



## MORNING SESSION

### EXECUTIVE SESSION: CHAIR OF THE GOVERNANCE AND NOMINATING COMMITTEE

**Governance and Nominating Committee Chair**

The meeting of the Board of Regents began with an executive session. Board and Executive Committee Chair David M. Rubenstein called the executive session to order at 9:30 a.m. and briefed the Board on the recent resignation of Ambassador Barbara Barrett, who was confirmed as the 25th Secretary of the Air Force and is not permitted to serve as a Regent while in office. Regent John Fahey was presented as the proposed candidate to replace Ambassador Barrett as chair of the Governance and Nominating Committee for the remainder of the calendar year 2019 term. Mr. Fahey recused himself from the Board's discussion and vote. Upon motion duly made and seconded, the Board voted to approve the proposed committee assignment, and recommended that the Chancellor make the necessary appointment.

**See attached Actions 2019.10.01** (*Minutes of the Board of Regents, Appendix A*).

### EXECUTIVE SESSION: BOARD OF REGENTS REAPPOINTMENTS

**Reappointments to the Board of Regents**

The Board then reviewed the Governance and Nominating Committee's recommendations to renominate John Fahey and Risa J. Lavizzo-Mourey to serve for a second term as Citizen Regent on the Board of Regents. Mr. Fahey and Dr. Lavizzo-Mourey's first terms will expire on February 21, 2020. As proposed candidates for reappointment, Mr. Fahey and Dr. Lavizzo-Mourey recused themselves from the discussion and vote. Upon motion duly made and seconded, the reappointments were approved.

**See attached Actions 2019.10.02 and 2019.10.03** (*Minutes of the Board of Regents, Appendix A*).

### EXECUTIVE SESSION: 2020 BOARD LEADERSHIP ELECTIONS

**2020 Board Leadership Elections**

Mr. Rubenstein then turned the meeting over to John Fahey, Chair-elect of the Governance and Nominating Committee, to lead the 2020 Board leadership elections. The Board reviewed the Governance and Nominating Committee's recommendations for the 2020 term. The Board discussed the election of Steve Case as Chair, Risa J. Lavizzo-Mourey as Vice Chair, and David M. Rubenstein as a member of the Executive Committee. Mr. Fahey noted that Mr. Rubenstein's service as Chair and Vice Chair of the Board met the Executive Committee's six-year term limit, however, the limitation could be waived by the Board's approval of his nomination. As candidates under consideration, Mr. Case, Dr. Lavizzo-Mourey, and Mr. Rubenstein recused themselves from the discussion and vote. Upon motions duly made and seconded, the Board voted to elect the Chair, Vice Chair, and third member of the Executive Committee.

**See attached Actions 2019.10.04, 2019.10.05, and 2019.10.06** (*Minutes of the Board of Regents, Appendix A*).

## EXECUTIVE SESSION: ELECTION OF NEW REGENT

### Election of New Regent

Next, Mr. Fahey led the Board's discussion on the search for a new Citizen Regent to fill the immediate vacancy on the Board, following Ambassador Barrett's resignation. Mr. Fahey noted that the Governance and Nominating Committee will continue its search for a Citizen Regent to replace John McCarter, when his term expires in March 2020.

Mr. Fahey presented the proposed priority candidate recommended by the Governance and Nominating Committee for nomination to the Board: Denise O'Leary. Upon motion duly made and seconded, the Board approved the Governance and Nominating Committee's recommendation and voted to nominate Denise O'Leary of Colorado to succeed Barbara Barrett as a Citizen Regent. The Board asked its congressional Regents to introduce and support legislation appointing the newly nominated Regent.

**See attached Actions 2019.10.07** (*Minutes of the Board of Regents, Appendix A*).

## EXECUTIVE SESSION: UPDATE FROM THE SECRETARY

### Update from the Secretary

To conclude, Secretary Lonnie Bunch joined the executive session to discuss personnel matters and a potential business opportunity.

## OPEN SESSION

### Welcome

Smithsonian and Regent staff members entered the room and the meeting reconvened. Mr. Rubenstein called the open session to order at 10:40 a.m.

