

Item 115.C.1 Operating Plan and

Item 115.C.1a All planned and actual revenue and expenditures along with funding sources



VIPC | VIRGINIA INNOVATION
PARTNERSHIP CORPORATION

FY2027 Operating Plan



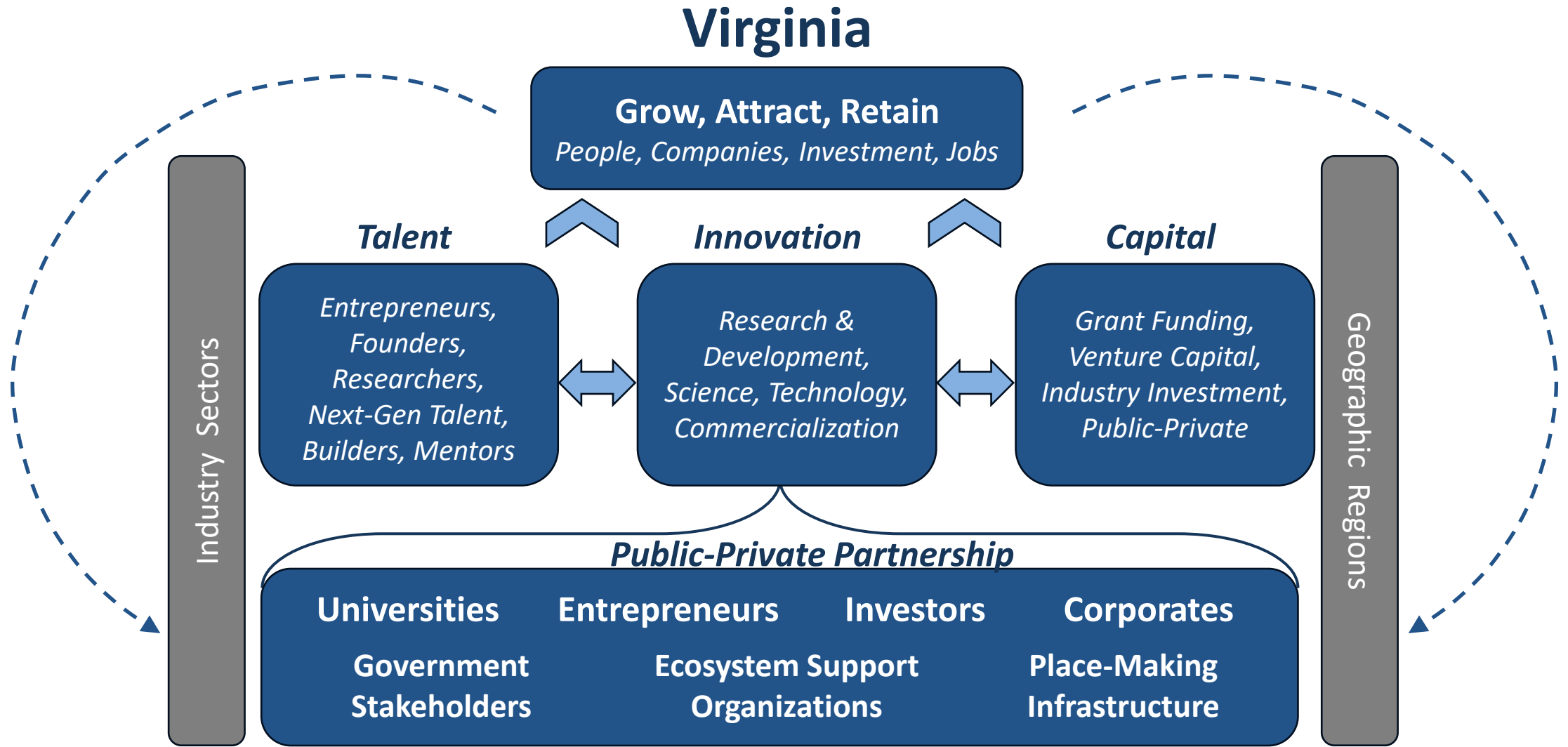
Virginia Innovation Partnership Legislative Act in 2020

§ 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 *talent* 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 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.

Innovation Ecosystem Framework



Note: Ecosystem Framework builds off established third party studies and literature including "MIT's Stakeholder Framework...", Steve Case's "Rise of the Rest" framework, Brad Feld's "The Startup Community Way: Evolving an Entrepreneurial Ecosystem", Regional Innovation Systems, Teconomy, RTP, other sources.

