

## **MINUTES OF THE SEPTEMBER 14, 2009, STRATEGIC PLANNING AND PROGRAMS COMMITTEE MEETING**

The Strategic Planning and Programs Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution held a meeting on September 14, 2009, at 10:05 a.m. in the Smithsonian Castle in Washington, D.C. Participating were Committee Chair Representative Doris Matsui and Committee members Senator Christopher Dodd\*, Phillip Frost\*\*, Shirley Ann Jackson\*, Senator Patrick Leahy\*, and Paul Neely; Judy Huret was unable to participate. Board Chair Patricia Stonesifer also participated. Staff in attendance included Secretary Wayne Clough; Chief of Staff to the Secretary Patricia Bartlett; Assistant to Representative Matsui Julie Eddy; Office of the Regents Senior Writer-Editor Barbara Feininger; Under Secretary for History, Art and Culture Richard Kurin; Chief of Staff to the Board of Regents John K. Lapiana; General Counsel Judith Leonard; Director of Communications Evelyn Lieberman; Assistant to Senator Leahy Kevin McDonald\*; Assistant to Senator Dodd Colin McGinnis\*; Office of Policy and Analysis Director Carole Neves; and Director of Government Relations Nell Payne. Staff present for the discussion of the proposed International Centers for Museum Leadership and Excellence included National Museum of Natural History (NMNH) Associate Director for External Affairs and Public Programs Elizabeth Duggal, Deputy General Counsel Marsha S. Shaines, and U.S. Department of State Senior Advisor for International Activities Lawrence Wohlers, who has been detailed to the Smithsonian.

The Chair called the meeting to order. She asked if there were any questions or comments on the minutes from the June 8, 2009, meeting. There being none, the minutes were approved.

### **Report of the Chair**

Chair Matsui announced that Clark Bunting had stepped off of the Committee as he had determined that he could not devote sufficient time to its activities. She noted that Mr. Bunting would maintain a close relationship with the Smithsonian through his service as the Chair of the National Zoological Park’s advisory board. She added that discussions were under way with one potential non-Regent candidate for the Committee.

The Chair then provided a brief update on the status of several executive searches. She said that Dr. Eva Pell, Senior Vice President for Research and Dean of the Graduate School at Pennsylvania State University, had been selected as the new Under Secretary for Science. She added that Dr. Pell would assume her new position in January 2010.

Chair Matsui said that the search for the next director of the National Zoological Park was nearing its conclusion. She said that interviews with the leading candidates had been conducted the previous week and that the selection committee would soon submit its rankings. With regard to the search for the next director of Cooper-Hewitt, National Design Museum, the Chair said that Under Secretary for History, Art and Culture Richard Kurin was leading the search process. Dr. Kurin reported that the leading candidate for the

*\* participated by teleconference*

*\*\* Dr. Frost joined the teleconference at 10:55 a.m.*

position had withdrawn from consideration, citing a keener interest in curatorial versus directorial work. Dr. Kurin said that the search was being broadened, that interviews would be conducted towards the end of September 2009, and that the search process would hopefully conclude by the end of October 2009.

### **The Smithsonian Associates and the Fiscal Year 2010 Trust Budget**

At the recommendation of Board Chair Patricia Stonesifer, the Committee next discussed the recommended fiscal year 2010 Trust budget approved by the Finance Committee and, in particular, its proposal to restructure The Smithsonian Associates (TSA) into a more mission-centric, self-sustaining program. Currently the popular program generates approximately

\$6 million in annual ticket sales but also depends upon about \$1.5 million in additional support from the Central Trust. The proposed restructuring would result in a 15–20 percent cut in the TSA budget by cutting non-essential elements from the program. It was made clear that, although Central Trust support for TSA would be gradually withdrawn over time, the program would not be closed.

Secretary Clough explained that current budget challenges, and in particular declines in revenues, had forced management to critically review the long-term management of the Central Trust. Knowing that the Smithsonian will continue to face financial challenges in the years ahead, management determined that Trust funds should largely be directed towards one-time expenditures and not salaries.

