

MINUTES OF THE SEPTEMBER 10, 2009, ADVANCEMENT COMMITTEE MEETING

The Advancement Committee (“the Committee”) of the Board of Regents held a phone conference on September 10, 2009. Participating were Committee Chair Alan G. Spoon* and Committee members Hacker Caldwell*, Travis Engen*, Sako Fisher*, Robert Kogod*, and Adrienne Mars*, as well as ex officio member and Board Chair Patricia Stonesifer*. Present in the Regents’ Room of the Smithsonian Castle in Washington, D.C., were Secretary G. Wayne Clough, Chief of Staff to the Secretary Patricia Bartlett, Director of External Affairs Virginia B. Clark, Chief of Staff to the Regents John K. Lapiana, General Counsel Judith Leonard, Campaign Director Jenine Rabin, and Office of External Affairs Manager of Communications Bill Tabor.

The agenda consisted of the review of the minutes of the Committee’s June 16, 2009, meeting; a report on actions from the June 16, 2009, meeting and campaign planning; a discussion and vote on the fiscal year 2010 campaign budget request; a review of fiscal year 2009 fund-raising results through August 31, 2009, a report on fiscal year 2010 fund-raising goals; and a review of pending gifts.

Call to Order

Chair Alan Spoon called the meeting to order at 11:05 and welcomed members.

Approval of June 16, 2009, Meeting Minutes

The minutes of the June 16, 2009, meeting were included in materials sent to members in advance of the meeting. The Chair asked for comments. There being none, it was moved that the minutes be approved. The following motion was seconded and the minutes were approved by unanimous vote.

VOTED that the minutes of the Advancement Committee meeting of June 16, 2009 are approved without changes.

Mr. Spoon made short remarks concerning the Institution’s Strategic Plan, which was scheduled to be presented to the Board of Regents at its September 21, 2009, meeting. Secretary Clough commented on the plan’s themes and the ways it would positively affect fund-raising efforts.

Report On Actions from June 16, 2009, Committee Meeting and Campaign Planning

Mr. Spoon reported that good progress had been made on the campaign planning actions identified at the Committee’s last meeting. Ms. Clark said that work was proceeding according to schedule and the Strategic Plan would soon start to be integrated into campaign planning. She and her staff had met with unit directors and initiated unit campaign work plans, which will guide each units’ through the development of a full

(* participated by teleconference)

campaign plan. She reported that the first sections of the unit campaign work plans would be due in November 2009 and the full plans would be due in February 2010; she also noted that writing the plans had prompted good dialogs and many questions. The Committee discussed managing prospects in a campaign environment. Ms. Stonesifer said the units' campaign work plans would build the overall campaign plan from the bottom up. She then asked how giving across units would be achieved and Ms. Clark said she and her staff would work with the Under Secretaries on this dimension of the planning work. The initial campaign plan will be presented to the Advancement Committee in March 2010 and to the Board of Regents in April 2010. Ms. Stonesifer asked if a chart that showed campaign planning and its progress might be developed for the Committee's reference in future meetings.

Fiscal Year 2010 Campaign Budget Request

Ms. Clark presented a request for \$2.3 million in new funds in fiscal year 2010 to fund further campaign planning and infrastructure. She explained that, while all campaign expenses in fiscal year 2010 would total \$3.1 million, \$800,000 would carry over into fiscal year 2010 from a previous campaign allocation, leaving the balance of the funding request at \$2.3 million. She said that campaign funding models were being developed for the full Campaign and would be presented to the Committee in October 2009. Members asked a number of questions about the budget and how it was projected, how it could determine that campaign funds were being spent efficiently, and how resources would be allocated between the central development office and the units. Other matters discussed were how raising private funds through the campaign may affect Federal appropriations and the timing of campaign investments in information technology. Mr. Spoon noted that in the future the Committee would need campaign reports that show budget and actual expenditures and that track the efficiency of campaign spending. There being no further questions, Mr. Spoon asked for a vote on the following

VOTED that the Advancement Committee recommends that the Board of Regents approve the proposed budget to support the National Campaign and development-related projects in fiscal year 2010.

The motion was seconded, and passed by a unanimous vote.

Fund-Raising Results as of August 31, 2009, and the Fiscal Year 2010 Fund-Raising Goal

Ms. Clark made a brief report on the Institution's fund-raising progress through August 31, 2009. She confirmed that the Smithsonian would likely raise about \$110 million by the end of fiscal year 2009, which would be less than its original fund-raising goal of \$120 million and reflected the weak economy and leadership transitions at Smithsonian museums, including Cooper-Hewitt, National Design Museum; the National Zoological Park; and the National Museum of African Art. She noted, however, that the year also held many positives. These included gifts or grants totaling \$12.5 million in continued funding for the Encyclopedia of Life; \$8 million to the National Postal Museum, the largest gift yet made to that museum; \$6 million from Airbus, Inc. toward construction of the National Air and

Space Museum's Steven F. Udvar-Hazy Center; \$4 million towards planning for the National Museum of African American History and Culture, as well as \$3 million from the Rockefeller Foundation and \$1 million from the Prudential Foundation; and \$2.6 million from The Gordon and Betty Moore Foundation to the Smithsonian Astrophysical Observatory. Another positive sign was the performance of the Contributing Membership program, which would meet its revised goals at a time when many peer organizations would not. She said that these accomplishments bode well for the campaign.

The Committee discussed the Smithsonian's ambitious fiscal year 2010 fund-raising goal of \$130 million. It was noted that the implementation of the Strategic Plan and the continuing preparations for the campaign would support that goal. Mr. Spoon and Secretary Clough concurred that the goal was aggressive, and the Secretary observed that achieving it would demonstrate the Smithsonian's ability to reach new fund-raising levels.

Review of Pending Gifts

Ms. Clark led a review four pending gift items: the creation of a true and quasi-endowment and naming of The David Challinor Fellowship at the National Zoological Park; the naming of the Hank Strong Enrichment Lab at the National Zoological Park; the acceptance of Microsoft Corporation's in-kind gift to the Office of the Chief Information Officer; and the naming of the Eric R. Keto Prize for Graduate Students in Theoretical Astrophysics and creation of an endowment for it at the Smithsonian Astrophysical Observatory. Mr. Spoon asked for an en bloc vote on the four motions, which was seconded and moved. The following motions were approved by unanimous vote:

VOTED that the Advancement Committee recommends that the Board of Regents creates a true endowment and a quasi endowment to support a research fellowship at the National Zoological Park and authorizes their establishment using funds identified for this purpose. Further, the Regents approve naming the fellowship The David Challinor Fellowship.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of the Hattie M. Strong Foundation to the National Zoological Park and, in honor of the foundation's former president and chairman, names the *Think Tank* exhibit's new classroom/lab The Hank Strong Enrichment Lab for 20 years or until the classroom/lab's next major renovation, whichever is latest.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Microsoft Corporation to the Office of the Chief Information Officer and accepts the terms of the gift agreement.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Eric R. Keto to the Smithsonian Astrophysical Observatory and approves naming The Eric R. Keto Prize for Graduate Students in Theoretical Astrophysics, which is made possible by his gift. The Board of Regents also approves the creation of an endowment to support this prize.

The Committee briefly discussed an \$8 million gift from William H. Gross to the National Postal Museum, which was approved by the Executive Committee on August 28, 2009. Secretary Clough noted that the gift, the largest yet received by that museum, was made possible by the hard work of many Smithsonian staff.

Adjournment

There being no further business, this meeting of the Advancement Committee was adjourned at 12:28 p.m.

Respectfully submitted,

Alan G. Spoon, Chair