

MINUTES OF THE BOARD OF REGENTS

November 19, 2007

ATTENDANCE

This regularly scheduled meeting of the Board of Regents was held on Monday, November 19, 2007, in the Regents' Room of the Smithsonian Institution Building. The meeting was comprised of plenary morning and afternoon sessions and an executive session. As the Chief Justice was unable to attend the morning session, Executive Committee Chair Patricia Stonesifer called the meeting to order at 9:05 a.m. Present during the meeting were:

The Chief Justice ¹	Phillip Frost	Doris Matsui
Xavier Becerra ²	Shirley Ann Jackson	Roger W. Sant
Thad Cochran ³	Sam Johnson ²	Alan G. Spoon ⁴
Anne d'Harnoncourt	Robert P. Kogod	Patricia Q. Stonesifer

L. Hardwick Caldwell, Chair, Smithsonian National Board

Vice President Richard B. Cheney, Senators Chris Dodd and Patrick Leahy, and Eli Broad were unable to attend either session of the meeting.

Also present were:

Acting Secretary Cristián Samper
Acting Under Secretary for History and Culture Richard Kurin
Acting Under Secretary for Finance and Administration Allison McNally
Acting Under Secretary for Science Ira Rubinoff
Under Secretary for Art Ned Rifkin
Director of External Affairs Virginia B. Clark
Chief of Staff to the Regents John K. Lapiana
General Counsel John E. Huerta
Chief Financial Officer Alice C. Maroni
Acting Chief Executive Officer for Smithsonian Business Ventures Tom Ott
Director of the Office of Government Relations Nell Payne
Director of Communications and Public Affairs Evelyn Lieberman
Inspector General A. Sprightley Ryan
Assistant General Counsel Elaine L. Johnston
Assistant to the Chief Justice Jeffrey P. Minear
Assistant to Senator Cochran Ann M. Copland
Assistant to Senator Dodd Colin P. McGinnis
Assistant to Senator Leahy Kevin McDonald
Assistant to Congressman Becerra Melody Gonzales
Assistant to Congressman Johnson David Heil
Assistant to Congresswoman Matsui Alexis Marks

¹ The Chief Justice attended the executive session and the afternoon plenary session in part, leaving the meeting following the election of the Chair of the Executive Committee.

² Representatives Becerra and Johnson participated in the executive session by teleconference.

³ Senator Cochran participated in the executive session and afternoon plenary session by teleconference.

⁴ Mr. Spoon participated in the morning plenary session and the executive session.

The morning plenary session of the Board of Regents adjourned for lunch at 11:50 a.m. and the Board reconvened at 1:00 p.m. for an executive session. The executive session was concluded at 3:00 p.m. and the Board of Regents' meeting continued in an afternoon plenary session. The Chief Justice presided over the executive session and Ms. Stonesifer presided over the afternoon plenary session, which concluded at 3:40 p.m. The following matters were discussed:

MORNING PLENARY SESSION

MINUTES OF THE MEETINGS OF JUNE 11 AND 18 AND SEPTEMBER 17, 2007

The Regents voted to approve the minutes of the June 11, June 18, and September 17, 2007, Board of Regents' meetings.

See attached Resolution 2007.11.01 (Minutes of the Board of Regents, Appendix A).

ACKNOWLEDGEMENT OF THE OPENING OF THE ROBERT AND ARLENE KOGOD COURTYARD

Mr. Sant noted that the Robert and Arlene Kogod Courtyard in the Donald W. Reynolds Center for American Art and Portraiture opened over the weekend with a dinner on Saturday, November 17, 2007, and a well-attended family festival on Sunday, November 18. All of the Regents thanked Mr. Kogod for his family's contribution to the beautiful new facility and wonderful opening events.

REPORT OF THE ACTING SECRETARY

Acting Secretary Cristián Samper reported that, as of September 30, 2007, the Smithsonian has successfully closed fiscal year 2007. He added that the Institution is continuing progress on governance reform, as directed by the Board. Dr. Samper noted two significant milestones in this effort. First, all senior executives have been transitioned to an earned leave system, effective October 1, 2007. The transition affected 35 senior executives and was completed successfully

and smoothly. Second, the Institution has made substantial progress in its program for responding to requests for Smithsonian information. Responses to all outstanding requests from the prior year have been completed, except for one that is in progress. It was reported that a Smithsonian directive on information requests from external sources, which reflects the Smithsonian policy of following the Federal Freedom of Information Act (FOIA), had been completed and would be issued that day.

