



August 7, 2014

Mr. David Lucien  
CIT Chairman of the Board  
DCL Associates  
18261 Mullfield Village Terrace  
Leesburg, Virginia 20176

Dear Mr. Lucien:

I am pleased to resubmit the Center for Innovative Technology's (CIT) Fiscal Year 2015 Operating Plan, which was originally approved by the CIT Board of Directors on May 22, 2014 and now includes revisions resulting from the final passage of the Commonwealth's Appropriation Bill. This revised budget has been submitted for CIT Board approval. If required, a second revision will be submitted after Board approval.

For 2015, 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 2014 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. Daniel Timberlake, Director, Department of Planning and Budget  
Ms. Karen Lux, Senior Budget Analyst, Department of Planning and Budget  
The Honorable S. Chris Jones, Chairman, House Appropriations Committee  
Mr. Robert P. Vaughn, Staff Director, House Appropriations Committee  
The Honorable Walter A. Stosch, Co-Chairman, Senate Finance Committee  
The Honorable Charles J. Colgan, Co-Chairman, Senate Finance Committee  
Ms. Betsey Daley, Staff Director, Senate Finance Committee  
Mr. Hooks Johnston, CIT Vice Chairman of the Board

Enclosure

2214 Rock Hill Road  
Suite 600  
Herndon, VA 20170-4228  
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August 7, 2014

Ms. Betsey Daley  
Staff Director, Senate Finance Committee  
Senate of Virginia  
P.O. Box 396  
Richmond, Virginia 23218

Dear Ms. Daley:

I am pleased to resubmit the Center for Innovative Technology's (CIT) Fiscal Year 2015 Operating Plan, which was originally approved by the CIT Board of Directors on May 22, 2014 and now includes revisions resulting from the final passage of the Commonwealth's Appropriation Bill. This revised budget has been submitted for CIT Board approval. If required, a second revision will be submitted after Board approval.

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August 7, 2014

The Honorable Charles J. Colgan  
Co-Chairman, Senate Finance Committee  
Senate of Virginia  
P.O. Box 396  
Richmond, Virginia 23218

Dear Chairman Colgan:

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August 7, 2014

The Honorable Walter A. Stosch  
Co-Chairman, Senate Finance Committee  
Senate of Virginia  
P.O. Box 396  
Richmond, Virginia 23218

Dear Chairman Stosch:

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August 7, 2014

Mr. Robert P. Vaughn  
Staff Director, House Appropriations Committee  
General Assembly Building  
P.O. Box 406  
Richmond, Virginia 23218

Dear Mr. Vaughn:

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August 7, 2014

The Honorable S. Chris Jones  
Chairman, House Appropriations Committee  
General Assembly Building  
P.O. Box 406  
Richmond, Virginia 23218

Dear Chairman Jones:

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August 7, 2014

Ms. Karen Lux  
Senior Budget Analyst  
Department of Planning and Budget  
1111 East Broad Street, Room 5040  
Richmond, Virginia 23219-3418

Dear Ms. Lux:

I am pleased to resubmit the Center for Innovative Technology's (CIT) Fiscal Year 2015 Operating Plan, which was originally approved by the CIT Board of Directors on May 22, 2014 and now includes revisions resulting from the final passage of the Commonwealth's Appropriation Bill. This revised budget has been submitted for CIT Board approval. If required, a second revision will be submitted after Board approval.

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August 7, 2014

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

Dear Mr. Timberlake:

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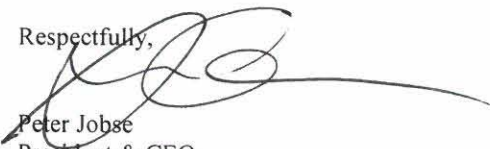
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August 7, 2014

Mr. Hooks Johnston  
CIT Vice Chairman of the Board  
Valhalla Partners  
8000 Towers Crescent Drive, Suite 1050  
Vienna, Virginia 22182

Dear Mr. Johnston:

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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 2015*

**Revised as of July 17, 2014**

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## ***Updated Preamble to CIT's Fiscal Year 2015 Operating Plan and Budget***

On May 22, 2014 when the Fiscal Year 2015 (FY2015) Operating Plan and Budget was presented to the CIT Board of Directors, CIT management was not aware of the funding contribution that CIT would receive from the Commonwealth for some programs and operations discussed in the Plan. Due to this unique situation and the legislative requirement for CIT to provide an operating plan and budget for FY2015 by June 2014, management determined that the most likely FY2015 funding scenario was to assume identical funding as provided in FY2014 excluding special one-time appropriations such as the appropriation for the creation of MACH37. The FY2015 Operating Plan and Budget was developed and presented using the above assumption.

During the May 22, 2014 CIT Board meeting, Directors provisionally approved the FY2015 Operating Plan and Budget with final approval to be requested after the FY2015 budget was signed into law.

On June 23, 2014 the Commonwealth's budget was completed and contained the following adjustments to CIT funding when compared to the funding received for FY 2014:

1. Funding for CIT's GAP Funds was reduced by \$1,100,000
2. Broadband Program funding was increased by \$500,000
3. Funding for cyber security programs was increased by \$20,000
4. Funding for modeling and simulation programs was decreased by \$20,000

In addition to these above reductions, CIT has finalized \$1.5 million of new funding for FY2015 which is also included in this budget. The net impact of the Commonwealth's changes and the addition of new revenue is an increase of \$711,472 in net assets for the FY 2015 budget.

These changes are highlighted in the following document. The CIT Board will be requested to approve this revised budget.

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## *Executive Summary\**

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### **Revised Fiscal Year 2015 Funding**

The Revised Fiscal Year 2015 (FY2015) budget has \$13.18 million of revenue, which is a \$926,589 increase over the provisionally approved FY2015 budget. The change over the provisionally approved budget is due to the following:

- A new agreement with the Virginia Small Business Finance Authority to obtain up to \$2M of federal grants for GAP Funds investing of which \$760,000 has been included in FY2015 budget
- The U.S. Air Force Academy has also awarded CIT \$472,052 for a new project involving analytic discovery for homeland security
- Various new agreements with CIT continuing work with the Virginia Department of Education's longitudinal data system has also produced an additional \$292,661 of new revenue
- Increased revenue produced by the above-referenced projects added to the FY2015 budget was offset by reducing the Commonwealth of Virginia appropriation by \$598,122.

In addition to the funding CIT receives directly, CIT is designated as the fiscal agent for Commonwealth Research Commercialization Fund (CRCF). In FY2014, and in the provisionally approved budget, CIT recognized \$4.8M of CRCF funding. The revised FY2015 budget contains \$2.8M of CRCF funding, a reduction of \$2M over FY2014. The combined revenues of \$13.18 million for CIT and \$2.8 million for CRCF funding provide CIT with fund deployment capability of \$15.98 million to facilitate technology programs for the Commonwealth in Fiscal Year 2015.

Shortly after presenting the provisionally approved budget, CIT was notified that it will receive \$2 million from the U.S. Department of Treasury State Small Business Credit Initiative (SSBCI) Program to provide funding CIT's Growth Acceleration Program (GAP). Of the total grant amount, \$760,000 of these funds will be booked in Fiscal Year 2015 and help to offset the \$1.1M reduction of Commonwealth appropriations provided in FY2014 and the provisionally approved FY2015 budget. These funds resulted from a proposal made by CIT in partnership with the Virginia Small Business Financing Authority to reprogram unused small business funds.

In early 2015, CIT's multi-year grant from the National Telecommunications and Information Administration (NTIA) will end. The final FY2015 Commonwealth budget added \$500,000 of funding to continue a portion of the work funded by the NTIA grant. The addition of these funds is included in the revised FY2015 budget.

\* revised July 17, 2014 to reflect Commonwealth's budget finalization

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### ***Fiscal Year 2015 Operating Plan***

For Fiscal Year 2015, 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 four service lines and the MACH37™ cyber accelerator each under the leadership of a senior executive. These service lines are:

<u><i>Service Line</i></u>	<u><i>Responsible Executive</i></u>
Research and Development	Nancy Vorona
Entrepreneur	Tom Weithman
Connect	Paul McGowan
Broadband	Sandie Terry
MACH37™ Cyber Accelerator	Rick Gordon

In addition to the service lines above, the following corporate support functions are delivered under the leaders identified below:

<u><i>Operating Area</i></u>	<u><i>Responsible Executive</i></u>
Commonwealth Operations	Bob Stolle
Finance and Administration	Linda Gentry
Government and Public Relations	Hap Connors
Office of Chief Technology Officer	Dave Ihrle

The Fiscal Year 2015 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 2015, the Research and Development service line will execute the following programs:

1. Refresh the Commonwealth Research and Technology Strategic Roadmap.
2. Maintain the Innovation and Entrepreneurship Measurement System.
3. Structure, administer, and audit **\$2.8 million** of new awards for the Commonwealth Research Commercialization Fund and \$13 million award base.

In addition to program operations, Research and Development leadership will examine new funding opportunities identified by the other service lines and will monitor opportunities in offshore wind energy. To execute these programs, the Research and Development service line will expend \$412,393 as outlined in the funds usage chart below.



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### *Entrepreneur Service Line*

For Fiscal Year 2015, the Entrepreneur service line will execute the following programs:

1. Operate 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, along with the Commonwealth and State Small Business Credit Initiative (SSBCI), funding for Fiscal Year 2015 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.
4. Provide seed funding to emerging cyber security companies through the MACH37™ Seed Fund.

The combination of the GAP Funds, MACH37™ Seed Fund, and Commonwealth Energy Fund will produce a projected 20 to 30 new investment transactions for Fiscal Year 2015. The Entrepreneur service line will offer additional operational support, as required, for programs executed by other service lines, including the Commonwealth Research Commercialization Fund and MACH37™.

In addition to program operations, service line leadership will continue its strong program of community outreach, advocacy, and new business development issues consistent with maintaining and growing Virginia's appropriation in support of these programs and to identify sources of new business consistent with its leadership in new company formation and funding. Finally, the Entrepreneur service line will examine how best to establish one or more private sector funds to augment financing obtained from Virginia's appropriation process for the purpose of investing in early stage companies. To execute these programs, the Entrepreneur service line will expend \$8.3 million as outlined in the funds usage chart below.

### *Connect Service Line*

For Fiscal Year 2015, the Connect service line will execute the following programs:

1. Ongoing support for VLDS (Virginia Longitudinal Data System).
2. Development and implementation of the NLDS (Nevada Longitudinal Data System).
3. Ongoing execution of the Virginia Regional Extension Center contract with the Virginia Health Quality Center to assist physicians with the implementation of electronic medical records and achievement of Meaningful Use. The Virginia target for implementation is 2,300 physicians.

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To execute these programs, the Connect service line will expend **\$2.5 million** as outlined in the funds usage chart below.

***Broadband Service Line***

For Fiscal Year 2015, 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 access to and utilization of affordable broadband services throughout Virginia. These programs include:
  - a. Improve broadband access through mapping and the support and development of tools to facilitate broadband deployment planning.
  - b. Provide technical assistance to underserved areas to improve their access options.
  - c. Advance broadband benefits by providing resources to guide communities to implement programs that improve broadband adoption and utilization resulting in sustainable demand.
  - d. Benchmark Virginia's broadband access and utilization through an annual healthcare assessment and collaborating with agencies to assess broadband access and capacity at schools and libraries across the Commonwealth.
  - e. Monitor national rankings to target areas needing improvement to ensure Virginia is realizing all the benefits of broadband including improved education, healthcare, and overall life.

To execute these programs, the Broadband service line will expend **\$1.5 million** as outlined in the funds usage chart below.

***MACH37™, Commonwealth Operations, and Special Projects***

Two special projects will be conducted in Fiscal Year 2015, the continued development of the MACH37™ cyber accelerator and the second year of assessment and program development to facilitate the Commonwealth's modeling and simulation industry. Similar to last year, to ensure our programs are aligned with regional interests and the diversity of the Commonwealth's technology industry, Bob Stolle will continue as Senior Vice President to coordinate all programs to ensure complete satisfaction with CIT's services.

To execute these initiatives, CIT will expend \$2.9 million 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

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functions of the corporation including the design and operation of a federal and state compliant financial management system.

