

Office of the Executive Vice President and Treasurer

The [Executive Vice President and Treasurer \(EVPT\)](#) organization remains committed to enabling MIT's future by successfully stewarding Institute resources and the campus. We began fiscal year 2020 with the financial strength and flexibility to advance strategic priorities, and are weathering the financial strains of the economic downturn, in large part as a result of safeguards put in place following the 2008 financial crisis.

As the COVID-19 pandemic began to spread in late January through early March 2020, MIT's administration began to plan to rapidly depopulate the campus. In March, undergraduate students returned home, on-campus research laboratory work was scaled back to approximately 10% of normal, and faculty and staff began to work from home as social distancing measures were implemented to control the spread of the virus. During this unprecedented time, the administrative areas were critical in enabling online learning, ensuring the health and safety of the MIT community and our campus, maintaining business continuity during the crisis, and in modeling and addressing the financial impacts on the current fiscal year and beyond.

Through this period, the administration experienced important organizational changes following the departure of the EVPT and retirement of the deputy executive vice president. The areas under the EVPT umbrella now include the Atlas Service Center, Audit Division, Campus Services and Stewardship, Human Resources, Information Systems and Technology (IS&T), MIT Medical, the Office of Government and Community Relations, the Office of Public Safety and MIT Police, the Office of the Vice President for Finance (VPF), and Open Space Programming.

Key Hiring Activities and Organizational Changes

Anthony Sharon retired from his role as deputy executive vice president at the end of the 2019 calendar year, following 20 years of exceptional service to the Institute. During his tenure, Sharon was pivotal in attracting talent to a number of important leadership positions across the administrative areas, and played a key role in building and mentoring the next generation of administrative leaders for the Institute. In anticipation of his retirement, and with the benefit of the very strong team that Sharon put in place, the many responsibilities previously handled by deputy executive vice president were reassigned, streamlining the organizational structure, and positioning the EVPT areas to continue to provide quality services for the MIT community now and in the future.

As part of this restructuring, Joe Higgins, who previously held the position of director of Campus Operations became MIT's vice president (VP) for Campus Services and Stewardship, effective November 1, 2019. In this new role, the Office of Sustainability; Environment, Health, and Safety (EHS); the Office of Campus Planning; and Facilities (including Campus Construction), were brought under one umbrella reporting to the new VP.

The Office of Insurance became part of the Office of the Vice President for Finance, and the responsibilities previously handled within the Office of Major Agreements (OMA)

were transferred to the associate provost handling international activities as OMA disbanded. The institute auditor reports to the chair of the Risk and Audit Committee with dotted-line reporting to the EVPT. The Office of Government and Community Relations, the Atlas Service Center, and Open Space Programming report to the Office of the EVPT under the oversight of Executive Director Robin Elices.

Ramona Allen, previously assistant dean for Human Resources (HR) in the School of Architecture and Planning became MIT's vice president for Human Resources, effective October 1, 2019, filling the role vacated by Lorraine Goffe at the end of 2018. Reporting to the EVPT with additional dotted-line reporting to the provost, Allen possesses exceptional leadership skills developed as a member of the MIT community over 30 years in roles of progressively increasing responsibility.

On December 19, 2019, Israel Ruiz announced that he would step down as MIT's executive vice president and treasurer—a position he has held since 2011—at the end of the fiscal year. Having played a key role over the past decade in advancing numerous MIT initiatives to promote innovation and entrepreneurship—efforts ranging from MIT's Kendall Square Initiative to the launches of MITx, edX, and The Engine—Ruiz left MIT to devote his efforts to driving innovation and impact.

In March 2020, Sharon agreed to return to MIT as acting deputy executive vice president to assist during the transitional period as the search for Ruiz's successor began.

COVID-19 Response

The administrative areas worked tirelessly to enable the MIT mission of teaching and research during the initial depopulation of the campus and the following ramp-up of on-campus laboratory research. All of the areas under the EVPT umbrella played critical roles in maintaining business continuity and ensuring the health and safety of the MIT community and our campus during the crisis.

