

Office of the Executive Vice President and Treasurer

The [Executive Vice President and Treasurer \(EVPT\)](#) organization is committed to enabling MIT's mission by successfully stewarding the Institute's financial and physical resources. In fiscal year 2021 we continued to navigate the impacts of the Covid-19 pandemic to enable safe operations and research and educational activities. While challenging, the pandemic experience also highlighted the EVPT organization's ability to tackle difficult problems with agility, creativity, and great speed, and it provided momentum and confidence to sharpen our focus on other needs and priorities.

The areas under the EVPT umbrella include: the Atlas Service Center, Audit, Campus Services and Stewardship (including the Office of Campus Planning; the Office of Sustainability; the Environment, Health, and Safety Office; and the Department of Facilities), Human Resources, Information Systems and Technology, MIT Medical, the Office of Government and Community Relations, the Office of Public Safety (including MIT Police and Emergency Management), the Office of the Vice President for Finance (VPF), and Open Space Programming.

Key Hiring Activities and Organizational Changes

The Office of the EVPT experienced important organizational changes during FY2021.

In October, Glen Shor was named EVPT, succeeding Israel Ruiz. Shor served as MIT's VPF since 2015. In this role, he led several key initiatives to improve administrative operations for the MIT community and strengthen compliance. During his time as VPF, the Institute bolstered its financial resilience and advanced strategic initiatives while still conserving endowment, building central reserves, and proactively planning for budget stresses. As EVPT, Shor leads the administrative and financial functions at MIT, working with the president, the Corporation, and members of MIT's senior leadership team to support the Institute's mission of education, research, and innovation.

Katie Hammer became VPF in February. She was previously chief deputy CFO for the City of Detroit and served in leading public finance roles for the City of Boston and the Commonwealth of Massachusetts. As VPF, Hammer plays a critical role in ensuring the integrity of the Institute's financial reporting and compliance functions. She oversees areas that assemble the Institute-wide budget, prepare MIT's published financial statements and tax filings, advise senior leadership on endowment support for operations and other key financial dynamics, execute borrowings, manage liquidity and working capital, record gifts, and provide payroll and procurement services.

Financial Overview

During FY2021, the Institute continued to navigate the immense challenges of operating a campus amid a pandemic. Facing fiscal uncertainty during these unprecedented times, we implemented targeted cost controls, anticipating the loss of student-related revenue and additional Covid-related financial pressures. These measures included suspending merit increases for FY2021 and modestly reducing allocations to units. At the same time, we were able to maintain employee benefits, including retirement contributions, freezing employee health care premiums for the coming year, and offering a subsidy to

faculty and staff to assist with heightened childcare needs. In January, after reevaluating economic conditions, we announced that eligible staff with salaries of less than \$75,000 would receive a 3% increase—an exception to the earlier FY2021 merit increase suspension decision.

Over the course of the year, MIT took steps to keep our campus safe and support our community within a prudent financial framework—implementing tuition relief, investing in a comprehensive Covid-19 testing program, enhancing cleanings of campus facilities, creating new grants to support students, and providing free parking. Though faced with these additional expenses, we in other ways spent less than budgeted or typical (travel, meeting expenses, events) due principally to the constrained state of our operations that helped offset our Covid exposures.

Bolstered by a record year for current use philanthropy, we thus closed FY2021 with net results of \$216.4 million with the modest margins we achieve in a more typical year. Net assets grew by over 50%, to \$36.4 billion, due principally to an exceptional 55.5% return on investment pool containing MIT’s endowment—reflecting the expertise of our team at the MIT Investment Management Company and fortuitous market conditions. These unexpected gains provide stability in today’s uncertain times and enable transformational impact on consequential issues in the present and future.

Continuing to Navigate the Covid-19 Pandemic

The areas under the EVPT umbrella were integral in supporting and enabling the continuation of education and research on campus and ensuring the health and safety of the MIT community during FY2021. The pandemic environment called for creative thinking and swift action from our teams. EVPT staff rose to the challenge again and again, working collaboratively to meet the needs of the MIT community.

