



June 29, 2022

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

Dear Director Maul:

Enclosed please find the Operating Plan for FY2023 for the Virginia Innovation Partnership Corporation (VIPPC). VIPPC is the operating arm and managing nonprofit of the Virginia Innovation Partnership Authority (VIPA). The attached report fulfills the requirements of the Appropriations Act Item 135 D.1 (Special Session I, 2021).

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

Sincerely,

A handwritten signature in black ink that reads "Susan Aitcheson". The signature is written in a cursive style and is positioned above the typed name.

Susan Aitcheson
CFO
Virginia Innovation Partnership Corporation

cc: The Honorable Caren Merrick, Secretary of Commerce and Trade
The Honorable Janet D Howell, Chair, Senate Finance & Appropriations Committee
The Honorable Barry Knight, Chair, House Appropriations Committee
Ms. Carla Karnes, Staff Director, House Appropriations Committee
Ms. April Kees, Staff Director, Senate Finance & Appropriations Committee
Ms. Toni Walker, Associate Director, Department of Planning and Budget
Ms. Samantha Martin, Budget and Policy Analyst, Department of Planning and Budget
Dr. Barbara Boyan, VIPC Board of Directors Chair
Mr. Rob Quartel, VIPC Board of Directors Finance Committee Chair

2214 Rock Hill Road
Suite 600
Herndon, VA 20170-4228
Tel.703.689.3000

Item 135.D.1
Operating Plan

and

Item 135.D.1a

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

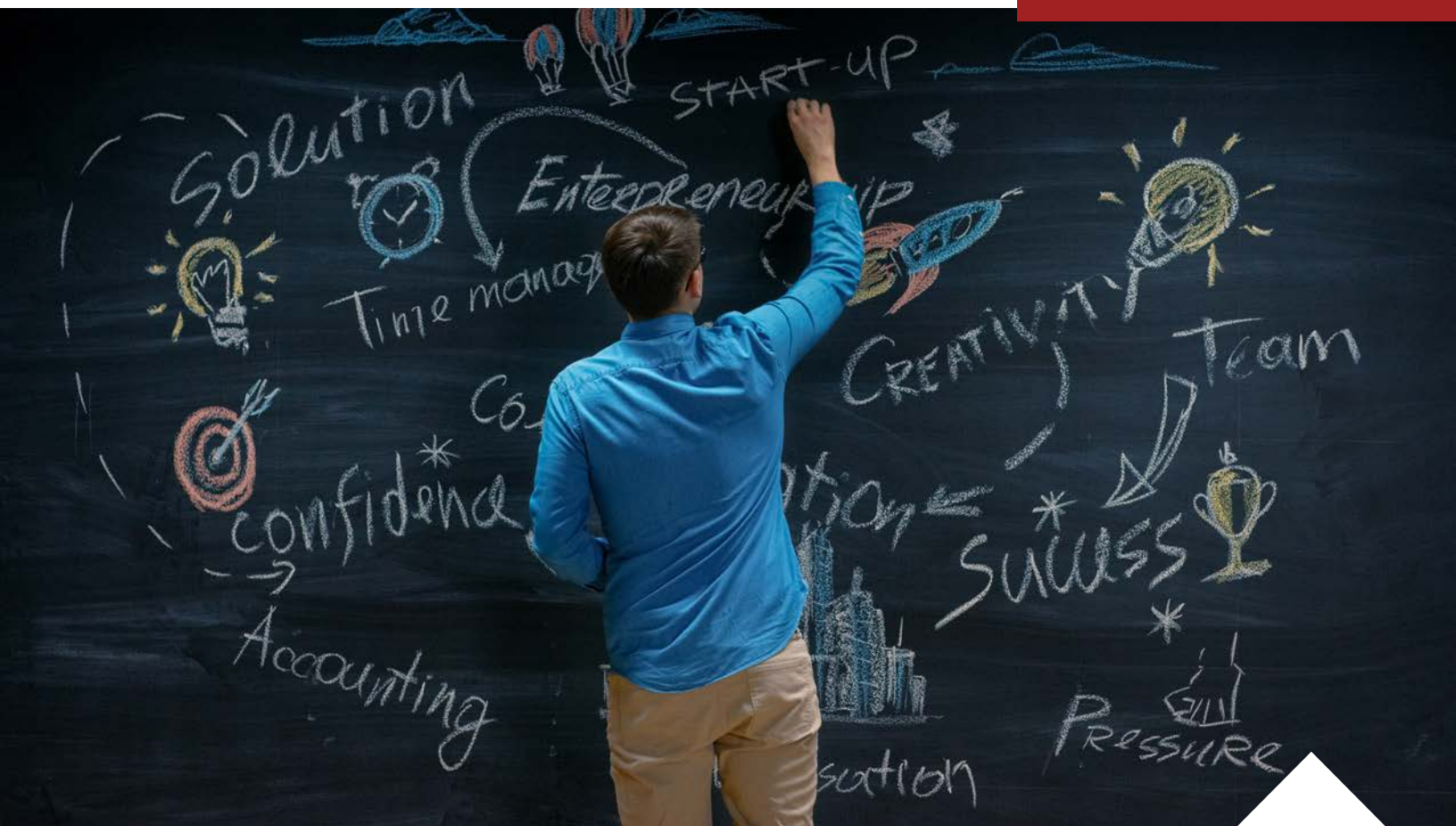


VIPA | VIRGINIA INNOVATION
PARTNERSHIP AUTHORITY

VIPC | VIRGINIA INNOVATION
PARTNERSHIP CORPORATION
Connecting Innovators with Opportunity

**Operating Plan
Fiscal Year
2023**

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VIPC | VIRGINIA INNOVATION
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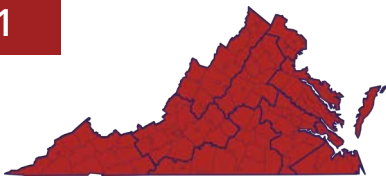
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The Virginia Innovation Partnership Authority (VIPA), with the The Virginia Innovation Partnership Corporation (VIPC) as its operating arm and managing nonprofit, was established in 2020 to support the life cycle of innovation, resulting in the creation of new jobs and company formation. VIPA supports the full innovation life cycle from translational research to entrepreneurship, and pre-seed and seed-stage funding as well as acceleration, growth, and commercialization. The Authority provides a collaborative, consistent, and consolidated approach that will assist the Commonwealth in identifying its entrepreneurial strengths, including the identification of talents and resources that make the Commonwealth a unique place to grow and attract technology-based businesses.

VIPA is Guided by Four Governing Principles:

INCLUSION

Prioritize outreach to historically underrepresented groups in the Commonwealth such as people of color, women, and rural communities while ensuring that all parts of the Commonwealth are touched by VIPC.

ACCOUNTABILITY

Openness on all issues among the Board, the Administration, the General Assembly; enhanced Board Committees for oversight across all VIPA activities.

TRANSPARENCY

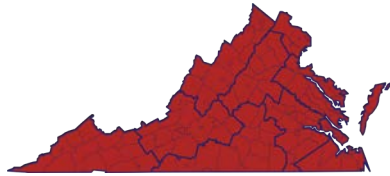
Board approved operating plans & balanced scorecards; management accountability; Board and Commonwealth reporting.

LEADERSHIP

Board and management policy engagement with COV government, operational execution, and measurable results.