## REPORT OF THE CHAIR OF THE BOARD AND EXECUTIVE COMMITTEE

### Departure and Recognition of Ambassador Barbara Barrett

Mr. Rubenstein began his report by recognizing Ambassador Barbara Barrett for her service to the Smithsonian. Ambassador Barrett served with distinction on the Board of Regents since 2013 and was an active participant and leader on multiple Regent committees. Mr. Rubenstein noted that she also served as co-chair of the Institution's first capital campaign, and founding chair of the Smithsonian Academy. Upon motion duly made and seconded, the Board voted to recognize Barbara Barrett for her distinguished service as a Regent, and contributions to the Smithsonian Institution.

**See attached Actions 2019.10.08** (*Minutes of the Board of Regents, Appendix A*).

**Recognition of SNB  
Chair Dennis Keller**

Next, Mr. Rubenstein welcomed Dennis Keller to his first Smithsonian Board of Regents meeting. Mr. Keller began his three-year term as the Chair of the Smithsonian National Board on October 1, 2019. Mr. Rubenstein expressed the Board's enthusiasm for working with Mr. Keller in his new leadership role.

**Upcoming Events**

Mr. Rubenstein highlighted a few upcoming events, including the Regents' annual public forum immediately following the meeting, which will include an introduction of the new Board leadership, and a conversation with Secretary Bunch about his new book and his first months leading the Institution. He discussed the upcoming Installation Ceremony of the Fourteenth Secretary of the Smithsonian to be held on Friday, November 1. Mr. Rubenstein also informed the Board about the teleconference that he and the Secretary will host for the Smithsonian Advisory Board Chairs to provide the annual update on the state of the Smithsonian.

**Executive Committee  
Approvals**

In conclusion, Mr. Rubenstein briefed the Board on the actions made by the Executive Committee on behalf of the Board, pursuant to Board Bylaw 3.01, between the June and October meetings. He noted that due to exigent circumstances the Executive Committee approved three actions: (i) the Smithsonian's fiscal year 2020 Federal and Trust Consolidated Budget when signed into law by the President, (ii) the Smithsonian's budget request for appropriated funds for fiscal year 2021 for presentation to the Office of Management and Budget, and (iii) the appointment of a Smithsonian National Board Vice Chair.

## APPROVAL OF THE CONSENT AGENDA

**Consent Agenda**

The Consent Agenda ("Agenda") was presented for the Board's approval. Action items listed on the October 21, 2019, Agenda include: the approval of minutes from the June 10, 2019, Regents' meeting; the appointment and reappointment of candidates to 13 Smithsonian Advisory Boards; amendments to the bylaws of the Anacostia Community Museum Advisory Board, the Smithsonian Institution Traveling Exhibition Service Advisory Board, and the Smithsonian Tropical Research Institute Advisory Board; and gifts and naming recognitions. Upon motion duly made and seconded, the Board voted to adopt the Agenda, constituting the approval of all action items listed therein.

**See attached Actions 2019.10.09** (*Minutes of the Board of Regents, Appendix A*).

## QUESTIONS ON WRITTEN COMMITTEE REPORTS

**Questions on Written  
Committee Reports**

Mr. Rubenstein provided an opportunity for Regent committee chairs and Smithsonian staff to answer questions on the written reports distributed in advance of the meeting by the Audit and Review Committee; Facilities Committee; Finance Committee; Investment Committee; Strategy, Innovation, and Technology Committee; Smithsonian National Board; and Office of Government Relations.

### *Written Report of the Audit and Review Committee*

#### **Report of the Audit and Review Committee**

The Audit and Review Committee met on July 18, 2019. During the meeting, the Committee approved additional non-audit services by the Smithsonian’s external auditor, KPMG, and the filing of the fiscal year 2018 Forms 990 and 990-T with the Internal Revenue Service (“IRS”). The Committee reviewed the Institution’s integrated risk management and cybersecurity mitigation programs, KPMG’s audit plan for fiscal year 2018, the Smithsonian’s annual conflict of interest reporting, and the recent activities of the Inspector General. The Committee also performed its annual review of the Committee Charter.

