

MINUTES OF THE JUNE 9, 2010, ADVANCEMENT COMMITTEE MEETING

The Advancement Committee (“the Committee”) of the Board of Regents met on June 9, 2010, in the Regents’ Room of the Smithsonian Castle in Washington, D.C. Participating were Committee Chair Alan G. Spoon and Committee members Travis Engen*, Sakurako Fisher*, Robert Kogod, Adrienne Mars, and Paul Neely, as well as ex officio member Patricia Stonesifer. Committee members Phillip Frost and David H. Koch were unable to participate. Staff members present were Smithsonian Secretary G. Wayne Clough; Chief of Staff to the Secretary Patricia Bartlett; Director of External Affairs Virginia B. Clark; Deputy Director of External Affairs Zully Dorr; Under Secretary for History, Art, and Culture Richard Kurin; Chief of Staff to the Regents John K. Lapiana; General Counsel Judith Leonard; Under Secretary for Finance and Administration Alison McNally; Director of Development Operations and Systems Jerome T. Posatko; and Office of External Affairs Manager of Communications Bill Tabor.

The agenda consisted of the approval of the March 24, 2010, Committee meeting minutes; an update from the March 24, 2010, meeting; a national fund-raising campaign planning update; a campaign needs update; a summary of campaign challenges and opportunities; a campaign funding model update; a campaign policies update; a review of proposed gift actions; and a report on year-to-date fund-raising results. Committee members were sent materials in advance of the meeting.

Call to Order

The Chair called the meeting to order at 9:01 a.m. and reviewed the agenda for the meeting.

Approval of the March 24, 2010, Minutes

Minutes of the March 24, 2010, meeting were sent to members in advance. The Chair asked for comments. There being none, Mr. Neely moved that the minutes be approved. Ms. Mars seconded. The motion was approved by unanimous vote.

Update from March 24, 2010, Meeting

Ms. Clark gave an update on two action items from the March 24, 2010, Committee meeting. Campaign communications progress continues with the hiring of the firm SteegeThomson as campaign communications counsel. SteegeThomson drafted a briefing paper for the feasibility study, staff members have commented on it, and their comments were returned to SteegeThomson. The feasibility study will take place during summer 2010, with 50 to 75 individuals interviewed; names for this purpose were provided by the units. In addition, about 7,000 questionnaires will be mailed out. The questionnaires will help define unknown potential prospects. Ms. Clark said that the second action item—a progress report on the needs review process—would be discussed later in the meeting.

Members asked several questions about the feasibility study. Mr. Kogod inquired whether, in addition to the 7,000 individuals, a shorter form of the mailed questionnaire might be sent to other prospects. Ms. Clark said she would refer this question to Marts & Lundy and

** participated by teleconference*

advise the Chair of their response. Ms. Stonesifer asked that staff provide an updated campaign planning timeline, showing planning and actions that relate to the Advancement Committee, the Board of Regents, and other Regents committees.

Campaign Planning Update

Secretary Clough updated the Committee on campaign planning progress. Staff are working through many structural aspects of the campaign and a great deal of fund-raising activity is taking place. The Secretary met recently with several corporate chief executive officers, who expressed enthusiasm about the fund-raising campaign. He also has met with planned giving donors and potential donors to the National Museum of African Art.

Campaign Needs Update

The Secretary and Dr. Kurin led a presentation on the progress of the campaign needs process. The preliminary list of needs has been shaped into a list of \$1.5 billion in projects. Most of these are unit projects, while a smaller percentage are Smithsonian-wide projects, including digitization, Web access, education, and consortia. About half of the needs are within the strategic plan's Grand Challenge "Understanding the American Experience." This category includes the National Museum of African American History and Culture facility construction (a major capital project) and the substantial program needs of the National Air and Space Museum. Forty-four percent of the \$1.5 billion total will be for endowment, with most of this to be sought for endowed positions. Presently, about 13 percent of the yearly total of private funds raised by the Smithsonian is for endowment. The Secretary noted that the campaign calls for raising a significant amount of funds for endowment. He underscored how important endowment is to the Smithsonian and the campaign.

Mr. Spoon asked for the Committee's opinion of the ambitious endowment goal. Ms. Mars commented that scientific research is central to the Smithsonian and that many of the proposed endowed positions support research. Mr. Engen asked what impact private fund raising will have on the Smithsonian's Federal appropriations. Ms. Stonesifer said an understanding with the Federal government must be established with regard to this question. There ensued a discussion about the public-private partnership and whether it is appropriate to have something more concrete to articulate this relationship. The concern is that the positive work of the campaign might result in reduced Federal support. The Committee asked staff to look into this issue and inform the Committee about appropriate steps to take.

At the Secretary's request, Dr. Kurin led a discussion of the campaign needs, touching on both history, art, and culture units, and science units. He described in general the impact that realizing the needs will have on the units, and commented in specific terms on the reasons why a number of the units' needs were articulated and how meeting those needs will transform those individual units.