VIPA | VIRGINIA INNOVATION PARTNERSHIP AUTHORITY

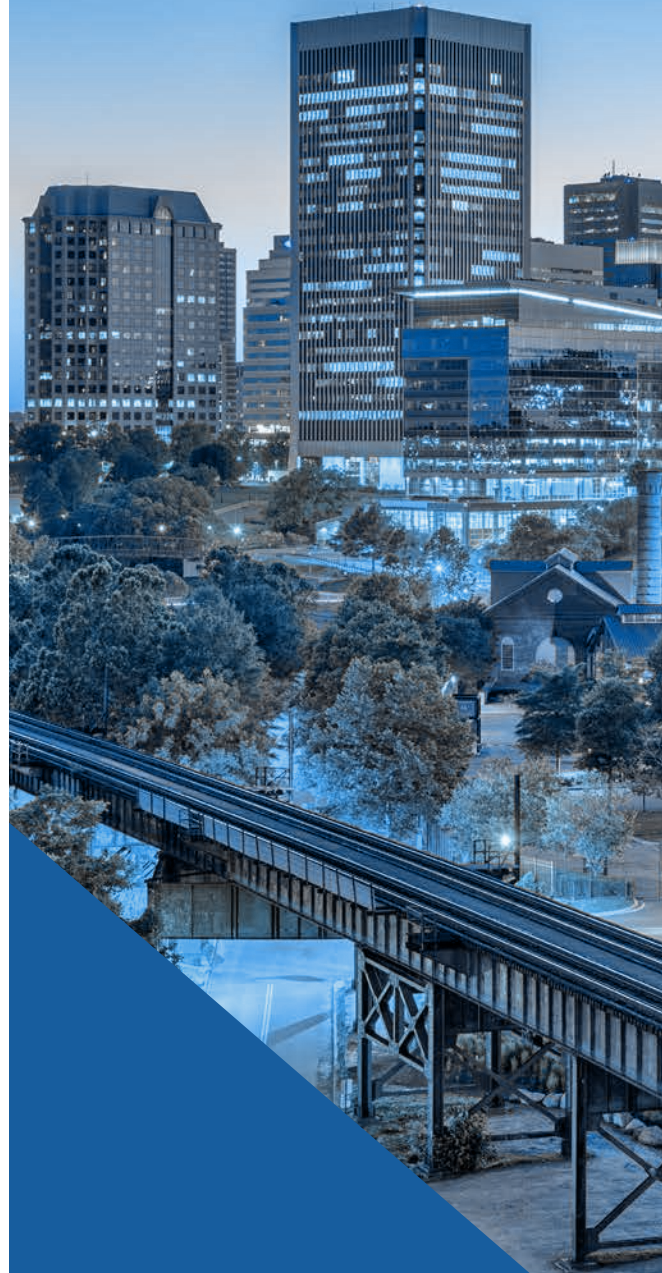
The Virginia Innovation Partnership Authority (VIPA), through its governance and with VIPC as its operating arm and managing nonprofit, brings together components of existing and new program activities in an approach through which the whole is greater than the sum of the individual programs. VIPA's design includes governance and management capabilities to ensure that programs generate transformative and measurable results.

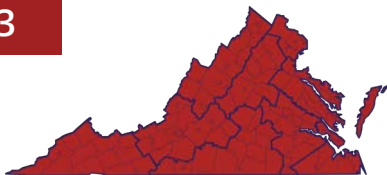


VIPC | VIRGINIA INNOVATION PARTNERSHIP CORPORATION

The Virginia Innovation Partnership Corporation (VIPC), *Connecting Innovators with opportunities.*

VIPC is the nonprofit operations arm of the Virginia Innovation Partnership Authority (VIPA), and is the commercialization and seed stage economic development driver in the Commonwealth that leads funding, infrastructure and policy initiatives to support Virginia's innovators, entrepreneurs, startups and market development strategies. VIPC collaborates with local, regional, state, and federal partners to support the expansion and diversification of Virginia's economy.





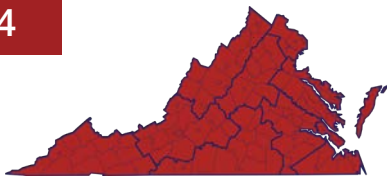
ABOUT VIPA

The **Virginia Innovation Partnership Authority (VIPA)** was launched on July 1, 2020 to support the life cycle of innovation, from translational research; to entrepreneurship; to pre-seed and seed-stage funding; as well as acceleration, growth, and commercialization, resulting in the creation of new jobs and company formation. The Authority provides a collaborative, consistent, and consolidated approach that will assist the Commonwealth in identifying its entrepreneurial strengths, including the identification of talents and resources that make the Commonwealth a unique place to grow and attract technology-based businesses.

The scope of programs the Authority may undertake is broad. It provides for a wide range of powers and programmatic development. The critical needs and opportunities the Authority can address include:

- Promote the technology-based economic development of the Commonwealth by building, attracting, and retaining innovation and high-technology jobs and businesses in Virginia.
- Increase industry competitiveness by supporting the application of innovative technologies that improve productivity and efficiency.
- Attract and provide additional private and public funding in the Commonwealth to enhance and expand the scientific and technological research and commercialization at the state and federal research institutions and facilities, including by supporting and working with technology transfer offices to advance research from proof-of-concept to commercialization resulting in new business and job creation.
- Attract and provide additional private and public funding to support and enhance innovation-led entrepreneurship ecosystems and coordination of existing activities and programs throughout the Commonwealth to create new job opportunities and diversify the economy.
- Ensure promotion and marketing of Virginia's statewide innovation economy and support and coordinate regional marketing efforts to align local and statewide objectives.
- Close the Commonwealth's support gap through pre-seed and seed-stage investments, coordination of private investor networks, and enhanced deal syndication.

The VIPA, with VIPC as its operating arm, brings together components of existing and new program activities in an approach through which the whole is greater than the sum of the individual programs. VIPA's design includes governance and management capabilities to ensure that programs generate transformative and measurable results.



INDEPENDENT NONPROFIT CENTERS OF EXCELLENCE UNDER A SINGLE STATE AUTHORITY

With the creation of VIPA in FY2021, several existing Commonwealth-sponsored innovation-focused organizations were consolidated under the VIPA umbrella. This structure allows for greater coordination across these organizations, as well as unified periodic reporting through VIPC to the Secretary of Commerce and Trade and other Commonwealth of Virginia stakeholders.

Click Logos Below to Learn More

CCALS

Commonwealth Center for Advanced
Logistics Systems
501(c)(3)

Board of Directors
(10 Members)

Chair: *Dawit Haile*
Vice Chair: *Vince Barnett*
President & Exec. Dir.:
Mark Manasco

Commonwealth Center for
Advanced Logistics Systems
administers and deploys
seed money for collaborative
public sector projects with
Commonwealth partners.

VBHRC 4CATALYST

Virginia Catalyst
501(c)(3)

Board of Directors
(16 Members)

Chair: *David X. Cifu*
CEO: *Michael Grisham*

Non-stock corporation research
consortium comprised of the
University of Virginia, Virginia
Commonwealth University,
Virginia Tech, George Mason
University and the Eastern Virginia
Medical School that contracts to
perform research and develop
infrastructure tools in biosciences
to facilitate research activities.

CCAM

Commonwealth Center for Advanced
Manufacturing
501(c)(3)

Board of Directors
(12 Members)

Chair: *Greg Benson*
CEO: *John Milton-Benoit*

Commonwealth Center for
Advanced Manufacturing
administers private sector
incentive and university research
grants.



Commonwealth Cyber Initiative
Multi-University Program

•Advisory Board
•Leadership Council
Exec. Dir.: *Luiz DaSilva*

Commonwealth Cyber Initiative
funds Hub and Node sites
to provide resources for the
establishment of research faculty/
recruiting, entrepreneurship
programs, student internships and
educational programming, and
operations.



Virginia Academy of Science,
Engineering and Medicine
501(c)(3)

Board of Directors
(12 Members)
President: *James Aylor*

VASEM is a Virginia nonprofit
corporation established to: Inform,
Advocate, and Serve.



LEADERSHIP

In accordance with the Virginia Innovative Partnership Authority (VIPA) Governance Guidelines, VIPA shall be governed by a board of directors consisting of 11 members as follows: the Secretary of Commerce and Trade, or their designee; and six non-legislative citizen members appointed by the Governor; three non-legislative citizen members and one director of technology transfer office from a major research public institution of higher education as appointed by the Joint Rules Committee.

