



July 16, 2019

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

Dear Mr. Timberlake:

Enclosed please find the Operating Plan for FY2020 for the Center for Innovative Technology (CIT). CIT is the operating arm for the Innovation and Entrepreneurship Investment Authority (IEIA). The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1.B (includes reporting requirements of Item 126.10.D.1 of the 2019 Appropriation Act).

Please feel free to call me at 703-689-3021 if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads 'Susan Aitcheson'.

Susan Aitcheson
CFO
Center for Innovative Technology

cc: The Honorable Brian Ball, Secretary of Commerce and Trade
Mr. Robby Demeria, Deputy Secretary, Commerce and Trade
The Honorable Emmett W. Hanger, Jr., Co-Chairman, Senate Finance Committee
The Honorable S. Chris Jones, Chairman, House Appropriations Committee
Ms. April Kees, Staff Co-Director, Senate Finance Committee
Ms. Samantha Martin, Budget and Policy Director, Department of Planning and Budget
Mr. Bernard Mustafa, CIT BOD Finance Committee Chair
The Honorable Thomas K. Norment, Jr., Co-Chairman, Senate Finance Committee
Mr. Jason Powell, Staff Co-Director, Senate Finance Committee
Mr. Michael Steed, CIT BOD Chairman
Mr. Robert P. Vaughn, Staff Director, House Appropriations Committee
Ms. Toni Walker, Associate Director, Department of Planning and Budget

Center for Innovative Technology
2214 Rock Hill Road
Suite 600
Herndon, VA 20170-4228

Item 126.10.D.1

Operating Plan

CIT

CENTER FOR INNOVATIVE TECHNOLOGY

Accelerating Innovation

Center for Innovative Technology

Fiscal Year 2020

Operating Plan

Approved by CIT Board of Directors

May 30, 2019

Center for Innovative Technology
Fiscal Year 2020 | Operating Plan

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Center for Innovative Technology | Accelerating Innovation

CIT OPERATING PLAN

Fiscal Year 2020

I. Overview

Since 1985, the Center for Innovative Technology (CIT), a not-for-profit corporation, has been the Commonwealth's primary agent for accelerating innovation, technology company formation, and entrepreneurship. Our FY17 Operating Plan represented the start of a transformation period for CIT that enhances our role as that agent for innovation-based economic growth for the benefit of Virginia. We continued our transition in FY18, FY19 and achieved much, as well as positioned CIT for a more impactful role in spurring Virginia's economic growth and diversification in FY20 and beyond.

CIT will execute the FY20 plan within the context of the Northam's Administration strategic planning and consolidation effort of the Commonwealth's innovation, entrepreneurship and university commercialization organizations, programs and funding. CIT will support the work led by Deputy Secretary Demeria to create the new Commonwealth vision, strategy and proposed legislation as well as build Commonwealth-wide support for that work. While supporting the Administration's work, CIT also must diligently execute the programs approved in Virginia's FY20 budget and captured in the FY20 Operating Plan. We must approach execution of our plan and budget with the same enthusiasm, energy and transparency as with past plans.

In FY20, CIT will

- Accelerate our pace of partnership formation in new technology and entrepreneurship areas critical to Virginia, e.g., Smart Communities, Autonomous Systems, Cyber Physical Systems and enhance our reputation as an innovation commercialization leader.
- Continue to expand our engagement with every region of the Commonwealth and with underserved populations through greater outreach of our core programs such as CIT GAP (Growth Acceleration Program) Funds, CIT Broadband, and the Commonwealth Research Commercialization Fund as well as the

Virginia Founders Fund, to accelerate new company formation, research, technology commercialization, and job growth.

- Continue to collaborate with our internationally recognized MACH37 Cyber Accelerator now operating under a long-term agreement with private funds through our partner VentureScope.
- Create Autonomous System-driven economic opportunities in Virginia through the Unmanned Systems Center of Excellence and collaborations with partners such as Virginia Tech, Old Dominion University, NASA, and Virginia's Unmanned Systems Industry Association
- Continue to increase CIT's outreach to corporations, universities, incubators, and accelerators to create a collaborative network to better identify and fund innovators and entrepreneurs.
- Engage deeply with other components of Virginia economic development including the Virginia Research Investment Committee (VRIC), Virginia Economic Development Partnership (VEDP), GO Virginia, etc. to craft complementary and consistent strategies, policies, and programs.
- Enhance Virginia broadband expansion efforts by assisting localities in broadband planning, creating and maintaining broadband tools and resources, and supporting the Commonwealth's Chief Broadband Advisor, the Broadband Advisory Council, and GO Virginia
- Expand our Strategic Initiatives with a focus on federal and private innovation funding and projects that provide a leadership, reputational, and/or financial benefit to Virginia.
- Continue to closely manage our funding and position the company for additional funding in the future in order to increase our impact for Virginia.
- Recast our communications, outreach, and branding to highlight our mission and engagement for the benefit of all Virginia.

FY20 promises new opportunities to help grow and diversify Virginia's economy. It builds on the progress we made as an organization in FY19.

With this operating model, CIT has provided substantial return on investment for the Commonwealth. For example, **CIT's research commercialization, investments, acceleration, and innovation assimilation initiatives have:**

- Attracted more than \$500M in follow on investment for CRCF awardees since 2015.
- Provided critical early stage funding to more than 200 startups in all regions of the Commonwealth since 2004 (GAP Funds).
- Since 2004, has leveraged more than \$800M dollars of private funding – largely from sources outside of Virginia – into CIT GAP Funds portfolio companies.
- Helped launch 64 new cyber companies over the last 6 years (MACH37).
- Helped secure \$127 million in Small Business Innovative Research and Small Business Technology Transfer (SBIR/STTR) federal research in a single year for researchers, innovators, and entrepreneurs in the Commonwealth.

- Completed the first ever, statewide broadband demand campaign which collected responses from residents and businesses from 129 Virginia localities.
- Built on FY18/FY19 successes to continue implementing State Action Plans for Smart Communities.
- Continued Smart Communities and Broadband initiatives focused on delivering Government services more efficiently, closing the digital divide hampering economic growth for rural and agricultural areas of the Commonwealth, creating global business opportunities, and helping make Virginia a place that the next generation workforce can work, live, and thrive.
- Established the Virginia Unmanned Systems Center at CIT to champion the expansion of this important industry in the Commonwealth. The Center focuses on creating UMS-driven economic opportunities for businesses and the integration of UMS strategies in Virginia's state and local government agencies.

Finally, CIT's strong performance and that of the companies and innovators it propelled is producing excellent economic results and new innovations today, and **projects the creation of up to 9,000 new high technology jobs over the next five years.**

CIT remains focused in FY20 on accelerating new economic opportunities, adding to the projection of new high technology company and job creation, enhancing its reputation as a thought leader and partner in innovation and entrepreneurship, strengthening our financial asset base and attracting and retaining passionate people to the CIT mission. Achieving these objectives will create benefits all across the Commonwealth and plant even more seeds to grow the Virginia economy and strengthen the CIT brand.