MIT Emergency Management (EM) was key to the development of a comprehensive emergency response and business continuity program for MIT during the early phases of the COVID-19 emergency, and continues to be a key partner across all sectors of the Institute as the pandemic continues to evolve. The EM team has remained in close communication with the city and state to understand regulatory requirements, assure MIT compliance, and leverage relationships at peer institutions to inform actions at MIT. MIT Police worked with MIT Facilities and IS&T to lockdown the campus, which was previously open to all, a task that had never before been undertaken. As essential personnel, MIT Police remained on campus throughout the pandemic to safeguard the community and the campus physical infrastructure.

MIT Medical worked to implement a COVID-19 testing program for the MIT community in collaboration with the Broad Institute, and is increasing its capacity to complete testing for all on-campus faculty, students, and staff returning to campus over the summer and fall, along with a contact tracing program. MIT Medical collaborated with EM and Facilities to launch and staff the Sean Collier Care Center, a 75-bed facility at the Johnson Ice Arena to support the MIT and Cambridge COVID-19 infected populations.

They also partnered with the Division of Student Life (DSL) to prepare to house and care for students and emergency responders falling ill due to COVID-19. Thankfully, the rate of infections on campus remained extremely low, and these facilities were not needed during the first wave of the disease.

IS&T rose to the challenge of expediting the implementation of software and tools to support online learning and remote work requirements. The team developed the COVID Access management application to enable permissions to enter MIT buildings, and the COVID Pass application for daily health attestation. COVID Pass was launched as the first application available through Atlas Mobile. Development of the digital identification (ID) credential is now in development for launch during the next academic year as an alternative to the current hard copy, printed MIT ID card. Availability of the digital ID (accessible through Atlas mobile via smart phone) will eliminate the need to appear in person to collect the ID card from the Atlas Service Center. The Canvas learning management system and Zoom for virtual meetings and classes were made available Institute-wide to enable the new remote work and teaching environment.

Facilities put in place enhanced custodial regimens, developed and distributed signage across campus, and worked with VPF Strategic Sourcing to procure and deliver personal protective equipment and face coverings, and cleaning and hygiene supplies across campus. EHS also played a crucial role in supporting researchers first as research scaled back in March, and then as laboratories reopened over the summer. HR worked to develop, negotiate, and communicate new pay policies and remote work guidance, and all of the areas collaborated to maintain critical business functions.

The Financial Crisis

We are still working to fully understand all of the financial impacts of the COVID-19 emergency and the resulting financial crisis on MIT investments, revenue streams, and operations. In order to protect the health and safety of our community, we have experienced a variety of immediate cost and revenue impacts, ranging from expenditures associated with the Sean Collier Care Center, to increased investment in information technology to allow for a better on-line learning experience, to refunding student dining and housing fees, and implementing a testing and contact tracing program to enable return to campus.

As an initial step, MIT implemented a 3% budget cut based on FY2020 operating budgets and set this as a new baseline going into FY2021, pulling back previously approved new budget allocations. A hiring freeze was put into effect in March, and the FY2021 salary increase program was suspended. All current staff members continue to be paid in full, however, and layoffs have been avoided.

In the event of a prolonged downturn in the global economy, MIT could experience a longer-term period of reduced endowment investment results, reduced philanthropic support, increased financial aid needs, and reductions in research funding. The magnitude of these potential costs will only be evident over time.

Campus Planning and Renewal

On March 18, 2020, the City of Cambridge implemented a temporary emergency construction moratorium on all construction activity to mitigate the impact of COVID-19, and as a result, all capital construction activities on campus were paused at that time. This stoppage was later lifted, allowing on-campus construction to resume in early June. The Campus Construction team worked with the many contractors on campus to safely pause capital construction projects in response to the construction stoppage, and later to safely restart these projects.

