

BOARD OF DIRECTORS

Friday, June 21st, 2019

8:30 a.m. – 10:30 a.m.

Vice Chair Patrick Joyce Presiding

Fueled Collective

400 S 4th Street, Suite 401, Minneapolis, MN 55415

AGENDA

- | | |
|---|---------------|
| 1. Call to Order (Pat Joyce) | 8:30 |
| 2. Introductions (Pat Joyce) | 8:30 – 8:35 |
| 3. Approval of Meeting Minutes (Pat Joyce) * <ul style="list-style-type: none">• April 26th, 2019 | 8:35 – 8:40 |
| 4. Financial Update (Ed Foppe) | 8:40 – 8:50 |
| 5. Government Affairs Update (Doug Carnival, David Minkkinen) | 8:50 – 9:00 |
| 6. Interim President's Priority (Lisa Schlosser) <ul style="list-style-type: none">• Spring Conference• Bids & Bytes | 9:00 – 9:10 |
| 7. Presentation and Vote of New MHTA President (Pat Joyce, Lisa Schlosser) * | 9:10 – 9:20 |
| 8. Board Message to New President – Open Discussion (Lisa Schlosser) | 9:20 – 9:50 |
| 9. Guest Presentation- Center for Economic Inclusion <ul style="list-style-type: none">• Twanna Black, Founder & CEO | 9:50 – 10:25 |
| 10. Other Business (All) | 10:25 – 10:30 |
| 11. Adjourn | 10:30 |

*Denotes item with Board Action

Next MHTA Board Meeting:
September 13th, 2019

UPCOMING EVENTS:

Upcoming Events Listing

2019

June

- 11 CIO Forum
- 14 MHTA Executive Committee Meeting
- 21 MHTA Board of Directors Meeting

July

- 12 MHTA Executive Committee Meeting
- 19 MHTA Foundation Board Meeting

August

- 16 MHTA Executive Committee Meeting
- 20 Women Leading in Technology

September

- 6 MHTA Foundation Board Meeting
- 12 ACE Leadership
- 13 MHTA Board of Directors Meeting
- 20 CIO Forum
- 25 Bids & Bytes

October

- 11 MHTA Board of Directors Meeting
- 22 Women Leading in Technology

November

- 8 MHTA Executive Committee Meeting
- 14 CIO Forum
- 20 Tekne

December

- 6 MHTA Board of Directors Meeting
- 10 CIO Panel

Board of Directors Minutes

Vice Chair Patrick Joyce presiding

8:30 am to 10:30 am

Friday, April 26th, 2019

Grant Thornton

225 S 5th Street, Suite 1400, Minneapolis, MN 55402

Present: Matthew Bailey, Kevin Boeckenstedt, Doug Carnival, Trent Clausen, Jacquelyn Crowhurst, Amy Fisher, Ed Foppe, Karen Hudson, Patrick Joyce, Sridhar Koneru, Harlan Kragt, Jake Krings, Rick Krueger, Michael Lacey, Sandy Lee, Charles Lefebvre, Paul Mattia, Samuel Prabhakar, Rakhi Purohit, Christopher Rence, Lisa Schlosser, Paul Weirtz **Absent:** Jill Farrington, David Frazee, Todd Hauschildt, Jay Heath, Bob Hirsch, Mac Lewis, Joy Lindsay, Ty Middleton, David Minkinen, Cyrus Morton, Matthew Reck, Patrick Ryan, Vinny Silva, Scott Singer, Dee Thibodeau, Ken Voss, **Staff:** Claire Ayling, Patty Carruth, Ray Hoover, John Dukich, Lonni Ranallo

1. Call to Order

Patrick Joyce called the meeting to order.

2. Introductions

3. Approval of February 15th, 2019 Meeting Minutes

Karen Hudson moved to approve the February 15th meeting minutes, Sandy Lee seconded the motion, the motion carried and the minutes were approved.

4. Financial Update

Ed Foppe gave an update on the first three months of the year. Membership running behind by 60K, although there are some renewals that have come in recently that should improve the number, we need to keep an eye on new membership. Events, ACE, Legislative event, WLIT were close to plan. TechTalent was 11K below planned net. STEM running on track. Expenses all running to plan, and the first payment of the unbudgeted president search is included in expenses. We are just wrapping up the audit, which will be presented at the next Board meeting along with the 990. We are working on a new item for the audit this year, a liquidity statement.

