

MINUTES OF THE JANUARY 12, 2012, ADVANCEMENT COMMITTEE MEETING

The Advancement Committee (“the Committee”) of the Board of Regents met on January 12, 2012, at the Smithsonian Institution Building in Washington, D.C. Participating were Committee Chair Alan G. Spoon and Committee members Travis Engen*, Sakurako Fisher*, Paul Neely, David Rubenstein*, and Patricia Q. Stonesifer; Committee members Robert Kogod and Adrienne Mars were unable to participate.

Staff present for all or part of the meeting were Smithsonian Secretary G. Wayne Clough, Chief of Staff to the Secretary Patricia Bartlett, Director of Advancement and Philanthropic Giving Virginia B. Clark, National Zoological Park (NZIP) Director of Development Lesli Creedon, NZIP Director Dennis Kelly, Chief of Staff to the Regents John K. Lapiana, General Counsel Judith Leonard, Director of Communications and External Affairs Evelyn Lieberman, Special Advisor to the Secretary Alison McNally, Director of Government Relations Nell Payne, Under Secretary for Science Eva Pell, and Campaign Director Jenine Rabin, and Director of Individual Giving Noel Salinger .

CALL TO ORDER

Mr. Spoon called the meeting to order at 3:02 p.m. He welcomed members and staff and outlined the meeting agenda, noting that the Committee would be conducting its first annual progress review of the national campaign and that a report of the Committee’s observations would be made at the January 23, 2012, full Board meeting.

APPROVAL OF MINUTES

Mr. Spoon asked for comments or changes on the minutes of the September 7, 2011, Committee meeting. Mr. Engen noted that the discussion in the draft minutes on inviting unit directors to future Committee meetings did not reflect that a similar invitation will also be extended to chairs of units’ advancement committees. Ms. Clark said that on May 15, 2012, unit directors and their advisory board advancement committee chairs will be invited to join Board of Regents Chair France A. Córdova, Secretary Clough, and the co-chairs of the national campaign’s steering committee at the Regents’ annual board chairs retreat. Mr. Engen also pointed out that in the “Review of Pending Gifts” section of the minutes, the motions were drafted inconsistently and should be corrected. With those modifications, the minutes were approved.

REPORT OF THE SECRETARY

Secretary Clough began his report with updates on fiscal year (FY) 2011 overall financial results and on the status of the Smithsonian’s FY 2013 Federal budget request.

* *participated by teleconference*

FY 2011 Trust results appear to be “very good,” the Secretary said, noting that sponsored projects and Smithsonian Enterprises revenues both exceeded goals. He added that these revenue streams had continued “to do well” through the first quarter of FY 2012.

Secretary Clough then reported on the President’s FY 2013 Federal budget proposal to Congress, the details of which must be treated as administratively confidential until its submission in mid-February 2012. The Smithsonian-specific budget request [\$857 million] included an additional \$16.5 million for earthquake remediation. The request, however, will also be subject to a .16 percent rescission imposed across the Federal budget. Although pleased by the specific FY 2013 request [\$85 million] and the FY 2012 appropriation [\$75 million] for construction of the National Museum of African American History and Culture, the Secretary said he remains concerned whether future funding for the museum’s building will compete with that for other Smithsonian facilities.

Ms. Stonesifer and Mr. Spoon congratulated the Secretary and his team on their “extraordinary performance” in making a strong case for Smithsonian funding in a difficult financial and political environment.

Secretary Clough noted that the Smithsonian exceeded its FY 2011 philanthropic goal by \$7 million (\$182 million total) and that the philanthropic support has been well-aligned with strategic plan priorities and the four Grand Challenges. Secretary Clough observed that the FY 2012 fundraising goal is \$200 million and expressed cautious confidence that the Smithsonian would meet or exceed that target.

The Secretary updated the Committee on upcoming exhibitions and significant programmatic milestones, including the arrival of the Space Shuttle *Discovery* at the National Air and Space Museum’s Stephen F. Udvar-Hazy Center in mid-April 2012 and the February 2012 opening of the Warner Bros. Theater at the National Museum of American History.

Secretary Clough concluded his report with an overview of planning efforts and risk assessments for the national campaign, aspects of which would be discussed in more detail later in the meeting.

