

# MINUTES OF THE OCTOBER 15, 2012, MEETING OF THE BOARD OF REGENTS

## ATTENDANCE

This scheduled meeting of the Board of Regents was held on Monday, October 15, 2012. The Board conducted morning, afternoon, and executive sessions in the Hall of Musical Instruments in the National Museum of American History (NMAH), after which it held its fifth annual public forum in the museum's Warner Bros. Theatre. Board Chair France Córdova called the meeting to order at 8:35 a.m. Also present were:

Stephen M. Case	Robert P. Kogod	David M. Rubenstein
Shirley Ann Jackson	Steven LaTourette	Roger W. Sant
Sam Johnson	John W. McCarter Jr.	Patricia Q. Stonesifer
	Jack Reed	

Sakurako Fisher, Smithsonian National Board Chair  
Barbara M. Barrett, Regent Nominee<sup>1</sup>

The Chancellor, Chief Justice John G. Roberts, Jr.; Vice President Joseph R. Biden Jr.; Representative Xavier Becerra; Senator Thad Cochran; and Senator Patrick J. Leahy were unable to attend the meeting.

Also present were:

G. Wayne Clough, Secretary	Christopher Liedel, 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	Jeffrey P. Minear, Counselor to the Chief Justice
Virginia B. Clark, Director of Advancement and Philanthropic Giving	Bruce Evans, Assistant to Senator Cochran
Scott S. Dahl, Inspector General	Kevin McDonald, Assistant to Senator Leahy
Barbara Feininger, Office of the Regents Senior Writer-Editor (recorder)	Moira Lenehan-Razzuri, Assistant to Senator Reed
Albert Horvath, Under Secretary for Finance and Administration/Chief Financial Officer	Grisella Martinez, Assistant to Congressman Becerra
Richard Kurin, Under Secretary for History, Art, and Culture	David Heil, Assistant to Congressman Johnson
John K. Lapiana, Chief of Staff to the Regents	Sarah Cannon, Assistant to Congressman LaTourette
Judith Leonard, General Counsel	Larry Bird, NMAH Division of Political History Curator <sup>2</sup>
Evelyn S. Lieberman, Director of Communications and External Affairs	Marc Pachter, NMAH Acting Director <sup>2</sup>
	Harry Rubenstein, NMAH Division of Political History Chair <sup>2</sup>
	Kenneth Slowik, NMAH Curator of Music <sup>2</sup>

<sup>1</sup> Regent Nominee Barrett attended the meeting at the invitation of the Board.

<sup>2</sup> Dr. Bird, Mr. Pachter, Mr. Rubenstein, and Dr. Slowik participated in special presentations to the Board.

## MORNING SESSION

### REPORT OF THE BOARD AND EXECUTIVE COMMITTEE CHAIR

#### Introductory Remarks

Board Chair France Córdoba called the meeting to order. She welcomed Barbara Barrett, Regent nominee, and Sakurako Fisher, the new chair of the Smithsonian National Board (SNB). Both were attending their first Regents' meeting. Dr. Córdoba noted that the Senate had approved Ambassador Barrett's nomination and that the House of Representatives is expected to do the same after the election recess.

Dr. Córdoba thanked Representative LaTourette, who is retiring from the House of Representatives and was attending his last Board meeting, for his keen insights and contributions to the Board and to the Smithsonian. She also thanked Roger and Vicki Sant for hosting a dinner to welcome new National Museum of Natural History Director Kirk Johnson.

The Regents' attention was directed to several meeting handouts, including "Outside the Regents Room," a compilation of news reports on Board members' activities outside of the Smithsonian. The inaugural edition included recent news stories about the retirements of Mr. McCarter (from the Field Museum) and Representative LaTourette; the participation of Mr. Case and Mr. Rubenstein in the keynote discussion of The Forbes 400 Summit on Philanthropy; Dr. Jackson's selection as an International Fellow of the prestigious Royal Academy of Engineering; and *Forbes* magazine's front-cover recognition of Mr. Rubenstein as both one of the nation's top private equity dealmakers and one of the world's most prolific fundraisers. [The Secretary later noted that "Outside the Regents Room" included an article about the naming of a Purdue University facility after Dr. Córdoba, the past president of the university.]

Dr. Córdoba reviewed the agenda for the afternoon public forum and its topic, "Staying Relevant: The Smithsonian in the 21st Century." The forum's format, she said, would largely follow that used previously. Dr. Córdoba strongly encouraged the Regents' attendance, and noted that she would chair the forum because the Chancellor was unable to participate.

#### Collections Spotlight: Stradivarius Violins

Dr. Córdoba said the Hall of Musical Instruments would support two agenda items. She said that challenges to the new National Museum of African American History Culture, the construction of which can be seen from the Hall, would be discussed during the Board's executive session. She said the Hall, which would soon close to the public during the renovation of the NMAH west wing, also offered the opportunity to listen to some of the historic musical instruments in the national collections.

Under Secretary Kurin then introduced the meeting's "Collections Spotlight": a performance by area students on instruments from the museum's collections, including four Stradivarius violins. He said that the Smithsonian has steadily developed its musical programming since former Secretary S. Dillon Ripley's injunction to "take these beautiful instruments out of their vitrines and let them

sing.” He introduced Curator of Music Ken Slowik, adding that Dr. Slowik was the 2011 Smithsonian Secretary's Distinguished Research Lecture Award.

Dr. Slowik spoke of the Smithsonian’s ongoing work with students from all of the major conservatories, and explained the significance of the Stradivarius violins in the national collections. The Smithsonian’s violins, each of which is about 330 years old, are part of the approximately 630 Stradivarius violins that exist today. Eleven of the surviving violins, said Dr. Slowik, are decorated—three of which reside in the Smithsonian’s collections. He then led the musicians in a performance of the first movement of Felix Mendelssohn's Octet in E-flat major, Op. 20, which was written when the composer was 16 years old. The Regents responded to the performance with a sustained round of applause.

**Overview of Meeting Agenda**

Dr. Córdova provided an overview of the meeting agenda. She said that an update on the branding initiative and its national advertising campaign launch will follow the Secretary’s report. The Regents then will receive a mid-point report on the progress of the strategic plan, after which an update on the mission-advancing initiatives of Smithsonian Enterprises will be provided. Revised criteria to identify candidates for the Board of Regents will be discussed during the Report of the Governance and Nominating Committee. During the Board’s executive session, it will be briefed on the status of funding for the National Museum of African American History and Culture (NMAAHC), vote on the membership of the 2013 Executive Committee, and discuss refinements to the Secretary’s performance review process.

**Actions Taken on Behalf of the Board**

Dr. Córdova directed the Board’s attention to three actions the Executive Committee took on behalf of the Board since its June 2012 meeting. Three members were appointed to the Freer and Sackler Galleries’ advisory board, the proposed fiscal year 2014 Federal budget was approved for submission to the Office of Management and Budget (OMB), and a loan from David Rubenstein of a copy of the 13th Amendment signed by Abraham Lincoln to the NMAAHC was approved pursuant to the Board’s Ethics Guidelines. Ms. Stonesifer commented on the excitement generated by the loan, and the Board applauded Mr. Rubenstein for his generosity.

**Fiscal Year 2012 Board Self-Assessment**

The fiscal year 2012 Board self-assessment was approved by the Governance and Nominating Committee and provided in the advance reading materials. Dr. Córdova asked that all Regents participate in the survey, which will be forwarded in print and electronic versions. The results will be discussed, and appropriate responses considered, during the January 2013 Board meeting.

**June 25, 2012, Board Meeting Minutes**

The minutes of the June 25, 2012, meeting of the Board of Regents were approved without comment or revision.

***See attached Action 2012.10.01 (Minutes of the Board of Regents, Appendix A).***

**Tribute to Bill Moggridge**

Dr. Córdova reported that Cooper-Hewitt, National Design Museum Director Bill Moggridge, an internationally recognized design pioneer, passed away on September 8, 2012. The Executive Committee, she said, suggested that the Board approve a motion to express its appreciation for the contributions of Mr. Moggridge to the Smithsonian and to express its condolences to his family. The motion was approved.

**See attached Action 2012.10.02 (Minutes of the Board of Regents, Appendix A).**

## REPORT OF THE SECRETARY

### Overview of Report

The Secretary said that his report would be one of a “sweep” of presentations designed to update the Board on the current state of the Smithsonian, provide an overarching review of the strategic plan and the status of its initiatives, and generate discussion about the future of the plan. The advice of the Board, he said, will inform the upcoming leadership retreat with Smithsonian directors. He then proceeded with his fiscal year–end report.

### Broadening Access

The Secretary reported that the Smithsonian had a good year, particularly with regard to broadening access to its resources. There were over 30.3 million physical visits to the Smithsonian in fiscal year 2012—the highest level of visitation in 10 years. Strong visitation numbers were in part attributed to the “Girl Scouts Rock the Mall” centennial celebration. Visits to individual museums and the National Zoo were up. For example, attendance increased by 21 percent at the National Museum of the American Indian (NMAI) in Washington and by 20 percent at its New York City facility; visits to the National Zoo increased by 22.6 percent.

The successful September 29 “Museum Day” strengthened the Smithsonian’s national reach. Over 1,500 museums participated (a 7 percent increase from the prior year) in an event that enabled almost half a million people to visit those museums for free. The Smithsonian Traveling Exhibition Service (SITES) reached some 5 million people by organizing 46 traveling exhibitions that were on view in 455 locations in all 50 states. The number of Affiliates grew from 169 in fiscal year 2011 to 176 in fiscal year 2012; 41 states, Panama, and Puerto Rico are represented. More than 75,000 people participated in 715 programs hosted by The Smithsonian Associates in the past year.

Digital access broadened significantly in fiscal year 2012. There were nearly 103 million unique visits to more than 200 Smithsonian websites and blogs—a 23 percent increase from the prior year. As of September 30, 2012, there were more than 2.4 million social media followers, a 41 percent increase from last year. The number of Smithsonian apps rose to 28 and mobile websites to 11; downloads of Smithsonian mobile app rose to 458,748. The Secretary reminded the Board that the Smithsonian’s first app—the National Museum of Natural History’s (NMNH) *MEanderthal*—launched in 2010 and the first mobile website was launched by the National Air and Space Museum in 2009.

The Encyclopedia of Life (EOL), a flagship initiative of the NMNH, continues to expand and excel. With the contributions of other EOL partners, information on more than 1.1 million species is now available on the EOL website. There were over 2.4 million unique visits (a 13 percent increase from fiscal year 2011) this year.

