



June 11, 2012

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 2013 Operating Plan, which was approved by the CIT Board of Directors on May 26, 2012.

For 2013, 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 2012 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 Walter A. Stosch, Chairman, Senate Finance Committee
Ms. Betsey Daley, Staff Director, Senate Finance Committee

Enclosure

2214 Rock Hill Road
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Herndon, VA 20170-4228
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June 11, 2012

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

Dear Chairman Putney:

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Senate of Virginia
P.O. Box 396
Richmond, Virginia 23218

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Senate of Virginia
P.O. Box 396
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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 2013

Adopted by the Board of Directors on May 24, 2012

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Executive Summary

Fiscal Year 2013 Funding

CIT's Fiscal Year 2013 budget was approved by the General Assembly at 2:00 am on May 15th. Due to the elongated budget approval process, CIT leadership developed the 2013 Operating Plan and budget based on its best estimate for Commonwealth appropriation revenue. Excluding the \$1 million of funding added by the Governor for modeling and simulation and cyber security, leadership's revenue estimates were correct. Since the additional funding was not supported by the General Assembly through the negotiation process, the Operating Plan and budget were developed without the additional \$1 million. The use of these funds will be incorporated into the Operating Plan and financial forecast in early June.

Fiscal Year 2013 is the second consecutive year of elevated program and contract revenue for CIT. While elevated from pre-2012 revenue levels, 2013 revenue of \$12.06 million is lower than the prior year revenue forecast of \$14.19 million. Overall, both years are a significant improvement over 2011 actual revenue of \$8.29 million.

Elevated funding for Fiscal Year 2012 was a result of the following key drivers:

- Sustained Commonwealth appropriations for the GAP Fund
- Federal grant revenue for broadband program funding
- Federal grant revenue for seed stage energy company investment

Reductions in revenue from 2012 to 2013 are caused by the following:

- GAP program funding reduction of \$800,000 in Commonwealth appropriations
- GAP Energy Fund reduction of \$1.35 million due to ending ARRA funding
- Completion of specific research and development programs

In addition to the funding CIT receives directly, CIT is designated as the fiscal agent for \$4.8 million of funding for the Commonwealth Research Commercialization Fund (CRCF). The combined revenues of \$12.06 million for CIT and \$4.8 million for CRCF funding provide CIT with fund deployment capability of \$16.86 million to facilitate technology programs for the Commonwealth in Fiscal Year 2013.

Fiscal 2013 Operating Plan

For Fiscal Year 2013, 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 these objectives, CIT will operate five service lines each under the leadership of a vice president. These service lines are:

Service Line

Responsible Executive

Research and Development
Entrepreneur
Connect
Broadband
Commonwealth Support Programs

Nancy Vorona
Thomas Weithman
Paul McGowan
Karen Jackson
Bob Stolle

The 2013 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 Fiscal Year 2013, the Research and Development service line will execute the following programs:

1. Maintain the Commonwealth Research and Technology Roadmap.
2. Structure, administer, and audit \$4.8 million of awards for the Commonwealth Research Commercialization Fund.
3. Ongoing execution of the federally funded Mid-Atlantic Regional Association Coastal Ocean Observing System for high frequency radar-based oceanic research.
4. Ongoing execution of the federally funded Mine Safety project for wireless environmental monitoring system for use in underground mines.

In addition to program operations, service line leadership will examine and pursue new opportunities in energy, national security and life sciences. To execute these programs, the Research and Development service line will expend \$367,473 as outlined in the funds usage chart below.

Entrepreneur service line

For Fiscal Year 2013, the Entrepreneur service line will execute the following programs:

1. Operation 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. Funding for Fiscal Year 2013 will allow the GAP Fund to place 18 investments and 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. Federal funding for this Fund will enable the creation or growth of four energy companies.

The combination of the GAP Fund and Commonwealth Energy Fund will produce a projected 20 to 30 investment transactions for Fiscal Year 2013. To execute these programs, the Entrepreneur service line will expend \$8.67 million as outlined in the funds usage chart below.

Connect service line

For Fiscal Year 2013, 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 and achievement of Meaningful Use. The Virginia target for implementation is 2,300 physicians.
2. Ongoing execution of the Virginia Department of Education Longitudinal Database System contract to assist with the design and approach for the establishment of a student database.
3. Pursuit and closure of new consulting business with emphasis on mobile learning; health information technology; and state, local, and national education initiatives.

To execute these programs, the Connect service line will expend \$438,715 as outlined in the funds usage chart below.

Broadband service line

For Fiscal Year 2013, 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 \$1.85 million as outlined in the funds usage chart below.

Commonwealth Support Programs service line

The Commonwealth Support Programs service line has been established to address region-specific technology growth challenges. As an outgrowth of CIT's Innovation Index and Roadmap programs, this service line ensures CIT programs are appropriate for regional growth objectives. Throughout the development and refresh of the Roadmap, leadership of this service line examines opportunities to propose new CIT programs to address current

growth inhibitors. To execute these programs, the Commonwealth Support Programs service line will expend \$317,923 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 (F&A) group under the leadership of the Chief Financial Officer (CFO), 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.

The Chief Technology Officer (CTO), David Ihrie, provides leadership of the group responsible for technology vision, as well as information technology services. The goal of the CTO is to take a lead role in defining, promoting, and implementing forward-looking technology policies and processes that advance entrepreneurial activity and the assimilation of technology.

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 Fiscal Year 2013 budget, summarized below, reflects increased funding and the controlled use of net assets to achieve impact in all service lines. The additional \$1 million for modeling and simulation and cyber security programs is not included in this budget or in the below chart. The projected year end net asset position of \$2.57 million ensures our ability to bridge fiscal year commitments and manage operating adjustments throughout the year.

Summary Budget	FY13 Budget	% of Total FY13 Budget	Operations Funded by Contracts & Grants	Operations Funded by VA Approp & Other Revenue
Revenue				
Virginia Appropriation	\$ 4,926,877	45%		\$ 4,926,877
CRCF Virginia Appropriation - GAP	\$ 3,200,000	29%		\$ 3,200,000
Program Revenue	\$ 2,767,019	25%	\$ 2,767,019	
Other Income	\$ 167,268	2%		\$ 167,268
Total Revenue	\$ 11,061,164	100%	\$ 2,767,019	\$ 8,294,145
Expenses				
Research & Development	\$ 367,473	3%	\$ 33,220	\$ 334,253
Entrepreneur	\$ 8,669,087	63%	\$ 607,194	\$ 8,061,893
Connect	\$ 438,715	3%	\$ 438,715	
Broadband	\$ 1,846,749	13%	\$ 1,687,891	\$ 158,859
Commonwealth Support	\$ 317,923	2%		\$ 317,923
Other Activities	\$ 144,253	1%		\$ 144,253
Communications & Marketing	\$ 594,076	4%		\$ 594,076
Business Development	\$ 711,324	5%		\$ 711,324
Advocacy	\$ 379,161	3%		\$ 379,161
Under-applied Indirects	\$ 274,165	2%		\$ 274,165
Total Expenses	\$ 13,742,927	100%	\$ 2,767,019	\$ 10,975,908
Net	\$ (2,681,763)		\$ (0)	\$ (2,681,763)
Beginning Net Assets	\$ 5,255,000			
Ending Net Assets for FY13	\$ 2,573,237			

President and CEO's Perspective

Fiscal Year 2013 is the second consecutive year of higher funding for CIT. The funding sources for seed-stage investment and research commercialization introduced in Fiscal Year 2012 continue to provide strong levels of funding for Fiscal Year 2013. Last year, we attributed higher funding to new emphasis on job creation and research commercialization, coupled with confidence in CIT's ability to structure programs that secure significant private sector investment. Essentially, we have earned the confidence necessary for appropriators and clients to continue to invest in CIT.

