MINUTES OF THE JANUARY 29, 2024, MEETING OF THE BOARD OF REGENTS

ATTENDANCE

This scheduled meeting of the Board of Regents ("Board") of the Smithsonian Institution ("Smithsonian") was held on Monday, January 29, 2024. The Board conducted morning, afternoon, and executive sessions at the National Museum of African American History and Culture in Washington, D.C. Board and Executive Committee Chair Risa J. Lavizzo-Mourey welcomed Regents and staff and called the meeting to order at 9:30 a.m. Participating were Regents:

Senator John Boozman Senator Catherine Cortez Masto Senator Gary Peters¹ Representative Garret Graves Representative Doris Matsui Representative Adrian Smith Ambassador Barbara M. Barrett

Ms. Toni Bush Mr. John Fahey, Vice Chair Mr. Roger W. Ferguson, Jr. Dr. Risa J. Lavizzo-Mourey, Chair Ms. Denise O'Leary

Mr. Franklin D. Raines

Ms. Kathryn Hall, Investment Committee Chair Mr. Jorge Puente, Smithsonian National Board Chair

Chief Justice John G. Roberts, Jr., Vice President Kamala D. Harris, Mr. Michael Govan, and Mr. Michael M. Lynton were unable to attend the meeting.

Smithsonian and Regent staff present by invitation of the Board were:

Lonnie G. Bunch III, Secretary
Adrián Aldaba, National Programs Manager²
Greg Bettwy, Chief of Staff to the Secretary
Monique Chism, Under Secretary for Education
Ronald Cortez, Under Secretary for Administration
Monica Didiuk, Office of Representative Smith
Robert M. Dow, Jr., Counselor to the Chief Justice
Farleigh Earhart, Acting General Counsel
Kate Forester, Deputy Chief of Staff to the Regents
Mallory Gianola, Special Assistant to the Regents
(recorder)

Kevin Gover, Under Secretary for Museums and Research

Rachelle Graves, Director of the Office of Government Relations

Laura Hanson, National Outreach Manager²
Carol Harsh, Associate Director of the Museum on Main
Street and Community Engagement²

Logan de La Barre-Hays, Office of Representative Graves

Toni-Marie Higgins, Office of Senator Boozman Jeremy Marcus, Office of Representative Matsui Julissa Marenco, Assistant Secretary for Communications and External Affairs and Chief Marketing Officer

Jennifer McIntyre, Chief Legal Officer (Incoming)
Joan Mockeridge, Acting Inspector General
Meroë Park, Deputy Secretary and Chief Operating
Officer

Emily Porter, Manager of Early Childhood and Family Learning Experience²

Kim Robledo-Diga, Director of Learning and Audience Engagement²

Julia Smith, Museum and Early Learning Specialist²
Robert J. Spiller, Assistant Secretary for Advancement
Caitlyn, Stephenson, Office of Senator Peters
Ellen Stofan, Under Secretary for Science and Research
Porter N. Wilkinson, Chief of Staff to the Regents
Josh Yearsley, Office of Senator Cortez Masto

¹ Participated in the afternoon business meeting only

² Participated in the lunch program only

MORNING SESSION

EXECUTIVE SESSION: REGENTS ONLY

Executive Session:
Advancement
Committee Membership

The Board of Regents meeting began with an executive session. Chair Risa J. Lavizzo-Mourey called the meeting to order and turned to Chair of the Governance and Nominating Committee Roger Ferguson to lead the first discussion topic. The Board was asked to consider the extension of David M. Rubenstein's term on the Advancement Committee in his role as an Ambassador for the Smithsonian Campaign for Our Shared Future, for a term to coincide with the duties and responsibilities as Ambassador for the Smithsonian Campaign. The extension would be an exception to the term limit of three years outlined in the Advancement Committee Charter for Regent Emeritus members. Upon motion duly made and seconded, the Board voted to approve the appointment of David M. Rubenstein, Campaign Ambassador, to the Advancement Committee.

See attached Actions 2024.01.01 (Minutes of the Board of Regents, Appendix A).