While the individual Reports to the President submitted by the EVPT units provide details on their key activities over the fiscal year, notable highlights include the following.

- Emergency Management continued to guide MIT’s pandemic response and approach to maintain business continuity while staying in close communication with city and state officials to understand compliance requirements.
- Information Systems & Technology (IS&T) enabled the continuation of working and learning for staff, faculty, and students through Canvas, Zoom, and Slack and led an upgrade of the campus Wi-Fi system to provide better coverage for the campus in support of our new hybrid operating modality.
- The Covid Pass app developed by IS&T in collaboration with MIT Medical and Facilities tracked testing, health attestations, and vaccinations to allow access to campus buildings.
- MIT Medical played an immense role in guiding the safety protocols that have been indispensable to continued operations, including testing, a mandatory vaccination policy, and other guidelines.

- The VPF and the Vice President for Campus Services and Stewardship (VPCSS) launched the Covid Store, an online catalog providing protective and disinfecting materials to MIT community members on campus within 24 hours of ordering.
- HR teams oversaw pandemic-related pay and leave policies, the Emergency Hardship Fund, and the new child-care benefit and collaborated with MIT Medical on implementation of the vaccine requirement, while also providing much-needed support to our community through the Center for Worklife and Wellbeing.
- The VPF aided in developing a financial framework to help us meet Covid-related needs while ensuring we maintain the ability to sustain our operations.
- The MIT Police remained on campus to safeguard the community and the campus physical infrastructure.
- VPCSS teams inspected and improved campus ventilation systems and enhanced cleaning with new protocols.
- MIT Medical vaccinated MIT Medical frontline staff, EMTs, MIT Police, and some patients of MIT Medical; Covid testing facilities—the innovative trailer at MIT Medical and the clinic at Johnson Ice Rink—were created with Campus Construction.
- The Atlas Service Center remained active throughout the pandemic to serve the MIT community by providing ID cards, I-9 and E-Verify employment eligibility verification, notary services, tax treaty guidance, and other services.
- While it was often difficult to see beyond the pandemic, EVPT units continued to ensure smooth campus operations by maintaining our campus buildings, providing telemedicine and in-person medical care to our community, and administering payroll, gift recording, and other key financial operations.

Work Succeeding Initiative

During FY2021, many staff continued working remotely as the Institute limited campus density. This further highlighted the need for MIT to provide guidance to the community on the future of work at the Institute, also cited as a principal recommendation of MIT's Task Force 2021.

In March, the Institute launched the Work Succeeding initiative led by Ramona Allen, vice president for human resources (VPHR), Joe Higgins, VPCSS, and Associate Provost Krystyn Van Vliet to consider “new ways of working” to promote employee productivity and job satisfaction.

Guided by consultants from Deloitte and informed by surveys to staff and faculty, MIT's Work Succeeding team sought to reimagine the future of work at MIT through a range of flexible work practices, policies, and technology transformations, informed by our experiences before and during the pandemic.

In June, the Institute released Work Succeeding guidance to assist the community in discussions, planning, and decision-making about work arrangements for the fall and beyond. Looking ahead, FY2022 will be a period of experimentation with new ways of working that will be refined as we learn from the experience.

Campus Planning and Renewal

As we advance our 2030 capital plan, MIT continues to realize significant improvements in academic, research, and student life programs; campus infrastructure; and the surrounding innovation ecosystem.

Kendall Square along Main Street has been completely transformed with the completion of several significant building projects this past year. The graduate residence and the Innovation and Entrepreneurship Hub, both at Site 4 on the corner of Main Street and Hayward Street, are complete. The graduate tower opened for the spring 2021 term, and the MIT Welcome Center will open on the ground level of the building this September. Open spaces in Kendall Square, adjacent to a redesigned MBTA station now under construction, will soon be activated with year round programming, helping to make the experience of coming to our campus even more vibrant and inspiring.

