Article 8.
VIRGINIA RESEARCH INVESTMENT FUND

§ 23.1-3130. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Board" means a policy board in the executive branch of government that (i) was created by the 2016 Session of the General Assembly, (ii) has a legislatively stated purpose of promoting collaborative regional economic and workforce development opportunities and activities, and (iii) has membership consisting of members of the House of Delegates, members of the Senate, members of the Governor's Cabinet, and nonlegislative citizen appointees.

"Committee" means the Virginia Research Investment Committee established pursuant to § 23.1-3132.

"Council" means the State Council of Higher Education for Virginia.

"Fund" means the Virginia Research Investment Fund established in § 23.1-3131.


A. There is hereby created in the state treasury a special nonreverting revolving fund to be known as the Virginia Research Investment Fund. The Fund shall be established on the books of the Comptroller. All moneys appropriated by the General Assembly for the Fund, and from any other sources public or private, shall be paid into the state treasury and credited to the Fund. Interest and other income earned on the Fund shall be credited to the Fund. Any moneys remaining in the Fund, including interest and other income thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

B. 1. Notwithstanding any other provision of law, the General Assembly may specifically designate that certain moneys appropriated to the Fund be invested, reinvested, and managed by the Board of the Virginia Retirement System as provided in § 51.1-124.38. The State Treasurer shall not be held liable for losses suffered by the Virginia Retirement System on investments made under the authority of this subsection.

2. No more than $4 million of moneys so invested, net of any administrative fee assessed pursuant to subsection E of § 51.1-124.38, may be awarded through grants or loans in a fiscal year for any purpose permitted by this chapter. At the direction of the Committee, the State Comptroller may annually request a disbursement of $4 million from the moneys invested by the Board of the Virginia Retirement System, to be held with other moneys in the Fund not subject to such investment. At the end of each fiscal year, if less than $4 million of such annual allocation is awarded as grants or loans in a calendar year, the Comptroller shall return the remainder of the annual $4 million allocation to the Board of the Virginia Retirement System for reinvestment pursuant to § 51.1-124.38.
3. Any loans awarded pursuant to this chapter shall be paid by the Comptroller from the $4 million annual allocation set forth in subdivision 2. The recipient of a loan shall repay the loan pursuant to the terms set forth by the Committee. At the end of each fiscal year, the Comptroller shall return any repayments received from loan recipients to the Board of the Virginia Retirement System for reinvestment pursuant to § 51.1-124.38.

C. Moneys in the Fund shall be used solely for grants and loans to (i) promote research and development excellence in the Commonwealth; (ii) foster innovative and collaborative research, development, and commercialization efforts in the Commonwealth in projects and programs with a high potential for economic development and job creation opportunities; (iii) position the Commonwealth as a national leader in science-based and technology-based research, development, and commercialization; (iv) attract and effectively recruit and retain eminent researchers to enhance research superiority at public institutions of higher education; and (v) encourage cooperation and collaboration among higher education research institutions, and with the private sector, in areas and with activities that foster economic development and job creation in the Commonwealth. Areas of focus for awards shall be those areas identified in the Commonwealth Research and Technology Strategic Roadmap, and shall include but not be limited to the biosciences, personalized medicine, cybersecurity, data analytics, and other areas designated in the general appropriation act.

D. The disbursement of grants and loans from the Fund shall be made by the State Comptroller at the written request of the Committee.

§ 23.1-3132. Virginia Research Investment Committee established; report

A. There is hereby established the Virginia Research Investment Committee to evaluate and award grants and loans from the Fund pursuant to the provisions of this chapter.

B. The Committee shall consist of the following members: the Director of the Council, the Secretary of Technology, the Secretary of Finance, the staff directors of the House Committee on Appropriations and the Senate Committee on Finance, one nonlegislative citizen member appointed by the Speaker of the House, one nonlegislative citizen member appointed by the Senate Committee on Rules, and two nonlegislative citizen members appointed by the Governor. If the Board exists, the nonlegislative citizen members appointed by the Speaker of the House, the Senate Committee on Rules, and the Governor shall be nonlegislative citizen members of the Board.

C. Ex officio members shall serve terms coincident with their terms of office. If the Board does not exist, nonlegislative citizen members shall be appointed to a term of four years, and no nonlegislative citizen member shall serve more than two consecutive four-year terms. If the Board exists, nonlegislative citizen members shall serve terms coincident with their terms on the Board.

D. The Director of the Council shall serve as the chairman of the Committee.
E. The Committee shall report to the Governor and the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance no later than November 1 of each year. The report shall include details about awards made from the Fund in the immediately preceding fiscal year and updates on the research, development, and commercialization efforts resulting from such awards.

§ 23.1-3133. Award from Virginia Research Investment Fund.

