

Maryland E-Nnovation Initiative Fund Authority
Thursday, November 28, 2018
9:00 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 9:00 a.m. on November 28, 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, Chair
Robert Caret, Chancellor, University System of Maryland
George Davis, CEO, Maryland Technology Development Corporation (TEDCO)
Andy Jones, Managing Director, Maryland Venture Fund, TEDCO
John Wasilisin, President & Chief Operating Officer, TEDCO
Renee Winsky, President & CEO Leadership Maryland and President & Founder, Bay One Group, LLC
Sharon Markley, Designee of the Secretary of the Maryland Department of Commerce

Staff, Guests and Representatives

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

Call Meeting to Order:

Chair Robert Hallenbeck called the meeting to order at 9:10 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. Mr. Jones called in on the conference line. Mr. Davis was absent. Those in attendance in-person: Chairman Hallenbeck, Ms. Winsky, Mr. Wasilisin, Mr. Caret, Ms. Markley, Ms. Shock, Ms. Kountz and Ms. Page.

Chair's Report

Chair Hallenbeck welcomed new Authority member Renee Winsky, President & CEO Leadership Maryland and President & Founder, Bay One Group, LLC to the MEIF Authority. Ms. Winsky fills the private business role on the Authority that was previously held by Tracey Turner. This is not an ex officio position.

The Chairman and Commerce staff held a new board member orientation on November 14, 2018 with Ms. Winsky to review the MEIF Program, process, statutes and regulations. They also discussed the history of the Authority and provided several examples of previous awards and outcomes at the institutional level.

Ms. Winsky provided the Authority with brief background information about herself.

Ms. Markley mentioned a previous question from Chair Hallenbeck about Authority term limits. Commerce confirmed that the Chair's term does not have a term limit, but is based on the Authority member's approval. At the previous MEIF Authority meeting held June 26, 2018, Chair Hallenbeck expressed that he was interested in continuing to serve as Chair and the Authority members expressed their interest in Mr. Hallenbeck continuing to serve as Chair. Ms. Markley reconfirmed that Chair Hallenbeck can and will retain his status as Chair of the Authority.

Chair Hallenbeck updated the Authority regarding their interest in inviting recipients of MEIF professorships to provide presentations to the Authority at a future meeting or event. The goal of the presentations is to hear how the program has impacted the awardees' work and outcomes in order to best enable the Authority in driving the Program's implementation and effectiveness. The Authority will select 5 – 8 participants for presentations, and will provide in advance a list of 4 or 5 items the professors should address within approximately 10 minutes each. Chair Hallenbeck stated that he will suggest a number of possible presenters from previous awards to Ms. Markley in order to extend invitations for a presentation at the June MEIF Authority open meeting.

Program Manager's Report

MEIF FY 2018 Annual Reports

MEIF FY 2018 Annual Reports were received from previously awarded non-profit institutions of higher education by the due date of September 30, 2018. After internal review for completeness, copies of each report were forwarded to the Authority by Delterese George on October 22, 2018. Commerce is providing a thorough review of the reports. Ms. Markley pointed out a few observations from review thus far:

- Hood College recruited a new hire from Purdue University for the Endowed Chair in Advance Bio Products Research and Education Professorship – an example of an outstanding recruitment achievement

- Follow-up continues with University of Maryland, Baltimore regarding the Gallo Professorship issue. The splitting of the one previously-awarded professorship into two persists in the FY2018 annual report, but the situation has evolved. The issue is under review.
- College of Southern Maryland appears to have some confusion regarding execution of their approved Research Endowment Plan. Ms. Markley has scheduled a meeting for December with the professor holding the MEIF endowed professorship to discuss the matter.
- The Johns Hopkins University report did not use the new template that was developed over the summer. While the required information is in their report, it is at times difficult to find. Ms. Markley will make a request that JHU use the template for consistency moving forward.