The Chief Technology Officer (CTO), Dave Ihrle, 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 2015 budget, summarized below, plans the controlled use of net assets to achieve impact in all service lines. The projected year end net asset position of **\$2.8 million** ensures our ability to bridge fiscal year commitments and manage operating adjustments throughout the year.

Chart revised 7-17-2014

Summary Budget	FY15 Budget	% of Total FY15 Budget	Operations Funded by Contracts & Grants	Operations Funded by VA Approp & Other Revenue
<b>Revenue</b>				
Virginia Appropriation	\$ 8,316,873	63%		\$ 8,316,873
CRCF Virginia Appropriation - GAP	\$ -	0%		
Program Revenue	\$ 4,621,763	35%	\$ 4,621,763	
Other Income	\$ 238,373	2%		\$ 238,373
<b>Total Revenue</b>	<b>\$ 13,177,009</b>	<b>100%</b>	<b>\$ 4,621,763</b>	<b>\$ 8,555,246</b>
<b>Expenses</b>				
Research & Development	\$ 412,393	2%	\$ 14,700	\$ 397,693
Entrepreneur	\$ 8,315,589	47%	\$ 1,340,396	\$ 6,975,193
Connect	\$ 2,516,835	15%	\$ 2,471,484	\$ 45,351
Broadband	\$ 1,492,497	9%	\$ 990,324	\$ 502,173
Commonwealth Project	\$ 2,893,453	17%		\$ 2,893,453
Other Activities	\$ 12,359	0%		\$ 12,359
Communications & Marketing	\$ 707,486	4%		\$ 707,486
Business Development	\$ 802,726	5%		\$ 802,726
Advocacy	\$ 389,089	2%		\$ 389,089
Under-applied Indirects	\$ (185,398)	-1%		\$ (185,398)
<b>Total Expenses</b>	<b>\$ 17,357,029</b>	<b>100%</b>	<b>\$ 4,816,904</b>	<b>\$ 12,540,125</b>
<b>Net</b>	<b>\$ (4,180,020)</b>		<b>\$ (195,141)</b>	<b>\$ (3,984,879)</b>
Beginning Net Assets	\$ 6,994,000			
<b>Ending Net Assets</b>	<b>\$ 2,813,980</b>			

### *President and CEO's Perspective*

For Fiscal Year 2015, CIT will experience a reduction in mission-related revenues due to the completion of its federally funded broadband contract and non-renewal of the one-time special appropriation to create MACH37™. National emphasis on innovation-centric entrepreneurship, scientific discovery, and engineering creativity have positioned our GAP Funds and Commonwealth Research Commercialization Fund as emerging assets to fuel economic competitiveness and job creation. Our Connect consulting service is positioned to achieve national recognition for work in the development of longitudinal data systems and our Broadband service line is transitioning to multi-source funding to continue its highly regarded work in mapping and stimulating broadband deployment. In recognition of the density of highly skilled cyber security professionals in the Commonwealth, CIT has established the nation's first cyber security-centric accelerator to attract and develop the next generation of cyber security companies in Virginia.

While we are positioned to deliver significant investment and consulting services, we continue to invest leadership resources to examine strategic initiatives that are vital to the growth and continued high level of performance of the organization. In March, the leadership team analyzed 29 different initiatives for their relevance to current operations and



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future growth opportunities. Of these, 19 specific initiatives were identified as requiring new or continued investment of resources. Our challenge throughout this examination process is to predict, propose, and implement the next generation of solutions that ensure CIT is nationally recognized as the premier services provider focused on technology company creation and company growth.

Fiscal Year 2015 holds significant opportunity and equally significant growth challenges for CIT. Our entrepreneurial focus and culture ensures that we are closely aligned to our mission and our client base. The entire team is energized for the challenge of delivering on the goals outlined in this plan.

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*Plan of Work, Milestones, and Metrics - Fiscal Year 2015*

**Research and Development (R&D) Service Line**

***Goal 1: Refresh and maintain a statewide research and technology plan***

**Objective 1.1 – Coordinate and facilitate Virginia’s research and technology strategic planning process**

**Program and Plan of Work**

CIT is at the nexus of the Commonwealth’s research and technology strategic planning process with the Research and Technology (R&T) Strategic Roadmap and the Innovation and Entrepreneurship Measurement System (IEMS), discussed, respectively, in Objectives 1.1 and 1.2. Through demonstrated value, CIT will strive for the Roadmap to become the Commonwealth’s de facto strategic planning tool addressing technology-related research and commercialization.

The Roadmap identifies research areas worthy of investment, economic development, and institutional focus. The process, powered by CIT, engages the state’s technology community and will continue to be a grassroots initiative. Technology executives and officials throughout the Commonwealth’s ten technology council regions, including those in academia, identify their strengths and 5-10 year technology priorities. They also identify critical assets, technologies, and skills needed to meet regional technology goals and develop approaches to close gaps. CIT facilitates the dialogue and compiles information at a statewide level in order to determine investment priorities, including those technology sectors eligible for Commonwealth Research Commercialization Fund (CRCF) investment. CIT couples this input from technology and economic development executives with empirical data to identify technologies and markets with strength in Virginia and that show the greatest promise.

The Roadmap is designed to be dynamic; legislation passed in 2011 requires an update every three years. In Fiscal Year 2015, CIT R&D will prepare the first required update, due October 1, and throughout the year will continue to manage the Roadmap’s development.

R&D will work with the Department of Planning and Budget (DPB) to monitor capital outlay decisions at Virginia’s institutions of higher education and will work with the Six-Year Capital Outlay Plan Advisory Committee, DPB, and the State Council of Higher Education for Virginia (SCHEV), as appropriate.

CIT R&D also will work closely with colleagues, including the Senior Vice President of Commonwealth Operations and the Vice President of Government and Public Affairs, to enhance awareness and use of the Roadmap through briefings, media coverage, and other outreach.

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This activity is associated with an Fiscal Year 2015 CIT strategic initiative. R&D's goal is to ensure the Roadmap, in conjunction with the IEMS, is valuable for regional and state officials and technology executives and is well used by them. In order to facilitate this end result, CIT must stay current with and examine technology priorities and trends, develop Roadmap/IEMS briefings, and expand outreach to decision-makers.

Since the creation of the 2011 Roadmap, Virginia industry and government have explored opportunities in offshore energy, particularly offshore wind energy. CIT R&D will actively monitor developments in offshore wind to determine translational research opportunities that advance Virginia's capabilities and drive economic development in Hampton Roads and other regions of the state. CIT R&D will support pursuit of funding opportunities in this sector along with those identified as complementary to projects performed by other services lines.

### **Unique Value Proposition**

The statewide Roadmap allows the Commonwealth to align investments in research and technology with strategic industry opportunities. The Roadmap provides elected and other officials with information on sectors that have commercial promise and will drive economic growth in the Commonwealth. A result of its 30 years advancing technology and technology companies, CIT has unique knowledge of Virginia's technology strengths and drivers of innovation, along with unique experience developing strategic plans and technology roadmaps. Additionally, CIT has the relationships with academia, government and other nonprofits, and the private sector required to develop, implement, and advocate for the Roadmap.

### **2015 Program Impact**

This objective focuses on preparing the Fiscal Year 2015 Roadmap update to be delivered in fall 2015, monitoring trends, increasing knowledge about and use of the Roadmap, and identifying those technology sectors eligible for CRCF awards in Fiscal Year 2015. 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 decisions that elected and other officials make as a result of information garnered through Roadmap. The Roadmap will permit Commonwealth officials to make more informed investment decisions based on these reviews of research and development initiatives, 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.

<b>Activity</b>	<b>Date</b>	<b>Person Responsible</b>
Define schedule and approach for fall 2015 refresh	July 2014	VP Research Investment
Define approach for refresh prior to FY15 CRCF solicitation(s)	August 2014 / November 2014	VP, Research Investment
Refresh R&T Strategic Roadmap on CIT.org	October 1, 2014	VP, Research Investment
Develop public relations campaign	October 2014	VP, Government and Public Affairs
Advise Virginia elected officials on the statewide R&T Strategic Plan	November 2014 and ongoing	VP, Government and Public Affairs

### **Management Reporting Tools**

- October 1, 2014 refresh
- R&T Strategic Roadmap updates on CIT.org

## **Objective 1.2 – Maintain the Innovation and Entrepreneurship Measurement System**

### **Program and Plan of Work**

The Innovation and Entrepreneurship Measurement System (IEMS) provides CIT, other Commonwealth leadership, and the public with a clear view of Virginia’s performance and trends in innovation and entrepreneurship measures. A complement to the Roadmap, IEMS performance measures are presented online in dashboard format and examine trends in such areas as R&D, university commercialization, and the STEM workforce. Tracking Virginia’s performance will help CIT and the Commonwealth identify areas that require policy changes and recommend policies and other initiatives to improve the innovation ecosystem and outcomes.

The 2013 General Assembly established the IEMS in order to help determine activities worthy of economic development or institutional focus as required by the previously-discussed Roadmap. In Fiscal Year 2014, CIT worked with the technology community, the Council on Virginia’s Future, and Chmura Economics & Analytics to develop a system to measure and track innovation and entrepreneurship.

CIT R&D will update the IEMS in Fiscal Year 2015, including through a review of metrics and trend analyses. Metrics are a blend of indicators – leading and lagging, and internal and external to CIT – that “roll up” into innovation and entrepreneurship-related categories. CIT will continue to work with the Council on Virginia’s Future and will explore combining the IEMS and the Council’s *Innovation & Entrepreneurship Report Card* into a single initiative. CIT R&D and CIT’s Senior Vice President of Commonwealth Operations will work together on this.

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Additionally, R&D will work with the Senior Vice President of Commonwealth Operations and Vice President of Government and Public Affairs to integrate the Roadmap and IEMS and increase its familiarity by policy makers and other technology community leaders. The goal is for these officials to look to the IEMS more consistently as the source of information about the innovation and entrepreneurship ecosystem and as a foundation for developing strategies and programs.

CIT R&D will work with Marketing and Communications to enhance IEMS' visibility on CIT.org and via social media. R&D also will perform outreach through speaking engagements and other avenues.

This activity is associated with an Fiscal Year CIT strategic initiative. R&D's goal is to ensure the IEMS, in conjunction with the Roadmap, is valuable for regional and state officials and technology executives and is well used by them. Innovation and entrepreneurship metrics at the regional and national levels would allow CIT and others to better assess local and statewide ecosystems and determine needed programs and policies. In order to increase awareness and use of these planning tools by decision-makers – a goal of this strategic initiative – increased Roadmap/IEMS briefing materials will be made available and outreach to decision-makers will be expanded.

### **Unique Value Proposition**

The IEMS will help CIT identify and track trends in the Commonwealth's innovation ecosystem and determine when and what policy and/or other initiatives are required to ensure a strong ecosystem. CIT has unique knowledge of Virginia's innovation economy and measures of innovation, and – in part through its strong relationships in government and industry – a unique ability to formulate policy and programs that drive and strengthen the innovation ecosystem.

### **2015 Program Impact**

This objective focuses on analyzing and updating metrics and publishing a dashboard refresh in Fiscal Year 2015. Program impact is determined by development and implementation, as needed, of policies and programs that reflect trends uncovered by the IEMS.

### **Future Program Impact**

Future impact will be based on policies and other decisions that elected and other officials make as a result of information garnered through the IEMS, as well as economic outcomes. It is expected that CIT and other state leaders will develop and recommend policies and programs as a result of what is learned through IEMS performance measures and trends.

### **Milestones**

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

<b>Activity</b>	<b>Date</b>	<b>Person Responsible</b>
Evaluate metrics, approach, and schedule for IEMS	July 2014	VP, Research Investment
Publish dashboard on CIT.org	November 2014	VP, Government and Public Affairs
Develop public relations campaign	November 2014	VP, Government and Public Affairs
Advise Virginia elected officials on the IEMS	December 2014	VP, Government and Public Affairs
Determine whether to integrate IEMS and Virginia Performs' <i>Innovation &amp; Entrepreneurship Report Card</i>	March 2015	Sr. VP, Commonwealth Operations

### **Management Reporting Tools**

- IEMS refresh on CIT.org

## **Objective 1.3 – 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. The final funding from the 2014 General Assembly for the Fund's Fiscal Year 2015 programs is projected to be, \$4.8 million. Legislation stipulates that CRCF awards be linked directly to the goals and key industries identified in the Commonwealth Research and Technology (R&T) Strategic Roadmap.

