

Biennium: 2010-12 ▼

**Mission and Vision****Mission Statement**

The Innovation and Entrepreneurship Investment Authority (IEIA) accelerates the next generation of technology and technology companies to make Virginia an attractive business location.

**Vision Statement**

IEIA 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*

Innovation and Entrepreneurship Investment 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 IEIA'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*

[Nothing entered]

**Initiatives, Rankings and Customer Trends**

- *Summary of Major Initiatives and Related Progress*

Through its operating company, the Center for Innovative Technology, IEIA 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 -

CIT has benchmarked the magnitude of both aggregate venture capital deployment and seed capital investment in Virginia with reference to other states of similar size and economic composition. In doing so, CIT compared 60-month trailing venture investments in Virginia (2007 GSP: \$383 billion), Maryland (2007 GSP: \$269 billion), and Massachusetts (2007 GSP: \$352 billion). Over the past five years (2004 -2008), Virginia companies have attracted \$2.3 billion in venture capital, keeping approximately in pace with neighboring Maryland, which has attracted \$2.8 billion. Virginia, however, suffers significantly in comparison to Massachusetts, which attracted \$15.4 billion in venture capital during this same period. The difference becomes more acute with a comparison of the number of seed stage investments in these states during the same five-year period. During this time frame, investors placed 44 seed-stage investments in Virginia compared to 164 in Massachusetts and 128 Maryland.

2007 GSP Venture Funding Seed Stage Investments  
Maryland \$269B \$2.8B 128

Massachusetts \$352B \$15.4B 164  
Virginia \$383B \$2.3B 44

#### 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 -

In the latest Organization for Economic Cooperation and Development report (June 2008), the United States continued to rank 15th in number of broadband subscribers with 25 subscribers per 100 inhabitants compared to Denmark, which continues to top the list with 36.7 subscribers per 100 inhabitants

- *Summary of Customer Trends and Coverage*

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

- Advanced technology fields including nanotechnology, biotechnology, energy, and health informatics 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.
- Federal funds play a significant role in supporting the capital requirements of many early-stage technology companies.
- There is a significant void in angel and early-stage investment capital for seed-stage companies nationally as well as in the Commonwealth.
- Early-stage companies and large-scale technology consumers have a difficult time identifying each other, which prevents technology assimilation and young company growth.
- Access to affordable broadband is mandatory to support rural economic development.

In addition to the above observations, CIT considered the following developments while shaping our strategic direction:

- Green technology as a research and market sector discipline provides significant opportunity for establishment and development in Virginia.
- The contracting global economy will continue to provide significant funding challenges for CIT in terms of Commonwealth appropriations.
- The American Recovery and Reinvestment Act of 2009 represents an opportunity for CIT to secure new federal contracts.

### **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 IEIA'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 of 1984 as amended

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 Innovation and Entrepreneurship Investment 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.

##### 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
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*Anticipated Changes To Agency Customer Base*  
 [Nothing entered]

**Partners**

Partner	Description
[None entered]	

**Products and Services**

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

The Innovation and Entrepreneurship Investment 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:*

[Nothing entered]

- *Anticipated Changes in Products or Services:*

[Nothing entered]

**Finance**

- *Financial Overview:*

[Nothing entered]

- *Financial Breakdown:*

	FY 2011		FY 2012	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$4,762,710	\$0	\$4,762,710	\$0
Change To Base	\$0	\$0	\$0	\$0
<b>Agency Total</b>	<b>\$4,762,710</b>	<b>\$0</b>	<b>\$4,762,710</b>	<b>\$0</b>

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

**Human Resources**

- *Overview*

[Nothing entered]

- *Human Resource Levels*

Effective Date	9/1/2009
Total Authorized Position level	0
Vacant Positions	0
<b>Current Employment Level</b>	<b>0.0</b>
Non-Classified (Filled)	0
Full-Time Classified (Filled)	0
Part-Time Classified (Filled)	0
Faculty (Filled)	0

