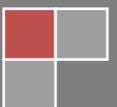


2012

# Office of Performance Management and Oversight

**Fiscal Year 2012 Report**

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12/31/2012



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## Executive Summary

The Office of Performance Management and Oversight (OPMO) was created by Chapter 240 of the Acts of 2010 – An Act Relative to the Economic Development Reorganization. The objective of this Office is to improve the effectiveness of the economic development efforts of the Commonwealth by measuring the performance of all public and quasi-public entities engaged in economic development.

All agencies under the OPMO are required to submit an agency plan for the upcoming year including goals and performance measurements. Agency plans also demonstrate alignment with the Commonwealth's economic development plan and policy – [Choosing to Compete in the 21st Century](#). Agencies were required to include their contribution to specific actions steps supporting the following five Categories for Action:

- Advance Education and Workforce Development for Middle Skills Jobs
- Support Innovation and Entrepreneurship
- Support Regional Development
- Increase the Ease of Doing Business
- Address our Cost Competitiveness

All fiscal year 2013 Agency Plans received are located on the OPMO [website](#).

Agencies are also required to submit an Annual Report. All fiscal year 2012 reports received are included in this filing and will be available on the OPMO [website](#) by 12/31/12.

Fiscal year 2012 Annual Reports are electronically filed along with this report to the clerks of the Senate and House of Representatives, the Chairs of the House and Senate Committees on Ways and Means and the House and Senate Chairs of the Joint Committee on Economic Development and Emerging Technologies.

It is important to note that the transition to performance management for the economic development agencies under the OPMO is a work in progress. As such, we continue our work with the Commonwealth Marketing Office, Mass Technology Transfer Center, and Massport to provide additional information and we anticipate 100% compliance in 2013.

In late 2011, most of the agencies under the OPMO attended a session to present the mission and key measurements of their agency. This information is included in this report along with results and recommendations. Agencies under the OPMO are listed below:

- Commonwealth Corporation
- Commonwealth Marketing Office
- Mass Business Development Center
- Mass Clean Energy Center
- Mass Convention Center Authority
- Mass Cultural Council
- Mass Development
- Mass Growth Capital Corporation
- Mass Life Sciences Center
- Mass Office of Business Development
- Mass Office of International Trade and Investment
- Mass Office of Travel and Tourism
- Mass Small Business Development Center
- Mass Export Center
- Mass Technology Collaborative
- Mass Technology Transfer Center
- Mass Ventures
- Mass Port Authority

## Mission Statements

The Missions of the Agencies under the OPMO are outlined below:

Agency	Mission
<b>Commonwealth Corporation</b>	To strengthen the skills of Massachusetts youth and adults by investing in innovative partnerships with industry, education and workforce organizations. Commonwealth Corporation seeks to meet the immediate and emerging workforce needs of businesses and workers so that they thrive in our dynamic economy.
<b>Commonwealth Marketing Office</b>	To provide consistent, statewide business and student marketing effort - <i>part of Mass Marketing Partnership.</i>
<b>Mass Business Development Center</b>	To impact “Main Street” business creation and expansion through lending to smaller businesses throughout the Commonwealth.
<b>Mass Clean Energy Center</b>	To accelerate economic growth and job creation in all areas of Massachusetts’ clean energy sector by deploying strategic initiatives that are replicable and scalable, create a clean energy ecosystem, encourage people to make better energy choices and reduce the real costs of energy.
<b>Mass Convention Center Authority</b>	To generate significant regional economic activity by attracting conventions, tradeshow, and other events to its world-class facilities while maximizing the investment return for the residents and businesses in the Commonwealth of Massachusetts.
<b>Mass Cultural Council</b>	To promote excellence, access, education and diversity in the arts, humanities, and interpretive sciences to improve the quality of life for all Massachusetts residents and contribute to the economic vitality of our communities.
<b>Mass Development</b>	To stimulate economic development and industrial growth, increase employment, build communities, promote prosperity and general welfare, and eradicate blight across the Commonwealth.
<b>Mass Growth Capital Corporation</b>	To create and maintain jobs, especially in low and moderate income areas by providing financing to small business, women and minority owned firms, growing industries, manufacturing companies through community development efforts.
<b>Mass Life Sciences Center</b>	To create and retain jobs in the life sciences Super cluster – stimulate workforce development, strengthen the life sciences infrastructure and ecosystem, and promote our global competitiveness.
<b>Mass Office of Business Development</b>	To strengthen the Massachusetts economy by providing a highly responsive, pro-business climate that stimulates job and investment growth and builds on the core economic strengths of every region.
<b>Mass Office of International Trade &amp; Investment</b>	To expand the Massachusetts economy by marketing the state’s business internationally, through focused export promotion, attracting foreign companies to invest in Massachusetts and handling protocol as it relates to trade and investment – <i>part of Mass Marketing Partnership.</i>
<b>Mass Office of Travel and Tourism</b>	To market Massachusetts as a destination for leisure travelers from domestic and international markets in order to generate state and local revenues and ultimately to grow and sustain jobs in the tourism sector – <i>part of Mass Marketing Partnership.</i>
<b>Mass Small Business Development Center</b>	To contribute to the entrepreneurial growth of small business throughout Massachusetts by providing high-quality, in-depth advising, training and capital access.