Dr. Samper advised that he had instituted a management reorganization as a result of the departure of Deputy Secretary Sheila Burke. The responsibilities of the former Deputy Secretary have been divided between two new Under Secretary positions. He introduced Alison McNally, who has assumed the position of Acting Under Secretary for Finance and Administration, and Richard Kurin, who has assumed the position of Acting Under Secretary for History and Culture. Further, the Office of the Regents has been established and John Lapiana has been appointed to head that office as Chief of Staff to the Regents. Dr. Samper also reported that Robert Fraga has been appointed as the Institution's Contracting Officer, a key position in the office of the Chief Financial Officer.

Dr. Samper reported that management is devoting significant attention to the ongoing review of Smithsonian Business Ventures, as well as addressing financing options for facilities revitalization, which were agenda topics to be discussed later in this meeting. He informed the Regents that the request for qualifications for potential partnerships for the Arts and Industries Building had been issued, with a response date of January 7, 2008. The Institution will determine how to proceed upon the review and consideration of the proposals received.

Dr. Samper advised the Regents of four areas about which he was concerned, first noting the situation with the current fiscal year (fiscal year 2008) Federal budget. He reported that, although the fiscal year began on October 1, 2007, the Federal budget had not been enacted into law and that the Institution, along with most of the Federal government, was operating under a Continuing Resolution, which provides funding at the prior year's level. It was not yet known whether the Smithsonian would receive a budget increase to fund mandatory cost-of-living salary increases, which would amount to approximately \$22 million. He added that a Federal hiring

freeze had been implemented until the final budget was known. In addition, several new initiatives had been put on hold and one-half of the funding for Institution-wide pooled funds, such as collections preservation and Latino initiatives, would be reserved until the funding situation was resolved. These steps would allow the Smithsonian to stay within budget and avoid furloughs or staff reductions in the event that there no appropriation was provided to cover increases in the Institution's mandatory Federal expenses, including compensation, rent, utilities, and postage.

A second area of concern was related to the renovation and reopening of the National Museum of American History. It was noted that the project was behind schedule, primarily as a result of lead paint and asbestos abatement requirements beyond those originally projected, as well as other apparently unforeseen circumstances. The Regents were advised that the reopening of the Museum may be delayed as a result and that management was working with the contractor to resolve some of the problems. The cost implications were not yet certain and concern was expressed that the construction delays may cause donors to defer or delay their contributions to the project. Management, assisted by Mr. Sant and the Museum's advisory board members, is working closely with major donors to address their concerns.

The third area of concern related to audit deficiencies identified as part of the fiscal year 2006 financial statement audit. While the Institution just had received an unqualified opinion on the Federal portion of the fiscal year 2007 audit, management had difficulty addressing the staffing issues that were noted as a "reportable condition." Once again, the auditors identified the staffing issue as a significant deficiency. An additional accountant was hired for the Office of Investments, and the Chief Financial Officer has been energetically recruiting for other needed positions. However, several offers have been declined and efforts to resolve this concern continue.

The fourth area of concern that Dr. Samper identified is the process for approving corporate sponsorships. He suggested that the Regents review the existing guidelines for soliciting and accepting corporate sponsorships and consider whether any refinements are necessary to ensure that development staff and potential sponsors have clear expectations in this regard. Regent

Jackson, chair of the Governance and Nominating Committee, recommended that this issue be brought to that committee for consideration and recommendation to the full Board of Regents. Regent Kogod noted that the Facilities Revitalization Committee is also interested in this issue as it is developing a plan for fund raising.