Mr. Spoon thanked Dr. Kurin for his comments and thanked him for the passion with which he described these units and their needs planning. He asked Committee members to comment on what they had just heard and evaluate these unit needs in light of their past fund-raising experience. Ms. Mars asked if units should continue annual fund raising during the campaign. Ms. Clark said annual fund raising is vital to funding the development operations of individual units. In response to a question by Ms. Fisher about the role of the National Museum of African American History and Culture in the campaign, the strong consensus of the Committee was that its campaign is integral to the national campaign. Ms. Fisher, Ms. Mars, and Ms. Stonesifer participated in a conversation about endowed positions, their purpose, and the consortia. Mr. Kogod asked that education be considered from a holistic perspective, and that both Federal and private funding pictures be presented to provide a better understanding of total education costs and what the Smithsonian can raise. Ms. Stonesifer said she believes the Smithsonian has a good case for an overall goal of a \$1.5 billion campaign. The Committee concurred that the figure represents a good goal and that the needs as discussed are well-aligned with the goal. To further inform and educate Committee members, Mr. Spoon asked staff to prepare a follow-up report listing the projects which, with Federal and private funds combined, total approximately \$40 million or more. He will circulate this report to the Committee over the summer 2010.

Campaign Challenges and Opportunities

The Secretary discussed campaign challenges and opportunities. He outlined the number and distribution of Smithsonian development staff engaged in front-line fund raising and in fund-raising operations. The Smithsonian's front-line fund-raising staff level is insufficient to make the necessary contacts with the campaign donor pool. The Smithsonian will look at efficiencies, moving, and adding staff. Following an analysis during the summer 2010, fund-raising staff may be added in units and regional development officers may be hired.

At Mr. Spoon's request, the Secretary described challenges faced in the campaign planning process. The Secretary outlined several meetings that have been held and committees that have been formed to inform staff at different levels across the Smithsonian about the campaign. This includes sharing information on projected campaign costs and campaign finances. This work is under way, and the Secretary noted that the efforts, even in their present early phase, are yielding increased good will toward the campaign. Ms. Stonesifer asked staff to prepare an update on campaign staffing and budget in advance of the September 2010 Advancement Committee meeting.

Campaign Funding Model Update

In the interest of time, Mr. Spoon summarized Ms. McNally's report on campaign funding models. Sources of funding include administration fees, cost recovery, and tapping the Endowment. Tapping the endowment is an important discussion the Regents must have. Ms. Stonesifer asked how drawing on the Endowment is perceived by donors. Ms. Clark said it is not perceived as a negative by donors, based on the benchmark research.

Campaign Policies Update

Ms. Clark reported on Smithsonian campaign policies. The Smithsonian is adding policies to count campaign gifts, address campaign financing, and address acceptance of campaign gifts. Draft policies will be ready in August 2010. In response to a question by Mr. Kogod, Ms. Clark and Ms. Dorr confirmed that the new policies will address the minimum size for endowments.

Review of Proposed Gift Actions

Ms. Clark presented five proposed gift actions for the Committee's review, briefly summarizing each. Ms. Mars asked about the 40-year term proposed for a Cooper-Hewitt naming. As Ms. Clark explained, recognition is granted in all spaces in the Museum's current campaign for this number of years. This is based on an agreement made at the beginning of the campaign, which took into account practices common to New York City cultural institutions.

There being no further comments, questions, or discussions on the five papers, Ms. Stonesifer moved that the Committee approve the following five actions and forward them to the full Board of Regents for action on June 21, 2010. The Committee approved the following five proposed motions by a unanimous vote:

VOTED that the Advancement Committee recommends that the Board of Regents approves the creation of an endowment to support and administer a fellowship and internship program at the National Museum of Natural History to train museum professionals, including but not limited to scientists, collection managers, and educators. In addition, the Board recognizes the donor's generosity to the Museum, and approves naming the program The Peter Buck Fellowship Program.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Ann and Gilbert Kinney to the Freer Gallery of Art and the Arthur M. Sackler Gallery and creates and names the Ann and Gilbert Kinney Endowment, an endowment for unrestricted support of the Galleries with a preference for support of Southeast Asian art and culture.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of George and Holly Stone and their children, Elianna, Emma, Sophia, and Yuri, to the National Zoological Park and, in honor of Holly Stone's parents, names the Homer and Martha Gudelsky Elephant Outpost for the life of the facility or until its first major renovation, whichever comes first.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Joseph G. Tompkins to the National Zoological Park and approves naming the Jay and Toshiko Tompkins Elephant Stall for 20 years, or until the first major renovation of the facility, whichever comes first.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Target Corporation to Cooper-Hewitt, National Design Museum, and names the Target Master's Students' Lounge for a period of 40 years from the date of the gift.

Fundraising Results as of April 30, 2010

Ms. Clark reported that, through April 30, 2010, the Smithsonian had raised \$68.16 million. This total is ahead of the fund-raising results of the same period in the previous year. She said she is optimistic that the Institution will achieve its fiscal year 2010 fund-raising goal of \$142 million.

Adjourn

There being no further business, the Chair adjourned the meeting at 10:59 a.m.