

Agency Strategic Plan

Innovation and Entrepreneurship Investment Authority (934)

3/17/2014 11:38 am

Biennium: 2008-10 ▼

Mission and Vision

Mission Statement

The Innovative Technology Authority (ITA) fosters the development of emerging technologies and technologies companies to make Virginia an attractive business location.

Vision Statement

ITA will achieve national recognition as the premier services provider engaged in technology company creation and company growth resulting in Virginia becoming the top national destination for new technology company formation.

Executive Progress Report

Service Performance and Productivity

- *Summary of current service performance*

Innovative Technology Authority is recognized nationally amongst its peers as a model technology-based economic development organization. This is exemplified by the number of programs initiated by ITA's non-profit operating company, the Center for Innovative Technology (CIT), and copied by other states. Nationally, Virginia is ranked 8th in the "2007 State New Economy Index" conducted by the Information Technology & Innovation Foundation and the Kauffman Foundation. Virginia's ranking of eight compares to Virginia's gross state product and population peer-state, Massachusetts who ranks number one. ITA, through its operating company CIT, intends to resolve this ranking disparity and make Virginia the top destination for new technology company formation.

- *Summary of current productivity*

Metrics collected from CIT, non-profit operating arm of ITA, clients served -

TOTAL RETURN TO VIRGINIA FOR AN APPROPRIATION OF \$6M

- FY07 \$85M - FY06 \$72M - broken down as follows:

Cash (revenue - other than State appropriation - received by CIT) FY07 \$4.8M - FY06 \$3.2M

Leverage Cash (revenue and investments for Virginia entities) FY07 \$27.6M - FY06 \$21.7M

Economic Value (wage and sale gains for Virginia entities) FY07 \$53M - FY06 \$47M

Initiatives, Rankings and Customer Trends

- *Summary of Major Initiatives and Related Progress*

Through its operating company, the Center for Innovative Technology, ITA provides the following 4 service lines:

CIT Entrepreneur - helps emerging technology companies find early-stage capital by making connections with "hard to access" private and federal funding sources and invests in high-potential seed stage companies through the GAP Fund.

CIT Connect - links large scale federal and corporate consumers of technology with innovation created by private sector start-up companies.

CIT R&D - unites research and private sector companies in translational research projects to find innovative solutions to the challenges faced by our Commonwealth, region and nation.

CIT Broadband - offers a unique "holistic" supply and demand approach to solving the last mile connectivity challenge for broadband adoption.

- *Summary of Virginia's Ranking*

Relevant Virginia's Ranking information for activities involved under:

CIT Entrepreneur Service Line -

Comparing venture investments in Virginia to other states of similar size and economic composition, over a 5 year period, Virginia companies have attracted \$1.9 billion in venture capital, falling behind neighboring Maryland, which has attracted \$2.7 billion. Virginia, however, suffers significantly in comparison to Massachusetts, which attracted \$13.3 billion in venture capital during this same period.

Virginia's 2005 GSP is \$352B compared to Maryland's GSP of \$246B and Massachusetts GSP OF \$326B.

Virginia ranked third among states, behind California and Massachusetts, in Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards received in FY2004 (the latest year for which data is available.)

CIT Connect Service Line -

Reductions in expenditures for government and private sector research has created an opportunity for early-stage science and technology companies to fill the innovation gap by delivering solutions that meet the mission objectives of large-scale technology consumers. These larger consumers gain a competitive advantage when they identify niche technologies and companies during their developmental stages because they are able to adopt solutions tailored to their requirements. The Connect program is designed to accelerate the growth of early-stage technology companies by introducing their innovative technology to markets they cannot afford to explore at this stage of their funding and development. This is a new innovative consulting service line, created by CIT, which has not been replicated in other states; therefore, there is no other state ranking information available.

CIT R&D Service Line -

The 2007 State New Economy Index from the Ewing Marion Kauffman Foundation and the Information Technology & Innovation Foundation, shows that Virginia spends 2.05% of its Gross State Product on research as compared to 4.97% for Massachusetts and 3.76% for California.

On average, the number of patents issued per capita, shows that Virginia issues 13 patents per year compared to 26 per year for other states in the U.S.

Broadband Service Line -

OECD Report shows in their December 2006 Broadband Statistics report that the United States fell to 15th behind other industrialized nations in broadband subscribers per capita. Virginia ranks 13th nationally, while Georgia is the national leader and Alaska jumped from 50th (in 2002) to 2nd (in 2006).

- *Summary of Customer Trends and Coverage*

Annually, CIT, the operating arm of ITA, reviews the economic climate for technology and technology company creation. The following observations have been validated:

- There is a significant void in angel and early-stage investment capital for seed-stage companies nationally as well as in the Commonwealth.
- Reductions in the federal research and development workforce and increased emphasis on security programs are creating opportunities for translational research programs involving multiple universities and companies.
- Advanced technology fields including nanotechnology and biotechnology require pursuit of specific market segments in order to establish a market leadership position.
- Changing economic and geopolitical environments create the need to stimulate innovation for new solutions to challenges in energy production and consumption.
- Access to affordable broadband is mandatory to support rural economic development.
- Federal funds play a significant role in supporting the capital requirements of early-stage companies.
- Early-stage companies and large-scale technology consumers have a difficult time identifying each other, which prevents technology assimilation and young company growth.