MEIF Legislative Audit

Ms. Markley updated the Authority on the MEIF Legislative Audit which occurred at the Department of Commerce in 2018. The Legislative Audit is routine and auditors choose programs to audit while at Commerce. This year they selected the MEIF Program for audit, which is the first time E-Innovation has gone through a Legislative Audit. As reported by Ms. Markley at the Authority's previous meeting in June, it was anticipated that the MEIF Program may be included in the concluding report and recommendations and proactive steps were being taken to improve several processes, including development of the template for annual reporting and a checklist for document retrieval by the Office of Finance Programs. Deputy Secretary Ben Wu is finalizing response to the Legislative Auditors and it will be shared with the Authority when appropriate.

UMB Gallo Award

Ms. Markley updated the Authority regarding Commerce's internal audit of the Gallo Distinguished Professorship at the University of Maryland, Baltimore. The issue raised is regarding two professorships described within the annual report submitted by University of Maryland Baltimore (UMB) for FY 2016. Specifically, the issue at hand is 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.

Ms. Markley met with University of Maryland, Baltimore staff on October 23, 2018 to discuss the issue, reminding them that all institutions received a letter earlier in the year from Commerce letting them know that an internal audit was ongoing and additional information may be requested should any issues be identified.

A formal letter from Chair Hallenbeck was emailed and mailed to UMB on November 26, 2018. UMB was asked to respond by December 10, 2018. The response should answer why the change occurred, the institution's ability to remedy the change, or ask the Authority to accept the change and explain why. As soon as the response is received Ms. Markley will contact Authority members to share the response and reconvene by conference call to vote and respond to UMB in a timely manner.

FY 2018 MEIF Promotion

Ms. Markley reported on her activity promoting the MEIF Program. She conducted individual meetings with institutional staff including USM Economic Development Partners, IMET, MICA, Hood, Montgomery College, UMB and Morgan State University.

FY 2019 Budget

Ms. Markley shared with the Authority the FY2018 and FY2019 Financial Status and Projection information, a statement of all awards made to date, and an application worksheet showing the eligibility for each institution in the second round of FY2019, including the 25% funding cap information for each institution. The Authority has \$2.714 million remaining in the MEIF for award in the second round FY2019.

Approval of Closed Session

At 10:01 a.m., Chair Hallenbeck made a recommendation that the meeting be closed to discuss applications. At Chair Hallenbeck's request, Ms. Kountz 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 Chair 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.

Chair 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, Ms. Markley, and Mr. Wasilisin. Mr. Jones called in on conference line. Absent: Mr. Davis. Barbara Kountz, Ms. Page and Ms. Shock also remained for the closed session.

Resumption of Open Session

The Open Session of the meeting resumed at 10:29 a.m.

Chair Hallenbeck announced the following decisions made during closed session:

- Maryland Institute College of Art (MICA) – *MICA Center for Social Design*; \$500,000 - APPROVED (unanimously)
- Towson University – *Towson University Maryland E-Nnovation Endowed Professorship*; \$500,000 – APPROVED (unanimously)
- University of Maryland, Baltimore, School of Medicine – *The Philip A. Zaffere Professorship in Regenerative Medicine*; \$1,000,000 – DECLINED – (5-0) (Chair Hallenbeck recused himself)
- University of Maryland, College Park – *Clark Leadership Chairs in Data Analytics*; \$2,000,000 – The MEIF Authority modified the request to \$714,000 for one 2019 Chair (rather than two positions) with the option for the institution to accept or decline the award based upon reduced funding level and reduction from two chairs to one chair – APPROVED AS MODIFIED (unanimously)
- Washington College – Chair in Geographic Information Systems - \$1,000,000 APPROVED (unanimously)

Date of Next Meeting; Adjournment

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

June 26, 2019 @ 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: June 1, 2019.

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

Attachments: Robert C. Gallo Distinguished Professorship Letter
Maryland E-Nnovation Initiative Fund – Round 1 and 2
Fiscal Year 2019 Status and Projection Report
E-Nnovation Initiative Balance as of 11/27/18