*breakout of Current Employment Level*

Wage	0
Contract Employees	0
<b>Total Human Resource Level</b>	<b>0.0</b>

= Current Employment Level + Wage and Contract Employees

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

**Information Technology**

- *Current Operational IT Investments:*  
[Nothing entered]
- *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
<b>Estimated VITA Infrastructure</b>	<b>\$281,540</b>	<b>\$0</b>	<b>\$285,763</b>	<b>\$0</b>
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
<b>Agency IT Current Services</b>	<b>\$281,540</b>	<b>\$0</b>	<b>\$285,763</b>	<b>\$0</b>

*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
<b>Total Proposed IT Investments</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

● *Projected Total IT Budget*

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Current IT Services	\$281,540	\$0	\$285,763	\$0
Proposed IT Investments	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$281,540</b>	<b>\$0</b>	<b>\$285,763</b>	<b>\$0</b>

[Appendix A](#) - Agency's information technology investment detail maintained in VITA's ProSight system.

**Capital**

- *Current State of Capital Investments:*  
[Nothing entered]
- *Factors Impacting Capital Investments:*  
[Nothing entered]
- *Capital Investments Alignment:*  
[Nothing entered]

**Agency Goals**

**Goal 1**

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

**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.

**Goal 5**

Strengthen the culture of preparedness across state agencies, their employees and customers

**Goal Summary and Alignment**

This goal ensures compliance with federal and state regulations, policies and procedures for Commonwealth preparedness, as well as guidelines and best practices promulgated by the Assistant to the Governor for Commonwealth Preparedness, in collaboration with the Governor's Cabinet, the Commonwealth Preparedness Working Group, the Department of Planning and Budget and the Council on Virginia's Future. The goal supports achievement of the Commonwealth's statewide goal of protecting the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

**Goal Objectives**

- We will be prepared to act in the interest of the citizens of the Commonwealth and its infrastructure during emergency situations by actively planning and training both as an agency and as individuals.

*Objective Strategies*

- The agency Emergency Coordination Officer will stay in regular communication with the Office of Commonwealth Preparedness, the Virginia Department of Emergency Management, and other Commonwealth Preparedness Working Group agencies.

*Link to State Strategy*

- nothing linked

*Objective Measures*

- Agency Preparedness Assessment Score

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

Measure Baseline Value:  Date:

Measure Baseline Description: 2008 Agency Preparedness Assessment Results (% out of 100)

Measure Target Value:  Date:

Measure Target Description: 2010 Agency Preparedness Assessment Results (% out of 100)

Data Source and Calculation: The Agency Preparedness Assessment is an all-hazards assessment tool that measures agencies' compliance with requirements and best practices. The assessment has components including Physical Security, Continuity of Operations, Information Security, Vital Records, Fire Safety, Human Resources, and Risk Management and Internal Controls.

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Service Area Strategic Plan

**Innovation and Entrepreneurship Investment Authority (934)**

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Service Area 1 of 4

**Technology Entrepreneurial Development Services (934 534 15)**

**Description**

The Innovation and Entrepreneurship Investment 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



Base Budget	\$2,974,635	\$0	\$2,974,635	\$0
Change To Base	\$0	\$0	\$0	\$0
Service Area Total	\$2,974,635	\$0	\$2,974,635	\$0
Base Budget	\$2,974,635	\$0	\$2,974,635	\$0
Change To Base	\$0	\$0	\$0	\$0
Service Area Total	\$2,974,635	\$0	\$2,974,635	\$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	
<b>Current Employment Level</b>	<b>0.0</b>	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	0	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
<b>Total Human Resource Level</b>	<b>0.0</b>	<i>= Current Employment Level + Wage and Contract Employees</i>

- *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**

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. 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.

**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. As a double-bottom-line fund designed to resolve Virginia's current shortage of seed stage capital, CIT GAP Funds offer superior economic returns for entrepreneurs and co-investors while providing significant economic development contribution to the Commonwealth.

**Link to State Strategy**

- nothing linked

**Objective Measures**

- Rank of venture capital investments made in Virginia.