Future Direction, Expectations, and Priorities

- *Summary of Future Direction and Expectations*

To continue maximizing value for the Commonwealth's technology economy, CIT has defined four specific strategic goals:

1. Achieve recognition as one of the top 5 regions in the U.S. for innovative technology company
2. Achieve recognition as one of top 5 states for residential broadband penetration
3. Become nationally recognized as the source for innovative solutions that improve services and reduce the cost of

government operations

4. Achieve national recognition for the application of Virginia's R&D assets to resolve Virginia and national societal challenges

- *Summary of Potential Impediments to Achievement*

Reductions in funding that support investment in early-stage company formation threatens ITA 's ability to develop and operate innovative programs that attract, create, and support advanced technology companies.

Service Area List

Service Number	Title
934 534 15	Technology Entrepreneurial Development Services
934 534 16	Commonwealth Technology Policy Services
934 534 19	Technology Industry Development Services
934 534 20	Technology Industry Research and Developmental Services

Agency Background Information

Statutory Authority

Innovative Technology Authority Act

Article 3

§ 2.2-2219. Declaration of public purpose; Authority created.

A. It is found and determined by the General Assembly that there exists in the Commonwealth of Virginia a need to (i) promote the economic development of the Commonwealth by attracting and retaining high technology jobs and businesses in Virginia; (ii) increase industry competitiveness by supporting the application of innovative technologies that improve productivity and efficiency; (iii) mobilize support for high technology industries to commercialize new products and processes, including organizing assistance for small business and supporting select industry sectors and regional high technology efforts; (iv) enhance and expand the scientific and technological research and development capabilities of the institutions of higher education in the Commonwealth and coordinate such capabilities with the scientific and technological research and development activities and requirements of the public and private sectors, including transferring technological advances to the private sector; (v) expand knowledge pertaining to scientific and technological research and development among public and private entities; (vi) attract research and development (R&D) facilities and contracts from the federal government and private sector, including coordinating efforts to identify and compete for large federal and private sector R&D facilities, tracking federal technology initiatives and recommending state actions, and developing a statewide strategy to compete for large R&D contracts; and (vii) facilitate and coordinate the marketing, organization, utilization and development of scientific and technological research and development in the Commonwealth.

B. To achieve the objectives of subsection A, there is created and constituted a political subdivision of the Commonwealth to be known as "The Innovative Technology Authority." The Authority's exercise of powers conferred by this article shall be deemed to be the performance of an essential governmental function and matters of public necessity for which public moneys may be spent and private property acquired. (1984, c. 782, § 9-252; 1993, c. 967; 2001, c. 844.)

Customers

Customer Group	Customers served annually	Potential customers annually
Commonwealth citizens desiring Broadband	1,700,000	3,200,000
Commonwealth University Researchers	250	1,250
Technology companies	50	22,165
Technology Councils	6	6
Technology entrepreneurs	250	2,886
Virginia State government agencies	3	210

Anticipated Changes To Agency Customer Base

Increased emphasis will be placed on entrepreneurs, capital formation for company generation, and new sales opportunities

for emerging technology companies.

Partners

Partner	Description
[None entered]	

Products and Services

- *Description of the Agency's Products and/or Services:*

The Innovative Technology Authority, through its operating company CIT, delivers services through four services lines:

1. Entrepreneur - capital formation for early stage companies from sources including federal, corporate, and private investors.
2. Broadband - services to facilitate telework promotion and last mile broadband implementation for rural VA locations.
3. Connect - services to facilitate innovative solutions and advanced technology applications for Virginia state government and advanced technology companies in Virginia.
4. R&D - application of Virginia research and development assets for the resolution of challenges affecting VA citizens.

- *Factors Impacting Agency Products and/or Services:*

Reductions in overall funding impact the ability to deliver overall services.

- *Anticipated Changes in Products or Services:*

Reductions in State appropriation impact the ability to deliver programs involved in the Entrepreneur, Connect, and Broadband. Federal appropriations reductions impact the ability to deliver programs involved in the R&D service line.

Finance

- *Financial Overview:*

The Innovative Technology Authority has two sources of revenue. The appropriation from the Commonwealth of Virginia and building rental income.

- *Financial Breakdown:*

	FY 2009		FY 2010	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$6,234,337	\$0	\$6,234,337	\$0
Change To Base	-\$387,000	\$0	-\$387,000	\$0
Agency Total	\$5,847,337	\$0	\$5,847,337	\$0

This financial summary is computed from information entered in the service area plans.

Human Resources

- *Overview*

The Innovative Technology Authority has no employees

- *Human Resource Levels*

Effective Date	7/1/2006
Total Authorized Position level	0
Vacant Positions	0
Current Employment Level	0.0
Non-Classified (Filled)	0
Full-Time Classified (Filled)	0
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0

breakout of Current Employment Level

Contract Employees	0
Total Human Resource Level	0.0

= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*

The Innovative Technology Authority has no employees. All work is conducted by the Center for Innovative Technology.

- *Anticipated HR Changes*

The Innovative Technology Authority has no employees

Information Technology

- *Current Operational IT Investments:*

The Innovative Technology Authority has no IT assets. All work is performed by CIT who is a voluntary VITA participant.

- *Factors Impacting the Current IT:*

[Nothing entered]

- *Proposed IT Solutions:*

[Nothing entered]

- *Current IT Services:*

Estimated Ongoing Operations and Maintenance Costs for Existing IT Investments

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Projected Service Fees	\$281,540	\$0	\$285,763	\$0
Changes (+/-) to VITA Infrastructure	\$0	\$0	\$0	\$0
Estimated VITA Infrastructure	\$281,540	\$0	\$285,763	\$0
Specialized Infrastructure	\$0	\$0	\$0	\$0
Agency IT Staff	\$0	\$0	\$0	\$0
Non-agency IT Staff	\$0	\$0	\$0	\$0
Other Application Costs	\$0	\$0	\$0	\$0
Agency IT Current Services	\$281,540	\$0	\$285,763	\$0

Comments:

[Nothing entered]

- *Proposed IT Investments*

Estimated Costs for Projects and New IT Investments

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Major IT Projects	\$0	\$0	\$0	\$0
Non-major IT Projects	\$0	\$0	\$0	\$0
Agency-level IT Projects	\$0	\$0	\$0	\$0
Major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Non-major Stand Alone IT Procurements	\$0	\$0	\$0	\$0

Goal Summary and Alignment

By assisting researchers and entrepreneurs in company formation and capital generation, they will be able to create new technology companies that will serve as the next generation of economic engine for Virginia.

