

# **MINUTES**

## **Executive Committee Meeting**

**June 24, 2021**

### **Proposed Motion**

**The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation, acting on behalf of the full Board pursuant to section three of Chapter Forty J of the General Laws of the Commonwealth, hereby adopts the Draft Minutes of the Two Hundred and Seventy Second Meeting of the Executive Committee, held on June 24, 2021, by Zoom videoconference, as the formal Minutes thereof.**

# MINUTES

## *TWO HUNDRED AND SEVENTY SECOND MEETING*

of the

### EXECUTIVE COMMITTEE

of the

## MASSACHUSETTS TECHNOLOGY PARK CORPORATION

June 24, 2021

Zoom Videoconference

The Two Hundred Seventy Second Meeting of the Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation (“Mass Tech Collaborative”) was held on June 24, 2021, via Zoom videoconference pursuant to notice duly given to the Directors and publicly posted on the Mass Tech Collaborative website with corresponding notice provided to the Office of the Secretary of State and the Executive Office for Administration and Finance.

The following members of the Mass Tech Collaborative Executive Committee were present and participated: Secretary of Housing and Economic Development Mike Kennealy (represented by Damon Cox of the Executive Office of Housing and Economic Development), Pam Reeve, Rupa Cornell, and Julie Chen.

The following members of the Mass Tech Collaborative Board of Directors were present and participated: Michael Greeley, Joe Dorant, and Nate Walton.

The following members of the Mass Tech Collaborative staff were present: Carolyn Kirk, Brianna Wehrs, Michael Baldino, Stephanie Helm, Lisa Erlandson, Jason Hoch, Will Fuqua, Jennifer Saubermann, James Byrnes, Colin McDonald, Holly Lucas Murphy, Megan Marszalek, Laurance Stuntz, Pat Larkin, Joseph Downing, Brian Noyes, Kelly Kleanthous, and Christine Nolan.

Mr. Cox did a roll call of attendance, observed the presence of quorum of the Executive Committee, and called the meeting of the Mass Tech Executive Committee to order at 2:00 p.m.

### **Agenda Item I      Approval of Minutes**

After a period of discussion and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

**The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation, acting on behalf of the full Board pursuant to section three of Chapter Forty J of the General Laws of the Commonwealth, hereby adopts**

**the Draft Minutes of the Two Hundred and Seventy First Meeting of the Executive Committee, held on April 14, 2021, by Zoom videoconference, as the formal Minutes thereof.**

**Agenda Item II Report of the Chairperson**

Mr. Cox delivered the report of the Chairperson, noting that the Executive Office of Housing and Economic Development (“EOHED”) is planning a September return to the office, and then turned the meeting over to Ms. Kirk.

**Agenda Item III Report of the Executive Director**

Ms. Kirk deferred her report to begin the budget presentations.

**Agenda Item IV FY22 Budget Review and Discussion**

Ms. Kirk and Ms. Erlandson, with the support of division directors, presented the Mass Tech Collaborative’s proposed Fiscal Year 2022 budget. Ms. Kirk noted that the Finance and Audit Committee had reviewed the proposed budget in great detail and unanimously recommended the budget for final approval by the Executive Committee.

The following high level budget overview was presented and discussed by the group: MassTech has developed a budget based upon the expected appropriation level which is aligned with the final Senate Budget. MassTech’s FY22 budget assumes the following state funding amounts:

- \$950,000 CyberCenter
- \$1,500,000 Cyber-Security Operations Center/Cyber Range
- \$2,500,000 Innovation Institute
- \$1,350,000 Intern and Mentorship
- \$2,500,000 Advanced Manufacturing Training Grants

It was explained that the Governor’s budget included \$4,800,000 for MassTech (Innovation \$2,500,000, Cyber \$950,000 and Intern/Mentorship \$1,350,000), but the House budget did not include any funding for MassTech. Historically the House budget includes Intern/Mentorship, Global Entrepreneur in Residence, and Big Data funding. The Senate budget, which is what Ms. Kirk indicated MassTech based its budget on, totaled \$8,800,000. She noted that although not originally included in the Senate Ways and Means budget, an amendment was filed and adopted for Intern and Mentorship funding at \$1,350,000. This appropriation is the most speculative at this time.

