

MINUTES OF THE APRIL 21, 2014, EXECUTIVE COMMITTEE MEETING

The Executive Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution met on April 21, 2014. Participating were Executive Committee and Board Chair John W. McCarter, Jr.; Vice Chair Shirley Ann Jackson; and Committee member David Rubenstein.

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 Bartlett; Director of Advancement Ginny Clark; Under Secretary for Finance and Administration and Chief Financial Officer Al Horvath; General Counsel Judith Leonard; and Chief of Staff to the Regents Porter N. Wilkinson.

CALL TO ORDER

Mr. McCarter called the meeting to order at approximately 11:00 a.m.

REPORT OF THE SECRETARY

Dr. Clough began his update by commenting on the successful arrival of “the Nation’s *T. Rex*” at the National Museum of Natural History.

Dr. Clough also reported that Ross Erwin from the National Air and Space Museum won the Presidential Early Career Award for Scientists and Engineers. He is the fourth person at the Smithsonian to receive that award.

Dr. Clough briefed the Committee on his trip to the Smithsonian’s Carrie Bow Cay Field Station, located on a small island off the coast of Belize. Hundreds of scientists use the station to study the biology, ecology, and geology of the complex coral reef systems surrounding the island.

Dr. Clough concluded his report with an update on the search for a new director of the Hirshhorn Museum and Sculpture Garden, the resignation of Tom Emerick as director of Smithsonian Science Education Center, the partnership with EdX and Great Courses, and several legislative developments that could potentially affect the Smithsonian.

STRATEGIC FACILITIES INVESTMENT

Because the National Museum of African American History and Culture is now fully funded on the Federal side, the Committee considered convening a focus group to review the Smithsonian’s strategy for infrastructure investment in fiscal year 2015 and beyond in order to maintain the vibrancy and relevance of the Smithsonian Institution.

The Committee recommended the creation of a focus group comprised of Board and Executive Committee Chair John McCarter, Board and Executive Committee Vice Chair Shirley Ann

Jackson, Facilities Committee Chair Robert Kogod, and Finance Committee Chair David Rubenstein. The focus group will meet with Smithsonian leadership in late May or early June 2014, and plan to report to the full Board at the June 23, 2014, Regents' meeting.

NAMING POLICY

In January 2014, the Board of Regents requested that the Advancement Committee review the Smithsonian's naming policy for facilities and consider whether the policy can be better stated and communicated, and whether it can better reflect possible concerns about perpetual namings when Federal funds also may have supported construction of a facility.

Ms. Clark updated the Committee on the Advancement Committee's discussions. She briefed the Executive Committee on the Smithsonian's naming policy and the history of exceptions granted since the policy came in effect, as well as provided a breakdown of public and private funding supporting current facilities projects.

Ms. Clark also explained that the Smithsonian has not been consistent in how it recognizes public support for facilities and stated that it would be beneficial to have standard language for such recognition. The Committee provided input on sample plaques and recommended that the Advancement Committee solicit feedback from additional Regents.

INCENTIVE COMPENSATION

In January 2014, the Board of Regents requested that the Secretary review the incentive programs for the Office of Investments and Smithsonian Enterprises and propose changes to the programs for the 2014 performance year.

Mr. Horvath informed the Committee that PricewaterhouseCoopers ("PwC") is reviewing Smithsonian Enterprises' incentive plan to ensure it has appropriate metrics and targets. PwC's analysis will also consider market data and the regulatory environment.

Mr. Horvath further reported that the Secretary is reviewing market data and the structural components of the incentive plan for the Office of Investments with assistance from PwC and independent investment advisor Cambridge Associates.

The Secretary will present his final proposal on both plans to the Compensation and Human Resources Committee on May 14, 2014.

COMMITTEE STRUCTURE

The Executive Committee discussed the relationship between the Executive and Governance and Nominating committees, and decided it would be valuable for the Chair of the Board to attend Governance and Nominating Committee meetings as a non-voting, *ex-officio* member consistent with Regent Bylaw 5.02.

TECHNOLOGY

The Committee also discussed how the Board of Regents could better incorporate technology and innovation into its oversight structure. Instead of creating a new committee, the Executive Committee agreed that the Regents could rename the Strategic Planning and Programs Committee and add technology oversight to the list of responsibilities in its charter. Accordingly, the Committee recommended that the Strategic Planning and Programs Committee review its charter and present proposed revisions to the Governance and Nominating Committee for approval and referral to the full Board.

EXECUTIVE SESSION

The Regents entered executive session to discuss the proposed nominee to succeed France Córdoba on the Board of Regents.

The meeting was adjourned at approximately 12:30 p.m.

Respectfully submitted,

John W. McCarter, Jr.
Chair