ACTION ITEMS FROM THE SEPTEMBER 7, 2011, COMMITTEE MEETING AND CAMPAIGN UPDATE

At Mr. Spoon’s request, Ms. Clark reviewed action items from the Committee’s September 7, 2012, meeting. Ms. Clark asked members for comment about the proposed campaign pocket card. Noting the proposed card was “excellent” overall, Mr. Engen suggested that the text better articulate why philanthropy is still necessary for the Smithsonian despite its Federal support. Ms. Stonesifer agreed and suggested that language be added to explain what activities are funded through Federal appropriations (e.g., core administrative staff and facilities) and those supported by private philanthropy (e.g., exhibitions and educational outreach). Mr. Spoon said he is working with Under Secretary of Finance and Administration

and Chief Financial Officer Al Horvath to develop a concise articulation of the need for private support and the national campaign. The statement would demonstrate that the Smithsonian is a “safe investment” and a sound organization with transformative goals and activities that are deserving of philanthropic support.

Ms. Rabin provided an update on the development of an online portal for campaign information and materials. She said the portal will be a tool for staff for “all things campaign.” The portal is now being tested and should launch in February 2012.

Regarding the status of the national campaign, Ms. Clark directed the members to the dashboard contained in the meeting materials. Members expressed interest in the metrics describing the donor pipeline and Mr. Spoon observed that strengthening the pipeline will be an initial campaign priority for development staff and unit leaders. Ms. Fisher added that the regional campaign program will help identify donor prospects and fill the pipeline as Smithsonian constituents across the country are approached and cultivated in a more managed, thoughtful, and concerted way.

REGIONAL CAMPAIGN PROGRAM

Ms. Clark noted that Ms. Fisher and Director of Individual Giving Noel Salinger are developing the Smithsonian’s first regional campaign program. As background, Ms. Fisher observed the changes in American philanthropy from “checkbook giving” to “impact philanthropy.” With donors more interested in the impact of their gifts, it is more critical to know as much as possible about an organization’s constituent base. However, unlike universities, the Smithsonian lacks a traditional alumni base, making effective outreach particularly critical. That said, a significant population exists that has some type of relationship with the Smithsonian — from magazine subscribers to unit advisory board members. The regional campaign program will be a vehicle to effectively engage those supporters who can make significant contributions.

Ms. Fisher discussed the development of volunteer regional leadership architecture and anticipated staffing for the program. Five metropolitan areas were identified for initial focus: Washington, D.C.; New York Metro area; Boston and New England; San Francisco Bay Area; and Chicago and the Mid-West. Ms. Fisher characterized the program as providing a substantial opportunity to allow more people to connect with the Smithsonian on a local level and to underscore that the Smithsonian is not just a Washington, D.C., resource, but a national resource that is accessible “24/7, anywhere in the world.”

Ms. Stonesifer observed that as the regional campaign program deepens relationships across the country, the national collections may benefit through increased awareness of the Smithsonian’s collecting needs. For example, she said, many of the objects sought by the National Museum of African American History and Culture are in the homes and attics of people who may not be aware of that museum or its collection goals.

CAMPAIGN VOLUNTEER LEADERSHIP UPDATE

Ms. Clark described the proposed volunteer leadership structure for the national campaign. She announced that Alan Spoon and David Rubenstein agreed to be lead co-chairs of the campaign's steering committee, and that the announcement of another co-chair will likely occur within the next few months.

CAMPAIGN COMMUNICATIONS SUMMARY

Ms. Clark summarized the major communication strategies and vehicles for the campaign's quiet phase. The campaign theme is to solicit support for the development of Smithsonian projects that: (1) tell America's whole story; (2) inspire lifelong learning; (3) reach people everywhere; and/or (4) spark discovery. Campaign projects will be organized into four "investment" areas: People, Places, Programs, and Treasures.

Ms. Clark then presented the first in an anticipated series of campaign videos designed to support outreach by Regents, staff, and campaign volunteer leaders. Secretary Clough said he saw the video as a powerful tool that can create emotional attachments to the Smithsonian that brochures or PowerPoint presentations cannot. Ms. Stonesifer suggested a consistent look and feel for campaign literature and audiovisual presentations, as well as securing a significant, prominent, and "seriously amazing voice" for the Smithsonian in the narration of the video series.

UNIT CASE STATEMENT PROJECT

Ms. Clark explained that at the Committee's previous meeting, five Committee members were paired with unit directors and development staff to help develop case statements. The statements are being designed with the following questions in mind:

1. How will the unit change as a result of the national campaign?
2. What are the unit's unique strengths?
3. What is the overall unit goal for the campaign?
4. What are the unit's fundraising priorities?
5. What is the Committee member's evaluation of the positioning of the unit case statement and goal?

Ms. Clark said that the exercise will help the Committee and units better understand whether unit plans and goals are consistent with and advance the goals of the campaign. As part of the process, committee members provide units with an objective outsider's perspective on their advancement activities. Four of the five members reported on their observations on the draft case statements: National Air and Space Museum (Mr. Engen); National Museum of African American History and Culture (Mr. Neely); National Museum of American History (Ms. Fisher); and Smithsonian Astrophysical Observatory (Mr. Spoon). Ms. Mars will present her

observations on the National Museum of Natural History's draft case statement at a future meeting.