Ms. Kirk stated that conference committee will work to reconcile amounts and finalize the budget appropriation amounts.

Ms. Kirk then provided an overview of the FY22 Expense Budget. It was noted that personnel expenses include all of the FY21 budgeted positions, not all of which have been hired, plus one additional position, but is offset by a reduction in Massachusetts eHealth Institute

(“MeHI”) staff as the Medicaid Services Program ends in FY22. Thus the net amount of staff is less at the end of FY22 compared to the staff level at the end of FY21. Other division expenses are comparable to the prior fiscal year budget level, with an increase in capital expenditures. Ms. Kirk then detailed the financial status of each division.

In reviewing FY22 amounts available for grants and awards, Ms. Kirk detailed the amounts by each division, based upon the budgeted appropriation levels and funds available from FY21 to roll into FY22. It was noted that during the early part of FY21 the issuance of awards was postponed due to budget uncertainty, and spend-down of existing awards also slowed due to the pandemic. It was also explained that any financial assistance awards to be made from FY22 appropriation dollars will not be committed until FY22 appropriations are known and contracted for through EOHEd. It was noted that to the extent the Intern and Mentorship line item is included in the final state budget, new awards would be made (\$450,000 for Mentorship and \$512,000 for Internship), and if no funding is received, no new awards would be made, but existing awards would be administered with specialty fund balance from prior year appropriations. Regarding the Scientific and Technology Research and Development Matching Grant Fund (“R&D Fund”), those awards are typically expended over multi-years, therefore awards made in FY22 are committing FY22 funds as well as bond funds for FY23-FY26, which are projected to increase to \$14-\$15M annually due to funding included in the last economic development bill. It was noted that MassTech is focusing R&D Fund awards to support stimulus in the state, and is looking to expand awards to new organizations, which means we are looking at more volume of awards with a shorter timeframe for drawdown of funds. Also, Broadband Recovery funds for the Mass Internet Connect Program are expected to be disbursed to MassTech fully in FY21 and are budgeted to be fully awarded and expended in FY22. Finally, Seaport Economic Council Grand Challenge awards will be made from funds remaining from a FY21 contract, which has not fully been committed.

Ms. Kirk then turned the discussion over to the division directors to review the division budgets, and several key points emerged.

Mr. Larkin discussed Innovation Institute activities and investments, which will continue to focus on economic recovery, targeting growth in tech and innovation sectors along with ecosystem support in talent, entrepreneurship, and regional impact.

Mr. Stuntz indicated that MeHI, through the eHealth Institute Fund, will continue to encourage and support innovation using digital health technologies, and he expects to award approximately \$1,000,000 in grants between the use of Chapter 224 funds and the Economic Development Administration (“EDA”) grant, which was awarded to MeHI in FY21. He also stated that MeHI will keep providing contractual services to support electronic health record and HIway adoption. Mr. Stuntz noted there is an open Digital Health Manager position to work on telehealth adoption.

Mr. Baldino then discussed the Massachusetts Broadband Institute’s FY22 budget, stating that all Last Mile towns have a solution awarded by MassTech or EOHEd; that Broadband Recovery Programs continue, and depending on the availability of federal funds, MBI will

continue to develop new digital equity/literacy projects and initiatives; and Middle Mile network capital upgrades and network management planning efforts are a focus.

Ms. Nolan, in her review of the Center for Advanced Manufacturing's ("CAM") FY22 budget, stated that CAM will continue to deploy M2I2 grant awards through EOHED and by July CAM will expand its reach to cover awards to all Manufacturing USA Institutes except biopharma; manage and administer the Manufacturing Training Grant Program; execute on a new capital grant program ("MMAP"), funded through a recent economic development bill, to coordinate and prepare supply chain for growth activities; expand activities under the federally funded MassBridge project, which is in its second year; and perform against an EDA grant to extend the Manufacturing Emergency Response Team ("M-ERT") program for economic development benefits.

