

# MINUTES OF THE BOARD OF REGENTS

*September 21, 2009*

## ATTENDANCE

This scheduled meeting of the Board of Regents was held on Monday, September 21, 2009, at the National Museum of the American Indian. The meeting included a morning session and executive session in conference rooms 4018-19 and an afternoon session devoted to the Board's second annual public meeting in the Museum's Rasmuson Theater. Board Chair Patricia Q. Stonesifer called the meeting to order at 8:35 a.m. Also present were:

The Chief Justice <sup>1</sup>	Phillip Frost <sup>2</sup>	Doris Matsui
Xavier Becerra	Sam Johnson	David M. Rubenstein
Thad Cochran	Robert P. Kogod	Roger W. Sant
France Córdova	Patrick J. Leahy	Alan G. Spoon

L. Hardwick Caldwell III, Smithsonian National Board Chair  
Paul Neely, Smithsonian National Board Chair-elect

Vice President Joseph R. Biden, Senator Christopher J. Dodd, Shirley Ann Jackson, and John W. McCarter Jr. were unable to attend the meeting.

Also present were:

G. Wayne Clough, Secretary	Nell Payne, Director of Government Relations
Patricia L. Bartlett, Chief of Staff to the Secretary	Eva J. Pell, Under Secretary for Science-designee
Amy Chen, Chief Investment Officer	A. Sprightley Ryan, Inspector General
Virginia B. Clark, Director of External Affairs	John Yahner, Speechwriter to the Secretary
Barbara Feininger, Senior Writer-Editor for the Office of the Regents	Jeffrey P. Minear, Counselor to the Chief Justice
Grace L. Jaeger, Program Officer for the Office of the Regents	Evan Ryan, Assistant to the Vice President
Richard Kurin, Under Secretary for History, Art, and Culture	T.A. Hawks, Assistant to Senator Cochran
John K. Lapiana, Chief of Staff to the Regents	Colin McGinnis, Assistant to Senator Dodd
Judith Leonard, General Counsel	Kevin McDonald, Assistant to Senator Leahy
Evelyn S. Lieberman, Director of Communications and Public Affairs	Melody Gonzales, Assistant to Congressman Becerra
Alice C. Maroni, Chief Financial Officer	David Heil, Assistant to Congressman Johnson
Alison McNally, Under Secretary for Finance and Administration	Julie Eddy, Assistant to Congresswoman Matsui
Scott Miller, Acting Under Secretary for Science	Charles Alcock, Director of the Smithsonian Astrophysical Observatory
Carole M.P. Neves, Director of the Office of Policy and Analysis	Elizabeth Broun, Director of the Smithsonian American Art Museum <sup>3</sup>
Tom Ott, President of Smithsonian Enterprises	Johnnetta B. Cole, Director of the National Museum of African Art <sup>3</sup>
	Steven L. Monfort, Acting Director of the National Zoological Park <sup>3</sup>

<sup>1</sup> The Chancellor, Chief Justice John G. Roberts Jr., attended the afternoon public meeting.

<sup>2</sup> Dr. Frost attended the morning session.

<sup>3</sup> Drs. Broun, Cole, and Monfort participated in the presentation of the Strategic Plan.

## MORNING PLENARY SESSION

### OPENING REMARKS

Board Chair Patricia Stonesifer welcomed the attendees to the last full Board of Regents' meeting of 2009. She reminded the Regents that the meeting would include a morning session primarily devoted to the presentation of the Strategic Plan, a working lunch, and an afternoon session dedicated to the second annual public meeting of the Board. She asked that most of the Regents' committee reports be limited to 10 minutes to allow time for both the Board's review of the Strategic Plan and the afternoon public meeting.

Ms. Stonesifer announced that President Obama had signed France Córdova's appointment to the Board of Regents on the previous Friday, September 18, 2009. Dr. Córdova, who had attended the two previous Regents' meetings at the request of the Board, was given an official, and enthusiastic, welcome to the Board of Regents.

Retiring Smithsonian National Board (SNB) Chair Hacker Caldwell, who was attending his last Regents' meeting in that capacity, was thanked for his enormous contributions to the Board, including his participation in the search process that led to the appointment of Secretary Clough and as a member of the Investment Committee. Asked to comment on his tenure, Mr. Caldwell said that it had been a privilege to serve with a Board capable of successfully navigating the enormous challenges and changes that faced the Smithsonian over the previous two years. Ms. Stonesifer welcomed SNB Chair-elect Paul Neely, who attended the meeting at the invitation of the Board, and reminded the Board of Mr. Neely's membership on the Strategic Planning and Programs Committee.

Ms. Stonesifer circulated copies of a group photograph taken at the 1927 Conference on the Future of the Smithsonian. Participants included such historic figures as President Calvin Coolidge, Chief Justice and Smithsonian Chancellor William Howard Taft, Secretary of the Treasury Andrew W. Mellon, Secretary of State Frank B. Kellogg, and Secretary of Commerce Herbert C. Hoover.

### REPORT OF THE BOARD AND EXECUTIVE COMMITTEE CHAIR

#### **Lease and Gift Agreements for the National Postal Museum**

Ms. Stonesifer reported that the Executive Committee had met three times since the last Regents' meeting. The Committee had provided guidance to the Secretary on the development of the Strategic Plan and had acted on two specific matters on behalf of the Board. She reminded the Board that at its last meeting it had delegated to the Executive Committee the authority to authorize the execution of a lease agreement with the National Postal Service and to approve the terms of a gift agreement related to the lease transaction. She reported that the Committee agreed on August 31, 2009, to provide authorization to the Secretary to execute a lease agreement to benefit the National Postal Museum, and approved a significant

gift agreement in support of the proposed expansion of the Museum. Ms. Stonesifer said that the Smithsonian had subsequently completed the lease transaction under the terms previously reviewed by the Board and that the gift for the Museum's expansion would be transformational.

Ms. Stonesifer reported that the Executive Committee also had approved the submission of the fiscal year 2011 Federal budget to the Office of Management and Budget. She acknowledged the Regents' preference that Federal budget submissions be approved by the full Board and explained that the early deadline for the fiscal year 2011 budget submission had required that the Committee act on behalf of the Board. She also said that the entire Board had been invited to participate in the August 24, 2009, meeting of the Finance Committee, during which the proposed budget was reviewed.

**Approval of the June 22, 2009, Meeting Minutes**

The Board was asked to approve the minutes of the June 22, 2009, Meeting of the Board. The motion was approved.

*See attached Resolution 2009.09.01 (Minutes of the Board of Regents, Appendix A).*

**Joseph Henry Award**

The Board then considered a motion to award the Joseph Henry Medal to Dr. Ira Rubinoff for his many contributions to the Smithsonian and, in particular, the Smithsonian Tropical Research Institute, which he had directed from 1974 to 2008. The Secretary explained that the Joseph Henry Medal was typically awarded to Smithsonian staff who have provided exceptional service to the Smithsonian and its mission. He noted that an internal review of the Smithsonian's award-granting process had delayed the award of the medal to Dr. Rubinoff, who retired from the Smithsonian in 2008. The motion was approved.

*See attached Resolution 2009.09.02 (Minutes of the Board of Regents, Appendix A).*

## REPORT OF THE SECRETARY

The Secretary said that this meeting of the Board was especially significant for two reasons: the presentation to the Board of the Strategic Plan and the closing, at the end of the month, of an eventful fiscal year. He noted that fiscal year 2009 had been characterized by both its challenges and its accomplishments, and proceeded to provide an overview of the important activities that had taken place in the previous months.

**Broadening Access and Reaching New Audiences**

Secretary Clough reported that visitation would surpass 30 million by the close of the fiscal year, representing a 6 million increase from fiscal year 2008 and the highest visitation levels in nearly a decade. He said that this achievement reflected the hard work of staff, the opening of more than 90 new exhibitions, extended summer hours in many museums, and the activities related to the inauguration of President Obama. He added that the economic downturn also had contributed to the increase in visits to Smithsonian museums, as families took advantage of the Institution's free admission policies. The Board agreed that the minutes should reflect the Regents' appreciation to Smithsonian staff and leadership, whose efforts

contributed to and supported the noteworthy increase in physical and virtual visitors to the Institution in fiscal year 2009.