Dr. Kurin explained the justification for the proposed reorganization of TSA. He noted that some TSA programs, such as the masters program offered in collaboration with the Corcoran College of Art + Design and the TSA-sponsored summer camp were popular, well-performing programs but that others were not. He said that TSA memberships had dropped from approximately 50,000 to about 30,000 households in the greater Washington area. Moreover, a recent survey of monthly TSA offerings showed that only 60 percent of 1,000-some TSA programs were related to the Smithsonian and that only 10 percent of those programs were strongly aligned with both the programs and the mission of the Institution. He acknowledged, however, that some of the most popular TSA programs are not mission-centric. Dr. Kurin said that, although the goal of the reorganization would be to change TSA from a loss-generating operation to one that broke even or better, it would be equally important that the program better reflect the Smithsonian's programs and the mission to support the "increase and diffusion of knowledge."

When asked about the unit's reaction to the proposed reorganization, Dr. Kurin said that this proposal had made clear what was already recognized as an untenable organizational model, producing in effect a sense of relief and commitment to moving forward. He said that the response of staff has included investigations of collaborations with other units, as well as other proactive options.

The Committee also discussed the potential for a backlash in public and donor relations if

the proposed reorganization were inadequately presented. The Committee agreed that the Institution must be prepared to provide informed, thoughtful responses that assure the public of the Smithsonian's commitment to helping TSA become a viable, self-sustaining program. It was also agreed that, although management holds primary responsibility for this funding decision, the issue would go before the full Board of Regents if the Institution's reputation was in question.

### **Review and Presentation of the Draft Strategic Plan**

The Chair then introduced the primary topic of the meeting: reviewing the proposed Smithsonian Strategic Plan in anticipation of consideration by the full Board at its September 21, 2009, meeting. She told the Committee that it would provide final guidance to the Secretary on the draft plan, as well as help identify any issues that the Executive Committee and the Board should focus on in their reviews of the plan. She said that the updated draft was a significant advancement from the draft reviewed during the Committee's July 2009 meeting. She noted that the revised plan was more dynamic and clear, and that it reflected the Committee's comments and the hard work of many Smithsonian staff.

Chair Matsui noted that she had worked with the Secretary and the Executive Committee over the prior weeks to help ensure that the final plan would elicit the support and approval of the Board of Regents, as well as its guidance over the next five years. To do so, they had advised that the plan do the following:

- inspire clarity about and widespread support for the Smithsonian's unique and relevant future, including its mission, vision, values, and essential priorities;
- identify the Smithsonian's unique abilities in high-priority areas and determine the activities necessary to accomplish those goals;
- establish a bold framework that will define essential goals and strategies within each of the top priorities, as well as identify less-pressing priorities;
- build a compelling case for high-level resource requirements and allocations by mapping resource requirements to priority areas of focus, including pan-institutional initiatives, that will provide for the success of the plan's goals;
- establish a commitment to top-level, measurable outcomes, if priorities are adhered to and resources are delivered; and
- create a bold framework and timeline that ensures the strengthening and development of the plan, on both pan-institutional and unit-based levels, over the course of its future implementation.

The Chair thanked Secretary Clough for his leadership and Smithsonian staff members for their dedicated, collaborative efforts over the last year that resulted in the creation of the draft plan. She then asked the Secretary to lead the review and discussion of the proposed Strategic Plan.

Noting the inclusive nature of the strategic planning process, the Secretary said that both the process and the plan had been designed to encourage ownership by Smithsonian staff and unit directors. He said that the proposed Strategic Plan aspired to firmly establish the Smithsonian's "go-to" reputation and identified "four grand challenges" that embraced the Smithsonian's science, history, art, and cultural resources:

- unlocking the mysteries of the universe
- understanding and sustaining a biodiverse planet
- valuing world cultures
- understanding the American experience

He stated that the four challenges would serve to reflect a more coherent picture of the Smithsonian's units, resources, and activities; optimize its existing strengths; and support collaborative, entrepreneurial, and creative initiatives. He said that each challenge would be supported by a center, the purpose of which would be advance interdisciplinary, collaborative activities. Secretary Clough said that the Strategic Plan would increase access to the Smithsonian's resources, including its educational programs. He also noted that a new section had been added to the draft plan: "Outcomes, Goals, Objective, and Strategies." He explained that, in addition to the four challenges, the new section included "Enabling Mission through Organizational Excellence" and "Resourcing the Plan."