VIPA BOARD OF DIRECTORS



Chair
Barbara Boyan
*Dean, College of Engineering
Virginia Commonwealth University*



Vice Chair
The Honorable Caren Merrick
*Commonwealth Secretary
of Commerce and Trade*



Monique Adams
*Executive Director,
757 Angels*



Richard Hall
*Managing Director,
Orion Capital*



Kurt John
*Chief Cybersecurity Officer,
Siemens USA*



Andrew Ko
*Founder,
Kovexa*



Christopher Long
*President & CEO,
Washington Resources
Associates*



Rob Quartel
*Executive Chairman
of the Board,
NTELX*



Juan Pablo Segura, CPA
*Founder and
Healthcare Transformer,
Babyscripts*



Paula Sorrell
*Associate Vice President,
Innovation & Economic
Development, George
Mason University*



FISCAL YEAR 2022 OVERVIEW

FY22 was a transformative year for innovation and entrepreneurship in Virginia. In addition to consolidating related organizations under the VIPA umbrella, the Commonwealth made significant new investments in key programs designed to:

- Improve the pathway for research commercialization by building university capacity.
- Focus on strategic domain areas for research commercialization and acceleration services, including cybersecurity, data analytics, unmanned systems, space and satellite systems, personalized medicine, life sciences, and other opportunities that present themselves in the future.
- Develop a backbone of statewide resources that each region can tap into to ensure there is capacity across the state to form quality start-ups positioned for growth.
- Define and prioritize strategic domain areas of research and research commercialization.
- Generate measurable economic development benefits, such as taxable events at corporate and employee levels.
- Foster a robust innovation ecosystem in regions across Virginia.
- Invest in and create a critical mass of innovation-led companies serving commercial markets.

Our commitment for FY23 is to maintain Virginia's role as a top-tier state for innovation.

The latest WalletHub rankings list **Virginia as #5 for innovation**. Much of that derives from Virginia's **#3 ranking for Human Capital** and **#9 ranking for innovation environment**. VIPA and VIPC are committed to building that environment.

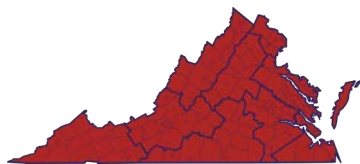
FISCAL YEAR 2023 OPERATING GOALS

VIPC has a key role in Governor Youngkin's economic development goals for Virginia over the next four years. The challenges for Virginia's economic development organizations include creating 400,000 new jobs, 10,000 new startups, and a highly skilled workforce that meets the demands of the Commonwealth's innovation economy.

During FY23, VIPC will provide leadership for funding, infrastructure, and policy initiatives that support success for Virginia's innovators, entrepreneurs, startups, and market development strategies that create jobs, new startups, and well trained entrepreneurs and innovators.

VIPC Strategic Pillars and Operating Goals:

1. Generate measurable economic development benefits.
 - Expanded investment strategies that support more investment while generating ROI.
 - Broaden the funnel of entrepreneurs and commercialization ideas.
 - Track consistent set of growth metrics.
2. Be a catalyst for the Commonwealth's entrepreneurial ecosystem.
 - Collaborate with Centers of Excellence (COE) on programs and funding to ensure synergy.
 - Deploy Regional Innovation Fund (RIF) grants to ensure stable ecosystem support.
 - Collaborate with accelerators, incubators, university-based entrepreneurial programs.
 - Develop a continuum of support services and investment tools.
3. Support full innovation life cycle, from research to commercialization.
 - Expanded partnership with feds (DHS, NIH, EDA) for innovation.
 - Commercial-first innovation.
 - Expand path-to-market partnerships with companies, early adopters & communities.
 - Pilot projects to prove & validate product/functionality.
 - Living laboratory facilities and operational adoption partners to reduce "valley of death".
4. Define and prioritize strategic technology domains for investment.
 - Launch Virginia Innovation Index.
 - Collaborate with technology-focused entities such as VASEM, CCI, MITRE, VEDP.
 - Incorporate emerging Federal priorities such as resiliency.
 - Incorporate commercial market trends such as autonomy, AR/VR, personalized medicine.
 - Focus on industries and research with potential for Virginia leadership.
 - Continuous evolution of technology baseline & focus.
5. Innovation outreach, including marketing and policy development.
 - Policy development & advocacy supporting industry-permissive approaches.
 - Regional/Statewide marketing.
 - Citizen engagement & outreach for awareness and support.
 - National/international visibility and publicity in leadership areas.



VIPA | VIRGINIA INNOVATION PARTNERSHIP AUTHORITY

State Legal Authority



VIPA Operating Arm & Managing Nonprofit

VIPC

VIPC's **Executive Office** functions for VIPA and VIPC Divisions include: Finance, Administration, Human Resources, Policy, Communications and Government Engagement.

Entrepreneurial Ecosystems Division

Support and connection for entrepreneurial ecosystems and stakeholders around Virginia, including startup incubators and accelerators

Federal Funding Assistance Program

Regional Innovation Fund

Regional Ecosystem Support and Connection

Commercialization Division

Grant funding in support of tech-based research, development & commercialization to drive economic growth in Virginia

CRCF Portfolio Management

VRIF Portfolio Management

Commonwealth Commercialization Fund

Investments Division

Seed and early-stage funding for Virginia-based companies with high potential for rapid growth and significant economic returns

Virginia Venture Partners

Virginia Founders Fund

New Funding Structures

Strategic Initiatives

Leadership for strategic initiatives that explore and shape programs designed to attract and grow innovation and new industries

Unmanned Systems

Smart Communities

SCITI Labs

Virginia Innovation Index

Public Safety Innovation Center

Commonwealth legislation designates VIPC as the managing nonprofit for VIPA. The goals and objectives of VIPA are accomplished by VIPC:

- Division of Commercialization
- Division of Investment
- Division of Entrepreneurial Ecosystems
- Division of Strategic Initiatives

VIPC's Executive Office functions for VIPA and VIPC Divisions include:

- Finance and Administration
- Human Resources
- Policy, Communications, and Marketing

VIPC | VIRGINIA INNOVATION PARTNERSHIP CORPORATION

Connecting Innovators with Opportunity

VIPA Operating Arm & Managing Nonprofit

EXECUTIVE OVERVIEW FY23 OBJECTIVES

VIPC serves as the managing nonprofit and operating arm of the VIPA. In its management function, VIPC is committed to:

- Providing governance and management capabilities to ensure that programs funded through VIPA generate transformative and measurable results.
- Collaborating with stakeholders and the administration to develop innovation policy and initiatives.
- Providing clarity and alignment among centers under VIPA.
- Ensuring accountability for performance.
- Embedding diversity, equity, and inclusion in the organization and its programs.
- Engaging every region in programmatic activity.
- Implementing a robust brand and communications strategy, including statewide and regional marketing alignment.

Operationally, VIPC provides a continuum of programs and services for innovation-led development that drive economic diversification, growth, and measurable benefits. These programs and services are delivered through four operational divisions: Entrepreneurial Ecosystems, Commercialization, Investment, and Strategic Initiatives.

The divisions are highly collaborative and include support for entrepreneurs and regional ecosystems that range from lean start-up training through commercialization grants and seed-stage investment.

VIPC | VIRGINIA INNOVATION PARTNERSHIP CORPORATION

Connecting Innovators with Opportunity

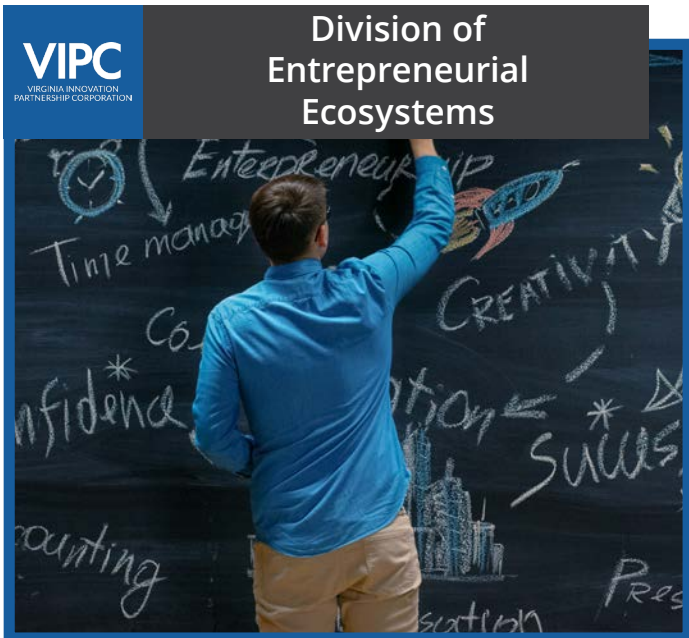
VIPA Operating Arm & Managing Nonprofit

INVESTING IN VIRGINIA

Click Division to Skip to Section

VIPC
VIRGINIA INNOVATION PARTNERSHIP CORPORATION

Division of Entrepreneurial Ecosystems

A man in a blue shirt is seen from behind, writing on a chalkboard. The board is covered in business-related terms and diagrams, including 'Entrepreneurship', 'Creativity', 'Success', 'Time management', 'Confidence', 'Counting', and 'Presentation'. There are also some drawings, like a rocket and a city skyline.