CIT administers the CRCF, per legislative mandate. CIT's Fiscal Year 2015 responsibilities include developing and updating program guidelines, issuing solicitation(s), receiving and vetting applications, announcing awards, preparing award agreements, authorizing disbursements, and reviewing and reporting on award recipients' progress during and after the projects. CIT will review and may fine-tune the process. CIT will continue to support the Research and Technology Investment Advisory Committee (RTIAC); the RTIAC's primary responsibility is to recommend to the CIT Board those proposals it believes are most suited for award. CIT also will perform public communications and outreach and, as appropriate, will coordinate with the Administration, the General Assembly, and the



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technology community. As required by the Code of Virginia, CIT will file an annual report on CRCF awards with the Governor's Office and the General Assembly.

CIT will develop plans for a Fiscal Year 2015 solicitation(s), including the number of rounds and eligibility criteria. R&D's initial concept is to issue a single solicitation at the beginning of the 3<sup>rd</sup> quarter, with a preview issued in late 2014. Programs will be reviewed and recommended for Fiscal Year 2015 based on opportunities to advance technology commercialization and economic growth and will reflect legislation, Commonwealth priorities, funding availability, recent demand, and complementary programs within and outside of CIT. These programs include Entrepreneur's Federal Funding Assistance Program (FFAP) and the GAP Funds, as their prospects and clients can overlap with firms eligible for CRCF awards, and those supported by the Virginia Tobacco Commission (VTC), the Virginia Biosciences Health Research Corporation (VBHRC), and the federally-funded Virginia Innovation Partnership (VIP).

Fiscal Year 2015 activities include managing prior-year awards whose performance continues into Fiscal Year 2015, and monitoring commercialization progress and successes for those award recipients whose period of performance concluded prior to July 1, 2014. For awardees with disbursements planned in FY2015, 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.

R&D will work with the Senior Vice President of Commonwealth Operations and Vice President of Government and Public Affairs to pursue transitioning CRCF to CIT's budget from that of Commerce & Trade.

This activity is associated with a Fiscal Year 2015 CIT strategic initiative. R&D continually seeks to provide the Commonwealth the greatest benefits from its CRCF investments. Although a strong administrative process is in place, R&D will examine and may implement new processes to improve the Commonwealth's CRCF return on investment. This includes such activities as outreach to universities to identify top candidates and projects, adding more diligence in the review process, and working more closely with awardees and their networks during and after the projects.

### **Unique Value Proposition**

The CRCF provides an invaluable source of funds to propel commercialization in academia and the private sector that is targeted towards Virginia's technology strengths, priorities, and market opportunities. In administering the Fund, CIT brings a unique ability to support applicants throughout the continuum from research to company creation and expansion, and unique experience and skills from managing the Commonwealth Technology Research Fund (CTRF), GAP, and FFAP programs and managing and performing on contracts and grants. CIT's extensive relationships in academia, government, and the private sector maximize program outreach and effectiveness.

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## 2015 Program Impact

Award recipients will report contributions to the state's R&D through federal or private matching funds, intellectual property creation and licensing, products launched, sales revenue, jobs created, and other commercialization outcomes. CIT will compile and summarize these contributions and alignments with goals of the Roadmap in the annual report to the Governor's Office and the General Assembly.

## Future Program Impact

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 sales and licensing revenue, 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.

<b>Activity</b>	<b>Date</b>	<b>Person Responsible</b>
Review and assess projects' performance	June 2014 and ongoing	VP, Research Investment
Determine solicitation schedule and approach	July 2014	VP, Research Investment
Prepare and submit annual report on CRCF operations and awards to the Governor and General Assembly	October 2014	VP, Research Investment

Manage solicitation process	October 2014 – June 2015	VP, Research Investment
Issue CRCF solicitation	January 2015	VP, Research Investment

### **Management Reporting Tools**

- Annual report for the Governor and General Assembly
- Interim, final, and commercialization reports from grant recipients
- Budget covering administration and review process
- Updates to CIT Board

### **Entrepreneur Service Line**

#### ***Goal 2: Secure global leadership in the development of entrepreneurial technology ventures***

#### **Objective 2.1 – 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 the number and total funding of Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards behind California and Massachusetts in 2012, the latest year in which data is available. Virginia firms received 254 Phase I awards and 91 Phase II awards, for a total award amount of \$100.3 million. These totals reflect a drop from prior year levels due to impacts on awards from government sequestration reductions in SBIR/STTR funding.

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 funding.

CIT continues its statewide leadership in federal funding assistance for businesses through its Federal Funding Assistance Program (FFAP), which helps Virginia’s technology companies obtain SBIR/STTR funding. Key program initiatives will continue for Fiscal Year 2015: 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.

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In Fiscal Year 2015, 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.

### **2015 Program Impact**

The Fiscal Year 2015 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 for 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.

<b>Activity</b>	<b>Date</b>	<b>Person Responsible</b>
Market and conduct two SBIR/STTR training modules related to SBIR/STTR proposal preparation.	September 30, 2014	Director, Federal Funding
Market and deliver two SBIR/STTR training modules related to SBIR/STTR proposal preparation.	December 31, 2014	Director, Federal Funding
Market and deliver two SBIR/STTR training modules related to SBIR/STTR proposal preparation.	March 31, 2015	Director, Federal Funding

Provide mentoring and training support for 200 Virginia businesses developing proposals or conducting/commercializing research supported by SBIR/STTR awards	June 30, 2015	Director, Federal Funding
Market and deliver two SBIR/STTR training modules related to SBIR/STTR proposal preparation.	June 30, 2015	Director, Federal Funding

### Management Reporting Tools

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

## **Objective 2.2 – 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, compared to other states of similar size and economic composition. In doing so, CIT compared 60-month trailing venture investments in Virginia (2012 GSP: \$386 billion), Maryland (2012 GSP: \$275 billion), and Massachusetts (2012 GSP: \$354 billion). Over the past five years (2009–2013), Virginia companies have attracted \$2 billion in venture capital, tracking closely with neighboring Maryland, which has attracted \$2.4 billion. Virginia, however, suffers significantly in comparison to Massachusetts, which attracted \$14.2 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 23 seed-stage investments in Virginia, compared to 269 in Massachusetts and 42 in Maryland.

	2012 GSP <sup>1</sup>	Venture Funding	Seed-Stage Investments
<b>Maryland</b>	\$275 billion	\$2.4 billion	42
<b>Massachusetts</b>	\$354billion	\$14.2 billion	227
<b>Virginia</b>	\$386billion	\$2.0 billion	19

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 launched the 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

<sup>1</sup> Source: US Bureau of Economic Analysis. Numbers are considered preliminary and were last updated by the Bureau on June 5, 2012

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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. Today, CIT invests from five discrete funds – GAP Tech, GAP BioLife, CIT's Innovation Fund, the Commonwealth Energy Fund, and the MACH37™ Seed Fund – to finance new companies in the Commonwealth. From the GAP Funds' launch through Q2 Fiscal Year 2014, CIT has drawn upon this system to leverage private money against Commonwealth funds at a rate of 12:1.

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 is made in the portfolio company through subsequent angel financings and institutionally-led venture rounds.

In Fiscal Year 2014, CIT GAP Funds continued to invest at an aggressive pace from its \$3.2 million Commonwealth allocation. With the 2014 launch of the MACH37™ Cyber Accelerator, CIT initiated investment in seed-stage information security companies, providing initial investments of \$50,000 into MACH37™ cohort companies and providing, following MACH37™ graduation, follow-on investment through the GAP Tech Fund. Also in Fiscal Year 2014, CIT continued to consider energy investments through residual funds left over from the \$2.6 million contract acquired from Virginia's Department of Mines, Minerals, and Energy (DMME) in 2011. Funded by the American Recovery and Reinvestment Act (ARRA) through the State Energy Program (SEP), this contract established the Commonwealth Energy Fund and provided CIT with investment capital to finance production stage energy and cleantech companies.

In 2014, CIT also continued to explore initiatives to increase assets under management from outside of the Virginia appropriation process. CIT made substantial progress on two such initiatives. First, CIT has received a positive response in the Roanoke-Blacksburg region to a plan to establish a "side-car" fund backed by private investors and managed by CIT, that would channel private co-investment into CIT GAP funds investments made in that region. Secondly, in the third quarter of 2014, CIT received word of the U.S. Department of the Treasury's approval of a joint application made by CIT and the Virginia Small Business Financing Authority (VSBFA) to provide CIT with \$2 million from the State Small Business Credit Initiative (SSBCI) program to establish a pool of venture capital within CIT underwritten by that program.

For Fiscal Year 2015, CIT projects receiving \$3.2 million in funding from the Virginia General Assembly, and in anticipation of rolling out the \$2 million SSBCI-backed fund, CIT GAP Funds will continue to invest in Virginia's high-potential science and technology companies at an aggressive pace. To ensure continued availability of capital for its portfolio companies, CIT GAP Funds will continue its outreach activities of the past several 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 its Fiscal



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Year 2015 investment efforts 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 \$10 million from placement by institutional and angel funds.

Also in Fiscal Year 2015, CIT GAP Funds will continue to undertake additional business development and advocacy initiatives in coordination with CIT's Senior Vice President of Commonwealth Operations in an effort to sustain and grow its Virginia appropriation and to acquire new business consistent with CIT's mission, goals, and objectives. Principle among these initiatives will be CIT's continued exploration of the formation of privately financed investment funds managed by CIT GAP Funds and CIT GAP Funds community outreach program to ensure that key entrepreneurial constituencies in Richmond, Charlottesville, Hampton Roads, Roanoke-Blacksburg, and Southside Virginia benefit from CIT's role as knowledge leader on subject matter relative to entrepreneurship and early-stage investment.

This activity is associated with a Fiscal Year 2015 CIT strategic initiative. Entrepreneur's goal is examine mechanisms to enhance appropriation funding with one or more funds capitalized by private investment. This will assist CIT in enabling the independent funding of Virginia's companies if funding from the Commonwealth is reduced or eliminated. In order to do this, Entrepreneur will assess key areas of the Commonwealth and targeted investment themes that may lend themselves to a private investment.

### **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.

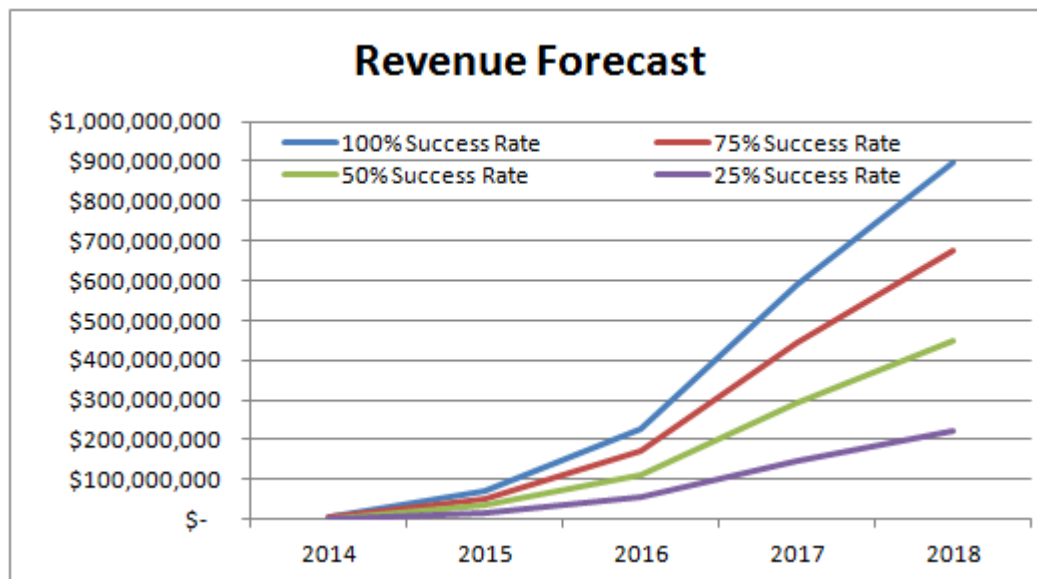
### **2015 Program Impact**

The Entrepreneur service line 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 Fiscal Year 2015, CIT will stimulate \$10 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 CIT's 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 is

profiled in the following graphs and includes thirteen new GAP Technology and GAP BioLife and four GAP Innovation investments in Fiscal Year 2015.



