

MINUTES OF THE OCTOBER 2, 2013, MORNING EXECUTIVE COMMITTEE MEETING

The Executive Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution met on October 2, 2013, at the United States Supreme Court in Washington, D.C. Participating were Chancellor John G. Roberts, Jr.; 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 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 11:35 a.m.

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 October 21, 2013, Regents’ meeting agenda. In the event that the Federal government is still shutdown on that date, she said, the plans currently call for the meeting to be held in a manner consistent with the criteria allowing the conduct of governance operations during the shutdown.

EXECUTIVE SESSION

The Committee went into executive session for a report by Mr. McCarter on the current status of the search for the thirteenth Secretary of the Smithsonian.

AGENDA REVIEW

Regents’ Dinner. Before turning to the business meeting agenda, Dr. Córdova noted Regent Robert Kogod and his wife, Arlene Kogod, will host the Regents pre-meeting dinner at their home. She said that the Regents will honor two departing Regents — Roger Sant and Patty Stonesifer — at both the dinner and the meeting, the following day.

Morning Executive Session. The first item on the Monday morning business agenda will be an executive session, said Dr. Córdova. During this session, Mr. McCarter will update the Board on the status of the Secretary search committee’s work. Following Mr. McCarter’s report, Dr. Clough will brief the Board on the status of the construction of the National Museum of African American History and Culture. Dr. Clough briefly noted that budget and schedule challenges have arisen and the U.S. Commission on Fine Arts has strongly disagreed with a major design element of the building.

Report of the Board and Executive Committee Chair, and the Report of the Secretary.

Following the executive session will be the Report of the Chair of the Board and the Executive Committee. Dr. Córdova noted that her report would begin with a brief overview of the meeting. She will also highlight that the agenda proposes the nomination by the Board of two

new Regent candidates, as well as advance deliberations on a third candidate for presentation at the Board January 2014 meeting.

Dr. Córdoba said she would then highlight actions taken by the Executive committee on behalf of the Board since the June 2013 Regents' meeting, the most significant of which was approval of the fiscal year 2015 budget submission to the Office of Management and Budget. Next, she will preview two important efforts in which input will be solicited from all Regents: the Secretary's performance appraisal for fiscal year 2013 and the annual Regents self-assessment. Her report will conclude with motions to designate Patty Stonesifer and Roger Sant as Regent Emeriti and to honor Lindy Boggs, the first female Regent, who died on July 27, 2013.

Financial Dashboard and Finance Committee Report. Dr. Córdoba said that Al Horvath, the Under Secretary for Finance and Administration and Chief Financial Officer, will then present the financial dashboard that will reflect the state of Smithsonian finances at the end of fiscal year 2013. Following Mr. Horvath's presentation, Finance Committee Chair David Rubenstein will recommend that the Board approve the fiscal year 2014 Federal and Trust budgets. Mr. Rubenstein will also note for the Board that the Finance Committee approved the creation of an internal fund that would allow the Smithsonian to make equity investments in companies that would both create new revenue streams and advance the mission of the Smithsonian. He also will note that the Committee approved a \$1.7 million investment in E-Line, a company that develops educational games. Dr. Córdoba added that both Mr. Rubenstein and Mr. Horvath will also discuss the status of the Federal budget environment and planning for the continuation of sequestration in fiscal year 2014.

Investment Committee Report. Committee Chair David Silfen will present the Investment Committee report. Among other things, he will note that, as of August 31, 2013, the Endowment's assets stood at \$1.154 billion.

Advancement Committee Report. Regent Emeritus and Advancement Committee Chair Alan Spoon will provide an update on planning for the launch of the national campaign, and present seven gift agreements — five of which support the Renwick Gallery renovation — for approval.

Compensation and Human Resources Committee Report. Committee Chair Patty Stonesifer will then report on the deliberations of the September 9, 2013, Compensation and Human Resources Committee meeting. At that meeting, the committee launched the next executive compensation cycle and began a more intense focus on diversity at the Smithsonian. Dr. Córdoba said that Ms. Stonesifer and Dr. Clough will discuss the committee's initial observations and priorities at the full Board meeting.

Audit and Review Committee Report. Committee Chair John McCarter will then report on the deliberations of the August 1 and October 10, 2013, Audit and Review Committee meetings. Mr. McCarter said that the report will primarily focus on the submission of the Smithsonian's IRS Form 990 for fiscal year 2012 and updates on Inspector General audits and investigations of particular interest to the Board.

Facilities Committee Report. Dr. Córdova said that Committee Chair Robert Kogod will present the Report of the Facilities Committee, focusing focus primarily on the Campus Master Planning initiative. That initiative is looking to improve the visitor experience for the Smithsonian’s South Mall Campus, bounded by the Hirshhorn Museum and Sculpture Garden on the east and the Freer and Sackler Galleries on the west.

Strategic Planning and Programs Committee Report. Committee Chair Dr. Shirley Ann Jackson will provide the Strategic Planning and Programs Committee report. Dr. Córdova noted that at its September 26, 2013, meeting, the Committee provided guidance on Secretary’s request to extend the strategic plan, and that the full Board will be asked to approve the extension at the October 21 meeting. The committee will also recommend that the Board approve a name change for Cooper-Hewitt, National Design Museum to Cooper Hewitt, Smithsonian Design Museum.

Report of the Office of Government Relations. Director of the Office of Government relations Nell will entertain questions on her report contained in the meeting materials.

Working Lunch. At each meeting, Dr. Córdova noted, the Regents’ ask the Under Secretaries to help them focus on a specific Grand Challenge under the strategic plan. Over lunch, she said, Under Secretary for History, Art, and Culture Richard Kurin will be joined by National Museum of African Art Director Johnnetta Cole and Freer and Sackler Galleries Director Julian Raby to discuss progress under the Grand Challenge “Valuing World Cultures.”

Governance and Nominating Committee Report. Dr. Córdova said the Governance and Nominating Committee will meet on October 17, 2013, to finalize its recommended nominations for candidates to succeed Mr. Sant and Ms. Stonesifer on the Board. Committee Chair Roger Sant will also present its recommendations for Board leadership in 2014: Mr. McCarter as Chair, Dr. Jackson as Vice Chair, and David Rubenstein as the third member of the Executive Committee. Nominees for appointments or reappointments to nine Smithsonian advisory boards and proposed revisions to the Facilities Committee charter will also be presented.

Annual Public Meeting. Dr. Córdova said that the annual public meeting will focus on the search for the new Secretary. All Regents will be invited to participate.

Report of the Secretary. Dr. Clough provided an overview of his anticipated Report of the Secretary. He said he would highlight a recent outreach effort in San Francisco led by Smithsonian National Board Chair Sako Fisher; the opening of the William H. Gross Stamp Gallery at the National Postal Museum; the impact of the Federal shutdown on the Smithsonian; fiscal year 2013 fundraising results (\$217 million against a \$220 million stretch goal); and new exhibitions.

With no other business to consider, the meeting was adjourned at approximately 12:25 p.m.,

with the Chancellor, Committee members, and the Secretary convening for an informal lunch discussion.

Respectfully submitted,

France A. Córdova
Chair