

## MINUTES OF THE SEPTEMBER 21, 2022, 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 September 21, 2022. Participating were Committee Chair Michael Govan and Committee members Representative Lucille Roybal-Allard and Barbara M. Barrett.

Also present by invitation of the Committee were Associate Director of the Office of Human Resources Angela Ameen, Chief of Staff to the Secretary Greg Bettwy, Chief of Staff to Representative Roybal-Allard Victor Castillo, Counsel to the Inspector General Epin Christensen, Under Secretary for Administration Ron Cortez, Associate General Counsel Farleigh Earhart, Deputy Chief of Staff to the Regents Kate Forester, Special Assistant to the Regents Mallory Gianola (recorder), General Counsel Judith Leonard, Human Resources Specialist Suleyka Lozins, Executive Assistant to Representative Roybal-Allard Christine Ochoa, Deputy Secretary and Chief Operating Officer Meroë Park, Chief of Staff to the Regents Porter Wilkinson, and Deputy Head Diversity Officer Beth Ziebarth. Pearl Meyer consultant Jim Hudner also participated in the meeting.

### CALL TO ORDER AND AGENDA REVIEW

Committee Chair Michael Govan called the meeting to order at 10:04 a.m. and reviewed the agenda.

### REVIEW OF THE JANUARY 18, 2022, COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the draft minutes of the January 18, 2022, Committee meeting were approved without modification.

### CALENDAR YEAR 2023 COMPENSATION

As part of the annual cycle of the Committee, the September meeting is focused on reviewing the core principles and decisions that form the foundation for the executive pay cycle, and will culminate with the compensation recommendations that the Committee and the Board will review in January 2023.

#### ***2023 List of Disqualified Person Positions***

The Committee reviewed the proposed list of disqualified person positions for compensation year 2023. Mr. Govan noted that the disqualified persons list aligns with the 990 reporting requirements for officers and key employees and the applicable Internal Revenue Service guidance.

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

**VOTED** that the Compensation and Human Resources Committee approves the attached list of disqualified persons positions and individuals for 2023. The total number is 15.

### ***2023 Decision-Making Levels***

Mr. Govan then reviewed the criteria that distinguishes compensation decisions made by the Regents and those made by the Secretary. It was recommended that the decision-making levels for 2023 remain unchanged. The Board's review will include positions that meet the following criteria: Trust positions that report to the Regents and/or Secretary or Deputy Secretary/COO; Federal positions that report to the Regents (Inspector General); Trust positions designated as Disqualified Person positions; and any other position with a proposed 2023 salary above \$300,000 or proposed 2023 total compensation above \$325,000. The decision-making levels will result in approximately 30-40 positions going to the Board for review in January 2023.

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

**VOTED** that the Compensation and Human Resources Committee approves the 2023 decision-making levels.

### ***2023 Updated Compensation Philosophies***

Next, Mr. Govan led the Committee's review of the Trust and Federal compensation philosophies, which are reviewed and updated annually to reflect any changes in compensation approaches, salary ranges, and/or effective dates.

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

**VOTED** that the Compensation and Human Resources Committee approves the updated compensation philosophy to include new projected salary ranges and effective dates for calendar year 2023.

### ***2023 Comparable Process***

Pearl Meyer Consultant Jim Hudner outlined the recommended approach and methodology for determining comparable compensation for approximately 40 Trust executive positions to be analyzed for 2023. Mr. Hudner reminded the Committee of the Smithsonian's approach of aging data every other year. A full analysis of all positions was accomplished in 2022 and will be aged in 2023. Mr. Hudner outlined the approach and methodology for assessing the competitiveness and reasonableness of Smithsonian compensation levels, which is guided by the Smithsonian's compensation philosophies and the benchmarking analysis of market peers.

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

**VOTED** that the Compensation and Human Resources Committee approves the comparables approach for the positions being analyzed for 2023.

### ***Preliminary Investment Incentive Payouts***

The Committee reviewed preliminary calculations for the quantitative and qualitative portion of the Investment Incentive Program for the 2022 performance year. Preliminary data show the Institution's three-year portfolio return was 15.2%, which was 5.9% greater than the benchmark return of 9.3%, for

the annual performance period ending June 30, 2022. These preliminary estimates of projected payouts for certain executives included in the Investment Incentive Program will be verified and validated by a third party, prior to being formally presented for the Committee’s review and discussion in January 2023.

***Senior Level Performance-based Pay Increase and Award Ranges***

To conclude the discussions on calendar year 2023 compensation, the Committee received an update on senior level performance-based pay increase and award ranges. Pay increases and awards are directly linked to performance for senior level employees and the Smithsonian annually establishes salary increase and award ranges for the appraisal system. The Committee agreed with management’s recommendation to make changes to both the salary increase and performance award ranges for the upcoming January compensation cycle to address the potential gap in recognition level between the top two performance rating levels.

**UPDATE ON HUMAN RESOURCES STRATEGIC INITIATIVES**

Associate Director of the Office of Human Resources Angela Ameen updated the Committee on the status of strategic initiatives for the Office of Human Resources. The Committee discussed hiring and workplace flexibilities and professional development, and it reviewed the recruitment results following the launch of practices to support a hiring surge.

**EXECUTIVE SEARCHES**

To conclude the open session, the Committee received an update on the progress of searches for vacant senior level positions including Head Diversity Officer, Founding Director of the Smithsonian American Women’s History Museum, Director of the Archives of American Art, Director of the Center for Folklife and Cultural Heritage, and the Director of Smithsonian Folkways Recordings.

**EXECUTIVE SESSION**

The Committee moved into an Executive Session at approximately 10:50 a.m. to discuss confidential compensation matters.

**ADJOURNMENT**

With no further business to consider, the meeting was adjourned at approximately 10:58 a.m.

Respectfully submitted,

Michael Govan  
Chair