The Secretary reported that the Digitization Strategic Plan is making as much progress as possible given current resources. Over 1.4 million digital images are available on the Collections Search Center website. Whereas there were only 189,287 unique

visits to the site in fiscal year 2010, there were 585,197 visits in fiscal year 2012.

The Smithsonian Center for Education and Museum Studies' participation in the EPals program generated 1.1 million visitors and 2.3 million page views in fiscal year 2012. Classroom materials based on Smithsonian content were downloaded by some 50,000 visitors. Smithsonian Enterprises averaged 2.5 million visitors each month to its website, Smithsonian.com, and the Office of Advancement has launched an E-giving program on the web.

#### **Federal Budget Update**

The Secretary thanked the congressional Regents for their efforts to support the Smithsonian in the fiscal year 2013 Federal budget process. The Smithsonian is operating under a continuing resolution for the first six months of fiscal year 2013. The Secretary reported that markups from both the House of Representatives and the Senate were positive but cautioned that the markups do not assure that the outcome of the final Federal budget will be as positive. The Smithsonian has been advised that the final total Federal budget could be as much as \$60 million above or below the current markups.

#### **Trust Budget Update**

One of the goals of the strategic plan is to increase fundraising efforts and decrease the Smithsonian's reliance on Federal funding. In 2010, Federal funding comprised 70 percent of the Smithsonian's total budget. By 2015, it is hoped that the Federal portion will be reduced to 60 percent of the total budget.

The Secretary reported that the Smithsonian surpassed its \$200 million fundraising goal for fiscal year 2012. Fundraising efforts resulted in \$223.7 million—the largest total ever achieved by the Smithsonian in a single year. The last time the Smithsonian raised over \$200 million was in the year 2000 when a single donor, Kenneth Behring, made a \$100 million commitment. The Secretary noted that current fundraising efforts are now carried out in a "broad manner." The number of donors who gave gifts of \$1 million or more rose from 35 in fiscal year 2011, which was a record at that time, to 41 in fiscal year 2012.

Preliminary numbers for national campaign show that nearly 40 percent of the working campaign goal has been reached. The Secretary reported that about 40 new staff have joined the Office of Advancement. With regard to the Endowment, fiscal year 2012 preliminary returns are 12.7 percent, versus 11.8 percent for the policy. As of September 30, 2012, total assets stood at \$1,071.1 million.

Secretary Clough said that a key component of the Trust budget is funding from grant and contract activities. He reported that the Smithsonian is on track to significantly expand funding for sponsored research by 2015. In fiscal year 2012, the number of sponsored project awards received totaled 602, a 14 percent increase from fiscal year 2011, with a total dollar value of \$157 million.

Smithsonian Enterprises (SE) achieved its sixth straight year of net gain improvement and, for the first time in six years, achieved an increase in gross revenues. The Secretary noted the contributions of SE President Chris Liedel and his leadership team to this achievement. The redesign of *Smithsonian* magazine has been a success, he said, and circulation has increased from 2 million to 2.1 million. The December 2012

issue will feature the magazine's first annual American Ingenuity Awards. Nine individuals will be honored for their contributions to the visual and performing arts, natural and physical sciences, technology, social innovation, historical scholarship, and education. A Smithsonian.com microsite and vignettes on the Smithsonian Channel also will feature the initiative.

#### Major Construction

From New York City to Panama, more than \$1 billion in major Smithsonian construction projects are under way, on time, and on budget. The Arts and Industries Building (AIB) shell project is 67 percent complete, and the targeted completion date should be met. The American Trail at the National Zoological Park is complete and open to the public. The Smithsonian-Mason School of Conservation facility at the Smithsonian Conservation Biology Institute facility in Front Royal, Virginia, is complete. The Secretary said the footprint for the National Museum of African American History and Culture is complete, final design approval was received from the Commission of Fine Arts in September 2012, and the final hearing with the National Capital Planning Commission is scheduled for November 2012. An aggressive construction schedule would allow for the opening of the building on time; the Secretary said the issue would be discussed further during the Board's executive session.

#### SI Redesign

The Secretary reported that the results of the SI Redesign project are excellent. The initiative synchronizes the Smithsonian goals, budgeting process, and accountability. The Redesign metrics dashboard was launched on Prism, the Smithsonian's internal website. The Board asked if it would be possible to provide the Board with access to the internal website.

#### Education

Smithsonian education initiatives also had a good year. The Secretary characterized the 20th annual Smithsonian Teachers' Night as "fantastic," reporting that 2,249 teachers from 26 states participated. The Smithsonian is in its second year of a five-year LASER i3 Department of Education grant that provides professional development training and services to more than 1,300 teachers and 300 education personnel. Secretary Clough commented on the success of this large initiative. Under an agreement with the Ministry of Educational Science and Technology of Korea, the entire digital curriculum *Smithsonian in Your Classroom* is being translated into Korean and integrated into the national curriculum. Smithsonian educators are training Korean teachers.

Many mobile workshops for educators have been launched. The Secretary highlighted several, including two units at the Hirshhorn Museum and Sculpture Garden. With support from the Pearson Foundation, the second annual "All Access Digital Arts Camp" provided access to a special program for students with disabilities. Adults with Alzheimer's have participated in a similar program. Both, said the Secretary, demonstrate the Smithsonian's efforts to reach new audiences. The Pearson Foundation also provided support for Edlab Mobile Learning workshops at the National Postal Museum.

A pilot of My-SI will launch in January 2013. The digital platform will offer customized online tools that allow Smithsonian researchers and educators to collect and share information.

The Secretary commented on several other successful initiatives, including the opening of the NMAI imagiNATIONS Activity Center and The Smithsonian Associates–sponsored interview with Salman Khan, author of *The One World Schoolhouse: Education Reimagined*. A possible partnership with the Khan Academy is being explored. The Smithsonian Associates–George Mason University Masters Program in the History of the Decorative Arts reported that 90 students were enrolled in courses in Washington and Glasgow, Scotland.

#### **Exhibition Highlights**

Eighty-nine new exhibitions opened in fiscal year 2012, and 13 exhibitions will open before the January 28, 2012, Regents’ meeting. Noting that time would not allow for him to comment on the many exhibitions currently on view, the Secretary encouraged the Regents to view as many as possible and experience the creativity of Smithsonian staff. *Roads of Arabia: Archaeology and History of the Kingdom of Saudi Arabia* will open on November 17. The exhibition is the culmination of two years of work and coincides with the 25th anniversary of the opening of the Gallery. The number of visitors to the Smithsonian American Art Museum’s exhibition *The Art of Video Games* totaled 686,406, making it one of the most popular exhibitions organized by the museum.

#### **The Consortia**

The Secretary said the Consortia continue to make a major impact. Staff are working across disciplines throughout the Smithsonian, partnering with outside agencies, and developing new sources of funding. The Consortia’s initiatives include symposia, such as “The Anthropocene: Planet Earth in the Age of Humans” and an interview on the “Americans All” initiative with Dr. Vartan Gregorian, the president of Carnegie Corporation and former president of Brown University. Hosted by the Secretary, the conversation with Dr. Gregorian was moderated by PBS *Newshour* Senior Correspondent Judy Woodruff.

The Secretary reported that Smithsonian National Board member Michael Tennenbaum pledged \$10 million in support of the Consortia’s Marine Global Earth Observatories initiative.

#### **Staff Awards and Recognitions**

The Secretary commented on the Secretary’s 2012 Award for Excellence. Two recipients shared the “Spirit of Collaboration” award: National Air and Space Museum (NASM) Director General Jack Dailey and the Welcome Discovery Team and NMAH’s Camy Clough. Ms. Clough was recognized for her efforts to draw some 250,000 visitors to the Smithsonian during the “Girl Scouts Rock the Mall” celebration.

Secretary Clough cited several recognitions recently awarded to Smithsonian staff. He reported that Dr. Margaret Geller of the Smithsonian Astrophysical Observatory will be awarded the prestigious 2012 Julius Edgar Lilienfeld Prize of the American Physical Society in March 2013. NMNH Senior Research Scientist and Curator of Old World Archaeology was elected to the National Academy of Science. Smithsonian Tropical Research Institute Senior Scientist Emeritus Jeremy Jackson won the 2012 Darwin Medal, the top medal in its field, at the 12th International Coral Reef Symposium in Australia. General Dailey received the Wings Club Award Distinguished Achievement award, the highest honor given by one of the oldest and most prestigious aviation organizations in the world.

The Smithsonian Libraries’ participated in a video collaboration project that was awarded a 2011 Emmy Award for Graphic Arts from the National Academy of Television Arts & Sciences. The Smithsonian Channel, which is celebrating its fifth anniversary, was recently awarded its third News and Documentary Emmy Award for the program “Decoding Immortality”; the program won in the Outstanding Science and Technology Program category.

## BRANDING INITIATIVE UPDATE

### Introduction

Dr. Córdova introduced the report on the branding initiative, noting that a major milestone was recently achieved with the September 20, 2012, launch of the brand advertising campaign. She invited Director of Communications and External Affairs Evelyn Lieberman, who is overseeing the initiative, to address the Board.

### Update on the Brand Advertising Campaign

Preliminary results from the advertising campaign are positive, reported Mrs. Lieberman, even though the campaign was only two weeks into its four-week run. She said she would discuss how the advertising campaign’s results and overall success will be measured, as well as outline plans for the branding initiative after this phase of the advertising campaign.

Mrs. Lieberman reminded the Board of the key objectives of the branding initiative and its advertising campaign. The overall purpose of the campaign is to surprise audiences, capture their attention, and get them to think about the Smithsonian in new ways. The interests and influence of target audiences, she said, shaped decisions about ad formats and placement. The ads are a “call to action” that will direct viewers to the new website, [seriouslyamazing.com](http://seriouslyamazing.com).

At a September 20 all-staff meeting, Smithsonian staff were introduced to the new ad campaign, along with a behind-the-scenes video that describes the making of the ads. The ad campaign and video were then released to external stakeholders. A news release and the launch of the [seriouslyamazing.com](http://seriouslyamazing.com) website followed. Media coverage in major news outlets nationwide was excellent, and the tone of the coverage was very positive. Some reviews generated free media coverage by including images of the ads. Outdoor advertising was launched on September 30 in Washington, D.C., New York City, Los Angeles, San Francisco, and Chicago. In addition to sites such as billboards, buses, subways, and transit stops, ads were posted on Smithsonian real estate, both physical and digital. The majority of the ad spaces were rented at a discounted rate.