Goal Alignment to Statewide Goals

- Be a national leader in the preservation and enhancement of our economy.

Goal 2

Achieve recognition as one of top 5 states for residential broadband penetration

Goal Summary and Alignment

By assisting citizens and local government in the resolution of broadband connectivity for the last-mile connection, Virginians will be able to realize broadband connectivity throughout the state.

Goal Alignment to Statewide Goals

- Be a national leader in the preservation and enhancement of our economy.

Goal 3

Become nationally recognized as the source for innovative solutions that improve services and reduce the cost of government operations

Goal Summary and Alignment

By assisting government entities, in the development of innovative and technology solutions and the application of technology, governments will be able to reduce the cost of operations and improve services to citizens similar to the gains made by the private sector.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal 4

Achieve national recognition for the application of Virginia R&D assets to resolve Virginia and national societal challenges

Goal Summary and Alignment

Changes in Virginia's environment create challenges ranging from security through environmental resource management that require innovative solutions. By applying Virginia's research and development assets in conjunction with federal funding, Virginians can realize solutions to their challenges.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.
-

Service Area Strategic Plan

Innovation and Entrepreneurship Investment Authority (934)

3/17/2014 11:38 am

Biennium: 2008-10 ▼

Service Area 1 of 4

Technology Entrepreneurial Development Services (934 534 15)

Description

The Innovative Technology Authority, through its non-profit operating company, Center for Innovative Technology, delivers the following service:

Accelerate funding for very early-stage technology firms

Recognizing the critical role that private equity investment plays in the initiation and growth of high technology enterprises, CIT launched the GAP Fund in 2005 in order to provide critical, seed-stage funding to the Commonwealth's high-potential, early-stage technology companies. Since that time, the GAP Fund has served as the centerpiece of CIT's "feeder" system to identify and groom technology companies for target investment by the regional angel and venture capital communities. As a part of this system, CIT undertakes structured outreach to key funding entities by participation in investment events such as Early Stage East, the Mid-Atlantic Venture Association Capital Connection, the Century Club Grubstake Breakfast, and the Charlottesville Venture Forum. CIT also makes referrals of potential investment targets to individual investors and investment funds. From the GAP Fund's launch through FY2007, CIT has drawn upon this system to leverage private money against Commonwealth funds at a rate of 10:1.

Background Information

Mission Alignment and Authority

- *Describe how this service supports the agency mission*
This service supports the development of Virginia's next generation of technology companies.
- *Describe the Statutory Authority of this Service*
§ 2.2-2219. Declaration of public purpose; Authority created.

A. It is found and determined by the General Assembly that there exists in the Commonwealth of Virginia a need to (i) promote the economic development of the Commonwealth by attracting and retaining high technology jobs and businesses in Virginia; (ii) increase industry competitiveness by supporting the application of innovative technologies that improve productivity and efficiency; (iii) mobilize support for high technology industries to commercialize new products and processes, including organizing assistance for small business and supporting select industry sectors and regional high technology efforts; (iv) enhance and expand the scientific and technological research and development capabilities of the institutions of higher education in the Commonwealth and coordinate such capabilities with the scientific and technological research and development activities and requirements of the public and private sectors, including transferring technological advances to the private sector; (v) expand knowledge pertaining to scientific and technological research and development among public and private entities; (vi) attract research and development (R&D) facilities and contracts from the federal government and private sector, including coordinating efforts to identify and compete for large federal and private sector R&D facilities, tracking federal technology initiatives and recommending state actions, and developing a statewide strategy to compete for large R&D contracts; and (vii) facilitate and coordinate the marketing, organization, utilization and development of scientific and technological research and development in the Commonwealth.

B. To achieve the objectives of subsection A, there is created and constituted a political subdivision of the Commonwealth to be known as "The Innovative Technology Authority." The Authority's exercise of powers conferred by this article shall be deemed to be the performance of an essential governmental function and matters of public necessity for which public moneys may be spent and private property acquired.

(1984, c. 782, § 9-252; 1993, c. 967; 2001, c. 844.)

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Technology companies	Technology Entrepreneurs	250	2,886

Anticipated Changes To Agency Customer Base

[Nothing entered]

Partners

Partner **Description**

[None entered]

Products and Services

- *Factors Impacting the Products and/or Services:*
Current shortfall in seed-stage capital for new technology companies is placing significant demand on this program. Current state funding is inadequate to meet demand requiring new sources of funding to be pursued.
- *Anticipated Changes to the Products and/or Services*
To meet demand for seed-stage capital, private funding sources will need to be identified and secured.
- *Listing of Products and/or Services*
 - Identify and support innovative technologies and technology companies
 - Identify and accelerate opportunities for small technology firms to obtain federal R&D awards
 - Accelerate funding for very early-stage technology firms

Finance

- *Financial Overview*
State funding provides the main source of funding for this Service Area.
- *Financial Breakdown*

