

**Massachusetts Technology Collaborative Finance and Audit Committee
June 13, 2018**

MINUTES –OPEN SESSION

Present: Committee Members: Leland Cheung and Joseph Dorant. Mass Tech Collaborative Staff: Phil Holahan, Lisa Erlandson and Mary Creamer.

Start Time: 10:00 a.m.

Location: Mass Tech Collaborative Boston Office

Agenda Topic	Discussion	Action Taken/Required
Approval of Minutes	The May 2, 2018 minutes were presented for approval.	The minutes for the May 2, 2018 meeting of the Finance and Audit Committee were unanimously approved.
FY19 Budget Presentation	<p>Ms. Erlandson reviewed the budget presentation slides with the Committee. Ms. Erlandson noted that this is a steady-state budget and that once the Executive Director is hired and has a chance to come up to speed, we would come back to the Committee to ask for additional authorization, if necessary.</p> <p>While reviewing the Business Units slides, Ms. Erlandson pointed out that MassTech’s Contract Services Programs are growing, with the addition of Seaport Innovation (under the Innovation Institute) and HIway Outreach Services (under MeHI) this fiscal year.</p> <p>Ms. Erlandson gave an overview of how MassTech’s programs are funded. She explained that the State Appropriation budget for FY19 differs from the House/Senate budgets because EOHED indicated that the Governor will veto appropriations that are in excess of the Governor’s budget. In FY18, the Governor vetoed the additional appropriations; however, half-way through the fiscal year EOHED did contract with us for the full amounts approved by the legislature due to a state revenue results.</p> <p>Ms. Erlandson explained that MassTech has sufficient program fund balances to fund program operations through FY19. MBI also recently received an additional bond authorization that will provide sufficient funding through 2022 to complete Last Mile</p>	After the Executive Session, the Committee was presented with the motion to endorse the FY19 budget and recommend approval by the Executive Committee and it was approved by all present members.

	<p>projects for all Last Mile Towns and will also provide capital funds for middle mile upgrades, MBI’s oversight of Last Mile projects, and funding for a statewide broadband study.</p> <p>Staffing is to remain flat in FY19 compared to FY18 Actuals and FY18 Budget, including backfills for several existing open positions (CEO, COS, etc.)</p> <p>Ms. Erlandson continued with a discussion on each of the major divisions of MassTech.</p> <p>The Innovation Institute’s focus continues to be on cluster development (including Cybersecurity, Robotics, and Internet of Things), as well as talent development and business assistance services.</p> <p>The Mass eHealth Institute is wrapping up its eHealth grant programs (Connected Communities and eQIP) and will now be targeting Digital Health activities, which includes awards up to \$1M annually.</p> <p>The Mass Broadband Institute will continue the Last Mile and Partial Cable Town programs. Mr. Cheung asked if these are the last towns to be connected and it was explained that the FY19 budget assumes that all remaining Last Mile Towns will have an identified solution and will be in the build phase of their project.</p> <p>Other MassTech Programs includes all programmatic activity managed outside of the Institutes. Ms. Erlandson explained how each of these areas are funded. The Campus is funded by the Kopin rent; the Internship Program is funded by state appropriations; Outsourced Services is funded by the Mass Life Sciences Center; both Research & Communications and Grant Administration is funded equally by the Innovation Institute, Mass eHealth Institute and MassTech Funds (MassTech essentially covers the MBI portion, as these costs are not allowed to be funded by Bond Funds), as each Division benefits from the services that are provided therein.</p> <p>Shared Services are allocated across the divisions and programs based upon the full time equivalents. Shared Services is budgeted to remain flat in FY19.</p>	
Litigation Strategy	The Committee voted to go into Executive Session to discuss matters related to the ongoing litigation involving the MassBroadband123 network. It was stated that the	The Committee voted to enter into Executive Session.

	<p>purpose for meeting in Executive Session to discuss these matters is that discussion of MassTech’s strategy with respect to these matters in an open meeting may have a detrimental effect on MassTech’s litigating position. The proceedings that occurred in Executive Session are addressed in a separate set of meeting minutes.</p>	
Other	<p>Mr. Cheung indicated that at its last meeting, the F&A Committee recommended that the Finance team develop a recommendation to be provided to the Executive Committee regarding making strategic investments in key programs which would, as needed, drawdown fund balances. Mr. Holahan responded that he did make the Executive Committee aware of the discussions at the F&A Committee meeting including the need for MassTech to more effectively build its programs and that we need the new Executive Director to have the skill set and ability to address the mission problem. MassTech does not have an immediate funding problem.</p> <p>With the pending litigation and without an Executive Director, all agreed that it’s not the right time to make any material decisions on new strategic investments.</p>	