

MINUTES OF THE JUNE 12, 2023, MEETING OF THE BOARD OF REGENTS

ATTENDANCE

This scheduled meeting of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) was held on Monday, June 12, 2023. The Board conducted morning, afternoon, and executive sessions at the National Museum of the American Indian in Washington, D.C. Board and Executive Committee Chair Risa J. Lavizzo-Mourey welcomed Regents and staff and called the meeting to order at 9:30 a.m. Participating were Regents:

Chief Justice John G. Roberts, Jr., Chancellor¹
Senator John Boozman
Senator Gary Peters
Representative Garret Graves
Representative Doris Matsui
Representative Adrian Smith
Ambassador Barbara M. Barrett

Mr. John Fahey, Vice Chair
Mr. Roger W. Ferguson, Jr.
Mr. Michael Govan
Dr. Risa J. Lavizzo-Mourey, Chair
Ms. Denise O’Leary
Mr. Franklin D. Raines

Ms. Kathryn Hall, Investment Committee Chair
Mr. Jorge Puente, Smithsonian National Board Chair
Mrs. Christine Udvar-Hazy, Advancement Committee Chair

Vice President Kamala D. Harris, Senator Catherine Cortez Masto, and Mr. Michael M. Lynton were unable to attend the meeting.

Smithsonian and Regent staff present by invitation of the Board were:

Lonnie G. Bunch III, Secretary
Logan de La Barre-Hays, Office of Representative Graves
Greg Bettwy, Chief of Staff to the Secretary
Amy Chen, Chief Investment Officer²
Ronald Cortez, Under Secretary for Administration
Robert M. Dow, Jr., Counselor to the Chief Justice
Farleigh Earhart, Acting General Counsel
Stephanie Felton, Deputy Director of Planning and Program Management³
Kate Forester, Deputy Chief of Staff to the Regents
Mallory Gianola, Special Assistant to the Regents (recorder)
Cathy Helm, Inspector General

Toni-Marie Higgins, Office of Senator Boozman
Jeremy Marcus, Office of Representative Matsui
Julissa Marengo, Assistant Secretary for Communications and External Affairs and Chief Marketing Officer
Grisella Martinez, Office of the Vice President
Meroë Park, Deputy Secretary and Chief Operating Officer
Derek Ross, Director of the Office of Planning, Design, and Construction³
Robert J. Spiller, Assistant Secretary for Advancement
Caitlyn Stephenson, Office of Senator Peters
Ellen Stofan, Under Secretary for Science and Research
Porter N. Wilkinson, Chief of Staff to the Regents
Josh Yearsley, Office of Senator Cortez Masto

¹ Participated in the afternoon business meeting only

² Participated in the Smithsonian Endowment discussion only

³ Participated in the lunch program only

BUSINESS MEETING

REPORT OF THE CHAIR OF THE BOARD AND EXECUTIVE COMMITTEE

Recognition of Investment Committee Member

To begin her report, Board and Executive Committee Chair Risa J. Lavizzo-Mourey presented one action item for the Board’s consideration: the appreciation of Alice Warner Handy, who passed away recently. Alice was appointed as a non-Regent member of the Investment Committee in January 2017. Upon motion duly made and seconded, the Board unanimously voted to show its appreciation for her dedication and service to the Smithsonian by passing a motion memorializing the Regents’ gratitude.

See attached Actions 2023.06.01 (*Minutes of the Board of Regents, Appendix A*).

Recognition of Regent Transitions

Dr. Lavizzo-Mourey also updated the Board on recent Regent transitions. The Smithsonian is working with the Congressional Regents and leadership on the legislation to reappoint Roger Ferguson and Michael Govan to the Board and appoint a candidate to fill the vacancy following the conclusion of Steve Case’s second term in April.

