

# MINUTES OF THE APRIL 12, 2010, MEETING OF THE BOARD OF REGENTS

## ATTENDANCE

This scheduled meeting of the Board of Regents was held on Monday, April 12, 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 9:18 a.m. Also present were:

The Chief Justice <sup>1</sup>	Phillip Frost	Doris Matsui
Xavier Becerra	Sam Johnson	John W. McCarter Jr.
Thad Cochran	Shirley Ann Jackson	David M. Rubenstein
Christopher J. Dodd <sup>2</sup>	Robert P. Kogod	Roger W. Sant
France Córdova	Patrick J. Leahy	Alan G. Spoon

Paul Neely, Smithsonian National Board Chair

Vice President Joseph R. Biden was unable to attend the meeting.

Also present were:

G. Wayne Clough, Secretary	T.A. Hawks, Assistant to Senator Cochran
Patricia L. Bartlett, Chief of Staff to the Secretary	Joe Hepp, Assistant to Senator Dodd
Virginia B. Clark, Director of External Affairs	Kevin McDonald, Assistant to Senator Leahy
Grace Jaeger, Program Officer, Office of the Regents	Lorenzo Olvera, 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	Mara Lee, Assistant to Congresswoman Matsui
Judith Leonard, General Counsel	Amy Chen, Director of Investments <sup>3</sup>
Evelyn S. Lieberman, Director of Communications and Public Affairs	Brandon Fortune, Acting Director and Associate Curator of Painting and Sculpture, National Portrait Gallery <sup>4</sup>
Alice C. Maroni, Chief Financial Officer	Eleanor Harvey, Chief Curator, Smithsonian American Art Museum <sup>4</sup>
Alison McNally, Under Secretary for Finance and Administration	Sheryl Kolasinski, Director, Office of Planning and Project Management <sup>5</sup>
Nell Payne, Director of Government Relations	Richard Koshalek, Director, Hirshhorn Museum and Sculpture Garden <sup>5</sup>
Eva J. Pell, Under Secretary for Science	Robert Leopold, Director, Anthropological Archives, National Museum of Natural History <sup>4</sup>
A. Sprightley Ryan, Inspector General	
Sudafi Henry, Assistant to the Vice President	
Evan Ryan, Assistant to the Vice President	
Jeffrey P. Minear, Counselor to the Chief Justice	

<sup>1</sup> The Chancellor, Chief Justice John G. Roberts Jr., attended the afternoon and executive sessions.

<sup>2</sup> Senator Dodd arrived at 12:15 p.m. and voted on resolutions 2010.04.02–2010.04.15.

<sup>3</sup> Ms. Chen participated in the Report of the Investment Committee.

<sup>4</sup> Drs. Fortune, Harvey, and Leopold participated in the presentation "Understanding the American Experience—Picturing America."

<sup>5</sup> Ms. Kolasinski and Mr. Koshalek participated in the presentation on the Arts and Industries Building.

# MORNING PLENARY SESSION

## TOUR OF THE ARTS AND INDUSTRIES BUILDING

This meeting of the Board of Regents was preceded by an 8:30 a.m. tour of the historic Arts and Industries Building (AIB). Led by Office of Planning and Project Management Director Sheryl Kolasinski, the tour included a walk around the ground floor through the area where nearly \$5 million in American Reinvestment and Recovery Act funds (“stimulus funds”) have been used to remove obsolete mechanical equipment, interior partitions, and hazardous materials. Of particular note were areas where original windows have been discovered within the existing construction, damage to the roof panels from recent record snowfall, and views and vistas that have not been opened up in the building since the early 20th century.

## THE ARTS AND INDUSTRIES BUILDING

### Introductory Comments

Board Chair Patricia Q. Stonesifer welcomed the Regents as they reconvened in the Regents’ Room. Secretary Clough began the scheduled presentation on the future of the Arts and Industries Building. He said that he had appointed a four-person committee to develop a comprehensive plan for the interior of the building and that two of the committee members, Hirshhorn Museum and Sculpture Garden (HMSG) Director Richard Koshalek and Sheryl Kolasinski, would introduce the proposed concept to the Board.

Mr. Koshalek thanked the Board for the opportunity to engage in this process and noted the contributions of the other committee members: Smithsonian Traveling Exhibition Service Director of Exhibits Frederica Adelman and HMSG Associate Director for Program Partnerships Erica Clark. He also expressed deep appreciation to the architecture firm Morphosis and its principal, Thom Mayne. The 2005 Pritzker Architecture Prize laureate and his staff were among the thought leaders the committee consulted, and were responsible for developing the program ideas into an architectural vision for a transformed Arts and Industries Building.

Calling the Arts and Industries Building a “Victorian masterpiece,” Mr. Koshalek expressed his enthusiasm for the building. AIB offers a unique opportunity to ensure the Smithsonian’s future relevance and leadership, especially with regard to advancing the Institution’s national and international role in educational and innovative initiatives.

### The Secretary’s Challenge

The presentation reflected two month’s work in response to an initial challenge from Secretary Clough. The four key issues in the Secretary’s request were: that the building’s interior reflect the four Grand Challenges of the Smithsonian’s strategic plan, that it reopen as quickly as practicable, that it be as innovative as possible, and that it benefit all parts of the Smithsonian.

The concept addressed each concern. The proposed installation would bring the Institution together with a clear and mobilizing vision and would reflect a

commitment to not only problem-solving but also the importance of searching for opportunities. The building, which has been shuttered for five years, will require another three to five years to reopen but the proposed concept would benefit both the public and the Smithsonian in its ability to connect, support, and advance collaborative research and educational activities. Using new technologies and an immersive environment, the installation would not compete with other Smithsonian museums and centers. The installation also would acknowledge the critical relationship between a building's architecture and its interior content and/or programs, which must align in order to maintain and enhance the integrity of each.

Mr. Koshalek first discussed the key ideas that provided the underpinnings and inspiration for the proposed installation. He then gave a graphic presentation of a first-stage concept for the building's interior design. Both the discussion and presentation demonstrated an overall commitment to embracing the Smithsonian as a whole and reflected the critical changes in how people learn and interact today through the use of new technologies and communication vehicles.

**Guiding Points in the Development of a 21st-Century "Education Unifier"**

He reviewed the 10 points that informed the concept. Key among them was the concept of the revitalized building as a centrally located 21st-century "education unifier." The installation would offer state-of-the-art interactive technologies and on-site expertise that would reflect the four Grand Challenges and provide visitors access to the entire body of research and knowledge housed at the Smithsonian. The interior design would support these activities by providing a multi-level, sculptural environment that leads visitors through a series of interactive spaces, galleries, theaters, and immersive educational experiences.

Using the proposed plan, the building's status as a National Historic Landmark would be safeguarded by the complete restoration of its exterior and interior walls and floors to their original condition, all of which would then be left unaltered. The renovated building would be entered from the National Mall to highlight its central Smithsonian location.

Although a permanent exhibit might be devoted to the history of the Mall, the concept proposes that no physical objects from the Smithsonian's museums be displayed in AIB to ensure that it does not compete with them. Instead, the installation's immersive environment would encourage audiences to visit actual objects and exhibitions at their respective locations.

The renovated Arts and Industries Building would assume its role as the Smithsonian's education unifier by providing a central venue for new research and training opportunities that address such issues as educational methodologies, new technologies, and museum leadership. The use of a broad array of forward-looking educational applications and resources also would enhance the Smithsonian's fund-raising abilities. By fusing technology, architecture, science, and art, the revitalized building would embody the mission and goals of the Smithsonian Institution in the 21st century.

**Imagery of the AIB Design Concept**

Ms. Kolasinski then guided the Board through a graphic presentation of the design concept. Using floor plans, sections, and renderings, as well as three-dimensional models, she demonstrated how the extremely flexible design would fracture the

interior space of the building into multi-leveled planes that include theaters, learning spaces, programmatic areas, and other resource areas. Joined by a connective tube, organic spaces would erupt in and out of the main floor in a sculptural flow offering multiple perspectives that mirror the multi-dimensional and multi-sensory ways that people communicate and learn. Different learning styles and interactive, educational, exchanges would be supported in four theaters that provide both intimate and expansive experiences (such as black box, 3-D digital, one-on-one, and satellite hook-up).

The juxtaposition of the historic structure with groundbreaking technologies would honor the building's history while expressing the creativity of the present and future. The proposal also would reflect the Smithsonian's commitment to sustainability. In addition to the use of energy-saving technologies, such as programmable surfaces, the building would employ all practicable methods and materials to support its sustainability. Ecology-themed areas, such as an interior bamboo forest, also would be installed.

#### Discussion

Ms. Stonesifer asked that the Board provide feedback on the concept for the interior architecture of the building. Both Ms. Stonesifer and the Secretary made clear that the concept under consideration does not preclude the use of the building for other programmatic purposes, such as a National Museum of the American Latino. The Secretary agreed that the flexibility of the concept would allow the building to support different uses and also maintain the integrity of the permanent structure. Congressman Becerra noted that the National Museum of the American Latino Commission will inform the Smithsonian of its intentions with regard to the site by September or October 2010.