VIPC
VIRGINIA INNOVATION PARTNERSHIP CORPORATION

Division of Commercialization

A woman in an orange sweater is interacting with a futuristic digital interface. The interface features a globe, various data charts, and icons, suggesting a focus on technology and commercialization.

VIPC
VIRGINIA INNOVATION PARTNERSHIP CORPORATION

Division of Investment

A group of people in business attire are sitting around a table, reviewing documents and a tablet. The scene suggests a meeting or a collaborative work environment.

VIPC
VIRGINIA INNOVATION PARTNERSHIP CORPORATION

Division of Strategic Initiatives

A hand is holding a glowing lightbulb with gears inside, symbolizing innovation and strategic thinking. The background is dark with some blurred lights.

A man in a blue shirt is seen from behind, writing on a chalkboard. The board is covered in various business-related terms and drawings, including 'Solution', 'START-UP', 'Entrepreneurship', 'Time management', 'CREATIVITY', 'SUCCESS', 'Accounting', 'compliance', 'hot air balloons', 'a rocket', 'a lightbulb', 'a clock', 'a trophy', and 'a city skyline'.

VIPC

*DIVISION of
ENTREPRENEURIAL
ECOSYSTEMS*

FISCAL YEAR 2023 OBJECTIVES

The Division of Entrepreneurial Ecosystems was established in July 2020 to support and promote technology-focused entrepreneurial ecosystems throughout the Commonwealth. Regional entrepreneurial ecosystems in Virginia have grown significantly over the last several years as communities have recognized that successful technology and innovation-led startups are important to economic growth and development. Regional ecosystem-building initiatives and entrepreneurial support organizations (ESOs) have been established to meet the needs of Virginia's diverse and dynamic regional economies. Funding for these programs includes a variety of grants from federal and state agencies, local governments, philanthropic foundations, and companies.

The Division acts as a supporter, connector, and convener for entrepreneurial ecosystems and stakeholders throughout Virginia. These stakeholders include startup incubators and accelerators, regional training providers, technology councils, chambers of commerce, and other Virginia-based organizations that assist entrepreneurs through the early stages of business formation and growth.

Regional Innovation Fund (RIF) [Click Here to Learn More](#)

The RIF is a VIPC-administered state-funded program that provides competitive grants to leading Virginia-based entrepreneurial support organizations (ESOs) and ecosystem builders (EB). RIF grants provide operational and sustained funding for these partners and RIF grants can

be renewed on an annual basis as grantees continue to make progress toward projected outcomes and metrics.

The Division of Entrepreneurial Ecosystems launched the RIF in March 2021 and made five awards through June 2021.

Primary objectives for the Division of Entrepreneurial Ecosystems in FY23 include:

- Support innovation ecosystems across the Commonwealth, including organizing, co-hosting and sponsoring regional and statewide events.
- Provide up to \$2.0M in RIF funding to entrepreneurial support organizations and regional ecosystem builders.
- Map technology-based entrepreneurial ecosystem resources to determine gaps in services available at the regional and statewide levels.
- Expand Federal Funding Assistance Program (FFAP) to support 350 clients.
- Establish a multi-tiered customer development program that assists entrepreneurs gain access to commercial, state, and federal markets.

DIVISION of ENTREPRENEURIAL ECOSYSTEMS



Innovation Ecosystem Development

Strengthen Virginia's technology-based entrepreneur support organizations and ecosystem builders through technical assistance, peer network development, and flexible funding supports.

Success Metric: By 6/30/23, co-host one statewide stakeholders conference, host 6 statewide networking and educational meetings, sponsor 12 regional ecosystem stakeholder activities, and create a new program to help ecosystems access external funding opportunities.



Regional Innovation Fund (RIF)

Administer the Regional Innovation Fund (RIF) to provide sustaining state funding to regional ecosystem builders and entrepreneur support organizations.

Success Metric: By 6/30/23, deploy up to \$2.0M in RIF grant funding resulting in 350 founders pre-accelerated, 75 startups accelerated, 100 startups incubated, 4,000 mentoring hours provided, and 2,500 ecosystem event attendees engaged.



Federal Funding Assistance Program

Expand the reach of VIPC's efforts to provide mentoring and training to Virginia entrepreneurs and innovators seeking grants and contracts from the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.

Success Metric: By 6/30/23, provide mentoring and training to 350 individuals and companies.



Customer Development Pilot Initiative

Expand the availability of training and technical assistance resources provided to Virginia technology startups including, but not limited to, first customer programming, government procurement training, and corporate matchmaking services.

Success Metric: By 6/30/23, produce a gap analysis of ecosystem resources available to startups for customer development and collaboratively design solutions with partner organizations.



VIPC | *DIVISION of COMMERCIALIZATION*

FISCAL YEAR 2023 OBJECTIVES

The Division of Commercialization supports and advances technology commercialization throughout Virginia, with particular emphasis on higher education and the private sector. It plays a crucial role in promoting research and development (R&D) excellence in Virginia and in guiding, coordinating, and funding efforts to support research with commercial potential. The Division manages the Commonwealth Commercialization Fund (CCF), a Commonwealth-funded grant vehicle with programs that support seed-stage privately-held technology companies and promising technology commercialization projects within Virginia's colleges, universities, and other nonprofit research institutes.

Commonwealth Commercialization Fund (CCF)

The CCF drives economic growth by providing grant funding for innovative technology research, development, and commercialization in Virginia. CCF includes five distinct programs:

Private Sector Grant Program (PS): PS provides competitive grants of up to \$75,000 for seed-stage privately-held Virginia-based technology startups.

Higher Education Grant Program (HE): HE provides competitive grants of up to \$300,000 for promising research commercialization projects within Virginia's public and private research universities.

Eminent Researcher Recruitment & Retention Grant Program (ERR): ERR provides up to \$250,000 per year to each of Virginia’s public research universities to help recruit and retain eminent researchers and faculty who will be leaders in commercializing and productizing promising research and development.

Entrepreneur-in-Residence Grant Program (EIR): EIR provides up to \$250,000 per year to each of Virginia’s public research universities to hire entrepreneurial mentors who work with faculty and researchers to orchestrate commercial “spin-outs” that leverage university-owned IP.

Laboratory & Equipment Grant Program (L&E): L&E provides up to \$1M per year to each of Virginia’s public research universities to support the development of next-generation research laboratories. L&E grants can be paired with ERR grants to support the recruitment of new faculty or the retention of existing faculty.

Beginning in FY22, the Commercialization Division transitioned CCF to rolling submissions, giving more flexibility to applicants and allowing the team to support more grant applications. The Commercialization team was also reorganized in FY22 to support dedicated business development and grant management functions. The division has seasoned directors overseeing each of the private sector and higher education CCF programs, and an experienced director overseeing grant administration, including awardee outcomes reporting. This team structure allows the Commercialization Division to provide customized guidance and support to each of its applicants and awardees. [Click Here to Learn More](#)

Primary objectives for the Commercialization Division in FY23 include:

- Attract and review at least 150 CCF private sector grant applications, and commit at least \$4.6M in awards.
- Attract and review at least 80 CCF higher ed grant applications, and commit at least \$3.5M in awards.
- Commit at least \$1.4M to Virginia colleges and universities through the ERR program.
- Commit at least \$800,000 to Virginia colleges and universities through the EIR program
- Commit at least \$5M to Virginia colleges and universities through the L&E program.
- Support the portfolio of CCF, CRCF, and VRIF award recipients.
- Prepare and submit the FY23 CCF annual report and provide other reports as required, including the VIPA report for Legislative Audit and Review Commission (JLARC)’s annual economic development incentive review.
- Collaborate with the Virginia Academy of Science, Engineering, and Medicine (VASEM) to develop recommendations for founder-friendly IP licensing policies and startup access to facilities at Virginia’s colleges and universities.
- Convene and consult with the Advisory Committee on Commercialization.
- Convene VIPC’s Eminent Researchers, with the objective to build community and collaboration across Virginia’s research universities.

