

APPROVED MINUTES

TWO HUNDRED AND SEVENTY SIXTH MEETING

of the

EXECUTIVE COMMITTEE

of the

MASSACHUSETTS TECHNOLOGY PARK CORPORATION

June 29, 2022

Zoom Videoconference

The Two Hundred and Seventy Sixth Meeting of the Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation (“Mass Tech Collaborative” or “MassTech”) was held on June 29, 2022, 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 Mark Fuller of the Executive Office of Housing and Economic Development), Pamela Reeve, Christina Royal, Julie Chen, Paige Fetzer-Borelli, and Bogdan Vernescu.

The following members of the Mass Tech Collaborative staff were present: Ben Linville-Engler, Brian Noyes, Brianna Wehrs, Carolyn Kirk, Christine Nolan, Holly Lucas Murphy, James Byrnes, Jason Hoch, Jennifer Saubermann, Kelly Kleanthous, Lisa Erlandson, Michael Baldino, Pat Larkin, Keely Benson, and Michelle Sweet.

Also in attendance were Michael Greeley, Patrick Lynch, Joseph Dorant, and Nate Walton.

Mr. Fuller conducted a roll call attendance for the Mass Tech Executive Committee, observed the presence of quorum of the Executive Committee, and called the meeting of the Mass Tech Executive Committee to order at 2:02 p.m.

Approval of Minutes

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

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 Fifth Meeting of the Executive Committee, held on April 15, 2021, via Zoom teleconference, as the formal Minutes thereof.

Agenda Item I Report of the Chairperson

Mr. Fuller stated the Administration is very focused on several pieces of legislation pending before the Legislature, including the Governor’s economic development bill, Mass FORWARD, which is advancing and contains bond funding for many of Mass Tech’s programs. Mr. Fuller then turned the meeting over to Ms. Kirk.

Agenda Item II Report of the Executive Director

Ms. Kirk stated that the budget presentation was essentially her report and then gave an overview of the steps leading to and the format of the presentation to be given. She then stated that there are a number of funding sources for the Mass Tech budget, including state budget appropriations, capital authorizations, and federal programs, including grants. With regards to state budget appropriations for Fiscal Year 2023 (“FY23”), currently pending before a legislative Conference Committee is a line item for the Mass Cyber Center which includes an earmark, and level funding for the Innovation Institute, the Internship and Mentorship Program, and Advanced Manufacturing Training Grants, which totals \$8.8 million in appropriations. There is also an appropriation, which was adopted in the Senate by amendment, for a line item for the Center for Advanced Manufacturing (“CAM”) in the amount of \$1.2 million. However, since the CAM line item did not originate in the Senate Ways and Means budget, and is still pending before the budget Conference Committee, Mass Tech is not budgeting on that amount. On the non-appropriations or capital authorization side, Ms. Kirk explained the following amounts were included in the Governor’s Capital Investment Plan for FY23: the Collaborative Research and Development Matching Grant Program (“R&D Program”) is budgeted at \$5 million, the Technology & Innovation Ecosystem Awards Program (“Tech & Innovation Program”) received \$11 million, the Massachusetts Manufacturing Accelerate Program (“MMAP”) funding has increased from \$2 million to \$6 million, the Mass Cyber Center received \$6.8 million, and the Mass Broadband Institute (“MBI”) has funding for various programs. Ms. Kirk reminded the Board that a staff re-organization occurred over the previous year, and then provided a brief overview regarding personnel numbers in each division. Ms. Kirk briefly discussed funding for each division, to be discussed in-depth by the division heads, as well as an overview of awards that will go through Mass Tech. She then turned the presentation over to Mr. Hoch.

Agenda Item III FY23 Budget Review and Discussion (motion item)

Mr. Hoch presented the FY23 budget for the Innovation Institute. He stated they have 11 full-time personnel, which is unchanged from Fiscal Year 2022 (“FY22”), with three unfilled positions to be staffed in the upcoming fiscal year. Mr. Hoch then provided a recap of the work the Innovation Institute, with two large programs that require staff capacity - the R&D Program and the Tech & Innovation Program. He explained that the Innovation Institute identifies and promotes new ideas and collaborative strategies for economic growth in priority clusters through supporting university and non-profit R&D, innovation ecosystems, cluster development, and

research & analysis. Staff is organized to support key industry clusters and foster innovation ecosystems. Moving on to grants, Mr. Hoch then discussed the Innovation Institute Fund, breaking down targeted areas where they intend to make investments, looking to get the best long term value.

