

MINUTES OF THE DECEMBER 11, 2017, FINANCE COMMITTEE TELECONFERENCE MEETING

The Finance Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) held a special meeting telephonically on December 11, 2017. Participating were Committee Chair John Fahey and Committee members Roger Ferguson, Representative Doris Matsui, and Timothy O’Neill.

Also present by invitation of the Committee were Secretary David Skorton; Shola Akinrolabu, Director of Business and Corporate Development of Smithsonian Enterprises, Provost/Under Secretary for Museums and Research John Davis, Deputy Chief of Staff to the Regents Kate Forester; Assistant General Counsel Ginny Gomez; Under Secretary for Finance and Administration/Chief Financial Officer Albert Horvath; Senior Vice President, Consumer Marketing/Educational Products and Smithsonian Enterprises, Carol Leblanc; General Counsel Judith Leonard; and Chief of Staff to the Regents Porter Wilkinson.

CALL TO ORDER

Committee Chair John Fahey called the meeting to order at 12:14 p.m. and thanked the Committee for joining the call for the single action item.

CARNEGIE LEARNING PROPOSED TRANSACTION

Committee Chair John Fahey and Undersecretary for Finance and Administration/Chief Financial Officer Al Horvath gave the Committee an overview of the proposed financial transaction with Carnegie Learning, Inc. (“Carnegie”), including the key components of a loan and licensing agreement.

Founded in the research labs of Carnegie Mellon University 25 years ago, Carnegie offers complete math education solutions for grades 6-12, including textbooks, tutoring software, and data analysis software. Carnegie and the Smithsonian would like to collaborate as strategic partners to co-develop a science based K-12 digital curriculum product in collaboration with Smithsonian Science Education Center (“SSEC”). As a strategic partner, the Smithsonian would lend capital, receive an equity option, and SSEC and Carnegie would together digitize its science education and potentially develop a co-branded STEM product, utilizing SSEC’s science and Carnegie’s math content.

Following discussion, the Finance Committee authorized the Secretary to move forward in finalizing the loan and licensing agreements.

ADJOURNMENT

There being no further business to consider, the meeting was adjourned at 12:33 p.m.

Respectfully submitted,

John Fahey, Chair