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

Frequency Comment: Annually based on national publication.

Measure Baseline Value:  Date:

Measure Baseline Description: Virginia ranked in the top 12 U.S. states for the amount of capital investments made.

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.

- Investment conversion rate

Measure Class:  Measure Frequency:  Preferred Trend:

Measure Baseline Value:  Date:

Measure Baseline Description: measure is a ratio expressed in % and represents an industry average for investment funds

Measure Target Value:  Date:

Measure Target Description: measure industry average as a ratio expressed in % and represents an for investment funds

Data Source and Calculation: This productivity measure is a single factor measure that evaluates the productivity of the Center for Innovative Technology investment analysis and placement process. The measure ratio is obtained by dividing the number of investment plans submitted to the Growth Acceleration Program program by the number of investments made for the fund.

- Private sector investment leverage ratio

Measure Class:  Measure Frequency:  Preferred Trend:

Measure Baseline Value:  Date:

Measure Baseline Description: this ratio represents the multiple of additional private sector investment secured using CIT investment

Measure Target Value: 7 Date: 6/30/2010

Measure Target Description: this ratio represents the multiple of additional private sector investment secured using CIT investment

Data Source and Calculation: This productivity measure is a single factor measure that evaluates the productivity of Center for Innovative Technology (CIT) investments in terms of thier ability to attract matching private sector investments. This measurement is obtained by dividing the total investment dollars secured by CIT Growth Acceleration Program (GAP) fund companies by the CIT investment in the GAP fund.

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## Service Area Strategic Plan

## Innovation and Entrepreneurship Investment Authority (934)

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## Service Area 2 of 4

## Commonwealth Technology Policy Services (934 534 16)

## Description

This service helps the technology community create the Commonwealth Innovation Index

Technology clusters are the “ecosystems” of people, institutions, and industries that create and translate ideas into economic prosperity. Building clusters requires articulating short-, medium-, and long-term visions, with attention to the many underlying technology and business foundations of an innovation ecosystem. In addition, cluster development requires a long-term commitment by stakeholders, one that spans multiple business cycles and terms of office. Two of today’s most successful technology clusters, North Carolina’s Research Triangle Park and California’s Silicon Valley, were formed in the 1940s and 1950s. They slowly grew into powerful and profitable regions as a result of long-term commitments by generations of stakeholders.

In Virginia, advances in renewable energy, information technology, life sciences, nanotechnology, and other technology sectors provide opportunities to develop industry clusters that will enable the Commonwealth to compete globally.

Recognizing the need for a tool to assist the public and private sectors decision makers in advancing Virginia’s innovation economy, the Administration and the 2008 Virginia General Assembly passed joint resolution SJ126, which called upon CIT, in conjunction with Virginia’s regional technology councils and other technology leaders, to develop the “Commonwealth Innovation Index.”

## 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

Potential annual



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	
<b>Current Employment Level</b>	<b>0.0</b>	
Non-Classified (Filled)		} breakout of Current Employment Level
Full-Time Classified (Filled)		
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage		
Contract Employees		
<b>Total Human Resource Level</b>	<b>0.0</b>	= Current Employment Level + Wage and Contract Employees

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

**Service Area Objectives**

- Create new industry clusters in advanced technologies

**Objective Description**

IEIA will manage the engagement of the regional technology associations to successfully adopt the Commonwealth Innovation Index development practices and procedures.

**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**

- Manage the process of engagement regional technology councils with creating and adopting the Commonwealth Innovation Index as required by the 2008 Virginia General Assembly joint resolution SJ126.

**Link to State Strategy**

- nothing linked

**Objective Measures**

- Percentage of compliance to the Code of Virginia for legislated support services mandates.

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

Frequency Comment: Annually

Measure Baseline Value:  Date:

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

Measure Target Value:  Date:

Measure Target Description: Innovation and Entrepreneurship Investment Authority will achieve 100% compliance with the Code of Virginia legislated mandates by the end of FY2010.

