



June 27, 2011

Mr. Daniel Timberlake
Director
Department of Planning and Budget
1111 East Broad Street, Room 5040
Richmond, Virginia 23219-3418

Dear Mr. Timberlake:

I am pleased to submit the Center for Innovative Technology's (CIT) fiscal year 2012 Operating Plan, which was approved by the CIT Board of Directors on May 26, 2011.

For 2012, CIT will continue programs that support its mission of "accelerating the next generation of technology solutions, companies and employment". Doing this enables us to position Virginia as the nexus of technology innovation in the increasingly competitive national and global economies.

Similar to the 2011 plan, CIT will continue to secure federal and private sector funded services that support our mission and objective.

On behalf of the entire CIT organization, we would like to express our gratitude for the ability to serve the Commonwealth by building its future economic engines.

Please feel free to call me at 703-689-3000 if you have any questions.

Respectfully,

Peter Jobse
President & CEO
The Center for Innovative Technology

cc: Mr. Billy Barbee, Senior Budget Analyst, Department of Planning and Budget
The Honorable Lacey Putney, Chairman, House Appropriations Committee
Mr. Robert P. Vaughn, Staff Director, House Appropriations Committee
The Honorable Charles Colgan, Chairman, Senate Finance Committee
Ms. Betsey Daley, Staff Director, Senate Finance Committee

Enclosure



June 27, 2011

Mr. Billy Barbee
Senior Budget Analyst
Department of Planning and Budget
1111 East Broad Street, Room 5040
Richmond, Virginia 23219-3418

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Enclosure



June 27, 2011

The Honorable Lacey Putney
Chairman, House Appropriations Committee
General Assembly Building
P.O. Box 406, Room 947
Richmond, Virginia 23218

Dear Chairman Putney:

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Enclosure



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Staff Director, House Appropriations Committee
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Richmond, Virginia 23218

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Enclosure



June 27, 2011

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Chairman, Senate Finance Committee
Senate of Virginia
P.O. Box 396, Room 626
Richmond, Virginia 23218

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Senate of Virginia
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Enclosure

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*Accelerating the Next Generation of
Technology Solutions, Companies and Employment
For Virginia and the Nation*

**Center for Innovative Technology
(CIT)**

OPERATING PLAN

Fiscal Year 2012

Approved by the Board of Directors on May 26, 2011

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Executive Summary

Fiscal Year 2012 Funding

CIT's FY 2012 revenue will rank 3rd highest in CIT's 27 year history. Revenue of \$13.7 million represents growth of 67% over FY 2011 and results from these increases:

- Increased Commonwealth appropriations for the GAP Fund from \$500,000 for FY2011 to \$5 million for FY2012. This increase was provided by the Commonwealth as part of the Governor and Lieutenant Governor's job creation initiatives and the legislature's new emphasis on research and technology company formation
- Federal grant revenue of \$555,000 for new broadband program funding secured by CIT from the National Telecommunications Infrastructure Agency
- Federal grant revenue of \$2M for seed stage energy company investment secured by CIT and DMME from the Department of Energy.

In addition to funding CIT will receive directly, CIT is designated as the operating agent for \$6M of new funding for the Commonwealth Research and Commercialization Fund (CRCF). The combined revenues of \$13.7 million for CIT funding and \$6 million for CRCF funding provide CIT with fund deployment capability of \$19.7 million to facilitate technology programs for the Commonwealth in 2012.

Fiscal 2012 Operating Plan

For 2012, CIT's mission will continue to be "accelerating the next generation of technology and technology companies" coupled with the objective to "achieve national recognition as the premier services provider engaged in technology company creation and company growth".

To achieve this mission, CIT will operate five service lines each under the leadership of a vice president. These service lines are:

<u>Service line</u>	<u>Responsible Executive</u>
Research and Development	Nancy Vorona
Entrepreneur	Thomas Weithman
Connect	Paul McGowan
Broadband	Karen Jackson
Commonwealth Support Programs	Bob Stolle

The 2012 CIT Operating Plan provides a complete description of the goals, objectives, plan of work, value proposition, program impact and milestones for each service line. The following sections provide a summary of the Plan and funding by service line.

Research and Development service line

For 2012, the Research and Development service line will execute the following programs:

1. Establishment of the Commonwealth Research and Technology Roadmap as defined in legislation from the 2011 legislative session.
2. Establishment and execution of the Commonwealth Research and Commercialization Fund (CRCF) post acceptance of the Roadmap.
3. Ongoing execution of the federally funded Over-the-Horizon Vessel Tracking project, which is designed to strengthen physical defenses at Norfolk Naval Station.
4. Ongoing execution of the federally funded Mine Safety project in which CIT teamed with two small Virginia businesses to develop and deploy a wireless environmental monitoring system for use in underground mines.

To execute these programs, the Research and Development service line will expend \$1.2 million as outlined in the funds usage chart below.

Entrepreneur service line

For 2012, the Entrepreneur service line will execute the following programs:

1. Continued execution of CIT's Federal Funding Assistance Program which helps Virginia companies secure SBIR/STTR funding and ensures that the Commonwealth preserves its top 5 national ranking for total SBIR/STTR awards.
2. Accelerate seed stage funding for Virginia's technology startup companies by operating the GAP Fund family of funds. New funding for 2012 will allow the GAP Fund to (1) increase the number of new startups funded from 5 in 2011 to 13 in 2012, (2) fund new university startups through the GAP Innovation Fund and (3) support second round funding for existing high growth portfolio companies.
3. Accelerate seed and growth funding for Virginia's energy companies by operating the Commonwealth Energy Fund. New federal funding for this fund will enable the creation or growth of 6 energy companies.

The combination of the GAP Fund and Commonwealth Energy Fund will produce a projected 30 investment transactions for 2012. To execute these programs, the Entrepreneur service line will expend \$10.3 million as outlined in the funds usage chart below.

Connect service line

For 2012, the Connect service line will execute the following programs:

1. Ongoing execution of the Virginia Regional Extension Center contract with the Virginia Health Quality Consortium to assist physicians with the implementation of electronic medical records. The Virginia target for implementation is 2,300 physicians.

-
-
2. Ongoing execution of the Virginia Department of Education (VDOE) Longitudinal Database System contract to assist VDOE with the design and approach for the establishment of a student database.
 3. Pursuit and closure of \$1.5 million of new consulting business with emphasis on electronic medical records exchange programs.

To execute these programs, the Connect service line will expend \$255,000 as outlined in the funds usage chart below.

Broadband service line

For 2012, the Broadband service line will execute the following programs:

1. Operate the Office of Telework Promotion and Broadband Assistance to encourage the usage of telework alternatives for public and private sector employees.
2. Execute programs to support the efforts of public and quasi-public bodies within the Commonwealth to enhance availability of and access to affordable broadband services throughout Virginia. These programs include:
 - a. Mapping and Planning programs to refine the Commonwealth's broadband availability map and establish plans and an approach for adopting broadband applications and infrastructure.
 - b. Application Development and Deployment to stimulate usage and demand for broadband applications in areas including telemedicine and telework.

To execute these programs, the Broadband service line will expend \$2.0 million as outlined in the funds usage chart below.

Commonwealth Support Programs service line

The Commonwealth Support service line is new for 2012. This service line has been established to facilitate the development of region-specific technology growth programs. As an outgrowth of CIT's Innovation Index program, this service line will evolve the Innovation Index project into the community portion of the Commonwealth Research and Technology Roadmap. Throughout the development of the Roadmap, leadership of this service line will examine opportunities to modify existing CIT programs to better fit regional requirements and propose new CIT programs to address current growth inhibitors. To execute these programs, the Commonwealth Support service line will expend \$486,000 as outlined in the funds usage chart below.

Corporate Support Groups

In addition to the operating service lines, CIT is supported by the Finance and Administration group under the leadership of the Chief Financial Officer, Linda Gentry. CIT's F&A group is responsible for all financial, legal and administrative functions of the corporation including the design and operation of a federal and state compliant financial management system.

Also, CIT is supported by the Government and Public Relations group under the leadership of Vice President Hap Connors. The Government and Public Relations group is responsible for state, federal and public relations functions.

Operating Budget

The 2012 budget, summarized below, reflects significant new funding and the controlled use of net assets to achieve impact in all service lines. The projected year end net asset position of \$1.6M ensures our ability to bridge fiscal year commitments and manage operating adjustments throughout the year.

Summary Budget	FY12 Budget	% of Total FY12 Budget	Operations Funded by Contracts & Grants	Operations Funded by VA Approp & Other Revenue
<i>In Thousands</i>				
Revenue				
Virginia Appropriation	\$ 8,974	66%		\$ 8,974
Program Revenue	\$ 4,672	34%	\$ 4,672	
Other Income	\$ 35	0%		\$ 35
Total Revenue	\$ 13,680	100%	\$ 4,672	\$ 9,008
Expenses				
Research & Development	\$ 1,218	8%	\$ 944	\$ 274
Entrepreneur	\$ 10,297	69%	\$ 2,034	\$ 8,264
Connect	\$ 255	2%	\$ 132	\$ 124
Broadband	\$ 1,976	13%	\$ 1,822	\$ 154
Commonwealth Support	\$ 486	3%		\$ 486
Other Activities	\$ 197	1%		\$ 197
Communications & Marketing	\$ 648	4%		\$ 648
Business Development	\$ 675	5%		\$ 675
Advocacy	\$ 278	2%		\$ 278
Unapplied Indirects	\$ (1,182)	-8%		\$ (1,182)
Total Expenses	\$ 14,848	100%	\$ 4,931	\$ 9,917
Net	\$ (1,168)			
Beginning Net Assets	\$ 2,761			
Ending Net Assets for FY11	\$ 1,593			

President's Perspective

Fiscal year 2012 represents an inflection point for CIT that is grounded in three areas. First, significant new Commonwealth revenues have been secured as a result of CIT's advocacy for high growth company formation, research investment and our operation of the GAP Fund. Our efforts have produced the confidence necessary for appropriators to further invest in CIT and embark on a strategy that balances economic development between traditional company attraction projects and high growth company formation based on scientific discovery and engineering creativity present in the Commonwealth. Our challenge with this

new emphasis is to operate the GAP Fund in a manner that facilitates the highest degree of private investment possible while preserving our invested capital for reinvestment.

Second, due to tax revenue reductions and differing priorities, emphasis on technology based job creation in the Commonwealth has been minimal since prior to the start of the Great Recession. Because of this, CIT reduced the scale and scope of its programs. Essentially, our emphasis was focused on preventing deterioration of our assets instead of expansion into emerging areas. The recent renewed emphasis on innovation and job creation are enabling us to transition from a preservation mindset to an exponential growth mindset. Our challenge in this regard is to resist advancing older economic development initiatives that are embraced by our competitors, but unproven in their effectiveness and deliver programs that are highly capital efficient and exhibit laser-like precision in their measured impact. New initiatives designed to accelerate Virginia's core strengths in areas like cyber security, personalized medicine and energy technologies represent new targets of opportunity for Virginia's technology industry development.