Strategic Operating Framework



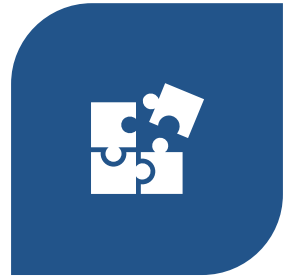
Values



INTEGRITY



COLLABORATION



INNOVATION



EXCELLENCE



MISSION-
DRIVEN

Mission and Vision






Mission: Grow Virginia's innovation and entrepreneurial ecosystems through public-private partnership.

Vision: Virginia is the best place to launch, grow, and thrive.

VIPC's programs help...

- *Accelerate research and technology commercialization*
- *Enhance access to entrepreneur and startup resources*
- *Catalyze investment and capital attraction*
- *Grow and retain tech and innovation talent*
- *Drive strategic industry sectors*
- *Support place-making infrastructure*
- *Connect and convene stakeholders*
- *Promote and market Virginia's innovation*

Strategic Pillars and Goals

Pillar		Goal
	Investment	<i>Catalyze & attract early-stage startup investment funding</i>
	Commercialization	<i>Accelerate technology pathways into the marketplace</i>
	Ecosystems	<i>Foster innovation ecosystem growth and strategic industry sector initiatives</i>
	Marketing	<i>Enhance awareness and promotion of VIPC and Virginia</i>
	Operations	<i>Drive growth and development of people, processes, and productivity</i>

FY2027: Investment

Goal: Catalyze and attract early-stage startup investment funding

Key Pillar	Key Initiative	KPI's
Investment	<ul style="list-style-type: none">Accelerate early startup commercialization	<ul style="list-style-type: none">60 startup funding awards\$3 million funding awarded
Investment	<ul style="list-style-type: none">Catalyze startup venture capital investment	<ul style="list-style-type: none">20-24 startup investments\$12 million direct investment
Investment	<ul style="list-style-type: none">Catalyze venture capital investment in fund managers	<ul style="list-style-type: none">1-3 new fund managers\$10-20 million fund manager commitment
Investment	<ul style="list-style-type: none">Attract private co-investment capital into startups	<ul style="list-style-type: none">100 co-investor syndication partners\$100 million co-investor syndication
Investment	<ul style="list-style-type: none">Expand private investor networks	<ul style="list-style-type: none">50 new venture capital and angel investor engagements5 new investor attraction events in Virginia

FY2027: Commercialization

Goal: Accelerate technology pathways into the marketplace

Key Pillar	Key Initiative	KPI's
Commercialization	<ul style="list-style-type: none">Expand University Proof of Concept commercialization funding	<ul style="list-style-type: none">24 new translational research grants\$3 million awarded
Commercialization	<ul style="list-style-type: none">Expand University Entrepreneur-in-Residence program	<ul style="list-style-type: none">8 university partners\$1.5 million awarded
Commercialization	<ul style="list-style-type: none">Accelerate university tech transfer	<ul style="list-style-type: none">20 university spin-outs\$1 million funding awards
Commercialization	<ul style="list-style-type: none">Launch new university commercialization talent and industry partnerships	<ul style="list-style-type: none">Launch new university commercialization talent initiative2-3 public private industry partnerships
Commercialization	<ul style="list-style-type: none">Lead statewide university research and commercialization convenings	<ul style="list-style-type: none">2-4 statewide events

FY2027: Ecosystems

Goal: Foster innovation ecosystem growth and strategic industry sector initiatives

Key Pillar	Key Initiative	KPI's
Ecosystems	<ul style="list-style-type: none">• Drive new regional ecosystem collaborations	<ul style="list-style-type: none">• 10-20 new or expanded ecosystem events• 3-5 new ESO and EDA partner engagements
Ecosystems	<ul style="list-style-type: none">• Enhance Regional Innovation Funding access and impact	<ul style="list-style-type: none">• 20-30 funding awards• \$3.0 million awarded• 60-75 days average processing time
Ecosystems	<ul style="list-style-type: none">• Implement Rural Health Transformation Program Tech Innovation Fund	<ul style="list-style-type: none">• \$6 million in funding awarded
Ecosystems	<ul style="list-style-type: none">• Grow the Federal Funding Assistance Program	<ul style="list-style-type: none">• 300 entrepreneurs assisted• 50 SBIR/STTR/ARPA microgrants approved
Ecosystems	<ul style="list-style-type: none">• Grow key statewide industry ecosystems – e.g. Life Science, AI, Aerospace, National Security	<ul style="list-style-type: none">• 3-5 new or expanded pilot projects• 3-5 new or expanded public private partnerships• Collaborate with VEDP on APM Training Network

