

MINUTES OF THE SEPTEMBER 15, 2020, ADVANCEMENT COMMITTEE MEETING

The Advancement Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) conducted a videoconference meeting on September 15, 2020. Participating were Committee Chair Christine Udvar-Hazy and Committee members Allan M. Holt, Dennis Keller, Michael M. Lynton, Denise M. O’Leary, and Franklin M. Raines.

Present by invitation of the Committee were Secretary Lonnie Bunch, Chief of Staff to the Secretary Greg Bettwy, Acting Under Secretary for Science and Research Roger Brissenden, Assistant General Counsel Laura Damerville, Deputy Assistant Secretary for Advancement Zully Dorr, Deputy Chief of Staff to the Regents Kate Forester, Special Assistant to the Regents Mallory Gianola (recorder), Acting Under Secretary for Museums and Culture Kevin Gover, Inspector General Cathy Helm, General Counsel Judith Leonard, Assistant Secretary for Communications and External Affairs and Chief Marketing Officer Julissa Marengo, Under Secretary for Administration Mike McCarthy, Assistant Secretary for Advancement Robert Spiller, and John and Adrienne Mars Director of the National Air and Space Museum Ellen Stofan¹.

CALL TO ORDER AND WELCOME

Committee Chair Christine Udvar-Hazy called the meeting to order at approximately 2:04 p.m. and reviewed the agenda. Ms. Udvar-Hazy commended the Office of Advancement for its ability to pivot in a time of crisis and present critical areas of need for philanthropy.

APPROVAL OF APRIL 28, 2020, MEETING MINUTES

Upon motion duly made and seconded, the draft minutes of the April 28, 2020, Committee meeting were approved without modification.

REVIEW AND APPROVAL OF GIFTS

Deputy Assistant Secretary for Advancement Zully Dorr presented three gifts and two administrative motions for the Committee’s review and recommendation to the Regents. Ms. Dorr called the Committee’s attention to the \$25 million gift from Bank of America to support the Race, Community, and Our Shared Future Initiative. It was noted that all proposed actions adhere to applicable Smithsonian directives and the Institution’s guiding principles, policies, and procedures, as set forth by the Board. Upon motion duly made and seconded, the following actions were approved for recommendation to the Board of Regents:

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Bank of America and accepts the gift to support the Race, Community and Our Shared Future Initiative.

¹ Participated in the Executive Session only

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Bell Textron Inc. and accepts the terms of the sponsorship agreement.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Mitsubishi Corporation and accepts the terms of the sponsorship agreement.

VOTED that the Advancement Committee recommends that the Board of Regents creates the Deep Time Endowment, a quasi-endowment for the benefit of the National Museum of Natural History to support the Deep Time exhibition, including maintenance and related education programs, scientific research and activities, and personnel. Further, the Advancement Committee recommends that the Board of Regents authorizes the transfer of the funds identified for this purpose.

VOTED that the Advancement Committee recommends that the Board of Regents create a quasi-endowment for the benefit of the Smithsonian Astrophysical Observatory to support public education programs. Further, the Advancement Committee recommends that the Board of Regents authorizes the transfer of the funds identified for this purpose.

NOTABLE GIFTS AND GRANTS

In addition to gifts that require the Regents' approval, Ms. Dorr reviewed the Notable Gifts and Grants report. Ms. Dorr highlighted a \$5 million gift to the National Air and Space Museum and a \$3 million gift to support the National Zoo and Smithsonian Conservation Biology Institute's ecosystem research. She also called the Committee's attention to recent gifts in support of the National Museum of African American History and Culture, National Native American Veterans Memorial, and the Smithsonian's Open Access Initiative.

REPORT OF THE SECRETARY

To begin his report, the Secretary acknowledged that Ms. Udvar-Hazy agreed to co-chair the Smithsonian Campaign. He thanked her for her work with the Regional Councils and her willingness to serve and further advance the strategic priorities of the Smithsonian.