**Highlights: Museums, Exhibitions, and Collections**

The Secretary then cited several Smithsonian exhibitions that opened in fiscal year 2009: *Bittersweet Harvest: The Bracero Program 1942–1964*, a collaboration between the National Museum of American History and the Smithsonian Institution Travelling Exhibition Service that will travel to 29 cities across the nation; the National Museum of African Art exhibition *Artful Animals*, which reflected the contributions of at least four other museums; and the Ripley Center’s installation of *Accelerate*, a national juried exhibition for emerging young artists with disabilities.

The Secretary discussed special events hosted by Smithsonian museums, noting that the Hirshhorn Museum and the Freer-Sackler Galleries had each hosted two successful after-hours events that reached new and younger audiences. The National Air and Space Museum celebrated the 40th anniversary of the first landing on the moon with inspirational speeches by Apollo 11 Astronauts Buzz Aldrin, Neal Armstrong, and Michael Collins during one of many anniversary-related events.

Stating that Smithsonian now has 164 affiliates in 41 states, the District of Columbia, Panama, and Puerto Rico, Secretary Clough said that Senator Leahy had spoken at the national affiliates reception, which was also attended by Senator Cochran and other members of Congress.

He directed the Regents’ attention to the report “Highlights from the Collections,” and also reported progress on the Institution’s efforts to digitize and expand Web access to its collections.

**Awards and Recognition**

The Secretary mentioned several awards that recently recognized Smithsonian staff or staff initiatives: *SmithsonianEducation.org* was selected as a Landmark Web Site in the American Association of School Librarians’ list of Best Web Sites for Teaching and Learning; *Dig It! The Secrets of Soil*, a collaboration between the National Museum of Natural History and the Smithsonian Environmental Research Center, was selected to receive the Renewable Natural Resources Federation’s 2009 Outstanding Achievement Award; And Manjula Kumar of the Smithsonian Center for Education and Museum Studies received the Mahatma Ghandi Memorial Foundation’s Fellowship of Peace Award. The 2009 Eminent Ecologist Award, one of the highest honors in its field, was given to Smithsonian Tropical Research Institute scientist Stephen Hubbell by the Ecological Society of America. Dr. Hubbell’s nomination included letters of support from former Pulitzer Prize winners Jared Diamond and E.O. Wilson.

**Trust Budget Update**

Secretary Clough then updated the Board on the Trust budget and the Institution’s revenue-generating activities. He reported that the Smithsonian’s budgets continue to be challenging, but said that the Institution was poised to finish fiscal year 2009 on a positive note. The Central Trust budget anticipated a \$2 million surplus at the end of fiscal year 2009, which would be applied to the Central Trust’s share of the fiscal year 2010 debt service.

The Secretary said that, despite the weak economy, philanthropic gifts to the Smithsonian in fiscal year 2009 were anticipated to total \$110 million and that

many had been directed towards strategic objectives. Smithsonian retail sales, which provide critical funding for the Central Trust budget, generated \$26 million in net gain in fiscal year 2009, an unanticipated increase of 17 percent. The Secretary expressed his appreciation for the extraordinary efforts of Smithsonian Enterprises (SE) and SE President Tom Ott.

The Secretary also noted his gratitude for the Investment Committee's management of the Smithsonian's Endowment. He said that the Endowment was anticipated to close fiscal year 2009 at about \$810 million because of the downturn in global markets. Although this figure represented a 19 percent drop from the Endowment's peak, it compared favorably to other endowments in the Institution's peer universe, some of which suffered declines of 30 percent during the same period. He also noted the Finance Committee's contributions to the management of the Endowment's payout.

Commenting on funding received from grant and contract awards, Secretary Clough first compared funding for activities unrelated to the Smithsonian Astrophysical Observatory (SAO) in fiscal years 2008 and 2009. He said that 366 proposals in fiscal year 2008 had resulted in awards totaling \$44.8 million. In fiscal year 2009, 450 proposals had resulted in awards totaling \$63.3 million, a 41 percent increase over awards received in fiscal year 2008 and a 22 percent increase in proposals. The Secretary noted that the leadership of Under Secretary for History, Art and Culture Richard Kurin contributed to the increase in proposal submissions.

Regarding SAO grant and contract awards, the Secretary said that 333 proposals had been submitted in fiscal year 2009, resulting in \$102.3 million in awards for the Smithsonian. He noted that SAO also was the remaining competitor for a \$550 million award that, if received, would be directed towards the operation of the Chandra X-ray Observatory. The Secretary said that the overall increase in grant submissions and awards strengthened the Institution's fiscal base and reflected the outstanding talents and entrepreneurial initiatives of Smithsonian staff.

The Secretary said that estimates for future Trust budgets were conservative and that the Institution would maintain the budgetary restraints implemented in the fiscal year 2009 Trust budget. He said that two budget teams charged with reassessing the management of the Smithsonian's Trust budget, the Zero-Based Central Trust Budget Committee and the Revenue-Generating Committee, would soon provide reports of their recommendations to the Board. He reported that the Institution had recently received approval from the Office of Personnel Management to offer early retirement packages to Federal employees, and that both Federal and Trust employees would be offered buyout incentives.

#### **Federal Budget Updates**

Discussing the Smithsonian's fiscal year 2010 Federal budget, the Secretary reported that the House had passed a budget of \$759 million. The budget was subsequently approved in Senate committee and was awaiting floor action. The Secretary explained that both Congressional bills reflected a 6 percent increase in funding over the Smithsonian's fiscal year 2009 budget and would fully fund new initiatives that reflect the Strategic Plan, such as digitization efforts, Web access, and the Smithsonian Institution Global Earth Observatories (SIGEO). He said that it was anticipated that Federally mandated salary increases would be held at

2 percent and that both budgets included \$125 million for major facilities revitalization projects, such as the Arts and Industries building and the new National Museum of African American History and Culture.

The Secretary then addressed the fiscal year 2011 Federal budget submission process. The Office of Management and Budget's (OMB) original budget guidance had called for the submission of two budgets: one that was flat with the fiscal year 2010 budget and one that reflected a 5 percent decrease. He explained that successful negotiations with OMB had resulted in the Smithsonian's submission of a third, needs-based budget. He added that the six million increase in Smithsonian visitorship in fiscal year 2009 had strengthened the Institution's case for a needs-based budget.

**Closing Remarks**

Secretary Clough noted that an initiative to identify operational best-practices was in progress. He also updated the Regents on the Institution's asbestos-related issues, saying that analyses were ongoing and on track, reviews of the Institution's asbestos-related policies and procedures had not revealed any issues, and relevant employee surveys and interviews were in progress.

The Secretary welcomed Dr. Eva Pell, Senior Vice President and Dean of Pennsylvania State University, who will assume the position of Under Secretary for Science in January 2010. He also thanked Dr. Charles Alcock, Smithsonian Astrophysical Observatory Director and former Acting Under Secretary for Science, and Dr. Scott Miller, the current Acting Under Secretary for Science, for their leadership contributions.

## REPORT OF THE AUDIT AND REVIEW COMMITTEE

Audit and Review Committee member Robert Kogod provided the Committee's report on behalf of Committee Chair John McCarter. The Committee met on September 8, 2009, and received several updates before it held separate executive sessions with the Smithsonian's independent auditors, the General Counsel, the Inspector General, and the Chief Financial Officer, after which it met alone.

**Report of the  
Smithsonian's  
Independent Auditors**

Mr. Kogod reported that the Smithsonian's independent auditors, KPMG, provided the Committee with the audit plan for fiscal year 2009. He said that two new accounting pronouncements would be applied to the Smithsonian's fiscal year 2009 audit: one that would apply to the Institution's Endowment and another that would apply to the adoption of accounting standards regarding the fair value measurement of nonmarketable, or alternative, investments. He said that the most significant impact of the new pronouncements would be the addition of several pages of disclosures to the Institution's financial statements.

Mr. Kogod said that the overall audit plan for fiscal year 2009 was similar in scope to the prior year's audit. He said that KPMG, which began its interim audit work in July 2009, would meet the November 16, 2009, filing date for Federal financial reports. KPMG noted it would continue working closely with the Office of the Inspector General and, at the request of the Inspector General, again would conduct

a review of Smithsonian Enterprises' net gain. Mr. Kogod explained that these figures are used by the Regents' Compensation and Human Resources Committee to determine certain staff incentive payments.

The Committee also was informed that KPMG's separate audit of government grants and contracts awarded to the Smithsonian for fiscal year 2008 had received an unqualified opinion with one immaterial noncompliance item note. Mr. Kogod reported that that the matter had since been resolved by the Institution.

