



June 14, 2024

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 FY2025 Operating Plan for the Virginia Innovation Partnership Corporation (VIPPC). VIPPC is the operating arm and nonprofit of the Virginia Innovation Partnership Authority (VIPA). The attached report fulfills the requirements of the Appropriations Act Item 127 C.1 (2023 Special Session I).


If you have any questions, please call me at 804-387-8235.

Sincerely,

A handwritten signature in black ink, appearing to read "Dale Lachniet".

Dale Lachniet
Interim CFO
Virginia Innovation Partnership Corporation

cc: The Honorable Caren Merrick, Secretary of Commerce and Trade
The Honorable L. Louise Lucas, Chair, Senate Finance & Appropriations Committee
The Honorable Luke E. Torian, Chair, House Appropriations Committee
Ms. Anne Oman, 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. Rita Roy, VIPA and VIPPC Board of Directors Chair
Mr. Chris Long, VIPPC Board of Directors Finance Committee Chair



Item 127.C.1 Operating Plan and
Item 127.C.1a All planned and actual revenue and expenditures along with funding sources



FY2025 Operating Plan

June 12, 2024

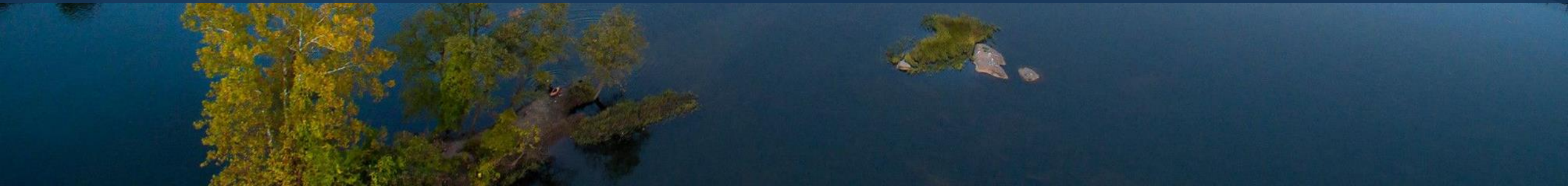


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Overview

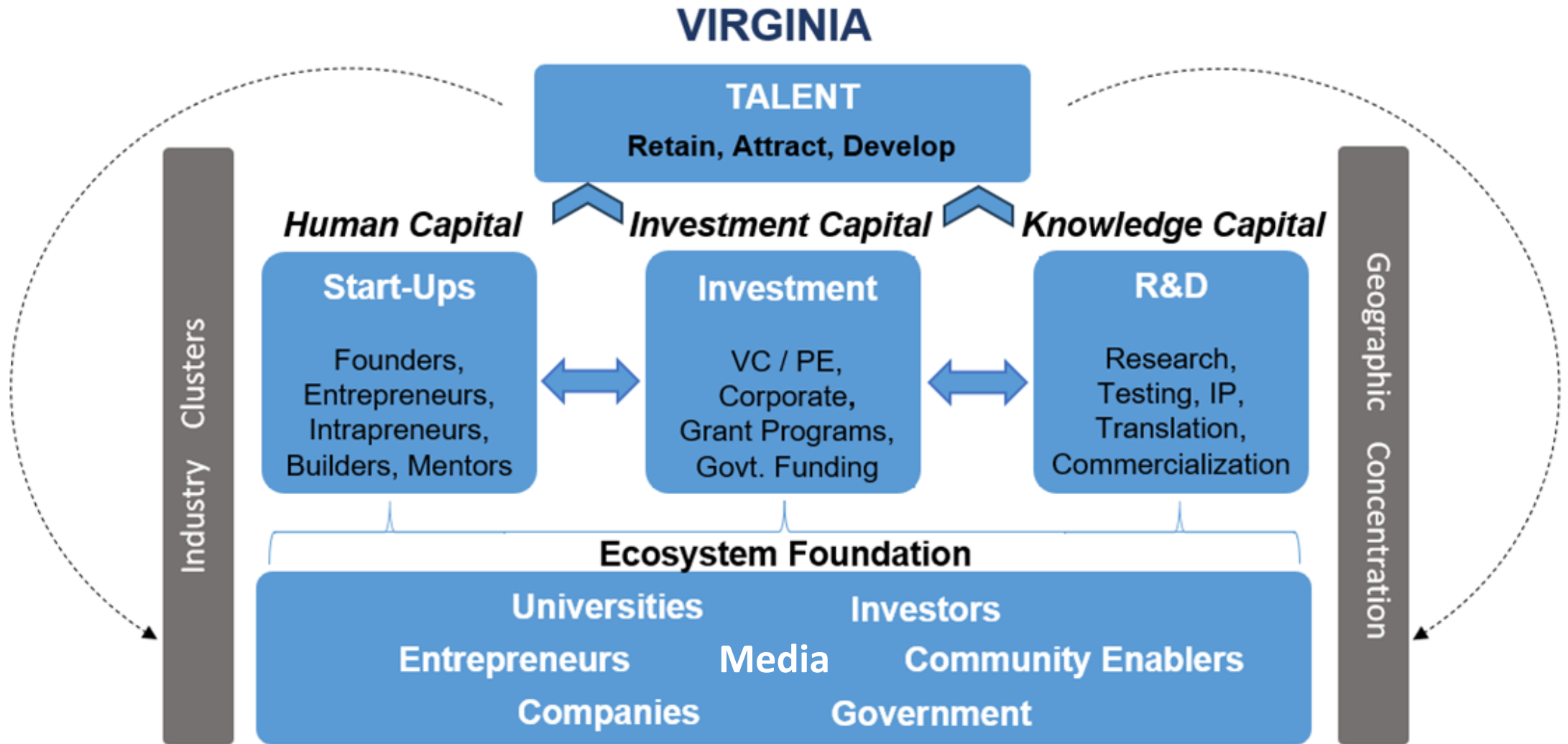
VIPA Mandate

§ 2.2-2351. Short title; declaration of public purpose

B. It is found and determined by the General Assembly that there exists in the Commonwealth a need to **support the life cycle of innovation, from translational research; to entrepreneurship; to pre-seed and seed stage funding; and to acceleration, growth, and commercialization**, resulting in the creation of new jobs and company formation. A collaborative, consistent, and consolidated approach 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. It is also found and determined by the General Assembly that there exists in the Commonwealth of Virginia a need to

- (i) promote the technology-based economic development of the Commonwealth **by building, attracting, and retaining** innovation and high-technology jobs and businesses in Virginia;
- (ii) **increase industry competitiveness** by supporting the application of innovative technologies that improve productivity and efficiency;
- (iii) attract and provide additional private and public funding in the Commonwealth to **enhance and expand the scientific and technological research and commercialization** at 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;
- (iv) **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;
- (v) ensure promotion and marketing of Virginia's statewide innovation economy and support and **coordinate regional marketing** efforts to **align local and statewide objectives**; and
- (vi) close the Commonwealth's support gap through pre-seed and seed stage investments, coordination of **private investor networks**, and shared due diligence research.

