

MINUTES OF THE SEPTEMBER 19, 2011, MEETING OF THE BOARD OF REGENTS

ATTENDANCE

This scheduled meeting of the Board of Regents was held on Monday, September 19, 2011. The Board conducted morning and executive sessions in the Regents' Room in the Smithsonian Castle Building; the afternoon session consisted of the fourth annual public forum, which was held in the Hirshhorn Museum and Sculpture Garden's Ring Auditorium. Board Chair Patricia Q. Stonesifer called the meeting to order at 8:30 a.m. Also present were:

The Chief Justice ¹	Shirley Ann Jackson	John W. McCarter Jr.
Xavier Becerra	Sam Johnson	Jack Reed ²
Stephen M. Case	Robert P. Kogod	David M. Rubenstein
Thad Cochran ²	Patrick J. Leahy	Roger W. Sant
France Córdova		Alan G. Spoon

Paul Neely, Smithsonian National Board Chair

Vice President Joseph R. Biden Jr. and Representative Steven LaTourette were unable to attend the meeting.

Also present were:

G. Wayne Clough, Secretary	Tom Ott, President of Smithsonian Enterprises
Patricia L. Bartlett, Chief of Staff to the Secretary	Nell Payne, Director of Government Relations
Claudine K. Brown, Assistant Secretary for Education and Access	Eva J. Pell, Under Secretary for Science
Amy Chen, Chief Investment Officer	A. Sprightley Ryan, Inspector General
Virginia B. Clark, Director of Advancement and Philanthropic Giving	Jeffrey P. Minear, Counselor to the Chief Justice
Bruce Dauer, Interim Chief Financial Officer	T.A. Hawks, Assistant to Senator Cochran
Barbara Feininger, Office of the Regents Senior Writer-Editor (recorder)	Kevin McDonald, Assistant to Senator Leahy
Richard Kurin, Under Secretary for History, Art, and Culture	Moira Lenehan-Razzuri, Assistant to Senator Reed
John K. Lapiana, Chief of Staff to the Regents	Melody Gonzales, Assistant to Congressman Becerra
Judith Leonard, General Counsel	David Heil, Assistant to Congressman Johnson
Evelyn S. Lieberman, Director of Communications and External Affairs	Sarah Cannon, Assistant to Congressman LaTourette
Alison McNally, Under Secretary for Finance and Administration	Janet Abrams, Special Advisor for Organizational Effectiveness
	Scott Miller, Deputy Under Secretary for Collections and Interdisciplinary Support
	Dennis W. Kelly, Director of the National Zoological Park ³

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

² Senators Cochran and Reed were unable to participate in the public forum.

³ Mr. Kelly was the keynote speaker for the Regents' luncheon.

MORNING SESSION

REPORT OF THE BOARD AND EXECUTIVE COMMITTEE CHAIR

Introductory Remarks

Ms. Stonesifer welcomed the attendees and thanked the Regents for their participation in the previous evening's donor recognition dinner. She noted the pending departure of Inspector General (IG) A. Sprightley Ryan and thanked Ms. Ryan for her contributions to the improved governance of the Smithsonian. She also thanked Under Secretary for Finance and Administration Alison McNally, who will assume a new Smithsonian position, for her leadership in initiatives to improve the Smithsonian's organizational structure and culture.

Ms. Stonesifer directed the Board's attention to a fact sheet on the Smithsonian Channel. Smithsonian Enterprises (SE) President Tom Ott presented the first of three brief video clips that demonstrated the content and quality of the channel; the other two were screened later in the meeting. With over 12 million subscribers and many others who watch the award-winning programs online, Smithsonian Channel extends the reach of the Smithsonian to communities that otherwise might not have access to the Smithsonian's resources.

Actions Taken on Behalf of the Board

The Executive Committee took three actions on behalf of the Board after the June 27, 2011, Regents' meeting. The Secretary was authorized to enter into a lease agreement for collections storage space; the fiscal year 2013 Federal budget request was approved for submission to the Office of Management and Budget; and appointments were approved to the Board of Trustees of the Freer Galley of Art and the Arthur M. Sackler Gallery.

Minutes of the June 27, 2011, Board of Regents' Meeting

Mr. Case requested revisions to the draft minutes to clarify two of the Board's discussions. The Board approved the amended minutes.

See attached Resolution 2011.09.01 (Minutes of the Board of Regents, Appendix A).

Purchase of Housing in Gamboa, Panama

Ms. Stonesifer presented the Executive Committee's recommendation that the Board authorize the Secretary to purchase 17 houses in Gamboa from the government of Panama for the use of Smithsonian Tropical Research Institute (STRI) personnel, visiting scientists, and qualifying STRI emeriti staff. Fourteen of the houses would be sold to STRI staff under conditions that preserve the Smithsonian's ability to repurchase the units when the occupants are no longer affiliated with STRI, and three would be retained to house visiting scientists. She reported that the Executive Committee had carefully reviewed the proposal and asked Facilities Committee Chair Bob Kogod to recap those discussions.

Mr. Kogod explained that providing housing for STRI staff and scholars has been a longstanding concern. The terms of the offer from the Panamanian government are favorable to the Smithsonian, and the terms for reselling the houses to STRI staff, many of whom currently lease the units, will present little risk to the Smithsonian. Dr.

Jackson asked if an environmental assessment had been conducted. Mr. Kogod said that both an environmental assessment and due diligence on the structures will be conducted to protect the interests of the Smithsonian. The Board approved the proposed motion.

See attached Resolution 2011.09.02 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE SECRETARY

Secretary Clough reported that Albert G. Horvath, Under Secretary for Finance and Administration and Chief Financial Officer designee, would assume his new position the following week. He thanked Under Secretary for Finance and Administration McNally for her leadership, noting that, among other things, she crafted the four-pillar strategy for funding the national campaign. Ms. McNally will be a special advisor to the Secretary with a focus on the national campaign.

Visitation and Outreach

As of August 2011, the number of fiscal year-to-date visitors totaled 27,525,437, a slight decrease of about 400,000 from the previous year.

Earthquake and Hurricane Update

Smithsonian structures in the greater Washington, D.C., area were impacted by the recent earthquake and aftershocks. Although three storage pods at the Museum Support Center were seriously damaged, nearly all of the collections were unharmed. Visitors, staff, and volunteers were evacuated safely, with the exception of one employee who is recovering at home. The Secretary expressed his appreciation for the excellent staff response, which also included round-the-clock preparations for the landfall of Hurricane Irene days later. Pending further assessments, preliminary repair costs are estimated to be at least \$20 million. Secretary Clough said that earthquake response training is needed, as many staff fled their buildings instead of seeking protective areas within the facilities.

Fiscal Years 2012 and 2013 Federal Budgets

A Continuing Resolution (CR) below the fiscal year 2011 level is likely, and it is probable that the Smithsonian will begin fiscal year 2012 with a 1.5% reduction to its current operating budget. Facilities capital funding for fiscal year 2012 is a concern. Funding for facilities capital and for National Museum of African American History and Culture (NMAAHC) construction was reduced in the House bill. It is hoped that the continued support of key members of Congress will enable the Smithsonian to address its facilities capital and NMAAHC issues.

The fiscal year 2013 Federal budget was submitted to the Office of Management and Budget. The Secretary said that Interim Chief Financial Officer Bruce Dauer and Under Secretary McNally would provide a more in-depth Federal budget report later in the meeting.

Trust Budget and the National Campaign

The Secretary expressed hope that the Smithsonian will achieve its fiscal year 2011 fundraising goal of \$175 million, which he characterized as "aggressive." As of August 30, 2011, \$162 million was raised. In comparison, year-to-date fundraising results in August 2010 totaled \$114 million. The Secretary said Mr. Dauer and Ms. McNally's

report also would review the Trust budget.