Third, while we celebrate the new emphasis on innovation and job creation, we are careful to remember that funding that supports these programs is aligned with political and economic conditions. Therefore, we must design and implement programs that include the ability to self-fund or transition to self-funding structures within a realistic period of time. Essentially, public sector investment should serve as seed investment to facilitate the development of a self sustaining enterprise. Our M2 project, a hybrid professional service and investment fund represents an opportunity to capitalize on CIT's strengths and past performance to create a self sustaining entity with significant value for the Commonwealth. In 2012 we will place additional emphasis on the M2 project and other similar opportunities.

Fiscal Year 2012 holds significant opportunity and potential for CIT and the entire team is energized for the challenge.

Strategic Goals, Plan of Work, Milestones, and Metrics - Fiscal Year 2012

Research and Development (R&D) Service Line

Goal 1: Solve national technological challenges through world-class R&D solutions

Objective 1.1 – Deliver technology solutions to solve national and regional challenges

Program and Plan of Work

CIT conducts high-value scientific projects that drive research toward commercialization and deployment in order to provide customers with technology-based solutions that solve national, regional, and Commonwealth challenges in such areas as defense, homeland security, and the environment. In FY2012, CIT R&D will continue to focus on solving these challenges, in addition to energy and marine and life sciences. These priorities, however, are subject to analysis and possible revision based on findings from the Research and Technology (R&T) Strategic Roadmap. Additionally, CIT's translational R&D programs provide industry and academia vehicles to develop research expertise and intellectual property. These activities help enterprises grow and drive revenue and job creation, as well as the potential for company creation.

CIT identifies opportunities for translational research in areas of strategic importance, creates teams to develop effective and innovative solutions, manages these projects, and grows projects into national programs. CIT teams provide cost-effective solutions for the customer; one approach, adapting technology developed for other applications, allows the customer to more readily assimilate the CIT solution.

CIT performs its grants and contracts through strategic partnering agreements with government, industry, universities, and nonprofits. Competitive solicitations, non-competitive solicitations, and Congressional appropriations have been sources of funding; however, as Congress and the Administration may ban or continue to severely limit earmarks, CIT may look increasingly towards other sources of funding.

CIT may be the lead institution or perform as a subcontractor. By managing grants and contracts, on time and on budget, CIT achieves research and commercialization results that meet or exceed program-specific goals.

CIT's key activities for FY2012 will be two-fold. First, CIT will perform on existing contracts and grants, including Over-the-Horizon Vessel Tracking, MARCOOS, and Mine Safety II, and will develop projects, such as MARACOOS, for which contract-related discussions are anticipated prior to or early in FY2012. Second, CIT will explore opportunities to expand its R&D portfolio through its Vessel Tracking program, the recently

completed Environmental Bioterrorism Detection (EBD) program, and other large-scale translational research needs in strategically important sectors.

CIT will continue the 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 U.S. Navy funds CIT to advance detection and tracking of approaching vessels using high frequency (HF) radar. This capability is designed to fill the information gap between satellites that monitor ships at the global scale and microwave radar systems, which work in harbors at close range. To accomplish this, CIT uses the radar network it acquired and deployed for a NOAA-funded project to perform environmental monitoring off the coastal ocean near Virginia and Maryland. CIT recognized that HF radars might also support maritime domain awareness, and that this capability – using an infrastructure in place throughout the U.S. coastline – would serve Virginia and the nation well. CIT identified funding, assembled a team, and in FY2012 will continue this project to develop dual use vessel surveillance capabilities.

CIT will continue its participation in the Mid-Atlantic’s Regional Coastal Ocean Observing System (MARCOOS) in FY2012. This program, which may be renamed MARACOOS, the Mid-Atlantic Regional Association Coastal Ocean Observing System, leverages the HF radar infrastructure CIT acquired during the multi-year, NOAA-funded project mentioned above. CIT will continue to provide site support for its five radars along the Virginia and Maryland coastline.

CIT will continue the Mine Safety project it began in FY2011, in which CIT teamed with two small Virginia businesses to develop and deploy a wireless environmental monitoring system for use in underground mines. The system minimizes the effects of potentially catastrophic events through continuous, remote sensing of dangerous conditions induced by high or low gas levels and by alerting mine officials to potentially hazardous situations, even if power is interrupted in an emergency. The FY2011 project, developed in part via federal FY2010 funding, enhances a carbon monoxide detection system, by adding sensors for methane and oxygen that communicate over a low-cost, data-only wireless mesh network.

Unique Value Proposition

CIT R&D is uniquely positioned to develop solutions for regional and national challenges in such sectors as defense and national security, energy, and marine and life sciences. A nonprofit with a decades-long reputation for neutrality, CIT is an expert in identifying and managing the best teams and developing and deploying innovative technology-based solutions to complex problems. CIT’s professionals have a history of successfully managing proof-of-concept projects in partnership with industry, academia, and government. In providing solutions, CIT also helps small companies and universities move research from the lab to real-world settings, ensuring that local economies benefit from research and commercialization.

2012 Program Impact

CIT provides significant value to the Commonwealth by contributing to the development of technology solutions for regional and national challenges, as well as facilitating the expansion of research and industry developing these solutions. For FY2012, CIT will provide \$555,000 in revenue and \$403,000 in research contract awards to support the programs.

Future Program Impact

CIT has invested in environmental bioterrorism, coastal security, and energy projects in order to help solve the challenges of the Commonwealth, the region, and the nation. Through these initiatives, CIT helps position companies and research institutes to participate in what will become significant national programs through intellectual property creation and technology development and deployment.

Milestones

The following milestones are specific to this objective and will be used to manage the objective's deliverables and metrics.

Activity	Date	Person Responsible
Provide status and other compliance reports for the MARCOOS, Mine Safety, and Vessel Tracking programs	In accordance with project deadlines	VP, Research Investment
Provide status and other compliance reports for other contracts and grants performed in FY2012	In accordance with project deadlines	VP, Research Investment
Identify and submit budget documentation for FY2012 federal opportunities	In accordance with federal deadlines (est. August 2011)	VP, Research Investment
Identify and pursue funding opportunities in translational research	Ongoing	VP, Research Investment

Management Reporting Tools

- Periodic and final performance and financial reports to the Small Business Administration (SBA) for the Mine Safety program, to the Naval Surface Warfare Center Dahlgren Division (NSWCDD) for the Vessel Tracking program, and other contract-specific federal project reports as required
- Reports as required by Rutgers University for MARCOOS project
- Subcontractors' final reports and invoices
- Monthly internal reports for business development, billing, and project management
- Compliance reports as required by client agencies

Goal 2: Establish and maintain a statewide research and technology plan

Objective 2.1 – Coordinate and facilitate initiation of Virginia’s research and technology strategic planning process

Program and Plan of Work

Job creation and economic development are spurred by productivity, and innovation in the private sector, academia, and federal and other research institutions is essential to driving productivity. A 2010 study¹ released by the Nelson A. Rockefeller Institute at the State University of New York (Albany) cited a major turning point for the U.S.: the transformation of higher education institutions into economic development engines.

Productivity is driven, in part, by focusing investment in sectors in which strength exists and economic growth is projected.² Thus, the Commonwealth’s investments in research and development must align with and help drive those sectors in which the state has current strengths, a likelihood of excelling in applied research and commercialization, and where growth is forecast. This best positions Virginia for economic benefits, including job and company creation and higher wages.

CIT’s R&D service line will support the development of the Commonwealth Research and Technology (R&T) Strategic Roadmap, a comprehensive roadmap for the Commonwealth to identify research areas worthy of economic development and institutional focus. Always wise and particularly imperative in times of constrained resources, the state intends to direct its investments in research and infrastructure to industry sectors that will achieve the greatest collective benefit for its citizens. The Commonwealth maximizes innovation and successful economic outcomes by aligning the capabilities, assets, and direction of academia and other research organizations with the strengths and direction of industry.

The 2011 General Assembly passed emergency legislation (HB2324) calling for the Innovation and Entrepreneurship Investment Authority (IEIA) to develop this Roadmap and to review and update it at least once every three years. HB2324 expands upon 2009 legislation requesting that IEIA develop a comprehensive research and development strategic roadmap. Nearly in parallel with the 2009 legislation, Executive Order 9 created the Governor’s Commission on Higher Education Reform, Innovation and Investment. The Commission, which began work in 2010, indicated in its January 2011 interim report that it supports the IEIA-driven Roadmap. The 2011 legislation expands IEIA’s Roadmap’s charge and reinforces the Roadmap’s importance in providing guidance to elected and other state officials.

The Commonwealth’s public and private colleges and universities play a key role in innovation and academic research and are an important source of new knowledge, technology development, and our future workforce. They engage in research, development,

¹ A New Paradigm for Economic Development: How Higher Education Institutions are Working to Revitalize Their Regional and State Economies (authors David F. Shaffer and David J. Wright).

² State Competitiveness: Creating an Economic Strategy in a Time of Austerity, February 28, 2011, Michael E. Porter.

and education in a wide range of disciplines and applications, including energy, engineering, information technology, life sciences, marine science, materials science, and nanotechnology. Discoveries and technology development ultimately may lead to patents, licenses, revenue, company attraction, and the increased stature for the institution, researcher, and the state.

In FY2012, CIT will continue with development of the R&T Strategic Roadmap, which began immediately following passage of HB2324. CIT proposes producing the Roadmap in three increasingly in-depth phases, with targeted completion for the first two phases in FY2012. CIT will recommend content and timing for the phases to key legislators associated with HB2324.

Phase I will include high-level identification of key industry sectors in the Commonwealth worthy of investment and an intellectual property (IP) policy regarding the ownership and licensing of IP developed through Commonwealth Research Commercialization Fund (CRCF) awards. Industry priorities will be identified through a multi-step process, including assessments of information collected from regional technology councils through the Innovation Index; statistical data, including leading and lagging indicators, collected from the federal government and other sources; and research strengths in academia and other organizations in the Commonwealth, identified in part through their strategic plans.

Phase II will include more extensive information on industry priorities and opportunities, including the identification of basic and applied research in sectors that exhibit commercial promise. In addition, Phase II will articulate a process to catalog research endeavors and other assets. The data collection process used in Phase II and subsequent reports increasingly will be web-based, and the cataloging process will be designed for online data submission by the technology community and to provide interactive user tools that portray Roadmap information. The Phase II report will include recommendations to Commonwealth leaders about which industry sectors to invest in.