Visual Framework



FY2025 Operating Priorities

Virginia's "[Compete to Win](#)" economic development strategy relies on Innovation as one of six key pillars to accelerate economic growth in Virginia.

Drive Innovation: *Strengthen a statewide culture conducive to entrepreneurship by enhancing connections between businesses, universities, investors, and talent and reducing burdensome regulations for small businesses and early-stage companies.*

To establish Virginia as a top state to start and grow a business, Virginia will focus on the following priorities:

- Identify opportunities to enhance state business culture to attract to early-stage investors and fund managers, including potential incentives for early-stage capital investments and enhancements to related regulations.
- Expand and leverage accelerator and incubator networks to spur innovation and startup creation in the Commonwealth.
- Leverage VIPC's Entrepreneur-in-Residence Program to promote expanded tech transfer and commercialization support for Virginia's universities.
- Leverage GO Virginia and VIPC's Regional Innovation Fund to expand investment in regional innovation ecosystems and staff to connect entrepreneurs, universities, and businesses.
- Identify opportunities to ease regulatory and tax burdens for Virginia small businesses and startups, including business registration costs, BPOL, property, and unemployment insurance tax reform.
- Expand support and access to capital for small and veteran-owned businesses and promote growth and opportunities for Small, Woman-, and Minority-owned (SWaM) Businesses.

These priorities are embedded into the goals and objectives for each Division below.



Investment Division

VIPC's **Investment** Division was established to support VIPC Virginia Venture Partners (VVP) and any new investment vehicles or related initiatives. The purpose of Investments 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 Partners has focused on direct investment, placing equity investments in early-stage science and technology-based companies through a family of funds spanning tech, life science, aerospace, and clean energy sectors.

In FY2025, drawing on receipt of funding through the U.S. Treasury Department State Small Business Credit Initiative (SSBCI) Program, VVP will continue focus on investing in Virginia's traditionally underserved communities, with special focus on both founders self-identifying as Socially or Economically Disadvantaged Individuals (SEDI) and start-ups arising from geographies classified as "low income" areas by the Treasury Department's Community Development Financial Institutions (CDFI) Program. With these funds, VVP will place investments in scalable tech and non-tech product companies aligned with the sectoral objectives of Virginia's Innovation Framework for economic growth, Virginia's Innovation Index, and the SEDI investment objectives of Virginia's SSBCI Venture Capital Program.

In FY2025, VVP will also support limited partner positions in selected third-party fund managers through **Virginia Invests**, VIPC's newly launched fund of funds program leveraging Virginia's SSBCI Venture Capital Program. In the months ahead, VVP anticipates soliciting new fund participants as it refines the combined direct and indirect investment strategy of Virginia's SSBCI Venture Capital Program.

Guided by the Virginia Venture Partners Investment Advisory Board (IAB), VIPC management makes all investment decisions. Investments are also advised by the Division Advisory Committee on Investment, which offers guidance on new investment programs and policies.

VIPC seeks to catalyze, attract, and leverage outside investment capital into Virginia startups and entrepreneur ecosystems impacting sectors such as life sciences, cybersecurity, energy, and agriculture among others. Primary objectives in FY2025 include:

- Continued development of VIPC VVP's three-stage model to support companies through their seed-stage progression:
 - Seed-Stage I Pre-GAP Funds
 - Seed-Stage II GAP Funds
 - Seed Stage III Post-GAP Late Seed Spin-Out Fund
- Continue focus on Seed-Stage I, Pre-Seed investments to address companies at earliest stage of formation including recipients VIPC CCF grants and Seed investments through flagship VVP Tech, VVP Life Science, VVP Aerospace, and VVP Energy Funds.
- Continue implementation of Virginia's SSBCI Venture Capital Program to enhance investment capacity, both the number of investments and dollars deployed through Virginia Venture Partners existing Stage I, II, and III direct investment channels and the extension of external investment capacity through **Virginia Invests**.
- Design and implement other direct and indirect investment programs aligned with the objectives Virginia's SSBCI Venture Capital Program and VIPA's enabling legislation.
- Attract and leverage greater out of state private market capital through more structured marketing and outreach. Key elements of this campaign will include a revised Virginia Venture Partners web presence featuring both VVP's direct investment program and **Virginia Invests**, publication of a periodic e-newsletter featuring salient information on the entrepreneurial and innovation ecosystems in the Commonwealth and a program of virtual and real-world interaction with throughout the country.
- Work with the Advisory Committee on Investment to advise and assist Investments and VIPA Board on making biennial recommendations to the Governor regarding investment strategy.

Objective	SSBCI Venture Capital Program Management	VVP Direct Investment Program	Virginia Invests	External Attraction
Metric	Design, implement and manage Virginia’s \$175M SSBCI Venture Capital Program as a sub-allocatee to the Virginia Small Business Financing Authority (VSBFA) and subject to the guidelines of the U.S. Department of Treasury State SSBCI Program.	Identify, diligence, and close a pipeline of Pre-Seed and Seed stage investments and maintain portfolio performance to recover all invested capital over the life of the investment program.	Manage LP positions in selected third-party managers and identify, diligence and close new funds strategically complementary to VIPC VVP investment strategy and requirements of the Virginia SSBCI Venture Capital Program.	Execute a formal outreach campaign to attract talent, investment capital, resources, and innovation, and to raise visibility and increase participation in Virginia’s entrepreneurial ecosystem.
Goal	<p>Contribute toward Virginia securing SSBCI Tranche 2 accelerating Virginia’s capital deployment plan.</p> <p>Achieve 33% SSBCI investment in SEDI businesses.</p> <p>Achieve 100% compliance and timely reporting to VSBFA and U.S. Treasury Department.</p>	<p>Place 35-40 total direct investments.</p> <p>Attract \$100M in leveraged capital from private market investors.</p> <p>1x rate of return.</p>	<p>Fund of Fund operations, including the Virginia Value Add program.</p> <p>Number of new funds examined / obligated.</p> <p>Initiate 1,000 entrepreneur engagements across Virginia’s local ecosystem.</p>	<p>Launch VVP portfolio company job board.</p> <p>Expand co-investor network by 50 new venture funds.</p> <p>Launch Virginia Ventures newsletter and new <i>Virginia Invests</i> website.</p>

Commercialization Division



VIPC's **Commercialization** division supports and advances early-stage technology commercialization throughout Virginia, engaging with both private sector entrepreneurs and university-based researchers as they bring their innovations to market. The division manages the Commonwealth Commercialization Fund, a funding program that provides grants of up to \$75,000 to innovative Virginia-based startups and up to \$300,000 to commercialization-minded university researchers, as well as targeted entrepreneurship support grants to Virginia's research universities. Commercialization also manages VIPC's Federal Funding Assistance Program, which provides 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.