**Report of the Inspector General**

Mr. Kogod said that the Committee next received an update from Inspector General Sprightley Ryan. The Committee discussed at length a recent audit concerning the proper use of certain maintenance funds for an unplanned capital improvement project. He said that management had disagreed with the findings of the audit but had agreed with the Inspector General's recommendations for funding decision-making policies and procedures, including associated documentation. Ms. Ryan also presented her audit plan for the coming year and was asked by the Committee to focus on the security of the Smithsonian's collections, including that of the Smithsonian Institution Libraries.

**Report of the Chief Financial Officer**

Mr. Kogod then reported on Chief Financial Officer Alice Maroni's report to the Committee. Ms. Maroni updated the Committee on the status of KPMG's management letter for fiscal year 2008 and reported that the resolution of each of the identified issues scheduled to be completed was either closed or on schedule to be closed during fiscal year 2009.

Ms. Maroni updated the Committee on the status of the internal controls improvement project. She reminded the Committee that the review of the internal controls environment associated with 23 separate financial processes had identified five processes as high risk. Remediation plans were developed to address the weaknesses for all 23 processes and critical milestones in the remediation plans for all five high-risk areas will be met in fiscal year 2009. Remediation plans for the remaining moderate- and low-risk areas were under review.

Mr. Kogod said that the Committee was informed that the review of internal controls had shown that some of the efforts to improve internal control environments were ahead of schedule, whereas unanticipated issues had adversely affected the remediation plans for other financial processes. He said that the Chief Financial Officer was especially concerned about the pending impact of new external financial reporting requirements and the increase in requirements to comply with the data security standards being imposed by the credit card industry for all merchant card accounts. Mr. Kogod said both issues were a high priority to the financial staff and that management had approved funding to support efforts to strengthen the Institution's financial control environment.

## REPORT OF THE FINANCE COMMITTEE

Finance Committee Chair Roger Sant presented the Committee's report. The Committee previously met on August 24, 2009, to review several important topics.

Two Regents who were not Committee members also participated in the discussion.

**Fiscal Year 2010  
Federal and Trust  
Budgets**

Mr. Sant reported that the Committee first reviewed the proposed fiscal year 2010 Federal and Trust budgets. He said that management had based the Federal budget on the fiscal year 2010 budget request submitted to Congress in February 2009 and that it was assumed that the budget would be approved. Mr. Sant also said that the Central Trust budget in fiscal year 2010 had been balanced as a result of four major initiatives. Noting that some of the decisions could be controversial, he outlined them for the Board.

**Funding the National  
Campaign**

Mr. Sant said that management had proposed a special Endowment payout to fund the expenses of the planned national campaign, which he said was estimated to be about \$3.1 million for fiscal year 2010. He said that management had recommended a payout not to exceed \$2.5 million, which would be combined with the remainder of the funds previously made available to the campaign for expenses. Mr. Sant said that the Finance Committee approved the proposed payout, subject to the approval of the proposed expenses by the Advancement Committee, and that that committee had subsequently approved the proposed national campaign program and items budgeted for it.

**The Smithsonian  
Associates**

Mr. Sant then reported that the Committee also had discussed at length management's proposal to initiate a study and restructuring of The Smithsonian Associates (TSA), a popular program that sponsors fee-based seminars, tours, and lectures for the local metropolitan Washington audience. He explained that the intention of the plan would be to move TSA from a loss-generating operation to one that broke even or better. Under the terms of the proposal, TSA would be dramatically restructured or closed down if it could not generate sufficient revenues. Mr. Sant said that the recommendation also had been reviewed and approved by the Strategic Planning and Programs Committee.

**Trust Revenue Targets**

Mr. Sant said that the third initiative designed to balance the fiscal year 2010 Trust budget was management's decision to issue revenue targets to the Trust Finance Implementation teams. He said that the budget assumed \$650,000 in new revenue streams during fiscal year 2010, and explained that the new monies would be generated by conducting a special events pilot program in the Castle, charging a small fee for the *goSmithsonian* guide, and implementing a more robust overhead recovery program.

**Personnel Initiatives**

A fourth proposal to support balancing the fiscal year 2010 Trust budget was discussed by the Committee. Mr. Sant said that management had originally proposed three personnel initiatives—a pay freeze for Trust-funded staff, a buyout program for Federal and Trust staff, and a Trust hiring freeze—and that the Committee had approved the inclusion of all three in the budget, contingent upon the Compensation and Human Resources Committee's approval of the pay freeze. He reported, however, that three positive changes in the Central Trust budget had occurred subsequent to the Finance Committee's meeting. He explained that the sum of the changes had restored enough flexibility in fiscal year 2010 to fund modest pay increases for non-senior and senior level Trust-funded staff and that a final decision regarding these increases would be made in December 2009.



After summarizing the Committee’s discussions about the fiscal year 2010 Federal and Trust budgets, Mr. Sant asked the Board to consider three motions that the Finance Committee had approved and forwarded to the Board: a motion to approve the budget and expenditure of fiscal year 2010 appropriated funds, a motion to approve the fiscal year 2010 Trust budget, and a motion to approve a payout from the Endowment to fund the fiscal year 2010 expenses for the planned national campaign. The three motions were approved en bloc.

*See attached Resolutions 2009.09.03–2009.09.05 (Minutes of the Board of Regents, Appendix A).*

**Fiscal Year 2011  
Federal Budget**

Mr. Sant then spoke of the Committee’s review of the proposed three-level fiscal year 2011 Federal budget request that had been submitted to the Office of Management and Budget (OMB) the previous week. He noted that the process of building the Federal budget had been highly unusual for the Smithsonian this year: OMB had requested that the Smithsonian submit two budgets: one frozen at the fiscal year 2010 request level and a second that reflected a 5 percent reduction from the fiscal year 2010 request.

Mr. Sant said that the Smithsonian had negotiated with OMB for the opportunity to submit a proposed “requirements budget” that included increases for necessary expenses and programmatic initiatives. He spoke of the anticipated impact of the other two budgets on the Smithsonian’s units, including departments, programs, and research initiatives, as well as cuts to the Institution’s facilities maintenance efforts.

He noted that all three budgets assumed that \$24 million of Legacy Funds would be available in fiscal year 2011 for the renovation of the Arts and Industries building, which would require that the Smithsonian raise \$24 million in matching private funds. The budgets also assumed that OMB would support funding outside of the constraints of the two budgets submitted—the freeze budget and the 5 percent reduction budget—to support construction funding for the National Museum of African American History and Culture.

Mr. Sant also reported that the Committee reviewed the Institution’s fiscal year 2009 year-end budget forecast, as well as Smithsonian Enterprises’ fiscal year 2009 performance and proposed fiscal year 2010 budget.

**Report of the  
Investment Committee**

Mr. Sant explained that the time constraints of this meeting required that the Investment Committee’s update on the Smithsonian’s Endowment be included in the Report of the Finance Committee. He then asked Chief Investment Office Amy Chen to report on that Committee’s activities.

Ms. Chen reported that as of June 20, 2009, the Endowment’s preliminary market value was \$818.3 million. She said that the Committee’s efforts had contributed to the Smithsonian’s ability to successfully navigate the markets’ unprecedented volatility, exceed its benchmark return, and favorably compare to peer funds. She said that the Endowment’s liquidity had been effectively managed, allowing it to avoid the shortcomings that befell many other endowments and foundations during this period. She also noted that the second phase of the Tactical Asset Allocation Implementation Plan had been completed.

Ms. Chen then outlined the plans for Endowment’s management for the remainder of calendar year 2009. She said that the third phase of the Tactical Asset Allocation Implementation Plan was being assessed in response to the sizable rebounds in the credit and equity markets and that the implementation of the private equity and real asset program would continue. Private equity, hedge fund, and real estate investment valuations would be reviewed to assure compliance with FAS 157, the Financial Accounting Standards Board’s recently implemented standard regarding fair value measurements. Ms. Chen noted that one of two open investment officer staff positions in her office had been filled and that a technology upgrade initiative would be completed with the implementation of a contact management system.

**Discussion**

The Board discussed the annual schedule of Regents’ meetings in relation to the preparation of the Smithsonian’s Federal budget for the Office of Management and Budget. Ms. Stonesifer noted that OMB’s deadline currently conflicts with the schedule of Regents’ meetings, precluding the review of the Federal budget submission during a regularly scheduled Board meeting. She inquired about the Board’s interest in participating in this process and asked if the annual June meeting of the Board should be moved to the month of July. The Board agreed that all Regents would be invited to participate in a Finance Committee conference call in July or August, during which time the proposed Federal budget would be presented and discussed.

## REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

**Reelection of the Chair and the Vice Chair**

Representative Doris Matsui presented the report of the Governance and Nominating Committee on behalf of Committee Chair Shirley Ann Jackson. Ms. Matsui said that the Committee had met in July 2009 to consider a series of key appointments. She first reported that the Committee recommended that the Board of Regents reelect Patricia Stonesifer as Chair of the Board and Alan Spoon as Vice Chair of the Board. Ms. Stonesifer and Mr. Spoon recused themselves from the Board’s discussion, during which Mr. Sant commented on the considerable achievements that had been realized under Ms. Stonesifer’s leadership. The Board unanimously approved the motions en bloc.

*See attached Resolutions 2009.09.06–2009.09.07 (Minutes of the Board of Regents, Appendix A).*

**Non-Regent Appointment to the Facilities Committee**

The Board next considered the Committee’s recommendation to appoint George Hartman as a non-Regent member of the Facilities Committee. The motion was approved.

*See attached Resolution 2009.09.08 (Minutes of the Board of Regents, Appendix A).*

**Leadership Appointments to the Smithsonian National Board**

Ms. Matsui then presented the Committee’s recommendation to appoint Paul Neely as Chair and Judy Huret and Gary Moore as Vice Chairs of the Smithsonian National Board. She noted that both Mr. Neely and Ms. Huret had made tremendous contributions as non-Regents members of the Board’s Strategic Planning and Programs Committee. The motion was approved.

*See attached Resolution 2009.09.09 (Minutes of the Board of Regents, Appendix A).*

**Appointments to  
Smithsonian Advisory  
Boards**

The Regents next considered proposed appointments to seven Smithsonian advisory boards. Ms. Matsui noted that the reappointment of Regent Emerita Jeannine Smith Clark to the Anacostia Community Museum Board was included in the motion for that board. The motions were approved en bloc.

*See attached Resolutions 2009.09.10–2009.09.16 (Minutes of the Board of Regents, Appendix A).*

**Discussion**

Representative Xavier Becerra commented that the Smithsonian’s commitment to diversity, as stated in its Strategic Plan, should be extended to its advisory boards to ensure that each reflects the diversity of the American people.

## REPORT OF THE ADVANCEMENT COMMITTEE

Advancement Committee Chair Alan Spoon gave the Committee’s report. Mr. Spoon said that the Committee had discussed five topics during its September 10, 2009, meeting: the Strategic Plan, the planned national campaign, the fiscal year 2010 campaign budget request, fund-raising results and goals, and proposed gift agreements. Because the Strategic Plan would be discussed in detail later during the Board meeting, Mr. Spoon did not comment on it during his report.

**Campaign Progress**

Mr. Spoon said that plans for a national campaign were on schedule and included screening donor prospects, assessing the IT system, increasing front-line staff, developing the campaign’s budget, and supporting the development of individual units’ campaigns. He said that external consultants Marts & Lundy’s final internal assessment report would be delivered in December 2009 and that the Regents would review the initial campaign plan in April 2010. The ability of the Strategic Plan to support the identification and articulation of individual units’ campaign needs also was discussed.

**Fiscal Year 2010  
Campaign Budget  
Request**

Mr. Spoon then reviewed the portion of the fiscal year 2010 budget request that pertained to the planned national campaign. He said that the Smithsonian would spend about \$3 million on the campaign, of which approximately \$800,000 would come from a carryover of prior funding for the campaign and \$2.3 million was requested to build the campaign’s capacity and infrastructure. He explained that 43 percent of the budget would be devoted to building capacity, 24 percent to infrastructure, and 23 percent to building the case for the Campaign. Mr. Spoon noted that the Advancement Committee had recommended that the Board approve the proposed fiscal year 2010 budget to support the planned national campaign and other development-related projects. The Regents discussed the possible impact of a national campaign on the Smithsonian’s support from the Federal government.

**Fund Raising Report**

Reports on the Smithsonian’s fund-raising results, as of August 31, 2009, and the fiscal year 2010 fund-raising goal were then provided. Mr. Spoon said that the Institution anticipated that fiscal year–end 2009 would reflect \$110 million in fund-

raising results, despite the impact of the economic downturn and Smithsonian leadership transitions. He noted that the Smithsonian had secured funding for its Strategic Plan and the planning of the National Museum of African American History and Culture, and received the largest gift ever bestowed upon the National Postal Museum. He added that other significant gifts to the Institution included those from the Moore Foundation and Airbus, and that Contributing Membership would again make its fund-raising goal.

Mr. Spoon said that the \$130 million fund-raising goal for fiscal year 2010 was ambitious, representing a 20 percent increase over the Institution's fiscal year 2009 results and the standard ramping up of an annual goal in support of a larger campaign.

**Gift, Endowment, Quasi-Endowment, and Naming Actions**

Mr. Spoon then presented eight proposed gift actions for the Board's consideration. The Board noted the range in size and purpose of the proposed gifts and approved the motions en bloc.

*See attached Resolutions 2009.09.17–2009.09.20 (Minutes of the Board of Regents, Appendix A).*

## REPORT OF THE STRATEGIC PLANNING AND PROGRAMS COMMITTEE

Representative Doris Matsui, the Chair of the Strategic Planning and Programs Committee, gave the Committee's report. She said that since the Board's June 2009 meeting the Committee had devoted most of its efforts towards providing guidance on two significant topics, the Strategic Plan and the possible creation of an international museum education program. She noted that because both issues would be discussed at length later in this meeting, she would focus the Committee's report on the discussion of the Trust budget for fiscal year 2010.

Ms. Matsui reminded the Board that its approval of the Trust budget included the decision to withdraw contributions from the Central Trust in support of The Smithsonian Associates (TSA). Because the program is very popular in the greater Washington, D.C., area, the Committee had asked for a briefing on the impact of the proposed budget cut, as well as any subsequent changes proposed for TSA.

She then asked Under Secretary for History, Art and Culture Richard Kurin to update the Board on the development of short- and long-term plans for TSA. Dr. Kurin explained that TSA membership had dropped from approximately 40–50,000 to about 20–30,000 households. Although some \$5.5 million to \$6 million was generated through TSA's ticket sales, the program's budget required over \$1 million in additional support from the Central Trust budget. He said that the goal of restructuring TSA's budget would be to change it from a money-losing enterprise to one that at least broke even.

Dr. Kurin said that some of the TSA programs, such as its masters program offered in collaboration with the Corcoran College of Art + Design, were money-making

initiatives and that other programs, such as the popular summer camp program, also performed well. However, he also reported that only 60 percent of 1,000-some TSA programs 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.

Ms. Matsui concluded her report by noting that non-Regent Committee member Clark Bunting had stepped off of the Committee because his schedule would not allow him to participate at the level that he desired. Mr. Bunting will continue to have strong ties to the Smithsonian through his position as Chair of the National Zoological Park's Advisory Board.

## REPORT OF THE COMPENSATION AND HUMAN RESOURCES COMMITTEE

Roger Sant, Chair of the Compensation and Human Resources Committee, provided the Committee's report. Mr. Sant said that since the Committee's June 2009 report to the Board two major areas had been reviewed by the Committee: the 2010 compensation process and the development of a "dashboard," or at-a-glance update, of the Smithsonian's personnel data.

### Compensation Process Update

Mr. Sant reported that the Committee had reviewed the basic foundation components for the 2010 executive compensation process and reaffirmed the delegation of decision-making authorities. He reminded the Board that it would again be responsible for the compensation decisions for 16 senior staff and that the Committee would determine the compensation levels for an additional 21 positions. Likewise, the Secretary would be delegated the authority to determine the compensation decisions for almost 190 positions.

The Committee also updated the list of disqualified persons, removing the now-abolished position of Under Secretary for Art, updating titles, and adding the new position of Smithsonian Enterprises Director of Business Development and Licensing.

Mr. Sant said that the Committee refined the compensation philosophies to document how the Smithsonian's process aligns with the new IRS Form 990 requirements. He noted that the General Counsel had proposed this improvement.

The Committee also established the compensation timeline and provided general guidance to the compensation contractor for the 2010 process. Mr. Sant noted that the compensation data for 2009 would be aged appropriately and that new analyses would be conducted for certain positions, such as the newly created Director of Education, the Secretary, and certain investment positions.