CIT expects that Virginia Tech will allocate staff to support development of the Roadmap. For instance, CIT has proposed that it play a lead role in collecting and analyzing university information. CIT R&D will work closely with colleagues, including the VP of Regional Growth Programs, who will support the Roadmap with an industry perspective gained through the Innovation Index and technology council interactions. Additionally, CIT will work in conjunction with the CIT Board of Directors' Committee on Strategic R&D Planning and the Research and Technology Investment Advisory Committee, established by HB2324, to engage public and private-sector officials in the Roadmap process; refine the Roadmap's steps and recommendations; and report its recommendations to the General Assembly, Administration, and Six-Year Capital Outlay Plan Advisory Committee.

Unique Value Proposition

The statewide university R&T Strategic Roadmap will allow the Commonwealth to align investments in research and technology with strategic industry priorities. This roadmap, updated at least every three years, will provide elected and other officials with information on sectors that have commercial promise and will drive economic growth in the Commonwealth. CIT has unique knowledge of Virginia's technology strengths, strategic road mapping, and drivers of innovation because of its 20+ years advancing technology and technology companies, and in particular because of its recent experience establishing the Innovation Index. CIT also has essential relationships throughout the Commonwealth in academia, government, and the private sector required to develop, implement, and advocate for the Roadmap.

2012 Program Impact

This objective focuses on producing Phases I and II of the Roadmap, to be submitted in November 2011 and May 2012, respectively, to the Administration and General Assembly. Program impact is determined by Commonwealth and investments and policies in research and technology in academia as well as the private sector.

Future Program Impact

Future impact will be based on investments and other decisions that elected and other officials make as a result of information garnered through the R&T Roadmap as well as economic outcomes. It is expected that the Roadmap will permit the Commonwealth to conduct a more informed review of research and development initiatives, appropriate investments and regulatory and other policies, and economic development initiatives and outcomes.

Milestones

The following milestones are specific to this objective and will be used to manage the objective's deliverables and metrics.

Activity	Date	Person Responsible
Support administrative and operational requirements of the R&T Plan's board	July 2011 and ongoing	VP, Research Investment
Release Phase I of the R&T Roadmap to the Administration and General Assembly	November 1, 2011	VP, Research Investment
Advise Virginia congressional delegation on the statewide university R&T Plan	November 2011	VP, Research Investment
Develop public relations campaign	November 2011	VP, Government and Public Affairs

Release Phase II of the R&T Roadmap to the Administration and General Assembly	May 1, 2012	VP, Research Investment
Make recommendations to the Six-Year Capital Outlay Plan Advisory Committee	May 2012	VP, Government and Public Affairs

Management Reporting Tools

- Prepare Phases I and II of R&T Roadmap for the Administration and General Assembly
- Intellectual property policy

Objective 2.2 - Manage the Commonwealth Research Commercialization Fund (CRCF)

Program and Plan of Work

The Commonwealth Research Commercialization Fund (CRCF) is a successor to the Commonwealth Technology Research Fund (CTRF). The 2011 General Assembly provided \$6 million for Virginia-based award recipients for the CRCF in the FY2012 budget and passed HB2324, which modified the CRCF process and award categories. The General Assembly affirmed its interest in seeking commercialization and economic development outcomes by linking CRCF awards with areas of focus for technology investment as identified in the Commonwealth R&T Strategic Roadmap. Furthermore, legislation indicates that awards must further the commercialization and other goals set forth in the Roadmap. The potential for commercialization and economic development impacts is a recurrent theme in HB2324.

The following bullets identify programs that may be eligible for awards when the CRCF budget is less than \$7 million:

- SBIR matching funds – for companies that have received a Phase I award from the National Institutes of Health (NIH)
- Matching funds – to assist qualifying academic and other research institutions in leveraging federal and private funds designed for commercialization
- Facilities enhancement loans – designed for facilities used to commercialize research or technologies
- Commercialization – for collaborative projects
- Eminent scholar recruitment – to acquire and enhance research superiority at public colleges or universities, where research has significant potential for commercialization

CIT administers the CRCF, per legislative mandate. CIT's responsibilities will include developing guidelines, issuing solicitations and receiving and vetting proposals, announcing awards, and reviewing and reporting on award recipients' progress. CIT will support the appointment of members to the Research and Technology Investment Advisory Committee and work with them as appropriate, including specifically in the application review process.

CIT will prepare award agreements and/or memorandums of understanding that include the criteria cited in HB2324.

CIT's duties will include guidance and oversight of grants funded in previous years that have performance periods through FY2011. As appropriate, CIT will provide public communications and outreach activities, including through website postings and press releases. Finally, CIT will prepare an annual report for those awards with performance periods that ended in FY2011 and will address FY2011 activities related to the FY2012 award process. As required by the Code of Virginia, CIT will file this report with the Governor's Office and the General Assembly.

CIT R&D will coordinate with colleagues; Entrepreneur particularly will share a client base because of its Federal Funding Assistance Program (FFAP) and GAP Funds. FFAP's SBIR clients, including those who have received or may be prospects for Phase I NIH awards, and university researchers active in STTR and/or familiar to GAP staff may be prospects for CRCF solicitations.

Unique Value Proposition

The CRCF investments provide an invaluable and unique source of funds to propel commercialization in academia and the private sector that is targeted towards Virginia's technology strengths and direction. In administering the Fund, CIT brings unique experience and skills from managing the CTRF, CRCF, and SBIR programs, along with relationships in academia, government, and the private sector that maximize outreach and effectiveness.

2012 Program Impact

Award recipients will report contributions to the state's R&D through federal or private matching funds, intellectual property creation and licensing, and other commercialization targets and outcomes. CIT will compile and summarize these contributions and alignments with goals of the R&T Strategic Roadmap in the annual report to the Governor's Office and the General Assembly.

Future Program Impact

Similar to the R&T Strategic Roadmap, future impact will be based on investments and other decisions that elected and other officials make as a result of results achieved through CRCF investments. It is expected that targeted investments and increased collaboration will lead to substantial economic development outcomes, including licensing revenue, sales, company creation and attraction, and job creation.

Milestones

The following milestones are specific to this objective and will be used to manage the objective's deliverables.

Activity	Date	Person Responsible
Prepare and submit annual report on CRCF operations and prior CTRF awards to the Governor and General Assembly	October 2011	VP, Research Investment
Issue CRCF solicitation	November 2011 and per solicitation guidelines	VP, Research Investment
Manage proposal and award process	January 2012 and per solicitation guidelines	VP, Research Investment
Review and assess projects' performance	June 2012	VP, Research Investment

Management Reporting Tools

- Prepare the annual report for the Governor and General Assembly
- Interim and final reports from grant recipients
- Budget covering administration and review process

Entrepreneur Service Line

Goal 3: Secure global leadership in the development of entrepreneurial technology ventures

Objective 3.1 – Identify and accelerate opportunities for small technology firms to obtain federal R&D awards

Program and Plan of Work

Virginia maintained a third place ranking in number of Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards behind California and Massachusetts, in 2009, the latest year in which data is available. Virginia ranked fourth in total amount of funding behind California, Massachusetts, and New York. Virginia firms received 351 Phase I awards and 162 Phase II awards, with a total 2009 award amount of \$144.8 million, compared to \$138 million in awards in 2008.

To ensure the development of Virginia's next generation of technology companies, Virginia must increase both the number and dollar amount of SBIR and STTR awards. In addition, Virginia needs to increase the number of research awards companies receive from other federal funding programs, such as those presented by the Department of Energy (DOE), Department of Defense (DOD), National Institute of Standards and Technology (NIST),

National Science Foundation (NSF), and the National Institutes of Health (NIH). Through CIT, the Commonwealth provides assistance to companies developing proposals to commercialize their technologies supported by SBIR/STTR grants.

CIT continues its statewide leadership in federal funding assistance for business through its Federal Funding Assistance Program (FFAP), which helps Virginia's technology companies obtain SBIR/STTR funding. Key program initiatives will continue for FY2012: delivery of specialized federal funding workshops throughout the Commonwealth; proposal development support; mentoring/commercialization assistance to awardees; and outreach to the federal R&D funding program management community, major and mid-tier prime contractors, universities, and applicable supporting professional resources.

In FY2011, the FFAP significantly enhanced the availability of support and training material by posting web-based training tools on the CIT website. In FY2012, CIT will host additional SBIR webinars to increase the reach of the training and to reduce costs of delivering federal funding training to all areas of the state.

In FY2012, the FFAP will continue to promote its services to a broad group of state university R&D, technology transfer, and patent office staffs, as well as the staffs of Small Business Development Centers (SBDC), Procurement Technical Assistance Centers (PTAC), the Virginia Economic Development Partnership (VEDP), and local economic developers. The FFAP will continue to examine federal funding sources to enhance program development.

Unique Value Proposition

CIT's FFAP brings non-dilutive financing to enhance the value of Virginia's early-stage technology companies and promotes a more robust and innovative R&D base within the Commonwealth. CIT's unique position in both monitoring statewide research initiatives and managing a seed-stage venture capital fund targeting Virginia start-ups provides the CIT FFAP with a singular ability to reach entrepreneurs in the Commonwealth best able to access and exploit federal R&D funding.

2012 Program Impact

The FY2012 plan for the FFAP will focus CIT's efforts on significantly increasing the amount of SBIR/STTR funding to Virginia businesses by conducting online and offline training, as well as mentoring and proposal development support to 200 Virginia companies.

Future Program Impact

CIT's FFAP helps Virginia's emerging high-technology companies attract R&D dollars from federal executive agencies. Through this program, CIT helps companies build significant value in their enterprises without the dilutive effects of private equity infusion.

Milestones

The following milestones are specific to this objective and will be used to manage the objective's deliverables and metrics.

Activity	Date	Person Responsible
Market and conduct two detailed SBIR training modules in webinar format, covering various topics related to SBIR/STTR proposal preparation; conduct one live SBIR workshop	September 30, 2011	Director, Federal Funding
Market and deliver one additional webinar event and one live SBIR workshop	December 31, 2011	Director, Federal Funding
Market and deliver two additional webinar events and one live SBIR workshop	March 31, 2012	Director, Federal Funding
Provide mentoring and training support to 200 Virginia businesses developing proposals or conducting/commercializing research supported by SBIR/STTR awards	June 30, 2012	Director, Federal Funding
Market and deliver final two webinar events and two live SBIR workshops	June 30, 2012	Director, Federal Funding

Management Reporting Tools

- Weekly federal funding activity reports
- Quarterly FFAP pipeline report
- Quarterly scorecard

Objective 3.2 – Accelerate funding for early-stage technology firms

Program and Plan of Work

CIT has benchmarked 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 (2010 GSP: \$427 billion), Maryland (2010 GSP: \$300 billion), and Massachusetts (2010 GSP: \$377 billion). Over the past five years (2006 – 2010), Virginia companies have attracted \$2.1 billion in venture capital, tracking closely with neighboring Maryland, which has attracted \$2.3 billion. Virginia, however, suffers significantly in comparison to Massachusetts, which attracted \$13.8 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 29 seed-stage investments in Virginia, compared to 263 in Massachusetts and 99 in Maryland.