FY2027: Marketing

Goal: Enhance awareness and promotion of VIPC and Virginia

Key Pillar	Key Initiative	KPI's
Marketing	<ul style="list-style-type: none">• Grow strategic media and communication partnerships	<ul style="list-style-type: none">• Establish/expand relationships with 5-10 new media outlets
Marketing	<ul style="list-style-type: none">• Launch marketing storytelling campaign	<ul style="list-style-type: none">• 5-10 spotlight features
Marketing	<ul style="list-style-type: none">• Expand out-of-state conference engagement	<ul style="list-style-type: none">• 6 key industry conferences
Marketing	<ul style="list-style-type: none">• Increase social media marketing impact	<ul style="list-style-type: none">• 15% engagement increase
Marketing	<ul style="list-style-type: none">• Enhance website capabilities and functions	<ul style="list-style-type: none">• Launch 3 new user enhancements

FY2027: Operations

Goal: Drive growth and development of people, processes, and productivity

Key Pillar	Key Initiative	KPI's
Operations	<ul style="list-style-type: none">Streamline F&A processes	<ul style="list-style-type: none">10% process days improvement
Operations	<ul style="list-style-type: none">Enhance enterprise-wide data architecture	<ul style="list-style-type: none">Streamline data and workflow integration
Operations	<ul style="list-style-type: none">Expand upon existing professional development opportunities	<ul style="list-style-type: none">3-5 professional development and skills training offerings
Operations	<ul style="list-style-type: none">Implement integrated AI solutions	<ul style="list-style-type: none">Identify 3-5 efficiency solutions
Operations	<ul style="list-style-type: none">Evaluate enterprise technology platforms for system upgrade opportunities	<ul style="list-style-type: none">Identify and implement system enhancements

FY2027: VIPA Operating Budget

(in thousands)

Revenue

Commonwealth Appropriation - General Fund	\$	53,911
Interest and Miscellaneous Revenue		120
Total Revenue		54,031

Expenses and Transfers

VIPA Administrative Expenses		6
Transfer to VIPC - FY2027 Appropriation		16,436
Transfer to Centers of Excellence - FY2027 Appropriation		25,475
Transfer to University Life Science Research Diamond - FY2027 Appropriation		12,000
Total Expenses and Transfers		53,917

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

Total Revenue		54,031
Total Expenses and Transfers		53,917
Change in Net Position		114
Beginning Net Position		3,038
Ending Net Position		3,152

FY2027: VIPC Operating Budget

Commonwealth Projects Funded By Appropriation & Other Revenue

(in thousands)

Revenue

Commonwealth Appropriation - General Fund	\$	16,436
Interest, Sponsorship, Return on Investment & Miscellaneous Income		3,500
Total Revenue		19,936

Expenses


Commercialization		10,295
Startup Investment		5,812
Entrepreneurial Ecosystems		5,486
Strategic Initiatives		1,690
Unmanned Systems		1,254
Corporate and Other Programs		2,458
Economic Development Commitment - Advanced Air Mobility		5,048
Economic Development Commitment - Advanced Pharmaceutical Manufacturing		13,130
Total Expenses		45,173

Strategic Initiatives Funded by Contracts & Grants

Program Revenue - U.S. Treasury State Small Business Credit Initiative (SSBCI) Venture Capital Program		13,450
Program Expense		13,450
Profit/(Loss)		-
Program Revenue - Centers of Medicaid & Medicare Rural Health Transformation Program Tech Innovation Fund		5,548
Program Expense		5,548
Profit/(Loss)		-
Program Revenue - SBA Federal and State Partnership Program (SBA FAST)		106
Program Expense		106
Profit/(Loss)		-

Consolidated Revenue & Expenses & Changes in Net Position

Beginning Net Position	95,372
Total Revenue	39,041
Total Expenses	64,277
Change in Net Position	(25,236)
Ending Net Position	70,136
Obligation	(32,500)
Net Position After Obligation	37,636

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 115.C.1b
**By program, total grants made and investments awarded for
each grant and investment program and**
Item 115.C.1e
Private investment activity related to fund of funds

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 115.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.

FY2027: Grants and Investments


Item 115.C.1.b and C.1.e

As illustrated in item 115.C.1.b and C.1.e FY2027 Operating Plan of the managing non-profit, the following excerpt has been modified to include total grants and investments planned for each grant and investment program administered by the managing non-profit at a total award amount of \$39.5 million.