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Agency	Mission
<b>Mass Export Center</b>	To help companies achieve success in global markets, thereby contributing to economic growth in the state. Our goal is to meet the complex needs of exporters by developing and providing targeted, high-impact services delivered through a statewide network of international trade professionals.
<b>Mass Technology Collaborative</b>	To promote new economic opportunity and foster a more favorable environment for the formation, retention and expansion of technology-related enterprises.
<b>MA Technology Transfer Center</b>	To support technology transfer activities from public and private research institutions to companies in MA resulting in the creation of more technology based companies and improving the competitive edge of existing companies.
<b>Mass Ventures (formerly MTDC)</b>	To stimulate the innovation economy by providing capital and one-on-one mentoring to high-growth potential technology companies.
<b>Mass Port Authority</b>	To promote economic growth and opportunity, enhance the quality of life of New England residents and protect the freedom to travel safely, securely, efficiently and cost-effectively.

## Key Performance Measurements

The key performance measurements for each agency are outlined below:

Agency	Key Performance Measurements				
<b>Commonwealth Corporation</b>	Skill Development  Workers trained through WTF, # jobs created at completion of 2-year training plan	Pathways for at-risk youth  Youth employed via YouthWorks program	Skill Strengthening - unemployed  Training participants placed into employment	Workforce Support  Products/events and participants attending events	
<b>Commonwealth Marketing Office</b>	Retain talent – increased internships	Increased “Ambassadors” for State	Coordinated marketing and messaging		
<b>Mass Business Development Center</b>	Companies assisted	Jobs created and retained	Private sector financing leveraged	State funds invested per job impacted	cities and towns assisted
<b>Mass Clean Energy Center</b>	Jobs created or retained	New, commercial technologies	Other investment leveraged	Megawatts & negawatts created	Market and industry barriers eliminated

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Agency	Key Performance Measurements				
<b>Mass Convention Center Authority</b>	Economic impact and taxes generated through activities	Jobs supported; direct, indirect and induced	Events hosted associated with innovative, knowledge based regional industries (medical, life sciences, technology, finance, and education)	Investments related to entrepreneurial government initiatives (real estate repurposing and tourism investments)	Education/training support of tuition reimbursement and ESOL programs
<b>Mass Cultural Council</b>	STARS grants – supports teaching artists	Jobs created through Cultural Facilities Fund (CFF) – supports new building projects	Jobs supported	Number of programs	
<b>Mass Development</b>	Projects Financed or Managed	Project Investment Generated	Jobs Created	Housing Units Created	
<b>Mass Growth Capital Corporation</b>	Loans & investments	Targeted management assistance	Private sector financing leveraged	Jobs created & maintained	Micro-loan intermediary assistance
<b>Mass Life Sciences Center</b>	Net new LS jobs created by MLSC programs and investments	Number of and amount of investments companies	Number of interns placed through the MLSC Internship Challenge Program and number of participating industry sponsors	Amount of sq feet of new or upgraded research and bio manufacturing space funded by MLSC capital projects	Leverage delivered on the public dollars invested by the MLSC
<b>Mass Office of Business Development</b>	Net New & Retained Jobs/Private investment	Investment Per Job	Small Business Results	Gateway, Regional and Industry Results	
<b>Mass Office of International Trade &amp; Investment</b>	Jobs Created	Private Investment	Companies Assisted	Amount of increased exports	
<b>Mass Office of Travel and Tourism</b>	Direct spending by visitors	State tax revenue	Local tax revenue	Market share from origin markets	

