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# VIRGINIA STATE BUDGET

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2014 Special Session I

## Budget Bill - HB5010 (Chapter 3)

Bill Order » Office of Technology » Item 419

Innovation and Entrepreneurship Investment Authority

Item 419	First Year - FY2015	Second Year - FY2016
<b>Economic Development Services (53400)</b>	<b>\$8,316,873</b>	<b>\$8,328,212</b>
Technology Entrepreneurial Development Services (53415)	\$5,299,554	\$5,310,893
Commonwealth Technology Policy Services (53416)	\$44,392	\$44,392
Technology Industry Development Services (53419)	\$1,862,511	\$1,862,511
Technology Industry Research and Developmental Services (53420)	\$1,110,416	\$1,110,416
Fund Sources:		
General	\$8,316,873	\$8,328,212

Authority: Title 2.2, Chapter 22, Code of Virginia, and Discretionary Inclusion.

A.1. The appropriation in this Item shall be used for the purpose of and in accordance with the terms and conditions specified in Title 2.2, Chapter 22, Code of Virginia.

2. Out of the amounts appropriated for the Innovation and Entrepreneurship Investment Authority, an amount equal to \$50,000 shall be used to create the Commonwealth Innovation and Entrepreneurship Measurement System to measure activities worthy of economic development and institutional focus in furtherance of the Commonwealth Research and Development Roadmap.

B. The Innovation and Entrepreneurship Investment Authority is hereby authorized to transfer funds in this appropriation to the Center for Innovative Technology to expend said funds for realizing the statutory purposes of the Authority, by contracting with governmental and private entities, notwithstanding the provisions of § 4-1.05 b of this act.

C. This appropriation shall be disbursed in twelve equal monthly installments each fiscal year.

D. Before the beginning of each fiscal year, the Innovation and Entrepreneurship Investment Authority shall provide to the Chairmen of the House Appropriations and Senate Finance Committees and the Director, Department of Planning and Budget, a report of its operating plan. Within three months after the end of the fiscal year, the center shall submit to the same entities a detailed expenditure report for the concluded fiscal year. Both reports shall be prepared in the formats as approved by the Director, Department of Planning and Budget.

E. As part of its mission to foster technological innovation in the Commonwealth, the Innovation and Entrepreneurship Investment Authority is encouraged to include in its activities Virginia private research universities.

F.1. The Center for Innovative Technology shall continue to support efforts of public and quasi-public bodies within the Commonwealth to enhance or facilitate the prompt availability of and access to advanced electronic

communications services, commonly known as broadband, throughout the Commonwealth, monitoring trends and advances in advanced electronic communications technology to plan and forecast future needs for such technology, and identify funding options.

2. Out of the amounts appropriated in this Item, \$500,000 the first year and \$500,000 the second year from the general fund shall be used to support broadband planning and assistance to localities. The Center for Innovative Technology shall provide technical assistance to localities where wired broadband services are not currently available, or where under-served communities have been identified, in order to assist those localities in determining the issues, business practices, and vendor requirements, including an assessment of the existing technologies, for the provision of broadband services to their citizens.

G. The General Assembly supports the Innovation and Entrepreneurship Investment Authority's stated mission to enhance federal research funding to Virginia's colleges and universities and to industry. It is also the intent of the General Assembly to promote a greater reliance by the authority on nongeneral fund revenues for the authority's operations and programs.

H. Notwithstanding any other provision of law, any interest earned on moneys in the Advanced Communications Assistance Fund, as well as any moneys remaining in the fund at the end of each fiscal year, including interest thereon, shall be reverted to the general fund.

I. From the amounts appropriated in this Item \$3,100,000 the first year and \$3,100,000 the second year from the general fund shall be allocated to the Commonwealth Growth Accelerator Program fund to foster the development of Virginia-based technology, biosciences, and energy companies. This funding shall be used to underwrite immediate first financing for new early-stage companies and achieve an average rate of return of not less than 11:1.

J. Out of the appropriation for this item, \$500,000 the first year and \$500,000 the second year from the general fund is provided to support research and programmatic activities, as well as foster growth and diversification within the Commonwealth's initiatives in modeling and simulation. In addition, the Center for Innovative Technology shall work to expand modeling and simulation into new industries including, but not limited to, health care, advanced manufacturing, and Unmanned Systems. The Center for Innovative Technology, in cooperation with the Governor's modeling and simulation advisory council and the Virginia Economic Development Partnership shall jointly develop a business plan for growing modeling and simulation startups companies and job opportunities in Virginia. A final business plan shall be communicated to the Governor and the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance by September 1, 2015.

K. Out of the appropriation for this item, \$500,000 the first year and \$500,000 the second year from the general fund is provided to support and expand the Commonwealth's initiatives in cyber security and cyber data analytics.

L. Notwithstanding the definition of qualifying institutions in § 2.2-2233.1, Code of Virginia, a university research consortium that includes Virginia colleges and university member institutions is a qualifying institution for purposes of seeking funding from the Commonwealth Research Commercialization Fund.

M. Any proceeds from the sale of equity in companies that participated in the cyber security accelerator shall not revert to the general fund but shall be used to support the accelerator program.

N. By September 1 each year, the President of the Innovation and Entrepreneurship Investment Authority shall submit a report to the Chairmen of the House Appropriations and Senate Finance Committees and to the Director, Department of Planning and Budget to include, but not limited to the following:

1. for activities associated with providing localities with broadband assistance: (i) the number of localities assisted by state broadband funding and (ii) the estimated number of localities with populations lacking wired broadband

access;

2. for activities associated with the Growth Accelerator Program (GAP): (i) the number of companies receiving investments from the fund, (ii) the state investment per company, (iii) the impact on job creation, (iv) estimated tax revenue generated, and (v) the number of companies who have received investments from the GAP fund still operating in Virginia; and

3. for activities associated with the cyber security accelerator: (i) the number of companies assisted with the cyber accelerator program, (ii) the number of companies operating in Virginia as a result of the program, (iii) impact on job creation, and (iv) the value of proceeds from the sale of equity in companies that received capital support from the program.