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

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## Service Area Strategic Plan

## Innovation and Entrepreneurship Investment Authority (934)

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## Service Area 3 of 4

## Technology Industry Development Services (934 534 19)

## Description

Reductions in expenditures for government and private sector research create 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 that identify and assimilate early-stage niche technologies and companies gain a competitive advantage because they can tailor technology solutions to their requirements.

Connect is a consulting service for large-scale technology consumers that offers:

- 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
- Identification of potential strategic partners for clients
- Development of innovation roadmaps for clients
- Education and awareness of the potential impact of emerging technology for clients

For large technology consumers, the Connect service provides identification of and access to innovation matching their requirements, in markets they find difficult or inefficient to explore. Smaller innovative technology companies are attracted to Connect's outreach program because it gives them a new channel for market development in an untapped client base.

Virginia benefits from the Connect service line because it attracts new companies and high-technology jobs to the state. In addition to economic development value, the Connect program gives Virginia the ability to translate technology requirements from the national agenda to solutions for the Commonwealth.

## 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:*  
[Nothing entered]
- *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 Innovation and Entrepreneurship Investment Authority'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 2011		FY 2012		FY 2011	FY 2012
	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	
<b>Current Employment Level</b>	<b>0.0</b>	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	0	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
<b>Total Human Resource Level</b>	<b>0.0</b>	= <i>Current Employment Level + Wage and Contract Employees</i>

- *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:  Measure Type:  Measure Frequency:  Preferred Trend:

Frequency Comment: Annually from agency/company reports.

Measure Baseline Value:  Date:

Measure Baseline Description: Innovativwe 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

Measure Target Value:  Date:

Measure Target Description: Innovation and Entrepreneurship Investment 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 the Center for Innovative Technology.

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## Service Area Strategic Plan

**Innovation and Entrepreneurship Investment Authority (934)**

3/17/2014 11:37 am

Biennium: 2010-12 ▼

## 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
- Deliver technology solutions to solve national and regional economic challenges
- Expand the use and application of broadband technologies in rural and underserved areas

To enable the development of technology-based solutions that solve national and regional challenges, CIT conducts high-value scientific projects that drive research toward commercialization and deployment. These translational R&D programs provide growth opportunities for research and business organizations, while providing solutions to defense, homeland security, environmental, safety, economic, and other challenges faced by Virginia, the region, and the nation. CIT's FY2010 R&D priorities are in the areas of defense and energy.

CIT identifies opportunities for translational research in areas of strategic importance, creates teams to develop effective solutions, performs project management, and grows projects into national programs. CIT identifies federal and other funding opportunities and 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. By managing grants and contracts, on time and on budget, CIT achieves research and commercialization results that meet or exceed program-specific goals.

Acknowledging the importance of broadband and telework to Virginia's economy, in 2008, the General Assembly of Virginia codified the Office of Telework Promotion and Broadband Assistance created in 2006, by Governor Kaine's Executive Order 35. 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 is provided by CIT.

The director of the Office of Telework Promotion and Broadband Assistance has the following duties:

- Promote and encourage use of telework alternatives for public and private sector employees.
- Support the efforts of both public and private entities to facilitate access to competitively priced, broadband services and applications.
- Specifically work toward identifying and filling service gaps in underserved areas of the Commonwealth.
- Advocate for services such as telework, telemedicine, and e-learning.
- Serve as a broadband information and applications clearinghouse for the Commonwealth.
- Advise the Secretary of Technology on broadband adoption, deployment, and application issues.
- Coordinate telework activities with a panel of the Commonwealth's executive agency representatives.