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, as well as at Virginia-based nonprofit research institutes.

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 and postdoc fellows who work with faculty and researchers to orchestrate commercial spinouts that leverage university-owned IP.

Eminent Researcher Recruitment & Retention Grant Program (ERR): ERR provides up to \$1,250,000 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.

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

Evaluating for FY2025 new SBIR/STTR Matching Grant Program (SBIR): SBIR provides competitive grants for pre-seed and seed-stage privately-held Virginia-based technology and life science startups that have been awarded an SBIR or STTR Phase II award from any of the participating federal agencies.

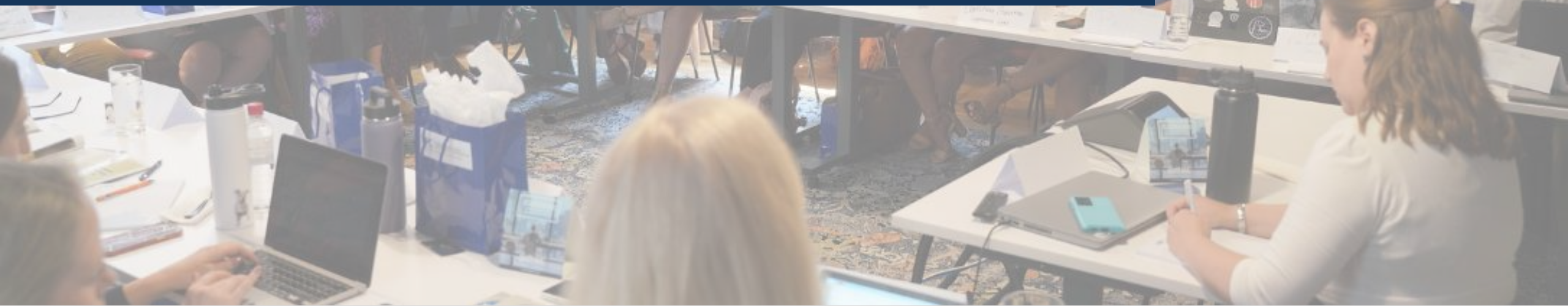
Primary objectives in FY2025 include:

- Increase the success rate of high-potential pre-seed and seed-stage technology and life science startups throughout Virginia.
- Increase IP commercialization (patents, licenses, startups, spinouts) from Virginia's colleges and universities.
- Partner with Virginia's public research universities to pair academic researchers with seasoned entrepreneurs.
- Partner with Virginia's public research universities to attract and retain exceptional faculty who have a track record of creating commercial spinouts and generating IP with significant commercial value.
- Increase the SBIR/STTR award success rate of Virginia's technology and life science startups.
- Attract outside capital to Virginia's commercialization ecosystem.

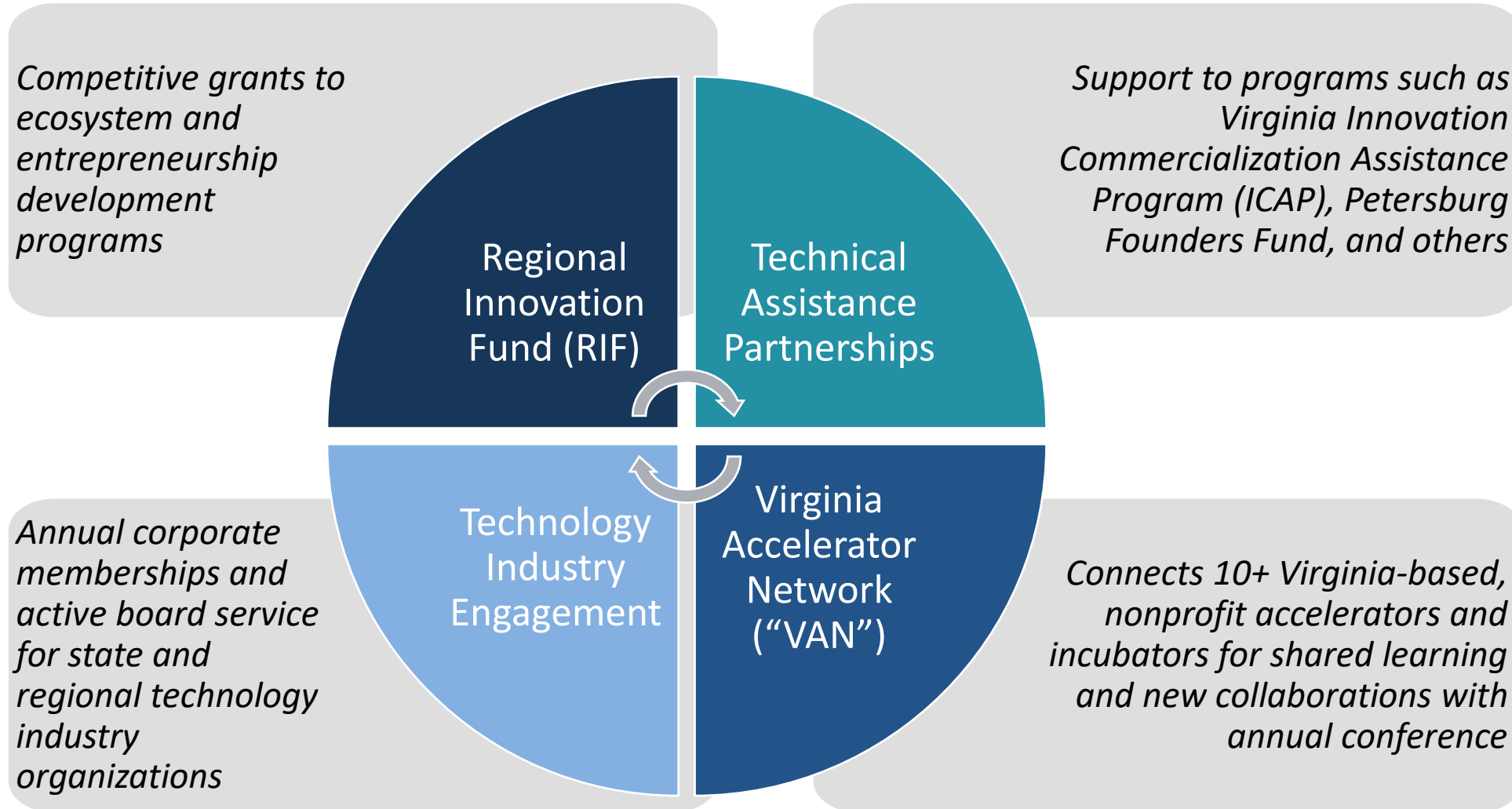
Objective	CCF Higher Ed	CCF Entrepreneur in Residence (EIR)	CCF Eminent Researcher Recruitment and Retention (ERR)	CCF Private Sector	CCF SBIR/STTR Matching Grant Program
Metric	Increase IP commercialization and startup spinouts from Virginia’s colleges and universities.	Partner with Virginia’s public research universities to pair academic researchers with seasoned entrepreneurs.	Partner with Virginia’s public research universities to attract and retain exceptional faculty who have a track record of creating commercial spinouts and generating IP with significant commercial value.	Increase the success rate of high-potential pre-seed and seed-stage technology and life science startups throughout Virginia.	Provide matching funds for Virginia-based technology and life science startups awarded SBIR or STTR Phase II awards from participating federal agencies.
Goal	Solicit, evaluate, and fund competitive proposals from university-based research teams working to commercialize university-developed IP. 18 grants awarded to university-based research teams at Virginia public and private colleges and universities.	Solicit, evaluate, and fund competitive proposals from R1 and R2 public research universities to recruit and retain entrepreneurs-in-residence who will partner with academic researchers to bring technologies and commercial products to market. 6 grants across at least 5 universities.	Solicit, evaluate, and fund competitive proposals from Virginia’s R1 and R2 public research universities to recruit and retain commercialization-minded faculty. 6 grants across at least 5 universities	Solicit, evaluate, and fund competitive proposals from pre-seed and seed-stage Virginia-based technology and life science startups. 45 grants awarded, covering all regions of the Commonwealth.	Solicit, evaluate, and fund competitive proposals from Virginia-based technology and life science startups awarded SBIR or STTR Phase II awards from any of the participating federal agencies.