The Committee expressed its support for the revised plan and noted its bold and aspirational language. The Committee also agreed that the presentation of the plan would be enhanced by using the executive summary as a foreword to the full plan and, within that introduction, immediately outline the four grand challenges; it also suggested that the Secretary's letter conclude the package.

The Secretary next discussed the resourcing of the Strategic Plan. He said that the Strategic Plan would require the cumulative infusion of \$1–2 billion in new funding over fiscal years 2010–2015. He noted that, by design, the implementation of the Strategic Plan would be flexible in response to available funding; he also said that the Strategic Plan's preliminary budgets reflected modest fund-raising goals that would likely be surpassed. He reminded the Committee that the identification of the four grand challenges would help the Institution better articulate its mission and provide a more compelling case for its needs.

Reviewing a matrix of preliminary budget graphs, Secretary Clough noted that the budgets included both new and previously approved funding, such as the budgeted monies in support of the National Museum of African American History and Culture. He said that new funding would be secured through four initiatives: a national campaign, new revenues, increased grant and contract activities, and Federal appropriations. The Secretary said that existing budgets would be reviewed and that some funding might be redirected to achieve maximum impact. He also said that units would compete for funding from the new challenge-based centers.

The Committee strongly commended management's effort to provide preliminary budgets in support of the Strategic Plan's four grand challenges, especially with respect to the challenging economic environment. It also suggested including more details in select areas of the budget matrix that would be presented to the full Board.

Performance measures also were discussed. The Secretary asked for the Committee's advice regarding how the Strategic Plan's performance measures should be presented to the Board, as well as how much should be included in the final Strategic Plan document. The Committee concurred that the inclusion of detailed performance measures would be essential to the integrity of the plan.

The Secretary said that two overarching goals should guide the performance measures: establishing the Smithsonian as a world leader in each of the four grand challenge areas and making the Institution a world leader in accessibility. He said that performance measures would be derived from the specific objectives and strategies outlined in the plan. He noted that many initiatives, such as the National Museum of African American History and Culture, the Giant Magellan Telescope, and the revitalization of the Arts and Industries building, provided ready opportunities for performance measurement, as well as high-profile recognition. Other performance metrics were discussed, such as the quantity of grants and funds awarded, the number of conferences hosted, the quantity of papers published and recognized, the number of students reached, and the number of individual careers advanced in the four grand challenge areas. The Secretary also noted that the Smithsonian's unit directors would soon meet to carefully review and discuss the Strategic Plan, including its budget and performance measures.

The Committee discussed the fact that certain performance measures, such as the number of research grants awarded, can only serve as proxy measurements, as quantity does not always translate into quality. Stated otherwise, the goal should not be to get the most research money but to do the best research. The Secretary agreed that the final Strategic Plan should be clear with regard to this difference.

Chair Matsui again thanked the Secretary and his staff for its enormous contributions to the creation of the Strategic Plan. The Secretary also thanked the Committee for its support and involvement in the strategic planning process

### **Update on the Proposed International Centers for Museum Leadership and Excellence**

National Museum of Natural History Associate Director for External Affairs and Public Programs Elizabeth Duggal, Deputy General Counsel Marsha S. Shaines, and U.S. Department of State Senior Advisor for International Activities Lawrence Wohlers, who has been detailed to the Smithsonian to provide State Department expertise upon such matters, then joined Dr. Kurin to provide a status update on a proposed pilot museum education program in Abu Dhabi. Chair Matsui reminded the Committee of its responsibility to conduct an intensive review of the proposal on behalf of the Board. The Committee, which had previously discussed the complex and potentially controversial nature of the initiative

during its June 2009 meeting, had asked Dr. Kurin and Ms. Duggal to conduct additional research on a number of issues and to work with the Congressional liaisons to identify and address potential policy issues.