	2010 GSP	Venture Funding	Seed-Stage Investments
Maryland	\$300 billion	\$2.3 billion	99
Massachusetts	\$377 billion	\$13.8 billion	263
Virginia	\$427 billion	\$2.1 billion	29

In order to be a leader in the development of the next generation of technology companies, Virginia must, at a minimum, perform on a par with Maryland. Optimally, Virginia should use Massachusetts as a model in the deployment of seed-stage capital investment.

CIT's Capital Access Program recognizes the critical role that private equity investment plays in the initiation and growth of high-technology enterprises. CIT launched CIT GAP Funds in 2004 to provide critical seed-stage funding to the Commonwealth's high-potential, early-stage technology companies. Since that time, CIT GAP Funds 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 (MAVA) Capital Connection, the Business Alliance and Grubstake Breakfast, and the Southeast Venture Conference. CIT also makes referrals of potential investment targets to individual investors and investment funds. From the GAP Funds' launch through Q2 FY2011, CIT has drawn upon this system to leverage private money against Commonwealth funds at a rate of 15:1.

In FY2011, CIT's pace of investment slowed down in alignment with a modest budget allocation from the Commonwealth. While this investment pace permitted CIT GAP Funds to focus energy on aggregating sufficient capital needed by portfolio to withstand elongated venture capital investment cycles, it rendered CIT GAP Funds unable to participate in the growth of many promising early-stage technology companies in Virginia.

CIT expects that seed-stage funding for the Commonwealth's high-potential technology start-ups will remain low in the coming year. Two significant changes, however, render CIT GAP Funds better able to meet seed-stage funding demands in the Commonwealth.

In March 2011, CIT received a contract award of \$2 million from Virginia's Department of Mines, Minerals and Energy (DMME). Funded by the American Recovery and Reinvestment Act (ARRA) through the State Energy Program (SEP), this contract established the Commonwealth Energy Fund through which CIT will place up to six investments in early-stage energy companies in FY2012. Along with this contract win, CIT received \$4 million in funding for CIT GAP Funds as a result of the FY2012 Virginia budget appropriations process. This eight-fold increase over the \$500,000 FY2011 CIT GAP Funds allocation provides significant new and follow-on investment capacity for CIT's seed funding efforts, and will enable CIT to better address the capital demands of the Commonwealth's high-potential science and technology-based companies.

This increased investment capacity drives a number of changes in CIT GAP Funds operations for FY2012. In order to more fully support the formative stages of Commonwealth's high-potential tech companies, CIT will utilize a "tranching" approach to deploy an increased amount of funding at initial seed funding rounds and retain additional capital to support companies qualifying for institutionally-backed venture financings. In tandem, CIT will expand the investment capacity of its Innovation Investment Fund, placing more investments in university-based start-ups that will be groomed for downstream investment by the GAP Funds. Additionally, CIT GAP Funds will augment both investment staff and its Investment Advisory Board (IAB) investment committee structure to accommodate a more aggressive investment pace. CIT GAP Funds will also strengthen its back-office support infrastructure through implementation of software to eliminate current operational inefficiencies. Finally, CIT GAP Funds will continue the outreach activities of the past four years to key regional and east coast venture and angel investment markets such as Boston, Research Triangle Park, and Philadelphia to aggressively expand its base of seed-stage syndication partners and downstream investment sources for portfolio companies.

Through the administration and distribution of the GAP Technology Fund, GAP BioLife Fund, Commonwealth Energy Fund, and Innovation Investment 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 40 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 \$8 million from placement by institutional and angel funds.

Unique Value Proposition

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.

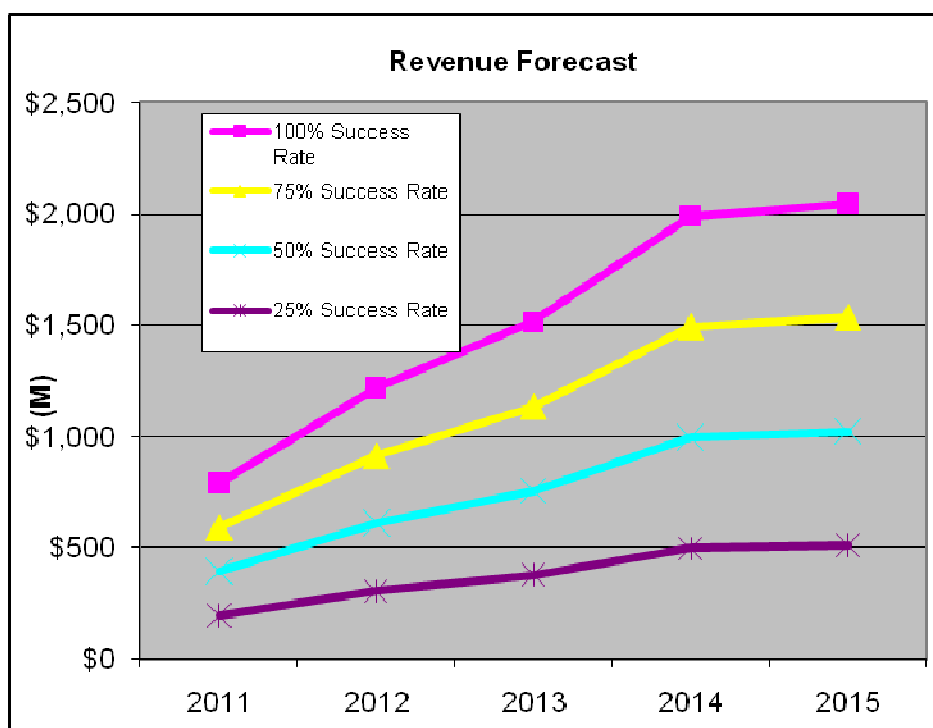
2012 Program Impact

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 FY2012, CIT will stimulate \$8 million of private-sector investment in new technology companies.

Future Program Impact

The companies that receive capital generation assistance from CIT are positioned for accelerated company growth 24 to 36 months after their initial investment. This growth, recorded as company revenue, contributes to Virginia's gross state product (GSP) and the economy of Virginia through new job creation. Since new company formation is a high-risk activity, the aggregated value of the future contribution of CIT client companies is factored

at 75%, 50%, and 25% success rates. The projected value of company revenue growth, from 13 new GAP Technology and BioLife, six Commonwealth Energy, and eight Innovation investments in FY2012 and 35 existing investments, is profiled in the following graph.



Milestones

The following milestones are specific to this objective and will be used to manage the objective’s deliverables and metrics.

Activity	Date	Person Responsible
Deliver monthly updates of the Virginia Venture Calendar and quarterly updates of the GAP Funds Portfolio Newsletter	July 2011 – June 2012	Investment Associate
Identify 25 new companies per quarter for investment consideration through the CIT GAP Technology, GAP BioLife, Commonwealth Energy Fund, and Innovation Investment Fund	September 2011 and quarterly	Director, Investments
Implement back-office software to enable greater efficiencies in portfolio management and returns calculation and reporting	March 2012	Managing Director
Present eight energy companies to the Commonwealth Energy Fund investment committee to yield six investments	March 2012	Managing Director

Present 20 life science or technology companies to the GAP Tech and GAP BioLife investment committees to yield a total of 13 investments	June 2012	Managing Director
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Management Reporting Tools

- Quarterly pipeline analysis reports
- Quarterly GAP portfolio update
- Quarterly reports of leveraged cash
- Quarterly reports of actual and projected GSP contribution

Connect Service Line

Goal 4: Secure global leadership in the identification and assimilation of innovative technologies

Executive Summary

At the conclusion of FY2011, the Connect service line will enter the new fiscal year with the following:

- An ongoing relationship with the Virginia Health Quality Center (VHQC) as we set up and operate the Virginia Regional Extension Center, as part of the joint \$11.5 million federal award
- An ongoing relationship with the Virginia Department of Education (VDOE) and a number of active projects, as part of the \$18 million federal award for the development and operation of a statewide longitudinal database system
- A proven model for selling and delivering high-value consulting and research services.

For FY2012, the Connect service line has three operating principles:

- Maintain and grow existing strategic client relationships
- Examine, propose, and pursue additional growth from new clients
- Recruit and bring onboard new team members to support new business and drive success.

Objective 4.1 – Accelerate the assimilation of new technology by large-scale public and private-sector technology consumers

Program and Plan of Work

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 technologies gain a competitive advantage because they can tailor emerging 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 line 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.

In FY2012, Connect will continue to build on the client relationships developed in 2010, aggressively execute business and proposal development efforts, and continue to build and refine the consulting service model, including an increased focus on the mobile learning, education, and Health IT sectors.

Connect has proven the market potential for its service; the challenge in FY2012 will be to maintain the momentum and continue the pace of growth. This will be addressed in five important ways:

1. Lead Generation – Connect will institute a more rigorous process to improve lead-generation, ensuring it is more productive and repeatable.
2. Early Stage Influencing/Deal Shaping – Connect will leverage its role in the education and mobile learning marketplaces to create a new set of opportunities focused in these areas.
3. Resource Optimization – In order to keep pace with the aggressive demands of client relationship management, proposal development, business operations, and client delivery, Connect will continue to leverage resources from within CIT and with external partners.

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4. Deal Profiling and Selection – Through consistent deal profiling, Connect has had considerable success increasing contract closure rates in FY2011. It has developed six proposals, four of which were accepted and two of which are still under consideration by clients at the time of this writing.
 5. Grow Current Client Engagements – The Connect team has demonstrated its ability to grow client relationships, deliver services based on client value propositions, create effective proposals, and deliver on-time and on-budget. Connect will continue to nurture and develop its current revenue generating relationships with VDOE, VHQC, the Technical Support Working Group (TSWG), and Fairfax County.

Unique Value Proposition

Connect helps its clients solve mission-specific problems and challenges with technology solutions that deliver improvements in their operating objectives. CIT is uniquely positioned to help public and private organizations as a neutral party focused on improving the understanding and implementation of technology. CIT Connect does not engage in technology implementation contracts to assure clients that recommendations are neutral and do not position CIT for larger implementation contracts.

2012 Program Impact

For FY2012, the Connect service line is challenged with delivering on the \$3 million services backlog and in seeking \$1.5 million of additional sales.

Future Program Impact

As a by-product of delivering solutions to large-scale technology consumers, the Connect program accelerates the growth of early-stage technology companies by introducing their innovative technology to markets they have not explored. For early-stage companies residing in the Commonwealth, increased sales will contribute to Virginia’s gross state product and create new jobs. For companies outside the Commonwealth, new sales with large clients, like the federal government, will give them an opportunity to expand into Virginia, creating new job opportunities for Virginians.

Milestones

The following milestones are specific to this objective and will be used to manage the objective’s deliverables and metrics.