While enjoying our high levels of investment and commitment, we realize that now is the time to pause and examine our funding plans and programs for Fiscal Year 2015 and

beyond. The past 12 months have introduced wide-scale new interest in entrepreneurship and company formation, as well as significant advancements in mobile computing, electronic health records and energy-centric technologies. Concurrent with advances in consumer and corporate computing systems is a rapidly expanding requirement to resolve cyber security violations. Our challenge is to examine, predict, propose, and implement the next generation of solutions that ensure that CIT is nationally recognized as the premier services provider focused on technology company creation and company growth.

Fiscal Year 2013 holds significant opportunity and equally significant growth challenges for CIT. The entire team is energized for the challenge; we are focused on achieving both our Fiscal Year 2013 goals and designing our future value proposition and programs.

Strategic Goals, Plan of Work, Milestones, and Metrics - Fiscal Year 2013

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 FY2013, CIT R&D will continue to focus on solving these challenges, with an emphasis on energy, national security, and marine and life sciences. CIT's technology priorities are aligned with those of the Commonwealth Research and Technology (R&T) Strategic Roadmap and are subject to revision as Roadmap priorities evolve.

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 provides cost-effective solutions for the customer and provides business development and project management support for team members. Additionally, CIT's translational R&D programs provide industry, academia, and other organizations with 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 performs its grants and contracts through strategic partnering agreements with government, industry, universities, and nonprofits. By managing grants and contracts, on time and on budget, CIT achieves research and commercialization results that meet or exceed program-specific goals.

Competitive solicitations, non-competitive solicitations, and Congressional appropriations have been sources of funding; as Congress and the Administration continue to severely restrict earmarks, however, CIT looks increasingly towards competitive solicitations, partnering with large contractors and alternative funding avenues. CIT's competency in identifying and managing teams comprised of small businesses, universities, and other leaders in innovation is a capability increasingly sought by the federal government and its large contractors. Therefore, in FY2013 CIT may pursue opportunities to serve in an "omnibus" capacity.

CIT's key activities for FY2013 will be two-fold. First, CIT will perform on its existing grants. Second, CIT will explore opportunities to expand its R&D portfolio in energy, national security, and life sciences, including marine sciences.

CIT will continue its participation in MARACOOS, the Mid-Atlantic Regional Association Coastal Ocean Observing System. This program leverages the high frequency (HF) radar infrastructure and expertise CIT acquired during a multi-year, NOAA-funded coastal ocean observing project. CIT will continue to provide site support for its five radars along the Virginia and Maryland coastline and, in early FY2013, expects to extend this project with a follow-on year of funding.

CIT will complete 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. This 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.

CIT's Over-the-Horizon Vessel Tracking project concluded in June 2012. Final coordination with the Naval Surface Warfare Center Dahlgren Division, the federal sponsor, and/or subcontractors may be required in early FY2013.

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 companies and universities move research from the lab to real-world settings, ensuring that local economies benefit from research and commercialization.

2013 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 FY2013, CIT will provide \$33,220 in revenue and \$15,993 in research contract awards to support the programs.

In addition to executing existing contracts, CIT will examine new project opportunities in a wide range of market and scientific disciplines with the intention of identifying three to five areas of opportunity for program development and funding.

Future Program Impact

CIT has invested in national security, energy, and life sciences 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 MARACOOS and Mine Safety programs	In accordance with project deadlines	VP, Research Investment
Provide status and other compliance reports for other contracts and grants performed in FY2013	In accordance with project deadlines	VP, Research Investment
Support and/or identify and pursue funding opportunities in translational research	Ongoing	VP, Research Investment

Management Reporting Tools

- Prepare periodic and final performance and financial reports to the Small Business Administration (SBA) for the Mine Safety program and other contract-specific federal project reports as required
- Prepare reports as required by Rutgers University for the MARACOOS project
- Receive subcontractors' final reports and invoices
- Prepare monthly internal reports for business development, billing, and project management
- Prepare 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

According to Bob Galvin, past Chairman of the Board of Motorola, “The fundamental purpose of technology reviews and technology roadmaps is to assure that we put in motion what is necessary today to have the right technologies, processes, components, and experience in place to meet the future needs for products and services.”

Setting strategic direction helps drive smart investment decisions and innovation. The Commonwealth is not alone among governments in recognizing the importance of establishing a strategic planning process to advance research and commercialization. For example, in December 2011, the Defense Science Board Task Force on Basic Research issued a report¹ indicating “a genuine technology strategy would not only be invaluable in alignment of basic research, but also in alignment of systems, missions....”

The Commonwealth Research and Technology (R&T) Strategic Roadmap is a comprehensive roadmap for the Commonwealth to identify research areas worthy of economic development and institutional focus. The process, powered by CIT, engages the state’s technology community in setting investment priorities by identifying regions’ ten-15 year technology priorities. Technology executives and officials, including from the private sector, academia, and state government are involved. They identify strategic priorities, critical assets, relationships between and among these assets, the technologies and skills needed to meet regional technology goals, and approaches to close gaps. CIT facilitates the dialogue and compiles information at a statewide level in order to identify investment priorities, including those technology sectors eligible for Commonwealth Research Commercialization Fund (CRCF) investment.

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 ongoing development of the Roadmap. The Roadmap is designed to be dynamic; legislation passed in 2011 (HB2324) requires an update every three years. Given the pace of change, CIT plans to provide an annual update, with a more extensive review and regional engagement process every three years. 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.

¹ Report of the Defense Science Board Task Force on Basic Research, January 2012.

Following a consultative process that included Virginia's technology councils, universities, research institutions, and the Administration, CIT issued the initial R&T Strategic Roadmap in November 2011. In FY2013, CIT will continue working with technology communities to ensure the R&T Strategic Roadmap reflects current priorities and realities. CIT will issue an online refresh in fall 2012, prior to release of the FY2013 CRCF solicitation. Following that, CIT will examine in greater depth the technology areas that merit future investment.

The November 2011 report included a 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 CRCF awards. Industry priorities were 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.