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Agency	Key Performance Measurements				
Mass Small Business Development Center	New and retained jobs	Business starts	Capital infusion secured for clients	Tax revenues generated	
Mass Export	Increased export sales	Businesses attending events			
Mass Technology Collaborative	Industry Cluster Employment and Wages	Occupations and Wages	Household Income	Productivity	Industry Output and Manufacturing Value Added
Mass Technology Transfer Center	researchers/ business supported	New investment raised by companies	Additional business activity by companies	Event metrics - companies showcased and investors attending	TTO support initiatives – including portal data
Mass Technology Development Center	Exit from 3 existing investments	Invest in 4 new start-ups	Leverage MTDC investment at least 8x with private capital	Mentoring to more than 30 companies	
MassPort Authority	Under discussion				

## RESULTS

The OPMO has made significant progress in coordinating information in an effort to improve the effectiveness of economic development efforts across the Commonwealth. All agencies provide a level of consultative services to determine the best course of action for economic development. The Massachusetts Office of Business Development (MOBD) acts as an umbrella agency for business development and facilitates access to appropriate contacts across agencies. The MOBD also acts as the coordinating agency for site selection services working closely with agencies, municipalities, Mass Econ, and other stakeholders.

The top five primary services of the agencies under the OPMO are listed below:

- Financing
- Tax Incentives
- Grants
- Workforce Development
- Technical Assistance

The following information highlights a few of the key initiatives and accomplishments of the agencies. For additional details, please refer to the Agency fiscal year 2012 Annual Report posted on the OPMO [website](#).

The **Commonwealth Corporation** strengthens the skills of Massachusetts youth and adults by investing in innovative partnerships with industry, education, and workforce organizations. Commonwealth Corporation seeks to meet the immediate and emerging workforce needs of businesses and workers.

- **Workforce Training Fund** – Awarded \$10,032,100 to 90 businesses. These grants support training of 11,022 workers and creation of 1,595 jobs.
- **State Energy Sector Partnership** – awarded to the Massachusetts Workforce Investment Board by the US Department of Labor to prepare new and incumbent workers for jobs in clean energy – new enrollments in FY12 total 766; new job placements total 332, and new wage increases total 214. Technical assistance also provided.
- **Transition Employment Programs** – Represents an investment of \$1.35 Million in 7 transitional programs across Massachusetts to offer a level of support and wrap around serves to meet needs of young people and adults who have a challenging time obtaining employment. Programs offer GED preparation, ESL classes, certifications, and financial literacy courses – to name a few.
- **Youth Employment and Pathway Development** – \$8.4 Million supported 4,371 youth in summer employment experiences and 602 youth in year round employment experiences in 25 cities and towns throughout the state.
- **Skills Gap – Supply and Demand in the Massachusetts Economy** – partnership with the Federal Reserve to develop 8 Regional Labor Market Profiles. All will be complete by calendar year end 2012 and a statewide report scheduled for first quarter 2013.

The **Commonwealth Marketing Office** acts as a central entity and coordinating organization to advance economic development. The office is part of the Massachusetts Marketing Partnership that also includes the Massachusetts Office of Travel and Tourism and the Massachusetts Office of International Trade and Investment. The fiscal 2012 annual report was not submitted.

The **Massachusetts Business Development Corporation** provides a loan guaranty program designed to target “main street” businesses with working capital and expansion financing.

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- 227 loans enrolled in the **Capital Access Program** – up 37% from last year
- 42 loans to businesses in Gateway cities
- 212 projected new jobs and 1,323 retained jobs

The **Massachusetts Clean Energy Center** –accelerates economic growth and job creation in the clean energy sector by deploying strategic initiatives that are replicable and scalable, create a clean energy ecosystem, encourage people to make better energy choices and reduce the real costs of energy.

