

MINUTES OF THE JUNE 25, 2012, MEETING OF THE BOARD OF REGENTS

ATTENDANCE

This scheduled meeting of the Board of Regents was held on Monday, June 25, 2012. The Board conducted a morning, afternoon, and executive session in the Regents' Room in the Smithsonian Castle Building. Board Chair France Córdova called the meeting to order at 8:30 a.m. Also present were:

The Chief Justice ¹	Sam Johnson	Patrick J. Leahy
Xavier Becerra	Robert P. Kogod	David M. Rubenstein
Stephen M. Case	Steven LaTourette	Roger W. Sant
Thad Cochran		Patricia Q. Stonesifer
Paul Neely, Smithsonian National Board Chair		
David Silfen, Investment Committee Chair		

Vice President Joseph R. Biden Jr., Senator Jack Reed, Dr. Shirley Ann Jackson, and John W. McCarter Jr. were unable to attend the meeting.

Also present were:

G. Wayne Clough, Secretary	Christopher Liedel, President of Smithsonian Enterprises
Patricia L. Bartlett, Chief of Staff to the Secretary	Nell Payne, Director of Government Relations
Claudine K. Brown, Assistant Secretary for Education and Access	Eva J. Pell, Under Secretary for Science
Amy Chen, Chief Investment Officer	Jeffrey P. Minear, Counselor to the Chief Justice
Virginia B. Clark, Director of Advancement and Philanthropic Giving	T.A. Hawks, Assistant to Senator Cochran
Scott S. Dahl, Inspector General	Kevin McDonald, Assistant to Senator Leahy
Barbara Feininger, Office of the Regents Senior Writer-Editor (recorder)	Maira Lenehan-Razzuri, Assistant to Senator Reed
Albert Horvath, Under Secretary for Finance and Administration/Chief Financial Officer	Grisella Martinez, Assistant to Congressman Becerra
Richard Kurin, Under Secretary for History, Art, and Culture	David Heil, Assistant to Congressman Johnson
John K. Lapiana, Chief of Staff to the Regents	Sarah Cannon, Assistant to Congressman LaTourette
Judith Leonard, General Counsel	Jeffrey Brodie, Deputy Director of the Lemelson Center for the Study of Invention and Innovation ²
Evelyn S. Lieberman, Director of Communications and External Affairs	Sidney Hart, National Portrait Gallery Senior Historian ²
	Alison McNally, Senior Advisor to the Secretary ²
	Scott Miller, Deputy Under Secretary for Collections and Interdisciplinary Support ²
	Daniel Sheehy, Director of the Center for Folklife and Cultural Heritage ²

¹ The Chancellor, Chief Justice John G. Roberts, Jr., participated in the afternoon session.

² Drs. Brodie, Hart, Miller, and Sheehy and Ms. McNally gave special presentations to the Board.

MORNING SESSION

REPORT OF THE BOARD AND EXECUTIVE COMMITTEE CHAIR

Introductory Remarks

Board Chair France Córdova called the meeting to order. She thanked Mr. Sant and his wife, Vicki Sant, for hosting the previous evening's Regents' dinner.

Seriously Amazing: The Star-Spangled Banner

This year, Dr. Córdova noted, marks the 200th anniversary of the War of 1812. She said that the meeting's "Seriously Amazing" and luncheon presentations would both address aspects of this pivotal event in American history. *1812: A Nation Emerges*, a National Portrait Gallery (NPG) exhibition, would be discussed during lunch and the Star-Spangled Banner, a historically significant artifact that is the centerpiece of the recently renovated National Museum of American History (NMAH), would be the focus of the "Seriously Amazing" presentation.

Under Secretary for History, Art, and Culture Richard Kurin introduced the presentation on the Star-Spangled Banner. The flag, when seen following the unsuccessful attack by British warships on Fort McHenry in September 1814, inspired Francis Scott Key to write what later would become the national anthem. It also became a symbol of American values and ideals. Dr. Kurin welcomed Jeffrey Brodie, who was the project manager and cocurator of the NMAH exhibition *The Star-Spangled Banner: The Flag That Inspired the National Anthem*. Dr. Brodie, who is the Deputy Director of the Lemelson Center for the Study of Invention and Innovation at NMAH, explained the history of the flag's creation by Mary Pickersgill and how the banner was held by descendants of Major George Armistead, the commander of Fort McHenry who commissioned the flag in 1813, until its 1907 transfer to the Smithsonian. He also spoke of efforts to conserve the flag, including the 18-month conservation effort that began in 1998, and the installation of the flag in a new permanent exhibition at the museum.

Overview of Meeting Agenda and Executive Committee Report

Dr. Córdova outlined the meeting agenda and reported on the activities of the Executive Committee since the April 30, 2012, meeting of the Board. She reported that she hosted the fourth annual retreat of Smithsonian advisory board chairs on May 15, 2012. Over 20 boards were represented, including the newly established advisory boards of the Smithsonian Tropical Research Institute, the Smithsonian Institution Traveling Exhibition Service, and the Smithsonian Astrophysical Observatory. Dr. Córdova reported that unit directors and their advancement committee chairs later joined the retreat for an inaugural meeting of the national campaign steering committee. She congratulated steering committee cochairs David Rubenstein, Alan Spoon, and Barbara Barrett, as well as Director of Advancement and Philanthropic Giving Ginny Clark and her staff, for the successful event.

April 30, 2012, Board Meeting Minutes

The minutes of the April 30, 2012, meeting of the Board of Regents were later approved without comment or revision.

See attached Action 2012.06.01 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE SECRETARY

“Seriously Amazing”

The Secretary reported on several “Seriously Amazing” events. Standing at about 18 million, fiscal year-to-date visitation is very strong and reflects an increase of over 1.5 percent from the same time last year. The Smithsonian hosted many programs in conjunction with the “Girl Scouts Rock the Mall” centennial celebration on June 9, 2012, and recorded over 560,000 visitors over the course of that weekend. At 345,000, the final visitor count to the Ripley Center’s *MathAlive!* exhibition surpassed previous visitation records for the center, including its exhibition of Jim Henson’s Muppets. Secretary Clough spoke of the May 24, 2012, NMAH naturalization ceremony hosted by former U.S. Secretary of State Madeleine Albright. The impact of the space shuttle *Discovery* acquisition continues to be felt: the story generated over 4 billion unique internet viewers and Nielson audience ratings reported over 350 million viewers.

Federal Budget Update

The Secretary reported on the fiscal year 2013 Federal budget appropriations process. The Smithsonian’s fiscal year 2013 budget request was \$856.8 million. The markup by the House Interior Appropriations Subcommittee resulted in a 7.9 percent proposed cut to the request. The proposed funding reductions would most impact the Smithsonian’s Facilities Capital account: funding for the construction of the National Museum of African American History and Culture would be cut by \$35 million and \$16 million for earthquake repairs would not be funded. The Smithsonian is hopeful that action by the Senate will improve the Smithsonian’s Federal budget request.