In addition to appearing in *Smithsonian* magazine, print ads have been placed in several popular magazines, such as *People* and *Entertainment Weekly*. Many populate waiting rooms and homes, which increases their lifespan and visibility. Smithsonian volunteers and security officers are handing out business card-sized versions of the ads’ characters and questions.

The Office of Advancement is launching a pilot direct mail program based on the brand ads. The pieces will be directed to audiences who historically have not joined or supported the Smithsonian. Mrs. Lieberman presented examples of a mailer that

will be sent to 150,000 people, and said that an e-newsletter also will be distributed to 40,000 people. Both will encourage recipients to join the Smithsonian membership program; the mailer will encourage affordable donations. Traditional mailings also will be sent, and a comparison with the pilot program's results will help determine the success of the multi-platform effort. Preliminary feedback on the pilot program is promising and results will be available at the end of the year.

Most of the campaign, said Mrs. Lieberman, is about "harnessing the power of the internet" to help the Smithsonian reach more people than ever before. The majority of campaign advertising resources have been directed to digital advertising, she said, as digital advertising is especially compatible with the lifestyles of the target audiences. The "flavor" of ads and SI-Q questions vary, but all support quick and easy access to [seriouslyamazing.com](http://seriouslyamazing.com). Digital ads will run throughout October 2012. Some have been pro bono placements and others have been placed with the support of Target or Smithsonian Enterprises. The Smithsonian also has invested funds in the placement of the digital ads.

The purchase of digital advertising, said Mrs. Lieberman, is based on a combination of demographics and volume. Advertisers first identify webpages most frequently viewed by targeted audiences and apply a sophisticated algorithm to recognize when targeted viewers visit those websites. Ads are then displayed a guaranteed number of times, or "impressions." "Click-throughs," or the number of times users click on ads, are measured. The industry average for "click-throughs" on digital ads is about .08 percent. As of October 9, Smithsonian brand ads received about 12.6 million impressions, with an average daily "click-through" rate of .26 percent—more than three times the industry average. The rich media, or animated, ads have been the most popular, particularly with targeted "Aware Moms," whose "click-through" rate is more than 10 times the industry average. The branding team is working with its ad network and an internal analytics team to review results in more detail and to determine if adjustments need to be made for the remainder of the advertising run.

The ads, reminded Mrs. Lieberman, are designed to drive people to the new website, [seriouslyamazing.com](http://seriouslyamazing.com). To find the answers to SI-Q "teaser" questions, users are led to the websites of 37 Smithsonian units, including museums, research centers, and programs; *Smithsonian* magazine; the Smithsonian Channel; and the Smithsonian retail website.

There were more than 91,000 total unique visits to [seriouslyamazing.com](http://seriouslyamazing.com) from its launch on September 20 to October 12. A graph demonstrated that website traffic has peaked continuously in response to the different ways the website has been promoted. For example, the number and source of online visits increased when outdoor ads began appearing in five metropolitan areas. Mrs. Lieberman noted that 10 percent of the online traffic is coming from international sites.

An important objective of the new website is to encourage visitors' desire to learn more about the Smithsonian by delving deeper into its resources. More than 270 existing Smithsonian websites have experienced increased visitation since [seriouslyamazing.com](http://seriouslyamazing.com) began redirecting driving traffic to other parts of the Smithsonian. Mrs. Lieberman reported that the two most-popular websites are the

Smithsonian Libraries webpage, which includes information about Dr. Seuss’s wartime propaganda activities, and a recent *Smithsonian* magazine article about orchids. The initiative also is strategically using social media tools to drive traffic to the new website.

Because seriouslyamazing.com is new, it will take time to observe how people are using the website and to determine what improvements might be made. Mrs. Lieberman noted that the website’s content and SI-Q questions, which are reviewed daily, are currently created by central public affairs staff using information pulled from existing unit websites. All units, she said, have been asked to contribute SI-Q ideas that can be linked to existing online Smithsonian websites.

**Measuring Success**

The success of the advertising campaign, including its ability to change perceptions of the Smithsonian, will be measured by collecting data on brand attributes and brand engagement. Mrs. Lieberman reminded the Board that broad audience market research was conducted two years ago that informed the development of a branding strategy. A survey then was conducted prior to the launch of the ad campaign to establish baseline metrics on how people view and engage with the Smithsonian. The same questions will be posed in a post-campaign survey of respondents who have seen the ads. A comparison of data from both surveys is expected by the end of the year. It is anticipated that the results will provide insight on the ads’ effectiveness, as well as inform the direction of future branding efforts. Traditional success metrics also will be used to measure the impact of the advertising campaign on things like visitation, web traffic, and donations.

Mrs. Lieberman discussed expenses associated with the advertising campaign. Funding from Target has supported the campaign, as well as significant Smithsonian resources. She reported that preliminary results indicate a positive return on the Smithsonian’s investment. Data will be carefully analyzed to confirm that success metrics have been met before seeking or expending additional funds for future brand advertising.

**Future Plans**

Future plans include building on the forward momentum of the advertising campaign, developing ways to repurpose ads, and leveraging internal expertise and vision. Smithsonian Enterprises, said Mrs. Lieberman, has been an excellent partner in the branding initiative. SE will assume responsibility for brand advertising and media placement in the coming months. The Office of Communications and External Affairs will continue to manage seriouslyamazing.com.

## STRATEGIC PLAN: MID-POINT REPORT

**Introduction**

Dr. Córdova provided an introduction to the first of two mid-point reports on the Smithsonian’s strategic plan for fiscal years 2010–2015, entitled “Inspiring Generations through Knowledge and Discovery.” The second report will be presented at the January 2013 Board meeting.

She reminded the Board that it had encouraged the administration to develop a strategic plan during the search for the 12th Smithsonian Secretary, and that the

Regents had approved the plan in 2009. The plan, said Dr. Córdova, is one of the most important things over which the Board has purview. Characterizing the plan as “brilliant,” she said it is time to review the plan’s accomplishments to date and to consider its future. An overarching question is whether or not the plan is achieving its transformational goals, both for the public and internally.

The Secretary, she noted, had intended to present a full report to the Board in January 2013. The Executive Committee, however, asked the Secretary to begin his review at this meeting so that the Regents’ feedback could be brought forward to the upcoming leadership retreat on the plan. The results of the retreat will be reported on January. These discussions will impact the latter part of the strategic plan and its implementation.

The Secretary directed the Board’s attention to the strategic plan materials in their meeting books. The materials document the plan’s progress with regard to multiple sets of goals, and conclude with a review of areas that need to be addressed in the next few years in order to successfully complete the plan. He noted that Under Secretaries Kurin and Pell would join him in this presentation.

#### **History and Development of the Strategic Plan**

Secretary Clough provided some background on the development of the strategic plan. Following his arrival in 2008, the Secretary read every strategic plan written in the Smithsonian’s history. Two, he said, were notable: the 1927 and the 1995 strategic plans. The 1927 plan was optimistic but was released just prior to the Great Depression. The 1995 plan spoke to the power of digital capabilities but was unable to anticipate how pervasive digital technology would become. It did not address long-term budget issues, and also stated that the Smithsonian would not construct any new museums until it had sufficient funding for the upkeep of existing buildings. Regardless, said the Secretary, both strategic plans recognized that it was a critical time for the Smithsonian to reestablish its relevance.

The Secretary explained that a template was then created to support the development of the strategic plan. The template noted that the plan should:

1. recognize it is time to reestablish the Smithsonian’s relevance and focus on reaching broader audiences, especially through digital opportunities;
2. avoid falling victim to sudden financial and economic downturns;
3. provide an overarching focus for the Smithsonian that will be sustainable over time and can respond to changes in the Smithsonian’s scope, size, and diversity;
4. provide a balanced approach that will support progress in the Smithsonian’s traditional sphere of operations, while also taking advantage of new opportunities, such as advances in digital technology; and
5. set forth new ideas and options that will reinvigorate the Smithsonian so that it will become a more self-reliant, entrepreneurial, and vibrant organization by 2015, the plan’s end-date, as well as become a recognized leader in areas of global significance.

It is important, said the Secretary, to think beyond the life of this strategic plan, and to consider both what and where the Smithsonian should be in the future. The plan,

he said, is aspirational and seeks to achieve a “sticking power” that will advance and support the Smithsonian in the decades to come.

#### **Progress To Date**

The launch of the plan led to a “whirlwind” of activity. The plan, said the Secretary, has accomplished more than had been anticipated to date—but more remains to be done. It has supported the Smithsonian’s discussions with OMB, the Congress, and with donors. Three key efforts have advanced the plan’s objectives: Smithsonian Redesign, the national campaign, and the branding initiative.

Redesign led to an entire administrative reorganization. New divisions were added, such as the Office of Collections and Interdisciplinary Support and the Office of Education and Access. Productivity and efficiency have been enhanced.

The national campaign is advancing the Smithsonian’s ability to become more self-reliant. The first-ever in the Smithsonian’s history, the national campaign is based on the goals of the strategic plan and has been integrated throughout the Smithsonian. Other parts of the Trust budget also have been developed, such as grant and contract activities, and funds are well-designed to match and complement the Smithsonian’s Federal budget. Trust funds, said the Secretary, now comprise 37 percent of the overall Smithsonian budget, a 7 percent increase since the launch of the plan. The Smithsonian is well on its way towards achieving a more flexible budget structure and the goal of increasing Trust funding to 40 percent of the overall budget by 2015.

The branding initiative, said Secretary Clough, is not all about advertising and outreach—it is about the way the Smithsonian does business, and changing internal and external perceptions of the Smithsonian from that of a staid repository for information and objects to a dynamic organization that can effect change and contribute to issues of global importance. The impact of the branding initiative, said the Secretary, will be monitored to ensure that the Smithsonian continues to create a larger cultural shift, not a one-time change, and aligns its activities with its aspirations.

The reorganization of the Smithsonian’s administrative structure has brought in people who understand that alignment. Their efforts, said the Secretary, have resulted in such achievements as the redesign of goal- and budget-setting processes that align with the strategic plan; the development of strategic plan-based case statements for each Smithsonian unit; the creation of the Grand Challenges Consortia and programs that support collaboration and new initiatives; and the development of systems to monitor and coordinate efforts on pan-institutional initiatives, such as education and collections management. Effective investments have been made in the Smithsonian’s programs, places, and people.