### 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 quarterly updates of the GAP Funds Portfolio Newsletter	July 2014 – June 2015	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 2014 and quarterly	Director, Investments
Present six energy and cleantech companies to the Commonwealth Energy Fund and GAP CleanTech investment committees to yield two investments	March 2015	Managing Director
Present 25 life science, cleantech, cyber security, or technology companies to CIT GAP Funds investment committees to yield a total of 18 investments	June 2015	Managing Director

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## **Management Reporting Tools**

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

## **Connect Service Line**

### ***Goal 3: Secure global leadership in the identification and assimilation of innovative technologies***

#### **Executive Summary**

At the conclusion of Fiscal Year 2014, the Connect service line will enter the new fiscal year with the following:

- 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 (SLDS)
- An ongoing initiative with VDOE, Apps4VA, with a number of different challenge-based projects which could be expanded both nationally and across Virginia
- An ongoing relationship focused on developing a proof-of-concept with the Department of Defense (DOD)
- 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
- A new relationship with the Nevada Department of Education (NDOE) to implement and support the development of the Nevada SLDS solution
- A sales pipeline which includes several high-probability high value opportunities including work with the Department of Homeland Security (DHS) and continued support for the DOD Social Media Exploitation program
- A proven model for selling and delivering high-value consulting and research services

For Fiscal Year 2015, 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.

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### **Objective 3.1 – 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 provides 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 Fiscal Year 2015, Connect will continue to build on the client relationships developed in Fiscal Year 2014, aggressively execute business and proposal development efforts, and continue to build and refine the consulting service model, including an increased focus on the SLDS, social media, big data, mobile learning, education, and health IT sectors.

Connect has proven the market potential for its service; the challenge in Fiscal Year 2015 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.

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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
  5. Grow Current Client Engagements – the Connect team has demonstrated its ability to grow client relationships, deliver services based on client value propositions, create effective proposals, and deliver on-time and on-budget. Connect will continue to nurture and develop its current relationships with VDOE, VHQC, the Technical Support Working Group (TSWG) and the State of Nevada.

### **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.

The Connect team has identified the following Strategic Initiatives for Fiscal Year 2015:

1. Build and operate the nation’s first multi-state SLDS-as-a-service capability
2. Develop an ed tech Center of Excellence for Virginia
3. Develop a health IT consulting practice
4. Develop a big data consulting practice

The key activities and milestones associated with each initiative are as follows:

1. Build and operate the nation’s first multi-state SLDS-as-a-service capability
  - a. Launch Nevada program of work in May 2014
  - b. Launch support for Virginia Longitudinal Database System (VLDS) in May 2014
  - c. Nevada go-live in June 2015
  - d. Migrate Nevada and Virginia to ongoing support contracts in June 2015
  - e. Initiate conversations with other states during Fiscal Year 2015
  - f. Conduct best practice research in optimal support models for multi-state capabilities
2. Develop an ed tech Center of Excellence for Virginia
  - a. Complete VDOE Data Needs Analysis (DNA) project in June 2014
  - b. Secure follow-on VDOE DNA work and support the development of a Center for Data Quality in July-September 2014

3. Develop a health IT consulting practice
  - a. Identify follow-on proposal and business opportunities with VHQC
  - b. Conduct executive data workshop for the Virginia Department of Health (VDH) in July 2014
4. Develop a big data consulting practice
  - a. Conduct executive data workshop for VDH in July 2014
  - b. Initiate big data dialogues with additional state agencies in conjunction with the Deputy Secretary of Technology and CIT's CTO

**2015 Program Impact**

For Fiscal Year 2015, the Connect service line is challenged with delivering on the existing services backlog and in converting \$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 (GSP) 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.

<b>Activity</b>	<b>Date</b>	<b>Person Responsible</b>
Develop an aggressive multi-state SLDS outreach and marketing campaign to leverage Nevada win	June 2014 – January 2015	VP, Connect and VP Government and Public Affairs
Secure \$4 million in sales to provide ongoing support for Nevada and Virginia	June 2014	VP, Connect
Develop an updated business plan	July 2014	VP, Connect
Develop an outreach and communications strategy for additional Virginia agencies	September 2014	VP, Connect, Sr. VP, Commonwealth Operations, and VP, Government and Public Affairs



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## **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 4: Expand the use and application of broadband technologies in rural and underserved areas***

### **Objective 4.1 – 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.

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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 OTPBA consists of a program manager appointed by the Secretary of Technology and additional professionals as the Secretary determines. Since its inception, the Program Manager has been, and continues to be, provided by CIT.

The Program Manager 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.

### **2015 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)
- Maintain online broadband resources and serve as a coalescing point for teaming opportunities and Commonwealth-wide applications related to broadband funding

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## Future Program Impact

Delivering access to high-quality, affordable broadband services provides Virginia's citizens and businesses with enhanced social, educational, commercial, medical, public safety, 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 2014	Program Manager, OTPBA
Monitor federal broadband funding and revenue opportunities	December 2014	Program Manager, OTPBA
Develop and monitor broadband- and telework-related legislation for the FY15 General Assembly session	January 2015	Program Manager, OTPBA
Complete NTIA-funded broadband mapping and planning initiatives	February 2015	Program Manager, Broadband Programs
Create an environment that facilitates collaboration between broadband technology researchers, service providers, and consumers	June 2015	Program Manager, OTPBA
Support ongoing activities of the Commonwealth's Broadband Advisory Council	June 2015	Program Manager, 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

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## **Objective 4.2 – 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 Office of Telework Promotion and Broadband Assistance (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 Fiscal Year 2015 will build upon the work and findings developed by the Broadband Advisory Council, the National Broadband Plan, and the NTIA Broadband Adoption Plan to develop programs and collaborations that will ensure that communities throughout Virginia have the opportunity and support programs 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 expand broadband access, adoption and utilization to improve education opportunities, the economy, healthcare, and public safety throughout the Commonwealth.

### **Unique Value Proposition**

#### *Improve Broadband Access*

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 National Telecommunications and Information Administration (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 Polytechnic Institute and State University (Virginia Tech), and several private-sector organizations to carry out the initiative.

The CIT Broadband team has strong relationships with local governments, legislators, planning commissions, providers, and national broadband industry experts. We are technology neutral and take a holistic approach in assisting communities and regions to develop needs assessments and strategic broadband plans.

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### *Advance Broadband Benefits*

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 Fiscal Year 2015, 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. CIT's award from NTIA provides 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 initiative allows us to build an inventory of resources to guide communities to implement support programs to improve broadband adoption so every citizen can leverage the benefits of broadband.

### *Benchmark Virginia's Broadband Access and Utilization*

The NTIA planning initiative includes conducting ongoing statewide assessments of healthcare adoption/usage. The federal funding also supports us working with Virginia schools and libraries to obtain their broadband access and utilization data as a means of tracking broadband adoption and utilization within Virginia's schools and libraries. Virginia is ranked within the states annually by several organizations in regards to broadband access, speed, and utilization and it is important that the Commonwealth excel in these areas to provide the best education and employment opportunities.

## **2015 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
- 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 2015 General Assembly session
- Work in conjunction with the Secretary of Technology to promote programs that will speed the deployment, adoption, and utilization of broadband services in the Commonwealth
- Work with public safety and interoperability personnel to support activities related to FirstNet
- Work with public safety and emergency management personnel to assess Virginia's readiness for Next Generation 911 technology; this is one of the Fiscal Year 2015 strategic initiatives

- Facilitate demand generation in underserved areas to make the business case for Internet service providers to invest in expanding broadband access
- Provide technical planning assistance to communities embarking on broadband access and adoption planning activities
- Work with state agencies, the Secretary of Technology, and communities to advance broadband capacity at our schools and libraries and ensure Virginia is leveraging all available Federal e-Rate funding for broadband access in these facilities; this is one of the Fiscal Year 2015 strategic initiatives

**Future Program Impact**

CIT programs will facilitate the establishment of broadband throughout the Commonwealth and accelerate the adoption of applications utilizing the infrastructure. Virginia’s efforts to ensure next generation broadband networks for all schools and libraries will position these facilities to have a direct impact on improved education and digital literacy opportunities for all citizens. 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. CIT will facilitate the creation of community broadband support programs that will promote small business growth and home businesses resulting in an overall improved economy. These programs will positively impact the quality of life of Virginians. Finally, continual assessment of Virginia’s access to broadband and utilization will ensure the Commonwealth supports the knowledge economy of the future.

**Milestones**

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

<b>Activity</b>	<b>Date</b>	<b>Person Responsible</b>
Complete NTIA-funded Broadband Availability data collection and mapping	October 2014	Program Assistant, Broadband Program
Work with Secretary of Technology, Secretary of Education and VDOE to assess Virginia’s schools’ access and utilization of broadband (FY15 strategic initiative)	October 2014	Program Manager, Broadband Program
Work with public safety and emergency management to assess Virginia’s ability to support next generation 911 technology (FY15 strategic initiative)	November 2014	Program Manager, Broadband Program
Leverage the OTPBA survey tool data collected to provide an analysis of adoption and utilization for both citizens and business statewide and regionally	December 2014	Program Manager, Broadband Program

Complete NTIA-funded 2014 Health IT Assessment	December 2014	Program Assistant, Broadband Program
Complete the NTIA adoption pilot project and finalize awareness and adoption campaign resources	December 2014	Program Manager, Broadband Program
Finalize an awareness and adoption methodology for Virginia communities through the NTIA funding and based on the pilot project	January 2015	Program Manager, Broadband Program
Complete the NTIA-funded mapping, capacity building, and technical assistance projects.	February 2015	Program Manager, Broadband Program
Work with Secretary of Technology and VLA to assess Virginia's libraries' access and utilization of Broadband (FY15 strategic initiative)	May 2015	Program Manager, Broadband Program
Continue Virginia's state broadband mapping	June 2015	Program Assistant, Broadband Program
Assist underserved areas with utilization of the broadband resources and tools to improve broadband coverage	June 2015	Program Manager, Broadband Program
Assist BTOP project areas to define last-mile solutions	June 2015	Program Manager, Broadband Program
Work with Secretary of Technology, VDOE, and communities to ensure every school has adequate broadband capacity (FY15 strategic initiative)	June 2015	Program Manager, Broadband Program
Work with Secretary of Technology, VLA and communities to ensure every library has adequate broadband capacity (FY15 strategic initiative)	June 2015	Program Manager, Broadband Program
Pursue federal funding and revenue opportunities to support program activities	June 2015	Program Manager, Broadband Program
Conduct outreach and offer advice and guidance to underserved areas in Virginia to expand broadband access and utilization	June 2015	Program Manager, Broadband Program
Maintain and enhance online broadband resources to support community broadband adoption campaigns	June 2015	Program Assistant, Broadband Program

### 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)

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- National ranking of Virginia in Internet use penetration by third parties
  - Statistics from Virginia's OTPBA Citizen survey tool
  - Broadband statistics from mapping data to measure broadband access expansion
  - Broadband availability mapping

## **Marketing**

### **Executive Summary**

Since 1985, CIT has been the Commonwealth's primary agent for advancing innovation, technology, research, and entrepreneurship. Today, CIT is increasingly being recognized 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 continues a strategy that accelerates efforts to enhance CIT's brand as the Commonwealth's leader in innovation, entrepreneurship, and technology, and takes advantage of new opportunities arising from persistent challenges in both the public and private sectors.