A. The Council, in consultation with the Committee, shall establish guidelines, procedures, and objective criteria for the application for and award of grants and loans from the Fund. Such guidelines, procedures, and criteria, and any updates thereto, shall be submitted to the House Committee on Appropriations and the Senate Committee on Finance. The criteria for the award of grants and loans shall consider other grants, awards, loans, or funds awarded to the proposed program or project by the Commonwealth and shall require an applicant to indicate other applications for state grants, awards, loans, or funds currently pending at the time of the application for an award from the Fund. The criteria shall consider the potential of the program or project for which a grant or loan is sought to (i) culminate in the commercialization of research; (ii) culminate in the formation or spin-off of viable bioscience, biotechnology, cybersecurity, genomics, or similar companies; (iii) promote the build-out of scientific areas of expertise in science and technology; (iv) promote applied research and development; (v) provide modern facilities or infrastructure for research and development; (vi) result in significant capital investment and job creation; or (vii) promote collaboration among the public institutions of higher education in the Commonwealth. Such criteria shall also require that the program or project for which a grant or loan is sought be related to an area identified in the Commonwealth Research Technology Strategic Roadmap.

B. Grants and loans may be awarded to public institutions of higher education in the Commonwealth or collaborations between public institutions of higher education in the Commonwealth and private entities. Any award from the Fund shall require a match of funds at least equal to the amount of the award.

C. Applications for grants and loans from the Fund shall be received by the Council in accordance with the procedures developed pursuant to subsection A. Upon confirmation that an

---


29. Assist the Virginia Research Investment Committee with the administration of the Virginia Research Investment Fund consistent with the provisions of Chapter 28 (§ 23.1-3130 et seq.).

2 § 2.2-3705.6. Exclusions to application of chapter; proprietary records and trade secrets.

28. Records submitted as a grant or loan application, or accompanying a grant or loan application, for an award from the Virginia Research Investment Fund pursuant to Chapter 28 (§ 23-304 et seq.) of Title 23, to the extent that such records contain proprietary business or research-related information produced or collected by the applicant in the conduct of or as a result of study or research on medical, rehabilitative, scientific, technical, technological, or scholarly issues, when such information has not been publicly released, published, copyrighted, or patented, if the disclosure of such information would be harmful to the competitive position of the applicant.
application is complete, the Council shall forward the application to an entity with recognized science and technology expertise for a review and certification of the scientific merits of the proposal, including a scoring or prioritization of applicant programs and projects deemed viable by the reviewing entity. Such entities include, but are not limited to, the Virginia Biosciences Health Research Corporation, the Innovation and Entrepreneurship Investment Authority, the Virginia Academy of Science, Engineering and Medicine, or any other entity deemed appropriate by the Council, including a scientific advisory committee created by the Council for the sole purpose of reviewing one or more applications received pursuant to this article.

D. Any proposal receiving a favorable evaluation pursuant to subsection C shall be forwarded, along with the scoring or prioritization, to the Committee for further review and a decision whether to award the proposal a grant or loan from the Fund. The award of a grant or loan from the Fund shall be subject to any terms and conditions set forth by the Committee for the award. All decisions by the Committee shall be final and not subject to further review or appeal. The Governor may announce any award approved by the Committee.


A. In addition to such other powers as shall be vested in the Board, the Board shall have the full power to invest, reinvest, and manage those portions of the Virginia Research Investment Fund (the Fund), established pursuant to Article 8 (§ 23.1-3130 et seq.) of Chapter 31 of Title 23.1, designated by the General Assembly for investment by the Board pursuant to subsection B of § 23.1-3131. The Board shall maintain a separate accounting for the assets of the Fund invested with it. The Board shall make an annual distribution of such invested moneys to the Comptroller pursuant to subdivision B of § 23.1-3131.

B. The Board shall invest the assets of the Fund with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Board shall also diversify such investments so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.

C. No officer, director, or member of the Board or of any advisory committee of the Retirement System or any of its tax-exempt subsidiary corporations whose actions are within the standard of care set forth in subsection B shall be held personally liable for losses suffered by the Retirement System on investments made under the authority of this section.


E. The Board may assess the Virginia Research Investment Committee a reasonable administrative fee for its services.

3 § 2.2-3711. Closed meetings authorized for certain limited purposes.

A. Public bodies may hold closed meetings only for the following purposes:

48. Discussion or consideration of grant or loan application records excluded from this chapter pursuant to subdivision 28 of § 2.2-3705.6 related to the submission of an application for an award from the Virginia Research Investment Fund pursuant to Article 8 (§ 23.1-3130 et seq.) of Chapter 31 of Title 23.1.
Proposed Organizing Principles for VRIF Proposals
(Eminent Researcher Recruitment/Retention and Applied Research Proposals)

SCHEV staff proposes the principles below to guide and organize the mechanics of the VRIF grant competition. The parameters for the kinds of projects to be supported are included in the proposed conceptual frameworks.