Mr. Sant said that the Committee did not envision any difficulties with the 2010 compensation process and that the Secretary would brief the Committee in December 2009 in the event that any economic changes would have an adverse impact on potential compensation increases.

**The Committee Dashboard**

Mr. Sant next directed the Board’s attention to the Committee’s update on diversity, attrition, performance management, and employee survey results. He said that the Committee’s dashboard report would continue to be refined and that additional information would be included in the future. He also noted that specific information on executive diversity, attrition, and performance ratings was included because of the Committee’s responsibility for the executive resources of the Institution. He added that the 2009 employee survey was in progress and that the results would provide additional trend data.

**Other Remarks**

Mr. Sant concluded his report by noting that the Smithsonian was making very good progress on its leadership development activities and the conclusion of a busy executive search period. He noted his appreciation for the leadership of the Secretary and the generosity of the Smithsonian National Board in support of the leadership development initiative. He added that the first executive forum had been held the previous week and that different topics would be addressed during each future session. He said that the executive forum had focused on leadership’s role in advancing diversity and Ms. Stonesifer commented on the importance of ensuring diversity within the Smithsonian’s recruitment pools.

With regard to ongoing executive searches, Mr. Sant said that the Secretary had reported that the search for the next Director of the National Zoological Park was nearing completion and that searches for the Director of Cooper-Hewitt, National Design Museum and the new Director of Education were actively under way.

## HIGHLIGHTS FROM THE COLLECTIONS

Ms. Stonesifer recommended the report on the Smithsonian’s collections to the Board. Because of time limitations, the Board did not discuss the paper.

## LEGISLATIVE ACTIVITIES AND ISSUES

Director of Government Relations Nell Payne asked if the Regents had any questions about the report on Smithsonian-related legislative activities and issues. There being none, Ms. Stonesifer asked that the meeting advance to the Report of the General Counsel.

## REPORT OF THE GENERAL COUNSEL

General Counsel Judith Leonard said that the litigation report provided to the Board was current with the exception of one or two new cases. She also said that responses to all current information disclosure requests were up to date.

Ms. Leonard reported that over 700 employees had submitted the annual Confidential Financial Statement to the Office of the General Counsel (OGC). All were reviewed by OGC Ethics Counselors.

She said that a study of the staffing needs of the OGC would soon commence. Secretary Clough added that two other staffing studies had recently been undertaken in other Smithsonian units but that the launch of the OGC study had been delayed until the arrival of the new General Counsel. He noted that the results of these studies are first reviewed by the Board’s Governance and Nominating Committee.

Ms. Leonard reported that OGC staff currently consisted of 10 lawyers (including one providing counsel on a temporary, part-time basis), one contract lawyer, and six support staff. She added that the study of the office would include productivity and training assessments.

When asked about a bankruptcy item included in the litigation report, Ms. Leonard responded that she would investigate the issue further and provide more information to the Board at later date.

## THE SMITHSONIAN INSTITUTION STRATEGIC PLAN

Secretary Clough thanked the Board for the opportunity to present the Smithsonian Institution Strategic Plan for fiscal years 2010 to 2015. He stated that an effective discussion of the plan would require that the Regents consider two critical issues: Was this the right strategic plan for the Smithsonian, and was the plan appropriate in its scale and the resources it would require? He invited four Smithsonian directors—Smithsonian Astrophysical Observatory Director Charles Alcock, National Zoological Park Acting Director Steve Monfort, National Museum of African Art Director Johnnetta Cole, and Smithsonian American Art Museum Director Betsy Broun—to participate in the presentation.

### **An Inclusive Process— An Expanded Vision**

The Secretary spoke of the inclusive process that led to the development of the plan and thanked the Board, in particular the Executive and Strategic Planning and Programs committees, for their support and input. He emphasized that every member of the Smithsonian community had been offered the opportunity to participate in the strategic planning process and that their contributions were reflected in a plan that drew upon the historic resources of the Institution and charted a bold, but attainable, course for its future. Noting that the Smithsonian’s historic mission remained the “increase and diffusion of knowledge,” he said that the Strategic Plan expanded that vision to include “shaping the future by preserving our heritage, discovering new knowledge, and sharing our resources with the world.” He said that the Strategic Plan and its vision embraced six core Smithsonian values: discovery, creativity, excellence, diversity, integrity, and service.

### **Expanding Intellectual Capital and Recognition**

Secretary Clough spoke of the tremendous strengths of the Smithsonian and said that the Strategic Plan would capitalize upon the intellectual and physical resources of the Institution. Under the plan, the Smithsonian would continue to advance its role as a world-recognized model for museums, exhibitions, and research, but with greater focus, revitalized relevance, and an enhanced ability to reach and serve physical and virtual visitors from across the globe. He said that this vision would

embrace the Institution's disparate parts and increase the dynamic, interdisciplinary potential of the whole.

**Four Grand Challenges:  
A Dynamic Roadmap to  
the Future**

The Secretary said that the Strategic Plan offered a critical point of departure for the Smithsonian and that the Institution's ability to provide leadership on issues of global significance would be limited if it maintained its current course of action. He then explained the key priorities of the plan, the first of which was "focusing on four grand challenges." The four challenges were based on key issues that the Smithsonian was uniquely qualified to champion: unlocking the mysteries of the universe, understanding and sustaining a biodiverse planet, valuing world cultures, and understanding the American experience. He said the Strategic Plan was designed to capture the Smithsonian's existing capabilities within a logical and overarching framework that encourages cross-pollination between divisions and the development of ideas.

**Broadening Access**

A key priority of the Strategic Plan is broadening access. Secretary Clough spoke of the need to use new tools and technology to increase global access to the Smithsonian's resources. He said that new media and social networking vehicles would deliver information in unique ways and to more people, adding that the physical experience for on-site visitors would continue to be enhanced.

**Revitalizing Education**

Secretary Clough discussed another important priority: revitalizing education through informal educational programs. He said that the Smithsonian would use its rich resources, including the expertise of its staff, to help strengthen American education and enhance the nation's ability to compete globally. He said that the Strategic Plan's educational model was a centralized approach that would leverage resources, strengthen communications, coordinate programming, and reward inventive thinking and collaboration. He also noted that a significant gift from Mr. Kogod would fund the creation of a central office of education, the function of which would be to create innovative models and methods of informal educational programming that could be linked to the nation's formal education system.

**Crossing Boundaries**

The Strategic Plan addressed another important priority: crossing boundaries. The Secretary said that the success of the Strategic Plan would depend on the ability of the Smithsonian to marshal its resources across disciplines, as well as strengthen external collaborations. He explained that Smithsonian centers would be developed to encourage and facilitate dynamic interdisciplinary initiatives that support the four grand challenges. The centers would report to the individual Under Secretaries and would not require a large administrative function. The Secretary added that funds for the centers' initiatives would be competed. He said that the new Office of Education also would support efforts to reach diverse audiences and broaden access to the Smithsonian's resources and that the plan's commitment to technology would support all of these goals.

**Strengthening  
Collections**

Secretary Clough noted that the Smithsonian's collections represented the nation's rich heritage, as well as diverse artistic, cultural, and natural resources from across the globe, and said that the preservation of the Smithsonian's collections is one of the key priorities of the Strategic Plan. A pan-Institutional plan would be developed to support the management, storage, and access to the Institution's collections,



which would in turn strengthen the four grand challenges and other interdisciplinary initiatives.

**Enabling Mission through Organizational Excellence**

The Secretary spoke of the Strategic Plan's commitment to strengthening organizational services that support the Institution's mission. He said that the plan would support the creation of an entrepreneurial and innovative workplace, the development of a diverse workforce, the advancement of new communications systems, the expansion of essential support services, and the creation and maintenance of healthy physical environments. He also said that to ensure its financial strength, the Smithsonian would launch a national campaign and pursue new revenue-generating opportunities using strategies informed by the Strategic Plan and in concert with the museums and centers.

**Measuring Performance**

Secretary Clough maintained that performance measurement was critical to both sustaining the highest standards of excellence and communicating the Smithsonian's achievements to external audiences. He said that progress towards the Institution's goals would be measured annually against specific criteria, and that the performance indicators would be transparent and updated regularly.