II. Mission and Vision

Clarity of mission and vision is a key aspect of any organization with a desire to best serve its stakeholders. Our company's transformation includes clarifying, updating and simplifying its mission and vision. To refresh our mission and vision, we "walk our talk", using principles from our MACH37 accelerator program curriculum to better communicate what CIT stands for and the value we provide.

1. Mission

CIT grows and diversifies Virginia's economy by investing in and accelerating innovation commercialization, entrepreneurship and broadband availability.

First and foremost, CIT exists for the benefit of Virginia and its citizens. Economic growth and diversification in Virginia increasingly relies on innovation as the engine of growth and diversification. Our Board and staff work to grow and diversify Virginia's economy and provide economic opportunity for its citizens by accelerating the commercialization of innovation with high economic growth potential, building the ecosystems to grow and support entrepreneurs and by working to make broadband access, a vital requirement for today's innovators and entrepreneurs, available to underserved regions of Virginia.

2. Vision

Virginia's leading resource for innovation-based economic growth strategies and programs.

Our vision lays out the long term aspirations of the organization and its service to Virginia. CIT has long been known as a source of ideas, programs, and capital for Virginia's innovation ecosystem. We desire to build on that foundation and become an integral part of economic development policy formation and execution with public and private stakeholders across the Commonwealth that include the Commonwealth government, Virginia universities and community colleges, businesses, and investors.

In realizing this vision, we plan to go the extra mile to engage those regions and populations considered underserved from an economic growth opportunity perspective. The economically distressed coal industry communities of Virginia, minorities, and veterans are examples of underserved communities.

Collaboration and partnership will propel us towards this vision of service. We will work closely with other Virginia institutions such as Virginia Economic Development Partnership (VEDP), GO Virginia, Virginia Biosciences Health Research Corporation/Virginia Catalyst (VBHRC), the Tobacco Commission, Virginia Research Investment Committee (VRIC), Department of Housing and Community Development (DHCD), Virginia is 4 Entrepreneurs (VA4E), the emerging Virginia Innovation Ecosystem and others to share our expertise, craft strategies and design complementary programs to fulfill our mission of economic growth and diversity across Virginia and to make the best use of public and private funds entrusted to our organizations.

III. Strategic Planks and Corporate Initiatives

The Policy Committee of CIT's Board of Directors and CIT's management developed a set of strategic planks and initiatives to guide the company for 3 years. We are in the final year of that strategy. These planks form the foundation for fulfilling our mission and drive our annual operating plan. Below are CIT's strategic planks and corporate initiatives for the coming year:

1. Expand regional and underserved community engagement

We will continue to expand our physical, financial and digital engagement with all regions of Virginia and with underserved communities such as veterans, minorities and "coal" communities. We will base our regional engagement on the GO Virginia regional breakdown and the various GO Virginia Councils. We will leverage our relationships with our stakeholders across the Commonwealth to increase our engagement with underserved populations. In FY20, we will use our staff in place to expand our engagement. Our goal is to increase staff in the future to better serve regional and underserved community needs.

Initiatives for this strategic plank include:

- a. Use proceeds from GAP investments to expand our investments in underserved populations, e.g., veteran, women, minority-owned companies and companies in regions not well served by private venture capital. We will also expand our relationships with regional economic development organizations focused on innovation and entrepreneurship, such as Hampton Road's 757 Accelerate and Roanoke's Regional Acceleration and mentorship Program (RAMP), to actively promote our new Virginia Founders Fund.
- b. Collaborate with regional technology councils, local accelerators and incubators and grass roots efforts such as the Virginia Innovation Ecosystem and the Virginia is 4 Entrepreneurs to build a network for sharing expertise, deal flow, funding and attracting more entrepreneurial activity and investment in Virginia.
- c. Participate in regional GO Virginia Councils – Regional GO Virginia Councils will play a critical role in defining economic development strategies and plans and obtaining funding for programs. CIT's goal is to work with all 9 regional councils and proactively support their programs geared toward innovation, entrepreneurship and broadband availability.
- d. In partnership with regionally based innovation initiatives, promote and identify pipeline for CIT's core programs, including; VFF, GAP, and CRCF.
- e. Continue to support the Commonwealth's Chief Broadband Advisor, the Broadband Advisory Council, GO Virginia, and Virginia localities with the planning and acquisition of broadband capabilities
- f. In partnership with the Verizon Foundation, expand the MACH37/UVA-Wise program to provide jobs and internships to students and graduates of the University's cyber program. We also will continue to develop new partnerships with colleges and universities across the state.

Ensure Smart Communities pilot implementations and implementation roadmap provide a strong voice and representation for underserved communities.

2. Identify and fund innovators and entrepreneurs at a greater rate

Our goal is to identify more potential investment opportunities across Virginia and provide greater levels of financial support to more innovators and entrepreneurs. Financial support could come in the form of funding from the GAP Funds, the Commonwealth Research Commercialization Fund (CRCF), funds from our network of private investors, e.g., the Virginia Tech Investment Network (VTIN) or from federal and state sources, such as the SBA SBIR program or Tobacco Commission funds.

Our Smart Communities and the Virginia Unmanned Systems Center at CIT (VUS@CIT) will also provide opportunities to identify and fund entrepreneurs in Virginia.

Initiatives related to this plank include:

- a. Identify process and fund Virginia start-ups through CIT GAP Funds, and maintain the financial and economic development performance of the funds.
- b. Operate the Virginia Founders Fund to invest in Virginia's traditionally underfunded communities.
- c. Solicit process, award and administer a robust pipeline of CRCF projects.
- d. Continue our role in identifying and funding cyber security related product companies through MACH37.
- e. Continue to structure and ramp up initiatives related to Smart Communities and the Smart Communities Working Group, including our partnerships with DHS, NIST, the Smart Cities Council, Smart City Works Actuator and others, and incorporating CIT's Broadband Program as an essential component of the Smart Communities strategy and development.
- f. Meet critical program milestones of the EMERGE/SCITI Labs Accelerator program managed by CIT on behalf of the US Department of Homeland Security.
- g. Continue our support for Virginia companies' pursuit of SBIR/STTR funding as a means of commercializing innovations and intellectual property.
- h. Through the Unmanned Systems Center of Excellence, create and execute an integrated program designed to establish Virginia as a national leader in Unmanned Systems technology - air, land, space and marine.
- i. Attract corporations to fund university-based programs and Virginia start-ups related to the industry and potentially locate their R&D or manufacturing facilities in VA via joint work with VEDP.
- j. Work with the Administration on structures and legislation to facilitate the development of a fund that leverage private funds and CIT GAP Funds proceeds to increase the availability of venture funding for Virginia start ups.

3. Create strategies with universities to boost commercialization success

CIT's roots are with Virginia's universities. Universities' applied research is a vital source of innovations to grow and diversify Virginia's economy.

