

MINUTES OF THE JANUARY 10, 2013, MORNING EXECUTIVE COMMITTEE MEETING

The Executive Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution met on January 10, 2013, at the Supreme Court Building in Washington, D.C. Participating were Chancellor John G. Roberts, Jr.; Executive Committee and Board Chair France A. Córdova; Vice Chair Patricia Q. Stonesifer; and Committee member Shirley Ann Jackson.

Also present by invitation of the Committee were Secretary G. Wayne Clough; Counselor to the Chief Justice Jeffrey Minear; Chief of Staff to the Secretary Patricia Bartlett; Chief of Staff to the Regents John K. Lapiana; and General Counsel Judith Leonard.

Dr. Córdova called the meeting to order at 11:30 a.m.

AGENDA REVIEW

Dr. Córdova thanked the Chancellor for hosting the meeting and outlined the agenda for the morning, which consisted primarily of a review of the proposed topics on the January 28, 2013, Regents’ meeting agenda. Before doing so, she noted that the meeting with the Chancellor would be Ms. Stonesifer’s last as vice chair. Dr. Cordova expressed the Committee’s and her personal appreciation for Ms. Stonesifer’s contributions and guidance over the past year.

Regents’ Dinner. Before turning to the business meeting agenda, Dr. Córdova noted that the Governance and Nominating Committee concurred with a suggestion to designate one Board dinner annually as Regents-only (no staff or guests). She said that these dinners would be structured to provide Regents with an informal venue for confidential discussions and an opportunity to strengthen collegiality. Regent Steve Case offered to host the first dinner.

Morning Executive Session. The first item on the Monday business morning agenda will be an executive session, said Dr. Córdova. During this session, the Regents will provide feedback on whether the dinner format met expectations and then discuss the fiscal year (FY) 2012 performance reviews of the three direct reports to the Board: the Secretary, the General Counsel, and the Chief of Staff to the Regents.

“Seriously Amazing”. Following the executive session will be a “Seriously Amazing” presentation by Dr. Yves Basset, an entomologist at the Smithsonian Tropical Research Institute. Dr. Basset is leading a team whose research is providing an unprecedented level of detail regarding the diversity and distribution of insect, arachnids, and crustaceans from the soil to the canopy in the rainforests of Panama. The findings of this study were published in the journal *Science* and were a subject of an in-depth presentation on National Public Radio.

Report of the Board and Executive Committee Chair, and the Report of the Secretary. Dr. Córdova said that the Executive Committee report will focus first on the results of the fiscal year 2012 Regents’ performance self-assessment. She said that, as of this meeting, all but one

Regent has responded to the survey. She pointed out for the Committee the areas where Regent satisfaction deviated (positively or negatively) from the FY 2011 results. [NOTE: At the January 28, 2013, meeting, this discussion was conducted in executive session.]

The Executive Committee will also present two motions for Board action. The first will honor Senator Daniel Inouye, who died last month. Senator Inouye and his wife Irene Hirano have been longtime friends of the Smithsonian. The Committee will also ask the Board to express its appreciation for former Congressional Regent Steve LaTourette, whose term as a congressional Regent expired. Dr. Cordova noted that although Mr. LaTourette was a Regent for only two years, he made substantial contributions to the Board's deliberations, especially with regard to the Federal budget and navigating Congress.

Report of the Secretary. Dr. Córdoba said that the Secretary would provide an overview of his report during the informal working lunch following the meeting.

Financial Dashboard and Finance Committee Report. Al Horvath, the Under Secretary for Finance and Administration and Chief Financial Officer, will present the new financial dashboard. Dr. Córdoba noted that Mr. Horvath is still refining the format, particularly the "status" indicators. Following Mr. Horvath's presentation, Finance Committee Chair David Rubenstein will present a very brief committee report primarily consisting of an update on the Federal budget situation. Dr. Córdoba said that the Smithsonian had hoped for more clarity on the Federal budget and be in a position, as it has every January, to ask the Regents to approve the Office of Management and Budget (OMB's) passback for inclusion in the President's FY 2014 budget submission. However, because the budget climate remains very unclear, OMB has suspended the passback process for the time being. [NOTE: The passback was presented to the Smithsonian on January 28, 2013, and the Secretary provided a brief synopsis of it to the Board in executive session.]