The Secretary congratulated staff on efforts to shape the national campaign. To date, funds raised during the first year of the campaign—its “quiet phase”—total about \$357 million, which is \$2 million above the campaign’s fiscal year 2011 goal and almost 25% of the total campaign goal of \$1.5 billion. Thirty percent of campaign gifts are for endowments.

Grants and Contracts

System and staff improvements have contributed to the Smithsonian’s steady progress towards achieving its strategic plan goal of doubling the number of grants and contracts received. The Secretary said an exceptionally competitive \$3 million Integrative Graduate Education and Research Traineeship (IGERT) grant was awarded to STRI and the University of Illinois by the National Science Foundation. The funding will support vertically integrated training with genomics.

Construction Update

The Secretary directed the Board’s attention to the construction update in the report prepared by the Office of Policy and Analysis. Projects included the Arts and Industries Building stabilization project; the seal and sea lion exhibit at the National Zoo; the renovation of Cooper-Hewitt, National Design Museum; and the new program space at the National Postal Museum. Two LEED gold projects also were noted: the Mathias Replacement Laboratory at the Smithsonian Environmental Research Center and the facility upgrades to support the partnership program between the Smithsonian Conservation Biology Institute and George Mason University.

Endowment Update

As of August 31, 2011, the Endowment totaled \$1.021 billion. Preliminary fiscal year-to-date performance is 6.0% versus the 5.7% benchmark. The Secretary thanked the Investment Committee and Office of Investments staff for their management of the Endowment.

Smithsonian Enterprises

Smithsonian Enterprises is on track to achieve its fifth consecutive year of net gain growth and may exceed its stretch goal. The Secretary thanked Mr. Ott for his leadership. Vista Research reader/user surveys named *Smithsonian* magazine’s website (smithsonian.com) the “most interesting” of its type in the country. A QVC show of jewelry from the National Museum of the American Indian did well, and the Smithsonian Channel launched a successful (and free) app. The Smithsonian book *Falling to Earth* by Apollo 15 astronaut Al Worden is now on the *Los Angeles Times* bestseller list.

Collections

The Secretary recognized the efforts of Deputy Under Secretary for Collections and Interdisciplinary Support Scott Miller and his staff for providing a consistent, pan-institutional view of collections. He said Dr. Miller would present a report on the collections later in the meeting.

Education and Reaching New Audiences

Guests at the previous evening’s donor appreciation dinner viewed the new National Museum of the American Indian education center. Innovative education centers also are being developed at the Hirshhorn Museum and Sculpture Garden, the National Museum of American History (NMAH), the National Museum of Natural History (NMNH), and the Smithsonian American Art Museum. The new Natural History

Museum center will be 10,000 square feet in size, will be designed to respond to the *Written in Bone* exhibition, and will offer hands-on access to over 20,000 objects from the collections.

The Office of the Assistant Secretary for Education and Access completed its first round of Youth Access Planning, Research, and Development grants, which are funded by a grant from the Bill & Melinda Gates Foundation. Level one planning grants have been awarded to 17 units. Implementation grant proposals have been submitted and are being evaluated. The Secretary noted that the earthquake abruptly ended an education planning meeting with the Secretary, Assistant Secretary for Education and Access Claudine Brown, Regent representatives, and other senior leadership.

The Smithsonian mobile app is now available in Apple stores. The online magazine *Mashable* recognized the Smithsonian for its use of digital and mobile technologies to create accessible, interactive, educational, and engaging experiences for users.

The second version of the Encyclopedia of Life initiative, EOLv2, was launched in September 2011. The EOL portal provides access to verified information from over 180 content providers on 700,000 documented species. English, Arabic, and Spanish language interfaces are available.

Digital Public Library of America

The Smithsonian is partnering with the National Archives and the Library of Congress to support the creation of an accessible, searchable digital public library. The group selected the Smithsonian's platform for its response.

Recognition and Awards

Recent recognition events included the Cooper-Hewitt's National Design Awards luncheon, which was hosted by the First Lady at the White House. Nancy Knowlton, NMNH senior scientist and Sant Chair for Marine Science, was awarded the \$100,000 Heinz Award for broadening the understanding of ocean biodiversity and the impact of humans on marine life. The Edward O. Wilson Biodiversity Technology Pioneer Award was given to John Kress, director of the Consortia for Biodiversity and NMNH scientist, for his participation in the development of the Leaf Snap App. Smithsonian Astrophysical Observatory scientist Justin Kasper was named one of *Popular Science* magazine's 2011 "Brilliant Ten" young scientists who conduct cutting-edge research. He designed and developed a solar probe that will physically "touch" the sun.

The Secretary noted that the Smithsonian was recognized as the first of 28 Federal agencies to complete projects funded by the American Recovery and Reinvestment Act of 2009.

The National Zoo's chapter of the American Association of Zoo Keepers (AAZK), the National Capital AAZK Chapter, was selected from a pool of over 90 national chapters and named AAZK Chapter of the Year. The award recognizes the Zoo's commitment to conservation and dedication to animal care.

Haiti Recovery Project

The Smithsonian's two-year recovery and conservation effort in Haiti is in its final stages. Over 30,000 objects have been recovered and stabilized and 150 Haitians have been trained in conservation techniques. An additional Federal grant might be awarded to address some of the unfinished projects.

SI Redesign

The Smithsonian Redesign project is ongoing. Operational efficiencies have been achieved that support staff efforts to focus on strategic objectives and identify opportunities to save money and time. The results of a pan-institutional metrics redesign initiative led by NMNH Director Cristián Samper will be demonstrated to the Board during its January 2012 meeting. Called “Presto,” the project will go live on October 1, 2011.

Update on the Fiscal Year 2011 Organizational Goals

The Smithsonian is on track to meet nearly all of its fiscal year 2011 goals. One sub-goal experienced significant issues because congressional approval of the Federal budget was delayed until April 2011, forcing the Smithsonian to operate under a CR. A computer database provides daily updates with detailed goal-tracking reports.

SMITHSONIAN INSTITUTION FISCAL YEARS 2012–2015 PAN-INSTITUTIONAL GOALS

Pan-Institutional Goals for Fiscal Years 2012–2015

The Secretary presented a new format for the pan-institutional goals. Based on the strategic plan, seven goals were identified for fiscal year 2015:

1. Establish the Smithsonian as national leader in each Grand Challenge area by pursuing comprehensive strategies that build upon Smithsonian strengths in research, collections, exhibitions, and education and outreach, and emphasize interdisciplinary activity
2. Clarify and expand the Smithsonian’s leadership role in education for learners of all ages
3. Broaden access to reach new and diverse audiences using a variety of tools of engagement
4. Strengthen collections stewardship to ensure the vitality and accessibility of the Smithsonian’s vast and diverse collections
5. Build financial strength and ensure accountability
6. Optimize Smithsonian assets by developing and sustaining physical infrastructure, information technology capabilities, and human capital
7. Cultivate the Smithsonian as a “Learning Organization” committed to openness, inclusion, innovation, and continuous improvement

Discrete milestones will be established or updated each fiscal year to track progress towards achieving the seven goals. The Secretary’s presentation included proposed goals for fiscal year 2012. A proposed motion to affirm the goals was included in the advance meeting materials.

Discussion

Revisions to the proposed goals and milestones were discussed. Mr. Sant noted that, although efficiency and productivity milestones were included, the plan should clearly address cost reductions. Representative Johnson noted the importance of a cost-reduction goal, especially with respect to the current financial and political climate. Dr. Córdova suggested modifying the fifth goal to include cost reductions. Mr. Sant said the milestones also should articulate increased efficiencies in operations, which comprise over 30% of the total budget. Ms. Stonesifer agreed that the revised goals should clearly state the Smithsonian’s commitment to reducing costs.

