

MINUTES OF THE JANUARY 17, 2024, MEETING OF THE COMPENSATION AND HUMAN RESOURCES COMMITTEE

The Compensation and Human Resources Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) held a videoconference meeting on January 17, 2024. Participating were Committee Chair Michael Govan and Committee members Senator John Boozman, Senator Gary Peters, Representative Garret Graves, Barbara M. Barrett, and Risa J. Lavizzo-Mourey.

Also present by invitation of the Committee were Chief of Staff to the Secretary Greg Bettwy, Director of the Office of Equal Employment and Supplier Diversity Aretha Carr, Under Secretary for Administration Ron Cortez, Acting General Counsel Farleigh Earhart, Deputy Chief of Staff to the Regents Kate Forester, Acting Associate Director of the Office of Human Resources Amelda Fuller, Special Assistant to the Regents Mallory Gianola (recorder), Director of the Office of Human Resources Antonio Guzmán, Executive Resources Manager of the Office of Human Resources Suleyka Lozins, Acting Inspector General Joan Mockeridge, Deputy Secretary and Chief Operating Officer Meroë Park, Chief of Staff to Senator Peters Caitlyn Stephenson, Chief of Staff to the Regents Porter Wilkinson, and Head Diversity Officer Beth Ziebarth.

Pearl Meyer consultants Jim Hudner and Peter Wertheimer also participated in the meeting.

CALL TO ORDER AND AGENDA REVIEW

Committee Chair Michael Govan called the meeting to order at 11:03 a.m. and reviewed the agenda.

REVIEW OF THE OCTOBER 27, 2023, AND DECEMBER 7, 2023, COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the draft minutes of the October 27, 2023, and December 7, 2023, Committee meetings were approved.

2024 GENERAL COMPENSATION BACKGROUND

Mr. Govan opened the discussion on compensation recommendations and reviewed the Committee’s responsibilities and duties related to the area of compensation, including full disclosure of any real or perceived conflicts of interest with any of the Smithsonian executives considered in the meeting materials.

Mr. Govan outlined the Smithsonian’s general approach to compensation for senior-level Trust and Federal executives, including the three Trust compensation philosophies: market-based compensation approach, Federal-equivalent compensation approach, and Augmented (“hybrid”) compensation approach. The Committee reviewed the general summary statistics,

which included general demographic information, performance appraisal data, and average total cash and salary information for 2024.

The Committee also discussed the competitiveness and reasonableness of Smithsonian compensation levels as defined by the Smithsonian’s compensation philosophy, past practice, and relevant labor market comparisons. The Smithsonian ensures that the compensation levels for Trust positions are (i) reasonable as defined by the Internal Revenue Service (“IRS”) guidelines, and (ii) comparable to compensation offered by organizations and executives with similar duties and responsibilities. The Committee’s review is validated and supported through a reasonable analysis provided by independent compensation consultant Pearl Meyer. The Committee was briefed on the competitive benchmarking summary report from the independent compensation consultants, as positions are benchmarked every two years. Mr. Hudner noted that current and projected trends suggest salary increase budgets of 4 percent or higher, not including locality pay. The Committee reviewed the reasonable analysis used by the consultant and compared the 75th percentile to the proposed compensation levels to account for variations in experience, performance, and related factors, including those unique to the Smithsonian Institution. The Committee also considered compensation proposals using the 50th percentile, recognizing the Smithsonian’s role as a public trust and its compensation philosophy of targeting the 50th percentile.

EXECUTIVE SESSION: 2024 COMPENSATION DECISIONS

The Committee moved into an executive session at approximately 11:11 a.m. to discuss and vote on the 2024 compensation recommendations.

Decisions Made by the Committee

The Committee first reviewed compensation information regarding the positions for which the Committee approves compensation decisions. The positions include those considered to be market-based, Federal-equivalent, or Augmented (“hybrid”), which are Trust-funded positions. The Committee reviewed justifications for variances above and below the competitive market range for the compensation recommendations. Two proposals above the competitive range were presented and discussed. Mr. Govan also noted that the payouts for executives included in the Investment Incentive Program were verified and validated by an independent third-party Adviser Compliance Associates and endorsed by the Regents’ Investment Committee, prior to being formally presented for the Committee’s review and discussion.

Upon motion duly made and seconded, the following motion was approved:

VOTED that the Compensation and Human Resources Committee approves the 2024 compensation recommendations for senior executive positions recommended for Committee decision, effective January 14, 2024.

Decisions Made by the Board

To conclude, the Committee reviewed compensation decisions for a limited number of “high-impact” positions, which require the approval of the Board of Regents. Appropriate staff exited the meeting for this discussion. The Committee discussed salary adjustments that were proposed to align with the Smithsonian’s compensation philosophy and the competitive market range. Two proposals above the competitive range, five proposals above the guidance for performance awards, and two recommendations for retention incentives were presented and discussed.

Upon motion duly made and seconded, the following motion was approved:

VOTED that the Compensation and Human Resources Committee recommends that the Board of Regents approves the 2024 compensation recommendations for senior executive positions, effective January 14, 2024.

EXECUTIVE SESSION: SECRETARIAL COMPENSATION

The Committee moved into an executive session to discuss compensation recommendation for the Secretary. Members received a briefing from Board Chair Risa Lavizzo-Mourey on the Secretary’s performance for fiscal year 2023. The Committee concluded that the proposed 2024 compensation recommendation was consistent with the comparable positions identified by Pearl Meyer.

Upon motion duly made and seconded, the following motion was approved:

VOTED that the Compensation and Human Resources Committee recommends that the Board of Regents approves the 2024 compensation recommendation for the Secretary.

ADJOURNMENT

With no further business to consider, the meeting was adjourned at approximately 11:46 a.m.

Respectfully submitted,

Michael Govan, Chair