

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 2769

STATE OF NEW JERSEY

DATED: SEPTEMBER 17, 2020

The Senate Economic Growth Committee reports favorably Senate Bill No. 2769.

As reported, this bill requires the New Jersey Economic Development Authority (EDA) to establish and maintain a program to be known as the “Minority Business Development Program” (program) to provide grant funding, other financial assistance, and technical assistance services to foster the development of minority businesses. Under the bill, the EDA is to enter into an agreement with a federally-designated “community development financial institution” (financial institution) concerning the provision of grant funding, other financial assistance, and technical assistance services to foster the development or promotion of minority businesses. The grant funding, other financial assistance, and technical assistance services to a minority business is to focus on improving a minority business’s financial presentation, operational efficiency, and profitability.

The EDA is to establish and maintain the “Minority Business Development Fund” (development fund) to provide grant funding, other financial assistance, and technical assistance services to a minority business that participates in the program, to provide grant funding to a financial institution that provides a minority business participating in the program with grant funding, other financial assistance and technical assistance services, and to administer the program. The development fund is to be credited with \$50,000,000 from an appropriation made to the EDA. The development fund may be credited with moneys made available by the EDA for the purpose of the development fund and moneys received from any other public or private donations.

In administering the program, the EDA is to establish:

- 1) procedures and timelines for applications for the program;
- 2) criteria for determining grant funding amounts to be disbursed from the development fund to a minority business and financial institution;
- 3) reporting requirements for minority businesses and financial institutions accepted into the program and receive grant funding from the development fund; and
- 4) any other policies deemed necessary by the EDA for the administration of the program and the development fund.

A minority business and financial institution receiving grant funding under the program is to report to the EDA every six months while the recipient participates in the program detailing how the recipient used grant funding, other financial assistance, or technical assistance services, and any other information the EDA requires.