#### **Issues of Concern**

The majority of Smithsonian directors, said the Secretary, oversee mission-enabling programs, not museums. When surveyed, most directors are supportive of the plan and recognize the progress it has achieved. The primary concern identified by Smithsonian directors is funding.

The Secretary spoke of other issues that must be addressed. Some goals are not well-defined or measured. He said, for example, that the Smithsonian has been increasing

its activities but has not identified which audiences it is successfully reaching. Such efforts, he said, need to be more specific and targeted. The Smithsonian must enhance its ability to combine and coordinate resources, including digital opportunities.

#### The Consortia

The Secretary invited Under Secretaries Kurin and Pell to speak about the Grand Challenges Consortia's role in actualizing the goals of the strategic plan. Dr. Pell read one of the strategic plan's goals: "To leverage the scholarship and experience that reside in each field of knowledge, the Smithsonian will create interdisciplinary centers around each of the four grand challenges."

Dr. Pell characterized the four Grand Challenges as "umbrellas" that "cover" the Smithsonian's initiatives. Many of the units' activities fall under a specific "umbrella," while other activities reside under several Grand Challenge "umbrellas." The role of the Grand Challenges Consortia, she said, is to cultivate and support interdisciplinary initiatives that support the strategic goal "crossing boundaries."

The Grand Challenges Consortia were launched in July 2010 with a \$10 million grant from the Bill & Melinda Gates Foundation. Four directors were named and a structure of seed grants was developed to fund interdisciplinary initiatives. Thirty-three level I and 31 level II grants have been awarded to date, and "signature" programs are emerging. The programs also have generated significant funding. With the Regents' approval of a pending gift, said Dr. Pell, the Smithsonian will have raised \$18 million in external funding through philanthropy and competitive grants.

Dr. Pell discussed four prospective signature science programs: MarineGEO, IndiGEO, Genomics of Biodiversity, and Life in the Cosmos. The Marine Global Earth Observatories, or MarineGEO, will be the first global-scale network of coastal observatories dedicated to understanding changes and sustainability in the structure and function of marine ecosystems. MarineGEO is a collaborative effort of the Smithsonian Environmental Research Center (SERC), the Smithsonian Tropical Research Institute (STRI), NMNH, and the National Zoological Park's Smithsonian Conservation Biology Institute (NZP/SCBI). The Indigenous Global Earth Observatory, or IndiGEO, is a research and education partnership between the Smithsonian, the Menominee Nation, and regional stakeholders. IndiGEO is dedicated to supporting sustainable forestry in the face of climate change; participating units include SERC, NZP/SCBI, and the National Museum of the American Indian.

The Genomics of Biodiversity is a program between the NMNH, STRI, SERC, NZP/SCBI, and the Museum Conservation Institute (MCI). Using the Smithsonian's extensive biological and cryo-collections, in situ biology programs in many parts of the world, and access to sequencing strategies for both ancient and contemporary DNA, the Smithsonian is positioned to become a world-recognized repository for genomic information and leader in efforts to understand evolution. The fourth signature program, Life in the Cosmos, uses the resources of the Smithsonian Astrophysical Observatory (SAO), NASM, NMNH, STRI, SERC, and MCI to better understand the origin and evolution of life by investigating planet formation and the development of habitable environments; cosmic rays, climate modulation, and radiation; biological diversity and speciation rates; and the Sun.

Dr. Kurin discussed prospective signature programs that include the contributions of the history, art, and culture units. Twelve Smithsonian units are collaborating on the Civil War 150th Anniversary program. One of the nation's most defining experiences is being considered through exhibitions, publications, symposia, Smithsonian Channel documentaries, educational programming, acquisitions, an online portal, social media, and apps. Americans All—a collaboration between NMAH, the Center for Folklife and Cultural Heritage (CFCH), the Asian Pacific American Program, the Smithsonian Latino Center, and Smithsonian Affiliations—is dedicated to creating a more inclusive and historically accurate understanding of the people who populate the most ethnically and culturally diverse nation in the world.

Urban Waterways explores how urban communities and their residents understand and engage in the stewardship of urban rivers and waterways. The Anacostia Community Museum, NMAH, NMAI, SCBI, and Smithsonian Gardens are contributing to this signature program. The Recovering Voices program is providing leadership in global efforts to document and sustain the world's endangered languages and the encoded knowledge they offer. The program is a collaboration between NMNH, NMAI, and CFCH.

Dr. Kurin spoke of the Consortia's support for collaborative and interdisciplinary workshops; symposia; exhibitions; publications and articles; and documentaries, among other things. One of the programs that has benefited from the Consortia's support is the National Museum of African Arts' exhibition *African Cosmos: Stellar Arts*. Dr. Kurin directed the Regents' attention to a *New York Times* article that recognized the exhibition as a "bold demonstration of a more specific reality: In Africa art and science, including astronomy, have always intersected."

#### Discussion

Dr. Jackson asked the Secretary if the strategic plan adequately considers the desired "end game" or "lasting instinct" of what the Smithsonian will look like in the future. The Secretary said the key goal of the plan is to establish the Smithsonian as a place that is more relevant to the American people and to the world, by reaching more people and using its resources more effectively to do so. The Smithsonian, he said, is central to democracy and contributes to the development of informed citizens. The question, he said, is whether the plan is on the trajectory needed to establish the Smithsonian as a world leader in the four Grand Challenge areas.

Dr. Jackson asked Drs. Kurin and Pell if the programs they described will help the Smithsonian reach its goals of becoming more relevant, providing cross-disciplinary and intellectual leadership, and becoming more financially self-sufficient and nimble. Dr. Pell said the best people have come forward to participate in cross-disciplinary programs when opportunities have been presented. Dr. Kurin spoke of the challenges faced by the history, art, and culture units, where many units must continue to direct funding to exhibitions and programs, sometimes at expense of those units' museums' intellectual infrastructure, which have borne the brunt of base erosion.

Mr. Case stated that the plan is strong, has made good progress, and is tracking well. He identified two areas of concern: resources and relevance. Both, he said, will be large issues in the next five to 10 years. What will happen, he asked, when world resources and priorities change—and how must the Smithsonian change in order to

be able to address such challenges? How will it protect its brand and intellectual property while going “outside of its comfort zone” to pursue new opportunities, such as digital expansion, and achieve more financial independence?

Senator Reed noted that other institutions are facing similar challenges to their intellectual capital structure. He said that the directors must consider which initiatives must be protected at all costs. He also asked if the Smithsonian had explored the idea of joint tenured positions with educational institutions.

Ms. Stonesifer said that the directors should carefully consider the issue of relevance during the upcoming retreat. Choice-making, she said, is essential during this time of restricted resources.

Mr. McCarter asked if the Smithsonian is adequately focused on the changes happening in the outside world. He cited the issue of rising CO<sub>2</sub> emissions and the education crisis that is occurring in public schools across the nation. Over half of the public schools in New Orleans and in Houston are now charter or contract schools. How, he asked, can the Smithsonian have an impact on the fundamental organization of secondary education?

Mr. Kogod noted his appreciation for the Regents’ constructive comments. He said, however, that it is important to also emphasize the progress that has been made with the strategic plan. He commended the administration and staff for their efforts.

Dr. Jackson concurred, adding that it is important that the Smithsonian identify—and institutionalize—a construct that will allow it to achieve both the intellectual leadership and relevance it desires and the necessary resources to accomplish those things.

## SMITHSONIAN ENTERPRISES

Dr. Córdova introduced Chris Liedel, who was appointed SE president six months ago. Mr. Liedel thanked the Board for the opportunity to provide an overview of SE, share his observations of its operations, and discuss its goals.

### **An Expanded Focus**

The goal since his arrival, said Mr. Liedel, has been to expand the SE management team’s concentration on cost containment strategies to include a more expansive vision that focuses on growing revenues. The new focus will support the Smithsonian’s efforts to achieve a wider and more global reach, enrich visitors’ experiences, and generate revenue that will benefit the work of Smithsonian researchers, scholars, artists, educators, and curators.

To achieve these goals, SE is building stronger ties across the Smithsonian by inviting museums and research centers to collaborate in the development of mission-related business activities. SE’s management team was restructured to become a more nimble and proactive organization that is revenue-focused. Nearly half of current SE staff are new, and the organization now possesses greater strength in the areas of business development, editorial power, project management, and marketing. Mr.

Liedel noted that the team's expertise also includes an ability to identify and work with large audiences while maintaining a sensibility about the core values of the Smithsonian.

#### Increasing Engagement

Mr. Liedel said the large number of visits to the Smithsonian's museums, programs, and research centers—over 30 million in fiscal year 2012—is impressive by any standard. He noted that the Smithsonian's virtual and digital engagement often is overlooked, stating that the number of virtual visits to the Smithsonian annually total nearly 60 million.

SE is helping expand the reach of the Smithsonian in both large and small ways. Even the smaller initiatives, said Mr. Liedel, have a large impact. He cited the revamped Smithsonian Museum Day that was held this past summer. The record number of participants reflected a 33 percent increase in attendance from the prior year. The program generated about 250,000 customers. A larger initiative is the launch of *Smithsonian* magazine's American Ingenuity Awards. The initiative's long-term goal is to support a series of SI Channel programs dedicated to American innovation and ingenuity.

Mr. Liedel noted that risk is inherent in any growth initiative but said that increasing the Smithsonian's reach and engagement will depend upon its ability to successfully bring in new audiences, including Aware Moms, Aware Millennials, and high school students. He noted that *Smithsonian* magazine enjoys one of the highest levels of reader engagement. To leverage the magazine's engagement, SE is increasing its collaborations with museums and research centers on magazine stories. The magazine also has undergone an editorial redesign and joined forces with other media companies, such as NPR, to expand the Smithsonian's brand recognition.

The number of unique visitors to Smithsonian.com has reflected a positive growth trend over the last several months. Visits are up about 150 percent from the same time last year. Smithsonian Channel also has experienced dynamic growth; it now reaches nearly 22 million households. The Channel has grown faster than most other cable start-up programs during their first five years of operation. The Channel also has potential for international expansion.

Quality, said Mr. Liedel, has gone hand-in-hand with growth. Smithsonian Channel recently was awarded its third Emmy, and the first for Outstanding Science and Technology Program.

#### Increasing Revenues

The SE management has embraced the challenge of identifying new growth opportunities. Mr. Liedel said that the team is creative, resourceful, and driven. The team recognizes that SE can't rest on the strength of the Smithsonian brand, and that it must "outthink and outwork" its competition.