In FY2013, CIT will provide a series of online updates rather than releasing one or two reports. The updates, hosted on CIT's website, will be augmented as needed with briefings, including to members of the Administration and General Assembly. Additionally, the updates will be compiled into a report to be released in early FY2014. The updates will reflect regional (industry) activity, as well that in academia and other research institutes.

Updates, addressed by both R&D and Commonwealth Support Programs, will include further definition of information missing from the November 2011 report or areas where current information is considered light. Where detail on strategic priorities was considered sufficient, CIT will ask entities, including universities, research institutes, and regions/regional organizations to validate the information and indicate if and what changes have occurred. Activities relating to regions/regional organizations will be the domain of the VP of Commonwealth Support Programs. Additionally, the refresh will include examples of regional programs underway to achieve their future vision and discussions of what must still be accomplished to achieve their goals, also falling under the domain of Commonwealth Support Programs. Analyses will be performed jointly, including determinations on technology sectors worthy of Commonwealth investment in research and infrastructure. R&D programs will research how capital outlay decisions are made for Virginia's institutions of higher education and will engage in that process with the State Council of Higher Education for Virginia (SCHEV) and the Six-Year Capital Outlay Plan Advisory Committee, as appropriate.

CIT R&D will work closely with colleagues, including the VP of Commonwealth Support Programs, whose support will include an industry perspective gained through the Innovation Index and other technology community interactions, and the VP of Government and Public Affairs, for assistance with outreach and public relations. Additionally, CIT will work in conjunction with SCHEV on the Six-Year Capital Outlay Plan and with the CIT Board of Directors' Strategic Planning Committee and the Research and Technology Investment Advisory Committee (RTIAC) to engage public and private-sector officials in the Roadmap process and refine the Roadmap's steps and recommendations.

Unique Value Proposition

The statewide R&T Strategic Roadmap allows the Commonwealth to align investments in research and technology with strategic industry priorities. The Roadmap 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.

2013 Program Impact

This objective focuses on producing an update prior to release of the CRCF solicitation in fall 2012, to be submitted in November 2012 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 Strategic 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
Define schedule and approach for web-enabled refresh of academic and other research institutes	August 2012	VP, Research Investment
Define schedule for refresh of regional and industry activities	August 2012	VP, Commonwealth Support Programs
Begin release R&T Strategic Roadmap refresh on CIT.org	October 1, 2012	VP, Research Investment
Advise Virginia congressional delegation on the statewide R&T Strategic Plan	March 2013	VP, Research Investment
Develop public relations campaign	November 2012	VP, Government and Public Affairs

Management Reporting Tools

- Post R&T Strategic Roadmap updates on CIT.org; assess against schedule

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

Program and Plan of Work

The Commonwealth Research Commercialization Fund (CRCF) advances science- and technology-based research, development, and commercialization to drive economic growth in Virginia and to encourage collaboration among its institutions of higher education and partnerships between these colleges and universities and business and industry. During the 2012 session of the General Assembly, \$4 million was appropriated to the Fund in support of its FY2013 programs. As with 2011 monies, legislation stipulates that CRCF awards be linked directly to projects supporting the Commonwealth Research and Technology Strategic Roadmap and the key industry sectors identified therein.

CIT administers the CRCF, per legislative mandate. CIT's FY2013 management responsibilities include developing and updating program guidelines, issuing solicitations, receiving and vetting proposals, announcing awards, and reviewing and reporting on award recipients' progress. CIT will continue to support the Research and Technology Investment Advisory Committee (RTIAC) through the application review process; the RTIAC's primary responsibility is to recommend to CIT, those proposals it believes are most suited for award. CIT will prepare award agreements and/or memorandums of understanding that include the criteria cited in legislation. In addition CIT will arrange the disbursement of funds to award recipients. As appropriate, CIT will provide public communications and outreach activities, including through website postings, email correspondence, social media, and press releases; additionally, as appropriate, CIT will coordinate throughout the process with the Administration, the General Assembly, and the technology community. CIT will prepare an annual report for those awards announced in FY2012 and will address 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 plans to issue one solicitation in FY2013. Programs will be reviewed and recommended for FY2013 based on demand expressed in FY2012, funding availability, and opportunities to advance technology commercialization and economic growth. The Commercialization Program in particular may be realigned to support proof-of-concept stage work and serve as a funnel for CIT's GAP Funds program. In addition, CIT R&D will continue to coordinate with the Federal Funding Assistance Program (FFAP), as its clients and companies eligible for CRCF awards can overlap.

Additional FY2013 activities include managing FY2012 awards whose performance continues into FY2013. For those with disbursements planned in FY2013, CIT will evaluate performance against proposed goals and metrics, as well as adherence to award terms and

conditions. Based on that performance, CIT will arrange for distribution of funds and/or will coordinate with the award recipient regarding performance requirements.

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 Commonwealth Technology Research Fund (CTRF), CRCF, GAP, and Small Business Innovative Research (SBIR) programs, along with relationships in academia, government, and the private sector that maximize outreach and effectiveness.

2013 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 FY2012 CRCF awards to the Governor and General Assembly	October 2012	VP, Research Investment
Issue CRCF solicitation(s)	October 2012	VP, Research Investment
Manage proposal and award process	February 2013 – June 2013	VP, Research Investment
Review and assess projects' performance	June 2013	VP, Research Investment

Management Reporting Tools

- Prepare the annual report for the Governor and General Assembly
- Receive interim and final reports from grant recipients
- Manage 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 2010, the latest year in which data is available. Virginia ranked fourth in total amount of funding behind California, Massachusetts, and Maryland. Virginia firms received 297 Phase I awards and 136 Phase II awards, with a total 2010 award amount of \$124.4 million.

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 FY2013: 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 FY2012, the FFAP significantly enhanced the availability of support and training material by posting web-based training tools on the CIT website. In FY2013, 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 FY2013, 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 startups provides the CIT FFAP with a singular ability to reach entrepreneurs in the Commonwealth best able to access and exploit federal R&D funding.

2013 Program Impact

The FY2013 plan for the FFAP will focus CIT's efforts on 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 one detailed SBIR training module in webinar format, covering various topics related to SBIR/STTR proposal preparation; conduct two live SBIR workshops	September 30, 2012	Director, Federal Funding
Market and deliver one additional webinar event and one live SBIR workshop	December 31, 2012	Director, Federal Funding
Market and deliver two additional live SBIR workshops	March 31, 2013	Director, Federal Funding
Provide mentoring and training support to 200 Virginia businesses developing proposals or conducting/commercializing	June 30, 2013	Director, Federal Funding

research supported by SBIR/STTR awards		
Market and deliver final webinar event and two live SBIR workshops	June 30, 2013	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: \$424 billion), Maryland (2010 GSP: \$295 billion), and Massachusetts (2010 GSP: \$379 billion). Over the past five years (2007 – 2011), Virginia companies have attracted \$2.4 billion in venture capital, tracking closely with neighboring Maryland, which has attracted \$2.0 billion. Virginia, however, suffers significantly in comparison to Massachusetts, which attracted \$14.5 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 26 seed-stage investments in Virginia, compared to 276 in Massachusetts and 72 in Maryland.