Ms. Stonesifer said that the Board's discussion must consider: issues related to the building's physical restoration; the challenge of achieving a compelling educational vision that includes and unifies all parts of the Smithsonian; and competing potential uses of the building, particularly as the possible site of a future National Museum of the American Latino.

The Secretary said that the ability to secure more funding will determine the timeframe for the building's reopening. Although \$5 million in stimulus funds provided for some progress on the demolition of the building's interior, the total cost for the overall restoration of the building will be significant. He commented on the relatively small size of the building and the lack of space to house necessary mechanical support systems, adding that the concept just presented to the Board would require the placement of mechanical systems outside the structure. A design study will evaluate such costs but a decision on the building's use will be needed to achieve more accurate estimates of its restoration costs. Preliminary estimates indicate that at least \$330 million will be required to outfit the building for use.

Approximately \$65 million will be needed to revitalize the AIB shell, including replacing the roof, strengthening the structure, and replacing the windows. Ms. Kolasinski noted that the design documents for the building's shell were 65 percent complete and that, once that project is awarded in fiscal year 2010, it is likely that more than \$200 million will be required to address the building's mechanical and electrical systems. The concept design documents could be used to provide more accurate estimates for the remaining costs to rehabilitate the building. Dr. Frost

emphasized the importance of determining these costs as quickly as possible, noting that the estimates will enhance the Smithsonian's ability to actively raise funds for the building.

With regard to Federal funding for the building, the Secretary said that the fiscal year 2010 Federal budget provides \$12.6 million to begin work on the building's shell, and emphasized that the stabilization of the building's roof structure is of critical importance. There are no funds in the fiscal year 2011 Federal budget for the building, and it is anticipated that securing Federal funding for AIB in fiscal year 2012 will be difficult. Moreover, the top priority in the Institution's capital improvements request in the fiscal year 2012 facilities capital budget will be securing Federal funding for the National Museum of African American History and Culture (NMAAHC).

The terms of the Legacy Fund established by Senator Dianne Feinstein (D-CA) were modified to allow more flexibility in the matching of Federal to private funds for the use of the building. However, securing private donations for a building without an identified programmatic use is difficult. Members of senior management and Mr. Kogod reviewed all committed or in-hand donations that could be applied toward the Arts and Industries Building if it were used for educational programming, and presented a preliminary list of \$80 million in educational programs related to the proposed AIB concept to the Office of Management and Budget (OMB). Although OMB was not especially responsive to this initial request, the Smithsonian believes that at least \$40 million of the submission should meet the requirements of the Legacy Fund match.

Dr. Jackson commented on the advantages, disadvantages, and costs related to designing sustainable buildings that capture and make use of natural resources such as air, light, and water. Mr. Koshalek explained that the Arts and Industries Building, which was created prior to the widespread use of electricity, was designed to take full advantage of natural light and that the proposed concept for the building's interior would likewise make every effort to capture natural light. The concept also includes other forms of green technology that would provide cost-effect ways to achieve energy savings.

The Regents discussed the parallel priorities of using the AIB as an educational unifier and visitor portal versus housing the future National Museum of the American Latino. Ms. Stonesifer was asked if the Latino Commission possesses the automatic right of first refusal with regard to AIB. She explained that Congress, not the Commission, possesses the power to make that determination. Congressman Becerra concurred, and noted that Congress's decision only would be effective upon its allocation of funding. Secretary Clough added that the NMAAHC Plan for Action Presidential Commission carefully examined the building as a potential home for that museum and concluded that the AIB site was not suitable for its purposes. Ms. Stonesifer noted that the Latino Committee might likewise determine that the facility cannot provide for the needs of the future Latino museum. The Regents also discussed the opinion that the structure is not particularly suitable for office space.

Congressman Becerra expanded upon his previous comment, saying that it is imperative that the Smithsonian quickly secure as much funding as possible to launch the renovation of the Arts and Industries Building—regardless of its future

use. He reminded the Board of the funding difficulties now being encountered by the NMAAHC and said that the Regents should devote their energies towards developing effective strategies for approaching both houses of Congress for more funding.

He encouraged the Smithsonian to reframe its discussions with Congress and to assert the Smithsonian's role as the cornerstone of the National Mall. Leveraging this understanding will encourage members of Congress to understand that the futures of the Smithsonian, including its facilities, and the National Mall are inextricably linked. He noted that, with the exception of the U.S. Department of Agriculture Administration Building, the central real estate of the National Mall is occupied by Smithsonian buildings and suggested that the Smithsonian investigate the possibility of acquiring that structure. Shifting the focus from the AIB to the whole of the Smithsonian, as represented on the National Mall, will provide for a long-term vision that recognizes the role of Congress in the care of the world's largest complex of museum and research organizations. Efforts to increase donor support also would be enhanced by the idea that the National Mall is synonymous with the Smithsonian.

Congresswoman Matsui agreed that reframing the discussion of the AIB as an integral part of both the Smithsonian and the National Mall will be key to securing more support from Congress. She noted that members of Congress repeatedly ask about the status of the building, using it as a litmus test of the Smithsonian's progress and governance abilities. Asserting a long-term, unifying vision of the Smithsonian, as was done with the strategic plan, and the National Mall will encourage Congress to recognize that the Smithsonian can provide and achieve a comprehensive vision for the future of each.

Members of the Board recognized the potential of the proposed concept to present a more comprehensive understanding of the scope of the Smithsonian's resources. Although the programmatic use of the AIB has yet to be determined, the Board agreed that education is a top priority for the Smithsonian. Also important is encouraging and facilitating visitors' understanding and exploration of all Smithsonian centers, especially those outside of the National Mall. The AIB concept expresses the importance of knowledge-building as an important investment for the future of all citizens.

The Board discussed issues related to accepting funds in support of the AIB renovation, including the naming of facilities in recognition of such gifts. Ms. Stonesifer said that this issue would be considered in the afternoon session's discussion of the national campaign.

Ms. Stonesifer summarized the Regents' discussion of the proposed concept, noting their positive response to the concept and the important questions and issues the Board had raised. Looking forward, the leading course of action will be to identify programming funds that both align with the strategic plan and are eligible for the matching Federal monies from the Legacy Fund.

With regard to the Legacy Funds, Mr. Sant suggested that some of those monies be applied to surveying the experiences of Smithsonian visitors, especially those in the Castle building. Ms. Stonesifer agreed that visitors' experiences in the Castle should

be improved and noted the important relationship between that building and the AIB. The renovation needs of the Smithsonian Castle were acknowledged and Mr. Koshalek noted that the revitalization of both the AIB and the Castle were linked.

In closing, Secretary Clough said that it is clear that, to prevent further catastrophic loss, the Arts and Industries Building is in need of immediate attention. He emphasized the importance and urgency of securing Legacy Fund monies to ensure the integrity of the building and thanked Mr. Koshalek and Ms. Kolasinski for their presentation of an exciting and innovative concept of a centrally located 21st-century “education unifier.”

## REPORT OF THE BOARD AND EXECUTIVE COMMITTEE CHAIR

Executive Committee Chair Patricia Stonesifer thanked the Regents for their participation in the prior evening’s event at the Hirshhorn Museum and Sculpture Garden and noted that her report would be abbreviated. She said that the goals of this meeting would be to discuss, through the reports of the Regents’ committees, the governance of the Smithsonian; to support focused discussions on both the future of the Arts and Industries Building and the Grand Challenge “understanding the American experience”; and to support, through discussions of the national campaign, the Board’s efforts to ensure the future resources of the Smithsonian. She also directed the Regents’ attention to the Smithsonian’s first organizational plan, which was adopted by the Board of Regents in 1847 and framed the activities of the Institution for some 30 years.

Ms. Stonesifer reported that the Executive Committee met on Thursday, March 25, 2010, to review the proposed agenda for this meeting of the Board. She noted that this was the first Executive Committee meeting attended by newly appointed member Robert Kogod.

Ms. Stonesifer said that the Executive Committee discussed the ex officio position of the vice president of the United States on the Board of Regents and the appropriate measures that could be taken to welcome Vice President Joseph Biden to the Board. She and Secretary Clough met with him and he expressed his willingness to receive regular briefings on the state of the Smithsonian and provide support for its goals. He also discussed his inability to attend the meetings of the Board.

During this discussion the Vice President was apprised of the need for Federal funding to support such initiatives as the Congressionally mandated creation of NMAAHC. She noted that the Institution has an excellent representative in the Executive Branch who is willing to help the Smithsonian navigate its Federal budget negotiations with both the Office of Management and Budget and Congress.