Dr. Samper further reported that, despite the concerns he noted and the governance and leadership challenges of the past year, the Smithsonian had a successful year overall. The number of visitors for the year was 24.6 million, a seven percent increase over last year, despite the closure of the National Museum of American History. Web visits also increased, with more than 200 million Web visitors in fiscal year 2007. Work on the Institution's internet strategies is planned for the coming year. The Smithsonian Channel launched with more than 50 hours of programming. The expansion of the Museum Support Center with the building of Pod 5 was completed, a \$42 million project for a state-of-the-art facility finished within budget and ahead of schedule. The move of about 20 million specimens out to the new Museum Support Center facility was under way and going well. Dr. Samper also noted the Institution's steady progress on governance reform initiatives, and expressed his belief that these efforts will strengthen the Institution overall.

Dr. Samper was pleased to report on the Institution's fund-raising success for the fiscal year ending September 30, 2007, resulting in \$166 million (undiscounted) in gifts and pledges from private sources, which was \$50 million more than projected. It most likely will be the second-highest yearly total giving in the history of the Smithsonian. The Smithsonian also received \$104 million in grants and contracts for the year. The total outside funding secured in fiscal year 2007 was about \$270 million dollars. Dr. Samper stated that this success was a tribute to the work of the directors of the museums and the research centers, as well as the development teams throughout the Institution.

Other positive achievements included several recent and upcoming openings, such as the Kogod Courtyard at the Reynolds Center and the new exhibition at the National Air and Space Museum called *America by Air*, which covers the history of commercial air travel in America. The

National Museum of Natural History's butterfly exhibit is on schedule to open in February 2008, and the Museum's new Ocean Hall is on track for a September 2008 opening.

Dr. Samper distributed to the Regents a summary of management's goals for the coming year and highlighted the major priorities. Completing the governance reform initiatives remains a top priority throughout the Institution. Selection of the new Secretary and accomplishing a successful leadership transition is another key issue. Several facilities-related projects are high priorities, including reopening the National Museum of American History, assessing options for the future of the Arts and Industries Building, and developing a comprehensive plan for facilities revitalization. Completing the review of Smithsonian Business Ventures and implementing necessary changes will receive substantial attention. Dr. Samper noted that Smithsonian Business Ventures closed the year \$1.3 million ahead of budget, and noted his intention to apply those additional funds to re-establishing the Scholarly Studies Program to support science and research. Although this is a small program, it contributes significantly to supporting the Smithsonian mission.

Finally, Dr. Samper reported that, even with all of the challenges to address in the coming year, he has initiated a process within the Institution to establish strategic priorities for its long-term future. He noted his intention to identify those areas in which the Smithsonian Institution can make the biggest contribution over the next generation and to convene task forces to develop options for the new Secretary to consider. This process is intended to develop momentum for progress and is important for the future of the Smithsonian.

Ms. Stonesifer commended the Acting Secretary on his report and his focus on establishing clear and significant goals. She noted that a number of the issues raised in the Acting Secretary's report would be discussed later in the meeting and invited questions and comments from the Regents on the report. Dr. Samper clarified the process for hiring the new Contracting Officer and agreed to provide a new organization chart to the Regents. The Regents noted that the summary of his goals that Dr. Samper distributed was prepared as an internal management tool and suggested that a brief summary of the top priorities he described in his oral report would be helpful for conveying this information to Congress.

REPORT OF THE EXECUTIVE COMMITTEE

Ms. Stonesifer noted that she had been elected to serve as chair of the Executive Committee following the expiration of Mr. Sant's first term as a Regent in October 2007. As Mr. Sant had since been reappointed by Congress to a second term, it was noted that the Board would vote that afternoon on his nomination to resume the chairmanship of the Executive Committee. Ms. Stonesifer reported that the Executive Committee met on November 9, 2007, to consider and approve the agenda for this meeting. The Committee discussed two proposed gifts that raised issues regarding the application of existing policies on soliciting and accepting gifts. Those gifts were removed from the agenda and may be reconsidered at a subsequent meeting, after the policy issues are resolved.

Ms. Stonesifer reported that since the last Board meeting the Executive Committee had approved a lease of space at Capital Gallery for the use of both the National Museum of African American History and Culture and for the Office of Inspector General, which will move in early 2008.