Ms. Helm then reviewed the MassCyberCenter budget, indicating that the division's state appropriation primarily covers personnel costs, which are assumed level with the FY21 budget of 4 FTEs, as the MassCyberCenter does not focus on grant making, but rather delivers value through staff work by supporting the Center's three Strategy Pillars. In addition, the MassCyberCenter will manage a FY22 budget earmark for state cybersecurity Security Operations Center(s) and/or range(s) to support talent development and municipal security.

Ms. Erlandson presented the Central Office budget, stating that costs are allocated across the divisions based upon FTEs, and that the Central Office supports all divisions and departments across MassTech.

Ms. Saubermann then stated that the Legal and Government Relations Department had recently hired a long-overdue Government Affairs Associate, which will allow MassTech to be more strategic, and that the department continues to support MBI in their Middle Mile Management plan.

Ms. Lucas Murphy reviewed the activities of the Human Resources Department, stating that employee morale had been a huge focus over the last year, and now the department was conducting compliance, ethics, and anti-harassment training.

Mr. Noyes provided an overview of the Communications Department, indicating that they were interested in pushing further into community engagement, and looking to hire a Marketing Associate, which would be a junior position.

Ms. Reeve asked about the status of the Westborough Campus, and Ms. Kirk stated that MassTech is still in maintenance mode, with some upcoming capital expenditures for the Westborough campus. It was noted that Ms. Erlandson would like to hire an Operations/Finance Project Manager to help manage the Westborough Campus Plan, as discussed with the Board earlier in the year. Additional discussion then ensued around MBI professional fees for Middle Mile Network planning, network operating costs, and network depreciation.

The budget presentation wrapped up with Ms. Erlandson's review of the FY22 Profit & Loss ("P&L") statements. She clarified that the budget was developed in accordance with the

Fund Balance Policy and reviewed the status of each fund on the books of the Mass Tech Collaborative, including drawdowns and projected balances of each fund. It was noted that the FY22 Budget is funded by projected FY22 appropriations, other revenues and funds remaining from prior year appropriations/revenue. The Innovation Institute Fund and Specialty Funds are drawing down on fund balances from prior years to invest in key projects/verticals. Enterprise Fund Foundation to Future Operations is gradually replenishing funds drawn down over the past 3-5 years.

After a period of discussion and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

**The Executive Committee (“Committee”) of the Board of Directors of the Massachusetts Technology Park Corporation (“Mass Tech Collaborative”), acting pursuant to the authority delegated by the Board of Directors under Chapter 40J of the General Laws of the Commonwealth, does hereby approve the Fiscal Year 2022 Budget (“FY22 Budget”) in a form that substantially comports with all material elements of the FY22 Budget as presented to the Committee. Furthermore, the Committee hereby delegates to the Executive Director of the Mass Tech Collaborative the authority to approve modifications to the FY22 Budget to reflect adjustments relating to: (1) the appropriate allocation between the Fiscal Year 2021 actual results and FY22 Budget following the Fiscal Year 2021 year-end financial closing; and (2) the actual final Fiscal Year 2022 state appropriation amounts; provided that the Executive Director shall notify the Committee of any modifications to reflect actual state appropriation amounts that materially deviate from the presented FY22 Budget and shall provide an appropriately detailed description of the modifications and the associated budgetary impact.**

There being no other business to discuss and upon motion duly made and seconded, it was unanimously and without abstention voted to adjourn the meeting at 3:20 p.m.

A TRUE COPY  
ATTEST: (Secretary)

DATE:

**Materials and Exhibits Used at this Meeting:**

1. Draft Minutes for the April 14, 2021 Mass Tech Collaborative Executive Committee Meeting
2. Presentation – Executive Director’s Report
3. Memo – Fiscal Year 2022 Budget Approval
4. Presentation, Motion and Supporting Materials – Fiscal Year 2022 Budget