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BOARD OF REGENTS, SMITHSONIAN INSTITUTION
SENATE COMMITTEE ON RULES AND ADMINISTRATION
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Good morning Chairman Feinstein, Senator Bennett, and Members of the Senate Committee on Rules and Administration. I am very pleased to be here today to report on the substantial improvements we have made in the governance of the Smithsonian since I was last before this Committee. I would also like to introduce the Chairman of our Facilities Committee, Robert Kogod, to bring you up to date on our plan to reduce the maintenance and revitalization backlog. As always, we appreciate the continued interest of the Committee.

Madame Chairman, one commentator has described us as setting a standard of best practices for a second generation of governance. We believe he is right. We have acted deliberately and thoroughly to address the pressing governance issues facing the Smithsonian. Allow me to give you a brief summary of our actions.

We have split the role of the Chancellor and created a new position, Chairman of the Board. All of our Regents, including our Congressional Regents, acknowledge and accept complete fiduciary responsibility. We have increased the number and the length of our Board meetings, and established an independent staff to support the Regents. With the exception of the Executive Committee, we have appointed new Chairpersons to each of our Board Committees. We have appointed a non-Regent financial expert, a former Senior Executive at the GAO, to be a member of our Audit Committee.

We are basing the next Secretary's compensation on an appropriate comparator group, resulting in cash compensation that is considerably lower than in previous years. As part of the search, we have held several town hall and consultative meetings and generated a substantial list of possible candidates. We expect to have a short list of interviewees in the coming days and will begin holding interviews in January. As we have previously committed, we expect to select the permanent Secretary by March 2008.

The Inspector General now directly reports to the Board of Regents and both the General Counsel and the CFO have direct access to the Regents. We have launched a Regents' public webpage for enhanced transparency and access to summary proceedings of our Board meetings. We have prohibited Smithsonian executives from serving on for-profit boards. We have adopted policies on reimbursement of expenses consistent with federal practices and created a standard leave policy and a unified compensation policy for senior executives. And we have adopted a formal policy on requests for information that substantially follows the requirements under the Freedom of Information Act. The only significant work yet to be completed is a review of structure and composition of the Board of Regents and a review of how we can enhance the role and oversight of our 30 advisory boards. In sum, in the last nine months we believe there has been a sea change in the way the Smithsonian Institution is governed.

As part of our governance reforms we also created a standing Committee on Facilities Revitalization chaired by Robert Kogod. The members have met three times since its inception. As Chair of the Executive Committee, I would like to thank Mr. Kogod and his committee for the extensive work they have done on this issue. This topic was thoroughly discussed at our last Regents' meeting. I would like you to know that all the Regents are invested not only in resolving this long-term issue but also in working with Congress, the staff of the Smithsonian, our advisory boards, and the American public to assure a bright, vibrant, and innovative future for this great Institution. We are excited about the Smithsonian's present and its future, and our plan to enter into a National Campaign. It will take a great deal of work, planning, and time on everyone's part. And that work has begun.

Thank you Madame Chairman and Members of the Committee.