APPOINTMENTS TO THE SMITHSONIAN NATIONAL BOARD

Smithsonian National Board (SNB) Chair Hacker Caldwell reported on the recent meeting of the SNB. The Board had sessions on the role of the press in covering the Smithsonian, the governance reform initiatives, the Secretary search process, and a discussion with the new senior management team. The members were very pleased to have dinner at the Supreme Court and the opportunity to meet the Chief Justice. The chairs of all Smithsonian advisory boards have been invited to the January SNB meeting.

The Regents considered the nominations for reappointment of five members of the Smithsonian National Board. Accordingly, the proposed motion was approved.

See attached Resolution 2007.11.02 (Minutes of the Board of Regents, Appendix A).

APPOINTMENTS TO SMITHSONIAN ADVISORY BOARDS

The Regents considered the nominations for appointments and reappointments to seven Smithsonian advisory boards. Accordingly, the proposed motions were approved.

See attached Resolutions 2007.11.03 – 2007.11.09 (Minutes of the Board of Regents, Appendix A).

UPDATE ON SMITHSONIAN NETWORKS

Ms. Stonesifer introduced Tom Ott, Acting Chief Executive Officer of Smithsonian Business Ventures (SBV), who provided a status report on Smithsonian Networks. The Smithsonian Channel launched at the end of September 2007 in high definition (HD) format on DirectTV, the largest satellite television provider. Deal terms have been reached with a large cable provider which should result in a distribution agreement in the coming weeks. Additional distribution deals may be concluded in the next several months. Over 115 programs have been produced or acquired by the channel and have been reviewed by the internal Smithsonian Networks Review Committee, which routinely suggests factual clarifications and edits. Sixteen programs have occasioned critical reviews requiring more extensive editing to bring them up to Smithsonian standards. Following further editing of those programs, only three still have not been improved to Smithsonian standards. Most programs have received favorable reviews and some have won awards. The Smithsonian has agreed to permit advertising on the Network, which will provide additional revenue to the Institution as well as outreach. A portion of commercial time on the Network is allocated to the Smithsonian, which will sell some of the time to advertisers and use the remaining time to promote Smithsonian activities. The revenue stream from the Network is meeting expectations under the contract. The revenue is divided between the central Trust fund and the participating units.

Mr. Ott, along with the Acting Secretary and Dr. Kurin, addressed several questions from the Regents concerning the current and potential number of households that have access to the Network and possible additional distribution platforms, such as broadband internet. It was further noted that approximately 40 percent of the programming includes Smithsonian-related content and that most of the museums and research units have expressed interest in participating in the

programming. Samples of current programs have been provided to Congressional offices and will be provided to the Regents as well.

PROPOSED SPONSORSHIPS, ENDOWMENTS, AND DONOR RECOGNITION

The Regents considered six papers representing donor recognition and sponsorship opportunities, as well as actions to create or revise the terms of endowments. The Regents confirmed that the proposed revision of the terms of the Freer and Sackler Galleries Director's Discretionary Fund was consistent with the original donor's intent. Accordingly, six motions were approved by the Regents.

See attached Resolutions 2007.11.10 – 2007.11.15 (Minutes of the Board of Regents, Appendix A).

UPDATE ON SMITHSONIAN-RELATED ACTIONS BY THE GOVERNMENT ACCOUNTABILITY OFFICE

Acting Secretary Samper and Ms. Payne addressed the Regents' questions on the report on Smithsonian-related actions undertaken by the Government Accountability Office (GAO; the investigative arm of Congress). One GAO review is looking at the Smithsonian's management structure and governance practices and the other examined the Smithsonian's facilities management and security. Ms. Payne noted that the GAO facilities report, which had been completed, questions whether the Smithsonian's traditional reliance on Federal funding for facilities needs is appropriate. She further noted that the GAO governance review is in progress and that that report is expected in the spring. It appears, from the interviews the GAO staff is conducting with Regents and Smithsonian management, that there likely will be a focus on the structure and composition of the Board. It was noted that the Regents expect to begin addressing in detail these issues in January 2007, ahead of the GAO report.