During FY20, we will work with universities to define high value programs, with a goal of piloting one such program in FY20. In addition, we will continue to work with the universities to identify potential GAP and VFF investment opportunities and fund appropriate CRCF proposals.

Initiatives under this plank include:

- a. Enter into partnerships with major university programs for economic development, such as the Commonwealth CyberX initiative with Virginia Tech and GMU.
- b. Establish a presence at university based accelerators and incubators such as the MIX at GMU and the Di Vinci Center at VCU.
- c. Participate on University Based Economic Development Council to enhance our engagement with universities on their economic development policies and programs.

4. Enhance role in VA Economic Development policy formulation

Economic development policies and programs emanating from the Commonwealth government are evolving at a significant pace. The Northam Administration is underway with a review of all innovation, entrepreneurship and university commercialization programs and organizations. The Administration's goals are to enhance the Commonwealth's organizational, programmatic and funding support for this area of economic development and job opportunity. CIT will actively support the Administration's effort to define new structures and programs both via our Board's advice and participation in the process as well as through administrative support for the statewide effort to gather ideas and build community support.

In addition to this work, CIT remains a critical component of the Commonwealth's Broadband expansion effort. We provide valuable expertise, tools and outreach for the effort. Our broadband team is actively engaged with the Commonwealth Broadband Advisor and Broadband Advisory Council on shaping strategy, policy and execution to accelerate the deployment of broadband services throughout Virginia. The team will remain actively involved in the overall Commonwealth effort throughout FY20.

Initiatives under this plank include:

- a. Support the Administration's Commonwealth-wide effort to gather recommendations, define and gain support for new innovation, entrepreneurship and university commercialization infrastructure. This will include:

- Board member and management participation on working groups
 - Staff administrative support for regional meetings and work group meetings
- b. Continue our work with the Commonwealth's Chief Broadband Advisor, the Broadband Advisory Council, Virginia's DHCD, and the Tobacco Commission (TRRC) in order to increase the deployment of broadband across Virginia.
 - c. Develop relationships and a means to participate more closely with the VRIF, Go Virginia and affiliated organizations during the Administration's process to enhance and align such organizations and IEIA/CIT.
 - d. Increase our exposure and collaboration with federal, state and private organizations responsible for innovation-based economic development as a means of providing ideas and options for Virginia economic development policy.

5. Rebrand and Relocate CIT

CIT will continue its effort to rebrand the company from one that some stakeholders perceive as primarily benefiting Northern Virginia to one that benefits all regions of the Commonwealth. Work in this area includes updating our communications vehicles to accentuate our statewide economic development programs and activities. We will build on early steps in changing our branding image such as elimination of the building from our logo. In addition, we will continue our effort to occupy locations throughout the Commonwealth in a very cost effective manner such as our office space in shared workspace in Charlottesville, VA.

Initiatives under this plank include:

- a. Continue aggressive use of our social media and public relations outlets for outreach to organizations and people that may benefit from our programs to communicate our work across Virginia.
- b. Promulgate the new CIT logo, replacing all older logos and materials that include the Herndon, VA building in the logo
- c. Identify low cost office space in other regions of the Commonwealth to build a CIT presence. Initial candidates for FY20 include space in Richmond and Hampton Roads area.

Attract and retain high performing, passionate talent

Success in our mission requires high performance from our leaders and staff. We will take affordable steps to maintain the morale and performance of our valuable employees.

Initiatives under this plank include:

- a. Maintain skills and leadership necessary to successfully carry out CIT's mission and vision.
- b. Ensure recruiting practices provide a diverse set of candidates for open positions.
- c. In collaboration with the CIT Board and the COV, clarify ground rules for and re-establish an At Risk compensation component to the overall compensation program at CIT

IV. Service Lines and Executive Initiatives Overview

Our initiatives will be met through the work of CIT's Service Lines. Each of CIT's organizational units drive programs unique to that organization. However, the FY20 plan recognizes the synergistic benefit to our mission in cross collaboration among the units. The following is a description of each of CIT's Service Lines and our key Executive Initiatives.

1. CIT Entrepreneur: Access to Capital

Because the availability of early-stage capital is critical for many emerging technology companies, CIT offers CIT GAP Funds and Federal Funding Assistance Program. CIT GAP Funds makes seed-stage equity investments in Virginia-based technology, cleantech and life science companies with a high growth potential. CIT GAP Funds is overseen by CIT and private sector experts – the Investment Advisory Board – who conduct thorough due diligence on the companies before making investments.

Major objectives for this line in the coming fiscal year include continuation of our CIT GAP Funds investment programs in Virginia startups, roll out of our recently announced Virginia Founders Fund, support for MACH37 investments and the development of one or more private investment funds to increase capital investment in Virginia's high-growth companies.

2. CIT R&D: Strategic Investments in Research Commercialization

The CIT R&D team facilitates commercialization of research by public and private sector teams that develop and deploy marketable solutions. They manage the Commonwealth Research Commercialization Fund (CRCF),

which invests in research and commercialization at Virginia colleges and universities, companies, federal labs and other research institutions in their efforts to advance technology and drive economic growth in the Commonwealth. Aligned with the CRCF is the Roadmap, a strategic planning tool that identifies key industry sectors with commercial promise that are worthy of economic development for Virginia. CIT will assist SCHEV and the VRIC related to the development of the Roadmap.

The major objectives for this line in the coming fiscal year are 1) the continuation of CRCF investments in Virginia innovators and support for prior award recipients, and 2) support for the Administration's initiative to consolidate Commonwealth research and commercialization programs. A reception honoring FY2018 and FY2019 CRCF awardees as well as VRIF and VBHRC award recipients is a possible activity in FY2020. A risk factor is the level of support required for the Administration's consolidation initiative. Staff time required to support the Administration has been budgeted. However, if insufficient, it could result in reduced Operating Plan metrics.

3. MACH37 Cyber Accelerator: Sustainability and Evolution

MACH37 is America's premier market-centric cybersecurity accelerator designed to facilitate the creation of the next generation of cybersecurity product companies. MACH37's unique program design places heavy emphasis on the validation of product ideas, building entrepreneurs' ability to grow viable companies and the development of relationships that produce an initial customer base and investment capital.

In FY20, CIT will work with joint venture partner Venture Scope on the continued privatization of MACH37 such that its operating funds and investments come from private entities. During this privatization process, MACH37 needs to maintain a suitable level of continued operations and support for emerging cyber security companies.

4. CIT Strategic Initiatives

CIT Strategic Initiatives focuses on identifying and advancing solutions and providing initial leadership for the Commonwealth around important emerging areas that impact future economic development. Key initiatives for FY20 are Smart Communities and Autonomous Systems, with additional activities in conjunction with the Virginia Department of Transportation (VDOT), Virginia Department of Aviation and other Agencies.

CIT | Smart Communities

Smart Communities can be defined as jurisdictions that use information and communication technologies to enhance the livability, workability and sustainability of the community. Fast, extensible and reliable broadband communications are central to such efforts, and security and privacy controls are fundamental. The Smart Communities initiative integrates ongoing CIT efforts to expand Broadband connectivity throughout the Commonwealth with new activities built around a variety of commercial partners, localities, and State Agencies and realized through a range of programs.

