

MINUTES OF THE SEPTEMBER 14, 2011, EXECUTIVE COMMITTEE MORNING MEETING

The Executive Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution met on September 14, 2011, beginning at 11:30 a.m. at the Supreme Court in Washington, D.C., to discuss the agenda for the September 19, 2011, meeting of the Board of Regents. In attendance were Smithsonian Chancellor John G. Roberts Jr., Chief Justice of the United States; Board Chair Patricia Q. Stonesifer; Vice Chair Alan G. Spoon; and Committee member Robert P. Kogod. 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.

Ms. Stonesifer called the meeting to order and expressed the Committee’s appreciation to the Chancellor for being able to meet with the Committee during a busy time for the Supreme Court. She noted that the Executive Committee would conduct another session that afternoon to discuss certain agenda items in greater depth.

She then noted that the Board’s September 19, 2011, business meeting would be abbreviated, with the afternoon session being dedicated to the Regents’ fourth annual public forum. Ms. Stonesifer also noted that the Regents would host a select group of Smithsonian donors the Sunday evening before the meeting at the National Museum of the American Indian.

Report of the Chair of the Board and Executive Committee

Ms. Stonesifer said the meeting will begin with a brief formal report of the Chair of the Board and the Executive Committee. The report will highlight three actions that the Executive Committee took on behalf of the full Board since its last business meeting in June 2011:

1. Authorizing the Secretary to enter into a lease for collection storage space in Largo, Maryland;
2. Approving the submission of the Fiscal Year 2013 Federal budget request to the Office of Management and Budget; and
3. Appointing two new members to the Freer and Sackler advisory board.

She added that the afternoon meeting of the Committee would include consideration of a request by the Smithsonian Tropical Research Institute (STRI) to purchase 17 houses in Gamboa from the Government of Panama with the intention of selling 14 of them to STRI personnel and to keep three for visiting scientist housing. As a condition of the sale, STRI will have the right to repurchase the houses when the owners are no longer associated with STRI. She thanked Facilities Committee Chair Bob Kogod for his leadership in reviewing the potential purchase. Mr. Kogod noted that the “key” to the transaction will be the Smithsonian’s right of first refusal should a purchaser decide to sell or leave STRI.

Report of the Secretary

Ms. Stonesifer invited the Secretary to discuss in more detail the topics in his anticipated report later in the Executive Committee meeting. She noted that a number of business processes at the Smithsonian have been (and continue to be) created and streamlined over the past two years. One of the most important has been the rationalization of the goal-setting process. She that the Regents will be asked to affirm the first set of annual Smithsonian goals developed under this new process.

Branding Initiative Update

At the last Regents' meeting, the Board approved Phase One of the branding initiative—which primarily addressed the internal and external brand taglines. The Board also asked a series of questions regarding implementation tasks and timelines and testing the taglines with key audiences. Ms. Stonesifer noted that at the September Regents' meeting, Director of Communications and External Affairs Evelyn Lieberman will lead a presentation on the responses to those questions and next steps in the branding process.

Smithsonian Financial Overview (including Finance Committee)

Ms. Stonesifer noted that the proposed agenda contemplates that the Regents will spend a significant portion of the morning discussing how a more austere Federal budget climate may impact the Smithsonian over both the short- and long-term. The topic also will be the major focal point of the afternoon's public forum. The Committee discussed how Federal austerity measures might impact the planning and construction of the National Museum of African American History and Culture and stressed the Regents' commitment to the project as one of the Smithsonian's highest priorities.

Finance Committee Chair David Rubenstein, during his report to the Board, will recommend that the Board to approve the fiscal year 2012 Trust budget and authorize the Secretary to expend fiscal year 2012 appropriations once the Federal budget is signed into law. The Regents also will consider the Endowment payout for 2012, which will consists of two parts: 5 percent of the five-year moving average of the Endowment's value, plus an additional 1 percent to fund the national campaign.

Facilities Committee

Mr. Kogod said he would report on the August 8, 2011, Facilities Committee meeting, which included consideration of the STRI purchase.

Advancement Committee

Ms. Stonesifer noted that Mr. Spoon, as chair of the Advancement Committee, would present a series of important gifts to the Board for approval, including gifts from State Farm Insurance to

the National Zoo and UnitedHealth Group to the National Museum of African American History and Culture.

Mr. Spoon provided the Committee with a status report on fundraising for fiscal year 2011. He noted that the Smithsonian will have the “ambitious goal” of raising \$200 million in fiscal year 2012. He added that he will be briefing the Board on progress made to advance the national campaign, including the campaign’s name and the Advancement Committee’s consideration of a pan-institutional corporate sponsorship policy.

The Advancement Committee also will recommend that the Board move forward on establishing a charitable trust in the United Kingdom to accept gifts on behalf of the Smithsonian.

Audit and Review Committee

Ms. Stonesifer said John McCarter will present a brief report on behalf of the Audit and Review Committee. That committee met on August 2, 2011, to review the Smithsonian’s IRS Form 990 submission.

Strategic Planning and Programs Committee

France Córdova, chair of the committee, is expected to provide updates on the major programmatic issues the committee is monitoring.

Governance and Nominating Committee

Ms. Stonesifer noted that the Governance and Nominating Committee report will primarily focus on appointments to various Smithsonian advisory boards, including the appointment of Regent Xavier Becerra as the Board’s representative on the National Museum of African American History and Culture Council. She explained that the statute establishing that museum calls for a Regent representative on the Council.

Focus on Collections

The collections highlights report, Ms. Stonesifer said, will be presented by Deputy Under Secretary for Collections and Interdisciplinary Support Scott Miller. Rather than just focus on individual objects, the report will examine pan-institutional collections stewardship issues and focus on some of the measures taken—and risks that remain—with regard to a recent series of Inspector General audits about collections care.

Executive Session Topics

Ms. Stonesifer noted that the Inspector General and the General Counsel have requested time in the Executive Session to discuss ongoing activities in their purview.

In addition, the Board will consider the Governance and Nominating Committee's recommendations for the composition of the 2012 Executive Committee, for one-year terms beginning January 24, 2012.

Secretary's Updates

The Secretary briefly identified topics he planned to include in his report to the full Board: earthquake and hurricane damage; budget outlook (he noted that the Trust budget is currently "in balance," with Smithsonian Enterprises likely to meet or exceed its goals); visitation (down 400,000); awards and recognition; and the status of the Redesign Initiative.

The meeting was adjourned at 12:10 p.m.

Respectfully submitted,

Patty Stonesifer
Chair