

MINUTES OF THE SEPTEMBER 13, 2010, EXECUTIVE COMMITTEE MEETING

The Executive Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution met on September 13, 2010, beginning at 11:00 a.m. at the Supreme Court in Washington, D.C., to discuss the agenda for the September 20, 2010, meeting of the Board of Regents. In attendance were Chancellor of the Board of Regents John G. Roberts Jr., Chief Justice of the United States; Board Chair Patricia Q. Stonesifer, and Committee member Robert P. Kogod. 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, Chief of Staff to the Regents John K. Lapiana, General Counsel Judith Leonard, and Director of Communications Evelyn Lieberman.

Ms. Stonesifer called the meeting to order and noted that the afternoon session of the meeting will be devoted to the annual public forum. She noted that Ms. Lieberman has been leading the planning of the forum and would brief the Committee following its review of the business agenda.

Donor Recognition Dinner and Activities. Ms. Stonesifer noted that Regents were invited to a donor recognition dinner the evening before the meeting. The dinner is designed to recognize major donors to the Smithsonian over the past two years. Prior to the dinner, the Secretary will lead special seminars for guests on “The Smithsonian’s Role in Haiti — Recovering and Sustaining Cultural Heritage” and “The Gulf Oil Spill and Beyond — How the Smithsonian Can Help Keep the Ocean Healthy.”

Report of the Chair and the Executive Committee. Ms. Stonesifer noted that the meeting will begin with her report of the Chair and the Executive Committee. Since the last full Board meeting in June 2010, the Executive Committee, on behalf of the Board, approved the fiscal year 2012 Federal budget submissions to the Office of Management and Budget. The first submission represented a “requirements budget,” i.e., what funds the Smithsonian needs to do what it is expected to do, and a “guidance budget” that followed OMB’s instructions to plan for a 9 percent cut.

Report of the Secretary. Secretary Clough provided a brief overview of his planned presentation, which will include presentation of the fiscal year 2011 Institutional Goals. He noted that the goals identification process is being streamlined and that the fiscal year 2011 presentation to the Board has improved by over four months from the development and presentation of the fiscal year 2010 goals. Later in the meeting, Secretary Clough added that he would brief the Board on his presentation to the President’s Commission for the Museum of the American Latino in San Francisco, California.

Director’s Report: National Museum of African American History and Culture. Ms. Stonesifer noted that Lonnie Bunch, director of the National Museum of African American History and Culture, will present a detailed overview of the museum’s recent activities, including fund-

raising challenges. Dr. Clough added that the museum has already collected 10,000 objects toward its goal of a 30,000 object collection when the museum opens on the National Mall.

Finance Snapshot. The financial snapshot is an emerging document, Ms. Stonesifer said, and will improve as Regents provide more feedback on its utility. The snapshot will set the foundation for the reports of the Finance, Investment, Advancement, and Audit and Review committees later in the morning.

Report of the Finance Committee. Although the Executive Committee approved the Federal budget submissions, Ms. Stonesifer noted that members of both the Executive and Finance Committees were concerned that the facilities budgets were suffering the most substantial decreases. Both she and Mr. Kogod expressed concern that the decreases endangered progress made over the past few years to bring the facilities and maintenance budgets closer to the Institution's annual needs. Mr. Kogod added he has been assured that if the fiscal year 2012 budget is less than the planned 9 percent, the difference will benefit the facilities budgets. The Committee noted that while it was possible to slow capital projects, cutting maintenance could have long-term repercussions.

Report of the Investment Committee. Roger Sant, vice chair of the Investment Committee, will present a report on the state of the Endowment. In addition, Mr. Sant will ask the Regents to adopt the principles of the Uniform Prudent Management of Investment Funds Act (UPMIFA) to guide the investment and use of Smithsonian Endowment funds. This topic was initially presented at the June 2010 Regents' meeting, but is being presented again to address questions raised at that meeting.

Report of the Advancement Committee. Ms. Stonesifer commended the Advancement Committee and its staff for the progress achieved since its last meeting, adding that leadership has reversed the concern about obstacles between unit and central development cooperation. Dr. Clough and Ms. Stonesifer then briefly reviewed some of the more significant gifts that the Regents would be asked to approve.

Report of the Audit and Review Committee. Ms. Stonesifer also commended the staff on the submission of the IRS Form 990, which was reviewed by the Audit and Review Committee. The submission was the first under new regulations designed to make the finances of non-profits more transparent and will serve as a precedent for future submissions.

Report of the Governance and Nominating Committee. Among the topics presented under the Report of the Governance and Nominating Committee is the appointment of members to a number of unit advisory boards. Ms. Stonesifer noted that a recent census of board members underscored the need to increase the cultural and geographic diversity of the boards to better reflect that of the nation. With the upcoming launch of a national campaign and the likely increase in the number of board members to support that effort, she noted the time was particularly opportune to address this issue. Mr. Lapiana then explained the status of the governance reform review.

Report of the Strategic Planning and Programs Committee. Ms. Stonesifer said that Committee Chair Doris Matsui would report on the progress on the establishment of the international museum professional education program and planning for the future of the Asian Pacific American Program.

Report of the General Counsel. Ms. Leonard noted that she would update the Board on litigation issues during the executive session of the meeting. Capsule summaries of current actions were included in the Committee's materials, and a similar privileged and confidential document would be included for the full Board.

Public Forum Orientation. Ms. Stonesifer then turned the Committee's attention to the public forum session. She noted that the forum would focus in part on a single topic: "The Smithsonian as a Public/Private Partnership." Planners for the meeting hope that by devoting time to the Regents' deliberations on a topic, a meaningful dialogue between the Regents and the audience will be encouraged. Ms. Stonesifer noted that the public participation at the forum decreased in 2009 and that the agenda refinements were designed to enhance public interest. Following the public meeting, the Executive Committee, along with the Governance and Nominating Committee, will assess the efficacy of the refinements in achieving the underlying meeting goals. She then asked Ms. Lieberman to review a proposed agenda for the session.

The meeting was adjourned at 11:59 a.m.

Respectfully submitted,

Patricia Q. Stonesifer
Chair