The 17-floor tower at Site 5 (314 Main Street) is also complete, and construction at several other sites is evolving at a rapid pace. Site 5 will soon be the home of the MIT Museum (targeted opening spring 2022), the MIT Press Bookstore, and commercial space. Reflecting both the history of Kendall Square and its role in the future of innovation, Site 3 (238 Main Street) incorporates the original structure with a 12-story addition for commercial space and is nearing completion. Site 1 (165 Main Street) will include housing, retail space, and office space (targeted completion spring 2022). Work has recently begun at Site 2, which will provide commercial laboratory and office space at 200 Main Street, with enabling logistics for the demolition of Eastgate (Building E55) and construction activity for Site 2 utilities.

MIT continues to demonstrate its commitment to improving housing for both graduate and undergraduate students. In addition to the new 454-bed graduate student residence and childcare facility in Kendall Square, MIT announced that it will soon begin to expand West Campus housing options by constructing a new 676-bed graduate residence on the site of the West Lot parking area and Building W89. The newly constructed 450-bed Vassar Street undergraduate residence opened at the beginning of the 2021 calendar year. Additionally, the renewal of the Burton Conner undergraduate residence is underway and will provide updated building infrastructure and improvements to interior spaces.

Further down Vassar Street, work to refurbish the Central Utilities Plant (CUP) is nearing completion, and the CUP is expected to be fully operational at the end of calendar year 2021. A renovation of the landmark Wright Brothers Wind Tunnel is also nearing completion and will result in the most advanced academic wind tunnel in the nation. The Hayden Library and courtyard renovation is complete and ready for occupancy, and the Pierce Boathouse has been renewed and is in use.

Initiated last spring, the enabling phase for the MIT Stephen A. Schwarzman College of Computing building—also located on Vassar Street on the previous site of Building 44—is complete, and foundation work has begun. The eight-level building of 187,000 gross square feet is targeted for completion in June 2023. The building program includes office and laboratory space for 50 faculty members and their research groups, the College headquarters offices, a lecture hall and classroom, and a variety of collaborative meeting, conference, and event spaces. Enabling work has also begun for a state-of-the-art building for MIT’s music program to be constructed in close proximity to Kresge Auditorium (targeted opening 2024), as well as for the Building 54 addition for the Department of Earth, Atmospheric, and Planetary Sciences.

Addressing deferred maintenance continues to be prioritized as an integral part of the overall capital program. Our facility condition index, which is the ratio of deferred maintenance to replacement value, has decreased from 0.24 in FY2016 to 0.16 at the end of FY2021. 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 \$1.34 billion, which is a 7.4% decrease from FY2020. At the end of FY2021, the total campus backlog was equal to \$101 per square foot, down from a peak of \$150 per square foot in FY2014.

Climate Action Plan for the Decade

In May, President L. Rafael Reif introduced Fast Forward: MIT’s Climate Action Plan for the Decade, an all-MIT mobilization to help achieve the goal of decarbonizing the global economy by 2050. Fast Forward includes a broad set of programs to catalyze the adoption of scientific and technical innovations that will have major impact on this critical global issue, educate and inspire future generations to confront the challenge of climate change, inform and leverage the power of government policy to speed progress, and reduce MIT’s own climate impact.

This initiative includes fourteen on-campus decarbonization steps, called Campus Commitments. These campus strategies will support MIT’s work toward two greenhouse gas reduction goals: net-zero campus by 2026 and elimination of direct campus emissions by 2050. Project teams will be established this fall, and the EVPT will receive quarterly reports on the committees’ progress.

The Engine

The Engine Accelerator Inc., initially launched on October 26, 2016, to provide a home for tough tech founders to create the next generation of world-changing companies, has continued to advance its successes throughout the pandemic. On October 1, 2020, Sue Siegel was elected chair of The Engine’s board of directors, succeeding Israel Ruiz. On October 27, 2020, The Engine announced it had raised \$230 million towards its Fund II. The Engine’s initial fund launched in 2017 and has invested in 27 companies addressing global challenges across the areas of climate change, human health, and advanced systems. The headquarters location at 501 Massachusetts Avenue is fully occupied by portfolio companies, and construction of The Engine expansion hub at 750 Main Street is progressing and expected to open in the fall of 2022. The new facility will provide laboratory and office space for 80-100 startup companies.