Activity	Date	Person Responsible
Refine segment-specific marketing and sales strategy	July 2011	VP, Connect
Develop robust pipeline of sales opportunities across government and commercial sectors	July 2011 – January 2012	VP, Connect
Develop channel partners	July 2011 –	VP, Connect

	January 2012	
Sell and close three follow-on projects	November 2011	VP, Connect
Improve pipeline – boost closed business success rate to 30%	December 2011	VP, Connect
Conduct full assessment of information research capabilities and identify opportunities to improve the capabilities and services	February 2012	Director, Information Research Services
Maintain and advance the current generation of research resources and methodology to meet the information needs of CIT projects and operations	Ongoing	Director, Information Research Services
Monitor established project tracking and cost control methods	Ongoing	Director, Information Research Services
Deliver, analyze, and manage information to support contract requirements	Ongoing	Director, Information Research Services
Execute operational contracts	Ongoing	VP, Connect

Management Reporting Tools

- Innovative company creation reports
- Client database reports on active clients
- Consulting service development status reports
- Target market analysis reports
- Partnership status reports
- Monthly sales pipeline reports tracking opportunities and awards
- Client satisfaction surveys

Broadband Service Line

Goal 5: Expand the use and application of broadband technologies in rural and underserved areas

Objective 5.1 – Serve as the Commonwealth’s Office of Telework Promotion and Broadband Assistance (OTPBA)

Program and Plan of Work

Access to affordable broadband services remains critical to the worldwide economic future, as nations, states, and communities are evaluated on the amount and cost of broadband services that are available. Despite continued investment and private-sector deployments, the United States continues to lag behind other nations in the quest for ubiquitous broadband. On March 16, 2010 the Federal Communications Commission (FCC) unveiled

the nation's first "National Broadband Plan" to provide a roadmap for bringing high-speed Internet access to all citizens of the United States. Specifically, the plan builds the case for the need for constant, continuous connectivity to enable application advances in seven key sectors: economic opportunity, education, healthcare, energy/environment, government performance, civic engagement, and public safety.

It is undeniable that access to affordable, high-quality broadband services provides communities with a foundation necessary for economic growth and improved quality of life. Communities that lack affordable broadband access are unable to participate in the enhanced social, educational, commercial, medical, and economic development applications and opportunities made 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.

Furthermore, access to affordable, reliable broadband-level telecommunication services is a key success factor for the adoption of telework – a family-friendly, business-friendly work structure that promotes workplace efficiency, reduces strain on the environment and transportation infrastructure, and provides employment opportunities outside of a traditional workplace. Businesses, as well as federal, state, and local governments, are now adopting telework as a standard business practice.

This current emphasis on the availability of high-quality broadband services has led both federal and state leaders to examine broadband availability, affordability, and adoption rates and move from being reactive to proactive in their strategic planning and policy activities.

Acknowledging the importance of broadband and telework to Virginia's economy, the Commonwealth continues to maintain the Office of Telework Promotion and Broadband Assistance (OTPBA), created in 2006. The Office consists of a director appointed by the Secretary of Technology and additional professionals as the Secretary determines. Since its inception, the director has been, and continues to be, provided by CIT.

The director of the OTPBA 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

Unique Value Proposition

CIT delivers strategic guidance, facilitation, broadband demand generation, and asset mapping services necessary for the Commonwealth of Virginia to ensure statewide deployment of affordable broadband services and applications such as telework. CIT is uniquely qualified to deliver these services due to its extensive experience with Commonwealth broadband deployment projects, federal broadband programs, and technological domain expertise.

2012 Program Impact

Performance metrics for the Secretary of Technology’s OTPBA are tied primarily to the goals stated in the Code of Virginia:

- Determine “next generation” telework goals for the Commonwealth’s eligible workforce
- Staff the Broadband Advisory Council
- Advance the Commonwealth’s broadband agenda through funding secured from the National Telecommunications and Information Administration (NTIA)

Future Program Impact

Delivering access to high-quality, affordable broadband services provides Virginia’s citizens and businesses with enhanced social, educational, commercial, medical, and economic development opportunities. Besides empowering businesses and communities, ubiquitous broadband positions the Commonwealth to lead the nation in the deployment of high-technology services and applications.

Milestones

The following milestones are specific to this objective and will be used to manage the objective’s deliverables and metrics.

Activity	Date	Person Responsible
Compile broadband and telework annual report to the Governor and General Assembly as required	November 2011	Director, OTPBA
Monitor federal broadband funding and revenue opportunities	December 2011	Director, OTPBA
Develop and monitor broadband- and telework-related legislation for the FY2012 General Assembly session	January 2012	Director, OTPBA

Continue NTIA-funded broadband mapping and planning initiatives	June 2012	VP, Broadband Programs
Create an environment that facilitates collaboration between broadband technology researchers, service providers, and consumers	June 2012	Director, OTPBA
Support ongoing activities of the Commonwealth's Broadband Advisory Council	June 2012	Director, OTPBA

Management Reporting Tools

CIT in conjunction with the Office of the Secretary of Technology will use several reporting tools to track its performance against these milestones:

- Broadband and telework annual reports (as required by legislation)
- Meeting minutes and reports
- Presentations and briefings as requested

Objective 5.2 – Provide demand-generation and infrastructure-development services that advance the presence of broadband in Virginia

Program and Plan of Work

In addition to its work for the OTPBA, CIT is charged by the General Assembly to support the efforts of public and quasi-public bodies within the Commonwealth to enhance or facilitate the prompt availability of and access to affordable broadband services throughout Virginia. CIT is charged with monitoring trends and advances in advanced telecommunications technology, planning and forecasting future needs for such technology, and identifying funding options.

Although this charge emphasizes the infrastructure portion of the broadband equation, experts now acknowledge (through the National Broadband Plan) that technology infrastructure alone will not solve the access problems of rural/underserved areas. Rather, the acquisition of broadband infrastructure needs to be embedded in a broader planning and development approach that acknowledges broadband as a critical ingredient for improvements in education, business, and overall quality of life.

CIT's broadband program for FY2012 will build upon the work and findings developed by the Broadband Advisory Council and the National Broadband Plan to develop programs and collaborations that will ensure that communities throughout Virginia have the opportunity to actively participate in the information economy. CIT staff will work with communities, federal and state legislators, and industry leaders to develop and institute holistic broadband policies and strategies that emphasize both infrastructure acquisition and application development.

Unique Value Proposition

Mapping

In 2009, CIT was designated to serve as the Commonwealth's liaison to the National Broadband Initiatives. As such, CIT submitted two applications to the broadband program managed by the NTIA – one for broadband mapping/planning and the other for building sustainable broadband demand (adoption).

In March 2010, CIT was awarded a mapping and planning grant from the NTIA to augment and refine the Commonwealth's broadband availability map and to contribute data to the national broadband map. CIT has partnered with the Virginia Geographic Information Network (VGIN), Virginia Tech, and several private-sector organizations to carry out the initiative.

Planning

In addition to developing a next generation map, CIT's award from NTIA will provide the means by which CIT will work with the Office of the Secretary of Technology, the OTPBA, and the Commonwealth's Broadband Advisory Council to conduct a series of regional planning meetings to develop a framework for deploying and adopting broadband infrastructure and applications. Additionally, the NTIA mapping/planning initiative includes conducting ongoing statewide assessments of e-commerce and healthcare adoption/usage as a means of tracking broadband adoption activities in Virginia and providing the basis for strategic partnerships and leverage cross-funding silos.

Application Development and Deployment

In order to support and sustain the broadband infrastructure being deployed in the Commonwealth, attention must be placed on building demand for the applications and services that it enables. During FY2012, CIT will continue to cooperate and collaborate with partners across Virginia to expand and develop programs and applications (telework, telemedicine, etc.) to build sustainable demand.

Both the infrastructure framework and the application development activities will contribute to the success of broadband deployments throughout the Commonwealth.

2012 Program Impact

CIT programs, in conjunction with the OTPBA, will:

- Develop the Commonwealth's second generation broadband availability map in accordance with the technical guidelines released by NTIA; process will also include establishing a process for maintaining existing broadband data and for expanding broadband mapping capabilities in the Commonwealth
- Conduct regional planning meetings in conjunction with the Broadband Advisory Council to collect information on broadband activities and needs in the Commonwealth

- Maintain online broadband resources and serve as a coalescing point for teaming opportunities and Commonwealth-wide applications related to broadband funding
- Pursue federal funding and revenue opportunities to support program activities
- Generate a slate of broadband and telework legislative and policy priorities for consideration during the 2012 General Assembly session
- Work in conjunction with the Secretary of Technology to promote programs that will speed the deployment and adoption of broadband services in the Commonwealth

Future Program Impact

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.

Milestones

The following milestones are specific to this objective and will be used to manage the objective’s deliverables and metrics.

Activity	Date	Person Responsible
Provide staff support for Commonwealth Broadband Advisory Council – develop and publish reports as legislated	June 2012	VP, Broadband Programs
Conduct regional broadband meetings	June 2012	VP, Broadband Programs
Maintain and expand online broadband resources and information content on www.cit.org and www.wired.virginia.gov	June 2012	VP, Broadband Programs

Management Reporting Tools

- Briefings for local, state, and federal officials and commissions as requested
- Broadband annual report (as directed by the Office of the Secretary of Technology)

Commonwealth Support Programs

Goal 6: Identify opportunities and accelerate regional technology industry growth

Executive Summary

As we work to position our businesses and organizations to take maximum advantage of emerging technology-based opportunities, it is more critical than ever that Virginia have a globally competitive economy. To do that, we must boost entrepreneurship, increase the availability of seed-stage funding for start-ups, and support research that leads to commercialization of intellectual property. These are all key ingredients for the formation of the next generation of technology companies and of a dynamic and successful innovation economy.

CIT must be a leader in fostering new strategies to promote public and private investments in these new opportunities. However, to successfully maximize and leverage these investments, we need to understand the technologies, the statewide and regional opportunities, and the challenges.

CIT's Roadmap project will serve as the foundation for research and company formation programs funded by the Commonwealth. An accurate understanding of the Commonwealth's industry base will be critical to developing programs and investment strategies that assist each region. The Roadmap will use information derived from CIT's Innovation Index project; during the last three years, the Index served as a catalyst for regional technology leaders to examine current and future strategic priorities and provide input about their strategic priorities.

Objective 6.1 – Support Commonwealth Research & Technology (R&T) Strategic Roadmap development and strategies focusing on industry cluster development in Virginia

Program and Plan of Work

A key responsibility for CIT in FY2012 will be the establishment and operation of strategic programs designed to maximize the growth of Virginia's regional technology industries. This function is designed to generate critical data for the development of the Commonwealth's Research and Technology (R&T) Roadmap, and stimulate growth programs specific to regional technology priorities. These programs will include expanding existing CIT programs to underserved areas.