Several Regents expressed interest in giving further consideration to the questions raised in the facilities report concerning the adequacy of security at Smithsonian facilities and the implications for the collections. Dr. Samper provided some background on these concerns and

offered to provide a more complete review at a future meeting of the Board. Mr. Kogod and Mr. Frost noted that the committees they chair, Facilities Revitalization and Audit and Review, respectively, had an interest in these questions and would be giving them further consideration. Ms. Stonesifer agreed that the Regents will take up these questions in detail at a future meeting.

PROPOSED ACQUISITION OF CONTEE FARM BY THE SMITHSONIAN ENVIRONMENTAL RESEARCH CENTER

Dr. Rubinoff provided background information and an explanation of the complications that had arisen in connection with the proposed acquisition of the Contee farm property for the Smithsonian Environmental Research Center (SERC). The Regents had previously approved this purchase with the expectation that the majority of the purchase price would be paid by the State of Maryland. As the State had recently indicated that it would not participate in the purchase, management requested the Regents' approval to renegotiate with the sellers. If a new deal could be reached, the Smithsonian could advance central Trust funds for the purchase price, which would be paid back from funds SERC would either raise as donations or through selling other non-essential property. The Regents requested further information concerning the value of the Contee farm and the plan for reimbursing the advanced funds. This information will be provided to the Executive Committee when the proposed purchase is brought to the Committee for approval, presuming a new deal is agreed to with the sellers. Accordingly, the proposed motion was approved by the Regents.

See attached Resolution 2007.11.16 (Minutes of the Board of Regents, Appendix A).

EXTENSION OF THE OPERATING AGREEMENT BETWEEN THE SMITHSONIAN AND THE UNITED STATES POSTAL SERVICE FOR THE NATIONAL POSTAL MUSEUM

Dr. Kurin reported on the extension of the operating agreement under which the United States Postal Service provides substantial funding (currently \$3 million per year) and the facility for the National Postal Museum. The Postal Service's support of the Museum has been extended an additional twenty years until 2042 and the total cash contribution from the Postal Service over

the life of the agreement, 1993–2042, will be approximately \$230 million. The extension of the agreement also strengthens the Museum’s position with other potential donors, who are assured of the continuing vitality of the Museum. Dr. Samper noted that Allen Kane, the director of the Museum, was instrumental in achieving this result.

UPDATE ON LEGISLATIVE ACTIVITIES AND ISSUES

Ms. Payne called the Regents’ attention to several significant issues in the report on legislative issues. Witnesses for a scheduled hearing before the Senate Committee on Rules and Administration will include Regents Sant and Kogod, Acting Secretary Samper, and a representative from the Government Accountability Office. “The Smithsonian Modernization Act” introduced in the House by District of Columbia At-Large Delegate Eleanor Holmes Norton would change the structure and appointment process for the Board of Regents. The Smithsonian’s Federal appropriation for the current fiscal year had not yet passed, leaving the Institution operating under a Continuing Resolution that could be extended for the entire fiscal year. Efforts are under way in the Congress to pass an appropriation bill. The reappointment of Mr. Sant to the Board of Regents was signed by the President. The nomination of John McCarter had been introduced in the Senate and would be soon be so-introduced in the House. Finally, Ms. Payne noted that authorization for a new greenhouse at the Museum Support Center is under consideration.

Regent d’Harnoncourt observed that the report on legislative activities included a reference to the Artist-Museum Partnership Act, which would provide tax incentives for artists to donate their work to museums. Ms. d’Harnoncourt stressed that this proposed legislation was of enormous importance to museums and hopes that it will be supported by members of Congress. Ms. Payne noted that Senator Leahy, a Smithsonian Regent, is the lead sponsor of the legislation in the Senate.

The Regents discussed the urgent need to have the nomination of Mr. McCarter to the Board of Regents considered as soon as possible. Ms. Payne is working with the Congressional committees with a goal to have the appointment approved before the January Regents’ meeting.

Regent Matsui provided her perspective on current communications efforts with the Congress. She noted that the Congressional Regents, as well as their liaisons, have been working very hard to increase communication and coordination. As a result, she believes that members of Congress are pleased with the increased openness about Smithsonian governance and operations. There remains concern about stories being reported in the media before Regents and other members of Congress are made aware of them. Members of Congress also have indicated that they are pleased to see that the Regents are more engaged and deliberative in their work.