	2010 GSP	Venture Funding	Seed-Stage Investments
Maryland	\$295 billion	\$2.0 billion	72
Massachusetts	\$379 billion	\$14.5 8 billion	276
Virginia	\$424 billion	\$2.4 billion	26

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, Mid-Atlantic Bio, 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 13:1.

From an historical perspective, CIT has averaged leverage of private to GAP funding into portfolio companies at a rate of 3:1 at the time of seed investment close. Based on past portfolio performance, CIT anticipates growth of this leverage factor within a 24-48 month time period following seed round close as additional private investment participates in the portfolio company within subsequent angel financings and institutionally-led venture rounds.

In FY2011, CIT's pace of investment picked up markedly over the preceding year. This increased pace was driven by a sharp increase in investment capital available to CIT GAP Funds from two sources. In March 2011, CIT acquired a \$2.6 million contract 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 nine investments in early-stage energy companies through Virginia in FY2013. 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 provided significant new and follow-on investment capacity for CIT's seed funding efforts, and enabled CIT to better address the capital demands of the Commonwealth's high-potential science and technology-based companies. While CIT faces uncertain renewal of the DMME contract, FY2013 funding from the Commonwealth is expected to remain at approximately the same level as FY2012.

In FY2013, CIT GAP Funds will continue to implement operational changes driven by the availability of new funding initiated in FY2012. To more fully support the formative stages of Commonwealth's high-potential tech companies, CIT will utilize a "tranche" 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 seek closer synergy with the Commonwealth Research Commercialization Fund (CRCF) to further exploit innovation arising from Virginia's universities and to provide additional funding to the Commonwealth's more capital-intensive startups. In FY2013, CIT GAP Funds will implement a pair of new funds – GAP Cleantech and GAP Cybersecurity – to respond to early-stage funding demand in those sectors. CIT GAP Funds will also continue implementation of Evolved Capital, its software-as-a-service (SAAS)-based back-office software platform. 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, GAP Cleantech Fund, GAP Cybersecurity 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 30 early-stage technology companies gain critical exposure to the nation's early-stage investment community. CIT will contribute to the ability of Virginia's companies to raise \$8 million from placement by institutional and angel funds.

Unique Value Proposition

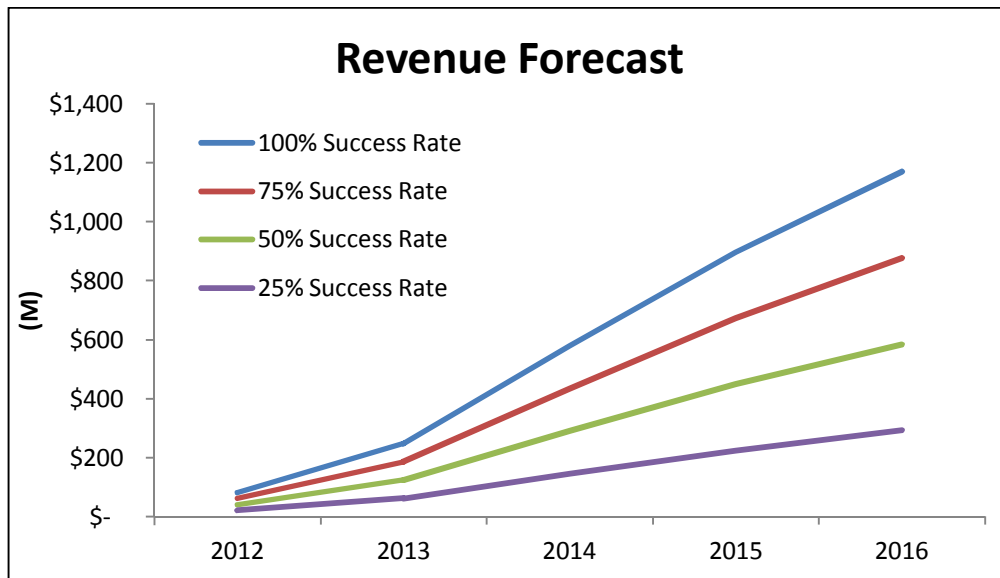
As a double-bottom-line fund designed to resolve Virginia's current shortage of seed-stage capital, CIT GAP Funds offer superior economic returns for entrepreneurs and co-investors, while providing significant economic development contribution to the Commonwealth.

2013 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 FY2013, 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 nine new GAP Technology and BioLife and eight Innovation investments in FY2013, 47 existing investments, and ten projected investments to close in FY2012, 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 2012 – June 2013	Senior 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 2012 and quarterly	Director, Investments
Present six energy and Cleantech companies to the Commonwealth Energy Fund and GAP Cleantech investment committees to yield four investments	March 2013	Managing Director
Present 25 life science, Cleantech, Cybersecurity or technology companies to CIT GAP Funds investment committees to yield a total of 18 investments	June 2013	Managing Director

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 FY2012, 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 \$13.5 million federal award

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- An ongoing relationship with the Virginia Department of Education (VDOE) and a number of active projects, as part of the \$18.5 million federal award for the development and operation of a statewide longitudinal database system
 - An ongoing initiative with VDOE, Apps4VA, with a number of different challenge based projects which could be expanded both nationally and across Virginia
 - A proven model for selling and delivering high-value consulting and research services

For FY2013, 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 FY2013, Connect will continue to build on the client relationships developed in FY2012, 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 FY2013 will be to maintain the momentum and continue the pace of growth. This will be addressed in four 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.
4. Deal Profiling and Selection – Connect will continue to screen and identify opportunities and select only the high-probability opportunities for full proposal development. 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 relationships with Virginia Department of Education, Virginia Health Quality Center, and the Technical Support Working Group (TSWG).

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.

2013 Program Impact

For FY2013, 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
Develop an outreach and communications strategy for additional Virginia agencies	September 2012	VP, Connect
Build an aggressive marketing, public awareness and PR plan	July 2012 – January 2013	VP, Connect
Develop updated business plan	July 2012	VP, Connect
Develop a plan to achieve a stretch-goal of doubling or tripling the size of the Connect practice	September 2012	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 measured by the amount and cost of broadband services that are available. On March 16, 2010 the Federal Communications Commission (FCC) unveiled the nation’s first “National Broadband Plan” that provides a foundation upon which the case for applications advances in seven key sectors: economic opportunity, education, healthcare, energy/environment, government performance, civic engagement, and public safety can be made.

It is undeniable that access to affordable, high-quality broadband services is viewed as a “requisite” for economic growth and enhanced quality of life. Communities that lack affordable broadband access are unable to participate in the rapidly-advancing 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 technology company formation and the deployment of high-technology services and applications.