Next Mr. Linville-Engler presented on the Massachusetts eHealth Institute (“MeHI”). He indicated that biggest change from FY22 to FY23 is the reduction in MeHI staffing, with the wind down of the Medicaid contract resulting in a loss of six positions, as well as a change to our HIway contract, which is approximately half of MeHI’s work. Since FY22, MeHI personnel has been reduced by nine individuals. Mr. Linville-Engler explained the last few years have been focused on digital health, and MeHI also supports an aging and caregiving initiative. The HIway team is working under contract with the Executive Office of Health and Human Services (“EOHHS”) to continue to advance the Commonwealth’s health information exchange, and funding for the Medicaid contract with EOHHS ends on June 30 of this year. MeHI is undergoing a reorganization, and Keely Benson has been promoted to Director of MeHI, and Katie Green to Senior Program Manager who will oversee what is being called MeHI Innovation. Regarding awards, MeHI is focused the Governor’s Digital Health Initiative, supporting the ability of entrepreneurs to advance health equity, and the Mass Caregiving Initiative. Awards are funded from MeHI’s Chapter 224 fund balance, except for MeHI’s Sandbox Program which also receives federal funding through the federal SPRINT Challenge Grant Program.

Mr. Baldino then presented MBI’s budget, stating that we are winding down our traditional Last Mile Program grants. MassTech will continue to own the MassBroadband123 Network, and is releasing an RFP seeking proposals for a network operator. Going forward, the focus of MBI will be overseeing new broadband programs funded through the unprecedented amount of new federal funding for broadband. In FY23 MBI will be hiring nine new individuals, while professional fees are going down as FY22 costs were tied to use of KPMG and outside counsel to assist with the network operator procurement. With regard to federal funding, MassTech expects to receive the following amounts: \$50 million in American Rescue Plan Act (“ARPA”) State and Local Fiscal Recovery Funds, \$175 million from the ARPA Capital Projects Fund, \$1 million from the Economic Development Administration, and over \$100 million from the Infrastructure Investment and Jobs Act, totaling over \$325 million in federal funds to Mass Tech for broadband. Federal funds will flow to EOHED who will contract with Mass Tech to develop and implement new programs. For FY23 strategic investments by MBI will be increasingly driven by ARPA and Capital Projects Fund, and \$3.5 million is available for middle mile network capital upgrades.

Next Ms. Nolan reviewed the CAM budget. She indicated that the FY23 budget includes M2I2, MMAP, and Manufacturing Training Grant program administration, and a MassBridge extension through the end of September. Personnel remains the same at four full-time positions, and to the extent a FY23 line item is approved in the state budget for CAM, one additional full-time employee would be added. This is not currently included in the FY23 budget. Ms. Nolan provided an overview of CAM’s mission, stating they support innovation and growth in the advanced manufacturing industry in Massachusetts and strengthen manufacturing job growth and training in the state, detailing each of CAM’s programs, including a new brand called

MassMakes which showcases career opportunities that exist in manufacturing. Funding for grants from CAM comes from state contracts and bond funds.

Ms. Helm then provided an update on the MassCyberCenter budget. There will be one additional hire in FY23, who will focus on municipalities. The goal of the MassCyberCenter is to make connections within a complex ecosystem to overcome cyber threats facing the Commonwealth, and to that end there are three main mission areas – resiliency work, ecosystem, and outreach. The consortium, Cyber Trust Massachusetts, is a nation-leading initiative propelled by the MassCyberCenter and funding from the Legislature; governance will be provided by a non-profit entity that will advance the imperatives, support educational programs, advocate to stakeholders, and allocate financial resources to its membership. The MassCyberCenter anticipates awarding over \$11 million dollars in FY23.

Next, Central Office Support was discussed, beginning with Finance, IT, and Facilities. Ms. Kirk indicated that there will be three additional full-time employees in the Finance Department, one of which is a carryover from FY22 that was never hired. Ms. Erlandson stated the other two employees are necessary to handle the increased volume anticipated from the incoming federal funds. Ms. Erlandson then indicated there is a slight increase in professional fees, some of which is related to an upgrade in MassTech’s contracts and management system and other for database consulting. Ms. Erlandson then explained the facilities budget, which includes capital expenditures for the organization, such as roof repair and HVAC upgrades. All major renovations are to replace equipment that has outlived its useful life, and will be paid for through reserve funds. The other items are general upgrades usually done over time, and the costs are allocated across the programs.

Mr. Noyes next provided an overview of the Communications and Marketing Department. He indicated there was a great deal of work going on with the expansion of divisions. He stated Communications and Marketing was looking to not rely as much on media but to utilize direct to consumer outreach, through unpaid and organic marketing with some paid campaigns as well.