	FY 2009		FY 2010		FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund						
Base Budget	\$4,274,262	\$0	\$4,274,262	\$0						
Change To Base	-\$215,000	\$0	-\$215,000	\$0						
Service Area Total	\$4,059,262	\$0	\$4,059,262	\$0						
Base Budget	\$4,274,262	\$0	\$4,274,262	\$0						
Change To Base	-\$215,000	\$0	-\$215,000	\$0						
Service Area Total	\$4,059,262	\$0	\$4,059,262	\$0						
Base Budget	\$4,274,262	\$0	\$4,274,262	\$0						
Change To Base	-\$215,000	\$0	-\$215,000	\$0						
Service Area Total	\$4,059,262	\$0	\$4,059,262	\$0						
Base Budget	\$4,274,262	\$0	\$4,274,262	\$0						
Change	-\$215,000	\$0	-\$215,000	\$0						

To Base				
Service Area Total	\$4,059,262	\$0	\$4,059,262	\$0

Human Resources

- *Human Resources Overview*
ITA has no employees and performs its work through the non-profit corporation called Center for Innovative Technology
- *Human Resource Levels*

Effective Date	
Total Authorized Position level	0
Vacant Positions	0
Current Employment Level	0.0
Non-Classified (Filled)	0
Full-Time Classified (Filled)	0
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0
Contract Employees	0
Total Human Resource Level	0.0

breakout of Current Employment Level

= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*
[Nothing entered]
- *Anticipated HR Changes*
[Nothing entered]

Service Area Objectives

- We will accelerate funding for very early-stage technology firms

Objective Description

In FY2008, CIT will build on the past success of the GAP Fund by launching the GAP BioLife Fund, underwritten in partnership between CIT and Johnson & Johnson. This new fund will be dedicated to seed stage investment in medical devices, biotechnology, and pharmaceuticals. CIT will continue to invest in other technologies through the GAP Technology Fund. Additionally, CIT anticipates submitting a proposal to the Virginia Tobacco Commission for funds to formally establish the Virginia South Technology Acceleration Program (TAP) Fund. This fund will continue investment activity in early-stage technology companies in far southwest and Southside Virginia begun in FY2007 under CIT's Virginia South TAP Fund pilot. Beginning in FY2008, CIT will also expand its outreach and marketing efforts to other angel and venture investment communities outside the lower Mid-Atlantic region. In order to bring additional out-of-region finances to promising Virginia startups, CIT will actively market the GAP Technology Fund and GAP BioLife Fund portfolios to early-stage financiers in other national technology centers such as Boston, Research Triangle Park, New York, Austin, Atlanta, and Silicon Valley. Finally, CIT will expand on the partnership model developed with Johnson & Johnson by seeking to attract other corporate strategic and foundation assets to invest in the GAP Funds. Through the administration and distribution of the GAP Technology Fund, the GAP BioLife Fund, the Virginia South TAP Fund, and through additional referral work that CIT will conduct on behalf of other companies in which it may elect not to invest, CIT anticipates helping more than 30 early-stage technology companies gain critical exposure to the nation's early-stage investment community. CIT will contribute to the ability of Virginia's companies to raise \$7 million from placement of institutional and angel funds.

Alignment to Agency Goals

- Agency Goal: Achieve recognition as one of the top 5 regions in the U.S. for innovative technology company creation and development.

Objective Strategies

- The Capital Access Program facilitates the creation of new high-impact technology companies in Virginia. By providing programs and funding that stimulate private sector investment, these public-private partnerships jumpstart the next generation of the Commonwealth's economy. For FY2008, CIT will stimulate \$7 million of private sector investment in new technology companies.

Link to State Strategy

- nothing linked

Objective Measures

- Increasing the amount of venture capital investments made in Virginia.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: Annually based on national publication.

Measure Target Value: Date:

Measure Target Description: Virginia will rank in the top 11 by the end of current fiscal year

Data Source and Calculation: Reporting on an Annual basis in the Virginia Performs database based upon PricewaterhouseCooper's Venture Economics publication.

Service Area Strategic Plan

Innovation and Entrepreneurship Investment Authority (934)

3/17/2014 11:38 am

Biennium: 2008-10 ▼

Service Area 2 of 4

Commonwealth Technology Policy Services (934 534 16)

Description

This service area has two components:

- Serve as the executive director of VRTAC
- Manage the CTRF

Serve as the executive director of Virginia Research and Technology Advisory Commission (VRTAC)

CIT will provide executive oversight and administrative support for the Virginia Research and Technology Advisory Commission (VRTAC) to support its mission of advising the Governor on appropriate research and technology strategies for the Commonwealth. VRTAC provides the Governor with policy recommendations that will enhance the global competitive advantage of research institutions as well as technology-based commercial endeavors in Virginia. VRTAC and its subcommittees are structured to accomplish various objectives throughout the fiscal year, and CIT provides operational support to those meetings.

Manage the Commonwealth Technology Research Fund (CTRF)

The Commonwealth Technology Research Fund (CTRF) was created in 2000 to attract increased public and private research funding for Virginia's public institutions of higher education. The goal of the fund is to increase technological and economic development in Virginia, through investment in higher education research.

Background Information

Mission Alignment and Authority

- *Describe how this service supports the agency mission*
It helps Virginia accelerate the next generation of technology
- *Describe the Statutory Authority of this Service*
§ 2.2-2219. Declaration of public purpose; Authority created.