Ms. Stonesifer was asked if the Board should reconsider its current structure, given that the participation of most vice presidents on the Board has been minimal since World War II. She advised that a long view should be taken with regard to the participation of the vice president of the United States on the Board of Regents. Removing that position from the Board would require a change in both the Bylaws and Charter of the Board. Governance and Nominating Committee Chair Shirley

Ann Jackson acknowledged that the participation of all members of the Board had been a key point in the governance recommendations but concurred with Ms. Stonesifer that a historic perspective should be held with regard to the participation of vice presidents on the Board. The Governance and Nominating Committee will continue to review this issue.

**Minutes of the January 25, 2010, Meeting**

A motion to approve the minutes of the January 25, 2010, Regents' meeting was approved.

*See attached Resolution 2010.04.01 (Minutes of the Board of Regents, Appendix A).*

## REPORT OF THE SECRETARY

**Visitorship and Broadening Access**

The Secretary reported that visitorship to the Smithsonian has been substantial since the beginning of fiscal year 2010, and that attendance during four of the six months of the year surpassed comparable visitorship records for fiscal year 2009. There was an anticipated drop in visitorship in January 2010, compared to the previous year's records, due to the 2009 inauguration of President Obama. The historic snowstorm of February 2010 forced the Smithsonian to close its museums in Washington, D.C., for four days, in full or in part. The snowstorm also impacted the Smithsonian's facilities: an off-site storage building at the Garber Facility collapsed, damaging collections of the National Air and Space Museum. Since that time, the Smithsonian's museums have had a significant upswing and visitation records for the fiscal year are now on track to compare favorably to fiscal year 2009.

In conjunction with the State Department, the Smithsonian hosted visits from the President and First Lady of Senegal, which is celebrating its 50th anniversary, and from the First Lady of Haiti. Under the direction of Under Secretary for History, Art, and Culture Richard Kurin, the Smithsonian is developing strategies to support Haiti's efforts to recover and conserve the art and cultural artifacts damaged by its recent catastrophic earthquake. The Smithsonian also welcomed the President of Argentina and, in conjunction with the State Department, is sponsoring 26 events in recognition of the bicentennial of Argentina.

**Smithsonian Leadership**

Secretary Clough reported that there are no longer acting directors in any senior leadership positions. Daniel Sheehy was appointed the Director of the Smithsonian Center for Folklife and Cultural Heritage and Claudine Brown will join the Smithsonian in June 2010 as the new Director of Education. Ms. Brown, who has served as the Director of the Arts and Culture Program at the Nathan Cummings Foundation in New York since 1995, previously was the Smithsonian's Deputy Assistant Secretary for Arts and Humanities.

**Broadening Access through Exhibitions and New Media**

The Secretary commented on the numerous outstanding exhibits that recently opened throughout the Smithsonian, adding that the strength of these exhibitions have contributed to recent increases in Smithsonian visitorship. The David H. Koch Hall of Human Origins and its exhibit *Human Origins: What Does It Mean to Be Human?* recently had a successful opening. A gift from the Chair of the Board, Ms. Stonesifer, and her husband, Michael Kinsley, will soon provide an iPhone



application that is intended to encourage visitation to the exhibit's Web portal. She said that the Web sites for both that exhibit and the Sant Ocean Hall set a new standard for the Smithsonian's presence on the Web. The Secretary also commented that the YouTube video of First Lady Michelle Obama's presentation of her inaugural gown to the National Museum of American History has been widely viewed and thanked Alan Spoon for supporting that initiative. There are now 200 social media accounts at the Smithsonian. Vehicles such as YouTube, Flickr, Twitter, and Facebook are significantly expanding the Smithsonian's reach across the globe.

#### **The Four Grand Challenges**

Secretary Clough reported that the four centers that will support the four Grand Challenges will now be recognized as the consortia. Eva Pell and Richard Kurin are leading efforts to select the directors of the four consortia. The consortia directors will be housed in the Smithsonian Castle in an effort to break down information silos and facilitate interdisciplinary, collaborative initiatives.

The Smithsonian held the first of four idea fairs in support of the four Grand Challenges and the consortia to address the challenges. The fairs are designed to support innovative and substantive ideas from across the Institution. The first fair, which considered the American identity, drew over 200 participants who submitted more than 70 proposals.

The development of the international museum professional studies program has advanced, with the Smithsonian's commitment to work with other government agencies to support the recovery of Haiti's cultural artifacts. This effort is benefiting from the support of First Lady Michelle Obama, as well as from Mr. and Mrs. Roger Sant.

The Secretary reported on his recent visit to Abu Dhabi, and meetings with representatives of New York University, which has a presence in the country. Discussions included the review of the guiding principles previously approved by the Board of Regents, as well as the financial implications if such a program were established. He characterized his visit as positive and said that elements of a proposal will likely be presented for the Regents' review in September 2010. Representatives from Singapore and Egypt also have visited the Smithsonian and expressed interest in establishing museum professional education programs with the Smithsonian.

#### **Updates of the Federal and Trust Budgets**

The Secretary reported that the Office of Management and Budget's (OMB) proposal for the Smithsonian's fiscal year 2011 Federal budget was very strong. The proposed 4.8 percent increase would be considered positive at any time but this recommended increase is especially fortunate given the current financial climate. OMB is impressed with the strategic plan, the ability of the Smithsonian to handle an increase of 6 million visitors in fiscal year 2009 without additional Federal monies, and the digitization initiative that will support the public's access to the Smithsonian's collections and resources. The Secretary will soon testify before the House Subcommittee on Interior, Environment, and Related Agencies chaired by Congressman James Moran (D-VA), who is very familiar with the Smithsonian's programs and facilities, including those in Virginia. The Secretary said the fiscal year 2012 Federal budget will be very challenging.

The Institution's Trust budget, which funds approximately 35 percent of the

Smithsonian's activities, is positive. Government grants and contracts, as well as Smithsonian Enterprises, are on track to meet their stretch goals. The first half of fiscal year 2010 reflected a 20 percent increase in grant and contract awards, and indirect cost recovery goals are being implemented with all new proposals. Philanthropic giving is somewhat less than had been anticipated but, with a strong pipeline in place, it is anticipated that the Smithsonian will come close to meeting its fiscal year 2010 goal for philanthropic contributions.

Smithsonian Enterprises is launching new initiatives and exploring new marketing opportunities. A relationship has been established with shopping network QVC that will market items, such as a licensed jewelry line based on the gem collection of the National Museum of Natural History that will increase exposure to the Smithsonian and its merchandise. Floral network FTD will offer plants and arrangements inspired by the Smithsonian's botanical collections. The Smithsonian will maintain control over the content and quality of these products.

**Fiscal Year 2009 Audit**

Noting that this topic would be discussed during the Report of the Audit and Review Committee, the Secretary briefly spoke of successful results of the fiscal year 2009 audit. The Smithsonian achieved an unqualified opinion and no material weaknesses or significant deficiencies were found in the audit. He expressed his appreciation for the contributions of Smithsonian staff and Committee Chair John McCarter in achieving this outcome.

**Best Practices Study**

The Secretary said that Finance Committee Chair Roger Sant would provide a more detailed update on the eight-week-long best practices study being conducted by outside consultants McKinsey & Company. The McKinsey review will:

- develop a "change story" that reflects the changing face of the Smithsonian,
- develop a master organizational architecture based on the strategic plan, and
- improve major administrative processes.

The Secretary noted that the Smithsonian implemented seven different organizational plans over the previous 20 years. The results of the McKinsey review will provide a strong administrative model that will support the consortia and interdisciplinary activities articulated in the strategic plan, as well as achieve significant savings in time and money. An ad hoc committee of outside experts with demonstrated leadership experience is providing oversight of the study.

McKinsey & Company found that the process for creating and reporting on the Smithsonian's annual goals is flawed. The current process, however, will be followed for the remainder of the year and quarterly updates will be provided. The framework for the branding initiative is in place and the selection of an outside service provider is now down to three finalists.

**Discussion**

Congressman Becerra congratulated the Secretary on the Smithsonian's excellent visitorship records. The Smithsonian's visitor experience is an excellent value, especially during periods of economic downturn. He suggested that the Smithsonian find more ways to promote its resources to travelers looking for value-added, cost-effective experiences.

He spoke of the Smithsonian's Federal budget negotiations and the need to assure

that Congress does not reduce the proposed fiscal year 2011 Federal budget. While the Smithsonian must express its appreciation for the proposed budget, the Secretary also should make clear that the proposed budget can not address the overarching infrastructure problems of the Institution. Members of the Congressional appropriations committees must understand that the Smithsonian's seemingly strong budget only reflects how far behind the Institution is in its ability to fund critically needed initiatives, and the Smithsonian has been very patient with regard to the ongoing lack of sufficient Federal support. The proposed budget will only keep the Smithsonian from "drowning" and the ongoing lack of appropriate Federal funding is not sustainable for the Smithsonian.

