstand category, and won inclusion in *Step Into Design* magazine's 2009 list of "100 Trend-setting Projects."

The Society for History in the Federal Government awarded the **Thomas Jefferson Prize for Documentary History** to the Smithsonian Institution Archives' Joseph Henry Papers Project.

Outreach

Smithsonian Affiliations offers museums, cultural institutions, and educational organizations access to Smithsonian collections and resources. Through the Affiliations program, the Smithsonian fulfills its outreach mission of sharing artifacts, programs, and expertise with the nation and beyond.

- In fiscal year 2009, the Smithsonian welcomed **10 new Affiliates**. There are currently **165 Affiliates** in 41 states, the District of Columbia, Puerto Rico, and Panama.
- Smithsonian units loaned **413 artifacts** to **15 Affiliates**. There are now 1,077 Smithsonian artifacts on view at Affiliates across the nation.

The **Smithsonian Institution Traveling Exhibition Service (SITES)** continued to sustain a high level of outreach activity. In fiscal year 2009, SITES put the following new shows on the road:



- **NASA | ART: 50 Years of Exploration** launched a national tour at the Art League of Bonita Springs, Florida.
- **Lasting Light: 125 Years of Grand Canyon Photography** had its debut in Phoenix, Arizona.
- **The Kennedys | Portrait of a Family: Photographs by Richard Avedon** premiered at the Riverside Metropolitan Museum in Riverside, California, a Smithsonian Affiliate.
- The newest Museum on Main Street exhibition, **Journey Stories**, opened in small towns in Illinois, Kansas, Mississippi, North Dakota, and Oklahoma.

- **American Letterpress: The Art of Hatch Show Print** opened at the Experience Music Project in Seattle, Washington.
- **Bittersweet Harvest: The Bracero Program, 1942–1964**, a bilingual collaboration between the National Museum of American History and the Smithsonian Latino Center, debuted in Washington, D.C. Secretary of Labor Hilda Solis, whose father was a *bracero*, spoke at the press event for the show's premiere.



The **Smithsonian Center for Education and Museum Studies (SCEMS)** presented *Abraham Lincoln* and *Climate Change*, its first online Webinars in a new series funded by the Office of the Chief Information Officer. Both featured live, participatory sessions (now archived for replay) with curators and educators from multiple Smithsonian units. Teachers and learners from every state and dozens of foreign countries participated.

The **Smithsonian Associates (TSA)** continued to present a wide array of education programs in Washington, D.C., and around the country.

- More than 55,000 children and adults attended **Discovery Theater** performances on the National Mall and in schools, libraries, theaters, and community centers.
- **Smithsonian Summer Camp** celebrated its 40th year with over 60 camps and 1,100 children who explored the museums and exhibits around the National Mall.
- TSA brought Smithsonian experts to **17 communities in 10 states** for a variety of programs in local schools, museums, and other cultural organizations.
- Three-day **Teaching American History workshops** were conducted in school districts in Louisiana, New York, and Michigan.

In December 2008, in the Bhutanese capital of Thimphu, the Royal Government of Bhutan restaged the Center for Folklife and Cultural Heritage's 2008 **Folklife Festival program** on the culture of Bhutan.



The National Zoo and the World Bank Group signed a memorandum of understanding to launch the **Global Tiger Initiative** to restore wild tiger populations. The Zoo also joined seven other organizations to form the **Panama Amphibian Rescue and Conservation Project**, which aims to save amphibians from the brink of extinction in the eastern region of Panama, an area rich with amphibian species.

The **Encyclopedia of Life (EOL)** signed a memorandum of understanding with the Chinese Academy of Sciences to initiate a regional EOL in China, bringing the number of regional EOLs to three. Discussions on other

regional projects are under way in Central America, the Middle East, Indonesia, and South Africa.

In February 2009, the National Museum of Natural History welcomed participants from Brazil, Colombia, the Dominican Republic, Ecuador, Panama, Suriname, Uruguay, and Venezuela to its **Collections Management Training Program** for Latin American and Caribbean museum professionals.

In April 2009, the Smithsonian Accessibility Program, in partnership with the John Heinz History Center, an Affiliate in Pittsburgh, hosted more than 350 students at **Ability Pittsburgh**, an event modeled on the 2007 Individuals with Disabilities Education Act program at the National Air and Space Museum.



A new 2,500-square-foot interactive traveling exhibition created by educators and scientists at the Smithsonian Astrophysical Observatory, ***Black Holes: Space Warps and Time Shifts***, opened on June 21, 2009, at the Boston Museum of Science. It began a three-year national tour in September 2009.

In June 2009, Deputy Under Secretary for Science Scott Miller and Secretary Clough visited the **Mpala Research Center in Nairobi, Kenya**, to meet with Kenyan partners and to give the Secretary a first-hand glimpse of the world-class research being done by Smithsonian scientists and their collaborators.

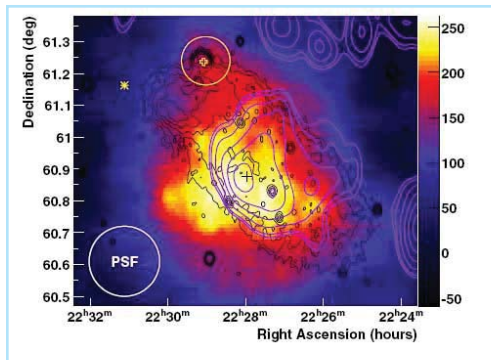
The Freer and Sackler Galleries launched **Asia After Dark**, an after-hours series designed to engage a new generation of young professional museumgoers and donors. The first two events on June 4 and September 3, 2009, were well-attended and garnered an exceptional amount of media attention.

Scholarship

Science Units

Smithsonian Astrophysical Observatory (SAO)

In fiscal year 2009, SAO scientists published **401 articles in peer-reviewed journals**, with another 558 articles in non-peer-reviewed journals, books, and conference proceedings. SAO research was the subject of 15 articles in *Nature* and 12 in the *New York Times*.



Gamma rays are the most energetic form of electromagnetic radiation known. SAO astronomers have used VERITAS (Very Energetic Radiation Imaging Telescope Array System), an array of four 12-meter telescopes at the Fred L. Whipple Observatory in Arizona, to obtain an image of gamma ray emission that provides deeper understanding of these rays' origins.

Dark energy is the name given to the mysterious process that drives the outward acceleration of the universe. By studying distant clusters of galaxies using the Chandra X-

ray Observatory administered by SAO, astronomers have provided the first direct evidence for cosmic acceleration since the original discovery of dark energy.

SAO's Submillimeter Array in Hawaii has brought a new level of precision to the study of **circumstellar disks**, the material surrounding young stars that have the potential to be converted into planets. With it has come a deeper understanding of how planets form.

SAO astronomers' high-precision measurements of the **Milky Way** have demonstrated that our galaxy is about 50 percent larger than had been believed, implying that it is rotating faster than previously thought and that the likelihood of collisions with other galaxies is greater than suspected.

National Zoological Park (NZIP)

NZIP scientists produced **114 publications** in fiscal year 2009, including 103 peer-reviewed journal articles (21 of which appeared in high-impact journals), five book chapters, and two books.

Scientists at the Zoo's Conservation and Research Center (CRC) successfully performed an artificial insemination on a **white-naped crane**. The resulting female chick is one of the most genetically valuable cranes in the North American Species Survival Program.



In May 2009, Dr. JoGayle Howard conducted five artificial inseminations on **black-footed ferrets** at the CRC using cryopreserved semen that was frozen 10–20 years ago. This resulted in the birth of a genetically valuable litter.

In June 2009, a group led by NZIP's Melissa Songer completed a highly successful **Przewalski's horse**–collaring mission in China, deploying satellite collars on four family groups that are being released from a new site in the Kalameili Nature Reserve.

National Air and Space Museum (NASM)

The second **Messenger Mission** flyby of Mercury on October 6, 2008, returned more than 1,200 images of a side of the planet not previously seen by spacecraft. Sarah Andre and Tom Watters of NASM's Center for Earth and Planetary Studies (CEPS) are involved in Messenger data analysis.

CEPS tallied **41 peer-reviewed publications** in fiscal year 2009, four of which were published in the high-impact journals *Science* and *Nature*—including a cover story in the May 2009 issue of the former.

The Division of Space History published **six new books** (plus four new editions), while the Division of Aeronautics published **five new books**.

Roger Launius of NASM's Division of Space History won the American Astronautical Society's 2009 John F. Kennedy Astronautics Award for his "significant and impressive contributions to the enterprise of space exploration, both as an author and a positive influence on the public's understanding of the history of and rationale for today's space programs."



Smithsonian Tropical Research Institute (STRI)

Carlos Jaramillo and his colleagues discovered a fossil record of the "world's largest anaconda" (*Titanoboa cerrejonensi*) in Cerrejón, Colombia, publishing their results in *Nature*. The snake, which lived about 58–60 million years ago, reached 13 meters in length and weighed more than a ton.

STRI's **Latin American Plant Initiative (LAPI)** held its second annual meeting in Buenos Aires in November

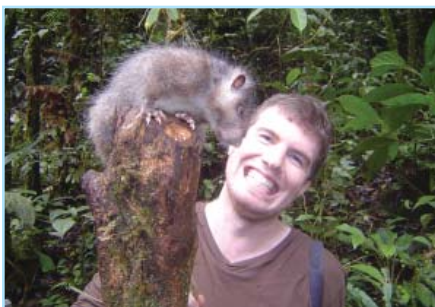
2008. More than 138 botanists and bioinformatics specialists attended, representing 93 institutions and 44 countries.

Several STRI scientists were recognized for professional excellence:

- In January 2009, **Dolores R. Piperno**, a STRI-NMNH archaeologist, received the Pomerance Award for Scientific Contribution to Archaeology from the Archaeological Institute of America.
- Staff scientist **William F. Laurance** and research associate **Thomas E. Lovejoy** won the inaugural BBVA Foundation Frontiers of Knowledge Award in Ecology and Conservation Biology.
- Staff scientist **Stephen P. Hubbell** received the Eminent Ecologist Award from the Ecological Society of America.

National Museum of Natural History (NMNH)

During fiscal year 2009, NMNH-based scientists authored or coauthored **479 publications**, of which 200 appeared in high-impact scientific journals.



Kristofer Helgen of the Smithsonian's National Museum of Natural History discovered a **new species of giant rat** while on a filmmaking expedition with the BBC in Papua New Guinea. Among the other potentially new species discovered on the expedition were approximately 16 species of frogs, one species of gecko, three species of fish, and 20 species of insects and spiders.

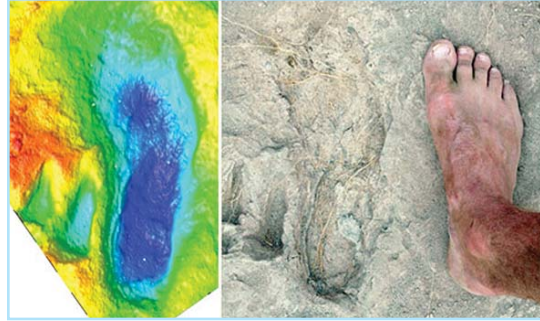
Using 200-million-year-old fossil leaves collected in Greenland, a team of researchers from NMNH, Oxford, and University College Dublin unearthed evidence of a **sudden collapse in plant**

biodiversity in the distant past, which raises new concerns about global warming. A likely culprit for this collapse, as reported in *Science*, was a relatively small rise in carbon dioxide.

The first results of the **Global Mammal Assessment**, a five-year effort to review the biology and conservation status of all mammal species worldwide, were summarized in an article published in *Science*. Among the coauthors were NMNH's Kristopher Helgen and Louise Emmons.

The new book *Flagship of a Fleet: A Korea Gallery Guide*, by Christopher Lotis and Paul Michael Taylor of the Anthropology Department, documents objects on display in the NMNH Korea Gallery.

A discovery of **1.5 million-year-old early human footprints**, recently described in *Science*, was made in the region of northern Kenya where NMNH paleobiologist Kay Behrensmeyer first found a fossilized trail of early human footprints in 1978. The new footprints indicate a fully bipedal gait, a long stride, and an arch much like that of the modern human foot.



Museum Conservation Institute (MCI)

In fiscal year 2009, MCI worked on **180 projects** with 38 Smithsonian museums, research centers, and offices, as well as the FBI, National Gallery of Art, Getty Conservation Institute, Library of Congress, National Park Service, U.S. House of Representatives, U.S. Senate Office of the Curator, U.S. Capitol, Walters Art Gallery, and Folger Shakespeare Library.

MCI researchers produced **26 publications in peer-reviewed journals**, plus three books and catalogues, 13 book chapters, and two edited books.



Using a new approach to surface imaging called **Reflectance Transformation Imaging (RTI)**, MCI staff helped decipher inscriptions on a unique stone tablet dating from the earliest English occupation of Jamestown in about 1600.

MCI is using non-destructive techniques to examine the **Janssen Shakespeare Portrait**, believed to be a 1610 work that was subsequently doctored to reflect the playwright's appearance in later life. These will yield information for dating the painting and its alterations without damaging or even touching the work.

MCI scientists, working with the National Zoo, National Museum of Natural History, Federal Aviation Administration, and National Transportation Safety Board, analyzed feather remains from the **January 2009 US Airways bird strike**. The results will help wildlife professionals develop techniques to reduce the risk of such collisions in the future.

Smithsonian Environmental Research Center (SERC)

SERC scientists published more than **110 papers in peer-reviewed journals and books** in January–September 2009, averaging an annual rate of 6.8 papers per lead scientist.

SERC has reported a **new invasive species** in San Francisco Bay—an algal kelp species from the western Pacific, *Undaria pinnatifida*. Scientists at SERC's satellite laboratory in Tiburon, California, were quoted in a story in the *New York Times* on the new invasion.

Microbial ecologist Cindy Gilmour has been awarded a two-year, \$900,000 contract for research on **mercury movement and accumulation** in coastal ecosystems in Maine.

Landscape ecologists Kathy Boomer, Tom Jordan, and Don Weller published a series of papers discussing **nutrient and sediment discharges** from Chesapeake Bay watersheds as major sources of environmental problems in the Bay. SERC scientists have also developed landscape models that greatly improve upon existing models' success in predicting such discharges.



Other Science Research

Smithsonian at the Poles, a symposium sponsored by the Office of the Under Secretary for Science with support from the National Science Foundation, was convened to celebrate the fourth International Polar Year. The proceedings, *Smithsonian at the Poles: Contributions to International Polar Year Science*, highlight contributions to polar research from the Smithsonian as well as collaborating organizations.

Art Units

Louise Cort, David Rehfuss, and George Williams of the **Freer and Sackler Galleries** led a worldwide Webinar on the ceramics of southeast Asia, which drew nearly 100 participants from as far away as India and Cambodia. The Galleries also hosted a symposium on medieval Japanese religious and narrative painting, organized in conjunction with the Sackler Gallery exhibition *The Tale of Shuten Doji*.



The **Archives of American Art** published *Speaking of Art: Selections from the Archives of American Art's Oral History Collection, 1958–2008* and cosponsored (with the City University of New York) a symposium on “Contemporary Art and the Archive” in New York City.

To complement its exhibition *One Life: The Mask of Lincoln*, the **National Portrait Gallery** presented a symposium consisting of four lectures that examined aspects of Lincoln and his times. Three books from Gallery scholars came out: *Inventing Marcel Duchamp: The Dynamics of Portraiture*, edited by Anne Collins Goodyear and James W. McManus; *Reflections/Refractions: Self-Portraiture in the Twentieth Century*, edited by Wendy Wick Reaves; and *Faces of the Frontier: Photographic Portraits from the American West, 1845–1924* by Frank H. Goodyear III.

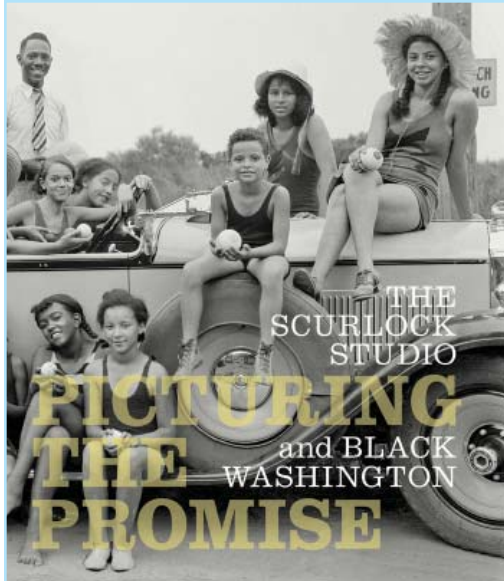


Cooper-Hewitt, National Design Museum published catalogues for its exhibitions *Fashioning Felt* and *Design for a Living World*.

A volume coauthored by Christine Mullen Kreamer of the **National Museum of African Art**, *Inscribing Meaning: Writing and Graphic Systems in African Art*, was recommended by the *New York Times's* art critic Holland Cotter in the newspaper's 2008 Holiday Guide as “art history for a globally tuned-in world.”

The **Hirshhorn Museum and Sculpture Garden** published *The Panza Collection*, a catalogue of artwork from the collection of Count Giuseppe Panza di Biumo.

Smithsonian American Art Museum staff gave more than 50 lectures, workshops, and panel discussions on scholarly and professional topics, and published three books: *1934: A New Deal for Artists*, by Ann Prentice Wagner; *Staged Stories: Renwick Craft Invitational 2009*, by Kate Bonansinga; and *Studio Furniture of the Renwick Gallery: Smithsonian American Art Museum*, by Oscar Fitzgerald.



History and Culture Units

The **National Museum of African American History and Culture** presented “1968 and Beyond: A Symposium on the Impact of the Black Power Movement on America.” Scholars from the Museum and the National Museum of American History contributed to *The Scurlock Studio and Black Washington: Picturing the Promise*, which was selected by *Booklist* as one of the 10 best black nonfiction titles of 2009 and nominated for the Smithsonian’s Scholarly Publication Award.

The **National Museum of the American Indian** Publications Department released five new titles in 2009: *The Land Has Memory*; *Most Serene Republics: Edgar Heap of Birds*; *Mother Earth, Father Skyline* (revised version); *NMAI Souvenir Book* (Spanish translation); and *IndiVisible: African-Native American Lives in the Americas*. The

Museum also hosted “Mother Earth: Confronting the Challenge of Climate Change,” a symposium exploring how indigenous peoples are responding to climate change. The Museum’s Heye Center hosted the symposium “Indian/Not Indian: Native Identity in the 21st Century” in collaboration with New York University and the Public Theater.

National Museum of American History scholars produced 48 print publications in fiscal year 2009, in addition to engaging in numerous other scholarly activities such as presentations and panel appearances. Among the highlights were Pete Daniel’s presidential address to the Organization of American Historians and Bart C. Hacker’s editing of “The Social History of Military Technology,” a special issue of *ICON: Journal of the International Committee for the History of Technology*.

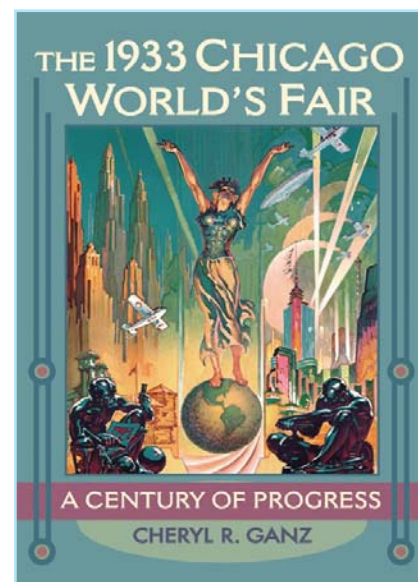
Marcel Chotkowski LaFollette, a research associate of the **Smithsonian Institution Archives**, published the book *Science on the Air: Popularizers and Personalities on Radio and Early Television*, based largely on the Archives’ collection of records of the Science Service.

Franklin Odo, director of the **Smithsonian Asian Pacific American Program**, is completing a book on Japanese immigrant folksongs of the late 19th and early 20th centuries. These “holehole bushi” were stark commentaries on life and work on Hawaii’s sugar plantations.

The **Smithsonian Center for Folklife and Cultural Heritage’s** Daniel Sheehy published “From Grants to Grammys: Leveraging Cultural Energy” in *Mid Atlantic Forum*, and the Center’s Jim Deutsch wrote an article for *The Jim Crow Encyclopedia* and penned a review that was published in the December 2008 issue of *Choice: Current Reviews for Academic Libraries*.

To launch of its Community Documentation Center initiative, the **Anacostia Community Museum** is undertaking a documentation project of religious institutions in Washington, D.C.’s Ward 8.

The 1933 Chicago World’s Fair: A Century of Progress by Cheryl Ganz, chief curator of philately at the **National Postal Museum**, was published by the University of Illinois Press.



Management Excellence

Leadership Milestones



David M. Rubenstein, Cofounder and Managing Director of The Carlyle Group, was appointed a citizen member of the Board of Regents in May 2009. Rubenstein also serves on the boards of the Johns Hopkins University, Lincoln Center for the Performing Arts, Kennedy Center for the Performing Arts, Dance Theatre of Harlem, and Duke University, as well as the boards of the Smithsonian's National Museum of American History and National Museum of Natural History.



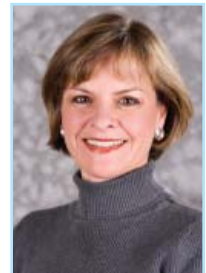
France A. Córdova, President of Purdue University in Indiana, was appointed a citizen member of the Board of Regents in September 2009. Dr. Córdova is an internationally recognized astrophysicist, and a national leader in postsecondary education. She also serves on numerous state and national boards, including the Board of Trustees for Mayo Clinic and the National Science Board.



Eva J. Pell was named Under Secretary for Science, and will start in January 2010. She comes to the Smithsonian from Pennsylvania State University, where she was senior vice president and dean of the Graduate School, spearheading the development of cross-disciplinary centers for life sciences, materials, energy and the environment, social sciences, cyber science, and arts and humanities.



Alison McNally agreed in January 2009 to remain a permanent part of the Castle management team as Under Secretary for Finance and Administration. She had been serving as Acting Under Secretary since October 2007.



Johnnetta Cole became Director of the National Museum of African Art. She had been serving as Board Chair of the Johnnetta B. Cole Global Diversity and Inclusion Institute at Bennett College for Women, where she was President from 2002 to 2007. Previously, she served as Presidential Distinguished Professor at Emory University and as President of Spelman College.



Richard Koshalek became Director of the Hirshhorn Museum and Sculpture Garden. Previously he was President of the Art Center College of Design in Pasadena, California; before that, he served as Director of the Museum of Contemporary Art in Los Angeles.



Eduardo Díaz became Director of the Smithsonian Latino Center. Díaz previously served as Executive Director of the National Hispanic Cultural Center in Albuquerque, New Mexico—the largest Latino cultural center in the United States.



Judith E. Leonard became General Counsel in June 2009. She previously served as Vice President for Legal Affairs and General Counsel at the University of Arizona. Prior to this, she spent 10 years in Washington, D.C., at posts in the U.S. Department of Education and the Office of National Drug Control Policy.

Tom Ott was named President of Smithsonian Enterprises. Ott had been serving as Acting Chief Executive Officer of Smithsonian Enterprises since August 2007, during which time he oversaw a thorough reorganization of the unit formerly known as Smithsonian Business Ventures.



Information Technology

To complement the Smithsonian-wide Strategic Plan, strategic plans in two key areas of information technology were crafted by Smithsonian personnel in fiscal year 2009:

- A **Web and new media strategic plan** was finalized after gathering input from 55 units in a series of five moderated workshops and building on ideas generated at a “Smithsonian 2.0” conference.
- The final draft of a **digitization strategic plan** was submitted to the Secretary. It defines a mission and vision for digitization across the Institution, with strategic goals and accompanying objectives.

The development of the **Enterprise Digital Asset Net (EDAN)** is complete. EDAN provides a common set of Web services for accessing digital images and metadata, thus enabling increased reuse and reducing the strain on enterprise storage and backup requirements.

The Smithsonian implemented **Cisco MeetingPlace** so that staff may conduct virtual meetings from their computers, reducing the need to travel—whether across the Mall or across the country.

Visitors to Smithsonian Institution museums on the Mall now have cellular telephone coverage with the completion of the **Common Wireless Access System**. The project was funded by wireless cell phone providers AT&T, Verizon Wireless, and Sprint/Nextel. T-Mobile, the last major carrier, recently confirmed that it will participate in the program as well.

Major Construction, Renovation, and Facilities Projects

Arts and Industries Building (AIB)

\$75 million estimated cost for roof and window replacement and structural upgrades

Current planning is focused on developing programmatic uses for AIB that will support the Institution’s Strategic Plan and fit the building’s architecture, history, and floor plan. In the meantime, planning for \$75 million in roof and window replacement, structural upgrades, and selective interior demolition is proceeding. An historic structure report and existing conditions investigation have been completed. Design of the roof and windows has begun, with construction to start in fiscal year 2010. Thanks to funding received through the American Recovery and Reinvestment Act, construction has begun on masonry repairs and interior demolition and hazmat removal.

National Museum of African American History and Culture

\$500 million total estimated project cost

In April 2009, the team of Freelon Adjaye Bond/SmithGroup was selected to design the newest Smithsonian museum from a field of six renowned architects. The selected architects will be under contract by the second quarter of fiscal year 2010, at which time the conceptual design of the museum building and second phase of the Environmental Impact Statement will begin. The new Museum is scheduled to open to the public in December 2015.



National Museum of American History, Kenneth E. Behring Center

Revitalization of west wing public space, package III: \$60 million total project cost

With the completion and reopening of the Museum's central core in November 2008, the focus of public space renewal will shift to modernization of the three floors of the west wing. A contract for this project with an architect/engineer firm was signed in September 2009, and schematic design began in November 2009. The Federal appropriation for design is approximately \$6 million in fiscal years 2009–2010, with multiyear construction funding in fiscal years 2011–2013.

National Zoological Park, Seal / Sea Lion Exhibit

\$40.0 million total estimated project cost

The Zoo's seal /sea lion exhibit, which dates from 1987, is in need of major revitalization to meet current standards of the U.S. Department of Agriculture and the Association of Zoos and Aquariums. Further, the pathway through the exhibit area is difficult for strollers and people with disabilities. In addition to bringing the facility into compliance with codes and standards for animal care and accessibility, this project will upgrade underground utilities. It received final design approvals from both the U.S. Commission of Fine Arts and the National Capital Planning Commission in 2009. A construction contract was awarded in September 2009. The non-capital, interpretive component of the project will be funded with \$1 million in Trust funds; the Federal capital component is approximately \$39 million, with multi-year construction funding in fiscal years 2009–2011.

National Zoological Park, Asia Trail II: Elephant Trails

\$52.4 million estimated total project and program cost

The second phase of the Asia Trail project will renovate the historic elephant house and enlarge yard space at a projected cost of \$52.4 million—\$37.6 million Federal (received in fiscal years 2006–2010) and \$14.8 million Trust. Construction began in March 2008 and is scheduled for completion in April 2011. Phase One is substantially complete, and the elephants will move into their new holding area (elephant barn) in early January 2010. Phase Two, including renovation of the Elephant Community Center, will commence after the elephants have acclimated to their new barn and a determination has been made about how to proceed with a new contractor, given the quality of the current contractor's performance.

National Zoological Park, General Services Building

\$28.4 million total estimated project cost

Design is continuing for structural repairs, fire-protection improvements, and safety upgrades at the Zoo's General Services Building, which houses vital functions (such as the animal nutrition commissary, FONZ merchandise warehouse, shops, and offices) that must remain operational throughout construction. The phased project will entail the permanent relocation of the vehicle maintenance branch to the Smithsonian's Suitland Collections Center and the temporary relocation of other units to swing space. Construction authorization request for a new vehicle maintenance facility in Suitland has been approved by the House and is currently under review by the Senate. Project design will be complete by April 2010, and structural renovation is expected to begin in 2012. Federal funding has been requested for fiscal years 2012–2014.

Donald W. Reynolds Center for American Art and Portraiture

\$19.5 million total estimated project cost

By agreement with the National Capital Planning Commission, the Smithsonian will complete the renovation of the Reynolds Center with the reconstruction of the F Street stairs and the addition of landscaping and security. Fiscal year 2016 estimates for the associated costs are \$9.5 million in Federal funds and \$10.0 million in Trust funds.

Cooper-Hewitt, National Design Museum

\$57 million total estimated project cost

Transfer of collections to a storage facility was completed in March 2009. Design for the Fox-Miller townhouses renovation is complete, but questions about scope and budget have delayed the project award, with construction now expected to start in January 2010. Design for the Carnegie Mansion renovation is scheduled for completion in March 2010, with its construction contract expected to be awarded in March 2011. Of the \$21 million requirement for Federal funds, \$2.9 million has been received and spent on design and collections storage, \$1.7 million was appropriated in fiscal year 2009 for the Fox-Miller work, and the balance is programmed in fiscal years 2011–2013. Of the \$36 million in required private funds, over \$28 million has been identified in gifts and pledges.

National Air and Space Museum—Steven F. Udvar-Hazy Center, Phase 2

\$80.9 million total project cost

Phase 2 of the Udvar-Hazy Center at Dulles International Airport is under construction. It will add 237,000 square feet of collections care space to the current facility, including a restoration hangar, storage and processing space, conservation laboratory, and archives. Completion is expected in mid-2011; total project costs include \$67.8 million Trust and \$13.1 million Federal.

Museum Support Center of the National Museum of Natural History, Pod 3

\$42.6 million total estimated project cost

In July 2008, the Smithsonian awarded a \$22.6 million construction contract for renovations to Pod 3 in Suitland, Maryland. The renovated Pod 3, on schedule for completion in March 2010, will provide a consolidated site for frozen, refrigerated, gas-preserved, and dry collections, allowing the Smithsonian to vacate leased properties and free up congested space in several museums. With 85 percent of construction completed in September 2009, more than \$15 million of shelving/racking, collections and

meteorite cases, and freezers are now being installed. Transfers of collections from the Mall are expected to be completed after July 2011; estimated moving costs are \$5 million.

Smithsonian Environmental Research Center, Mathias Replacement Laboratory Project

\$41.5 million total estimated project cost

The Smithsonian Environmental Research Center is eliminating unsafe trailers (which currently house 25 percent of its lab space and 65 percent of its office space), renovating and reconfiguring the existing Mathias Lab, and creating replacement laboratories to meet nationally recognized standards. The 85,000 square-foot laboratory and support space will employ sustainable technologies and building materials that will yield substantial reductions in energy and maintenance costs. Schematic design was completed in September 2009, with final design completion scheduled for mid-2010. Construction is scheduled to commence in early 2011 and to be completed in 2013.



Permanent Physical Security Barriers

\$55 million total project cost

The first phase of construction of security barriers at the National Museum of Natural History is complete, and the final phase will be awarded for construction in fiscal year 2010. Construction of barriers for all sides of the National Museum of American History is complete except the south side, where it will be completed in spring 2010. Construction on security barriers for the Castle and Quadrangle is scheduled to start in fiscal year 2013. Design and construction of off-Mall barriers will follow in order of priority.

Smithsonian Tropical Research Institute, Gamboa Laboratory Facilities

\$19.1 million total estimated project cost

With the acquisition of 172.5 acres in Gamboa from the Republic of Panama in 2007, the Smithsonian Tropical Research Institute is proceeding with the replacement of existing laboratory and office facilities that have outgrown their space and would need major infrastructure adjustments to support modern terrestrial tropical science. A new facility on the Gamboa site, funded with \$15.67 million in Federal and \$3.46 million in Trust funds, will be dedicated to terrestrial science. Programming and design of the laboratory are under way, with the first construction procurement actions scheduled for fiscal year 2010.

American Recovery and Reinvestment Act of 2009 Projects

\$25.0 million total project cost

The American Recovery and Reinvestment Act, signed into law on February 17, 2009, provided \$25 million for urgently needed repair and revitalization projects throughout the Smithsonian that were not covered by fiscal year 2009 funding. Most of these projects involve safety/code compliance or sustainability and energy efficiency. By the end of fiscal year 2009, 22 of 23 project contract actions totaling \$20.78 million (more than 83 percent of the total) were under contract. The award of the

final contract in October 2009 completed these actions. Construction on all projects is scheduled to be finished by early fiscal year 2011. In compliance with the Act, the Smithsonian is reporting on jobs created and expenditure of funds.

Sustainability

Around the Smithsonian, 17 green building projects are in progress or planned. Thirty-two staff from the Office of Planning and Project Management and the Office of Engineering, Design and Construction (both within the Office of Facilities Engineering and Operations, or OFEO) have earned the distinction of becoming Leadership in Energy and Environmental Design (LEED)–accredited professionals, based on the internationally recognized rating system of the U.S. Green Building Council. In August 2009, OFEO published a Sustainable Buildings Implementation Plan that responds to a Federal environmental stewardship goal and identifies a path to greening 15 percent of the eligible Smithsonian building inventory by 2015. The plan focuses on earning LEED certifications not only for new construction and renovation projects, but also for existing buildings.

STRATEGIC FOCUS ON SMITHSONIAN SCIENCE: BIODIVERSITY

Under Secretary for Science Eva Pell will lead a discussion of Smithsonian science initiatives in support of the Smithsonian Strategic Plan and, in particular, the grand challenge “understanding and sustaining a biodiverse planet.” Also participating will be Smithsonian scientists Francisco Dallmeier, Vicki A. Funk, Mary Hagedorn, and Michael A. Lang. Short biographies of each follow the paper.



Strategic Focus on Smithsonian Science: Biodiversity

Eva J. Pell

Under Secretary for Science



United Nations



2010 International Year of Biodiversity



Grand Challenge:

**Discovering and Understanding
Life's Diversity**



Strategic plan

- How **biologically diverse** is the Earth, and how does this diversity change **across geography and through time**?
- What does the planet's **history** teach us about the impacts of environmental change on the evolution and extinction of species?
- How do we better understand the life-sustaining **services of ecosystems**, and best sustain their contributions to human well-being locally and globally?



Strategic plan

- How do we secure the **survival and recovery** of ecosystems, habitats, and species?
- How can science better **forecast environmental change** and mitigate the adverse impacts of human-induced change on biological diversity?



What is “biodiversity”

- Genetic variability within species
- Diversity of species
- Ecosystems and landscapes



Biodiversity

1. Terrestrial matter
 - Above ground
 - Below ground
2. Marine matter
3. Animals, microbes, and plants





Why care about biodiversity?

- Wholesome food
- Drinkable water
- Breathable air
- Stable climate for
 - Forestry
 - Agriculture
 - Fisheries
- Waste decomposition
- Bioremediation
- Invasive species
- Pest control
- Ecotourism
- Pharmaceuticals
- Renewable feed stocks
- Enviro-friendly manufacturing processes

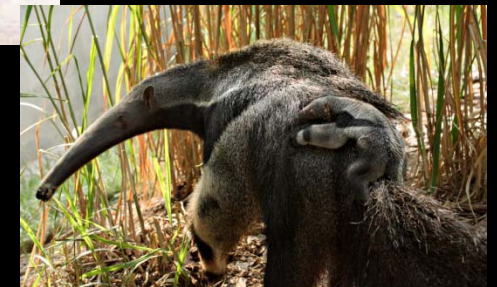


Why care about biodiversity?

- **Pollinators**
 - **1/3 of crop production is insect pollinated**
 - **Worldwide value ca. \$117 billion**
- **USA incurs > \$100 billion loss to invasive species**



Biodiversity influenced by extinctions and introductions





Where does Smithsonian Institution fit in and why?





Smithsonian has unique capabilities

- Understanding the past (paleontology, archaeology and collections provide this context)
- Monitoring the present
- Predicting the future



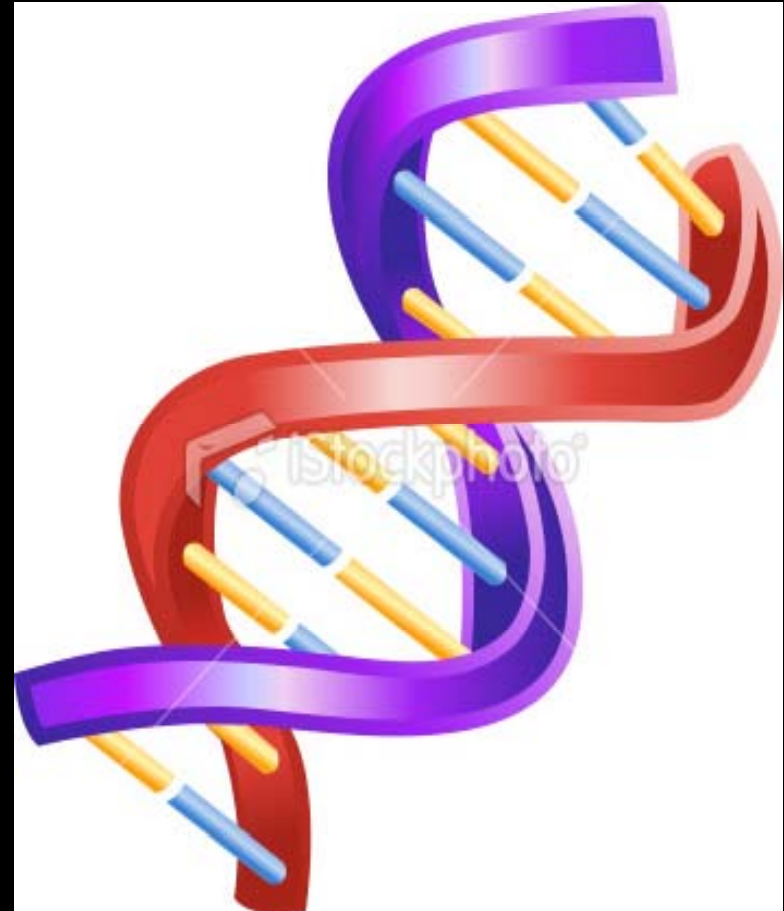


What are the tools needed to do this work?