Report on Fundraising, the Endowment, Grants and Contracts, Smithsonian Enterprises Revenue

As of May 31, 2012, \$142.7 million was raised through Smithsonian fundraising efforts. The Smithsonian will meet its 2012 fundraising goal of \$200 million should the pace of significant donor gifts continue. Fundraising for the national campaign is ahead of schedule, and 33.6 percent of the campaign goal has been raised. The expansion of the Smithsonian’s profile and donor base continues to be supported by Smithsonian stakeholders, including members of the Smithsonian National Board, who have hosted the Secretary at events across the country.

As of May 31, 2012, the Smithsonian’s Endowment reflected a market value of \$1,013.9 billion. The Endowment’s fiscal year-to-date performance is 6 percent growth versus the policy benchmark of 4.9 percent. Grant and contract awards are on track to double by 2015.

Smithsonian Enterprises (SE) continues to retool its portfolio. The Smithsonian store at the NMAH recorded record sales over the Girl Scout centennial weekend: the sale of Girl Scout merchandise alone generated over \$53,000. NMAH sales generated \$70,000 in a single day, breaking its year-to-date one-day sales record. Products related to the space shuttle *Discovery* have generated more than \$260,000 in new revenue.

Exhibitions, Education, Outreach

Thirty-two new exhibitions will have opened between the Board’s April 30 and October 15, 2012, meetings. In addition to the multiple events scheduled for the 2012 Folklife Festival, other exhibitions include *The Patents and Trademarks of Steve Jobs: Art and Technology that Changed the World* (Ripley Center); NPG’s *1812*

exhibition; *Graphic Design—Now in Production* (Cooper-Hewitt, National Design Museum); *When Duty and Time Permit* (National Museum of Natural History/NMNH); and *40 under 40: Craft Futures* (Smithsonian American Art Museum's Renwick Gallery). Beginning on July 9, 2012, the Smithsonian will be the first public institution to use Google Maps to support visitors' experiences.

The Consortia continue to reach out to external partners in support of cross-disciplinary initiatives that advance the four Grand Challenges. On July 17, 2012, Judy Woodruff will host a conversation with Dr. Vartan Gregorian, president of the Carnegie Corporation, as part of the *Americans All* initiative. The June 7, 2012, *Age of Plastic* symposium touched on three of the four Grand Challenges—Understanding and Sustaining a Biodiverse Planet, Valuing World Cultures, and Understanding the American Experience.

Assistant Secretary for Education and Access Claudine Brown is developing educational programs in support of the Consortia's *Waterways* and *Americans All* initiatives. A summit on Smithsonian resources for STEM education was held with Colorado education and corporate leaders. Senator Cochran was the keynote speaker for the national meeting of Smithsonian Affiliates.

People, Awards, Infrastructure

The search for the next NMNH director is proceeding and a short list of finalists has been selected. The search for the next Archives of American Art director is almost complete, and a search to replace outgoing NPG Director Martin Sullivan will soon launch. Newly appointed NMAH Director John Gray will assume his position on July 23, 2012. The Secretary reported on the Smithsonian's tribute to the late Secretary I. Michael Heyman. The tribute was held at the NMAH Warner Bros. Theater in June 2012.

The Secretary cited several achievements and recognitions recently awarded to Smithsonian staff. Some of those noted were NMNH Department of Anthropology Senior Research Scientist Melinda Zeder, who was elected to the National Academy of Sciences; Smithsonian Astrophysical Observatory Senior Astronomer Mark Reid, who was awarded the 2012 Jansky Lectureship in recognition of his pioneering work in Very Long Baseline Interferometry; and two groups of Smithsonian Conservation Biology Institute staff, who received the Association of Zoos and Aquariums Plume Award for their work on saving avian species. The Washington Building Congress recognized the Arts and Industries' scaffolding project with its star award for technical excellence.

More than \$1 billion in major construction projects are under way, on time, and on budget. Approximately 40 percent of the construction projects will be privately funded. A contract for the construction of the National Postal Museum's expanded program space, including the William H. Gross Stamp Gallery, was awarded in May 2012 and construction is expected to be complete in mid-2013. Over 60,000 square feet of the NMNH West Wing is being converted to work areas for the Vertebrate Zoology and Laboratory of Analytic Biology, and will include a lab to support rapid-sequence DNA analysis.

BRANDING INITIATIVE UPDATE

Update on the Brand Advertising Campaign

Mrs. Lieberman reported that the first phase of the external brand advertising campaign will launch in October 2012. “Questions Alive,” the advertising campaign concept, is designed to change public perception by showing—in creative, inspiring, and unexpected ways—the exciting learning experiences and wide range of engaging resources offered by the Smithsonian. Trendsetting 18 to 34-year-old “Aware Millennials” who are active social media users and committed to learning are the key target audience. “Aware Moms” (women with children age 12 and up) are a secondary audience.

The initial advertising campaign will run for four weeks and include paid advertising on websites, in magazines, and in outdoor locations like billboards, bus shelters, and transit sites in five cities. Additional attention will be garnered via social and earned media, and programming and museum events. Ads will drive viewers to a new website called *seriouslyamazing.com*. The site will include interactive questions and answers called “SI-Qs” that will reveal Smithsonian content in fun and surprising ways and send users to other Smithsonian websites to learn more. The “Questions Alive” advertising concept received enthusiastic responses from each of the nine focus groups tested. In future months, a video introduction to the Smithsonian and a printed companion piece will be produced. In keeping with the new brand strategy, both will offer a compelling description of what the Smithsonian is.

Target Corporation in-kind gifts valued at approximately \$750,000 are financing ad creation and production fees. Mrs. Lieberman reported that the scope of Target’s commitment to the media placement campaign, however, was reduced to funding a limited number of digital ads and negotiating discounted placement rates for other ads. Smithsonian funds totaling \$385,000 will finance the new website and now the majority of the media placement. The Office of Advancement is supporting efforts to identify other corporate sponsors, and promising discussions have been held with two large media outlets.

Discussion

The Regents discussed the impact of a donor’s announcement that it could no longer fund most of the \$820,000 ad placement plan. The Smithsonian has identified \$500,000 in Smithsonian monies to help address the funding shortfall. In response to a question from Dr. Córdova, Mrs. Lieberman said that securing the remaining funds will increase the depth, but not the length, of the advertising campaign. Additional funding will expand the scope of the digital media plan (the primary vehicle for reaching targeted audiences), out-of-home ads (billboards, transit, etc.) in large metropolitan areas, and magazine advertising.

Ms. Stonesifer asked about the use of Smithsonian resources to promote the Smithsonian brand. SE will place brand ads in Smithsonian magazines and on the Smithsonian website. Ms. Stonesifer inquired about the Smithsonian’s overall advertising budget and the budget for the brand ad campaign. Noting that the Smithsonian currently doesn’t have a pan-institutional advertising budget, Mrs. Lieberman explained that Smithsonian ads are specific to individual units, are typically about museum exhibitions, and are usually funded by exhibition sponsors.