DIVISION of COMMERCIALIZATION



CCF Private Sector Program

Provide competitive grants for seed-stage privately-held Virginia-based technology startups.

Success Metric: Commit at least \$4.6M in awards.



CCF Higher Ed Program

Provide competitive grants for promising research commercialization projects within Virginia's public and private research universities and other nonprofit Virginia-based research institutes.

Success Metric: Commit at least \$3.5M in awards.



CCF ERR Program

Provide grants to Virginia's public research universities to help recruit and retain eminent researchers and faculty who will focus on commercializing university IP.

Success Metric: Commit at least \$1.4M to Virginia public colleges and universities through the ERR program.



CCF EIR Program

Provide grants to Virginia's public research universities to hire entrepreneurial mentors who will create new startups that leverage university-owned IP.

Success Metric: Commit at least \$800,000 to Virginia public colleges and universities through the EIR program.



CCF L&E Program

Provide grants to Virginia's public research universities to support the development of next-generation research laboratories.

Success Metric: Commit at least \$5M to Virginia public colleges and universities through the L&E program.



FISCAL YEAR 2023 OBJECTIVES

The Division of Investment was established to support VIPPC Virginia Venture Partners and any new investment vehicles approved by the VIPA and VIPPC Boards. The purpose of this Division is to give Virginia a competitive advantage with an array of funding mechanisms provided under section § 2.2-2355 related to direct and indirect investments. Historically, Virginia Venture Partner has focused on direct investment, placing equity investments in early-stage science and technology-based companies through a family of funds spanning multiple generations of tech, life science, and clean energy theses.

Launched in 2018, the Virginia Founders Fund joined these sector-oriented funds, placing investments in Virginia communities traditionally underserved by risk capital. In FY22, Virginia Venture Partners added the Virginia Partners Fund, providing a specific focus on Virginia's traditionally underserved geographies.

VIPPC management oversees VIPPC GAP Funds and is advised in investment decisions by the Virginia Venture Partners Investment Advisory Board (IAB). [Click Here to Learn More](#)

The Division of Investments is also advised by the division Advisory Committee on Investment, which offers guidance on new investment programs and policies.

Primary objectives for the Investment Division in FY23 include:

- Continued development of VIPC GAP Funds three-stage model to support companies through their seed-stage progression:
 - Seed-Stage I Pre-GAP Funds
 - Seed-Stage II VIPC VVP GAP Funds
 - Seed-Stage III VIPC GAP Funds Spin-Out Fund
- Continued focus on Seed Stage I, pre-GAP investments through the Virginia Founders Fund, Virginia Partners Fund, and Innovation Fund program offerings and on Seed-Stage II GAP investments through flagship GAP Tech, GAP Life Science, and GAP Clean Tech funds.
- Implementation of the Department of Treasury State Small Business Credit Initiative (SSBCI) Venture Capital Program to enhance investment capacity, both the number of investments and dollars deployed through Virginia Venture Partners' existing Stage I and II direct investment channels, and the extension of external investment capacity through indirect investment in external fund managers.
- Exploration of the Seed-Stage III Opportunity Fund launch, to invest pooled private capital under the management of the VIPC Virginia Venture Partners Team into selected Seed Stage II portfolio companies and other late seed-stage Virginia start-ups. VIPC will pilot the fund with initial draw-down of building proceeds for designated investments.
- Design and implement other indirect investment programs. These may encompass the creation of sidecar funds, additional intermediary investment, or co-investment vehicles aligned with VIPC's investment mission or intra-VIPC fund transfer to support other divisional initiatives.
- Work with the Advisory Committee on Investment to advise and assist the Investment Division and VIPA Board on making biennial recommendations to the Governor regarding investment strategy.

DIVISION of INVESTMENT



GAP Fund Operations

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.

Success Metric: Number of Investments Placed / Leverage Cash / Rate of Return.

Goal: 12-16 GAP Investments Placed (including Innovation Investments and Follow-On).

Goal: At least \$25M in Initial and Follow-On Capital from Non-Commonwealth Sources.

Goal: 1X ROR.



Virginia Founders Fund II (VFF II)

Identify, diligence, and close a pipeline of pre-seed stage investments for Virginia Founders Fund II, focusing on demographically diverse founders including founders of color and women.

Success Metric: Number of Investments Placed.

Goal: 10 VFF Investments Placed.



Virginia Partners Fund (VPF)

Identify, diligence, and close a pipeline of pre-seed stage investments for Virginia Partners Fund, focusing on geographically diverse companies including those established in partnership with Virginia accelerators and tech transfer offices.

Success Metric: Number of Investments Placed.

Goal: 10 VPF Investments Placed.



SSBCI Venture Capital Program

Design, Implement and manage Virginia's \$170M SSBCI Venture Capital Program as sub-allocatee to Virginia Small Business Finance Authority (VSBFA) and subject to the guidelines of the U.S. Department of Treasury State Small Business Credit Initiative (SSBCI) Program.

Success Metric: Formulation of Investment Strategy / Implementation of Direct and Indirect Investment Programs.

Goal: Investment Strategy (Tranche I) Formulated: Tranche 1 Strategy Formulated by 9/15/22.

Goal: Initial Direct Investment Deployment: Deployment initiated by 4Q22.

Goal: Initiate Indirect Investment Deployment: Deployment Initiated by 2Q22.



Opportunity Fund

Continue to explore potential implementation models for spin-out Opportunity Fund and potential participation by VIPC through the use of building proceeds.

Success Metric: Pilot Implementation / Model Definition / Model Implementation.

Goal: Pilot one or more "above GAP Fund cap" investments, through the use of building proceeds, by 4Q22.

Goal: Define implementation model by 1Q23.

Goal: Initiate implementation by 3Q23.



*DIVISION of
STRATEGIC INITIATIVES*

FISCAL YEAR 2023 OBJECTIVES

The Division of Strategic Initiatives will “provide leadership for strategic initiatives that explore and shape programs designed to attract and grow innovation in the Commonwealth” (§ 2.2-2355). FY23 will continue the division’s efforts on the execution of three primary activities: Smart Communities, Unmanned Systems, and the DHS SCITI Labs program. In addition to these primary activities, Strategic Initiatives will deliver the Virginia Innovation Index. Strategic Initiatives Division will also continue to develop the following new areas initiated in FY22:

- A Maritime Center of Excellence centered around Hampton Roads, conducting activity under the FY22 Announcement of Opportunity solicitation with VISA.
- The Public Safety Innovation Center, now initiated, and being developed in conjunction with the Public Safety and Homeland Security Secretariat of Virginia.
- Augmented Reality/Virtual Reality (AR/VR), as initially embodied in the AccessVR Lab at GCubed in Stafford County.
- Quantum computing, focused specifically on the development of quantum computing-based software solutions for areas such as Advanced Logistics.
- Other potential initiatives and external funding opportunities under § 2.2-2355 will be pursued during FY23 as opportunities provide possible mission support and available staff time allows.

Primary objectives for the Strategic Initiatives Division in FY23 include:

Smart Communities [Click Here to Learn More](#)

Key priorities in support of this strategic vision include:

- Build partnerships and develop proposal and action plan for the NSF Regional Innovation Engines program using strategies outlined in VIPC's Multi-Agency Regional Technology Hub Alliance (MARTHA) concept document.
- Continued support of early stages of initiatives that develop capabilities identified and desired by the communities involved, including pilot projects with a diverse set of communities. Project selection will seek to achieve geographic diversity across Commonwealth, in addition to technology and vendor diversity, with a preference for smaller, innovative Virginia companies.
- Initial areas of focus include: IoT security and privacy, indoor public building and environmental sensors, and continued integration of various pilot activities with the Commonwealth Data Trust model. [Click Here to Learn More](#)

The Virginia Unmanned Systems Center at VIPC [Click Here to Learn More](#)

The nexus of Virginia's activity in UxS – Land, Air, Sea, Space.