Macroscopic



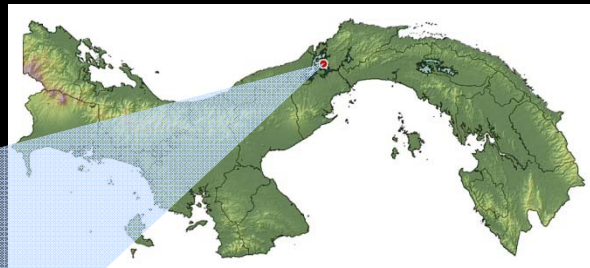
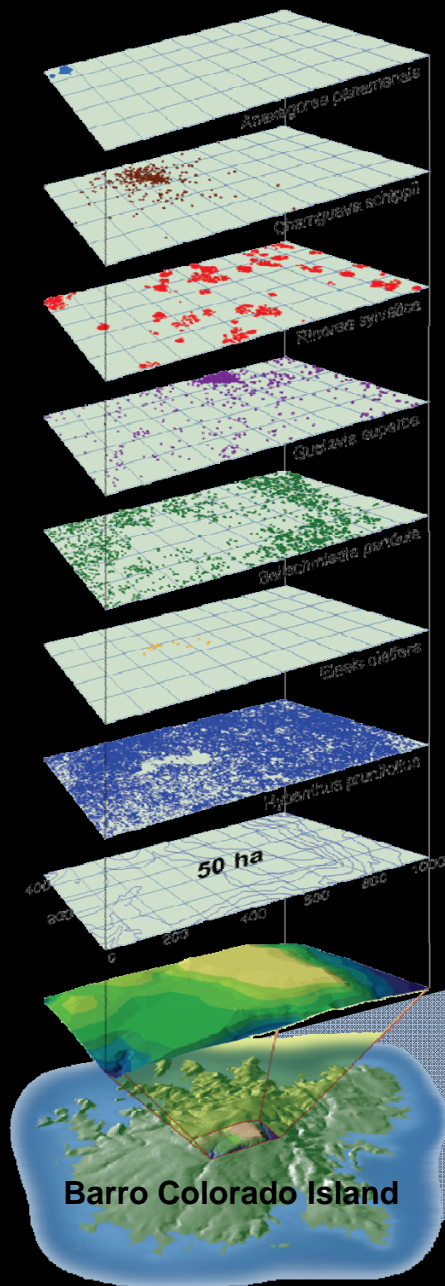
Microscopic



A macroscopic approach: Smithsonian Institution Global Earth Observatories (SIGEO)

In 1980 Steve Hubbell and Robin Foster established a 50-hectare (124-acre) forest plot on Barro Colorado Island in Panama.

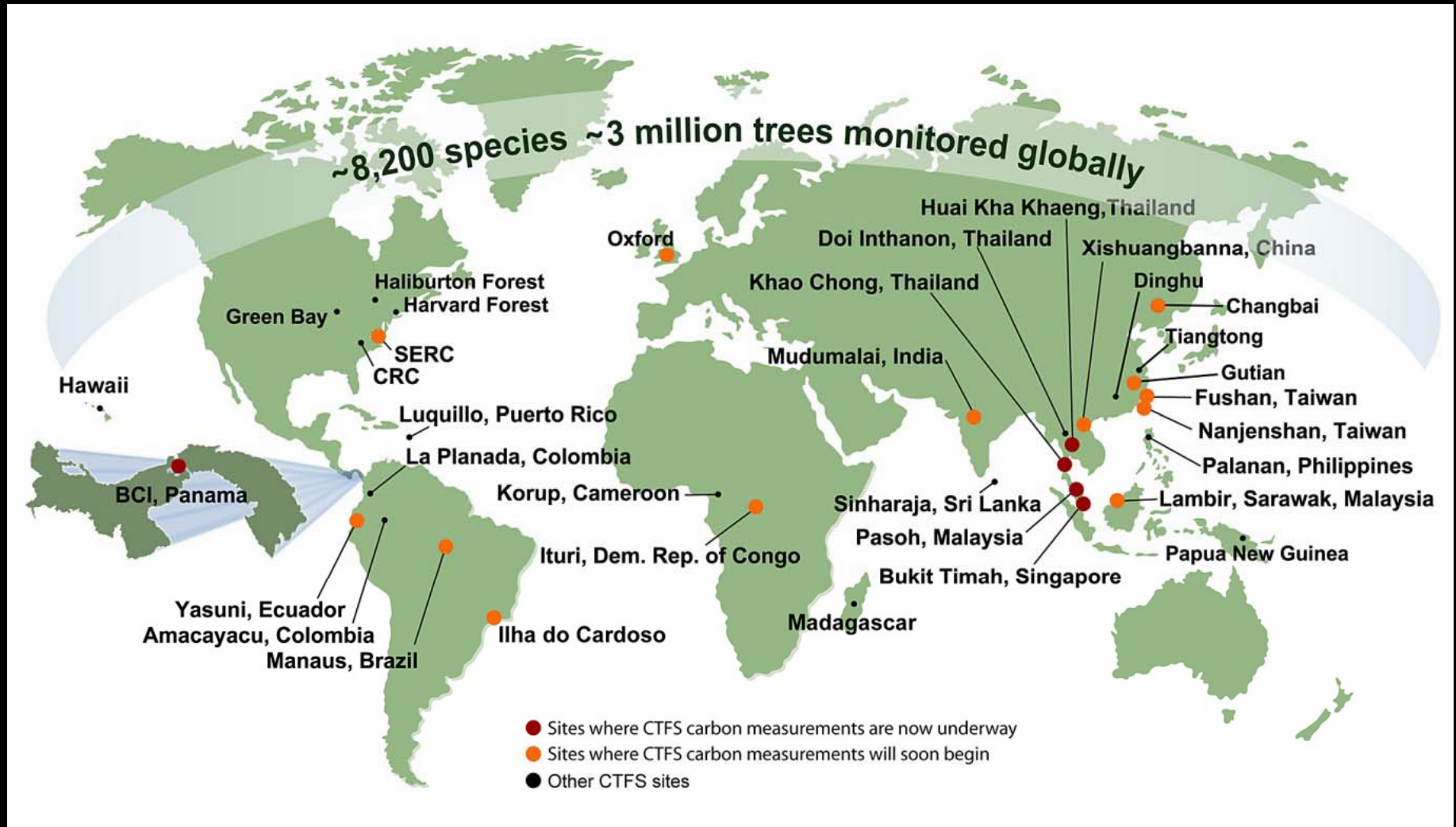
Every tree ≥ 1 cm diameter was identified, measured, tagged and mapped, and re-censused every 5 years.



This standard census method has also been validated as a powerful approach to studying the impact of global climate change on forests.



SIGEO Network





A molecular approach: DNA Barcoding

- Short DNA sequences used for species identification is a practical identification tool
- New character for traditional taxonomy; new levels of information from old collections
- Key link in bioinformatics about species (Encyclopedia of Life)
- SI hosts secretariat for Consortium for the Barcode of Life
- Links SI collections, research, and outreach with applied and basic users



Smithsonian biodiversity research

- National Museum of Natural History
- National Zoological Park
- Smithsonian Tropical Research Institute (Panama)
- Smithsonian Environmental Research Center (Maryland)
- Other field stations:
 - Terrestrial: Guyana, Kenya, Gabon
 - Marine Science Network: SERC, Florida, Belize, STRI



National Museum of Natural History

Collections and Exhibits

- 126 million specimens
- Sant Ocean Hall (2008)
- Human Origins (2010)
- Dinosaur Hall (tbd)

Research

- Collections-based biodiversity
- Anthropology
- Geology
- Paleobiology





Federal partnerships

- Partnerships with resident agencies USDA, NOAA, Walter Reed, USGS. DNA barcoding for commercially important species (fish, mosquitoes, fruit flies)
- Bird strikes (US Airways flight 1549) by migratory Canada geese: NMNH/NZP forensic ornithology collaboration.





National Zoological Park

Collections and Facilities

- 2,000 live animals, 400 species
- Acreage:
 - CRC Front Royal (3,200)
 - Rock Creek (160)
- National Ecological Observatory Network (NEON)



Research

- Animal Health
- Conservation Science
- Reproductive Science
- Wildlife ecology
- Landscape Ecology





Saving Species on the Brink

- Black-footed ferret: 18 individuals remained in wild by 1985; 514 ferrets have been born at NZP; 200 CRC animals have been released into the wild.
- Przewalski's horse: NZP leads Species Survival Plan (SSP) for this critically endangered species.
- Scimitar-horned oryx: NZP recent reintroduction of this species to Tunisia.



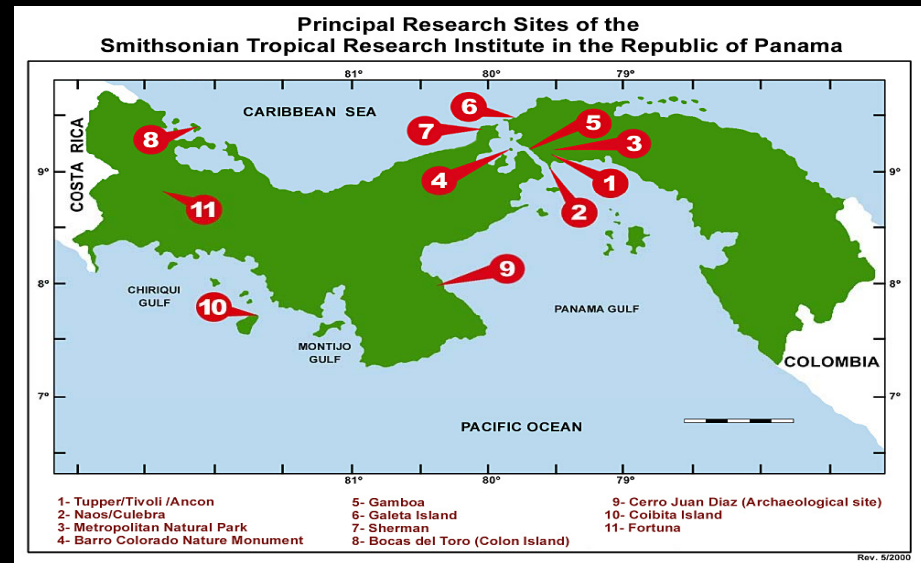


Smithsonian Tropical Research Institute

Facilities Panama-wide (since 1923)

Research

- Archaeology and Anthropology
- Behavioral Ecology
- Paleoecology
- Forest and Marine Ecology
- Evolutionary biology





Smithsonian Environmental Research Center

Facilities

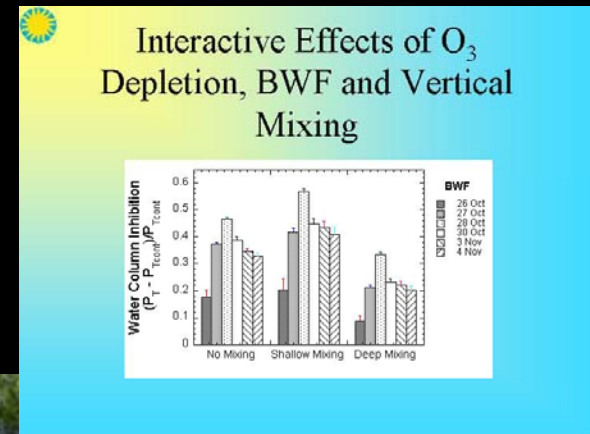
- 3,200 acres of land and 14 miles of protected shoreline - Chesapeake Bay

Research

- Global Climate Change
- Estuarine and Forest Ecology
- Invasion Studies
- Plant Physiology

Emerging National Applications

- Studies of marine invasive species could reduce annual economic losses of billions of dollars





Smithsonian Environmental Research Center

World's longest (26-year) field experiment
(Bert Drake, PI) on rising CO₂





Biodiversity – Outreach

- University partnerships (e.g., George Mason University)
- National Science Resources Center (NSRC)
- Exhibits
- Shared resources
- Fellowships



Outreach - The Encyclopedia of Life



- On-line resource: plants, animals, microorganisms
- Web pages for all 1.8 million known species
- Millions more yet to be described
- Freely available
- Accessible from a common portal
- Includes Biodiversity Heritage Library



Eudyptes chrysolophus (Brandt, 1837)

Macaroni Penguin

Species recognized by [The Integrated Taxonomic Information System](#) | [T Oref \(pubdate\)](#) in [The Catalogue of Life](#)

IUCN RED LIST STATUS: **VULNERABLE (VU)**

SHOWING: **SCIENTIFIC NAMES**

IMAGES MAPS COMMENTS



PAGE 1 NEXT

ENCYCLOPEDIA OF LIFE
 SUPPLIER: [World Register of Marine Species](#)
 AUTHOR: [World Register of Marine Species](#)
 SOURCE: [World Register of Marine Species](#)

King George Id., Fildes Peninsula, Macaroni Penguin

CLASSIFICATION: TEXT | GRAPHIC

- Animalia +
- Chordata +
- Aves +
- Ciconiiformes +
- Spheniidae +
- Eudyptes +
- Eudyptes chrysolophus* (Brandt, 1837)
- Archaea +
- Bacteria +
- Chromista +
- Fungi +
- Plantae +
- Protozoa +
- Viruses +

What happened to the slider?

TABLE OF CONTENTS

- Overview
- Description
 - General Description
 - Morphology
 - Reproduction and Life History
 - Behavior
 - Ecology and Distribution
 - Distribution
 - Habitat
 - Associations
 - Trophic Strategy
- Conservation
 - Trends and Threats
 - Conservation Status
- Relevance
 - Environmental Impact
 - Uses
 - Procedures
 - Wikipedia
 - Biodiversity Heritage Library
- References and More Information
 - Literature References
 - Specialist Projects
 - Biomedical Terms
 - Search the Web
 - Common Names

Add New

OVERVIEW

Biology

SOURCE AND ADDITIONAL INFORMATION

COPYRIGHT: [Copyright Widescreen 2003-2008. Some rights reserved](#)

SUPPLIER: [ARKive](#)

SOURCE URL: [View original data object](#)

The macaroni penguin is mainly active during the day. Very little is known of the species outside of the breeding season; most studies have been carried out on breeding birds. They feed mainly on krill (shrimp-like crustaceans), although in some areas, fish become an increasingly important food source as the breeding season progresses (5). It has been estimated that macaroni penguins alone consume four million tonnes of krill each year (6). In some populations, dives typically take the form of a V-shape, reaching depths of 48 m (4), although in other populations, the dive profiles were more complex (5).

Birds return to the breeding colonies each year in October and November, with males arriving before the females (4). Individuals often have to walk hundreds of meters over scree to reach their nest site (2). Macaroni penguins are monogamous and pair-bonds are long-lasting. Each year the pair reunites at the same nest location, recognising each other by means of their calls (4). Pairs often perform a display known as the 'ecstatic display' in which their heads are swung from side to side (4). The nest is a simple scrape in the ground, typically lined with small rocks. In some cases, it may be made on a patch of grass and lined with grass shoots (4). Two eggs are laid; the second egg is always larger than the first and is usually the only successful egg per nest. If both eggs are lost, the pair is unable to produce a replacement brood (3).

Incubation takes up to 37 days and is shared by the parents in three main shifts. The first shift lasts for 8 - 12 days and is shared by the male and female. The second shift (12 - 14 days) is carried out by the female and the final shift (9 - 11 days) by the male. During each shift, the non-incubating bird goes to forage at sea during the day (4) (2). The newly hatched chicks are helpless, and for the first 23 - 25 days they are guarded and brooded by the male, while the female forages and feeds the chicks each day by regurgitating food (4). After this period, the chicks have developed their first plumage, which allows them to maintain their own temperature and so they can leave the nest. They cluster into small crèches for protection; at this stage, both parents are able to forage (3). Most chicks will have fledged at 60 - 70 days of age (4), at which point they have developed waterproof plumage (3). They do not start to breed until five years of age in females and six in males (4).

After the chicks leave the breeding colonies, the adults feed at sea for around three weeks before their annual moult. During the moult they are unable to forage, as their plumage is not waterproof. After the 25-day moult the adults leave the colonies to spend the winter at sea (3).

In undisturbed colonies, predation is relatively low. Eggs (mainly deserted ones) are predated upon by skuas, shearwaters, and kelp gulls while weakened chicks, or those separated from the crèche are taken by skuas and giant petrels. Whilst at sea, adult macaroni penguins are predated upon by leopard seals and Antarctic fur seals (4).

CONTRIBUTE

- Latest Changes
- Submit an image
- Submit text
- More information on how to help

EXPLORE

- [Dinopium javanense javanense \(Lungh, 1797\)](#)
- [Potamogeton confervoides Reichenb. Tuckerman's pondweed](#)
- [Azurina hinuda Jordan & McGregor, 1898](#)
Swallow damselfly
- [Tulipa praestans Hoog](#)
- [Crocodylchthys gracilis Allen & Robertson, 1991](#)
Lizard triplefin

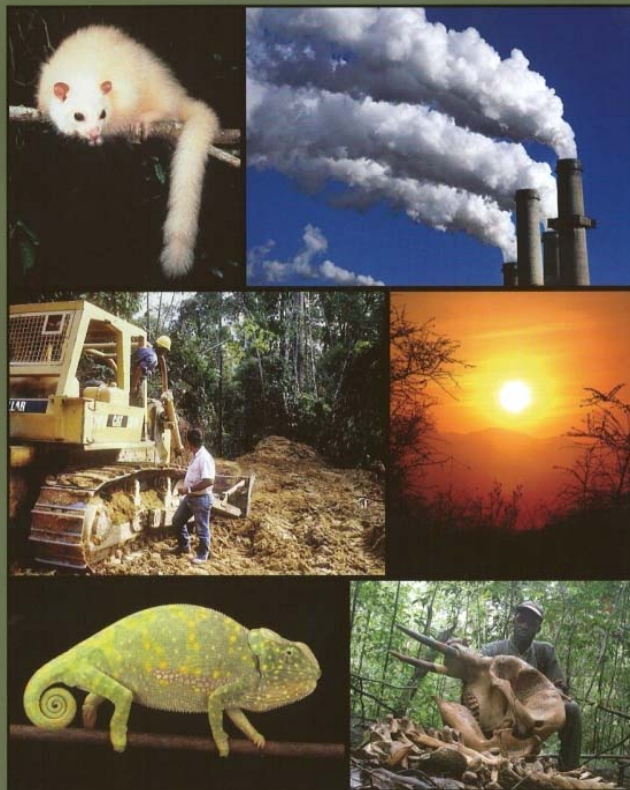




Outreach - Science Symposia

Conservation Biology

Volume 23 • No. 6 • December 2009

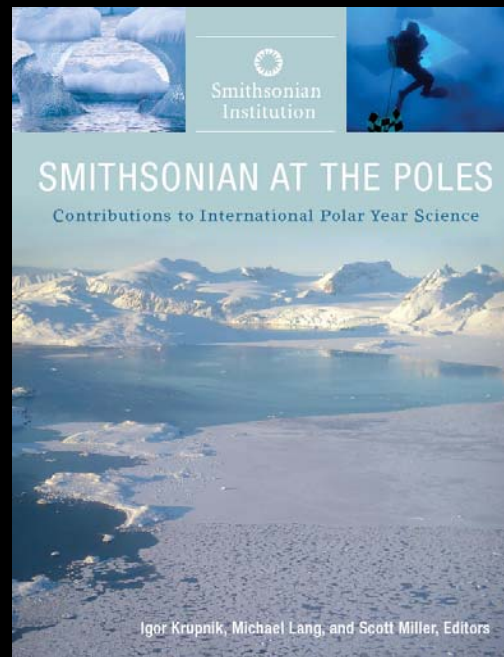


The Journal of the Society for Conservation Biology

Wiley-Blackwell
ISSN 0888-8892

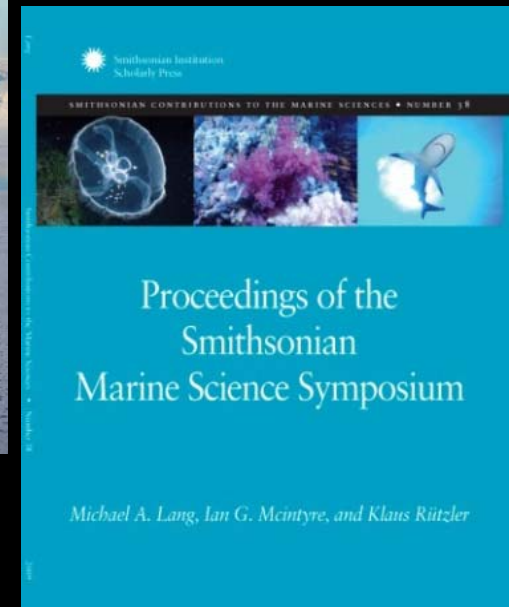
Special Section:
New Insights into the
Tropical Biodiversity Crisis

Laurance, W.F. and S.J. Wright, eds.
2009. New Insights into the Tropical
Biodiversity Crisis. *Conservation
Biology* 23(6): 1382-1457



SMITHSONIAN AT THE POLES
Contributions to International Polar Year Science

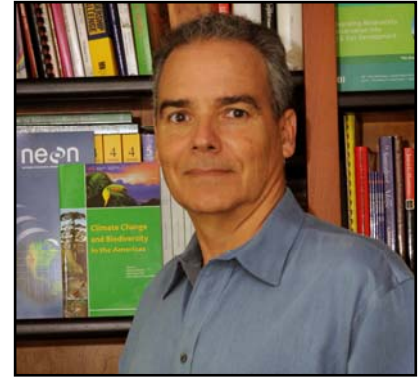
Igor Krupnik, Michael Lang, and Scott Miller, Editors



Proceedings of the
Smithsonian
Marine Science Symposium

Michael A. Lang, Ian G. McIntyre, and Klaus Rützler

Dr. Francisco Dallmeier, who received his Ph.D. in Wildlife Management from Colorado State University, has been a conservation biologist with the Smithsonian Institution for the past 24 years. Dr. Dallmeier is the head of the Center for Conservation Education and Sustainability (CCES) of the National Zoological Park (NZIP). CCES provides research and conservation approaches for sustainable development and world-class professional and academic programs for conservation practitioners. He has developed training programs associated to biodiversity research, monitoring, and conservation. He has taught several hundred university students and professionals, and he lectures frequently at professional conferences and to lay audiences. His academic programs have trained several hundred professionals from over 30 countries.



For nearly 15 years Dr. Dallmeier has been instrumental in forging multi-million dollar partnerships between the Smithsonian and the energy industry, so that biodiversity conservation is integrated into mainstream development. Over 40 Smithsonian researchers from across the Institution have participated in research and capacity-building projects associated with these programs, including graduate students and post-doctoral fellows in Gabon, Peru, and the United States. Dr. Dallmeier led and coordinated the successful nomination of the Smithsonian Conservation and Research Center (CRC) as a core site for the Mid-Atlantic National Science Foundation—National Ecological Observatory Network (NEON). NEON is a continental-scale research infrastructure for ecological research and education. With his National Zoo colleagues he has been formulating and implementing the multi-million dollar partnership in conservation studies with George Mason University. This partnership will provide academic programs and facilities for national and international students and professionals. Recently he and NZIP colleagues formalized a multi-million dollar partnership with the World Bank to implement the Global Tiger Initiative—Conservation and Development Network. This long-term project will integrate biodiversity conservation into sustainable development in 13 tiger-range countries and provide capacity building for trainers, practitioners, and regional leaders.

He represents the Smithsonian Institution on advisory boards for both conservation and governmental organizations. He graduated last year from the first Smithsonian Leadership Development Program (2008–2009). As a conservation biologist, his work has broad conservation implications for education and sustainable development, which has contributed to the implementation of science-based best practices in sensitive rainforest areas worldwide. He has worked with UNESCO, Environment Canada, and a regional network of partners to develop forest biodiversity monitoring programs and capacity building for a network of sites globally. Together with Environment Canada in 2008, he led the International Symposium on Climate Change and Biodiversity in the Americas.

Dr. Vicki A. Funk received her Ph.D. in Botany from Ohio State University. Following a postdoctoral year at the New York Botanical Garden, she joined the staff at the National Museum of Natural History, where she is now a senior scientist and curator. She divides her research time into two major categories: 1) the origin and evolution of the Compositae (i.e., artichokes, dandelions, daisies, sunflowers), the largest flowering plant family in the world and 2) the documentation, study, and preservation of the biodiversity of the Guiana Shield area of South America. As a systematist and biodiversity specialist, her work helps provide the foundation for research in organismal biology and breaks new ground in efforts to understand the tree of life and how ecosystems are assembled.



Dr. Funk's collecting expeditions have taken her all over the world, most recently to Tibet, South Africa, northeastern South America, Patagonia, and the Pacific. Throughout her career she has collected or arranged donations of tens of thousands of specimens. Dr. Funk has published nearly 200 papers and several books, most recently the 2009 book *Systematics, Evolution & Biogeography of the Compositae*. She has given over 125 invited presentations, organized numerous meetings and symposia, and served as the advisor for 15 postdoctoral fellows, most of whom have gone on to academic positions. Over the years she has received research and infrastructure grants from many sources including USAID, the Royal Bank of Canada, the National Science Foundation (NSF), and the National Geographic Society, as well as internal sources. Two of these grants were used to build the *Center for the Study of Biological Diversity* at the University of Guyana in Georgetown, Guyana. Most recently she was the co-principal investigator on a successful grant to coordinate the efforts of the Compositae global checklist, virtual key, and EOL efforts. Dr. Funk has been president of three large scientific societies and has been involved in numerous activities in the scientific community and at the Smithsonian. She has been elected a fellow of American Association for the Advancement of Science and the Linnean Society of London, and an honorary member of the Society of Systematic Biologists. Within the Smithsonian she has received an award for outstanding research from the National Museum of Natural History and the Secretary's Award for Excellence. In her spare time she serves on review panels, councils, and boards of conservation and governmental organizations. Her outreach activities also include numerous public talks and two Web sites: <http://botany.si.edu/bdg/index.html> and www.compositae.com.



Dr. Mary Hagedorn, who received her Ph.D. in marine biology from Scripps Institution of Oceanography, has been a research scientist at the Smithsonian Institution for the past 17 years. She has worked with aquatic ecosystems around the world, from the Amazon to Africa. Dr. Hagedorn is a successful researcher and active grant writer, maintaining an active laboratory with graduate students and post-doctoral fellows. She has taught many university-level classes and lectures frequently to lay audiences. She has received several multi-million dollar research grants from the National Institutes of Health to support her research and has collaborators in over 30 institutions throughout the United States, Caribbean, Europe, and Latin America. In

2000 she received the prestigious George E. Burch Fellowship in Theoretic Medicine and Affiliated Theoretic Sciences and in 2005 was nominated for the Pew Fellowship in Marine Conservation. In addition, Dr. Hagedorn sits on the scientific boards of both conservation and governmental organizations.

As a marine physiologist, her work has broad conservation implications for the oceans. She is one of the world's authorities on aquatic cryopreservation and has developed parallel programs related to the conservation of fish and coral species using human fertility techniques and cryobiology (the study of cells under ultra-cold conditions). Some examples of the impacts of this cutting-edge research are to stabilize and cryopreserve many of the fish lines used to study human diseases, such as skin and colon cancer, and the creation of the world's first genome repository for endangered coral species. This coral germplasm has been distributed to three frozen repositories around the world and could one day help reseed Earth's oceans.

Michael A. Lang, the director of the Smithsonian Marine Science Network since 1998, was recruited by the Office of the Under Secretary for Science in 1990 to direct the Smithsonian's pan-institutional Scientific Diving Program. He has served as the office's executive officer for scientific programs (2001–2002); provided senior executive staff support to the Smithsonian Science Commission (2001–2003); served as the contracting officer's technical representative to the National Academy of Sciences and National Academy of Public Administration Smithsonian Science Studies (2002); and acted as the office's symposium chair for *Smithsonian at the Poles: Contributions to International Polar Year Science* (2007), *Smithsonian Marine Science* (2007), coordinator of *Tropical Extinction Symposium* (2009), and symposium co-host and international board member of the *Antarctic Treaty Summit*



50th Anniversary, Smithsonian Institution (2009). Through an interagency agreement with the NSF Office of Polar Programs, he has directed the U.S. Antarctic Program scientific diving program since 2001. Mr. Lang also serves as the Office of the Under Secretary for Science's representative on the Institutional Review Board for Human Subjects Research.

Mr. Lang came to the Smithsonian from San Diego State University, where he received a B.Sc. in zoology, conducted postgraduate studies in marine ecology, and served as a staff marine biologist and collections curator from 1982 to 1989. He has served as president of the American Academy of Underwater Sciences; chairman of the Board of Divers Alert Network; and board member of many organizations, such as the Undersea and Hyperbaric Medical Society, Our World Underwater Scholarship Society, Ocean Futures Foundation, Coral Reef Alliance, and the AT50Summit. He also has served as an expert consultant to the Nature Conservancy and the U.S. Coast Guard.

Some of Mr. Lang's scientific collaborations include projects with, among others, U.S. National Park Service, National Oceanographic and Atmospheric Administration (NOAA), Aquarium et Musée Océanographique Monaco, UNESCO-Paris, The Nature Conservancy, USAID, USGS-Biological Resource Division, NSF Office of Polar Programs, and U.S. Navy Experimental Diving Unit. Mr. Lang has published over 50 papers and received research awards from numerous organizations, including Sea Grant, NOAA, Diving Equipment and Marketing Association, American Academy of Underwater Sciences, Divers Alert Network, and the NSF Office of Polar Programs and Division of Ocean Sciences. Professional acknowledgements include DAN/Rolux Diver of the Year, UHMS Craig Hoffmann Award, AAUS Conrad Limbaugh Award for Scientific Diving Leadership, and DEMA Reaching Out Award/Diving Hall of Fame, among others. Mr. Lang has been featured in *Smithsonian* magazine and Smithsonian Channel's *Spotlight on Science*. He speaks five languages, is an internationally requested speaker, and publishes www.si.edu/marinescience, www.si.edu/dive and www.si.edu/ipy for the Office of the Under Secretary for Science.

REPORT OF THE FINANCE COMMITTEE

The Finance Committee met on January 20, 2010. Committee Chair Roger Sant will provide an oral summary of the Committee's discussions to the Board of Regents at its January 25, 2010, meeting. The following papers will support the Board's discussions.

A. Fiscal Year 2009 Year-End Report

B. Fiscal Year 2011 Federal Budget

Proposed Motion: **VOTED** that the Board of Regents authorizes the Secretary to submit to Congress a Federal budget request for appropriated funds for fiscal year 2011 as part of the President's budget in the amount negotiated with OMB and authorizes the Secretary to inform OMB and Congress fully about the implications of the President's budget for the mission and priorities of the Smithsonian.

C. Minutes of the August 24, 2009, Committee Meeting

Fiscal Year 2009 Year-End Financial Report (Unaudited Results)

At year-end, the Smithsonian Institution's financial position was strong, in spite of the challenging economic conditions that threatened the Smithsonian's financial stability throughout the year. The financial outcome was aided in large part by an increase in museum visitation, up 6 million to nearly 30 million; the implementation of aggressive cost reductions and revenue-maximization initiatives tied to key events by Smithsonian Enterprises; the rebound in the financial markets that boosted the Endowment's value; and unflagging support by private and public sector donors who continued to give generously to the Smithsonian.

Financial Performance

Federal Highlights

- The Omnibus Appropriations Act enacted in March 2009 provided the Smithsonian with a 7 percent increase in Federal funding compared to the prior year and restored base funding for existing public programs, education, and research that had been cut.
- The appropriation covered most of the mandated Federal pay raise, the increase in mandatory expenses associated with rent and utilities, and necessary increases in security and maintenance, enabling the Institution to suspend the Federal hiring freeze imposed as a precaution at the start of the fiscal year.
- Though the Federal appropriation included \$15 million for the Legacy Fund, these funds were not available because the language required donors to contribute to infrastructure repairs, which proved unattractive to them.
- The Institution received \$25 million for Smithsonian facilities revitalization projects from the American Recovery and Reinvestment Act of 2009.

Trust Highlights

- Smithsonian Enterprises (SE) achieved a net gain finish of \$27.0 million—\$0.3 million better than the prior year and just \$0.2 million below the fiscal year 2009 budget, even though business revenue was down \$19.7 million from budget. This finish reflected the implementation of aggressive mitigation efforts and the effects of increased museum visitation.
- The Endowment was valued at \$884 million at year-end, down less than 3 percent from the end of fiscal year 2008.
- Private support exceeded the adjusted annual goal for fund raising of \$120 million by nearly 5.5 percent, ending the year at \$126.6 million (undiscounted).
- To close the projected Central Trust budget gap, unrestricted Trust spending was curtailed by \$7 million by freezing pay increases and merit bonuses for certain Trust executives, eliminating some vacant positions, and shifting funding for some unrestricted Central Trust activities to alternative funding sources.

Observations

Like most Federal agencies, the Institution struggles to meet its day-to-day needs, such as pay raises and facilities revitalization. In addition, management recognized that the structural imbalance in the Central Trust budget is unsustainable, and commissioned two Trust study teams to propose recommended actions. The Institution is moving proactively to consider every possible option for stimulating new and re-purposing existing unrestricted Trust resources.

Fiscal Year 2009 Year-End Financial Report (Unaudited Results)

| Smithsonian Institution | | | | |
|---|---------------------------|---------------------------|-----------------|-----------------------------|
| FY 2009 Operating Budget (\$M) | | | | |
| Generally Accepted Accounting Principles (GAAP) | | | | |
| January 13, 2010 | | | | |
| SUMMARY | | | | |
| | FY 2009 Budget | FY 2009 Actual | Variance | |
| Revenue | 1,018.0 | 1,085.6 | 67.6 | |
| Expenses | 958.2 | 950.5 | (7.7) | |
| Gain/(Loss) | 59.7 | 135.1 | 75.3 | |
| REVENUE | | | | |
| | FY 2009 Budget | FY 2009 Actual | Variance | Percent of Total |
| Federal | | | | |
| Salaries and Expenses | 576.9 | 595.4 | 18.5 | 55% |
| Facilities Capital | 113.8 | 150.3 | 36.5 | 14% |
| Subtotal, Federal | 690.7 | 745.8 | 55.1 | 69% |
| Trust | | | | |
| Restricted | 252.8 | 269.3 | 16.6 | 25% |
| Unrestricted | 74.5 | 70.5 | (4.0) | 6% |
| Subtotal, Trust | 327.3 | 339.9 | 12.6 | 31% |
| TOTAL REVENUE | 1,018.0 | 1,085.6 | 67.6 | |
| EXPENSES | | | | |
| | FY 2009 Budget | FY 2009 Actual | Variance | Percent of Total |
| Federal | | | | |
| Salaries and Expenses | 579.9 | 581.8 | (1.9) | 61% |
| Depreciation | 74.9 | 74.8 | 0.1 | 8% |
| Subtotal, Federal | 654.8 | 656.6 | (1.8) | 69% |
| Trust | | | | |
| Restricted | 219.5 | 205.2 | 14.3 | 22% |
| Unrestricted | 64.3 | 63.9 | 0.4 | 7% |
| Depreciation | 19.6 | 24.9 | (5.3) | 3% |
| Subtotal, Trust | 303.4 | 293.9 | 9.5 | 31% |
| TOTAL EXPENSES | 958.2 | 950.5 | 7.7 | |
| GAIN/(LOSS) | 59.7 | 135.1 | 75.3 | |

Operating Budget

This report provides the unaudited fiscal year (FY) 2009 year-end financial results and compares these results against the FY 2009 approved budget. The FY 2009 Operating Budget ended the year with a \$135.1 million gain.

Revenue

- Federal:
 - Federal revenue is recognized when appropriations are expended.
 - Salaries and Expenses (S&E) spending delays expected from the five-month-long Continuing Resolution did not materialize.
 - The S&E budget also understated capitalized costs associated with IT, equipment, and other assets.
 - Spending associated with the Recovery Act increased Facilities Capital revenue, as did significantly higher spending than planned on capital projects from prior years.
- Trust:
 - In spite of the dismal U.S. economic condition, Trust revenue exceeded budget by \$12.6 million, or 3.9 percent.
 - The increase in restricted Trust revenue reflects robust support from private sector donors and U.S. government sponsors.
 - The decrease in unrestricted Trust revenue resulted from reduced unit-generated income and Endowment payout, partially offset by increased interest and Presidential Inaugural Committee income.

Expenses

- Federal:
 - The variance reflects the increase in spending associated with day-to-day operations and a slight decrease in Federal non-cash depreciation associated with completed facilities work.
- Trust:
 - Restricted spending was slower than units' budget projections, but up nearly 6 percent over FY 2008 spending.
 - Unrestricted expenses ended nearly on budget, but a shift of expenses between Central and units' trust funds was required to keep Central Trust spending in balance during economic downturn.
 - The depreciation variance reflects increased non-cash expenses associated with the *Star-Spangled Banner* and the *Sant Ocean Hall* exhibitions.

Fiscal Year 2009 Year-End Financial Report (Unaudited Results)

| SMITHSONIAN INSTITUTION | | | | | |
|--|---------------------------|---------------------------|-----------------|-----------------------------|-----------------------------|
| FY 2009 Funds Available and Trust Expenses (\$M) | | | | | |
| January 13, 2010 | | | | | |
| FEDERAL APPROPRIATION (Available to Obligate) | FY 2009 Budget | FY 2009 Actual | Variance | Variance Percent | Percent of Total |
| Salaries and Expenses | 588.4 | 593.4 | 5.0 | | 78% |
| Facilities Capital | 128.0 | 123.0 | (5.0) | | 16% |
| Legacy Fund | - | 15.0 | 15.0 | | 0% |
| American Recovery Act | - | 25.0 | 25.0 | | 0% |
| TOTAL | 716.4 | 756.4 | 40.0 | 5% | |
| TRUST RESTRICTED REVENUE | FY 2009 Budget | FY 2009 Actual | Variance | Variance Percent | Percent of Total |
| Endowment Payout | 30.0 | 29.7 | (0.3) | | 11% |
| Govt Grants and Contracts | 103.3 | 110.6 | 7.3 | | 41% |
| Contributions | 105.6 | 115.5 | 9.8 | | 43% |
| Short-Term Investments | 5.3 | 3.4 | (1.9) | | 1% |
| Victor Bldg Sale Proceeds | 3.9 | 3.9 | - | | 1% |
| Other | 4.7 | 6.3 | 1.6 | | 2% |
| TOTAL | 252.8 | 269.3 | 16.6 | 7% | |
| TRUST UNRESTRICTED REVENUE | FY 2009 Budget | FY 2009 Actual | Variance | Variance Percent | Percent of Total |
| CENTRAL: | | | | | |
| Endowment Payout | 18.7 | 17.7 | (1.0) | | 41% |
| Smithsonian Enterprises | 16.2 | 15.0 | (1.2) | | 35% |
| Contributions | 7.7 | 6.5 | (1.2) | | 15% |
| Interest Income | 1.0 | 2.6 | 1.6 | | 6% |
| Other | (0.9) | 1.2 | 2.1 | | 3% |
| Subtotal, Central | 42.7 | 43.1 | 0.4 | 1% | 100% |
| UNITS: | | | | | |
| Smithsonian Enterprises | 10.6 | 11.9 | 1.3 | | 43% |
| Contributions | 1.8 | 3.0 | 1.2 | | 11% |
| Reimbursements | 5.5 | 3.4 | (2.2) | | 12% |
| Special Events | 5.1 | 3.8 | (1.3) | | 14% |
| Other | 8.8 | 5.4 | (3.4) | | 20% |
| Subtotal, Units | 31.8 | 27.4 | (4.4) | -14% | 100% |
| TOTAL | 74.5 | 70.5 | (4.0) | -5% | |
| TRUST UNRESTRICTED EXPENSES | FY 2009 Budget | FY 2009 Actual | Change | Variance Percent | Percent of Total |
| Central | 43.9 | 41.1 | 2.8 | | 64% |
| Units | 20.4 | 22.8 | (2.4) | | 36% |
| TOTAL | 64.3 | 63.9 | 0.4 | 1% | 100% |

Funds Available and Trust Expenses

In FY 2009, the Institution had \$1,096.2 million in new funds available to obligate from Federal appropriations and Trust revenues. In addition, some Federal and Trust funds received in prior years remained available for obligation.