Commenting on the need to internally fund the media placement plan, Mr. Kogod expressed concern about the Smithsonian's ability to maintain the momentum of the ad campaign after its four-week run. The Secretary said the momentum will be supported by expanded internal branding efforts, adding that the Smithsonian brand already is reflected in numerous Smithsonian materials and websites, and soon will be seen in all Smithsonian materials.

Mr. Case expressed his support for the brand campaign's choice of targeted audiences and commitment to social media. Because of recent changes in the branding budget, however, he suggested that the Smithsonian consider shifting its focus away from advertising and to social media partners. He also suggested repurposing the national campaign video, stating that it effectively conveys the Smithsonian brand and captures the ideas of targeted audiences. Noting that the national campaign video is targeted to donor audiences, Mrs. Lieberman said that funding has been set aside for a "sizzle reel" that is similarly engaging, as well as targeted for a broader range of audiences.

Ms. Stonesifer noted the importance of the relationship between Smithsonian central and the units, and the need to support unit branding efforts. Significant brand funding, she said, should be directed to establishing a strategy to enhance the Smithsonian's ability to "ride the natural wave" of "earned" media events that are "Seriously Amazing," such as the arrival of the Space Shuttle *Discovery*. SE President Chris Liedel reported that SE is in the process of hiring a Chief Content Officer, a newly created position. The Chief Content Officer will be tasked with developing a resource stream of research, collection, program, and exhibition highlights that mesh the Smithsonian's mission-based activities with its "diffusion" activities, and demonstrate the Smithsonian's "Seriously Amazing" resources.

THE CASTLE AND THE ARTS AND INDUSTRIES BUILDINGS: INTERIM PLANNING

Introduction

Senior Advisor to the Secretary Alison McNally updated the Board about interim planning efforts for the Castle and the Arts and Industries Building (AIB). She also discussed funding strategies to support the renovations of and programs for each facility. She provided background information on the plan's development, a review of concepts and floorplans for the two buildings, and an overview of some of the new technologies that could be used during the period of the buildings' interim use, a timeline that spans from 2014 to 2020.

Development of the Interim Plan

The Secretary hosted a retreat in fall 2011 to review the Smithsonian's pressing needs (such as visitor service and broadening access requirements) that could be addressed by the Castle and/or the AIB. Participants agreed that the Smithsonian should expedite the development of an interim use plan for the Castle and the AIB; develop a long-term master plan for the entire South Mall Zone; be mindful of the pending legislation regarding the Smithsonian American Latino Museum; and apply the Smithsonian brand principles to all interim use plans and activities.

An interim planning team was established and the following key objectives were established for the plan: provide a unified introduction to all of the Smithsonian, engage new audiences and enhance visitors' experiences, and create revenue-generating opportunities. Ms. McNally noted that she was asked to develop a business plan to address the programmatic and facility improvement costs of the interim plan. The team solicited input from many stakeholders during this process, including directors.

The Castle

Based on input from the fall retreat, the interim planning team agreed that the focus of the Castle should be twofold: enhance visitor services and present the history of the Smithsonian and the Castle. The results of an April 2012 Castle visitor survey, she said, showed that visitors primarily want directions and maps, as well as information about the architecture and history of the Castle. A floorplan was displayed to support a discussion about proposed uses for the public space in the Castle. Visitor services will include vehicles such as mobile apps, movies and videos, and interactive maps that are designed to welcome, engage, and inform visitors. An information desk will be centrally located but, to support the flexible use of the space, mobile. Café and store services will be enhanced. Smithsonian benefactors also will be highlighted. Other ideas include the potential for a concierge-style service supported by Smithsonian Enterprises.

The Arts and Industries Building

Ms. McNally said the proposed interim use plan would position the AIB as the embodiment of Smithsonian innovation and dynamism, and provide a focus on the four Grand Challenges. Flexible, multilingual programming would be key elements. The plan's flexibility could support competitive residencies, temporary exhibits, a retail store, and a café that could be extended into the Haupt Garden. Public programming could include partnership productions, as well as events like the Folklife Festival Marketplace, the Smithsonian Craft Show, and live entertainment.

The anticipated reopening of the AIB will be in late spring or summer 2014. The building will be safe and functional but not fully revitalized. Because of the AIB's condition, its interim use will highlight the building's rich architectural history.

The AIB, said Ms. McNally, also could make use of cutting-edge technology to create "must see" events, as well as to support and advance ideas. The plan anticipates the use of mobile augmented reality apps and the use of digital technology projection.

Business Plan

A business plan for the initiative is almost finished. Funds must be raised over the next six years to pay off all costs, including approximately \$6 million to prepare the building's interior for interim use and programming. The majority of funding will likely come from private sources. A fundraising challenge, noted the Secretary, is that naming opportunities are not possible when the AIB only will be available for interim use. Should funding gaps occur, said Ms. McNally, the business plan could focus on partnerships with Federal agencies interested in long-term leases of exhibition or programming space. The Patent and Trademark Office, for example, already has expressed interest in a partnership. Funding also would come from retail, food, and beverage services, as well as special events.

Discussion

Senator Leahy offered to support the development of partnerships with other Federal

agencies. Mr. Case said that the AIB, like the proposed NMAH Mars Hall of American Business, offers significant development opportunities because of its association with American ingenuity and entrepreneurship. He presented two ideas that could demonstrate that today's Smithsonian is vibrant, collaborative, and "thinks outside of the box." He suggested the development of Smithsonian "labs" or "hothouses" in the space to foster innovation and creativity. He also proposed moving the Castle's administrative functions to the AIB to advance a culture of corporate collaboration.

Mr. Rubenstein asked if the administration was looking for approval or guidance with regard to funding the initiative. The purpose of this discussion, said Ms. McNally, was to inform the Regents on the plan's progress and to solicit their input. Dr. Córdova suggested, and Ms. McNally agreed, that the input of external advisors would be beneficial.

Ms. McNally noted that the business plan includes all annual operations and maintenance costs, as well as initial one-time costs. The plan, she said, calculates revenue of approximately \$10 million from Smithsonian Enterprises and special event activities, and about \$12 million in losses over seven years (\$1.8 million per year). The plan, noted the Secretary, does not include any Federal funding at this point.

Ms. Stonesifer asked if the projected timeline for the project's conclusion in 2020 is realistic. Ms. McNally noted the factors that influenced the development of the timeline. The planning team was cognizant of the fact that all of the Smithsonian's office leases are scheduled to expire in 2021. It also took note of the process and timeline that led to the creation of the National Museum of African American History and Culture, and is applying that knowledge with regard to the possible use of the AIB as the Smithsonian American Latino Museum. Developing a conservative net gain revenue projection, she added, also impacted the decision regarding the timing of the interim plan.

Representative Becerra commented on the proposal to support partnerships with other Federal agencies. He asked if Smithsonian programs, such as the Smithsonian Latino Center, will be able to contribute content to the space and, if so, would they be asked to provide funding for such use. Ms. McNally said the proposed business plan is similar to that used by the Ripley Center, wherein Smithsonian units fund their own programming costs, as well as provide for additional infrastructure requirements.

