

MINUTES OF THE JUNE 10, 2024, 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 10, 2024. 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 9:50 a.m. Participating were Regents:

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

Ms. Toni Bush
Mr. John Fahey
Mr. Roger W. Ferguson, Jr.
Mr. Michael Govan
Dr. Risa J. Lavizzo-Mourey, Chair
Mr. Michael M. Lynton
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 was unable to attend the meeting.

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

Lonnie G. Bunch III, Secretary
Nicole L. Angarella, Inspector General
Logan de La Barre-Hays, Office of Representative Graves
Greg Bettwy, Chief of Staff to the Secretary
Ronald Cortez, Under Secretary for Finance and Administration and Chief Financial Officer
Monica Didiuk, Office of Representative Smith
Robert M. Dow, Jr., Counselor to the Chief Justice
Zully Dorr, Deputy Assistant Secretary for Advancement²
Kate Forester, Deputy Chief of Staff to the Regents
Kevin Gover, Under Secretary for Museums and Culture
Mallory Gianola, Special Assistant to the Regents (recorder)
John Lapiana, Senior Advisor to the Under Secretary for Museums and Culture³
Becky Kobberod, Head of Digital Transformation⁴

Carol LeBlanc, President of Smithsonian Enterprises^{2,5}
Jeremy Marcus, Office of Representative Matsui
Julissa Marengo, Assistant Secretary for Communications and External Affairs and Chief Marketing Officer
Jennifer McIntyre, Chief Legal Officer
Jeffrey P. Minear, Former Counselor to the Chief Justice³
Meroë Park, Deputy Secretary and Chief Operating Officer
Derek Ross, Director of the Office of Planning, Design, and Construction⁵
Roger Sant, Regent Emeritus³
Lisa Sasaki, Deputy Under Secretary for Special Projects⁴
Brandie Smith, John and Adrienne Mars Director of Smithsonian’s National Zoo and Conservation Biology Institute⁵

¹ Participated in the afternoon business meeting

² Participated in the strategic budget discussion

³ Participated in crisis response discussion

⁴ Participated in America250 discussion

⁵ Participated in the luncheon program

Caitlyn Stephenson, Office of Senator Peters
Ellen Stofan, Under Secretary for Science and Research

Porter N. Wilkinson, Counselor and Chief of Staff to the
Regents
Josh Yearsley, Office of Senator Cortez Masto

MORNING SESSION

REPORT OF THE CHAIR OF THE BOARD AND EXECUTIVE COMMITTEE

Recognition of Senior Staff Transitions

To begin her report, Board and Executive Committee Chair Risa J. Lavizzo-Mourey introduced the Smithsonian's new Inspector General Nicole Angarella, who began her tenure on May 20, 2024.

Upcoming Regents' Events

Next, Dr. Lavizzo-Mourey updated the Board on upcoming special events, including the Regents' annual public forum. The Board will host its annual public forum on October 28, 2024. The Board of Regents has also been invited to join the Smithsonian National Board when it meets at the Smithsonian Tropical Research Institute in Panama in January 2025.

Executive Committee Approvals

To conclude, Dr. Lavizzo-Mourey noted there were no motions approved by the Executive Committee on behalf of the full Board between the April and June Board meetings.

APPROVAL OF THE CONSENT AGENDA

Consent Agenda

The Consent Agenda ("Agenda") was presented for the Board's approval. Frank Raines recused himself from voting on the Agenda because he was a candidate for appointment as an emeritus member to the Advisory Council of the National Museum of African American History and Culture. Action items listed on the June 10, 2024, Agenda included: recognition of the late Director Emerita of Smithsonian Institution Libraries Nancy E. Gwinn; the approval of minutes from the April 8, 2024, Regents' meeting; amendments to the Charters of the Governance and Nominating Committee and the Compensation and Human Resources Committee; the appointment and reappointment of candidates to 11 Smithsonian Advisory Boards; amendments to the Bylaws of the National Air and Space Museum Board; and gifts and naming recognitions. Upon motion duly made and seconded, the Board voted to adopt the Agenda, constituting the approval of all action items listed therein.

See attached Actions 2024.06.01 (*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; Compensation and Human Resources Committee; Facilities 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 6, 2024. During the meeting, the Committee reviewed notable gifts and grants, was briefed on fundraising progress for fiscal year 2024, and received an update on Campaign progress and planning. As of April 3, 2024, the Smithsonian had raised \$212.6 million towards its \$300 million goal.