### *Written Report of the Facilities Committee*

#### **Report of the Facilities Committee**

The Facilities Committee met on July 18, 2019. During the meeting, the Committee received an update on the Consolidated Administrative Headquarters, and was briefed on the facilities capital and maintenance programs and funding for fiscal years 2019 through 2021. The Committee reviewed the progress of three revitalization projects at the National Zoological Park and the Smithsonian’s ongoing major capital projects. The Committee also performed its annual review of the Committee Charter.

### *Written Report of the Finance Committee*

#### **Report of the Finance Committee**

The Finance Committee held a meeting on August 21, 2019. During the meeting, the Committee reviewed and voted to recommend that the Board approve two motions: (i) the fiscal year 2020 federal and trust consolidated budget, and (ii) the fiscal year 2021 federal budget for presentation to the Office of Management and Budget. The Committee also reviewed the fiscal year 2019 third quarter financial results, received an update on the Smithsonian Channel, was briefed on the proposed administrative headquarters building, performed its annual review of the Committee Charter, and discussed a potential business opportunity.

### *Written Report of the Investment Committee*

#### **Report of the Investment Committee**

The Investment Committee met on June 19, 2019, and reviewed the top contributors, stock distributions, and liquidity of the investment portfolio. The Committee also discussed strategic roadmaps for significant market dislocation scenarios. The Smithsonian Endowment’s preliminary performance as of June 19, 2019, over the one-year, three-year, five-year, and ten-year periods, generated returns against the policy benchmark of 9.9% versus 2.6%, 11.5% versus 6.7%, 7.5% versus 3.6%, and 6.4% versus 6.7%, respectively. The Endowment continues to outperform peers within the Cambridge Associates’ peer universe of all endowments and foundations, and remains ranked in the first decile.

## *Written Report of the Strategy, Innovation, and Technology Committee*

### **Report of the Strategy, Innovation, and Technology Committee**

The Strategy, Innovation, and Technology Committee met on September 26, 2019. During the meeting, the Committee reviewed the exhibition calendar and received a report from the Provost and Under Secretary for Museums, Education, and Research on new exhibitions, programming, events, and education and outreach programs. The Committee also discussed the Open Access Initiative and was briefed on the Smithsonian Channel programmatic review process.

## *Written Report of the Smithsonian National Board*

### **Report of the Smithsonian National Board**

The Smithsonian National Board (“SNB”) held its summer meeting from July 21-26, 2019, in Alaska. The meeting focused on the work of scientists, curators, and researchers within Alaska. The meeting was the last for Smithsonian National Board Chair Bob MacDonald. Members devoted a significant portion of the business meeting to a guided discussion on membership and leadership changes, including the appointment of Dennis Keller as Chair and the election of Jorge Puentes as a Vice Chair. The SNB also voted to recommend that the Board of Regents award the Order of James Smithson to Adrienne Mars.

## *Written Report of the Office of Government Relations*

### **Report of the Office of Government Relations**

The Office of Government Relations (“OGR”) reported that the Senate Appropriations Committee approved the fiscal year 2020 appropriations bill for the Department of Interior and Related Agencies on September 26. The Committee provided \$1.47 billion for the Smithsonian, which includes \$751.1 million for Salaries and Expenses and \$296.5 million for Facilities Capital. On June 25, 2019, the House Appropriations Committee approved the Department of Interior, Environment and Related Agencies Appropriations Act for fiscal year 2020 beginning October 1, 2019. The appropriations bill includes \$1.07 billion for the Smithsonian, with \$852.3 million for Salaries and Expenses and \$219.0 million for Facilities Capital. Conference to reconcile differences between the House and Senate versions of the bill had not been scheduled.

### **Smithsonian Legislation**

In addition, OGR reported on Smithsonian related legislation, Congressional briefings, and four Congressional hearings that took place on: biodiversity, oversight of the Smithsonian Institution, the 50th anniversary and legacy of the Apollo 11 moon landing, and the impact of marine debris on ecosystems and species.

