

Maryland E-Nnovation Initiative Fund Authority
Tuesday, June 26, 2018
10:00 a.m. – 12:00 p.m.

University System of Maryland – Columbus Center
701 East Pratt St, Board Room #G020
Baltimore, MD 21202

The Maryland E-Nnovation Initiative Fund Authority (“MEIFA” or the “Authority”) convened a meeting at 10:00 a.m. on June 26, 2018 at the University System of Maryland – Columbus Center, 701 East Pratt Street, Board Room #G020, Baltimore, Maryland 21202. A quorum was present.

Members

Robert Hallenbeck, Chairman
Robert Caret, Chancellor, University System of Maryland
John Wasilisin, President & Chief Operating Officer, TEDCO
Andy Jones, Managing Director, Maryland Venture Fund, TEDCO
Tracye Turner, Co-Owner and COO of Optimal Solutions Group, LLC
Sharon Markley, Designee of the Secretary of the Maryland Department of Commerce

Staff, Guests and Representatives

Lara Hjortsberg, Assistant Attorney General, TEDCO
Barbara Kountz, Deputy Counsel to Maryland Department of Commerce,
Assistant Attorney General
Connie Page, Administrative Associate, Office of Strategic Industries & Entrepreneurship,
Maryland Department of Commerce
Kris Shock, Senior Director, Strategic Industries & Entrepreneurship, Maryland Department of
Commerce
J. Thomas Sadowski, Vice Chancellor for Economic Development, University System of
Maryland

Chairman Robert Hallenbeck called the meeting to order at 10:04 a.m.

Roll Call: Introduction of Authority Members and Others in Attendance

Ms. Sharon Markley initiated roll call for Members, staff and guests in attendance. The following Authority Members called in on the conference line: Dr. Caret and Ms. Turner. Mr. Davis was absent. Those in attendance: Chairman Hallenbeck, Mr. Wasilisin, Mr. Jones, Ms. Markley, Ms. Hjortsberg, Ms. Shock, Mr. Sadowski, Ms. Kountz and Ms. Page.

Update on Staffing – Chairman Hallenbeck

Chairman Hallenbeck announced that Lara Hjortsberg, Assistant Attorney General has been reassigned and will no longer staff MEIFA. Lara Hjortsberg introduced Barbara Kountz, Deputy Counsel, Assistant Attorney General, Maryland Department of Commerce, who is assuming Ms. Hjortsberg's position staffing the Authority. On behalf of the Authority, Chairman Hallenbeck thanked Ms. Hjortsberg for all of her efforts in supporting the work of the Authority and wished her well going forward.

Review and Approval of previous Meeting Minutes

The Authority members reviewed the minutes of the November 28, 2017, December 8, 2017 and March 8, 2018 meetings. Upon motions duly made and seconded, the minutes of the Authority meetings held on November 28, 2017, December 8, 2017 and March 8, 2018 were each unanimously approved.

MEIFA Updates

Ms. Markley updated the Authority regarding a question raised by the Chairman in the November 28, 2017 MEIFA meeting regarding two professorships described within the annual report submitted by University of Maryland Baltimore (UMB) for their FY 2016 approved MEIF application for the Gallo Distinguished Professorship. The question is regarding whether or not the Authority received a request from UMB for a change from one professorship, as described in UMB's approved research endowment plan, to two professorships as first reported in their FY 2016 annual report.

The Chairman's expressed concern about the change made in the Gallo Professorship without Authority notice and determination. Ms. Hjortsberg noted that the statute provides that an institution must put a request in writing to the Authority 45 days prior to enacting a change to its approved Research Endowment Plan. The Chairman made a motion, seconded by Mr. Wasilisin, and unanimously approved by the Authority that UMB submit a formal request and explanation to amend their 2015 application.

MEIFA Positions

The Chairman informed the Authority that Tracye Turner has submitted her resignation from the Authority. The Chairman stated that he has regrettably accepted her resignation. Ms. Turner stated that she will stay onboard until a replacement is appointed.

Chairman Hallenbeck also informed the Authority that his appointment to a four-year term will be expiring in July 2018. Ms. Markley stated that she has contacted the Speaker of the House and the President of the Senate's Appointment Offices to make them aware and determine next steps regarding the two Authority positions. She will update the Authority when direction is received.

MEIF Audit

Ms. Markley shared that every three years the Maryland Department of Commerce is subject to a Legislative Audit by the Department of Legislative Services. This year they selected the MEIF for audit. As of this date, they have not completed the overall audit of Commerce programs nor released a final report. However, Commerce's Office of Finance Programs has advised to expect the inclusion of items regarding MEIF in the final report.

Ms. Markley shared that several steps are being taken proactively to increase efficiency and effectiveness in the processing and accounting for the MEIF program. She shared a letter that was sent out as a courtesy to all institutions that have received MEIF awards, alerting them that the Maryland Department of Commerce would be performing an audit of its own on the MEIF program. If there should be any finding or request for additional information, the Department will be following-up directly with institutions. She noted that Morgan State University and Stevenson University did not receive letters because their funds were retracted and previously returned to the fund.

The Department has also developed ticklers, checklists and new items to assist in the processing and financial management of each award. There is a time and date stamp for receipt of applications utilized for the June 1st cycle. A new template for institutional annual reporting will also be developed this summer, shared with the Authority for comment and edit, and implemented for use by awarded institutions for annual reports due September 30.