Mr. Case suggested emphasizing collaboration as a core institutional value. Dr. Córdova added that collaborative activities offer revenue-generating potential.

Ms. Stonesifer noted the goals reflect a bottom-up collaborative process that included significant input from unit directors. The goals shape the development of the Federal budget, as well as scenario planning for both decreases and increases in Federal appropriations.

The Board agreed the goals were on track, but should be revised and presented to the Executive Committee for affirmation on behalf of the Board. Ms. Stonesifer said the revisions should include modification of goal five to include specific objectives around cost controls; strengthened objectives around collaboration; and expanded philanthropic milestones that include the development of philanthropic pipelines. Dr. Córdova added that goal six should clearly state the Smithsonian's commitment to identifying and managing safety risks. Ms. Stonesifer thanked the Board for its contributions to the development of the goals.

BRANDING INITIATIVE UPDATE

Progress and Planning Update

Mrs. Lieberman thanked the Board for the opportunity to give a branding update, answer questions, and solicit feedback. The meeting materials included responses to the Regents' prior questions about the brand strategy. She announced the appointment of Pherabe Kolb as Associate Director for Strategic Communications. Ms. Kolb will oversee the branding project and internal communications, including business branding.

Mrs. Lieberman said that staff and stakeholders' initial response to the branding strategy has been positive, and unit directors are eager to launch the branding initiative. Since June 2011, over a dozen workshops have been conducted with unit directors, communications staff, and development officers. The purpose of the workshops is to ensure that staff understand the brand strategy and know how to apply it to everyday activities. The summer workshops also addressed the overlap between the branding initiative and the national campaign. More workshops are scheduled to support the collaboration and participation of every unit and staff member in the branding initiative. The outcome of these efforts will be the development of strategies and guidelines that shape and measure the work done every day at the Smithsonian.

Staff will be introduced to the branding initiative at an internal launch event currently scheduled for October 19, 2011. The event will be in the Reynolds Building's Kogod Courtyard and webcast on PRISM for staff unable to attend. Its purpose will be to revitalize excitement about working for the Smithsonian, explain the vision for the Smithsonian's future, and demonstrate that staff commitment and engagement is needed to realize that vision. Mrs. Lieberman said staff may begin the judicious use of the brand tagline "Seriously Amazing" after the internal launch.

The internal launch event being funded by Target and developed by staff and Target's

ad agency, Wieden & Kennedy. Smithsonian branding consultant Wolff Olins also is contributing to the internal and external launch of the branding initiative. The internal implementation of the branding initiative will lay the groundwork for its external implementation, including an advertising launch scheduled for spring 2012.

Discussion

Ms. Stonesifer asked about using SE media vehicles, such as Smithsonian Channel and *Smithsonian* magazine, to support the momentum of the branding initiative. Mrs. Lieberman said branding staff have met with SE President Tom Ott, and SE staff will contribute to the implementation of the branding initiative.

Mr. McCarter asked if special efforts are being made to engage curatorial staff in the branding effort. Mrs. Lieberman said one of the goals of the branding strategy is to “bring to life” the work of Smithsonian curators. The internal implementation of the brand strategy will include targeted work with curators to expand their engagement with the public and increase public understanding of the important work they do.

Dr. Jackson inquired if there are plans to beta test the brand strategy’s messages with key supporters. Mrs. Lieberman said metrics are being developed to beta test messages with the audiences the Smithsonian is trying to reach.

Mr. Spoon asked about the development of a media budget, noting that the defined ambitions and scope of the branding initiative will determine the minimal media budget required and guide fundraising efforts in support of that budget. Mrs. Lieberman said the spring 2012 advertising launch will receive support from Target. Some television spots, outdoor advertising, and print ads also will receive backing from Target. Mrs. Lieberman noted that both staffing and funding for the branding initiative are limited, and said Director of Advancement and Philanthropic Giving Ginny Clark has offered guidance on strategies to raise funds to support the branding initiative.

Mr. Rubenstein said the initiative is actually a “rebranding” of the Smithsonian, and noted that a rebranding effort is more challenging as it requires changing, not creating, perceptions. He said that the Smithsonian must demonstrate its serious commitment to the success of the branding initiative. He asked if the branding initiative and the national campaign will use different logos and noted their potential for confusion, given that both will be released at about the same time.

Senator Leahy agreed with Mr. Rubenstein’s remarks about rebranding. He compared the deep budgets that fund commercial branding campaigns and the limited resources available for the Smithsonian’s branding initiative, and said the Smithsonian must consistently present “over the top” experiences that are “Seriously Amazing.”

Mr. Case said the response to the Regents’ previous comments on the brand strategy progress was excellent. He noted the importance of separating “what we say” from “what we do,” adding that the latter is the most critical. He suggested the external launch schedule be flexible to ensure that criteria are first established to determine what qualifies as “Seriously Amazing,” as well as to make certain that the Smithsonian is prepared to present a significant quantity of “Seriously Amazing” content.

Ms. Stonesifer said considerable progress has been made on the branding initiative and asked that the Board receive an update during its January 2012 meeting. The report should address two issues: the scope and content of an extended media plan, including realistic goals for funding it, and the criteria for determining which Smithsonian projects are “Seriously Amazing” in both their substance and their ability to generate attention for and enthusiasm about the Smithsonian brand.

SMITHSONIAN NATIONAL COLLECTIONS

Introduction

Ms. Stonesifer said the collections report would focus on the responsibilities and challenges presented by the stewardship of the Smithsonian’s collections. She said the in-depth review was prompted by both the Smithsonian’s commitment to the care of its collections and recent Office of the Inspector General (OIG) reports on collections care deficits. She added that the Audit and Review Committee continues to closely monitor the improvements and the challenges to the care of the collections.

Deputy Under Secretary for Collections and Interdisciplinary Support Scott Miller

Secretary Clough introduced Deputy Under Secretary for Collections and Interdisciplinary Support Scott Miller, and said his appointment supports the first-ever pan-institutional view of the national collections. Dr. Miller’s extensive experience in science collections, as well as his training in entomology, provides a unique perspective for the stewardship of the Smithsonian’s collection of 137 million objects, 126 million of which are scientific specimens. Noting that the Federal government has placed increased emphasis on the care of national treasures, the Secretary added that Dr. Miller is cochair of the Interagency Working Group on Scientific Collections.

Dr. Miller thanked the Board for the opportunity to discuss the national collections, saying the collections are both the Smithsonian’s greatest asset and its biggest challenge. The collections are notable for their size and the diversity of materials, uses, and units that utilize them. There also are differences in their management.

Collections Prioritization and Management Processes

The pan-institutional management of the Smithsonian’s collections requires a strategic and pragmatic approach that includes assessing both objects and discrete collections, developing long-term funding plans, and prioritizing both when and how issues will be addressed. Dr. Miller explained that there are three parallel prioritization and management processes under way:

1. Collections care assessment and prioritization (e.g., care at the object level)
2. Digitization assessment and prioritization
3. Collections space survey and planning, including 2.1 million square of space supporting collections management-related activities

Significant progress has been made in upgrading the Smithsonian’s collections spaces, especially over the last five years. The Smithsonian has done well by securing appropriations to support these efforts, and over \$400 million has been directed to strengthening the foundation for effective collections stewardship. These upgrades, Dr. Miller noted, prevented extensive damage to the collections during the recent earthquake and hurricane. The majority of the structural damage was to older, unrenovated Museum Support Center storage pods.

OIG Audits

Dr. Miller reported on the OIG audit recommendations. Federal budget requests for fiscal years 2011–2013 have included funding to address issues identified in OIG reports, and some fiscal year 2011 monies were redirected to support improvements at NMAH.