Furthermore, access to affordable, reliable broadband 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, continue to leverage telework as a means of attracting and retaining employees.

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, infrastructure, and applications
- Specifically work toward identifying and filling service gaps in underserved areas of the Commonwealth
- Advocate for services such as telework, telemedicine, smart grid, and first responder interoperability
- Serve as a broadband information and applications clearinghouse for the Commonwealth
- Advise the Secretary of Technology on broadband adoption, deployment, and application issues

Unique Value Proposition

CIT delivers strategic guidance, broadband demand generation, service availability, and asset mapping services for the Commonwealth of Virginia. 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.

2013 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 technology company development, and 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 2012	Director, OTPBA
Monitor federal broadband funding and revenue opportunities	December 2012	Director, OTPBA
Develop and monitor broadband- and telework-related legislation for the FY2013 General Assembly session	January 2013	Director, OTPBA
Continue NTIA-funded broadband mapping and planning initiatives	June 2013	VP, Broadband Programs
Create an environment that facilitates collaboration between broadband technology researchers, service providers, and consumers	June 2013	Director, OTPBA
Support ongoing activities of the Commonwealth's Broadband Advisory Council	June 2013	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)
- Federal funding reports
- 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/unserved 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 FY2013 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 Initiative.

In March 2010, CIT was awarded a series of grants from the NTIA to augment and refine the Commonwealth's broadband availability map, contribute data to the national broadband map, and support the development of resources and tools to support broadband-related decision making. 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 FY2013, 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.

2013 Program Impact

CIT programs, in conjunction with the OTPBA, will:

- Update and maintain 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 2013 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 2013	VP, Broadband Programs
Conduct regional broadband meetings	June 2013	VP, Broadband Programs
Maintain and expand online broadband resources and information content on www.cit.org and www.wired.virginia.gov	June 2013	VP, Broadband Programs

Management Reporting Tools

- Briefings for local, state, and federal officials and commissions as requested
- Federal grant reporting
- 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 startups, 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 Commonwealth's Research and Technology (R&T) 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 R&T 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 FY2013 will be supporting the establishment and operation of strategic programs designed to maximize the growth of Virginia's regional technology industries and entrepreneur sector. This function is designed to generate critical data for the development of the R&T Roadmap, and stimulate growth programs specific to regional

technology priorities. These programs will include expanding existing CIT programs to underserved areas.

Beyond the R&T Roadmap itself, benefits derived from this initiative have already been realized in several key areas. The process has resulted in the first statewide assessment of regional innovation priorities and directly supported the creation of significant local programs. CIT is now an active participant and resource for organizations across the Commonwealth dedicated to growing the innovation economy through entrepreneurship, STEM education, technology-based economic development, and commercialization of research and intellectual property. This compliments the dozens of Commonwealth Research Commercialization Fund (CRCF) awards made directly to businesses and university programs.

In preparation for the 2012 update to the R&T Roadmap, CIT will again engage regional representatives from tech industries, economic development groups, innovation programs, and technology councils to refresh existing data, and to gain a deeper understanding of regional priorities.

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. As interest in innovation and entrepreneurship continues to expand, so do expectations that CIT serve as the Commonwealth's resource for information and catalyst for strategic initiatives in this critical sector of Virginia's economy.

2013 Program Impact

Regionally-based initiatives and industry information gathered throughout this process will be critical elements in an ongoing assessment of Virginia's research and technology capabilities and opportunities. This process will directly result in investment

recommendations that will be documented in the R&T Roadmap, and programs designed to grow Virginia’s innovation economy.

Future Program Impact

The R&T Roadmap will assist the General Assembly in the development of university and industry investment strategies for future budgets. Regionally-focused industry research 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
Meeting of reconstituted Virginia Technology Alliance	July 2012	VP, Commonwealth Support Programs
Regional industry focus groups	September 2012	VP, Commonwealth Support Programs
Roadmap update	November 2012	VP, Commonwealth Support Programs
Meet with regional organizations, tech councils, and economic development groups to collect and update data	Ongoing	VP, Commonwealth Support Programs

Management Reporting Tools

- Roadmap Update 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 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.

The product of this process is a resource used not only for CIT-specific goals but also for other public and private sector initiatives. In FY2012, those initiatives included; Governor McDonnell's "Year of the Entrepreneur," Commerce & Trade's entrepreneur business plan competition, StartupVa, Innovate Hampton Roads, Southwest Virginia's Entrepreneurial Blueprint, VirginiaFirst Robotics, VEDP's New York Executive and Government Contractor recruiting initiatives, the Virginia Innovator Network, the Virginia Technology Alliance, the Council on Virginia's Future, Virginia Manufacturers Association's regional town halls, VaBIO, and support for all ten of the Commonwealth's regional technology councils.

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.

2013 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
Complete Roadmap update	November 2012	VP, Commonwealth Support Programs
Meet with regional organizations, tech councils, and economic development groups to collect and update data	Ongoing	VP, Commonwealth Support Programs

Management Reporting Tools

- Roadmap update
- 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, CIT has regained its stature 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 accelerates CIT’s proactive outreach to lead the “ongoing conversation” on innovation, entrepreneurship, and technology, and take advantage of new opportunities arising from persistent challenges in both the public and private sectors.

Market Trends and Opportunities

The sluggish and uncertain economy continues to force business leaders and elected officials to search for new ways to grow the economy and create jobs. Innovation is the new buzzword, though CIT has been on the forefront of innovation in Virginia for over 25 years. 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 in 1985 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 strategic alliances that provide additional resources to meet challenges. With these assets, CIT is well positioned to grow its business in the coming year.

Marketing Strategy, Goals, and Objectives

CIT's brand is strong, and we will continue to strengthen the 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:

- Build on the new CIT website by expanding the use of social media corporately and for the service lines to lead an "ongoing conversation" about innovation, entrepreneurship, and technology
- Re-igniting a federal advocacy strategy after two years of Congressional gridlock to take advantage of bipartisan opportunities, such as the JOBS Act, and other federal agency initiatives in cyber security, mobile learning and health IT, and alternative energy (e.g., offshore energy using transitioned HF radar technology); this strategy also includes our work with SSTI and NSVF federal policy committees
- 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
- 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, VAFREE, and VABio, while looking for other opportunities, to 1) strengthen the CIT brand and 2) build a technology-centric alliance to leverage our message

- Continued level of 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

As noted, the CIT brand in the community is strong, and has been demonstrated with increased investments by the Administration and the General Assembly. In FY2013, CIT will 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
Begin phase II of CIT website redesign with development of integrated social media strategy	June 2012 – August 2012 (initial); Ongoing	VP, Government & Public Affairs; CTO; CMG (Content Management Group)
Outreach (tech councils, other organizations)	Ongoing	VP, Government & Public Affairs; VP Commonwealth Support Programs (CIT Leadership)
Public relations/press (four releases/month; media interviews)	Ongoing	VP, Government & Public Affairs (CIT Leadership)
Government relations (state) – pre-session (meetings, developing legislative initiatives)	May – November/December 2012	VP, Government & Public Affairs
Government relations (state) – session	January 2013 – March 2013	VP, Government & Public Affairs
Government relations (federal) – explore opportunities, develop strategy	May-June 2012	VP, Government & Public Affairs
Government relations (federal) – work with SSTI, NSVF on federal policy committees	Ongoing	VP, Government & Public Affairs