MEIF Professor Presentations

The Chairman shared that he recently met with Mr. Wasilisin and discussed inviting former recipients of MEIF awards to give a presentation to the Authority. The goal of the presentation is for the Authority to hear how the program has impacted their work and the outcomes. The Chairman stated that this could be a very nice way to showcase the impact of this program on different institutions. The Chairman shared a draft of the letter which would be used to solicit presentations from the professors holding the endowed professorships at select institutions. The Authority would like to see sampling of what has happened to each of these individuals who are now part of this program. Ms. Turner added that she would also like to see the establishment of outcome measures so that the Authority can best determine, at this mid-point in the initial funding of the MEIF program, if the intent of the program is being well-served. The letter was distributed to Board members for review and approval. Chairman Hallenbeck stated that he will suggest a number of possible presenters from previous awards to Ms. Markley for a presentation at a future MEIF open meeting.

FY 2018 MEIF Promotion

Ms. Markley reported on her activity promoting the MEIF fund. She stated that she conducted sessions with all 16 of Maryland's community colleges, and met individually with CCBC, Salisbury University, Stevenson University, Morgan State University and Maryland Institute College of Art.

FY 2019 MEIF Promotion

The Chairman and Ms. Markley have been invited to participate in the University System of Maryland's Economic Development Partners meeting on July 12, 2018, in order to present an overview of the MEIF program.

Ms. Markley said that she will provide outreach specifically to Saint Mary's College to ensure that all institutions remain aware of the program.

FY 2019 Budget

Ms. Markley shared with the Authority the following documents: FY 18 and 19 Financial Status and Projection, a statement of all awards made to date, and an application worksheet showing the eligibility for each institution in the first round of FY 19 and the 25% funding cap for each institution. There is a \$480,000 surplus which remained at the end of FY 2018, though the Authority was reminded that it went through 2 rounds of awards and in the second round successfully awarded 100% of the applications. The request has been noted to have the \$480,000 reallocated to Commerce for MEIF. It is unclear currently if those funds would be available for the FY 2019 2nd round. If not, the Authority may have to wait until FY 2020, the next legislative session, for a determination.

The return of the \$1,000,000 Morgan State University previously awarded and returned funds to the MEIF program has been confirmed, and will be available for the FY 2019 2nd round.

General Discussion

The Authority yielded the discussion to guests at the meeting for comments and questions. The Chairman noted that he will be recusing himself from any voting or discussion of the University of Maryland Baltimore Philip A. Zaffere Professorship in Regenerative Medicine in closed session.

Approval of Closed Session

At 11:16 a.m., Chairman Hallenbeck made a recommendation that the meeting be closed to discuss applications. At Chairman Hallenbeck's request, Ms. Hjortsberg stated, the statutory reasons for closing the meeting were §3-305(b)(13) and (b)(7) of the Open Meeting Act, (a) to comply with a specific statutory requirement that prevents public disclosure about a particular proceeding or matter, and (b) to consult with legal counsel with respect to legal matters with respect to such applications and an amendment request. It was noted that the applications include financial information of private individuals (donors), which is information protected from disclosure under §4-336 of the Maryland Public Information Act. It was further noted that Chairman Hallenbeck had signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an Exhibit.

Upon motion duly made and seconded, it was unanimously,

RESOLVED, that the Authority move into Closed Session in accordance with §3-305(b)(13) and (b)(7) of the Open Meetings Act (OMA), to discuss the applications received by the Authority, which include financial information of private individuals, and to consult with legal counsel with respect to legal matters with respect to such applications.

Chairman Hallenbeck then preceded with the roll call. The following members (and designee) of the Authority were present during the closed session: Chairman Hallenbeck, Dr. Caret, Mr. Jones, Ms. Markley, Ms. Turner, and Mr. Wasilisin. Absent: Mr. Davis. Barbara Kountz, Ms. Hjortsberg, Ms. Page and Ms. Shock also remained for the closed session.

Resumption of Open Session

The Open Session of the meeting resumed at 11:45 a.m.

Chairman Hallenbeck announced the following decisions made during closed session.

- Hood College – Endowed Chair in Project Management; \$1,000,000 – APPROVED (unanimously)
- Johns Hopkins University – Endowment Fund in Honor of Marcella E. Woll; \$800,000 - APPROVED (5 yes; 1 no – Chairman Hallenbeck)
- Mount St. Mary’s University – Endowed Professorship in Computational Science and Mathematics; \$1,000,000 – APPROVED (unanimously)
- Towson University – The Towson University Endowed Professorship; \$500,000 – APPLICATION FAILED FOR LACK OF A MOTION
- University of Maryland, Baltimore (School of Medicine) – James and Carolyn Frenkil Dean’s Professorships; \$1,486,000 – APPROVED as adjusted due to 25% funding cap (4 yes; 2 no - Mr. Wasilisin and Mr. Jones)
- University of Maryland, Baltimore (School of Medicine) – Philip A. Zaffere Professorship in Regenerative Medicine; \$600,000 - APPLICATION FAILED FOR LACK OF A MOTION (Chairman Hallenbeck recused himself)
- University of Maryland, Baltimore (School of Dentistry) – Frederick G. Smith MS, D.D.S and Venice K. Paterakis, D.D.S. Endowed Professorship in Oral and Maxillofacial Surgery; \$1,500,000 – APPROVED (unanimously)
- University of Maryland, College Park – Brin Family Endowed Professorship in Theoretical Computer Science; \$1,000,000 – APPROVED (unanimously)

Date of Next Meeting; Adjournment

The Authority members determined the next meeting date of the Authority as follows:

November 28, 2018 @ 9:00 a.m. – 12:00 p.m.

- Location: University System of Maryland, 701 East Pratt St., Baltimore, MD 21202

Date of next MEIF Application deadline: November 1, 2018

There being no further business, motion to adjourn was made, duly seconded and unanimously approved.

Attachments: Audit form letter (JHU's letter used as an example)
 Draft Invitation - E-Innovation Professors for Future Presentation
 Fiscal Year 2018 Financial Report
 Fiscal Year 2019 Status and Projection Report
 MEIF FY19 Worksheet