Dr. Miller said that the audits of NMAH and Cooper-Hewitt, National Design Museum (CHNDM) collections demonstrate pan-institutional differences in collections care and management. Some museum collections, such as those at NMAH, are large and old, and have problems that have accumulated over a significant span of time. CHNDM is a smaller museum undergoing renovations that required the relocation of collections. The assessments and documentation of CHNDM collections have been conducted according to industry standards.

Collections Standards

Dr. Miller spoke of the Smithsonian's role in the development of national and international collections standards. The Smithsonian is especially involved in Federal initiatives, and a Smithsonian-led committee provided collections stewardship recommendations that were included in the America Competes bill approved in 2010.

Challenges and Risks

In discussing challenges and risks to the national collections, Dr. Miller said it is important to recognize that many collections-related problems, especially in older museums, have accumulated over many years. Although many collections met prior standards of care, some units have been unable to keep current with changing industry standards. The greatest contributor to this problem has been ongoing budget erosion, which has resulted in the weakening of collections management. The infrastructure for information management has become vulnerable, and the Smithsonian's depth of expertise has been diminished.

The Smithsonian also is challenged by limitations in the ability to describe collections stewardship issues, as wide recognition of industry standards does not yet exist. In addition, some collections require specialized care and infrastructure, especially in response to ongoing changes in technology.

The Smithsonian's care of its collections must be holistic and include assessments of space, object care, curatorial knowledge, and cost-effectiveness. Dr. Miller noted the challenge of balancing the centralization of services, such as digitization, with the need for supporting unit-based areas of expertise and activities.

Discussion

Mr. Rubenstein asked if the quantity of objects in the national collections is necessary and if deaccession efforts would help control stewardship expenses. Dr. Miller explained that significant numbers of objects have been deaccessioned, or are being considered for deaccession, as part of ongoing reviews of collections; he cited the process of reviewing and moving National Air and Space Museum collections from the Garber Facility to the Udvar-Hazy Facility as an example. He noted, however, that object-handling expenses incurred during a deaccession sometimes are greater than the cost of keeping an object.

Mr. McCarter said the Smithsonian will continue to be confronted with an ever-expanding collection. Its research-based collections present limited deaccession opportunities and major quantities of materials are submitted for accession each day,

such as the collections of universities moving away from collections-based research. A strategic framework is necessary to support the Smithsonian's ability to acquire collections in a focused, strategic, and restrained manner. Mr. McCarter commented that rapid developments in research technology continue to transform how museums operate, how research is conducted, and what types of analysis are now possible.

Dr. Miller said the Smithsonian has well-defined policies about what it will or will not acquire. Many objects and collections are refused, but some must be accessioned to support Smithsonian research, staff, and exhibitions, as well as to serve the greater community. The Secretary commented on the issues presented by legacy collections. He noted that NMNH is reassessing many historical collections, such as the collection of artifacts from the Wilkes Expedition of 1838–1842, and that NMAH is sharing many objects from its military uniform collections with other military museums.

Mr. McCarter said the Audit and Review Committee has devoted more time on collections stewardship than on any other issue. He said the Smithsonian and the Board are benefitting from pan-institutional oversight of the collections, that Dr. Miller's progress report was excellent, and that the collections stewardship plans for 2012 are solid. He also expressed his appreciation for the efforts of IG Ryan and her staff, noting that they have both challenged and supported the Smithsonian's care of the national collections.

Mr. Kogod agreed much progress has been made but said the Smithsonian must develop a better understanding of its collections capacity and develop plans for dealing with it. Ms. Stonesifer asked if the fiscal year 2012 collections plan, which includes digitization and collections space plans, will address that concern. Dr. Miller said the plan will support progress in collections initiatives but that unit responses will vary because of the diversity of their collections. Ms. Stonesifer suggested the development of a dashboard-like tool to help the Board track progress in collections initiatives.

Dr. Jackson asked if new models are needed for collections management and curation, such as archival standards for time-based art. She said the strategic plan includes the goal "Strengthening Collections" but noted that the implications for pan-institutional curation and collections management are unclear. Responding to Dr. Jackson's comments, Ms. Stonesifer asked Dr. Miller to provide another report to the Board at its April 2012 meeting. She asked that the update provide material for a forward-looking discussion about the collections; the benefits and challenges of new technologies on research and collections care; and the processes and approaches to effective collections stewardship.

Dr. Miller ended his remarks by noting the tremendous impact of technology on collections care and research. In addition to enhancing the ability to capture images of and share information about objects, technological advances now allow researchers to extract new information from older collections, such as biology collections. These capabilities, Dr. Miller said, are being applied elsewhere, creating an exciting but challenging time in the stewardship of the national collections.

FINANCIAL SNAPSHOT AND BUDGET OUTLOOK

Financial Snapshot

Under Secretary McNally provided the fiscal year 2011 financial snapshot for the period ending June 30, 2011, and an updated year-end forecast. Two revenue changes resulted in adjustments to the annual plan. The fiscal year 2011 fundraising target was revised from \$175 million to \$168 million to reflect a slight slowdown in fundraising results and, because of improved media and catalog activity in the third quarter, SE is now likely to reach, if not surpass, its fiscal year 2011 net gain target.

The Smithsonian's annual plan for expenses was adjusted to reflect lower Federal appropriations for fiscal year 2011. The fiscal year 2011 Central Trust, however, is in balance. In an attempt to better define the Smithsonian's true overhead costs, mission-enabling facility costs were separated from non-facility operational costs.

Federal Budget Outlook

Interim Chief Financial Officer Bruce Dauer first discussed the Federal budget outlook for fiscal year 2012. The Smithsonian is positioned to respond to different budget scenarios but the threat of reduced facilities capital funding is of significant concern, especially with regard to the construction of the National Museum of African American History and Culture (NMAAHC). The debt ceiling debate, however, resulted in a higher total than the House mark, and Senate staff appear to recognize the negative consequences of reductions to Smithsonian facilities capital funding.

The Office of Management and Budget (OMB) received the Smithsonian's fiscal year 2013 budget submission, which is based on strategic plan priorities. Mr. Dauer said the best-case scenario for the fiscal year 2013 Federal budget would be a flat budget at the fiscal year 2012 level, and the worst case would reflect a 5% overall reduction in Federal funding from the fiscal year 2012 level.

Mr. Dauer discussed the process used to create a 5% reduction budget. The units submitted budget proposals over two years ago that addressed both increases and decreases in Federal funding. The proposals were reviewed and refined, particularly with regard to their ability to support strategic plan priorities. The fiscal years 2011 and 2012 budgets also contained increases in funding for strategic plan initiatives; these increases were protected in the 5% reduction scenario.

The impact of potential reductions in the fiscal years 2012 and 2013 budgets were reviewed. Funding for facilities capital and maintenance reflect the deepest cuts and are of the greatest concern. Maintaining NMAAHC's construction schedule could require earlier infusions of Trust funding than planned, which would increase interest expenses and require redirection of private funding to the museum's infrastructure. The Smithsonian has historically directed private funding to programmatic activities, such as exhibitions, and Federal funding has been applied to infrastructure requirements.

REPORT OF THE FINANCE COMMITTEE

Fiscal Year 2012 Budget

Finance Committee Chair David Rubenstein reported the committee met in August

2011 to review the third quarter financial report, the fiscal year 2012 budget plan, and the fiscal year 2013 Federal budget submission to OMB. The committee also agreed to recommend that the Board approve the fiscal year 2012 budget for appropriated and Trust funds and, barring material changes in program plans, authorize the Secretary to expend such funds. With regard to Federal funding, Ms. Stonesifer reminded the Board that a CR is anticipated. The Secretary noted the Smithsonian is pursuing Federal support for earthquake repairs. The motion was approved.