Dr. Córdova concluded the discussion by suggesting that, during its executive session, the Board consider the establishment of an ad hoc advisory committee for the interim planning effort.

REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

Governance and Nominating Committee Chair Roger Sant introduced the first of two reports from the committee. The committee has been actively working to identify a Citizen Regent candidate to succeed Alan Spoon. It also has considered proposed changes to the prohibition on corporate board service by senior executives and to the scope of reimbursements under the current Regent travel policy.

**Establishment of an
Advisory Board and Bylaws
for the Asian Pacific
American Program**

Mr. Sant presented the committee's recommendation that the Board approve the establishment of an advisory board and the implementation of proposed bylaws for the Asian Pacific American Program (APAP). Dr. Kurin noted that the request follows the recent, and successful, launches of advisory boards for the Smithsonian Astrophysical Observatory, the Smithsonian Tropical Research Institute, and the Smithsonian Traveling Exhibition Service. The motion was approved.

See attached Action 2012.06.02 (Minutes of the Board of Regents, Appendix A).

**Advisory Board
Appointments**

Mr. Sant next presented the committee's recommendation that the Board appoint or reappoint candidates to four advisory boards. He noted that the list of candidates includes Representative Doris Matsui, a former Regent, for service on the inaugural APAP board and Sakurako Fisher to succeed Paul Neely as the next chair of the Smithsonian National Board. The motions were approved en banc.

See attached Actions 2012.06.03–2012.06.06 (Minutes of the Board of Regents, Appendix A).

**Proposed Changes to the
Special Events Policy**

Mr. Sant reported that the committee has been considering changes to the Smithsonian special events policy regarding the third-party use of Smithsonian facilities. The Executive Committee discussed the proposed changes and identified some concerns and issues for further review. Mr. Sant noted that the Board would not be asked to consider a proposal at this meeting, and asked Secretary Clough to provide an overview of the anticipated benefits and potential drawbacks of the revised policy.

The Secretary explained that the proposed revisions reflect a larger effort to develop new revenue-generating opportunities at the Smithsonian. Under the current policy, the Smithsonian cosponsors events, such as donor celebrations, and participates in their planning. Such events present limited reputational risk to the Smithsonian. Proceeds are directed back to host units and provide discretionary funding for activities such as outreach and special programming.

A proposed limited pilot program would test the proposed changes and support rental options that could generate \$8.5–15 million over the next five years. Such revenue would support initiatives such as the interim-use plan for the AIB. The rentals, the Secretary said, also would engage new audiences and foster potential donor relationships. The change in the policy, however, also could carry some reputational risk to the Smithsonian, as it would no longer be able to exercise discretion with regard to leasing space to individuals or groups with viewpoints that are legally protected but not shared by the Smithsonian.

Discussion

The committee, said Mr. Sant, recognizes proposed policy's potential to generate new revenue streams, as well as agrees that the Smithsonian brand should not be jeopardized. He noted that the policy restrictions of peer organizations, such as the Kennedy Center and the National Gallery of Art, vary. The issue, he said, will be discussed further by the committee, as well as the Facilities and Executive committees, prior to the possible presentation of a proposal at a future meeting of the Board.

Dr. Córdova said the proposed changes have been discussed at length by the Executive Committee, which was concerned that potential new revenues could be offset by the costs associated with addressing potential “firestorms.” General Counsel Leonard explained that the terms of the proposed changes would mandate that the Smithsonian be viewpoint neutral, and that it could not exercise any latitude with regard to legally protected groups.

Representative LaTourette said, and Representative Becerra agreed, that the anticipated profit from the proposed policy would not outweigh the potential for reputational risk and litigation. Such conflict, said Representative LaTourette, could negatively impact the Smithsonian’s Federal appropriations.

Mr. Case agreed that the revised policy would present significant risk to the Smithsonian. He also said, however, that the anticipated profits would likely be greater because of increases in exposure to new audiences and donor bases. He suggested that a narrower pilot program could test the potential profitability of a changed policy. Representative Becerra responded that opening the Smithsonian up to litigation at this time could, among other things, be detrimental to the Smithsonian, as well as set back the branding initiative.

FINANCE AND ADMINISTRATION: OPPORTUNITIES AND CHALLENGES

Under Secretary for Finance and Administration/Chief Financial Officer Albert Horvath, who joined the Smithsonian in September 2011, provided an overview of the challenges and opportunities he has identified in the areas under his leadership. Mr. Horvath oversees over one-third of Smithsonian staff, whose responsibilities range from financial and investment management to building construction and management to protective services. Since his arrival, Mr. Horvath has visited every museum and major research center, as well as met with each unit director, in an effort to better understand Smithsonian operations and inform his opinions about future ways to do business. He said that his review would primarily address five issues: the Smithsonian’s operational complexity; the challenge of facilitating change in a decentralized structure; the management of institutional finances; the financial and administrative processes that need to improve; and opportunities to enhance financial and administrative operations.

Operational Complexity and Decentralization

The Smithsonian’s status as a public-private partnership drives its organizational complexity. Administrative operations must be flexible and responsive to the unique demands of the Smithsonian’s Federal and private obligations. The Smithsonian’s operations are largely driven by its Federal base, and include responses to regulations regarding compliance, rules, and risk reduction. These regulations, while appropriate, also impose limits on Smithsonian entrepreneurial activities. Mr. Horvath commented on the surprising number of ad hoc, unplanned Federal requests and activities that demand the redirection of staff resources.

The Smithsonian’s decentralized structure requires assessing, on a continual basis, which issues should be addressed by the central administration and which should be handled by individual units. Unnecessary redundancies also must be identified and

eliminated. Financial training programs have been implemented to ensure consistent financial skill sets across the Smithsonian.

Financial Assessment

He reported that the Smithsonian's financially sound foundation is reflected in increasingly diverse sources of revenue, strong balance sheets, and conservative fiscal management. It is highly reliant on Federal appropriations and has fared relatively well during a time of general uncertainty about the Federal budget. Non-Federal revenue sources need to grow, and the success of the national campaign will enhance the Smithsonian's ability to achieve and maintain a higher level of annual gifts. Results from private revenue-generating activities, such as fundraising, gift and grant activities, and the initiatives of Smithsonian Enterprises, are promising.

Mr. Horvath reviewed the Smithsonian's fiscal challenges, as well as its opportunities. The Smithsonian's annual budget needs greater flexibility, its capital program is constrained, and the Endowment is undersized. He said that the Smithsonian should be better positioned to respond opportunistically. The pool of investment capital should be expanded, he said, and the goal of the national campaign should be increased by \$500 million. He noted the challenge of managing projects that are funded by both Federal and private monies. In response to a question from Dr. Córdova, Mr. Horvath said that finding peer organizations to benchmark against is challenging. He added that the Smithsonian maintains a solid AAA rating but is at the low end of its peers using traditional financial metrics.