Lisa Schlosser gave an update on renewal membership progress, and outstanding renewals that would make a difference. In addition, a list of member targets was discussed.

5. Government Affairs Update

Doug Carnival gave an overview of the legislative session which will conclude on May 20th.

John Dukich gave an update on MHTA's legislative agenda items and where they stand thus far. SciTechsperience is working its way through the House and Senate, with two different versions of funding. Angel Tax Credit is being revived in the House and Senate, and the Governor's proposed MIC (Minnesota Innovation Collaborative) has funding in the House omnibus jobs bill. Net neutrality legislation is being discussed in the House but not the

Senate. The House omnibus tax bill includes changes to the data center sales tax exemption related to qualified computer software.

6. Interim President's Priority

Lisa Schlosser gave an overview of the TechTalent event. Thank you to our board members, Jake Krings, Mac Lewis and Trent Clausen for all of their work on the event. A review of the re-branding from Tech.(year) and a financial update was supplied. MHTA will continue to focus on the workforce theme throughout the year. Our speaker for today's meeting, Twanna Black, unfortunately had to cancel.

Lisa provided an update on Spring Conference. Thank you to all of our Board members on the Spring Committee for all of your work putting the conference together. The agenda was supplied, and Lisa invited everyone to please attend the CIO Breakfast the morning of May 9th, sponsored by Microsoft. We have met our sponsorship goal for this event, and need to close the gap on attendees. A leaderboard slide was provided showing the top number of attendees by Board companies.

A financial history slide of the Minnesota Venture Conference was reviewed. An estimate of actual to budget was presented. It was determined to not hold the event in 2019 and work on a feasibility study instead to gather information on the start up ecosystem and where MHTA could play a role.

7. Tekne – Award Categories and Lifetime Achievement Award

A list of proposed Tekne Award categories was discussed. A document of proposed Lifetime Achievement criteria was discussed and presented.

8. President Search Update

Marcia Ballinger and Bob Schoenbaum of Ballinger|Leafblad gave an update on the search for the next MHTA President & CEO. A skills and attributes overview was provided along with a timeline.

9. Other Business

Harlan Kragt requested the new Seagate board member vote have priority at the next meeting. Lisa Schlosser thanked Jake Krings and Rakhi Purohit for their help with the ACE program. The last session went extremely well, the feedback was excellent, and thank you to Harlan for speaking to the class.

10. Adjourn

Doug Carnival made a motion to adjourn the meeting, Harlan Kragt seconded the motion, the motion carried and the meeting was adjourned.

MHTA P&L vs Budget Jan-May 2019

	Jan - Ma7 19	YTD Budget	Annual Budget	\$ Over Budget
Total Membership	417,232	469,350	565,000	(52,118)
Total Promotion / Events	189,137	190,112	302,331	(974)
Total STEM Programs	157,423	148,503	457,604	8,920
Sub Total	763,793	807,965	1,324,935	(44,172)
Operate MHTA & Public Policy	563,890	555,796	1,323,551	8,093
Net Income	199,903	252,168	1,384	(52,265)

	Jan - May 19	YTD Budget	Annual Budget	\$ Over Budget
Income				
Total Membership	417,232	469,350	565,000	(52,118)
Total Promotion / Events	329,744	363,640	728,025	(33,896)
Total STEM Programs	297,691	298,218	1,683,142	(527)
Total Other Income*Sales & Marketing	13,629	12,900	18,000	729
Total Income	1,058,296	1,144,108	2,994,167	(85,812)
Expense				
Total Administration	86,001	83,516	187,557	2,485
Total 5000 · Association Staffing	464,510	457,188	1,086,395	7,322
Total 5400 · Sales & Marketing	7,841	8,825	21,600	(984)
Total Promotion / Event Expenses	140,607	173,528	425,694	(32,922)
Total STEM Program expense	140,268	149,715	1,225,538	(9,447)
Total Public Policy	19,167	19,167	46,000	0
*Total Expense	858,393	891,940	2,992,783	(33,547)
Net Income	199,903	252,168	1,384	(52,265)

* Includes Search Firm Expense (B&L) unbudgeted 18,333

STEM Workforce Development

MHTA's goal is to ensure a well-educated STEM workforce to meet the current and future demands of the state's science and technology employers. A key component of this is ensuring that we retain talented students here in Minnesota after they receive their associate, undergraduate and graduate degrees. **To help prepare our next generation of STEM talent, MHTA is requesting:**

- \$3.46 million over FY2020-21 for the **SciTechsperience Internship Program**, to provide at least 825 STEM internships over the next two years.