See attached Resolution 2011.09.03 (Minutes of the Board of Regents, Appendix A).

Endowment Payout

Mr. Rubenstein said the committee agreed to recommend that the Board approve the proposed Endowment payout ratio for fiscal year 2012. Current policy is to pay out, on an annual basis, 5% of the average market value per share over the previous five years. As was done in fiscal year 2011, the proposed payout includes additional funding to support the national campaign. The motion was approved.

See attached Resolution 2011.09.04 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE INVESTMENT COMMITTEE

As of June 30, 2011, the Endowment enjoyed strong performance on a one-year trailing basis of 18.8% versus 18.3% for the policy benchmark. Mr. Sant asked for an update on the Endowment's performance through August 2011. Whereas the Endowment's fiscal year-to-date performance (October 2010 through August 2011) was 6.0% against a benchmark of 5.7%, its performance dropped 4.2% in August. In comparison, Standard & Poor's index dropped 5.4% during the same period.

DISCUSSION OF THE FISCAL YEAR 2013 BUDGET OUTLOOK

Ms. Stonesifer asked the Board to discuss the anticipated budget challenges for fiscal year 2013. She asked the congressional Regents to advise the Secretary on how to best proceed with Federal budget negotiations, particularly with regard to securing funding for NMAAHC and assuring that no more than a 5% budget reduction is applied to the Smithsonian's Federal budget.

Senator Cochran noted the challenges in the appropriations process but said there is bipartisan support for the Smithsonian. Senator Leahy commented on the "hot button items" in the Smithsonian's appropriations but said that outreach efforts, such as the Secretary's visits to Congress, have generated support for the Smithsonian. He advised that the Smithsonian continue to keep congressional offices informed about new exhibitions and programs, which cultivates constituents' appreciation for the Smithsonian. Updates are provided weekly to congressional offices and daily updates are available via the new Smithsonian app.

Senator Reed agreed the Secretary's efforts have had an impact on the House of Representatives and that there is bipartisan support for the Smithsonian. The key issue, he said, is the construction of NMAAHC and funding reductions for existing facilities capital and maintenance projects. He said there appears to be Senate support for increasing the House mark of \$50 million for NMAAHC in the fiscal year 2012 budget but did not think any increases could reach the requested level of \$125 million. Although the Senate's proposed appropriation for the Smithsonian is better than the House mark, it is still 4% lower than the Smithsonian's fiscal year 2011 appropriation. He speculated that negotiations will result in the development of several House and Senate bills by November 18, 2011. He expressed support for increasing the NMAAHC appropriation and suggested authorizing the Secretary to enter into contracts that will move forward the museum's development while developing funding over several years.

Representative Johnson said, and Representative Becerra agreed, that the Smithsonian's approach to securing Federal funding is on the right track. Representative Becerra said members of Congress recognize Secretary Clough's outreach initiatives and the Smithsonian's good-faith efforts in the development of Federal budgets. What Congress ultimately allocates for the museum, he said, will be largely influenced by the Smithsonian's demonstrated commitment to opening NMAAHC in 2015. He noted the historic significance of the date, and its influence on fundraising efforts, and said that all of the congressional Regents are committed to trying to achieve that milestone.

Ms. Stonesifer expressed her appreciation for the congressional Regents' support, the work of Mr. Dauer and his staff, and the outreach efforts of the Secretary. Mr. Case asked when the outlook will be clear about the Smithsonian's ability to secure, on an incremental basis, the \$450 million in Federal funding necessary to achieve NMAAHC's planned opening. Senator Reed said the impact of the fiscal year 2012 Federal budget on NMAAHC will be known by November 18. Appropriations, however, must be negotiated each fiscal year. Achieving a better fiscal year 2012 appropriation would lay the best foundation for future NMAAHC appropriations.

It will take two-and-a-half years to construct NMAAHC and install its exhibitions. Representative Becerra suggested taking members of Congress on hardhat tours of the construction site as soon as possible. The museum's groundbreaking is scheduled for February 2012. Mrs. Lieberman said the museum's advisory council, the Regents, and major donors will be invited and that a larger celebration will occur in June 2012. Preliminary approval of the building design and permission to proceed with sitework is expected within the next two months.

With regard to overall funding, Mr. Case noted the potential of fundraising updates to strengthen interest in the Smithsonian's priorities and to cultivate new stakeholders. He suggested that Smithsonian communications, such as weekly reports to the Hill and the Smithsonian app, chart the Smithsonian's fundraising progress. Ms. Stonesifer thanked the Regents for their contributions to the discussion.

REPORT OF THE FACILITIES COMMITTEE

Facilities Committee Chair Robert Kogod said the committee met on August 8, 2011, and reviewed Office of Facilities Engineering and Operations (OFEO) updates to the report on projected facilities capital and maintenance requirements for fiscal years 2008–2017. The updates help OFEO track progress on long-term facilities activities while addressing immediate challenges and averting facilities-based crises. The updates also inform efforts to deal with disproportionate cuts to facilities capital and maintenance budgets. The committee discussed the projected facilities capital and maintenance budgets for fiscal years 2012 and 2013. OFEO also provided a status report on major construction and renovation projects.

The committee guided OFEO's successful negotiations for the new Apollo Drive lease and service agreement, which was approved by the Executive Committee on behalf of the Board and previously discussed in the report of the Chair. General Counsel Judith Leonard also updated the committee on the Rancheria litigation.

REPORT OF THE ADVANCEMENT COMMITTEE

Update on the National Campaign

Advancement Committee Chair Alan Spoon reported much progress on the national campaign, which is concluding the first year of its quiet phase. Over \$355 million has been raised towards campaign priorities. Thirty percent of those gifts have been directed towards endowments.

The spirit and themes of the campaign are taking shape. The campaign case will be finalized in fiscal year 2012. The case will be straightforward and encompass projects and initiatives that aspire to:

- tell America's whole story
- inspire lifelong learning
- reach people everywhere
- spark discovery

Campaign projects and gift opportunities will focus on:

- people
- places
- programs
- treasures

Units have developed giving opportunities. Campaign names are under consideration. Experienced staff have been hired and are enthusiastic about contributing to the campaign. Additional staff will be added.

Advancement Committee members, other Regents, and the Secretary are attending unit advisory board meetings to help inform and support the boards' participation in the campaign. The number of unit-based development committees is increasing. Mr.

Spoon commented on NMAH Acting Director Marc Pachter’s compelling ability to “tell America’s story.”

Mr. Rubenstein said work has begun on identifying potential leaders for the campaign. Diversity is desired for the co-chairs and honorary chairs of the campaign. It is anticipated that some of the selections will be made before the April 2012 Regents’ meeting, if not earlier.

It is anticipated that corporate giving to the campaign will account for about 25% of the campaign goal. Advancement staff conducted a careful review of the Smithsonian’s corporate sponsorship policy to ensure the Smithsonian’s policy is competitive with similar organizations, clear about sponsorship benefits, and consistent across all units. Mr. Spoon assured the Board that corporate sponsorship benefits will be appropriate and not compromise the integrity of the Smithsonian.

Fundraising Update

Total fiscal year 2011 gifts will likely reach \$165–167 million, less than the goal of \$175 million. However, the gift pipeline includes a significant number of verbal commitments that will likely arrive in the first quarter of fiscal year 2012. The number of gifts for \$1 million or above increased from 18 in fiscal year 2010 to 28 in fiscal year 2011. Seven of the 28 gifts are \$5 million or more.

Gift Actions

Mr. Spoon presented nine proposed gift actions for the Board’s approval. Two gifts further education, four support learning and scholarship, and three support campaign priorities. Mr. Spoon acknowledged a generous gift recently received from Smithsonian National Board (SNB) Chair Paul Neely. The motions were approved en bloc.