Executive Session: 2024 Regent Committee Chairmanships and Memberships The Board was then asked to approve the proposed roster of Regent committee chairs and members for 2024. By tradition, citizen Regents typically serve on three Regent committees and chair at least one committee, and Congressional Regents are assigned to two committees. Mr. Ferguson noted that members and chairs would serve in their roles through January 2025. Upon motion duly made and seconded, the Board voted to approve the proposed committee assignments and chairs and recommended that the Chancellor make the necessary appointments.

See attached Actions 2024.01.02 (Minutes of the Board of Regents, Appendix A).

Executive Session: Regents' 2023 Self-Assessment The Board also reviewed the results of the fiscal year 2023 Regents' self-assessment, which was circulated to the Board following the October meeting. The assessment results highlighted the need to monitor the federal budget and the Institution's efforts to remain a trusted source in the current political climate as areas of focus for 2024. Additionally, Regents expressed the importance of moving Regent appointments and reappointments through Congress efficiently.

Executive Session: 2024 Secretary Compensation Next, Dr. Lavizzo-Mourey led the Board's review of the Secretary's annual performance appraisal for fiscal year 2023 and proposed 2024 compensation. Upon motion duly made and seconded, the Board voted to approve the Compensation and Human Resources Committee's 2024 compensation recommendation for the Secretary.

See attached Actions 2024.01.03 (Minutes of the Board of Regents, Appendix A).

Executive Session: Chief of Staff Title Change

To conclude, Dr. Lavizzo-Mourey led the Board's discussion and vote on the proposed title change for the Chief of Staff to the Board of Regents. Upon motion duly made and seconded, the Board voted to approve the new title of Counselor and Chief of Staff to the Board of Regents to reflect more accurately the duties of the role.

See attached Actions 2024.01.04 (Minutes of the Board of Regents, Appendix A).

EXECUTIVE SESSION: REGENTS AND SECRETARY

Executive Session: 2024 Senior Executive Compensation The Board then moved into an executive session with the Secretary. Dr. Lavizzo-Mourey led the Board's annual discussion and review of senior executive compensation decisions. The proposed 2024 executive compensation was approved after a thorough discussion of compensation required to recruit and retain an experienced and capable leadership team that can handle the complexities inherent in managing the organization. Upon motion duly made and seconded, the Board voted to approve the Compensation and Human Resources Committee's 2024 compensation recommendations for senior executive positions.

See attached Actions 2024.01.05 (Minutes of the Board of Regents, Appendix A).

Executive Session: Annual Report on Workplace Culture Secretary Bunch then updated the Board on the fourth annual report on workplace culture at the Smithsonian. The annual report on workplace culture was established as part of the Board's effort to ensure that the Smithsonian is a leader in a diverse and inclusive workplace.

OPEN SESSION

Welcome

Dr. Lavizzo-Mourey welcomed Smithsonian and Regent staff members and called the open session to order at 10:40 a.m.

REPORT OF THE CHAIR OF THE BOARD AND EXECUTIVE COMMITTEE

Regent and Senior Staff Transitions Dr. Lavizzo-Mourey began her report by introducing newly appointed Citizen Regent Antoinette (Toni) C. Bush and welcoming her to her first Board of Regents meeting. The Board also welcomed the Smithsonian's new Chief Legal Officer Jennifer Brosnahan McIntyre, who will begin her tenure on March 11, 2024.

Regents' Public Forum

Next, Dr. Lavizzo-Mourey updated the Board on the Regents' annual public forum. The Board of Regents planned to host its annual public forum on December 19. However, the event was rescheduled to follow the Board meeting on January 29, 2024. Dr. Lavizzo-Mourey noted the forum will be webcast live from the Oprah Winfrey Theater at the National Museum of African American History and Culture and streamed online on the Smithsonian website.

Executive Committee and Board Approvals

To conclude, Dr. Lavizzo-Mourey noted there were no motions approved by the Executive Committee on behalf of the full Board between the October and January Board meetings.

APPROVAL OF THE CONSENT AGENDA

Consent Agenda

The Consent Agenda ("Agenda") was presented for the Board's approval. Action items listed on the January 29, 2024, Agenda included: the approval of minutes from the October 23, 2023, meeting of the Board of Regents; appointments and reappointments to 13 Smithsonian Institution Advisory Boards; and amendments to the Bylaws of the Smithsonian American Women's History Museum Council. Upon motion duly made and seconded, the Board voted to adopt the Agenda, constituting the approval of all action items listed therein.