Executive Committee Approval

To conclude her report, Dr. Lavizzo-Mourey briefed the Board on one action taken by the Executive Committee on behalf of the Board, pursuant to Board Bylaw 3.01, between the April and June Board meetings. The Executive Committee approved a proposed \$12 million gift from Jeffrey P. Bezos for GEOTREES at the Smithsonian Tropical Research Institute. Dr. Lavizzo-Mourey noted that the Executive Committee’s approval was requested on behalf of the Board to accommodate the timing of related public announcements.

APPROVAL OF THE CONSENT AGENDA

Consent Agenda

The Consent Agenda (“Agenda”) was presented for the Board’s consideration. Action items listed on the June 12, 2023, Agenda included: the approval of minutes from the April 3, 2023, Regents’ meeting; the appointment and reappointment of candidates to nine (9) Smithsonian Advisory Boards; and gifts and naming recognitions. Upon motion duly made and seconded, the Board voted to adopt the Agenda, constituting the approval of all action items listed therein.

See attached Actions 2023.06.02 (*Minutes of the Board of Regents, Appendix A*).

QUESTIONS ON WRITTEN COMMITTEE REPORTS

Questions on Written Committee Reports

Next, Dr. Lavizzo-Mourey provided an opportunity for Regent committee chairs and Smithsonian staff to answer questions on the written reports distributed in advance of the meeting by the Advancement Committee; Investment Committee; Strategy, Innovation, and Technology Committee; Smithsonian National Board; and Office of Government Relations.

Written Report of the Advancement Committee

Written Report of the Advancement Committee

The Advancement Committee conducted a meeting on May 9, 2023. During the meeting, the Committee reviewed notable gifts and grants, was briefed on fundraising progress and priorities for fiscal year 2023, received an update on individual giving fundraising markets, and discussed Campaign progress. As of March 31, 2023, the Smithsonian had raised \$144.2 million towards its \$265 million goal.

Written Report of the Investment Committee

Written Report of the Investment Committee

The Investment Committee met on March 22, 2023. During the meeting, the Committee reviewed the Endowment’s annual portfolio including exposure to China, asset allocation, and risk review, and provided an update on diversity, equity, and inclusion. The Smithsonian Endowment’s one-year return as of December 31, 2022, was -5.4% versus -4.9% for the policy benchmark.

Written Report of the Strategy, Innovation, and Technology Committee

Written Report of the Strategy, Innovation, and Technology Committee

The Strategy, Innovation, and Technology Committee conducted a meeting on April 24, 2023. During the meeting, the Committee received an update on the Smithsonian’s strategic initiative to unlock digital assets and engaged in a discussion on artificial intelligence. The Committee also reviewed a new format for Committee meetings to allow time for more strategic discussions and considered engagement of potential non-Regent candidates for Committee membership.

Written Report of the Smithsonian National Board

Written Report of the Smithsonian National Board

The Smithsonian National Board held its spring business meeting on April 21, 2023, in Washington, D.C. The meeting explored how science experts across the Smithsonian are helping to advance *Life on a Sustainable Planet* through conservation and sustainability research. National Board members also received reports from working group and committee chairs.

Written Report of the Office of Government Relations

Written Report of the Office of Government Relations

The Office of Government Relations (“OGR”) reported that it continues to monitor the negotiations related to the debt limit and has communicated with relevant stakeholders regarding the impacts proposed cuts could have on the Institution and its operations.

**Congressional Briefings
and Smithsonian
Related Legislation**

In addition, OGR reported on Congressional briefings and Smithsonian related legislation. The first briefing focused on the President’s fiscal year 2024 budget. The second briefing provided an overview of the Center for Folklife and Cultural Heritage and the 2023 Folklife Festival program focused on the Ozarks. The Smithsonian also participated in a virtual town hall hosted by District of Columbia Delegate Eleanor Holmes Norton. John and Adrienne Mars Director of the Smithsonian's National Zoo and Conservation Biology Institute Brandie Smith and Assistant Secretary for Communications and External Affairs and Chief Marketing Officer Julissa Marengo served as panelists.

**Congressional
Engagement**

The Office of Government Relations continues its congressional engagement, hosting and participating in programs and events, including many related to the status of the two new Smithsonian museums.