- \$25.9 million in total investment and grants
- 195 business served and 2,436 residents served
- 7,213 projected new jobs from 2011 to 2012 – Industry data confirms an 11.2 percent job growth in clean energy jobs in Massachusetts over the last year.
- The 2012 Summer Internship Program placed 144 interns from 48 different private, public, and community colleges with 77 clean energy companies across Massachusetts. The Mass Clean Energy Center subsidizes wages for students to work at clean energy companies for 10 weeks at a rate of \$12 per hour or a total of \$4,800 per student.

The **Massachusetts Convention Center Authority** generates significant regional economic activity by attracting conventions, tradeshow, and other events to its world-class facilities while maximizing the investment return for the residents and businesses in the Commonwealth of Massachusetts.

- \$18 Million investment in the Boston Tea Party Ship and Museum – collaboration with the City of Boston and Historic Tours of America.
- Will create 45 jobs during construction and 25 – 30 jobs to support operation when complete.
- All three convention centers realized an increase in revenue in FY2012.

The **Massachusetts Cultural Council** promotes excellence, access, education, and diversity in the arts, humanities, and interpretive sciences to improve the quality of life and contribute to the economic vitality of our communities.

- **Local Cultural Council Program** – \$2.34 Million allocated to support thousands of community-based projects in the arts, humanities, and the sciences.
- **Education and Youth Development** – Supporting programs include – *Creative Minds Out of School, Poetry Out Loud, Parents Unite for the Arts, March Youth Arts Month, Big Yellow School Bus and National Arts and Humanities Youth Program Awards.*
- **Cultural Facilities Fund** – supports building projects for nonprofit arts, heritage, and science organizations; \$7.4 Million allocated.

The **Massachusetts Development Finance Agency** stimulates economic development and industrial growth, increases employment, builds communities, promotes prosperity and general welfare, and eradicates blight across the Commonwealth.

- 296 projects completed
- \$3.3 Billion invested
- 11,830 projected new jobs
- 759 housing units built or substantially renovated

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The **Massachusetts Growth Capital Corporation** creates and maintains jobs, especially in low and moderate-income areas by providing financing to small business, women, and minority owned firms, growing industries, manufacturing companies through community development efforts.

- Provided financing commitments to 54 businesses
- Created/maintained 1,291 jobs (*projected*)
- **Small Business Technical Assistance Grants** awarded to 14 organizations – Total of \$600,000; average award of \$30,000 - \$75,000. The program is designed to complement and enhance the traditional public and private small business assistance network by providing technical assistance or training programs for underserved and disadvantaged businesses with 20 employees or fewer.

The **Massachusetts Life Sciences Center** creates and retains jobs in the life sciences Super Cluster by stimulating workforce development, strengthening the life sciences infrastructure and ecosystem, and promoting our global competitiveness.

- **Internship Challenge** – placed 405 interns at 203 businesses; program is now in its fourth year of investing in next generation talent.
- **Infrastructure Investments** – 6 investments totaling \$56 Million
- **Tax Incentive Program** - \$20.3 Million in tax incentives awarded to 26 life sciences companies – 900 new jobs in during calendar year 2012.

The **Massachusetts Office of Business Development** strengthens the Massachusetts economy by providing a highly responsive, pro-business climate that stimulates job and investment growth and builds on the core economic strengths of every region.

- Successfully completed 92 project with businesses across the State
- 3,691 projected new jobs and 13,148 retained jobs
- \$976 Million in private investment

The **Massachusetts Office of International Trade and Investment** expands the Massachusetts economy by marketing the state's business internationally, through focused export promotion, attracting foreign companies to invest in Massachusetts and handling protocol as it relates to trade and investment.

- Finalized **direct route** service with Japan
- **Trade Missions** – Brazil Innovation Economy and Chile Innovation Economy
- **STEP Program** – Awarded \$614,025 to 60 small businesses. This Small Business Administration program is designed to increase the number of small businesses that are exporting as well as increase value of current exports.

The **Massachusetts Office of Travel and Tourism** markets Massachusetts as a destination for leisure travelers from domestic and international markets in order to generate state and local revenues and ultimately to grow and sustain jobs in the tourism sector. *Please note – runs on a calendar year (industry driven) and as such, the annual report is based on Calendar Year 2011.*

- Managed performance based, Regional Tourism Grant Program to 16 regional tourism councils totaling \$6 million.
- Direct expenditures by domestic and international visitors up 8.2% over LYR.