Addressing MIT's Commitments

The EVPT areas made progress in addressing MIT's commitments to advance “a more just and equitable future,” as outlined in President Reif's July 1 letter to the community.

Increasing Purchasing and Contracting with Minority-owned Businesses

The VPF has named this campaign Purchase with Purpose, and there are several workstreams underway to empower MIT's buyers across campus to spend Institute funds purposefully. VPF's Small and Diverse Business Program is working with DLCs to analyze procurement activity and identify opportunities to spend with Black and minority-owned businesses. The VPF has engaged a vendor to build an application that will allow purchasers to search for suppliers based on demographic data and other attributes. They are also preparing to launch a supplier information management module in the buy-to-pay system that will allow new vendors to update their status as a small or diverse business.

Re-examining Institute Holidays

John Dozier, Institute Community and Equity Officer, and Ramona Allen, VPHR, were charged with reexamining our roster of Institute holidays with an eye to equity and inclusion. Following outreach to the community and consulting prior work by Senior Advisor to the Vice President for Human Resources on Diversity, Equity, and Inclusion Alyce Johnson, they recommended that MIT change the name of Columbus Day to Indigenous Peoples Day. In September 2020, President Reif announced this change “in recognition and celebration of the Native presence and voices in our community.” Additionally, in May 2021—based on the recommendation of the Holidays Working Group created by Dozier and Allen and chaired by Johnson—President Reif announced that MIT will adopt Juneteenth as an Institute holiday.

In October, the Institute announced that employees would receive paid time off for an uninterrupted winter break in the closing week of December and in each year moving forward. Plans for this extended winter break had been underway for some time, but as noted in the letter from President Reif and Ramona Allen, “...it feels especially fitting to be able to announce this now, as we head into the closing months of a year that has tested every one of us.”

Key Events

We held our second EVPT All-Hands meeting via webcast in February. The online format enabled us to accommodate a very large audience—in this case, the 1,500 members of the EVPT organization.

At the February meeting, we considered how we can leverage the lessons of this extraordinary time by capitalizing on momentum, teamwork, and agility; elevating the administrative experience; and effectuating change to create an even stronger MIT moving forward. We discussed an internal process within EVPT to take stock of our business functions and identify the most promising and important opportunities for us to support the MIT of today and tomorrow by embracing innovation and the positive evolution of our practices.

In May we hosted our popular Administrative and Fiscal Officer (AO/FO) meeting via webcast. The meetings had been put on pause during the pandemic and with the transition in the EVPT role. Before the pandemic, AO/FO meetings were held at Wong Auditorium at the Tang Center, with about 200 administrative and support staff members in attendance. With the online format, we were able to accommodate a much larger audience and opened the meeting to all staff. Attendance tripled, as we were joined by 600 members of the MIT community for the May meeting.

The program's topics included: Institute Strategic Priorities (Martin Schmidt, Provost, and Glen Shor, EVPT); Work Succeeding (Ramona Allen, VPHR, and Joe Higgins, VPCSS); a Campus Tour (Joe Higgins); and the MIT Values Statement (Tracy Gabridge, Deputy Director, MIT Libraries; Daniel Hastings, Professor and Department Head, Department of Aeronautics and Astronautics; and Timothy Jamison, Associate Provost and Robert R. Taylor Professor of Chemistry).

In Closing

MIT turns into FY2022 with the financial resilience to continue navigating pandemic-related issues while delivering on an ambitious agenda of tackling global challenges, transforming our campus and the surrounding Kendall Square area, and strengthening our community. We have set our sights high and are well-positioned to shape the response to some of the foremost issues of our time.

Glen Shor
Executive Vice President and Treasurer