By integrating these efforts in a single conceptual framework CIT will have the capability to address the needs of widely varying communities throughout the Commonwealth and provide a focal point for maturing both commercial and university-developed technologies that are relevant to these communities. A major key to success in this area is the continued evolution of partnerships at the state and national level, and with communities and local governments, universities and private entities through out the Commonwealth.

Within this framework, the CIT Broadband team works to establish and expand broadband infrastructure, accelerating the socio-economic growth of Virginia. Major objectives for these efforts include support for underserved regions and localities in Virginia. The support aids regions and localities in establishing partnerships with broadband providers for implementation of services for their areas. Our broadband team will continue to support localities in the design and procurement of broadband services. New wireless technologies coming to market may provide opportunities for underserved communities to finally realize the benefits of reliable, high-speed broadband services. Another key objective includes assisting the Chief Broadband Advisor and the evolving set of Broadband stakeholders within the context of Legislative guidance to develop strategic and action plans for broadband deployment within the Commonwealth.

For Smart Communities, FY20 will build on the strong foundation developed in FY18/19. Smart Communities initiatives will continue implementation of the State Action plan and other policy recommendations by defining and growing additional small innovative pilot projects throughout the Smart Cities Actuator, led by our partner Smart City Works, Inc. (SCW), will continue to grow accelerator operations and investments and expand international involvement. At the national level, our EMERGE/SCITI Labs Program with the Department of Homeland Security will focus on smart community and UAS technologies and the potential of the technologies to increase the effectiveness and safety of our nation's first responders. Potential for an expanded follow-on effort will be explored with DHS. Ongoing interaction with the NIST Global Cities Teams Challenge, NTIA/Broadband USA, and the Smart Cities Council will continue to provide national visibility and the opportunity to expand Virginia's growing perception as a leader in this domain.

CIT | Virginia's Unmanned Systems Center (VUS@CIT)

Launched on May 11, 2017, VUS@CIT is a unified voice and central source for information and assistance related to the unmanned systems landscape in Virginia. Center staff are charged with building on the rich assets and business climate to make Virginia "THE" state for unmanned systems.

VUS@CIT serves as Virginia's primary information resource, a proponent and point-of-contact on global UMS technology, policy, and trends. The Center is a catalyst for growth of autonomous systems, vehicles, and technologies in Virginia and creates collaboration between businesses, investors, universities, entrepreneurs and government organizations to increase the Commonwealth's position as a leader of the Autonomous Systems community.

CIT and the Virginia Tech-led MAAP (Mid-Atlantic Aviation Partnership) FAA Unmanned Aviation Systems Integration Pilot Program (UAS IPP) is helping push the envelope for BVLOS (Beyond Visual Line of Sight) UAS operations, with valued industry partners like State Farm, Dominion Energy, Google’s “Wing” and others.

The Center is working with several Virginia state agencies to develop pilot projects that enable use of unmanned systems to accomplish agency missions faster, cheaper and safer. As adoption increases and applications expand, Virginia’s UMS community will benefit. In FY20, CIT will host a multi-agency educational exchange conference to “Explore the art of the possible with unmanned” later this year.

VUS@CIT is assisted by a 24-member advisory board that brings together expertise and leadership from across the Commonwealth to guide strategies and priorities. The Center has developed and maintains the Commonwealth’s UMS website and Virginia’s Unmanned Systems Directory.

5. CIT Regional and Policy Initiatives

Regional Engagement:

Support for regionally based priorities and initiatives is a key CIT strategy in successfully growing innovation and entrepreneurship in all regions of the Commonwealth. These initiatives are designed to expand opportunities and build on the strengths and resources that uniquely shape each region. Staff from all of CIT’s service lines engage directly in organizations and initiatives as Board members, mentors, investors, trainers, advocates, and as partners in programs and proposals that seek additional funding sources.

Primary regional partners include:

- All regional technology councils
- All Go Virginia Councils
- Lighthouse Labs, Startup Virginia, Activation Capital – Richmond
- 757 Angels/Accelerate, ODU Entrepreneur Center – Hampton Roads
- Launch Place and Launch Place Seed Fund – Danville
- RAMP Accelerator – Roanoke
- Valley Innovation Council (VIC)
- iLab – Charlottesville
- Virginia is for Entrepreneurs (VA4E)
- MACH37/UVA-Wise Cyber Partnership
- Virginia Chamber – Blueprint Virginia

In FY20, CIT will further support the creation of a network of regional accelerators and funds. This network will focus on best practices, resource sharing, and showcasing regional investment opportunities.

GO Virginia:

CIT serves on the innovation and proposal review committees for several GO Virginia Regional Councils and on the evaluation committee for the State Council where it advocates funding for innovation programs. In FY20, CIT will serve as the primary resource for proposals submitted to GO Virginia for innovation, entrepreneurship, and broadband programs. CIT will also collaborate directly with regions on grants developed to grow innovation and entrepreneurship.

Virginia Founders Fund:

In FY18, CIT created the new Virginia Founder's Fund dedicated to providing investment opportunities for underrepresented entrepreneurs in Virginia. This includes women, minorities, veterans, and founders in regions outside of Northern Virginia. In FY20, CIT will continue to promote this fund and other CIT innovation opportunities, by partnering with regional innovation initiatives to help showcase entrepreneurs in every region. These events will be designed to support existing regional programs and attract investors and entrepreneurs.

Additionally, events for Federal Funding Programs will be added to include seminars, conferences and workshops. Abbreviated FFP sessions (SBIR/STTR) can be added to outreach events and will be offered to regional partners.

Federal Funding Programs:

CIT's Federal Funding Assistance Program identifies and accelerates opportunities for Virginia's small technology businesses to obtain SBIR, STTR and other government contracts. As the leader of SBIR initiatives in Virginia, CIT provides guidance, direction, training and valuable resources to enhance the competitiveness of SBIR/STTR proposal strategies.

CIT Supports Virginia's Phase I and Phase II SBIR/STTR Applicants:

- SBIR strategy consultation and mentoring
- Low cost Phase I and Phase II proposal training and review courses
- Discounts with proposal consultants (proposal prep & proposal review)
- Discounts on proposal preparation software
- Referral to law firm for free IP and patent consultation
- Discounts on federal cost accounting solutions and CPA services

- Commercialization plan assistance
- Intro to 3rd party capital
- VC/Angel Capital “Readiness” review
- Funding assistance to qualified first time Phase I and/or Phase II applicants to help pay for proposal development resources

In partnership with the regional stakeholders, CIT develops and advocates for legislative and budget proposals that advance innovation and entrepreneurship in Virginia. CIT works to establish policies and specific programs that maximize intellectual property commercialization, entrepreneurship, and new company formation. We must clearly articulate that Virginia will compete to be the top state for entrepreneurs and a preferred location for those looking to engage in translational research, commercialize intellectual property, launch cutting-edge businesses, and attract early stage investment funding.