Ms. Lucas-Murphy discussed the Human Resources Department, stating that we are seeing some really good traction as we have changed our hiring strategies. For example, we have revamped job postings to target what job seekers are looking for, highlighting things like rewards of working in the public sector. She indicated they are working closely with the Communications and Marketing Team, as well as providing an employee referral bonus. Regarding health and safety, Mass Tech is in a hybrid work environment, which is going very well. Finally, our last health insurance provider left the commercial market, and we were able to move to Harvard Pilgrim with no cost increase.

Finally Ms. Saubermann provided an update on the Legal and Government Affairs Department. She indicated that the large amount of money flowing through Mass Tech will translate to increased procurements and contracting. A great deal of time will be spent supporting all the divisions, with an early focus on negotiating a new MBI network operating agreement. The legal team would also like to hold a series of best practices all-staff training this year. On the Government Relations side, we are winding down the second year of the legislative session

so there is a great deal of advocacy happening around the economic development bill and our budget. We are hoping to host a number of in-person events at the State House to get additional legislative support around our programs and divisions. Strengthening relationships with staff and legislators at the State House has been going well; the first year of the next legislative session will be begin in January, so to the extent legislative committee chairs change, we will be work on forging new relationships.

Ms. Erlandson next reviewed the consolidated profit and loss statement. Ms. Erlandson stated we have forecasted \$37.7 million in revenue for FY22. Based upon increased state bond funding and additional federal funds, the FY23 revenue is projected to double to \$74 million. Key revenue sources that are increasing is state bond fund revenue including funds provided for the Tech and Innovation and R&D Programs, MBI, and CAM. The other major increase is associated with federal funding – with federal funding projected to increase from \$2.5 million in FY22 to \$19.2 million in FY23. The majority of the FY23 federal funds, approximately \$18 million, will be federal broadband funds managed by MBI. The remaining federal funds are for MassBridge under CAM and the SPRINT Challenge Grant under MeHI.

Regarding expenses, MassTech’s financial assistance is projected to go from \$24 million in FY22 to \$59 million in FY23. Much of that comes from the new revenue sources already highlighted. There are increases in personnel that were also previously discussed. We typically try to create a budget that is balanced within the revenue and minimize the use of our fund balances. The FY23 budget projects a \$2.5 million draw from MassTech’s fund balances. Ms. Erlandson then detailed how the different Mass Tech fund balances are calculated. She indicated that restricted fund balance includes funds appropriated for a specific purpose or funds whose use is defined in a contract. Reserved Funds include funds committed for awards that have not yet been paid out and funds reserved in accordance with the Fund Balance Policy.

A discussion ensued regarding the FY23 budget deficit for the Middle Mile. Ms. Erlandson stated we have not yet identified a funding source and are working with EOHED on this issue. It was indicated that we are comfortable that the deficit will be covered without utilizing MassTech reserve funds, and much of the MBI shortfall is due to one-time expenses.

After a period of discussion and upon a motion duly made and seconded, it was unanimously VOTED by roll call vote:

Motion 1: 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 2023 Budget (“FY23 Budget”) in a form that substantially comports with all material elements of the FY23 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 FY23 Budget to reflect adjustments relating to: (1) the appropriate allocation between the Fiscal Year 2022 actual results and FY23 Budget following the Fiscal Year 2022 year-end financial closing; (2) the actual final Fiscal Year 2023 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 FY23 Budget and shall provide an appropriately detailed description of the modifications and the associated budgetary impact; and (3) the receipt of additional revenue from the state and the correlating expenditures due to the accelerated implementation of programs, to the extent that such revenue and expenditures are consistent with the programs in the FY23 Budget, as presented; provided that the Executive Director shall seek Committee approval for any individual commitment of funds in excess of the Executive Director's delegated authority as set forth in Mass Tech Collaborative's policies.

Motion 2: The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation ("MassTech"), acting pursuant to the authority delegated under Chapter 40J of the General Laws of the Commonwealth, does hereby delegate authority to MassTech Collaborative's Executive Director to expend an amount not to exceed \$850,000 from MBI's Fiscal Year 2023 Professional Fees line item, to be used for consulting and legal services related to the Middle Mile Network.

There being no other business to discuss and upon motion duly made and seconded, the meeting was adjourned at 3:29 p.m.

A TRUE COPY
ATTEST: (Secretary)

DATE:

Materials and Exhibits Used at this Meeting:

1. Draft Minutes for the April 15, 2022, Mass Tech Collaborative Executive Committee Meeting
2. Presentation- Executive Director's Report
3. Presentation- FY23 Budget Review and Discussion (motion items)