

## MINUTES OF THE OCTOBER 18, 2011, EXECUTIVE COMMITTEE MEETING

The Executive Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution met on October 18, 2011, beginning at 11:00 a.m. at the Smithsonian Castle in Washington, D.C. In attendance were Executive Committee and 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; Associate General Counsel Craig Blackwell; Under Secretary for Finance and Administration and Chief Financial Officer Al Horvath; Chief of Staff to the Regents John K. Lapiana; General Counsel Judith Leonard; Under Secretary for History, Art, and Culture Richard Kurin; and Director of Government Relations Nell Payne.

Ms. Stonesifer called the meeting to order at 11 a.m.

### **Smithsonian Fiscal Years 2012–2015 Goals**

The Secretary noted that the proposed goals in the Committee’s materials were revised to reflect the Regents’ input provided at the Board’s September 19, 2011, meeting. At that meeting, the Regents delegated to the Executive Committee authority to approve the goals on behalf of the Board, subject to their comments.

The Secretary identified three changes to the goals: (1) increased emphasis on collaboration; (2) clear articulation of risk management as a goal; and (3) the addition of cost efficiency as a clear, specific goal. Ms. Stonesifer reminded staff that the philanthropic goals would benefit from including a key measure for the “pipeline” of donors. The Secretary indicated that such a measure will be included in the fiscal year 2013 update of the goals.

With that representation, the Committee approved the following motion:

**VOTED** that the Executive Committee, on behalf of the Board of Regents pursuant to Board Bylaw 3.01, affirms the fiscal years 2012 through 2015 goals for the Smithsonian as presented by the Secretary.

### **Litigation Briefing**

Ms. Leonard provided an update on pending litigation against the Smithsonian.

### **Under Secretary for Finance and Administration (USFA) and Chief Financial Officer (CFO) Organizational Update**

Mr. Horvath explained that after reviewing the existing USFA organizational structure, he plans to create the position of Deputy Under Secretary for Finance and Administration. He said that the change would allow him to better integrate the USFA and CFO positions, allow

administrative units to be directly overseen by an executive with existing managerial depth at the Smithsonian, and allow him to focus on improving the strength of financial organization. Ms. Stonesifer asked whether having the Office of Human Resources report to a Deputy Under Secretary would signal a retreat from the central importance of that unit's mission. Mr. Horvath noted that he was confident in the management of that organization and would participate in any critical human resources initiative. In response to questions from Mr. Spoon and Mr. Kogod, Mr. Horvath described the contemplated responsibilities of two other redesigned positions in his office—executive officers.

Mr. Spoon also asked Mr. Horvath to help prepare a description of Smithsonian "economics" (various revenue sources) and financial stewardship for use with potential donors in the national campaign.

### **Committee Assignments**

Ms. Stonesifer invited Committee members to provide input to the Governance and Nominating Committee on Regent committee assignments for 2012. The Committee was provided with a chart of potential assignments that reflected preliminary conversations between Ms. Stonesifer and Governance and Nominating Committee Chair Shirley Ann Jackson.

She said the assignments reflected in the chart reflect three themes or goals: (1) to provide meaningful assignments to the three newest Regents; (2) to strengthen the Governance and Nominating Committee (since Dr. Jackson and Dr. Córdova will be joining the Executive Committee and three new Regents will be nominated over the next 18 months); and (3) to bolster the Strategic Planning and Programs Committee.

The members were in general agreement that the chart reflected the direction that the Governance and Nominating Committee should take in making its committee assignment recommendations.

### **Regent Spousal Travel Policy**

Ms. Stonesifer noted that the current Regents spousal travel policy does not allow for any reimbursement of travel expenses for a Regent's spouse. Although not historically an issue, she noted that the policy, with regard to the Chair's position and in light of the launch of the national campaign, could preclude participation by citizen Regents at activities that would require travel or in leadership positions. Regents who may have spent their careers in public service may not have the same financial means as those from the private sector and may be unable to bear these costs on behalf of the Smithsonian. The Committee's deliberations will be provided to the Governance and Nominating Committee, which will consider the issue and make a recommendation to the full Board at its January 2012 meeting.

Ms. Leonard described the current policy and various options that would allow for reimbursement consistent with applicable laws and best practices. The most legally

supportable option would be to provide reimbursement as a non-taxable benefit that would require an independent determination that the spouse's travel served a *bona fide* business purpose.

Mr. Spoon suggested that spousal travel (for the Chair and other key Regents) be allowed with advance notice and review by the Audit and Review Committee. He added that the ability to have a spouse participate in donor outreach should not be completely foreclosed, but instead should be an option when circumstances warrant. After some discussion, the members agreed that the option presented by Ms. Leonard should be reexamined by the Governance and Nominating Committee and further suggested that the General Counsel be empowered to make any determinations on the *bona fide* purposes (particularly national campaign activities) of spousal travel.

### **National Museum of the American Latino**

The Committee briefly reviewed the Board discussions earlier that morning on the proposed legislation to establish an American Latino museum within the Smithsonian and the designation of the Arts and Industries Building as its facility.

### **Report of the Secretary**

Given time constraints, the Secretary briefly updated the Committee on the status of the Federal budget request, the search for a new editor of *Smithsonian* magazine, and two upcoming Thomas Jefferson–related exhibitions (the *Jefferson Bible* at the National Museum of American History [NMAH] and *Monticello*, organized by the National Museum of African American History and Culture and also at NMAH). Dr. Kurin described pan-institutional activities that will accompany the two exhibitions.

The meeting was adjourned at 12:11 p.m.

Respectfully submitted,

Patty Stonesifer  
Chair