## STRATEGIC FOCUS ON UNDERSTANDING THE AMERICAN EXPERIENCE: PICTURING AMERICA

### Introductory Remarks

Ms. Stonesifer introduced Richard Kurin who, along with three of his colleagues, would give an illustrated presentation on "Picturing America" and the Grand Challenge "understanding the American Experience." Ms. Stonesifer commented on the contributions of one of the presenters, Brandon Fortune, who has been serving as Acting Director of the National Portrait Gallery during the unplanned absence of Gallery Director Martin Sullivan. In addition to Dr. Fortune, who also is the Associate Curator of Painting and Sculpture at the National Portrait Gallery, Dr. Kurin introduced Smithsonian American Art Museum Chief Curator Eleanor Harvey and National Museum of Natural History's National Anthropological Archives Director Robert Leopold. Dr. Kurin acknowledged the important contributions of the other members of the "Picturing America Team," including Hirshhorn Museum and Sculpture Garden Chief Curator Kerry Brougher, National Museum of American History Curator of Photography Michelle Delaney, Archives of American Art Chief Curator Liza Kirwin, National Museum of African American History and Culture Curator Jackie Serwer, National Museum of the American Indian Curator of Art Paul Chaat Smith, and National Air and Space Museum Curator of Space History Margaret Weitekamp.

Dr. Kurin said that the pan-Institutional presentation would examine how art and visual culture at the Smithsonian represent the "American experience," as well as support the study of the Grand Challenge "understanding the American experience." The collection, study, and presentation of visual imagery at the Smithsonian cross disciplines and impact all four Grand Challenges in the strategic plan.

The Smithsonian's collections represent the American experience in multiple visual forms, such as painting, photography, video, and crafts. The imagery in these forms reflects the American landscape and the changes, struggles, and achievements of its citizenry. The presentation considered the relationship between the Smithsonian's visual collections and civic purpose, research, and education; and examined the strengths and weaknesses of the collections, their conservation, accessibility, and ability to support the implementation of the strategic plan.

Many Americans know very little about the history, culture, values, accomplishments, and developments of their country. Dr. Kurin spoke of the

Smithsonian’s resources and ability to encourage the development of informed and knowledgeable citizens, and noted that the aforementioned 1847 Smithsonian organizational plan recognized that the Smithsonian’s commitment to the “increase and diffusion” of knowledge was beneficial for democracy. America must be cognizant of its global role and the importance of informing other cultures about the history, values, and contributions of the United States.

Contemporary society is moving from a textual to a visual culture. Driving forces behind this change include the ability of the Web and other technologies that disseminate information to ever larger audiences. The Smithsonian’s presence on the Web will be increasingly important in efforts to enhance access to the Institution’s resources.

**History of American Art at the Smithsonian**

Dr. Kurin briefly outlined the history of the Smithsonian’s collections of American art and visual culture, which predate the establishment of the Institution. The founding statute of the Smithsonian called for the establishment of an art gallery, although this commitment to art was not equally shared by all members of the Smithsonian’s leadership. Smithsonian Secretary Joseph Henry, for instance, characterized the paintings of Native Americans by renowned American painter George Catlin as “ethnological.”

The Smithsonian’s acquisitions and exhibitions during the 19th through the early 20th century reflected a deference to European and classical forms. Its first exhibition of photography occurred with the 1896 Washington Salon and Art Photographic Exhibition, and the collection of both photographs and photographic equipment began soon thereafter. The first Smithsonian museum dedicated solely to art was the Freer Gallery of Art, whose founding benefactor understood the aesthetic harmonies between Asian and American art.

Dr. Kurin reviewed the overarching questions included in the Grand Challenge of understanding the American experience:

How did people arrive and establish themselves in the Americas?

What makes the peoples of the United States one nation, and how have people construed nationhood over time?

How do we understand the continued development of American political, economic, social, and cultural life?

What are the experiences of the diverse cultural communities who make up the United States and how are they expressed?

How do American history, art, and culture impact the heritage and the creativity of people from across the globe?

These questions address issues of origins; national identity; change through innovation, struggle, and achievement; diversity; and connections. The Smithsonian’s ability to enhance understanding of the American experience requires support for two audiences—those who can increase the scholarly understanding of the American experience and the public—and it is important to fund activities that will support the needs of both groups. Funding museum exhibitions and other forms of public outreach is as important as supporting the research, collections care, and facilities that underlie such activities.

**The American Experience: Exhibitions and Collections**

Robert Leopold then spoke about the types of Smithsonian exhibits and collections that tell the stories and themes of the American experience, and the strategic plan's aspiration to, among other things, help American citizens understand their origins. The Smithsonian's exhibitions and collections reflect the prehistoric and historic origins, migrations, and cultures of Native Americans, the European colonization of the new country, slavery and the forced immigration of African Americans, and the stories of other immigrant groups. Symbols of the American identity are found throughout the Smithsonian's collections.

Objects such as the Star-Spangled Banner, as well as portraits of American leaders and cultural figures, convey and inform the American experience. Stamps and coins also reflect the nation and its history, as do objects such as films and videos, drawings, catalogs, collectibles, and other items that document American sports, entertainment, and popular culture. Scientific achievements, such as the exploration of space, are documented in the Smithsonian's collection of art and visual imagery. The rich resources of the American landscape are seen in landscape paintings and wildlife images. Challenges to the environment can be seen in images that reflect the urbanization of society; economic trials can be seen in the Smithsonian's collection of works created during the Great Depression with the support of the Federally funded Public Works of Art Project.

The nation's political and social struggles are reflected in Smithsonian art and artifact collections. The Institution's Civil War collections are especially rich and America's involvement in international conflicts also is represented. Civil conflicts can be seen in works that document slavery, the taking of Native American lands, and the efforts of African Americans and Native Americans to achieve equality and justice. Also represented are the struggles of Latino laborers and other immigrants, as well as people such as the disabled who encounter discrimination. Such images are part of a larger representation of the diversity of America's citizens.

Noting that contemporary art positions itself as global art, Dr. Leopold said that the Smithsonian's collection of contemporary art reflects global relationships, influences, and traditions, as well as the interconnected nature of contemporary society. Modern media, such as digitally based art, demonstrates the ability of artists to portray the American experience through new technology.

Senator Leahy asked about the relationship of the Smithsonian's film and video collections to those held by other institutions, such as the Library of Congress. Ms. Stonesifer also inquired about the Smithsonian's representation of all visual media, asking if the Smithsonian had a unique responsibility to represent all media forms that reflect the American experience. Dr. Kurin explained that the collections of the Library of Congress include all copyrighted books, films, and videos and that the Smithsonian's acquisitions in such specialized areas are intended to buttress its collections. With regard to works on film or video, the Smithsonian's collections of recordings are more comprehensive than those held by the Library of Congress. The Smithsonian, like many other institutions, also participates in collaborative programs.

**Caring for Collections that Reflect the American Experience**

Eleanor Harvey discussed the Smithsonian's intellectual and physical stewardship of collections that visually represent the American experience. The Smithsonian's conservators care for a wide array of artifacts from around the globe, the

conservation and study of which support the ability of American citizens to understand their nation and enhance communications between world cultures.

The Smithsonian's collections offer unparalleled research resources, and their conservation supports critically recognized studies. The Archives of American Art, for example, offer resource materials such as letters, oral histories, sketches, and other documents that support the study of the visual arts in America. Studies of art and cultural artifacts reveal and document the experiences of diverse American communities and cultures, and the study of aesthetic styles provides legitimacy to cultural groups and events. Understanding the American experience is informed by such research as National Portrait Gallery Historian David Ward's analysis of the Gallery's photographs of Abraham Lincoln and the broadsides he authored, which revealed Lincoln's careful cultivation and management of his public image. The Smithsonian's collections of art and visual culture also reflect the impact of the visual arts on scientific initiatives. Dr. Harvey cited American painter Abbott Thayer's nature studies, which led to the development of modern military camouflage, and Timothy H. O'Sullivan's post-Civil War survey photographs, which document the geological formations and settlement prospects of the American West and Southwest.

Dr. Harvey described the important role of conservation with regard to the recent collapse of a Garber storage facility. The facility held artwork from the collections of the National Air and Space Museum, some of which was damaged and subsequently transferred to the care of Smithsonian conservators.

The Smithsonian supports research on conservation methods and materials. Scholars and scientists from the Smithsonian's museums, the Lunder Conservation Center, and the Museum Conservation Institute conduct groundbreaking scientific analysis and technical studies that advance the entire field of conservation. Smithsonian conservators routinely collaborate with colleagues from around the world to pioneer new conservation techniques that safeguard fragile works of art. Dr. Harvey cited a recent international symposium on the conservation of new media that was co-sponsored by the Hirshhorn Museum and Sculpture Garden and the Lunder Conservation Center. The results of the symposium will inform conservation treatments and help establish a best-practices framework that will support the conservation of not only the Institution's art collections, but also objects in other Smithsonian collections.

It is important to make art conservation accessible to the public. With the support of facilities such as the internationally recognized Lunder Conservation Center at the Smithsonian American Art Museum, Smithsonian visitors are increasingly given the opportunity to observe and learn about the preservation of the collections that represent the American experience. In addition to the Smithsonian's support for visible conservation centers, public and scholarly programs and Web initiatives help raise awareness of the need to care for and preserve objects that represent the heritage of American families and their cultures.