REPORT OF THE FINANCE COMMITTEE

**Fiscal Year 2024
Endowment Payout**

Chair of the Finance Committee Frank Raines presented the fiscal year 2024 Endowment Payout recommendation. The Smithsonian’s historical policy is to pay out five percent of the trailing 20-quarter average market value of the Endowment to support programs and activities. In the past, the Regents have also approved an additional annual payout of up to one percent to support advancement activity. Mr. Raines noted the projected payout to support programmatic activity for fiscal year 2024 is \$103.8 million and the projected payout to fund advancement activities is estimated at \$4.2 million. Upon motion duly made and seconded, the Board approved a five percent payout from the Smithsonian Endowment in fiscal year 2024 to support programmatic activity. Further, the Board approved up to an additional 0.50 percent payout from eligible Smithsonian Endowment funds in fiscal year 2024 to support advancement activity.

See attached Actions 2023.06.03 (*Minutes of the Board of Regents, Appendix A*).

**Repayment of NASM
Bond, 2033**

Next, Mr. Raines presented a motion for the Board’s consideration to create a quasi-endowment with the funds collected for the repayment of the debt for the National Air and Space Museum’s Udvar-Hazy Center. Mr. Raines noted that the new quasi-endowment fund would support Central Trust general operations with the annual payout proceeds while the original principal will remain invested as a quasi-endowment. Upon motion duly made and seconded, the Board approved the creation of the quasi-endowment.

See attached Actions 2023.06.04 (*Minutes of the Board of Regents, Appendix A*).

**Fiscal Year 2025 Federal
Budget Priorities**

To conclude his report, Mr. Raines presented the fiscal year 2025 federal budget priorities, noting that the fiscal year 2025 budget request is due to the Office of Management and Budget in September. He reviewed the Institution’s priorities for building the fiscal year 2025 federal budget, which include: salaries and expenses; strategic priorities and program increases, including funding for the

two new Smithsonian museums, expanding digital transformation, supporting education outreach, and increasing research and scientific collaborations; facilities maintenance and security; and major capital projects. Upon motion duly made and seconded, the Board approved the fiscal year 2025 federal budget priorities proposed by the Secretary.

See attached Actions 2023.06.05 (*Minutes of the Board of Regents, Appendix A*).

REPORT OF THE COMPENSATION AND HUMAN RESOURCES COMMITTEE

Report of the Compensation and Human Resources Committee

Chair of the Compensation and Human Resources Committee Michael Govan gave the Committee's report and presented one action item for the Board's consideration: the compensation approach for an augmented position. The Board was asked to approve management's request to move one existing position, the General Counsel, which is currently designated as augmented to a market-based position. Mr. Govan noted that over time the duties and responsibilities of the position have changed to reflect the Secretary's priorities, the changing nature of the work of the Smithsonian, and the changing nature of operating environment. The Smithsonian's compensation consultant, Pearl Meyer, was engaged to review the updated position description and make a recommendation on the appropriate classification. Upon motion duly made and seconded, the Board voted to approve the compensation philosophy for the senior Trust position.

See attached Actions 2023.06.06 (*Minutes of the Board of Regents, Appendix A*)

REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

Report of the Governance and Nominating Committee

Chair of the Governance and Nominating Committee Roger W. Ferguson, Jr. gave the Committee's report. He led a discussion on advisory board terms and presented four action items for the Board's consideration: (i) the recognition of a former Regent, (ii) the dissolution of an advisory board, and (iii) two nominations to the Order of James Smithson.

Advisory Board Terms – New Museums

To begin his report, Mr. Ferguson led a discussion on how to balance continuity and term limits for the inaugural advisory board members – current and future members who join during the planning phase – of the Smithsonian American Women's History Museum and the National Museum of the American Latino. Secretary Bunch explained that, based on his experience launching the National Museum of African American History and Culture, it was beneficial to have inaugural members serve through the planning phase until the museum opened. Mr. Ferguson reminded the Board that the Smithsonian best practice guidelines recommend a range of advisory board service between six and 12 years, but not to exceed 12 total cumulative years, as Citizen Regents are limited to 12 years of service on the Board of Regents. After discussion, the Board of

Regents concluded that it would be helpful to have inaugural members serve extended terms to provide continued leadership in planning and fundraising. Instead of a blanket extension, reappointments would be considered on an individual basis for all inaugural members.