REPORT OF THE AUDIT AND REVIEW COMMITTEE

Regent Frost reported that the Audit and Review Committee met on October 2, 2007. The Committee reviewed the status of the implementation plans for the specific governance reform action for which the Committee is responsible. The Committee generally agreed that the implementation plans meet the Committee's expectations.

REPORT OF THE FINANCE AND INVESTMENT COMMITTEE

In the absence of Mr. Broad, chair of the Finance and Investment Committee, Ms. Stonesifer noted that the Committee had not met since the last meeting of the Board of Regents and accordingly had nothing to report. Mr. Sant reported on behalf of the Smithsonian Investment Committee that, as of the end of October 2007, the Smithsonian's Endowment was valued at just over \$1 billion. The overall return so far this year has been 14.4 percent, compared with a benchmark of 14.5 percent. Mr. Sant briefly described the results of the various portfolios in the Endowment and noted that David Silfen, chair of the Investment Committee, has been invited to attend an upcoming meeting of the Board of Regents to discuss the work of the Investment Committee.

REPORT ON THE SEARCH FOR THE 12TH SECRETARY OF THE SMITHSONIAN INSTITUTION

The Regents agreed to defer the report of the *ad hoc* Secretary Search Committee to the executive session. Mr. Spoon noted that the Committee had been inclusive and open in its

process to this point, both seeking information from and providing information to Smithsonian staff and other stakeholders. He added that the search was coming to a stage where the Committee will be narrowing the field of serious candidates, which will require strict confidentiality.

SMITHSONIAN BUSINESS VENTURES TASK FORCE UPDATE

Acting Secretary Samper introduced Marshall Turner, who chairs the task force Dr. Samper appointed to consider the appropriate role and structure of Smithsonian Business Ventures. Mr. Turner is a former chair of the advisory board for the National Museum of Natural History and has an extensive background in both business and government service. Mr. Turner noted that the task force had made substantial progress and was on track to make its report to Dr. Samper by the end of 2007. Dr. Samper noted that, based on the report of the task force, he will bring his recommendations to the Regents in January 2008.

Mr. Turner stated that the task force is made up of a good cross-section of people with Smithsonian experience, government experience, and various kinds of business experience who are dedicated to the mission and purpose of the Smithsonian and are working very hard on the task force. The task force was given a mandate to consider four questions about Smithsonian Business Ventures. Mr. Turner discussed the preliminary consensus of the task force on some of these questions and the issues under consideration. These points were elaborated upon in a written report provided to the Regents.

The Regents expressed their appreciation for the work of the task force and Mr. Turner's insightful report. There was agreement that the task force's emphasis on aligning revenue activities with the mission of the Smithsonian is well-placed. Mr. Turner agreed with a Regent's suggestion that the future challenges and potential of *Smithsonian* magazine, Smithsonian Networks, and web strategy were important considerations for the task force.

AFTERNOON PLENARY SESSION

INTRODUCTION OF NEW AGENDA ITEM: ELECTION OF ROGER W. SANT AS CHAIR OF THE EXECUTIVE COMMITTEE

The Chancellor noted that, in view of Mr. Sant's reappointment to the Board for a second term as Regent, it had been proposed that he be reelected chair of the Executive Committee.

Accordingly, the proposed motion was approved by the Regents.

See attached Resolution 2007.11.17 (Minutes of the Board of Regents, Appendix A).

The Chancellor and the Regents expressed their appreciation to Ms. Stonesifer for serving as an able chair during the interval before Mr. Sant's reappointment.

REPORT OF THE COMPENSATION AND HUMAN RESOURCES COMMITTEE

Compensation and Human Resources Committee Chair Patricia Stonesifer noted that the issue of the compensation package for the new Secretary had been discussed in executive session. The remainder of the Committee's report did not elicit any questions.

REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

Governance and Nominating Committee Chair Shirley Ann Jackson noted that the full report of the Committee was included in the agenda book. The key issues for discussion were considered in the executive session.

