

Governor's Council on Youth Entrepreneurship Meeting Minutes

October 17, 2016

-Secretary Haymore welcomed Council members to the meeting and began the meeting by introducing himself to the group. He shared his experience on his first six weeks as Secretary of Commerce and Trade, and a little more on his background before the administration. He discussed the importance of entrepreneurship to economic development and growth, and that he looks forward to working with the Council to advance legislative proposals during the General Assembly session or through policy work with the Secretary's and Governor's offices.

-Ryan shared the outline of what today's meeting will cover – reviewing the draft report and making sure it is ready to submit to the Governor on November 1. He then introduced Jay to share information on the Virginia Entrepreneurial Challenge.

-Jay discussed the background and history of the Virginia Entrepreneurial Challenge, including its launch in 2015, its attendance, methodology, and successes. He also emphasized that this event is part of the Council's recommendations for the Governor to expand these events into other regions of the state in 2017. Student teams had undergraduate mentors and community mentors and pitched to top judges in the public and private sectors.

-Jay fielded questions from Council members on the purpose of the event, which is more focused more on building student knowledge, belief, and commitment to entrepreneurship, rather than starting a new venture (although that could be a good product).

-The group then moved to discuss the group's capacity building recommendations. The group discussed the concept of establishing a non-profit to coordinate K – 12 entrepreneurial activity. The group, and Secretary Haymore, liked the idea and will work with the Governor's Office to determine the best nonprofit structure and also the best state agency that could act as a pass-through for any funding. Funding could come primarily from private locations and require little to no state funding.

-Robby suggested, and the group agreed, to structure the report based on issue area (K – 12, higher education, and more miscellaneous).

-Elliot and Kristin began to share their climate recommendations. He first shared background on the problem of permanent addresses for business incorporation. He suggested multiple different policy options in the report. Elliot will look to see what other states are doing and will work to incorporate those points into the report. The recommendation's hope is to make Virginia a leader in the digital economy.

-He next discussed a recommendation on par value stock. There are many state level regulations that create cumbersome procedures for stock transfer for entrepreneurs. The group's next

recommendation is to reform the fee schedule for businesses that exist based on the total number of shares held by a business. In terms of those fees, he discussed the possibility of reforming those to echo something like what Delaware has where the fees are uniform across the board. On all three of the Climate group's recommendations, Khaki contributed that the Governor's Policy office will work with the Council to answer their questions about the potential fiscal impact of these policies. She will work with the Secretary of Finance, the Department of Planning and Budget, and the State Corporation Commission to get answers for the Council's questions.

-Kristin shared that David Touve had also been working on a potential recommendation to establish a period of provisional incorporation for new businesses. She does not know if the recommendation will be ready in time for November 1.

-Beth then shared the recommendations she and Theresa have been working with other members on. First she discussed background on the proposal for a statewide proof of concept fund for technology transfer from institutions of higher education. Using IEMS data from CIT and other higher education institutions, the report shows that although Virginia has promising strengths in research commercialization, we still have much room for growth as compared to peer states. She recommends bringing together research VPs from Virginia universities, as well as representatives from the private sector, to establish a seed fund to help support research growth and investment.

-Second, Beth shared the group's recommendation on addressing IP policies for K – 12 students. Just as the Governor passed a bill in the 2016 legislative session to reform IP policies at colleges and universities to make them more supportive of student IP rights, the Council is recommending the Governor work to promote establishing IP policies for high school students. Currently, no policy exists. Ryan shared that after speaking with Deputy Secretary of Education Holly Coy, the best avenue for implementing this recommendation will be for the administration and Council to work with the Virginia School Boards Association to develop a model policy on IP with at least one school division. Using that model policy, they can then work to expand it to other localities.

-Robby then discussed his group's recommendations. As background on the recommendations, Jody and others had gathered information about the entrepreneurial assets of the various higher education institutions. This benchmarking is helpful so that Virginia can effectively market our strengths and why they are important to different audiences, such as potential employers, students, parents, innovators, and others. Part of their marketing strategies and recommendations include a logo and brand for "Virginia Is For Startups."

-Robby discussed that one of the working group's original charges was to define youth entrepreneurship but that they have had trouble identifying an exact definition. After much group discussion, the Council decided that for the report it is better to recommend more targeted policies that have a stronger chance of either passing the legislature or being implemented. To

that end, the Council's report will make clear that they are making recommendations for young entrepreneurs, meaning students that are either in a K – 12 institution or an institution of higher education. However, the Council will also make clear that it is making recommendations that affect all Virginians, regardless of their age or whether or not they attend a Virginia school. It is the Council's belief that many of their recommendations will positively impact all Virginia entrepreneurs, not just young ones.

-The Council will work over the next two weeks to edit and finalize their report before turning it in to the Governor. Following submission of the report, they will work with Secretary Haymore, George, Khaki, and others to advance their recommendations. On many topics they continue to have questions and will work to gather more data over the next year. There are many topics already that they did not include in this year's recommendations that they will likely consider recommending for their report in 2017.

-Ryan shared the news that Friday, October 21 is his last day with the administration. On Monday, October 24 he will start a new job working as Director of Market Development with 1776, where he will be working to build new partnerships with institutions across the state, including colleges and universities. He thanked the Council for their outstanding dedication, commitment, and work, and congratulated them on their report.

-The meeting formally concluded.