

MINUTES OF THE DECEMBER 20, 2011, GOVERNANCE AND NOMINATING COMMITTEE MEETING

The Governance and Nominating Committee (“the Committee”) of the Board of Regents of the Smithsonian Institution met on December 20, 2011, beginning at 3:00 p.m. Participating by telephone were Committee Chair Shirley Ann Jackson and members France Cordova and Roger Sant. Also present by invitation of the Committee were Secretary G. Wayne Clough (by telephone); Chief of Staff to the Secretary Patricia Bartlett; Director of Advancement and Philanthropic Giving Virginia Clark, Chief of Staff to the Regents John K. Lapiana; General Counsel Judith Leonard, and Acting Inspector General Michael Pickett.

Dr. Jackson called the meeting to order at 3:00 p.m.

APPROVAL OF THE MINUTES OF THE SEPTEMBER 12, 2011, MEETING

The Committee approved the draft minutes of the September 12, 2011, meetings without comment.

REPORT OF THE CHAIR

Before moving to the substantive meeting agenda, Dr. Jackson updated members on some key executive searches of interest to the Committee. She noted that since the last Committee meeting, Sprightley Ryan stepped down from her position of Inspector General and Michael Pickett has been serving as Acting Inspector General. On behalf of the Committee, she thanked Mr. Pickett for his service and noted that Scott Dahl, currently deputy Inspector General of the Department of Commerce, accepted an offer to succeed Ms. Ryan earlier that day. She reminded the Committee that Patty Stonesifer, as Board Chair, took the lead in making the final decision.

Ms. Bartlett briefly updated the Committee on the status of three other executive searches underway – President of Smithsonian Enterprises, Chief Information Officer, and Director of the National Museum of American History. Secretary Clough added that Alan Spoon would represent the Regents on the Smithsonian Enterprises search.

REGENT TRAVEL POLICY REVISIONS

At its October 18 meeting, Dr. Jackson noted that the Executive Committee considered a revision to the Regent Travel Policy to allow for the reimbursement of travel expenses for Regent spouses under certain circumstances. The Executive Committee then requested that the Governance and Nominating Committee conduct a similar review and make a recommendation to the full Board. The current policy prohibits spousal reimbursement.

Dr. Jackson explained that the Executive Committee concluded that revisiting the policy was

appropriate and suggested that, in light of the national campaign, spousal travel be subject to reimbursement as long as the travel has as a “bona fide business purpose.” The Executive Committee was concerned that without such flexibility in the policy, Regents who have spent their careers in public service may lack the same financial means as private sector Regents and be unable to bear these costs on behalf of the Smithsonian.

Ms. Leonard observed that while the issue was one of policy, the Smithsonian’s statutory charter and certain provisions of the Internal Revenue Code could preclude certain options. She noted that one legally supportable option existed—allowing for the reimbursement of spousal travel as long as it meets the “bona fides business purpose” test. That policy, she said, was similar to that employed for travel reimbursement for Smithsonian employee spouses or family members. She added that reimbursement under the “bona fides business purpose” test requires the traveler to satisfy a very strict criterion – the travel of the spouse must be necessary to accomplish the purposes of the Smithsonian. Particular facts and circumstances of the travel, she said, will heavily influence a determination of whether it is reimbursable.

Ms. Leonard then presented the results of a survey her office conducted on the travel reimbursement policies of other non-profits, noting that only two out of 33 organization provided some form of spousal travel expense reimbursement.

Both Secretary Clough and Dr. Cordova described how in the fundraising context their spouses have been beneficial in strengthening relationships with donors and other potential supporters.

Dr. Jackson noted that two of the three members of the Committee -- herself and Dr. Cordova-- were university presidents and before that, public servants. Given that the revisions were being suggested to support Regent and potential Regents with that sort of background, she suggested that the Committee not make a formal recommendation. Instead, she suggested that the Executive Committee present the issue to the full Board. Mr. Sant and Dr. Cordova concurred with Mr. Sant recalling that the issue is sensitive and difficult and would benefit from deep consideration by the entire Board.

APPOINTMENTS TO SMITHSONIAN ADVISORY BOARDS

The Committee then reviewed proposed appointments and reappointments to various Smithsonian advisory boards. Dr. Jackson reminded members that each candidate presented enjoys the support of the respective unit advisory board, the unit director, the Under Secretary with oversight responsibility, the Office of Advancement, and the Secretary.

In response to a question from Dr. Cordova, Secretary Clough explained that in identifying candidates, capacity to support the national campaign is a key factor. He added that as individual board membership continues to turn-over, more focus has been placed on every advisory board’s responsibility to support the campaign.

Accordingly, the Committee approved the following motion:

VOTED that the Governance and Nominating Committee recommends that the Board of Regents approve the proposed slate of candidates for appointment to 12 Smithsonian advisory boards.

PROPOSED SMITHSONIAN NATIONAL BOARD BYLAW REVISION

Dr. Jackson explained that the Smithsonian National Board (SNB) has asked the Regents to change to its bylaws to allow for the reappointment of an SNB member for a third three year term when “exceptional circumstances” exist. The SNB’s current bylaws limit the terms of members to two three-year terms. With the launch of the national campaign, Dr. Jackson said that the SNB’s leadership recognized the importance of allowing for additional continuity on the board so that campaign leaders can serve up to nine years.

She added that the Regents waived the term limits of all members of the National Museum of African American History and Culture’s Advisory Council in 2008 to allow members to serve and support the fundraising campaign until that museum opens on the Mall in 2015.

Following brief discussion, the Committee approved the following motion:

VOTED that the Governance and Nominating Committee recommends that the Board of Regents approve an amendment to Section 3.0 of the bylaws of the Smithsonian National Board to provide for the reappointment of SNB members for a third three-year term when exceptional circumstances support that extension.

CY 2012 REGENT COMMITTEE ASSIGNMENTS

The Committee next discussed Regent committee assignments for calendar year 2012. Dr. Jackson directed members’ attention to the assignments proposed in the materials. She noted that the proposal reflected discussions that she and Ms. Stonesifer had as well as input from the Executive Committee.

To assist in the Committee’s review, Dr. Jackson outline the major principles underlying the proposed assignments:

- First, each Citizen Regent is assigned to three committees and each Congressional Regent is assigned to two;
- Second: Each Citizen Regent is asked to undertake a leadership position in one committee;
- Third: Dr. Cordova, as the incoming chair of the Board, will serve as an ex officio member of the Compensation and Human Resources Committee, and, following practice of previous Board chairs, will also serve on the Finance, Advancement, and Executive Committees; and

- Fourth, following the best practice avoiding any overlap between membership on the Executive and Governance committees, both Dr. Jackson and Dr. Cordova will step off the Governance and Nominating Committee to join the Executive Committee.

Following brief discussion, the Committee approved the following motion:

VOTED that pursuant to section 4.06 of the bylaws of the Board of Regents, the Governance and Nominating Committee recommends that the Board request that the Chancellor appoint members to the Regent committee as proposed.

EXECUTIVE SESSION

The Committee then went into executive session to discuss potential candidates for consideration as Regents and a senior executive personnel issue.

The meeting was adjourned at 4:25 p.m.

Respectfully submitted,

Shirley Ann Jackson
Chair