**Resourcing the Plan**

The Secretary said that to reach the bold—but attainable—outcomes of the Strategic Plan the Smithsonian would need to refocus its existing resources and generate, on a cumulative basis over the next six years, an additional \$1–2 million (approximately 16–32 percent) above the Institution's current base. He explained that the Strategic Plan would guide future decisions about the Smithsonian's financial resources, better leverage its Federal allocations, and provide a foundation for the forthcoming national campaign. He also said that the plan was designed to respond to different future possibilities and would likewise depend upon a flexible series of revenue options. He said that Federal support would continue to be critical to sustaining the mission of the Smithsonian but that the Institution would become more entrepreneurial and fund new initiatives through a variety of new sources.

**Dr. Charles Alcock: "Unlocking the Mysteries of the Universe"**

After expressing his enthusiasm for the plan and its potential, Secretary Clough invited the four directors to elaborate upon the four grand challenges. Charles Alcock addressed the Strategic Plan's goal of "unlocking the mysteries of the universe" and the Smithsonian's commitment to leading efforts to understand the fundamental nature of the universe. He discussed the ability of such investigations to offer insight into other fields of study, comparing areas of overlap to the 20th element, calcium. Generated by exploding stars, calcium is found in such diverse places as human bones, limestone, and cosmic dust.

Dr. Alcock spoke of the immense lack of knowledge about the universe. Fundamental questions remain unanswered, such as how the first galaxies formed and what is the essential nature of dark energy, dark gas, and dark mass. He commented on the mysteries of super novi and their ability to create heat and gas without exploding galaxies. The importance of the Giant Magellan Telescope (GMT) project was discussed, including its anticipated ability to provide images of the very first galaxies and insight into the building blocks of life. Dr. Alcock also commented on findings from current initiatives within and outside of the Smithsonian, such as the initial information received from the Kepler Mission's search for Earth-sized planets in the habitable zones of stars.

In response to questions from the Board, Dr. Alcock discussed the collaborative efforts already under way between the Smithsonian and other research institutes. He noted that programs such as the GMT and the Chandra X-ray Observatory Center involve both collaboration and intense competition among groups, particularly with regard to funding. He also said that the Smithsonian Astrophysical Observatory, which has been enormously successful since its founding in 1890, exemplified both this grand challenge and the Smithsonian mission to support “the increase and diffusion of knowledge.”

The Regents discussed the importance of making the public aware of the depth of the Smithsonian’s scientific resources, such as the fact that about one-sixth of Smithsonian staff work at SAO. Dr. Alcock said that the Strategic Plan’s commitment to expanding access to all Smithsonian resources, as well as the branding of the Smithsonian identity, would advance these efforts. He added that future announcements about SAO initiatives would benefit from being released in Washington, D.C., and in particular the National Museum of Natural History, in order to better cultivate public, Congressional, and media interest, as well as to optimize the collaborative potential of future work with other Smithsonian units.

Dr. Alcock was asked about the number of world-recognized leaders, such as Nobel Prize recipients, affiliated with SAO, as well as what other research organizations were comparable in the quality and scale of their work. He said that SAO’s efforts have been characterized by “sustained discoveries” and that nearly all astrophysicists have either trained at or been employed by SAO, including several Nobel Prize winners. He noted that there were no real American peers in both the quality and scale of SAO’s work, although European endeavors were becoming increasingly robust.

Dr. Alcock again spoke of the interdisciplinary goals of the Strategic Plan and the Smithsonian’s unique ability to present a coherent, interwoven focus on the four grand challenges. He discussed the interconnectedness of the challenges and how advances in one would in turn advance the goals of the others, particularly with a commitment to the diffusion of information and the use of new technologies and media. He noted that showcasing the similarities and differences of the Smithsonian museums and research centers, as well as increasing collaborations with outside organizations such as NASA, would maximize both individual and collective potential.

**Dr. Steven Monfort:  
“Understanding and  
Sustaining a Biodiverse  
Planet”**

Steve Monfort spoke of the Strategic Plan’s second grand challenge: understanding and sustaining a biodiverse planet. He discussed the fundamental role of biodiversity in maintaining and reflecting the health of the planet, and the fact that little is known about the diversity and scope of life that have evolved over the past 4 billion years on Earth. Although a single ton of soil can contain as many as 4 million separate species of bacteria, only 10,000 species have been identified to date. He said that an estimated 10 quintillion insects—approximately 200 million per human being—were alive at any given time. He noted that one-quarter of all prescription drugs dispensed by American pharmacies contain compounds derived from flowering plants, yet fewer than 3 percent of such plants have been tested for potential use as medicines. He said that understanding and preserving these organisms, including their interactions, are essential to sustaining the web of life and the very existence of mankind.

Dr. Monfort said that the value of biodiversity was unquestioned, yet the destruction of biodiverse environments outpaces the ability to discover its secrets, limiting mankind's understanding of how ecosystems function, reducing the harvest of products beneficial to humans, increasing environmental instability, and impacting global wealth and prosperity. He asserted that, because the survival of mankind depended the health of the planet's species, understanding biodiversity was as challenging as, and possibly more urgent than, efforts to understand the origins of the universe.

He spoke of the resources and initiatives of the Smithsonian that support understanding of and support for a biodiverse planet. The Smithsonian's outstanding network of museums and research centers provide unparalleled research platforms, host the world's largest faculty of biodiversity and conservation scientists, possess the world's largest collection of living and non-living biological specimens, and offer strong partnership networks with trusted reputations. He said that Smithsonian scientists can help manage the forces changing the planet by studying the processes underlying historical global change and planning for the future. He cited the Institution's leadership role in documenting and understanding biodiversity through the Encyclopedia of Life and the Consortium for the Barcode of Life initiatives.

With respect to sustaining biodiversity, Dr. Monfort reported that a pan-institutional team was in the beginning stages of organizing the Planetary Genome Project. A global consortium of institutions will collect and preserve planetary genomes that could one day be crucial to developing new technologies and advancements in medicine, agriculture, environmental management, and even national security.

He also spoke of the Smithsonian's efforts to sustain living animal diversity, noting the Smithsonian National Zoo's efforts to ensure the survival and recovery of such diverse species such as the golden-lion tamarin, the Przewalski's horse, and Asian elephants and tigers. He said that Smithsonian researchers had discovered the fungus responsible for the enigmatic decline in global amphibian populations, were working with Federal and state agencies to protect the Virginia big-eared bat from White-Nose Syndrome, and were partnering with other institutions on a USAID-funded program for predicting and responding to global wildlife disease pandemics.

Dr. Monfort emphasized the importance of long-term objective data in efforts to understand and mitigate rapid global changes. With regard to forest productivity, he noted that Smithsonian units were involved in an interdisciplinary initiative to create the Smithsonian Institution Global Earth Observatories (SIGEO), a long-term science platform designed to address fundamental questions about how forests and their ecosystems respond to climate changes. He added that SIGEO already had leveraged \$10 million in new private and grant support and would receive Federal support beginning in fiscal year 2010.

Asserting that contemporary environmental problems were daunting, trans-generational, and urgent, Dr. Monfort said that the Strategic Plan provided a framework that would enable the Smithsonian to both accomplish more and do a better job of addressing these issues. He cited the Institution's valuable assets in

the biodiversity sciences, such as its long-term study sites, collections, and data sets, but also spoke of the need to enhance and support the facilities and technology that support such resources.

Citing initiatives such as SIGEO and the Global Tiger Initiative with the World Bank, Dr. Monfort said that the Smithsonian must continue to develop both pan-institutional collaborations and partnerships with outside organizations. He said that the Strategic Plan acknowledged the importance of the Smithsonian's many parts but recognized that its whole was greater than the sum of its assets. Dr. Monfort said that the Smithsonian must better exploit its reputation as one of the world's most trusted, impartial, knowledge-based institutions. He said that by expanding the ability of the Institution to raise awareness, share information, and leverage assets, the Smithsonian would realize its goal of being a global leader in understanding and sustaining a biodiverse planet.

When asked about other institutions that do cutting-edge research in biodiversity, Dr. Monfort commented on the Smithsonian's unique status. He said that more than 200 Smithsonian scientists currently work on initiatives related to biodiversity, adding that the already prodigious quantity of their work would be further enhanced and strengthened through increasing numbers of interdisciplinary initiatives. The Regents discussed the need for incentives that support collaborations between Smithsonian units and colleagues.