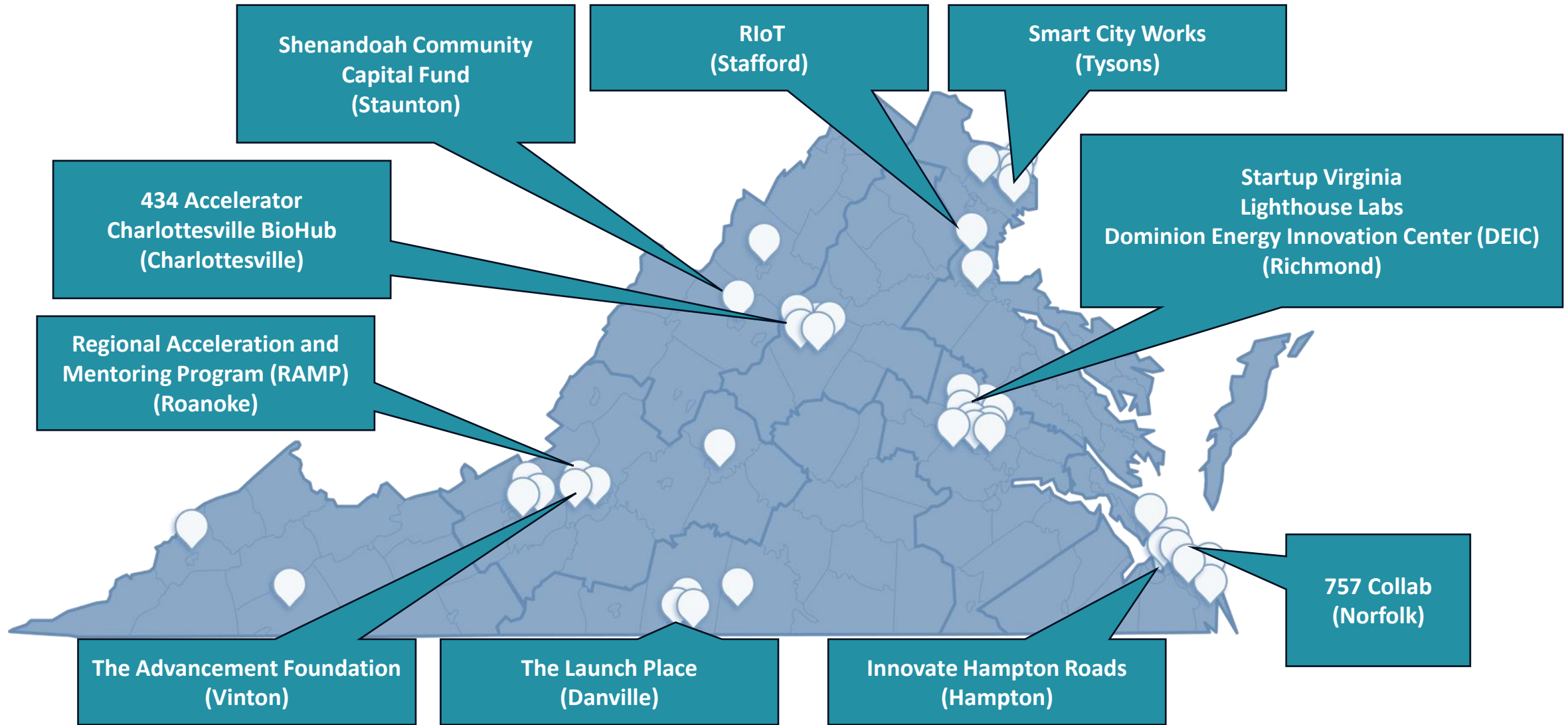
Entrepreneurial Ecosystems



Acts as a supporter, connector, and convener for entrepreneurial ecosystems and stakeholders throughout Virginia.