**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:*  
[Nothing entered]
- *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
  - 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 director for the Virginia Office of Telework Promotion and Broadband Assistance

**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 2011		FY 2012	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$1,322,801	\$0	\$1,322,801	\$0
Change To Base	\$0	\$0	\$0	\$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	
<b>Current Employment Level</b>	<b>0.0</b>	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	0	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
<b>Total Human Resource Level</b>	<b>0.0</b>	<i>= Current Employment Level + Wage and Contract Employees</i>

- *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**

CIT's key activities for FY2010 will be two-fold. First, CIT will perform on existing grants and contracts, including environmental bioterrorism detection (EBD) and the development of its energy, vessel-tracking and mine safety projects. These projects are described below. Second, CIT will explore opportunities to develop new translational research proposals, particularly in the areas of defense and renewable energy. EBD is a comprehensive biothreat detection system that has the potential to minimize human exposure to pathogens, limit casualties and/or fatalities, and mitigate disease progression. EBD incorporates near-real time information about wildlife disease outbreaks with historical health data and creates a new biosurveillance tool for military and public health decision makers. CIT has received \$3.2 million in federal funding for this multi-year project. Proof of concept was established in Phases I and II. In FY2010, CIT will continue executing the \$1.9 million Phase III, during which CIT and its team will develop a system prototype. Two data systems have been identified as potential recipients of this information: the Defense Department's Epidemic Outbreak Surveillance (EOS) system and the Department of Homeland Security's National Biosurveillance Integration System (NBIS). CIT's energy initiatives will accelerate the deployment of key renewable energy and efficiency technologies that will dramatically reduce external energy requirements as well as create commercialization opportunities that will pave the way for Virginia to become a national alternative energy technology leader. In FY2009, CIT began execution of a \$225,000 Small Business Administration (SBA) grant to develop the strategy for an Energy Independence Research and Development Park. CIT will continue the program in FY2010, emphasizing renewable energy technology development and adoption. CIT will continue its participation in the Mid-Atlantic's Regional Coastal Ocean Observing System (MARCOOS) in FY2010. This program leverages the high-frequency radar infrastructure acquired during CIT's multi-year, NOAA-funded Coastal Observation project. In addition, CIT will continue to develop its Over-the-Horizon Vessel Tracking project, which is designed to strengthen physical defenses at Norfolk Naval Station, particularly in light of the substantial commercial ship traffic in the nearby Port of Hampton Roads. The vessel tracking project will develop and test novel technologies to detect and track approaching vessels, filling the information gap between satellites that monitor ships at the global scale and microwave radar systems, which work at close range in harbors. CIT also will continue development of its mine safety project, which engages private- and public-sector organizations to develop and deploy an environmental monitoring system. The system will minimize catastrophic events by monitoring underground conditions and alerting mine officials

to potentially hazardous situations, even if power is interrupted in an emergency. Initially this system will monitor carbon monoxide; the fully developed system will include sensors that track levels of methane, carbon dioxide, dust, and other elements hazardous to mine workers and emergency personnel.

#### 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 plu-up for FY2010. Advise and support Virginia congressional delegation on Virginia's priorities and capabilities.

#### Link to State Strategy

- nothing linked

#### Objective Measures

- Dollar amount of contracts/grants captured which results in revenue to the Center for Innovative Technology, and allows the Center for Innovative Technology to expand services that support the mission of the Innovative Technology Authority.

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

Frequency Comment: Annually

Measure Baseline Value:  Date:

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

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: Research & Development 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

On the infrastructure side, CIT will provide a framework for attracting and supporting affordable broadband infrastructure. For application development, CIT will work with partners across the Commonwealth to support the development and deployment of emerging applications that will accelerate broadband adoption. Both the infrastructure framework and the application development activities will contribute to the success of broadband deployments throughout the Commonwealth.

#### 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

- CIT programs will facilitate the establishment of broadband throughout the Commonwealth and accelerate the adoption of applications utilizing the infrastructure. This complementary approach will significantly extend the reach of public- and private-sector telework programs, resulting in reduction in traffic and pollution. In addition, broadband will improve access to specialized medical care, educational opportunities, and employment options. These programs will positively impact the quality of life of Virginians.

#### Link to State Strategy

- nothing linked

#### Objective Measures

- Percentage of achievement of 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 Baseline Value:  Date:

Measure Baseline 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.

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