Federal Appropriation

- The Congress provided funding totaling \$756.4 million, which represented a 7 percent increase compared to FY 2008.
- The Federal appropriation included two amounts not budgeted:
 - \$15 million for the Legacy Fund, though these funds were not available for obligation because of the matching fund requirement.
 - \$25 million for facilities revitalization projects from the American Recovery and Reinvestment Act of 2009.

Trust Restricted Revenue

- Restricted Trust revenue totaled \$269.3 million, accounting for 25 percent of total amounts available to be obligated. The top revenue-generating activities in FY 2009 were:
 - Government grants/contracts: \$110.6 million
 - Contributions: \$115.5 million, discounted per GAAP

Trust Unrestricted Revenue

- Central: The Endowment payout of \$17.7 million represented the single largest revenue component in FY 2009.
- Units: Smithsonian Enterprises represented the single-largest revenue component at \$11.9 million, up 12 percent from the prior year.

Trust Unrestricted Expenses

- Extraordinary efforts by both central management and the units were required to balance the unrestricted revenues and expenses of the Central Trust budget.
- A total of \$1.1 million was spent to develop the Strategic Plan and plan for the National Campaign.

Central Trust Position: Surplus of \$365,000

The \$2 million reported fund balance was utilized to reduce, or buy-down, FY 2010 expenses through internal fund transfers and to establish a modest management contingency. These actions resulted in a Central Trust budget surplus of \$365,000.

Fiscal Year 2009 Year-End Financial Report (Unaudited Results)

| Smithsonian Institution | | | | |
|---|----------------------------|----------------------------|----------------------------|--------------|
| FY 2009 Supporting Reports (\$M) | | | | |
| January 13, 2010 | | | | |
| FACILITIES CAPITAL and MAINTENANCE SUMMARY | | | | |
| Requirement | FY 2009 Federal Funding | FY 2010 Federal Funding | FY 2011 Federal Funding | |
| Facilities Capital | 150.0 | 163.0 | 125.0 | 137.0 |
| Facilities Maintenance | 100.0 | 67.6 | 72.9 | 72.4 |
| TOTAL | 250.0 | 230.6 | 197.9 | 209.4 |
| FACILITIES CAPITAL DETAIL | | | | |
| Requirement | FY 2009 Federal Funding | FY 2010 Federal Funding | FY 2011 Federal Funding | |
| Recurring Appropriation | 150.0 | 120.0 | 105.0 | 117.0 |
| NMAAHC Appropriation | - | 3.0 | 20.0 | 20.0 |
| Legacy Fund | - | 15.0 | - | - |
| American Recovery Act | - | 25.0 | - | - |
| TOTAL | 150.0 | 163.0 | 125.0 | 137.0 |
| ENDOWMENT | | | | |
| FY 2009 Budget | FY 2009 Actual | Variance | Variance Percent | |
| Total Value | 1,100.0 | 883.5 | (216.5) | -20% |
| Restricted Payout | 29.9 | 29.7 | (0.2) | -1% |
| Unrestricted Payout | 18.7 | 17.7 | (1.0) | -5% |
| TOTAL PAYOUT | 48.6 | 47.4 | (1.2) | -2% |
| CONTRIBUTIONS | | | | |
| FY 2009 Budget | FY 2009 Actual | Variance | Variance Percent | |
| Amount raised: | | | | |
| Goal | 130.0 | 130.0 | - | 0% |
| Raised | 130.0 | 126.6 | (3.4) | -3% |
| Percent raised | 100% | 97% | | |
| SMITHSONIAN ENTERPRISES | | | | |
| FY 2009 Budget | FY 2009 Actual | Variance | Variance Percent | |
| NET GAIN | | | | |
| Revenue shared with units | 10.60 | 11.93 | 1.33 | 13% |
| Central Trust contribution | 16.22 | 15.03 | (1.19) | -7% |
| TOTAL SE NET GAIN | 26.82 | 26.97 | 0.14 | 1% |

Supporting Reports

These subsidiary tables supplement the Operating Budget financial report and Funds Available and Trust Expenses financial report.

Facilities Capital and Maintenance

- At \$230.6 million, funding for facilities capital and maintenance continued to close on the \$250 million goal. The Facilities Capital account was boosted by appropriations of \$25 million from the American Recovery and Reinvestment Act of 2009 and by \$15 million for the Legacy Fund.

Endowment

- The Endowment was valued at \$884 million at year-end, down less than 3 percent from the end of FY 2008.
- The Endowment payout totaled \$47.4 million.

Contributions

- Although private support exceeded the adjusted annual fund-raising goal of \$120 million by nearly 5.5 percent (ending the year at \$126.6 million), the FY 2009 amount budgeted several months before the annual goals were finalized totaled \$130 million (all figures expressed in undiscounted terms).

Smithsonian Enterprises (SE)

- SE achieved net gains in FY 2009 of \$27.0 million, \$0.3 million better than the prior year and nearly \$2 million better than its June 2009 forecast.
- Aggressive cost-containment efforts and capitalizing on key events, such as the Presidential Inauguration, *Night at the Museum: Battle of the Smithsonian*, and the lunar landing anniversary, negated the effects of the dismal economy, which caused revenues to be off-budget by \$19.7 million.
- SE delivered \$15.0 million to the Central Trust and another \$11.9 million to the units, following the FY 2009 implementation of the retail revenue-sharing methodologies recommended by the SBV Task Force.



Smithsonian Institution

Federal Budget Request for FY 2011

Board of Regents

January 25, 2010

Purpose

(\$ in Millions)

- Request approval of motion to authorize the Secretary to submit the FY 2011 Federal Budget Request to Congress

| | FY 2010 Appropriation | FY 2011 Budget Request Approved by Regents for Submission to OMB* | Smithsonian's Allocation in the FY 2011 President's Budget |
|------------------------------------|--------------------------|--|---|
| Salaries & Expenses | 636 | 706 | 661 |
| Facilities Capital | 125 | 165 | 137 |
| Legacy Fund** | 30 | 0 | 0 |
| Rescission of 08/09 Legacy Fund | -30 | 0 | 0 |
| Total | 761 | 871 | 798 |

*OMB guidance called for a submission at the FY 2010 request level (\$759) and 5% below that (\$719).

**Congress reappropriated FY 2008 and FY 2009 Legacy Funds in FY 2010, targeted Legacy Funds towards the Arts and Industries building, and established achievable matching requirements.

Federal Budget Environment

- Mounting concern over record Federal deficit while war continues
- Administration priorities: Economy, Health Care, Clean Energy, and Research
- OMB guidance called for submission of a flat budget at the FY 2010 Request level and 5% below FY 2010
- OMB subsequently agreed to accept a requirements budget in addition to the flat or freeze budget and the 5% reduction budget
- Strong OMB staff support made even stronger by Strategic Plan

FY 2011 Budget Negotiations with OMB

(\$ in Millions)

| | FY 2010 Appropriation | Request Approved by Regents | OMB "Passback" | SI Appeal to OMB | FY 2011 Settlement |
|--------------------------|--------------------------|--------------------------------|-------------------|---------------------|-----------------------|
| Salaries & Expenses | 636 | 706 | 636 | 661 | 661 |
| Facilities Capital | <u>125</u> | <u>165</u> | <u>123</u> | <u>150</u> | <u>137</u> |
| Total | 761 | 871 | 759 | 811 | 798 |
| % Growth over FY 2010 | | 14% | --% | 7% | 5% |

- Strong but realistic, targeted appeal and Regents' support resulted in a 5% increase
- OMB indicates that this is a far better outcome than most

Keys to Success

- Strategic Plan
- Growing recognition by Administration of Smithsonian's research capabilities
- More realistic appeal based on Strategic Plan's goals
- Strong relationship with OMB
- Favorable impression made by reductions proposed in the appeal

Reductions Offered in Appeal

(\$ in Millions)

| <u>Item</u> | <u>Appeal Proposal</u> | <u>OMB Response</u> | <u>Final Budget</u> |
|---|----------------------------|-------------------------|-------------------------|
| Reduce Outreach | -0.2 | -0.2 | -- |
| Close gallery spaces, including Insect Zoo and temporary exhibits | -0.5 | -- | -- |
| Eliminate educational materials and programs | -1.0 | -1.0 | -- |
| Reduce Facilities Maintenance | -2.3 | -2.3 | -0.8 |
| Reduce Facilities Operations | -0.5 | -0.4 | -- |
| Buyout savings | -4.0 | -4.0 | -4.2 |
| Rent savings | -- | -- | -0.9 |
| Pay | -- | -- | -2.0 |
| Total | <hr/> -8.5 | <hr/> -7.9 | <hr/> -7.9 |

FY 2011 Salaries and Expenses

(\$ in Millions)

| | <u>OMB</u> <u>Allowance</u> |
|-----------------------------------|--------------------------------|
| FY 2010 S&E Appropriation: | 636 |
| Increases: | |
| Research | 10 |
| Understanding the Universe | 0.5 |
| Biodiversity | 8.0 |
| American Experience | 1.0 |
| World Cultures | 0.5 |
| Broadening Access | 2 |
| Pay Increase (1.4%) | 14 |
| Rent/Utilities | * |
| Collections Care | 2 |
| Security | 1 |
| Internal Controls | 1 |
| Facilities Maintenance | -1 |
| Buyout (refill at lower grades) | -4 |
| Total FY 2011 Salaries & Expenses | <hr/> 661 |

FY 2011 Facilities Capital

(\$ in Millions)

| <u>Program</u> | <u>OMB Allowance</u> |
|---|----------------------|
| National Museum of Natural History | 18 |
| National Museum of American History | 18 |
| Smithsonian Environmental Research Center (Mathias Lab) | 16 |
| National Zoological Park | 11 |
| Cooper-Hewitt, National Design Museum | 9 |
| Smithsonian Tropical Research Institute (Gamboa) | 7 |
| Museum Support Center Pod 3 | 5 |
| Other Revitalization Projects | 22 |
| Design of Future Projects (includes \$20M for NMAAHC) | <u>31</u> |
| Total Facilities Capital | 137 |

- \$7 million request to reduce NMAAHC schedule risk not funded
- Relying on previously appropriated Legacy Funds (\$30M) to continue rehabilitation of Arts and Industries Building
- Taking steps to receive consideration in future stimulus appropriations

Scorecard

- Further Strategic Plan
- Cover mandatories
- Advance care of facilities
- Advance collections care
- Advance Smithsonian Research
- Build on last year's modest program increase
- Get NMAAHC "above the line"
- Reduce risk in NMAAHC schedule



Motion

The Smithsonian Institution's Federal budget request for fiscal year 2011 will be presented to Congress on February 2, 2010. The Finance Committee of the Board of Regents met on January 20, 2010, to review the Institution's request for Federal funding as approved by OMB and agreed to recommend that the Board of Regents, at its January 25, 2010, meeting, approves the submission of the Institution's fiscal year 2011 Federal budget request to Congress.

Accordingly, the following motion is suggested:

VOTED that the Board of Regents authorizes the Secretary to submit to Congress a Federal budget request for appropriated funds for fiscal year 2011 as part of the President's budget in the amount negotiated with OMB, and authorizes the Secretary to inform OMB and Congress fully about the implications of the President's budget for the mission and priorities of the Smithsonian.

2012 Fiscal Outlook (\$ in Millions)

January 22, 2010

Revenue Streams Anticipated in Strategic Plan

| Revenue Source | Budget Baseline ¹ | 2012 goal | Comments/Issues |
|--|------------------------------|-----------|---|
| Federal Appropriations | \$798 | \$1,026 | <ul style="list-style-type: none"> ○ Goal includes \$205M one-time increase for NMAAHC discussed below and funding for mandatories ○ Deficit concerns may eliminate any chance of increase ○ For planning consider flat budget with equal chance of 5% increase or 5% decrease |
| National Campaign/Fund Raising | \$130 | \$200 | <ul style="list-style-type: none"> ○ Assumes 2010 and 2011 goals are met ○ Campaign may have to make up for tight Federal environment ○ Foundations will see full impact of 2008 market downturn in 2011 and 2012 payouts ○ Key issue is whether campaign can increase contributions this quickly ○ Impact of campaign on Endowment is uncertain |
| Government Grants and Contracts | \$111 | \$130 | <ul style="list-style-type: none"> ○ Federal deficit may also decrease funds available to grant making entities ○ Grants have been on the rise recently ○ Centers will sharpen our ability to obtain grants |
| New Revenue | \$1 | \$11 | <ul style="list-style-type: none"> ○ Fee-based technical assistance to other museums is largest element ○ Review of international museum education pilot continues ○ Congress and some staff may have bad reaction to some new revenue generation ideas |

¹ Based on FY 2011 Federal and FY 2010 Trust budgets

2012 Funding Challenges

| Project | 2012 Cost | Comments |
|---|-----------|---|
| National Museum of African American History and Culture (NMAAHC) | \$205(F) | <ul style="list-style-type: none"> ○ OMB recognizes NMAAHC is an extraordinary item and plans to consider during Spring review ○ Unlikely to get full amount without impact to base revitalization program ○ Can fund over three years if necessary |
| Arts and Industries Building | \$50-100 | <ul style="list-style-type: none"> ○ Rough estimates while program and design under development ○ Will not receive serious consideration for Federal funding at same time as NMAAHC ○ Good candidate for future stimulus funding ○ May have to fit Federal requirements within base funding |
| Giant Magellan Telescope | \$18 | <ul style="list-style-type: none"> ○ OMB/OSTP will have to choose GMT over alternative ○ No significant Federal funding will appear until choice is made |
| SIGEO/Global Change Research | \$15 | <ul style="list-style-type: none"> ○ Program can be tailored to funding |
| Broadening Access | \$20 | <ul style="list-style-type: none"> ○ Program can be tailored to funding |
| Strengthening Collections | \$20 | <ul style="list-style-type: none"> ○ Program can be tailored to funding |
| World Culture/American Experience/Mission Enabling | \$20 | <ul style="list-style-type: none"> ○ Program can be tailored to funding |

MINUTES OF THE AUGUST 24, 2009, FINANCE COMMITTEE MEETING

The Finance Committee (“the Committee”) of the Smithsonian Board of Regents met on Monday, August 24, 2009, at 3:00 p.m. at the Smithsonian Institution in Washington, D.C. Participating were Committee Chair Roger Sant*, members Robert Kogod*, David Rubenstein*, and David Silfen*; ex officio member Patricia Stonesifer*; and Regents John McCarter* and Alan Spoon*. Assistant to Representative Matsui Julie Eddy* and Assistant to Representative Bercerra Melody Gonzales* also participated. Staff in attendance were Secretary Wayne Clough; Acting Under Secretary for Science Charles Alcock*; Treasurer Sudeep Anand; Office of Human Resources Associate Director Gregory Bettwy; Smithsonian Enterprises Chief Financial Officer Gregory Bokman; Director of External Affairs Virginia Clark; Office of Planning, Management and Budget Director Bruce Dauer; Office of Human Resources Director James Douglas; Under Secretary for History, Art, and Culture Richard Kurin; Chief of Staff to the Board of Regents John Lapiana; General Counsel Judith Leonard; Chief Financial Officer Alice Maroni; Under Secretary for Finance and Administration Alison McNally; and Smithsonian Enterprises President Tom Ott. Also in attendance was Budget Analyst Amy Crochiere, who recorded the minutes.

Call to Order and Approval of Minutes

Committee Chair Roger Sant called the meeting to order and greeted the members. The Committee approved the minutes of the June 10, 2009, meeting.

Update from the Secretary

Secretary Wayne Clough expressed his appreciation to Smithsonian staff for their hard work in preparing the Institution’s budgets. He then updated the Committee on the progress of the Trust study teams. He said that the report of the Zero Based Team, which recommended that the spending philosophy governing Central Trust funds should focus on one-time and seed money expenditures only, would be presented to the Executive Committee in September 2009. He said that the report of the Revenue Generation Team would be reviewed with the Board of Regents after the team had completed some additional research and evaluation. The Secretary also explained that proposals were currently being evaluated to hire a contractor to complete a best practices study designed to ensure the Institution was organized effectively and efficiently. Finally, he noted a few initiatives that the Institution would pursue to cut costs, including IT consolidation, outsourcing units, and rightsizing organizations.

Smithsonian Enterprises Fiscal Year 2009 Performance Update and Presentation of the Fiscal Year 2010 Budget

President of Smithsonian Enterprises (SE) Tom Ott reviewed SE’s fiscal year 2009 performance and presented the fiscal year 2010 budget and capital plan. For fiscal year 2009, SE’s original budget projections included total revenue of \$174.9 million and net gain of \$27.2 million.

** participated by teleconference*

Due to the poor economic climate, SE was faced with a budget gap of \$21.2 million in revenue and launched an \$11.5 million cost-cutting and revenue-boosting program which narrowed the net gain budget gap to \$1.2 to \$2.2 million. Mr. Ott reported that during the summer, SE's retail businesses had experienced sales higher than fiscal year 2008 levels, partially driven by efforts to maximize events and product sales associated with the *Night at the Museum: Battle of the Smithsonian* movie, as well as through promotions tied to other special events, such as the anniversary of the first lunar landing. He said that SE believed it would achieve \$25.5 million in net gain and perhaps \$26 million by the close of fiscal year 2009.

Mr. Ott said that SE projected \$25 million in net gain after taxes for fiscal year 2010, which would be flat with the earlier fiscal year 2009 forecast. SE's fiscal year 2010 budget assumed a similar economic environment, but without the one-time events that contributed to SE's fiscal year 2009 performance, including the Presidential Inauguration, the reopening of the National Museum of American History, the *Night at the Museum: Battle of the Smithsonian* movie, and the anniversary of the first lunar landing. The budget also included \$500,000 held in corporate investment initiatives, which would be used for business building activities or as a buffer if economic conditions deteriorated further. He said that the preliminary plan for capital investment in fiscal year 2010 was \$6.374 million and that the largest project was the conversion of the Carmichael Auditorium at the American History Museum into a digital theater. Most of the remaining projects were deferred maintenance and system upgrade projects in Retail. Regent Sant asked that SE's balance sheet be included in future presentations so that capital expenses are visible. He also expressed his thanks, as did other members of the Committee, for SE's efforts to maintain net gain.

Fiscal Year 2009 Year-End Budget Forecast

Chief Financial Officer (CFO) Maroni reviewed the fiscal year 2009 year-end financial report. She noted that fiscal year 2009 had been a difficult year financially as the economic crisis that began in fiscal year 2008 continued to take its toll on the Institution throughout fiscal year 2009. Overall, income was forecast to fall below budget by \$8 million, reflecting declines in charitable giving, interest income, and SE net gain. These revenue declines were offset by an increase in Federal revenues, including funding from the American Recovery and Reinvestment Act of 2009, the Presidential Inaugural Committee, and government grants and contracts. Expenses were forecast to exceed budget by \$5 million due largely to the increase in Federal spending for operations, offset by management actions to reduce unrestricted Trust spending. The Endowment forecast did not attempt to forecast the Endowment's performance for the last quarter of the fiscal year. Rather it assumed the June 2009 month-end market value, less payouts, would be the ending value. The Institution's diversified investment portfolio had a value of \$818 million through June 2009 and beat its policy benchmark returns. The Institution's net assets were forecast to decrease at year-end by \$31 million due to the poor performance of the economy.

With respect to the Federal budget, the Institution ended the year in good shape despite the uncertainty it experienced during the first half of the fiscal year while operating under a

Continuing Resolution. In March 2009, Congress enacted and the President signed into law an omnibus appropriations bill that resulted in a 7 percent increase in Federal funding for the Smithsonian over the prior year and covered most of the Institution's mandatory expense increases. Most importantly, the appropriation restored base funding for existing public programs, education, and research that had been cut by the Office of Management and Budget (OMB). The Institution also received \$25 million from the American Recovery and Reinvestment Act of 2009 for facilities repair and revitalization.

With respect to the Central Trust budget, all major sources of income declined. As a result, the Institution confronted a serious gap between Central Trust income and expenses. Management addressed the expected budget gap by reducing unrestricted Trust spending by \$7 million. Ms. Maroni said that management recognized that the structural imbalance in the Central Trust budget was unsustainable and was fully engaged in the assessment of the recommendations made in June 2009 by the Trust study teams commissioned by the Secretary.

Presentation of the Fiscal Year 2010 Budget

Ms. Maroni then presented the fiscal year 2010 budget. She reported that the budget for fiscal year 2010 revenues assumed Federal revenues based on the budget request submitted to Congress in February 2009, and Trust revenues based on SE net gain of \$25 million, contributions of \$130 million, and an Endowment payout frozen at the prior year rate. The budget for fiscal year 2010 also assumed increased spending for Federal activities consistent with the appropriation increase contained in the fiscal year 2010 President's budget and constrained spending for Trust activities due to management actions designed to balance expenses with revenue. It also assumed \$3 million of expenses for the National Campaign. She noted that several assumptions would require subsequent action by other Regent Committees.

She said that Federal income was projected to increase by \$58 million or 8 percent, reflecting the increase in appropriations and the higher spending from the stimulus package. Restricted Trust income was budgeted to increase 12 percent due to NASA's support of the Smithsonian Astrophysical Observatory and the Institution's fund-raising goal of \$130 million. Unrestricted Central Trust income was not projected to increase. Ms. Maroni said that overall expenses were budgeted to increase by \$32 million or 3 percent, an increase that largely reflected year-over-year increases in Federal spending for Salaries and Expenses driven by the mandatory pay raise and increases for rent and utilities. Restricted Trust spending was projected to decline, reflecting the normal ebb and flow of spending on exhibitions and programs. The decline in unrestricted Trust spending reflected management actions to bring spending in line with revenue.

Ms. Maroni reported that management achieved a balanced Central Trust budget through four major initiatives in fiscal year 2010. First, management proposed a special Endowment payout to fund the expenses of the National Campaign, combined with what remained from the funds previously made available to the Campaign. She noted that this payout was contingent upon the Advancement Committee's approval of the program being

planned by the Office of External Affairs and the specific items budgeted. Second, management recommended a major restructuring of The Smithsonian Associates (TSA), which sponsors a wealth of seminars, tours, and lectures for the local metropolitan Washington audience who pay a fee to participate. Ms. Maroni explained that the budget reflected a change in the treatment of TSA because it operated at a loss to the Institution, and said that it would be treated like other businesses and operate to at least break even over time. She added that, if this was not possible, TSA would be closed down. At Regent Stonesifer's suggestion, the Committee agreed that the proposed restructuring would be contingent upon approval by the Strategic Planning and Programs Committee.

Regarding the third initiative, Ms. Maroni reported that management issued revenue targets to the Trust Finance Implementation teams, as the budget assumed \$650,000 in new revenue initiatives that would get started in fiscal year 2010. In the fourth initiative, management proposed three personnel initiatives that would be contingent upon approval by the Compensation and Human Resources Committee: a pay freeze for all Trust-funded staff, a buyout program offered to both Federal and Trust employees, and a Trust hiring freeze. The Secretary clarified that SE employees would not be subject to the pay freeze in fiscal year 2010 and that the pay freeze for non-senior employees would be reconsidered if fiscal year 2010 income improved. He also explained that any new hires made possible by the buyout would be made within the context of the Strategic Plan. [In action following the Committee meeting, the Committee was informed that there had been three positive changes in the Central Trust budget that, when taken together, restored enough flexibility in fiscal year 2010 to fund modest pay increases for non-senior and senior level staff. A final decision to offer modest pay increases will be made in December 2009, depending on the Institution's financial position.]

The Committee unanimously approved the following resolutions for consideration by the Board of Regents:

VOTED that the Finance Committee recommends that the Board of Regents approves the budget of appropriated funds for fiscal year 2010 when signed into law by the President and authorizes expenditures by the Secretary in accordance therewith. Any material changes in program plans incorporated into this budget shall be made only with the approval of the Board of Regents or its Executive Committee.

VOTED that the Finance Committee recommends that the Board of Regents approves the institutional budget for Trust funds for fiscal year 2010 reflected in this report and authorizes expenditures by the Secretary in accordance therewith, contingent upon approval of the proposed personnel initiatives by the Compensation and Human Resources Committee, the restructuring of TSA by the Strategic Planning and Programs Committee, and the proposed National Campaign expenses by the Advancement Committee. Any material changes in program plans incorporated into this budget shall be made only with the approval of the Board of Regents or its Executive Committee.

VOTED that the Finance Committee recommends that the Board of Regents approves a special payout from the Institution's Endowment not to exceed \$2.5 million to fund the fiscal year 2010 expenses of the National Campaign and other related development funding requirements, contingent upon approval of the proposed National Campaign expenses by the Advancement Committee.

Fiscal Year 2011 Federal Budget Submission to the Office of Management and Budget

Director of the Office of Planning, Management and Budget Bruce Dauer presented the proposed fiscal year 2011 budgets that would be submitted to OMB on September 14, 2009. It was noted that this was a highly unusual year because the Institution would submit three different budgets. Mr. Dauer explained that OMB requested that the Institution submit two budgets: a budget frozen at the fiscal year 2010 request level and a budget further reduced from that level by 5 percent. He said that the difficulty with these budgets was that the Institution must pay mandatory cost increases for the legislated pay raise, as well as rent and utilities escalations, forcing it to make cuts in other areas. The Institution therefore negotiated with OMB to submit a requirements budget that included increases for necessary expenses and programmatic initiatives, as well as many aspects of the strategic plan initiatives.

The freeze budget would require several cuts to the Institution's education programs, including closing the Insect Zoo and Discovery Room at the Natural History Museum, eliminating programs for students at the American Indian Museum in New York City, and discontinuing the operation of research vessels at the Smithsonian Tropical Research Institute. Management, which spent the last several years working to increase maintenance funding, tried to avoid cuts to facilities maintenance. However, in order to keep more painful cuts out of the freeze budget, it was determined that maintenance would have to be cut by \$10 million. At the 5 percent reduction level, several museum education departments would be eliminated, a Natural History science department would be eliminated, and the Bird House and Kid's Farm at the National Zoo would be closed, to name a few of the most difficult reductions.

Mr. Dauer explained that, at all levels, the Facilities Capital budget assumed that \$24 million of Legacy Funds would be available for the renovation of the Arts and Industries Building. This would require that the Institution raise \$24 million in matching private funds. The budget also assumed that construction funding for the National Museum of African American History and Culture would receive special consideration from OMB and would not be subject to the freeze and 5 percent budgets. Committee members requested that these assumptions be footnoted in future Facilities Capital presentations.

The Committee unanimously approved the following resolution for consideration by the Board of Regents:

VOTED that the Finance Committee recommends that the Board of Regents approves the Smithsonian Institution, three level — Requirements, Freeze, and 5% Below — budget request for appropriated funds for fiscal year 2011 for presentation to the Office of Management and Budget. Any material changes in program plans incorporated into this budget shall be made only with the approval of the Board of Regents or its Executive Committee.

Wrap Up

The Chair thanked the members of the Committee and staff for their active participation and adjourned the meeting to conduct an executive session at 4:50 p.m.

REPORT OF THE INVESTMENT COMMITTEE

Committee Chair David Silfen will provide an oral summary of recent Committee discussions to the Board of Regents at its January 25, 2010, meeting. The following papers will support his presentation.

A. Endowment Update and Year-End Report

B. Minutes of the June 9, 2009, Committee Meeting



Smithsonian Institution

Investment Report

Board of Regents
January 25, 2010

Introduction

- Endowment Overview
- Endowment Asset Allocation
 - Risk Management and Liquidity Issues
 - Tactical Asset Allocation
 - Revised Long-Term Policy
 - Peer Comparison
- Endowment Performance
- Infrastructure Update
- Next Steps

Endowment Overview

Market value and returns:

- As of November 30, 2009, the Smithsonian Endowment's market value was \$893.3 million

Major successes, challenges, and issues in 2009:

- Successfully navigated the unprecedented period of volatility in the markets
- Fared well compared to peers in FY 2009, achieving 1.7% outperformance
- Effectively managed liquidity through the market volatility and avoided the pitfalls forcing many other endowments and foundations to make drastic budget cuts or raise additional capital
- Achieved \$22 million gain due to tactical asset allocation
- Decided not to implement third tranche of tactical asset allocation
- Successfully implemented FAS 157 guidelines
- Revised Long-Term Asset Allocation due to changing market conditions
- Hired Senior Investment Officer to support build-out of portfolio
- Acquired new Portfolio Management System

Risk Management and Liquidity Issues

- Risk management includes rigorous and ongoing monitoring
- Downside protection provided to portfolio
 - Managed cash by increasing allocation and maintaining high-quality cash funds
 - Invested in high-quality, intermediate government bonds
- Spending and shortfall analysis
 - Internal and external reviews of payout policy and potential inability of the Endowment to achieve target returns
 - Determined low probability of decline in real value of Endowment
- Portfolio issues
 - Virtually no gate or suspended redemption issues
 - No derivate hedges, swap exposures, or margin calls
 - No Madoff exposure
- Sufficient Liquidity
 - No liquidity issues given the low allocations to real estate and private equity holdings and low level of prior commitments
 - As of December 2009 the Endowment was 45% liquid within one month, 69% liquid within six months and 77% liquid within one year

Tactical Asset Allocation

- **Tactical asset allocation from October 2008 to September 2009**
 - *Remained defensive and protected capital*
 - Reduced exposure to global equities
 - Increased exposure to fixed income/cash
 - Invested in bank loans to preserve capital and receive income
 - *Market dislocation provided short-term exposure to high-quality credit and mortgages*
 - Allocated to non-agency mortgage investments
 - Increased allocations to credit opportunity and distressed investments
- **Exited strategy in September 2009 due to sustained and significant recovery in credit and equity markets**
 - *Through the beginning of September 2009 the value added of the tactical allocation was approximately \$22 million*

Revised Long-Term Asset Allocation Policy

- On 12/11/09, the Investment Committee approved the revised Long-Term Asset Allocation targets and ranges for the Endowment, subject to annual reviews.
- Major points of consideration in the formulation of a revised long-term policy
 - Long-term market conditions
 - Changing dynamic of growth drivers between developed and emerging markets
 - Institutional liquidity needs
- Revised Long-Term policy benchmark implemented January 1, 2010.

| Asset Class | Tactical Allocation % | Long-Term Asset Allocation | | | |
|------------------------------------|--------------------------|----------------------------|--------|-------------|--------|
| | | Prior | | Revised | |
| | | % | Ranges | % | Ranges |
| Global Developed Equity | 31% | 40% | 25-55% | 25% | 15-35% |
| Emerging Markets Equity | 7% | 5% | 3-15% | 10% | 5-15% |
| Hedge Funds ¹ | 38% ² | 25% | 15-35% | 35% | 25-45% |
| Private Equity and Venture Capital | 5% | 10% | 5-20% | 10% | 5-15% |
| Real Assets | 5% | 10% | 0-15% | 10% | 0-15% |
| Fixed Income/Cash | 14% | 10% | 5-20% | 10% | 5-15% |
| Total Endowment | 100% | 100% | | 100% | |

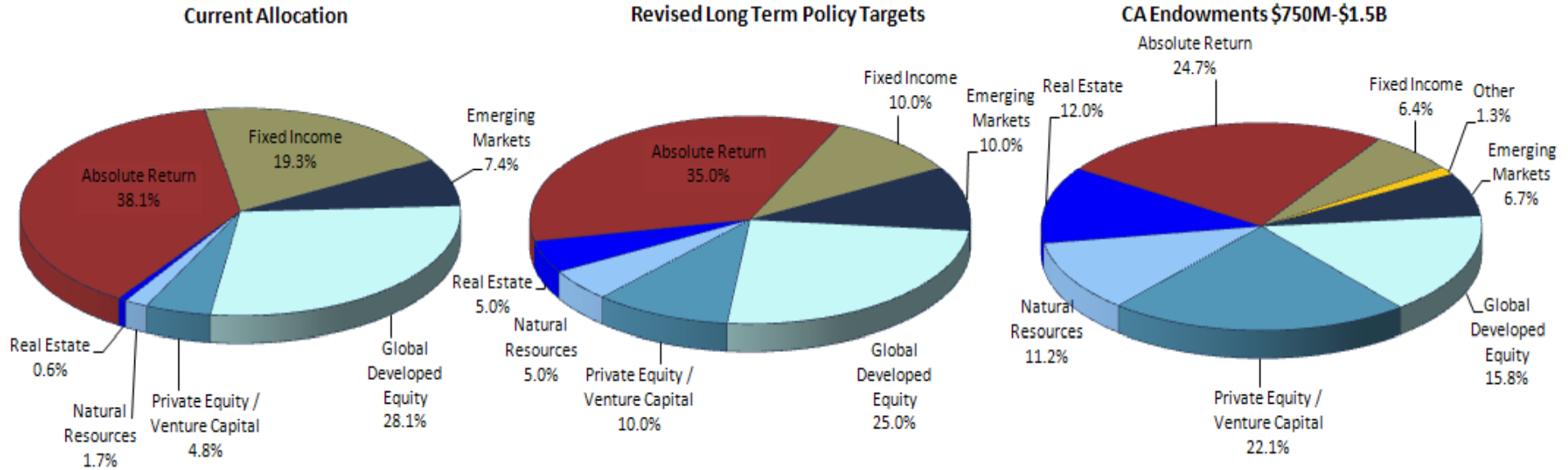
¹Absolute Return classification is changed to Hedge Funds.

²Absolute Return included allocation to multi-strategy/credit as part of tactical allocation

Confidential - do not distribute

Peer Asset Allocation Comparison

As of 9/30/2009



| Investment Pool (\$000s) | Long Only Equity | | | | | | | | Absolute Return | Fixed Income | Total Alt. Assets | Total Equities | |
|----------------------------------|------------------|------------------|-------------|---------|-------------------|--------------------------------|------------------|------------------------|--------------------|--------------|-------------------|----------------|-------|
| | Global Equity | | Real Estate | | Natural Resources | Private Equity/Venture Capital | | Long/Short Hedge Funds | Multi-Strat Return | Fixed Income | | | Other |
| | Global Developed | Emerging Markets | Public | Private | | Venture Capital | Private Equity | | | | | | |
| Current Allocation | 28.0 | 7.4 | 0.0 | 0.6 | 1.7 | 1.9 ⁵ | 2.9 ⁶ | 0.0 | 38.0 | 19.2 | 0.0 | 45.1 | 80.5 |
| Revised Long Term Policy Targets | 25.0 | 10.0 | 0.0 | 5.0 | 5.0 | 4.0 | 6.0 | 0.0 | 35.0 | 10.0 | 0.0 | 45.9 | 81.0 |
| CA Endowments \$750M-\$1.5B Mean | 32.0 | 5.4 | 1.1 | 3.8 | 5.3 | 3.1 | 7.6 | 13.7 | 8.6 | 18.0 | 1.4 | 43.2 | 81.4 |
| n=38 | 38 | 35 | 17 | 34 | 33 | 34 | 38 | 36 | 33 | 37 | 19 | 38 | 38 |
| Average Allocation | 32.0 | 5.9 | 2.4 | 4.3 | 6.1 | 3.5 | 7.6 | 14.5 | 9.9 | 18.2 | 2.7 | 43.2 | 81.4 |

Confidential - do not distribute

Endowment Performance

as of 9/30/2009

| | Trailing 1 Year | Annualized Trailing 3 Years | Annualized Trailing 5 Years |
|---|--------------------|-----------------------------------|-----------------------------------|
| Total Fund as of 09/30/2009 | | | |
| <i>Smithsonian Endowment Return</i> | 0.1 | 0.7 | 5.0 |
| Policy Benchmark | 0.6 | -0.7 | 4.0 |
| BNY Mellon Peer Universe | -1.5 | 0.0 | 4.8 |
| BNY Mellon Percentile Ranking | 40 th | 34 th | 48 th |
| Absolute Return Managers within the SI Endowment | | | |
| <i>Smithsonian Absolute Return Portfolio</i> | 3.6 | 7.8 | -- |
| HFRI Fund Weighted Composite | 6.4 | 3.2 | 6.3 |
| Equity Managers within the SI Endowment | | | |
| <i>Smithsonian Total Equity Portfolio</i> | 1.6 | -3.1 | 3.4 |
| MSCI All Country World Index | 0.5 | -2.7 | 5.1 |
| Fixed Income Managers within the SI Endowment | | | |
| <i>Smithsonian Fixed Income Portfolio</i> | 7.3 | 6.6 | 5.6 |
| Blended Fixed Income Composite | 6.2 | 6.3 | 5.1 |

Confidential - do not distribute

Endowment Performance

as of November 30, 2009

| Asset Class | Portfolio Return YTD (Jan-Nov.) | Market Value (\$mm) | % of Total |
|--|------------------------------------|------------------------|---------------|
| Global Equity | 20.8% | 248.6 | 27.8% |
| Russell 3000 Index | 24.8% | | |
| MSCI EAFE Index | 30.6% | | |
| Emerging Markets | 62.4% | 72.9 | 8.2% |
| MSCI Emerging Markets Index | 72.2% | | |
| Absolute Return | 21.7% | 347.6 | 38.9% |
| HFRI Fund Weighted Composite Index | 18.8% | | |
| Private Equity and Venture Capital | -13.3% | 43.8 | 4.9% |
| Cambridge Associates PE Index | -15.2% | | |
| Cambridge Associates Venture Cap Index | -14.9% | | |
| Real Assets | 14.3% | 20.7 | 2.3% |
| Cambridge Associates RE Fund Index | -36.2% | | |
| S&P 500 Energy | 14.9% | | |
| Fixed Income and Cash | 1.2% | 159.7 | 17.9% |
| Barclays Capital Government-Intermediate Index | 1.5% | | |
| Smithsonian Endowment Return | 16.2% | 893.3 | 100.0% |
| <i>Policy Benchmark¹</i> | 20.5% | | |

¹ Policy Benchmark is the preexisting benchmark in effect at 11/30/2009 and not the amended version
25% Russell 3000, 25% MSCI EAFE, 5% MSCI EM, 25% HFRI Fund Weighted, 4% Cambridge Associates Private Equity,
2% Cambridge Associates Venture Capital, 2% S&P 500 Energy, and 10% Barclays Intermediate Government

Confidential - do not distribute

Infrastructure Update

Audit

Audit of the Endowment is in the final stage. Implemented new accounting changes (FAS 157) requiring more valuation disclosures of underlying assets and Endowment management. Implementation was executed smoothly.

Staffing

The Office of Investments (OI) is seeking one additional full-time senior investment staff member. Management intends to identify the top candidate for the second position by March 2010.