Specific initiatives will include:

- Define and document key trends that serve as challenges and corresponding solutions toward the goal of maximizing regional technology based economic development
- Participate in regional technology, innovation, and economic development programs to coordinate a statewide perspective and cooperation
- Tailor CIT programs to address unique regional complexities that may inhibit a region's ability to fully benefit from existing CIT programs
- Participate in the development of objectives to accelerate the development of new innovative companies

Unique Value Proposition

CIT is the only organization in the Commonwealth with statewide and regional perspectives of technology and innovation opportunities and challenges. Rather than the focus on near-term jobs and investment of traditional economic development, CIT identifies and cultivates technology transfer and entrepreneurial opportunities based on assessments of research capabilities and industry strengths for long-term growth potential.

2012 Program Impact

Industry data gathered throughout this process will be a critical ingredient in the overall assessment of Virginia's research and technology capabilities and opportunities. This assessment will directly impact the conclusions and recommendations that will be documented in the R&T Roadmap.

Future Program Impact

The R&T Roadmap will assist the General Assembly in the development of university and industry investment strategies for future budgets. The Roadmap will be an ongoing process that continues to collect and refine data points as the economy and technology evolve. CIT will also use this industry information to develop targeted programs that assist regions in identifying technology and entrepreneurial growth initiatives.

Milestones

The following milestones are specific to this objective and will be used to manage the objective's deliverables and metrics.

Activity	Date	Person Responsible
Internal delivery of industry data	July 2011	VP, Growth Programs
Assessment of industry NAICS for Roadmap	July 2011	VP, Growth Programs
Roadmap Phase I completed	November 2011	VP, Growth Programs

Meet with regional organizations, tech councils, and economic development groups to collect and update data	Ongoing	VP, Growth Programs
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Management Reporting Tools

- Roadmap Phase I Report
- Briefings for state and federal officials and commissions as scheduled

Objective 6.2 – Assess regional growth inhibitors and accelerators and develop programmatic solutions

Program and Plan of Work

The most important elements of the original Innovation Index process were the focus group meetings that brought experts together from industries critical to future technology development and innovation in the respective regions. Through the knowledge, insight, and vision shared during these facilitated brainstorming sessions, CIT and the tech councils have identified priorities, future opportunities, and key challenges to successfully pursuing those opportunities in targeted industries.

Although each region has unique inhibitors to technology industry growth, most of the major challenges are actually common throughout Virginia. Therefore, programs that address these common inhibitors offer the largest potential for statewide impact.

A list of generalized common inhibitors includes:

- Attracting engineering workforce
- Patent/copyright issues
- Risk capital and entrepreneurial infrastructure
- Broadband access to all businesses and homes
- Regional partnerships and collaborative efforts

Ongoing involvement by regional tech industry leaders provides key perspective on:

- Current regional economy and representative companies
- Specific industry five- and ten-year growth objectives for the current baseline
- New and emerging regional growth priorities
- Key regional accelerators
- Inhibitors to growth

The initial meetings in each region were not intended to identify all opportunities, accelerators, and inhibitors for innovation in the targeted industries. Instead, they were the beginning of a process that will evolve, expand, shift focus, and ultimately lead to evolved conclusions. Follow-on meetings to collect data annually in each region have continued

from the Innovation Index into the R&T Roadmap project. CIT has developed innovation committees where regional innovation initiatives do not currently exist.

Unique Value Proposition

Through the Innovation Index, CIT has established a baseline of information regarding key technology industries in each region of the Commonwealth and a detailed understanding of related opportunities, accelerators, and inhibitors. This knowledge and the relationships developed with key community and industry leaders will be critical in creating the R&T Roadmap and to successful development of programs that assist in addressing each region’s priorities.

2012 Program Impact

Industry data gathered throughout this process will be a critical ingredient in the overall assessment of Virginia’s research and technology capabilities and opportunities. This assessment will directly impact the conclusions and recommendations that will be documented in the R&T Roadmap.

Future Program Impact

CIT is committed to supporting and serving as a catalyst for regional initiatives that expand technology-based industry growth opportunities. The Innovation Index created a vehicle for communication, research, and analysis in each region; through the Roadmap and future direct participation in regional initiatives, CIT will serve as the nexus for the aggregate data, the authority for innovation and technology opportunities, accelerators, and inhibitors in each region, and a principal facilitator for regional cooperation on innovation initiatives.

Milestones

The following milestones are specific to this objective and will be used to manage the objective’s deliverables and metrics.

Activity	Date	Person Responsible
Roadmap Phase I completed	November 2011	VP, Growth Programs
Meet with regional organizations, tech councils, economic development groups to collect and update data	Ongoing	VP, Growth Programs

Management Reporting Tools

- Roadmap Phase I Report
- Briefings for state and federal officials and commissions as scheduled

Marketing

Executive Summary

Since 1985, CIT has been the Commonwealth's primary agent for promoting innovation and technology-based economic development strategies. Today, after almost a decade of retrenchment due to economic and political factors, CIT is once again seen as an integral component of Virginia's economic development and jobs creation strategies and has received additional funding for planning, consulting, commercialization, and financial services. This marketing plan outlines a strategy that moves CIT from a defensive to offensive posture to take advantage of new opportunities arising from persistent challenges in both the public and private sectors.

Market Trends and Opportunities

The cataclysmic events during the recession have prompted business leaders and elected officials to search for new ways to grow the economy and create jobs. These efforts have awakened interest in helping researchers and emerging technology entrepreneurs with greater access to commercialization and capital opportunities, as well continuing to develop the necessary broadband infrastructure to build an innovation economy all across the Commonwealth. Moreover, new legislative requirements for a statewide strategic research and technology research plan designate CIT and the IEIA as the lead organization to drive those discussions. Finally, companies are looking for innovations in the marketplace to grow their businesses, and budget reductions are putting more pressure on government officials to find ways to make government work better and cost less. With its experience and expert resources in its strategic planning, consulting, research, and financial services, CIT is well positioned to grow its business in the coming year.

CIT's mission is unique in the Commonwealth. Unlike other departments, agencies, and authorities engaged in economic development activity in the Commonwealth, CIT was created as a nonprofit organization to foster research and development, innovation, and accelerate the next generation of technology and technology companies. It has built a reputation as a trusted resource and expert in technology-based economic development solutions. CIT expertise includes not only credentialed employees, but a vast array of expert partners who can provide additional resources to meet challenges.

Marketing Strategy, Goals, and Objectives

After working diligently with elected leaders and the business community, CIT's brand is regaining strength. We will build on that brand by reaffirming CIT as a:

- Trusted expert and resource for innovation, research, technology, and innovative solutions
- Unique and indispensable agent for the Commonwealth's technology-based economic development strategies
- Trusted partner and voice for the technology councils and technology community

We will achieve the following objectives, while improving overall awareness of CIT’s mission and services to specific audiences, through:

- Improving the CIT website and use of the Internet, to 1) enhance the customer experience, 2) broaden outreach by taking advantage of social marketing trends, and 3) simplifying our back-end work processes
- Targeted outreach, strengthening, and leveraging relationships with the technology councils, venture capital and angel groups, government agencies, and associations, as well as strengthen relationships with the Virginia Chamber of Commerce, the Virginia Foundation for Research and Economic Education (VAFREE), and the Virginia Biotechnology Association (VABio), while looking for other opportunities, to 1) strengthen the CIT brand and 2) build a technology-centric alliance to leverage our message
- Increased public relations, including greater frequency of news releases and media availability for CIT leaders, to 1) take advantage of free media to strengthen the CIT brand and 2) become a trusted resource for news media outlets
- Ongoing discussions with federal, state, and local elected officials, to 1) assist them with innovative ideas and technology-based economic development strategies, 2) develop legislative initiatives, and 3) build new leads and customers for CIT Connect and other service lines

For the first time in nearly eight years, the CIT brand in the community is regaining strength. That strength was demonstrated in the last two General Assembly sessions in the form of increased investments in commercialization and early-stage funding. In FY2012, CIT will solidify and build on those gains so that we can achieve long-term sustained support for innovation and technology in the Commonwealth.

Milestones

The following milestones are specific to this objective and will be used to manage the objective’s deliverables and metrics.

Activity	Date	Person Responsible
Redesigning the CIT website	April – September/October 2011	VP, Government & Public Affairs; CTO
Government relations – Pre-Session (meetings, developing legislative initiatives)	April – November/December 2011	VP, Government & Public Affairs
Government relations – Session	January – March 2012	VP, Government & Public Affairs
Outreach (tech councils, other organizations)	Ongoing	VP, Government & Public Affairs (CIT Leadership)
Public relations/press (two releases per month, media interviews)	Ongoing	VP, Government & Public Affairs (CIT Leadership)

Management Reporting Tools

- Weekly updates on web development
- Weekly updates on outreach activities, opportunities posted on SharePoint
- Bi-weekly news releases, clips
- Briefings for state and federal officials and commissions as scheduled

Summary of Operating Budget for Fiscal Year 2012

Summary Budget	FY12 Budget	% of Total FY12 Budget	Operations Funded by Contracts & Grants	Operations Funded by VA Approp & Other Revenue
<i>In Thousands</i>				
Revenue				
Virginia Appropriation	\$ 8,974	66%		\$ 8,974
Program Revenue	\$ 4,672	34%	\$ 4,672	
Other Income	\$ 35	0%		\$ 35
Total Revenue	\$ 13,680	100%	\$ 4,672	\$ 9,008
Expenses				
Research & Development	\$ 1,218	8%	\$ 944	\$ 274
Entrepreneur	\$ 10,297	69%	\$ 2,034	\$ 8,264
Connect	\$ 255	2%	\$ 132	\$ 124
Broadband	\$ 1,976	13%	\$ 1,822	\$ 154
Commonwealth Support	\$ 486	3%		\$ 486
Other Activities	\$ 197	1%		\$ 197
Communications & Marketing	\$ 648	4%		\$ 648
Business Development	\$ 675	5%		\$ 675
Advocacy	\$ 278	2%		\$ 278
Unapplied Indirects	\$ (1,182)	-8%		\$ (1,182)
Total Expenses	\$ 14,848	100%	\$ 4,931	\$ 9,917
Net	\$ (1,168)			
Beginning Net Assets	\$ 2,761			
Ending Net Assets for FY12	\$ 1,593			