See attached Actions 2024.01.06 (Minutes of the Board of Regents, Appendix A).

QUESTIONS ON WRITTEN COMMITTEE REPORTS

Questions on Written Committee Reports

Dr. Lavizzo-Mourey provided an opportunity for Regent committee chairs and Smithsonian staff to answer questions on the written reports distributed in advance of the meeting by the Advancement Committee; Audit and Review Committee; Compensation and Human Resources Committee; Facilities Committee; Finance Committee; Governance and Nominating Committee; Investment Committee; Strategy, Innovation, and Technology Committee; Smithsonian National Board; and Office of Government Relations.

Written Report of the Advancement Committee

Written Report of the Advancement Committee

The Advancement Committee held a meeting on January 9, 2024. During the meeting, the Committee received an update on the Cooper Hewitt, Smithsonian Design Museum Campaign; reviewed Smithsonian Campaign progress and planning; and discussed fundraising plans for the America250 celebration. The Committee also reviewed notable gifts and grants and the progress of fiscal year 2024 fundraising. As of December 31, 2023, the Smithsonian had raised \$57.6 million towards its \$300 million goal. The Advancement Committee also performed its annual review of the Committee Charter.

Written Report of the Audit and Review Committee

Written Report of the Audit and Review Committee

The Audit and Review Committee met on January 19, 2024. During the meeting, the Committee reviewed the audit results for the fiscal year 2023 financial statements and was briefed on the fiscal year 2023 financial results. The Committee also received updates on the Inspector General's activities, the Smithsonian's IT Security program, implementation of Salesforce, and the Enterprise Risk Management program. Additionally, the Committee reviewed

progress on identified audit and internal control deficiencies.

Written Report of the Compensation and Human Resources Committee

Written Report of the Compensation and Human Resources Committee The Compensation and Human Resources Committee conducted a meeting on October 27, 2023. As is routine for the Committee, the October meeting focused on the core decisions that guide the executive pay cycle, culminating with the compensation recommendations that the Committee and the Board reviewed in January 2024. During the meeting, the Committee voted to approve the list of disqualified person positions for 2024, the decision-making levels for the 2024 compensation process, updated compensation philosophies for 2024, and the methodology for determining comparable compensation for Trust executive positions. The Committee also reviewed the preliminary investment incentive payouts, which were brought to the Board for discussion at the January 29, 2024, Board meeting.

The Compensation and Human Resources Committee also met on December 7, 2023. During the meeting the Committee received an update on the progress of personnel searches for vacant senior-level positions and strategic initiatives for the Office of Human Resources. Additionally, the Committee performed its annual review of the Committee Charter.

The Committee also met on January 17, 2024, to review and discuss 2024 compensation recommendations for senior executives.

Written Report of the Facilities Committee

Written Report of the Facilities Committee

The Facilities Committee held a meeting on November 15, 2023. At the meeting, the Committee received an update on revitalization projects at the Historic Core and Hirshhorn Museum and Sculpture Garden. The Committee was also briefed on the Smithsonian's federal budget and real estate.

Written Report of the Finance Committee

Written Report of the Finance Committee

The Finance Committee met on January 10, 2024. At the meeting the Committee discussed unit budget reviews and comparative operational metrics, reviewed financial results of Smithsonian Enterprises, and received an update on the Secretary's Initiative: Quasi-Endowment draw.

Written Report of Governance and Nominating Committee

Written Report of the Governance and Nominating Committee

The Governance and Nominating Committee met on December 15, 2023. During the meeting, the Committee voted on committee chairmanship and membership for 2024 and discussed the Regents' self-assessment. These motions were presented during Executive Session. The Committee also voted on appointments

and reappointments to the Smithsonian advisory boards and reviewed proposed bylaw amendments to the Smithsonian American Women's History Museum. These motions were provided under the Consent Agenda. The Committee also received an update on the exhibition calendar detailing the current status or opening information for exhibitions and was briefed on four Smithsonian Directive 603 reviews for one exhibition at the National Museum of African Art and three exhibitions the National Museum of American History.