New Office

The Office of Facilities Engineering and Operations is finalizing a lease agreement for 425 3rd Street, S.W., for approximately 3,000 square feet.

Technology

In December 2009 the Office of Investments completed the acquisition of a portfolio management system and plans to go live April 30, 2010.

Next Steps

- Implement revised Long-Term Asset Allocation over the next year.
- Continue to implement Private Equity and Real Asset programs.
- Conduct governance review at the March 2010 Investment Committee meeting.
- Add/rotate Investment Committee members.
- Continue ongoing infrastructure implementation.

MINUTES OF THE JUNE 9, 2009, INVESTMENT COMMITTEE MEETING

The Smithsonian Investment Committee (“the Committee”), a committee of the Smithsonian Board of Regents, conducted a telephonic meeting on Tuesday, June 9, 2009, at 3:00 p.m. Participating were Committee Chair David Silfen and Committee members L. Hardwick Caldwell III, J. Tomlinson Hill III, Roger Sant, and Alan Spoon; Board Chair Patricia Stonesifer also participated in the meeting. Committee members Eli Broad and Afsaneh Beschloss were unable to participate. Participating staff included Secretary G. Wayne Clough; Treasurer Sudeep Anand; Chief of Staff to the Secretary Patricia Bartlett; Chief Investment Officer Amy Chen; Investment Analyst Ryan Dotson; Associate General Counsel Farleigh Earhart; Manager of Investment Operations Rika Feng; Investment Officer Michael Giovenco; Chief of Staff to the Regents John K. Lapiana; General Counsel Judith Leonard; Chief Financial Officer Alice Maroni; and Under Secretary of Finance and Administration Alison McNally.

Call to Order

Committee Chair David Silfen called the meeting to order.

Approval of Minutes

After consideration and upon motion duly made, seconded, and unanimously approved, the minutes of the March 31 and May 13, 2009, meetings were approved.

Portfolio Review

The Endowment’s preliminary performance for the period ending May 31, 2009, was 4.8%, versus the policy benchmark of 6.7%. The recent market rally increased the Endowment’s value from \$783.7 million as of December 31, 2008, to \$815 million as of May 31, 2009. A recent survey of 20 endowments and foundations showed that the Institution’s Endowment placed in the top quartile for both first quarter 2009 and the trailing one year average.

Tactical Asset Allocation

Staff provided an update on the status of the tactical asset allocation. The advisability of maintaining the tactical asset allocation was discussed by the Committee. The Committee was in general agreement that the initial rally in riskier assets was not sufficient to make a change to the tactical asset allocation, as the economy was still exhibiting weakness.

At the time of the meeting, due to the huge market rally, emerging markets were overweight to the target. The Committee considered reducing the exposure but concluded that rebalancing was not the best course of action at the present time because the emerging markets were still positioned to be major beneficiaries of a global recovery.

Staff solicited the Committee’s views on the timeframe of the tactical asset allocation, as well as vehicle preferences (public vs. private) and lock-up periods. Although each

investment could have unique characteristics, the Committee's preference was to focus on public funds with lock-ups of two years or less.

Operational Review

Staff reported on the recent proposed update on the implementation of FAS 157, which will allow endowments to report the financial valuations of investments as reported by their fund managers, instead of requiring staff to perform independent valuations of the funds. Staff reported that they welcomed the proposed change and that they were waiting for the Financial Accounting Standards Board to adopt the update.

An exhibit was presented displaying differences in the capital account balances of the Endowment's private market portfolio between the September 30, 2008, balances adjusted for cash flows and the reported December 31, 2008, balances. The portfolio had a total unrealized loss of \$8.9 million for calendar year 2008, representing 1.1% of the total portfolio.

The Committee was updated on the status of two open investment officer positions. Due to the availability of well-qualified applicants, it was reported that the top candidate for the position of Investment Officer for Marketable Alternative Investments would likely be identified by July 2009 and that the position would be filled by the end of August 2009.

The Office of Investments also reported that it was continuing to work with the Office of the Chief Information Officer to assess the implementation of PerTrac CMS.

Executive Session

Staff was dismissed at 3:50 p.m. and an executive session was held.

REPORT OF THE AUDIT AND REVIEW COMMITTEE

The Audit and Review Committee met on January 13, 2010. Committee Chair John McCarter will provide an oral summary of the Committee's discussions to the Board of Regents at its January 25, 2010, meeting. The minutes of the Committee's September 8, 2009, meeting follow.

DRAFT MINUTES OF THE SEPTEMBER 8, 2009, AUDIT AND REVIEW COMMITTEE MEETING

On September 8, 2009, the Regents' Audit and Review Committee ("the Committee") met at 9:30 a.m. in the Regents' Room of the Smithsonian Castle. Participating were Committee Chair John McCarter**, Shirley Ann Jackson*, Congressman Sam Johnson, and Robert Kogod. Also participating were Assistant to Congressman Johnson David Heil and Committee Advisor Herb Schulken. Participating staff included Secretary G. Wayne Clough; Treasurer Sudeep Anand; Chief of Staff to the Secretary Patricia Bartlett; Assistant Inspector General for Audits Daniel Devlin; Deputy Director/Chief of Staff, Office of Facilities Engineering and Operations, Clair Gill; Chief of Staff to the Board of Regents John Lapiana; General Counsel Judith Leonard; Chief Financial Officer (CFO) Alice Maroni; Director of Government Relations Nell Payne; Inspector General (IG) Sprightley Ryan; Chief Information Officer Ann Speyer*; Deputy Comptroller Stella Whitsell; and Comptroller Andy Zino. Also in attendance were Ellen Harrison, Rebecca Horton, and John Keenan, who represented the Institution's auditors, KPMG LLP. Minutes were taken by Susan Block, Special Assistant to the CFO.

Member Robert Kogod called the meeting to order at 9:45 a.m.

Approval of the Minutes

A motion was made and seconded and the minutes of the March 6 and March 30, 2009, meetings were approved.

KPMG Fiscal Year 2009 Audit Plan and Fiscal Year 2008 A-133 Audit Results

KPMG LLP Senior Partner John Keenan presented the highlights of the fiscal year 2009 audit plan and noted that planning and interim work was complete. Mr. Keenan told the Committee that the core KPMG audit team was unchanged from the prior year with the exception of two specialists, Financial Risk Management Specialist Nick Katsanos and Information Risk Management Senior Manager Andrew Littekan. He reminded the Committee that KPMG would provide reports on the results of the audited financial statements, as well as several other special purpose reports. He then introduced Rebecca Horton, who discussed the audit process.

Ms. Horton informed the Committee that the objective of an audit of financial statements is to enable an auditor to express an opinion about whether an organization's financial statements have been prepared, in all material respects, in accordance with generally accepted accounting principles (GAAP). She noted that the process was designed to provide reasonable, but not absolute, assurance that the financial statements taken as a whole are free from material misstatement. She discussed the responsibilities of both KPMG and management in the performance of the audit. She told the Committee that professional judgment is used to determine audit risk and materiality both in planning the audit and designing audit procedures, as well as to evaluate the effects of misstatements. She noted that materiality considerations are both quantitative and qualitative and that

* *participated by teleconference*

** *joined meeting in progress at 10:05 a.m.*

materiality is determined separately for each audit included in the scope of work.

Ms. Horton then discussed the three areas that would be emphasized in the fiscal year 2009 audit: recurring transactions, nonroutine transactions, and key accounting estimates and "other." She noted that recurring transactions, such as cash disbursements and payroll, contributions, investment purchases and sales, satisfying donor restrictions, accounting for construction activities, and debt financing and compliance with related debt covenants, are usually high volume and routine in nature. She stated that these areas demand that KPMG understands which controls are in place and is able to test those controls. With regard to nonroutine transactions, she told the Committee that the Smithsonian would adopt two new accounting standards in the fiscal year 2009 audit: FSP 117-1, which will require new disclosures on the Endowment, and the Statement of Financial Accounting Standards (SFAS) 157, which will redefine how fair value is measured. Regarding key accounting estimates and "other," Ms. Horton said that KPMG would review how management developed these estimates and evaluate whether the underlying assumptions and judgments were reasonable and adequately supported. She informed the Committee that the same three areas would also be emphasized on the audit of Smithsonian Enterprises (SE). She said that the audit of SE's recurring transactions would include cash disbursements and payroll, magazine circulation, museum shop sales and mail order fulfillment, purchases and inventory management, concessions and theater cash receipts, and license agreement billings and cash receipts. With regard to SE's nonroutine transactions, she noted that the reorganization of the unit's business activities would be reviewed. She said that KPMG would review a number of areas, such as the evaluation of inventories and provisions for sales returns, to address key accounting estimates and "other."

Ms. Harrison next discussed SFAS No. 157 and informed the Committee that this standard redefines how the fair value of investments is determined and requires increased disclosures on fair value measurements. She discussed the hierarchy of fair value measures prescribed by SFAS No. 157 and its particular emphasis on the potential impact on nonmarketable investments. For these investments, she noted that there also was a proposed standard that would allow the Smithsonian to use the net asset value reported by its investment managers as an estimate of fair value. Ms. Harrison told the Committee that planning meetings for the initial adoption of SFAS No. 157 were held with the Office of Investments and the Office of the Comptroller in June and August 2009 and that another progress meeting was scheduled for October 2009.

Ms. Harrison then discussed the audit of fraud risk. She explained that KPMG would look for incentives or pressures that could lead to an increased risk for fraud and that, as part of this review, KPMG would meet with various members of management, the Committee, and the Office of the Inspector General (OIG) to identify and discuss any concerns about this area. Ms. Harrison said that this audit would require close coordination between KPMG and the OIG as the contracting officer's technical representative. She said that there would be regular communication with the OIG staff, including weekly status meetings during audit fieldwork. She stated that KPMG also would review selected reports issued by OIG to ensure that KPMG is aware of any indications of control weaknesses.

The audit timetable was then discussed. Ms. Harrison said that KPMG would start

fieldwork on the audit of the Federal closing package financial statement in October 2009 and that the Federal closing package would be submitted by November 16, 2009. She stated that final fieldwork on the audits of the Institution's comprehensive financial statements and SE's statement of net gain would begin after the closing package was submitted. She also noted that planning for the A-133 audit would begin during December 2009–January 2010 and that most of the audit procedures would be completed by the end of March 2010. She said that the June 2010 release of the A-133 audit was planned to coincide with the Defense Contract Audit Agency's (DCAA) anticipated completion of its portion of the audit. She reminded the Committee that KPMG would again comply with Statement on Auditing Standards No. 114, which addresses communications with the Committee about the audit process and results, and with Statement on Auditing Standards No. 115, which concerns management letter recommendations and notations of significant deficiencies and material weaknesses (if any).

Ms. Harrison then discussed the results of the 2008 A-133 audit of Federal expenditures. She said it was determined that the criteria that apply under A-133 were used by three major Smithsonian program areas: research and development (R&D), the partnership between the United States Postal Service and the National Postal Museum, and the involvement of the Department of Commerce in the *Oceans* exhibition. She said that KPMG tested the controls for the three programs and reviewed the compliance of the programs with OMB rules and provisions for grants and contracts. The R&D portion of the audit was coordinated with DCAA and an unqualified audit opinion was issued. The audit on the National Postal Museum was performed by KPMG and an unqualified opinion was issued. Ms. Harrison said that the *Oceans* exhibit elicited an unqualified opinion on compliance but that there was a finding related to the application of the indirect cost rates. Comptroller Andy Zino informed the Committee that the Institution renegotiated the terms and conditions of that particular grant with its sponsor, allowing the Institution to recover its costs and not incur a loss. He said that the issue was resolved to the satisfaction of KPMG.

Advisor Herb Schulken asked KPMG about two issues: the decision to add Nick Katsanos to the audit team and how KPMG's audit approach had changed in response to the markets' turmoil over the last year. Ms. Harrison explained that Mr. Katsanos replaced Troy Tonnessen, who relocated and was promoted to partner. She noted that Mr. Katsanos's background includes hedge fund management and that he is very astute at reviewing investments. Mr. Schulken asked if there were any other changes in the auditing approach and Mr. Keenan responded that the timing of the SE audit had been modified. He explained that the SE audit began earlier than the fiscal year 2008 SE audit to allow time for more robust interim procedures. With regard to actual strategy and key procedures, Mr. Keenan stated there were no significant changes. Comptroller Zino told the Committee that, in accordance with its direction, his office had accomplished more work during the interim period. He reported, and Mr. Keenan confirmed, that significant information on fixed assets, Federal reporting, and contribution activities had been furnished to KPMG during its interim testing period. The Comptroller added that his office would continue to provide as much audit information as possible to KPMG during future interim testing periods.

Inspector General's Update

Inspector General (IG) Sprightley Ryan discussed various reports issued by her office, as

well as reports that were in progress. She told the Committee that her office had issued three reports a few months prior to this meeting. One report on IT security confirmed the Institution's compliance with its security policies. A second report addressed the Institution's privacy program. She explained that the scope of the second IT security review was broader than the first and that the final report recommended that the Institution develop a full-fledged privacy program, develop appropriate privacy policies, reduce the use of personally identifiable information, and increase the security that guards such information. She informed the Committee that management agreed with the recommendations and would be implementing necessary corrections. The third report, which was done by an outside firm, was a review of the non-travel expenses of Smithsonian executives and boards. Although the outside auditors questioned about 10 percent of the costs they reviewed, Ms. Ryan said that her office found very few problems and that her office would not conduct similar reviews in the immediate future.

Ms. Ryan then reported that, at the request of Chairman Robert Brady of the Committee on House Administration, her office had conducted a review of the implementation of the Smithsonian Networks contract with Showtime Networks Inc. Chairman Brady had requested a review of how the contract had affected third-party filmmakers, how the Institution documented film requests, and what financial costs had resulted from this contract. She said that her office discovered that the contract had a minimal impact on third-party filmmakers who want to use Smithsonian content in their programs. She stated that her office found that the Smithsonian had improved its decision-making process by implementing a central monitoring and tracking system that includes documentation for each film request decision. She stated that during the period reviewed, the Smithsonian received approximately 446 film requests and declined only two requests based on restrictions in the contract. Further, contract restrictions had not resulted in the decline of any film requests since August 2006. On the financial side, she reported that the sum of the Smithsonian's revenues from this initiative were lower than original projections but that the Institution had received the minimum revenues guaranteed under the terms of the contract. She stated that her office also looked at the project's revenue-sharing plan and its ability to distribute, after covering costs, revenue received from Smithsonian Networks to the Central Trust and to the units. Under the revenue-sharing plan, proceeds from annual licensing and other fees are split evenly between the Central Trust and the units. She stated that adequate procedures are in place to track the costs of administering the contract. She told the Committee that she had sent the report to Chairman Brady and ranking minority member Dan Lungren.

The Inspector General told the Committee that the terms of the American Recovery and Investment Act, also known as the Stimulus Fund, require that IG offices oversee the management of stimulus funding. She informed the Committee that her office was closely tracking the \$25 million in stimulus funds received by the Smithsonian and that the Institution was generally doing an excellent job of spending its funds quickly and effectively. She said that more transparency was needed, as all of the award information had not been posted on the Smithsonian's public Web sites. She stated that the contract files also could be better organized. She added that all of the Smithsonian's stimulus funds should be obligated by the end of September 2009.

She next presented the results of an OIG audit that found that the Institution had used

Federally appropriated maintenance funds for unplanned capital projects. While management agreed with most of the audit's findings, it disagreed with the finding of misuse of appropriated funds. During the Committee's lengthy discussion, some members expressed concurrence with management's view. Management agreed with substantially all of the recommendations in the report, including the need to develop and communicate a formal policy on the proper use of maintenance and capital funds for unplanned requirements, the need to improve the documentation of funding source decisions and rationale, and the need to train those who authorize the use of Federal funds.

Ms. Ryan then reported on other reports currently under way, including a second maintenance report. She said that preliminary findings indicated that the Smithsonian was spending its money appropriately, that priority plans for maintenance spending were in place, and that no instances of injuries had been caused by disrepair. She said that the audit of Smithsonian Networks' contracts would be done by the end of the fiscal year and that her office also was issuing two draft reports, one on collections security and inventory controls at the National Air and Space Museum and another on Smithsonian-wide personal property and accountability controls.

Presentation of the Fiscal Year 2010 Audit Plan

Inspector General Ryan next discussed the fiscal year 2010 audit plan with the Committee, which will include a new audit in the mandatory audit category and the annual audit of travel and other expenses of the Board of Regents, which is required under the Smithsonian's statute. She stated that her office had already begun an audit on collections stewardship at the National Museum of American History.

The Chair asked the Inspector General to focus on the security of the Smithsonian's collections and to reconsider the timing of an audit of the security of the collections of the Smithsonian Institution Libraries, which is on the list of potential audits. He suggested that it might be conducted in the coming year and Ms. Ryan agreed to consider doing so.

Chief Financial Officer's Update

CFO Alice Maroni updated the Committee on the activities of the Office of the Chief Financial Officer. She provided a status report on the resolution of issues identified by KPMG in prior years' management letters and indicated that all issues scheduled to be closed during fiscal year 2009 were either on track or already completed.

CFO Maroni informed the Committee that a decision was made to hire a tax accountant in the Office of the Comptroller, which the Committee agreed was a good idea. There was a discussion about the Institution's annual tax filing and more specifically about the unrelated business income tax (UBIT) implications of real estate investments for the Smithsonian. The Committee requested that the CFO and Comptroller prepare an information paper on whether the Smithsonian's alternative investment gains associated with real estate investments would be subject to UBIT.

With regard to internal controls, she informed the Committee that progress had been made on all controls identified for improvement. She informed the Committee that one of the most controversial actions under way was an effort to create a Smithsonian directive about the acceptable use of non-Federal funding. She noted that a draft policy was expected to be

released for review in the fall of 2009. She told the Committee that the new directive would formalize a process currently handled by a number of informal policies. With regard to the remaining 18 processes that were under review, she reported that concerns had increased about two areas: financial reporting and data security. With regard to data security, she noted that the raised security standards imposed by the credit card industry had made them difficult to achieve. She said that although the Institution was nearly compliant with the purchase card industry's data standards last year, much more work now has to be done. Consequently, this issue was downgraded from green to yellow.

With respect to financial reporting, CFO Maroni also expressed concern about increasing reporting requirements (e.g., the new Form 990) and the quality of the data being reported. She informed the Committee that senior leadership had responded to this concern by including funding in the Smithsonian's fiscal year 2011 Federal budget request to support staffing increases in this area.

With respect to accountability and compliance, she reminded the Committee that a key priority identified in the Regents' Governance Report was the need to foster a culture of accountability within the Institution. Ms. Maroni reported that efforts to cultivate accountability are ongoing; she added that this commitment is evident in the Institution's Statement of Values and Code of Ethics, addressed in the performance plan of every senior executive, and supported by the draft Strategic Plan's emphasis on integrity.

Dr. Jackson asked whether the Committee was the correct body to review the Institution's tax return or whether this action should be undertaken by the Board of Regents. The CFO responded that the Committee had previously agreed that some or all of the Committee could review the tax return, after which it would be sent to the Board of Regents. She noted, however, that specific details about this process had yet to be worked out.

The meeting adjourned at 11:20 a.m. The Committee then conducted four separate executive sessions with KPMG, the General Counsel, the IG, and the CFO, after which it met alone.

REPORT OF THE COMPENSATION AND HUMAN RESOURCES COMMITTEE

The Compensation and Human Resources Committee met on January 19, 2010. Committee Chair Roger Sant will provide an oral summary of the meeting, including the annual review of senior executive compensation. Mr. Sant will present for approval the Committee's compensation recommendations in Executive Session, at which time supplemental materials will be distributed. The minutes of the Committee's September 14, 2009, meeting, follow.

MINUTES OF THE SEPTEMBER 14, 2009, COMPENSATION AND HUMAN RESOURCES COMMITTEE MEETING

The Compensation and Human Resources Committee (“the Committee”) of the Smithsonian Institution Board of Regents conducted a meeting on September 14, 2009, beginning at 1:30 p.m. at the Smithsonian Institution Building in Washington, D.C. Participating were Committee Chair Roger W. Sant and Committee members Senator Thad Cochran*, Representative Xavier Becerra*, and Patricia Stonesifer. Also present were Secretary G. Wayne Clough, Chief of Staff to the Secretary Patricia Bartlett, Associate Director of the Office of Human Resources (OHR) Gregory R. Bettwy, Director of OHR James D. Douglas, Assistant to Senator Cochran T.A. Hawks*, Office of the Regents Program Officer Grace Jaeger, Chief of Staff to the Regents John K. Lapiana, General Counsel Judith Leonard, Chief Financial Officer Alice Maroni**, and PricewaterhouseCoopers Principal Carl Weinberg.

Mr. Sant called the meeting to order at 1:35 p.m.

Mr. Douglas gave the Committee updates on the Smithsonian Leadership Development Program, noting that the second session, Leadership 2.0, had begun and that a four-session Leadership Forum featuring prominent human resources professionals providing lectures and interactive sessions, will be held shortly. Funded in part by a gift, the Forum will be provided to 50–60 participants.

Secretary Clough updated the Committee on the remaining senior vacancies. Dr. Eva Pell was selected as the Under Secretary for Science and will begin in January 2010; she will attend the September 20, 2009, Regents’ dinner and the September 21, 2009, Regents’ meeting. The search for a new National Zoological Park (NZP) Director is under way; the candidate pool will be narrowed to three shortly. Former NZP Director John Berry, now the Director of the Office of Personnel Management, has provided valuable assistance to OHR. The search for a new Cooper-Hewitt Director has begun anew after the final candidate declined and the vacancy announcement for the Director of Education, funded by Regent Robert P. Kogod, was posted publicly and interviews will be scheduled shortly.

Mr. Sant asked if there were any questions or comments on the minutes from the June 16, 2009, Committee meeting. There were none and the minutes were approved.

FISCAL YEAR 2010 COMPENSATION

Several aspects of fiscal year 2010 compensation were discussed and agreed upon by the Committee. Detailed background information was provided in the meeting materials.

Compensation Approach

Several cost-saving measures were proposed at the August 2009 meeting of the Finance Committee that would have required approval of the Committee. Since then, the financial situation has improved such that the proposed measures will not be necessary. Smithsonian Enterprises (SE) has projected higher revenues than anticipated and the 2010

** participated by teleconference*

*** Ms. Maroni was present from 1:35 to 1:45 p.m.*

general pay increase is projected to be smaller than previously estimated. Therefore, a pay freeze for non-senior Trust positions will not be necessary; however, the Trust hiring freeze will continue and there will likely be a buyout program. Secretary Clough noted that senior level pay increases may be possible and that the decision will be made in December 2009.

Disqualified Person Positions

Information provided in the meeting materials was discussed and members concurred on the following changes to the Disqualified Persons List suggested by OHR:

- approve the list of Disqualified Persons positions for 2010 provided in the meeting materials, leaving the total number at 25,
- delete the position of Under Secretary for Art, and
- add the Director of Business Development and Licensing position.

Decision Making Levels

Mr. Sant noted that over time the number of positions for which the Committee and Full Board decide compensation has decreased from hundreds to less than 25. The recommended total number of positions for review for 2010 is 225 with 37 decided by the Committee and 16 by the Full Board. The remaining will be decided by the Secretary. Members of the Committee concurred with the recommendations made by OHR.

Compensation Philosophies

The Committee reviewed changes made to the Smithsonian's Compensation Philosophies for Senior Level Trust and Federal Executives, which were made in response to the new IRS form 990. Drafted by the Office of General Counsel and incorporated by OHR, the changes will document the Institution's compensation decision-making process and ensure that the Institution fully meets IRS standards and that there are no conflicts of interest.

Executive Compensation Process

The Smithsonian obtains comparable compensation data for its executive positions every two years and ages that data in the off years, as documented in the Compensation Philosophies. Calendar year 2010 will be an off year and under the terms of the contract with PricewaterhouseCoopers (PWC), which was executed in 2008 for calendar year 2009, PWC will provide the Institution with an aging factor that OHR will use to determine executive level compensation proposals for the Committee's review at the December 2009 and January 2010 meetings.

In addition to the aging factor, for 2010 the Smithsonian will ask PWC to provide comparable salary data for three new positions: Director of Education, Director of Planned Giving, and Director of the National Capital Campaign, as well as for the position of Secretary, which will be requested every year due to high degree of scrutiny given to this position. PWC will also look at comparable data for Smithsonian Enterprises publishing positions and positions in the Office of the Chief Investment Officer, although data may not be available due to changes in the economy.

Mr. Sant requested that the minutes document the compensation discussion in order to comply with IRS Form 990 requirements.

COMMITTEE DASHBOARDS

Mr. Bettwy provided an overview of the Committee dashboards provided in the meeting materials. The dashboards provide statistics on race/ethnicity and gender, performance ratings distribution for staff and executives, and the executive compensation timeline. He said that the charts (which include Smithsonian Enterprises, or SE) show a stable workforce and a stable distribution of race/ethnicity and gender.

The performance rating chart shows that most employees receive an outstanding rating but it is anticipated that senior ratings will change once the new performance appraisal system is in place. He noted that for fiscal year 2009, the Smithsonian's attrition rate was 13.4% (vs. 15.29% average for the Federal government) and its gain rate was 13.8% (vs. 17% average for the Federal government). As of August 1, 2009, the total number of Smithsonian employees was 6,240. Mr. Sant requested the chart be shown without SE employees and always with the Federal government rates for comparison.

Discussion followed on which charts Committee members would like to continue receiving and what changes should be made to their content. Ms. Stonesifer requested information on recruitment pools and Mr. Sant requested a chart on diversity in the senior ranks. Mr. Becerra noted that the populations in many of the categories are small and percentages can be misleading; he requested that actual numbers be given as well as percentages.

Ms. Stonesifer also requested that a metric be developed to show employee engagement as measured by the employee survey.

NEW REQUIREMENTS FROM THE OFFICE OF PERSONNEL MANAGEMENT

The Committee discussed the new priorities that the Office of Personnel Management, with the change in administration, is emphasizing:

- Hiring Reform (improvements in hiring process mapping, streamlined/plain language job announcements, hiring manager involvement, and applicant notification);
- Work-Life Initiatives (improving employee satisfaction and worklife practices);
- Federal Benefits for Same-Sex Domestic Partners; and
- Recruitment, Relocation, and Retention Incentives.

Because the latter was discussed at the previous Committee meeting, OHR submitted a report on use of these incentives at the Smithsonian.

The Committee went into executive session and the meeting was adjourned at 2:45 p.m.

Respectfully submitted,
Roger W. Sant, Chair

REPORT OF THE ADVANCEMENT COMMITTEE

The Advancement Committee met on January 13, 2010. Committee member and Board Chair Patricia Stonesifer will provide an oral summary of the Committee's discussions to the Board of Regents at its January 25, 2010, meeting. The following papers will support the Board's consideration of the proposed motions.

A. Endowment, Quasi-Endowment, and Bequest Actions

Proposed Motions: **VOTED** that the Board of Regents creates and names the Jeffrey P. Cunard Endowment, an endowment to support the needs of the Freer Gallery of Art and Arthur M. Sackler Gallery as determined by the director of the Galleries. The director will have the discretion to return any unspent income to the endowment for reinvestment.

VOTED that the Board of Regents creates and names The May Liang and James Lintott Foundation Endowment. The endowment will support the annual needs of the Freer Gallery of Art and Arthur M. Sackler Gallery until such time as the Galleries' director, in agreement with the donors, shall determine the endowment's designation, which shall take place before or by the conclusion of the Galleries' current endowment campaign.

VOTED that the Board of Regents approves the creation of an endowment for the Smithsonian American Art Museum to be established after the donor's death with a payment from a universal life insurance policy. The endowment will support the Museum's exhibitions program; it may not be used for salaries or for other operating or capital expenses. Its payout is to be used at the discretion of the Museum's director and may be returned to the endowment's principal. Further, the Regents approve naming the endowment, when it is established, the Charles Robertson Exhibitions Endowment.

VOTED that the Board of Regents creates and names the Catherine and Ralph Benkaim Endowment to support Indian art and associated programs at the Freer Gallery of Art and Arthur M. Sackler Gallery. At the discretion of the director of the Galleries, the endowment may also be used to support Islamic art and associated programs.

VOTED that the Board of Regents creates a quasi-endowment for the National Portrait Gallery for the general purposes of the Gallery. Further, the Board authorizes the transfer of funds identified for this purpose to the endowment, which shall be known for administrative purposes as the National Portrait Gallery Endowment.

VOTED that the Board of Regents creates a quasi-endowment for the National Zoological Park to support the proper preservation, care, treatment, and study of wildlife. For administrative purposes the quasi-endowment will be known as the Animal and Plant Care, Conservation, and Study Fund. Further, the Board authorizes the transfer of funds identified for this purpose.

VOTED that the Board of Regents permits \$3.25 million in unrestricted realized bequests to the Smithsonian be directed to meet a challenge grant by the Andrew W. Mellon Foundation and, using these bequests and the Foundation's \$1.75 million challenge grant, create an endowment to support the director's position for the Museum Conservation Institute.

B. Minutes of the September 10 and November 3, 2009, Committee Meetings

**PROPOSED CREATION AND NAMING OF AN ENDOWMENT:
THE JEFFREY P. CUNARD ENDOWMENT**

for the Freer Gallery of Art and Arthur M. Sackler Gallery

DONOR: Jeffrey P. Cunard.

GIFT: \$750,000 by an agreement made in September 2009.

PURPOSE: Create an unrestricted endowment to support the needs of the Freer Gallery of Art and Arthur M. Sackler Gallery as determined by the director of the Galleries. The director will have the discretion to return any unspent income to the endowment for reinvestment.

RECOGNITION: Name the endowment in honor of the donor, Jeffrey P. Cunard.

DONOR DESCRIPTION: Jeffrey Cunard is the managing partner of the Washington, D.C., office of the law firm Debevoise & Plimpton LLP. He was a member of the Galleries' Board of Trustees from 2001 to 2009 and served two, three-year terms as its Chair. Mr. Cunard has been a Friend of the Freer and Sackler Galleries since 1999. Prior to this gift, he has made several other generous gifts of support to the Galleries.

POLICY: The proposed action adheres to applicable Smithsonian directives and the Institution's guiding principles, policies, and procedures, as set forth by the Board of Regents.

PROPOSED MOTION: **VOTED** that the Board of Regents creates and names the Jeffrey P. Cunard Endowment, an endowment to support the needs of the Freer Gallery of Art and Arthur M. Sackler Gallery as determined by the director of the Galleries. The director will have the discretion to return any unspent income to the endowment for reinvestment.

**PROPOSED CREATION AND NAMING OF AN ENDOWMENT:
THE MAY LIANG AND JAMES LINTOTT FOUNDATION ENDOWMENT**
for the Freer Gallery of Art and Arthur M. Sackler Gallery

- DONOR:** The May Liang and James Lintott Foundation.
- GIFT:** \$300,000 by an agreement made in August 2009.
- PURPOSE:** Create an endowment to support the annual needs of the Freer Gallery of Art and Arthur M. Sackler Gallery as determined by the director of the Galleries until such time as the director, in agreement with the donors, shall determine the endowment's designation, which shall take place before or by the conclusion of the Galleries' current endowment campaign.
- RECOGNITION:** Name the endowment The May Liang and James Lintott Foundation Endowment, in honor of the donor.
- DONOR DESCRIPTION:** James Lintott is the chairman of Sterling Foundation Management, which works to manage and structure private foundations for individuals. Mr. Lintott has been a member of the Galleries' Board of Trustees since 2007. Mr. Lintott and Ms. Liang have been Friends of the Freer and Sackler Galleries since 2005 and members of the James Smithsonian Society since 2000. Prior to this gift, the donors have generously supported the Freer and Sackler Galleries and the Smithsonian.
- POLICY:** The proposed action adheres to applicable Smithsonian directives and the Institution's guiding principles, policies, and procedures, as set forth by the Board of Regents.
- PROPOSED MOTION:** **VOTED** that the Board of Regents creates and names The May Liang and James Lintott Foundation Endowment. The endowment will support the annual needs of the Freer Gallery of Art and Arthur M. Sackler Gallery until such time as the Galleries' director, in agreement with the donors, shall determine the endowment's designation, which shall take place before or by the conclusion of the Galleries' current endowment campaign.

**PROPOSED CREATION AND NAMING OF AN ENDOWMENT:
THE CHARLES ROBERTSON EXHIBITIONS ENDOWMENT**

for the Smithsonian American Art Museum

DONOR: Charles J. Robertson.

GIFT: By a gift agreement entered into in October 2009, the donor established a universal life insurance policy with a face value of \$250,000 and named the Smithsonian the policy's owner and sole irrevocable beneficiary. The agreement further specifies that the donor pledges to make annual gifts to the Smithsonian in an amount matching the annual premium payments due on the policy.

PURPOSE: Establish an endowment for the Smithsonian American Art Museum after the donor's death using the \$250,000 payment from the insurance policy. The endowment will support the Museum's exhibitions program. Its payout is to be used at the discretion of the Museum's director and may be returned to the endowment's principal. The endowment funds may not be used for salaries or for other operating or capital expenses.

RECOGNITION: Name the endowment the Charles Robertson Exhibitions Endowment.

DONOR DESCRIPTION: Charles Robertson of Washington, D.C., served as deputy director of the Smithsonian American Art Museum from 1986 to 2002. Since retiring from the Smithsonian, he has guest-curated two Museum exhibitions, *Temple of Invention: History of a National Landmark* and *The Honor of Your Company Is Requested: President Lincoln's Inaugural Ball*. Mr. Robertson is active in the Washington, D.C., community, serving on the District of Columbia Historic Preservation Review Board and as an officer or board member of the American Association of Museums, the Victorian Society in America, the American Architectural Foundation, the Octagon House Museum, and the Cosmos Club Historic Preservation Foundation.

POLICY: The proposed action adheres to applicable Smithsonian directives and the Institution's guiding principles, policies, and procedures, as set forth by the Board of Regents.

ACTION: **VOTED** that the Board of Regents approves the creation of an endowment for the Smithsonian American Art Museum to be established after the donor's death with a payment from a universal life insurance policy. The endowment will support the Museum's exhibitions program; it may not be used for salaries or for other operating or capital expenses. Its payout is to be used at the discretion of the Museum's director and may be returned to the endowment's principal. Further, the Regents approve naming the endowment, when it is established, the Charles Robertson Exhibitions Endowment.

**PROPOSED CREATION AND NAMING OF AN ENDOWMENT:
THE CATHERINE AND RALPH BENKAIM ENDOWMENT**
for the Freer Gallery of Art and Arthur M. Sackler Gallery

- DONOR:** Catherine Benkaim.
- GIFT:** \$100,000 by an agreement made in September 2009.
- PURPOSE:** Create an endowment to support Indian art and associated programs at the Freer Gallery of Art and Arthur M. Sackler Gallery. At the discretion of the director of the Galleries, the endowment may also be used to support Islamic art and associated programs.
- RECOGNITION:** Name the endowment the Catherine and Ralph Benkaim Endowment in honor of the donor and her late husband.
- DONOR DESCRIPTION:** Catherine Benkaim is an independent scholar and art historian who holds a Ph.D. in East Indian sculpture and painting. She has been a member of the Galleries' Board of Trustees since 2003 and a Friend of the Freer and Sackler Galleries since 2002. Prior to this gift, the donor has made several generous gifts of support to the Galleries.
- POLICY:** The proposed action adheres to applicable Smithsonian directives and the Institution's guiding principles, policies, and procedures, as set forth by the Board of Regents.
- PROPOSED MOTION:** **VOTED** that the Board of Regents creates and names the Catherine and Ralph Benkaim Endowment to support Indian art and associated programs at the Freer Gallery of Art and Arthur M. Sackler Gallery. At the discretion of the director of the Galleries, the endowment may also be used to support Islamic art and associated programs.

PROPOSED CREATION OF A QUASI-ENDOWMENT

for the National Portrait Gallery

- ACTION AND PURPOSE:** Establish a quasi-endowment for the general purposes of the National Portrait Gallery. For administrative purposes, the endowment shall be known as the National Portrait Gallery Endowment. The Museum anticipates adding to the endowment in the future.
- FUNDS:** A \$53,619 bequest from the estate of Richard F. Evans, made to the National Portrait Gallery, but otherwise unrestricted. The gift was received in September 2009.
- POLICY:** The proposed action adheres to applicable Smithsonian directives and the Institution's guiding principles, policies, and procedures, as set forth by the Board of Regents.
- PROPOSED MOTION:** **VOTED** that the Board of Regents creates a quasi-endowment for the National Portrait Gallery for the general purposes of the Gallery. Further, the Board authorizes the transfer of funds identified for this purpose to the endowment, which shall be known for administrative purposes as the National Portrait Gallery Endowment.

PROPOSED CREATION OF A QUASI-ENDOWMENT

for the National Zoological Park

- FUNDS:** \$39,069.22 received in October 2009 from the estate of Virginia E. Donovan.
- PURPOSE:** Create a quasi-endowment for the benefit of the National Zoo that supports the proper preservation, care, treatment, and study of wildlife, as stated in the donor's will. For administrative purposes the quasi-endowment will be known as the Animal and Plant Care, Conservation, and Study Fund. The Zoo anticipates that other gifts may be added to the endowment in the future.
- POLICY:** The proposed action adheres to applicable Smithsonian directives and the Institution's guiding principles, policies, and procedures, as set forth by the Board of Regents.
- PROPOSED MOTION:** **VOTED** that the Board of Regents creates a quasi-endowment for the National Zoological Park to support the proper preservation, care, treatment, and study of wildlife. For administrative purposes the quasi-endowment will be known as the Animal and Plant Care, Conservation, and Study Fund. Further, the Board authorizes the transfer of funds identified for this purpose.

PROPOSED REDIRECTION OF BEQUESTS AND CREATION OF AN ENDOWMENT

for the Museum Conservation Institute

PROPOSED ACTIONS: Section 6.02 of the Bylaws of the Board of Regents states that bequests to the Smithsonian “unless otherwise directed . . . by the Board of Regents . . . shall be held in the Smithsonian Institution endowment fund.” Pursuant to Section 6.02, the Smithsonian requests that the Board of Regents direct four unrestricted realized bequests to meet a challenge grant made by the Andrew W. Mellon Foundation and, using these funds and the Foundation’s grant, create an endowment to support the director’s position for the Museum Conservation Institute (MCI).

In December 2007, the Andrew W. Mellon Foundation made a \$1.75 million challenge grant to MCI which, when matched by \$3.25 million in newly raised funds, would be used to establish a \$5 million endowed position for the Institute’s director. By the terms of the challenge grant, the Smithsonian must raise the \$3.25 million in new funds by December 31, 2011. In March 2009, the Foundation confirmed that it would permit the application of realized bequests toward its challenge. The Foundation will not have its name associated with the position, and Federal funds released by creating the endowment are to remain in the MCI budget allocation.

