

## MINUTES OF THE AUGUST 23, 2010, EXECUTIVE COMMITTEE MEETING

The Executive Committee (“the Committee”) of the Smithsonian Board of Regents conducted a telephone meeting on August 23, 2010, beginning at 4:15 p.m. to consider the approval of the fiscal year 2012 Federal budget submissions to the Office of Management and Budget (OMB). In attendance were Board Chair Patricia Q. Stonesifer, Vice Chair Alan G. Spoon, and Committee member Robert P. Kogod. Also present by invitation of the Committee were Counselor to the Chief Justice Jeffrey P. Minear and Chief of Staff to the Regents John K. Lapiana.

Ms. Stonesifer called the meeting to order.

### APPROVAL OF THE FISCAL YEAR 2012 FEDERAL BUDGET SUBMISSIONS

Ms. Stonesifer noted that the Committee was meeting immediately following the consideration of the proposed Federal budget submissions by the Finance Committee. At the Finance Committee meeting, members reviewed both a “Guidance” budget submission based on OMB’s government-wide request that submissions reflect a 9 percent cut from fiscal year 2011 levels, as well as a “[within reason] Requirements” submission. Ms. Stonesifer, Mr. Spoon, and Mr. Kogod participated in the Finance Committee’s budget discussions with the Secretary and key staff. [All Regents and Regent Liaisons were invited to attend the Finance Committee meeting.]

Following its deliberations, the Finance Committee passed the following motion:

**VOTED** that the Finance Committee recommends that the Executive Committee, on behalf of the Board of Regents, approves for presentation to the Office of Management and Budget the proposed Smithsonian fiscal year 2012 budget requests—Requirements and Guidance—subject to the following amendment: that the Requirements request also reflect anticipated savings from the Institution-wide consolidation of information technology services. Any material changes in program plans incorporated into this budget shall be made only with the approval of the Board or the Executive Committee.

Consequently, the Executive Committee considered the Finance Committee’s recommendation and discussed the budget reductions identified to satisfy OMB instructions for a “Guidance” submission. The Committee members expressed concern that a proposed \$19.7 million reduction in maintenance projects and other facilities operations could endanger the recent progress toward addressing chronic maintenance issues. The Committee requested clarification between contemplated cuts designed to defer facility improvements with those that could result in further deterioration of core capital assets and asked the Secretary (or his designee) to brief Mr. Kogod, as chair of the Facilities Committee, on the components of the proposed reduction. Members also acknowledged

the potential impact proposed maintenance cuts could have on the Smithsonian's request to release federal Legacy Funds.

The Committee concurred with the Finance Committee's recommendation that the Requirements submission also contain the savings anticipated from the planned consolidation of Smithsonian information technology services. The savings were reflected in the Guidance submission to mitigate the impact of the proposed 9 percent cut. During the Finance Committee meeting, participating Regents and committee members agreed that if the Smithsonian intends to conduct the consolidation in any event, the anticipated savings should also be reflected in the Requirements submission.

Overall, the Committee concluded that the proposed budget submissions reflected the current critical strategic interests of the Smithsonian and should be approved for submission to the Office of Management and Budget. Accordingly, the following motion was approved:

**VOTED** that the Executive Committee, pursuant to section 3.03 of the Bylaws of the Board of Regents, adopts the recommendation of the Finance Committee and approves for presentation to the Office of Management and Budget the proposed Smithsonian fiscal year 2012 budget requests—Requirements and Guidance—subject to the following amendment and request: that the Requirements request also reflect anticipated savings from the Institution-wide consolidation of information technology services and that any proposed reductions in maintenance projects and other facilities operations be further delineated to the Chair of the Facilities Committee on behalf of the Board. Any material changes in program plans incorporated into this budget shall be made only with the approval of the Board or the Executive Committee.

[A chart reflecting the major components of the requests is attached. Following this Executive Committee meeting, the requests were further refined to include anticipated savings of \$1.2 million from a revised security plan. Because those savings do not rise to the level of a "material change in [the] program plans included" in the requests, further Executive Committee action was not required.]

The meeting concluded at 4:35 p.m.

Respectfully submitted,

Patricia Q. Stonesifer  
Chair