### **Congressional Engagement**

OGR has continued congressional engagement, hosting and participating in a number of programs and events. On July 23, the British American Parliamentary Group (“BAPG”) met in Washington DC for its biennial meeting. Among those participating in the event were Secretary Bunch and Congressional Regents Senator John Boozman and Senator Patrick Leahy. Notably, on September 21, 2019, the National Museum of the American Indian hosted a groundbreaking ceremony for the National Native American Veterans Memorial. More than 250

guests attended, including Secretary of Veterans Affairs Robert Wilkie Jr. and Representative Deb Haaland (D-NM).

## REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

### Report of the Governance and Nominating Committee

Chair-elect of the Governance and Nominating Committee John Fahey gave the Committee's report and led discussions on the scheduling of Regent Committee meetings and best practices for the Smithsonian advisory boards. The recently developed best practices for the Smithsonian advisory boards are aimed at standardizing basic membership structure and guidance given to the advisory boards across the Institution. He also reminded the Board that the fiscal year 2019 self-assessment will be distributed following the October meeting.

## REPORT OF THE COMPENSATION AND HUMAN RESOURCES COMMITTEE

### Report of the Compensation and Human Resources Committee

Chair of the Compensation and Human Resources Committee John Fahey gave the Committee's report and led the Board's discussion on a proposed pay equity analysis and a potential modification to the Committee Charter – both of which resulted from the Board's review of the Smithsonian's workplace culture earlier this year.

### Pay Equity Analysis

As part of an effort to promote an inclusive and respectful work environment at the Smithsonian, policies and procedures related to sexual harassment as compared to best practices were reviewed. Based on the results of this review discussed at the June 2019 meeting, the Board directed its compensation consultant to conduct a pay-equity analysis to ensure internal pay equity among senior-level staff at the Institution, which will become standard practice as part of the Board's annual assessment of senior-level compensation.

### Amendment to the Compensation and Human Resources Committee Charter

Mr. Fahey then briefed the Board on a proposed amendment to the Compensation and Human Resources Committee Charter, which would assist the Board in clarifying the types of information related to sexual harassment that must be reported to the Regents. The Board will direct senior management to implement the appropriate reporting procedures. The Committee will review a formal amendment to the Charter at its meeting in December for presentation to the Board in January.

## REPORT OF THE ADVANCEMENT COMMITTEE

### Order of James Smithson

Chair of the Advancement Committee Christine Udvar-Hazy presented one action item for the Board's consideration, a nomination to the Order of James Smithson, which was established by the Regents in 1983 to recognize inspirational and impactful contributions to the Smithsonian. Nominees for consideration are proposed to the Secretary by the Smithsonian National Board ("SNB"). At its July

2019 meeting, the SNB voted to recommend that the Board award Adrienne B. Mars with the Order of James Smithson, in appreciation for her long-standing support of the Smithsonian Institution. Upon motion duly made and seconded, the Board voted to approve the nomination of Adrienne B. Mars to the Order of James Smithson.

**See attached Actions 2019.10.10** (*Minutes of the Board of Regents, Appendix A*).

**Smithsonian Gift  
Acceptance Policy**

Mrs. Udvar-Hazy then updated the Board on the recommendations of the working group (“Group”) established to review the policies and procedures related to the Smithsonian’s gift acceptance. The Group reviewed current Smithsonian policies against peer information and industry best practices and recommended no changes to the current policy. The Group did recommend reporting to the Advancement Committee on gifts that have been elevated for consultation, further enhancing Smithsonian staff awareness of the gift acceptance policy, and developing guidelines for managing challenges that arise after a gift has been accepted.

**Smithsonian Campaign**

To conclude, Assistant Secretary for Advancement Rob Spiller briefed the Regents on early planning efforts for the next Smithsonian Campaign. Over the next year, the Office of Advancement will engage staff and volunteers to define parameters and strategies for the next campaign. Mr. Spiller shared that to ensure a comprehensive, collaborative, and coordinated approach, “Campaign Workgroups” would be instituted around key areas and led jointly by leadership from individual units and the Office of Advancement.

Following the report of the Advancement Committee, the Board adjourned to the luncheon program at approximately 11:37 a.m.