SE must pursue new audiences to generate new revenue. It also must invest in SE core business operations. Mr. Liedel explained that the increased revenue stream generated by SE over the past year have been good for the museums. It came, however, at a price, as the savings was generated by a reduction in SE resources. SE now must reinvest in staff and replace its aging infrastructure.

SE retail, which last year generated over 6 million transactions, is reinvesting in its infrastructure. The design functionality of its operations is being updated, and there is a renewed focus on increasing sale margins. Museum stores are being redesigned to parallel visitors' experiences in each museum. Mr. Liedel noted that the Hirshhorn Museum and Sculpture Garden gift shop has experienced a nearly 50 percent increase in revenues since its recent renovation. Because funding for store renovations is limited, SE also is exploring the use of "pop-up" museum stores that require less physical space and infrastructure and can be placed in high-traffic areas.

SE is focusing on expanding its businesses in ways beyond the renovation and revitalization of SE's retail operations. Talented product developers have been brought in who are working with SE stores and products. New technology is being implemented in SE stores that supports dynamic forecasting of inventory needs. New talent also is directing SE's online retail operations. Mr. Liedel reported that SE is investing in a new centralized online database that will support the growth of SE's online catalog business.

Mr. Liedel said that key partnerships will offer new opportunities to expand the reach of the Smithsonian while supporting revenue growth opportunities. He then provided an overview of three potential partnership initiatives.

In closing, Mr. Liedel said that he welcomes the challenge of leading SE to new heights of relevance and revenue growth. The first task at hand, he said, is to continue building a dynamic team that is focused on creating new opportunities that will capture the excitement of internal stakeholders, including the Board of Regents, as well as support the Smithsonian mission and brand.

#### Discussion

Mr. Liedel was asked about the status of efforts to increase the sale of American-made products in SE retail units. He reported that efforts to date have increased the number of American-made products to 53 percent and that one museum shop only sells items that are made in America. New product developers have been brought on board to support these efforts. He noted, however, that two museum shops—the National Museum of African Art and the Freer and Sackler Galleries—understandably focus on products not made in the United States.

The Board and Mr. Liedel discussed how SE can help the Smithsonian reach and engage new, and younger, audiences, such as high school students. Mr. Case said he is impressed by SE's progress with regard to people, partners, and products. SE, he said, has assembled a team with a new perspective, sought out external experts and partners, and expanded effort to leverage the Smithsonian brand.

He also identified two important issues that, in his opinion, must still be addressed: funding the new initiatives, including the development of an investment capital plan, and SE's governance. He expressed concern that a heightened sensibility about hedging reputational risk might overshadow SE's focus on expanding resources and relevance, as well as constrain efforts to rethink SE's business model, capitalize on relevance- and resource-generating opportunities, and support the creativity necessary to do so. Mr. Case acknowledged there are risks in new business models but said that addressing this tension will be one of the Smithsonian's greatest

challenges over the next five years. He also said the support of an advisory group would accelerate SE activities.

SE leadership, said Mr. Liedel, is not refraining from new investment or business opportunities that would require the advice or oversight of the Finance Committee. Because new staff must be hired to develop new programs, SE is working diligently to augment its budget by securing new working capital. Mr. Liedel said SE would welcome the creation of an advisory group, and noted that numerous external advisors have expressed their interest and support. He said he agreed with a suggestion previously made by Mr. Kogod, who advised that a member of the Board of Regents participate in the advisory group. The inclusion of a Regent would ensure that the advisory group has an internal sensibility about encouraging growth opportunities while maintaining attention to reputational risk. SE and its new leadership team, said Mr. Liedel, are well-positioned to work with an advisory board.

The Secretary commented on the excitement that had been generated by this discussion. He said the Smithsonian is looking at two specific areas to increase its financial self-sufficiency: increased revenues and philanthropic giving. He emphasized that Smithsonian leadership, including Mr. Liedel, is mindful of prior governance issues and does not want to repeat prior mistakes.

The Secretary reminded the Board that an external advisory board had provided oversight of SE's predecessor, Smithsonian Business Ventures (SBV). The advisory board was abolished and not replaced during the transformation from SBV to SE, although the Regents' Finance and Strategic Planning and Programs committees currently advise on some SE activities. He agreed that a new advisory board should not be limited to external members, and that a Regent's institutional knowledge and sensibility would be an asset to the group.

The Smithsonian, said the Secretary, has brought SE "closer in." SE is now mission-focused and sensitive to the potential impact, both positive and negative, of its activities on the rest of the Smithsonian, including its museums, exhibitions, and research initiatives. The "trick," he said, is holding SE close without slowing down its progress. The Secretary also said that participants in both the directors' retreat and the January 2013 Board meeting will discuss the Smithsonian's digital strategy, the need to increase digital access to Smithsonian resources, and the risks associated with the growth of the digital world. Mr. Case reiterated his concerns about balancing reputational risk against the need to increase the Smithsonian's relevance and resources.

Mr. McCarter asked how Smithsonian Channel programming is developed. Mr. Liedel explained that, as per the Smithsonian's contract with the Channel, an internal Smithsonian review committee reviews each program for content, quality, and reputational risk. The Smithsonian has the right to veto Channel programs, as well as the ability to petition for the content of up to 16 programs. The Channel is regularly provided with topics that have been submitted from across the Smithsonian. In an effort to launch more compelling, Smithsonian-based programs, Mr. Liedel is working closely with Under Secretaries Kurin and Pell and their staff to identify and develop the "story-telling" capacity of Smithsonian content.

## FINANCIAL SNAPSHOT

Under Secretary for Finance and Administration/Chief Financial Officer Albert Horvath commented on the Smithsonian's fiscal year 2012 snapshot as of June 30, 2012, copies of which were included in the advance reading materials. He reported that Trust revenues in the third quarter met or exceeded plan. Expenses were in line with the budget and no negative changes were experienced in the final quarter of the fiscal year.

Mr. Horvath spoke of his June 2012 report to the Board, during which he identified the development of improved financial reporting as a high-priority goal for fiscal year 2013. He updated the Board on its request for a dashboard-like report that includes key financial information. The development of the dashboard, he said, is making good progress. The Executive Committee reviewed and commented on a draft dashboard during its October 4, 2012, meeting. Feedback from that meeting is being integrated into a revised draft. It is anticipated that a final draft will be presented to the Finance Committee at its next meeting, and that the new report will be presented to the Board at its meeting in January 2013.

## REPORT OF THE FINANCE COMMITTEE

Finance Committee Chair David Rubenstein provided the committee's report. He confirmed that expenditures were in line with revenue in fiscal year 2012. Total Federal appropriations were \$810 million, Trust revenues stood at \$430 million, and the total budget was \$1.24 billion.

Mr. Rubenstein reported on the fiscal year 2013 integrated budget. During its August 27, 2012, meeting, the Finance Committee agreed to recommend that the Board approves the fiscal year 2013 budget for appropriated and Trust funds and authorizes the Secretary to expend such funds. In addition, the Committee agreed to recommend that any material changes in program plans shall be made only with the approval of the Board or the Executive Committee. The fiscal year 2013 budget includes a Federal budget request of \$857 million and \$463 million in Trust revenue, resulting in a total budget of \$1.32 billion. The proposed resolution was presented to the Board, and the motion was approved.

***See attached Action 2012.10.03 (Minutes of the Board of Regents, Appendix A).***

Mr. Rubenstein next reported on the fiscal year 2014 Federal budget submission to the Office of Management and Budget (OMB). He said the Finance Committee had recommended that the Executive Committee approve, on behalf of the Board, the submission of two Federal budget requests—guidance and requirements—to OMB in September 2012. The fiscal year 2014 guidance budget request was \$829 million and the requirements budget request was \$873 million.

He also provided an update on the Smithsonian's external debt, stating that the Smithsonian had transferred its standby bond purchase agreement to a different

financial institution. This change, said Mr. Rubenstein, will provide increased liquidity backup for the Smithsonian's variable rate debt.

## REPORT OF THE INVESTMENT COMMITTEE

Investment Committee Vice Chair Steve Case briefed the Regents on the main components of the Endowment's management. He noted that the Endowment's returns over the last three- to five-year periods were average compared to peer universes. Asset allocations are on track with regard to policy. Expanding the Endowment's private equity, venture, and private natural resources investments with high-quality funds is a key focus.

Dr. Jackson asked Mr. Case to comment on the Committee's view of the payout formula versus long-term expected returns. He said there remains some concern about the overall market for the next five to seven years, and its effect on the ability of endowments to maintain current payout rates. Chief Investment Officer Amy Chen confirmed that both the Committee and staff are closely evaluating current market returns with regard to the Smithsonian's current payout rate of 5 percent on a five-year trailing average.

## REPORT OF THE ADVANCEMENT COMMITTEE

Advancement Committee member David Rubenstein provided the Committee's report. As previously reported by the Secretary, the Smithsonian surpassed its fiscal year 2012 fundraising goal and nearly 40 percent of the national campaign goal has been reached. Mr. Rubenstein also noted that the campaign is about \$40 million ahead of the goal established for this point in its lifespan.

A number of national campaign projects are under way in various cities across the United States. The Secretary noted the important contributions of the Smithsonian National Board (SNB), which has organized and funded about 15 separate fundraising functions in support of the campaign. The campaign steering committee will next meet on October 30, 2012. There will be several presentations, including an interview by Mr. Rubenstein of Reynold Levy, president of Lincoln Center and renowned fundraiser.

Eight proposed gift and sponsorship actions, said Mr. Rubenstein, were being submitted for the Board's consideration. He noted that each is in conformance with applicable Smithsonian policies and procedures. When asked to comment on the proposed gifts, Director of Advancement and Philanthropic Giving Virginia Clark reported that six gifts were new and two reflected designations for previously received gifts. All, she said, reflect major themes and needs of the campaign. Ms. Clark highlighted a gift from Michael Tennenbaum in support of a global network of marine observatories, and asked Under Secretary Pell to comment on its significance.

Dr. Pell spoke of the Smithsonian's efforts to develop a network of marine observatories that will provide standardized measurements of biological changes in

coastal zones across the world's climate gradients over time. The initiative, she said, evolved from a level I grant awarded by the Consortium for Understanding and Sustaining a Biodiverse Planet with funding from the Bill & Melinda Gates Foundation.

With Mr. Tennenbaum's gift, said Dr. Pell, the Smithsonian will immediately embark on hiring a project director, launching a project website, and refining project protocol. By the summer of 2013, three marine observatories will be open at Smithsonian sites in Florida, Maryland, and Panama. Dr. Pell predicted that many more will open within the next five years.