Science and Technology Infrastructure

MHTA's goal is to strengthen Minnesota's science and technology ecosystem through funding for research and development activities and financing for entrepreneurs. That's why MHTA is requesting funding, policy changes and the establishment of a new program to support and encourage these initiatives. **MHTA's request includes:**

- Reinstatement of the **Angel Investment tax credit to \$20 million/year** to encourage investment in Minnesota-based science and technology startups.
- Establish a state-funded matching grant program for recipients of awards from the federal **Small Business Innovation Research (SBIR)** or **Small Business Technology Transfer (STTR)** programs.
- Establish an elective state **alternative simplified R&D tax credit** of six percent on all qualified research expenses for the taxable year above the base amount.

Cybersecurity

MHTA's goal is to grow Minnesota's software industry and protect unwanted access of digital assets. An important aspect of protecting digital assets is sharing information. The ability for policymakers and others to share confidential or sensitive information is crucial, especially in time-sensitive or security-related incidents—ensuring the Legislature has in place the structure to gather the appropriate information is crucial to its ability to make informed decisions on a complex, sensitive topic like cybersecurity. **That's why MHTA recommends establishing a:**

- **Legislative cybersecurity commission** to develop legislation to support and strengthen Minnesota's cybersecurity infrastructure.
- **Cybersecurity task force**, composed of cybersecurity professionals from the private sector, government and academia, to make policy recommendations to the governor for how to strengthen Minnesota's cybersecurity infrastructure.

Broadband and Telecommunications

MHTA's goal is to expand the availability and use of broadband technology to access new markets, enhance educational access, improve quality of life, and provide Minnesota citizens and businesses the capabilities necessary to compete in a dynamic, global marketplace. **MHTA's recommendations include:**

- Support the **recommendations of the Governor's Task Force on Broadband** to expand access to broadband throughout Minnesota.
- **Uphold Minnesota's existing Internet privacy statutes and regulations** and encourage any clarification or refinement of statutes and regulations pertaining to the Internet to occur at the federal level.

STEM Higher Education

Ensuring that Minnesota's institutions of higher education are well-funded and able to provide a cutting edge, quality education is critical to helping Minnesota maintain its competitive advantage. That's why MHTA supports funding requests from the University of Minnesota and Minnesota State. **In particular, MHTA supports the following 2019 budget requests:**

- University of Minnesota
 - \$87 million increase in funding over base budget (part of which supports research and technology infrastructure).
- Minnesota State
 - \$37 million to support ISRS Next Gen, a mission-critical, multi-year technology infrastructure project to replace our out-of-date enterprise technology system and substantially improve the student experience.
 - \$15 million to address the workforce gap through innovative career, technical and professional programming serving business and industry.



Public Policy Principles

The Minnesota High Tech Association (MHTA) advocates for public policy that strengthens Minnesota’s technology-based economy and positions Minnesota as a global leader through the development and use of advanced technologies.

MHTA develops, supports and advocates for policies that promote the long-term growth, sustainability and global competitiveness of Minnesota’s technology-based economy.

MHTA believes that strong, consistent, focused leadership from the private sector, working in collaboration with academic, nonprofit and government partners, is the critical link in driving our state’s development and recognition as a global technology leader.

MHTA will advocate for policies that strengthen Minnesota’s science and technology workforce, as well as those that leverage technology to increase government efficiency and improve and sustain Minnesota’s infrastructure.

MHTA will sponsor, support and/or respond to legislation that furthers these principles. Additionally, MHTA will respond to issues and potential legislation that affect member companies and technology businesses in Minnesota as they arise.

