

MINUTES OF THE MARCH 11, 2013, EXECUTIVE COMMITTEE MEETING

The Executive Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution met on March 11, 2013, beginning at 11:00 a.m. Participating were Executive Committee and Board Chair France A. Córdova, Vice Chair John McCarter, and Committee member Shirley Ann Jackson.

Also present by invitation of the Committee were Secretary G. Wayne Clough, Counselor to the Chief Justice Jeffrey P. Minear, Chief of Staff to the Secretary Patricia L. Bartlett, Under Secretary for Finance and Administration Al Horvath, Director of Communications and External Affairs Evelyn Lieberman, Chief of Staff to the Regents John K. Lapiana, and General Counsel Judith Leonard.

CALL TO ORDER

Dr. Córdova called the meeting to order at approximately 11:00 a.m.

EXECUTIVE SESSION

The Committee began the meeting with an executive session.

INSPECTOR GENERAL REPORTS

Dr. Córdova noted that the Inspector General Scott Dahl circulated an advance copy of the Office of the Inspector General (OIG) report on senior executive travel, entitled “The Smithsonian Institution Should Strengthen Travel Related Policies and Procedures,” to the Board on March 8, 2013. She said that Mr. Dahl next would forward the report to the staff of the Smithsonian’s Congressional oversight committees. The report is expected to be posted on the OIG website on March 12, 2013.

Mrs. Lieberman outlined a communications response plan in the event of media and stakeholder interest in the report. She said the plan would stress that the audit found no abuse or violations of Smithsonian travel policies and that the Smithsonian “has a strong set of controls concerning senior executive travel.”

The Committee briefly discussed the Inspector General’s management advisory on personal computer encryption. Because the advisory was issued on March 4, 2013, Mr. Horvath and Mrs. Lieberman both agreed that a more comprehensive response would be provided to the Board after staff finish reviewing the advisory and its recommendations.

APPROVAL OF THE FISCAL YEAR 2014 BUDGET SUBMISSION

The first action item of the meeting was the fiscal year (FY) 2014 Federal budget submission as part of the overall President’s Budget to Congress. Dr. Córdova noted that this year’s Federal

budget process has been much more unpredictable than those of previous years. The full Board, she said, usually approves the Smithsonian’s submission—based on the Office of Management and Budget’s (OMB) passback and settlement—at its January meeting in anticipation of the President’s Budget being presented to Congress in early to mid-February. Whereas passbacks are usually received the prior November, this year’s passback was not received until the day of the January 28, 2013, Regents’ meeting. Dr. Córdoba added that the Smithsonian does not expect that the President’s budget will be presented until sometime in April.

Despite that uncertainty, said Dr. Córdoba, staff recommended that the Executive Committee act on the proposed submission at this time, so that the Smithsonian will be ready when the President decides to act. She noted that Finance Committee Chair David Rubenstein concurred with this approach.

Mr. Horvath explained that the OMB settlement for the Smithsonian consisted of the following:

Category	FY 2014 Settlement in \$ millions
Salaries and Expenses (S&E)	711
Facilities Capital (base)	103
TOTAL	814
Facilities Capital (NMAAHC)	55
GRAND TOTAL	869

Mr. Horvath noted that the settlement amount was approximately \$100 million more than the appropriations that the Smithsonian will receive in FY 2013 under the sequester. The settlement contains significant S&E increases from FY 2013 for STEM educational outreach (\$25 million); ramp-up operations for the National Museum of African American History and Culture (NMAAHC) (\$8.8 million); an anticipated 1 percent pay raise (\$4.9 million); and rent and utilities (\$4.9 million). For Facilities Capital, the settlement includes funding for revitalization projects at the National Museum of Natural History (\$17.7 million); National Zoo (\$15 million); National Museum of American History (\$24.2 million); and the Renwick Gallery (\$8 million). The Committee requested further information on the impact of the proposed STEM education appropriation, which, Secretary Clough indicated, represents a redirection of existing outreach funds from other Federal agencies.

Following further discussion, the Committee approved the following motion:

VOTED that the Executive Committee, on behalf of the Board of Regents pursuant to Bylaw 3.01, authorizes the Secretary to submit to Congress a Federal budget request for appropriated funds for fiscal year 2014 as part of the President's budget in the amount negotiated with the Office of Management and Budget (OMB), and authorizes the Secretary to inform OMB and Congress fully about the implications of the President's budget for the mission and priorities of the Smithsonian.

CAMPUS MASTER PLANNING AD HOC COMMITTEE

Dr. Córdoba reminded the Committee that, at the suggestion of the Facilities Committee and with the endorsement of the Governance and Nominating Committee, it had been asked to consider the establishment of an ad hoc committee that would provide guidance and oversight for the campus master planning effort.

Dr. Córdoba reported that Robert Kogod, chair of the Facilities Committee, agreed to serve as chair of the committee, and that she, Paul Neely, and George Hartman, also agreed to serve as the initial members of the group.

Accordingly, the Committee approved the following motion:

VOTED that the Executive Committee approves the establishment of an ad hoc committee to provide guidance and oversight for the development and implementation of a Smithsonian campus master plan, and further appoints Robert P. Kogod as chair of the committee and France A. Córdoba, Paul Neely, and George Hartman as members, effective immediately.

SECRETARY'S UPDATES

FY 2013 Federal Budget. Dr. Clough updated the Committee on the status of the FY 2013 continuing resolution, which will expire on March 27, 2013. [**NOTE:** A continuing resolution funding the Federal government at FY 2012 levels, before the application of sequestration, was passed by Congress on March 21, 2013.]

National Museum of the American Latino. Dr. Clough noted that Representative Xavier Becerra and Senator Robert Menendez will be reintroducing legislation to establish a National Museum of the American Latino. The proposed bill will closely track that previously introduced in 2010. [**NOTE:** The proposed legislation was introduced in both the House of Representatives and the Senate on March 14, 2013.] Dr. Clough noted that the bill will not contain any funding for the project, but will direct the Board of Regents to conduct a feasibility study for the operations of the museum and the location of it in (and underneath) the Arts and Industries Building.

National Museum of African American History and Culture. Dr. Clough noted that he briefed the NMAAHC advisory council on the risks to the building's construction schedule and contingency due to water table issues. He added that fundraising momentum continues to

accelerate.

PRELIMINARY REVIEW OF APRIL 29, 2013, REGENTS' MEETING AGENDA

The Committee reviewed the initial draft agenda for the April 29, 2013, Regents' meeting. Dr. Córdova highlighted proposed changes to the structural rhythm of this and future meetings. First, she noted, the morning will be devoted primarily to the routine board business of the Board—the reports of the Secretary and Regent committees. The afternoon, in contrast, will be designed to focus on more long-term strategic issues, as well as support an executive session led by the Chancellor.

The Committee requested an in-depth update on education and access be prepared for the June 24, 2013, Regents' meeting. In addition, Dr. Córdova also suggested that a presentation be developed on how the Smithsonian communicates the quality and breadth of its research and scholarship.

ADJOURNMENT

The meeting was adjourned at approximately 12:05 p.m.

Respectfully submitted,

France A. Córdova
Chair