As a result of the stoppage, completion of a number of capital construction projects have been delayed. The Vassar Street undergraduate residence (Building W46) originally slated to open in September 2020 is now targeted for completion at the beginning of the 2021 calendar year. Further down Vassar, work is ongoing to refurbish the central utilities plant (Building 42C), with completion delayed from October 2020 to April 2021. Site four in Kendall Square (Buildings E37 and E38), which comprises the new graduate student residence, the Innovation and Entrepreneurship Hub, and the MIT Welcome Center, was originally planning to open in September 2020, but will now open in early 2021. A renovation of the landmark Wright Brothers Wind Tunnel (Building 17) is now under way and is expected to result in the most advanced academic wind tunnel in the nation.

Design work continued during the stoppage. Projects in design include a state-of-the-art building for MIT's music program (Building W18), to be constructed in close proximity to Kresge Auditorium across from the Johnson Athletics Center, the MIT Stephen A. Schwarzman College of Computing building to be located on Vassar Street on the site of Building 44, the addition to Building 54 for the Department of Earth, Atmospheric and Planetary Sciences, and the Metropolitan Warehouse (Building W41), which will be home to the School of Architecture and Planning.

Addressing deferred maintenance continues to be prioritized as an integral part of the overall capital program. FY2016 was the first year in recent decades with a reduction in deferred maintenance, and progress has continued since that time. For the fifth consecutive year, MIT's investment in campus renewal has had a positive impact on reducing deferred maintenance. The facility condition index, which is the ratio of deferred maintenance to replacement value, has decreased from 0.24 in FY2016 to 0.18 at the end of FY2020. Large renovation projects and the renewal of core infrastructure systems have been completed across much of the campus, reducing the backlog of deferred maintenance to \$1,449.1 million, which is a 2% decrease from FY2019. The replacement of East Gate graduate student housing, which has high levels of deferred maintenance, with the new graduate student residence in Kendall Square will enable MIT to realize further reductions in FY2021. At the end of FY2020, the total campus backlog is equal to \$112 per square foot, down from a peak of \$150 per square foot in FY2014.

Advancing the Innovation Ecosystem

The Kendall Square streetscape is quickly changing as construction at sites one, three, four, and five take shape, and the square is being transformed into a gateway to MIT—an urban, mixed-use district with a focus on strengthening community interaction and the area's innovation and academic ecosystems. While in-person gatherings were

paused during the COVID-19 pandemic, we continue to look forward to a future time we can again come together for in-person experiences. Planning is well underway for the MIT Welcome Center, which will be located on the ground floor of site four with the Forum—a gathering space and auditorium. Welcome Center staff members will help make the experience of coming to our campus welcoming, vibrant, and inspiring. With outdoor seating, public art, and a variety of landscapes and plantings, planning continues to activate the open spaces in Kendall Square at MIT with year-round programming, offering the Cambridge, Kendall, and MIT communities opportunities for serendipitous interactions.

The Engine Accelerator, initially launched on October 26, 2016, to provide a home for tough tech founders to create the next generation of world-changing companies, was considered an essential service and allowed to remain open through the COVID-19 crisis. Construction of The Engine expansion facility at 750 Main Street was paused effective March 26 for two months, but has since resumed. Effective June 30, 2020, The Engine's first investment fund has invested in 25 companies, and The Engine is now raising its second investment fund. On June 3, 2020, Israel Ruiz announced he would step down as chair of the board of The Engine as soon as a successor can be named.

In Closing

The challenges of the past year included senior organizational changes, maintaining business continuity amid a pandemic environment, and the need to respond to the financial impacts of the COVID-19 crisis on MIT's operating budgets and expenses, investments, and revenue streams. The strength of MIT's financial position, bolstered by practices put in place following the 2008 financial crisis, and the resilience of the EVPT organization have allowed us to continue our commitments to preserving MIT's educational and research mission.

While we begin FY2021 with a sense of uncertainty amid a continuing, world-wide pandemic, we remain excited about the campus renewal and reinvention of Kendall Square, and hopeful about the future for MIT.

Robin Elices
Executive Director
Office of the Executive Vice President and Treasurer