Recognition of Former Regent

Mr. Ferguson then introduced the first action item: the formal recognition of retired Regent Steve Case as a Regent Emeritus. Pursuant to Board bylaw 2.11, the Regents may confer the title of Regent Emeritus on former Regents “who accept responsibilities for continuing activities in the interests of the Smithsonian Institution.” Mr. Case served with distinction as a Regent and remains involved with the Smithsonian in a meaningful capacity. Upon motion duly made and seconded, the Board unanimously voted to confer the title of Regent Emeritus on Mr. Case.

See attached Actions 2023.06.07 (*Minutes of the Board of Regents, Appendix A*).

Dissolution of the Advisory Board of the Smithsonian Latino Center

Next, Mr. Ferguson presented a motion for the proposed dissolution of the advisory board of the Smithsonian Latino Center (“Smithsonian National Latino Board”) to reflect the integration of the Smithsonian Latino Center into the National Museum of the American Latino. Mr. Ferguson noted that all members of the advisory board of the Smithsonian Latino Center have completed their appointed terms, and no new appointments will be made going forward. The National Museum of the American Latino Board of Trustees was established by Congress in the museum’s founding legislation, and it will serve as the sole advisory board of the National Museum of the American Latino. Upon motion duly made and seconded, the Board voted to approve the dissolution of the advisory board.

See attached Actions 2023.06.08 (*Minutes of the Board of Regents, Appendix A*).

Order of James Smithson

To conclude, Mr. Ferguson presented two nominations to the Order of James Smithson, which was established by the Regents in 1983 to recognize inspirational and impactful contributions to the Smithsonian. Via email ballot sent on May 19, 2023, the Governance and Nominating Committee voted to recommend that the Board award Elizabeth “Betty” MacMillan and Roger W. Sant with the Order of James Smithson, in appreciation for their exceptional, long-standing support and significant contributions to the Institution. Representative Matsui recused herself from the discussion and vote due to her relationship with Mr. Sant. Upon motions duly made and seconded, the Board voted to approve the nominations of Elizabeth “Betty” MacMillan and Roger W. Sant to the Order of James Smithson.

See attached Actions 2023.06.09 and 2023.06.10 (*Minutes of the Board of Regents, Appendix A*).

STRATEGIC REPORT OF THE SECRETARY

Strategic Report of the Secretary

Secretary Bunch then updated the Board on the state of the Smithsonian. The update focused on the Smithsonian Campaign, digital transformation, and recent media coverage of the Institution.

Smithsonian Campaign

The Secretary first asked Chair of the Advancement Committee Christine Udvar-Hazy to update the Board on the Smithsonian Campaign for Our Shared Future, specifically recent Campaign Preview Events. Mrs. Udvar-Hazy shared highlights from the Los Angeles Campaign Preview event held in March at the Academy Museum of Motion Pictures. The event was aligned with the winter Smithsonian National Board Meeting and the annual Regional Council Summit, hosted outside of Washington, D.C. for the first time. Mrs. Udvar-Hazy also recapped the Campaign Preview event held in Chicago on May 18 at the Shedd Aquarium. This event focused on campaign priorities in Sustainability and Discovery through the Life on a Sustainable Planet initiative. Mrs. Udvar-Hazy also reminded the Board of two upcoming Campaign Preview Events: one in Washington D.C. on September 19 at the Smithsonian American Art Museum and a second in New York in February 2024.

CRM Software

Next, the Secretary updated the Board on the Smithsonian's initial steps toward implementing a Smithsonian-wide Customer Relationship Management system ("CRM"). As part of the Institution's digital transformation and increased efforts to advance the technology infrastructure architecture, the Smithsonian plans to launch a CRM platform focusing on visitor services and advancement, including membership. The software will be available to multiple Smithsonian units and will help obtain more accurate data to better serve Smithsonian visitors, donors, and the public.