1. Only public institutions of higher education in Virginia will be eligible as lead applicants.
2. The grant competition will be “standard” (rather than pitch-style, prize, etc.).
3. The grant competition will be “limited submission”; i.e., each institution can submit two proposals as lead institution and participate as a partner in unlimited additional applications.
4. A single grant cycle will be offered in the first year (Round 1) with separate instructions and formats for applied R&D proposals and eminent researcher recruitment/retention proposals. If VRIC determines under #6 below that they will accept proposals requesting the maximum $51 million available, SCHEV staff will determine whether additional format and/or score/weighting guidelines will be required to ensure VRIC receives actionable information about, and SCHEV staff and peer review panel(s) can conduct appropriate due diligence for, the large-scale projects.
5. No stand-alone competition will be offered for equipment; all equipment requests will be made in the context of an applied research proposal or a faculty recruitment proposal.
6. Maximum award amounts are under consideration by VRIC (best practices for transparency in grantmaking hold that applicants be provided information regarding either the maximum amounts or the anticipated dollar range of average awards; for VRIF, that includes guidance for requests for both general funds and bond funds).
7. In Round 1, VRIC is considering whether to indicate an estimated number of awards anticipated for applied R&D grants vs. eminent researcher recruitment/retention grants. VRIC has apparently reached consensus that, assuming the peer review process results in a recommendation, at least one award will fund R&D; they are still apparently divided whether any awards will fund eminent researcher recruitment/retention.
8. Any funds remaining after Round 1 award(s) are made will be rolled forward to Round 2.
9. As a lead applicant, an institution will be allowed to submit any combination of proposals, such as one applied R&D proposal and one recruitment/retention proposal, or two applied R&D proposals, or two recruitment/retention proposals. However, as lead applicant, an institution will be awarded a maximum of one grant in each category.
10. Grant periods may be proposed ranging from one year to five years.
11. A 1:1 match of the award amount will be required. [Details under development.]
12. All funds (VRIF, bonds, and matching) will be required to be expended by the end of the grant period.
13. The possibility will exist that an institution will be awarded no grant funds.
Proposed Conceptual Framework for Applied Research Competition

1. Eligible lead applicants will be public institutions of higher education in Virginia.

2. VRIF will accept proposals for applied research and development (no basic research) and related commercialization of the product(s) of research.

3. Collaboration will be required. Collaborative proposals may involve:
   a. cross-institutional (public-public or public-private) collaboration;
   b. collaboration between one or more public institutions and one or more private non-institutional entities; e.g., health systems, research and development companies, contract research organizations (CROs), companies formed to commercialize the product(s) of the research, industry partners, etc.);
   c. multidisciplinary collaboration within a single public institution; or
   d. any combination of the above.

4. Round 1 focus areas are still under consideration by VRIC. By statute, focus area(s) must be chosen from those listed in the R&T Strategic Roadmap.

5. Stage of development [See separate document representing the research-innovation continuum and its depiction of which stages are funded by other Virginia programs]:
   a. Investigators must have begun the process of protecting their intellectual property (filed a disclosure or provisional patent).
   b. Projects must have completed or nearly completed the proof of concept or initial invention/technical feasibility stage or preclinical stage of development.
   c. For drug development, applicants must be finished or almost finished with dose range and toxicity testing in animals; if an Investigational New Drug (IND) application to the FDA has not been submitted, applicants must propose to submit an IND application within one year of award and complete Phase I clinical protocols.
   d. For medical devices, if an investigational device exemption (IDE) application has not been submitted to the FDA (if project requires it), applicants must propose to submit an IND application within one year of award and complete Phase I clinical protocols.
   e. At the time of application, investigators will not be required to have formed a company or an industry partnership; applicants should propose to achieve this stage by the end of the grant period.
   f. At the time of application, the product of research will not be required to be licensed or optioned.
   g. At the time of application, a non-provisional patent will not be required to have been issued (applicants must include intellectual property protection milestones on the required timelines in the application).
Proposed Conceptual Framework for 
Eminent Researcher Recruitment/Retention Competition

1. Applicant institutions will be required to recruit only world-class researchers and serial innovators and entrepreneurs.

2. Applicant institutions will be required to name the targeted eminent researcher.

3. Applicant institutions will be required to recruit candidates from outside Virginia.

4. Targeted researchers in Round 1 will be required to have expertise in one or more of the focus area(s) still under consideration by VRIC. By statute, focus area(s) must be chosen from those listed in the R&T Strategic Roadmap.

5. An applicant institution will be required to propose a plan to develop or enhance a complementary (rather than competitive) applied research program in relation to existing programs across the state at other universities.

6. An applicant institution will be expected to make a compelling case that it is uniquely qualified or in a unique position to attain national recognition in this area of focus.

7. Targeted researchers will be expected to collaborate. Proposals should describe past history of collaboration and anticipated collaborative activities, such as:
   a. cross-institutional (public-public or public-private) collaboration;
   b. collaboration between one or more public institutions and one or more private non-institutional entities; e.g., health systems, research and development companies, contract research organizations (CROs), companies formed to commercialize the product(s) of the research, industry partners, etc.;
   c. multidisciplinary collaboration within a single public institution; or
   d. any combination of the above.

8. An applicant institution will be required to estimate the impact that the eminent researcher (and any associated research team members) will have on Virginia’s overall reputation for excellence in research, describe why the targeted individual’s area of expertise will attract national recognition, and discuss the expected significance to the specific focus area.

9. Awarded funds will be permitted to be used for such purposes as start-up package support, a supplement to the candidate’s salary and/or the salary of researcher(s) accompanying the candidate, research supplies, equipment, instruments, or laboratory upgrades.