See attached Resolutions 2011.09.05–2011.09.13 (Minutes of the Board of Regents, Appendix A).

The Board was asked to support the establishment of a charitable trust in the United Kingdom. Mr. Spoon explained the benefits and potential liabilities of the arrangement. The trust will allow the Smithsonian to solicit and accept gifts from United Kingdom while providing tax advantages for substantial donations. It also would require the purchase of liability insurance for the Director of Advancement, who would serve as an ex officio, non-voting trustee. Mr. Spoon noted the proposal was carefully reviewed by the General Counsel. The motion was approved.

See attached Resolution 2011.09.14 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE AUDIT AND REVIEW COMMITTEE

Audit and Review Committee Chair John McCarter updated the Board on the committee’s activities, including its September 14, 2011, meeting. He said the next submission of the Smithsonian’s IRS Form 990 will be timelier, more transparent, and provide increased opportunity for comment by the Board. He distributed copies of

the fiscal years 2011 and 2012 collections management plans and noted their emphasis on digitizing the collections.

Mr. McCarter said an OIG report critical of NMAH collections management would soon be released.

The committee reviewed the Smithsonian's audit plans with the Smithsonian's external auditors, KPMG. The committee also met with IG Ryan. The committee discussed the internal leak of an OIG review of SE. Although both OIG and SE agree on some of the report's findings, some issues remain in dispute, such as cost allocations between individual museums and SE. SE is working to resolve the identified issues.

The committee also reviewed the OIG audit plan for 2012. Mr. McCarter expressed his respect and appreciation for IG Ryan. He thanked Ms. Ryan for her efforts on behalf of the American public, the United States government, the Smithsonian, and the Regents' Audit and Review Committee.

REPORT OF THE STRATEGIC PLANNING AND PROGRAMS COMMITTEE

Potential Acquisition of the Collection of the American Folk Art Museum

Strategic Planning and Programs Committee Chair France Córdoba directed the Board's attention to a report on Smithsonian programs and initiatives that are currently under review by the committee. Under Secretary Kurin updated the Regents on the potential acquisition of the renowned collection of the American Folk Art Museum in New York City. The addition of the collection to the holdings of the Smithsonian American Art Museum would result in the finest representation of American folk art in the world. A partnership agreement with the Brooklyn Museum is being explored to support the collection's ongoing presence in New York.

Review of Pan-Institutional Exhibition Calendar

Dr. Córdoba discussed the committee's review of a pan-institutional exhibition calendar. Two exhibitions were identified for potentially sensitive content, both of which consider different aspects of President Thomas Jefferson's life. NMAH will open an exhibition dedicated to the "Jefferson Bible" on November 11, 2011, and the National Museum of African American History and Culture will open *Jefferson and Slavery at Monticello: Paradox of Liberty* on January 12, 2012, also at NMAH. The latter is being organized in conjunction with the Thomas Jefferson Foundation. Both exhibitions will receive a combined SD 603 review. Ms. Stonesifer thanked Dr. Córdoba for leading the committee's response to the lessons learned from the *Hide/Seek* exhibition and its advance review of Smithsonian exhibitions.

REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

Reports of the Government Accountability Office

Governance and Nominating Committee Chair Shirley Ann Jackson reported the Smithsonian received written confirmation that the Government Accountability Office (GAO) has closed its review of the Smithsonian's governance. She thanked Mr. Sant and Ms. Stonesifer for their leadership in the reformation of the Smithsonian's

governance. Dr. Jackson said the remaining recommendations of the GAO report on Smithsonian facilities also had been closed, including the recommendation that the Smithsonian articulate how the national campaign will address the challenge of longstanding facilities maintenance and revitalization issues. She recognized the contributions of Facilities Committee Chair Kogod, as well as those of Secretary Clough and Smithsonian staff.

Leadership Succession Planning

Dr. Jackson noted upcoming changes in the membership of the Board of Regents. She reminded the Board that Mr. Spoon will step off of the Board in May 2012, although he will remain closely involved in the national campaign. Mr. Sant and Ms. Stonesifer will conclude their second terms in November and December 2013, respectively. The committee is beginning the process of identifying candidates to fill Mr. Spoon's position and will present its findings to the Board at its January 2012 meeting. The results of the Regents' annual self-assessment also will be reviewed at that meeting.

Advisory Board Appointments

Proposed appointments or reappointments of members to 11 Smithsonian advisory boards were presented for the Board's approval. The proposed slate of candidates includes Sakurako Fisher as vice chair of SNB. SNB Chair Neely noted Ms. Fisher's many contributions to SNB and to the Regents' Advancement Committee, where she serves as a non-Regent member. The motions were approved en bloc.

See attached Resolutions 2011.09.15–2011.09.25 (Minutes of the Board of Regents, Appendix A).

Designation of a Regent Representative on NMAAHC Council

Dr. Jackson said the statutory charter for the NMAAHC Council calls for the designation of a representative from the Board of Regents to serve as a member. She reported that Representative Becerra, if so-designated, had agreed to serve on the Council. As a member of the bipartisan congressional "Super Committee," Mr. Becerra will be able to provide wise counsel as the museum seeks necessary Federal appropriations. The lead House sponsor for the establishment of a Smithsonian Museum of the American Latino, he also is especially sensitive to the mission and purpose of museums that recognize the unique cultures and contributions of different American populations. A motion for Representative Becerra's designation was approved.

See attached Resolution 2011.09.26 (Minutes of the Board of Regents, Appendix A).

SE President Ott presented the third Smithsonian Channel video clip. Ms. Stonesifer noted the role of the Board of Regents in the creation of the channel, and that its success provides critical support to the strategic plan goal of expanding access. The Board then conducted an executive session.

EXECUTIVE SESSION

The Board considered three recommendations from the Governance and Nominating Committee regarding the 2012 Board leadership. As Dr. Córdova, Ms. Stonesifer, and Dr. Jackson respectively recused themselves, the Regents approved motions to elect

Dr. Córdova as Board Chair, Ms. Stonesifer as Board Vice Chair, and Dr. Jackson as a member of the Executive Committee, all effective January 24, 2012.

See attached Resolutions 2011.09.27–2011.09.29 (Minutes of the Board of Regents, Appendix A).

The morning session adjourned at 1:05 p.m. National Zoological Park Director Dennis Kelly provided a luncheon presentation on the Zoo’s contributions to the increase and diffusion of knowledge, particularly with regard to the Grand Challenges “Understanding and Sustaining a Biodiverse Planet” and “Valuing World Cultures.” He also noted the key challenges and opportunities presented in the advancement of Zoo initiatives. Following the luncheon, Mrs. Lieberman briefed the Board on the public forum.

AFTERNOON SESSION

FOURTH ANNUAL PUBLIC FORUM WITH THE BOARD OF REGENTS

The theme of the fourth annual public forum was “Strength in Austerity.” Smithsonian Chancellor John G. Roberts Jr., the Chief Justice of the United States, called the forum to order at 2:30 p.m. in the Hirshhorn Museum and Sculpture Garden’s Ring Auditorium.

The Chancellor provided a brief overview of the Board, its responsibilities, and the role of the Smithsonian Chancellor, and announced the Board leadership for 2012. The Regents introduced themselves, after which Board Chair Stonesifer explained the purpose of the public forums and provided a summary of the morning business meeting. She noted the majority of the meeting had been devoted to discussions about how to protect and advance the financial and mission strength of the Smithsonian during a time of constrained resources. The Secretary summarized his morning report to the Board. His report recognized the many contributions of Smithsonian staff.