Entrepreneurial Ecosystem Overview



VIPC's **Entrepreneurial Ecosystems** division was established in July 2020 to support and promote technology-based entrepreneurship throughout the Commonwealth. EED provides capital, connections, and counsel to entrepreneur support organizations, economic development agencies, industry associations, and other stakeholders who assist early-stage tech companies and founders. Innovation ecosystems and startup communities across Virginia have grown considerably as business, civic, and government leaders embrace technology-based economic development strategies to drive dynamic local and regional growth.

Primary objectives in FY2025 include:

- Through the **Regional Innovation Fund (RIF)**, provide up to \$2 million in grant support to entrepreneur support organizations and economic development agencies that assist high-growth, technology-based Virginia startups and founders.
- Through the **Virginia Accelerator Network (VAN)**, provide Virginia-based nonprofit entrepreneur support organizations with platforms for networking, peer learning, technical assistance, best-practice sharing, identification of funding opportunities, development of policy solutions, and other initiatives.
- Through **Ecosystem Alignment**, promote multi-region collaboration to enhance statewide alignment and coordination.
- Through **Rural Innovation and Entrepreneurship**, increase opportunities for rural regions of the state.

Objective

Regional Innovation Fund (RIF)

Virginia Accelerator Network (VAN)

Rural Innovation and Entrepreneurship

Metric

Deploy over \$2M in RIF grant funding to expand availability of resources to high-growth startup founders.

Expand technical assistance, peer network development, and flexible funding opportunities for accelerators, incubators, and innovation hubs serving founders across the Commonwealth.

Increase opportunities for rural regions of the state.

Goal

- 300 early-stage founders assisted.
- 200 startups accelerated/incubated.
- 2,000 mentoring hours provided.
- 1,000 ecosystem event attendees engaged.

- Cohost two statewide stakeholder conferences in FY2025.
- Host monthly statewide networking and educational meetings.
- Support 4 regional ecosystem events per quarter.
- Initiate review of VAN branding in Q1 FY2025 and recommend future direction in Q2 FY2025.

- Promote multi-region collaboration to enhance statewide alignment and coordination.
- Increase collaboration with regional economic development organizations.
- Advance outcome measurement of regional ecosystems.
- Coordinate ecosystem marketing efforts between statewide and regional campaigns.



Strategic Initiatives Division

VIPC's **Strategic Initiatives** division provides leadership for strategic initiatives that explore and shape programs designed to attract and grow innovation in the Commonwealth. FY2025 will continue to engage relevant entrepreneurs in the execution of four primary activities: Smart Communities, Public Safety, Unmanned Systems, and the DHS SCITI Labs program. For emerging technology areas where end users are engaged in the evaluation and adoption of a technology, Strategic Initiatives may arrange for related niche workforce and training efforts not provided by other Commonwealth entities. In general, training on specific new technologies is not provided by other Commonwealth entities given the evolving and experimental nature of these capabilities.

Strategic Initiatives will continue to develop the following new areas:

- **National Security / Defense Tech**, in collaboration with state and federal stakeholders in space, maritime/port security, cybersecurity, critical infrastructure, and other high growth technology sectors.
- The **Public Safety Innovation Center**, developed in conjunction with the Public Safety and Homeland Security Secretariat of Virginia. The Success Metric is one new pilot project around emergency response data sharing, with the Goal of positioning Virginia as the national leader in defining a new generation of data sharing mechanisms.
- **Advanced Air Mobility**, working with the Unmanned Systems Center and in cooperation with the Virginia Department of Aviation, work with industry to identify the optimal location or locations to establish an Advanced Air Aviation Test Site in Virginia.
- **Artificial Intelligence/Quantum Computing**, focused specifically on the development of quantum computing-based software solutions for areas such as Advanced Logistics. The Success Metric is convening a stakeholder-led working group in FY2025, with the Goal of a defined set of objectives for growth of the initial capability and coordination with university partners about emerging workforce needs.
- **Rural/Energy Innovation Initiative**, expanding focus areas for small nuclear, bioreactors, sustainable aviation fuels, hydrogen fuel cells, electric grid, battery technologies and storage, and other technology sectors as identified. The Success Metric is a framework for evaluating fuel sources against potential use cases, with the Goal of defining an initial proof-of-concept pilot project.

Primary objectives in FY2025 include:

Public Safety Innovation Center

- Activities will continue to focus on pilot projects across Commonwealth, with the intent being technologies such as situational awareness, enhanced communications and response technologies that improve public safety by improving response and helping save lives and property. The Success Metric for FY2025 is a minimum of 3 Public Safety pilot projects in the Commonwealth. The Goal is community expertise and engagement/adoption around new public safety technology capabilities.

The Virginia Unmanned Systems Center at VIPC

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

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

SCITI Labs

The SCITI Labs Commercial First Innovation program will continue with the U.S. Department of Homeland Security (DHS) through the first quarter of FY2025

- Detection of environmental threats such as flood and wildfire ignition using networked IoT sensors. The Success Metric is successful data integration of DHS-provided and third-party environmental sensors to communities throughout Virginia. The Goal is a robust set of environmental sensors that can be applied to a variety of public safety use cases.
- Smart buildings and communities. The Success Metric is use of a network of “Living Laboratories” in communities throughout Virginia to pilot new capabilities that can improve public safety and government services. The Goal is 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.
- UAS/C-UAS and other Public Safety-related technologies. The Success Metric is additional demonstration of DHS-conducted C-UAS experiments “in the wild” in Richmond and elsewhere, and dual use of AAM airspace awareness sensors for data sharing with various governmental entities. The Goal is Virginia leadership for use of these capabilities in protecting critical infrastructure.