A. It is found and determined by the General Assembly that there exists in the Commonwealth of Virginia a need to (i) promote the economic development of the Commonwealth by attracting and retaining high technology jobs and businesses in Virginia; (ii) increase industry competitiveness by supporting the application of innovative technologies that improve productivity and efficiency; (iii) mobilize support for high technology industries to commercialize new products and processes, including organizing assistance for small business and supporting select industry sectors and regional high technology efforts; (iv) enhance and expand the scientific and technological research and development capabilities of the institutions of higher education in the Commonwealth and coordinate such capabilities with the scientific and technological research and development activities and requirements of the public and private sectors, including transferring technological advances to the private sector; (v) expand knowledge pertaining to scientific and technological research and development among public and private entities; (vi) attract research and development (R&D) facilities and contracts from the federal government and private sector, including coordinating efforts to identify and compete for large federal and private sector R&D facilities, tracking federal technology initiatives and recommending state actions, and developing a statewide strategy to compete for large R&D contracts; and (vii) facilitate and coordinate the marketing, organization, utilization and development of scientific and technological research and development in the Commonwealth.

B. To achieve the objectives of subsection A, there is created and constituted a political subdivision of the Commonwealth to be known as "The Innovative Technology Authority." The Authority's exercise of powers conferred by this article shall be deemed to be the performance of an essential governmental function and matters of public necessity for which public moneys may be spent and private property acquired.

(1984, c. 782, § 9-252; 1993, c. 967; 2001, c. 844.)

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Technology entrepreneurs	Commonwealth Commissions	2	2

Anticipated Changes To Agency Customer Base
 [Nothing entered]

Partners

Partner	Description
[None entered]	

Products and Services

- *Factors Impacting the Products and/or Services:*
 Scarce resources available to provide support to these activities
- *Anticipated Changes to the Products and/or Services*
 [Nothing entered]
- *Listing of Products and/or Services*
 - Serve as the executive director of Virginia Research and Technology Advisory Commission (VRTAC)
 - Manage the Commonwealth Technology Research Fund (CTRF)

Finance

- *Financial Overview*
 State funding provides the main source of funding for this Service Area.
- *Financial Breakdown*

	FY 2009		FY 2010		FY 2009	FY 2010	FY 2009	FY 2010
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund				
Base Budget	\$131,016	\$0	\$131,016	\$0				
Change To Base	\$0	\$0	\$0	\$0				
Service Area Total	\$131,016	\$0	\$131,016	\$0				
Base Budget	\$131,016	\$0	\$131,016	\$0				
Change To Base	\$0	\$0	\$0	\$0				
Service Area Total	\$131,016	\$0	\$131,016	\$0				
Base Budget	\$131,016	\$0	\$131,016	\$0				
Change To Base	\$0	\$0	\$0	\$0				
Service Area Total	\$131,016	\$0	\$131,016	\$0				

Human Resources

- *Human Resources Overview*
 ITA has no employee. All work is conducted by the Center for Innovative Technology.
- *Human Resource Levels*

Effective Date		
Total Authorized Position level	0	
Vacant Positions	0	
Current Employment Level	0.0	
Non-Classified (Filled)		} breakout of Current Employment Level
Full-Time Classified (Filled)		
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage		
Contract Employees		
Total Human Resource Level	0.0	= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*
[Nothing entered]
- *Anticipated HR Changes*
[Nothing entered]

Service Area Objectives

- ITA will serve to support the technology commission of the Commonwealth

Objective Description

ITA will provide executive oversight and administrative support for Virginia Research and Technology Advisory Commission (VRTAC) and Commonwealth Technology Research Fund (CTRF).

Alignment to Agency Goals

- Agency Goal: Achieve national recognition for the application of Virginia R&D assets to resolve Virginia and national societal challenges

Objective Strategies

- Oversee preparation of financial and administrative reports. Coordinate quarterly meetings. Prepare annual report for Governor, JCOTs, FOIA Council. Review and assess CTRF projects. Prepare and submit annual CTRF report to General Assembly.

Link to State Strategy

- nothing linked

Objective Measures

- Comply with ITA legislated mandated support services.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: Annually

Measure Target Value: Date:

Measure Target Description: Innovative Technology Authority (ITA) will achieve 100% compliance with the Code of Virginia legislated mandates by the end of FY2009.

Data Source and Calculation: Joint Commission on Technology and Science annual performance reporting.

Service Area Strategic Plan

Innovation and Entrepreneurship Investment Authority (934)

3/17/2014 11:38 am

Biennium: 2008-10 ▼

Service Area 3 of 4

Technology Industry Development Services (934 534 19)

Description

This service is designed to facilitate innovative technology solutions and the application of advanced technologies for use by Virginia state government and Virginia advanced technology companies. The Connect service assists government entities and private sector companies to improve performance and lower their overall costs of operations.

Connect's service provides:

- Requirements definition for client innovation objectives
- Identification of technology solutions that map to objectives
- Analysis, vetting, and presentation of relevant technology solutions
- Technology assimilation planning and support services

For the technology consumers, the Connect service provides identification of and access to innovation matching their requirements, in markets that they had found difficult or inefficient to explore. The Connect service also identifies and attracts smaller innovative technology companies, and connects them to the technology consumers, which gives them new channels for market development.

Background Information

Mission Alignment and Authority

- *Describe how this service supports the agency mission*
This service supports the development of Virginia's next generation of technology and technology companies.
- *Describe the Statutory Authority of this Service*
§ 2.2-2219. Declaration of public purpose; Authority created.