FUNDS: \$3.25 million, consisting of three unrestricted realized bequests and a partial distribution from one unrestricted realized bequest: \$1,092,711 received in October 2008 from the estate of Dr. Georgette Kamenetz; \$1,554,312 received in November 2009 from the estate of John R. Huggard; \$432,200 received in December 2009 from the estate of Marguerite L. Bender; and a partial distribution of \$170,777 received in September 2008 from the estate of John A. and Helen L. Burnham.

POLICY: The proposed action adheres to applicable Smithsonian directives and the Institution’s guiding principles, policies, and procedures, as set forth by the Board of Regents.

PROPOSED MOTION: **VOTED** that the Board of Regents permits \$3.25 million in unrestricted realized bequests to the Smithsonian be directed to meet a challenge grant by the Andrew W. Mellon Foundation and, using these bequests and the Foundation’s \$1.75 million challenge grant, create an endowment to support the director’s position for the Museum Conservation Institute.

MINUTES OF THE NOVEMBER 3, 2009, ADVANCEMENT COMMITTEE MEETING

The Advancement Committee (“the Committee”) of the Board of Regents met on November 3, 2009, in the Regents’ Room of the Smithsonian Castle in Washington, D.C. Participating were Committee Chair Alan G. Spoon* and Committee members Travis Engen, Sakurako Fisher*, Robert Kogod, and Adrienne Mars*. Staff members present were Chief of Staff to the Secretary Patricia Bartlett, Director of External Affairs Virginia B. Clark, Director of Development Services Zully Dorr, Chief of Staff to the Regents John K. Lapiana, General Counsel Judith Leonard, Campaign Director Jenine Rabin, and Office of External Affairs Manager of Communications Bill Tabor.

The agenda consisted of the approval of the minutes of the Committee’s September 10, 2009, meeting; comments on the Strategic Plan by Secretary Clough; updates on action items from the September 10, 2009, meeting; a Campaign planning report; a discussion on Campaign budget models; fund-raising results for fiscal year 2009; and a review of pending gifts.

Call to Order

The Chair called the meeting to order at 10:07 a.m.

Approval of the Minutes of the September 10, 2009, Meeting

The minutes of the September 10, 2009, meeting were sent to members in advance of this meeting. The Chair asked for comments. There being none, it was moved that the minutes be approved. The motion was seconded and the minutes were approved by unanimous vote.

Comments on the Strategic Plan by the Secretary

Since the last meeting of the Committee, the Strategic Plan was presented to and approved by the Board of Regents on September 21, 2009. The Secretary commented that he had discussed the plan with eight of 30 Smithsonian unit advisory boards and found each to be supportive of it. Mr. Spoon asked if the Secretary was asked questions about funding the plan. The Secretary said the questions asked have been organizational in nature, such as how each unit will fit into the plan. He added that the plan was being printed for distribution.

Secretary Clough reported that the fiscal year 2010 Federal budget just passed, and that the Smithsonian received a good appropriation. He commented on three items in the budget—\$1.5 million for the Smithsonian Global Earth Observatories (SIGEO), \$1.5 million for Web access, and \$1 million for digitization—and noted that the second and third items will support the Strategic Plan’s priority of broadening access. The appropriation also includes \$20 million for the National Museum of African American History and Culture and funding for the interior revitalization of the Arts and Industries Building.

(* *participated by teleconference*)

Action Item Updates from the September 10, 2009, Meeting

Ms. Clark reported on action items from the September 10 meeting and reviewed a Campaign chart that demonstrated overall Campaign activity and major initiatives. The Committee was informed that formal Campaign budget reports with detailed financial information will be provided by the Office of Development in early fiscal year 2011, after the Campaign budget is finalized, and that updates on Campaign spending will be provided until that time.

Campaign Planning Progress

Ms. Clark then reported on Campaign planning progress, which she characterized as an intensive phase of preparation. She commented on current major efforts, including selecting an IT vendor, creating a comprehensive staffing plan, and focusing the units on their plans, including money and staffing needs.

Secretary Clough said that the Office of External Affairs discussed the fund-raising IT system with the Office of the Chief Technology Officer and that good progress had been made. The Smithsonian will purchase an “off the shelf” system that will support the sharing of information from all units and the preparation of good financial and performance reports. The Committee discussed the system and was told that it will be kept well-informed on its progress. Ms. Clark also reported that a professional development training program for museum directors and other leadership has begun. Outside consultants are assisting with the program. She then reviewed the Campaign calendar that provided an overview of the Campaign, as well as benchmark goals and initiatives. A Committee member said that while the calendar presented a summary of Campaign activity, future discussions would benefit from the addition of the detailed tracking document used by staff.

Campaign Budget Models

Ms. Clark, assisted by Ms. Rabin, discussed campaign budget models. Members had received materials about the models in advance of the meeting. Ms. Clark reminded the Committee that the Smithsonian historically had funded development operations on a year-to-year basis. She said that this discussion of campaign budget models would be a preliminary introduction to a complex subject, that no conclusions would be expected from this meeting, and that a formal Campaign budget request would be presented in the spring of 2010. She noted that the campaign budget models were the result of a team effort; had been vetted by staff in the offices of budget, finance, and General Counsel; and had been benchmarked using reports and data from outside organizations.

The Committee reviewed five campaign funding options—assessing gifts; assessing the Endowment; earning interest from holding gifts; recovering indirect costs of private grants; and gaining short-term investment income on gift funds—and noted that a combination of options would be needed. Supporting materials for the five options included benchmarks, internal principles, internal cost assumptions, and assumptions used in preparing the analysis, which used a cost-per-dollar-raised estimate of \$.16.

Mr. Spoon asked members to comment based on their fund-raising experiences. Among the number of points discussed was the importance of clarity and transparency in communications about the selected funding methods, including explaining to the public how costs are conveyed. A Committee member asked if Campaign funds could be borrowed from the Endowment and repaid with unrestricted Campaign gifts.

Ms. Clark said that assessing gifts was a common fund-raising practice and that fees charged range from 5 to 10 percent. When asked to comment, Committee members said that charges should be standardized, disclosed to donors in a user-friendly way, and factually conveyed as a necessary business cost. The Committee requested more information from five Smithsonian units that presently charge overhead fees, including feedback from donors about this practice.

Ms. Clark discussed the option of assessing the Endowment, which can be done by increasing the Endowment's payout or by charging an assessment on the payout. Mr. Spoon asked for comments. A member described the practice as troublesome, as increasing the payout would be the same as invading its principal, and said that the option should be the last choice. Secretary Clough commented that Georgia Tech employed a graduated assessment on the payout of its endowment, and that the school informed its previous endowment donors when the charge was established. Ms. Rabin shared information about eight state university foundations that charge fees on their endowments' payouts. Mr. Spoon asked that staff provide more information on university foundation practices, specifically on whether endowments' payouts were increased or if current payouts were reallocated to fund development. A member observed that more will be known about IT and personnel costs, which are large and have a large impact on costs, in April 2010.

Fund Raising Results as of September 30, 2009

Ms. Clark reported that the Smithsonian raised \$126.5 million in fiscal year 2009, or \$6.5 million over its fund-raising goal. She said that it reflected the warm welcome being given to the Secretary and the Smithsonian. Further details of the year's results were provided in handouts.

Review of Pending Gifts

Ms. Clark presented five pending gifts for the Committee's review: the creation and naming of The May Liang and James Lintott Foundation Endowment, the Catherine and Ralph Benkaim Endowment, and the Jeffrey P. Cunard Endowment, each to benefit the Freer Gallery of Art and the Arthur M. Sackler Gallery; the creation of a quasi-endowment for the National Portrait Gallery; and the creation and naming of the Charles Robertson Exhibitions Endowment at the Smithsonian American Art Museum. Discussion of the insurance gift associated with the proposed Robertson endowment led to a discussion of gifts of insurance and Mr. Spoon requested further information on the acceptance of insurance gifts. He then asked for an en bloc vote to approve the submission of the following five motions to the Board of Regents for its approval. The motion was seconded, moved, and approved by unanimous vote:

VOTED that the Board of Regents creates and names The May Liang and James Lintott Foundation Endowment. The endowment will support the annual needs of the Freer Gallery of Art and Arthur M. Sackler Gallery until such time as the Galleries' director, in agreement with the donors, shall determine the endowment's designation, which shall take place before or by the conclusion of the Galleries' current endowment campaign.

VOTED that the Board of Regents creates and names the Catherine and Ralph Benkaim Endowment to support Indian art and associated programs at the Freer Gallery of Art and Arthur M. Sackler Gallery. At the discretion of the director of the Galleries, the endowment may also be used to support Islamic art and associated programs.

VOTED that the Board of Regents creates and names the Jeffrey P. Cunard Endowment, an endowment to support the needs of the Freer Gallery of Art and Arthur M. Sackler Gallery as determined by the director of the Galleries. The director will have the discretion to return any unspent income to the endowment for reinvestment.

VOTED that the Board of Regents creates a quasi-endowment for the National Portrait Gallery for the general purposes of the Gallery. Further, the Board authorizes the transfer of funds identified for this purpose to the endowment, which shall be known for administrative purposes as the National Portrait Gallery Endowment.

VOTED that the Board of Regents approves the creation of an endowment for the Smithsonian American Art Museum to be established after the donor's death with a payment from a universal life insurance policy. The endowment will support the Museum's exhibitions program; it may not be used for salaries or for other operating or capital expenses. Its payout is to be used at the discretion of the Museum's director and may be returned to the endowment's principal. Further, the Regents approve naming the endowment, when it is established, the Charles Robertson Exhibitions Endowment.

Adjournment

A member asked if a specific planned giving goal would be established when the Campaign goal has been set. Ms. Clark confirmed that a specific planned giving goal would be established at that time.

There being no further business, this meeting of the Advancement Committee was adjourned at approximately 11:50 a.m.

Respectfully submitted,

Alan G. Spoon, Chair

MINUTES OF THE SEPTEMBER 10, 2009, ADVANCEMENT COMMITTEE MEETING

The Advancement Committee (“the Committee”) of the Board of Regents held a phone conference on September 10, 2009. Participating were Committee Chair Alan G. Spoon* and Committee members Hacker Caldwell*, Travis Engen*, Sako Fisher*, Robert Kogod*, and Adrienne Mars*, as well as ex officio member and Board Chair Patricia Stonesifer*. Present in the Regents’ Room of the Smithsonian Castle in Washington, D.C., were Secretary G. Wayne Clough, Chief of Staff to the Secretary Patricia Bartlett, Director of External Affairs Virginia B. Clark, Chief of Staff to the Regents John K. Lapiana, General Counsel Judith Leonard, Campaign Director Jenine Rabin, and Office of External Affairs Manager of Communications Bill Tabor.

The agenda consisted of the review of the minutes of the Committee’s June 16, 2009, meeting; a report on actions from the June 16, 2009, meeting and campaign planning; a discussion and vote on the fiscal year 2010 campaign budget request; a review of fiscal year 2009 fund-raising results through August 31, 2009, a report on fiscal year 2010 fund-raising goals; and a review of pending gifts.

Call to Order

Chair Alan Spoon called the meeting to order at 11:05 and welcomed members.

Approval of June 16, 2009, Meeting Minutes

The minutes of the June 16, 2009, meeting were included in materials sent to members in advance of the meeting. The Chair asked for comments. There being none, it was moved that the minutes be approved. The following motion was seconded and the minutes were approved by unanimous vote.

VOTED that the minutes of the Advancement Committee meeting of June 16, 2009 are approved without changes.

Mr. Spoon made short remarks concerning the Institution’s Strategic Plan, which was scheduled to be presented to the Board of Regents at its September 21, 2009, meeting. Secretary Clough commented on the plan’s themes and the ways it would positively affect fund-raising efforts.

Report On Actions from June 16, 2009, Committee Meeting and Campaign Planning

Mr. Spoon reported that good progress had been made on the campaign planning actions identified at the Committee’s last meeting. Ms. Clark said that work was proceeding according to schedule and the Strategic Plan would soon start to be integrated into campaign planning. She and her staff had met with unit directors and initiated unit campaign work plans, which will guide each units’ through the development of a full

(* participated by teleconference)

campaign plan. She reported that the first sections of the unit campaign work plans would be due in November 2009 and the full plans would be due in February 2010; she also noted that writing the plans had prompted good dialogs and many questions. The Committee discussed managing prospects in a campaign environment. Ms. Stonesifer said the units' campaign work plans would build the overall campaign plan from the bottom up. She then asked how giving across units would be achieved and Ms. Clark said she and her staff would work with the Under Secretaries on this dimension of the planning work. The initial campaign plan will be presented to the Advancement Committee in March 2010 and to the Board of Regents in April 2010. Ms. Stonesifer asked if a chart that showed campaign planning and its progress might be developed for the Committee's reference in future meetings.

Fiscal Year 2010 Campaign Budget Request

Ms. Clark presented a request for \$2.3 million in new funds in fiscal year 2010 to fund further campaign planning and infrastructure. She explained that, while all campaign expenses in fiscal year 2010 would total \$3.1 million, \$800,000 would carry over into fiscal year 2010 from a previous campaign allocation, leaving the balance of the funding request at \$2.3 million. She said that campaign funding models were being developed for the full Campaign and would be presented to the Committee in October 2009. Members asked a number of questions about the budget and how it was projected, how it could determine that campaign funds were being spent efficiently, and how resources would be allocated between the central development office and the units. Other matters discussed were how raising private funds through the campaign may affect Federal appropriations and the timing of campaign investments in information technology. Mr. Spoon noted that in the future the Committee would need campaign reports that show budget and actual expenditures and that track the efficiency of campaign spending. There being no further questions, Mr. Spoon asked for a vote on the following

VOTED that the Advancement Committee recommends that the Board of Regents approve the proposed budget to support the National Campaign and development-related projects in fiscal year 2010.

The motion was seconded, and passed by a unanimous vote.

Fund-Raising Results as of August 31, 2009, and the Fiscal Year 2010 Fund-Raising Goal

Ms. Clark made a brief report on the Institution's fund-raising progress through August 31, 2009. She confirmed that the Smithsonian would likely raise about \$110 million by the end of fiscal year 2009, which would be less than its original fund-raising goal of \$120 million and reflected the weak economy and leadership transitions at Smithsonian museums, including Cooper-Hewitt, National Design Museum; the National Zoological Park; and the National Museum of African Art. She noted, however, that the year also held many positives. These included gifts or grants totaling \$12.5 million in continued funding for the Encyclopedia of Life; \$8 million to the National Postal Museum, the largest gift yet made to that museum; \$6 million from Airbus, Inc. toward construction of the National Air and

Space Museum's Steven F. Udvar-Hazy Center; \$4 million towards planning for the National Museum of African American History and Culture, as well as \$3 million from the Rockefeller Foundation and \$1 million from the Prudential Foundation; and \$2.6 million from The Gordon and Betty Moore Foundation to the Smithsonian Astrophysical Observatory. Another positive sign was the performance of the Contributing Membership program, which would meet its revised goals at a time when many peer organizations would not. She said that these accomplishments bode well for the campaign.

The Committee discussed the Smithsonian's ambitious fiscal year 2010 fund-raising goal of \$130 million. It was noted that the implementation of the Strategic Plan and the continuing preparations for the campaign would support that goal. Mr. Spoon and Secretary Clough concurred that the goal was aggressive, and the Secretary observed that achieving it would demonstrate the Smithsonian's ability to reach new fund-raising levels.

Review of Pending Gifts

Ms. Clark led a review four pending gift items: the creation of a true and quasi-endowment and naming of The David Challinor Fellowship at the National Zoological Park; the naming of the Hank Strong Enrichment Lab at the National Zoological Park; the acceptance of Microsoft Corporation's in-kind gift to the Office of the Chief Information Officer; and the naming of the Eric R. Keto Prize for Graduate Students in Theoretical Astrophysics and creation of an endowment for it at the Smithsonian Astrophysical Observatory. Mr. Spoon asked for an en bloc vote on the four motions, which was seconded and moved. The following motions were approved by unanimous vote:

VOTED that the Advancement Committee recommends that the Board of Regents creates a true endowment and a quasi endowment to support a research fellowship at the National Zoological Park and authorizes their establishment using funds identified for this purpose. Further, the Regents approve naming the fellowship The David Challinor Fellowship.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of the Hattie M. Strong Foundation to the National Zoological Park and, in honor of the foundation's former president and chairman, names the *Think Tank* exhibit's new classroom/lab The Hank Strong Enrichment Lab for 20 years or until the classroom/lab's next major renovation, whichever is latest.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Microsoft Corporation to the Office of the Chief Information Officer and accepts the terms of the gift agreement.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Eric R. Keto to the Smithsonian Astrophysical Observatory and approves naming The Eric R. Keto Prize for Graduate Students in Theoretical Astrophysics, which is made possible by his gift. The Board of Regents also approves the creation of an endowment to support this prize.

The Committee briefly discussed an \$8 million gift from William H. Gross to the National Postal Museum, which was approved by the Executive Committee on August 28, 2009. Secretary Clough noted that the gift, the largest yet received by that museum, was made possible by the hard work of many Smithsonian staff.

Adjournment

There being no further business, this meeting of the Advancement Committee was adjourned at 12:28 p.m.

Respectfully submitted,

Alan G. Spoon, Chair

REPORT OF THE STRATEGIC PLANNING AND PROGRAMS COMMITTEE

Committee Chair Doris Matsui will provide updates on several initiatives to the Board at its January 25, 2010, meeting. The following papers will support Ms. Matsui's updates.

- A. International Museum Education Program and
Proposed Pilot: Abu Dhabi Museum Professional Training Center**
- B. Arts and Industries Building Update**
- C. Draft Minutes of the September 14, 2009, Committee Meeting**

INTERNATIONAL MUSEUM PROFESSIONAL EDUCATION PROGRAM

Background

At its September 21, 2009, meeting, the Board discussed the possible establishment of a pilot museum professional training program in Abu Dhabi, United Arab Emirates. The Board requested that the Secretary further develop the concept of, and guiding principles for, the overall global program for the Regents' endorsement. The following paper is provided by the Secretary to support the creation of a Smithsonian International Museum Professional Education Program. If endorsed by the Board, the Secretary will seek the guidance of an ad hoc Regents group on proposing an initial pilot program in Abu Dhabi. The ad hoc group was identified at the September 21 meeting and consists of Regents France Córdova, Shirley Ann Jackson, Doris O. Matsui, David Rubenstein, and Alan G. Spoon. The Strategic Planning and Programs Committee will review the final pilot program proposal before submission to the full Board for approval.

Concept

The Smithsonian Institution proposes the creation of an International Museum Professional Education Program that positions the Institution as a global leader in professional museum training. The program will foster the dissemination of best museum practices, methodologies, and values, and have the potential to reach thousands of professionals working throughout the world, providing ties to a major U.S. institution and exposure to principles that demonstrate the value of democratic access to scientific and scholarly knowledge.

Given the significant increase in the establishment of museums in Asia, Africa, and Latin America, there is a need for high-quality professional training. The Smithsonian, as a leading global museum and research complex, is constantly approached by museum, cultural, and scientific leaders from around the world for expert advice and support. For example, Egypt recently asked if the National Museum of Natural History could help design its science museums; Nigeria has asked the National Museum of African Art to help train its museum conservators; Oman, India, and Korea have asked the Freer and Sackler Galleries of Art for curatorial training; and, Iraq, with encouragement from the U.S. Department of State, has asked for Smithsonian support in virtually all fields, from architecture to museum security. An Institution-wide approach, through the International Museum Professional Education Program, would allow the Smithsonian to build on its historical reputation and staff skills to take a leadership role in the museum professional training field.

The Institution proposes to operate satellite training centers in several world regions for professionals and students in museum fields. These satellite centers will enhance the Smithsonian's ongoing training activities currently conducted through its Washington, D.C., and New York City-based museums. Given potential interest and Smithsonian connections, among likely locations for initial consideration are: the United Arab Emirates, Singapore or China, South Africa, and Panama. The U.S. academic community, through decades of

openness to foreign students and overseas relationships, has proven that such ventures create goodwill and long-lasting positive relationships.

Model

While museums from around the world are increasingly approaching the Smithsonian seeking training, current financial constraints and years of base erosion within professional ranks strain the Institution's ability to provide it. The Smithsonian also lacks the cross-institutional coordination needed to provide the full range of training opportunities desired by most of the museums in the developing world. The International Museum Professional Education Program will provide an Institutional approach for assessing the appropriateness of major international training collaborations, a coordinated means of delivering programs, and a fiscal model that can both support the program and enhance rather than burden staff resources. The program will formalize the Smithsonian's existing international training activities and create opportunities to generate revenue. The program will be grounded in a strong set of operating principles, serve diverse audiences, and enhance the Smithsonian's reputation as the world's leading museum organization.

Principles

A strong set of principles will guide the Smithsonian in this venture:

- The Smithsonian will retain control over the content and staff of the instructional program.
- The Smithsonian will follow the same principles of non-discrimination in staffing and student admissions that it follows for its own programs in the United States.
- The program will operate in compliance with all applicable U.S. and local laws.
- The program will implement fair labor practices, including appropriate salaries, benefits, hours, and working conditions, that are consistent with Smithsonian standards or, as appropriate, official local government standards.
- The program will be structured to include appropriate protections for safety and security of on-site personnel.
- The Smithsonian's contracts will include provisions permitting termination of an agreement related to a center in the event of breach of contract, the development of significant safety or security issues, and/or a significant change in local laws and conditions that would compromise the Smithsonian program and its operations.

Review, Approval, and-Risk Assessment Procedures

Each proposed international training center under this program will be thoroughly assessed for risk, reviewed by senior management, and operated in accordance with Smithsonian policies. Before establishing a formal presence or relationship with any foreign government within the context of this program, the Smithsonian will consult with the U.S. Department of State and the U.S. Department of Justice to assure adherence to U.S.

government law and policy, as well as with appropriate Congressional committees to ensure the transparency. The Smithsonian Board of Regents will review and approve each proposed center.

Management and Finances

Every effort will be made to minimize financial risk to the Smithsonian. It is anticipated that the training centers will be financed by host nations or sponsors and that the Smithsonian will have a contract with that funder to manage the center. Each contract will include protections for the Smithsonian, its operations, and the implementation of its principles. The International Museum Professional Education Program will be managed through the Office of the Under Secretary for History, Art, and Culture. Individual centers may or may not be Smithsonian-branded, depending on the program focus and collaborating partners. The Smithsonian will seek American and/or international academic partners if degrees are to be granted as part of the educational program. In these cases, the Smithsonian will contract with academic partners to ensure that course-crediting and degree-granting requirements are consistent with Smithsonian programmatic and quality standards. While the Smithsonian could strategically select whether or not to own or manage physical structures in a particular country, the Institution expects to avoid extensive or long-term commitments for buildings or any physical plant in order to allow for a timely exit from a country, should that be necessary.

Advancing the Smithsonian's Mission and Strategic Plan

The proposed International Museum Professional Education Program is consistent with the Smithsonian's mission, "the increase and diffusion of knowledge." It will advance the Smithsonian's new Strategic Plan, "Inspiring Generations through Knowledge and Discovery," and its vision to shape the future "by preserving our heritage, discovering new knowledge, and sharing our resources with the world." By providing museological training nationally and internationally, the International Museum Professional Education Program will make manifest a key grand challenge of the Strategic Plan: valuing world cultures.

ARTS AND INDUSTRIES BUILDING STATUS REPORT

Reopening the Arts and Industries Building (AIB) as soon as possible to program use requires significant infrastructure improvements. Additional funding will be needed to complete the infrastructure revitalization of AIB, including Legacy Fund Federal resources that, if matching private funds are raised, will total up to \$30 million.

POTENTIAL FUTURE PROGRAM USES

Smithsonian Gateway: Focus on Education, Outreach, and Access: In March 2009, the Secretary convened an Arts and Industries Program Planning Committee to make recommendations on the future mission and functions of the building for the Smithsonian. The Committee recommended that the building serve as a “gateway” experience for visitors to the Smithsonian. As the gateway to the Smithsonian, the building would orient visitors to the Smithsonian’s exhibitions and resources and use exciting displays to illustrate the Institution’s priorities in tackling grand scientific, history, art, and cultural challenges. Through the use of innovative technologies and learning experiences it would also offer introductions to museums and scientific research centers that currently have no space on the Mall.

Reflecting the new Strategic Plan’s focus on broadening broaden access and reaching new audiences, the AIB will focus on the Smithsonian’s expanding education, outreach and access initiatives. This focus will be showcased in AIB in a way that is vibrant and engaging to the visitor and connects both in-person or virtual audiences through new media tools, technologies and experiences.

The program and interior outfitting for either of these concepts would be funded through private donations.

National Museum of the American Latino Commission: On December 5, 2009, the National Museum of the American Latino Commission notified the Chair of the Board of Regents that the Commissioners had reached the conclusion that the Arts and Industries Building is one of several sites they intend to recommend to Congress as a potential site for the future National Museum of the American Latino.

BUILDING REVITALIZATION UPDATE

The revitalization of the building as a functional shell is already under way and will be accomplished through a series of contracts:

American Reinvestment and Recovery Act of 2009 (ARRA):

\$4.6M actual construction cost

Funded through ARRA, a modest amount of repair work began in fiscal year 2009.

- Repair exterior masonry
- Demolish selected interior structures/equipment and remove hazardous materials

Shell: \$75M concept cost estimate

Currently under design.

- Repair/reinforce/replace iron roof trusses
- Strengthen structure to resist snow load/seismic/blast/progressive collapse
- Replace roof
- Replace windows, complete masonry repairs

Core: \$184M concept cost estimate

Currently in scope development.

- Complete interior demolition and remove interior partitions to restore circa 1900 interior layout. Create underground structure to house mechanical, electrical, and plumbing (MEP) equipment and support functions
- Install new MEP equipment and link to GSA chilled water
- Provide security and safety systems, including fire detection and suppression
- Replace obsolete elevators, fire stairs, and restrooms

Interior Outfitting: TBD

Currently in scope development.

- Develop interior architecture that supports program: e.g., improvements to circulation such as glass bridges and/or elevators; auditorium seating; wall, floor, and ceiling finishes
- Design program elements: e.g., exhibits, interactive and digital media, café and retail outfitting, furnishings and finishes.

The renovations will be designed to meet LEED Gold certification requirements for energy and water efficiency, sustainable use of materials and resources, and environmental quality.

TOTAL COST ESTIMATES

A definitive cost estimate will be prepared when the total scope for renovation has reached 35% completion of design documents. Currently, a concept estimate for the building’s shell (roof and window replacement and structural reconstruction) is \$75 million and the concept estimate for the core (with yet-to-be-defined interior outfitting) is \$200 million to \$250 million.

| SUMMARY | | | |
|---------|----------|---|---|
| | Required | Available | Funding Gap |
| Shell | 75M | 12.6M Federal, with additional Legacy Funds totaling 30.0M if matching private funds are raised | 32.4M in FY 2010 (assuming Legacy Fund monies become available) |
| Core | 184M | 0 | 184M <ul style="list-style-type: none"> • 15M in FY 2010 for design • 169M in FY 2011 or FY 2012 for construction |

DRAFT MINUTES OF THE SEPTEMBER 14, 2009, STRATEGIC PLANNING AND PROGRAMS COMMITTEE MEETING

The Strategic Planning and Programs Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution held a meeting on September 14, 2009, at 10:05 a.m. in the Smithsonian Castle in Washington, D.C. Participating were Committee Chair Representative Doris Matsui and Committee members Senator Christopher Dodd*, Phillip Frost**, Shirley Ann Jackson*, Senator Patrick Leahy*, and Paul Neely; Judy Huret was unable to participate. Board Chair Patricia Stonesifer also participated. Staff in attendance included Secretary Wayne Clough; Chief of Staff to the Secretary Patricia Bartlett; Assistant to Representative Matsui Julie Eddy; Office of the Regents Senior Writer-Editor Barbara Feininger; Under Secretary for History, Art and Culture Richard Kurin; Chief of Staff to the Board of Regents John K. Lapiana; General Counsel Judith Leonard; Director of Communications Evelyn Lieberman; Assistant to Senator Leahy Kevin McDonald*; Assistant to Senator Dodd Colin McGinnis*; Office of Policy and Analysis Director Carole Neves; and Director of Government Relations Nell Payne. Staff present for the discussion of the proposed International Centers for Museum Leadership and Excellence included National Museum of Natural History (NMNH) Associate Director for External Affairs and Public Programs Elizabeth Duggal, Deputy General Counsel Marsha S. Shaines, and U.S. Department of State Senior Advisor for International Activities Lawrence Wohlers, who has been detailed to the Smithsonian.

The Chair called the meeting to order. She asked if there were any questions or comments on the minutes from the June 8, 2009, meeting. There being none, the minutes were approved.

Report of the Chair

Chair Matsui announced that Clark Bunting had stepped off of the Committee as he had determined that he could not devote sufficient time to its activities. She noted that Mr. Bunting would maintain a close relationship with the Smithsonian through his service as the Chair of the National Zoological Park’s advisory board. She added that discussions were under way with one potential non-Regent candidate for the Committee.

The Chair then provided a brief update on the status of several executive searches. She said that Dr. Eva Pell, Senior Vice President for Research and Dean of the Graduate School at Pennsylvania State University, had been selected as the new Under Secretary for Science. She added that Dr. Pell would assume her new position in January 2010.

Chair Matsui said that the search for the next director of the National Zoological Park was nearing its conclusion. She said that interviews with the leading candidates had been conducted the previous week and that the selection committee would soon submit its rankings. With regard to the search for the next director of Cooper-Hewitt, National Design Museum, the Chair said that Under Secretary for History, Art and Culture Richard Kurin was leading the search process. Dr. Kurin reported that the leading candidate for the

** participated by teleconference*

*** Dr. Frost joined the teleconference at 10:55 a.m.*

position had withdrawn from consideration, citing a keener interest in curatorial versus directorial work. Dr. Kurin said that the search was being broadened, that interviews would be conducted towards the end of September 2009, and that the search process would hopefully conclude by the end of October 2009.

The Smithsonian Associates and the Fiscal Year 2010 Trust Budget

At the recommendation of Board Chair Patricia Stonesifer, the Committee next discussed the recommended fiscal year 2010 Trust budget approved by the Finance Committee and, in particular, its proposal to restructure The Smithsonian Associates (TSA) into a more mission-centric, self-sustaining program. Currently the popular program generates approximately

\$6 million in annual ticket sales but also depends upon about \$1.5 million in additional support from the Central Trust. The proposed restructuring would result in a 15–20 percent cut in the TSA budget by cutting non-essential elements from the program. It was made clear that, although Central Trust support for TSA would be gradually withdrawn over time, the program would not be closed.

Secretary Clough explained that current budget challenges, and in particular declines in revenues, had forced management to critically review the long-term management of the Central Trust. Knowing that the Smithsonian will continue to face financial challenges in the years ahead, management determined that Trust funds should largely be directed towards one-time expenditures and not salaries.

Dr. Kurin explained the justification for the proposed reorganization of TSA. He noted that some TSA programs, such as the masters program offered in collaboration with the Corcoran College of Art + Design and the TSA-sponsored summer camp were popular, well-performing programs but that others were not. He said that TSA memberships had dropped from approximately 50,000 to about 30,000 households in the greater Washington area. Moreover, a recent survey of monthly TSA offerings showed that only 60 percent of 1,000-some TSA programs were related to the Smithsonian and that only 10 percent of those programs were strongly aligned with both the programs and the mission of the Institution. He acknowledged, however, that some of the most popular TSA programs are not mission-centric. Dr. Kurin said that, although the goal of the reorganization would be to change TSA from a loss-generating operation to one that broke even or better, it would be equally important that the program better reflect the Smithsonian's programs and the mission to support the "increase and diffusion of knowledge."

When asked about the unit's reaction to the proposed reorganization, Dr. Kurin said that this proposal had made clear what was already recognized as an untenable organizational model, producing in effect a sense of relief and commitment to moving forward. He said that the response of staff has included investigations of collaborations with other units, as well as other proactive options.

The Committee also discussed the potential for a backlash in public and donor relations if

the proposed reorganization were inadequately presented. The Committee agreed that the Institution must be prepared to provide informed, thoughtful responses that assure the public of the Smithsonian's commitment to helping TSA become a viable, self-sustaining program. It was also agreed that, although management holds primary responsibility for this funding decision, the issue would go before the full Board of Regents if the Institution's reputation was in question.

Review and Presentation of the Draft Strategic Plan

The Chair then introduced the primary topic of the meeting: reviewing the proposed Smithsonian Strategic Plan in anticipation of consideration by the full Board at its September 21, 2009, meeting. She told the Committee that it would provide final guidance to the Secretary on the draft plan, as well as help identify any issues that the Executive Committee and the Board should focus on in their reviews of the plan. She said that the updated draft was a significant advancement from the draft reviewed during the Committee's July 2009 meeting. She noted that the revised plan was more dynamic and clear, and that it reflected the Committee's comments and the hard work of many Smithsonian staff.

Chair Matsui noted that she had worked with the Secretary and the Executive Committee over the prior weeks to help ensure that the final plan would elicit the support and approval of the Board of Regents, as well as its guidance over the next five years. To do so, they had advised that the plan do the following:

- inspire clarity about and widespread support for the Smithsonian's unique and relevant future, including its mission, vision, values, and essential priorities;
- identify the Smithsonian's unique abilities in high-priority areas and determine the activities necessary to accomplish those goals;
- establish a bold framework that will define essential goals and strategies within each of the top priorities, as well as identify less-pressing priorities;
- build a compelling case for high-level resource requirements and allocations by mapping resource requirements to priority areas of focus, including pan-institutional initiatives, that will provide for the success of the plan's goals;
- establish a commitment to top-level, measurable outcomes, if priorities are adhered to and resources are delivered; and
- create a bold framework and timeline that ensures the strengthening and development of the plan, on both pan-institutional and unit-based levels, over the course of its future implementation.

The Chair thanked Secretary Clough for his leadership and Smithsonian staff members for their dedicated, collaborative efforts over the last year that resulted in the creation of the draft plan. She then asked the Secretary to lead the review and discussion of the proposed Strategic Plan.

Noting the inclusive nature of the strategic planning process, the Secretary said that both the process and the plan had been designed to encourage ownership by Smithsonian staff and unit directors. He said that the proposed Strategic Plan aspired to firmly establish the Smithsonian's "go-to" reputation and identified "four grand challenges" that embraced the Smithsonian's science, history, art, and cultural resources:

- unlocking the mysteries of the universe
- understanding and sustaining a biodiverse planet
- valuing world cultures
- understanding the American experience

He stated that the four challenges would serve to reflect a more coherent picture of the Smithsonian's units, resources, and activities; optimize its existing strengths; and support collaborative, entrepreneurial, and creative initiatives. He said that each challenge would be supported by a center, the purpose of which would be advance interdisciplinary, collaborative activities. Secretary Clough said that the Strategic Plan would increase access to the Smithsonian's resources, including its educational programs. He also noted that a new section had been added to the draft plan: "Outcomes, Goals, Objective, and Strategies." He explained that, in addition to the four challenges, the new section included "Enabling Mission through Organizational Excellence" and "Resourcing the Plan."

The Committee expressed its support for the revised plan and noted its bold and aspirational language. The Committee also agreed that the presentation of the plan would be enhanced by using the executive summary as a foreword to the full plan and, within that introduction, immediately outline the four grand challenges; it also suggested that the Secretary's letter conclude the package.

The Secretary next discussed the resourcing of the Strategic Plan. He said that the Strategic Plan would require the cumulative infusion of \$1–2 billion in new funding over fiscal years 2010–2015. He noted that, by design, the implementation of the Strategic Plan would be flexible in response to available funding; he also said that the Strategic Plan's preliminary budgets reflected modest fund-raising goals that would likely be surpassed. He reminded the Committee that the identification of the four grand challenges would help the Institution better articulate its mission and provide a more compelling case for its needs.

Reviewing a matrix of preliminary budget graphs, Secretary Clough noted that the budgets included both new and previously approved funding, such as the budgeted monies in support of the National Museum of African American History and Culture. He said that new funding would be secured through four initiatives: a national campaign, new revenues, increased grant and contract activities, and Federal appropriations. The Secretary said that existing budgets would be reviewed and that some funding might be redirected to achieve maximum impact. He also said that units would compete for funding from the new challenge-based centers.

The Committee strongly commended management's effort to provide preliminary budgets in support of the Strategic Plan's four grand challenges, especially with respect to the challenging economic environment. It also suggested including more details in select areas of the budget matrix that would be presented to the full Board.

Performance measures also were discussed. The Secretary asked for the Committee's advice regarding how the Strategic Plan's performance measures should be presented to the Board, as well as how much should be included in the final Strategic Plan document. The Committee concurred that the inclusion of detailed performance measures would be essential to the integrity of the plan.

The Secretary said that two overarching goals should guide the performance measures: establishing the Smithsonian as a world leader in each of the four grand challenge areas and making the Institution a world leader in accessibility. He said that performance measures would be derived from the specific objectives and strategies outlined in the plan. He noted that many initiatives, such as the National Museum of African American History and Culture, the Giant Magellan Telescope, and the revitalization of the Arts and Industries building, provided ready opportunities for performance measurement, as well as high-profile recognition. Other performance metrics were discussed, such as the quantity of grants and funds awarded, the number of conferences hosted, the quantity of papers published and recognized, the number of students reached, and the number of individual careers advanced in the four grand challenge areas. The Secretary also noted that the Smithsonian's unit directors would soon meet to carefully review and discuss the Strategic Plan, including its budget and performance measures.

The Committee discussed the fact that certain performance measures, such as the number of research grants awarded, can only serve as proxy measurements, as quantity does not always translate into quality. Stated otherwise, the goal should not be to get the most research money but to do the best research. The Secretary agreed that the final Strategic Plan should be clear with regard to this difference.

Chair Matsui again thanked the Secretary and his staff for its enormous contributions to the creation of the Strategic Plan. The Secretary also thanked the Committee for its support and involvement in the strategic planning process

Update on the Proposed International Centers for Museum Leadership and Excellence

National Museum of Natural History Associate Director for External Affairs and Public Programs Elizabeth Duggal, Deputy General Counsel Marsha S. Shaines, and U.S. Department of State Senior Advisor for International Activities Lawrence Wohlers, who has been detailed to the Smithsonian to provide State Department expertise upon such matters, then joined Dr. Kurin to provide a status update on a proposed pilot museum education program in Abu Dhabi. Chair Matsui reminded the Committee of its responsibility to conduct an intensive review of the proposal on behalf of the Board. The Committee, which had previously discussed the complex and potentially controversial nature of the initiative

during its June 2009 meeting, had asked Dr. Kurin and Ms. Duggal to conduct additional research on a number of issues and to work with the Congressional liaisons to identify and address potential policy issues.