## LUNCHEON PROGRAM: CURRENT ISSUES IN PHILANTHROPY

**Luncheon Program:  
Current Issues in  
Philanthropy**

During lunch, Regents and Smithsonian staff convened for a program on current issues in philanthropy. The program featured a conversation between Mr. Rubenstein and Assistant Secretary for Advancement Rob Spiller. The discussion focused on changing donor expectations, developing cases for philanthropic support that resonate with donors and serve the mission of the Institution, and addressing increased donor scrutiny and reputational risk.



## AFTERNOON SESSION

The Chancellor called the open session to order at approximately 1:52 p.m. and reviewed the remainder of the Board's business agenda.

### REPORT OF THE SECRETARY

#### Report of the Secretary

Secretary Bunch presented his inaugural report as the 14<sup>th</sup> Secretary of the Smithsonian Institution. The Secretary began his term in office on June 16, 2019. He reported on his activities during his first 120 days in office and entertained questions from the Board. The Secretary outlined his vision and priorities for the Smithsonian, which included diversity and inclusion, international positioning, and his plans for a virtual Smithsonian. The Secretary also provided updates on a series of meetings with chairs and ranking members of Congressional Committees with jurisdiction over the Smithsonian.

#### Smithsonian American Women's History Initiative

Next, the Secretary asked Provost and Under Secretary for Museums, Education, and Research John Davis to update the Board on the Smithsonian American Women's History Initiative. Dr. Davis presented the Board with an early copy of the book *Smithsonian American Women: Remarkable Objects and Stories of Strength, Ingenuity, and Vision from the National Collection*. The book offers a unique, panoramic look at women's history in the United States through the lens of more than 280 artifacts from 16 Smithsonian museums and archives, and more than 135 essays from 95 Smithsonian authors. The publication date is planned for October 29, 2019.

#### 2020 Earth Optimism Summit

The Secretary also shared updates on the 2020 Earth Optimism Summit ("Summit"). In celebration of the 50th anniversary of Earth Day, the Smithsonian will host the Summit on April 23-25, 2020, in Washington, DC. The Summit will showcase stories of both small- and large-scale actions that frame conservation science and programming from the conservation commons.

#### V&A Collaboration

The Secretary discussed his upcoming visit to London as part of the Smithsonian's collaboration with the Victoria and Albert Museum ("V&A"). The Secretary acknowledged the opportunities and some of the challenges facing the Institution. He noted that proposed recommendations for the collaboration would be presented to the Board, following his visit and assessment.

#### Consolidated Administrative Headquarters

Secretary Bunch concluded his report by turning the floor over to Acting Under Secretary for Finance and Administration/COO Mike McCarthy. Mr. McCarthy reported on the progress of a Smithsonian-owned consolidated administrative headquarters facility. The Smithsonian has conducted a series of site visits to the Capital Gallery Building and briefings to the Institution's oversight committees related to the potential consolidated administrative headquarters. Mr. McCarthy informed the Board he anticipates providing a formal update on the approval and transaction processes at the Regents' meeting in January.

## EXECUTIVE SESSION: “GATEKEEPER” REPORTS

The Board then conducted an executive session with the Smithsonian’s Gatekeepers, including the Secretary, Acting Under Secretary for Finance and Administration/COO, General Counsel, and Inspector General.

## ADJOURNMENT

There being no further business to discuss, the meeting adjourned at approximately 2:11 p.m.

## ANNUAL PUBLIC FORUM

### Annual Public Forum

The Regents’ Public Forum began at approximately 2:30 p.m. in the Warner Bros. Theater at the National Museum of American History. Chief of Staff to the Regents Porter Wilkinson opened the event with the introduction of the newly elected 2020 Board leadership. Chair-elect Steve Case delivered brief remarks about his vision for the Smithsonian. Board Chair David M. Rubenstein hosted a conversation with Secretary Lonnie Bunch about his new book, *A Fool’s Errand*, and his first months leading the Institution. Following the discussion, Ms. Wilkinson moderated a question and answer session. Mr. Rubenstein and Secretary Bunch entertained questions from audiences in-person and online. The event was open to the media and broadcast on the Smithsonian website.

Respectfully submitted,

Lonnie G. Bunch III  
Secretary