Written Report of Investment Committee

Written Report of the Investment Committee

The Investment Committee met on October 11, 2023. During the meeting, the Committee reviewed investment guidelines, the investment portfolio performance, and the 2024 private investment commitment budget. The Smithsonian Endowment's one-year return as of June 30, 2023, was -0.5% versus 4.2% for the policy benchmark. The Investment Committee also performed its annual review of the Committee Charter.

Written Report of the Strategy, Innovation, and Technology Committee

Written Report of the Strategy, Innovation, and Technology Committee The Strategy, Innovation, and Technology Committee conducted a meeting on December 14, 2023. During the meeting, the Committee engaged in a discussion about Artificial Intelligence, the Audience and Data Strategic Initiative, and the Smithsonian's Customer Relationship Management efforts. Additionally, the Committee performed its annual review of the Committee Charter.

Written Report of the Smithsonian National Board

Written Report of the Smithsonian National Board

The Smithsonian National Board ("SNB") held its fall business meeting and alumni reunion in Washington, D.C. on October 27, 2023. The meeting explored how museums across the Smithsonian are *Illuminating the Nation's Past* through the visual arts. National Board members also received reports from working group and committee chairs.

Written Report of the Office of Government Relations

Written Report of the Office of Government Relations

The Office of Government Relations ("OGR") reported that the Smithsonian is currently being funded by a Continuing Resolution ("CR") through February 2, 2024. While Congressional leadership reached an agreement on topline funding levels for defense and non-defense for fiscal year 2024, agreements on subcommittee allocations had not yet been reached for conferencing bills between the House and Senate.

Congressional Hearing

OGR engaged in one Congressional hearing between the October and January Board meetings. On December 12, Secretary Bunch testified before the Committee on House Administration for a hearing entitled "Looking Ahead Series:

Oversight of the Smithsonian Institution". The Secretary's testimony included updates on major facilities projects, progress of new museums, human remains, expanding the Institution's reach, and planning for the Nation's 250th Anniversary.

Congressional Engagement

The Office of Government Relations continues its congressional engagement, hosting and participating in a variety of programs and events. Most notably, engaging with Congress on nationwide education initiatives, working closely on legislation related to the two new museums, and coordinating with House and Senate Leadership on the appointment and reappointment of Congressional Regents.

SMITHSONIAN INSTITUTION FINANCIAL REVIEW

Fiscal Year 2023 Financial Results

Chair of the Finance Committee Frank Raines briefed the Board on the Smithsonian's fiscal year 2023 performance, which closed on September 30, 2023. Mr. Raines informed the Board that the Central Trust revenue and net gain for the period totaled \$108.7 million and \$16.4 million, respectively, noting for the first time in four years the Central Trust ended the fiscal year with a net positive position. The Central Trust cumulative deficit was reduced from \$32.4 million to \$6.4 million.

Fiscal Year 2025 Federal Budget Request to Congress

Next, Mr. Raines presented one action item for the Board's consideration: approval of the fiscal year 2025 federal budget submission to Congress. The Smithsonian will submit to Congress a total budget request for fiscal year 2025 of \$1.160.2 billion. The Smithsonian's requested budget includes \$960.2 million for Salaries and Expenses, and \$200 million for Facilities Capital. Upon motion duly made and seconded, the Board approved the Smithsonian's fiscal year 2025 federal budget request to Congress.

See attached Actions 2024.01.07 (Minutes of the Board of Regents, Appendix A).

Federal Budget

Secretary Bunch then led a discussion on the Institution's overall financial position, including federal funding, revenue-generating activities, and strategies to increase the Smithsonian's trust budget, especially as the Institution prepares for a potential decrease in federal funding. The Secretary reminded the Board that the Smithsonian is currently operating under a Continuing Resolution ("CR"), through February 2. On January 19, 2024, the Senate and House both passed another fiscal year 2024 CR, and it is expected the President will sign it. The new CR would support the Smithsonian's operations at fiscal year 2023 funding levels through March 8, 2024. Smithsonian leadership is preparing for federal budget cuts in fiscal year 2024 and is developing plans to reduce spending levels, specifically focusing reductions to construction budgets and delaying major capital projects.