The proposed gift and sponsorship actions then were presented for approval. Reminding the Board that one gift was from Regent Nominee Barbara Barrett and her husband, Dr. Córdova noted that Ambassador Barrett was not present for this discussion and vote. The motions were approved en banc. Ms. Stonesifer subsequently noted that the Tennenbaum gift reflects the Smithsonian's ability to advance scholarship, engage with outside scientific institutions, and attract donors.

***See attached Actions 2012.10.04–2012.10.11 (Minutes of the Board of Regents, Appendix A).***

## REPORT OF THE AUDIT AND REVIEW COMMITTEE

Audit and Review Committee Chair John McCarter provided the committee's report. He first commended the leadership and contributions of Under Secretary Horvath and Inspector General (IG) Scott Dahl to the administration and effectiveness of both the Smithsonian and the Audit and Review Committee.

Mr. McCarter reported that the committee had two formal meetings since the Board's June 2012 meeting. During the committee's August 9, 2012, meeting, it received an update on the Pan-institutional Database for Advancement (PANDA), which was created to address the remaining governance recommendation regarding internal controls. Mr. McCarter said that PANDA is on budget and on track for implementation at the end of fiscal year 2013. The committee also reviewed the Smithsonian's draft fiscal year 2011 IRS Form 990 submission, which was cited for its timely submission and incorporation of Regents' comments. Although the Smithsonian is not subject to the reporting requirements of the Sarbanes-Oxley Act, the committee was informed that operations are in compliance with all applicable provisions of the Act.

Mr. Dahl provided a number of updates to the committee during its August meeting; a number of long-term items are moving towards closure. General Counsel Judith Leonard reported on the annual financial disclosure and conflict of interest review; no reportable issues or necessary additional actions were noted. Under Secretary Horvath also updated the committee on the development of an enterprise risk management program.

At the committee's October 2, 2012, meeting, external auditors KPMG presented the audit plan for fiscal year 2012 and reported on the results of the fiscal year 2012 A-

133 audit of grants and contracts. Mr. Dahl provided an update on the status of the recompetes of the contract for audit services. Mr. McCarter reported that five proposals were submitted for consideration and that a selection will be made by the end of the calendar year.

Mr. McCarter said a number of formal and informal discussions occurred over the previous month about the theft of parking fees by contractors at the Udvar-Hazy Center. He noted that a similar cash management problem occurred at Cooper-Hewitt, National Design Museum about three years ago and that retail and parking issues at the National Zoo are currently under review. Mr. McCarter reported that the committee agreed that a pan-institutional review of cash management at the Smithsonian was needed. Under Secretary Horvath has engaged the services of consultant Booz Allen Hamilton (BAH) to perform a comprehensive report on the overall handling of cash at the Smithsonian. It is anticipated that the report will be submitted at the end of November 2012. Both Mr. McCarter and Mr. Rubenstein noted current or prior professional relationships with BAH, and assured the Board that these relationships had no role in the selection of the consulting firm for the review of the Smithsonian's cash management.

Mr. McCarter said the October meeting included a review of the IG's draft audit plan for both mandatory and discretionary audits in fiscal year 2013. The IG's prioritization of identified issues, he said, was appropriate.

## REPORT OF THE STRATEGIC PLANNING AND PROGRAMS COMMITTEE

Strategic Planning and Programs Committee Chair Shirley Ann Jackson focused on the committee's most recent meeting, which was held on October 1, 2012. The meeting was devoted primarily to two major topics: the mid-point review of the strategic plan and an overview of SE's mission-advancing initiatives. Dr. Jackson noted that, at the committee's December 2012 meeting, the Secretary will report on the directors' retreat on the future of the strategic plan. At that time, the committee also will consider a schedule that will support the routine review of key parts of the strategic plan, including the linkage of activities to the plan.

The committee conducted its routine review of major programmatic activities and planned exhibitions. She noted that one, the Sackler Gallery of Art's *Roads of Arabia* exhibition, benefited from two gift sponsorships just approved by the Board. The committee continues to monitor the status of three Ai Weiwei exhibitions at the Smithsonian.

The committee discussed a possible partnership with the U.S. Patent and Trademark Office (USPTO) that would use the AIB to tell the story of American innovation through three different programmatic vehicles: an exhibition, an innovation lab, and a "celebration stage." The exhibition would be dedicated to the history and values of American innovation and ingenuity. The innovation lab, or think tank, would support physical and virtual meetings of representatives from industry, public and non-profit sectors, and academia to address "public-focused" issues. The "celebration stage" would host public programming and recognition ceremonies related to innovation

### Potential Partnership Agreement

**Review of Potential Controversies**

excellence. Discussions with the USPTO have been positive and a draft memorandum of understanding between the Smithsonian and the USPTO soon will be created. Dr. Jackson emphasized that any agreement would contemplate using the AIB for a limited period to allow for its possible use as a new National Museum of the American Latino.

During the committee meeting, Under Secretary Kurin discussed a name change for the Smithsonian Asian Pacific American Program to the Asian Pacific American Center. He also updated the committee on potentially controversial matters, including new research on the “Jefferson Bible” and the Smithsonian Channel’s interest and role in a debate about what is thought to be a 4th-century parchment fragment that refers to Jesus having a wife. Dr. Jackson asked Dr. Kurin to comment on the issue of the parchment and the Smithsonian Channel’s relationship to that debate.

Dr. Kurin explained that the Smithsonian Channel has created about 600 documentaries for television over the last five years, of which about 12 percent originate from the Smithsonian. A pan-institutional committee reviews all Smithsonian Channel programs for factual accuracy and reputational risk.

A documentary was proposed by Harvard Divinity School professor and scholar Karen King about her research on the parchment fragment. The Smithsonian Channel began working with Dr. King on a program that would premiere when the results of her research were released.

Pursuant to the contractual review process, the pan-institutional committee reviewed a rough cut of the documentary and did not approve its airing until the required corrections were made.

The Board discussed the development and review process for Smithsonian Channel programs. The Channel, said Dr. Kurin, drives the production and nearly all of the content of the programs; the Smithsonian has the right to propose 15 programs each year under the terms of the contract. Scripts are developed by outside companies. The contract provides a five-day period for the Smithsonian to review rough cuts of proposed programs. Representative LaTourette expressed concern about the limited timeframe provided for the Smithsonian’s review; he also asked if the Smithsonian could review program concepts prior to their production.

Under the contract, program concepts are not submitted for the Smithsonian’s review. The Smithsonian, however, has the right to veto any program that contains factual inaccuracies and/or could present reputational risk. In such cases, Smithsonian Channel will absorb all the costs incurred to that point. Dr. Kurin noted that it is not in the Channel’s best interest to pursue programming that does not meet Smithsonian standards.

Dr. Kurin said the Smithsonian’s partnership with Smithsonian Channel has allowed Smithsonian content to reach tens of millions of households. Mr. Case emphasized the strategic importance of this initiative. Such collaborations might create

reputational risks, said Mr. Case, but the greater risk to the Smithsonian would be a

foregoing of resource development.

## LUNCHEON PRESENTATION: SERIOUSLY AMAZING—THE PRESIDENTIAL ELECTION COLLECTIONS

NMAH Acting Director Marc Pachter introduced the luncheon presentation and welcomed the Board on behalf of NMAH Director John Gray. He noted that, because of the pending renovation of the west wing of the NMAH, this would be the last meeting in the Hall of Musical Instruments for the next three years. When complete, each floor of the transformed museum will offer a distinct focus on American history. The museum's first floor will consider the economic basis of American society and the values of opportunity and innovation; the second floor will explore the country's political dynamic; and the third floor will focus on liberty and the pursuit of happiness.

Mr. Pachter said that the Smithsonian's presidential election collections are tangible evidence of the nation's political dynamic. Noting that these collections also reflect the keen curatorial instincts of two NMAH curators, he welcomed presenters Harry Rubenstein and Larry Bird of the NMAH Division of Political History.

Mr. Rubenstein, who is chair of the Division of Political History, and Dr. Bird, curator of the Division's presidential campaign collection, described their collecting activities during the Iowa Caucus, the New Hampshire Primary, and the Republican and Democratic National Conventions. Mr. Rubenstein explained their interest in collecting contemporary campaign material to build out the museum's collection, which dates to the time of George Washington. Dr. Bird described the personally meaningful campaign memorabilia that they sought, and introduced a video compilation of television interviews and news features documenting their collecting adventures from 1996 to the present.

## AFTERNOON SESSION

The Board resumed its business meeting at about 1:00 p.m.

### REPORT OF THE FACILITIES COMMITTEE

Facilities Committee Chair Robert Kogod directed the Regents to the advance meeting materials. He noted that his comments would be limited to issues not previously addressed by the Secretary, including new construction, renovation, and restoration efforts.

Mr. Kogod reported on the committee's September 27, 2012, meeting. The committee reviewed the Smithsonian's facilities capital and maintenance investment requirements for fiscal years 2012–2018. The Smithsonian currently spends, on an annual basis, about \$100 million on capital improvements (irrespective of new construction) and about \$70–75 million on maintenance. Good management by the Office of Facilities Engineering and Operations, said Mr. Kogod, has allowed the Smithsonian to avoid major facilities crises to date, although damage from Hurricane Irene continues to be addressed.

The committee also discussed the development of a long-term campus master plan for the Smithsonian's facilities on the south side of the National Mall. Mr. Kogod confirmed that planning for the AIB will be limited to its interim use, from now until 2014. The campus master plan will address a period that will begin later, probably in 2021. The Smithsonian issued a solicitation for offers to develop the plan. There were 30-some respondents, from which a selection panel identified six for further consideration. The final selection will likely be announced within 30 to 60 days.

### REPORT OF THE COMPENSATION AND HUMAN RESOURCES COMMITTEE

Compensation and Human Resources Committee Chair Patricia Stonesifer reported on the committee's current areas of focus. The committee, she said, has primarily directed its attention to the Smithsonian's compensation approach for 2013 and pending salary reductions for certain Smithsonian leadership.

Federal salaries have not increased since January 2010. Because of the freeze on Federal salaries, Smithsonian Trust salaries also are frozen. The committee, said Ms. Stonesifer, continues to discuss the salary freeze and its impact on the Smithsonian workforce. She noted that the President has proposed lifting the freeze on Federal salaries in April 2013.