A. It is found and determined by the General Assembly that there exists in the Commonwealth of Virginia a need to (i) promote the economic development of the Commonwealth by attracting and retaining high technology jobs and businesses in Virginia; (ii) increase industry competitiveness by supporting the application of innovative technologies that improve productivity and efficiency; (iii) mobilize support for high technology industries to commercialize new products and processes, including organizing assistance for small business and supporting select industry sectors and regional high technology efforts; (iv) enhance and expand the scientific and technological research and development capabilities of the institutions of higher education in the Commonwealth and coordinate such capabilities with the scientific and technological research and development activities and requirements of the public and private sectors, including transferring technological advances to the private sector; (v) expand knowledge pertaining to scientific and technological research and development among public and private entities; (vi) attract research and development (R&D) facilities and contracts from the federal government and private sector, including coordinating efforts to identify and compete for large federal and private sector R&D facilities, tracking federal technology initiatives and recommending state actions, and developing a statewide strategy to compete for large R&D contracts; and (vii) facilitate and coordinate the marketing, organization, utilization and development of scientific and technological research and development in the Commonwealth.

B. To achieve the objectives of subsection A, there is created and constituted a political subdivision of the Commonwealth to be known as "The Innovative Technology Authority." The Authority's exercise of powers conferred by this article shall be deemed to be the performance of an essential governmental function and matters of public necessity for which public moneys may be spent and private property acquired.

(1984, c. 782, § 9-252; 1993, c. 967; 2001, c. 844.)

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Virginia State government agencies	State government agencies	3	210

Technology companies Technology Entrepreneurs 50 22,165

Anticipated Changes To Agency Customer Base

New customers in the categories of government agencies, technology corporations, and technology entrepreneurs are anticipated based on strategic investments.

Partners

Partner **Description**

[None entered]

Products and Services

- *Factors Impacting the Products and/or Services:*
Connect service line is newly established and will be under development through FY2008.
- *Anticipated Changes to the Products and/or Services*
[Nothing entered]
- *Listing of Products and/or Services*
 - Examine opportunities in advanced technologies that map to Commonwealth priorities

Finance

- *Financial Overview*
The Connect service line receives initial project funding from ITA's appropriation. This funding is used to identify opportunities to apply innovation to Virginia State government. Once an opportunity has been identified, customer agencies are required to pay for the services they receive from Connect service line.
- *Financial Breakdown*

	FY 2009		FY 2010		FY 2009	FY 2010
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund		
Base Budget	\$334,258	\$0	\$334,258	\$0		
Change To Base	\$0	\$0	\$0	\$0		
Service Area Total	\$334,258	\$0	\$334,258	\$0		
Base Budget	\$334,258	\$0	\$334,258	\$0		
Change To Base	\$0	\$0	\$0	\$0		
Service Area Total	\$334,258	\$0	\$334,258	\$0		

Human Resources

- *Human Resources Overview*
ITA has no employees and delivers services from its operating company the Center for Innovative Technology.
- *Human Resource Levels*

Effective Date	
Total Authorized Position level	0
Vacant Positions	0
Current Employment Level	0.0
Non-Classified (Filled)	0
Full-Time Classified (Filled)	0

breakout of Current Employment Level

Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0
Contract Employees	0
Total Human Resource Level	0.0

= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*
[Nothing entered]
- *Anticipated HR Changes*
[Nothing entered]

Service Area Objectives

- We will save taxpayer costs, by identifying innovative technology solutions, which will lower operating costs of state agencies and private organizations.

Objective Description

Locate opportunities in state government where technology can improve service or reduce costs.

Alignment to Agency Goals

- Agency Goal: Become nationally recognized as the source for innovative solutions that improve services and reduce the cost of government operations

Objective Strategies

- Establish pipeline across government and private sector. Establish client delivery teams. Establish advanced technology database and research capabilities.

Link to State Strategy

- nothing linked

Objective Measures

- Cost savings from the application of innovative technology solutions.

Measure Class: Agency Key Measure Type: Outcome Measure Frequency: Annual Preferred Trend: Up

Frequency Comment: Annually from agency/company reports.

Measure Target Value: 5 Date: 6/30/2010

Measure Target Description: Innovative Technology Authority will obtain at least \$5m in high value consulting engagements which will deliver strategic direction and solution options that will ultimately yield significant financial improvements for clients

Data Source and Calculation: Agency/company reports for predicted and actual costs saving resulting from solutions implemented by CIT.

Service Area Strategic Plan

Innovation and Entrepreneurship Investment Authority (934)

3/17/2014 11:38 am

Biennium: 2008-10 ▼

Service Area 4 of 4

Technology Industry Research and Developmental Services (934 534 20)**Description**

ITA, through its operating company the Center for Innovative Technology, provides three services.

- Deliver solutions to national defense and homeland security challenges through IDHS
- Deliver technology solutions to solve national and regional economic challenges
- Expand the use and application of broadband technologies in rural and underserved areas

Deliver solutions to national defense and homeland security challenges through the Institute for Defense and Homeland Security (IDHS)

CIT underwrites and operates the Institute for Defense and Homeland Security (IDHS). IDHS is an organization of university, industry, and government research and development partners dedicated to delivering solutions that support the United States' defense and homeland security objectives. Through this strategic partnership, IDHS conducts research and development, education, and technology transition at member institutions and firms, with an emphasis on telecommunications, biodefense, sensor systems, robotics, crisis management, and energy independence. Industry members commercialize technology and develop solutions that support rapid technology insertion and deployment.

Deliver technology solutions to solve national and regional economic challenges

CIT identifies opportunities for translational research, creates teams to develop effective solutions, performs project management, and grows projects into national programs. CIT identifies federal and other funding opportunities. It also undertakes grants and contracts through strategic partnering agreements with government, industry, universities, and nonprofits. Competitive solicitations, non-competitive solicitations, and Congressional appropriations are also sources of funding. CIT may be the lead institution and/or conduct project management on behalf of its partners. In doing so, CIT manages grants and contracts on-time and on-budget and achieves research and commercialization results that meet or exceed program-specific goals.