Ms. Stonesifer said that, like the morning discussions of the Board, the forum’s theme—“Strength in Austerity”—would consider how to help the Smithsonian thrive during a time of decreases in Federal support and rising uncertainty about the economy and its impact on philanthropy, the second largest source of funding for the Smithsonian. She said she would pose targeted questions to the Board before opening the meeting for questions and feedback from forum attendees and online participants.

Ms. Stonesifer asked how the Smithsonian can make the most compelling case to Congress for Federal funding. Representative Becerra said the best advocates for the Smithsonian are its visitors, and that citizens must express their strong support for the Smithsonian to their congressional representatives. Representative Johnson noted the important contributions of the Smithsonian to the lives of all Americans, especially children, and commended Smithsonian leadership for its efforts to respond to reductions in Federal support. He said the congressional Regents are committed to helping the Smithsonian protect and advance its mission strength. Senator Leahy said the Smithsonian must increase publicity to both the Congress and the public about the importance of Smithsonian resources and the impact of reduced funding on the Smithsonian’s ability to sustain its programs.

Ms. Stonesifer asked how the Smithsonian can cultivate significant and dependable increases in philanthropic support during a time of economic uncertainty. Mr. Spoon said that, despite current economic conditions, the Smithsonian can successfully achieve its fundraising goals. Noting that the goals and aspirations of the strategic plan support a compelling fundraising case, he said the development of a national campaign will systematically expand fundraising efforts. Mr. Rubenstein said the current economic environment is not as challenging as it was in 2007 and 2008, when philanthropic giving experienced a modest drop, and noted the national campaign will

be a long-term effort. Both Mr. Spoon and Mr. Rubenstein noted that, unlike universities, the Smithsonian does not have an alumni donor base but that it does have a broad, historically deep appeal to most Americans.

Mr. Kogod was asked how the Smithsonian can ensure continued progress on the facilities revitalization and maintenance initiatives of the last 10 years, especially in light of the fact that these efforts rely heavily upon Federal support. Mr. Kogod noted the challenge of raising private funds to support the Smithsonian's infrastructure, adding that the development of the national campaign addresses this issue. He said the Board is hopeful that current appropriation shortfalls are only short term and that Congress will again provide sufficient funding for facilities revitalization and maintenance. The Smithsonian's administration and Board recognize their responsibility to maintain the Smithsonian's infrastructure, and will continue to closely monitor Smithsonian properties and pursue all available options to protect America's treasures.

Drs. Córdova and Jackson discussed the possible impact of reduced Federal funding on the Smithsonian's scientific research, as well as what measures could be taken to increase, or at least maintain, Federal and private support for these programs. Dr. Córdova said the Smithsonian should further interdisciplinary research in support of the four Grand Challenges and expand the scope of its partnerships with universities and other countries. She said the Smithsonian must communicate its assets and successes more effectively, as well as foster scientific literacy among youth through more on-site and online educational opportunities. Dr. Jackson said scientific research benefits from a strategic focus, and that the strategic plan provides a framework to support that focus. Both Dr. Jackson and Dr. Córdova agreed that the Smithsonian has long been recognized for its ability to attract and retain key leaders in their fields. A fundamental priority is investing in and better leveraging the Smithsonian's intellectual capital, including the facilities that support such work.

Mr. Sant, who is a member of the NMNH advisory board, said potential NMNH donors respond to the museum's strategic focus on "big ideas," and then welcome the opportunity to contribute to exciting initiatives that have the potential to change the world. He said the strategic plan focuses the Smithsonian's ambitions, and the redesign initiative has put it in a stronger position to deal with austere times.

Ms. Stonesifer posed an overarching question: How can the Smithsonian, given current fiscal restraints, continue to deliver on its ambitious strategic plan? She first asked Mr. McCarter how this question applies to the stewardship of the national collections. Mr. McCarter said the Smithsonian's focus on its collections has been strengthened by the appointment of a Deputy Under Secretary for Collections and Interdisciplinary Support, as well as a pan-institutional commitment to research and sharing the collections.

Mr. Case was asked how the Smithsonian can ensure the success of its education and outreach ambitions. Mr. Case said a blended business model that supports philanthropic giving and increases business and grant revenue will add to the Smithsonian's foundation of Federal support. He also advocated increased collaboration within and outside of the Smithsonian, and said that the expanded use

of digital technology will take the Smithsonian's ideas to more places and more people, including to philanthropic and business leaders. Mr. Neely added that few people are aware of the scope and significance of the Smithsonian's activities, and said the Smithsonian must tell better stories, and tell them in better ways.

The Board then addressed questions from the auditorium and online audiences. The Board responded to a question about the importance of the branding initiative and its ability to reach new audiences and convey the Smithsonian's message in new and meaningful ways. Online access to the whole of the Smithsonian was discussed. Secretary Clough noted the new pan-institutional app and its ability to enhance visitors' experiences and then collect information to support the visits of future stakeholders. Mr. McCarter spoke of the rapidly expanding online EOL initiative. The Smithsonian-led global enterprise currently contains over 700,000 web pages on individual species, is multilingual, and supports the contributions of citizen scientists.

Two questions were received about the gift shops' sale of objects that are not made in America. Secretary Clough noted that each museum gift shop reflects that museum's experience. He emphasized the Smithsonian's commitment to selling more American-made objects but also explained the difficulty in offering items that are manufactured entirely in the America and priced to support the broad demographic range of Smithsonian visitors, many of whom want low-priced souvenirs.

A participant asked about the Smithsonian's role in the future of education. Dr. Córdova said that, under the leadership of the Assistant Secretary for Education and Access, an education strategic plan is under development. The plan will integrate many of the successful educational programs across the Smithsonian while encouraging the efforts of individual initiatives.

The Board was asked if the Smithsonian should charge admission to its museums. Both Senator Leahy and Representative Becerra expressed their strong opposition to the idea, noting that visiting the Smithsonian is a once-in-a-lifetime experience for many visitors, many of whom could not afford to come if admission were charged. They noted that citizens already pay admission through their tax dollars.

A question was asked about how the Board can help the Smithsonian increase the diversity of its staff and programs. Ms. Stonesifer commended the Secretary's focus on diversity and said the strategic plan's emphasis on collaboration supports a culture of inclusion. She also noted that the 2012 Executive Committee will include three females with diverse backgrounds. Mr. Sant said the Board is nonetheless dissatisfied with the status quo and will continue to advocate for increased diversity in Smithsonian staff and programs. Dr. Jackson said the Grand Challenge "Understanding the American Experience" recognizes the diverse citizenry of the United States. She added that the creation of NMAAHC and legislation to create a National Museum of the American Latino both offer opportunities for meaningful focus on individual cultures.

A participant acknowledged the Smithsonian's efforts to broaden access through technology but asked the Board about its commitment to the Smithsonian's national programs, such as Smithsonian Affiliates and the Smithsonian Institution Traveling

Exhibition Service (SITES). Mr. McCarter agreed that the Smithsonian experience can't be focused on the National Mall and that many museums have benefited from the exhibitions and individual objects that come from the Smithsonian. He noted the power of sharing the real objects and expertise of the Smithsonian.

The Board was asked if the Smithsonian is a leader in digital culture. Mr. Case responded that, although progress has been made and many good initiatives are under way, there is still work to be done. He said the next five to 10 years will offer significant opportunities for the Smithsonian to position itself in more global and interactive ways. Another participant asked why the Smithsonian Channel didn't increase its visibility by providing free access. Ms. Stonesifer responded that the majority of programs are available for free on online sites such as YouTube. She noted, however, that the subscriptions fund the quality of the channel's content and are another example of the Smithsonian's efforts to find and blend revenue sources.

A question about sustainability and the use of green technology in the Smithsonian's facilities and maintenance plans was directed to Mr. Kogod. He explained that each revitalization and restoration project makes use of opportunities to employ green technology, and that all new Smithsonian construction will be green. He noted the challenge of making older facilities more energy efficient.