### **Market Trends and Opportunities**

Our culture and economy are in transition, creating disruptions and opportunities alike. All across the globe and here in Virginia, we are coming together to search for new ways to grow the economy and create jobs. In this discussion, CIT's mission is unique in the Commonwealth: we are uniquely qualified to advance the role of innovation and entrepreneurship in fostering new economic opportunities. Unlike other departments, agencies, and authorities engaged in economic development activity in the Commonwealth, CIT was created in 1985 as the non-profit 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's expertise includes not only credentialed employees, but a vast array of strategic alliances that provide additional resources to meet challenges. Examples of the trust in CIT's ability to play the leading role in innovation and entrepreneurship are the endorsements of our GAP Funds and the Commonwealth Research Commercialization Fund (CRCF), the establishment of the MACH37™ Cyber Accelerator, and the Innovation and Entrepreneurship Measurement System (IEMS). With all of these assets and attributes, CIT is well positioned to enhance its brand and 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 transformation to the innovation economy
  - Trusted partner and voice for the technology councils and technology community
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We will achieve the following objectives, while improving overall awareness of CIT’s mission and services to specific audiences, through:

- Supporting service lines and new strategic initiatives with a proactive public relations, marketing, and government relations support
- Building 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
- Continuing a federal advocacy strategy to take advantage of bipartisan opportunities and other federal agency initiatives in cyber security, homeland security, and mobile learning; this strategy also includes our work with the State Science & Technology Institute (SSTI) and Bio.org 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, Virginia Manufacturers Association (VMA), and the Virginia Biotechnology Association (VABio), while looking for other opportunities to (1) strengthen the CIT brand and (2) build a technology-centric alliance to leverage our message
- Continuing to increase the level of 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 Fiscal Year 2015, 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.

<b>Activity</b>	<b>Date</b>	<b>Person Responsible</b>
Continued support for MACH37™ website and communications strategies	July 1, 2014 – June 30, 2015	VP, Government and Public Affairs, CIT CEO, MACH37™ Partners
Government relations (state) – pre-Session (meetings, developing legislative initiatives)	July – November/December, 2014	VP, Government and Public Affairs

Produce annual report	October – December 2014	VP, Government and Public Affairs and CIT Leadership
Government relations (state) – Session	January 2015 – March 2015	VP, Government and Public Affairs
Support service lines and new strategic initiatives	Ongoing	VP, Government and Public Affairs and Leadership
Continue with CIT website enhancements and integrated social media strategy	Ongoing	VP, Government and Public Affairs, CIT CTO, and CMG (content management group)
Outreach (tech councils and other organizations)	Ongoing	VP, Government and Public Affairs, Sr. VP, Commonwealth Operations, and CIT Leadership
Public relations/press (four releases per month, media interviews)	Ongoing	VP, Government and Public Affairs and CIT Leadership

### **Management Reporting Tools**

- Quarterly Google analytic reports on web traffic and social media outreach
- Develop and deploy survey tools for stakeholders
- Weekly updates on outreach activities, opportunities filed in Leadership Dropbox
- Weekly news releases, clips
- Briefings for state and federal officials and commissions as scheduled

## **MACH37™ Cyber Accelerator**

### **Overview**

MACH37™ is the nation’s first accelerator dedicated to aligning the requirements of cyber security leaders from government, industry, and investment communities with the creativity and entrepreneurship of cyber security startup companies. Drawn from nation-wide deal flow, 10-20 MACH37™ portfolio companies per year will participate in a 90-day residence program. MACH37™ admitted six companies for the fall 2013 session and six companies for the spring 2014 session.

### **Funding Profile**

MACH37™ will be funded for the first two years of operation by CIT through a \$2.5 million appropriation provided by the Commonwealth of Virginia. After two years, the accelerator will secure its own funding. The CIT GAP Funds, which has established a cyber security

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fund, will place seed-stage investments in companies that are accepted and successfully complete the MACH37™ program.

MACH37™ currently operates as an independent service line within CIT. During Fiscal Year 2015, MACH37™ will transition to an independent LLC structure that will be owned by CIT to support its mandate of securing private sector funding.

### **Milestones**

The following milestones are specific to the formation of the MACH37™ Cyber Accelerator.

<b>Activity</b>	<b>Date</b>	<b>Person Responsible</b>
Conduct spring 2014 session	March – June 2014	MACH37™ Partners
Recruit fall 2014 applicants	April – June 2014	MACH37™ Partners
Open application for fall 2014 session	May 2014	MACH37™ Partners
Conduct fall 2014 session	September – December 2014	MACH37™ Partners
Recruit spring 2014 applicants	September – December 2014	MACH37™ Partners
Conduct spring 2014 session	March – June 2015	MACH37™ Partners

### **Management Reporting Tools**

- MACH37™ applicant pipeline report
- MACH37™ cohort performance report
- MACH37™ portfolio status report

## **2015 Strategic Initiatives**

### **Overview**

During March 2014, the CIT leadership team conducted a strategic assessment and planning process. The month-long process was initiated to identify disruptive changes in the ecosystem integrated with CIT's target markets. Following the premise that "disruption fuels strategic opportunity," CIT leadership executed a process that resulted in the identification of 19 strategic initiatives that require additional emphasis during Fiscal Year 2015.

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## Strategic Planning Process

To facilitate a review of strategic opportunities, the CIT leadership team developed a classification system to identify opportunities created by disruption. Three types of disruption were examined:

- Technology-based – originating from scientific discovery or engineering creativity
- Business process-based – originating from change in public or private ecosystems
- Governmental – originating in legislative, political, or public investment

Changes that were identified in these classifications were further categorized based on the timing of the disruption:

- Disruptive – changes the way CIT approaches its mission
- Trending – may change the way CIT approaches its mission
- Growth – could produce growth in existing operations

The CIT leadership team identified 29 initiatives for consideration. Each initiative was discussed, classified, and ranked for its potential impact on CIT’s mission and operations. The ranking process produced three categories of initiatives:

- Okay as is – initiatives that are currently in the Fiscal Year 2015 Operating Plan and are proceeding with satisfactory progress
- More emphasis – currently operational but require more resources
- Must start – delaying action will have a negative mission impact

In total, 19 initiatives were categorized as “must start” or “more emphasis” and were added in the Fiscal Year 2015 Operating Plan. Initiatives that are directly aligned with existing service lines are described in the service line section of the operating plan. Those initiatives that are not aligned with a specific service line are described below. Initiatives that are categorized as ‘okay as is’ were assumed to not require further review or resources.

## Strategic Initiative List

The following table lists the 19 initiatives, their leadership alignment, and first key performance milestone.

<u>STRATEGIC INITIATIVE</u>	<u>EXECUTIVE</u>	<u>FIRST KEY MILESTONE</u>
1. <b>Investment fund formation – private fund development.</b> Examine mechanisms to enhance appropriation funding with one or more fund capitalized by private investment.	Tom Weithman	First close of Blueprint Venture Partners by June 15, 2014.

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| 2. <b>Accelerator expansion – data analytics and other sectors.</b> Examine assets and approach to expand accelerator model to include data analytics in multiple technology sectors.   | Pete Jobse   | Fiscal Year 2015 Budget Bill to identify if appropriation was approved. Plan to be developed by September 1, 2014.                |
| 3. <b>Establish an ed tech Center for Excellence in Virginia.</b> Establish an education technology center for education data and technology.   | Paul McGowan | Brief Superintendent, Secretary of Education, and staff on opportunity. Plan to be developed by September 1, 2014.                |
| 4. <b>Establish a health IT services practice.</b> Identify and establish a health IT consulting service.   | Paul McGowan | Review assets and propose a plan development schedule by July 1, 2014.  |
| 5. <b>Create the Commonwealth "State of Innovation."</b> Deliver annual "State of Innovation in the Commonwealth" strategic briefing for key legislators, staff, and partners on innovation indicators and progress on achieving initiatives. Include the most recent findings from IEMS, R&T Roadmap, and peer benchmarking. | Bob Stolle   | Outline of briefing, including format, content, dependencies, and recommended target audience by May 1, 2014.                     |
| 6. <b>Enable regional catalyst programs.</b> Develop regional strategies and review teams for initiatives designed to create funds and extension of CIT priorities (cyber security, M&S, broadband, IEMS, Roadmap, etc.) in select areas of the Commonwealth.   | Bob Stolle   | Assess CIT programs to determine specific initiatives that would benefit from regional extensions and/or support by June 1, 2014. |
| 7. <b>Develop an in-house mission/grant development capability.</b> Examine and plan business expansion using internal grant development and pursuit capabilities.  | Pete Jobse   | Determine funding capability post-General Assembly session.   |
| 8. <b>Develop an Innovation Act for the new Administration.</b> Initiate the McAuliffe Administration planning process to greatly increase the Commonwealth's ability to achieve innovation based economic development.   | Pete Jobse   | Brief Cabinet and Governor, 30 days after the General Assembly session closes.  |
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| 9. | <b>Monitor and prepare for federal e-Rate changes.</b> Examine how the FCC is modernizing the e-Rate program to focus on providing greater Internet bandwidth to schools. Virginia needs to assess schools for connectivity, access, and e-Rate funding leverage. | Sandie Terry | Conduct information gathering on current Internet service contracts to produce a more accurate mapping of school connectedness by October 2014.   |
| 10 | <b>Monitor and prepare for next-generation 911.</b> The FCC will require carriers to support text messaging to 911 by the end of 2014. Virginia must be prepared to support 911 texts.  | Sandie Terry | Work with key stakeholders to assess 911 readiness for texts/videos. Identify and map underserved areas within the Commonwealth by November 2014. |
| 11 | <b>Establish big data/analytics service offering.</b> Establish a consulting service offering in data analytics.  | Paul McGowan | Review assets and propose a plan development schedule by July 1, 2014.  |
| 12 | <b>Develop secure infrastructure service offering.</b> Examine inexpensive and vetted cyber security products for small and medium business. Establish contacts with NIST and DHS.  | Dave Ihrie   | Pending response from DHS RFI.  |
| 13 | <b>Develop advanced manufacturing service offering.</b> Establish low cost, low friction solutions to securing supply chains and intellectual property. Continue relationship expansion with GENEDGE ALLIANCE.  | Dave Ihrie   | Currently operational.  |
| 14 | <b>Build and operate the nation's first SLDS-as-a-service.</b> Expand current SLDS design and facilitation services to operate LDS systems as a service. Build on Nevada contractual relationship.  | Paul McGowan | Currently operational.  |
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15	<b>Examine and identify commercialization improvements.</b> Work with SCHEV, the Secretaries of Education and Technology, and industry to better understand, measure, and recommend improvements to university commercialization.	Bob Stolle	Currently operational.
16	<b>Create a market-centric entrepreneur-in-residence program.</b> Identify and contact senior market leaders to establish technology sector service offerings.	Pete Jobse	Determine ability to fund program by May 1, 2014.
17	<b>Develop high expectation portfolio management.</b> Implement a portfolio management process for high expectation researchers and entrepreneurs.	Pete Jobse	Assess Administration's interest in providing support during Innovation Act discussion.
18	<b>Examine CRCF award process improvements.</b> Examine and implement new outreach, diligence, and other management processes to maximize the Commonwealth's ROI on CRCF investments.	Nancy Vorona	Currently operational.
19	<b>Update and refine the R&amp;T Roadmap and IEMS.</b> - Enhance value and use of tools by including regional and national measures, expanding analyses, and increasing briefings to policy makers.	Nancy Vorona	Currently operational.

### **New Strategic Initiatives**

The following section describes the new strategic initiatives that are not currently aligned with an existing service line.

#### ***Develop Advanced Manufacturing Service Offering***

Small manufacturers face significant challenges when it comes to cyber security. Many have not even considered that they could be targets, much less the potential costs involved in this rapidly changing environment. In Virginia, 80% of manufacturing jobs are with companies of fewer than 50 people, and CIT estimates this as a \$1 billion per year problem for Virginia manufacturers, based on recent threat reports and insurance claims data. However, lower cost (including open source) solutions and new technologies may provide an entry point for small manufacturers to improve protection of their intellectual property and help secure supply chains. The goal of this effort is to develop an inexpensive, vetted cyber security suite(s) for small manufacturers. CIT cyber security expertise will be used to identify and

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validate the solutions, and GENEDGE ALLIANCE through their National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP) program will act as distribution channel to the manufacturing community. Near-term milestones include presentation of the concept to the NIST Regional MEP Workshop in May 2014, and structured interviews with a set of manufacturers brokered by GENEDGE to validate the need and most valuable characteristics of potential solutions.

***Develop Secure Infrastructure Service Offering***

As CIT becomes more widely associated with cyber security, through MACH37™ and other activities, it is anticipated that we will receive requests for recommended solutions. The advanced manufacturing initiative describes one vertical market where we are being proactive in this regard, but the need is much more widespread and is especially acute for smaller companies. The Department of Homeland Security (DHS) and NIST are both becoming active in investigating this need, but their approach tends to be big company/big government dominated. The goal of this initiative is to pilot a set of affordable product solutions that could form the basis of recommended cyber security suites for small and medium businesses. The first milestone in June 2014 is definition of initial components for testing.