The Regents discussed the plan to create Smithsonian centers dedicated to advancing interdisciplinary work. Asked about possible concerns related to such centers, Dr. Monfort said that some Smithsonian units might fear that their authority could be compromised and that already limited resources could be redirected. Dr. Alcock said that the Smithsonian's ability to collaborate with external colleagues was likely stronger than its current capacity to advance interdisciplinary initiatives. Dr. Monfort explained that such divisions exist within the larger scientific community, noting, for example, that it was not uncommon for scientists to be committed to either understanding or sustaining biodiversity, although research that advanced both was most profitable.

Commenting on the centers, Secretary Clough said that the model for the proposed centers would speak to the power of the Institution and rely upon the depth of the Smithsonian's disciplines. He also explained that the centers would be administered by "facilitators."

**Dr. Johnnetta Cole:  
"Valuing World  
Cultures"**

Johnnetta Cole began her discussion of the third grand challenge, valuing world cultures, by posing a rhetorical question: Why do we have to value world cultures? She cited the late Dr. Martin Luther King and his assertion that mankind was "caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly."

Dr. Cole said that mankind was increasingly—and irrevocably—interconnected and interdependent because of globalization and technological advances that support the immediate dissemination of ideas. She also emphasized that virtual and near-instant contact do not necessarily foster mutual understanding and respect, and that intolerance and discrimination still govern the actions of many people.

The Strategic Plan addresses this issue by noting that “one way to build respect is to raise awareness of the universality of art and creativity.” Dr. Cole said that the Smithsonian, through its research, collections, exhibitions, and outreach initiatives, had the potential to present the diversity of world cultures with accuracy, insight, and reverence.

She then presented several examples of the National Museum of African Art’s efforts to engender greater understanding of, respect for, and meaningful engagement with the world’s peoples and cultures. Similar examples could be offered by the directors of every Smithsonian museum or center devoted to art, culture, or history.

Dr. Cole described the recent opening of *Mami Wata*, an exhibition devoted to the presence of water spirits in Africa, the Caribbean, Latin America, the United States, and India. She said that although the National Museum of African Art mounted the exhibition, the art of *Mami Wata* spoke to spiritual relationships that extended beyond the shores of Africa, reflecting the Museum’s commitment to expanding global understanding of migrations, diasporas, and the interaction of cultural groups. Dr. Cole said that similar exhibitions in the future would benefit from the Strategic Plan’s focus on interdisciplinary collaborations and that an exhibition such as *Mami Wata* could draw from such resources as the National Museum of the American Indian, the Anacostia Community Museum, the National Museum of African American History and Culture, the Freer and Sackler Galleries, the Latino Center, the Pacific-Asian American Program, the Smithsonian Center for Folklife and Cultural Heritage, the Smithsonian American Art Museum, and the National Museum of American History.

She spoke of efforts to encourage cross-disciplinary initiatives that promote appreciation for the interplay of and relationships between cultural and scientific knowledge. The Museum is organizing *African Cosmos*, a major travelling exhibition and publication that will explore the historical legacy of African cultural astronomy and its intersection with traditional and contemporary African arts. The exhibition also will employ new technologies and social media vehicles.

Noting that organizers of *African Cosmos* were exploring collaborations with museums both within and outside of the Institution, Dr. Cole spoke of the importance of working across disciplines to document, understand, and preserve different types of knowledge systems. She said that this commitment was reflected in the Strategic Plan’s promise to form “strategic alliances and partnerships with cultural communities and organizations, domestically and internationally, that advance cultural exchange and the ability of people to preserve, extend, and represent their own cultures.” She added that the ability to understand and respect the cultures of the world would expand Americans’ capacity to better appreciate and value the diverse peoples that comprise their own culture.

Asked about the resources needed to support the grand challenge of “valuing world cultures,” Dr. Cole said that a commitment to the better use of current resources would advance many, but not all, of the proposed initiatives. She spoke of the need to support collaborations between the Smithsonian’s science units, which are better funded, and the history, arts, and culture units. She also noted that a scarcity of resources also would encourage both internal and external partnerships.

**Dr. Elizabeth Broun:  
"Understanding the  
American Experience"**

Representative Becerra commented that the Smithsonian's ability to cultivate partnerships could be considered a matter of will, and agreed that encouraging collaborative initiatives would be essential to meeting the challenge of "valuing world cultures."

Betsy Broun then addressed the fourth grand challenge: understanding the American experience. She said that the strategic planning process had reflected the American experience of democratic participation, and that supporting pan-Institutional buy-in would contribute to the plan's success in the coming years.

Dr. Broun said that because of its talented staff and rich collections the Smithsonian was uniquely qualified to translate the complicated issues of national identity for the greater American public. She spoke of the Smithsonian's ability to cultivate formal and informal collaborations, both within the Institution and with outside partners, and cited the recent success of the Webinar on President Lincoln that benefited from the year-long celebration of the 200th anniversary of his birth. She noted the importance of being attuned to what the public wanted from the Smithsonian.

Dr. Broun commented that the American "melting pot" was actually "chunky" in its textured diversity. She said that American society has always been global because of its immigrant history, and talked about the defining characteristics of the American people. She said that many Americans immigrated for the promise of a better life, and that America's "legacy character" reflected the many reasons for their journeys. Understanding the different immigrant experiences, such as the English settlers' search for religious freedom or the French and Dutch explorers' hunt for land and raw commodities, contributes to the understanding of such present day issues as religious fundamentalism, materialism, and disregard for the environment. Likewise, the traditions of different immigrant groups contributed to artistic, political, and cultural legacies that are seen to this day.

Dr. Broun also spoke of the nation's immigrants who came against their will, namely African Americans, and how the "promise of a better life" was taken from Native Americans. She said that the Smithsonian must continue to develop a leadership role in helping America come to terms with its legacies of injustice. She cited the establishment of the National Museum of the Native American and the National Museum of African American History and Culture as efforts to help understand and mitigate the impact of those parts of the American experience.

She noted other aspects of the American experience that could be addressed through interdisciplinary collaborations. She said that land use and management issues could be considered through the dual perspectives of historic accounts of early immigrants' encounters with nature in the new world and contemporary scientific research directed towards understanding and protecting the natural world. She commented on technology's impact on modern life and the precedents seen in the Industrial Revolution's influence on art, science, and culture.

Dr. Broun was asked about the existence of information "silos" and the ability of Smithsonian units to conduct interdisciplinary collaborations. She noted that many collaborative relationships exist within the Smithsonian but receive little recognition. When asked about parallels between the "chunky" American melting

pot and the disparate parts of the Smithsonian, Dr. Broun said that it was important that the Strategic Plan support the integrity of individual units while fostering a commitment to the entire Institution.

#### **Discussion of the Strategic Plan**

After a brief break, the Board discussed the Strategic Plan. Ms. Stonesifer reminded the Regents that their deliberations should especially consider whether or not the plan presented the right vision for the Smithsonian, and if it provided the appropriate framework to achieve that vision.

The Regents reviewed the proposed budgets and projected funding sources for the plan. The Secretary noted that the ranges in the anticipated budgets reflected a structured but flexible resourcing framework that anticipated such unknowns as how quickly the plan's elements could be implemented. He also reminded the Board that the financing of the Strategic Plan's initiatives would be annually reviewed over the life of the plan.

Ms. Stonesifer asked what would happen if the Smithsonian could not obtain the funding required to implement the Strategic Plan, or if only a small fraction were secured. Secretary Clough noted that nearly all of the Strategic Plan's goals were flexible and could be scaled to fit different funding environments. He said that approximately 60 percent of the necessary funding would come from a mix of both new and older, redirected sources and that the remainder would come from entirely new sources. He also said that, by design, the plan was structured to lessen, but not eliminate, the Smithsonian's dependence on Federal funding. The Board discussed incremental funding increases and agreed that the budgets would have to be regularly adjusted in response to such changes.

Secretary Clough spoke of the Strategic Plan's goals and their ability to support the generation of new financial resources. He said that the plan's implementation would capitalize on the Institution's international reputation as an established, unbiased entity. He also said that, within the Institution, the proposed centers would generate their own financial resources. He added said that an inspirational plan would encourage buy-in by staff and promote an entrepreneurial workforce.

The Secretary was asked if the plan addressed the renovation of the Arts and Industries building. He said that part of the "broadening access" budget would be devoted to the revitalization of the historic building.

The Secretary said that further refinements and more specifics, such the metrics that would be applied to measure the plan's performance, would be presented to the Board at its January and April 2010 meetings. He noted, however, that some of the plan's initiatives, such as the Giant Magellan Telescope, already had established measurables.