In varying degrees, the members concluded case statements would benefit from a greater emphasis on vision and aspirations and less on specific facilities or staffing needs.

REVIEW OF PENDING GIFTS

Ms. Clark presented 13 proposed gift actions to the Committee. The gifts range in value from \$25,000 to \$10 million. In response to a question by Mr. Engen, Mr. Spoon requested that the Committee be advised as the new gift review and approval policies are implemented. Mr. Lapiana was tasked with documenting the process.

Following a brief discussion, the following motions were approved:

VOTED that the Advancement Committee recommends that the Board of Regents approve the creation of an endowment for the National Museum of Natural History to support the director's position and name the position the Sant Director.

VOTED that the Advancement Committee recommends that the Board of Regents approve the creation of an endowment for the Freer Gallery of Art and the Arthur M. Sackler Gallery of Art to fund the director's position and to support programs and projects at the Galleries and name the position the Dame Jillian Sackler Director of the Arthur M. Sackler Gallery of Art and the Freer Gallery of Art.

VOTED that the Advancement Committee recommends that the Board of Regents recognize the generosity of Paul Neely to the Smithsonian and create an endowment to establish the James Smithsonian Fellowship Program and support two fellowship positions named the Smithsonian National Board Fellows in the James Smithsonian Fellowship Program.

VOTED that the Advancement Committee recommends that the Board of Regents approve the creation of an endowment to provide financial support for the Smithsonian Leadership Development Program, name the program the Russell E. Palmer Leadership Development Program, and name 10 program participants in each session Russell E. Palmer Leaders.

VOTED that the Advancement Committee recommends that the Board of Regents recognize the generosity of Richard A. Brodie and his wife Joanne to the Smithsonian American Art Museum and to create and name the Joanne and Richard Brodie Exhibitions Endowment.

VOTED that the Advancement Committee recommends that the Board of Regents recognize the generosity of Shirley Ann Jackson to the Smithsonian Astrophysical Observatory and create and name the Jackson-Washington Grant Endowment, an endowment for discretionary grants to fellows-in-residence at the Smithsonian Astrophysical Observatory, as determined by the director.

VOTED that the Advancement Committee recommends that the Board of Regents recognize the generosity of Stephen J. Williams and the Williams family to the National Museum of the American Indian, and create and name the Louise Ann Williams Endowment, an endowment to be used for purchasing objects for accession into the museum's collection.

VOTED that the Advancement Committee recommends that the Board of Regents recognize the generosity of Alan and Terri Spoon Family Foundation to Cooper-Hewitt, National Design Museum and name the Spoon Family Gallery for a period of 40 years.

VOTED that the Advancement Committee recommends that the Board of Regents recognize the generosity of Janet Ross and the late Arthur Ross to Cooper-Hewitt, National Design Museum and name the Arthur Ross Reading Room for a period of 40 years or until the next major renovation of the space, whichever occurs later.

VOTED that the Advancement Committee recommends that the Board of Regents recognize the generosity of the Speedwell Foundation and Michael G. and Jenny K. Messner to the National Zoological Park and name the Jenny Messner Conservation Carousel for 20 years or until a major renovation is necessary, whichever occurs later.

VOTED that the Advancement Committee recommends that the Board of Regents recognize the generosity of Augustus C. and Deanne Miller to the Smithsonian Institution Libraries and name the Augustus and Deanne Miller Acquisitions Fund to support the purchase and acquisition of books about the American experience.

VOTED that the Advancement Committee recommends that the Board of Regents create a quasi-endowment for the benefit of the National Museum of Natural History to fund the Human Origins Initiative's educational activities and personnel in order to effectively promote the public understanding of the science of human origins.

VOTED that the Advancement Committee recommends that the Board of Regents create a quasi-endowment for the benefit of the Smithsonian, the proceeds of which shall be used for the acquisition, preservation, digitization, management, and/or exhibition, as well as for other such purposes, of quilts in the Smithsonian collections.

Following disposition of the gift motions, Ms. Clark solicited the Committee's guidance on a potential gift to the National Zoological Park. Following a briefing on the various aspects and possible impacts of the potential gift by Dr. Pell, Mrs. Lieberman, Ms. Payne, Mr. Kelly, and Ms. Creedon, the Committee considered the opportunities and risks and provided advice to the Secretary and Mr. Kelly.

ADJOURNMENT

There being no further discussion or a request for executive session, Mr. Spoon adjourned the meeting at 4:22 p.m.