The last question to the Board was about how a 165-year-old institution can be made relevant to a 25 year old. Ms. Stonesifer commented on the diversity of the Smithsonian's visitors and the importance of telling the Smithsonian story in ways that appeal to all ages. Mr. Spoon said new technology allows content to be endlessly rearranged and presented in ways that are more meaningful for different constituents. This ability, he said, has allowed the Smithsonian get closer than it ever has to its young adult stakeholders.

ADJOURNMENT

On behalf of the Regents, the Chancellor thanked the audience for their participation. He noted the Regents' commitment to the Smithsonian and thanked them for their many contributions. The forum was adjourned at 3:45 p.m.

Respectfully submitted,

G. Wayne Clough
Secretary

APPENDIX A: APPROVED RESOLUTIONS OF THE SEPTEMBER 19, 2011, MEETING OF THE BOARD OF REGENTS

VOTED that the Board of Regents approves the minutes of the June 27, 2011, meeting of the Board of Regents. [2011.09.01]

VOTED that the Board of Regents authorizes the Secretary, through the Smithsonian Tropical Research Institute (STRI), to purchase certain houses in Gamboa, Panama, from the Government of Panama; to retain some houses for use by STRI; to resell the remainder of the houses to current STRI staff, research associates, or emeriti staff members who are designated emeriti for this purpose according to specified criteria with the approval of the Under Secretary for Science for renewable three-year periods; and to preserve STRI's ability to reacquire the houses after the buyers are no longer associated (including as designated emeriti) with STRI. [2011.09.02]

VOTED that the Board of Regents approves the budget of appropriated funds for fiscal year 2012 when signed into law by the President, the institutional budget for Trust funds for fiscal year 2012 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. [2011.09.03]

VOTED that the Board of Regents approves a payout rate of up to \$47.00 per share for all Endowment funds for fiscal year 2012. This represents \$39.17 per share for programs and operating costs and up to \$7.83 per share for the National Campaign. [2011.09.04]

VOTED that the Board of Regents recognizes the generosity of UnitedHealth Group to the National Museum of African American History and Culture and accepts the terms of the gift agreement. [2011.09.05]

VOTED that the Board of Regents recognizes the generosity of the State Farm Mutual Automobile Insurance Company to the National Zoological Park and the Friends of the National Zoo, and accepts the terms of the sponsorship agreement. [2011.09.06]

VOTED that the Board of Regents recognizes the generosity of Earl W. and Amanda Stafford to the National Museum of African American History and Culture and names its media arts center the Earl W. and Amanda Stafford Center for African American Media Arts in their honor for 25 years from the date of the public opening of the museum. [2011.09.07]

VOTED that the Board of Regents recognizes the generosity of an anonymous donor to Cooper-Hewitt, National Design Museum, and names the Fred and Rae S. Friedman Rare Book Room for a period of 40 years or until the next major renovation of the space, whichever occurs last. [2011.09.08]

VOTED that the Board of Regents recognizes the generosity of A. James Clark to the National Museum of American History and names the A. James Clark Excellence in History Teaching Program until all funds from the gift are expended. [2011.09.09]

VOTED that the Board of Regents recognizes the generosity of Edgar M. and Margery Masinter and creates and names the Margery and Edgar Masinter Exhibitions Fund, an endowment to provide financial support for Smithsonian American Art Museum exhibitions that present new insights into American art. [2011.09.10]

VOTED that the Board of Regents recognizes the generosity of Mary Brunot to the Smithsonian and creates and names the Mary Brunot Endowment to support the Smithsonian's mission. [2011.09.11]

VOTED that the Board of Regents recognizes the generosity of Ruth O. Selig to the National Museum of Natural History and creates and names the Ruth Osterweis Selig and Rollyn Osterweis Krichbaum Endowment for the Public Understanding of Research about Nature and Culture to support the wider dissemination and public understanding of National Museum of Natural History staff research about nature and culture. [2011.09.12]

VOTED that the Board of Regents recognizes the generosity of the Iran Heritage Foundation to the Freer Gallery of Art and the Arthur M. Sackler Gallery and approves the creation and naming of the Iran Heritage Foundation Curatorial Fellowship, a fellowship in the arts and cultures of Iran that will foster deeper knowledge and understanding of the artistic and cultural legacy of Iran. [2011.09.13]

VOTED that the Board of Regents approves the establishment of a trust in the United Kingdom for the benefit of the Smithsonian; that the Smithsonian Director of Advancement and Philanthropic Giving serve as an ex officio, non-voting trustee; and that the appointment of future trustees be approved by the Board of Regents. [2011.09.14]

VOTED that the Board of Regents appoints Sakurako D. Fisher as vice chair of the Smithsonian National Board for a three-year term effective October 1, 2011. [2011.09.15]

VOTED that the Board of Regents appoints Perry Amsellem, Linda Lichtenberg Kaplan, and Martin E. O'Brien and reappoints Gerald E. Buck, Edward O. Cabot, Martha J. Fleischman, and Diane A. Fogg to the Board of Trustees of the Archives of American Art for three-year terms effective immediately. [2011.09.16]

VOTED that the Board of Regents reappoints Amita Chatterjee, Karen A. Phillips, and Judy F. Zankel to the Board of Trustees of Cooper-Hewitt, National Design Museum for three-year terms effective immediately. [2011.09.17]

VOTED that the Board of Regents appoints David J. Bronczek and Robert A. Milton to the Board of the National Air and Space Museum for three-year terms effective October 1, 2011. [2011.09.18]

VOTED that the Board of Regents appoints Marcella Jones and Renee Stout to the Advisory Board of the National Museum of African Art for three-year terms effective immediately. [2011.09.19]

VOTED that the Board of Regents appoints Matthew K. Rose to the Board of the National Museum of American History for a three-year term effective October 13, 2011. [2011.09.20]

VOTED that the Board of Regents appoints Marshall Turner and reappoints Whitney MacMillan to the Advisory Board of the National Museum of Natural History for three-year terms effective immediately. [2011.09.21]

VOTED that the Board of Regents appoints Anna Chavez, Julia Leach, Daniel Okrent, Clara Shin, and Timothy Sullivan to the Commission of the National Portrait Gallery for four-year terms effective immediately. [2011.09.22]

VOTED that the Board of Regents appoints Marshall P. Cloyd and Gay F. Wray to the newly established Advisory Board of the Smithsonian Astrophysical Observatory for three-year terms effective immediately. [2011.09.23]

VOTED that the Board of Regents appoints Roland A. DeSilva, Nancy L. Eaton, Barbara W. Joynt, and Lowell W. Robinson and reappoints Jerrell W. Shelton and Winfred O'Neil to the Advisory Board of the Smithsonian Institution Libraries for three-year terms effective January 1, 2012. [2011.09.24]

VOTED that the Board of Regents appoints Robert Unánue to the Smithsonian National Latino Board of the Smithsonian Latino Center for a three-year term effective October 1, 2011. [2011.09.25]

VOTED that the Board of Regents, in accordance with the Charter of the National Museum of African American History and Culture, designates Xavier Becerra as its representative on the Museum's Council, effective immediately. [2011.09.26]

VOTED that the Board of Regents elects France Córdova as Chair of the Smithsonian Board of Regents for a one-year term effective January 24, 2012. [2011.09.27]

VOTED that the Board of Regents elects Patricia Q. Stonesifer as Vice Chair of the Smithsonian Board of Regents for a one-year term effective January 24, 2012. [2011.09.28]

VOTED that the Board of Regents elects Shirley Ann Jackson as a member of the Smithsonian Board of Regents' Executive Committee for a one-year term effective January 24, 2012. [2011.09.29]