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# **Advancing Economic Development through Strategic Research and Development Investment by the Commonwealth**

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**Report from VRTAC Subcommittee  
September 18, 2007**

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# Subcommittee Members

- Matt Erskine (co-chair)
- Matt Kluger (co-chair)
- Bob Bailey
- Alan Edwards
- Lisa Friedersdorf (visitor)
- Jerry Giles
- Alleyn Harned
- Mohammad Karim
- Terry Leslie
- Frank Macrina
- Dennis Manos
- Rob McClintock
- Ken Newbold
- Carole Ottenheimer (staff support)
- Phil Parrish
- Tristen Pegram (staff support)
- Ted Settle
- Steve Walz
- Bill Wasilenko
- Terry Woodworth

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# Charge

Provide recommendations to the Secretary of Technology and the Governor on proposed budget and policy related to “innovation” investments, specifically promoting R&D.

Three areas of focus:

1. Policy barriers or reforms that require little investment.
2. Proposals with modest funding needs.
3. “Complete” solution.

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# Guiding Principles

- Use as a starting point March 2007 “Collaborative Research and Development Strategies” report
- Review other relevant existing studies and reports
- Present targeted, effective, and high return-on-investment recommendations
- “Start with the end in mind” - define what success looks like and answer the question “How will we know we are successful?”

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# Summary of Recommendations

- Overall Context: Support the recommendation of “Collaborative Research Strategies and Directions” report to focus investments for strategic growth in three priority thematic research areas:
  1. Energy, conservation, and the environment
  2. Future microelectronics in Virginia
  3. Lifespan biology and medicine

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# Summary of Recommendations (continued)

1. Develop and use “Advancing R&D Scorecard” (*essential first step, modest funding*)
  - Measures and tracks success
  - Establishes a shared, common nomenclature across the stakeholders
  - Establishes standard set of metrics for state-to-state comparison.
  
- Guidelines
  - Effectively answers “How will we know we are successful in these three focus areas?”
  - Metrics link R & D investment in our universities to innovation and economic development/state dividend return on investment
  - Metrics are uniformly defined and readily obtainable.

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# Summary of Recommendations (continued)

2. Establish “Advancing R&D Consortium” and consider Georgia Research Alliance-like structure/mechanism to manage the coordinated targeting of R&D investment. (*more complete solution*). Crucial components:
- Recruitment and support of “Eminent Scholars”
  - Use of Equipment Trust Fund (in targeted ways)
  - CTRF (again, in targeted ways)
  - Recruitment of star graduate students (perhaps use tax incentives to encourage private sector investment)
  - Commercialization loan fund
  - Loan/lease guarantee for facilities
  - Users’ Network (coordination and collaboration with JCOTS).

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# Summary of Recommendations (continued)

3. Develop further the existing, statewide R&D contact database (*modest funding*)
4. Establish Industry Liaisons at Universities (*modest funding*)
  - Provide single point-of-contact for industries
  - Assist in collection of data for the “scorecard”
  - Work with offices of technology transfer to facilitate contractual arrangements between Virginia corporate sector and the research universities.
5. Establish annual IP commercialization workshop for University, Federal Lab, and Industry R&D partners (*modest funding*)
6. Remove any barriers (real or perceived) related to construction of new research facilities (*policy barrier removal*).