Human Remains Collection

To conclude his report, Secretary Bunch asked Assistant Secretary for Communications and External Affairs and Chief Marketing Officer Julissa Marengo to update the Board on media coverage of the Smithsonian's human remains policy and collection. Ms. Marengo informed the Board that the Washington Post is planning to publish a series focused on the work of Aleš Hrdlička, who served as the head of the National Museum of Natural History's physical anthropology division from 1903 to 1941. The Smithsonian publicly recognizes certain collection practices of the past were unethical, and what was once standard practice in the museum field is no longer acceptable. Ms. Marengo reminded the Board that the Institution has been working to repatriate human remains and unethically obtained artifacts in its collections for more than 30 years and has repatriated the remains of more than 5,000 people. The Smithsonian has also significantly expanded efforts to accelerate the pace of ethical returns and repatriation, including developing an Institution-wide policy for the appropriate care, shared stewardship, or ethical return of all human remains housed in Smithsonian collections. Ms. Marengo informed the Regents that a Task Force of internal and external experts is working to complete recommendations for that policy by the end of the year, and the Smithsonian has placed temporary restrictions on

research on all human remains in its care and the acquisition of any additional remains.

LUNCH: DESIGN PROCESS FOR NEW SMITHSONIAN MUSEUMS

**Luncheon Program:
Design Process for New
Smithsonian Museums**

During lunch, Regents had an opportunity to converse with leaders on the design process for the National Museum of the American Latino and the Smithsonian American Women’s History Museum. The Secretary led a discussion on key decision points in the design process, with various options presented. A summary of the new museums design services procurement options was also reviewed. Panelists in the conversation included Deputy Secretary and Chief Operating Officer Meroë Park; Director of the Office of Planning, Design, and Construction Derek Ross; and Deputy Director of Planning and Program Management Stephanie Felton.

AFTERNOON SESSION

The Chancellor called the afternoon session to order at approximately 1:00 p.m. and reviewed the remainder of the Board’s business agenda.

STRATEGIC DISCUSSION ON CONGRESSIONAL RELATIONS

**Strategic Discussion on
Congressional Relations**

To begin the afternoon session, the Secretary and members of his leadership team led a discussion on the Smithsonian’s ongoing efforts to strengthen relations with House and Senate Members of the 118th Congress, including new committee leaders, committees, and caucuses that have shared interests with the Institution. The Secretary first outlined the Smithsonian’s priorities for enhancing Congressional engagement through events and programming. The Regents provided feedback on creating greater access to the Smithsonian for members of Congress, better demonstrating the Smithsonian’s impact on the Nation, and tailoring outreach to better serve congressional districts and constituents.

**Director of the Office of
Government Relations**

Secretary Bunch also informed the Board that the Smithsonian has hired a new Director for the Office of Government Relations. Rachele Graves will become the new OGR Director, effective July 17. She has extensive experience in the private sector and the legislative branch of the federal government and comes to the Smithsonian from the U.S. Senate Committee on Rules and Administration.

**New Museums Site
Selection**

The Board also discussed site selection for the new museums. In March, the Office of Government Relations held a virtual, bipartisan, bicameral briefing on the status of the two new Smithsonian museums. The briefing included updates on the new museums’ advisory boards, current fundraising data, public outreach and programming efforts, staffing, an overview of the budget request to Congress for the two new museums, and a discussion of next steps regarding site selection. Secretary Bunch also outlined the legislative update that would be necessary to locate the two new museums on the National Mall.

EXECUTIVE SESSIONS

**Executive Session:
Smithsonian
Endowment**

The Board moved into an executive session at approximately 1:39 p.m. with the Secretary, Chief Investment Officer Amy Chen, and invited staff and was provided an update on the Smithsonian Endowment's investment strategy and practices.