Project Budget by Funding Source for Fiscal Year 2012

Operations Funded by Virginia Appropriation & Other Revenue	
Revenue	
Transfer from IEIA - Virginia Appropriation	\$ 8,973,750
Interest & Misc Income	\$ 34,700
Total Revenue	\$ 9,008,450
Program Expenses	
R&D - Commonwealth research and technology strategic roadmap	\$ 274,388
Entrepreneur - Federal proposal assistance	\$ 308,807
Entrepreneur - GAP	\$ 7,954,953
Connect - Cybersecurity assessment	\$ 123,678
Broadband - Office of telework promotion & BB assistance & deployment	\$ 153,713
Commonwealth support - Regional roadmap	\$ 198,023
Commonwealth support - Regional growth	\$ 288,163
Other activities - Innovation center	\$ 65,470
Other activities - M2 self funding	\$ 65,470
Other activities - Cabinet secretaries support	\$ 66,496
Program Expenses	\$ 9,499,160
Other Expenses	
Business Development, Marketing, Advocacy	\$ 1,600,177
Indirects Unapplied (Over-applied) to Projects	\$ (1,182,476)
Other Expenses	\$ 417,701
Total Expenses	\$ 9,916,862
Net Operations funded by VA Appropriation & Other Rev	\$ (908,412)
Operations Funded by Contracts & Grants	
R&D	
Project # RD163 - 55 - Small Business Administration (SBA) - Mine Safety II	\$ 127,612
Program Expense	\$ 127,612
Profit/(Loss)	\$ -
Project # RD171 - 55 - Rutgers - Mid-Atlantic Reg Coastal Ocean Observing System - Yr 4	\$ 17,091
Program Expense	\$ 17,091
Profit/(Loss)	\$ -
Project # RD120 - 55 - Vessel Tracking	\$ 418,872
Program Expense	\$ 497,072
Profit/(Loss)	\$ (78,200)
Project # VA 140 - 55 - Commonwealth Research Commercialization Fund (CRCF)	\$ 150,000
Program Expense	\$ 302,199
Profit/(Loss)	\$ (152,199)

Entrepreneur

Project # EN100 - 55 - SBA - Federal and State Technology (FAST) Partnership Program	\$	29,041
Program Expense	\$	58,038
Profit/(Loss)	\$	(28,996)
Project # EN110 - 55 - DMME - Commonwealth Energy Fund	\$	1,975,623
Program Expense	\$	1,975,623
Profit/(Loss)	\$	-

Connect

Project # CN210 - 99 - Virginia Health Quality Center (VHQC) - Total Summary Project	\$	131,541
Program Expense	\$	131,541
Profit/(Loss)	\$	-

Broadband

Project # BB070 - 55 - NTIA Mapping	\$	920,230
Program Expense	\$	920,230
Profit/(Loss)	\$	-
Project # BB070 - 56 - NTIA Planning	\$	60,012
Program Expense	\$	60,012
Profit/(Loss)	\$	-
Project # BB070 - 57 - NTIA Mapping Expanded	\$	106,431
Program Expense	\$	106,431
Profit/(Loss)	\$	-
Project # BB070 - 58 - NTIA Capacity Building	\$	523,709
Program Expense	\$	523,709
Profit/(Loss)	\$	-
Project # BB070 - 60 - NTIA Technical Assistance	\$	211,744
Program Expense	\$	211,744
Profit/(Loss)	\$	-
Program Revenue	\$	4,671,907
Program Expenses	\$	4,931,303
Net Operations funded by Contracts & Grants	\$	(259,396)

Consolidated Revenue & Expenses & Changes in Net Assets

Total Revenue	\$	13,680,357
Total Expenses	\$	14,848,165
Change in net assets	\$	(1,167,808)
Beginning Net Assets	\$	2,761,000
Ending Net Assets for FY12	\$	1,593,192

Project Budgets for Fiscal Year 2012

RESEARCH AND DEVELOPMENT SERVICE LINE		
GOAL 1. SOLVE NATIONAL TECHNOLOGICAL CHALLENGES THROUGH WORLD-CLASS R&D SOLUTIONS		
1.1 Objective - Deliver technology solutions to solve national and regional challenges		
Project # RD163 - 55 - Small Business Administration (SBA) - Mine Safety II		
Revenue		
Program Revenue		127,612
FY12 Appropriations & FY11 Carry-over funds		0
Total Revenue		127,612
Programs Costs		
Total Salaries		2,082
Fringe		1,215
Travel		524
Supplies (only direct supplies such as for workshops or conferences)		0
Contractual		5,593
Temporary Services		0
Other		2,054
Overhead		1,396
Total Costs Before G&A		12,863
G&A		3,980
Equipment		
Contractual-Over-Cap		110,769
Total Costs		127,612
Net		0
Project # RD171 - 55 - Rutgers - Mid-Atlantic Reg Coastal Ocean Observing System - Yr 4		
Revenue		
Program Revenue		17,091
FY12 Appropriations & FY11 Carry-over funds		0
Revenue		17,091
Programs Costs		
Total Salaries		1,209
Fringe		705
Travel		130
Supplies		
Contractual		
Temporary Services		
Other		9,480
Overhead		810
Total Costs Before G&A		12,334
G&A		3,816
Equipment		
Contractual-Over-Cap		940
Total Costs		17,091
Net		0

	Project # RD120 - 00 - Vessel Tracking	
	Revenue	
	Program Revenue	
	FY12 Appropriations & FY11 Carry-over funds	78,200
		Revenue
		78,200
	Programs Costs	
	Total Salaries	0
	Fringe	0
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other	
	Overhead	0
		Total Costs Before G&A
		0
	G&A	0
	Equipment	
	Contractual-Over-Cap	78,200
		Total Costs
		78,200
		Net
		0
	Project # RD120 - 55 - Vessel Tracking	
	Revenue	
	Program Revenue	418,872
	FY12 Appropriations & FY11 Carry-over funds	0
		Revenue
		418,872
	Programs Costs	
	Total Salaries	30,068
	Fringe	17,545
	Travel	9,183
	Supplies	1,068
	Contractual	23,334
	Temporary Services	0
	Other	21,497
	Overhead	20,158
		Total Costs Before G&A
		122,852
	G&A	38,010
	Equipment	12,186
	Contractual-Over-Cap	245,824
		Total Costs
		418,872
		Net
		0
GOAL 2. ESTABLISH & MAINTAIN A STATEWIDE RESEARCH & TECHNOLOGY PLAN		
2.1 Objective - Coordinate & facilitate initiation of Virginia's research and technology strategic planning process		
	Project # RD190 - 00 - Develop Commonwealth R&T Strategic Roadmap	
	Revenue	
	Program Revenue	
	FY12 Appropriations & FY11 Carry-over funds	274,388
		Total Revenue
		274,388

	Programs Costs	
	Total Salaries	63,380
	Fringe	36,982
	Travel	7,200
	Supplies (only direct supplies such as for workshops or conferences)	0
	Contractual	20,000
	Temporary Services	
	Other	39,500
	Overhead	42,490
	Total Costs Before G&A	209,553
	G&A	64,836
	Equipment	0
	Contractual-Over-Cap	
	Total Costs	274,388
	Net	0
	Project # VA140 - 55 - Commonwealth Research Commercialization Fund (CRCF)	
	Revenue	
	Program Revenue	150,000
	FY12 Appropriations & FY11 Carry-over funds	152,199
	Total Revenue	302,199
	Programs Costs	
	Total Salaries	60,159
	Fringe	35,103
	Travel	2,000
	Supplies (only direct supplies such as for workshops or conferences)	0
	Contractual	50,000
	Temporary Services	0
	Other	43,200
	Overhead	40,331
	Total Costs Before G&A	230,792
	G&A	71,407
	Equipment	0
	Contractual-Over-Cap	0
	Total Costs	302,199
	Net	0
ENTREPRENEUR SERVICE LINE		
GOAL 3. SECURE GLOBAL LEADERSHIP IN DEVELOPMENT OF ENTREPRENEURIAL TECH VENTURES		
3.1	Objective - ID and accelerate opportunities for small firms to obtain federal R&D awards	
	Project # EN020 - 00- Federal Proposal Assistance	
	Revenue	
	FY12 Appropriations & FY11 Carry-over funds	308,807
	Total Revenue	308,807
	Programs Costs	
	Total Salaries	73,978
	Fringe	43,166

	Travel	11,600
	Supplies (only direct supplies such as for workshops or conferences)	1,000
	Contractual	20,000
	Temporary Services	0
	Funding Pool	10,000
	Other	26,500
	Overhead	49,595
	Total Costs Before G&A	235,839
	G&A	72,968
	Equipment	
	Contractual-Over-Cap	
	Total Costs	308,807
	Net	0
	Project # EN100 - 00 - SBA - Federal and State Technology (FAST) Partnership Program	
	Revenue	
	FY12 Appropriations & FY11 Carry-over funds	28,996
	Total Revenue	28,996
	Programs Costs	
	Total Salaries	9,666
	Fringe	5,640
	Travel	69
	Supplies (only direct supplies such as for workshops or conferences)	289
	Contractual	
	Temporary Services	
	Other	
	Overhead	6,480
	Total Costs Before G&A	22,145
	G&A	6,852
	Equipment	
	Contractual-Over-Cap	
	Total Costs	28,996
	Net	0
	Project # EN100 - 55 - SBA - Federal and State Technology (FAST) Partnership Program	
	Revenue	
	Program Revenue	29,041
	FY12 Appropriations & FY11 Carry-over funds	0
	Total Revenue	29,041
	Programs Costs	
	Total Salaries	0
	Fringe	0
	Travel	0
	Supplies (only direct supplies such as for workshops or conferences)	0
	Contractual	8,645
	Temporary Services	0
	Other	13,534
	Overhead	0
	Total Costs Before G&A	22,179
	G&A	6,862
	Equipment	
	Contractual-Over-Cap	
	Total Costs	29,041
	Net	0

3.2 Objective - Accelerate funding for early stage technology firms		
	Project # EN070 - 00 - GAP Fund Program	
	Revenue	
	Program Revenue	
	FY12 Appropriations & FY11 Carry-over funds	7,954,953
	Total Revenue	7,954,953
	Programs Costs	
	Total Salaries	718,650
	Fringe	419,333
	Travel	24,000
	Supplies (only direct supplies such as for workshops or conferences)	0
	Contractual	298,000
	Temporary Services	0
	GAP Tech Fund	1,000,000
	GAP BioLife Fund	300,000
	Follow-On Funds - Traunche B Funds	1,300,000
	Follow-On Funds - Series A Co-Investments Funds	500,000
	Innovation Fund	600,000
	Growth Fund	300,000
	Other	133,500
	Overhead	481,783
	Total Costs Before G&A	6,075,266
	G&A	1,879,687
	Equipment	
	Contractual-Over-Cap	
	Total Costs	7,954,953
	Net	0
	Project # EN110 - 55 - DMME - Commonwealth Energy Fund	
	Revenue	
	Program Revenue	1,975,623
	FY12 Appropriations & FY11 Carry-over funds	0
	Total Revenue	1,975,623
	Programs Costs	
	Total Salaries	13,336
	Fringe	7,782
	Travel	4,212
	Supplies (only direct supplies such as for workshops or conferences)	0
	Contractual	24,382
	Commonwealth Energy Fund	1,410,000
	Temporary Services	
	Other	
	Overhead	8,941
	Total Costs Before G&A	1,468,653
	G&A	454,401
	Equipment	
	Contractual-Over-Cap	52,569
	Total Costs	1,975,623
	Net	0