Revenue Generating Activities

The Board also discussed the current and potential revenue generating activities for the Institution. The Secretary highlighted that in fiscal year 2023, the Smithsonian saw positive financial results from enhanced cash management

policies and increased visitor traffic in the museums, Smithsonian Journeys (SI's education travel program), and ecommerce activity. Additionally, fundraising continues to be strong – both the amount raised through new gifts and pledges and the number of donors has increased each year fiscal year from 2019 through 2023. The Smithsonian also engaged a consultant to explore potential revenue generating activities, and leadership is currently vetting the opportunities through a due diligence process.

REPORT OF THE SECRETARY

Report of the Secretary

To conclude the Board's morning session Secretary Bunch provided an update on the state of the Smithsonian, including a recent data breach impacting the Smithsonian, the Smithsonian's genomics research, and the Institution's plans for the U.S. Semiquincentennial.

Delta Dental Data Breach

The Secretary began by briefing the Board on an IT security incident involving Delta Dental, an American network of dental insurance companies that provides optional insurance for Smithsonian Trust employees. No Smithsonian systems were breached; however, some current and former Smithsonian Trust employees were impacted along with others at various organizations. The incident involved a software vulnerability that was exploited in May 2023, but Delta Dental did not notify the Smithsonian about the breach until December 2023. Smithsonian leadership is currently engaged in discussions regarding the privacy breach reporting process and subsequent breach investigation and mitigation activities.

Genomics Research

The Secretary also updated the Board on the Smithsonian's engagement with the Beijing Genomics Institute ("BGI"). Both BGI and the Smithsonian are part of the Global Genome Biodiversity Network, a global network of 92 member organizations from 32 countries, that fosters collaborations among biodiversity repositories. In March 2023, the United States added a unit of Chinese genetics company BGI Genomics Co Ltd. to a trade blacklist. The Smithsonian engaged with BGI directly on non-human genomics between 2012 – 2020, prior to the national security warning. The Secretary emphasized that the Institution takes national security responsibilities seriously, and fully complies with all appropriate practices and requirements before engaging with foreign entities.

U.S. Semiquincentennial

Secretary Bunch concluded his report by updating the Board on the Smithsonian's plans for the 250th anniversary of the United States' founding to be recognized in 2026. The Secretary shared his vision for increasing reach and impact through regional hubs across the country, which would ultimately create more permanent networks to engage with audiences nationwide. The Secretary also shared that technology would play a key role in the America250 celebration, accelerating the Institution's digital transformation. The Secretary is continuing to meet with senior leadership to develop project plans, schedules, milestones, and metrics, and he plans to provide further details at the June Regents' meeting.

Following the Report of the Secretary, Regents, staff, and invited guests adjourned to the luncheon program at approximately 11:46 a.m.

LUNCH: CONVERSATION WITH NEW SMITHSONIAN LEADERSHIP

Luncheon Program: Smithsonian Education Strategy During lunch, Under Secretary for Education Monique Chism led a discussion on strengthening the Smithsonian education community and shared how Smithsonian staff are contributing to education and learning in a variety of roles across the Institution. Regents had an opportunity to hear about three pan-Institutional education programs from five Smithsonian units, featuring the programs Museo Móvil/Museum on Wheels, Get a Head Start with the Smithsonian, and Youth Innovation in Rural America.

AFTERNOON SESSION

Board Chair Risa J. Lavizzo-Mourey called the afternoon session to order at approximately 1:00 p.m. and reviewed the remainder of the Board's business agenda.

UPDATE ON HUMAN REMAINS TASK FORCE

Statement on Human Remains at the Smithsonian Institution To begin the afternoon session, the Secretary provided an update on recommendations from the Human Remains Task Force and the Smithsonian's intent to develop a policy on human remains. The Task Force was asked to gather information on the scope of human remains in the custody of Smithsonian units and to consider what Smithsonian policy should be on collecting, borrowing, lending, holding, and conducting research upon them. The Secretary reminded the Board that the Smithsonian placed temporary restrictions on research on human remains in its care and the acquisition of any additional remains while it formed its human remains policy. Secretary Bunch emphasized that the Institution is committed to being an ethical leader especially as it relates to the collections and will continue to promote respectful engagement with descendants and descendant communities. Based on the recommendations of the Task Force, in 2024 the Smithsonian will develop a formal Institution-wide policy for the appropriate care, shared stewardship, or ethical return of human remains. A high-level committee of Smithsonian staff, led by the Under Secretary for Science and Research and the Under Secretary for Museums and Culture will oversee the policy and its implementation and report regularly to the Secretary and the Board on their progress.