Conservation and collaborative research underlie the Smithsonian's participation in provenance research and repatriation initiatives. The Smithsonian's commitment to collaborative conservation initiatives also is seen in its support for conservation and artist research fellowships, as well as in the many conferences, seminars,

Webinars, and lecture series it sponsors. Conservation-based studies on artistic techniques, visual information processing, and the meaning and influence of visual imagery, among other things, are examples of the topics addressed in these programs. The Smithsonian annually sponsors dozens of fellows who often become highly regarded leaders in the field of conservation. The scholarly research of Smithsonian conservators is published in internationally respected publications, books, scholarly journals, and exhibition catalogues.

**Understanding the American Experience by Supporting Access to the Smithsonian's Resources**

Brandon Fortune then discussed the Smithsonian's many outreach activities that enhance understanding of the American experience. Stating that the diffusion of knowledge is as important as the increase of knowledge, Dr. Fortune spoke of the many ways that the Smithsonian ensures that its visual resources educate, inform, and inspire.

In addition to its museum exhibitions, the Smithsonian provides access to various collections and archival materials to researchers, scholars, and the public. Online exhibitions, digital access to collections, and the use of new media outlets make art and material culture collections available for public and scholarly consumption. The Smithsonian responds to tens of thousands of requests each year, providing informed responses from experts in their fields. The Smithsonian Channel likewise provides a wealth of information about the American experience.

The Smithsonian also provides access to its resources by sharing art from its collections through individual loan agreements, the Smithsonian Affiliates, and the Smithsonian Institution Traveling Exhibition Services. Dr. Fortune spoke of the Smithsonian's educational outreach initiatives both on and outside of the facilities on the National Mall. Collaborative educational initiatives have resulted in such successful programs as "Posters to Go" and "Picturing America." "Smithsonian in Your Classroom" has promoted visual and cultural literacy by reaching some 87,000 classrooms across the United States. The Smithsonian also participates in interactive distance-learning initiatives, such as a partnership with the United States Department of Defense that provides art and art history lessons to students on military bases throughout the world. Resources are also provided to teachers through podcasts and online access to collections, exhibitions, lectures, and other materials.

The Smithsonian also encourages the creation of imagery that is often reflective of the American experience. The Virginia Outwin Boochever Portrait Competition, *Smithsonian* magazine's photo contest, and the Smithsonian Photography Initiative and Folklife Festival's collaboration with Flickr are just three of the many programs that express and enhance Americans' understanding of their national and cultural identity. Alternative reality games, such as the "Latino Virtual Museum," and other online programs offer participatory activities that engage and inform younger audiences. Visual innovation is also encouraged by the National Design Awards sponsored by Cooper-Hewitt, National Design Museum.

**Documenting, Presenting, and Representing the American Experience**

The Smithsonian is unique in its ability to document, present, and represent the American experience. Examples include the presidential portrait collection of the National Portrait Gallery and loans from the Smithsonian's collections to the White House, both of which provide opportunities for citizens from across the world to view art that reflects the American experience. The potential of American Art to be

emblematic is evidenced in artist Roy Lichtenstein's sculpture *Modern Head*, which was acquired by the Smithsonian American Art Museum after its use as an FBI message board in the aftermath of the 9/11 attack on the World Trade Center.

Dr. Kurin discussed key objectives of the Grand Challenge "understanding the American experience" and the efforts of the Smithsonian to address these objectives. The Smithsonian's collections of material culture and art currently do not reflect the full diversity of American communities, experiences, and interrelationships. The National Museum of the American Indian and the future opening of the National Museum of African American History and Culture, he said, can and will advance this effort but programs that address other American communities, such as the Latino and Asian Pacific American populations, are in need of more support.

Just as American culture continues to change, the Smithsonian's collections must evolve to include objects that reflect American culture. The Smithsonian's collections of art and cultural artifacts also must continue to reflect the globalization of contemporary society, including the relationships and influences of world cultures.

With respect to the strategic plan's commitment to increasing access to Smithsonian resources, Dr. Kurin focused his remarks on the digitization of the Institution's collections. Only a very small portion of the Smithsonian's art and artifact collections have been recorded in digital files. Accelerating this process will allow the public to engage in the work of the Smithsonian and support educational initiatives that enhance understanding of the American experience.

#### **Looking Forward**

The Smithsonian must continue telling the American story in bigger, better, and more collaborative ways. Understanding the American experience will require the ongoing collection and application of new media, as well as the exploration of new venues in which to share the Smithsonian's resources. Supporting interdisciplinary endeavors, such as the recent Smithsonian idea fair, encourages staff to think of the Smithsonian as whole. The forthcoming anniversary of the American Civil War is but one of many events that can provide opportunities for collaborative initiatives that draw from a wide array of Smithsonian resources in order to present richly textured programs.

The Smithsonian's collections do not adequately reflect the depth of America's diversity or express the complexities of the American experience, and the erosion of the Smithsonian's Federal budget over the years has diminished its ability to do so. To tell the American story, and tell it well, the Smithsonian must invest in its intellectual capital and support robust research and scholarship.

#### **Discussion**

Ms. Stonesifer thanked the speakers for their expert presentations on the Smithsonian's activities that support the understanding of the American experience through art and material culture imagery. She opened the Regents' discussion of the presentation by expressing her concern about changing information consumption patterns, citing the movement in journalism from an expert-driven model to a novice-driven model that values volume, distribution, and excitement over authority. She acknowledged the need to strengthen the Smithsonian's scholarly staff but asked if the proliferation of cottage producers might diminish the



Smithsonian's ability to advance the understanding of the American experience.

Dr. Kurin responded that the Smithsonian needs to both strengthen the Smithsonian's curatorial expertise and participate in new media initiatives. He said that many curators are attuned to the role of new media in the increase and diffusion of knowledge, and cited the success of the Smithsonian 2.0 conference and the enthusiastic response of both curators and viewers to the exploration of new communication vehicles. The Smithsonian cannot compete with the massive volume of information available through new media sources but can—and should—maintain a standard of excellence in the quality of information that it provides.

Mr. Spoon said that establishing the Smithsonian's role in such initiatives requires more than addressing its functional capabilities, such as increasing the number of staff who enable access to the Institution's resources. The Smithsonian must demonstrate that it is the primary point of entry in the search for authoritative information about the American experience, and about other subjects found in the Smithsonian's resources. Senator Leahy commented on the seductive potential of new technologies, stating that, in its search to provide increased access to its resources, the Smithsonian must honor its core values and maintain its ability to offer the highest levels of expert, authoritative information.

Dr. Jackson stated that it is important to establish a deliberate plan that addresses what, who, and how: what is it that the Smithsonian wants to communicate, with whom does it wish to correspond, and how it should do so. Establishing the key messages and goal audiences will drive the decisions about which communication pipelines, or the "how," should be pursued.

She then posed what she characterized as a philosophical question: Is the American experience the American identity? Immigration is considered to be a uniquely American experience but that perspective doesn't acknowledge the experiences of Native Americans, or even the slaves who arrived against their will.

Ms. Stonesifer said that the strategic plan articulated the Smithsonian's responsibility for furthering understanding of the American experience. She asked if planning was under way that will strengthen what the Smithsonian wants to say, to whom, and how, and if management will be able to report in one year's time on its efforts to address these critical issues. The Secretary and Dr. Kurin assured the Board that many of the programs articulated in the strategic plan, such as the creation of consortia to advance interdisciplinary activities and the establishment of a central office of education, will support the Smithsonian's ability to address these questions, and will do so through the lens of larger institutional themes.

Mr. Rubenstein noted that it is also important to assess what audiences are actually learning. He proposed the implementation of incentive-based programs, similar to spelling bees, that encourage the involvement of younger audiences who want to learn.

Mr. Kogod said that it was important to recognize the significance of the many forward-looking Smithsonian initiatives that have been, or are about to be, launched, such as the strategic plan, a national campaign, the revitalization of the

Arts and Industries Building, the establishment of a central education office, and the branding of the Smithsonian. This is a key moment in the history of the Smithsonian, and it is important that the Board ask and answer the critical questions that will shape the future of the Smithsonian, as well as contribute to the nation. Noting that all of these activities must be accomplished within the next one to two years, Mr. Kogod expressed his enthusiasm for the opportunity to participate in such an important enterprise.

Mr. McCarter noted that he agreed with the importance of these efforts, but also cautioned that a tone of monopoly could be inferred if collaborative initiatives with outside institutions are not encouraged. Significant resources can be found in outside universities, museums, and other organizations and constructive partnerships can yield benefits that supplement the resources of the Institution. The Lower East Side Tenement Museum and the Ellis Island National Monument are just two of the many organizations whose resources enhance the understanding of the American experience.

The Board then discussed the potential benefits and drawbacks of partnerships with outside organizations. Among the issues considered were the ability of a partnership to enhance or diminish the brand of either partner, the problems that can arise with partnerships, and if increased cooperation and access to the Smithsonian's resources could lead to a perception that the Smithsonian is a coordinating institution and not a primary resource.