CONNECT SERVICE LINE		
GOAL 4. SECURE LEADERSHIP IN THE ID AND ASSIMILATION OF INNOVATION TECHNOLOGIES		
4.1	Objective - Accelerate the assimilation of new technology by large-scale federal and private-sector technology consumers	
	Project # CN210 - 99 - Virginia Health Quality Center (VHQC) - Total Summary Project	
	Revenue	
	Program Revenue	131,541
	FY12 Appropriations & FY11 Carry-over funds	0
	Total Revenue	131,541
	Programs Costs	
	Total Salaries	44,571
	Fringe	26,007
	Travel	0
	Supplies (only direct supplies such as for workshops or conferences)	0
	Contractual	0
	Temporary Services	0
	Other	0
	Overhead	29,880
	Total Costs Before G&A	100,459
	G&A	31,082
	Equipment	
	Contractual-Over-Cap	
	Total Costs	131,541
	Net	0
	Project # VA160 - 00 - Cybersecurity Assessment	
	Revenue	
	Program Revenue	
	FY12 Appropriations & FY11 Carry-over funds	123,678
	Total Revenue	123,678
	Programs Costs	
	Total Salaries	33,033
	Fringe	19,275
	Travel	10,000
	Supplies (only direct supplies such as for workshops or conferences)	0
	Contractual	0
	Temporary Services	0
	Other	10,000
	Overhead	22,146
	Total Costs Before G&A	94,454
	G&A	29,224
	Equipment	
	Contractual-Over-Cap	
	Total Costs	123,678
	Net	0

BROADBAND SERVICE LINE		
GOAL 5. EXPAND THE USE OF BROADBAND TECHNOLOGIES IN RURAL & UNDERSERVED AREAS		
5.1	Objective - Serve as the Commonwealth's Office of Telework Promotion and Broadband Assistance	
	Project # BB060 - 00 - Office of Telework Promotion and Broadband Assist & Broadband Deployment	
	Revenue	
	FY12 Appropriations & FY11 Carry-over funds	153,713
	Total Revenue	153,713
	Programs Costs	
	Total Salaries	32,119
	Fringe	18,741
	Travel	20,000
	Supplies (only direct supplies such as for workshops or conferences)	22,500
	Contractual	
	Temporary Services	
	Other	2,500
	Overhead	21,532
	Total Costs Before G&A	117,392
	G&A	36,321
	Equipment	0
	Contractual-Over-Cap	
	Total Costs	153,713
	Net	0
5.2	Objective - Advance the presence of broadband in Virginia	
	Project # BB070 - 55 - NTIA Mapping	
	Revenue	
	Program Revenue	920,230
	FY12 Appropriations & FY11 Carry-over funds	0
	Total Revenue	920,230
	Programs Costs	
	Total Salaries	32,684
	Fringe	19,071
	Travel	4,235
	Supplies (only direct supplies such as for workshops or conferences)	
	Contractual	
	Temporary Services	
	Other	
	Overhead	21,912
	Total Costs Before G&A	77,902
	G&A	24,103
	Equipment	
	Contractual-Over-Cap	818,225
	Total Costs	920,230
	Net	0
	Project # BB070 - 56 - NTIA Planning	
	Revenue	
	Program Revenue	60,012
	FY12 Appropriations & FY11 Carry-over funds	0
	Total Revenue	60,012

	Programs Costs	
	Total Salaries	20,334
	Fringe	11,865
	Travel	0
	Supplies (only direct supplies such as for workshops or conferences)	
	Contractual	
	Temporary Services	
	Other	
	Overhead	13,632
	Total Costs Before G&A	45,832
	G&A	14,180
	Equipment	0
	Contractual-Over-Cap	0
	Total Costs	60,012
	Net	0
	Project # BB070 - 57 - NTIA Mapping Expanded	
	Revenue	
	Program Revenue	106,431
	FY12 Appropriations & FY11 Carry-over funds	0
	Total Revenue	106,431
	Programs Costs	
	Total Salaries	12,834
	Fringe	7,489
	Travel	2,500
	Supplies (only direct supplies such as for workshops or conferences)	
	Contractual	49,389
	Temporary Services	
	Other	
	Overhead	8,604
	Total Costs Before G&A	80,816
	G&A	25,004
	Equipment	0
	Contractual-Over-Cap	611
	Total Costs	106,431
	Net	0
	Project # BB070 - 58 - NTIA Capacity Building	
	Revenue	
	Program Revenue	523,709
	FY12 Appropriations & FY11 Carry-over funds	0
	Total Revenue	523,709
	Programs Costs	
	Total Salaries	41,019
	Fringe	23,935
	Travel	9,250
	Supplies (only direct supplies such as for workshops or conferences)	
	Contractual	100,000
	Temporary Services	
	Other	
	Overhead	27,499
	Total Costs Before G&A	201,703
	G&A	62,407
	Equipment	0
	Contractual-Over-Cap	259,599
	Total Costs	523,709
	Net	0

	Project # BB070 - 60 - NTIA Technical Assistance	
	Revenue	
	Program Revenue	211,744
	FY12 Appropriations & FY11 Carry-over funds	0
	Total Revenue	211,744
	Programs Costs	
	Total Salaries	46,901
	Fringe	27,367
	Travel	6,000
	Supplies (only direct supplies such as for workshops or conferences)	
	Contractual	50,000
	Temporary Services	
	Other	
	Overhead	31,443
	Total Costs Before G&A	161,711
	G&A	50,033
	Equipment	0
	Contractual-Over-Cap	
	Total Costs	211,744
	Net	0
COMMONWEALTH SUPPORT PROGRAMS		
GOAL 6. IDENTIFY OPPORTUNITIES AND ACCELERATE REGIONAL TECHNOLOGY INDUSTRY GROWTH		
	6.1 Objective - Support Commonwealth R&T Strategic Roadmap focusing on industry cluster development in Virginia	
	Project #VA165 - 00 - Regional Roadmap	
	Revenue	
	FY12 Appropriations & FY11 Carry-over funds	198,023
	Total Revenue	198,023
	Programs Costs	
	Total Salaries	62,661
	Fringe	36,563
	Travel	10,000
	Supplies (folders, tent cards, name badges, etc.)	0
	Contractual	
	Temporary Services	0
	Other (catering and space)	0
	Overhead	42,008
	Total Costs Before G&A	151,232
	G&A	46,791
	Equipment	0
	Contractual-Over-Cap	
	Total Costs	198,023
	Net	0
	6.2 Objective - Assess regional growth inhibitors and accelerators, and develop programmatic solutions	
	Project #VA 170 - 00 - Regional Growth	
	Revenue	
	FY12 Appropriations & FY11 Carry-over funds	288,163
	Total Revenue	288,163

	Programs Costs	
	Total Salaries	93,204
	Fringe	54,384
	Travel	10,000
	Supplies (folders, tent cards, name badges, etc.)	0
	Contractual	
	Temporary Services	0
	Other (catering and space)	0
	Overhead	62,484
	Total Costs Before G&A	220,072
	G&A	68,090
	Equipment	0
	Contractual-Over-Cap	
	Total Costs	288,163
	Net	0
OTHER ACTIVITIES		
	Project # IN010 - 00 - Innovation Center	
	Revenue	
	FY12 Appropriations & FY11 Carry-over funds	65,470
	Total Revenue	65,470
	Programs Costs	
	Total Salaries	0
	Fringe	0
	Travel	
	Supplies (only direct supplies such as for workshops or conferences)	
	Contractual	50,000
	Temporary Services	
	Other	
	Overhead	0
	Total Costs Before G&A	50,000
	G&A	15,470
	Equipment	
	Contractual-Over-Cap	
	Total Costs	65,470
	Net	0
	Project # MT010 - 00 - M2 Self Funding	
	Revenue	
	FY12 Appropriations & FY11 Carry-over funds	65,470
	Total Revenue	65,470
	Programs Costs	
	Total Salaries	0
	Fringe	0
	Travel	
	Supplies (only direct supplies such as for workshops or conferences)	
	Contractual	50,000
	Temporary Services	
	Other	
	Overhead	0
	Total Costs Before G&A	50,000
	G&A	15,470
	Equipment	
	Contractual-Over-Cap	
	Total Costs	65,470
	Net	0

	Project # VA150 - 55 - Cabinet Secretaries Support	
	Revenue	
	Program Revenue	29,700
	FY12 Appropriations & FY11 Carry-over funds	36,796
	Total Revenue	66,496
	Programs Costs	
	Total Salaries	22,531
	Fringe	13,147
	Travel	
	Supplies (only direct supplies such as for workshops or conferences)	
	Contractual	
	Temporary Services	
	Other	
	Overhead	15,105
	Total Costs Before G&A	50,783
	G&A	15,712
	Equipment	
	Contractual-Over-Cap	
	Total Costs	66,496
	Net	0
ADMINISTRATIVE PROGRAMS		
	Project # VA040 - 00 - Communications and Marketing	
	Revenue	
	FY12 Appropriations & FY11 Carry-over funds	647,536
	Total Revenue	647,536
	Programs Costs	
	Total Salaries	46,791
	Fringe	27,303
	Travel	2,000
	Supplies (only direct supplies such as for workshops or conferences)	
	Contractual	240,000
	Temporary Services	
	Other (ISP payment)	147,067
	Overhead	31,369
	Total Costs Before G&A	494,529
	G&A	153,007
	Equipment	0
	Contractual-Over-Cap	
	Total Costs	647,536
	Net	0
	Project # VA050 - 00 - Business Development	
	Revenue	
	FY12 Appropriations & FY11 Carry-over funds	674,806
	Total Revenue	674,806
	Programs Costs	
	Total Salaries	206,998
	Fringe	120,783
	Travel	
	Supplies (only direct supplies such as for workshops or conferences)	
	Contractual	
	Temporary Services	
	Other (ISP payment)	48,803
	Overhead	138,771
	Total Costs Before G&A	515,355

G&A		159,451
	Equipment	
	Contractual-Over-Cap	
	Total Costs	674,806
	Net	0
Project # VA060 - 00 - Advocacy		
Revenue		
FY12 Appropriations & FY11 Carry-over funds		277,835
	Total Revenue	277,835
Programs Costs		
	Total Salaries	84,239
Fringe		49,154
	Travel	8,000
	Supplies (only direct supplies such as for workshops or conferences)	
	Contractual	
	Temporary Services	
	Other (ISP payment)	14,318
Overhead		56,474
	Total Costs Before G&A	212,185
G&A		65,650
	Equipment	
	Contractual-Over-Cap	
	Total Costs	277,835
	Net	0