Improvements to Financial and Administrative Processes

The Smithsonian's financial and administration processes must improve. It currently has limited financial reporting and analysis capabilities, and is in need of a more robust multi-year financial planning process. Organizational changes will support the development of stronger financial reporting, interim reporting, targeted reorganization efforts, and process improvements. Mr. Horvath commented on the progress achieved through the SI Redesign initiative, such as savings achieved from the centralization of the exhibition services.

Investment Committee Chair David Silfen asked if the Smithsonian could apply a formalized, pan-institutional process of best practices to its financial reporting. Mr. Horvath responded that the Redesign initiative led to the creation of several groups, including the Finance and Administration management team. This pan-institutional leadership group, he said, works collaboratively to address issues, share best practices, and develop more effective Smithsonian-wide processes.

Current Focus

Mr. Horvath said that the Finance and Administration team is currently focused on operational improvements. An improved interim financial reporting process will be fully implemented by the end of 2013, the Smithsonian's working capital and debt strategy is being updated, a comprehensive capital plan is under development, and the Institution's enterprise risk management and internal controls continue to be improved.

Mr. Horvath reported that he is pleased with the Smithsonian's responsible, conservative fiscal culture and is impressed by the scope of the Smithsonian's achievements. He noted that the Smithsonian currently has the same number of employees as it had in 2002, despite the opening of new facilities and launch of new

programs. He expressed his commitment to maximizing the Smithsonian's use of its assets but expressed concern about how much the Smithsonian can realistically accomplish given its limited resources.

Discussion

Dr. Córdova asked that the Board continue to receive quarterly one-page financial dashboard updates that include metrics of income and balance statements. Senator Leahy suggested it would be beneficial to review statements that compare metrics over time. Mr. Sant said that measurements of the Smithsonian's efficiency and productivity are needed, and that they include comparisons with peer organizations.

Mr. Horvath agreed but noted the challenge of identifying benchmark organizations that compare with the Smithsonian's public-private funding status. Facilities capital benchmarks are easier to identify but, because of the impact of the Federal appropriations process, financial operations benchmarks are more difficult to establish. The meaning of "mission enabling," he said, also must be clarified.

Mr. Horvath also noted that there are more opportunities for organizational efficiencies. In response to a question from Dr. Córdova, Mr. Horvath said the Redesign initiative is now focusing on procurement activities.

Mr. Rubenstein asked if the Smithsonian's AAA rating is at risk. Mr. Horvath explained that the rating is closely tied to that of the Federal government. He said that estimates of how much the Smithsonian may need to borrow in the future are likely the most important factor in potential ratings changes.

REPORT OF THE INVESTMENT COMMITTEE

Endowment Update

Investment Committee Chair David Silfen complimented Mr. Horvath on his ability to provide an overarching perspective on the Smithsonian's finances and contribute to the Endowment's operations. He commented on the historic challenges currently faced by all endowments. Although market conditions are not as critical as experienced in 2008 and 2009, all fund managers are under duress and investment strategies have changed.

Mr. Silfen reported that the most recent performance of the Endowment was not as strong as that in the previous quarter. The portfolio remains quite liquid. He noted that "this is a marathon and not a sprint." A comparative performance and peer analysis showed that, compared to its top quartile peers, the Endowment had larger weightings to negative performing assets classes. Changes have been made to the Endowment's manager selection, which Mr. Silfen characterized as "generally good." Priorities for the rest of 2012 include refining manager selections, diversifying investment strategies, and expanding opportunistic positions.

Mr. Silfen commented on the collaborative and transparent efforts of the Office of Investments (OI). He reported that the OI received a special commendation from the Smithsonian's external auditors, KPMG, for its excellent work on the fiscal year 2011 financial audit. The audit did not identify any material weaknesses or significant deficiencies. As advised by Mr. Horvath, a Request for Proposals will be issued for

bank custodial services. Mr. Silfen also noted that Chief Investment Officer Amy Chen participated in a series of educational training sessions for Office of Advancement staff.

Discussion

Noting that the five-year performance of the Endowment is 2.9 percent, Mr. Sant expressed concern about the Smithsonian's long-term ability to maintain a 5.0 percent Endowment payout. Mr. Silfen agreed. Mr. Silfen also said that the Smithsonian will need to determine the degree of funds that should be locked up from the perspective of liquidity.

Assuring current and prospective donors about the effective management of the Endowment, said Mr. Silfen, is important. The Smithsonian cannot, however, predict the performance of the overall market. Secretary Clough noted the contributions of donors who have invested in endowments that support the long-term goals of the Smithsonian.

Mr. Rubenstein and Mr. Case both spoke of the effectiveness and strong composition of the Investment Committee. The committee's mission is complex and the Smithsonian has limited access to certain managers. Mr. Rubenstein added that few public endowments have achieved 5–7 percent returns.

THE FUTURE OF THE NATIONAL COLLECTIONS

Deputy Under Secretary for Collections and Interdisciplinary Support Scott Miller provided a progress report on the care, management, and digitization of the Smithsonian's collections. Dr. Miller's presentation was a follow-up to his September 2011 report on the effective stewardship of, and challenges to, the 137 million objects and specimens in the Smithsonian collections.

Three pan-institutional initiatives have been launched to strengthen the stewardship of Smithsonian collections: a collections care assessment, a collections digitization survey, and a collections space survey. The parallel initiatives will inform the strategies, budget requests, and allocation of resources that support effective collections stewardship and broaden access to these resources.

Collections Care

To date, groups of collections have been surveyed and characterized with regard to their condition, storage, and documentation. Progress has been made with regard to establishing baseline metrics, identifying deficiencies, determining priorities for the allocation of resources, and informing the strategic planning and budget requests for Smithsonian collections.

Collections Digitization

The digitization of the collections, which is managed by the Office of the Chief Information Officer, will strengthen their management and broaden access to these resources. Dr. Miller explained that the digitization initiative in fact includes two separate activities: the development of electronic records and the creation digital images (or other surrogates, such as audio recordings). Approximately 21 million electronic records are needed to provide inventory control for the 137 million objects and specimens in the Smithsonian's collections, of which only 27 percent have been

created to date. On the other hand, 72 percent of the Smithsonian's 136,000 cubic feet of archival collections have electronic records. Thirteen million collection items and specimens have been prioritized for digital imaging, of which 10 percent have been imaged to date. Depending on the kind of material, the cost of creating electronic records and digital images varies dramatically.

Collections Space

Dr. Miller updated the Board on collections space planning efforts. All of the Smithsonian's 2.1 million square feet of collections space (18 percent of total Smithsonian space) has been surveyed with the support of the Office of Facilities Engineering and Operations. The survey is comprised of 30 data fields in five categories. The results, which are still to be analyzed, will inform space-related management and policy decisions; address sustainability, security, and accessibility issues; and create a road map for short- and long-term Facilities Capital, real estate, and collections projects.

