

MINUTES OF THE MAY 18, 2010, EXECUTIVE COMMITTEE MEETING

The Executive Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution conducted a telephone meeting on May 18, 2010, beginning at 11:00 a.m. Participating were Board Chair Patricia Q. Stonesifer, Vice Chair Alan G. Spoon, and Committee member Robert P. Kogod. Also participating by invitation of the Committee were Secretary G. Wayne Clough, Counselor to the Chief Justice Jeffrey P. Minear, Chief of Staff to the Secretary Patricia L. Bartlett, Chief of Staff to the Regents John K. Lapiana, and General Counsel Judith Leonard.

Ms. Stonesifer called the meeting to order.

Approval of the Minutes of the March 25, 2010, Meeting

The Committee reviewed, then approved, the minutes of the March 25, 2010, Executive Committee meeting.

Warner Bros. Sponsorship (National Museum of American History)

Ms. Stonesifer noted that, on the request of the director of the National Museum of American History, the Executive Committee was reviewing a proposed sponsorship of the museum’s auditorium by Warner Bros. Entertainment (WBE). According to the museum, to accommodate WBE’s needs, a decision on the sponsorship needed to be made before the June 21, 2010, full Board meeting.

Ms. Stonesifer noted that the sponsorship would require the renaming of the Carmichael Auditorium to the Warner Bros. Auditorium for a period of 20 years in recognition for a sponsorship of \$5 million. Mr. Spoon noted that the Advancement Committee reviewed the sponsorship at its May 17, 2010, conference call. The Advancement Committee, Mr. Spoon said, looked at the cash and in-kind aspects of the sponsorship, both with regard to how the sponsorship might impact the upcoming national campaign and the issues surrounding the renaming of a space that currently honors a former Smithsonian Secretary. After serious deliberation, the Advancement Committee endorsed the museum’s request for Regents’ approval.

Mr. Kogod added that, as an Advancement Committee member, he also participated in that committee’s review of the proposed sponsorship. With an eye to the upcoming campaign, Mr. Kogod expressed concern that the naming of prominent spaces be properly calibrated with the size of the gift or sponsorship. Secretary Clough agreed, but noted that the sponsorship was in line with previous museum naming opportunities and stressed that naming protocols need to be consistent, clear, and reasonable. As planning for the national campaign accelerates, the central Office of Development will have to establish more consistent policies and be a resource for the units. Mr. Spoon advised that some unit directors were concerned about the lack of progress on articulating, in advance of the campaign’s launch, the relationship between functions of the central Office of Development

and the units' development offices. Secretary Clough added that, on May 19, 2010, Smithsonian unit directors will meet to review the current planning for the campaign and that at least some of the discussions will focus on the division of responsibilities between the central and unit development functions. He noted that Under Secretary for Finance and Administration Alison McNally is devoting considerable effort to reviewing the allocation of resources devoted to development activities across the Smithsonian.

Ms. Stonesifer asked the Committee to consider, in reviewing the proposed sponsorship, whether the recognition provided to the sponsor is an appropriate return on the Institution's investment and the precedent that could be set by either approving or rejecting the proposed agreement. Members discussed the obstacles with the sponsorship/gift approval process when the Board's review is at the end of the gift development process, limiting opportunities for constructive engagement.

Following further discussion, the Committee approved the following motion:

VOTED that on behalf of the Board of Regents, the Executive Committee recognizes the generosity of Warner Bros. Entertainment to the National Museum of American History and renames the Museum's auditorium the Warner Bros. Theater for a period of no less than 20 years from the date the theater opens following its renovation.

Appointment to Cooper-Hewitt, National Design Museum's Board of Trustees

Ms. Stonesifer noted that the Committee was asked to appoint David Rockwell to the Board of Trustees of Cooper-Hewitt, National Design Museum, to allow for his participation at its next advisory board meeting. She added that the Governance and Nominating Committee had already recommended his appointment. The Committee then approved the following motion:

VOTED that the Executive Committee approves the appointment of David Rockwell to the Board of Trustees of Cooper-Hewitt, National Design Museum.

Best Practices Review Update

At the Committee's invitation, Secretary Clough provided an update on the status of the best practices review being conducted with the assistance of McKinsey and Company. The Secretary said the review was progressing well with a focus primarily on "macro" issues, such as realigning the organizational reporting structure to promote cross-disciplinary collaborations. In response to members' questions, Secretary Clough explained that staff concluded the realignment will need congressional approval due to the size of the budget of the affected units. Ms. Bartlett explained that the realignment would be viewed as a "reprogramming."

Ms. Stonesifer then explained that an ad hoc group of outside advisors had been convened by Roger Sant, chair of the Finance Committee, to help oversee the best practices review.

Among the issues that surfaced in interviews with Regents and staff were streamlining support efforts for the Board and, in particular, considering the merger of committees and/or reduction in the number of meetings. Ms. Stonesifer noted that the ad hoc group also recommended creating a “partnership agreement” between the Regents and senior staff to better articulate expectations and responsibilities. Mr. Spoon and Mr. Kogod both agreed that such an agreement would promote better governance. Ms. Stonesifer noted that the Governance and Nominating Committee would begin to substantively address these issues at its July 26, 2010. meeting.

Annual Public Forum

The Committee discussed the tentatively scheduled Regents’ public forum. Members were reminded that the Governance Committee recommended conducting an annual public forum as a means to increase the transparency of the Board and directly solicit public input. The Committee recognized that public attendance at the forum declined from 2008 to 2009, but concluded that the forum nevertheless provides an important mechanism for engagement between the Regents and public stakeholders.

Report of the Secretary

Secretary Clough presented the May 2010 financial report of the Smithsonian, noting that all revenue streams were “nicely on track “against annual goals.

Secretary Clough updated the Committee on planning for the national campaign. He added that the Advancement Committee would present the results of a “needs study” that supports a campaign goal of approximately \$1.5 billion. The focus of the planning efforts will now turn to identifying the campaign budget and appropriate funding sources. Secretary Clough agreed with the Committee’s observation that the likely launch of the campaign will be January 2011.

The meeting was adjourned at 12:00 p.m.

Respectfully submitted,

Patricia Q. Stonesifer
Chair