Written Report of the Compensation and Human Resources Committee

Written Report of the Compensation and Human Resources Committee

The Compensation and Human Resources Committee conducted a meeting on May 15, 2024. During the meeting, the Committee voted to approve the recommendation to award Pearl Meyer to serve as the Smithsonian Institution's independent compensation consultant following a formal proposal process. The Committee also received an update on the Smithsonian Score card and performed the annual review of its Charter.

Written Report of the Facilities Committee

Written Report of the Facilities Committee

The Facilities Committee held a meeting on May 15, 2024. During the meeting, the Committee received an update on real estate, the Capital Gallery Right of First Offer to purchase remaining space at 600 Maryland Avenue SW, and a third-party assessment on cost containment as it relates to Capital projects. The Committee was also briefed on facilities conditions and deferred maintenance, and the progress of major capital projects. Additionally, the Committee performed its annual review of the Charter.

Written Report of the Investment Committee

Written Report of the Investment Committee

The Investment Committee met on March 27, 2024. During the meeting, the Chair recognized Regent Emeritus David Rubenstein, who concluded his service on the Investment Committee in January 2024. The Committee also reviewed the Endowment's annual portfolio including attribution and contribution analyses, liquidity, and annual asset allocation and risk review. The Committee approved the proposed revised Policy targets and benchmarks. The Smithsonian Endowment's one-year return as of December 31, 2023, was 2.8% versus 7.1% 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 May 6, 2024. During the meeting, the Committee engaged in a strategic discussion on current Smithsonian plans regarding the America250 celebration in 2026, including the potential launch of a new multi-platform experience,

MySmithsonian, that would invite the American public to explore the best of the Smithsonian’s collections, content, and programming in new ways with the goal of reaching the next generation of Smithsonian audiences. The Committee also performed its annual review of the Charter.

Written Report of the Smithsonian National Board

Written Report of the Smithsonian National Board

The Smithsonian National Board held its spring business meeting virtually on May 30, 2024. The meeting included a fireside conversation between Secretary Lonnie Bunch and Assistant Secretary for Advancement Rob Spiller. 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 the fiscal year 2025 budget request for the Smithsonian is \$1.160 billion. Of that amount, \$960 million is requested for Salaries and Expenses and \$200 million is requested for Facilities Capital. The Secretary met with the House Interior Appropriations Subcommittee to brief them on the Smithsonian’s budget request on June 5.

Congressional Briefings

Between the April and June meetings, the Smithsonian participated in four Congressional briefings focused on highlighting Smithsonian education programs, the Smithsonian Cultural Rescue Initiative, Smithsonian’s facility conditions and the deferred maintenance backlog, and the Smithsonian’s Strategic Plan, “Our Shared Future.” The Office of Government Relations will also host the Smithsonian’s annual Congressional Night on July 24, 2024, at the National Museum of Natural History.

Congressional Engagement and Smithsonian Related Legislation

The Office of Government Relations also continues its Congressional engagement, hosting and participating in a variety of programs and events, and tracking legislation related to the Smithsonian.

REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

Proposed Amendments to the Bylaws of the Board of Regents

Chair of the Governance and Nominating Committee Roger W. Ferguson, Jr. gave the Committee’s report. The Board was asked to consider proposed amendments to the Bylaws of the Board of Regents. In March 2024, Congress approved certain organizational changes proposed by the Secretary, including updating the Under Secretary for Administration to the Under Secretary for Finance and Administration and Chief Financial Officer and updating the General Counsel title to Chief Legal Officer. As a result, conforming changes to the Bylaws of the Board of Regents are necessary to reflect the new organization structure and identify titles and duties of select Officers. Upon motion duly made and seconded, the Board approved the proposed amendments to §5.06 and §5.09 of the Bylaws of the Board of Regents.

See attached Actions 2024.06.02 (*Minutes of the Board of Regents, Appendix A*).

REPORT OF THE FINANCE COMMITTEE

Fiscal Year 2026 Federal Budget Priorities

Chair of the Finance Committee Frank Raines presented the fiscal year 2026 federal budget priorities, noting that the fiscal year 2026 budget request is due to the Office of Management and Budget in September. He reviewed the Institution's priorities for building the fiscal year 2026 federal budget, which include: salaries and expenses; strategic priorities and program increases, including funding required for collections storage needs for the two new Smithsonian museums, expanding digital transformation, supporting education outreach, increasing research and scientific collaborations, and implementing the Ethical Returns and Shared Stewardship Policy and the Human Remains Task Force recommendations; facilities maintenance and security; and major capital projects. Upon motion duly made and seconded, the Board approved the fiscal year 2026 federal budget priorities proposed by the Secretary.