V. CEO Office

1. Chief Technology Officer – The Chief Technology Officer (CTO) provides leadership of CIT Strategic Initiatives, as well as information technology services. The CTO is responsible for forward-looking technology and market vision around strategic initiative efforts such as the development of Smart Communities, expansion of broadband, and a follow-on partnership with the Department of Homeland Security to expand SCITI Labs. 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. Additionally, the CTO plays a key role in establishing and maintaining CIT thought leadership across strategic initiatives and other areas of CIT interest.
2. Chief Financial Officer – The primary role of CIT’s Chief Financial Officer is to promote the financial well-being of CIT. After having achieved a level of financial stability over the past several years, the CFO continues to focus on improvements in this area. The daily responsibility of the CFO is to oversee the Finance & Administration group, and is responsible for all financial, legal, and administrative functions of the corporation including the design and operation of a federal and state compliant financial management system. A key role for this CFO organization is to independently evaluate the quantitative and qualitative return on investment of the programs in CIT and ensure that programs operate within the financial envelope agreed upon at the start of a program. Another key objective of this group is to maintain a positive relationship with the financial oversight organizations of the Commonwealth.
3. Marketing and Communications – CIT Marketing and Communications provides the corporate communications and government relations functions for CIT. This organization will be primarily

responsible for increasing CIT's visibility and image in all media and coordinate with our stakeholders to bring visibility to their efforts in building Virginia's new economy.

VI. Corporate Scorecard

The following Corporate Scorecard aligns the major activities of CIT with the six Strategic Planks and Corporate Initiatives. The principle purposes of the scorecard are to:

- Ensure that our actions and expenditure of resources support the achievement of the corporate objectives.
- Define concrete measures of performance that demonstrate success and serve as the basis for corporate performance evaluation.
- Provide a high level of transparency to stakeholders regarding the programs, operations and value of the company.

The scorecard is organized according to strategic planks of the organization

Corporate Scorecard FY20

Strategic Plank 1: Expand regional and underserved community engagement

Objectives	Success Metric	FY20 Measure	Primary Accountability
Provide support for regional initiatives with key stakeholders, including; GO Virginia, tech councils, accelerators, and regional funds	Establish a network among existing and emerging accelerators, mentors and investors across Virginia	Network established, 3 meetings held	CEO/SVP, Policy and Regional Initiatives/VP, Entrepreneur
	Establish a network for Go Va –funded regional entrepreneurial “quarterbacks”.	Network established, 3 meetings held	
In partnership with regionally-based innovation initiatives, promote and identify pipeline for CIT’s core programs, including; VFF, GAP, and CRCF.	Number of investments	7 - 10 VFF investments	VP, Entrepreneur & SVP, Policy and Regional Initiatives
	Number of regional events to promote entrepreneurship and VFF	10 events	
Continue to support localities and the Commonwealth’s Chief Broadband Adviser (CBA) with the planning, design and acquisition of broadband capabilities.	# of localities/regions assisted with broadband planning guidance	<ul style="list-style-type: none"> Guidance provided specifically for 20 locality/regional broadband plans. 	VP, Broadband
	# of entities, provided with general broadband technical assistance. These entities can include – but are not limited to - agencies, associations, localities, and regions.	<ul style="list-style-type: none"> General Broadband Technical Assistance provided to 30 entities. (GBTA includes - but is not limited to - providing technical advice, tracking funding sources, updating broadband mapping, and fulfilling data requests. 	
	Annual reports written and submitted.	<ul style="list-style-type: none"> 2 Virginia Broadband Reports written and submitted. 	
In partnership with the Verizon Foundation, expand the MACH37/UVA-Wise program to provide jobs and internships to students and graduates of the University’s cyber program.	Number of internships or jobs cumulative since inception in FY18	10	SVP, Policy and Regional Initiatives

Strategic Plank 2: Identify and fund innovators and entrepreneurs at a greater rate

Objectives	Success Metric	FY20 Measure	Primary Accountability
GAP Fund – Identify, process and close a robust pipeline of seed stage investments and maintain portfolio performance to recover all invested capital over the life of the investment program	# of investments placed	14 (including MACH37 investments)	VP, Entrepreneur
	Amount of initial and follow on investment from non-Commonwealth sources	At least \$20M	
	Run rate of return on investment capital	1.1 Return on Capital	
CRCF – Solicit, process , award and administer a robust pipeline of high-potential CRCF projects	# and \$ of applications received	50 applications \$3.75 - \$4.5M	VP, Research Investment
	\$ of awards announced	\$2.4M in awards	
	Amount of match	Minimum 1:1 match	
	Effectively track outcomes in CRCF Annual Report	October 1, 2019 submission, per legislation	
	Stronger proposals	Increased ratio of awards to applications over FY19	
MACH37 – Continue investing in graduates of the program that meet VA and GAP requirements	# Investments	6 - 8	VP, Entrepreneur
Smart Communities - Develop and mature Pilot implementation projects in a variety of communities across the Commonwealth, to include a community-driven need matched to a capability provider. Demonstrate and help commercialize innovative company capabilities in IoT, data analytics, responder capabilities, UAS and similar areas via prototype demonstrations conducted as part of SCITI Labs/DHS programs or Smart Community activities including Living Lab opportunities	# of community pilots	4	CTO
	# of companies supported with prototype demonstrations	12	
Federal Funding – Run SBIR/STTR education programs to support companies seeking to raise funds through federal grants and contracts	# companies receiving mentoring and training support	200	SVP, Policy and Regional Initiatives
Through the Unmanned Systems Center of Excellence, create partnerships and an Advisory Board with strategic stakeholders in the public and private sectors to help establish Virginia as a national leader in Unmanned Systems technology - air, land and marine.	Board established	Quarterly Meetings	CEO, SVP, Policy and Regional Initiatives
	Strategic partnerships	10	
Promote economic growth across Virginia via emergent unmanned systems business activity and venture investment.	State procurement pilots	2	SVP, Policy and Regional Initiatives
	Speaking opportunities	6	
SCITI Labs/DHS Innovation Acceleration Program	Number of Technical Areas Authorized by DHS	3	CTO
	Revenue generation	\$2.5M	
	# of Va based companies	4	

Strategic Plank 3: Create strategies with universities to boost commercialization success

Objectives	Success Metric	FY20 Measure	Primary Accountability
Identify and participate in multi-institution (universities or university and private partners) programs to boost commercialization success.	# of new programs identified	2	CEO and Leadership Team
Continued participation on university based economic development board as a means to identify future strategies/programs	# of meetings per year	8	SVP, Policy and Regional Initiatives
Establish an entrepreneurial culture for UMS across Virginia that encourages university/business innovation and partnering	University & business partnership pilots	2	SVP, Policy and Regional Initiatives
Increase the number of UMS-related research and commercialization applications for CRCF	Increase engagement in CRCF	Increase above the # of FY19 LOIs	SVP, Policy and Regional Initiatives and VP, Research INvestment