Chair Matsui noted the importance of Dubai and the Middle East, especially during this point in history, and the need for the Smithsonian to be certain that this initiative, if undertaken, would be appropriate for both the Institution and international relations. She outlined her concerns about the proposed program, noting that there have been prior cases wherein the U.S. government has essentially used an organization to “test” a situation, allowing the organization to engage in an initiative but withholding explicit support if an unanticipated problem arose. She said that it was imperative to identify all possible considerations before acting on such a proposal.

Noting the Smithsonian’s strong international reputation in the sciences, the Secretary said that this proposal offered the potential to expand the Smithsonian’s international presence in the fields of history, art, and culture. He reported that Dr. Kurin and Ms. Duggal had made significant progress in carefully exploring many of the issues raised during the previous Committee meeting. He said that the presentation at this meeting would be to provide an update on the proposed program to the Committee, not to solicit the Committee’s endorsement.

Dr. Kurin said that the team had conducted due diligence with regard to the activities assigned and questions identified during the last Committee meeting. He said that the team had evaluated the alignment of the proposed initiative with the Smithsonian’s mission; solicited feedback from the U.S. government about its position on this proposal; queried 10 organizations that have engaged in similar initiatives in Abu Dhabi; analyzed the soundness of the business plan; reviewed program management options; and investigated issues and safeguards of human and labor rights.

Dr. Kurin reported that the team concluded that the proposed program would be consistent with the Smithsonian’s mission, as well as rationalize and give shape to its goals. He said that it also would help implement the Strategic Plan’s commitment to increasing the relevance and scope of the Smithsonian’s presence. In addition, Dr. Kurin reported that the U.S. Department of State had expressed its interest in partnering with the Smithsonian in this initiative should the Smithsonian choose to implement it.

With regard to the experience of organizations that have engaged in similar programs in Abu Dhabi, such as New York University and Texas A&M University, the Committee was told that overall reports have been positive. Some institutions, such as the Louvre Abu Dhabi and the British Museum in Abu Dhabi, have provided enthusiastic reports. Other programs, such as the University of Connecticut, Yale University, and George Mason University, withdrew from collaborations with Abu Dhabi, each for its own unique reasons, although all three were noted to have expressed interest in the proposed program with the Smithsonian, should it be launched.

The Committee discussed Abu Dhabi’s economic strength and was assured that the

soundness of its financial stability had been confirmed by the U.S. Department of State. The proposed business plan for the program, which projects up to \$100 million in net return over a period of 10 years, was confirmed by Booz Allen Hamilton. Different operational plans also were considered. Dr. Kurin said that the Smithsonian could partner with Abu Dhabi to manage the program, run the program on contract, or be engaged as a service provider. The Smithsonian's Office of Planning, Management and Budget and the Office of the General Counsel concurred that running the program on contract would maximize both programmatic control and financial returns for the Smithsonian, as a partnership agreement could lead to governance and ownership issues and a service provider model would likely result in minimal economic returns.

The Committee was told that organizations engaged in similar initiatives have noted the importance of establishing a strong contract that enshrines an organization's principles and provides for its protection. Dr. Kurin also noted that the Smithsonian team recently met with the American Jewish Committee, which agreed that Abu Dhabi was recognized for its relatively progressive stance as compared to other powers in the Middle East but emphasized the importance of enshrined protections.

Dr. Kurin said that a meeting with the Congressional liaisons the previous week had been productive and had raised other issues for the team to explore. Dr. Kurin reported that it became clear that those outside of the Institution are often unaware of the immense scope of the Smithsonian's work around the world. The Congressional liaisons also inquired about how the program would interface with students from Israel, which does not have formal relations with the United Arab Emirates.

This issue, which had been discussed at length by the Committee during its previous meeting, was again considered in depth. Ms. Duggal stated that the program would uphold the Smithsonian's commitment to non-discrimination. She added, however, that the Institution could not control the United Arab Emirates' visa laws. She also said that the country conducts unofficial work and collaborations with Israel, that numerous Israelis visit Abu Dhabi using other passports, that the country's government previously brought in Israeli professors to speak at events, that Israelis have been allowed into the country for international events, conferences, and athletic competitions.

The Committee agreed that there was no expectation that this program, should it go forward, would resolve the crisis in the Middle East. Dr. Kurin commented on the recent meeting between President Obama and the Crown Prince of Abu Dhabi, noting that it was one of several efforts to mediate a resolution in the Middle East. He also said that some of the American organizations involved in programs in Abu Dhabi consider their presence to be in support of such progress. Dr. Kurin also said that the American Jewish Committee had expressed its interest in the ability of Israeli students to obtain visas to attend the program.

Ms. Duggal noted that the program's model was based on drawing 30 percent of its students from the wider region, including Pakistan, India, the Philippines, and Lebanon. She commented on the participation of women in the United Arab Emirates, noting that

classrooms are not segregated, 65 percent of the students in university studies are women, 10 percent of the diplomatic corps are female, and about four women serve in minister-ranked government positions.

The Committee discussed safety issues that have been reported with regard to labor issues in Abu Dhabi. It was told that the labor laws in Abu Dhabi were characterized by the Department of State as “not terrible” and that groups have the right to protest. Labor unions, however, are not allowed. The Committee agreed that any agreement between the Smithsonian and Abu Dhabi must ensure labor rights for any person involved in the project. The physical safety of the proposed location also was reviewed and the Committee was told that the selected site would be in the city’s historic district, a district known to be more secure.

The discussion returned again to the broader discrimination issues that could—or could not—be addressed in a contract with Abu Dhabi, particularly with regard to students from Israel. Ms. Stonesifer expressed deep concern about the ability of the Smithsonian to uphold its commitment to the richness of American and world cultures if involved in collaborative program with a country that did not equally share those values. She said that any agreement should be structured to not only protect the Smithsonian but, more importantly, to honor its commitment to valuing diversity and world cultures. She also noted that this value was articulated in the proposed Strategic Plan.

Dr. Kurin and Ms. Duggal asked for guidance with regard to proceeding with negotiations with Abu Dhabi. A hypothetical question was posed: Would the Smithsonian go forward with the program if a contract addressed all possible concerns and conditions, including non-discriminatory admissions; protections for workers; control over the center’s programs, faculty, and offerings; a viable exit strategy; and guaranteed revenues? They said that, if the answer were to be negative, the Smithsonian could not continue to negotiate in good faith with the government of Abu Dhabi.

Despite its reservations, the Committee was not convinced that the proposed project was untenable. The Chair said that more time was needed both to conduct further due diligence, such as meeting with Congressional committees and representatives from the Department of Justice, and to bring the matter to the full Board of Regents. She said that the team had conducted excellent work but that the Congressional Regents had an especially higher bar to reach. She suggested that the team meet with representatives from other Jewish organizations, conduct deeper inquiries with the Department of State about its anticipated response in the event of an unforeseen difficulty, and work with the Office of Communications to become fully aware of all the possible questions and answers that could arise. Office of Communications Director Evelyn Lieberman assured the Committee that the team had already engaged the involvement of her office; she also complimented the team’s efforts to conduct vigorous due diligence.

The Committee agreed that further negotiations with the government of Abu Dhabi would necessitate directly addressing the concerns expressed by the Committee. Dr. Kurin commented that there can be different perspectives about when to address such issues as

discriminatory admission practices, noting that the Smithsonian would consider that concern to be one of the first to address, whereas the government of Abu Dhabi likely would not. The Committee agreed that the Smithsonian must negotiate and fully resolve these critical issues prior to accepting any of the significant funding that Abu Dhabi is poised to invest in the project.

Dr. Jackson noted that Rensselaer Polytechnic Institute has a list of requirements regarding issues such as sex and religious discrimination that must be addressed before entering into any agreement. With regard to discriminatory behavior in Dubai, she said that she had noted differences between official standards and day-to-day practices during her visits there. Dr. Jackson said that she would provide the Secretary with a copy of her school's requirements.

The Committee again commended the excellent presentation provided by the team and thanked them for their work. The members agreed that the details of this particular proposal warranted especially close review. They also agreed that input from the Executive Committee and the attention of an ad hoc group of Regents would help the team prepare for a review and discussion of the proposal during the executive session of the September 21, 2009, Regents' meeting.

Adjournment

The Chair thanked the Committee members and staff for their participation. The meeting was then adjourned at 12:30 p.m.

Respectfully submitted,
Doris Matsui, Chair

INSPIRING GENERATIONS THROUGH KNOWLEDGE AND DISCOVERY: NEW RESEARCH

Highlights of some of many new Smithsonian research initiatives have been prepared by Under Secretary for Science Eva J. Pell and Under Secretary for History, Art, and Culture Richard Kurin. Time permitting, the Under Secretaries will provide brief oral summaries of the following papers to the Board at its January 25, 2010, meeting.

- A. Highlights of New Science Discoveries, Research Programs, and Initiatives**
- B. Research in History, Art, and Culture: East Meets West**

INSPIRING GENERATIONS THROUGH KNOWLEDGE AND DISCOVERY

Highlights of New Science Discoveries, Research Programs, and Initiatives

The work of Smithsonian scientists is essential to the Institution's ability to meet the four grand challenges of the Smithsonian Strategic Plan: understanding and sustaining a biodiverse planet, unlocking the mysteries of the universe, valuing world cultures, and understanding the American experience. The following stories highlight a few of the many new discoveries, research programs, and initiatives that have occurred recently at the Smithsonian. These achievements reflect the immense resources and intellectual talent of the Smithsonian, as well as demonstrate its commitment to addressing issues and answering questions of global importance.

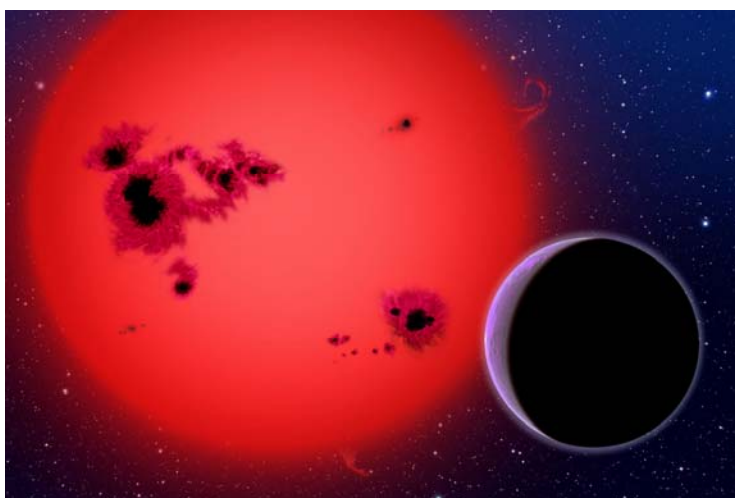
UNLOCKING THE MYSTERIES OF THE UNIVERSE

Astronomers at the Smithsonian Astrophysical Observatory (SAO) Find Super-Earth Using Amateur Technology

Astronomers at SAO have discovered a "super-Earth" orbiting a red dwarf star 40 light-years from Earth. They found the distant planet with a small fleet of ground-based telescopes no larger than those many amateur astronomers have in their backyards. Although the planet is too hot to sustain life, the discovery shows that current ground-based technologies are capable of finding almost-Earth-sized planets in warm, life-friendly orbits.

A super-Earth is defined as a planet between one and 10 times the mass of the Earth. The newfound world, GJ1214b, is about 6.5 times as massive as the Earth. Its host star, GJ1214, is about one-fifth the size of the Sun, has a surface temperature of only about 4,900 degrees Fahrenheit, and emits a luminosity just three-thousandths as bright as the Sun.

This artist's conception shows the newly discovered super-Earth GJ 1214b, which orbits a red dwarf star 40 light-years from Earth. It was discovered by the MEarth project—a small fleet of ground-based telescopes no larger than those many amateur astronomers have in their backyards.



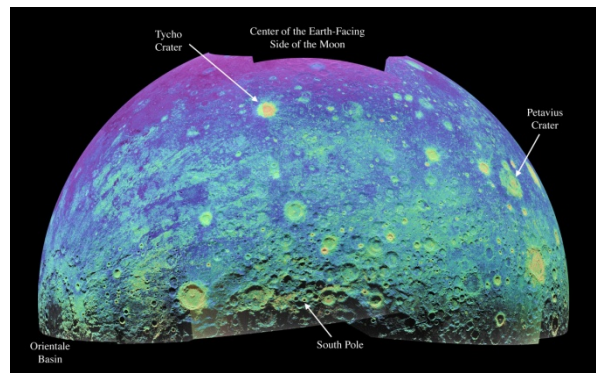
The planet GJ1214b orbits its star once every 38 hours at a distance of only 1.3 million miles. Astronomers estimate the planet's temperature to be about 400 degrees Fahrenheit. Although warm as an oven, it is still cooler than any other known transiting planet because it orbits a very dim star.

Since GJ1214b crosses in front of its star, astronomers were able to measure its radius, which is about 2.7 times that of the Earth. This makes GJ1214b one of the two smallest transiting worlds astronomers have discovered. The planet's density suggests that GJ1214b is composed of about three-fourths water and other ices, and one-fourth rock. There are also hints that the planet has a gaseous atmosphere.

National Air and Space Museum (NASM) Geologist Makes a Radar Map of the Moon

A Smithsonian geologist is using the Greenbank telescope system in West Virginia to make radar maps of the moon.

Dr. Bruce Campbell can direct the Greenbank telescope, which is more than 300 feet wide, towards any spot in the sky. The telescope receives radar echoes that are bounced off the moon by signals transmitted from the Aricebo telescope in Puerto Rico. The echoes can penetrate the dirt- and dust-covered surface of the moon to create high-resolution images that can show features as deep as 100 feet below the moon's surface. Scientists also have seen ancient geological features such as lava flows.



Making radar maps of the moon allows scientists to understand its basic geology. The moon also preserves a geological record of a time in the history of the solar system going back more than 3 billion years—a record that is almost entirely erased on the Earth

because of erosion. In addition, scientists can study ancient volcanism, the role of impacts in the sculpting of the moon's surface, and a variety of other geological issues.



The maps also provide basic information on the surface and subsurface properties of the moon, which are needed to prepare for robotic and human exploration. By using this technology, Smithsonian scientists can look down into the lunar soil and back in time.

NASM scientists use radar echoes that are bounced off the moon and received by the Greenbank telescope system in West Virginia to see below the moon's surface.

UNDERSTANDING AND SUSTAINING A BIODIVERSE PLANET

National Museum of Natural History (NMNH) Biologist Discovers New Species of Giant Rat Discovered in Volcano Crater

A Smithsonian biologist discovered a new species of giant rat on a filmmaking expedition to a remote rainforest in Papua New Guinea. The discovery was made in the crater of the extinct volcano Mount Bosavi in Papua New Guinea's Southern Highlands province. Two-and-a-half miles in width and rimmed with walls nearly a half-mile high, the gigantic volcano's crater trapped the creatures inside a "lost world" of mountain rainforests probably rarely visited by humans.

Kristofer Helgen, curator of mammals at NMNH, was one of the first on the scene when the rat was found by a tracker from the Kasua tribe that lives outside the crater.



Weighing nearly 3.5 pounds and measuring 32 inches from nose to tail, the Bosavi woolly rat is one of the biggest rats in the world. Most surprising is that the rat is completely tame, a sign that the animals in the isolated crater are unfamiliar with humans.

The gigantic rat is silvery gray, with thick woolly fur. It eats a vegetarian diet of leaves and roots and probably builds underground nests beneath rocks and tree roots. A member of the genus *Mallomys*, it has yet to receive its formal scientific name.

"It is a true rat, closely related to the rats and mice most of us are familiar with, but so much bigger," said Helgen.

The expedition also found approximately 16 species of frogs, one species of gecko, three species of fish, and at least 20 species of insects and spiders—

potentially all new species. Also on the list is an animal Helgen calls the Bosavi silky cuscus, which may be a new subspecies of the tree-living marsupial.

NMNH Researchers Identify Largest Orb-Weaving Spider

Researchers from NMNH and colleagues in Slovenia have identified a new giant *Nephila* species (golden orb weaver spiders) from Africa and Madagascar. Smithsonian research associate Matjaž Kuntner, along with Jonathan Coddington, senior scientist and curator of arachnids in NMNH's Department of Entomology, determined size differences in the family Nephilidae, establishing that this new species, on average, is the largest orb weaver known. Only the females are giants, however, with an average body length of 1.5 inches and a leg span of 4–5 inches; the males are tiny by comparison.

More than 41,000 spider species are known to science with about 400–500 new species identified each year. But for some well-known groups, including the giant golden orb weavers, the last valid described species dates back to the 19th century.

In response to the discovery of a seemingly unique *Nephila* specimen in 1978, Kuntner, Coddington, and colleagues launched several expeditions to South Africa to find this species. Their searches, however, were unsuccessful, suggesting that the specimen was a hybrid or perhaps an extinct species. Then, the finding of a second specimen from Madagascar in 2003 suggested that the spider found in 1978 was not a hybrid. As no additional specimens turned up among more than 2,500 samples from 37 museums, the species seemed extinct. When a South African colleague found a male and two females in Tembe Elephant Park a few years ago, it became clear that the specimens were indeed a valid new species.

The female of this new species, similar to other species in the Nephilidae family (such as *Nephila madagascariensis* pictured here), can have a leg span up to 5 inches wide.



NMNH Scientists Find Evidence that Plant Pollination by Insects Occurred Long Before Flowers Evolved

Scientific evidence shows that almost all of the earliest angiosperms (flowering plants) were pollinated by insects. Whether such a relationship existed between insects and early gymnosperm species (non-flowering plants with exposed seeds, such as conifers) has been widely disputed. Smithsonian scientists, however, found evidence that gymnosperm plants shared an intricate pollination relationship with scorpionfly insects 62 million years before flowering plants appear in fossil records.



This discovery answers paleobotanists' questions about "strange" structures occurring in the reproductive cones of certain ancient plants," said Labandeira.



Conrad Labandeira, paleoentomologist at NMNH, and team members examined both the specialized features of scorpionfly mouthparts and the unique reproductive features of coexisting gymnosperm plants. The proboscis (elongated tubular mouthparts) of these

insects, which was up to 1.3 centimeters long, was either hairy or had ridges, and frequently had pads at the tip to suck up fluids, similar to the structure of modern moths and butterflies. The presumed gymnosperm hosts possessed deep funnel-like or tubular channels, also up to 1.3 centimeters long, containing nectar-like pollen drops..

The reproductive anatomy of the non-flowering plants show important modifications to attract insects, similar to modern flowering plants. However, the lineages of these plants and their scorpionfly pollinators became extinct approximately 105 million years ago, just as flowering plants and their newly evolved pollinators, such as butterflies, became established.

Smithsonian Environmental Research Center (SERC) Scientists Examine Plankton's Branch on the Tree Of Life

SERC scientists are working on the Assembling the Tree of Life Initiative funded by the National Science Foundation. Researchers are using the latest tools in genetics to decipher the evolutionary relationships among dinoflagellates (a large group of organisms, most of which are marine plankton). These single-celled organisms are of global importance for many reasons: they are at the base of the food web that supports fisheries, they cause algal blooms, and they can produce toxins that threaten human health.



SERC's Tsvetan Bachvaroff analyzes massive amounts of DNA data to advance understanding of dinoflagellate evolution. His research is part of the Assembling the Tree of Life initiative.

Smithsonian scientists Wayne Coats and Tsvetan Bachvaroff, along with collaborators at other academic institutions, are using DNA analysis to advance understanding of dinoflagellate evolution. For the first time ever, they have discovered how to distinguish the genes of the parasitic dinoflagellate *Amoebophrya* from those of its host. *Amoebophrya* is important to the Assembling the Tree of Life investigations because it forms a branch at the base of the dinoflagellate lineage. Coats and Bachvaroff are laying the groundwork for future investigations of the evolutionary relationships in dinoflagellates and related taxa.

SERC Scientists Predict Warn Climate Change May Drastically Alter Chesapeake Bay

The Chesapeake Bay is one of the largest and most productive estuaries in the world, yet dramatic changes are in store for it in coming decades if climate-change predictions hold true, say a team of SERC scientists and colleagues.

Using forecasts of atmospheric carbon dioxide production for the coming century, the scientists predict the water of the Bay will see rising levels of dissolved carbon dioxide and higher water temperatures. As a result, problems of low dissolved oxygen concentrations in the Chesapeake's water are expected to worsen and sea levels are anticipated to rise.

For fish and other organisms living in the Bay, the scientists predict:

- Populations of marine fish that favor warmer water and whose northern range ends near the Chesapeake (such as southern flounder, mullet, and tarpon) can be expected to increase.
- Many fish species that favor cold water (such as yellow perch, white perch, striped bass, and winter flounder) will disappear or become less abundant in the Chesapeake Bay.
- Fish susceptible to winter die-offs due to the seasonal cold weather of the Chesapeake may see a strengthening of their populations due to warmer water, with more juveniles surviving through the winter.
- Some fish parasites will likely benefit from warmer water, increasing their impact on fish and oysters in the Bay.
- Rising sea levels will submerge some of the Bay's wetlands, which many ecologically and economically important fish use as nursery areas and as foraging grounds.



In addition to effecting fish populations, an increase of carbon dioxide in the Chesapeake may raise the acidity of the Bay and reduce the ability of oysters, clams, mussels, and other animals to build calcium carbonate shells.

With warming temperatures, the species that make up the food web of the Chesapeake Bay will be impacted differently, likely disrupting the normal interactions between predator and prey species. Hypoxia, or a lack of oxygen in the water, will be another prevailing characteristic of warmer Bay water with expected negative effects. At warmer temperatures microbes will consume oxygen at a higher rate and less oxygen can dissolve in warm water. At the same time fish and perhaps other animals will require more oxygen in warmer water.

Smithsonian Tropical Research Institute (STRI) Researchers Use Camera Traps and Radio Collars to Reveal Hoarding Strategies of the Agouti

In a series of ongoing experiments on Barro Colorado Island in the Panama Canal, STRI researchers are using camera traps, radio collars, and palm nuts with attached tracking transmitters to take a closer look at the nut-hoarding strategies of the agouti (a large rodent from Central and South American rain forests).

Rabbit-sized with squirrel-like habits, the agouti is a hoarder and a robber. When not collecting fallen nuts and burying them in shallow holes, it is adept at finding, stealing, and re-hiding nuts buried by its agouti neighbors. A single nut might be hidden and stolen multiple times. The agouti's method of seed dispersal and caching is critically important for tropical trees, as it gives seeds a much better chance for germination.

Hoarding seeds is also important for the agouti. In certain seasons food is scarce in the tropical jungle. Just as squirrels in North America hide acorns to survive snowy winters, agoutis hide nuts in the tropics to survive periods when little food is available.

The agouti's method of seed dispersal and caching is critically important for tropical trees, giving seeds a much better chance for germination.



The researchers found that where less food is available, agoutis spread their seed caches more widely, making it harder for pilferers to find the nuts they hide. "To hide nuts further away from the tree where they are found requires more energy, yet an animal benefits when fewer of their caches are found by pilferers," says Roland Kays, a STRI mammalogist. "In lean areas competitors increase their foraging and the hoarders are left with no other choice but to spend more time in hiding seeds or lose them to thieves."

Sequencing also plays a role in seed dispersal the researchers found. In taking seeds from a tray laid on the ground, the agoutis hid the seeds they first removed closer to the tray than the seeds they took later on. The researchers also learned that larger seeds are hidden with more care than smaller seeds. "In terms of energy value, a larger seed is more valuable and worth the extra effort to hide it," Kays said.

"It is interesting that a rodent can be doing this. It is ingrained in the calculations of the daily life of an agouti to make these optimal decisions."

STRI Researchers Find that Tree Frog Embryos Can Evaluate Different Features of Vibrations

Researchers from STRI and Boston University have been taking a closer look at the vibrations that red-eyed tree frog embryos use as cues to trigger early hatching. The researchers—Karen Warkentin of both STRI and Boston University and Michael Caldwell and J. Gregory McDaniel of Boston University—embedded tiny recording devices into red-eyed tree frog egg clutches and recorded the low-frequency vibrations caused by snakes as they ate the eggs and also measured the vibrations caused by rain storms. They played back these vibrations to egg clutches in a laboratory and found that some of the embryos hatched in response to the snake-generated vibrations and not to the rain vibrations.

This experiment showed that the embryos were responding to and could differentiate between snake vibrations and rainstorm vibrations. The embryos didn't need chemical or visual cues from snakes.

What puzzled the researchers was that the low-frequency vibrations triggering the embryo hatchings were in some ways very similar to vibrations caused by many benign forest stimuli—such as rainfall, wind, or non-predatory animals. “Hatching early in response to benign stimuli would be a serious error,” Warkentin explained, “since premature hatchlings are vulnerable to predators in the pond. We reasoned that if a defense—such as hatching early—is costly for prey, then mechanisms should be in place to avoid false alarms, just as mechanisms exist to recognize and defend against predators.”



A snake can eat a clutch of red-eyed tree frog eggs in five minutes—but some of the frog embryos can sense the vibrations of the snake's eating and hatch prematurely.



In recent laboratory work the scientists improved their understanding of how these false-alarm mechanisms work in regard to rainfall. The low-frequency vibrations generated by rainstorms are accompanied by two elements that snake-feeding vibrations do not have: high-frequency vibrations and an initial buildup of intensity. When these two features were removed from rainfall recordings and played back to embryos in the lab, many of the embryos hatched.

East Meets West

In October 2009 the Smithsonian American Art Museum, with the cooperation of Freer and Sackler Galleries, the Asian Pacific American Program, and the Archives of American Art, organized *East-West Interchanges in American Art*, a symposium sponsored by the Terra Foundation for American Art. The symposium drew the participation of Smithsonian, university and international scholars to examine the connections and mutual influences of American and Asian art. They found that Smithsonian collections revealed far richer interactions and inter-cultural creativity than heretofore appreciated; and that the interaction is not only historic; it also continues in contemporary form. A forthcoming book as well as other activities across the Smithsonian will help re-write missing chapters of American and Asian art history.



ORIENTALISM

1. *Harmony in Blue and Gold* "Peacock Room,"

1876-77 home of Frederick Leyland,
1904 home of Charles Lang Freer
James McNeill Whistler (1834-
1903), after Thomas Jekyll
FREER GALLERY OF ART

1



2



SOCIAL COMMENTARY

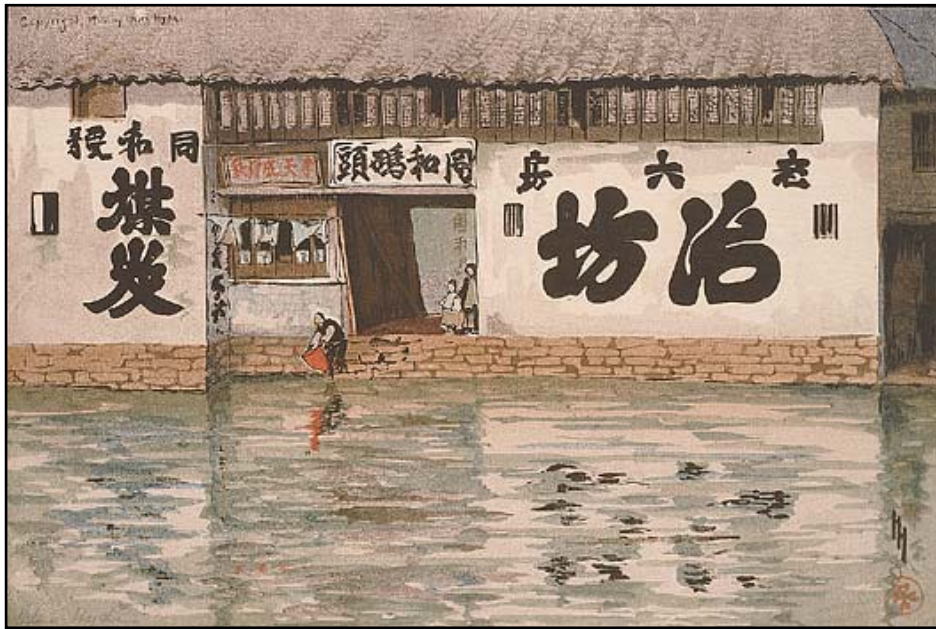
2. *The Chinese in New York—* *Scene in a Baxter Street Club* *House*

1874, Harper's Weekly
Wood engraving on paper
Winslow Homer (1836-1910)
SMITHSONIAN AMERICAN
ART MUSEUM

AMERICAN PAINTER FOR THE LOUISIANA PURCHASE EXPOSITION

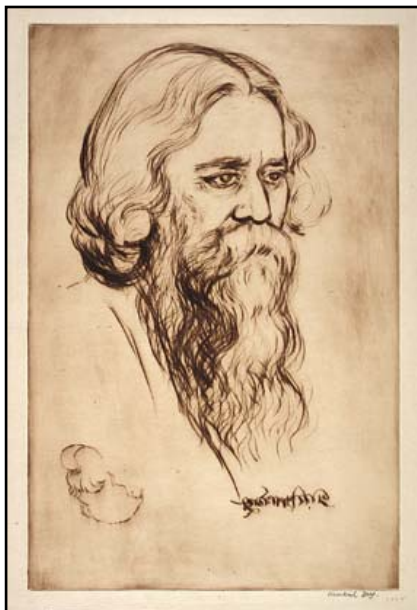
3. *The Empress Dowager,* *Tze His, of China* 1903, Oil on canvas Katharine Augusta Carl (1862-1938) SMITHSONIAN AMERICAN ART MUSEUM

3



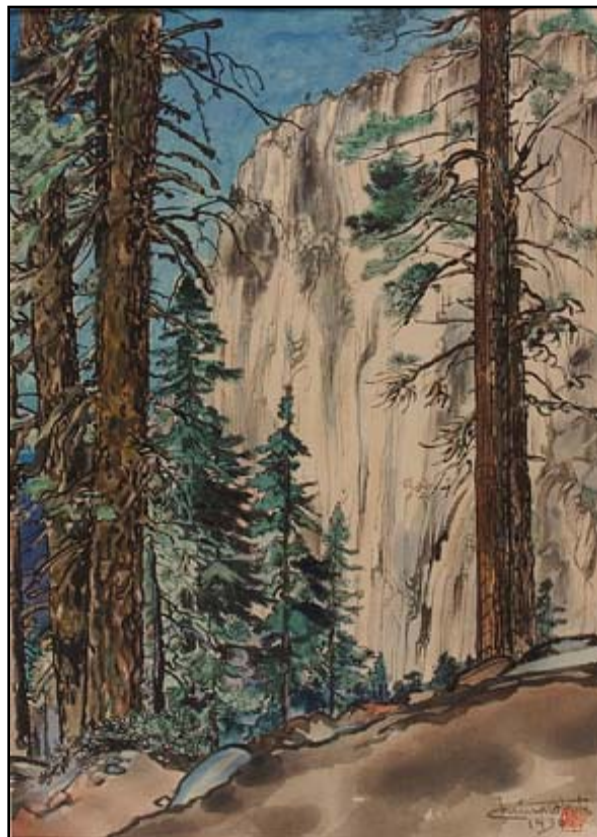
AMERICAN PAINTER LEARNS
JAPANESE TECHNIQUE
4. *The Sauce-Pan Shop*
1908, Color woodcut on paper
Helen Hyde (1868-1919)
SMITHSONIAN AMERICAN
ART MUSEUM

4



5

INDIAN PAINTER LEARNS
ETCHING TECHNIQUE IN CHICAGO
5. *Sir Rabindranath Tagore*
Circa 1916, Drypoint
Mukul Dey, born Sridharkhola
(1895-1989)
SMITHSONIAN AMERICAN ART
MUSEUM



6

IMMIGRANT APPLIES JAPANESE STYLE TO
REPRESENTATION OF THE AMERICAN WEST
6. *Eagle Peak Trail*
1930, Color woodcut on paper
Chiura Obata born Okayama ken (1862,
Japan-1938, Berkeley, California)
SMITHSONIAN AMERICAN ART MUSEUM



JAPANESE IMMIGRANT PAINTER DEPICTS
INTERNMENT IN POST-IMPRESSIONIST STYLE
7. Arrival in Camp Jerome
Circa 1943, Oil on canvas
Henry Sugimoto born Yuzuru Sugimoto
(1900, Japan-1990, New York)
NATIONAL MUSEUM OF AMERICAN
HISTORY

7



JAPANESE IMMIGRANT PAINTER
CONFLATES STYLES TO DEPICT
CONTRADICTION THEMES OF INTERNEE'S
AMERICAN EXPERIENCE
8. Thinking of Loved One
Circa 1944, Oil on canvas
Henry Sugimoto born Yuzuru Sugimoto
(1900, Japan-1990, New York)
NATIONAL MUSEUM OF AMERICAN
HISTORY

8



IMMIGRANT FOLK ART DEPICTS EPISODE IN
JOINED ASIAN AND AMERICAN EXPERIENCE
9. Hmong *paj ntaub dab neej* flower cloth
Circa 1990, Cloth embroidery
My Yia Vang (1958, Laos-migrated 1980 to
Wisconsin)
NATIONAL MUSEUM OF AMERICAN HISTORY

9



CONTEMPORARY COMMENTARY- GLOBAL ARTIST
10. *Electronic Super Highway*
1995, Multimedia
Nam June Paik (1932, Seoul, Korea-2006, Miami, Florida)
SMITHSONIAN AMERICAN ART MUSEUM

10



11

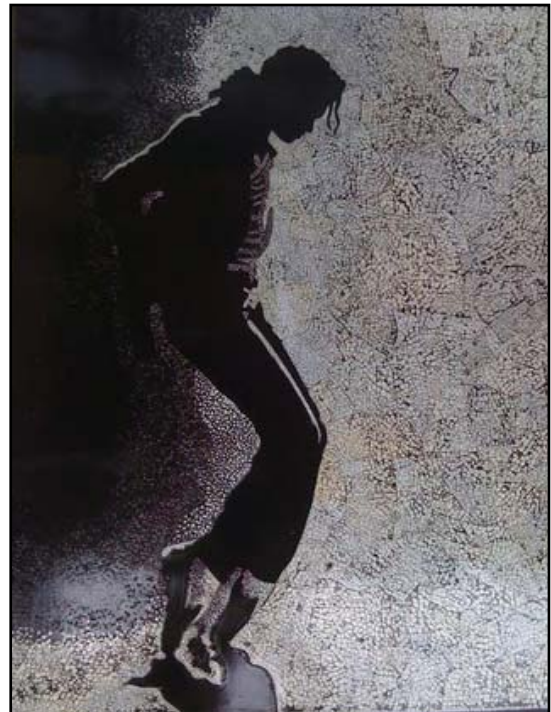
DYNASTIC TRADITION

11. Lacquer wood plate with mother-of-pearl inlay, 13-14th century
Southern Song to Yuan Dynasty
FREER GALLERY OF ART



12

CONTEMPORARY VIETNAMESE
12. *The Buffalo Boy*
2007, Lacquer son mai, eggshells and acrylic,
Le Ngoc Thanh & Le Duc Hai (Twins) (1975,
Vietnam-)
EDEN CENTER-GALERIE BRIGITTE/
SITES -ASIAN PACIFIC AMERICAN
PROGRAM VENUE



13

CONTEMPORARY VIETNAMESE-AMERICAN
13. *Moonwalk on Eggshell: Michael Jackson*
2009, Lacquer son mai, eggshells and acrylic
Quan Le (1958, Vietnam-) & Brigitte Le
(1962, Vietnam-1975,migrated to Virginia)
EDEN CENTER-GALERIE BRIGITTE/
SITES -ASIAN PACIFIC AMERICAN
PROGRAM VENUE



14

CONNECTING CULTURES

14. *Tibetan Culture in Washington*

2000, Watercolor on canvas *thangka*

Sangei Yeshi (?)

Gift of the Dalai Lama

CENTER FOR FOLKLIFE AND CULTURAL HERITAGE

REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

The Governance and Nominating Committee met on December 8, 2009. Committee Chair Shirley Ann Jackson will provide an oral summary of the Committee's discussions to the Board of Regents at its January 25, 2010, meeting. The following papers will support the Regents' consideration of the proposed motions.

A. Committee Assignments

Proposed Motions: **VOTED** that the Board of Regents elects Robert P. Kogod as a member of the Executive Committee effective January 25, 2010.

VOTED that the Board of Regents approves the proposed committee chairmanships and member assignments for 2010 and requests that the Chancellor make the necessary appointments.

B. Advisory Board Appointments

Proposed Motions: **VOTED** that the Board of Regents appoints Laura Bush, Ruth Simmons, and Gregg Steinhafel to the Council of the National Museum of African American History and Culture for three-year terms effective immediately.

VOTED that the Board of Regents appoints Jack Martin to the Board of the National Museum of American History for a three-year term effective February 1, 2010.

VOTED that the Board of Regents reappoints Gabriela Febres-Cordero, William Frist, David Koch, Jane Lubchenco, and David Rubenstein to the Board of the National Museum of Natural History for three-year terms effective immediately; William Luers and Roger Sant to the Board for three-year terms effective May 1, 2010; and John Fahey to the Board for a three-year term effective June 1, 2010.

VOTED that the Board of Regents appoints Patricia M. Zell and reappoints Frederick Hoxie, Byron I. Mallott, Jacqueline Old Coyote, Tina Marie Osceola, Freda Porter, and Randall Willis to the Board of Trustees of the National Museum of the American Indian for three-year terms effective immediately.

VOTED that the Board of Regents appoints Mary Ann Bowman, Elizabeth Hisey, and May Day Taylor to the Council of Philatelists of the National Postal Museum for three-year terms effective immediately.

VOTED that the Board of Regents reappoints James Dyer, Steven A. Elmendorf, John Marriott, Susan Mars, Thomas Nides, Joseph Robert Jr., Ronald Rosenfeld, and J. Scott Wilfong to the Advisory Board of the National Zoological Park for three-year terms effective immediately.

VOTED that the Board of Regents appoints Aida M. Alvarez to the Commission of the Smithsonian American Art Museum for a four-year term effective January 31, 2010.

VOTED that the Board of Regents appoints Johnny A. Yataco to the Smithsonian National Board for Latino Initiatives of the Smithsonian Latino Center for a three-year term effective immediately.

C. Reappointments to the Smithsonian National Board

Proposed Motion: **VOTED** that the Board of Regents reappoints Judy Hart Angelo, Jane Lipton Cafritz, John French III, Russell E. Palmer Jr., William M. Ragland Jr., Ronald A. Rosenfeld, Douglas C. Walker, and Mallory Walker to the Smithsonian National Board for three-year terms effective immediately.

D. Minutes of the July 27, 2009, Committee Meeting and Draft Minutes of the December 8, 2009, Meeting

EXECUTIVE COMMITTEE ELECTION AND COMMITTEE ASSIGNMENTS

Pursuant to section 4.06 of the Bylaws of the Board of Regents, it is the responsibility of the Governance and Nominating Committee to nominate candidates for election to the Executive Committee, as well as nominate candidates and chairs for appointment to other Regents' committees. In a mail ballot following its December 8, 2009, meeting, the Governance and Nominating Committee approved the nomination of Robert P. Kogod for election to the Executive Committee; Mr. Kogod will assume the position that will be vacated by Roger W. Sant. The Committee also approved the recommendation of the proposed Regents' committee chairmanships and member assignments for appointment.