The Regents were enthusiastic in their support for the Strategic Plan's vision and framework, but they also considered whether it was realistic to advance a plan that was dependent upon both dwindling Federal resources and an uncertain economy. The Board discussed whether it could endorse the plan in spirit, or if support should only be conveyed upon the plan at a later stage in its development. Ms. Stonesifer stated that, in good faith to Smithsonian staff, it was imperative that the Board determine if it could support the plan at this time.

The Secretary said that the plan's ability to cite clear and specific goals would inform and support each round of the Institution's ongoing budget processes. The Board agreed that, regardless of the pace that funding is secured, the plan would rationalize not only the budget processes, but all of the initiatives of the Smithsonian.

The Regents commended the leadership of the Secretary in the creation of the plan. The Board also expressed its appreciation and respect for the participation of the Smithsonian staff in the plan's development. By unanimous vote, the Board then strongly endorsed and approved the Smithsonian's Strategic Plan for fiscal years 2010–15 and commended the Secretary and the entire staff for their valuable contributions to the Strategic Plan's development.

*See attached Resolution 2009.09.21 (Minutes of the Board of Regents, Appendix A).*

**Session Adjournment**

Ms. Stonesifer adjourned the morning session at 1:00 p.m. and the Board went into executive session, which was adjourned at 1:55 p.m.

## AFTERNOON PLENARY SESSION

**The Second Annual  
Public Meeting of the  
Board of Regents**

The afternoon session, which was the second annual public meeting of the Board, was called to order by the Chancellor at 2:35 p.m. The Chancellor welcomed the members of the audience, as well as those participating via live Webcast. He explained the Board's role in the governance of the Smithsonian and introduced the members of the Board of Regents, including those unable to be present for the meeting.

Ms. Stonesifer said that the meeting demonstrated just one aspect of the Board's commitment to supporting an ongoing dialogue with the public and other Smithsonian stakeholders. She provided an overview of the morning session and invited the Secretary to speak in more depth about the Smithsonian Strategic Plan.

Secretary Clough outlined the four themes, or "grand challenges," of the Strategic Plan: unlocking the mysteries of the universe, understanding and sustaining a biodiverse planet, valuing world cultures, and understanding the American experience. He discussed the plan's commitment to increasing access to the Smithsonian and its resources, noting that the Institution's Web, social media, and digitization initiatives would extend the reach of the Smithsonian.

Chief of Staff to the Regents John Lapiana then explained the interactive format of the meeting. He said that comments and questions could be submitted to the Board via e-mail, in-person using a microphone, or by comment cards made available to audience members, which would then be read by Mr. Lapiana. He noted that members of the press had been invited to participate in the meeting. He also explained the time and content constraints of the meeting, noting that only issues related to the Smithsonian would be discussed in this exchange.



The Regents then responded to questions posed by the meeting's physical and virtual participants. A variety of questions were posed about a broad range of topics, such as the introduction of admission fees to Smithsonian museums, the future of the Arts and Industries building, and the Smithsonian's commitment to green building practices.

## ADJOURNMENT

On behalf of the Board of Regents, the Chancellor thanked the audience for attending the meeting. He also thanked the Regents for their participation and service. The meeting was adjourned at 3:45 p.m.

Respectfully Submitted,

G. Wayne Clough  
Secretary

# MINUTES OF THE BOARD OF REGENTS

*September 21, 2009*

## APPENDIX A APPROVED RESOLUTIONS

**VOTED** that the Board of Regents approves the Minutes of the Meeting of June 22, 2009. [2009.09.01]

**VOTED** that the Board of Regents presents to Ira Rubinoff the Joseph Henry Medal in recognition of his many contributions to the Smithsonian Institution as the Director of the Smithsonian Tropical Research Institute beginning in 1974. [2009.09.02]

**VOTED** that the Board of Regents approves the budget of appropriated funds for fiscal year 2010 when signed into law by the President and authorizes expenditures by the Secretary in accordance therewith. Any material changes in program plans incorporated into this budget shall be made only with the approval of the Board of Regents or its Executive Committee. [2009.09.03]

**VOTED** that the Board of Regents approves the institutional budget for Trust funds for fiscal year 2010 as reflected in this report and authorizes expenditures by the Secretary in accordance therewith. Any material changes in program plans incorporated into this budget shall be made only with the approval of the Board of Regents or its Executive Committee. [2009.09.04]

**VOTED** that the Board of Regents approves a special payout from the Institution's Endowment not to exceed \$2.5 million to fund the fiscal year 2010 expenses of the National Campaign and other related development funding requirements. [2009.09.05]

**VOTED** that the Board of Regents reelects Patricia Q. Stonesifer as Chair of the Smithsonian Institution's Board of Regents for a one-year term effective January 25, 2010. [2009.09.06]

**VOTED** that the Board of Regents reelects Alan G. Spoon as Vice Chair of the Smithsonian Institution's Board of Regents for a one-year term effective January 25, 2010. [2009.09.07]

**VOTED** that the Board of Regents approves the appointment of George E. Hartman as a non-Regent member to the Facilities Committee. [2009.09.08]

**VOTED** that the Board of Regents appoints Paul Neely as Chair and Judy S. Huret and Gary B. Moore as Vice Chairs of the Smithsonian National Board for three-year terms effective October 1, 2009. [2009.09.09]

**VOTED** that the Board of Regents appoints Diane Scott-Jones to the Advisory Board of the Anacostia Community Museum for a three-year term effective immediately and reappoints Jeannine Smith Clark, Arrington Dixon, Sam Gilliam, Frederick D. Gregory, Gloria Herndon, and Anas Shallal to the Advisory Board for three-year terms effective October 1, 2009. [2009.09.10]

**VOTED** that the Board of Regents appoints Judith Jones, Nicholas Lowry, and Ellen Phelan and reappoints Warren Adelson, Lynn Johnston, and Barbara Mathes to the Board of Trustees of the Archives of American Art for three-year terms effective immediately. [2009.09.11]

**VOTED** that the Board of Regents appoints Jameson McJunkin to the Advisory Board of the National Air and Space Museum for a three-year term effective October 1, 2009. [2009.09.12]

**VOTED** that the Board of Regents appoints James T. Bartlett, Linda S. Ferber, Steven K. Hamp, and James Reinsch and reappoints Anthony C. Beilenson and Mallory Walker to the Commission of the National Portrait Gallery for four-year terms effective immediately. [2009.09.13]

**VOTED** that the Board of Regents reappoints Kathryn S. Fuller and Sandra Day O'Connor to the Advisory Board of the National Museum of Natural History for three-year terms effective immediately. [2009.09.14]

**VOTED** that the Board of Regents appoints John W. Butler to the Advisory Board of the Smithsonian Environmental Research Center for a three-year term effective immediately. [2009.09.15]

**VOTED** that the Board of Regents appoints John Germano and Augustus C. Miller and reappoints Pamela J. Braden, Kay Dryden, Hope L. Furth, and George Gwynn Hill to the Advisory Board of Smithsonian Institution Libraries for three-year terms effective January 1, 2010. [2009.09.16]

**VOTED** that the Board of Regents recognizes the generosity of Microsoft Corporation to the Office of the Chief Information Officer and accepts the terms of the gift agreement. [2009.09.17]

**VOTED** that the Board of Regents recognizes the generosity of the Hattie M. Strong Foundation to the National Zoological Park and, in honor of the foundation's former president and chairman, names the Think Tank exhibit's new classroom/lab The Hank Strong Enrichment Lab for 20 years or until the classroom/lab's next major renovation, whichever is latest. [2009.09.18]

**VOTED** that the Board of Regents creates a true endowment and a quasi endowment to support a research fellowship at the National Zoological Park and authorizes their establishment using funds identified for this purpose. Further, the Regents approve naming the fellowship The David Challinor Fellowship. [2009.09.19]

**VOTED** that the Board of Regents recognizes the generosity of Eric R. Keto to the Smithsonian Astrophysical Observatory and approves naming The Eric R. Keto Prize for Graduate Students in Theoretical Astrophysics, which is made possible by his gift. The Board of Regents also approves the creation of an endowment to support this prize. [2009.09.20]

**VOTED** that the Board of Regents strongly endorses and approves the Smithsonian's strategic plan for fiscal years 2010–2015 and commends the Secretary for his leadership and the entire staff for their valuable contributions toward its development. [2009.09.21]