Strategic Plank 4: Enhance role in Virginia economic development policy formulation

Objectives	Success Metric	FY20 Measure	Primary Accountability
Support the Administration's process to define a new infrastructure, programs and funding for innovation, entrepreneurship and university commercialization	Board member and management engagement in strategic planning	Recommendations for proposed legislation for FY20 session	CEO
	Staff support in meeting administration, facilitation, documentation	Feedback from Commerce & Trade staff on quality of support	
Commonwealth Research and Technology Strategic Roadmap – Assist the VRIC/SCHEV related to the development of the Research and Technology Strategic Roadmap	Define assistance to be provided for update	Provide assistance	VP, Research Investment
Commonwealth exposure – increase face to face interactions of CIT management and CIT program beneficiaries with public officials across the Commonwealth	# of regions (based on GO VA regions) for hosted or participating events	5	Leadership Team
	Total number of hosted or participating regional events	10	
Coordinate with VEDP as well as with local and regional economic development offices to assist with recruitment and expansion of UMS companies.	Number of collaborations	5	CEO, SVP, Policy and Regional Initiatives

Strategic Plank 5: Rebrand CIT and Relocate CIT

Objectives	Success Metric	FY20 Measure	Primary Accountability
Financially sound operations – Continue to operate CIT to achieve a positive Operating fund net asset position	Positive operating fund net asset position	\$250k - \$300k	CFO
Establish CIT cost effective CIT locations around Commonwealth	Richmond	Oct 2019 for Board approval	CEO/CFO
	Plan for No VA location	Dec 2019 for Board approval	
Raise CIT's exposure and accessibility across the entire state of Virginia: CIT Brand Refresh – across all social media channels, website and public relations efforts. The goal is to improve the way CIT communicates with the many audiences in the Commonwealth by better defining our program offerings, making them more approachable to increase engagement and awareness of all CIT programs and initiatives.	Increase social media engagement - personalization	# of likes, comments and shares - all social channels	CEO/Director, Marketing and communications
Communicate the benefits of CIT in a more modern and relevant manner. Develop a refreshed and improved visual identity, as well as a consistent brand implementation program, to support the actions we need to take to reach the next level goals of programs and initiatives of the CIT team. Includes - defining & improving tone of voice, marketing & presentation collateral, public relations efforts - regional, value propositions, program definitions & awareness, consistent slogans & taglines, fonts, styles – all to better convey the benefits of CIT, our partners, alumni and people who all play significant roles in the Virginia Economic Development Chain.	Implement social analytics tracking – statistics on interaction to insure reach of program awareness to all of VA	Monthly reports & evaluation – numeration of breadth, interaction and reach of messaging	
	Improve communications, social media quality -better define programs, create awareness and accessibility to diverse audiences & regions in VA	Increase number of interactions w/ our programs - training - CRCF applications - program attendance + New Website	

Strategic Plank 6: Attract and retain high performing, passionate talent

Objectives	Success Metric	FY20 Measure	Primary Accountability
Maintain critical skills and leadership necessary to successfully meet CIT mission and vision	High performer attrition rate	<10%	Leadership Team
	Succession plans updated	1/30/2020	Leadership Team
Re-establish At Risk Compensation component of overall compensation program	Gain Board of Directors and COV agreement on structure of program	Dec 2019	CEO

VII. Financial Performance

The FY2020 Operating Budget includes a \$250k increase in operating-base funding from the Commonwealth. The organization continues to maintain a positive position in the company's operating fund. The financial plan reflects a conservative, risk-adverse approach, intended to promote economic stability and position CIT for growth, contingent upon future funding.

Financial Statements

- FY20 budget (Page 24)

**Center for Innovative Technology
Fiscal Year 2020 Summary of Operating Budget**

	Operating Funds		Designated Funds					Total
	COV	Other	COV					
	Discretionary	Grants & Contracts	BB Fund	Comm Fund	CRCF Fund	UAS and COE Fund	GAP Fund	
(In Thousands)								
Beginning Balance at 7/1/2019	\$ 773	\$ 180	\$ 109	\$ 451	\$ -	\$ 907	\$ 6,908	\$ 9,328
REVENUE								
Appropriation	\$ 3,446		\$ 550	\$ 400	\$ 3,123	\$ 1,000	\$ 3,100	\$ 11,619
Interest, Sponsorship, Return on Investment	\$ 120							\$ 120
Building Reserve	\$ 210							\$ 210
Contracts & Grants		\$ 1,754						\$ 1,754
Total Revenue	\$ 3,776	\$ 1,754	\$ 550	\$ 400	\$ 3,123	\$ 1,000	\$ 3,100	\$ 13,703
EXPENSES AND TRANSFERS								
Operating Programs Net of Over-applied Indirects	\$ 1,450							\$ 1,450
Designated Programs	\$ 2,701		\$ 584	\$ 397	\$ 3,123	\$ 1,766	\$ 5,182	\$ 13,753
Building Reserve :: Rent and Relocation	\$ 210							\$ 210
Contracts & Grants		\$ 1,625						\$ 1,625
Total Expenses	\$ 4,361	\$ 1,625	\$ 584	\$ 397	\$ 3,123	\$ 1,766	\$ 5,182	\$ 17,038
Net Change	\$ (585)	\$ 129	\$ (34)	\$ 3	\$ -	\$ (766)	\$ (2,082)	\$ (3,335)
Ending Balance at 6/30/2020	\$ 188	\$ 309	\$ 75	\$ 454	\$ -	\$ 141	\$ 4,826	\$ 5,993

Legend:

BB Fund = Broadband Program Fund

Comm Fund = Cyber Security Commission Fund

CRCF = Commonwealth Research Commercialization Fund

UAS and COE Fund = Unmanned Systems and Unmanned Center of Excellence Fund

GAP Fund = Growth Acceleration Program Fund

Designated Funds are amounts which are to be spent on a specific purpose stated in the Appropriation Act.

Center For Innovative Technology
Fiscal Year 2020 Operating Budget by Funding Source

Commonwealth Projects Funded By Appropriation & Other Revenue

		(in thousands)
Revenue		
Commonwealth Appropriation - General Fund	\$	11,619
Interest, Sponsorship, Return on Investment & Miscellaneous Income	\$	330
Total Revenue	\$	11,949
Program Expenses		
R&D - Commonwealth Research and Technology Strategic Roadmap	\$	26
R&D - Commonwealth Research Commercialization Fund (CRCF)	\$	3,847
Entrepreneur - Growth Acceleration Program	\$	6,450
Broadband - Office of Telework Promotion	\$	6
Broadband - Broadband Planning & Assistance	\$	770
Commonwealth - Regional Growth	\$	519
Commonwealth - Cyber Commission	\$	488
Commonwealth - Unmanned Systems	\$	2,192
Program Expenses	\$	14,298
Other Expenses		
Marketing & Communications and Miscellaneous	\$	652
Under-applied (over-applied) indirects	\$	463
Other Expenses	\$	1,115
Total Expenses	\$	15,413
Net	\$	(3,464)

Strategic Initiatives Funded by Contracts & Grants

Program Revenue - DHS Smart City IoT Innovation Program	\$	1,754
Program Expense	\$	1,625
Profit/(Loss)	\$	129

Consolidated Revenue & Expenses & Changes in Net Position

Total Revenue	\$	13,703
Total Expenses	\$	17,038
Change in Net Position	\$	(3,335)
Beginning Net Position	\$	9,328
Ending Net Position	\$	5,993

VIII. Major Operating Plan Risks and Mitigations

All corporate transformations come with significant areas of risk during the transformation period. Below are the major areas of risk in this operating plan and mitigations to those risks.