***Accelerator Expansion – Data Analytics and Other Sectors***

The Commonwealth’s potential to create new advanced technology companies based on advances in data analytics or “big data” is very promising. Virginia university research initiatives, combined with a strong information technology industry base, provide key assets for the creative process resulting in new solution and new company formation. This strategic initiative is designed to expand the MACH37™ Cyber Accelerator to include data analytics for cyber security applications while examining opportunities to enter other data analytics market sectors. The first key milestone for this initiative occurs when the Commonwealth’s budget is passed and the requested special appropriation is approved.

***Develop an In-House Mission/Grant Development Capability***

CIT projects in areas such as education and life sciences may qualify for private foundation grants to cover project costs. The process of identifying potential grant organizations, submitting applications, and interfacing with grant reviewers requires specialized grant development expertise. This expertise could be used to both identify new mission-relevant projects, as well as secure all or a portion of funding for project execution. The first key milestone for this initiative occurs when the Commonwealth’s budget is passed and the requested special appropriation is approved.

***Develop an Innovation Act for the New Administration***

The McAuliffe Administration has declared innovation and technology company formation to be key cornerstones for economic development. To accelerate economic development in this area, they will require a series of executive orders, legislation, and appropriations to build a competitive innovation-driven economy. Under this initiative, CIT would propose a draft Innovation and Opportunity Act for the Administration’s consideration. The first key milestone for this initiative occurs when the Governor’s Cabinet is briefed on the draft Act.



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***Develop a Market-Centric Entrepreneur-in-Residence Program***

CIT service lines are organized by type of service, including seed-stage investment, assimilation consulting, research investment, and broadband services. This operating structure allows CIT to provide services in multiple market sectors. However, this structure, by default, places less emphasis on specific technologies and the nuances of their implementation. This initiative would create positions in CIT for entrepreneurs-in-residence that would focus identifying the Commonwealth's assets and company formation opportunities in specific technology fields. The first key milestone for this initiative occurs when the Commonwealth's budget is passed and the requested special appropriation is approved.

***Implement High-Expectation Portfolio Management***

The Commonwealth is fortunate to have a number of highly productive researchers and entrepreneurs actively engaged in scientific discovery and company formation. To increase the awareness of these resources, CIT proposes to create a portfolio management process that provides the Governor and his Administration and key stakeholders with a portfolio view and management process for ensuring the continued success and residency of these highly valued resources. The first key milestone for this initiative occurs when the Governor's Cabinet is briefed on the draft Innovation and Opportunity Act.

***Create the Commonwealth "State of Innovation"***

This initiative would raise awareness of the Commonwealth's progress with regard to the development of its innovation economy. The initiative proposes to deliver annual "State of Innovation" strategic briefings for key legislators, staff, and partners on innovation indicators and progress on achieving initiatives, including the most recent findings from the Innovation and Entrepreneurship Measurement System, the Research and Technology Strategic Roadmap, and peer benchmarking. The first key milestone for this initiative occurs when the Commonwealth's budget is passed and the ability to fund the initiative is determined.

***Enable Regional Catalyst Programs***

This initiative would identify program strategies to enhance the effectiveness of CIT program implementation specific to the unique requirements of a region. The anticipated outcome of the objective is to deliver unique solutions to regional challenges and secure alternative funding sources for solving regional challenges. The first key milestone for this initiative occurs when the Commonwealth's budget is passed and the ability to fund the initiative is determined.

***Examine and Identify Commercialization Improvements***

Nationally, challenges exist in the area of intellectual property licensing from university sources. This initiative would examine opportunities for Virginia to develop a model for increased intellectual property licensing. The first key milestone for this initiative occurs when the Commonwealth's budget is passed and the ability to fund the initiative is determined.

## Summary of Operating Budget for Fiscal Year 2015

Chart revised 7-17-2014

Summary Budget	FY15 Budget	% of Total FY15 Budget	Operations Funded by Contracts & Grants	Operations Funded by VA Approp & Other Revenue
<b>Revenue</b>				
Virginia Appropriation	\$ 8,316,873	63%		\$ 8,316,873
CRCF Virginia Appropriation - GAP	\$ -	0%		
Program Revenue	\$ 4,621,763	35%	\$ 4,621,763	
Other Income	\$ 238,373	2%		\$ 238,373
<b>Total Revenue</b>	<b>\$ 13,177,009</b>	<b>100%</b>	<b>\$ 4,621,763</b>	<b>\$ 8,555,246</b>
<b>Expenses</b>				
Research & Development	\$ 412,393	2%	\$ 14,700	\$ 397,693
Entrepreneur	\$ 8,315,589	47%	\$ 1,340,396	\$ 6,975,193
Connect	\$ 2,516,835	15%	\$ 2,471,484	\$ 45,351
Broadband	\$ 1,492,497	9%	\$ 990,324	\$ 502,173
Commonwealth Project	\$ 2,893,453	17%		\$ 2,893,453
Other Activities	\$ 12,359	0%		\$ 12,359
Communications & Marketing	\$ 707,486	4%		\$ 707,486
Business Development	\$ 802,726	5%		\$ 802,726
Advocacy	\$ 389,089	2%		\$ 389,089
Under-applied Indirects	\$ (185,398)	-1%		\$ (185,398)
<b>Total Expenses</b>	<b>\$ 17,357,029</b>	<b>100%</b>	<b>\$ 4,816,904</b>	<b>\$ 12,540,125</b>
<b>Net</b>	<b>\$ (4,180,020)</b>		<b>\$ (195,141)</b>	<b>\$ (3,984,879)</b>
Beginning Net Assets	\$ 6,994,000			
<b>Ending Net Assets</b>	<b>\$ 2,813,980</b>			

## Project Budget by Funding Source for Fiscal Year 2015

Chart revised 7-17-2014

<b>Operations Funded by Virginia Appropriation &amp; Other Revenue</b>	
<b>Revenue</b>	
Transfer from IEIA - Virginia Appropriation	\$ 8,316,873
CRCF Virginia Appropriation - GAP portion	\$ -
Interest & Misc Income	\$ 238,373
<b>Total Revenue</b>	<b>\$ 8,555,246</b>
<b>Program Expenses</b>	
R&D - Commonwealth research and technology strategic roadmap	\$ 95,911
R&D - Innovation & Entrepreneurship Management System	\$ 69,409
R&D - Commonwealth research commercialization fund (CRCF)	\$ 232,373
Entrepreneur - Federal proposal assistance	\$ 275,672
Entrepreneur - GAP	\$ 6,699,521
Connect - Commonwealth consultant & education	\$ 45,351
Broadband - Office of telework promotion & BB assistance & deployment	\$ 2,173
Broadband - Broadband	\$ 500,000
Commonwealth projects - Cybersecurity	\$ 764,964
Commonwealth projects - Cyber Accelerator - Mach37	\$ 1,547,274
Commonwealth projects - Regional growth	\$ 237,446
Commonwealth projects - Modeling and Simulation	\$ 343,769
Other Activities - Innovation center	\$ 12,359
<b>Program Expenses</b>	<b>\$ 10,826,222</b>
<b>Other Expenses</b>	
Business Development, Marketing, Advocacy	\$ 1,899,301
Under-applied indirects	\$ (185,398)
<b>Other Expenses</b>	<b>\$ 1,713,903</b>
<b>Total Expenses</b>	<b>\$ 12,540,125</b>
<b>Net Operations funded by VA Appropriation &amp; Other Revenue</b>	<b>\$ (3,984,879)</b>
<b>Operations Funded by Contracts &amp; Grants</b>	
<b>R&amp;D</b>	
Project # RD172 - 55 - Rutgers - MARACOOS	\$ 14,700
Program Expense	\$ 14,700
<b>Profit/(Loss)</b>	<b>\$ -</b>
<b>Entrepreneur</b>	
Project # EN110 - 55 - DMME - Commonwealth Energy Fund	\$ 415,262
Program Expense	\$ 415,262
<b>Profit/(Loss)</b>	<b>\$ -</b>
Project # EN120 - 55 - VSBFA - SSBCI Fund	\$ 760,000
Program Expense	\$ 925,134
<b>Profit/(Loss)</b>	<b>\$ (165,134)</b>

<b>Connect</b>	
Project # CN210 - 99 - Virginia Health Quality Center (VHQC) - Total Summary Project	\$ 11,637
Program Expense	\$ 11,637
<b>Profit/(Loss)</b>	\$ -
Various projects with the Virginia Department of Education	\$ 329,918
Program Expense	\$ 359,925
<b>Profit/(Loss)</b>	\$ (30,007)
Project #CN240 - 55 -Nevada	\$ 1,627,870
Program Expense	\$ 1,627,870
<b>Profit/(Loss)</b>	\$ -
Project #CN270 - 55 - USAFA - Analytic Discovery Homeland Security	\$ 472,052
Program Expense	\$ 472,052
<b>Profit/(Loss)</b>	\$ -
<b>Broadband</b>	
Project # BB070 - 57 - NTIA Mapping Expanded	\$ 463,426
Program Expense	\$ 463,426
<b>Profit/(Loss)</b>	\$ -
Project # BB070 - 58 - NTIA Capacity Building	\$ 204,325
Program Expense	\$ 204,325
<b>Profit/(Loss)</b>	\$ -
Project # BB070 - 59 - NTIA Native Nations Broadband	\$ 239,679
Program Expense	\$ 239,679
<b>Profit/(Loss)</b>	\$ -
Project # BB070 - 60 - NTIA Technical Assistance	\$ 82,894
Program Expense	\$ 82,894
<b>Profit/(Loss)</b>	\$ -
<b>Program Revenue</b>	\$ 4,621,763
<b>Program Expenses</b>	\$ 4,816,904
<b>Net Operations funded by Contracts &amp; Grants</b>	\$ (195,141)
<b>Consolidated Revenue &amp; Expenses &amp; Changes in Net Assets</b>	
Total Revenue	\$ 13,177,009
Total Expenses	\$ 17,357,029
Change in net assets	\$ (4,180,020)
<b>Beginning Net Assets</b>	\$ 6,994,000
<b>Ending Net Assets for FY15</b>	\$ 2,813,980

# Project Budgets for Fiscal Year 2015

Chart revised 7-17-2014

<b>RESEARCH AND DEVELOPMENT SERVICE LINE</b>		
<b>GOAL 1. REFRESH &amp; MAINTAIN A STATEWIDE RESEARCH AND TECHNOLOGY PLAN</b>		
<b>1.1 Objective - Coordinate and facilitate Virginia's R&amp;T strategic plan</b>		
<b>Project # RD130 - 00 - Commonwealth R&amp;T Strategic Roadmap</b>		
<b>Revenue</b>		
Program Revenue		
FY15 Appropriations & FY14 Reserves		95,911
	<b>Total Revenue</b>	<b>95,911</b>
<b>Programs Costs</b>		
Total Salaries		26,202
Fringe		14,492
Travel		4,820
Supplies		
Contractual		25,000
Temporary Services		
Other		
Overhead		7,090
	<b>Total Costs Before G&amp;A</b>	<b>77,604</b>
G&A		18,307
Equipment		0
Contractual-Over-Cap		
	<b>Total Costs</b>	<b>95,911</b>
	<b>Net</b>	<b>0</b>
<b>Project # RD172 - 55 - Rutgers - MARACOOS</b>		
<b>Revenue</b>		
Program Revenue		14,700
FY15 Appropriations & FY14 Reserves		0
	<b>Revenue</b>	<b>14,700</b>
<b>Programs Costs</b>		
Total Salaries		2,629
Fringe		1,454
Travel		800
Supplies		
Contractual		1,000
Temporary Services		
Other		5,300
Overhead		711
	<b>Total Costs Before G&amp;A</b>	<b>11,894</b>
G&A		2,806
Equipment		
Contractual-Over-Cap		
	<b>Total Costs</b>	<b>14,700</b>
	<b>Net</b>	<b>0</b>
<b>1.2 Objective - Maintain the Innovation &amp; Entrepreneurship Measurement system</b>		
<b>Project # RD220 - 00 - Innovation &amp; Entrepreneurship Management System</b>		
<b>Revenue</b>		
Program Revenue		
FY15 Appropriations & FY14 Reserves		69,409
	<b>Total Revenue</b>	<b>69,409</b>