**Executive Session:
Regents and Secretary**

The Board then moved into an executive session with the Secretary to discuss confidential business and personnel matters, including an update on relations with the American Federation of Government Employees Union and personnel searches.

**Executive Session:
Regents Only**

The Board continued with a Regents-only executive session. Chair of the Governance and Nominating Committee Roger Ferguson led the Board's discussion on the candidate vetting process and Executive Committee membership.

**Executive Session:
"Gatekeeper" Reports**

The Board concluded the June 12, 2023, meeting with an opportunity to hear from each of the Smithsonian's Gatekeepers, including the Secretary, Under Secretary for Administration, Acting General Counsel, and Inspector General.

ADJOURNMENT

Adjournment

There being no further business to discuss, the meeting adjourned at approximately 2:33 p.m.

Respectfully submitted,

Lonnie G. Bunch, III
Secretary

APPENDIX A: ACTIONS OF THE JUNE 12, 2023, MEETING OF THE BOARD OF REGENTS

VOTED that the Board of Regents expresses its profound appreciation to the memory of Alice Warner Handy, member of the Investment Committee, an esteemed colleague, and true friend of the Smithsonian Institution, and extends its heartfelt sympathies to her family and friends. [2023.06.01]

VOTED that the Board of Regents adopts the Consent Agenda, which constitutes the approval of all action items listed therein. [2023.06.02]

VOTED that the Board of Regents approves the minutes of the April 3, 2023, meeting of the Board of Regents.

VOTED that the Board of Regents approves the proposed slate of candidates for appointment or reappointment to nine (9) Smithsonian Institution Advisory Boards.

VOTED that the Board of Regents recognizes the generosity of the WEM Foundation to the National Museum of American History and accepts the gift.

VOTED that the Board of Regents recognizes the generosity of the WEM Foundation to the National Museum of Natural History, accepts the gift, and names the Whitney and Elizabeth MacMillan Studio, for 20 years or until the next major renovation of the space, whichever occurs later.

VOTED that the Board of Regents recognizes the generosity of the WEM Foundation to the Smithsonian American Art Museum and accepts the gift.

VOTED that the Board of Regents creates a quasi-endowment for the benefit of the Hirshhorn Museum and Sculpture Garden to support the purchase of contemporary works of art by French artists. Further, the Board of Regents authorizes the transfer of the funds identified for this purpose.

VOTED that the Board of Regents recognizes the generosity of Thomas W. Haas Foundation, Otto Haas Charitable Trust, the Waterman Trust, and Wyncote Foundation to the National Air and Space Museum and names the Phoebe Waterman Haas Astronomy Park, for a minimum of 20 years.

VOTED that the Board of Regents approves a five percent payout from the Smithsonian endowment in fiscal year 2024 to support programmatic and administrative activity. The Board further approves up to 0.5 percent payout from the Smithsonian endowment in fiscal year 2024 to support advancement activity. The payout shall be based on the trailing 20- quarter average market value of the Smithsonian Endowment Fund. [2023.06.03]

VOTED that the Board of Regents approves creating a quasi-endowment for the benefit of the OUSA to support general operations. Further, the Board authorizes the transfer of the \$74,990,000 identified for this purpose. [2023.06.04]

VOTED that the Board of Regents approves the fiscal year 2025 federal budget priorities proposed by the Secretary. [2023.06.05]

VOTED that the Board of Regents approves the movement of the General Counsel position to a market-based compensation approach. [2023.06.06]

VOTED that the Board of Regents confers the title of Regent Emeritus on Steve Case with deep gratitude for the outstanding service he has provided, and will continue to provide, to the Board of Regents and the Smithsonian Institution. [2023.06.07]

VOTED that the Board of Regents approves the dissolution of the advisory board of the Smithsonian Latino Center (“Smithsonian National Latino Board”). [2023.06.08]

VOTED that the Board of Regents approves the nomination of Elizabeth S. MacMillan to the Order of James Smithson. [2023.06.09]

VOTED that the Board of Regents approves the nomination of Roger W. Sant to the Order of James Smithson. [2023.06.10]