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 2013

Summary Budget	FY13 Budget	% of Total FY13 Budget	Operations Funded by Contracts & Grants	Operations Funded by VA Approp & Other Revenue
Revenue				
Virginia Appropriation	\$ 4,926,877	45%		\$ 4,926,877
CRCF Virginia Appropriation - GAP	\$ 3,200,000	29%		\$ 3,200,000
Program Revenue	\$ 2,767,019	25%	\$ 2,767,019	
Other Income	\$ 167,268	2%		\$ 167,268
Total Revenue	\$ 11,061,164	100%	\$ 2,767,019	\$ 8,294,145
Expenses				
Research & Development	\$ 367,473	3%	\$ 33,220	\$ 334,253
Entrepreneur	\$ 8,669,087	63%	\$ 607,194	\$ 8,061,893
Connect	\$ 438,715	3%	\$ 438,715	
Broadband	\$ 1,846,749	13%	\$ 1,687,891	\$ 158,859
Commonwealth Support	\$ 317,923	2%		\$ 317,923
Other Activities	\$ 144,253	1%		\$ 144,253
Communications & Marketing	\$ 594,076	4%		\$ 594,076
Business Development	\$ 711,324	5%		\$ 711,324
Advocacy	\$ 379,161	3%		\$ 379,161
Under-applied Indirects	\$ 274,165	2%		\$ 274,165
Total Expenses	\$ 13,742,927	100%	\$ 2,767,019	\$ 10,975,908
Net	\$ (2,681,763)		\$ (0)	\$ (2,681,763)
Beginning Net Assets	\$ 5,255,000			
Ending Net Assets for FY13	\$ 2,573,237			

Project Budget by Funding Source for Fiscal Year 2013

Operations Funded by Virginia Appropriation & Other Revenue

Revenue

Transfer from IEIA - Virginia Appropriation	\$	4,926,877
CRCF Virginia Appropriation - GAP portion	\$	3,200,000
Interest & Misc Income	\$	167,268
Total Revenue	\$	8,294,145

Program Expenses

R&D - Commonwealth research and technology strategic roadmap	\$	182,885
R&D - Commonwealth research commercialization fund (CRCF)	\$	151,368
Entrepreneur - Federal proposal assistance	\$	291,543
Entrepreneur - FAST matching	\$	5,139
Entrepreneur - GAP	\$	7,765,212
Broadband - Office of telework promotion & BB assistance & deployment	\$	158,859
Commonwealth support - Regional roadmap	\$	72,865
Commonwealth support - Regional growth	\$	245,058
Other activities - Innovation center	\$	64,440
Other activities - M2 self funding	\$	32,220
Other activities - Cabinet secretaries support	\$	47,593
Program Expenses	\$	9,017,181

Other Expenses

Business Development, Marketing, Advocacy	\$	1,684,561
Indirects Unapplied (Over-applied) to Projects	\$	274,165
Other Expenses	\$	1,958,726

Total Expenses **\$** **10,975,908**

Net Operations funded by VA Appropriation & Other Rev

\$ **(2,681,763)**

Operations Funded by Contracts & Grants

R&D

Project # RD163 - 55 - Small Business Administration (SBA) - Mine Safety II	\$	10,487
Program Expense	\$	10,487
Profit/(Loss)	\$	-
Project # RD172 - 55 - Rutgers - MARACOOS	\$	22,733
Program Expense	\$	22,733
Profit/(Loss)	\$	-

Entrepreneur

Project # EN110 - 55 - DMME - Commonwealth Energy Fund	\$	585,303
Program Expense	\$	585,303
Profit/(Loss)	\$	(0)
Project # EN101 - 55 - SBA - Federal and State Technology (FAST) Partnership Program	\$	21,890
Program Expense	\$	21,890
Profit/(Loss)	\$	-

Connect

Project # CN210 - 99 - Virginia Health Quality Center (VHQC) - Total Summary Project	\$	142,193
Program Expense	\$	142,193
Profit/(Loss)	\$	-
Project # VA178 - 55 - VDOE - Data Governance PMO	\$	31,531
Program Expense	\$	31,531
Profit/(Loss)	\$	-
Project # VA179 - 55 - VDOE - Apps for Virginia	\$	231,144
Program Expense	\$	231,144
Profit/(Loss)	\$	-
Project # VA181 - 55 - VDOE - PMO Support	\$	33,847
Program Expense	\$	33,847
Profit/(Loss)	\$	-

Broadband

Project # BB070 - 55 - NTIA Mapping	\$	257,220
Program Expense	\$	257,220
Profit/(Loss)	\$	-
Project # BB070 - 57 - NTIA Mapping Expanded	\$	582,648
Program Expense	\$	582,648
Profit/(Loss)	\$	-
Project # BB070 - 58 - NTIA Capacity Building	\$	440,982
Program Expense	\$	440,982
Profit/(Loss)	\$	-
Project # BB070 - 60 - NTIA Technical Assistance	\$	407,041
Program Expense	\$	407,041
Profit/(Loss)	\$	-

Program Revenue	\$	2,767,019
Program Expenses	\$	2,767,019

Net Operations funded by Contracts & Grants **\$ (0)**

Consolidated Revenue & Expenses & Changes in Net Assets

Total Revenue	\$	11,061,164
Total Expenses	\$	13,742,927
Change in net assets	\$	(2,681,763)
Beginning Net Assets	\$	5,255,000
Ending Net Assets for FY13	\$	2,573,237

