

MINUTES OF THE OCTOBER 15, 2013, ADVANCEMENT COMMITTEE MEETING

The Advancement Committee (“the Committee”) of the Board of Regents conducted a teleconference on October 15, 2013. Participating were Committee Chair Alan G. Spoon and Committee members Barbara Barrett, France A. Córdova, Travis Engen, Sakurako Fisher, Adrienne Mars, Paul Neely, and David Rubenstein.

Participating staff included Smithsonian Secretary G. Wayne Clough; Chief of Staff to the Secretary Patricia Bartlett; Campaign Director Cynthia Brandt-Stover; Director of Advancement and Philanthropic Giving Virginia B. Clark; Deputy Director of Advancement Zully Dorr; Office of the Regents Senior Writer-Editor Barbara Feininger (recorder); Under Secretary for Finance and Administration/Chief Financial Officer Albert Horvath; Under Secretary for History, Art, and Culture Richard Kurin; Chief of Staff to the Regents John K. Lapiana; General Counsel Judith Leonard; and Under Secretary for Science Eva Pell. Marts & Lundy Senior Consultant and Principal Phil Hills also participated.

CALL TO ORDER AND REVIEW OF MEETING AGENDA

Mr. Spoon called the meeting to order at approximately 3:05 p.m. and welcomed Ms. Brandt-Stover, the new campaign director, and the members of the Committee.

Mr. Spoon reviewed the meeting agenda. He noted that the Committee would review nine gift papers and the preparations for the October 2014 public launch of the Smithsonian Campaign. Key dates include June 23, 2014, when the Committee will recommend the public campaign goal to the full Board. In preparation, the Committee must assess the campaign’s progress, priorities, and fundraising capacity. Areas to be reviewed include the development of unit campaign cases, giving opportunities, and fundraising capacity, including early, significant gifts that establish momentum. The Committee will review a preliminary campaign goal at its March 2014 meeting and will conduct a final review of the forecast campaign goal in June 2014, prior to presentation to the full Board. Reviews will be supported using a template developed by the Office of Advancement.

APPROVAL OF MINUTES

The draft minutes of the June 18, 2013, Committee meeting were approved without modification.

SECRETARY’S UPDATE

Federal Shutdown. Dr. Clough commented on the impact of the shutdown on operations. The October 2013 public meeting of the Board has been cancelled but will be rescheduled.

Review of Fiscal Year 2013 Fundraising. Fiscal year 2013 fundraising concluded on a very strong note, due in large part to the results delivered in September. For the first time ever, the Smithsonian raised over \$200 million for two consecutive years. The campaign's working goal continues to be on track. Funding for endowments increased in fiscal year 2013, and 31 positions are now endowed. The strong management of the Endowment resulted in a 13.4 percent increase in value over fiscal year 2012. The National Museum of African American History and Culture (NMAAHC) experienced its best fundraising year to date. The Secretary cited several of the significant gifts made to the Smithsonian during fiscal year 2013.

Extension of the Strategic Plan Timeline. Secretary Clough discussed the proposed extension of the strategic plan to align with the Smithsonian Campaign. Extending the timeline of the strategic plan to 2017, if approved by the full Board at its October 2013 meeting, will strengthen both initiatives, as well as the Smithsonian's communications to the Congress. Revised goals, metrics, and resourcing plans will be developed to support the strategic plan's extension. The flexibility of the plan also will allow the new Secretary to imprint his or her aspirations on the plan. Mr. Spoon added that the extension of the strategic plan timeline also will support the Smithsonian's digital enterprise, which will enhance the accessibility and reach of the Institution.

CAMPAIGN PROGRESS

Campaign Steering Committee. Mr. Spoon noted that the campaign steering committee will next meet on November 6, 2013. This is the first capital campaign for many of the unit leaders and campaign volunteers, and the meeting will focus on furthering volunteer development and engagement.

Campaign Overview. Ms. Clark thanked the Committee and senior staff for enabling the Smithsonian to achieve a successful fundraising year. She then provided the regular progress review of the campaign, and noted that a more extensive report would be provided at the Committee's January 2014 meeting. The campaign continues to experience strong momentum. In addition to highlighting NMAAHC's performance, Ms. Clark noted other fundraising achievements that occurred in fiscal year 2013: to name a few, the National Museum of American History achieved its best fundraising year in 10 years; the September 2013 opening of the National Postal Museum's Gross Stamp Gallery reflects the largest single gift received by that museum; and Cooper-Hewitt, National Design received its largest gift to date.

The campaign dashboard reports demonstrate that progress against the gift pyramid. The results of regional fundraising events are strong and new prospective donors are being identified. PANDA, the new IT system for development operations, is being deployed. Training in the new system is under way and feedback from staff is positive. Ms. Brandt-Stover will oversee the kickoff of the campaign's public launch, the development of an honorary campaign committee, assessments of the campaign's progress, campaign communications, and donor stewardship.

Campaign Budget Report. Mr. Horvath discussed the budget and funding models for the national campaign. Initial budget assumptions, he said, are performing “right on track.” It is anticipated that the campaign budget will be largely balanced at fiscal year end. The fiscal year 2014 Endowment drawdown for campaign financing will occur after the fiscal year 2013 books are closed. The market for skilled development staff is very competitive, noted Mr. Horvath, and some staff turnover had been expected.