- Operational disruption due to Administration’s efforts to enhance and reorganize the innovation, entrepreneurship and university commercialization infrastructure and programs – While CIT supports the Administration’s efforts to enhance this area of economic development, it’s possible that proposed changes could cause the postponement or disruption to initiatives in the FY20 plan.
 - Mitigation – Organization and operational flexibility will be key during the coming fiscal year. Management is working closely with the Administration and supporting its efforts in this strategic area. Should a need to modify/halt current programs become evident during the fiscal year, management will propose changes to this plan for review and approval by the Board.

- Key Personnel Departures – The environment in which CIT operates, including the political, strategic, and physical, are changing significantly over the course of FY20. There is a high degree of uncertainty as to the future structure, funding and programs of IEIA and CIT. In addition, it’s possible that the IEIA properties will be sold during the fiscal year, requiring relocation of CIT staff. As such, our level of uncertainty may result in departures of key staff in the coming fiscal year.
 - Mitigation – Management has undertaken a consistent program of communications to employees to address uncertainty regarding the company as best as possible. Management also prepared succession plans for key personnel. We will review the plan with the Executive Committee of the organization.

- Operational and Reputational Disruption from Building Sale and Relocation – The FY17 Commonwealth budget declared the IEIA property and building as Surplus, triggering the process to place the property and building on the market for sale. In addition, lease renegotiation actions by the Department of General Services (DGS) to provide the Commonwealth with maximum flexibility for the disposition of the property We project an operating deficit in the building complex. As such, we are working with the Administration to address this issue and protect the integrity of the Board of Directors.
 - Mitigation – IEIA/CIT has asked the Administration and the Office of the Attorney General for advice on mitigating this risk.

- MACH37 Privately Funded Operations – In FY20, MACH37 will enter the second year of our joint venture operations with VentureScope. VentureScope is nearing successful completion of its first year of MACH37 operation. VentureScope needs to continue to meet its Service Levels Agreement with CIT for the successful operation of the accelerator. There is a risk, albeit low, that it may not be able to do so.
 - Mitigation – CIT has the contractual ability to take back MACH37 from the joint venture should VentureScope not fulfill it’s service level obligations.

Item 126.10.D.1a

**All planned and actual
revenue and expenditures
along with funding sources**

**Center for Innovative Technology
Fiscal Year 2020 Summary of Operating Budget**

	Operating Funds		Designated Funds					Total
	COV	Other	COV					
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Ending Balance at 6/30/2019	\$ 188	\$ 309	\$ 75	\$ 454	\$ -	\$ 141	\$ 4,826	\$ 5,993

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Center For Innovative Technology
Fiscal Year 2020 Operating Budget by Funding Source

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(in thousands)

Revenue

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Program Expenses	\$	14,298

Other Expenses

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Total Expenses	\$	15,413
Net	\$	(3,464)

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Program Expense	\$	1,625
Profit/(Loss)	\$	129

Consolidated Revenue & Expenses & Changes in Net Position

Total Revenue	\$	13,703
Total Expenses	\$	17,038
Change in Net Position	\$	(3,335)
Beginning Net Position	\$	9,328
Ending Net Position	\$	5,993

INNOVATION AND ENTREPRENEURSHIP INVESTMENT AUTHORITY
Fiscal Year 2020 Budget - Building Only

<i>IEIA - BUILDING ANALYSIS ONLY</i>	In thousands <i>FY20 Budget</i>
REVENUE	
Rental Income	\$ 612
Total Revenue	<u>612</u> *
BUILDING EXPENSES	
Payroll	244
Utilities	356
Administrative	135
Operating & Maintenance	80
Contracts	346
Insurance	100
Leasing Commission and Miscellaneous	15
Total Expenses	<u>1,276</u>
Net profit (loss) of complex	<u><u>\$ (664)</u></u> **

* Department of General Services re-negotiated tenant leases to terminate under legislated surplus designation

**Net loss offset by building reserve funds.

Item 126.10.D.1b

**Listing of the salaries,
bonuses and benefits of all
employees**

Innovation and Entrepreneurship Investment Authority including Center for Innovative Technology

Item 126.10.D.1b

Listing of the salaries, bonuses, and benefits of all employees of the Innovation and Entrepreneurship Investment Authority and the Center for Innovative Technology

Fiscal Year 2020 Budget

Note - CIT fringe benefits include: health, life, and disability insurance, retirement, payroll taxes, and cell phone allowance

Title	Base Salary	At-risk Compensation	Fringe Benefits	Total
Administrator 1	\$ 67,760	\$ 6,612	\$ 43,311	\$ 117,683
Administrator 2	\$ 41,322	\$ 333	\$ 34,265	\$ 75,920
Assistant 1	\$ 69,660	\$ 6,797	\$ 35,092	\$ 111,549
Assistant 2	\$ 75,353	\$ 7,296	\$ 44,879	\$ 127,528
Assistant 3	\$ 63,327	\$ 6,179	\$ 42,391	\$ 111,897
Assistant 4	\$ 25,000	\$ -	\$ 5,745	\$ 30,745
Director 1	\$ 108,265	\$ 10,564	\$ 52,095	\$ 170,924
Director 2	\$ 129,114	\$ 12,598	\$ 39,047	\$ 180,759
Director 3	\$ 122,982	\$ 12,000	\$ 27,584	\$ 162,566
Director 4	\$ 135,908	\$ 13,261	\$ 57,801	\$ 206,970
Director 5	\$ 102,485	\$ 2,500	\$ 50,251	\$ 155,236
Director 6	\$ 125,437	\$ 12,240	\$ 38,266	\$ 175,943
Director 7	\$ 125,035	\$ 12,200	\$ 46,961	\$ 184,196
Director 8	\$ 163,089	\$ 15,913	\$ 61,719	\$ 240,721
Director 9	\$ 106,584	\$ 1,733	\$ 51,035	\$ 159,352
Manager 1	\$ 85,622	\$ 7,957	\$ 29,755	\$ 123,334
Manager 2	\$ 80,613	\$ 7,866	\$ 46,106	\$ 134,585
Manager 3	\$ 59,693	\$ 5,065	\$ 41,507	\$ 106,265
Manager 4	\$ 65,063	\$ 6,349	\$ 25,277	\$ 96,689
Manager 4	\$ 131,019	\$ 12,176	\$ 39,395	\$ 182,590
Manager 5	\$ 102,485	\$ 6,667	\$ 50,567	\$ 159,719
Officer 1	\$ 191,351	\$ 16,974	\$ 48,742	\$ 257,067
Officer 2	\$ 316,678	\$ 30,900	\$ 74,853	\$ 422,431
Specialist 1	\$ 59,702	\$ 5,826	\$ 41,569	\$ 107,097
Vice President 1	\$ 219,349	\$ 21,403	\$ 69,836	\$ 310,588
Vice President 2	\$ 102,746	\$ 9,548	\$ 50,844	\$ 163,138
Vice President 3	\$ 207,444	\$ 19,936	\$ 58,944	\$ 286,324
Vice President 4	\$ 172,416	\$ 16,824	\$ 54,347	\$ 243,587
Vice President 5	\$ 245,476	\$ 23,952	\$ 73,595	\$ 343,023
	\$ 3,500,978	\$ 311,669	\$ 1,335,779	\$ 5,148,426