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Lisa Schlosser
Interim President & CEO

Scott Singer
MHTA Board Chair

Doug Carnival
MHTA Board Secretary

David Minkkinen
Chair – MHTA Government
Affairs Committee

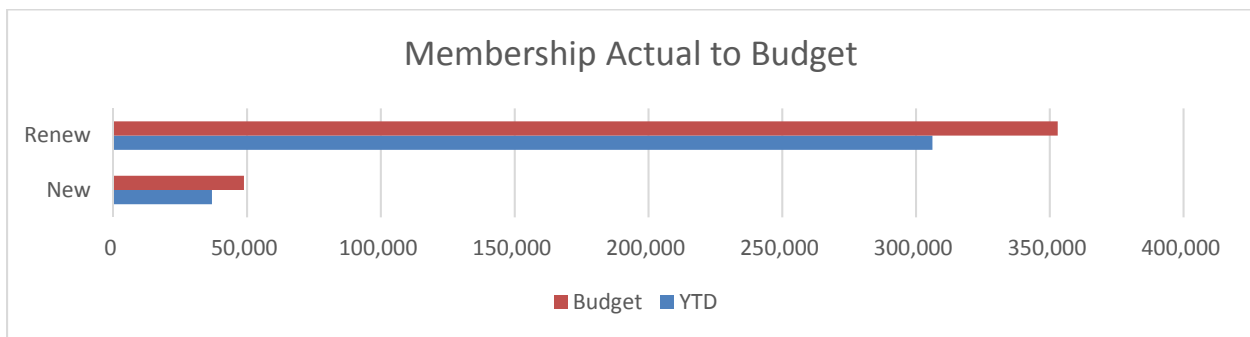
John Dukich
Director of Public Policy &
Research

MHTA STAFF REPORT

June 2019

New MEMBERSHIP <http://www.mhta.org/about/members>

Securian Financial	Trinet
CampaignBuddy	



Renewals

Current budget target: 352,977
 Renewal PTG: 306,156

New Membership

New membership budget: 75,000
 New membership PTG: 36,892

Membership Initiatives

- The 2019 Membership Strategic Plan has been written and is available upon request. Stated goals are to achieve budget goals for new and renewing members by focusing on Data processes and engagement.
- New Membership targets have been developed and sorted into categories below. Campaigns have been built to communicate to these groups, which will be supported by targeted outreach from the Membership Director, Membership Committee, and CEO.
 - Former members
 - Top Targets
 - SciTechsperience Companies
 - SBIR Companies
- Conversations are ongoing with 21 companies which represent 98,800 in potential membership dues. Meetings have been scheduled with Polaris and Werner Electric, help needed to schedule with CH Robinson and CHS. Top tier members continue to be a top priority for scheduling meetings.
- Data work is ongoing in the Former member campaign, as we work to address transience issues with former primary contacts. Confirmation work leads to:
 - Communication with contacts that are still at the same company
 - Research on new companies of primary contacts who have left
 - Research on possible new contacts at former member companies

OUTREACH & EVENTS

ACE:

- 24 participants
- Fifth session is Tuesday, June 25th at Fueled Collective. Lisa Schlosser will lead this session.
 - During this session, Tom Fisher from the University of Minnesota will give a tailored presentation on design thinking, referencing his book *Designing Our Way to a Better World*. Joan Moser of Spoken Impact will provide seven habits of a highly effective presenter
- Small group projects and teams have been finalized (5 projects total)

WLIT – Tues, 8/20/19

Summer happy hour. Location change to Calhoun Beach Club. This is a venue upgrade by D’Amico because they are renovating the Metropolitan Ballroom.

- 35 registered to date
- Sponsors
 - Annual: Comcast Business, Computex, Mayo, Nutanix
 - Event: The Software Guild
- Will welcome new WLIT board chair, Jean Machart at this event. Can also introduce new MHTA CEO if in place by this event
- Will also do a send-off for VSI Labs as they depart in their autonomous research vehicle for a cross-country road trip to Santa Clara, CA.

CIO Forum – Friday, 9/20/19

Topic: Working with the Board

Hosted by Apogee Enterprises

CIO Forum sponsorships for 2019 are sold out

Sponsors for this quarter: Computex and MentorMate

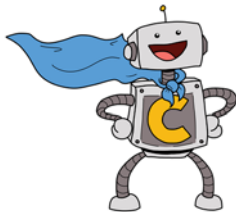
Tekne Awards – Wed, 11/20/19

- Awards:
 - Vibrant tech ecosystem. 3 award categories
 - Technology advancement across industries. 5 award categories
 - Innovation in Minnesota’s leading industries. 6 award categories
 - Public policy, selected by MHTA
 - SBIR/STTR (Phase I and II), selected by MHTA
 - Lifetime achievement
- Award applications opened June 3; close August 9
 - As of 6/12/19, 8 applications opened + 1 submitted
 - No lifetime achievement nominations to date
 - Sending emails to 100+ affiliates for amplification assistance to their constituents
- Sponsorship: \$40k to date. \$105k goal. 38% attainment
 - Presenting sponsors: Optum and Thomson Reuters
 - Gold sponsor: Padilla

- Silver sponsors: AT&T, Comcast, Robins Kaplan
- Ticket/table sales open July 8.

