

## MINUTES OF THE MAY 23, 2012, GOVERNANCE AND NOMINATING COMMITTEE MEETING

The Governance and Nominating Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution met on May 23, 2012, in the Smithsonian Institution Building in Washington, D.C. Participating were Committee Chair Roger W. Sant and members Steve Case, Robert P. Kogod, and Senator Patrick Leahy.

Present by invitation of the Committee were Secretary G. Wayne Clough; Chief of Staff to the Regents John K. Lapiana; General Counsel Judith Leonard; Liaison to Senator Leahy Kevin McDonald; and Director of Government Relations Nell Payne.

### CALL TO ORDER

Mr. Sant called the meeting to order at 3:00 p.m.

Mr. Sant welcomed members and noted that the Committee’s primary goal was to recommend a path for the full Board to fill the vacancy created by Alan Spoon’s retirement. In addition, the Committee would continue to discuss two other key issues: the policy on corporate board service by senior executives and that for Regent travel reimbursement.

### APPROVAL OF THE MINUTES OF THE APRIL 17, 2012, MEETING

The Committee approved, without comment, the draft minutes of its April 17, 2012, meeting.

### APPOINTMENTS TO SMITHSONIAN ADVISORY BOARDS

***Asian Pacific American Program (APAP).*** Mr. Sant noted that the Secretary has requested that the Committee recommend the establishment of, and bylaws for, an advisory board for the Asian Pacific American Program. He added that this request follows the recent, and successful, launches of advisory boards for the Smithsonian Astrophysical Observatory, the Smithsonian Tropical Research Institute, and the Smithsonian Institution Traveling Exhibition Service. After a brief discussion, the Committee approved the following motion:

**VOTED** that the Governance and Nominating Committee recommends the approval by the Board of Regents of the establishment of an advisory board for the Asian Pacific American Program and the proposed bylaws.

***Appointments.*** The Committee then reviewed proposed appointments and reappointments to various Smithsonian advisory boards. Mr. Sant explained that each candidate presented enjoys the support of the respective unit advisory board, the unit director, the Under Secretary with oversight responsibility, the Office of Advancement, and the Secretary. He also pointed out

that Representative Doris O. Matsui, a former Regent, was proposed as a founding member of the APAP advisory board.

Following brief discussion, the Committee approved the following motion:

**VOTED** that the Governance and Nominating Committee recommends the appointment or reappointment by the Board of Regents of the proposed slate of candidates to four Smithsonian advisory boards.

## **EXECUTIVE SESSION**

The Committee went into executive session to discuss potential Regent candidates to fill the vacancy created by Alan Spoon's retirement.

## **SPECIAL EVENTS POLICY**

The meeting returned to regular session with a discussion on possible changes to the Smithsonian special events policy. Mr. Sant explained that the Committee was doing so at the request of the Executive Committee. In April 2012, he said, the Facilities Committee conducted a similar review of the proposal and made comments that are reflected in the current draft.

The Secretary explained that the proposed changes primarily would allow individuals to hold personal events and third-party, not-for-profits to hold fundraising events in Smithsonian facilities. He outlined the current policy, which prohibits both, and stressed that any changes would be implemented as a pilot program for three years. The prohibition against product placement and partisan political events in Smithsonian faculties would continue. The change in policy, the Secretary predicted, would generate needed unrestricted funds for individual Smithsonian units, as well as help underwrite improvements to, and programming in, the Arts and Industries Building. He said that unit directors were in large part supportive of the changes. Some were concerned, however, that the Smithsonian would be unable to exclude non-profit organizations whose missions were inconsistent with that of the Smithsonian.

Members, the Secretary, Ms. Leonard, and Ms. Payne discussed various hypothetical situations that could arise with the application of the proposed changes. Mr. Case noted that the changes could present the Smithsonian with opportunities to create new audiences and strategic relationships with potential benefactors and commercial partners. He added that the proposal appeared to be drafted to maximize benefits while minimizing the risks to the Smithsonian. Ms. Payne suggested that the Committee task her with alerting the relevant congressional committee staff about the proposed changes. The Committee and the Secretary strongly concurred.

Mr. Sant confirmed that the Committee was generally supportive of the proposed changes and indicated he would relay members' comments to the Executive Committee and the full Board for further deliberations.

## **CORPORATE BOARD SERVICE**

Mr. Sant noted that the Board requested the Committee continue deliberations on whether to relax the prohibition on corporate board service by senior executives. He reminded the Committee that the prohibition was implemented as part of the Regents' governance reform agenda in 2007, and designed to avoid even the appearance of a conflict of commitment or of interest by senior executives.

For a variety of reasons, Mr. Sant said, the Committee, the Executive Committee, and the Compensation and Human Resources Committee have observed that the prohibition may place the Smithsonian at a competitive disadvantage in recruiting and retaining senior executives. Mr. Sant emphasized that consideration by the Committee at this time was not predicated on any particular candidate or senior executive, but instead with an eye toward future recruitments or retention situations.

Ms. Payne reported that she had conducted outreach to key congressional staff members, all of whom were unsupportive of any changes at this time. Among other things, she said that many saw the issue of recruitment and retention of executives at below-market salaries was not unique to the Smithsonian, and that public service at the Smithsonian was an honor and needed no supplementary opportunities for additional outside compensation.

The Committee determined that, since there is no immediate need for action and to allow for further consideration of comments by congressional staff members, the issue will be further deliberated at a future meeting.

## **EXECUTIVE SESSION**

The Committee then conducted an executive session to discuss changes to the Regent travel reimbursement policy.

The meeting was adjourned at approximately 4:10 p.m.

Respectfully submitted,

Roger W. Sant  
Chair