Key priorities in support of this strategic vision include:

- Maintain collaboration between businesses, investors, universities, entrepreneurs, and government organizations.
- Continue to support rapid growth of the UxS industries in Virginia, pivoting towards infrastructure to support growth of heavy cargo transport and eventually people transport (Advanced Air Mobility, AAM).
- Create new pilot projects with Virginia state agencies and private companies to demonstrate value proposition of UxS technology.
- Develop partnerships for Virginia companies with major service providers (package delivery, public safety, and infrastructure).

SCITI Labs [Click Here to Learn More](#)

The SCITI Labs Commercial First Innovation program will continue with the U.S. Department of Homeland Security (DHS) in FY23. In May 2021, DHS issued a contract modification to add funding to our current multi-year contract, and a second option is expected to be exercised in May, 2022. Management has set a conservative realized revenue target of \$2M for SCITI Labs in FY23. The primary focus of this program will be continued strong execution against the defined Program Plan and customer technology interests.

Key priorities in support of this strategic vision include:

- Detection of environmental threats such as flood and wildfire ignition using networked IoT sensors.
- Smart buildings and communities.
- UAS/C-UAS and other Public Safety-related technologies.

Budget and Resources

Appropriated Strategic Initiatives budget for FY22/23 biennium budget is \$1M per year for each of the two years and for each of the two areas – Smart Communities and Unmanned Systems. Management expects the federal government to authorize additional funding to its existing DHS SCITI Labs Commercial First contract during the current federal FY ending September 30, 2022. Management projects the need to add one to two new hires for adequate program support. The remaining funds will provide direct program support, including pilot project initiatives under Smart Communities and Unmanned Systems and subcontracts under the SCITI Labs program.

SYSTEMS

Under the auspices of the CIO, the FY23 Systems plan will continue to evolve to support a fully distributed and multi-facility workforce while maintaining a sound security posture.

Primary objectives for Systems in the upcoming fiscal year include:

- Maintain security while complying with NIST 800.53 Security and Privacy Controls.
- Address and mitigate any identified issues.
- Work with VITA regarding specific security controls required by the Commonwealth.
- Implement VIPC specific controls, using the NIST 800.53 risk management guidelines.



Financially Sound Operations

Positive operating fund net asset position.

Success Metric: \$100 - 200k.



Management Reports

Review management reports per item 135.D.2 of the biennium budget with VIPC Finance Committee and VIPC Board.

Document and Implement reporting process of VIPC and COEs to the VIPA Board.

Success Metric:

- Present to VIPC FC in Fall 2022 meeting. Approval based on timeline set at Fall 2022 meeting.
- Present to VIPA Board in Fall 2022 meeting. Approval based on timeline set at Fall 2022 meeting.

DIVISION of STRATEGIC INITIATIVES



Maritime Center of Excellence

Success Metric: One new award and implementation.

Goal: Define job growth opportunities in the maritime industry.



Public Safety Innovation Center

Success Metric: One new pilot project around emergency response data sharing.

Goal: Position Virginia as the national leader in defining a new generation of data sharing mechanisms.



Augmented Reality/Virtual Reality (AR/VR)

Success Metric: Initiation of training operations in FY23.

Goal: 40 new jobs and a platform that supports new company formation.



Quantum Computing

Demonstration of a commercially-viable quantum-based capability by FY23

Success Metric: Defined set of objectives for growth of the initial capability and coordination with university partners about emerging workforce needs.



Virginia Innovation Index

Delivery of final Virginia Innovation Index (VII) version 1.0 as called for in the Legislation by December 1, 2022.

Success Metric: Transition VII ownership to VIPC's Commercialization Division at that time.



Smart Communities

Success Metric: Active engagement with a minimum of 6 geographically diverse communities in the Commonwealth.

Success Metric: Introduction of at least 3 entrepreneurial companies to market opportunities related to Smart communities.

Goal: Community expertise and engagement around new technology capabilities that can help drive local job growth and opportunities.

Goal: "First Customer" market development in this growth sector.



DHS SCITI Labs

Success Metric: Successful deployment of DHS-provided flood sensors to communities throughout Virginia.

Success Metric: Use of a network of "Living Laboratories" in communities throughout to pilot new capabilities that can improve public safety and government services.

Success Metric: Initial demonstration of DHS-conducted C-UAS experiments "in the wild" in Richmond.

Goal: A robust set of environmental sensors that can be applied to a variety of public safety use cases.

Goal: Infrastructure protection against a range of threats, including cybersecurity, chemical/biological release threats, and other traditional threats, as well as job opportunities related to mitigating these threats.

Goal: Virginia leadership for use of these capabilities in protecting critical infrastructure.



Unmanned Systems

Success Metric: At least 2 Steering Committee meetings to advance this goal, and at least one larger Stakeholder meeting to engage the broader community.

Success Metric: Two workgroup meetings by December 2022, and a recommendation package to the Legislature outlining desired investment and support for this sector.

Success Metric: At least one new pilot project employing UxS capabilities.

Goal: Continued strong industry engagement supporting the growth of this industry in Virginia.

Goal: Substantial growth in the existing UxS infrastructure for AAM, to eventually create jobs and business opportunities in this emerging area.

Goal: Creation of new market opportunities for Virginia UxS companies.



VIPC

*EXECUTIVE
OFFICE*

FINANCE AND ADMINISTRATION

The VIPC Finance and Administration, led by the Chief Financial Officer, manages the financial responsibilities of the VIPC organization, initiatives, and programs funded.

VIPC F&A also supports the VIPA Board of Directors in its financial and impact oversight of several other state-funded organizations, known as Centers of Excellence (COE). Those organizations include::

- Virginia Catalyst (also known as The Virginia Biosciences Health Research Corporation (VBHRC))
- The Commonwealth Center for Advanced Manufacturing (CCAM)
- The Commonwealth Cyber Initiative (CCI)
- The Commonwealth Center for Advanced Logistics Systems (CCALS)

VIPC is advised by the Administration and outside legal counsel to assure relationships and responsibilities are clear between VIPA, VIPC, and other groups and organizations regarding governance roles and accounting requirements.

CCALS

**VBHRC
ACATALYST**

CCAM
SOLVING ADVANCED MANUFACTURING CHALLENGES



Primary objectives for the VIPC Finance and Administration Group in the upcoming fiscal year include:

- Maintain the stability of the organization through sound financial management.
- Conduct all financial, legal, and administrative functions for the organization, including the design and operation of a federal and state compliant financial management system, and a comprehensive system of internal controls.
- Provide a financial management process for decision-making and ensure that programs operate within the agreed-upon financial envelope.
- Work with the VIPA Board of Directors and Centers of Excellence on metrics reporting for entities funded under the VIPA umbrella.

HUMAN RESOURCES

In FY23, Human Resources (HR) will continue to navigate transformational challenges. HR will take a leadership role and engage in an aggressive strategy to provide services in support of VIPA's and VIPC's vision and mission.

Primary objectives for Human Resources in the upcoming fiscal year include:

- HR will work to value and align human capital with company initiatives, values, strategies, and the needs of all stakeholders.
- Maintain VIPC as a great place to work for employees with a passion for creating economic opportunities for others.
- Maintain the skills and leadership necessary to successfully carry out VIPC's mission and vision through workforce design, staffing plans, and succession planning that consider current skills gap, an aging workforce, and future staffing expectations.
- Continue to align with the ONE Virginia Plan as VIPC's compass for Diversity, Equity, and Inclusion.
- Recruit, hire, motivate, and retain high-performing, diversified talent in a workforce that is geographically distributed throughout Virginia.
- Ensure a high-performance workforce by implementing an online performance management system that effectively links performance with organizational goals.
- In conjunction with newly designed compensation benchmark strategy, HR will develop a consistent process for employee promotions.
- Prepare new managers for success by evaluating and implementing management/ leadership development programs.
- Increase engagement that fosters employee commitment in a rapidly changing environment. HR will continue to read the pulse of the organization to engage employees, boost morale, fulfill expectations, and inspire commitment.

HUMAN RESOURCES



Diversity, Opportunity & Inclusion

Align with Commonwealth's initiatives through internal and external programs.

Success Metric: FY23 Q2 Implementation.