See attached Actions 2024.06.03 (*Minutes of the Board of Regents, Appendix A*).

Fiscal Year 2025 Endowment Payout

Next, Mr. Raines presented the fiscal year 2025 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 2025 is \$117.5 million and the projected payout to fund advancement activities is estimated at \$4.5 million. Upon motion duly made and seconded, the Board approved a five percent payout from the Smithsonian Endowment in fiscal year 2025 to support programmatic activity. Further, the Board approved up to an additional 0.50 percent payout from eligible Smithsonian Endowment funds in fiscal year 2025 to support advancement activity.

See attached Actions 2024.06.04 (*Minutes of the Board of Regents, Appendix A*).

STRATEGIC BUDGET DISCUSSION

Strategic Budget Discussion

Secretary Bunch then led a discussion on the Smithsonian's financial position, including federal funding, revenue-generating activities, and strategies to increase the Smithsonian's Trust budget, especially as the Institution prepares for long-term decreases in federal funding.

Federal Funding

The Secretary reminded the Board that the Fiscal Year 2024 Consolidated Appropriations Act was passed on March 9. The Smithsonian received \$1,090.5 million, which includes \$892.9 million for Salaries and Expenses and \$197.6 million for Facilities Capital. The fiscal year 2024 Salaries and Expenses are at the same level as the fiscal year 2023 enacted, and Facilities Capital is \$54 million less than the fiscal year 2023 enacted. Secretary Bunch informed the Board that the

Smithsonian has absorbed the \$27 million pay increase in fiscal year 2024. To mitigate the impact of absorbing the pay raise, the Smithsonian is working with the Office of Management and Budget (“OMB”) and Congress to reprogram funds from central activities and provide funding increases to museums, research centers, and offices. The Secretary also noted that the Smithsonian delivered the \$1,160.2 million fiscal year 2025 President’s Budget to Congress in March.

Revenue Generating Activities

Next, the Board received an update on current and potential revenue generating activities for the Institution. In 2023, the Secretary charged Smithsonian Enterprises (“SE”) to recognize new or significantly enhanced revenue generating opportunities for the Institution and identify the changes or steps needed to make the potential opportunities viable. President of Smithsonian Enterprises Carol LeBlanc briefed the Board on ways SE is exploring these activities, including engaging a strategic consulting firm to ensure efforts are supported by market-based data and best practices. SE established 15 initial revenue ideas and has narrowed the scope down to four focus areas: (1) increase, enhance, cross market, and monetize the visitor, customer, and membership experiences; (2) invest in an expanded grants and programs initiative; (3) explore and pilot an immersive experience; and (4) explore education initiatives that can enhance the Smithsonian’s mission while increasing revenues. The Board discussed the concept, goal, and next steps for each focus area.

Smithsonian Campaign for Our Shared Future

Deputy Assistant Secretary for Advancement Zully Dorr then updated the Board on the Smithsonian Campaign for Our Shared Future. The goal for the Campaign is to expand the community of people from across the country and around the world who actively engage with and support the Smithsonian. Ms. Dorr emphasized that funding will support for four priority areas: (1) Advancing Sustainability and Discovery, (2) Illuminating the Nation's Past, (3) Opening Pathways to New Knowledge, and (4) Powering Creativity and Innovation. The Smithsonian will publicly launch the Campaign in September.

Smithsonian Campaign for Our Shared Future Dollar Goal

To conclude, Chair of the Advancement Committee Christine Udvar-Hazy presented one action item for the Board’s consideration: the Smithsonian Campaign for Our Shared Future Dollar Goal, to be announced publicly in September 2024. Upon motion duly made and seconded, the Board approved the adoption of the proposed \$2.5 billion Campaign dollar goal as presented by the Secretary and recommended by the Advancement Committee.

See attached Actions 2024.06.05 (*Minutes of the Board of Regents, Appendix A*).

REPORT OF THE SECRETARY

Report of the Secretary

Secretary Bunch then updated the Board on the state of the Smithsonian. The report included updates on the Smithsonian’s facility and IT security and Congressional relations. The Secretary also recognized Denise O’Leary and Kent Thiry for their recent contribution to support a partnership with the Nature Conservancy and make a long-term impact on increasing diversity in the sciences.

