Budget Detail Request - Fiscal Year 2016-17

Your request will not be officially submitted unless all questions and applicable sub parts are answered.

1. Title of Project: <u>FAU?s Tech Runway</u>
2. Date of Submission: <u>12/17/2015</u>
3. House Member Sponsor(s): <u>George Moraitis</u>

4. DETAILS OF AMOUNT REQUESTED:

   a. Has funding been provided in a previous state budget for this activity?   <u>Yes</u>

   If answer to 4a is ?NO? skip 4b and 4c and proceed to 4d

   b. What is the most recent fiscal year the project was funded? <u>2015-16</u>
   c. Were the funds provided in the most recent fiscal year subsequently vetoed? <u>Yes</u>
   d. Complete the following Project Request Worksheet to develop your request (Note that Column E will be the total of Recurring funds requested and Column F will be the total Nonrecurring funds requested, the sum of which is the Total of the Funds you are requesting in Column G):

FY:	Input Prior Year Appropriation for this project for FY 2015-16 (If appropriated in FY 2015-16 enter the appropriated amount, even if vetoed.)			Develop New Funds Request for FY 2016-17 (If no new Recurring or Nonrecurring funding is requested, enter zeros.)			
Column:	A	B	C	D	E	F	G
Funds Description:	Prior Year Recurring Funds	Prior Year Nonrecurring Funds	Total Funds Appropriated (Recurring plus Nonrecurring: Column A + Column B)	Recurring Base Budget (Will equal non-vetoed amounts provided in Column A)	INCREASED or NEW Recurring Requested	TOTAL Nonrecurring Requested (Nonrecurring is one time funding & must be re-requested every year)	Total Funds Requested Over Base Funding (Recurring plus Nonrecurring: Column E + Column F)
Input Amounts:	1,000,000	0	1,000,000	1,000,000	0	3,000,000	3,000,000

   e. New Nonrecurring Funding Requested for FY 16-17 will be used for:
   ☑Operating Expenses   ☐Fixed Capital Construction   ☐Other one-time costs

   f. New Recurring Funding Requested for FY 16-17 will be used for:
   ☐Operating Expenses   ☐Fixed Capital Construction   ☐Other one-time costs

5. Requester:

a. Name: Ryan Britton
b. Organization: Director of State Relations
c. Email: rbritto2@fau.edu
d. Phone #: (954)579-7669

6. Organization or Name of Entity Receiving Funds:
a. Name: Florida Atlantic University
b. County (County where funds are to be expended) Palm Beach
c. Service Area (Counties being served by the service(s) provided with funding) Broward, Martin, Palm Beach, Saint Lucie

7. Write a project description that will serve as a stand-alone summary of the project for legislative review.   The description should summarize the entire project?s intended purpose, the purpose of the funds requested (if request is a sub-part of the entire project), and most importantly the detail on how the funds requested will be spent - for example how much will be spent on positions and associated salaries, specifics on capital costs, and detail of operational expenses. The summary must list what local, regional or statewide interests or areas are served. It should also document the need for the funds, the community support and expected results when applicable.   Be sure to include the type and amount of services as well as the number of the specific target population that will be served (such as number of home health visits to X, # of elderly, # of school aged children to receive mentoring, # of violent crime victims to receive once a week counseling etc.)

Tech Runway is based on best practices developed by the Massachusetts Institute of Technology (MIT) and Stanford University, and combines the resources of FAU with the local business community to create an ecosystem that is conducive to the development of successful technology start-ups. Since its inception in 2014, Tech Runway has launched 14 start-up companies, which collectively have raised $5.7 million in capital and created more than 35 jobs.
New recurring funding will build upon the Legislature?s previous investment in Tech Runway (TR) and allow FAU to increase the program?s capacity from 5-10 startups/year to 20-40 startups/year. In addition, funds will be utilized to further develop the Lean LaunchPad curriculum, expand mentoring and business services for TR companies, and establish a case-study database for teaching purposes.
Tech Runway is a public-private partnership designed to develop and accelerate technology start-ups, through a collaborative workspace that provides a place for entrepreneurs to find a complete ecosystem to house, educate, mentor, and fund their companies from inception through venture funding. In addition, TR is fully aligned with the University?s Quality Enhancement Plan (QEP) and places a significant emphasis on creating opportunities for applied undergraduate research. The project serves as a nexus for the University and assists with the integration of entrepreneurship into the curricula of all FAU colleges. The companies selected to participate in TR receive space in the new TR facility, formal 16 week Lean LauchPad education program, active team mentoring based on MIT?s Venture Mentoring Service model, $25,000 in seed capital, access to TR?s angel and institutional investor network.