Chair Matsui noted the importance of Dubai and the Middle East, especially during this point in history, and the need for the Smithsonian to be certain that this initiative, if undertaken, would be appropriate for both the Institution and international relations. She outlined her concerns about the proposed program, noting that there have been prior cases wherein the U.S. government has essentially used an organization to “test” a situation, allowing the organization to engage in an initiative but withholding explicit support if an unanticipated problem arose. She said that it was imperative to identify all possible considerations before acting on such a proposal.

Noting the Smithsonian’s strong international reputation in the sciences, the Secretary said that this proposal offered the potential to expand the Smithsonian’s international presence in the fields of history, art, and culture. He reported that Dr. Kurin and Ms. Duggal had made significant progress in carefully exploring many of the issues raised during the previous Committee meeting. He said that the presentation at this meeting would be to provide an update on the proposed program to the Committee, not to solicit the Committee’s endorsement.

Dr. Kurin said that the team had conducted due diligence with regard to the activities assigned and questions identified during the last Committee meeting. He said that the team had evaluated the alignment of the proposed initiative with the Smithsonian’s mission; solicited feedback from the U.S. government about its position on this proposal; queried 10 organizations that have engaged in similar initiatives in Abu Dhabi; analyzed the soundness of the business plan; reviewed program management options; and investigated issues and safeguards of human and labor rights.

Dr. Kurin reported that the team concluded that the proposed program would be consistent with the Smithsonian’s mission, as well as rationalize and give shape to its goals. He said that it also would help implement the Strategic Plan’s commitment to increasing the relevance and scope of the Smithsonian’s presence. In addition, Dr. Kurin reported that the U.S. Department of State had expressed its interest in partnering with the Smithsonian in this initiative should the Smithsonian choose to implement it.

With regard to the experience of organizations that have engaged in similar programs in Abu Dhabi, such as New York University and Texas A&M University, the Committee was told that overall reports have been positive. Some institutions, such as the Louvre Abu Dhabi and the British Museum in Abu Dhabi, have provided enthusiastic reports. Other programs, such as the University of Connecticut, Yale University, and George Mason University, withdrew from collaborations with Abu Dhabi, each for its own unique reasons, although all three were noted to have expressed interest in the proposed program with the Smithsonian, should it be launched.

The Committee discussed Abu Dhabi’s economic strength and was assured that the

soundness of its financial stability had been confirmed by the U.S. Department of State. The proposed business plan for the program, which projects up to \$100 million in net return over a period of 10 years, was confirmed by Booz Allen Hamilton. Different operational plans also were considered. Dr. Kurin said that the Smithsonian could partner with Abu Dhabi to manage the program, run the program on contract, or be engaged as a service provider. The Smithsonian's Office of Planning, Management and Budget and the Office of the General Counsel concurred that running the program on contract would maximize both programmatic control and financial returns for the Smithsonian, as a partnership agreement could lead to governance and ownership issues and a service provider model would likely result in minimal economic returns.

The Committee was told that organizations engaged in similar initiatives have noted the importance of establishing a strong contract that enshrines an organization's principles and provides for its protection. Dr. Kurin also noted that the Smithsonian team recently met with the American Jewish Committee, which agreed that Abu Dhabi was recognized for its relatively progressive stance as compared to other powers in the Middle East but emphasized the importance of enshrined protections.

Dr. Kurin said that a meeting with the Congressional liaisons the previous week had been productive and had raised other issues for the team to explore. Dr. Kurin reported that it became clear that those outside of the Institution are often unaware of the immense scope of the Smithsonian's work around the world. The Congressional liaisons also inquired about how the program would interface with students from Israel, which does not have formal relations with the United Arab Emirates.

This issue, which had been discussed at length by the Committee during its previous meeting, was again considered in depth. Ms. Duggal stated that the program would uphold the Smithsonian's commitment to non-discrimination. She added, however, that the Institution could not control the United Arab Emirates' visa laws. She also said that the country conducts unofficial work and collaborations with Israel, that numerous Israelis visit Abu Dhabi using other passports, that the country's government previously brought in Israeli professors to speak at events, that Israelis have been allowed into the country for international events, conferences, and athletic competitions.