Noting that the Smithsonian's mission is to support the "increase and diffusion of knowledge," Dr. Jackson said that encouraging such relationships advances both the historic mission and the ongoing programs of the Institution. The Smithsonian must establish itself as a leading voice in the creation of partnerships that benefit the nation and the world. To not do so could establish it as an information silo and diminish its relevance.

Representative Matsui commented that, although widely trusted and respected, the Smithsonian does not possess expertise in all areas. Collaborations should be an important part of the Smithsonian's commitment to the dissemination of knowledge, and many institutions are eager to partner with the Smithsonian.

The Secretary spoke of the ability of the Smithsonian to have a national impact with regard to the four Grand Challenges of the strategic plan. He cited the results of a Harris interactive brand study that ranked the Smithsonian as fifth in overall quality and as the sixth most-trusted brand out of 1151 brands across the nation.

Ms. Stonesifer concluded the discussion by presenting a charge to the Under Secretary for History, Art, and Culture. She asked that Dr. Kurin return with a panel of experts within the year and provide deliberate and descriptive answers to the following questions:

- What is it that the Smithsonian wants to—and must—say about the American experience?
- To whom and with whom?
- And how?

Ms. Stonesifer noted that the update will better inform the Board about the

Smithsonian's efforts to enhance the understanding of the American experience and provide direction on future actions that support this Grand Challenge. On behalf of the Board, Ms. Stonesifer then thanked Dr. Kurin and his staff for a "remarkable" presentation.

## REPORT OF THE FINANCE COMMITTEE

### Update on the Institution's Best Practices and Organizational Review

Finance Committee Chair Roger Sant said his report would include three issues of particular significance. He first updated the Board on the best practices assessment and organizational review being conducted by McKinsey and Company.

Mr. Sant recruited an advisory group of outside professionals with recognized leadership experience to oversee the review and advise the Secretary and the Regents on its progress. The ad hoc committee, with the addition of Ms. Stonesifer, conducted two progress reviews of the study. The discussions revealed a consensus that the effort required to achieve organizational changes could not be underestimated or under-resourced. The group will meet in approximately one month to review the final draft of the McKinsey report and the study will be presented for the Regents' review at the June 2010 Board meeting.

Mr. Sant expressed his high regard for the work being conducted by McKinsey, noting that the group has been "stunningly accurate" in its ability to identify critical themes, questions, and goals, all of which will inform its final report and recommendations. The implementation of the proposed organizational changes will require a significant long-term commitment on the part of the Smithsonian.

### Refinancing the Discovery Center Debt

Mr. Sant reported on the refinancing of the \$32.8 million debt of the Discovery Center at the National Museum of Natural History, an initiative previously approved by the Board. Smithsonian Treasurer Sudeep Anand reported to the Committee that the refinancing of the debt was proceeding on schedule, would likely be completed by the end of April 2010, and was anticipated to achieve annual interest savings of \$300,000 to \$400,000 in unrestricted funds. Standard and Poor's reaffirmed the Smithsonian's AAA/A-1 credit rating and Moody's Investor Service likewise reaffirmed the Institution's Aaa/VMIG 1 rating.

### Update on the Fiscal Year 2012 Federal Budget Process

The fiscal year 2012 Federal budget environment remains the focus of great concern. The Secretary's top priority is addressing the shortfall in funding for the National Museum of African American History and Culture, and the Institution is making every effort to obtain the remaining Federal Capital requirement of \$205 million for the Museum. Securing funding for other critical needs, such as the revitalization of the Arts and Industries Building, also is the subject of ongoing discussions and planning sessions.

## REPORT OF THE INVESTMENT COMMITTEE

### Performance of the Endowment

Investment Committee Vice Chair Roger Sant provided an abbreviated report on the activities of the Committee. The Endowment market balance as of December 31, 2009, was \$910.9 million. The Committee is somewhat disappointed with the

Endowment's return over the previous year, during which time it achieved a mid-level ranking within its peer universe; the Committee also is not very satisfied the annualized five-year return on the Endowment. The Endowment achieved a 37th percentile ranking over an annualized three-year period. The drop in the Endowment's return over the previous year was the result of conservative investment decisions, such as maintaining high cash balances, in response to a period of unprecedented volatility in the markets. With regard to the performance of the Endowment since calendar year-end 2009, initial results exceeded both benchmarks and returns in its peer universe.

**Report on the Governance Review of the Committee**

He then presented an overview of Cambridge Associates' (CA) review of the Investment Committee's governance. The assessment of the Endowment's governance was positive but several recommendations were made to enhance the Committee's performance. CA commented on the lack of provisions for staggered Committee terms and the uneven attendance of Committee members; it also expressed concern that nearly all Committee meetings have been conducted via teleconference. Unlike plenary meetings of the Board, Regents' committee meetings can be conducted via teleconference. The Committee may conduct trial videoconference meetings in response to the CA concern.

Director of Investments Amy Chen was asked for the most recent assessment of the Endowment's value. She said that preliminary reports on the Endowment's performance at the end of March 2010 indicated a value of approximately \$931 million net, reflecting an increase of 3.2 percent this calendar year.

The Report of the Investment Committee concluded the morning session of the Regents' meeting, which was adjourned for lunch at 12:27 p.m.

## AFTERNOON PLENARY SESSION

The order of the remaining presentations to the Board was revised. These minutes reflect the order of the reports presented during the afternoon session.

The Chancellor called the afternoon session to order at 1:22 p.m.

## THE SMITHSONIAN NATIONAL CAMPAIGN

**The Three Elements of the Campaign Concept: Case, Constituency, and Staffing and Support**

Secretary Clough gave the first of three scheduled briefings on the upcoming national campaign. This presentation focused on the early stages of the campaign, including what is known about the Smithsonian's donor base. The campaign's needs and priorities, including staffing plans, budgets, and funding mechanisms, will be reviewed during the June 2010 Regents' meeting and the Board will be asked to endorse the initial campaign plan during its September 2010 meeting.

Secretary Clough said that he previously was involved in four capital campaigns,

including two at Georgia Tech. The Smithsonian's campaign will provide significant funding for philanthropy, one of the four funding sources for the strategic plan. The other funding sources will include Federal appropriations, research contracts, and business enterprises. The concept for the Smithsonian's campaign is based on three parts: case, constituency, and staffing and support. The Secretary addressed each element.

**Case**

The Smithsonian is well-positioned to make a case for increased funding using its strategic plan as the basis. New resources are required to achieve the many important and forward-thinking ideas addressed in the strategic plan. Strengthening the intellectual capital of the Institution, for example, can be achieved by funding new endowed positions.

**Constituency**

Secretary Clough presented a series of charts that demonstrated the Institution's uneven fund-raising history and its dependence on major gifts. Annual fund raising during the 1990s raised approximately \$40 million per year with no gifts over \$10 million. Giving patterns began to change around 2000 and a new donor profile emerged. Annual fund raising increased to approximately \$110 million and the number of major gifts rose. An all-time high annual giving level of \$205 million was reached in fiscal year 2000 with the receipt of several gifts of \$5 million or more, including an \$80 million gift from Kenneth H. Behring. To reduce the inherent risk of depending on major gifts, the Smithsonian must increase donor relationships that support base funding while continuing to cultivate relationships that may result in major gifts.

The Smithsonian has established a preliminary campaign goal of \$1.5–2.0 billion. Based on a seven-year capital campaign, the Smithsonian would need to raise \$214 million annually to reach a \$1.5 billion goal and would need to raise \$284 million annually to reach a total of \$2.0 billion. As noted, however, the highest annual amount raised to-date is \$205 million.

It will be necessary to increase the Smithsonian's donor base, which currently includes about 3,000 individual donors. Campaign consultant Marts and Lundy performed an analysis of Smithsonian stakeholders, such as *Smithsonian* magazine subscribers, and identified 87,000 prospects with the capacity to give \$25,000 or more. In recognition of limitations on Smithsonian staff, resources, and time, the number of donor prospects was subsequently revised to 15,000–20,000.

**Staffing and Support**

The campaign plan calls for establishing solid relationships with new donors and developing these relationships into permanent donor commitments. Marts and Lundy, however, determined that the Institution is not currently configured to implement this part of a capital campaign. Additional staff and the purchase of a sophisticated computer-based donor-tracking system will be necessary. Cultivating donors and determining their interests typically requires two to three visits and, because 85 percent of the campaign will be driven by the Smithsonian's units and the remaining 15 percent by the central development office, unit directors will have to be engaged in the campaign process and unit development officers will need more training.

**Next Steps**

The development of the national campaign over the next six months, or the planning phase, will focus on clarifying the needs of the campaign, developing

messages around those needs, developing a budget, advancing efforts to procure a new computer system, refining policies, and hiring staff. Noting that the timelines for the remaining two phases of the campaign were preliminary, the Secretary said that the next stage will be the quiet, or advance, phase. This phase will be devoted to working with all major donor bases to raise at least half of the campaign monies over a three-year period. The final phase will include the campaign's public roll-out, which will be completed in about 2017.