VOTED that the Board of Regents elects Robert P. Kogod as a member of the Executive Committee effective January 25, 2010.

VOTED that the Board of Regents approves the proposed committee chairmanships and member assignments for 2010 and requests that the Chancellor make the necessary appointments.

The proposed committee chairmanships and member assignments for 2010 follow.

PROPOSED MEMBERSHIP OF BOARD OF REGENTS' COMMITTEES

Effective January 25, 2010

Executive

Patty Stonesifer+, Chair
Alan Spoon+, Vice Chair
Robert Kogod

Advancement

Alan Spoon, Chair
Phillip Frost
Robert Kogod
Patty Stonesifer+
Travis Engen*
Sakurako Fisher*
David H. Koch*
Adrienne Bevis Mars*
Paul Neely*

Audit and Review

John McCarter, Chair
Representative Sam Johnson
Shirley Ann Jackson
Robert Kogod
Herb Schulken, Advisor

Compensation and Human Resources

Phillip Frost, Chair
Senator Thad Cochran
Representative Xavier Becerra
John McCarter
Roger Sant
Patty Stonesifer

Facilities

Robert Kogod, Chair
Senator Patrick Leahy
Representative Xavier Becerra
Representative Sam Johnson
George E. Hartman*

Finance

Roger Sant, Chair
Thad Cochran
David Rubenstein
Patty Stonesifer+
David Silfen*

Governance and Nominating

Shirley Ann Jackson, Chair
France Cordova
Senator Chris Dodd
Representative Doris Matsui
Roger Sant

Investment

David Silfen*, Chair
Roger Sant, Vice Chair
Alan Spoon
David Rubenstein
Afsaneh Beschloss*
Eli Broad*
Hacker Caldwell*
J. Tomilson Hill III*

Strategic Planning and Programs

Representative Doris Matsui, Chair
France Cordova
Senator Chris Dodd
Senator Patrick Leahy
Phillip Frost
Shirley Ann Jackson
Judy Huret*
Paul Neely*

**non-Regent*

+ ex officio

PROPOSED
MEMBERSHIP OF BOARD OF REGENTS' COMMITTEES
Effective January 25, 2010

| COMMITTEES | Advancement | Audit & Review | Comp & HR | Executive | Facilities | Finance | Governance & Nominating | Investment | Strategic Planning and Programs |
|--------------------------------------|--------------------|---------------------------|----------------------|------------------|-------------------|----------------|------------------------------------|-------------------|--|
| Regents (# of committees) | | | | | | | | | |
| Senator Thad Cochran (2) | | | X | | | X | | | |
| Senator Chris Dodd (2) | | | | | | | X | | X |
| Senator Patrick Leahy (2) | | | | | X | | | | X |
| Representative X. Becerra (2) | | | X | | X | | | | |
| Representative Sam Johnson (2) | | X | | | X | | | | |
| Representative Doris Matsui (2) | | | | | | | X | | Chair |
| France Córdova (2) | | | | | | | X | | X |
| Phillip Frost (3) | X | | Chair | | | | | | X |
| Shirley Ann Jackson (3) | | X | | | | | Chair | | X |
| Robert Kogod (4) | X | X | | X | Chair | | | | |
| John McCarter (2) | | Chair | X | | | | | | |
| David M. Rubenstein (2) | | | | | | X | | X | |
| Roger Sant (4) | | | X | | | Chair | X | Vice Chair | |
| Alan Spoon (3) | Chair | | | Vice Chair | | | | X | |
| Patty Stonesifer (4) | X | | X | Chair | | X | | | |
| # of Regents/Committee | 4 | 4 | 6 | 3 | 4 | 4 | 5 | 3 | 6 |
| Non-Regents (# of committees) | | | | | | | | | |
| Afsaneh Beschloss (1) | | | | | | | | X | |
| Eli Broad (1) | | | | | | | | X | |
| Hacker Caldwell (1) | | | | | | | | X | |
| Travis Engen (1) | X | | | | | | | | |
| Sakurako Fisher (1) | X | | | | | | | | |
| George E. Hartman (1) | | | | | X | | | | |
| J. Tomilson Hill III (1) | | | | | | | | X | |
| Judy Huret (1) | | | | | | | | | X |
| David Koch (1) | X | | | | | | | | |
| Adrienne Bevis Mars (1) | X | | | | | | | | |
| Paul Neely (2) | X | | | | | | | | X |
| Herb Schulken (1) | | Advisor | | | | | | | |
| David Silfen(2) | | | | | | X | | Chair | |
| # of Non-Regents/Committee | 5 | | | | 1 | 1 | | 5 | 2 |
| Total/Quorum Requirement | 9/5 | 4/3 | 6/4 | 3/2 | 5/3 | 5/4 | 5/3 | 8/5 | 8/5 |

APPOINTMENTS TO SMITHSONIAN ADVISORY BOARDS

Appointments and reappointments to most Smithsonian advisory boards require the approval of the Board of Regents. Requests for the Board's approval have been received from:

National Museum of African American History and Culture
National Museum of American History
National Museum of Natural History
National Museum of the American Indian
National Postal Museum
National Zoological Park
Smithsonian American Art Museum
Smithsonian Latino Center

NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE

At its meeting on October 15, 2009, the Council of the National Museum of African American History and Culture recommended the appointment of Laura Bush, Ruth Simmons, and Gregg Steinhafel to the Council.

Accordingly, the following motion is suggested:

VOTED that the Board of Regents appoints Laura Bush, Ruth Simmons, and Gregg Steinhafel to the Council of the National Museum of African American History and Culture for three-year terms effective immediately.

Biographies of the candidates follow:

Laura Bush of Crawford, Texas, graduated from Southern Methodist University in 1968 with a Bachelor's degree in education and attained her Master's degree in Library Science at the University of Texas at Austin. As First Lady of the United States, she established the annual National Book Festival in 2001, advanced women's causes through The Heart Truth and Susan G. Komen for the Cure, and established the Women's Health and Wellness Initiative. She represented the United States during her foreign trips, which primarily focused on HIV/AIDS and malaria awareness. She has received a number of awards and honors.

Ruth Jean Simmons of Providence, Rhode Island, is the 18th president of Brown University, the first female president of Brown, and the first African American president of an Ivy League institution. She was named Woman of the Year by *Newsweek* in 2002 and America's best college president by *Time* in 2001. Dr. Simmons earned her MA and PhD in romance literature from Harvard University. She is the recipient of many honors, including a Fulbright Fellowship, the 2001 President's Award from the United Negro College Fund, the 2002 Fulbright Lifetime Achievement Medal, and the 2004 Eleanor Roosevelt Val-Kill

Medal. She is a member of the Howard University Board of Trustees and serves on a number of corporate boards, including Texas Instruments and The Goldman Sachs Group.

Gregg W. Steinhafel, a resident of Minneapolis, Minnesota, is chairman, chief executive officer, and president of Target Corporation. He is a member of the Executive Committee on the Board of Directors of Toro Company. Mr. Steinhafel is a graduate of Carroll College and Northwestern University's Kellogg School of Management.

The proposed membership of the Council of the National Museum of African American History and Culture is as follows:

| | |
|--|--------------------------------------|
| Richard D. Parsons, co-chair, New York, NY | Doris Matsui, Sacramento, CA |
| Linda Johnson Rice, co-chair, Chicago, IL | Homer Alfred Neal, Ann Arbor, MI |
| Laura Bush, Crawford, TX | E. Stanley O'Neal, New York, NY |
| James I. Cash Jr., Watertown, MA | Samuel J. Palmisano, Armonk, NY |
| Kenneth I. Chenault, New York, NY | Franklin D. Raines, Washington, DC |
| Ann Marie Fudge, Chestnut Hill, MA | Ruth Jean Simmons, Providence, RI |
| Quincy Jones, Los Angeles, CA | Gregg W. Steinhafel, Minneapolis, MN |
| James A. Johnson, Washington, DC | H. Patrick Swygert, Washington, DC |
| Robert L. Johnson, Washington, DC | Anthony Welters, Vienna, VA |
| Ann Dibble Jordan, Washington, DC | Oprah Winfrey, Chicago, IL |
| Michael L. Lomax, Fairfax, VA | |

Ex Officio Member

G. Wayne Clough, Washington, DC

NATIONAL MUSEUM OF AMERICAN HISTORY

At its meeting on October 9, 2009, the Board of the National Museum of American History recommended the appointment of Jack Martin to the Board.

Accordingly, the following motion is suggested:

VOTED that the Board of Regents appoints Jack Martin to the Board of the National Museum of American History for a three-year term effective February 1, 2010.

A biography of the candidate follows:

Jack Martin of Austin, Texas, is the founder and chairman of Public Strategies Inc., a global business advisory firm founded in 1988. Mr. Martin previously served as a senior advisor to the Democratic National Committee; consultant to the U.S. Senate Democratic Campaign Committee; treasurer of the Texas Democratic Party; and executive assistant to U.S. Senator Lloyd Bentsen (TX). He is the founder of the 2020 Group, which includes key Texan leaders in business, civic endeavors, and non-profit organizations for the purpose of identifying ideas to improve the lives of all Texan families by 2020. He is a member of the Board of Visitors of the MD Anderson Cancer Center and a member of the Board of Directors of the

Lyndon Baines Johnson Foundation, which supports public policy education at the University of Texas's Lyndon Baines Johnson School of Public Affairs, and the Lyndon Baines Johnson Presidential Library and Archives. Mr. Martin was also the chairman of the Board of Regents of the Texas State University System.

The proposed membership of the Board of the National Museum of American History s as follows:

John F.W. Rogers, chair, Washington, DC
Michael Beschloss, Washington, DC
Curt Bradbury, Little Rock, AR
Ellsworth Brown, Madison, WI
Kathryn Brown, Washington, DC
Charles F. Bryan Jr., Richmond, VA
Victor Cabral, McLean, VA
Thad Cochran, Jackson, MS
Lesley Herrmann, New York, NY
Philip Lader, Charleston, SC
Francine LeFrak, New York, NY
Charles Manatt, Washington, DC
Jack Martin, Austin, TX

Doris Matsui, Sacramento, CA
David McCullough, West Tisbury, MA
Tommy C. Morrison, Albany, GA
Timothy O'Neill, New York, NY
Abbe Raven, New York, NY
David M. Rubenstein, Washington, DC
Vicki Ruiz, Irvine, CA
Frederick Ryan, Potomac, MD
Nicholas Taubman, Roanoke, VA
Riley K. Temple, Washington, DC
James G. Vella, Deerborn, MI
Gail Berry West, Washington, DC
Judy Woodruff, Washington, DC

Ex Officio Members

G. Wayne Clough, Washington, DC
Brent D. Glass, Washington, DC
Richard Kurin, Falls Church, VA

Alumni Members

David E. Behring, Danville, CA
Pete Claussen, Knoxville, TN
David Fields, Birmingham, AL
Irene Y. Hirano, Los Angeles, CA
Dorothy Lemelson, Incline Village, NV
Elizabeth MacMillan, Wayzata, MN
James R. Mellor, Laguna Beach, CA

Libby Haight O'Connell, Lloyd Harbor, NY
Elihu Rose, New York, NY
Ivan Selin, Washington, DC
Rodney Slater, Washington, DC
Marvin D. Williams, Grapevine, TX
Tae Yoo, San Jose, CA

NATIONAL MUSEUM OF NATURAL HISTORY

At its meeting on November 5, 2009, the Board of the National Museum of Natural History recommended the reappointment of John Fahey, Gabriela Febres-Cordero, William Frist, David Koch, Jane Lubchenco, William Luers, David Rubenstein, and Roger Sant to the Board.

Accordingly, the following motion is suggested:

VOTED that the Board of Regents reappoints Gabriela Febres-Cordero, William Frist, David Koch, Jane Lubchenco, and David Rubenstein to the Board of the

National Museum of Natural History for three-year terms effective immediately; William Luers and Roger Sant to the Board for three-year terms effective May 1, 2010; and John Fahey to the Board for a three-year term effective June 1, 2010.

The proposed membership of the Board of the National Museum of Natural History is as follows:

Paul G. Risser, chair, Norman, OK
Bruce Babbitt, Washington, DC
Peter Buck, Danbury, CT
Jane Buikstra, Tempe, AZ
Michael J. Collins, Coral Gables, FL
Rita Colwell, Bethesda, MD
John Fahey, Washington, DC
Gabriela Febres-Cordero, New York, NY
Jonathan Fink, Tempe, AZ
William H. Frist, Nashville, TN
Kathryn S. Fuller, Washington, DC

Paula Kerger, Arlington, VA
David Koch, New York, NY
Jane Lubchenco, Corvallis, OR
William H. Luers, New York, NY
Whitney Macmillan, Wayzata, MN
Sandra Day O'Connor, Washington, DC
Jerold J. Principato, Bethesda, MD
David Rubenstein, Washington, DC
Jeremy Sabloff, Santa Fe, NM
Roger W. Sant, Washington, DC
Shirley Sherwood, London, England

Emeritus Members

I. Michael Heyman, Berkeley, CA
Jean Lane, Portola Valley, CA
Robert Malott, Chicago, IL

Ex Officio Members

G. Wayne Clough, Washington, DC
Eva Pell, Arlington, VA
Cristián Samper, Washington, DC

NATIONAL MUSEUM OF THE AMERICAN INDIAN

At its meeting on October 8, 2009, the Board of Trustees of the National Museum of the American Indian recommended the appointment of Patricia M. Zell and the reappointments of Frederick Hoxie, Byron I. Mallott, Jacqueline Old Coyote, Tina Marie Osceola, Freda Porter, and Randall Willis to the Board for three-year terms effective immediately.

Accordingly, the following motion is suggested:

VOTED that the Board of Regents appoints Patricia M. Zell and reappoints Frederick Hoxie, Byron I. Mallott, Jacqueline Old Coyote, Tina Marie Osceola, Freda Porter, and Randall Willis to the Board of Trustees of the National Museum of the American Indian for three-year terms effective immediately.

A biography of the candidate follows:

Patricia M. Zell of Alexandria, Virginia, is a partner in Zell & Cox Law, P.C., specializing in the laws affecting American Indians, Alaska Natives and Native Hawaiians, and Native American business opportunities. Ms. Zell retired from public service in March of 2005, following 25 years of service on the U.S. Senate Committee on Indian Affairs, where she served as Democratic Staff Director and Chief Counsel for the last 19 years of her service, working with the Chairman and Vice Chairman of the Committee, Senator Daniel K. Inouye.

Prior to her Senate service, Patricia Zell worked for the U.S. Commission on Civil Rights, the American Indian Policy Review Commission, and the American Psychological Association.

The proposed membership of the Board of Trustees of the National Museum of the American Indian is as follows:

Manley Begay Jr., Tucson, AZ
Ben Nighthorse Campbell, Ignacio, CO
Howard R. Berlin, Carefree, AZ
Roberta Leigh Connor, Pendleton, OR
Cheryl Crazy Bull, Bellingham, WA
Philip J. Deloria, Ann Arbor, MI
Lucille A. Echohawk, Arvada, CO
John Ernst, New York, NY
Catherine Fowler, Reno, NV
George Gund III, San Francisco, CA
Frederick E. Hoxie, Evanston, IL
Maurice A. John Sr., Salamanca, NY

Eric J. Jolly, St. Paul, MN
Byron I. Mallot, Anchorage, AK
Marshall McKay, Brooks, CA
Jackie Old Coyote, Cambridge, MA
Tina Marie Osceola, Naples, FL
Freda Porter, Pembroke, NC
Ronald J. Solimon, Albuquerque, NM
Lynn Valbuena, Highland, CA
Randall L. Willis, Atlanta, GA
José Zárata, Toronto, Canada
Patricia M. Zell, Alexandria, VA

Ex Officio Members

G. Wayne Clough, Washington, DC
Richard Kurin, Falls Church, VA

NATIONAL POSTAL MUSEUM

At its meeting on June 9, 2009, the Council of Philatelists of the National Postal Museum recommended the appointment of Elizabeth Hisey and May Day Taylor to the Council and, at its meeting on October 24, 2009, the Council recommended the appointment of Mary Ann Bowman to the Council.

Accordingly, the following motion is suggested:

VOTED that the Board of Regents appoints Mary Ann Bowman, Elizabeth Hisey, and May Day Taylor to the Council of Philatelists of the National Postal Museum for three-year terms effective immediately.

Biographies of the candidates follow:

Mary Ann Bowman, a resident of Waukesha, Wisconsin, is a retired Wisconsin school teacher. She received the first annual Ernest A. Kehr Future of Philately Award in 1991 for her work with youth in stamp collecting. Among her achievements for philately is the creation of the first formal youth area at a national level stamp show in 1982, which has served as a model for local- to international-level stamp shows. In addition to school stamp clubs and community outreach programs, she served on the American Philatelic Society (APS) Youth Activities Committee and contributes to the APS Chapter Activities Committee newsletter. She has supported other philatelic organizations, including international

exhibitions, and served as the director of educational projects for the Junior Philatelists of America. Ms. Bowman received the first Collectors Club of Chicago encouragement grant in recognition for her work with young people and in 2005 was recognized as a Distinguished Topical Philatelist by the American Topical Association.

Elizabeth M. Hisey, a resident of Sebring, Florida, has been involved in philately for the past 10 years. She is a life member of the American Philatelic Society and the American Association of Philatelic Exhibitors; co-founder of Women Exhibitors; and a member of American Topical Association and the United States Classics Society. She is an APS-accredited Judge, and also a member of the Council on the Accreditation of National Exhibitions and Judges. Ms. Hisey is currently secretary for the American Association of Philatelic Exhibitors and is treasurer for Women Exhibitors. She has been a professional volunteer for 20 years with various organizations and served as president of the Association of Florida Hospital Auxiliaries and Volunteers in 2000 and managed the Highlands Regional Medical Center Gift Shop for 19 years. She owned a catering company in Connecticut for 10 years before she and her husband retired to Florida.

May Day Taylor, of Somerset, New Jersey, has been a stamp collector since age 10. An historian by education and a business consultant by profession (she established United Buying Service in 1967 and Consulting, Advertising and Research Services in 1984), Ms. Taylor has moved from a world-wide stamp collector to a topical collector with interests in new U.S. issues. An award-winning cachetmaker, she collects ceremony programs and philatelic pages. She is president of the Mr. Beasley Stamp Club, active in three other philatelic clubs, and has served on the board of NAPEX as well as the American Philatelic Society Finance Committee. At the world philatelic exhibition Washington 2006 she exhibited in the Court of Honor with "Welcome to Washington" and coordinated the Alexandria Blue Boy Exhibit which resulted from her research and subsequent publication on that famous stamp.

The proposed membership of the Council of Philatelists of the National Postal Museum is as follows:

Donald Sundman, chair, Camden, NY
Michael Aldrich, Carefree, AZ
Harvey Bennett, Timonium, MD
Mary Ann Bowman, Waukesha, WI
Roger Brody, Watchung, NJ
Charles DiComo, Pawling, NJ
Ian C. Gibson-Smith, Martinsburg, WV
Harry Hagendorf, Scarsdale, NY
Elizabeth Hisey, Sebring, FL
Jay Hoffman III, Alexandria, VA
John Hotchner, Falls Church, VA
Jim Kloetzel, Sidney, OH
Janet Klug, Pleasant Plain, OH
Van Koppersmith, Mobile, AL

Al Kugel, Hinsdale, IL
Curtis Livingston, Nantucket, MA
Tom Mazza, New York, NY
Peter McCann, University Park, FL
Harvey Mirsky, New York, NY
Bob Odenweller, Bernardsville, NJ
Steven Rod, Orange, NJ
Omar Rodriguez, New York, NY
Robert Rose, Morristown, NJ
Wade Saadi, Brooklyn, NY
Charles Shreve, Dallas, TX
May Day Taylor, Washington, DC
Herbert Trenchard, Hyattsville, MD
Charles Verge, Toronto, ON, Canada

Alan, Warren, Exton, PA
Alan Whitman, Arcadia, CA

Richard Winter, Greensboro, NC

Ex Officio Members

G. Wayne Clough, Washington, DC
Cheryl Ganz, Washington, DC
Allen Kane, Rockville, MD
Daniel Piazza, Greenbelt, MD

Emeritus Members

Thomas Alexander, Kansas City, MO
Guido Craveri, Lugano, Switzerland
David Sundman, Littleton, NH

NATIONAL ZOOLOGICAL PARK

At its meeting on October 9, 2009, the Advisory Board of the National Zoological Park recommended the reappointment of James Dyer, Steven A. Elmendorf, John Marriott, Susan Mars, Thomas Nides, Joseph Robert Jr., Ronald Rosenfeld, and J. Scott Wilfong to the Board.

Accordingly, the following motion is suggested:

VOTED that the Board of Regents reappoints James Dyer, Steven A. Elmendorf, John Marriott, Susan Mars, Thomas Nides, Joseph Robert Jr., Ronald Rosenfeld, and J. Scott Wilfong to the Advisory Board of the National Zoological Park for three-year terms effective immediately

The proposed membership of the Advisory Board of the National Zoological Park is as follows:

John W. Marriott III, chair, Potomac, MD
Susan Mars, vice chair, McLean, VA
Wendy Block, Washington, DC
W. Clark Bunting II, Potomac, MD
James Dyer, Washington, DC
Steven A. Elmendorf, Washington, DC
Clinton A. Fields, Annandale, VA
Stanley E. Freimuth, Harrison, NY
Jennie Turner Garlington, Paris, KY

Camilla Jenkins, Valhalla, NY
Anthony V. Lupo, Washington, DC
Thomas Nides, Potomac, MD
Stuart L. Pimm, Durham, NC
Joseph Robert Jr., McLean, VA
Ronald Rosenfeld, Chevy Chase, MD
Jim Weinberg, Washington, DC
J. Scott Wilfong, Washington, DC
Curtin Winsor III, Washington, DC

Emeritus Members

Joan Donner, Colorado Springs, CO
Adrienne Mars, Jackson, WY

Ex Officio Members

G. Wayne Clough, Washington, DC
Eva Pell, Arlington, VA
James C. Weinberg, Washington, DC

SMITHSONIAN AMERICAN ART MUSEUM

At its meeting on November 16, 2009, the Commission of the Smithsonian American Art Museum recommended the appointment of Aida M. Alvarez to the Commission.

Accordingly, the following motion is suggested:

VOTED that the Board of Regents appoints Aida M. Alvarez to the Commission of the Smithsonian American Art Museum for a four-year term effective January 31, 2010.

A biography of the candidate follows:

Aida M. Alvarez of Piedmont, California, has been an awarding-winning journalist, a successful investment banker, and a member of President Clinton's Cabinet. Ms. Alvarez currently serves on the boards of Wal-Mart and UnionBanCal Corporation, whose primary subsidiary is Union Bank, N.A. She chairs the Latino Community Foundation and is a trustee of the National Trust for Historic Preservation. In 1996, she was named administrator of the United States Small Business Administration by President Clinton. She was the first Hispanic woman to serve in a president's cabinet. Prior to entering public service, Ms. Alvarez served as a vice president in public finance at First Boston Corporation and Bear Stearns. She began her career in journalism, working in both print (*New York Post*) and television media (Metromedia, now Fox TV). A Harvard graduate, Ms. Alvarez holds honorary doctorates from Bethany College, Iona College, Mercy College, and the Inter-American University of Puerto Rico.

The proposed membership of the Commission of the Smithsonian American Art Museum is as follows:

James F. Dicke II, chair, New Bremen, OH
Samuel G. Rose, vice chair, Bethesda, MD
Aida M. Alvarez, Piedmont, CA
Judah Best, Arlington, VA
Richard Brodie, Bloomfield Hills, MI
L. Hardwick Caldwell III, Lookout Mountain, TN
Tania Goss Evans, Grafton, VT
Norma Lee Funger, Potomac, MD
Dorothy Tapper Goldman, New York, NY
William I. Koch, West Palm Beach, FL

John T. Kotelly, Washington, DC
Elizabeth S. MacMillan, Wayzata, MN
Jean B. Mahoney, Hobe Sound, FL
Edgar M. Masinter, White Plains, NY
Nion T. McEvoy, San Francisco, CA
Beverly L. Perry, Washington, DC
Allan J. Riley, New York, NY
Clarice R. Smith, Washington, DC
Michael I. Wilkins, Berkeley, CA
Gary Wolkowitz, New York, NY

Emeritus Members

Barney A. Ebsworth, Hunts Point, WA
Patricia Frost, Miami, FL
Shelby M. Gans, San Francisco, CA
Ken Hakuta, Washington, DC
William G. Kerr, Jackson, WY

Melvin Lenkin, Chevy Chase, MD
Peter Lunder, Scarborough, ME
Nan Tucker McEvoy, San Francisco, CA
David Purvis, Stonington, CT
Ferdinand T. Stent, Stone Mountain, GA

Ex-Officio Member

G. Wayne Clough, Washington, DC

SMITHSONIAN LATINO CENTER

At its meeting on June 4, 2009, the Smithsonian National Board for Latino Initiatives of the Smithsonian Latino Center recommended the appointment of Johnny A. Yataco to the Board for a three-year term effective immediately.

Accordingly, the following motion is suggested:

VOTED that the Board of Regents appoints Johnny A. Yataco to the Smithsonian National Board for Latino Initiatives of the Smithsonian Latino Center for a three-year term effective immediately.

A biography of the candidate follows:

Johnny A. Yataco, a resident of Washington, D.C., is the publisher of the *Washington Hispanic*, a principal Spanish-language weekly newspaper serving Latino communities in the District of Columbia, Maryland, and Virginia. Established in 1994, the *Washington Hispanic* has been recognized by the National Association of Hispanic Publications and, in 1999, was ranked #54 as one of the fastest-growing Hispanic companies in the United States. The *Washington Hispanic* has a weekly circulation of 55,000, with an estimated readership of 192,000. In 2008, Mr. Yataco was recognized as the Businessman of the Year by the Peruvian American Chamber of Commerce. He serves on the boards of the Capital Area Food Bank and the Inter-American Press Association. He also serves on the Montgomery County Commission on Ethnic Affairs. Mr. Yataco is a native of Lima, Peru, where he served as press secretary and photographer at the Government Palace in Lima, Peru, from 1987 to 1988, covering official activities and special events for the President of Peru.

The proposed membership of the Smithsonian National Board for Latino Initiatives of the Smithsonian Latino Center is as follows:

Jesus Rangel, chair, San Antonio, TX
Virginia Gonzalez Hough, vice chair,
Burbank, CA
Xavier Becerra, Los Angeles, CA
Gilberto Cardenas, Notre Dame, IN
Thomas H. Castro, Houston, TX
Stephen M. Cunningham, New York, NY
Raquel Egusquiza, Arlington, VA
Ivelisse Estrada, Los Angeles, CA

Margarita Flores, San Antonio, TX
David Gonzales, Dallas, TX
Laura Hernandez, Dallas, TX
Guillermo Jasson, Greenwich, CT
Richard Marin, Los Angeles, CA
Gloria Rodriguez, Arlington, VA
Socorro Vasquez, Laguna Beach, CA
Johnny Yataco, Washington, DC
Tomás Ybarra-Frausto, New York, NY

Ex Officio Members

G. Wayne Clough, Washington, DC
Eduardo Díaz, Washington, DC
Richard Kurin, Falls Church, VA

Emeritus Member

Henry R. Muñoz III, San Antonio, TX

HIRSHHORN MUSEUM AND SCULPTURE GARDEN

Pursuant to statute, appointments to the Hirshhorn Museum and Sculpture Garden's Board of Trustees do not require the approval of the Board of Regents. Although no action is required from the Board, an update on the membership of the Board of Trustees of the Hirshhorn Museum and Sculpture Garden is provided for informational purposes.

At its meeting on October 8, 2009, the Board of Trustees of the Hirshhorn Museum and Sculpture Garden elected Dan Sallick to the Board. A biography of the candidate follows.

Dan Sallick of Washington, D.C., is the co-founder of Home Front Communications, a full service broadcast public relations, Web development, and social media firm with offices in Washington, D.C., and New York City. He formerly served as communications director for the Democratic Congressional Campaign Committee and as deputy press secretary for House Minority Leader Richard A. Gephardt.

The membership of the Board of Trustees of the Hirshhorn Museum and Sculpture Garden is as follows:

J. Tomilson Hill, chair, New York, NY
Melva Bucksbaum, Aspen, CO
Connie Caplan, Baltimore, MD
Glenn Fuhrman, New York, NY
Robert Goergen, Greenwich, CT
Ann Hamilton, Columbus, OH
Olga Hirshhorn, Washington, DC
Robert Lehrman, Washington, DC
Jacqueline Leland, Washington, DC

Barbara Levine, Washington, DC
Richard Levitt, Des Moines, IA
Linda Macklowe, New York, NY
John Pappajohn, Des Moines, IA
Dan Sallick, Washington, DC
Thomas Stoner, Annapolis, MD
Steven Tananbaum, New York, NY
John Wieland, Atlanta, GA
Ginny Williams, Denver, CO

Ex Officio Members

G. Wayne Clough, Washington, DC
John Roberts, Chevy Chase, MD

REAPPOINTMENTS TO THE SMITHSONIAN NATIONAL BOARD

As noted in the Report of the Smithsonian National Board, the National Board recommends the reappointment of eight members to its Board. Accordingly, the following motion is suggested:

VOTED that the Board of Regents reappoints Judy Hart Angelo, Jane Lipton Cafritz, John French III, Russell E. Palmer Jr., William M. Ragland Jr., Ronald A. Rosenfeld, Douglas C. Walker, and Mallory Walker to the Smithsonian National Board for three-year terms effective immediately.

DRAFT MINUTES OF THE DECEMBER 8, 2009, GOVERNANCE AND NOMINATING COMMITTEE MEETING

The Governance and Nominating Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution held a meeting on December 8, 2009, beginning at 1:30 p.m. in the Smithsonian Castle in Washington, D.C. Participating were Committee Chair Shirley Ann Jackson* and Committee member Representative Doris Matsui*. Committee member Christopher J. Dodd was unable to participate. In attendance were Secretary G. Wayne Clough, Chief of Staff to the Secretary Patricia Bartlett, Assistant to Representative Matsui Julie Eddy*, Office of the Regents Program Officer Grace Jaeger, Chief of Staff to the Board of Regents John K. Lapiana, General Counsel Judith Leonard, Assistant to Senator Dodd Colin McGinnis*, Director of Government Relations Nell Payne, and Inspector General A. Sprightley Ryan.

The Chair called the meeting to order.

APPROVAL OF MINUTES

The Chair asked for comments on the draft minutes of the July 27, 2009, meeting. There were none and the minutes were approved.

REPORT OF THE CHAIR

GAO Report

As part of the Smithsonian’s fiscal year 2010 Federal appropriation, the Government Accountability Office (GAO) was asked to review the progress of Smithsonian governance reforms by December 31, 2009. GAO completed that review and will present its findings during testimony before the House Appropriations Subcommittee on December 10, 2009. GAO staff allowed the Smithsonian to provide management’s responses to its report before it was made final on December 7, 2009. The prepared testimonies of the GAO, Secretary Clough, and Inspector General Ryan, as well as management’s responses, will be distributed to Committee members.

In general, GAO found that progress was made against all 25 Governance and Nominating Committee recommendations, as well as those offered by GAO in its May 2008 review. GAO also determined that additional attention by the Regents, and the Committee in particular, might be productive in two areas. First, GAO concluded that the selection, use, and evaluation of non-Regents on Regents’ committees would benefit from increased transparency. The GAO report referenced discussions from the July 27, 2009, meeting of the Committee on the development of a bylaw to codify and clarify the role of non-Regent committee members.

The Chair noted that Ms. Leonard and Assistant General Counsel Craig Blackwell provided her with further information on the potential ramifications should the bylaw be enacted, especially with regard to the delegation of the statutory duties of Regents and the

** participated by teleconference*

application of the Regents' ethical and financial disclosure obligations to non-Regent committee members. This issue will be further discussed at the next meeting of the Committee on March 8, 2010. One issue immediately clarified for the GAO was that the charters of the Regents' committees require all committee members, including non-Regent committee members, to file annual financial disclosures.

GAO's second conclusion regarded the need to strengthen "two-way" communications between the advisory boards and the Board of Regents. GAO cited a number of outreach efforts conducted by Board Chair Patricia Stonesifer and former Chair Roger Sant, but noted that such efforts have not been formalized. Specifically, GAO noted in its draft report that there was no guarantee that future chairs would continue the same practice.

Dr. Jackson noted that Ms. Stonesifer and she had discussed this aspect of the report and, as a result of their discussion, advised GAO that during the first quarter of 2010 the Regents would work to codify processes for two-way communications between the Regents and advisory board chairs.

In addition, the Committee will continue to review the best practices of diverse organizations with similar advisory board structures and look for new ways to promote communications and strengthen partnerships with the Smithsonian's advisory boards. Dr. Jackson and Ms. Stonesifer also asked staff to identify and study similar governing board/advisory board relationships and report their findings to the Committee at the March 2010 meeting.

Ms. Payne noted that, unlike most GAO reports, the report on the Smithsonian's governance reforms contained no additional recommendations, which she characterized as remarkable. Dr. Jackson thanked Ms. Payne for serving as principal liaison with the GAO during the review process.

Advisory Board Appointments

Dr. Jackson made note of the biographies of candidates for appointment or reappointment to eight Smithsonian advisory boards, which were provided in the meeting materials. She explained that the appointment of a new trustee to the Hirshhorn Museum and Sculpture Garden board did not require action from the Committee or the Board of Regents because the Hirshhorn board, pursuant to the Museum's founding statute, retains the authority to appoint new trustees. She added that the appointment was included in the meeting materials for informational purposes, as well as in the interest of transparency.

The Committee was reminded that in April 2009 the Regents approved an amendment to the bylaws of the Advisory Council of the National Museum of African American History and Culture to support the increase of the Council's size from 17 to "not more than 35." Accordingly, three candidates were submitted for the Committee's consideration, and the Committee was advised that the Museum anticipated that it would recommend between six and eight additional candidates for consideration at the next Committee meeting.

Ms. Matsui noted that she agreed with the proposed nominations. The following motion was then approved.

VOTED that the Committee recommends that the Board of Regents approves the proposed slate of candidates for appointment or reappointment to eight Smithsonian advisory boards.

Regents' Committee Assignments

Included in the meeting materials were proposed committee rosters for calendar year 2010. Dr. Jackson said she had spoken at length with Board Chair Patricia Stonesifer about the proposed assignments and outlined the suggested changes: Paul Neely will replace Hacker Caldwell on the Advancement Committee, as well as continue to represent the Smithsonian National Board; Phillip Frost will serve as Chair of the Compensation and Human Resources Committee; Robert Kogod, if elected, will replace Roger Sant on the Executive Committee and will step off of the Finance Committee; France Córdova and Roger Sant will join the Governance and Nominating Committee, increasing its membership to five; and France Córdova will join the Strategic Planning and Programs Committee.

In addition, the proposed committee changes addressed the membership and leadership structure of the Investment Committee. Dr. Jackson said that the Investment Committee would be strengthened with the addition of David Rubenstein and the creation of the position of Vice Chair. She explained that the proposed position was suggested in recognition that, although this key committee is ably chaired by David Silfen, a Regent with fiduciary-like responsibility for oversight of the Endowment should share the committee's leadership duties. She added that Roger Sant had agreed to assume this role for 2010.

Ms. Matsui concurred with the proposed committee rosters. The Committee, however, did not consider a motion to approve the proposed committee memberships. Instead, it agreed to engage the full Committee in this action by circulating a mail ballot to all members after the meeting.

ADJOURNMENT

The Chair adjourned the meeting at 1:50 p.m.

MINUTES OF THE JULY 27, 2009, GOVERNANCE AND NOMINATING COMMITTEE MEETING

The Governance and Nominating Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution held a meeting on July 27, 2009, beginning at 10:10 a.m. in the Smithsonian Castle in Washington, D.C. Participating were Committee Chair Shirley Ann Jackson* and Committee member Representative Doris Matsui*. In attendance were Chief of Staff to the Secretary Patricia Bartlett, Assistant General Counsel Craig Blackwell, Assistant to Representative Matsui Julie Eddy,* Office of the Regents Program Officer Grace Jaeger, Chief of Staff to the Board of Regents John K. Lapiana, General Counsel Judith Leonard, Assistant to Senator Dodd Colin McGinnis*, and Inspector General Sprightley Ryan.

The Chair called the meeting to order.

APPROVAL OF MINUTES

The Chair asked for comments on the draft minutes of the March 23, 2009, meeting. There were none and the minutes were approved.

REPORT OF THE CHAIR

Dr. Jackson reported that progress had been made on the official appointment of Dr. France Córdova to the Board of Regents. She said that Dr. Córdova had met with members of the House Administration Committee and that her appointment was expected in time for the September 21, 2009, full Board meeting. Dr. Jackson thanked Congresswoman Matsui and her Regent colleagues in the House of Representatives for their work in securing Dr. Córdova’s appointment.

Dr. Jackson said that the Government Accountability Office (GAO) recently conducted a survey of governance practices and the role of inspectors general at a number of designated Federal entities. She said that the final report was released on April 20, 2009, and a Web link to the report would be provided for interested members.

CONSENT AGENDA

The Committee approved the following motions *en bloc*:

VOTED that the Committee recommends that the Board of Regents approves the proposed slate of candidates for appointment or reappointment to seven Smithsonian advisory boards.

VOTED that the Committee recommends that the Board of Regents approves the appointment of Paul Neely as Chair and Judy S. Huret and Gary B. Moore as Vice Chairs of the Smithsonian National Board for three-year terms effective October 1, 2009.

* *participated by teleconference*

VOTED that the Committee recommends that the Board of Regents reelect Patricia Q. Stonesifer as Chair of the Smithsonian Institution's Board of Regents for a one-year term effective January 21, 2010.

VOTED that the Committee recommends that the Board of Regents reelect Alan G. Spoon as Vice Chair of the Smithsonian Institution's Board of Regents for a one-year term effective January 21, 2010.

VOTED that the Committee recommends that the Board of Regents appoint George E. Hartman as a non-Regent member to the Facilities Committee.

PROPOSED BYLAW REGARDING NON-REGENT COMMITTEE MEMBERS

Dr. Jackson led a discussion on a proposed bylaw concerning the duties and responsibilities of non-Regent members of Board committees. The proposed bylaw provided in part that non-Regent committee members exercise the same duties and responsibilities as Regent committee members.

Committee members and staff discussed the role of non-Regent committee members and whether the bylaw reflected that role. The Committee noted that non-Regent members are valuable to the work of the committees, but that non-Regent members do not go through the same nomination and appointment process as Regents and do not exercise the statutory authority of Regents. The Committee discussed whether standards of conduct for non-Regent committee members could be established through guidelines rather than a bylaw amendment.

