

MINUTES OF THE JANUARY 4, 2008, FACILITIES REVITALIZATION COMMITTEE MEETING

The Facilities Revitalization Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution held a meeting on January 4, 2008, at 1:00 p.m. in the Regents’ Room of the Smithsonian Castle in Washington, D.C. Committee Chair Robert Kogod was in attendance and Committee members Senator Thad Cochran and Congressman Xavier Becerra participated by teleconference. Committee members Senator Patrick Leahy, Congressman Sam Johnson, Richard Darman, and Roger W. Sant were unable to participate. The following Smithsonian staff were present: Acting Secretary Cristián Samper; Acting Under Secretary for Finance and Administration Alison McNally; Director of External Affairs Virginia Clark; Chief Financial Officer Alice Maroni; Director of the Office of Facilities Engineering Operations William Brubaker; Director of Government Operations Nell Payne; Director of the Office of Management, Planning and Budget Bruce Dauer; Director of Communications and Public Affairs Evelyn Lieberman; Chief of Staff to the Regents John K. Lapiana; and General Counsel John E. Huerta.

The Chair indicated that because no quorum was present to approve the minutes of the October 18 and November 13, 2007, Committee meetings, ballots would be sent to the members of the Committee within the following week.

The Chair then reported on the hearing before the Senate Rules Committee on December 12, 2007, which was attended by Senators Diane Feinstein, Bob Bennett, and Thad Cochran. Regents Kogod and Sant and Acting Secretary Samper were witnesses on behalf of the Smithsonian, along with Marc Goldstein of the Government Accountability Office (GAO). During the hearing Senator Feinstein introduced the “Legacy Fund,” and the Smithsonian agreed to support an initial two-to-one match of privately raised funds to Federal appropriations. As the proposed 2008 Federal appropriation for the Legacy Fund is \$15 million dollars, the Institution will have to raise \$30 million in private sector donations before it can receive these “no year” funds, which do not have to be expended during the fiscal year.

Mr. Kogod noted that responses to the Institution’s Request for Qualifications (RFQ) regarding a potential public/private partnership to redevelop the Arts and Industries Building were due back the following week.

The Chair also discussed the December 17, 2007, letter that Senator Diane Feinstein sent to Executive Committee Chair Roger Sant. The letter requested a comprehensive, prioritized list by January 31, 2008, of all Smithsonian maintenance and capital projects that remain to be completed, regardless of funding source. He said that a draft response letter to Senator Feinstein will be prepared by staff for Mr. Sant before the end of the month.

The Chair further noted that the Governance and Nominating Committee will be dealing with the subject of the Board of Regents’ and Regents’ committee structures at its January 19, 2008, meeting, which will be held prior to the January 28, 2008, meeting of the Board of Regents.

Mr. Kogod requested that it be noted that he believed that the Facilities Revitalization Committee is in need of one or two additional members.

Based on his conversations with certain museum directors, Mr. Kogod also commented that he concurred with a recent report from the Office of the Inspector General, which noted that security at some Smithsonian museums is in need of more attention. Mr. Kogod will report on this issue to the full Board of Regents at their January 28, 2008, meeting.

The Acting Secretary presented an oral report on the fiscal year 2008 budget recently passed by Congress and the agreed-upon settlement with the Office of Management and Budget (OMB) for the fiscal year 2009 budget. He indicated that the fiscal year 2008 budget contained \$105,429,000 for Facilities Capital, plus the \$14,766,000 Legacy Fund and \$51,419,000 for Facilities Maintenance. With reference to the negotiation of fiscal year 2009 budget with OMB, the President's budget submission will contain an increase to \$128,000,000 in Facilities Capital and an increase to \$69,146,000 in Facilities Maintenance. Mr. Kogod commented that the fiscal year 2009 budget is "very encouraging."

Director of External Affairs Virginia Clark reported on the initial plans for a comprehensive national campaign to raise funds for Smithsonian programs and facilities. A lengthy discussion of the plans, which are still at draft stage, occurred during Ms. Clark's presentation.

Director of the Office of Facilities Engineering Operations William Brubaker made a presentation of draft "Revitalization Program" priorities, which was followed by an in-depth discussion. Mr. Brubaker will modify the proposed priorities in response to suggestions made by members of the Committee. During this discussion, Mr. Kogod clarified that the need for \$2.5 billion for the Institution's Facilities Capital and Facilities Maintenance budgets is an aggregate number spread over 10 years, which translates to an increase over current budget funding to \$150 million per year for Facilities Capital and \$100 million per year for Facilities Maintenance.

The meeting adjourned at 3:00 p.m.