Campaign Evaluation Template. Ms. Clark presented the proposed dashboard template that will be used to evaluate the progress of the campaign and the work of the units. Mr. Spoon noted that the template will be objective and motivating. He said that, in addition to the templates and their appendices, the Regents and the Secretary will need supplemental materials that synthesize and present an aggregate prediction of success. Mr. Engen noted that the template will be most useful at the local level. The comment section, he said, should encourage brief narratives that address where, and why, a unit stands qualitatively against its goal. Secretary Clough noted that aggregate predictions also must consider different types of gifts, such as in-kind gifts and those for cross-cutting initiatives, such as the Consortia, the Arts and Industries Building, education, and digitization.

Ms. Clark said that campaign evaluations for about four units will be reviewed with the Committee at its January 2014 meeting. It is anticipated that all unit evaluations will be presented to the Committee in March 2014. Mr. Horvath and Mr. Engen will contribute to the compilation of the data and reports. Mr. Spoon asked Secretary Clough to contribute to devising an evaluation template that will address the Smithsonian’s cross-cutting initiatives.

REVIEW OF PENDING GIFTS AND CORPORATE SPONSORSHIPS

Ms. Clark presented nine proposed actions for the Committee’s consideration. At the request of two donors and the museums benefiting from their generosity, two proposed actions will be treated as confidential until publicly announced. Mr. Spoon commended the fundraising efforts of Smithsonian American Art Museum Director Betsy Broun, who secured five gifts in support of the Renwick Gallery renovation; all but \$6 million for that effort has been raised. Following brief discussion, the following motions were approved:

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Elizabeth and Lee Ainslie to Cooper-Hewitt, National Design Museum, and names the Carnegie Mansion’s former first-floor reception room the Ainslie Family Gallery for 40 years.

The Advancement Committee recommended that the Board of Regents approves a sponsorship and naming for the National Air and Space Museum. At the request of the donor and the museum, the proposed action will be treated as confidential until publicly announced on or before January 31, 2014.

The Advancement Committee recommended that the Board of Regents approves a sponsorship for the National Museum of African American History and Culture. At the

request of the donor and the museum, the proposed action will be treated as confidential until publicly announced at a mutually agreed upon date.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Ambassador Nicholas F. Taubman to the National Museum of American History and names the Taubman Gallery for 20 years or the next major renovation, whichever occurs last.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of the Carolyn Small Alper to the Smithsonian American Art Museum and names the Carolyn Alper Gallery until the Renwick Gallery's next major building renovation.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of the Bresler Foundation, Inc. to the Smithsonian American Art Museum and names the Bresler Family Gallery for 20 years or until the Renwick Gallery's next major building renovation, whichever occurs last.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of the Michael I. Wilkins and Sheila Duignan to the Smithsonian American Art Museum and names the Sheila Duignan Gallery until the Renwick Gallery's next major building renovation.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Debbie Frank Petersen to the Smithsonian American Art Museum and names the Debbie and Jim Petersen Gallery until the Renwick Gallery's next major building renovation.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of the Robert H. Smith Family Foundation to the Smithsonian American Art Museum and names the Robert H. Smith Family Foundation Gallery until the Renwick Gallery's next major building renovation.

Ms. Clark commented on five recent notable gifts that support the priorities of the strategic plan but do not require the Committee's review or Regent approval. She noted that these gifts were subject to, and made consistent with, the Smithsonian's gift policy.

Dr. Córdova commented on the importance of small gifts in capital campaigns. Ms. Clark outlined several strategies under development to engage giving in these ranges. Dr. Córdova noted that the public launch will offer a branding opportunity that demonstrates the inclusive, democratic nature of the Smithsonian. Mr. Spoon agreed that involving donors of all levels is essential, and suggested a deeper report on such efforts at a later date.

WRAP UP

Ms. Clark discussed the tentative schedule for the October 2014 public launch.

Ms. Mars commented that, in order for the campaign to maintain a profitable momentum by the time of its public launch, critical absences in the development offices of certain large units must be addressed. Ms. Clark said Mr. Hill, the former interim campaign director, is assisting in the management of development staff of the National Museum of Natural History until that museum's new development director is hired. Each Under Secretary, she added, has been assigned a senior development officer to help manage central priorities, as well as provide interim support to units experiencing insufficient staffing levels.

Ms. Clark reported the proposed fiscal year 2014 fundraising goal, which is \$180 million. Considerations for setting this goal include, among other things, the stage of the pipeline for larger gifts and the impact of senior leadership transitions that will occur in the coming year, notably the retirement of Dr. Clough. Following discussion, the Committee unanimously agreed to recommend to the Board that the Smithsonian establish \$180 million as the fundraising goal for fiscal year 2014.

VOTED that the Advancement Committee recommends that the Board of Regents approve the fiscal year 2014 fundraising goal of \$180 million.

ADJOURNMENT

There being no further discussion or a request for executive session, Mr. Spoon adjourned the meeting at 4:32 p.m.

Respectfully submitted,

Alan G. Spoon
Chair