Smart Communities

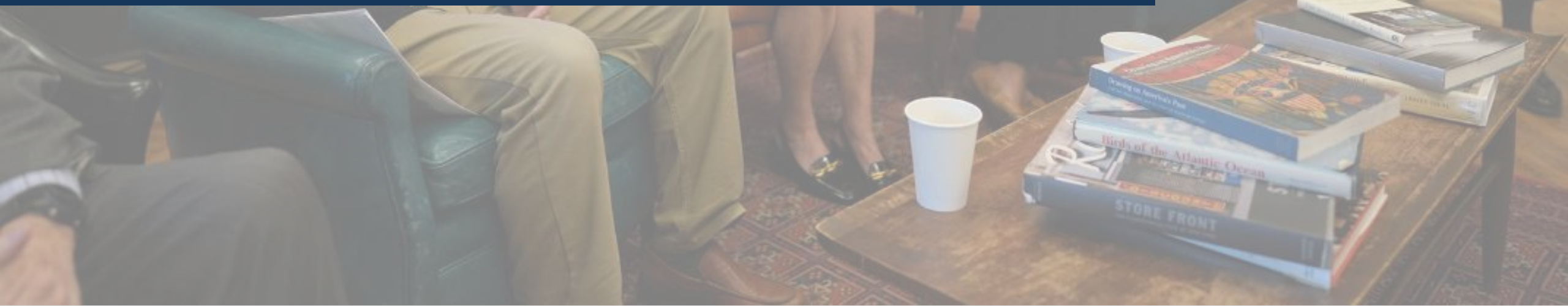
Activities will continue to focus on pilot projects across Commonwealth, with the intent being “Community-Driven Innovation.”

- 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.

Objective	National Security / Defense Tech	Public Safety Innovation Center	Advanced Air Mobility	Artificial Intelligence/ Quantum Computing	Rural/Energy Innovation
Metric	Pilot programs matching state and federal stakeholder need in high growth technology sectors such as space, maritime/port security, cybersecurity, and critical infrastructure with innovative solutions.	Position Virginia as a national leader in defining a new generation of emergency response data sharing mechanisms.	Maintain Virginia’s leadership role in Advanced Air Mobility.	Focus on solutions for areas such as Advanced Logistics.	Expand focus areas in Rural/Energy Innovation and other rural technology sectors as identified.
Goal	One new pilot implementation.	One new pilot emergency response data sharing project.	Through the Unmanned Systems Center and in cooperation with the Virginia Department of Aviation, work with industry to identify the optimal location or locations to establish an Advanced Air Aviation Test Site in Virginia.	Convene a stakeholder-led working group in FY2025 and define a set of objectives that includes growth of the initial capability and coordination with university partners.	Develop a framework for evaluating innovative solutions against potential use cases. Define an initial proof-of-concept pilot project.



Life Science Initiative



Virginia's Life Science Initiative

General Assembly passed \$90 Million investment to launch Virginia's Life Science Initiative among research institutions at UVA, Virginia Tech, VCU, and ODU in partnership with VIPA

- \$90 million in one-time funds through VIPA
 - \$47 million for UVA's Manning Institute for Biotechnology
 - \$27 million for VT's Fralin Biomedical Research Institute at VTC
 - \$13 million for VCU's Medicines for All Institute
 - \$4 million for ODU's Digital Patient Model
- VIPC is responsible for developing Memorandums of Understanding (MOU) with each University, including strategy development, program oversight, near-term and long-term performance objectives, ongoing reporting post implementation.
- VIPC shall work in collaboration with the institutions listed above, the Virginia Health Bioscience Research Corporation, and the Virginia Biotechnology Research Partnership Authority to develop a proposal for a research center of life science in Virginia.

Advanced Pharmaceutical Manufacturing (APM) Tech Hub

VIPC is one of three Co-Lead Partners with Commonwealth Center for Advanced Manufacturing (CCAM) and Alliance for Building Better Medicine (ABBM) for APM Tech Hub worth up to \$70M in potential EDA award

- Richmond-Petersburg/Central Virginia APM hub was selected as 1 of 31 (out of nearly 400 applicants) EDA designated tech hubs in the country
- Final application proposal for up to \$70M was successfully submitted to EDA in February
 - APM is the only hub addressing innovations that will drive US-based pharmaceutical manufacturing of life savings and life sustaining medicines
- Virtual site visit conducted in April 2024



Appendix

Centers of Excellence

FY2025 Operating Budget






VIPA 29

VIPC 30



Centers of Excellence

Independent nonprofit Centers of Excellence under a single state Authority 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. In FY2025, VIPC is working toward greater collaboration and synergy among the Centers along with enhanced financial reporting and governance transparency as directed by legislation.

 <p>Commonwealth Center for Advanced Logistics Systems 501(c)(3)</p> <hr/> <p>Board of Directors (10 Members) Chair: <i>Dawit Haile</i> Vice Chair: <i>Vince Barnett</i> Sr Fellow: <i>Karen Jackson</i></p> <hr/> <p>Commonwealth Center for Advanced Logistics Systems administers and deploys seed money for collaborative public sector projects with Commonwealth partners.</p>	 <p>Virginia Catalyst 501(c)(3)</p> <hr/> <p>Board of Directors (16 Members) Chair: <i>David X. Cifu</i> CEO: <i>Michael Grisham</i></p> <hr/> <p>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.</p>	 <p>Commonwealth Center for Advanced Manufacturing 501(c)(3)</p> <hr/> <p>Board of Directors (12 Members) Chair: <i>Greg Benson</i> CEO: <i>John Milton-Benoit</i></p> <hr/> <p>Commonwealth Center for Advanced Manufacturing administers private sector incentive and university research grants.</p>	 <p>Commonwealth Cyber Initiative Multi-University Program</p> <hr/> <p>• Advisory Board • Leadership Council Exec. Dir.: <i>Luiz DaSilva</i></p> <hr/> <p>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.</p>	 <p>Virginia Academy of Science, Engineering and Medicine 501(c)(3)</p> <hr/> <p>Board of Directors (12 Members) President: <i>James Aylor</i></p> <hr/> <p>VASEM is a Virginia nonprofit corporation established to: Inform, Advocate, and Serve.</p>
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FY2025 VIPA Budget

(In Thousands)

FY2025

Budget

Revenue

Commonwealth Appropriation - General Fund

Centers of Excellence (COE)

Commonwealth Cyber Initiative (CCI)	17,500
Virginia Biosciences Health Research Corporation (VBHRC aka VA Catalyst)	3,750
Commonwealth Center for Advanced Manufacturing (CCAM)	3,625
Commonwealth Center for Advanced Logistics (CCALS)	350
Virginia Academy of Science, Engineering and Medicine (VASEM)	125

COE Subtotal 25,350

Life Sciences Research Initiative

University of Virginia Institute for Biotechnology	6,500
Virginia Commonwealth University Medicines for All Institute	6,500
Virginia Tech Patient Research Center	6,000
Old Dominion University Digital Patient Model	2,003

Life Science Subtotal 21,003

Virginia Innovation Partnership Corporation (VIPIC)