**Discussion**

Congresswoman Matsui asked if the total campaign goal included funding for the National Museum of African American History and Culture. The Secretary said that the campaign will be comprehensive and that at least \$200 million of the funds will be directed to the new museum. Mr. McCarter noted that many national leadership groups, such as the Aspen Institute's Henry Crown Fellowship Program and the Young Presidents' Organization, are internationally recognized for their powerful and enthusiastic ability to spread philanthropic messages. Such sources could enhance the Smithsonian's ability to reach many more donor prospects.

## REPORT OF THE ADVANCEMENT COMMITTEE

**The Advancement Committee and the National Campaign**

Advancement Committee Chair Alan Spoon provided an update on the Committee's oversight of the national campaign, saying that this is a momentous time for the Smithsonian and a propitious time to undertake the first pan-institutional campaign. Many Regents have been involved in capital campaigns, large and small, and the campaign will benefit from their experiences, as well as the demonstrated leadership and fund-raising abilities of Secretary Clough.

Mr. Spoon asked the Regents to consider five overarching questions as it reviews the development of the campaign over the course of upcoming Board meetings:

- Are the campaign needs the right ones to realize the strategic plan?
- Is the goal of the campaign achievable and reasonable?
- Are the plans right for the campaign budget, funding models, staffing, infrastructure, and policies?
- What are the roles and expectations for the Regents?
- How do the Regents ensure that campaign gifts do not offset Federal appropriations?

**Can the Strategic Plan be Realized with these Campaign Needs?**

Smithsonian leadership is working on a campaign needs assessment that will be aligned with the strategic plan. The assessment is reviewing the Smithsonian's ability to cultivate the number of donors required for a successful campaign. It also is considering the timing of the campaign, as there are currently about 30 other organizations involved in capital campaigns with goals over \$1 billion.

**Is the Campaign's Goal Achievable?**

Achieving the campaign's goals will depend upon clarifying the Smithsonian's unique position as an institution that is dependent upon both public and private monies. Those unfamiliar with the Smithsonian's budget may think that increases in private funding will result in reduced Federal appropriations.

**Is the Proposed Infrastructure Right for this Campaign?**

The success of the campaign will depend upon the rapid acquisition and implementation of a new computerized donor tracking system, as well as hiring development staff whose activities are solely directed towards fund-raising activities. The Regents discussed how to fund these critical parts of the campaign, as well as if this staff be permanent or incentivized. The Board also discussed the development of a gift acceptance policy.

**What are the Responsibilities of the Regents?**

The campaign will rely on the active and enthusiastic participation of the entire Board of Regents. Unit directors will be expected to devote significant energies toward fund-raising activities. The 600-plus members of the Smithsonian's advisory boards are an untapped resource; consulting with this key stakeholder group will encourage their active participation in a pan-Institutional capital campaign.

**How Can the Smithsonian Ensure that Campaign Gifts do not Result in Reduced Federal Appropriations?**

Protecting and increasing Federal support for the Smithsonian is essential to the Institution's future, particularly with regard to facilities maintenance and infrastructure requirements. Initiating and maintaining critical relationships and collaborations with members of Congress will support this vital funding source.

Congressman Becerra said that investing in relationships with the members of the Congressional Appropriations Committees will likely yield the greatest return. Senator Cochran added that securing support from the Executive Branch will also be key to the campaign. Noting that donors do not want to "make up" for decreases in Federal funding, Ms. Stonesifer said that the Smithsonian's ability to secure increases in Federal appropriations over the last several years will support private fund-raising efforts. The Board also agreed that the Smithsonian should increase its goals for planned giving.

**Notable Gifts and Proposed Gift Actions**

Ms. Clark reviewed four notable gifts that support the goals of the strategic plan but do not require the approval of the Board. Mr. Sant also announced that Peter Buck, the founder of Subway Restaurants, recently pledged \$20 million in support of post-doctoral fellowships at the National Museum of Natural History.

Two gifts that required the Board's approval were then presented. The proposed motions were approved en bloc.

*See attached Resolutions 2010.04.02-2010.04.03 (Minutes of the Board of Regents, Appendix A).*

## REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

Governance and Nominating Committee Chair Shirley Jackson began the report of the Committee by discussing two important initiatives the Committee will be conducting over the coming months: the first triennial review of the Smithsonian's governance reforms and the strengthening of the Board's relationships with unit advisory boards.

**Review of the Governance Reforms**

As part of its governance reform agenda, the Board committed to conducting a review of the "implementation and efficacy" of the Smithsonian's governance

reforms every three years. Because June 2010 will be the three-year anniversary of the Board's adoption of the first set of governance reform recommendations, the Committee devoted part of its March 8, 2010, meeting to planning for the initial triennial review. The Committee looked for a methodology that will provide meaningful results and can take advantage of the ongoing work of the full Board and the Committee, as well as the Government Accountability Office (GAO), all three of which have been closely monitoring and recalibrating the Smithsonian's governance reform efforts since 2007.

The Committee decided that a two-pronged review will be used. First will be an assessment of how completely and successfully the 35 governance reform recommendations have been implemented. Then, using the Independent Sector's Principles for Good Governance and Ethical Practice, a gap analysis will be done. For any gaps found, the Committee will identify the appropriate steps to fill them. The Committee expects to review a staff report at its July 22, 2010, meeting and a final report will be presented to the Regents at their September 20, 2010, meeting.

**Strengthening Relationships between the Board of Regents and Unit Advisory Boards**

The Committee is considering ways to strengthen the Board's relationships with unit advisory boards. Staff have been asked to identify structural improvements that will enhance the advisory boards' ability to support the Board of Regents and their respective museums or research centers, as well as to work more effectively with each other. The overall governance structure of the advisory boards is being reviewed and some improvements have been identified. The Committee endorsed the idea that Regents should be encouraged to participate on unit advisory boards. Regents currently serving on unit advisory boards include Mr. Sant and Mr. Rubenstein (the Board of the National Museum of Natural History); Mr. Rubenstein, Congresswoman Matsui, and Senator Cochran (the Board of the National Museum of American History); Congresswoman Matsui (the Council of the National Museum of African American History and Culture); and Congressman Johnson (the Advisory Board of the National Air and Space Museum).

One of the governance reforms recognized the importance of appointing non-Regents with relevant experience to Regents' committees. Over the past two years, 12 non-Regents were appointed to five Regents' committees: four on Advancement; one on Finance; four on Investment; two on Strategic Planning and Programs; and one on Facilities. The non-Regent members have been active and engaged participants and often bring a much-appreciated unit-based perspective to committee deliberations. Accordingly, Investment Committee Chair David Silfen proposed that the Governance and Nominating Committee recommend the appointment of Timothy J. O'Neill, a partner at Goldman Sachs, to the Investment Committee. Mr. Sant and Ms. Stonesifer noted their support for this appointment and the motion was approved by the Board.

***See attached Resolution 2010.04.04 (Minutes of the Board of Regents, Appendix A).***

**Advisory Board Appointments**

Dr. Jackson referred the Board to the biographies of candidates for appointment or reappointment to seven advisory boards, noting that each candidate had received the support of the respective advisory board, museum, or unit director; Under Secretary with oversight responsibility; the Office of External Affairs; and the Secretary. She highlighted the nomination of General Colin Powell to the Council of the National Museum of African American History and Culture. Congressman



Becerra asked about the composition of the Smithsonian’s advisory boards with regard to diversity and requested a follow-up report at the June 2010 Regents’ meeting. The motions were then approved en bloc.

*See attached Resolutions 2010.04.05–2010.04.12 (Minutes of the Board of Regents, Appendix A).*

**Establishing Obligations of Non-Regent Members of Regents’ Committees**

Dr. Jackson discussed a proposed bylaw amendment to codify the policy that non-Regent committee members should be considered “full and equal members” on the Regents’ committees. She noted the possible ramifications of such a bylaw, particularly with regard to the application of the Regents’ ethical and financial disclosure obligations to non-Regent committee members, as well as their ability to exercise the statutory and fiduciary obligations that the Regents possess. The Committee concluded that non-Regent committee members are, and should be, subject to the Regents’ Ethics Guidelines and financial disclosure obligations. The Board discussed the proposed amendment and will vote on it by e-mail ballot, as per bylaw requirements.

**Revising the Duties and Responsibilities of the Board Chair to Strengthen Communications with Advisory Boards**

The final topic concerned a proposed response to GAO’s December 2009 report on the Board’s communications with Smithsonian advisory boards. Among its observations, GAO recommended that communications between the Regents and the advisory boards be formally codified. GAO was concerned that, without codification, there would be no guarantee that future chairs of the Board of Regents will continue the practices begun by former chair Roger Sant and continued by current Chair Patricia Stonesifer. The Committee concluded that the most appropriate way to codify these responsibilities would be as a revision of the Chair’s position description and, for staff-initiated actions, through amendments to their respective performance plans. The Board approved the revised statement of the duties and responsibilities of the Chair.