	<b>Programs Costs</b>	
	Total Salaries	22,903
	Fringe	12,668
	Travel	2,900
	Supplies	
	Contractual	10,492
	Temporary Services	
	Other	1,000
	Overhead	6,198
	<b>Total Costs Before G&amp;A</b>	<b>56,161</b>
	G&A	13,248
	Equipment	0
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>69,409</b>
	Net	0
<b>1.3</b>	<b>Objective - Manage the Commonwealth Research Commercialization Fund (CRCF)</b>	
	<b>Project # VA140 - 55 - Commonwealth Research Commercialization Fund (CRCF)</b>	
	<b>Revenue</b>	
	Program Revenue	232,373
	FY15 Appropriations & FY14 Reserves	0
	<b>Total Revenue</b>	<b>232,373</b>
	<b>Programs Costs</b>	
	Total Salaries	86,538
	Fringe	47,864
	Travel	3,500
	Supplies	400
	Contractual	16,600
	Temporary Services	
	Other	9,700
	Overhead	23,417
	<b>Total Costs Before G&amp;A</b>	<b>188,019</b>
	G&A	44,354
	Equipment	0
	Contractual-Over-Cap	0
	<b>Total Costs</b>	<b>232,373</b>
	Net	0
<b>ENTREPRENEUR SERVICE LINE</b>		
<b>GOAL 2. SECURE GLOBAL LEADERSHIP IN DEVELOPMENT OF ENTREPRENEURIAL TECH VENTURES</b>		
<b>2.1</b>	<b>Objective - ID and accelerate opportunities for small firms to obtain federal R&amp;D awards</b>	
	<b>Project # EN020 - 00- Federal Proposal Assistance</b>	
	<b>Revenue</b>	
	FY15 Appropriations & FY14 Reserves	275,672
	<b>Total Revenue</b>	<b>275,672</b>
	<b>Programs Costs</b>	
	Total Salaries	84,720
	Fringe	46,859
	Travel	9,800
	Supplies	750
	Contractual	26,000
	Temporary Services	
	Funding Pool	
	Other	32,000
	Overhead	22,925
	<b>Total Costs Before G&amp;A</b>	<b>223,054</b>
	G&A	52,618
	Equipment	
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>275,672</b>
	Net	0

<b>2.2 Objective - Accelerate funding for early stage technology firms</b>		
<b>Project # EN070 - 00 - GAP Fund Program</b>		
<b>Revenue</b>		
Program Revenue		
<b>FY15 Appropriations &amp; FY14 Reserves</b>		<b>6,699,521</b>
	<b>Total Revenue</b>	<b>6,699,521</b>
<b>Programs Costs</b>		
Total Salaries		633,160
<b>Fringe</b>		<b>350,201</b>
Travel		36,000
Supplies		
Contractual		314,000
Temporary Services		
GAP Investments - Tranche A		800,000
GAP Investments - Tranche B		1,001,069
Portfolio Follow-On		200,000
Innovation Investments		350,000
Mach37 Seed Fund		600,000
Mach37 Seed Fund - Follow-on		900,000
Other		65,000
<b>Overhead</b>		<b>171,333</b>
	<b>Total Costs Before G&amp;A</b>	<b>5,420,763</b>
<b>G&amp;A</b>		<b>1,278,758</b>
Equipment		
Contractual-Over-Cap		0
	<b>Total Costs</b>	<b>6,699,521</b>
	<b>Net</b>	<b>0</b>
<b>Project # EN110 - 55 - DMME - Commonwealth Energy Fund</b>		
<b>Revenue</b>		
Program Revenue		415,262
<b>FY15 Appropriations &amp; FY14 Reserves</b>		<b>0</b>
	<b>Total Revenue</b>	<b>415,262</b>
<b>Programs Costs</b>		
Total Salaries		0
<b>Fringe</b>		<b>0</b>
Travel		
Supplies		
Contractual		
Commonwealth Energy Fund		336,000
Temporary Services		
Other		
<b>Overhead</b>		<b>0</b>
	<b>Total Costs Before G&amp;A</b>	<b>336,000</b>
<b>G&amp;A</b>		<b>79,262</b>
Equipment		
Contractual-Over-Cap		
	<b>Total Costs</b>	<b>415,262</b>
	<b>Net</b>	<b>0</b>
<b>Project # EN120 - 00 - VSBFA - SSBCI Fund</b>		
<b>Revenue</b>		
Program Revenue		0
<b>FY15 Appropriations &amp; FY14 Reserves</b>		<b>165,134</b>
	<b>Total Revenue</b>	<b>165,134</b>
<b>Programs Costs</b>		
Total Salaries		0
<b>Fringe</b>		<b>0</b>
Travel		
Supplies		
Contractual		
Fund		
Temporary Services		
Other		
<b>Overhead</b>		<b>0</b>
	<b>Total Costs Before G&amp;A</b>	<b>0</b>

G&A		0
Equipment		
Contractual-Over-Cap		165,134
<b>Total Costs</b>		<b>165,134</b>
Net		0
<b>Project # EN120 - 55 - VSBFA - SSBCI Fund</b>		
<b>Revenue</b>		
Program Revenue		760,000
FY15 Appropriations & FY14 Reserves		0
<b>Total Revenue</b>		<b>760,000</b>
<b>Programs Costs</b>		
Total Salaries		26,622
Fringe		14,725
Travel		
Supplies		
Contractual		
Fund		700,000
Temporary Services		
Other		
Overhead		7,204
<b>Total Costs Before G&amp;A</b>		<b>748,551</b>
G&A		176,583
Equipment		
Contractual-Over-Cap		-165,134
<b>Total Costs</b>		<b>760,000</b>
Net		0
<b>CONNECT SERVICE LINE</b>		
<b>GOAL 3. SECURE LEADERSHIP IN THE ID AND ASSIMILATION OF INNOVATION TECHNOLOGIES</b>		
<b>3.1 Objective - Accelerate the assimilation of new technology by large-scale federal and private-sector technology consumers</b>		
<b>Project # CN210 - 99 - Virginia Health Quality Center (VHQC) - Total Summary Project</b>		
<b>Revenue</b>		
Program Revenue		11,637
FY15 Appropriations & FY14 Reserves		0
<b>Total Revenue</b>		<b>11,637</b>
<b>Programs Costs</b>		
Total Salaries		5,163
Fringe		2,856
Travel		0
Supplies		0
Contractual		0
Temporary Services		0
Other		0
Overhead		1,397
<b>Total Costs Before G&amp;A</b>		<b>9,416</b>
G&A		2,221
Equipment		
Contractual-Over-Cap		
<b>Total Costs</b>		<b>11,637</b>
Net		0
<b>Project # CN220 - 00 - Commonwealth Consulting &amp; Education</b>		
<b>Revenue</b>		
Program Revenue		0
FY15 Appropriations & FY14 Reserves		45,351
<b>Total Revenue</b>		<b>45,351</b>



	<b>Programs Costs</b>	
	Total Salaries	20,121
	Fringe	11,129
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other	
	Overhead	5,445
	<b>Total Costs Before G&amp;A</b>	36,695
	G&A	8,656
	Equipment	
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>45,351</b>
	<b>Net</b>	<b>0</b>
	<b>Project #CN250 - 55 - VDOE Apps for Virginia</b>	
	<b>Revenue</b>	
	Program Revenue	34,915
	FY15 Appropriations & FY14 Reserves	0
	<b>Total Revenue</b>	<b>34,915</b>
	<b>Programs Costs</b>	
	Total Salaries	10,008
	Fringe	5,535
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other	10,000
	Overhead	2,708
	<b>Total Costs Before G&amp;A</b>	28,251
	G&A	6,664
	Equipment	
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>34,915</b>
	<b>Net</b>	<b>0</b>
	<b>Project #CN252 - 00 - VDOE - VLDS Operations &amp; Maintenance (O&amp;M)</b>	
	<b>Revenue</b>	
	Program Revenue	0
	FY15 Appropriations & FY14 Reserves	30,007
	<b>Total Revenue</b>	<b>30,007</b>
	<b>Programs Costs</b>	
	Total Salaries	3,827
	Fringe	2,117
	Travel	100
	Supplies	
	Contractual	
	Temporary Services	
	Other	
	Overhead	1,036
	<b>Total Costs Before G&amp;A</b>	7,080
	G&A	1,670
	Equipment	
	Contractual-Over-Cap	21,257
	<b>Total Costs</b>	<b>30,007</b>
	<b>Net</b>	<b>0</b>
	<b>Project #CN252 - 55 - VDOE - VLDS Operations &amp; Maintenance (O&amp;M) - Bug Fixes</b>	
	<b>Revenue</b>	
	Program Revenue	59,587
	FY15 Appropriations & FY14 Reserves	0
	<b>Total Revenue</b>	<b>59,587</b>

	<b>Programs Costs</b>	
	Total Salaries	7,816
	Fringe	4,323
	Travel	
	Supplies	
	Contractual	19,440
	Temporary Services	
	Other	
	Overhead	2,115
	<b>Total Costs Before G&amp;A</b>	<b>33,694</b>
	G&A	7,948
	Equipment	
	Contractual-Over-Cap	17,945
	<b>Total Costs</b>	<b>59,587</b>
	<b>Net</b>	<b>0</b>
	<b>Project #CN252 - 56 - VDOE - VLDS Operations &amp; Maintenance (O&amp;M) - New Enhancements</b>	
	<b>Revenue</b>	
	Program Revenue	17,667
	FY15 Appropriations & FY14 Reserves	0
	<b>Total Revenue</b>	<b>17,667</b>
	<b>Programs Costs</b>	
	Total Salaries	
	Fringe	0
	Travel	
	Supplies	
	Contractual	5,535
	Temporary Services	
	Other	
	Overhead	0
	<b>Total Costs Before G&amp;A</b>	<b>5,535</b>
	G&A	1,306
	Equipment	
	Contractual-Over-Cap	10,826
	<b>Total Costs</b>	<b>17,667</b>
	<b>Net</b>	<b>0</b>
	<b>Project #CN252 - 57 - VDOE - VLDS Operations &amp; Maintenance (O&amp;M) - Governance</b>	
	<b>Revenue</b>	
	Program Revenue	17,617
	FY15 Appropriations & FY14 Reserves	0
	<b>Total Revenue</b>	<b>17,617</b>
	<b>Programs Costs</b>	
	Total Salaries	7,816
	Fringe	4,323
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other	
	Overhead	2,115
	<b>Total Costs Before G&amp;A</b>	<b>14,254</b>
	G&A	3,363
	Equipment	
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>17,617</b>
	<b>Net</b>	<b>0</b>
	<b>Project #CN252 - 58 - VDOE - VLDS Operations &amp; Maintenance (O&amp;M) - Onboarding New Agencies</b>	
	<b>Revenue</b>	
	Program Revenue	30,079
	FY15 Appropriations & FY14 Reserves	0
	<b>Total Revenue</b>	<b>30,079</b>

	<b>Programs Costs</b>	
	Total Salaries	7,816
	Fringe	4,323
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other	
	Overhead	2,115
	<b>Total Costs Before G&amp;A</b>	14,254
	G&A	3,363
	Equipment	
	Contractual-Over-Cap	12,462
	<b>Total Costs</b>	<b>30,079</b>
	<b>Net</b>	<b>0</b>
	<b>Project #CN252 - 59 - VDOE - VLDS Operations &amp; Maintenance (O&amp;M) - Communications</b>	
	<b>Revenue</b>	
	Program Revenue	30,051
	FY15 Appropriations & FY14 Reserves	0
	<b>Total Revenue</b>	<b>30,051</b>
	<b>Programs Costs</b>	
	Total Salaries	
	Fringe	0
	Travel	
	Supplies	
	Contractual	24,315
	Temporary Services	
	Other	
	Overhead	0
	<b>Total Costs Before G&amp;A</b>	24,315
	G&A	5,736
	Equipment	
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>30,051</b>
	<b>Net</b>	<b>0</b>
	<b>Project #CN253 - 55 - VDOE - DNA II</b>	
	<b>Revenue</b>	
	Program Revenue	140,002
	FY15 Appropriations & FY14 Reserves	0
	<b>Total Revenue</b>	<b>140,002</b>
	<b>Programs Costs</b>	
	Total Salaries	60,464
	Fringe	33,443
	Travel	2,410
	Supplies	
	Contractual	
	Temporary Services	
	Other	600
	Overhead	16,362
	<b>Total Costs Before G&amp;A</b>	113,279
	G&A	26,723
	Equipment	
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>140,002</b>
	<b>Net</b>	<b>0</b>
	<b>Project #CN240 - 55 -Nevada</b>	
	<b>Revenue</b>	
	Program Revenue	1,627,870
	FY15 Appropriations & FY14 Reserves	0
	<b>Total Revenue</b>	<b>1,627,870</b>
	<b>Programs Costs</b>	
	Total Salaries	343,733
	Fringe	190,119