Commercialization	5,000
Investment	3,100
Entrepreneurial Ecosystems	3,000
Strategic Initiatives	1,000
Unmanned Systems	1,000
Operating	4,036

VIPIC Subtotal 17,136

Interest & Misc. Income

125

Total Revenue 63,614

Expenses and Transfers

VIPA Administrative Expense	3
Appropriation transfers to VIPIC	17,136
Appropriation disbursements to Centers of Excellence	25,350
Appropriation disbursements to Universities specified in Life Science Research Initiative	21,003

Total Expenses & Transfers 63,492

Consolidated Revenue, Expenses, Transfers and Changes in Net Position

Revenue	63,614
Expenses and Transfers	<u>63,492</u>
Change in Net Position	122
Beginning Net Position	2,622
Ending Net Position	<u>\$ 2,744</u>

• \$25.3 million is designated to the **Centers of Excellence.**

• \$21 million is designated to the **Life Sciences Research Initiative.**

- Remaining \$69M of total \$90M Life Sciences Research Initiative is scheduled to be disbursed in FY26.

• \$17.1 million is designated to **VIPA.**

Fiscal Year 2025 Operating Budget by Funding Source

Commonwealth Projects Funded By Appropriation & Other Revenue

		(in thousands)
Revenue		
Commonwealth Appropriation - General Fund	\$	17,136
Interest, Sponsorship, Return on Investment & Miscellaneous Income	\$	3,776
Total Revenue	\$	20,912
Expenses		
Commercialization Division	\$	9,795
Investment Division	\$	6,950
Entrepreneurial Ecosystems Division	\$	3,545
Strategic Initiatives	\$	1,135
Unmanned Systems	\$	1,122
Policy, Communications and Commonwealth Engagement	\$	1,888
Under (Over) Applied Indirects	\$	335
Activities funded by building sale proceeds	\$	4,993
Total Expenses	\$	29,763
Net	\$	(8,851)

Strategic Initiatives Funded by Contracts & Grants

Program Revenue - UST State Small Business Credit Initiative	\$	17,373	
Program Expense	\$	17,373	
Profit/(Loss)	\$	-	
Program Revenue - DHS Commercial First Innovation	\$	2,721	
Program Expense	\$	2,520	
Profit/(Loss)	\$	201	
Program Revenue - SBA Federal and State Partnership (FAST) Program	\$	39	
Program Expense	\$	39	
Profit/(Loss)	\$	-	
Program Revenue - EDA Statewide Planning Grant	\$	22	
Program Expense	\$	22	
Profit/(Loss)	\$	-	
Program Revenue - Fairfax Founders Fund	\$	10	
Program Expense	\$	8	
Profit/(Loss)	\$	2	

Consolidated Revenue & Expenses & Changes in Net Position

Total Revenue	\$	41,077	
Total Expenses	\$	49,725	
Change in Net Position	\$	(8,648)	
Beginning Net Position	\$	72,688	
Ending Net Position	\$	64,040	

FY2025 VIPC Budget

FY2025 VIPC Budget

	Operating Funds				Designated Funds						Total
	COV	Other			COV						
	Corporate	Grants & Contracts	Investment Division		Commercialization Division	Entrepreneurial Ecosystems Division	Strategic Initiatives Fund	Unmanned Systems Fund	Building Sale Proceeds for Opp Fund/ 127.0		
		SSBCI	VVP								
(In Thousands)											
Beginning Balance at 7/1/2024	\$ 2,475	\$ 1,399	\$ -	\$ 14,380	\$ 27,476	\$ 7,144	\$ 120	\$ 135	\$ 19,560	\$ 72,688	
REVENUE											
General Fund Appropriation	\$ 4,036			\$ 3,100	\$ 5,000	\$ 3,000	\$ 1,000	\$ 1,000		\$ 17,136	
Interest, Sponsorship, Return on Investment	\$ 1,917				\$ 1,501	\$ 358				\$ 3,776	
Federal and State Grants & Contracts		\$ 2,792	\$ 17,373							\$ 20,165	
Total Revenue	\$ 5,953	\$ 2,792	\$ 17,373	\$ 3,100	\$ 6,501	\$ 3,358	\$ 1,000	\$ 1,000	\$ -	\$ 41,077	
EXPENSES AND TRANSFERS											
Operating and Designated Programs	\$ 6,868			\$ 2,608	\$ 1,268	\$ 904	\$ 1,000	\$ 1,000	\$ 4,500	\$ 18,148	
Investments/Grants			\$ 16,472	\$ 1,840	\$ 7,505	\$ 2,270				\$ 28,087	
Federal and State Grants & Contracts Operating Expenses		\$ 2,589	\$ 901							\$ 3,490	
Transfers and Indirect Application to Designated Programs	\$ (500)	\$ 300		\$ 42	\$ 80	\$ 29	\$ 5	\$ 5	\$ 39	\$ 0	
Total Expenses	\$ 6,368	\$ 2,889	\$ 17,373	\$ 4,490	\$ 8,853	\$ 3,203	\$ 1,005	\$ 1,005	\$ 4,539	\$ 49,725	
Net Change	\$ (415)	\$ (97)	\$ -	\$ (1,390)	\$ (2,352)	\$ 155	\$ (5)	\$ (5)	\$ (4,539)	\$ (8,648)	
Forecasted Ending Balance at 6/30/2025	\$ 2,060	\$ 1,302	\$ -	\$ 12,990	\$ 25,124	\$ 7,299	\$ 115	\$ 130	\$ 15,021	\$ 64,040	

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

Board of Directors

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CEO, National Spine Health Foundation

Vice Chair

The Honorable Caren Merrick
Commonwealth Secretary of Commerce and Trade

Secretary

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Managing Director, Orion Capital

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Chairman, Gupta Family Foundation
Co-founder and Former CEO of Apex CoAdvantage

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Kelley Powell Williamson

Managing Partner, Kefiweh Group
President, Kelley W. Powell, Inc


Lindsay Winter

Virginia Public Policy, Amazon

Executive

Joseph Benevento

CEO and President

A row of six flags on stands in a modern office lobby with large windows. The flags alternate between the United States flag and a blue flag with a white seal. The scene is brightly lit by natural light from the windows.

Item 127.C.1b
**By program, total grants made and investments awarded for
each grant and investment program and**
Item 127.C.1e
Private investment activity related to fund of funds

Item 127.C.1.b and C.1.e

As illustrated in item 127.C.1.b and C.1.e FY2025 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 \$28.087M.