Project Budgets for Fiscal Year 2013

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	10,487
	FY13 Appropriations & FY12 Reserves	0
	Total Revenue	10,487
	Programs Costs	
	Total Salaries	2,222
	Fringe	1,236
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other	
	Overhead	606
	Total Costs Before G&A	4,064
	G&A	1,174
	Equipment	
	Contractual-Over-Cap	5,250
	Total Costs	10,487
	Net	0
	Project # RD172 - 55 - Rutgers - MARACOOS	
	Revenue	
	Program Revenue	22,733
	FY13 Appropriations & FY12 Reserves	0
	Revenue	22,733
	Programs Costs	
	Total Salaries	3,333
	Fringe	1,854
	Travel	800
	Supplies	
	Contractual	
	Temporary Services	
	Other	10,743
	Overhead	909
	Total Costs Before G&A	17,639
	G&A	5,094
	Equipment	
	Contractual-Over-Cap	
	Total Costs	22,733
	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 # RD130 - 00 - Commonwealth R&T Strategic Roadmap	
	Revenue	
	Program Revenue	
	FY13 Appropriations & FY12 Reserves	182,885
	Total Revenue	182,885
	Programs Costs	
	Total Salaries	67,470
	Fringe	37,534
	Travel	3,000
	Supplies	
	Contractual	15,000
	Temporary Services	
	Other	500
	Overhead	18,399
	Total Costs Before G&A	141,903
	G&A	40,982
	Equipment	0
	Contractual-Over-Cap	
	Total Costs	182,885
	Net	0
	Project # VA140 - 55 - Commonwealth Research Commercialization Fund (CRCF)	
	Revenue	
	Program Revenue	151,368
	FY13 Appropriations & FY12 Reserves	0
	Total Revenue	151,368
	Programs Costs	
	Total Salaries	44,259
	Fringe	24,621
	Travel	2,200
	Supplies	
	Contractual	24,500
	Temporary Services	
	Other	9,800
	Overhead	12,069
	Total Costs Before G&A	117,449
	G&A	33,919
	Equipment	0
	Contractual-Over-Cap	0
	Total Costs	151,368
	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	
	FY13 Appropriations & FY12 Reserves	291,543
	Total Revenue	291,543

	Programs Costs	
	Total Salaries	86,174
	Fringe	47,939
	Travel	9,800
	Supplies	750
	Contractual	27,300
	Temporary Services	
	Funding Pool	16,000
	Other	14,750
	Overhead	23,500
	Total Costs Before G&A	226,212
	G&A	65,330
	Equipment	
	Contractual-Over-Cap	
	Total Costs	291,543
	Net	0
	Project # EN101 - 00 - SBA - Federal and State Technology (FAST) Partnership Program	
	Revenue	
	FY13 Appropriations & FY12 Reserves	5,139
	Total Revenue	5,139
	Programs Costs	
	Total Salaries	2,180
	Fringe	1,213
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other	
	Overhead	594
	Total Costs Before G&A	3,987
	G&A	1,151
	Equipment	
	Contractual-Over-Cap	
	Total Costs	5,139
	Net	0
	Project # EN101 - 55 - SBA - Federal and State Technology (FAST) Partnership Program	
	Revenue	
	Program Revenue	21,890
	FY13 Appropriations & FY12 Reserves	0
	Total Revenue	21,890
	Programs Costs	
	Total Salaries	0
	Fringe	0
	Travel	
	Supplies	
	Contractual	1,000
	Temporary Services	
	Other	15,985
	Overhead	0
	Total Costs Before G&A	16,985
	G&A	4,905
	Equipment	
	Contractual-Over-Cap	
	Total Costs	21,890
	Net	0

3.2 Objective - Accelerate funding for early stage technology firms		
	Project # EN070 - 00 - GAP Fund Program	
	Revenue	
	Program Revenue	
	FY13 Appropriations & FY12 Reserves	7,765,212
	Total Revenue	7,765,212
	Programs Costs	
	Total Salaries	535,347
	Fringe	297,813
	Travel	24,000
	Supplies	
	Contractual	238,500
	Temporary Services	
	GAP Tech Fund - FY13	800,000
	GAP BioLife Fund - FY13	250,000
	GAP Cleantech Fund - FY13	125,000
	GAP Cyber Fund - FY12	200,000
	Follow-On Funds - Traunche B Funds - FY13	1,175,000
	Follow-On Funds - Traunche B Funds - FY12	1,300,000
	Follow-On Funds - Portfolio - FY13	250,000
	Innovation Fund - FY13	600,000
	Other	83,500
	Overhead	145,989
	Total Costs Before G&A	6,025,149
	G&A	1,740,063
	Equipment	
	Contractual-Over-Cap	0
	Total Costs	7,765,212
	Net	0
	Project # EN110 - 55 - DMME - Commonwealth Energy Fund	
	Revenue	
	Program Revenue	585,303
	FY13 Appropriations & FY12 Reserves	0
	Total Revenue	585,303
	Programs Costs	
	Total Salaries	5,649
	Fringe	3,142
	Travel	
	Supplies	
	Contractual	
	Commonwealth Energy Fund	436,000
	Temporary Services	
	Other	5,728
	Overhead	1,540
	Total Costs Before G&A	452,060
	G&A	130,555
	Equipment	
	Contractual-Over-Cap	2,689
	Total Costs	585,303
	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	142,193
	FY13 Appropriations & FY12 Reserves	0
	Total Revenue	142,193
	Programs Costs	
	Total Salaries	60,323
	Fringe	33,557
	Travel	0
	Supplies	0
	Contractual	0
	Temporary Services	0
	Other	0
	Overhead	16,450
	Total Costs Before G&A	110,330
	G&A	31,863
	Equipment	
	Contractual-Over-Cap	
	Total Costs	142,193
	Net	0
	Project # VA178 - 55 - VDOE - Data Governance PMO	
	Revenue	
	Program Revenue	31,531
	FY13 Appropriations & FY12 Reserves	0
	Total Revenue	31,531
	Programs Costs	
	Total Salaries	13,376
	Fringe	7,441
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other	
	Overhead	3,648
	Total Costs Before G&A	24,465
	G&A	7,066
	Equipment	
	Contractual-Over-Cap	0
	Total Costs	31,531
	Net	0
	Project # VA179 - 55 - VDOE - Apps for Virginia	
	Revenue	
	Program Revenue	231,144
	FY13 Appropriations & FY12 Reserves	0
	Total Revenue	231,144

	Programs Costs	
	Total Salaries	49,671
	Fringe	27,632
	Travel	5,000
	Supplies	25,000
	Contractual	
	Temporary Services	
	Other	58,500
	Overhead	13,545
	Total Costs Before G&A	179,348
	G&A	51,796
	Equipment	
	Contractual-Over-Cap	0
	Total Costs	231,144
	Net	0
	Project # VA181 - 55 - VDOE - PMO Support	
	Revenue	
	Program Revenue	33,847
	FY13 Appropriations & FY12 Reserves	0
	Total Revenue	33,847
	Programs Costs	
	Total Salaries	0
	Fringe	0
	Travel	
	Supplies	
	Contractual	25,000
	Temporary Services	
	Other	
	Overhead	0
	Total Costs Before G&A	25,000
	G&A	7,220
	Equipment	
	Contractual-Over-Cap	1,627
	Total Costs	33,847
	Net	0
<i>BROADBAND SERVICE LINE</i>		
<i>GOAL 5. EXPAND THE USE OF BROADBAND TECHNOLOGIES IN RURAL & UNDERSERVED AREAS</i>		
	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	
	Revenue	
	FY13 Appropriations & FY12 Reserves	158,859
	Total Revenue	158,859

