

BOARD OF HIGHER EDUCATION

REQUEST FOR BOARD ACTION

NO.: BHE 25-35

BOARD DATE: March 28, 2025

AUTHORIZATION FOR THE COMMISSIONER TO ESTABLISH AN EXPENDABLE TRUST FOR THE PURPOSE OF SUPPORTING SYSTEM-WIDE INNOVATION AND APPROVAL OF THE COMMISSIONER'S INTENDED USE OF FUNDS

MOVED: The Board of Higher Education (the "Board") hereby authorizes the Commissioner, pursuant to M.G.L. c. 15A, §9(n), to establish "The Department of Higher Education Innovation Hub Trust" for the purpose of accepting, on behalf of the Commonwealth, funds to be used and expended by the Department for the purpose of establishing and supporting a system-wide innovation function within the Department. The Board further approves the terms of said Expendable Trust, including the intended disbursements, as set forth in Attachment A.

VOTED: Motion adopted by the BHE on 3/28/2025.

Authority: Massachusetts General Laws Chapter 15A, § 9(n)

Contact: José Luis Santos, Ph.D., Senior Deputy Commissioner & Special Advisor to the Commissioner

Background

The Board of Higher Education's (Board) enabling legislation includes a provision which allows the Board to grant the Commissioner of Higher Education (Commissioner) the authority, subject to the Board's direction and approval, to "seek, accept and administer grants, gifts and trusts for system-wide purposes from private foundations, corporations, individuals and federal agencies...." M.G.L. c. 15A, § 9(n). Such funds shall be received by the state treasurer on behalf of the Commonwealth and deposited in a separate account and shall be disbursed at the direction of the Board. *See Id.*; and 801 CMR 50.0 *et seq.*

During its January 14, 2025 meeting, the Board granted the Commissioner broad authority to seek grants and gifts from private foundation(s), within state and federal law, to help advance its priorities, with particular attention to its Innovation Priority, subject to the Commissioner returning to the Board before acceptance or administration of the proposed funding. (*BHE Motion 25-25, January 14, 2025*).

The Commissioner has identified initial, proposed funding to support the development and operation of innovation capacity within the Department and is therefore returning to the Board for authorization to establish an expendable trust to receive and disburse the funding. To that end, Department staff seek to establish "The Department of Higher Education Innovation Hub Trust" (the "Expendable Trust") through a Declaration of Trust set forth in **Attachment A**.

As specified in the Declaration of Trust, the purpose of the trust is to accept, on behalf of the Commonwealth, funds to be used by the Department to support the development and operation of innovation capacity (called an "Innovation Hub") within the Department. The Expendable Trust will include staffing and resources to help "identify, chart, pilot, scale, and carry forward innovative initiatives for the purpose of cultivating state-wide, technology-enabled initiatives within and across the Commonwealth's public higher education system to improve and measure learner outcomes." The Innovation Hub will draw from and build upon both existing innovative ideas at the campus level and will seek to advance innovation through a system-level and state-wide approach. All Expendable Trust property shall be expended on Innovation Hub personnel, consultants, technology vendors, and grants to campuses to support innovation initiatives.

Regarding the anticipated sources of funding, the Expendable Trust will accept initial funds in the form of a \$2.1 million, three-year grant from the Axim Collaborative, Inc. ("Axim"), which will help establish the Innovation Hub. While Axim's initial investment will allow the Innovation Hub's launch, the Expendable Trust is non-exclusive. This means that the Expendable Trust can accept funds, including but not limited to contributions, donations, and grants from non-governmental entities for the purpose of supporting the development and operation of innovation capacity within the Department. The terms of the acceptance and use of any and all funding received and deposited into the Expendable Trust are set forth in the Declaration of Trust attached hereto as Attachment A.

Staff Recommendation

Staff recommend approving the Commissioner's request to establish "The Department of Higher Education Innovation Hub Trust," for the purpose of accepting and using funds, on behalf of the Commonwealth, as set forth in Declaration of Trust attached hereto as Attachment A.