Expand the use and application of broadband technologies in rural and underserved areas

In keeping with the established need for all levels of government to participate in the deployment of broadband technologies, CIT in cooperation with the Office of the Secretary of Technology have created and staffed the Office of Telework Promotion and Broadband Assistance. Through this joint initiative, the development and deployment of resources and policies are accelerating the installation of affordable, last-mile broadband infrastructure. This effort will position Virginia to attain top rankings for broadband penetration and policy. CIT staff will work closely with the Office of the Secretary of Technology to identify and promote applications that encourage and foster the adoption of broadband technologies. Special attention is placed on those initiatives that reduce/remove barriers to entry in the rural markets and/or promote entrepreneurial last-mile activities.

Background Information**Mission Alignment and Authority**

- *Describe how this service supports the agency mission*

This service area uses Virginia's research and development assets to resolve society's challenges and to foster state-wide deployment of broadband technology.

- *Describe the Statutory Authority of this Service*

§ 2.2-2219. Declaration of public purpose; Authority created.

A. It is found and determined by the General Assembly that there exists in the Commonwealth of Virginia a need to (i) promote the economic development of the Commonwealth by attracting and retaining high technology jobs and businesses in Virginia; (ii) increase industry competitiveness by supporting the application of innovative technologies that improve productivity and efficiency; (iii) mobilize support for high technology industries to commercialize new products and processes, including organizing assistance for small business and supporting select industry sectors and regional high technology efforts; (iv) enhance and expand the scientific and technological research and development capabilities of the institutions of higher education in the Commonwealth and coordinate such capabilities with the scientific and technological research and development activities and requirements of the public and private sectors,

including transferring technological advances to the private sector; (v) expand knowledge pertaining to scientific and technological research and development among public and private entities; (vi) attract research and development (R&D) facilities and contracts from the federal government and private sector, including coordinating efforts to identify and compete for large federal and private sector R&D facilities, tracking federal technology initiatives and recommending state actions, and developing a statewide strategy to compete for large R&D contracts; and (vii) facilitate and coordinate the marketing, organization, utilization and development of scientific and technological research and development in the Commonwealth.

B. To achieve the objectives of subsection A, there is created and constituted a political subdivision of the Commonwealth to be known as "The Innovative Technology Authority." The Authority's exercise of powers conferred by this article shall be deemed to be the performance of an essential governmental function and matters of public necessity for which public moneys may be spent and private property acquired.

(1984, c. 782, § 9-252; 1993, c. 967; 2001, c. 844.)

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Commonwealth citizens desiring Broadband	Commonwealth citizens and businesses	1,700,000	3,200,000
Commonwealth University Researchers	Commonwealth Universities	250	1,250
Technology companies	Technology Entrepreneurs	250	2,886

Anticipated Changes To Agency Customer Base
[Nothing entered]

Partners

Partner	Description
[None entered]	

Products and Services

- *Factors Impacting the Products and/or Services:*
Reductions in Federal funding available for R&D research projects.
- *Anticipated Changes to the Products and/or Services*
[Nothing entered]
- *Listing of Products and/or Services*
 - Deliver solutions to national defense and homeland security challenges through IDHS
 - Deliver technology solutions to solve national and regional economic challenges
 - Provide demand generation and infrastructure development services that advance the presence of broadband in Virginia
 - Serve as the focal point for broadband resources and programs for the Secretary of Technology

Finance

- *Financial Overview*
State funds provide the main source of funding for Broadband activities. Federal funds provide the main source of funding for regional and national R&D projects.
- *Financial Breakdown*

	FY 2009		FY 2010	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$1,494,801	\$0	\$1,494,801	\$0
Change To Base	-\$172,000	\$0	-\$172,000	\$0
Service Area Total	\$1,322,801	\$0	\$1,322,801	\$0

Human Resources

- *Human Resources Overview*
ITA has no employees. Services are provided by its operating company, the Center for Innovative Technology.
- *Human Resource Levels*

Effective Date	
Total Authorized Position level	0
Vacant Positions	0
Current Employment Level	0.0
Non-Classified (Filled)	0
Full-Time Classified (Filled)	0
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0
Contract Employees	0
Total Human Resource Level	0.0

breakout of Current Employment Level

= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*
[Nothing entered]
- *Anticipated HR Changes*
[Nothing entered]

Service Area Objectives

- We will deliver technology solutions, which leverage the Commonwealth's funding to ITA, to solve national and regional economic challenges.

Objective Description

Institute for Defense and Homeland Security (IDHS) members, through the Partnership Intermediary Agreement with the Department of Defense, will prototype and demonstrate solutions for three translational research programs previously defined within the agreement: Red Cell, Remote Presence, and Environmental Bioterrorism Detection. These three research programs, conceived and nurtured by IDHS, are now mature enough to demonstrate. These programs were also established for their commercial value. In keeping both research and commercialization results in mind, IDHS helps to position the Commonwealth's companies and research institutions to participate in significant national technology deployment programs. The Red Cell program will provide the capability for an advanced warning system built on the existing U.S. cellular infrastructure. When completely deployed, this system will alert citizens in specific geographic locations to emergencies and security-related incidents. While IDHS is initially positioning Red Cell effectiveness for regional incidents, the scalable nature of the program will allow it to broaden to a national and potentially international capability. The Remote Presence program leverages existing systems and Defense Department unmanned vehicle technologies for advanced military and first responder applications. The prototypes, an unmanned ground vehicle and an unmanned aerial vehicle, were originally designed to obtain remote camera access into security compromised locations. Solutions will provide greater situational awareness to deter, intercept, and defeat threats at a safe distance, thus achieving mission assurance and potentially saving lives. The technology will be transitioned for military operations, homeland defense and homeland security, first responder and other civilian applications. The Remote Presence program is currently developing an interoperable interface for unmanned ground vehicles that will spawn a market for interoperable payloads across multiple platforms. For out years, similar critical applications have been identified and are currently being explored for commercial impact. The Environmental Bioterrorism Detection program expands current threat awareness, surveillance and detection capability, and risk and consequence management to mitigate both natural and intentional threats. Systems include an innovative use of wildlife as natural biosensors, a surveillance system that monitors Centers for Disease Control Category A, B, C agents/diseases, and rapid pathogen detection and identification device that can be used for wildlife, insects, or humans. The program will continue to build on wildlife and livestock surveillance systems while exploring logical integration points into human health systems. The network not only will provide early detection to mitigate effects on human health but also will function as a sentinel for livestock populations, thus protecting our food supply and