Goal: Streamline process / better communication.



Evaluate Performance Management and Compensation Systems

Develop a process for employee promotions.

Success Metric: FY23 Q2.

Goal: Consistency of promotions.



Mission Ready

Evaluate and implement management development training.

Success Metric: FY23 Q2.

Goal: Success for managers in new leadership roles.



Review Performance

Recruit, hire, motivate, and retain high-performing, diversified talent in a workforce that is geographically distributed throughout Virginia.

Success Metric: FYE22 performance review.



COMMUNICATIONS AND MARKETING ENGAGEMENT FY23 OVERVIEW

The Virginia Innovative Partnership Authority (VIPA) & the The Virginia Innovation Partnership Corporation (VIPC) will work to be recognized for adopting innovative, inclusive, and proactive approaches to communications that effectively reach and engage with stakeholders throughout the Commonwealth.

Primary objectives for Communications & Marketing in the upcoming fiscal year include:

Message Development:

- The messaging will be clear, authentic, persuasive, and consistent in its effort to build relationships and foster engagement with entrepreneurs, entrepreneurial funding and networking opportunities; strategic initiatives, innovation, and research; commercialization, and investment in emerging and impactful technologies.

Ensure Consistent Messaging:

- Work with all Divisions and initiative leaders to ensure that messaging is impactful, relevant, and effective for engaging their specific audience/ stakeholders while educating about VIPC as a whole via the use of a variety of modalities, including dynamic presentations, video and visual media outreach, social networks, and in-person/ virtual events.

Prioritize Relationships, Partnerships & Connection to the Commonwealth:

- Develop and maintain partnerships/relationships that extend frictionless access to information and support. This endeavor includes updating Commonwealth Agencies, Partner Groups, Stakeholder Networks, Regional Leadership, organizations, and Media groups regarding innovation advancements, opportunities, and resources that the Commonwealth has to offer to entrepreneurs and innovators.

VIPC | VIRGINIA INNOVATION PARTNERSHIP CORPORATION

Connecting Innovators with Opportunity

VIPA Operating Arm & Managing Nonprofit

COMMUNICATIONS and MARKETING ENGAGEMENT



Maintain Effective Branding & Marketing Strategy

Expand recognition of VIPC as an innovation and entrepreneurial support leader in the Commonwealth through effective communications and strategically placed market messaging.

Success Metric: Increased marketing, communications and social media interactions for each division and initiative including:

- Expand stakeholder and networking support opportunities via shared communication and messaging.
- Continue to work with each Division to de-silo messaging to assure comprehensive representation of VIPC mission and purpose as a whole. Clarify ~ "What does VIPC do."
- Daily updating of all social media, media, and web presence to maintain SEO and improve brand recognition.

Goal: Q2



Engage Across the Commonwealth

Engage consistently and visibly with VIPA stakeholders across the Commonwealth of Virginia.

Success Metric: Work with division and initiative leaders to ensure that messaging is impactful, relevant and effective for educating and engaging their specific audience / stakeholders in a variety of modalities for VIPA and new brand opportunities. These efforts would include presentations, media outreach, social network engagement and in-person / virtual events.

Goal: Q2



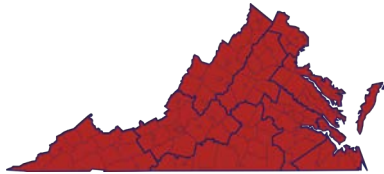
Communicate Connection

Prioritize Relationships, Partnerships & Connections.

Success Metric: Embrace opportunities to highlight people, regions, and success stories regarding funding, technology, initiatives and workshops through video, imagery, social media, website, etc. A concerted effort to connect with people, companies, entrepreneurs, researchers, educators, and stakeholders who have been or could be assisted by VIPA / VIPC initiative or process.

Goal: Q2

Appendices



VIPA | VIRGINIA INNOVATION
PARTNERSHIP AUTHORITY

VIPC | VIRGINIA INNOVATION
PARTNERSHIP CORPORATION

Click to Jump to Section

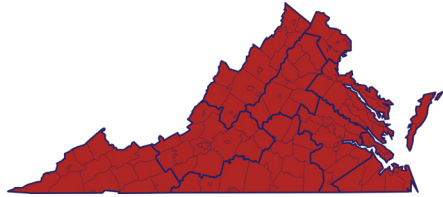
Appendix A:

- [VIPA FY23 Budget Summary](#)

Appendix B:

- [VIPC FY23 Budget Summary](#)
- [VIPC FY23 Budget Summary cont.](#)

APPENDIX A



Fiscal Year 2023 Operating Budget

| | | (in thousands) |
|---|-----------|----------------|
| Revenue | | |
| Commonwealth Appropriation - General Fund | \$ | 42,341 |
| Interest and Miscellaneous Revenue | \$ | 3 |
| Total Revenue | \$ | 42,344 |
| Expenses and Transfers | | |
| VIPA Administrative Expenses | \$ | 3 |
| Transfer to VIPC - FY2023 Appropriation | \$ | 16,991 |
| Transfer to COEs - FY2023 Appropriation | \$ | 25,350 |
| Total Expenses and Transfers | \$ | 42,344 |

Consolidated Revenue, Expenses, Transfers, and Changes in Net Position

| | | |
|-------------------------------|-----------|--------------|
| Total Revenue | \$ | 42,344 |
| Total Expenses and Transfers | \$ | 42,344 |
| Change in Net Position | \$ | - |
| Beginning Net Position | \$ | 2,593 |
| Ending Net Position | \$ | 2,593 |

APPENDIX B



Connecting Innovators with Opportunity

VIPA Operating Arm & Managing Nonprofit

Fiscal Year 2023 Budget

| | Operating Funds | | Designated Funds | | | | | | Total |
|---|-------------------------|--------------------|----------------------------|---------------------|-------------------------------------|----------------------------|-----------------------|------------------------|--------------------|
| | COV | Other | COV | | | | | | |
| | Discretionary Operating | Grants & Contracts | Commercialization Division | Investment Division | Entrepreneurial Ecosystems Division | Strategic Initiatives Fund | Unmanned Systems Fund | Building sale Proceeds | |
| (In Thousands) | | | | | | | | | |
| Beginning Balance at 7/1/2022 | \$ 1,043 | \$ 994 | \$ 32,656 | \$ 10,691 | \$ 4,189 | \$ 61 | \$ 1,105 | \$ 20,678 | \$ 71,417 |
| REVENUE | | | | | | | | | |
| General Fund Appropriation | \$ 3,891 | | \$ 5,000 | \$ 3,100 | \$ 3,000 | \$ 1,000 | \$ 1,000 | | \$ 16,991 |
| Interest, Sponsorship, Return on Investment | \$ 70 | | \$ 69 | | \$ 11 | | | | \$ 150 |
| Contracts & Grants | | \$ 553 | | | | | | | \$ 553 |
| Total Revenue | \$ 3,961 | \$ 553 | \$ 5,069 | \$ 3,100 | \$ 3,011 | \$ 1,000 | \$ 1,000 | \$ - | \$ 17,694 |
| EXPENSES AND TRANSFERS | | | | | | | | | |
| Operating and Designated Programs | \$ 5,838 | | \$ 14,027 | \$ 10,383 | \$ 2,171 | \$ 1,017 | \$ 1,599 | \$ 3,000 | \$ 38,035 |
| Contracts & Grants | | \$ 553 | | | | | | | \$ 553 |
| Transfers and Indirect Application to Designated Programs | \$ (1,033) | | \$ 450 | \$ 333 | \$ 70 | \$ 33 | \$ 51 | \$ 96 | \$ - |
| Total Expenses | \$ 4,805 | \$ 553 | \$ 14,477 | \$ 10,716 | \$ 2,241 | \$ 1,050 | \$ 1,650 | \$ 3,096 | \$ 38,588 |
| Net Change | \$ (844) | \$ - | \$ (9,408) | \$ (7,616) | \$ 770 | \$ (50) | \$ (650) | \$ (3,096) | \$ (20,894) |
| Forecasted Ending Balance at 6/30/2023 | \$ 199 | \$ 994 | \$ 23,248 | \$ 3,075 | \$ 4,959 | \$ 11 | \$ 455 | \$ 17,582 | \$ 50,523 |