The Secretary then updated the Committee on the Smithsonian's phased reopening progress following public closures on March 14 due to the COVID-19 (Coronavirus) pandemic. The National Zoo and the National Air and Space Museum's Udvar-Hazy Center in Chantilly, Virginia, were the first facilities to open to the public on July 24. Secretary Bunch shared that the National Museum of African American History and Culture, the National Portrait Gallery, the Smithsonian American Art Museum and Renwick Gallery, and the outdoor plaza at the Hirshhorn Museum and Sculpture Garden will begin welcoming visitors on September 18.

Secretary Bunch also briefed the Committee on the current and projected budgetary effects of COVID-19 on the Smithsonian. While the Smithsonian Institution received \$7.5 million through the CARES Act, the Secretary stressed the importance of implementing mitigation strategies and investing in virtual programs, fundraising, and e-commerce to help offset lost revenues resulting from the public closures.

To conclude, the Secretary shared updates on planning efforts for the Smithsonian's Race, Community, and Our Shared Future Initiative ("RCOSF"). The Secretary has compiled a core leadership team to focus on executive guidance and support, content, strategy and implementation, marketing communications and outreach, and advancement. Rob Ritter, Director of Institutional Advancement, and his colleagues in the Office of Advancement will work with Bank of America and other key supporters to initiate and cultivate continued support, while serving as liaisons, facilitating engagement and communication between the Smithsonian and key donors of the RCOSF Initiative.

COMMITTEE ADMINISTRATION

The Committee then performed a provision-by-provision review of its Charter per its mandate to annually review and assess the Charter and evaluate its own performance with respect to the Charter. No modifications to the Charter were proposed. The Committee discussed its self-assessment and members were asked to consider their responses ahead of the January 2021, meeting, when the Committee will dedicate time to discussing its fiscal year 2020 performance.

ADVANCEMENT

Assistant Secretary for Advancement Rob Spiller provided an update from the Office of Advancement. Mr. Spiller informed the Committee of a data security incident at Blackbaud, a third-party service provider, which has impacted the Smithsonian among other educational institutions and nonprofit organizations. On July 16, 2020, Blackbaud Inc. notified the Smithsonian Institution that they had discovered and stopped a ransomware attack on its systems in May 2020. The Office of Advancement has been working with Blackbaud, as well as the Smithsonian's Privacy Office and the Office of the Chief Information Officer, to assess and monitor the impact to Smithsonian information. Mr. Spiller also noted that a Smithsonian email was sent to all constituents notifying them of the security incident, and the Office of Advancement has set up a hotline to take calls from individuals to address any questions or concerns.

Next, Mr. Spiller reported on the Smithsonian's fundraising progress. As of August 31, 2020, the Smithsonian had raised \$211.64 million towards the fiscal year 2020 fundraising goal of \$230 million. In April, the fiscal year 2020 fundraising goal was revised to \$185 million, as the Institution assessed the potential impact of the COVID-19 (Coronavirus) public health emergency on the Smithsonian's ability to fundraise. Mr. Spiller commended advancement staff across all units and the central office for their hard work, despite challenging circumstances,

and recognized their ability to potentially exceed the original goal and finish the year closer to \$240 million.

The Committee then received an update on planning efforts for the Smithsonian's next fundraising Campaign. Mr. Spiller provided an overview of the proposed Campaign leadership structure and timeline, which will include leveraging the Smithsonian's 175th anniversary in 2021 and concluding the Campaign in tandem with the Nation's 250th anniversary in 2026. The Office of Advancement is currently focusing on four key elements of the Campaign: feasibility, priority and goal setting, volunteer leadership, and communications.

To conclude, Mr. Spiller updated the Committee on the implementation of the Gift Acceptance Working Group's recommendations. In 2019, at the request of the Board of Regents, the Committee established a working group to review the Smithsonian's gift acceptance policies and procedures. The Committee discussed the Smithsonian's efforts to explore options for addressing reputational challenges that arise after a gift is accepted as they relate to best practices.

EXECUTIVE SESSION: NATIONAL AIR AND SPACE MUSEUM PHILANTHROPIC CONCEPT

The Committee then entered into an executive session at approximately 3:27 p.m. to discuss a potential philanthropic concept for the National Air and Space Museum.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at approximately 3:40 p.m.

Respectfully submitted,
Christine Udvar-Hazy, Chair