diminishing the economic impact of the threat. Deliver technology solutions to solve national and regional economic challenges - CIT is currently engaged in a Coastal Observation initiative along the Delmarva coastline, which has state, regional and national environmental and economic implications. This translational research program calls for developing a system for collection, analysis and archiving of data related to coastal observation. When completely deployed, the Coastal Observation system will dramatically improve researchers' ability to characterize and monitor the coastal ecosystem, including the influence of the Chesapeake Bay on coastal waters, by providing real-time, continuous information to a variety of users. In order to expand the availability of the Coastal Observation research, increase the number of users of the data, and enhance education, CIT participates in regional activities and outreach with MACOORA, the Mid-Atlantic Coastal Ocean Observing Regional Association. Key activities for FY2008 include performing on existing grants and contracts, supporting business development for Coastal Observation funding in FY2008 and FY2009, and developing a long-term business model for the Coastal Observation project.

Alignment to Agency Goals

- Agency Goal: Achieve national recognition for the application of Virginia R&D assets to resolve Virginia and national societal challenges

Objective Strategies

- Develop congressional/legislative appropriations. Pursue \$6 million of congressional plus-up for FY2009. Advise and support Virginia congressional delegation on Virginia's priorities and capabilities.

Link to State Strategy

- nothing linked

Objective Measures

- Capture contracts/grants, which result in revenue to CIT, and allow CIT to expand services that support the mission of ITA.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: Annually

Measure Target Value: Date:

Measure Target Description: Center for Innovative Technology will obtain \$3.3 million of research revenue from sources other than the Commonwealth by the end of FY2009.

Data Source and Calculation: R&D contract revenue.

- We will supply support to achieve the goals of the Governor's Executive Order 35 (2006): Establishing the Office of Telework Promotion and Broadband Assistance.

Objective Description

Widespread access to broadband services is critical to the economic well-being of the Commonwealth of Virginia. Access to broadband provides communities with the foundation necessary for economic growth for their businesses and a sustainable quality of life for their citizens. Those communities, both rural and urban, without affordable broadband access, are unable participate in the enhanced social, educational, commercial, medical, and economic development opportunities available through the Internet. Besides empowering businesses and communities, ubiquitous broadband positions the Commonwealth to lead the nation in the deployment of high technology services and applications. Affordable broadband-level telecommunication services are a key success factor for the adoption of telework -- a family-friendly, business-friendly public policy that promotes workplace efficiency and reduces strain on transportation infrastructure. Businesses as well as federal, state, and local governments have begun to support public and private sector efforts to promote widespread adoption of telework efforts. Acknowledging the importance of broadband and telework to Virginia's economy, in September 2006, Governor Kaine signed Executive Order 35 establishing the Office of Telework Promotion and Broadband Assistance within the Office of the Secretary of Technology. The Office consists of a director appointed by the Secretary of Technology and additional professionals as the Secretary determines. At the current time, the director and staff support are provided by CIT, the non-profit operating arm of ITA.

Alignment to Agency Goals

- Agency Goal: Achieve national recognition for the application of Virginia R&D assets to resolve Virginia and national societal challenges

Objective Strategies

- Promote and encourage use of telework alternatives for public and private sector employees, including but not limited to appropriate policy and legislative initiatives. Support the efforts of both public and private entities within the Commonwealth to enhance or facilitate the deployment of, and access to, competitively priced, advanced electronic communications services (commonly known as “broadband”), and Internet access services of general application throughout the Commonwealth. Specifically work towards establishing affordable, accessible broadband services to underserved areas of the Commonwealth and monitor advancements in communication that will facilitate this goal. Advocate for, and facilitate the development and deployment of applications, programs and services including, but not limited to: telework, telemedicine, and e-learning that will bolster the usage of and demand for broadband-level telecommunications. Serve as a broadband information and applications clearinghouse for the Commonwealth and a coordination point for broadband-related services and programs in the Commonwealth. Advise the Secretary on broadband adoption, deployment and application issues. Coordinate activities regarding telework with, and regularly report to, a board consisting of the Secretaries of Administration, Commerce and Trade, Finance, Technology, and Transportation. The Secretary of Technology shall serve as chair of the board. Additional members may be designated by the Governor. Staff support to this group shall be provided by the offices of the Secretaries of Technology and Transportation.

Link to State Strategy

- nothing linked

Objective Measures

- Provide staff to achieve the director's duties as described in the Governor's Executive Order 35 (2006).

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: As required by different data sources

Measure Target Value: Date:

Measure Target Description: The staff, of the Office of Telework Promotion and Broadband Assistance, will provide a 100% completed Broadband annual report that describes the achievements of goals.

Data Source and Calculation: Broadband annual report (as required by legislation) • Meeting minutes and reports • Presentations and briefings as requested