*See attached Resolution 2010.04.13 (Minutes of the Board of Regents, Appendix A).*

## REPORT OF THE SMITHSONIAN NATIONAL BOARD

Smithsonian National Board (SNB) Chair Paul Neely reported that the National Board had not met since the Regents’ January 2010 meeting. The SNB will meet on April 22–24, 2010, and will devote part of its discussions to the national campaign. The SNB was originally set up for development purposes and members are looking forward to being actively involved in the campaign. Many projects, such as the recently issued Web 2.0 grants, are funded through the SNB annual giving program and members also provide about \$1 million annually to funds programs at the discretion of the Secretary.

## INSPIRING GENERATIONS THROUGH KNOWLEDGE AND DISCOVERY: HIGHLIGHTS FROM THE COLLECTIONS

Under Secretary for Science Eva Pell briefly commented on activities in two of the

Smithsonian's science collections: the successful hatching of a chick to a rare New Zealand kiwi at the National Zoological Park and the National Museum of Natural History's identification of a meteorite that recently landed in a medical office in Northern Virginia. The Division of Mineral Studies has been studying the meteorite and hopes that it will become part of its Meteorite Collection.

Under Secretary for History Art and Culture Richard Kurin noted the Freer Gallery of Art's recent acquisition of a 600-year-old Asian tea jar with a documented provenance; the National Museum of American History's acquisition of First Lady Michelle Obama's inaugural gown; and the donation of personal items of abolitionist Harriet Tubman, including a lace shawl that was a gift from Queen Victoria, to the National Museum of African American History and Culture.

## REPORT OF THE FACILITIES COMMITTEE

Facilities Committee Chair Robert Kogod reported that the Committee met on February 22, 2010, and discussed the Legacy Fund, the Smithsonian's management of stimulus funds received from the American Reinvestment and Recovery Act, and the impact of the February 2010 snowstorm on the Institution's facilities.

The Committee expressed concern that Senator Dianne Feinstein (D-CA) might rescind language in the appropriations bill that supports the Smithsonian's ability to access Legacy Fund monies. Although the Smithsonian has not raised the \$30 million considered necessary to access the funds, the Committee is hopeful that the appropriations language will remain unchanged.

A major focus of the Committee's meeting was the impact of the February 2010 snowstorm on Smithsonian facilities. The record-breaking snowstorm, which closed the Federal government in Washington, D.C., for four days, led to the collapse of Garber Facility Building 21. The facility housed artifacts from the National Air and Space Museum's collection, some of which were damaged. The situation demonstrated the importance of the Institution's efforts over the last five years to provide appropriate long-term, offsite storage for the collections. The National Zoological Park sustained damage to some of its lightweight animal enclosures and the Arts and Industries Building experienced minor damage to its roof. The Committee asked the Office of Facilities Engineering and Operations to provide a report on the Institution's efforts to prepare for similar events in the future.

## REPORT OF THE AUDIT AND REVIEW COMMITTEE

Audit and Review Committee Chair John McCarter reported that the Committee met on April 7, 2010, and reviewed the Smithsonian's fiscal year 2009 financial statements. For the first time since the 2006 change in reporting standards, there were no material weaknesses or significant deficiencies identified in the Smithsonian's statements. To mirror best practices in the private sector initiated by the Sarbanes-Oxley Act, this year the Committee requested and received a statement from the Secretary and the Chief Financial Officer (CFO) providing assurances of the accuracy of the Smithsonian's reporting and compliance with

applicable laws and regulations. Mr. McCarter praised the work of the CFO and the Inspector General (IG) and commented on the depth of insight that the IG provides to the Institution. He also noted a substantial reduction in prior year audit recommendations, which reflected a greater than 94 percent closure rate.

In compliance with suggested rotation schedules, John Keenan, senior partner of the Smithsonian's external auditors, KPMG LLP, will be replaced by Ellen Harrison as the senior auditor. Mr. McCarter reported that the Committee will perform an annual review of the Smithsonian's insurance program, and that work is progressing on efforts to resolve the Smithsonian's internal controls deficiencies, but more remains to be done.

The Committee proposed that the review of the new IRS Form 990 be delegated to the Committee and that all members of the Board receive an electronic copy of the return in August 2010. The Board approved the motion.

*See attached Resolution 2010.04.14 (Minutes of the Board of Regents, Appendix A).*

## REVIEW OF GOVERNMENT RELATIONS: LEGISLATIVE ACTIVITIES AND ISSUES

Director of Government Relations Nell Payne said there were no updates to the Review of Government Relations, which was included in the Regents' meeting materials.

## REPORT OF THE GENERAL COUNSEL

As an update to her report in the meeting materials, General Counsel Judith Leonard said that, as of this point in fiscal year 2010, the Institution has received a total of 49 Requests for Smithsonian Information. The Office of General Counsel has responded to 38, with an average response rate of 37.9 days.

## ADJOURNMENT

The afternoon session was adjourned at 3:15 p.m., after which the Board met in Executive Session. The meeting of the Board of Regents was adjourned at 3:30 p.m.

Respectfully Submitted,

G. Wayne Clough  
Secretary

## APPENDIX A

### APPROVED RESOLUTIONS

#### APRIL 12, 2010, MEETING OF THE BOARD OF REGENTS

**VOTED** that the Board of Regents approves the minutes of the January 25, 2010, meeting of the Board of Regents. [2010.04.01]

**VOTED** that the Board of Regents creates and names the James F. Buhr Endowment to support charitable and educational purposes of the Smithsonian Institution. [2010.04.02]

**VOTED** that the Board of Regents recognizes the generosity of The Lunder Foundation and Peter and Paula Lunder to the Freer Gallery of Art and Arthur M. Sackler Galleries and approves naming the Lunder Consortium for Whistler Studies. [2010.04.03]

**VOTED** that the Board of Regents appoints Timothy J. O'Neill as a non-Regent member to the Investment Committee. [2010.04.04]

**VOTED** that the Board of Regents appoints Douglas Ahlers, Edgar M. Cullman Jr., Brenda J. Gaines, Edward R. Hintz Jr., Sarah Anschutz Hunt, Dennis J. Keller, David S. Kidder, Sarah E. Nash, Robert C. Pohlard, and Deborah Wince-Smith and reappoints Valerie Anders, Shelby M. Gans, Robert D. MacDonald, Theiline Pigott Scheumann, and Marna Del Mar Schnabel to the Smithsonian National Board for three-year terms, all effective October 1, 2010. [2010.04.05]

**VOTED** that the Board of Regents appoints David Rockwell to the Board of Trustees of Cooper-Hewitt, National Design Museum for a three-year term effective immediately. [2010.04.06]

**VOTED** that the Board of Regents appoints James R. Cargill and Bruce R. McCaw to the Board of the National Air and Space Museum for three-year terms effective immediately. [2010.04.07]

**VOTED** that the Board of Regents appoints Camille Olivia Hanks Cosby, Phillippe El-Asmar, and Christine Matilda Warnke to the Board of the National Museum of African Art for three-year terms effective immediately. [2010.04.08]

**VOTED** that the Board of Regents appoints Colin L. Powell to the Council of the National Museum of African American History and Culture for a three-year term effective immediately. [2010.04.09]

**VOTED** that the Board of Regents, as provided for in Section II.A.2 of the Bylaws of the National Science Resources Center and contingent upon the approval of the Governing Board of the National Academy of Sciences, appoints Bruce Alberts, Phyllis Buchanan, Thomas Carroll, Sven-Olof Holmgren, Kevin Huffman, David Jasmin, Dean Kamen, Marc Kirschner, Lydia Logan, Eric C. Nastasi, Jim Peacock, Kameron Perez-Verdia, Petra Skiebe-Corrette, and Robert Woolard to the Advisory Board of the National Science Resources Center for three-year terms effective June 1, 2010. [2010.04.10]

**VOTED** that the Board of Regents appoints William H. Lomicka to the Advisory Board of the National Zoological Park for a three-year term effective immediately. [2010.04.11]

**VOTED** that the Board of Regents appoints C. Jason Payne to the Advisory Board of the Smithsonian Environmental Research Center for a three-year term effective immediately. [2010.04.12]

**VOTED** that the Board of Regents amends its Bylaws to include the following:

**4.12 Appointment of Citizen Committee Members**

The Board of Regents may approve the appointment by the Chancellor of persons who are not Regents as Citizen Members of standing or special committees with duties and responsibilities as defined by the committee charters and subject to review and, as appropriate, approval by the Regents. [2010.04.13]

**VOTED** that the Board of Regents adopts the proposed revised statement of the duties and responsibilities of the Chair of the Board of Regents. [2010.04.14]

**VOTED** that the Board of Regents delegates the review of the Smithsonian Institution's annual Internal Revenue Service Form 990 return to the Board's Audit and Review Committee prior to its filing with the IRS. [2010.04.15]