Ms. Stonesifer reminded the Board that, in response to the governance issues identified in 2007, the Smithsonian's senior executive compensation practices were reviewed. Market-based salaries were analyzed to determine if similar positions

existed within the Federal structure and if qualified pools of candidates existed. As a result, certain Trust positions were reclassified to be in sync with similar Federal positions. Twenty positions were reclassified through this process.

The Smithsonian provided for a five-year grandfathering period that will expire in January 2013, at which time “Federal equivalent” salaries will be implemented. Of the original 20 employees whose positions were reclassified, eight remain with the Smithsonian. Ms. Stonesifer said the issue would be discussed further during the Board’s executive session.

## RECENT COLLECTIONS ADDITIONS

Under Secretary Pell commented on two recent additions to the national science collections. She first spoke of the NMNH’s acquisition of 1182 seeds from the Seeds of Success program. Established by the Bureau of Land Management in collaboration with the Royal Botanic Gardens, the program collects seeds from individual species for the conservation and rehabilitation of landscapes. She also reported on the births of several animals at the National Zoo. Although the panda cub died within a week of its birth, the Zoo is celebrating the arrivals of two cheetah cubs, two fishing cat kittens, two Cuban crocodiles, and a black howler monkey. The two crocodiles are the first to be born at the Zoo since 1988.

Under Secretary Kurin spoke of the NMAAHC’s acquisition of a miniature version of the Emancipation Proclamation, copies of which were distributed to African Americans along the front lines of the Civil War and read at public gatherings. The NMAH acquired the red suit worn by former Secretary of State and United Nations Ambassador Madeleine Albright during the 1996 public announcement of her nomination to be the 64th Secretary of State.

Dr. Córdova commented on her recent visit to the Museum Support Center in Suitland, Maryland, where she viewed the conservation and storage of a broad array of objects in the national collections. She cited Deputy Under Secretary for Collections and Interdisciplinary Support Scott Miller, National Collections Program Director Bill Tompkins, NMNH Supervisory Museum Specialist Elizabeth Dietrich, NMNH Associate Director for Research and Collections Jonathan Coddington, and NMNH Supervisory Collections Management Specialist Carol Butler, among others, for their contributions to her tour and to the management of the national collections.

## REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

Governance and Nominating Committee Chair Roger Sant provided the first of two reports to the Board. He reported that the committee supports the establishment of an ad hoc committee to oversee the campus planning effort. The new committee will be chaired by Mr. Kogod. He also said that efforts are under way to improve the overall performance of the Smithsonian’s advisory boards. An update on that effort will be provided to the Board at its January 2013 meeting.

Mr. Sant introduced the first action item for the Board’s consideration: the proposed appointment or reappointment of members to eight advisory boards. Ms. Stonesifer, a candidate for membership on the NMAAHC Council, recused herself from the vote. The motions were approved en banc.

***See attached Actions 2012.10.12–2012.10.19 (Minutes of the Board of Regents, Appendix A).***

Proposed revisions to the bylaws of two advisory boards—the Board of Trustees of the Archives of American Art and the Commission of the National Portrait Gallery—were then presented. The motions were approved en banc.

***See attached Actions 2012.10.20–2012.10.21 (Minutes of the Board of Regents, Appendix A).***

Mr. Sant reminded the Board of two pending Board vacancies that will occur in late 2013, and noted the committee’s goal to submit two candidates for the Board’s approval by October 2013. To support the search for qualified candidates, the committee agreed to submit proposed changes to the general criteria for identifying candidates for the Board of Regents.

Mr. Sant commented on the proposed revisions. Candidates must be willing to assume Board leadership positions during their tenure, as well as enjoy the respect of both political parties. The committee also recommends that candidates be fluent in 21st-century technology and communications. One vacancy, said Mr. Sant, must be filled by a resident of the District of Columbia.

The Board endorsed the proposed revisions.

***See attached Action 2012.10.22 (Minutes of the Board of Regents, Appendix A).***

## REPORT OF THE OFFICE OF GOVERNMENT RELATIONS

Director of Government Relations Nell Payne was asked to share her perspective on the status of pending legislation for a National Museum of the American Latino. There being no further questions, the Board adjourned at 1:35 p.m. for an executive session.

## EXECUTIVE SESSION

During its executive session, the Regents considered the Governance and Nominating Committee’s proposed leadership team for the 2013 session of the Board. The Board approved the reelection of Dr. Córdoba as Board Chair, the election of John McCarter as Vice Chair, and the reelection of Dr. Jackson as a member of the Executive Committee.

***See attached Actions 2012.10.23–2012.10.25 (Minutes of the Board of Regents, Appendix A).***

The executive session adjourned at about 2:35 p.m., after which Mrs. Lieberman provided a briefing on the public forum.

## FIFTH ANNUAL PUBLIC FORUM WITH THE BOARD OF REGENTS

Dr. Córdova called the fifth annual public forum to order at 3:00 p.m. and, on behalf of the Board of Regents, welcomed the audience in the Warner Bros. Theatre and webcast viewers. She explained the significance of the forum's focus, "Staying Relevant: The Smithsonian in the 21st Century," and noted that the annual public forum provides all Smithsonian stakeholders with the opportunity for direct access and input to the Board of Regents.

Dr. Córdova explained the history of the Board and its composition. She then asked the participating Regents (Dr. Jackson, Mr. Kogod, Representative LaTourette, Mr. McCarter, Mr. Rubenstein, and Ms. Stonesifer), Secretary Clough, and SNB Chair Sakurako Fisher to introduce themselves. Each briefly spoke of his or her professional history and contributions to the Board.

Dr. Córdova provided a synopsis of the Board's business meeting. She said that a considerable portion of the meeting was devoted to discussing a mid-point progress report on the strategic plan launched in 2010. One of the Board's top priorities, said Dr. Córdova, is to ensure that the Smithsonian remains strong, secure, and relevant. The Board also is committed to helping obtain the resources necessary to advance the Smithsonian's mission and strategic plan goals. She noted the actions approved by the Board during its business meeting, including a gift in support of a global network of marine observatories and the election of Mr. McCarter as the 2013 Board Vice Chair. Dr. Córdova then asked Secretary Clough to describe initiatives he is leading that will ensure the Smithsonian will be relevant to all people, in all places, in an ever-changing world.

The Secretary thanked the Regents for their commitment of time and expertise in support of the Smithsonian's mission and governance. He also thanked viewers for their participation in this forum. In the last four years, said Secretary Clough, a "whirlwind" of activity has transformed the Smithsonian into a more dynamic, self-reliant, and responsive organization. He highlighted the many initiatives that have been launched, including the strategic plan, Smithsonian Redesign, the national campaign, and the branding initiative. Noting the generosity of the Smithsonian's supporters, he announced that the Smithsonian raised \$223.7 million in fiscal year 2012, an all-time record for the Institution.

The Secretary spoke about the new branding initiative and its tagline, "Seriously Amazing." The initiative, he said, is designed to highlight all that the Smithsonian has to offer, engage more audiences, reach a younger demographic, and change people's perceptions of the Smithsonian. A national brand advertising campaign, the first in the Smithsonian's history, also was launched.

Engagement with Smithsonian resources is strong, as represented by the tens of millions of visitors to Smithsonian museums, travelling exhibitions, and programs. Digital technology is expanding the reach of the Smithsonian: over 100 million unique visits have been recorded on Smithsonian websites and blogs and there are now 2.4 million social media followers. The Secretary spoke of the important contributions of the Smithsonian's 6,000 staff and 6,500 volunteers. Smithsonian educators are helping advance the work of the nation's teachers, and curators are organizing internationally recognized exhibitions. Smithsonian researchers and award-winning scientists are making important discoveries and contributing to issues of global import. What the Smithsonian does best, said the Secretary, is inspire.

Dr. Córdova thanked the Secretary for his comments. She explained to the audience that the Regents would respond to a few targeted questions on the forum's theme, after which questions would be taken from the physical and online audiences.

Ms. Stonesifer was asked what the word "relevant" means to the Regents, and how will it know if the Smithsonian is relevant. Ms. Stonesifer spoke of the strategic plan's identification of issues the world is interested in and to which the Smithsonian can provide world leadership. The process of developing the four "grand challenges," said Ms. Stonesifer, speaks to the Smithsonian's relevance and ability to contribute to the increase and diffusion of knowledge. The Smithsonian's ongoing ability to inspire, added Dr. Córdova, also maintains its relevance.

What other organizations that compete with the Smithsonian, asked Dr. Córdova, are doing a good job of being relevant, and what can the Smithsonian learn from them? Mr. Rubenstein noted that, like the Smithsonian, other great cultural institutions in Washington, D.C., share a commitment to reaching younger and more diverse audiences and providing appealing, enriching experiences that will help develop more educated, engaged, and productive citizens. He said that the Kennedy Center, Library of Congress, National Gallery of Art, and National Archives also are engaging in elaborate fundraising efforts to achieve these goals, as well as using social media tools to extend their reach. Mr. Rubenstein said that these organizations sometimes benefit from other institution's ideas. The Smithsonian's Folklife Festival and free admission, for example, are reflected in such programming as the National Book Festival on the National Mall and the Kennedy Center's free Millennium Stage programs.

Mr. McCarter noted successful models outside of Washington, D.C., that are doing a "spectacular" job of reaching out to audiences in new and engaging ways. He cited New York City's "Museum Mile" (and nearby museums), the British Museum Director Neil MacGregor's 100-part series *A History of the World in 100 Objects*, and Richard Saul Wurman's TED conferences and talks. He also commented on the notable endowments that support many of New York City's cultural institutions. Dr. Jackson spoke of the important role of great research universities when looking for models of relevance. These universities, she said, are "in the business of increasing and diffusing knowledge" through the research they do and the young people they educate. She agreed that other institutions are not competitors but organizations from which the Smithsonian can learn.

Mr. Rubenstein commented on the ability of digital technology to bring information into the home, but said that there is nothing like the physical experience of visiting a museum or engaging in a program. The goal of the Smithsonian and similar organizations, he said, is to provide experiences that can't be found anywhere else, or in any other way. The Secretary noted that the 176 Smithsonian Affiliate museums also expand the reach of the Institution and offer unique access to its resources. He likewise commented on the ability of digital technology to reach new audiences, as well as foster new partnerships and collaborative experiences.