Dr. Miller spoke of collections space determined to be "below acceptable." The majority of "below acceptable" collections space is found in the Garber Facility, the NMNH, and the NMAH. In some cases, he noted, storage spaces have been upgraded but substandard storage cabinetry and shelving have not. Next steps, he said, include separating major facilities and systems investments from smaller, incremental improvements.

The Pan-Smithsonian Cryo-Initiative (PSCI) was discussed as an example of a successful, pan-institutional collections stewardship effort. Dr. Miller said that four units in multiple locations participate in the collection of biomaterials. Between 785,656 to 1 million frozen samples representing over 18,500 species are held in over 200 Smithsonian freezers and liquid nitrogen tanks.

Discussion

In response to a question from Representative LaTourette, Dr. Miller explained why digitization costs vary so dramatically. The Smithsonian collections hold objects that range from papers to frozen biomaterial to the Space Shuttle *Discovery*. In addition, digitization supports two types of inventory: that of the whole and that of the individual parts of a given collection of objects or specimens. Legal and social responsibilities convey with ownership, and digitization also records the ownership and possible rights of other parties.

Dr. Córdova asked if deaccessioning collections can be a revenue-generating opportunity. Dr. Miller explained that, although materials continue to be deaccessioned from the collections, there is limited financial benefit from such activities. He noted that 800,000 objects were deaccessioned from the Smithsonian collections between 2007 and 2011, and added that deaccession rates increase during the move or renovation of facilities.

Ms. Stonesifer thanked Secretary Clough for his leadership on this initiative. She asked about efforts to cultivate, measure, and monitor Smithsonian-wide investment in all aspects of the collections stewardship initiative. The Secretary said the collections stewardship initiative has offered opportunities to develop, share, and apply best practices. He reported that the NMNH template for monitoring collections care is now being used to assess similar efforts across the Smithsonian. A centralized

approach, he said, is essential to this effort. In addition to addressing deficiencies in collections stewardship, a centralized effort will support collaborative activities.

In response to a question from Ms. Stonesifer, Dr. Kurin said that the performance of unit directors is measured with regard to the care, security, and digitization of unit collections. The condition of collections storage space, however, is largely influenced by Federal funding and therefore more difficult to measure.

The Secretary said that both digitization standards and digital media vary, and noted that changes occur as new technologies emerge. He cited the Hirshhorn's collection of new media as an example. He also noted that the museum regularly deaccessions objects in an effort to maintain its status as a collection of contemporary art, as well as to provide funding for new acquisitions and collections care.

Dr. Miller commented on the wide standard of care that previously existed across the Smithsonian's collections. He said that metrics are being refined to support better assessments of unit collections and the performance of unit directors.

**Adjournment and Luncheon
Presentation on *1812: A
Nation Emerges***

The morning session was adjourned at 12:00 p.m. During the Regents' luncheon, NPG Senior Historian Sidney Hart spoke about the exhibition *1812: A Nation Emerges*, the profound impact of the War of 1812, and how it helped shape the nation's identity.

The War of 1812 was a small part of the Napoleonic wars—a two-decade struggle for mastery of the Atlantic world between Great Britain and France. Although the war wasn't large, even by contemporary standards, it played an immense part in determining the destiny of the North American continent. It was perceived by most American contemporaries as a continuation of the struggle for American independence. Although the war ended in a draw, Americans perceived it as a victory and the opening of the continent to American expansion and settlement.

The exhibition, which Dr. Hart cocurated with assistant guest curator Rachael Penman, displays over 100 portraits and artifacts from American, Canadian, and British collections. Included are paintings of nautical battles and one of the most famous models of the *USS Constitution*; contemporary cartoons and historical documents; uniforms and the only 17-star American flag that exists in this country; and videos created by one of the supporters of the exhibition, the History Channel.

AFTERNOON SESSION

The Chancellor called the afternoon session to order at 1:10 p.m.

PROPOSED AWARD OF THE JOSEPH HENRY MEDAL

The Regents considered a motion to award one of the Smithsonian's highest honors, the Joseph Henry Medal, to NMNH Director Cristián Samper. Dr. Samper, an international leader in the field of conservation biology, is stepping down to serve as the Chief Executive Office of the Wildlife Conservation Society. Dr. Samper began his Smithsonian career in 2001 at the Smithsonian Tropical Research Institute, where he served as Deputy Director and staff scientist for two years. He was appointed NMNH Director in 2003 and also served as Acting Smithsonian Secretary from March 2007 to July 2008.

Dr. Samper's contributions to the NMNH and to the Smithsonian have been substantial. With gratitude and by unanimous vote, the Regents agreed to award the Joseph Henry Medal to Cristián Samper.

See attached Action 2012.06.07 (Minutes of the Board of Regents, Appendix A).

DIRECTOR'S REPORT: CENTER FOR FOLKLIFE AND CULTURAL HERITAGE

Public Engagement and Impact

Center for Folklife and Cultural Heritage (CFCH) Director Daniel Sheehy thanked the Board for the opportunity to discuss the Center. Dr. Sheehy said that the CFCH joins quality scholarship with strong community partnerships to promote the understanding and sustainability of the world's diverse traditional cultures. The work of the CFCH, he said, also directly aligns with two of the Grand Challenges: Understanding the American Experience and Valuing World Cultures.

The work of the 43 members of the CFCH staff reflects a commitment to, and best practices in, cross-cultural communication and cultural conservation. The Center conducts collaborative research, documentation, and preservation activities, and its dissemination efforts are of equal importance. Activities include presentations, educational programming, social and cultural enterprise initiatives, and publications. The two primary vehicles that carry out the CFCH mission are the Smithsonian Folklife Festival and Smithsonian Folkways Recordings. The Ralph Rinzler Folklife Archives and Collections and the work of the Cultural Heritage Policy and Research and Education teams also are important CFCH components.

The Smithsonian Folklife Festival

In 1966, Secretary S. Dillon Ripley hired Ralph Rinzler to create the Festival of American Folklife, now known as the Smithsonian Folklife Festival. The Festival, which was launched the following year, provided the foundation for the CFCH. The curated, living exhibition is now the largest annual cultural event in Washington, D.C., attracting over 1 million visitors over a span of 10 days. The lifespan of Festival programs, noted Dr. Sheehy, is extended through the CFCH website, blog, and other

social media vehicles that engage audiences in Festival programs before, during, and after their scheduled time on the National Mall.

The Folklife Festival is committed to providing first-person perspectives and cross-cultural experiences that are topical, in context, and the result of collaborative efforts. Festival programs celebrate national and international arts, such as music, dancing, and crafts; occupational programs also are central to the Festival. To date, the Festival has presented programs on 90 nations, every region of the U.S., a broad range of ethnic communities, over 100 American Indian groups, and 70 occupations. Dr. Sheehy noted that the Festival was recognized for Best Practice of international cultural engagement at the November 2010 bipartisan U.S. Summit for Global Citizen Diplomacy.