Mr. Sant requested that the Regents consider the nomination of Don Chapin as a non-Regent member of the Audit and Review Committee. Mr. Chapin is a certified public accountant and a former senior executive of the Government Accountability Office. He would provide needed financial audit expertise to the Committee. Accordingly, a motion to appoint Mr. Chapin as a non-Regent member of the Audit and Review Committee was approved.

See attached Resolution 2007.11.18 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE FACILITIES REVITALIZATION COMMITTEE

Facilities Revitalization Committee Chair Robert Kogod reported on the activities of the Committee. Mr. Kogod reminded the Regents that facilities revitalization will be one of the topics at the Senate Committee on Rules and Administration hearing on December 12, 2007, and that Mr. Kogod will be a witness, along with Mr. Sant and Dr. Samper from the Smithsonian and a representative of the Government Accountability Office. Mr. Kogod outlined the testimony he expects to give at the hearing. He will reiterate the position that it always has been and should remain the responsibility of the Federal government to provide funding for Smithsonian facilities. Nevertheless, because of insufficient maintenance appropriations over many years there is a critical long-term under funding for necessary revitalization. The Smithsonian will accept the challenge being pressed by the Congress to raise funds to help address the facilities needs, but also will ask for a commitment from the Congress to continue providing funds for these purposes over the long term. There are ongoing discussions with members of Congress about the concept of a program to match private funds raised by the Smithsonian with additional Federal appropriations.

It was reported that the Facilities Revitalization Committee had begun discussions about a framework for the initiation of a major capital campaign to raise funds for facilities revitalization, as well as for program needs. If endorsed by the Regents, the Smithsonian's development team will begin planning for a campaign that will require the leadership and participation of the Board of Regents, both directly and through engaging the advisory boards and other supporters of the Smithsonian. It is too early in the process to specify an amount that could be raised with this plan. The Committee's report to the Regents included a matrix of various fund-raising options that have been proposed and the Committee's preliminary determination of the relative priorities for those options.

The Regents commended Mr. Kogod and the members of the Committee for the work they have done developing this proposal. Several Regents expressed favorable views concerning the option for energy savings performance contracts. It was noted that it would be difficult to begin a

capital campaign immediately following a period of instability such as the Smithsonian has recently experienced, and that it is important to emphasize that completing the governance reform initiatives, installing the next Secretary, and re-establishing a sound footing are necessary before a capital campaign could begin in earnest. There was agreement that the proposal provided a solid framework to begin the planning process. Accordingly, the proposed motion was approved by the Regents.

See attached Resolution 2007.11.19 (Minutes of the Board of Regents, Appendix A).

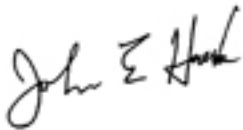
The Regents next considered the proposed charter of the Facilities Revitalization Committee. Accordingly, the proposed motion was approved by the Regents.

See attached Resolution 2007.11.20 (Minutes of the Board of Regents, Appendix A).

ADJOURNMENT

There being no further business, this regular meeting of the Board of Regents was adjourned at 3:40 p.m.

RESPECTFULLY SUBMITTED,



JOHN E. HUERTA
RECORDING SECRETARY AND GENERAL COUNSEL

MINUTES OF THE BOARD OF REGENTS

November 19, 2007

APPENDIX A APPROVED RESOLUTIONS

VOTED that the Board of Regents approves the Minutes of the Meetings of June 11 and 18 and September 17, 2007, as previously circulated on November 14, 2007. [2007.11.01]

VOTED that the Board of Regents reappoints Wilmer S. Cody, James F. Dicke II, Richard W. Herbst, Judy S. Huret, and Chris E. McNeil, Jr., to the Smithsonian National Board for three-year terms effective October 2007. [2007.11.02]

VOTED that the Board of Regents appoints James Larry Frazier and Phillip H.K. Omohundro to the Advisory Board of the Anacostia Community Museum for three-year terms effective October 1, 2007. [2007.11.03]

VOTED that the Board of Regents appoints Mounir Boushenaki, Mickey Hart, and Ellen McCulloch-Lovell to the Advisory Council of the Center for Folklife and Cultural Heritage for three-year terms effective January 1, 2008. [2007.11.04]