What unique contributions, asked Dr. Córdova, can the Smithsonian make to strengthen American education? Noting that not all learning goes on in formal classroom settings, Dr. Jackson spoke of the importance of informal learning platforms, particularly those that link back to formalized education. She characterized the Smithsonian as a "laboratory for innovation" and said that, if structured the right way, it can be recognized as a lab for informal education that helps us gain a true historical perspective of who we are as citizens and caretakers of this nation, world, and cosmos. Today's student, said Dr. Jackson, may possess a strong academic record but hasn't developed a broader portfolio of experiences and achievements. The Smithsonian, she said, has a critical role in developing that portfolio.

Where, asked Dr. Córdova, is the Smithsonian strongest in education and what does it need to do better? Mr. Kogod commented on the many successful initiatives that had been described in this forum, adding that the research and scholarship generated by Smithsonian staff is "world class." The work of the Smithsonian is beneficial to the nation and to the world. The challenge, he said, is figuring out how to more effectively diffuse the Smithsonian's resources and knowledge to the rest of the world.

Representative LaTourette then was asked about the possible effect of a new Administration or Congress on the Smithsonian. He expressed concern about the state of the nation's political system and the Federal budget. He said that the intolerance and divisiveness of many elected officials makes it hard to find common ground, and fixing the Federal budget will require great political courage. He commented on the Smithsonian's annual struggle to secure sufficient Federal support for its operations, including the construction of congressionally mandated museums. If the Federal budget crisis isn't addressed, he said, there won't be a budget for the Smithsonian to fight over.

Dr. Córdova then asked Ms. Fisher to discuss the important role of the SNB. Members of the SNB, said Ms. Fisher, are charged with three mandates: to be better ambassadors for the Smithsonian, to give advice to the Secretary, and to help raise funds for the Smithsonian. She spoke of the global importance and reach of the Smithsonian's initiatives, and SNB members' efforts to bring the Smithsonian into their home communities.

The Board then addressed comments and questions from the auditorium and online audiences. The first question asked what the Smithsonian is doing to address the fastest-growing demographic—Latinos—in the country. The Secretary said that,

compared to years past, the Smithsonian is more focused on the American Latino experience. He spoke of the work of the Smithsonian Latino Center, and efforts to incorporate the Latino perspective into other Smithsonian initiatives. The Smithsonian is in the process of hiring six new curators who will add to the Smithsonian's knowledge of Latino contributions to American culture. The Smithsonian's collections also reflect increased attention to the acquisition of Latino material. The Secretary also spoke of pan-institutional initiatives, such as the Americans All project, that address the experiences, relationships, and influence of the nation's many cultures.

The second comment, an online submission, stated that the Smithsonian undermines its credibility when it accepts corporate sponsorships and allows the naming of facilities for donors. Ms. Stonesifer noted that the author clearly cares about the Smithsonian and the idea that it belongs to the American people. The need for patrons, she said, is very real and the Board, with the support of the Smithsonian's gift policies, must separate the role of the donor from that of the scholar and expert. She said the Board's core business is about addressing the tension between protecting the reputation of the Smithsonian, ensuring it gets the resources it needs, and advancing its relevance. The Smithsonian's first experience with the issue of donor recognition, noted the Secretary, occurred with the receipt of James Smithson's bequest and its stipulation that the institution be named in his honor.

The next question asked how the Smithsonian might introduce more hands-on ways to explore the natural sciences. Dr. Córdova noted the many hands-on opportunities currently offered at the Smithsonian, and asked Secretary Clough to comment. The Secretary agreed that hands-on experiences are a key part of informal learning environments. Most museums, he said, are focusing on ways to increase these opportunities. He highlighted several popular Smithsonian programs that support hands-on learning, such as a NMNH laboratory that allows students to handle bones and gain exposure to forensics science. He also noted that a soon-to-be launched Smithsonian platform, My-SI, will allow students from across the country to participate and collaborate in hands-on research.

The last comment was a two-part question that asked if the Smithsonian had a responsibility to educate all citizens of the world, and if it had considered establishing a museum of world religions. Numerous religious objects are in the national collections, said the Secretary, and visitors comment on the spiritual opportunities offered by these objects. The Smithsonian also has a religious advisory group. The Secretary also spoke of the Smithsonian's commitment to helping Americans better understand all world cultures, and the Grand Challenge "Valuing World Cultures." The Secretary noted the Smithsonian's position as a publicly funded institution.

Mr. McCarter said the Smithsonian's international initiatives, such as the Encyclopedia of Life, demonstrate its commitment to educating citizens across the world. Nothing is more international than science, said Dr. Jackson, and people often don't understand the role of science in culture. The Smithsonian has a wealth of resources and is advancing initiatives that further the understanding of science and culture.

Representative LaTourette commented on the role of funding. There is no substitute,

he said, for world knowledge and experience. Federal funding cuts threaten the ability of organizations to help Americans better understand world cultures. Dr. Jackson said that all cultural and educational institutions in this country depend on philanthropy to advance their mission and goals. She noted the importance of major gifts to the Smithsonian but reminded the audience that everyone has the opportunity to contribute to the Smithsonian.

## ADJOURNMENT

Dr. Córdova thanked the Regents and the audience for their participation. The public forum was then adjourned at 4:00 p.m.

Respectfully submitted,

G. Wayne Clough  
Secretary

## APPENDIX A: ACTIONS OF THE OCTOBER 15, 2012, MEETING OF THE BOARD OF REGENTS

**VOTED** that the Board of Regents approves the minutes of the June 25, 2012, meeting of the Board of Regents. [2012.10.01]

**VOTED** that the Board of Regents expresses its profound appreciation to the memory of Bill Moggridge, an esteemed colleague and friend of the Smithsonian Institution, and extends its heartfelt sympathies to his wife, Karin Moggridge, and family. [2012.10.02]

**VOTED** that the Board of Regents approves the budget of appropriated funds for fiscal year 2013 when signed into law by the President, approves the institutional budget for Trust funds for fiscal year 2013 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. [2012.10.03]

**VOTED** that the Board of Regents recognizes the generosity of Lockheed Martin Corporation to the National Air and Space Museum and continues the naming of the Lockheed Martin IMAX Theater in the National Air and Space Museum from January 1, 2013, to December 31, 2022, a period of 10 years. [2012.10.04]

**VOTED** that the Board of Regents recognizes the generosity of the Margaret A. Cargill Foundation to the National Museum of Natural History and names the Margaret Cargill Collections Zone in the planned Center for Science Education for a period of 20 years or until the next major renovation of the Center, whichever is longer. [2012.10.05]

**VOTED** that the Board of Regents recognizes the generosity of Barbara and Craig Barrett to the National Museum of Natural History and names the Barbara and Craig Barrett Lab for a period of 20 years or until the next major renovation of the Center, whichever is longer. [2012.10.06]

**VOTED** that the Board of Regents recognizes the generosity of John and Adrienne Mars to the National Zoological Park's Smithsonian Conservation Biology Institute and names the John and Adrienne Mars Conservation Science Wing for a period of 20 years or until the next major renovation of the Center, whichever is longer. [2012.10.07]

**VOTED** that the Board of Regents recognizes the generosity of Michael E. Tennenbaum to the Smithsonian Institution and creates an endowment to support the marine observatories and names the facilities the Tennenbaum Marine Observatories. [2012.10.08]

**VOTED** that the Board of Regents approves the creation of a quasi-endowment for the National Museum of Natural History's Center for Science Education to fund education and outreach activities associated with the Center and related activities. Further, the Board authorizes the transfer of funds identified for this purpose. [2012.10.09]

**VOTED** that the Board of Regents recognizes the generosity of the Exxon Mobil Corporation to the Freer Gallery of Art and Arthur M. Sackler Gallery and accepts the terms of the sponsorship agreement. [2012.10.10]

**VOTED** that the Board of Regents recognizes the generosity of Saudi Refining, Inc., a subsidiary of the Saudi Arabian Oil Company (Saudi Aramco), to the Freer Gallery of Art and Arthur M. Sackler Gallery, and accepts the terms of the sponsorship agreement. [2012.10.11]

**VOTED** that the Board of Regents reappoints Barbara Fleischman, Wendy Jeffers, Frank Martucci, Janice Oresman, and John Robinson to the Board of Trustees of the Archives of American Art for three-year terms effective immediately. [2012.10.12]

**VOTED** that the Board of Regents reappoints Claudia Kotchka and Barbara Mandel to the Board of Trustees of Cooper-Hewitt, National Design Museum for three-year terms effective immediately. [2012.10.13]

**VOTED** that the Board of Regents appoints Donald Kirlin and Stephen VanRoekel and reappoints Morton Fungler and John L. Plueger to the National Air and Space Museum Board for three-year terms effective immediately. [2012.10.14]

**VOTED** that the Board of Regents appoints George T. DeBakey, Erin K. Hogan, John E. Jacobson, and Kristin M. Richardson to the Advisory Board of the National Science Resources Center for three-year terms effective immediately. [2012.10.15]

**VOTED** that the Board of Regents appoints Ziad S. Ojakli, Terry Prather, and David M. Velasquez to the National Advisory Board of the National Zoological Park for three-year terms effective immediately. [2012.10.16]

**VOTED** that the Board of Regents appoints Stephen L. Berry, Marsha Wedgeworth Blackburn, and Samuel M. Victor and reappoints Kay Dryden and Augustus C. Miller to the Advisory Board of the Smithsonian Libraries for three-year terms effective January 1, 2013. [2012.10.17]

**VOTED** that the Board of Regents appoints Thomas Tupper to the Advisory Board of the Smithsonian Tropical Research Institute for a three-year term effective immediately. [2012.10.18]

**VOTED** that the Board of Regents appoints Patricia Q. Stonesifer to the Council of the National Museum of African American History and Culture to serve until the opening of the museum, effective immediately. [2012.10.19]

**VOTED** that the Board of Regents approves the proposed amendments to the bylaws of the Board of Trustees of the Archives of American Art. [2012.10.20]

**VOTED** that the Board of Regents approves the proposed amendments to the bylaws of the Commission of the National Portrait Gallery. [2012.10.21]

**VOTED** that the Board of Regents endorses the revised General Criteria for Identifying Candidates for the Smithsonian Board of Regents. [2012.10.22]

**VOTED** that the Board of Regents reelects France Córdova as Chair of the Smithsonian Board of Regents for a one-year term effective January 29, 2013. [2012.10.23]

**VOTED** that the Board of Regents elects John W. McCarter Jr. as Vice Chair of the Smithsonian Board of Regents for a one-year term effective January 29, 2013. [2012.10.24]

**VOTED** that the Board of Regents reelects Shirley Ann Jackson as a member of the Smithsonian Board of Regents' Executive Committee for a one-year term effective January 29, 2013. [2012.10.25]