	Travel	94,000
	Supplies	
	Contractual	50,000
	Temporary Services	
	Other	10,000
	Overhead	93,014
	<b>Total Costs Before G&amp;A</b>	<b>780,866</b>
	G&A	184,206
	Equipment	
	Contractual-Over-Cap	662,798
	<b>Total Costs</b>	<b>1,627,870</b>
	<b>Net</b>	<b>0</b>
	<b>Project #CN270 - 55 - USAFA - Analytic Discovery Homeland Security</b>	
	<b>Revenue</b>	
	Program Revenue	472,052
	FY15 Appropriations & FY14 Reserves	0
	<b>Total Revenue</b>	<b>472,052</b>
	<b>Programs Costs</b>	
	Total Salaries	159,088
	Fringe	87,992
	Travel	14,047
	Supplies	
	Contractual	25,000
	Temporary Services	
	Other	
	Overhead	43,049
	<b>Total Costs Before G&amp;A</b>	<b>329,176</b>
	G&A	77,653
	Equipment	
	Contractual-Over-Cap	65,223
	<b>Total Costs</b>	<b>472,052</b>
	<b>Net</b>	<b>0</b>
	<b>BROADBAND SERVICE LINE</b>	
	<b>GOAL 4. EXPAND THE USE OF BROADBAND TECHNOLOGIES IN RURAL &amp; UNDERSERVED AREAS</b>	
	<b>4.1 Objective - Serve as the Commonwealth's Office of Telework Promotion and Broadband Assistance</b>	
	<b>Project # BB060 - 00 - Office of Telework Promotion and Broadband Assist &amp; Broadband Deployment</b>	
	<b>Revenue</b>	
	FY15 Appropriations & FY14 Reserves	2,173
	<b>Total Revenue</b>	<b>2,173</b>
	<b>Programs Costs</b>	
	Total Salaries	964
	Fringe	533
	Travel	
	Supplies	
	Contractual	
	Temporary Services	
	Other	
	Overhead	261
	<b>Total Costs Before G&amp;A</b>	<b>1,758</b>
	G&A	415
	Equipment	0
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>2,173</b>
	<b>Net</b>	<b>0</b>

<b>4.2 Objective - Provide demand-generation and infrastructure-development that advance the presence of broadband in Virginia</b>		
<b>Project # BB070 - 57 - NTIA Mapping Expanded</b>		
<b>Revenue</b>		
Program Revenue		463,426
FY15 Appropriations & FY14 Reserves		0
	<b>Total Revenue</b>	<b>463,426</b>
<b>Programs Costs</b>		
Total Salaries		26,171
Fringe		14,475
Travel		1,500
Supplies		
Contractual		
Temporary Services		
Other		
Overhead		7,082
	<b>Total Costs Before G&amp;A</b>	<b>49,228</b>
G&A		11,613
Equipment		0
Contractual-Over-Cap		402,585
	<b>Total Costs</b>	<b>463,426</b>
	<b>Net</b>	<b>0</b>
<b>Project # BB070 - 58 - NTIA Capacity Building</b>		
<b>Revenue</b>		
Program Revenue		204,325
FY15 Appropriations & FY14 Reserves		0
	<b>Total Revenue</b>	<b>204,325</b>
<b>Programs Costs</b>		
Total Salaries		1,782
Fringe		986
Travel		5,622
Supplies		
Contractual		
Temporary Services		
Other		
Overhead		482
	<b>Total Costs Before G&amp;A</b>	<b>8,872</b>
G&A		2,093
Equipment		0
Contractual-Over-Cap		193,360
	<b>Total Costs</b>	<b>204,325</b>
	<b>Net</b>	<b>0</b>
<b>Project # BB070 - 59 - NTIA Native Nations Broadband</b>		
<b>Revenue</b>		
Program Revenue		239,679
FY15 Appropriations & FY14 Reserves		0
	<b>Total Revenue</b>	<b>239,679</b>
<b>Programs Costs</b>		
Total Salaries		21,519
Fringe		11,902
Travel		
Supplies		
Contractual		
Temporary Services		
Other		
Overhead		5,823
	<b>Total Costs Before G&amp;A</b>	<b>39,244</b>

G&A		9,258
	Equipment	0
	Contractual-Over-Cap	191,177
	<b>Total Costs</b>	<b>239,679</b>
	<b>Net</b>	<b>0</b>
<b>Project # BB070 - 60 - NTIA Technical Assistance</b>		
<b>Revenue</b>		
	Program Revenue	82,894
	<b>FY15 Appropriations &amp; FY14 Reserves</b>	<b>0</b>
	<b>Total Revenue</b>	<b>82,894</b>
<b>Programs Costs</b>		
	Total Salaries	28,524
	<b>Fringe</b>	<b>15,777</b>
	Travel	4,500
	Supplies	6,000
	Contractual	
	Temporary Services	
	Other	
	<b>Overhead</b>	<b>7,719</b>
	<b>Total Costs Before G&amp;A</b>	<b>62,520</b>
	<b>G&amp;A</b>	<b>14,748</b>
	Equipment	0
	Contractual-Over-Cap	5,626
	<b>Total Costs</b>	<b>82,894</b>
	<b>Net</b>	<b>0</b>
<b>Project # BB090 - 00 - Broadband</b>		
<b>Revenue</b>		
	Program Revenue	0
	<b>FY15 Appropriations &amp; FY14 Reserves</b>	<b>500,000</b>
	<b>Total Revenue</b>	<b>500,000</b>
<b>Programs Costs</b>		
	Total Salaries	41,368
	<b>Fringe</b>	<b>22,881</b>
	Travel	
	Supplies	45,787
	Contractual	
	Temporary Services	
	Other	
	<b>Overhead</b>	<b>11,194</b>
	<b>Total Costs Before G&amp;A</b>	<b>121,230</b>
	<b>G&amp;A</b>	<b>28,598</b>
	Equipment	0
	Contractual-Over-Cap	350,172
	<b>Total Costs</b>	<b>500,000</b>
	<b>Net</b>	<b>0</b>
<b>COMMONWEALTH PROJECTS &amp; OPERATIONS</b>		
<b>Project # VA160 - 00 - Cybersecurity</b>		
<b>Revenue</b>		
	<b>FY15 Appropriations &amp; FY14 Reserves</b>	<b>764,964</b>
	<b>Total Revenue</b>	<b>764,964</b>
<b>Programs Costs</b>		
	Total Salaries	0
	<b>Fringe</b>	<b>0</b>
	Travel	
	Supplies	
	Contractual	194,701
	Temporary Services	
	Other	424,252
	<b>Overhead</b>	<b>0</b>
	<b>Total Costs Before G&amp;A</b>	<b>618,953</b>

<b>G&amp;A</b>		146,011
	Equipment	0
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>764,964</b>
	<b>Net</b>	<b>0</b>
<b>Project # CA100 - 00 - Cyber Accelerator - Mach37</b>		
<b>Revenue</b>		
FY15 Appropriations & FY14 Reserves		1,547,274
	<b>Total Revenue</b>	<b>1,547,274</b>
<b>Programs Costs</b>		
	Total Salaries	573,253
	Fringe	317,066
	Travel	10,000
<b>Supplies</b>		
	Contractual	
	Temporary Services	
	Other	196,500
	Overhead	155,122
	<b>Total Costs Before G&amp;A</b>	<b>1,251,941</b>
<b>G&amp;A</b>		295,333
	Equipment	
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>1,547,274</b>
	<b>Net</b>	<b>0</b>
<b>Project # VA170 - 00 - Regional Growth</b>		
<b>Revenue</b>		
FY15 Appropriations & FY14 Reserves		237,446
	<b>Total Revenue</b>	<b>237,446</b>
<b>Programs Costs</b>		
	Total Salaries	87,256
	Fringe	48,261
	Travel	8,000
<b>Supplies</b>		
	Contractual	
	Temporary Services	
	Other	24,996
	Overhead	23,611
	<b>Total Costs Before G&amp;A</b>	<b>192,124</b>
<b>G&amp;A</b>		45,322
	Equipment	0
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>237,446</b>
	<b>Net</b>	<b>0</b>
<b>Project # VA175 - 00 - Modeling and Simulation</b>		
<b>Revenue</b>		
FY15 Appropriations & FY14 Reserves		343,769
	<b>Total Revenue</b>	<b>343,769</b>
<b>Programs Costs</b>		
	Total Salaries	49,953
	Fringe	27,629
	Travel	3,218
	Supplies	566
	Contractual	175,000
	Temporary Services	
	Other	8,270
	Overhead	13,517
	<b>Total Costs Before G&amp;A</b>	<b>278,153</b>
<b>G&amp;A</b>		65,616
	Equipment	0
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>343,769</b>
	<b>Net</b>	<b>0</b>

<b>OTHER ACTIVITIES</b>		
	<b>Project # IN010 - 00 - Innovation Center</b>	
	<b>Revenue</b>	
	FY15 Appropriations & FY14 Reserves	12,359
	<b>Total Revenue</b>	<b>12,359</b>
	<b>Programs Costs</b>	
	Total Salaries	0
	Fringe	0
	Travel	
	Supplies	
	Contractual	10,000
	Temporary Services	
	Other	
	Overhead	0
	<b>Total Costs Before G&amp;A</b>	<b>10,000</b>
	G&A	2,359
	Equipment	
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>12,359</b>
	<b>Net</b>	<b>0</b>
<b>ADMINISTRATIVE PROGRAMS</b>		
	<b>Project # VA040 - 00 - Communications and Marketing</b>	
	<b>Revenue</b>	
	FY15 Appropriations & FY14 Reserves	707,486
	<b>Total Revenue</b>	<b>707,486</b>
	<b>Programs Costs</b>	
	Total Salaries	152,448
	Fringe	84,319
	Travel	6,100
	Supplies	
	Contractual	56,542
	Temporary Services	
	Other (\$194,000 Other + \$37,785 ISP payment)	231,785
	Overhead	41,252
	<b>Total Costs Before G&amp;A</b>	<b>572,446</b>
	G&A	135,040
	Equipment	0
	Contractual-Over-Cap	0
	<b>Total Costs</b>	<b>707,486</b>
	<b>Net</b>	<b>0</b>
	<b>Project # VA050 - 00 - Business Development</b>	
	<b>Revenue</b>	
	FY15 Appropriations & FY14 Reserves	802,726
	<b>Total Revenue</b>	<b>802,726</b>
	<b>Programs Costs</b>	
	Total Salaries	351,761
	Fringe	194,559
	Travel	8,000
	Supplies	
	Contractual	
	Temporary Services	
	Other	
	Overhead	95,187
	<b>Total Costs Before G&amp;A</b>	<b>649,507</b>
	G&A	153,219
	Equipment	
	Contractual-Over-Cap	
	<b>Total Costs</b>	<b>802,726</b>
	<b>Net</b>	<b>0</b>



Project # VA060 - 00 - Advocacy		
<b>Revenue</b>		
FY15 Appropriations & FY14 Reserves		389,089
<b>Total Revenue</b>		<b>389,089</b>
<b>Programs Costs</b>		
Total Salaries		86,046
Fringe		47,592
Travel		7,900
Supplies		
Contractual		130,000
Temporary Services		
Other		20,000
Overhead		23,284
<b>Total Costs Before G&amp;A</b>		<b>314,822</b>
G&A		74,267
Equipment		
Contractual-Over-Cap		0
<b>Total Costs</b>		<b>389,089</b>
<b>Net</b>		<b>0</b>