STRATEGIC PLAN IMPLEMENTATION

Strategic Plan Implementation To conclude the open session, the Board received an update on the Strategic Plan implementation. January marked the one-year anniversary of the Smithsonian's Strategic Plan for 2023-2027: *Our Shared Future*. The Strategic Plan describes five broad focus areas and outlines 23 pan institutional initiatives designed to extend

reach and expand content. Deputy Secretary and Chief Operating Officer Meroë Park reviewed the current Dashboard and status of each of the initiatives and reported that 19 out of the 23 initiatives had been introduced or were on track according to plan. She also informed the Board that in the first year of implementation, a ground swell of collective engagement across the Institution and between units had been realized to achieve the greater reach, relevance, and impact for what the strategic plan envisions. The Board discussed major activities and milestones to support implementation for initiative #2: Nimble – Working together to build a nimble and effective Smithsonian so we can better achieve our mission. Over the past year, efforts on this initiative have focused on hiring, cash management, and purchasing. The Smithsonian will continue to target efforts over the plan's remaining four years.

EXECUTIVE SESSION

Executive Session: "Gatekeeper" Reports

The Board concluded the January 29, 2024, meeting with an opportunity to hear from each of the Smithsonian's Gatekeepers, including the Secretary, Under Secretary for Administration, Acting General Counsel, and Acting Inspector General.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at approximately 1:41 p.m.

ANNUAL PUBLIC FORUM

Annual Public Forum

The Regents' Public Forum began at approximately 2:30 p.m. in the Oprah Winfrey Theater at the National Museum of African American History and Culture. Chief of Staff to the Regents Porter Wilkinson opened the event with the introduction of the Secretary and the 2024 Board leadership, including Chair Risa J. Lavizzo-Mourey, Vice Chair Barbara M. Barrett, and third member of the Executive Committee Franklin D. Raines. Dr. Lavizzo-Mourey delivered a brief report on the Board of Regents. The Executive Committee and the Secretary engaged in a conversation on key matters at the Smithsonian, including the new museums, America250 celebration, collections space planning, and artificial intelligence (AI). Following the discussion, Ms. Wilkinson moderated a question-and-answer session, entertaining questions from the online audience. The event was open to the media and broadcast on the Smithsonian website.

Respectfully submitted,

Lonnie G. Bunch, III Secretary

APPENDIX A: ACTIONS OF THE JANUARY 29, 2024, MEETING OF THE BOARD OF REGENTS

VOTED that the Board of Regents approves the proposed appointment of David M. Rubenstein as a member of the Advancement Committee, for a term to coincide with the duties and responsibilities as Ambassador for the Smithsonian Campaign, and requests that the Chancellor make the necessary appointments. [2024.01.01]

VOTED that the Board of Regents approves the proposed committee chairmanship and member assignments for 2024 and requests that the Chancellor make the necessary appointments. [2024.01.02]

VOTED that the Board of Regents approves the Compensation and Human Resources Committee's 2024 compensation recommendation for the Secretary. [2024.01.03]

VOTED that the Board of Regents changes the title of the Chief of Staff to the Board of Regents to Counselor and Chief of Staff to the Board of Regents. [2024.01.04]

VOTED that the Board of Regents approves the Compensation and Human Resources Committee's 2024 compensation recommendations for senior executive positions. [2024.01.05]

VOTED that the Board of Regents adopts the Consent Agenda, which constitutes the approval of all action items listed therein. [2024.01.06]

VOTED that the Board of Regents approves the minutes of the October 23, 2023, meeting of the Board of Regents.

VOTED that the Board of Regents approves the proposed slate of candidates for appointment or reappointment to 13 Smithsonian Institution Advisory Boards.

VOTED that the Board of Regents approves the proposed amendments to the bylaws of the Smithsonian American Women's History Museum Advisory Council.

VOTED that the Board of Regents authorizes the Secretary to submit to Congress a federal budget request for appropriated funds for fiscal year 2025 as part of the President's budget in the amount of \$1,160.2 million, as negotiated with the Office of Management and Budget (OMB), and authorizes the Secretary to inform OMB and Congress fully about the implications of the President's budget for the mission and priorities of the Smithsonian. [2024.01.07]