Investment Committee Report. Committee Vice Chair Steve Case will present the Investment Committee report as Committee Chair David Silfen will be unable to participate in the Board meeting. He will note that the Endowment ended FY 2012 with assets of \$1.07 billion and, as of December 1, 2012, stood at \$1.076 billion.

Advancement Committee Report. Regent Emeritus and Advancement Committee Chair Alan Spoon will present the annual campaign overview, which will focus on the operational aspects of the campaign, such as its budget, staffing levels, and other performance metrics. The report will also focus on fundraising progress at the individual unit level. Dr. Córdoba noted that the Advancement Committee will meet on January 14, 2013, to consider recommending gift actions to the full Board.

Audit and Review Committee Report. Committee Chair John McCarter will then report on the deliberations of the January 19, 2013, Audit and Review Committee meeting. On that committee's recommendation, the Regents will be asked to appoint an external auditor for the FY 2013 financial statement audit. Mr. McCarter and Mr. Horvath are expected to update the

Board on efforts to improve cash management at the Smithsonian in light of the theft of parking fees by a contractor's employees at the National Air and Space Museum's Steven F. Udvar-Hazy Center.

Working Lunch. At lunch, Regents and invited guests will focus on the American Experience Grand Challenge and will learn about some of the collaborative work and products related to the Civil War. Eleanor Harvey will discuss the new exhibition at the Smithsonian American Art Museum on the Civil War and American Art and Nancy Bercau will discuss the National Museum of African American History and Culture's new exhibition on issuance of the Emancipation Proclamation in 1863 and, 100 years later, the March on Washington.

Strategic Planning and Programs Committee Report. Committee Chair Dr. Jackson will provide the Strategic Planning and Programs Committee report. That committee is scheduled to meet on January 16, 2013. At that meeting, the committee will consider the Secretary's recommendation that the strategic plan current end-date — 2015 — be recalibrated to match that of the national campaign —2017. The Committee will also be briefed on the status of a proposed memorandum of understanding between the U.S. Patent and Trademark Office and the Smithsonian to establish a programming partnership for the Arts and Industries Building. [NOTE: The agreement was publically announced on January 16, 2013.] Finally, Dr. Córdoba said the committee plans to consider changing the name of the National Science Resource Center to the Smithsonian Science Education Center.

Governance and Nominating Committee Report. Dr. Córdoba said that committee chair Roger Sant will present proposed appointments and reappointments to the various Smithsonian advisory boards and proposed amendments to the bylaws of the National Museum of American History advisory board.

Every January, she added, the Governance and Nominating Committee recommends appointments to the Regent committees. She directed the Executive Committee's attention to the proposed assignments contained in the meeting materials. She explained that the recommendations reflected the Board's practice that that each Citizen Regent be assigned to three committees and each Congressional Regent be assigned to two, and that each Citizen Regent be asked to chair one committee, as needed. She observed that while there is some shuffling among the members, no changes in committee chairmanships were recommended. Mr. Sant's report will conclude with an update on the search for candidates to replace him and Ms. Stonesifer at the end of 2013.

Smithsonian National Board (SNB) Report. Sako Fisher will then provide her first report as the new SNB chair. Her report will reflect the upcoming meeting of the SNB on January 24–26, 2013.

Research Report. Dr. Córdoba said that she asked Under Secretary for Science Eva Pell and Under Secretary for History, Art, and Culture Richard Kurin to provide the Board a more substantive look at how the Smithsonian assesses the quality and impact of research.

Report of the General Counsel and the Office of Government Relations. Dr. Córdoba noted that the reports of the Office of Government Relations and the General Counsel will conclude the meeting's regular session.

Executive Sessions. During the afternoon executive sessions, Dr. Córdoba said, the Board will consider the report of the Compensation and Human Resources Committee. She said that on January 14, 2013, that committee will make compensation recommendations to the Board for 14 senior staff positions, including the Secretary. Those recommendations will be considered by the Board on January 28. The meeting will then conclude with a regular executive session for the "gatekeepers" (Under Secretary for Finance and Administration, General Counsel, and Inspector General) to raise issue that they consider appropriate for Regent discussion or information.

With no other business to consider, the meeting was adjourned at approximately 12:10 p.m., with the Chancellor, Committee members, and the Secretary convening for an informal lunch discussion.

Respectfully submitted,

France A. Córdoba
Chair