IT and Facility Security

The Secretary first updated the Board on two recent IT security incidents, specifically benefits-related data breaches. One was a nationwide incident that affected the Office of Personnel Management (“OPM”) and Federal employees. The second was a data breach that impacted Kaiser Permanente, including Smithsonian Trust employees. The Secretary also discussed recent events and protests impacting peer organizations and outlined efforts the Institution is taking to address any potential threats to Smithsonian facilities. The Board was also reminded that security teams have a solid protocol in place for dealing for protestors of any kind, regardless of viewpoint.

Congressional Relations

To conclude his report, Secretary Bunch briefed the Regents on the Smithsonian’s most recent engagement with Congress, including his scheduled meeting with Chairman Mike Simpson and Members of the House Interior Appropriations Subcommittee to brief them on the Smithsonian’s fiscal year 2025 budget request on June 5, 2024. Secretary Bunch also will participate in an oversight hearing with the Senate Committee on Rules and Administration on June 18. The Secretary is preparing to address questions on facilities maintenance, the return of Giant Pandas at the National Zoo, and general Smithsonian programming and content.

Following the Report of the Secretary, the Board adjourned to the luncheon program at approximately 11:20 a.m.

LUNCH: DESIGN PROCESS FOR NEW SMITHSONIAN MUSEUMS

**Luncheon Program:
Panda-Monium:
Preparing for Pandas at
the National Zoo**

During lunch, Regents had an opportunity to converse with leaders about the Smithsonian’s preparation for the arrival of two new giant pandas, Bao Li and Qing Bao. Chief of Staff to the Secretary Greg Bettwy led a panel discussion that highlighted work with Chinese officials, merchandising, habitat restoration, and the current timeline for pandas returning to the National Zoo. Panelists included Brandie Smith, John and Adrienne Mars Director of Smithsonian’s National Zoo and Conservation Biology Institute; Carol LeBlanc, President of Smithsonian Enterprises; and Derek Ross, Director of the Office of Planning, Design, and Construction.

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.

EXECUTIVE SESSION: CRISIS RESPONSE

**Executive Session: The
Board of Regents’ Role
in Crisis Response**

The Board moved directly into an executive session with the Secretary and invited guests to discuss the role of the Board in the Institution’s crisis response plan, including safeguarding the Smithsonian’s reputation, maintaining operations, preserving stakeholder confidence, and fulfilling the ethical responsibilities of the Board.

U.S. SEMIQUINCENTENNIAL

The Chancellor called the open session to order at 1:15 p.m.

Raising the Smithsonian's National Profile: America250

The Board was briefed on the Smithsonian's evolving plans for the 250th anniversary of the United States' founding in 2026. The Smithsonian will invite the American public to explore the best of Smithsonian's collections, content, and programming. The Smithsonian will serve as a host to the Nation during the yearlong celebration in Washington, D.C. through activities on the National Mall, and will also further commit to working with communities, organizations, and individuals and ensuring that the Institution reaches every corner of the United States through regional collaborations, digital offerings, and a national communications effort. Secretary Bunch also informed the Board that the Smithsonian is exploring new technologies and partnerships to commemorate the occasion.

America250 Programming and Events

The Secretary then asked Under Secretary for Museums and Culture Kevin Gover, Head of Digital Transformation Becky Kobberod, and Deputy Under Secretary for Special Projects Lisa Sasaki to highlight programming and events, timeline, and metrics related to the America250 celebration. The Board received updates on activities that are being organized on the Mall including an expanded 2026 Smithsonian Folklife Festival; opening the Smithsonian Institution Building ("The Castle") and Arts and Industries Building to the public for related programming; and museum and unit-specific activities. The Institution also will connect with audiences across the Nation through the Smithsonian's regional collaborative network. Enhanced digital and media offerings will support engagement of students, families, and individuals unable to come to the Nation's capital during 2026. In September 2024, the Smithsonian will launch its first America250 program, the Democracy in Dialogue Virtual Exchange, which will encourage youth audiences across regions to engage in their local history and culture and develop a deeper understanding of communities across the nation.

Additional Withdrawal from the Central Trust Unrestricted Quasi- Endowment

To conclude, Chair of the Finance Committee Frank Raines presented one action item for the Board's consideration: a proposal to increase the withdrawal from \$30 million to \$60 million from the unrestricted Central Trust quasi-endowment to fund America250 programming and initiatives and invest in the Smithsonian's future. The additional funding will support four key areas: (1) celebrating the United States' history on the National Mall; (2) leveraging technology to create a better audience experience; (3) reimagining the K-12 education platform and developing STEAM curriculum for the next generation of learners; and (4) piloting new revenue-generating models. Upon motion duly made and seconded, the Board approved the recommended withdrawal from the unrestricted endowment.