	Programs Costs	
	Total Salaries	42,789
	Fringe	23,803
	Travel	20,000
	Supplies	22,500
	Contractual	
	Temporary Services	
	Other	2,500
	Overhead	11,669
	Total Costs Before G&A	123,261
	G&A	35,598
	Equipment	0
	Contractual-Over-Cap	
	Total Costs	158,859
	Net	0
	5.2 Objective - Advance the presence of broadband in Virginia	
	Project # BB070 - 55 - NTIA Mapping	
	Revenue	
	Program Revenue	257,220
	FY13 Appropriations & FY12 Reserves	0
	Total Revenue	257,220
	Programs Costs	
	Total Salaries	0
	Fringe	0
	Travel	
	Supplies	
	Contractual	25,000
	Temporary Services	
	Other	
	Overhead	0
	Total Costs Before G&A	25,000
	G&A	7,220
	Equipment	
	Contractual-Over-Cap	225,000
	Total Costs	257,220
	Net	0
	Project # BB070 - 57 - NTIA Mapping Expanded	
	Revenue	
	Program Revenue	582,648
	FY13 Appropriations & FY12 Reserves	0
	Total Revenue	582,648
	Programs Costs	
	Total Salaries	68,874
	Fringe	38,315
	Travel	2,500
	Supplies	
	Contractual	50,000
	Temporary Services	
	Other	
	Overhead	18,782
	Total Costs Before G&A	178,471
	G&A	51,543
	Equipment	0
	Contractual-Over-Cap	352,634
	Total Costs	582,648
	Net	0

	Project # BB070 - 58 - NTIA Capacity Building	
	Revenue	
	Program Revenue	440,982
	FY13 Appropriations & FY12 Reserves	0
	Total Revenue	440,982
	Programs Costs	
	Total Salaries	30,731
	Fringe	17,095
	Travel	8,750
	Supplies	
	Contractual	50,000
	Temporary Services	
	Other	
	Overhead	8,380
	Total Costs Before G&A	114,956
	G&A	33,199
	Equipment	0
	Contractual-Over-Cap	292,826
	Total Costs	440,982
	Net	0
	Project # BB070 - 60 - NTIA Technical Assistance	
	Revenue	
	Program Revenue	407,041
	FY13 Appropriations & FY12 Reserves	0
	Total Revenue	407,041
	Programs Costs	
	Total Salaries	82,559
	Fringe	45,927
	Travel	6,000
	Supplies	
	Contractual	
	Temporary Services	
	Other	
	Overhead	22,514
	Total Costs Before G&A	157,000
	G&A	45,341
	Equipment	0
	Contractual-Over-Cap	204,700
	Total Costs	407,041
	Net	0
COMMONWEALTH SUPPORT PROGRAMS		
GOAL 6. IDENTIFY OPPORTUNITIES AND ACCELERATE REGIONAL TECHNOLOGY INDUSTRY GROW		
6.1	Objective - Support Commonwealth R&T Strategic Roadmap focusing on industry cluster development in Virginia	
	Project #VA165 - 00 - Regional Roadmap	
	Revenue	
	FY13 Appropriations & FY12 Reserves	72,865
	Total Revenue	72,865

	Programs Costs	
	Total Salaries	25,553
	Fringe	14,215
	Travel	4,800
	Supplies	0
	Contractual	
	Temporary Services	0
	Other (catering and space)	5,000
	Overhead	6,968
	Total Costs Before G&A	56,537
	G&A	16,328
	Equipment	0
	Contractual-Over-Cap	
	Total Costs	72,865
	Net	0
	6.2 Objective - Assess regional growth inhibitors and accelerators, and develop programmatic solutions	
	Project #VA 170 - 00 - Regional Growth	
	Revenue	
	FY13 Appropriations & FY12 Reserves	245,058
	Total Revenue	245,058
	Programs Costs	
	Total Salaries	83,950
	Fringe	46,701
	Travel	9,600
	Supplies	2,000
	Contractual	
	Temporary Services	
	Other (catering and space)	25,000
	Overhead	22,893
	Total Costs Before G&A	190,144
	G&A	54,914
	Equipment	0
	Contractual-Over-Cap	
	Total Costs	245,058
	Net	0
	OTHER ACTIVITIES	
	Project # IN010 - 00 - Innovation Center	
	Revenue	
	FY13 Appropriations & FY12 Reserves	64,440
	Total Revenue	64,440
	Programs Costs	
	Total Salaries	0
	Fringe	0
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other	50,000
	Overhead	0
	Total Costs Before G&A	50,000
	G&A	14,440
	Equipment	
	Contractual-Over-Cap	
	Total Costs	64,440
	Net	0

	Project # MT010 - 00 - M2 Self Funding	
	Revenue	
	FY13 Appropriations & FY12 Reserves	32,220
	Total Revenue	32,220
	Programs Costs	
	Total Salaries	0
	Fringe	0
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other	25,000
	Overhead	0
	Total Costs Before G&A	25,000
	G&A	7,220
	Equipment	
	Contractual-Over-Cap	
	Total Costs	32,220
	Net	0
	Project # VA150 - 55 - Cabinet Secretaries Support	
	Revenue	
	Program Revenue	9,900
	FY13 Appropriations & FY12 Reserves	37,693
	Total Revenue	47,593
	Programs Costs	
	Total Salaries	20,190
	Fringe	11,232
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other	
	Overhead	5,506
	Total Costs Before G&A	36,928
	G&A	10,665
	Equipment	
	Contractual-Over-Cap	
	Total Costs	47,593
	Net	0
ADMINISTRATIVE PROGRAMS		
	Project # VA040 - 00 - Communications and Marketing	
	Revenue	
	FY13 Appropriations & FY12 Reserves	594,076
	Total Revenue	594,076
	Programs Costs	
	Total Salaries	84,263
	Fringe	46,875
	Travel	3,000
	Supplies	
	Contractual	150,000
	Temporary Services	
	Other (\$142,300 Other + ISP payment)	153,836
	Overhead	22,978
	Total Costs Before G&A	460,952

G&A		133,123
	Equipment	0
	Contractual-Over-Cap	0
	Total Costs	594,076
	Net	0
Project # VA050 - 00 - Business Development		
Revenue		
FY13 Appropriations & FY12 Reserves		711,324
	Total Revenue	711,324
Programs Costs		
	Total Salaries	256,189
Fringe		142,518
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other (ISP payment)	83,358
Overhead		69,863
	Total Costs Before G&A	551,928
G&A		159,397
	Equipment	
	Contractual-Over-Cap	
	Total Costs	711,324
	Net	0
Project # VA060 - 00 - Advocacy		
Revenue		
FY13 Appropriations & FY12 Reserves		379,161
	Total Revenue	379,161
Programs Costs		
	Total Salaries	68,357
Fringe		38,027
	Travel	8,000
	Supplies	
	Contractual	150,000
	Temporary Services	
	Other (ISP payment)	11,173
Overhead		18,641
	Total Costs Before G&A	294,197
G&A		84,964
	Equipment	
	Contractual-Over-Cap	0
	Total Costs	379,161
	Net	0