Ms. Leonard and Mr. Blackwell reviewed the ethical and disclosure obligations of Regents under the Board of Regents Ethics Guidelines and the Board of Regents Annual Disclosure Statement. The Committee discussed whether those obligations should apply equally to non-Regent committee members. Mr. Blackwell noted an additional disclosure obligation that applied to the Regents in conjunction with the Institution's IRS Form 990. He noted that that disclosure obligation would likely change as the IRS had recently revised the Form 990.

Mr. Lapiana noted that the GAO had raised the issue of non-Regent duties and responsibilities while preparing its 2008 report on governance at the Smithsonian. Dr. Jackson asked staff to provide information about the GAO's views. Committee members agreed that further research and discussion were needed and tabled the proposed bylaw amendment. Dr. Jackson asked staff to propose standards for disclosure of conflicts and potential conflicts of interest for non-Regent committee members. Dr. Jackson also asked staff to further consider whether such standards should be memorialized in a bylaw, in committee charters, in Regent guidelines, or in some other format.

SELF ASSESSMENT TEMPLATE

Members received proposed Board and committee self-assessment templates in the meeting materials. The full Board assessment was slightly modified from the one used in fiscal year 2008. Members discussed and approved the templates with the following

comments deleted from the full Board assessment:

1. Our Board's size is about right.
2. Any standing committee I serve on completes its tasks in an effective and timely way.
3. The bulk of committee meetings are spent on substantive deliberation of pending decisions and critical issues facing the Smithsonian and its units.

It was noted that the assessments would be included in the September 21, 2009, full Board meeting materials and presented by Dr. Jackson to the Board. The assessments would then be administered in October 2009.

BOARD RESPONSES TO REGENT NON-PERFORMANCE

In its 2008 report on the effectiveness of the Smithsonian's governance reforms, the GAO recommended that the Board should "evaluate" what actions could be taken in the "event of persistent neglect of duties" by a Regent. [Unlike most boards, the Regents do not have the authority to remove a board member. The Congress has sole authority to remove a Regent and exercised that authority only once, in 1863, to remove George E. Badger for giving aid and comfort to the Confederacy.] As part of the governance reforms, the Regents strengthened their oversight regarding board members by clarifying Regents' duties and responsibilities; requiring annual self-assessments; and charging the Governance and Nominating Committee with overall Board assessment.

In response to GAO's recommendation, staff proposed steps that could be taken in the event of "persistent neglect of duties" by a Regent. After discussion by Committee members, the proposal was modified and accepted as follows.

Board Approach to Regent Performance

Actions to be taken in the event of "persistent neglect of duties" by a Regent:

- 1) initial counseling by the Chair of the Governance and Nominating Committee in conjunction with the Board annual self-assessment, followed, as necessary, by counseling by the Chair of the Board, and
- 2) should these discussions fail to result in improvement, referral to the full Board for appropriate action.

ADJOURNMENT

At 11:05 a.m. the Committee went into executive session, after which the meeting was adjourned at 11:15 a.m.

Respectfully submitted,

Shirley Ann Jackson, Chair

REPORT OF THE FACILITIES COMMITTEE

Facilities Committee Chair Robert Kogod will provide an update on the Committee's activities to the Board at its January 25, 2010, meeting. The following papers will support his report.

A. Construction Authorization for the National Zoological Park's facility in Front Royal, Virginia

Proposed Motion: **VOTED** that the Board of Regents seek authorization, as necessary, for the design and construction of new and renovated facilities at the National Zoological Park's facility in Front Royal, Virginia.

B. Draft Minutes of the October 19, 2009, Committee Meeting

NEW EDUCATIONAL AND SUPPORT FACILITIES FOR THE NATIONAL ZOOLOGICAL PARK FACILITY IN FRONT ROYAL, VIRGINIA

BACKGROUND

The Smithsonian Institution and specifically the National Zoological Park (NZIP) have a long history of collaborating closely with strategic partners to advance important goals. The specific goals of discovering and understanding biological diversity, advancing scientific solutions, and conserving wildlife cannot be achieved without significant creative collaboration. Toward that end, the NZIP Comprehensive Facilities Master Plan completed in December 2008 includes plans for the creation of a campus-like setting at the NZIP facility in Front Royal, Virginia (NZIP-FR), with space capable of hosting multiple partners who share common goals and are willing to work with NZIP scientists and staff to advance efforts in conservation biology.

In October 2008, the Smithsonian and George Mason University (GMU) signed a Memorandum of Agreement (MOU) establishing the "Smithsonian-Mason Global Conservation Studies Program." The program will enhance and expand the NZIP's long history of providing educational classes and professional training for the next generation of conservation and scientific professionals. The agreement is the first of what the Institution hopes will be many partnerships assisting in advancing the Institution's mission to support the increase and diffusion of knowledge.

The MOU between the Smithsonian and GMU commits both parties to providing an accredited educational program and facilities to house the program. New construction and major revitalization of an existing structure will provide code-compliant, LEED-certified facilities to house residential and educational functions. The Smithsonian will renovate and expand an existing structure (Building 701-0116) for the education facility. GMU will construct new residential and food service facilities on NZIP-FR land via a ground lease with the Institution. The goal is to open the facilities prior to the start of the fall 2012 semester.

A series of planning and programming workshops were held from January through March 2009 with representatives from the Smithsonian, GMU, and two teams of architect-engineer consultants. Several concepts were explored and the parties agreed to a selection of preferred alternatives. The consultants further developed the preferred schemes, established design and program parameters, and tested cost models.

The Smithsonian and GMU are currently finalizing details of the ground lease for the land upon which GMU will construct the residential and food service facilities. Drafts of a design and construction agreement as well as an operations and maintenance agreement are also being developed and reviewed by both parties. The ground lease and both agreements are expected to be in place by March 2010.

DESCRIPTIONS OF PROPOSED FACILITIES

Major Renovation/Addition: Education Facility in Building 701-0116

Responsible partner: Smithsonian Institution

Funding: \$10 million total; \$5 million Federal capital plus \$5 million Trust

Existing Building 701-0116, a one-story, H-shaped building (two separate, equally sized wings connected by an enclosed “hyphen” corridor) approximately 14,925 gross square feet (gsf) in area, has been selected for rehabilitation for educational functions. The Education Facility will host a program that requires a total of 25,400 gsf of classrooms, laboratories, offices, and support spaces. Three alternative concepts were considered and a preferred scheme was selected that will:

- renovate the existing west wing for classrooms
- demolish the east wing and, within the same footprint, replace with a new, two-story wing comprised of labs on the lower level and offices on the upper level
- connect both wings at grade with two new passages: one interior corridor and one covered exterior walkway

The building footprint will remain essentially the same as the existing structure; the total floor area will be increased by approximately 10,475 gsf to a new total of 25,400 gsf.

New Construction: Residential and Food Service Facilities

Responsible partner: George Mason University

Funding: \$20 million total, through GMU's State of Virginia bond financing

The area west of Training Center Road, identified as a potential partnership development zone in the NZP Comprehensive Facilities Master Plan, has been selected as the site to house the residential and food service facilities for the Smithsonian-Mason Global Conservation Studies Program. Like the Education Facility, three alternative concepts were considered and the most compact scheme was selected. The plan's components are:

- one L-shaped residential building comprised of a three-story, 60-bed, professional residence wing and a two-story, 60-bed undergraduate wing, for a total of approximately 42,743 gsf
- a separate one-story dining/commons facility of approximately 10,203 gsf.

The scheme meets sustainability goals and the project will pursue LEED-Gold certification.

FUNDING

The Smithsonian's fiscal year 2010 Federal capital request includes \$1 million in design funds (of the \$5 million total Federal commitment) for the renovation of an addition to Building 701-0116 for reuse as an Education Facility. Major revitalization funding is requested in fiscal year 2011 (\$1 million) and fiscal year 2012 (\$3 million). NZP is actively

fund raising for the \$5 million Trust component and expects to have a significant portion in hand by the end of fiscal year 2010.

GMU's State of Virginia bond financing was approved in 2009. The university expects to initiate contracting for a design-build construction firm in 2010.

CONSTRUCTION AUTHORIZATION

The Smithsonian has conducted a series of briefings with Congressional committee staff and but has not received unambiguous guidance about possible authorization requirements for these projects. Until a clear determination is made, it is recommended that the Smithsonian pursue the path toward Construction Authorization for the addition to Building 701-0116 and the new residential and food service facilities. Accordingly, the following motion is suggested:

VOTED that the Board of Regents seeks authorization, as necessary, for the design and construction of new and renovated facilities at the National Zoological Park's facility in Front Royal, Virginia.

DRAFT MINUTES OF THE OCTOBER 19, 2009, FACILITIES COMMITTEE MEETING

The Facilities Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution held a meeting on October 19, 2009, at 2:00 p.m. in the Regents’ Room of the Smithsonian Castle in Washington, D.C. Participating were Committee Chair Robert Kogod and members Representative Sam Johnson* and George Hartman. Also present were Secretary G. Wayne Clough; Chief of Staff to the Secretary Patricia Bartlett; National Museum of African American History and Culture (NMAAHC) Director Lonnie Bunch; Assistant to Representative Johnson David Heil*; Office of the Regents Program Officer Grace Jaeger; Associate Director of the Office of Planning, Management, and Budget Ken Johnson; Director of the Office of Facilities Engineering and Operations (OFEO) Bruce Kendall; OFEO Office of Planning and Project Management Director Sheryl Kolasinski; Chief of Staff to the Regents John K. Lapiana; General Counsel Judith Leonard; Chief Financial Officer Alice Maroni; Assistant to Senator Leahy Kevin McDonald*; Under Secretary for Finance and Administration Alison McNally; Director of Government Relations Nell Payne; and Assistant General Counsel James Wilson.

Mr. Kogod called the meeting to order at 2:05 p.m. and acknowledged the presence of a quorum.

He asked if there were any questions or comments on the minutes from the June 1, 2009, Committee meeting. There were none and the minutes were approved.

REPORT OF THE CHAR

Introductions

Mr. Kogod introduced new Committee member George Hartman. Mr. Hartman is a highly respected local architect and founding member of the firm Hartman-Cox Architects, an internationally recognized firm that has received over 120 national and international design awards. Mr. Kogod also recognized the new Director of OFEO, Bruce Kendall. Mr. Kendall, who came to the Smithsonian from the Los Angeles Unified School District, has an extensive and distinguished background in facilities management.

National Postal Museum Lease

Mr. Kogod reported that the lease between the National Postal Museum and the United States Postal Service for additional space at 2 Massachusetts Avenue, NE, was signed on September 10, 2009, after meeting all the required conditions.

Facilities Capital and Maintenance Investment Requirements for Fiscal Years 2008–2017

Mr. Kogod then reviewed the “Facilities Capital and Maintenance Investment Requirement FY 2008–2017” data provided in the meeting materials. The charts, which are updated semi-annually by OFEO, include: summary chart, priority listing, Trust capital

** participated by teleconference*

requirements, and maintenance analysis charts. He noted several changes in buildings' funding requirements from fiscal year 2007 with requirements dropping from \$2.5 billion to \$2.293 billion. The total requirement figure is constantly changing so that the annual requirement and funds availability tend to be more meaningful. Annual requirement for capital improvements was estimated at \$150 million per year with the federal appropriation between \$100–125 million per year. Requirement for maintenance was estimated at \$100 million per year and federal appropriation approximately \$67 - \$70 million per year. Secretary Clough suggested using facility age as a data point for comparison of facilities.

CONSERVATION AND RESEARCH CENTER

Ms. Kolasinski and Ms. Payne presented a proposal for Congressional construction authorization for renovations and new construction at the National Zoological Park's (NZIP) Conservation and Research Center (CRC) site in Front Royal, Virginia. The Committee was reminded that it and the full Board had approved entering into a Memo of Understanding with George Mason University (GMU) in 2008 to create an accredited educational program in conservation studies and to provide facilities for the program. New construction and major revitalization of an existing structure will provide residential and educational space at the facility.

The Committee was told that an existing structure had been selected for rehabilitation to become the Educational Facility at an estimated cost of \$10 million (\$5 million Federal funds, \$5 million Trust funds). Of those costs, \$1 million for design funding is included in the fiscal year 2010 capital request.

A new facility would be constructed for residential and food service functions. The Smithsonian and GMU are currently finalizing details of the ground lease.

Discussion followed about whether the Smithsonian was required to seek Congressional authorization for the two projects. Since guidance from Capitol Hill about the need for authorization has been ambiguous, it was decided the Committee be prudent and recommend that the Board request authorization from Congress, should it be necessary. Mr. Kogod suggested Ms. Payne consult with the Congressional Regents. She agreed and said that, per usual procedures, she would first speak with the Congressional Regents on the Facilities Committee.

The following motion was then approved:

VOTED that the Committee recommends that the Board of Regents, as necessary, seek authorization for the design and construction of new and renovated facilities at the National Zoological Park's Conservation and Research Center in Front Royal, Virginia.

MAJOR CAPITAL PROGRAMS UPDATE

Ms. Kolasinski provided an update on the Facilities Capital Program for fiscal year 2009, which included many positive achievements. For the 12th straight year, OFEO exceeded its contract awards goal, awarding over \$120 million in fiscal year 2009. Highlights included obligations for Phase II at the National Air and Space Museum's Udvar-Hazy Center, the first phase of the National Zoological Park's Seal/Sea Lion habitat, and the National Museum of Natural History's Laboratory of Analytical Biology. OFEO's Office of Architectural History and Historic Preservation also published the *Guide to Smithsonian Architecture*, the first-ever review of the history of architecture at the Smithsonian.

She discussed several projects, noting in particular Pod 3 at the Museum Support Center, a technological achievement that provides 14 different climate-controlled areas, and the Smithsonian Environmental Research Center's (SERC) Mathias Lab, the Smithsonian's first LEED-certified building. Discussions are ongoing about the use of the Renwick Gallery and the Holt House at NZP. Mr. Kogod noted he had received a letter from a concerned stakeholder about the Holt House. Ms. Kolasinski said that the project had been "mothballed" but that OFEO may spend additional funds for maintenance on the structure.

She also reported on the use of American Recovery and Reinvestment Act funds received from Congress and noted that Mr. Kendall would soon testify on Capitol Hill about the Institution's use of the funds. She said that \$21 million of the \$25 million was obligated and lower-than-anticipated bids allowed for the award of all additional contract options that had been identified. Awards were let for work at NZP and for other Smithsonian-wide revitalization projects, including \$4.6 million for repairs at the Arts and Industries Building (masonry repairs, interior demolition, and hazmat removal). Ms. Kolasinski said the Arts and Industries program committee established by the Secretary recently reported to him on suggested uses for the building; in addition, the Latino Commission toured the building in October 2009 to determine if it would be an appropriate structure for the future Latino Museum. Mr. Kogod noted that major rehabilitation of the building would begin when its use was determined and funds were available.

NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE

NMAAHC Director Lonnie Bunch gave a progress report on the Museum. He first reminded the Committee that the design competition had resulted in the selection of Freelon Adjaye Bond/SmithGroup as the design team for the Museum. Dr. Bunch said that contract negotiations with Freelon Adjaye Bond/SmithGroup would be finalized in the coming weeks; a strategy for the regulatory approval process was being developed; and more intense fund raising would soon commence now that the building's design team had been identified. He reported that almost \$50 million in private funds had been raised to date, including a recent gift of \$10 million from the Bill and Melinda Gates Foundation. He emphasized that the strategy for fund raising needed to be in tandem with efforts to secure Federal funding. He said the Museum's fund-raising campaign would be national in scope and that the results of initial market-testing efforts were very promising. Mr. Bunch noted the importance of establishing the Museum's visibility during its development phase, and

said that an array of programs would be promoted around the country and that the National Museum of American History now hosts an exhibition hall devoted to the future Museum.

Secretary Clough said that a review of problems encountered in the development of other museums revealed that most related to fund raising, such as payments delayed by donors, rather than construction issues. He reminded the Committee that the Board of Regents had recently approved the NMAAHC's request to increase the size of its advisory board. Mr. Kogod asked if there was a staff oversight committee and Mr. Bunch said that one met monthly. Mr. Hartman suggested getting "pre-commitments" from, at least, the two major review commissions (National Capital Planning Commission and the Commission of Fine Arts) and to make sure they fully understand the concept of the Museum. Mr. Bunch and Ms. Kolasinski agreed and said they would provide regular updates to the Committee.

SMITHSONIAN STRATEGIC PLAN-SUSTAINABILITY GOALS

Ms. Kolasinski then discussed the last meeting topic: the development of a "green" Smithsonian. She explained the Leadership in Energy and Environmental Design, or LEED, rating system adopted by the U.S. Green Building Council in 1998 and noted where LEED initiatives were already in place at the Smithsonian. She said that the SERC Mathias Lab will be the first new Smithsonian building to be ranked as a LEED Gold Building and described other projects at the Smithsonian utilizing LEED concepts. Ms. Kolasinski also explained the characteristics of projects that are promoted by the LEED rating: sustainable sites, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality, and innovation in design. She listed the criteria for every category and said that, if met, each would result in positive environmental outcomes, as well as credit towards a LEED rating.

Mr. Kendall tied the green concept to the Smithsonian's Strategic Plan saying that it fits into the grand challenge of "Understanding and Sustaining a Biodiverse Planet." Secretary Clough noted that "going green" both saves money and demonstrates that the Smithsonian is a good place to invest (both private funds and funding from Congress).

ADJOURNMENT

The meeting was adjourned 3:30 p.m.

Respectfully submitted,

Robert P. Kogod
Committee Chair

REPORT OF THE SMITHSONIAN NATIONAL BOARD

The following is a report of the activities of the Smithsonian National Board. The most recent plenary meeting of the National Board was held on October 22–24, 2009, in Washington, D.C. The Board will reconvene in January 21–23, 2010, for its winter meeting.

On Friday, October 23, 2009, Smithsonian Secretary G. Wayne Clough presented the Institution's Strategic Plan, *Inspiring Generations Through Knowledge and Discovery*, to National Board members and alumni, who provided important financial support for the strategic planning process. The National Board was the first of the Smithsonian's stakeholders to participate in the strategic planning process, and several members assumed key roles in its development. Robert MacDonald served on the Smithsonian Strategic Planning Steering Committee; Mallory Walker participated as the Chair of the National Portrait Gallery Commission; and National Board Chair Paul Neely and Vice Chair Judy Huret continue to serve on the Regents' Strategic Planning and Programs Committee. The National Board also will play an important role in the Strategic Plan's implementation. In addition to its support for the Strategic Plan, the National Board has provided funding for online education programs, the Smithsonian 2.0 initiative, collaborations with universities, technology upgrades, and interdisciplinary fellowships, all of which align with the priorities identified in the Strategic Plan.

Report of the Chair

Members and alumni of the Institution's only pan-institutional advisory board continue to serve the Smithsonian by enhancing the Institution's national outreach, advising the Secretary, and raising resources in support of the Smithsonian. National Board members and alumni continue to introduce Secretary Clough to communities around the nation and, since May 2009, have hosted events for the Secretary in the Minneapolis–St. Paul, Minnesota, and Seattle, Washington, areas. In July 2009, a National Board member provided support for the Smithsonian Institution's Traveling Exhibition Service's exhibit *The Kennedys: Portrait of a Family*, which opened at the Hunter Museum of American Art in Chattanooga, Tennessee, in November 2009. In August 2009, another member made possible a preview of the new Smithsonian Arctic Studies Center in Anchorage, Alaska, which will open in May 2010. National Board members provided support and helped secure lead sponsorship from Target to help stage the Smithsonian's annual Teachers' Night on October 23, 2009, which was attended by 4,500 teachers.

The diverse expertise and talents of National Board members and alumni are reflected in their membership and contributions to the Smithsonian's numerous advisory boards. With regard to the Board of Regents, National Board members have served, or continue to serve, on the Regents' Investment, Finance, Advancement, and Strategic Planning and Programs Committees. The Smithsonian Leadership Development Program, now inviting applications for its second class, also benefits from the advice and support of National Board members.

In fiscal year 2009, National Board members and alumni gave \$1.012 million in unrestricted funds through its Board Annual Giving campaign, exceeding their goal of \$1 million. An additional \$12.1 million in gifts, pledges, and payments on pledges to the Institution and individual units also was given by National Board members in fiscal year 2009. As previously noted, the strategic planning process also received financial support from the National Board, which contributed over \$200,000 towards this important initiative.

To support the National Board's activities, the Web-based portal *BoardEffect* will soon be implemented, providing members and alumni with online access to its membership directory, meeting calendar, and meeting materials. A pilot will launch in January 2010, and a roll-out is planned for April 2010.

Led Mr. Neely, the National Board also discussed the realignment of its committees to better support the challenges and priorities identified in the Strategic Plan. The Board agreed that the Executive and Nominating committees will remain standing committees; it will continue to reexamine the role and structure of its other committees.

The National Board is poised to help Secretary Clough execute the Strategic Plan. Pooling their expertise in areas prioritized in the Strategic Plan, National Board members can serve as advisors. To augment the National Board's role and contributions, Mr. Neely will engage the Secretary and Under Secretaries in discussions about how the National Board can best serve the Smithsonian's current efforts and initiatives, including the Strategic Plan.

Judy Huret, assisted by James Smithson biographer Heather Ewing, updated National Board members about the planned 2010 study tour "In the Footsteps of James Smithson, Paris & London." The tour will emphasize sites in these cities that were familiar to the Institution's founder.

The Smithsonian Women's Committee President Anne Keiser, an ex officio member of the National Board, reported that her committee was reviewing 64 proposals from 23 museums and research centers. The units are competing for approximately \$400,000 in grants made available by the committee for fiscal year 2010.

National Board committee chairs reported on the activities of their committees.

The **Alumni Committee** was established in 2004 as a means to reunite the alumni of the Smithsonian National Board and to facilitate their continued engagement with the Smithsonian Institution. Co-chairs Holly Madigan and Dave Purvis reported that the Sixth Annual Alumni Reunion yielded the largest alumni attendance of any reunion to date. Several National Board Alumni will be participating in the upcoming Smithsonian Journeys "Amazon Riverboat Voyage Study Tour," which will be led by National Museum of Natural History Director Cristián Samper in January 2010. Alumni also are being invited to join the aforementioned study tour "In the Footsteps of James Smithson, Paris & London." Alumni communications will be enhanced by an upgrade to the alumni newsletter, renamed the

Journal, which is published twice yearly. Campaign Director Jenine Rabin also discussed the Smithsonian's comprehensive national campaign with alumni.

The **Development Committee**, under the leadership of Chair Mallory Walker, supports efforts to raise private resources for the Institution. Reiterating that the Board Annual Giving campaign exceeded its fiscal year 2009 goal, Mr. Walker said that the fiscal year 2010 Board Annual Giving goal is \$1 million in unrestricted giving. He also reported that the Institution raised \$126.6 million in total funds in fiscal year 2009, surpassing its \$120 million goal by 5%. Of that total, \$21.6 million were unrestricted funds, including \$13.5 million raised by the Friends of the Smithsonian (previously known as the Contributing Membership). The Smithsonian's fund-raising goal for fiscal year 2010 is \$130 million. The Development Committee also discussed how it will support the Smithsonian's national campaign, the Regents' Advancement Committee, and any other campaign-specific committees that might be developed.

The **Education Committee**, under the leadership of Chair Wilmer Cody and Vice Chair Kristin Richardson, advises the Smithsonian on its educational programs and assists in procuring support for the Smithsonian's educational initiatives. The Committee discussed the Strategic Plan with Under Secretary for History, Art, and Culture Richard Kurin and how the Plan will help focus the Smithsonian's educational programs. The Committee also reviewed a new report from the Office of Policy and Analysis, *Lessons for Tomorrow: A Study of Education at the Smithsonian*, which provides extensive information on education at the Smithsonian and will be a resource for the new Smithsonian Director of Education. Mr. Cody serves on the search committee for the newly created position.

The **Science Committee** promotes the visibility of Smithsonian science and provides counsel to the Under Secretary for Science. Chair Steven Hoch led a discussion about how the committee can help the Smithsonian achieve the science-based goals of the Strategic Plan, further public awareness of Smithsonian science, and assist new Under Secretary for Science Dr. Eva Pell. Acting Under Secretary for Science Scott Miller provided an overview of the Smithsonian Institution's Global Earth Observatories (SIGEO), an example of a project that supports the goals of the Strategic Plan.

The **Smithsonian Across America Committee**, under the leadership of Co-chairs William Ragland and Sakurako Fisher, helps facilitate Smithsonian outreach activities and engages community leaders and elected officials in member communities across the nation. Mr. Ragland reported that National Board members continue to promote Smithsonian activities in their communities, contact and meet elected officials and lawmakers, provide exhibition funding, engage with local museums, assist in securing exhibition sites for the Smithsonian Institution's Traveling Exhibition Service (SITES), and provide suggestions for additional SITES programming. He led a discussion of how the committee can support the Strategic Plan, especially its priority "Broadening Access."

The **Nominating Committee**, under the leadership of Peggy Burnet, identifies future candidates for National Board membership. Paul Neely provided the committee's report on behalf of Ms. Burnet, who was unable to be present. Mr. Neely said that the committee had

reviewed 17 potential candidates and that National Board members can submit additional candidates' names for consideration until December 15, 2009. National Board members then approved the Committee's motion to recommend to the Board of Regents that it reappoints Judy Hart Angelo, Jane Lipton Cafritz, John French III, Russell E. Palmer Jr., William M. Ragland Jr., Ronald A. Rosenfeld, Douglas C. Walker, and Mallory Walker to the National Board. Accordingly, the following motion will be suggested during the Report of the Governance and Nominating Committee during the January 25, 2010, meeting of the Board of Regents:

VOTED that the Board of Regents reappoints Judy Hart Angelo, Jane Lipton Cafritz, John French III, Russell E. Palmer Jr., William M. Ragland Jr., Ronald A. Rosenfeld, Douglas C. Walker, and Mallory Walker to the Smithsonian National Board for three-year terms effective immediately.

The proposed membership of the Smithsonian National Board is as follows:

Paul Neely, Chair, Chattanooga, TN
Peggy P. Burnet, Vice Chair, Wayzata, MN
Judy S. Huret, Vice Chair, San Francisco, CA
Gary B. Moore, Vice Chair, San Jose, CA
Rodney C. Adkins, Armonk, NY
Gordon M. Ambach, New Haven, CT
Valerie Anders, Deer Harbor, WA
Judy Hart Angelo, New York, NY
Barbara McConnell Barrett, Paradise Valley, AZ
William H. Bohnett, Princeton, NJ
Jane Lipton Cafritz, Washington, DC
Thomas H. Castro, Houston, TX
Wilmer S. Cody, New Orleans, LA
Abby Joseph Cohen, New York, NY
James F. Dicke II, New Bremen, OH
John G. B. Ellison, Jr., Greensboro, NC
Sakurako D. Fisher, San Francisco, CA
Michael R. Francis, Minneapolis, MN
John French III, New York, NY
Shelby M. Gans, San Francisco, CA

Edward K. Gaylord II, Scottsdale, AZ
Myra M. Hart, Cambridge, MA
Richard W. Herbst, Morristown, NJ
Robert F. Higgins, Boston, MA
Steven G. Hoch, Boston, MA
Jonathan M. Kemper, Kansas City, MO
Betsy Lawer, Anchorage, AK
Robert E. Long Jr., Greensboro, NC
Robert D. MacDonald, St. Paul, MN
Dorothy Swann McAuliffe, McLean, VA
Chris E. McNeil Jr., Bellevue, WA
Russell E. Palmer Jr., Philadelphia, PA
William M. Ragland Jr., Atlanta, GA
Kristin Richardson, Denver, CO
Ronald A. Rosenfeld, Chevy Chase, MD
Theiline Pigott Scheumann, Bellevue, WA
Marna Del Mar Schnabel, Los Angeles, CA
Phyllis M. Taylor, New Orleans, LA
Douglas C. Walker, Philadelphia, PA
Mallory Walker, Washington, DC

Ex Officio Member

Anne B. Keiser, Washington, DC

REPORT ON GOVERNMENT RELATIONS: LEGISLATIVE ACTIVITIES AND ISSUES

HOUSE SUBCOMMITTEE HEARING ON “DOING BUSINESS WITH THE GOVERNMENT: THE RECORD AND GOALS FOR SMALL, MINORITY AND DISADVANTAGED BUSINESSES”

On September 17, 2009, the House Subcommittee on Economic Development, Public Buildings, and Emergency Management held a hearing on the use of small, disadvantaged, and minority and women-owned businesses in Federal operations. Rudy Watley, Supplier Diversity Program Manager for the Office of Equal Employment and Minority Affairs, testified on behalf of the Smithsonian. Mr. Watley testified that over the past three years the Smithsonian has spent 49 percent of its Federal contracting dollars with small businesses; 20 percent with small and disadvantaged businesses; 12 percent with 8(a) small businesses; and 10 percent with women-owned businesses. With the exception of service-disabled veteran-owned small businesses, the Smithsonian has consistently exceeded all of the Small Business Administration’s government-wide goals.

HOUSE SUBCOMMITTEE HEARING ON “RECOVERY ACT TRACKING: FOLLOWING THE DOLLARS TO THE JOBS”

On October 27, 2009, the House Subcommittee on Economic Development, Public Buildings, and Emergency Management held a hearing on tracking American Recovery and Reinvestment Act (Recovery Act) dollars. Bruce Kendall, Director of Facilities Engineering and Operations, testified on behalf of the Smithsonian. Mr. Kendall testified that the Smithsonian applied its \$25 million in stimulus funds to 16 repair and revitalization projects at various Smithsonian facilities on the National Mall, at the National Zoo, at the Zoo’s Conservation and Research Center in Front Royal, Virginia, and at the Smithsonian Environmental Research Center in Edgewater, Maryland. With the exception of roughly \$3 million reserved for unforeseen contingencies, the funds were completely obligated and being disbursed with complete transparency and accurate reporting, as required under the Recovery Act.

HOUSE SUBCOMMITTEE HEARING ON “SMITHSONIAN INSTITUTION: PROGRESS ON IMPLEMENTATION OF GOVERNANCE REFORMS AND FACILITIES MAINTENANCE, AND FUTURE PRIORITIES”

On December 10, 2009, the House Subcommittee on Interior, Environment and Related Agencies Appropriations held a Smithsonian oversight hearing. This hearing was originally scheduled for April 2009. As was the case with hearings on all organizations under the Subcommittee’s jurisdiction, a witness from the Government Accountability Office and the Smithsonian’s Inspector General were invited to testify, followed by Secretary Clough. The Secretary’s testimony covered the new Strategic Plan; recent accomplishments; efforts to broaden access and reach new audiences, especially under-served communities; progress on governance reform; the status of hazardous materials management

improvements; and the Smithsonian's efforts to improve financial management and internal controls. The members of the Subcommittee praised Secretary Clough's energy and enthusiasm, and expressed their support for the Strategic Plan and the Smithsonian's exhibits, research and programs.

HOUSE SUBCOMMITTEE HEARING ON "HISTORY MUSEUM OR RECORDS ACCESS: DEFINING AND FULFILLING THE MISSION OF THE NATIONAL ARCHIVES AND RECORDS ADMINISTRATION"

On December 16, 2009, the House Subcommittee on Information Policy, Census and National Archives held a hearing on National Archives oversight. Secretary Clough testified for the Smithsonian on a panel, which also included the new Archivist of the United States, Mr. Daniel Ferriero, and the Librarian of Congress, Dr. James Billington. The hearing focused primarily on the mission of the National Archives, but Secretary Clough used the opportunity to discuss the new Strategic Plan, the Smithsonian's recent accomplishments and contributions, and efforts to broaden access and reach new audiences.

FISCAL YEAR 2010 INTERIOR APPROPRIATIONS BILL

The President signed the fiscal year 2010 Interior, Environment and Related Agencies Appropriations Act on October 30, 2009. The bill includes funding for the Smithsonian at a level slightly higher than the previous year (fiscal year 2009). Specifically, the bill provides \$636.161 million for Salaries and Expenses, an increase of \$43 million above fiscal year 2009 and an increase of \$2 million above the President's request. In addition, the bill provides \$25 million for Facilities Capital, an increase of \$2 million above fiscal year 2009, as requested by the President. This is an excellent outcome given the current climate, but only partially funds the mandated Federal pay raise. The bill also revises the terms of the \$30 million Legacy Fund, making it available for the Arts and Industries Building when matched dollar-for-dollar by private donations designated for projects related to reopening the building.

SMITHSONIAN-INITIATED LEGISLATION

Construction Authorization for the Vehicle Maintenance Branch

On December 8, 2009, the House of Representatives passed H.R. 3224, a bill to authorize construction of a new Vehicle Maintenance Branch facility. The bill will move to the Senate, where a companion measure introduced by Senator Patrick Leahy (D-VT) is already pending in the Rules Committee. Because of objections from a few Senators who have been blocking authorization of any new Federal spending, the Smithsonian may have trouble moving the authorization on the Senate floor, despite the fact that the \$4 million authorized in the bill has already been provided in the fiscal year 2010 Interior appropriations bill, in which case the Smithsonian would have to move forward with the construction project on the basis of the fiscal year 2010 appropriation alone.

SMITHSONIAN-RELATED LEGISLATION

Gold Medal for the Montford Point Marines

H.R. 3927, a bill to award the Congressional gold medal in honor of the Montford Point Marines, was introduced by Representative Corrine Brown (D-FL) on October 26, 2009. The first African American Marines were trained at Montford Point. The bill was referred to the Committee on Financial Services, as well as to the Committee on House Administration. Following the award, the gold medal will be given to the Smithsonian Institution, where it will be displayed as appropriate and made available for research. In addition, the bill states that it is the sense of the Congress that the Smithsonian Institution should make the gold medal available for display elsewhere, particularly at other appropriate locations associated with the Montford Point Marines.

Gold Medal for the 100th Infantry Battalion and the 442nd Regimental Combat Team

On May 14, 2009, the House passed H.R. 347, which would provide for the Speaker of the House of Representatives and the President pro tempore of the Senate to make arrangements for the award of a Congressional gold medal to the Army's 100th Infantry Battalion and the 442nd Regimental Combat Team, collectively, in recognition of their dedicated service during World War II. The bill would require that, following its award, the gold medal will be given to the Smithsonian where it will be displayed as appropriate and made available for research. In addition, the bill states that it is the sense of the Congress that the Smithsonian Institution should make the gold medal available for display at other appropriate locations associated with the 100th Infantry Battalion and the 442nd Regimental Combat Team. The companion bill in the Senate is S. 1055, which has been referred to the Committee on Banking, Housing and Urban Affairs.

Concurrent Resolution Recognizing the 50th Anniversary of the Antarctic Treaty

Legislation (H. Con. Res. 51) was introduced by Representative Patrick Tiberi (R-OH) on February 12, 2009, and passed the House on September 30, 2009. The bill was received in the Senate and referred to the Senate Committee on Foreign Affairs on October 1, 2009. The bill would recognize that the Antarctic Treaty has successfully ensured the use of Antarctica for solely peaceful purposes and the continuance of international harmony for the past half century. It also would recognize that the Smithsonian Institution's National Museum of Natural History will host a treaty summit in 2009.

Proposal to Recognize 100 Years of Military Aviation and Express Support for Military Aviators

On May 14, 2009, Representative Pete Olson (R-TX) introduced H.R. 445, which would recognize 100 years of military aviation and express continued support for military aviators of the United States Armed Forces. The bill also would authorize the Smithsonian's National Air and Space Museum to commemorate the centennial of military aviation with programs and exhibits throughout 2009. This bill passed the House on October 14, 2009. There is no companion bill in the Senate.

PENDING LEGISLATION WITH NO RECENT ACTION

Artist-Museum Partnership Act

The Artist-Museum Partnership Act (S. 405) was introduced by Senator Patrick Leahy (D-VT) on February 10, 2009, and Representative John Lewis (D-GA) introduced an identical bill in the House (H.R. 1126) on February 23, 2009. The bill would allow artists who create and donate literary, musical, or scholarly work to take a tax deduction equal to the fair market value of the work if properly appraised and donated no sooner than 18 months after the work was created. Current law allows the deduction of only the cost of materials.

Great Lakes Collaboration Act

Legislation (H.R. 500) introduced by Representative Vernon Ehlers (R-MI) on January 14, 2009, was referred to the House Committees on Natural Resources; Science and Technology; Administration; and Transportation and Infrastructure. The legislation would amend the National Aquatic Invasive Species Act to require vessels to have management plans and take measures to prevent the release of organisms in ballast water. The bill would designate the Smithsonian Environmental Research Center (SERC) as an implementing agency, along with the U.S. Geological Survey, the National Oceanic and Atmospheric Administration, and the Environmental Protection Agency. The bill also would authorize \$4 million per year for five years for SERC's programs.

Smithsonian Would Receive Proceeds from NASA Commemorative Coin

Legislation (H.R. 255) introduced by Representative Sheila Jackson-Lee (D-TX) on January 7, 2009, was referred to the House Committee on Financial Services. The bill would require the Treasury to mint coins in commemoration of the 50th anniversary of the National Aeronautics and Space Administration's Jet Propulsion Laboratory. Additionally, the bill would give the Smithsonian a portion of the proceeds from the coins' sale and would require that the National Air and Space Museum use the proceeds for the preservation, maintenance, and restoration of space artifacts. An identical bill was passed by the House in the last Congress but did not pass the Senate.

Establishing a Museum of Ideas, Possibly Within the Smithsonian

Legislation (H.R. 202) introduced by Representative Cliff Stearns (R-FL) on January 6, 2009, was referred to the House Committee on House Administration and the House Committee on Natural Resources. The bill would create a Commission to develop a plan to establish a Museum of Ideas and directs the Commission to decide whether the museum should be established within the Smithsonian. An identical bill was introduced in the last Congress but was not considered by either body.

American Clean Energy and Security Act

On June 23, 2009, Representative Henry Waxman (D-CA), Chair of the House Energy and Commerce Committee, introduced H.R. 2998, his long-awaited climate change bill. Sec. 451 (C)(3) would create an Interagency Climate and Other Global Change Data Management Working Group, whose membership would include the Smithsonian. On June 26, 2009, the

text of H.R. 2998 was included in an amendment in the nature of a substitute to H.R. 2554, which was then passed by the House of Representatives.

Global Wildlife Conservation, Coordination, and Enhancement Act

On June 26, 2009, Representative Madeleine Bordallo (D-GU), Chair of the House Subcommittee on Insular Affairs, Oceans and Wildlife, introduced H.R. 3086, the Global Wildlife Conservation, Coordination, and Enhancement Act of 2009. The bill would authorize the Wildlife Without Borders Program and creates a Global Wildlife Coordination Council, whose membership would include the Secretary of the Smithsonian.