Dr. Sheehy invited the Regents to participate in the 2012 Festival, which was scheduled to open on June 27. The three themes of the 2012 Folklife Festival are “Campus and Community” (commemorating the 150th anniversary of the founding of land-grant universities and the USDA); “Citified” (celebrating creativity, identity, and community in Southeast Washington, D.C., neighborhoods); and “Creativity and Crisis” (recognizing the 25th anniversary of The AIDS Memorial Quilt). Dr. Sheehy also presented images from previous Folklife Festivals.

Looking forward, one theme of the 2013 Folklife Festival will address linguists’ estimation that more than half of the world’s 7,000 languages will be extinct by the end of this century. Their loss, said Dr. Sheehy, reflects the extinction of cultural knowledge, traditions, and values that support cultural diversity, sustain communities, and foster the well-being of humanity. In 2015, the Festival will build on the Consortia’s “Americans All” project by exploring how the American experience has been shaped by the immigration and migration experiences of its residents. That year’s Festival may also commemorate the 50th anniversary of the Hart-Cellar Act, which reformed immigration legislation and removed the national origins quota system.

Research and Education

The CFCH’s work is, by nature, research-based and educational. Throughout the year, the center produces educational products, such as curricula and activities. It also supports internships for emerging scholars in, among other things, research, program development and production, music marketing, and collections management. An important aspect of CFCH’s work, said Dr. Sheehy, is training scholars in other parts of the world.

Smithsonian Folkways Recordings

In 1987, a second major public face of the CFCH was created with the acquisition of the Folkways Records label from the estate of Moses Asch. Mr. Asch established the label in 1948 to document “people’s music,” spoken word, instruction, and natural and man-made sounds from around the world. With a staff of two, Mr. Asch produced 2,168 albums over 38 years, and recorded the music of such iconic American musicians as Lead Belly, Pete Seeger, and Woody Guthrie.

Today, Smithsonian Folkways Recordings continues the Folkways Records traditions and honors Mr. Asch’s commitment to cultural diversity, education, increased understanding, and engagement with the world of sound. It republishes important

historical works, such as the *Anthology of American Folk Music*; updates and expands collections, as heard in *Jazz: The Smithsonian Anthology*, an expanded recording of the 1973 production *Smithsonian Collection of Classic Jazz*; and creates new recordings and compilations of recordings, such as *Woody at 100: The Woody Guthrie Centennial Collection Woody at 100*. Folkways albums and artists have received some 100 awards by the music industry in recent years, including six GRAMMY or Latin GRAMMY awards.

The impact of Smithsonian Folkways Recordings is also seen in its robust web, video, and digital presence. The Smithsonian Folkways catalog offers over 3,000 albums with more than 44,000 tracks, and 15 new releases are produced each year. The catalog is distributed globally through multiple outlets such as, to name a few, iTunes, Amazon, Barnes and Noble, and 445 library subscribers. Also available are downloads of 96 lesson plans and 200 free streaming music videos. Dr. Sheehy presented a short video of website excerpts from the Center's award-winning Latino series. Folkways Recordings and digital revenues generate approximately \$3.5 million in annual revenues, he said, and sales continue to go up.

Ralph Rinzler Folklife Archives and Collections

The Ralph Rinzler Folklife Archives and Collections are named after the cofounder of the Smithsonian Folklife Festival. The Rinzler Archives holds two major collections: the Moses and Frances Asch collection, which consists of original recordings and other materials that conveyed with the purchase of Folkways Records in 1987, and written, audio, and visual records of projects and exhibits sponsored by the CHFC, most notably the Smithsonian Folklife Festival. Included in the Rinzler Archives is Woody Guthrie's original master recording of "This Land is Your Land." Dr. Sheehy noted that the conservation and preservation of the Rinzler Archives have benefitted from a Save America's Treasures grant.

Cultural Heritage Policy

Not surprisingly, the development of cultural heritage policy has emerged from the work of the CFCH. In response to the 1989 UNESCO recommendation on safeguarding traditional cultures, the Center contributes ethnographic and cultural heritage policy-oriented research through national and international networks. Presentations, conferences, consultations, and articles are just some of the vehicles through which the CFCH promotes the understanding and sustainability of the world's diverse traditional cultures

Skills and Capabilities

Dr. Sheehy spoke of the important skill sets that the CFCH brings to each of its initiatives. In addition to the Folklife Festival, the Center produces or coproduces other large-scale, outdoor events, such as the 2004 National World War II Reunion and the 1996 Smithsonian Sesquicentennial Celebration. The Center's documentation skills, including audio and video productions, are notable.

The CFCH's mission-driven entrepreneurial activities both contribute to the public impact of its programs and provide critical financial support for the center and the traditional artists it celebrates. The CFCH typically triples its allocated budget by generating about \$4 million in earned revenues each year as well as financial cosponsorships, grants, and gifts. In addition to sales by Smithsonian Folkways Recordings, the Festival Marketplace also generates revenue for the CFCH and artists.

**CFCH Strategic Priorities:
2012–2017**

The CFCH's strategic priorities for 2012–2017 are directed to strengthening the center's national and international leadership in efforts to advance the engagement and sustainability of world cultures. The center's programmatic priorities are designed to build a mission-driven, dynamic, visible, and engaged organization, and its management priorities are designed to support an innovative, efficient, entrepreneurial, financially sound, and sustainable center.

Two programmatic initiatives, the Folklife Festival and the Smithsonian Folkways World Encyclopedia of Sound, will be the subject of increased focus. The CFCH will enhance its communications, branding, and engagement in the field. The growing use of mobile devices and the Center's ability to deliver its content to them, said Dr. Sheehy, increases the Center's impact and engagement with the public. Expanding its presence on the web and radio will support the international reach of the CFCH. Programs such as NPR, BBC-Wales, and Radio Bilingüe can increase the Festival's audience by about 1 million people.

The CFCH will strategically use its human resources to support a culture of learning and innovation and increase its financial strength and stability. Dr. Sheehy commented on the Center's demonstrated record of revenue-generating and fundraising activities, and spoke of the Festival's potential to support increased sponsorship and branding opportunities. Increased funding will enable the center to proactively select Festival themes that address important cultural issues of the day, to acquire collections for public dissemination and revenue generation, and to produce more content through curatorial production. Dr. Sheehy noted that charitable giving to the CFCH needs to become more robust. The Center's engagement with the national campaign will help address this weakness, as also will the anticipated addition of a full-time development officer.

Dr. Sheehy spoke of the impact of the National Mall renovations on the Folklife Festival. He reported that the CFCH is working closely with the new Mall superintendent, the National Park Service, and other Smithsonian units to ensure that that the Festival's programs consider the sustainability of the National Mall grounds.

Although the number of CFCH staff has decreased in recent years, the Center will increase its activities by aligning its human resources with key priority projects. The CFCH's ability to advance its mission is tied to the availability of discretionary funds, such as that from charitable giving.