VOTED that the Board of Regents appoints Harold E. Doley, Jr., Rosa H. Riddle, and James H. Small to the Board of the National Museum of African Art for three-year terms effective immediately. [2007.11.05]

VOTED that the Board of Regents appoints Howard R. Berlin to the Board of Trustees of the National Museum of the American Indian for a three-year term effective immediately. [2007.11.06]

VOTED that the Board of Regents reappoints Peter Buck, Rita R. Colwell, and Jerold J. Principato to the Board of the National Museum of Natural History for three-year terms effective January 31, 2008. [2007.11.07]

VOTED that the Board of Regents appoints Anthony V. Lupo to the Advisory Board of the National Zoological Park for a three-year term effective immediately. [2007.11.08]

VOTED that the Board of Regents appoints F. Christian Thompson and reappoints Mary Falvey to the Board of the Smithsonian Institution Libraries for three-year terms and reappoints Jay Freedman and Mike Gooden to the Board for exceptional third three-year terms, all effectively immediately. [2007.11.09]

VOTED that the Board of Regents recognizes the generosity of 3M and the 3M Foundation to the National Museum of Natural History, its Ocean Initiative, and the Ocean Hall exhibition, and accepts the terms of this sponsorship agreement. [2007.11.10]

VOTED that the Board of Regents recognizes the generosity of the Andrew W. Mellon Foundation to the Freer Gallery of Art and Arthur M. Sackler Gallery and gratefully approves the creation and naming of the Andrew W. Mellon Senior Scientist in the Department of Conservation and Scientific Research Endowment. [2007.11.11]

VOTED that the Board of Regents approves the creation and naming of the Fenner A. Chace, Jr., Endowment for the Study of Crustacea at the National Museum of Natural History, an endowment named in memory of the late Museum zoologist, the proceeds of which shall be used to support the taxonomic study of Crustacea. Further, the Board authorizes the transfer of funds identified for this purpose. [2007.11.12]

VOTED that the Board of Regents approves revising the terms of the Freer/Sackler Gallery Director's Discretionary Fund to make clear that the Director of the Galleries may spend the fund principal to meet program or project needs if, at the Director's discretion, the fund income alone is insufficient. [2007.11.13]

VOTED that the Board of Regents recognizes the generosity of the General Electric Company to the National Air and Space Museum and gratefully approves the naming of the GE Aviation Lecture Series. This recognition will be associated with the program lecture series so long as the company continues its support. [2007.11.14]

VOTED that the Board of Regents recognizes the distinguished service of founding director W. Richard West, Jr., to the National Museum of the American Indian, as well as the support of the Seneca Nation of Indians, and so transfers the Seneca Nation of Indians' recognition in the National Mall Museum's third-floor west-end rotating gallery Room 3013 to the Museum's fourth-floor west-end historical gallery Room 4014 and gratefully renames Room 3013 the W. Richard West, Jr., Contemporary Art Gallery, in perpetuity. [2007.11.15]

VOTED that the Board of Regents authorizes the Acting Secretary to engage in good faith negotiations for the purchase of the 587-acre Contee Farm in Edgewater, Maryland, on behalf of the Smithsonian Environmental Research Center, and that any proposed purchase be subject to approval of the Executive Committee. [2007.11.16]

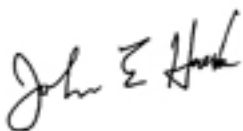
VOTED that the Board of Regents elects Roger W. Sant as Chair of the Executive Committee. [2007.11.17]

VOTED that the Board of Regents approves the appointment of Mr. Don Chapin as a non-Regent member of the Audit and Review Committee. [2007.11.18]

VOTED that the Board of Regents endorses the framework for a business plan to address the Smithsonian's facilities challenges as proposed by the Facilities Revitalization Committee, and authorizes the Chair to present the framework publicly on behalf of the Board. [2007.11.19]

VOTED that the Board of Regents approves the proposed charter of the Facilities Revitalization Committee. [2007.11.20]

Respectfully Submitted,



John E. Huerta
Recording Secretary And General Counsel