Item 126.10.D.1c

**By program, total grants
made and investments
awarded for each grant and
investment program,
including CRCF**

Item 126.10.D.1c

As illustrated in item 126.10.D.1 FY2020 Operating Plan, the following excerpt has been modified to include total budgeted grants and investments planned for each grant and investment program at a total budgeted amount of \$5.365M.

Objectives	Success Metric	FY20 Measure	Budget Grant/ Investment Amount
GAP Fund – Identify, process and close a robust pipeline of seed stage investments and maintain portfolio performance to recover all invested capital over the life of the investment program	# of investments placed	14 (including MACH37 investments)	\$2.065M
	Amount of initial and follow on investment from non-Commonwealth sources	At least \$20M	
In partnership with regionally-based innovation initiatives, promote and identify pipeline for CIT’s core programs, including; VFF, GAP, and CRCF.	Number of investments	7-10 VFF investments	\$0.600M
	Number of regional events to promote entrepreneurship and VFF	10 events	
CRCF – Solicit, process , award and administer a robust pipeline of high-potential CRCF projects	# and \$ of applications received	50 applications for \$3.75 – \$4.5M	\$2.700M (includes deployment of prior year award milestones upon achievement)
	\$ of awards announced	\$2.4M in awards	
Total			\$5.365M

Item 120.10.D.1d

By program, projected economic impact on the Commonwealth and recoveries of previous grants or investments and sales of equity positions

Item 126.10.D.1d

As illustrated in item 126.10.D.1 FY2020 Operating Plan, the following excerpt reflects projected economic impact on the Commonwealth. Details can be found in Item 126.10.D.1 FY2020 Operating Plan, under the Corporate Scorecard FY20, Metrics and Measures, which begins on page 18. Recoveries of previous grants, investments and sales of equity positions are unpredictable and, therefore, not budgeted.

In FY20, CIT will

- Accelerate our pace of partnership formation in new technology and entrepreneurship areas critical to Virginia, e.g., Smart Communities, Autonomous Systems, Cyber Physical Systems and enhance our reputation as an innovation commercialization leader.
- Continue to expand our engagement with every region of the Commonwealth and with underserved populations through greater outreach of our core programs such as CIT GAP (Growth Acceleration Program) Funds, CIT Broadband, and the Commonwealth Research Commercialization Fund as well as the Virginia Founders Fund, to accelerate new company formation, research, technology commercialization, and job growth.
- Continue to collaborate with our internationally recognized MACH37 Cyber Accelerator now operating under a long-term agreement with private funds through our partner VentureScope.
- Create Autonomous System-driven economic opportunities in Virginia through the Unmanned Systems Center of Excellence and collaborations with partners such as Virginia Tech, Old Dominion University, NASA, and Virginia's Unmanned Systems Industry Association
- Continue to increase CIT's outreach to corporations, universities, incubators, and accelerators to create a collaborative network to better identify and fund innovators and entrepreneurs.
- Engage deeply with other components of Virginia economic development including the Virginia Research Investment Committee (VRIC), Virginia Economic Development Partnership (VEDP), GO Virginia, etc. to craft complementary and consistent strategies, policies, and programs.
- Enhance Virginia broadband expansion efforts by assisting localities in broadband planning, creating and maintaining broadband tools and resources, and supporting the Commonwealth's Chief Broadband Advisor, the Broadband Advisory Council, and GO Virginia
- Expand our Strategic Initiatives with a focus on federal and private innovation funding and projects that provide a leadership, reputational, and/or financial benefit to Virginia.
- Continue to closely manage our funding and position the company for additional funding in the future in order to increase our impact for Virginia.
- Recast our communications, outreach, and branding to highlight our mission and engagement for the benefit of all Virginia.

FY20 promises new opportunities to help grow and diversify Virginia's economy. It builds on the progress we made as an organization in FY19.

With this operating model, CIT has provided substantial return on investment for the Commonwealth. For example, **CIT's research commercialization, investments, acceleration, and innovation assimilation initiatives have:**

- Attracted more than \$500M in follow on investment for CRCF awardees since 2015.
- Provided critical early stage funding to more than 200 startups in all regions of the Commonwealth since 2004 (GAP Funds).
- Since 2004, has leveraged more than \$800M dollars of private funding – largely from sources outside of Virginia – into CIT GAP Funds portfolio companies.
- Helped launch 64 new cyber companies over the last 6 years (MACH37).
- Helped secure \$127 million in Small Business Innovative Research and Small Business Technology Transfer (SBIR/STTR) federal research in a single year for researchers, innovators, and entrepreneurs in the Commonwealth.
- Completed the first ever, statewide broadband demand campaign which collected responses from residents and businesses from 129 Virginia localities.
- Built on FY18/FY19 successes to continue implementing State Action Plans for Smart Communities.
- Continued Smart Communities and Broadband initiatives focused on delivering Government services more efficiently, closing the digital divide hampering economic growth for rural and agricultural areas of the Commonwealth, creating global business opportunities, and helping make Virginia a place that the next generation workforce can work, live, and thrive.
- Established the Virginia Unmanned Systems Center at CIT to champion the expansion of this important industry in the Commonwealth. The Center focuses on creating UMS-driven economic opportunities for businesses and the integration of UMS strategies in Virginia's state and local government agencies.

Finally, CIT's strong performance and that of the companies and innovators it propelled is producing excellent economic results and new innovations today, and **projects the creation of up to 9,000 new high technology jobs over the next five years.**

CIT remains focused in FY20 on accelerating new economic opportunities, adding to the projection of new high technology company and job creation, enhancing its reputation as a thought leader and partner in innovation and entrepreneurship, strengthening our financial asset base and attracting and retaining passionate people to the CIT mission. Achieving these objectives will create benefits all across the Commonwealth and plant even more seeds to grow the Virginia economy and strengthen the CIT brand.

Item 126.10.D.1e

**Cash balances by funding
source and available,
committed and projected
expenditures of cash balances**