See attached Actions 2024.06.06 (*Minutes of the Board of Regents, Appendix A*).

EXECUTIVE SESSIONS

**Executive Session:
Regents and Secretary**

The Board moved into an executive session with the Secretary at approximately 2:10 p.m. to discuss confidential business and personnel matters, including an update on 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 search for four citizen Regents to fill the vacancies of members of the Smithsonian Board of Regents whose terms expire in 2026.

**Executive Session:
"Gatekeeper" Reports**

The Board concluded the June 10, 2024, meeting with an opportunity to hear from each of the Smithsonian's Gatekeepers, including the Secretary, Deputy Secretary and Chief Operating Officer, Under Secretary for Finance and Administration and Chief Financial Officer, Chief Legal Officer, and Inspector General.

ADJOURNMENT

Adjournment

There being no further business to discuss, the meeting adjourned at approximately 2:28 p.m.

Respectfully submitted,

Lonnie G. Bunch, III
Secretary

APPENDIX A: ACTIONS OF THE JUNE 10, 2024, MEETING OF THE BOARD OF REGENTS

VOTED that the Board of Regents adopts the Consent Agenda, which constitutes the approval of all action items listed therein. [2024.06.01]

VOTED that the Board of Regents expresses its profound appreciation to the memory of Nancy E. Gwinn, Director Emerita of Smithsonian Institution Libraries, an esteemed colleague, scholar, and true friend of the Smithsonian Institution, and extends its heartfelt sympathies to her husband John Cole and extended family.

VOTED that the Board of Regents approves the minutes of the April 8, 2024, meeting of the Board of Regents.

VOTED that the Board of Regents approves the proposed amendments to the Governance and Nominating Committee Charter.

VOTED that the Board of Regents approves the proposed amendments to the Compensation and Human Resources Committee Charter.

VOTED that the Board of Regents approves the proposed slate of candidates for appointment or reappointment to 11 Smithsonian Institution Advisory Boards.

VOTED that the Board of Regents approves the proposed amendments to the bylaws of the National Air and Space Museum Advisory Board.

VOTED that the Board of Regents recognizes the generosity of Anne B. Keiser to the Smithsonian Science Education Center and names the Smithsonian Science Education Center director position the Douglas M. Lapp and Anne B. Keiser Director of the Smithsonian Science Education Center for five years.

VOTED that the Board of Regents approves the updated name of the *U.S. National Science Foundation Discovering Our Universe Gallery* from the date of Regents' approval of the name change until the 10th anniversary of the reopening of the hall to the public.

VOTED that the Board of Regents creates a quasi-endowment for the benefit of the Office of the Under Secretary for Education to support providing paid internship experiences in all SI units. Further, the Board of Regents authorizes the transfer of the funds identified for this purpose.

VOTED that the Board of Regents approves the proposed amendments to §5.06 and §5.09 of the Bylaws of the Board of Regents. [2024.06.02]

VOTED that the Board of Regents approves the fiscal year 2026 federal budget priorities proposed by the Secretary. [2024.06.03]

VOTED that the Board of Regents approves a 5 percent payout from the Smithsonian endowment in fiscal year 2025 to support programmatic and administrative activity. The Board further approves up to 0.5 percent payout from the Smithsonian endowment in fiscal year 2025 to support advancement activity. The payout shall be calculated based on the trailing 20-quarter average market value of the Smithsonian Endowment Fund. [2024.06.04]

VOTED that the Board of Regents approves the adoption of the proposed Campaign dollar goal as presented by the Secretary and recommended by the Advancement Committee, to be publicly announced during the Campaign Launch on September 13, 2024. Any material changes to the core components of the national campaign shall be made only with the approval of the Board of Regents or its Executive Committee, either of which may, in doing so, seek the guidance of the Advancement Committee. [2024.06.05]

VOTED that, whereas the Board of Regents previously approved a withdrawal not to exceed \$30.0 million from the Smithsonian's unrestricted Central Trust endowment over five years to fund certain Secretarial priorities, the Board of Regents further approves withdrawal of an additional not to exceed \$30.0 million from the Smithsonian's unrestricted Central Trust endowment over five years to fund initiatives related to celebrating the Nation's 250th anniversary, including activities on the mall and around the nation in 2026, leveraging technology to create a better audience experience, reaching the next generation of learners in every classroom in America, and testing new revenue generating models. [2024.06.06]