Objectives	Success Metric	FY25 Measure	Budget Grant/ Investment Amount
Virginia Venture Partners State Small Business Credit Initiative Venture Capital Direct Investment Program* – 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	40-45 pre-seed, seed, and follow-on investments (90%)	\$12.000M
	Leverage Cash: amount of initial and follow on investment from non-Commonwealth sources	At least \$75M	
	Rate of Return	1 x ROR	
Virginia Invests* – Virginia State Small Business Credit Initiative Venture Capital Fund of Funds Investment Program	Deploy State Small Business Credit Initiative Venture Capital Indirect Fund of Funds Investment Program	Contingent upon fund capital calls	\$4.472M
Virginia Venture Partners Direct Investment Program – Identify, diligence, and close a pipeline of Pre-Seed and Seed stage investments and maintain portfolio performance to recover all invested capital over the life of the investment program.	Number of investments	40-45 pre-seed, seed, and follow-on investments (10% + non-SSBCI)	\$1.840M
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 6/30/2025 – reflects Private Sector, Higher Ed, Eminent Researcher and Recruitment, Entrepreneur in Residence, SBIR/STTR Matching Grant Programs	\$7.505M
Entrepreneurial Ecosystems – Administer the Regional Innovation Fund (RIF) as the vehicle through which the Commonwealth grows regional entrepreneurial ecosystem coordinating entities.	Deploy \$2.0M in grant funding	Deploy by 6/30/2025	\$2.270M

****Fund source outside of appropriated budget***

Total


\$28.087M

A photograph of six flags on a dark, reflective table. From left to right, there are three United States flags and three Virginia state flags. The flags are arranged in a row, and their reflections are clearly visible on the table's surface. The background shows a modern building interior with large windows and a glass railing.

Item 127.C.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 127.C.1d
Cash balances by funding source and available, committed and projected expenditures of cash balances

**Virginia Innovation Partnership Authority
Fiscal Year 2025 Cash Budget**

(in thousands)

Revenue

Commonwealth Appropriation - General Fund

Centers of Excellence (COE)

Commonwealth Cyber Initiative (CCI)	17,500
Virginia Biosciences Health Research Corporation (VBHRC aka VA Catalyst)	3,750
Commonwealth Center for Advanced Manufacturing (CCAM)	3,625
Commonwealth Center for Advanced Logistics (CCALS)	350
Virginia Academy of Science, Engineering and Medicine (VASEM)	125

COE Subtotal 25,350

Life Sciences Research Initiative

University of Virginia Institute for Biotechnology	6,500
Virginia Commonwealth University Medicines for All Institute	6,500
Virginia Tech Patient Research Center	6,000
Old Dominion University Digital Patient Model	2,003

Life Science Subtotal 21,003

Virginia Innovation Partnership Corporation (VIPC)

Commercialization	5,000
Investment	3,100
Entrepreneurial Ecosystems	3,000
Strategic Initiatives	1,000
Unmanned Systems	1,000
Operating	4,036

VIPC Subtotal 17,136

Interest and Miscellaneous Revenue

\$ 125

Total Revenue \$ 63,614

Expenses and Transfers

VIPA Administrative Expenses	\$ 3
Appropriation disbursements to Centers of Excellence	\$ 25,350
Appropriation disbursements to Universities specified in Life Science Research Initiative	\$ 21,003
Appropriation disbursements to VIPC	\$ 17,136

Total Expenses and Transfers \$ 63,492

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

Total Revenue	\$ 63,614
Total Expenses and Transfers	\$ 63,492
Change in Net Position	<u>\$ 122</u>
Beginning Net Position at 7/1/2024	<u>\$ 2,622</u>
Ending Net Position 6/30/2025	<u><u>\$ 2,744</u></u>

**Virginia Innovation Partnership Corporation
Fiscal Year 2025 Cash Budget**

	Operating Funds		Designated Funds								Total
	COV	Other	COV								
	Corporate	Grants & Contracts	Investment Division		Commercialization Division	Entrepreneurial Ecosystems Division	Strategic Initiatives Fund	Unmanned Systems Fund	Building Sale Proceeds for Opp Fund/ 127.0		
			SSBCI	VVP							
(In Thousands)											
Beginning Balance at 7/1/2024	\$ 3,138	\$ 1,729	\$ 4,651	\$ 14,605	\$ 27,338	\$ 7,182	\$ 826	\$ 163	\$ 19,577	\$ 79,209	
Cash Receipts											
General Fund Appropriation	\$ 4,036			\$ 3,100	\$ 5,000	\$ 3,000	\$ 1,000	\$ 1,000		\$ 17,136	
Interest, Sponsorship, Return on Investment	\$ 1,917				\$ 1,501	\$ 358				\$ 3,776	
Contracts & Grants		\$ 2,792	\$ 18,000							\$ 20,792	
Total Cash Receipts	\$ 5,953	\$ 2,792	\$ 18,000	\$ 3,100	\$ 6,501	\$ 3,358	\$ 1,000	\$ 1,000	\$ -	\$ 41,704	
Cash Disbursements											
Operating and Designated Programs	\$ 6,868			\$ 2,608	\$ 1,268	\$ 904	\$ 1,000	\$ 1,000	\$ 4,500	\$ 18,148	
Investments/Grants			\$ 16,472	\$ 1,840	\$ 7,505	\$ 2,270				\$ 28,087	
Federal and State Contracts & Grants		\$ 2,589	\$ 901							\$ 3,490	
Transfers and Indirect Application to Designated Programs	\$ (500)	\$ 300		\$ 42	\$ 80	\$ 29	\$ 5	\$ 5	\$ 39	\$ (0)	
Total Cash Disbursements	\$ 6,368	\$ 2,889	\$ 17,373	\$ 4,490	\$ 8,853	\$ 3,203	\$ 1,005	\$ 1,005	\$ 4,539	\$ 49,725	
Net Change	\$ (415)	\$ (97)	\$ 627	\$ (1,390)	\$ (2,352)	\$ 155	\$ (5)	\$ (5)	\$ (4,539)	\$ (8,021)	
Ending Balance at 6/30/2025	\$ 2,723	\$ 1,632	\$ 5,278	\$ 13,215	\$ 24,986	\$ 7,337	\$ 821	\$ 158	\$ 15,038	\$ 71,188	

Designated Funds are amounts which are to be spent on a specific purpose stated in the Appropriation Act
*Grants & Contracts includes cash allocation received/to be received from VSBFA for SSBCI Fund investments