



Progress Report

House Appropriations Committee

September 19, 2016

Agenda

- FY'16 Operating Deficit YE Results
- Long Term Governance and Structural Changes
- Recent Mission Related Highlights

FY'16 Operating Deficit Resolution

CIT made good progress in FY'16 to address an operating shortfall

- Recap – in Jan '16, disclosed projected \$800K YE operating deficit
- Took actions to reduce deficit without disruption to key programs and meet contractual obligations
- YE FY '16 results: deficit stands at **\$90K**; **will give back \$710K** of \$800K
- Instituted long term governance and structural changes for the future

Thank you for the support line to CIT in FY'16

Long Term Governance and Structural Changes

Rolled FY'16 reductions forward and made additional reductions

- Governance - new Board leadership and enhanced committees
 - Executive, Finance, Compensation (new), Policy (new)
- Fringe benefits – multi-year reductions in retirement plan, medical plan and elimination of other non-health related benefits
- Compensation – eliminated At Risk Incentive Compensation payout in FY'17; cancelled across the board pay increases for FY'17
- Additional restructuring to come throughout FY'17 to ensure operating and financial stability

Recent Mission Related Highlights

CIT continues to meet its mission on behalf of the Commonwealth

- CRCF: record applications in FY'16; **66% increase** from FY'15; 48 awards totaling \$3.4M to private companies and university researchers
- GAP: 18 new investments in FY'16; **Zoomdata example: From 12 to 120 VA jobs**; Goldman Sachs and CIA investments
- MACH37: 13 companies launched in FY'16; total portfolio **created 122 new cyber jobs** to date
- Regional Outreach: greater presence in all regions; **UVA-Wise/MACH37 program for employment in SW VA** is an example of outcomes
- Broadband: **Assisted a 20 localities and 4 regions** on assessments and implementation plans; successful launch of RUOnlineVA
- R&D: **UAS, Smart Cities, Federally Funded Accelerators** work bringing external funding and innovation leadership to Commonwealth