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- State revenue up 8.5% over LYR.

The **Massachusetts Small Business Development Center** (*part of UMass*) contributes to the entrepreneurial growth of small business throughout Massachusetts by providing high quality, in-depth advising, training, and capital access.

- Managed 3,732 client cases
- Created 717 new jobs (projected)
- Retained 1,695 jobs

The **Massachusetts Export Center** (*part of the Massachusetts Small Business Development Center*) helps companies achieve success in global markets by developing and providing targeted, high-impact services delivered through a statewide network of international trade professionals.

- 216 client cases focused on Export
- Over 1,000 companies assisted
- Powerful client testimonials on value add and export expansion

The **Massachusetts Tech Collaborative** promotes new economic opportunity and fosters a more favorable environment for the formation, retention, and expansion of technology-related enterprises.

- 17 start-ups supported through the Tech Hub Collaborative 12 X 12 Entrepreneurship Initiative representing over \$80 million in funding and 250 employees
- \$100 million paid in Meaningful Use incentives to drive adoption of electronic health records among Medicaid providers – highest per capita in the country
- 170 miles released to construction on the MassBroadband 123 network to bring high-speed internet to Central and Western Massachusetts

The **Massachusetts Technology Transfer Center** supports technology transfer activities from public and private research institutions to companies in MA resulting in the creation of more technology based companies and improving the competitive edge of existing companies.

- Awarded Massachusetts Clean Energy Catalyst Award to 10 recipients – total of \$370,000
- Enabled entrepreneurs to present to “*dream team*” of successful investors – 26 platforms presented
- Showcase technologies at targeted conferences

**Massachusetts Ventures** (*formerly MTDC*) stimulates the innovation economy by providing capital and one-on-one mentoring to high-growth potential technology companies.

- Invested \$2.2 million in 11 Massachusetts companies
- 10 winners of the START Program – initiative that helps growing companies commercial technologies under SBIR
- 14 companies participated in Fast Track Program – further fuels success of Mass Challenge recipients

The **Massachusetts Port Authority** promotes economic growth and opportunity, enhances the quality of life of New England residents, and protects the freedom to travel safely, securely, efficiently and cost-effectively. The fiscal 2012 Annual Report was not submitted.

## Recommendations

The efforts of the OPMO thus far have served to create a solid foundation from which to build. In order to create a sustainable, data driven process by which to manage, engage and communicate, we recommend the following strategy going forward:

**Communication** – Beginning in first quarter of 2013, the Director of the OPMO will present at each agency’s board meeting to rollout the objective and requirements of agencies under the OPMO.

**Priority** – Senior management at each agency must recognize the importance of this effort, designate staff responsible and prioritize accordingly.

**Information Management** – Agencies must provide basic information on an ongoing basis as directed by the Massachusetts Office of Business Development (MOBD) and the OPMO. This critical component of database management will consolidate job, investment, and program data as well as ensure all resources are considered to advance economic development. Consolidated dashboard management (*budget permitting*) will be evaluated to effectively monitor programs, progress, and provide regular updates.

**Fiscal Year 2014 Agency Plans** – First draft of the plans will be due by the end of the first quarter (March 31, 2013) to enable time to discuss and revise accordingly. All plans must include *specific* goals, performance measurements and demonstrate alignment with the Commonwealths economic development plan & policy – Choosing to Compete in the 21<sup>st</sup> Century. The OPMO will work closely with the agencies on effective measurements. Agency Plans must be approved by the agency Board as well as the Secretary of Housing and Economic Development. Approved Agency Plans will be posted on the OPMO [website](#).

**Fiscal Year 2013 Annual Reports** – Reports will be due by October 1, 2013 and must correlate with the fiscal year 2013 agency plan previously provided. Results and performance measurements will be evaluated and recalibrated accordingly to meet goals and objectives. The OPMO will provide the template required for information to ensure all relevant and required data is received in a format that is clear and consistent across agencies. All reports will be filed with legislature and posted to the OPMO [website](#) by December 31, 2013.

**Best Practices Workshops** – The OPMO will conduct Best Practices Workshops for all agencies to share winning strategies and collaborative successes to build on.

**Collaboration and Compliance** – Continue outreach to all agencies to ensure effective oversight and 100% compliance.