

MINUTES OF THE MARCH 24, 2009, ADVANCEMENT COMMITTEE MEETING

The Advancement Committee (“the Committee”) of the Board of Regents held a phone conference on March 24, 2009, in the Regents’ Room of the Smithsonian Castle in Washington, D.C. In attendance were Committee Chair Alan G. Spoon* and Committee members Sako Fisher*, Robert Kogod*, and Adrienne Mars*, as well as ex officio member and Board Chair Patricia Stonesifer*. Also present were Assistant General Counsel Jason Balesta; Director of External Affairs Virginia B. Clark; Chief of Staff to the Regents John K. Lapiana; Campaign Director Jenine Rabin; and Office of External Affairs Manager of Communications Bill Tabor.

The agenda consisted of review of the Notes of the January 15, 2009, meeting and approval of the Minutes of the February 26, 2009, meeting; a discussion of fiscal year 2009 year-to-date fund-raising results; a review of pending gifts; and a report on a new Committee member orientation planned for June 16, 2009.

Call to Order

The Chair called the meeting to order at 6:05 p.m.

Review of January 15, 2009, Meeting Notes and Approval of February 26, 2009, Meeting Minutes

Notes of the January 15, 2009, meeting and the minutes of the February 26, 2009, meeting had been sent to members in advance. The Chair asked for comments. There being none, Mr. Kogod moved that the February 26, 2009, meeting minutes be approved. This motion was seconded by the Chair and the minutes were approved by unanimous vote.

Report of the Chair

The Chair asked members whether they had further comments on the Smithsonian’s fiscal year 2009 target of \$40 million, a subject discussed at the Committee’s February 26, 2009, meeting. A summary of the matter was included in the materials sent to members for this meeting. There were no further comments. Mr. Spoon thanked Ms. Stonesifer for attending the meeting, and he asked her to comment on the Smithsonian’s Federal budget process.

The Federal Budget Process and Smithsonian Finances

Ms. Stonesifer thanked Mr. Spoon and welcomed new members Ms. Fisher and Ms. Mars to the Committee. She said that the Smithsonian is working to expand its resources, 65 percent of which come from the Federal government. She reported that the Smithsonian will receive \$716million from the Federal government in the fiscal year 2009 omnibus bill, which had just passed, a five percent increase over the previous year Federal budget amount of \$682 million (a figure that includes \$15 million of Legacy Fund monies.

** participated by teleconference*

The 2010 budget is being discussed with the Office of Management and Budget (OMB). In the present OMB version, the Smithsonian would receive \$759 million, a 6% increase. These are good results, which Ms. Stonesifer attributed to factors including the new Secretary, the Secretary now having a leadership team in place, and the Smithsonian's completion of its governance reforms. She reported that the Smithsonian received \$25 million in Federal stimulus funds. These will be spent on work at the Arts and Industries Building, the National Zoo, and other activities that create immediate jobs and help with the Institution's capital improvements backlog. Ms. Stonesifer also commented on the Smithsonian's non-Federal finances. The Institution's Endowment fell from a value of \$906 million at the end of fiscal year 2008 to \$779 million at end of January 2009. The net gain contributed by Smithsonian Enterprises was down for the same period, although not by a large amount because of actions taken by Enterprises, which eliminated 25 staff positions and froze pay. A short discussion of Smithsonian resources followed. In answer to a member's question, Ms. Stonesifer confirmed that the OMB 2010 Federal budget provides for a 2% increase in salaries.

Review of Fund Raising

Ms. Clark reported that the Smithsonian had raised \$48.2 million through February 2009, 40% of the fiscal year 2009 goal. The Institution raised approximately \$6 million in the month of February 2009. Although this result was less than that achieved one year ago, Ms. Clark characterized it as "pretty good" compared to both a typical report in the month of February and to the present economic climate. She reviewed two charts: the first a graph of the previous three years' fund-raising results and the second a month-by-month depiction of 2006-2009 cumulative fund-raising results. She said that the Institution had recently received verbal commitments for a \$250,000 and a \$500,000 gift to the National Zoo; a grant of \$3 million from the Rockefeller Foundation for the National Museum of African American History and Culture; and a \$2.7 million bequest for the National Museum of the American Indian. Ms. Clark added that only a few donors have asked to discuss revising pledge payment schedules and that none of the requests will affect a major project. Mr. Spoon asked Ms. Clark to forecast the outcome of the Smithsonian's fiscal year 2009 fund-raising efforts. Ms. Clark speculated that, should several large gifts be received, the Institution should reach its \$120 million goal.

Review of Pending Gifts

Ms. Clark reviewed one paper for a gift from Mrs. Margaret H.P. Nuttle to establish a named fellowship. She said the gift is straightforward and appropriate for the Committee's recommendation for approval by the Board of Regents. Mr. Spoon asked members for comments or discussion. There being none, Mr. Kogod moved that the Advancement Committee recommend to the Board of Regents that it approve the proposed naming at its April 6, 2009, meeting. This motion was seconded and passed by unanimous vote.

Review of New Member Orientation

Ms. Clark reviewed orientation plans for the new members of the Advancement Committee, scheduled for June 16, 2009. New members will meet staff and receive briefings in the

morning. The orientation will be followed by a regular meeting of the Advancement Committee at 1:00 p.m. The orientation is intended to provide new Committee members with a broad overview of the Smithsonian.

Strategic Planning Process

Mr. Spoon asked Ms. Stonesifer to comment on the progress of the Smithsonian's Strategic Planning Process. Ms. Stonesifer said that Phase 1 was completed, with information gathered from about 1,000 persons through online and in-person surveys and interviews with staff and outside stakeholders. The process is now in Phase 2, which involves group "scenario planning" discussions to develop alternative future visions for the Smithsonian that reflect how it could react to a changing world. The third phase will begin in June 2009 and will involve writing up a strategic plan. The project is scheduled to be completed in September 2009 and it is anticipated that a report will be presented to the Board of Regents at its September 21, 2009, meeting.

The strategic planning process and an internal assessment by outside consultant Marts & Lundy are intended to parallel and inform one another. The Advancement Committee will review Marts & Lundy's initial internal assessment recommendations in June 2009 and it is anticipated that a preliminary campaign outline could be ready to review in September 2009.

Other Discussion

Ms. Clark described highlights of current advancement activity. She said that the consultants Marts & Lundy continue to work on the internal assessment. Marts & Lundy visited for two days in February 2009 and met with development leadership and staff. They returned during the week of March 15–21, 2009, to assess the Smithsonian's technology and systems. Ms. Clark reported that Marts & Lundy would return during the week of March 30–April 3, 2009, to meet with unit directors and unit fund-raising leaders. She said that 11 events had been organized to introduce Secretary Clough to communities around the country. The first event was in Los Angeles in February 2009; two were held in New York City during the week of March 15–21, 2009; and on April 7, 2009, the Boston Red Sox baseball organization will present a base and a jersey from its 2004 and 2007 teams to the Smithsonian. The next outreach events will take place in Washington, D.C., San Francisco, Omaha, and Minneapolis. Ms. Clark also noted that Smithsonian unit directors are actively traveling and meeting with donors and friends of the Smithsonian.

Adjournment

There being no further business, this meeting of the Advancement Committee was adjourned at 6:41 p.m.