Objectives	Success Metric	FY2027 Measure	Budget Grant/ Investment Amount In Thousands
Investment Division – State Small Business Credit Initiative Venture Capital Direct Investment Program* – Identify, diligence and close a robust 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	20-24 pre-seed, seed, and follow-on investments (90% SSBCI; 10% appropriation + non-SSBCI investment)	\$12,000
	Co-investor syndication: amount of initial and follow on investment from non-Commonwealth sources	\$100 million day one co-investor syndication	
Investment Division – Virginia Invests – Virginia State Small Business Credit Initiative Venture Capital Fund of Funds Investment Program*	Number of State Small Business Credit Initiative Venture Capital Indirect Fund of Funds Investment	1-3 Fund Manager investments	\$10,000
Commercialization Division – 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 that stimulate technology commercialization, new company formation, jobs.	Number of grants	112 grant awards (24 Higher Ed Proof of Concept, 8 Entrepreneur in Residence, 20 Lab-to-Launch, 60 Launch Grant awards)	\$8,500
Entrepreneurial Ecosystem Division – Administer the Regional Innovation Fund (RIF) as the vehicle through which the Commonwealth grows regional entrepreneurial ecosystem coordinating entities.	Number of grants	20-30 grant awards	\$3,000
Entrepreneurial Ecosystem Division – Administer Rural Health Transformation Tech Innovation Fund* to enhance rural health care and improve health outcomes across rural communities in Virginia.	Number of grants	12 grant awards	\$6,000

**Includes Federally Funded Programs*

Total **\$39,500**



Item 115.C.1d
Cash balances by funding source and available, committed and projected expenditures of cash balances

FY2027: Cash Budget

Item 115.C.1.d

The FY2027 budget has been modified to include cash balances by funding source, by program, of available, committed, and projected expenditures of all cash balance.

	Operating Funds				Designated Funds							Total
	COV	Other	Investment Division		Commercialization Division	Entrepreneurial Ecosystems Division	Strategic Initiatives Fund	Unmanned Systems Fund	COAR Fund	Economic Development Commitments		
	Discretionary Fund	Grants & Contracts*	SSBCI	VVP								
	(In Thousands)											
Beginning Cash Balance at 7/1/2026	\$ 1,238	\$ 1,370	\$ 64,942	\$ 17,040	\$ 29,014	\$ 9,997	\$ 359	\$ 206	\$ 16,000	\$ 19,862	\$ 160,028	
Cash Receipts												
General Fund Appropriation	3,336	-	-	3,100	5,000	3,000	1,000	1,000	-	-	16,436	
Interest, Sponsorship, Return on Investment	1,236	-	-	-	971	338	-	50	320	-	2,915	
Contracts & Grants	-	5,327	-	-	-	-	-	-	-	-	5,327	
Total Cash Receipts	4,572	5,327	-	3,100	5,971	3,338	1,000	1,050	320	-	24,678	
Cash Disbursements												
Operating and Designated Programs	6,408	-	-	3,178	1,246	1,401	1,296	1,193	8,000	10,500	33,222	
Investments/Grants	-	5,154	14,800	1,975	8,000	3,500	-	-	-	-	33,429	
Federal and State Contracts & Grants	-	-	-	-	-	-	-	-	-	-	-	
Transfers and Indirect Application to Designated Programs	(898)	385	-	201	117	56	13	13	-	113	-	
Total Cash Disbursements	5,510	5,539	14,800	5,354	9,363	4,957	1,309	1,206	8,000	10,613	66,651	
Net Change	(938)	(212)	(14,800)	(2,254)	(3,392)	(1,619)	(309)	(156)	(7,680)	(10,613)	(41,973)	
Ending Cash Balance at 6/30/2027	300	1,158	50,142	14,786	25,622	8,378	50	50	8,320	9,249	118,055	
Committed and Projected Amounts	(300)	(1,158)	-	(12,265)	(22,625)	(3,910)	(50)	(50)	-	(5,500)	(45,858)	
Funds Subject to Restriction and Return	-	-	(50,142)	-	-	-	-	-	(8,320)	-	(58,462)	
Balance Net of Obligation	-	-	-	2,521	2,997	4,468	-	-	-	3,749	13,735	

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

Committed and Projected amounts include costs such as SSBCI administrative cost recovery that exceeds both the federal reimbursement cap and current appropriated funding

Projections include the use of program proceeds to support administrative cost recovery over the remaining five years of the SSBCI program