The Committee agreed that there was no expectation that this program, should it go forward, would resolve the crisis in the Middle East. Dr. Kurin commented on the recent meeting between President Obama and the Crown Prince of Abu Dhabi, noting that it was one of several efforts to mediate a resolution in the Middle East. He also said that some of the American organizations involved in programs in Abu Dhabi consider their presence to be in support of such progress. Dr. Kurin also said that the American Jewish Committee had expressed its interest in the ability of Israeli students to obtain visas to attend the program.

Ms. Duggal noted that the program's model was based on drawing 30 percent of its students from the wider region, including Pakistan, India, the Philippines, and Lebanon. She commented on the participation of women in the United Arab Emirates, noting that

classrooms are not segregated, 65 percent of the students in university studies are women, 10 percent of the diplomatic corps are female, and about four women serve in minister-ranked government positions.

The Committee discussed safety issues that have been reported with regard to labor issues in Abu Dhabi. It was told that the labor laws in Abu Dhabi were characterized by the Department of State as “not terrible” and that groups have the right to protest. Labor unions, however, are not allowed. The Committee agreed that any agreement between the Smithsonian and Abu Dhabi must ensure labor rights for any person involved in the project. The physical safety of the proposed location also was reviewed and the Committee was told that the selected site would be in the city’s historic district, a district known to be more secure.

The discussion returned again to the broader discrimination issues that could—or could not—be addressed in a contract with Abu Dhabi, particularly with regard to students from Israel. Ms. Stonesifer expressed deep concern about the ability of the Smithsonian to uphold its commitment to the richness of American and world cultures if involved in collaborative program with a country that did not equally share those values. She said that any agreement should be structured to not only protect the Smithsonian but, more importantly, to honor its commitment to valuing diversity and world cultures. She also noted that this value was articulated in the proposed Strategic Plan.

Dr. Kurin and Ms. Duggal asked for guidance with regard to proceeding with negotiations with Abu Dhabi. A hypothetical question was posed: Would the Smithsonian go forward with the program if a contract addressed all possible concerns and conditions, including non-discriminatory admissions; protections for workers; control over the center’s programs, faculty, and offerings; a viable exit strategy; and guaranteed revenues? They said that, if the answer were to be negative, the Smithsonian could not continue to negotiate in good faith with the government of Abu Dhabi.

Despite its reservations, the Committee was not convinced that the proposed project was untenable. The Chair said that more time was needed both to conduct further due diligence, such as meeting with Congressional committees and representatives from the Department of Justice, and to bring the matter to the full Board of Regents. She said that the team had conducted excellent work but that the Congressional Regents had an especially higher bar to reach. She suggested that the team meet with representatives from other Jewish organizations, conduct deeper inquiries with the Department of State about its anticipated response in the event of an unforeseen difficulty, and work with the Office of Communications to become fully aware of all the possible questions and answers that could arise. Office of Communications Director Evelyn Lieberman assured the Committee that the team had already engaged the involvement of her office; she also complimented the team’s efforts to conduct vigorous due diligence.

The Committee agreed that further negotiations with the government of Abu Dhabi would necessitate directly addressing the concerns expressed by the Committee. Dr. Kurin commented that there can be different perspectives about when to address such issues as

discriminatory admission practices, noting that the Smithsonian would consider that concern to be one of the first to address, whereas the government of Abu Dhabi likely would not. The Committee agreed that the Smithsonian must negotiate and fully resolve these critical issues prior to accepting any of the significant funding that Abu Dhabi is poised to invest in the project.

Dr. Jackson noted that Rensselaer Polytechnic Institute has a list of requirements regarding issues such as sex and religious discrimination that must be addressed before entering into any agreement. With regard to discriminatory behavior in Dubai, she said that she had noted differences between official standards and day-to-day practices during her visits there. Dr. Jackson said that she would provide the Secretary with a copy of her school's requirements.

The Committee again commended the excellent presentation provided by the team and thanked them for their work. The members agreed that the details of this particular proposal warranted especially close review. They also agreed that input from the Executive Committee and the attention of an ad hoc group of Regents would help the team prepare for a review and discussion of the proposal during the executive session of the September 21, 2009, Regents' meeting.

### **Adjournment**

The Chair thanked the Committee members and staff for their participation. The meeting was then adjourned at 12:30 p.m.

Respectfully submitted,  
Doris Matsui, Chair