SciTechsperience Internship Program

- Our goal of placing 390 interns before August 31 is still within reach; we are at 372 hires as of Wednesday, June 12. This is the highest number of interns the program has ever placed, and 4 hires ahead of 2018.
- Thanks to the heroic efforts of John Dukich, Doug Carnival and Joe Bagnoli during the 2019 Legislative session, the SciTechsperience program managed to secure \$1.75 million for the 2020-2019 SFY. While this is substantially less than the \$3 million we requested, we were fortunate to secure any funding at all. The House version of the Jobs and Energy omnibus bill had no direct appropriation while the Senate version included SciTech at \$3 million. During the final negotiations of the omnibus Jobs bill, the House and Senate met a little over half way, thanks to the unwavering support of Senator Eric Pratt. Thanks to all involved in this effort.
- What does this mean for the future of SciTechsperience?
 - 1) The number of wage matches available over the next two years is 400, or 200 matches per year. This is a nearly 40% decrease compared to the current biennium, which called for at least 650 placements (we're actually at 740 as of today).
 - 2) The wage match remains at up to \$2,500 per intern. Our request had included moving the match up to \$3,000 per intern, but that had to be scrapped when the overall allocation was reduced.
 - 3) We are undertaking an immediate assessment of other funding options to augment the state funding. Many options are being considered.
- We have begun planning our summer site visits. The focus will be on visiting companies we haven't been to before. Stay tuned for more on this.



- The **SciTech Champions** program is now live. Check out Champ, our new mascot, and how the program works on SciTechMN.org. While you're there, sign up to become a SciTech Champion yourself! (Fun fact – Champ was created in-house by Piper Cleaveland, the SciTech Marketing and Communications Coordinator)

MNSBIR {www.mhta.org/mnsbir}

We are the Governor's designated resource to bridge the gap between Minnesota's next generation technology firms and SBIR/STTR funding. MNSBIR delivers business and technical assistance to its clients. MNSBIR has strong collaborative relationships with the University of Minnesota, Mayo Clinic, Office of Entrepreneurship, and other research institutions to support research, technology transfer and commercialization.

Programmatic

Invited to serve on the Advisory Board for a new initiative at the University of Minnesota, College of Biological Sciences.

The principal goal of the Biotechnology Initiative for Innovation, Collaboration and Entrepreneurship (ICE)

Translational Research Grant Program is to foster entrepreneurship in College of Biological Sciences (CBS) faculty-driven approaches to solving issues critical to society. ICE seeks to recognize and enhance biotechnology research opportunities by awarding grants for field-shaping research in new and emerging areas. This is best accomplished by identification of postdoctoral fellows and research associates; whose goal is to become entrepreneurs in a new business enterprise (NewCo) they (possibly with other collaborators) seek to establish and grow.

Outreach, Training and Coaching

Outreach – Attended a number of events.

Training - Proposal Preparation Course Calendar

August 13, 2019 9 AM – 12 PM Department of Agriculture

August 13, 2019 1 – 4 PM Department of Energy

September 10, 2019 9 AM – 5 PM Department of Health and Human Services

September 24, 2019 9 AM – 5 PM Department of Defense

Coaching and Mentoring

MNSBIR provided business and technical assistance to more than 25 companies during May.

OPERATIONS & FINANCIAL

May financials are complete. Adjusted net income is \$199,903K vs a budget of \$252,168K running \$52K behind budget. Included in expenses is \$18K that was unbudgeted for the President's search, which puts net income at \$34K behind plan. Membership income is behind plan by \$52k. Spring conference came in below income, but was 8K above budgeted net due to expenses running under plan. Scitech and SBIR mainly running to plan, with a few timing differences. Most expenses running close to plan, with some administrative costs being slightly over, and staffing being slightly under plan. Overall budgeted expenses are \$33K under budget.

The 2018 audit and 990 drafts are complete. The 2018 audit went very well, with no adjustments and a clean opinion. The auditors will present the 2018 audit and 990 form to the Executive Committee for approval, and then the 990 will be sent to the full Board for review.