Discussion

Mr. Rubenstein asked about the annual cost of the Folklife Festival and the source of its funding. Dr. Sheehy said that annual costs can range from \$4 million to \$8 million. The CFCH funds the Festival by leveraging its Federal and Trust allocations with external partnerships. Corporate sponsorship opportunities, however, can be limited by National Park Service restrictions. Dr. Sheehy noted that this year's introduction of windscreen partitions can support sponsorship opportunities that won't conflict with Park Service restrictions. Increases in discretionary funding, he added, would leverage the CFCH's ability expand its programs, as well as increase its fundraising capabilities.

REPORT OF THE ADVANCEMENT COMMITTEE

Advancement Committee member David Rubenstein provided the committee's report on behalf of Committee Chair and Regent Emeritus Alan Spoon, who was unable to be present. Mr. Rubenstein reported that, as of this meeting, the Smithsonian has raised about \$142 million of its \$200 million fiscal year 2012 fundraising goal. The capital campaign is making steady progress and has reached about 1/3 of its fundraising goal.

Gift and Sponsorship Policies and Processes

Discussion occurred about the general nature of gift discussions between the Smithsonian and donors. The Board considered the need for flexibility and transparency while working to meet the philanthropic interests of donors and, at the same time, adhering to Smithsonian values and guidelines.

The Regents reviewed the nature and exceptions to Smithsonian guidelines and the approval levels for gifts and sponsorships, which were developed and approved by the Board less than two years ago. Mr. Rubenstein noted that certain aspects of the Smithsonian's policies put it ahead of many other institutions. The discussion was concluded with the consensus that, while there may at times not be full agreement about how individual gift agreements are concluded, the current policies will remain in place.

Gift Actions

A proposed motion then was presented to approve the naming of a space in the Renwick Gallery. With the exception of Representative Becerra, who voted no but expressed his appreciation for the generosity of the donor, the Board approved the motion.

See attached Action 2012.06.08 (Minutes of the Board of Regents, Appendix A).

The next proposed motion regarded the naming of a space in the NMAH. With the exception of Representative Becerra, who voted no but expressed his appreciation for the generosity of the donor, the Board approved the motion.

See attached Action 2012.06.09 (Minutes of the Board of Regents, Appendix A).

RESEARCH HIGHLIGHTS

Under Secretary for Science Eva Pell briefly commented on the impressive quantity of Smithsonian research that is published in prestigious, peer-reviewed journals each year. The May 24, 2012, cover of *Nature* magazine, for example, featured the discovery of a sensory organ embedded in the mandibles ofrorqual whales by Dr. Nicholas Pyenson, curator of fossil marine mammals at the National Museum of Natural History, and his colleagues.

The number of Smithsonian scientists (500) is relatively small, said Dr. Pell, and yet over the last 10 years nearly every Smithsonian scientific discipline has been published in *Science*, *Nature*, and the *Proceedings of the National Academy of Sciences*—the three most competitive, frequently cited journals in the world. In these journals alone, Smithsonian research has been published in nearly 500 publications to

date, which means that the work of one in 10 Smithsonian scientists is published in these internationally recognized journals each year. These statistics are an incredible measure of the quality science conducted by Smithsonian staff, said Dr. Pell, and the Smithsonian must enhance its ability to share such stories.

REPORT OF THE SMITHSONIAN NATIONAL BOARD

Smithsonian National Board (SNB) Chair Paul Neely, who was attending his last Regents' meeting as a representative of the National Board, stated that there were no updates to the SNB report included in the advance reading materials. He commented on the National Board's contributions to the early stages of the national campaign and the increasing importance of the SNB in campaign outreach efforts.

Chancellor Roberts expressed the Regents' deep appreciation for Mr. Neely's contributions to the Board and to the Smithsonian. Mr. Neely said it had been a privilege to participate in Board meetings, and expressed his admiration for the Regents' collective accomplishments in business, education, public service, and philanthropy. Noting that the chair of the SNB is invited by custom, not mandate, to attend the Regents' meetings, Mr. Neely said he appreciated the collegial respect that had been extended to him during his tenure as SNB chair.

REPORT OF THE OFFICE OF GOVERNMENT RELATIONS

Report on Government Relations

The Regents did not have any questions about the Report on Government Relations, which was included in the advance reading materials.

The Board adjourned for an executive session.

EXECUTIVE SESSION

During the Board's executive session, the Regents approved a motion to nominate Barbara Barrett of Paradise Valley, Arizona, to succeed Alan G. Spoon as a Citizen Regent.

See attached Action 2012.06.10 (Minutes of the Board of Regents, Appendix A).

ADJOURNMENT

The meeting was adjourned at approximately 3:45 p.m.

Respectfully submitted,

G. Wayne Clough
Secretary

APPENDIX A: ACTIONS OF THE JUNE 25, 2012, MEETING OF THE BOARD OF REGENTS

VOTED that the Board of Regents approves the minutes of the April 30, 2012, meeting of the Board of Regents. [2012.06.01]

VOTED that the Board of Regents approves the establishment of an advisory board for the Asian Pacific American Program and the proposed bylaws. [2012.06.02]

VOTED that the Board of Regents appoints Sakurako D. Fisher as chair and Robert D. MacDonald III as vice chair of the Smithsonian National Board, and reappoints Jane Lipton Cafritz, John French III, and William M. Ragland Jr. to the Board, all for three-year terms effective October 1, 2012. [2012.06.03]

VOTED that the Board of Regents appoints Carrie Rebora Barratt to the Board of Trustees of the Archives of American Art for a three-year term effective immediately. [2012.06.04]

VOTED that the Board of Regents appoints Irene Hirano Inouye and Doris Matsui to the Board of Trustees of the Asian Pacific American Program for three-year terms effective immediately. [2012.06.05]

VOTED that the Board of Regents reappoints Nancy Marks to Board of Trustees of Cooper-Hewitt, National Design Museum for an exceptional fourth, three-year term, effective immediately. [2012.06.06]

VOTED that the Board of Regents presents the Joseph Henry Medal to Cristián Samper in recognition of his many contributions to the Smithsonian Institution as the Director of the National Museum of Natural History from 2003 to 2012 and as the Acting Secretary of the Smithsonian from March 2007 until July 2008. [2012.06.07]

VOTED that the Board of Regents recognizes the generosity of L. Hardwick Caldwell III and his wife, Katharine S. Caldwell, to the Smithsonian American Art Museum and its Renwick Gallery and names the Hacker and Kitty Caldwell Gallery at the Renwick Gallery in their honor until the Renwick Gallery's next comprehensive renovation. [2012.06.08]

VOTED that the Board of Regents recognizes the generosity of Mars, Incorporated to the National Museum of American History, approves the benefits of the sponsorship, and names the Mars Hall of American Business for a period of no less than 20 years from the opening of the *American Enterprise* exhibition. [2012.06.09]

VOTED that the Board of Regents nominates Barbara Barrett of Paradise Valley, Arizona, to succeed Alan G. Spoon as a Citizen Regent on the Board of Regents and to serve a statutory term of six years, effective immediately. Furthermore, the Board asks its congressional members to introduce and support legislation to this effect as soon as possible. [2012.06.10]