The primary focus of Tech Runway is to create a thriving entrepreneurial ecosystem whereby students, faculty and business leaders engage in meaningful interactions to solve 21st century problems which facilitate an innovation knowledge-based state economy. Primary results (or outcomes) of the Tech Runway ecosystem include 1) implementing a research and inquiry-focused, innovative curriculum and 2) creating a pipeline of technology start-ups. The funding will be used to develop programmatic infrastructure, program promotion/reporting success, facility improvements to create the ideal environment, and to meet the needs of the startups housed within the facility.

The programmatic infrastructure includes: recruiting faculty with entrepreneurial experiences/ aspirations, faculty externships in startups, multi-disciplinary curriculum development across campus, additional mentoring services to include further development in focused industries, support staff to place internships in startup experiences and identify class/industry projects, and new/additional programming 67% of the budget or $2M is allocated to create and develop the infrastructure in year one and two and reduced to $1.5M in years three thru five.

In year one and two, approximately 15-20% of the budget or $500,000 is allocated to program promotion/reporting successes and includes FAU Tech Runway, startup companies, and faculty student research and innovation discoveries in support of communicating the knowledge based economy and economic impact locally, regionally, nationally, and internationally. In years three thru five the budget is reduced to $300,000. The $200,000 excess is reallocated to fund additional startups in the region.

Facility improvements are case by case if the technology startup has a need for a testing environment to further develop a minimal viable product consideration may be given to create an appropriate environment if one doesn?t currently exist on campus. Startup funding of $25,000 maximum is provided to each company accepted in the program with use of proceeds documentation. An estimated twenty companies in year one and two or a total of 15-20% $500,000 of early stage funding is dedicated to support initial company launch. As programmatic infrastructure is developed, and program awareness is created less funding is needed those two areas funds can be reallocated in year three to fund additional companies to scale the operation within the service region. Therefore, in year three and four $1.2M is dedicated to fund ~30-40 companies. Year five would provide funding for 5-10 companies in satellite locations or $125,000-$250,000 and would be dependent of demand and ability to house the startups.

POSITIONS/SALARIES

Year 1-2

Program Staff	$360,000
Faculty	$600,000
Intern/externships	$350,000
Programs/Developments	$690,000

Year 3-5

Program Staff	$360,000
Faculty	$500,000
Intern/externships	$250,000
Programs/Development	$390,000

OPERATING EXPENSES

Investment in companies @ $25,000/company

Year 1	$500,000
Year 2	$500,000
Year 3	$1,200,000
Year 4	$1,200,000
Year 5	$1,325,000

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Program promotion

Year 1	$500,000
Year 2	$500,000
Year 3	$300,000
Year 4	$300,000
Year 5	$175,000

To date, Tech Runway?s 14 start-up companies have collectively raised $5.7 million in investment capital.

The program will launch twenty startups in year one and two, ramping up to 30-40 startups in year four. The expected benefit is a collaborative workspace for entrepreneurs to find the complete ecosystem to house, educate, mentor, and fund their companies from inception through venture funding. The program can be measured using the following performance metrics:

?   Number of start-up companies launched
?   Number of jobs created
?   Total revenues generated

8. Provide the total cost of the project for FY 2016-17 from all sources of funding:
    Federal: 0
    State: 4,000,000 (Excluding the requested Total Amount in #4d, Column G)
    Local: 0
    Other: 50,000

9. Is this a multi-year project requiring funding from the state for more than one year?
    Yes