ASSEMBLY SCIENCE, INNOVATION AND TECHNOLOGY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1191

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 2021

The Assembly Science, Innovation and Technology Committee reports favorably and with committee amendments Assembly Bill No. 1911.

As amended and reported, this bill establishes the "Innovation Partnership," (partnership) to be administered by the New Jersey Commission on Science, Innovation and Technology (commission) and which is to include one or more independent nonprofit organizations (partners) certified or established and incorporated by the commission, working individually, in partnership with each other, and in partnership with the commission, to advance the development of emerging technology businesses in this State and to create a supportive and collaborative innovation ecosystems across New Jersey.

This bill provides that the goals and policies of the partners are to include, but not be limited to:

1) identifying, developing, adapting, and implementing advanced technologies to enable the growth and competitiveness of emerging technology businesses through technology development, commercialization, and implementation;

2) acting as regional facilitators and managers for interactions, programs, and initiatives by and among the commission, emerging technology businesses, economic development organizations, the corporate community, private and public institutions of higher education, research institutions, government, organized labor and other interests working collaboratively to advance the development of specialized innovation-based science and technology ecosystems in this State;

3) directly providing, and serving as the conduit to, early-stage and later-stage private and public capital for emerging technology businesses;

4) providing training or technical assistance to help emerging technology businesses apply to the federal Small Business Innovation Research Program for the purpose of attracting federal biotechnology investment funds to this State;

5) developing, providing, or supporting business incubation resources and space and facilitating the development of emerging technology business campuses, including discounted laboratory space to academic or executive emerging technology business spin-out companies;

6) coordinating marketing efforts concerning existing State and local financial and material resources for emerging technology businesses;

7) establishing and administering a research grant fund for the economic impact assessments of technology development projects conducted by private or public institutions of higher education that seek grant funding through the commission;

8) establishing partnerships to support and enhance the scale, scope, and impact of initiatives that support the purpose and mission of the commission and the partners; and

9) encouraging the advancement, development, and support of minority and women's emerging technology businesses to expand diversity and opportunity within that sector, with priority given to emerging technology businesses that demonstrate diversity in ownership or leadership, as applicable.

The commission is to establish the exact geographical boundaries for the partners to focus their efforts, and the partners are to be responsible for implementing the following goals for each of the four regions:

1) the northern region of the State having a primary, but not exclusive, focus on financial information technology, cybersecurity, or a combination thereof;

2) the central region of the State having a primary, but not exclusive, focus on life sciences, biotechnology, or a combination thereof;

3) the southern region of the State having a primary, but not exclusive, focus on agriculture, aviation, or a combination thereof; and

4) the shore region of the State, having a primary, but not exclusive, focus on renewable energy and autonomous vehicles.

A nonprofit organization established as of the date of the bill's enactment and meeting one of the regional requirements may submit to the commission an application, in a form and manner determined by the commission, for certification as a partner. Once certified, a partner may apply to the commission, in a form and manner determined by the commission, to receive grant funds from the fund established pursuant to this bill. The commission, upon approving a grant application submitted by a partner, is to sign a grant agreement with the partner, which is to permit the partner to execute the goals and policies pursuant to this bill only if matched by private sector funds on a minimum basis to be established by the commission.

In selecting and certifying a nonprofit organization as a partner, the commission is to give priority to a nonprofit organization with diverse

leadership and headquartered in a municipality that meets the criteria for State aid pursuant to State law.

If the commission is unable to certify a nonprofit organization as a partner for a certain regional focus, pursuant to the bill, the commission is to establish and incorporate an independent nonprofit organization to serve as a partner for that particular regional focus. In appointing the board for the nonprofit organization, the commission is to consider the ethnic, racial, and gender diversity of the community in which the partner is located.

The commission may modify or revoke a partner's participation in the partnership if the commission determines the partner does not achieve the goals or does not implement the policies of this bill.

Additionally, upon receipt of a grant, a partner is to implement the terms of the grant agreement. Failure to comply with the grant agreement is to result in the forfeiture of the grant.

Lastly, this bill directs partners to annually submit certain information to the commission and the commission to annually issue a report to the Governor and the Legislature describing the activities of the commission and each partner.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amended the bill to change the name from "Beatrice Hicks Innovation Partnership" to "Innovation Partnership" and to have the fund go unnamed. The committee amended the bill to provide for consideration of minority and women's emerging technology businesses, as defined in the amendments, in the goals and policies of the partners. The amendments specify that the commission is to select and certify partners on a rolling basis in a timeframe to be determined by the commission. The amendments provide that the commission is to give priority consideration to nonprofit organizations with diverse boards of directors or leadership and nonprofit organizations headquartered in municipalities that meet the criteria for State aid pursuant to State law. The amendments provide that, in the event the commission must establish a nonprofit to serve as a partner, the commission is to appoint a board of directors with due consideration given to the ethnic, racial, and gender diversity of the community in which the partner is located.