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

Fiscal Year 2023 Operating Budget by Funding Source

Commonwealth Projects Funded By Appropriation & Other Revenue

| | | (in thousands) |
|--|-----------|-----------------|
| Revenue | | |
| Commonwealth Appropriation - General Fund | \$ | 16,991 |
| Interest, Sponsorship, Return on Investment & Miscellaneous Income | \$ | 150 |
| Total Revenue | \$ | 17,141 |
| Expenses | | |
| Commercialization Division | \$ | 15,788 |
| Investment Division | \$ | 11,714 |
| Entrepreneurial Ecosystems Division | \$ | 2,452 |
| Strategic Initiatives | \$ | 1,156 |
| Unmanned Systems | \$ | 1,804 |
| Policy, Communications and Commonwealth Engagement | \$ | 1,752 |
| Activities funded by building sale proceeds | \$ | 3,369 |
| Total Expenses | \$ | 38,035 |
| Net | \$ | (20,894) |

Strategic Initiatives Funded by Contracts & Grants

| | | |
|-------------------------------|-----------|----------|
| Program Revenue - VDEM iFLOWS | \$ | 500 |
| Program Expense | \$ | 500 |
| Profit/(Loss) | \$ | - |
| Program Revenue - SBA FAST | \$ | 53 |
| Program Expense | \$ | 53 |
| Profit/(Loss) | \$ | - |

Consolidated Revenue & Expenses & Changes in Net Position

| | | |
|-------------------------------|-----------|-----------------|
| Total Revenue | \$ | 17,694 |
| Total Expenses | \$ | 38,588 |
| Change in Net Position | \$ | (20,894) |
| Beginning Net Position | \$ | 71,417 |
| Ending Net Position | \$ | 50,523 |

Item 135.D.1b

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

Item 135.D.1e

**Private investment activity
related to the fund of funds**

Item 135.D.1.b and D.1.e

As illustrated in item 135.D.1.b and D.1.e FY2023 Operating Plan of the managing non-profit, the following excerpt has been modified to include total budgeted grants and investments planned for each grant and investment program administered by the managing non-profit at a total budgeted amount of \$21.600M.

| Objectives | Success Metric | FY22 Measure | Budget Grant/ Investment Amount |
|--|---|---|------------------------------------|
| Virginia Founders Fund II (VFF II) – Virginia Founders Fund II invests in demographically diverse founders including minority founders of color and women. | Number of investments | 10 VFF investments placed | \$1.200M |
| Virginia Partners Fund (VPF) – VPF invests in geographically diverse companies in partnership with Virginia accelerators and tech transfer offices. | Number of investments | 10 VPF investments placed | \$1.400M |
| 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. | Number of investments | 12-16 GAP investments placed, including Innovation and Follow-on Investments | \$4.400M |
| | Leverage Cash: amount of initial and follow on investment from non-Commonwealth sources | At least \$25M | |
| | Rate of Return | 1 x ROR | |
| Opportunity Fund – Maximize the Commonwealth’s position in portfolio returns. | Identify and execute one or more high growth investments. | Deploy by 6/30/2023 | \$3.000M |
| Commonwealth Commercialization Fund (CCF) drives economic growth by funding innovative technology research, development and commercialization in Virginia, with particular emphasis on eminent researchers, research infrastructure, and increased commercialization in higher education, the private sector, and research institutes. | Stimulate technology commercialization, new company formation, jobs | Deploy by 6/30/2023 Private Sector \$4.600M Higher Education \$3.500M Eminent Researcher Recruitment \$1.400M Entrepreneur In Residence \$0.800M Lab & Equipment* \$5M | \$10.300M |
| Entrepreneurial Ecosystems – Administer the Regional Innovation Fund (RIF) as the vehicle through which the Commonwealth grows regional entrepreneurial ecosystem coordinating entities. (Budget established prior to finalization of the Appropriation Act which expands the RIF.) | Deploy \$1.3M in grant funding | Deploy by 6/30/2023 | \$1.300M |

***Fund source outside of appropriated budget**

Total

\$21.600M

Item 135.D.1c

**By program, recoveries of
previous grants or
investments and sales of
equity positions**

Recoveries of previous grants, investments and sales of equity positions are unpredictable and, therefore, not budgeted.

Item 135.D.1d

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

**Virginia Innovation Partnership Authority
Fiscal Year 2023 Cash Budget**

(in thousands)

Revenue

| | | |
|---|-----------|----------------------|
| 42341 | \$ | 42,341 |
| Commonwealth Appropriation - Non General Fund | | |
| Interest and Miscellaneous Revenue | \$ | 3 |
| Total Revenue | \$ | <u>42,344</u> |

Expenses and Transfers

| | | |
|--|-----------|----------------------|
| VIPA Administrative Expenses | \$ | 3 |
| Transfer to VIPC - FY2023 Appropriation | \$ | 16,991 |
| Transfer to Centers of Excellence - FY2023 Appropriation | \$ | 25,350 |
| Total Expenses and Transfers | \$ | <u>42,344</u> |

Consolidated Revenue, Expenses, Transfers, and Changes in Net Position

| | | |
|---|-----------|----------------------------|
| Total Revenue | \$ | 42,344 |
| Total Expenses and Transfers | \$ | 42,344 |
| Change in Net Position | \$ | - |
| Beginning Net Position at 7/1/2022 | \$ | <u>2,593</u> |
| Ending Net Position at 6/30/2023 | \$ | <u><u>2,593</u></u> |

**Virginia Innovation Partnership Corporation
Fiscal Year 2023 Cash Budget**

| | Operating Funds | | Designated Funds | | | | | | Total | |
|---|--------------------|--------------------|----------------------------|----------------------|-------------------------------------|----------------------------|-----------------------|------------------------|-------------|--|
| | COV | Other | COV | | | | | | | |
| | Discretionary Fund | Grants & Contracts | Commercialization Division | Investments Division | Entrepreneurial Ecosystems Division | Strategic Initiatives Fund | Unmanned Systems Fund | Building Sale Proceeds | | |
| (In Thousands) | | | | | | | | | | |
| Beginning Balance at 7/1/2022 | \$ 1,530 | \$ 844 | \$ 32,510 | \$ 12,048 | \$ 4,081 | \$ 575 | \$ 1,123 | \$ 20,678 | \$ 73,389 | |
| Cash Receipts | | | | | | | | | | |
| General Fund Appropriation | \$ 3,891 | | \$ 5,000 | \$ 3,100 | \$ 3,000 | \$ 1,000 | \$ 1,000 | | \$ 16,991 | |
| Interest, Sponsorship, Return on Investment | \$ 70 | | \$ 69 | | \$ 11 | | | | \$ 150 | |
| Contracts & Grants | | \$ 553 | | | | | | | \$ 553 | |
| Total Cash Receipts | \$ 3,961 | \$ 553 | \$ 5,069 | \$ 3,100 | \$ 3,011 | \$ 1,000 | \$ 1,000 | \$ - | \$ 17,694 | |
| Cash Disbursements | | | | | | | | | | |
| Operating and Designated Programs | \$ 5,788 | | \$ 14,027 | \$ 10,333 | \$ 2,171 | \$ 967 | \$ 1,579 | \$ 3,000 | \$ 37,865 | |
| Contracts & Grants | | \$ 553 | | | | | | | \$ 553 | |
| Transfers and Indirect Application to Designated Programs | \$ (1,033) | | \$ 450 | \$ 333 | \$ 70 | \$ 33 | \$ 51 | \$ 96 | \$ - | |
| Total Cash Disbursements | \$ 4,755 | \$ 553 | \$ 14,477 | \$ 10,666 | \$ 2,241 | \$ 1,000 | \$ 1,630 | \$ 3,096 | \$ 38,418 | |
| Net Change | \$ (794) | \$ - | \$ (9,408) | \$ (7,566) | \$ 770 | \$ - | \$ (630) | \$ (3,096) | \$ (20,724) | |
| Ending Balance at 6/30/2022 | \$ 736 | \$ 844 | \$ 23,102 | \$ 4,482 | \$ 4,851 | \$ 575 | \$ 493 | \$ 17,582 | \$ 52,665 | |

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