



Troubled Times Tool Kit



GOVERNMENT

New Jersey State Government has a long-standing commitment to promoting bioscience companies through programs provided by the [New Jersey Economic Development Authority](#), the [New Jersey Commission on Science and Technology](#), the [New Jersey Department of Labor and Workforce Development](#).

Edison Innovation Fund

The Edison Innovation Fund provides a central structure to encompass programs available through multiple agencies.

Created as an element of Governor Jon S. Corzine's Economic Growth Strategy, the Edison Innovation Fund seeks to develop, sustain, and grow technology and life sciences businesses that will lead to well-paying job opportunities for New Jersey residents.

Since the launch of the Fund in October 2006, New Jersey has delivered over a quarter of a billion dollars in financing has provided assistance business incentives and tax credits to early-stage and established technology and life sciences businesses. In addition, over \$425 million in total project costs have been leveraged by Edison Innovation Fund investments.

The Fund is an integrated set of State resources that provides qualified New Jersey companies with real estate development services and technical assistance, such as assembling land and structuring financing to help create, sustain and grow business.

These resources include, but are not limited to:

- **Edison Innovation R&D Fund:** Grants of up to \$500,000 through the Commission on Science & Technology (CST) to support R&D related activities, with Economic Development Authority (EDA) "wrap-around" equity-like financing of up to \$100,000 to support non-R&D costs.
- **Edison Innovation Commercialization Fund:** Up to \$200,000 in the form of a subordinated, convertible note. Includes negative pledge on Intellectual Property. Warrants taken.

- **Edison Innovation Growth Fund:** Up to \$1 million available, with 1:1 cash match. Financing has a similar structure to the Commercialization Fund. Companies must have delivered “proof of concept” and achieved successful, referencable, independent beta results.

- **Edison Innovation Technology Fellowship Fund:** Provides companies with access to new talent and expertise by paying the salary for recent doctoral graduates of New Jersey universities while they work for those companies. Award amount is \$65,000 salary for the first year and \$75,000 for the second, with an additional \$10,000 each year to be spent on career development expenses for the postdoctoral fellow. See additional information and link below.

- **Incubator Seed Program:** Awards ranging from \$20,000 to \$50,000 provide competitive funding to assist emerging businesses achieve milestones in their commercialization path. Eligible projects involve: marketing, sales, or distribution strategies; prototyping; patent applications, searches or strategies; product development, and manufacturing and customer trials. Business must be located within one of the 12 CST-supported incubators.

- **Workforce Labor Training Grants:** Grants for up to \$200 per instructional hour are available to technology business employers wishing to invest in their New Jersey-based workers to create a more competitive global economy. Average cost of instruction per trainee will not exceed \$1,500, and the employer must match at least 50% toward total program costs.

New Jersey also offers tax credit programs and job creation incentives to spur the growth of our State’s technology industry, including:

- **Technology Business Tax Certificate Transfer Program:** Qualified technology businesses in New Jersey with less than 225 employees can raise money to finance their growth and operations by selling unused net operating losses and research and development tax credits to other profitable New Jersey corporations for at least 75% of their value.

- **Business Employment Incentive Program (BEIP):** Companies seeking to relocate to or expand in New Jersey may be eligible for grants based on the number of new jobs created. By growing their employee base by at least 10 jobs within two years, eligible high-tech, life science companies can be reimbursed for up to 80% of gross withholding tax paid by new employees. Companies must demonstrate that the BEIP grant is a material factor in their decision to relocate to or expand in New Jersey.

Tax-Exempt Bonds, Loan and Guarantees

For manufacturers that are about to use their net income to service debt, the EDA may provide traditional financing options, including the issuance of tax-exempt bonds to help reduce borrowing costs.

The EDA issues bonds for manufacturers at low interest rates to finance projects such as real estate acquisitions, machinery and equipment, and for building construction and renovations. Manufacturers can borrow from approximately \$500,000 to \$10 million. Terms range up to 10 years for equipment and up to 20 years for real estate.

As companies mature, the EDA can provide direct, low-interest loans or can partner with banks and other lenders to provide loans and guarantees to sustain business growth.

Please [CLICK HERE](#) for more information on the Edison Innovation Fund.

Other Notable Government Programs

SBIR/STTR Assistance and Training

With its mission to grow high technology jobs in New Jersey, increased Federal Small Business Innovation Research and Small Business Technology Transfer funding (SBIR and STTR) is an important goal for New Jersey Commission on Science and Technology (NJCST).

The SBIR and the STTR programs are the federal government's principal R&D grants and contracts programs targeted to small science and technology based businesses. More than \$2 billion is available annually for competitive grants and contracts to small businesses. Over a period of 3-4 years entrepreneurs can receive a total of up to \$850,000 and sometimes more to develop a technology and reduce its technical risk. These two programs are the best sources of risk capital for developing promising new technologies and are probably the closest thing to the entrepreneurs Holy Grail of “free” money. Even more significant is that they can serve entrepreneurs as a pathway to equity financing

Please [CLICK HERE](#) for more information on SBIR/STTR Training at Assistance.

Technology Fellowship Program

The Commission on Science and Technology pays the salary of recent doctoral graduates of New Jersey universities to work in small New Jersey technology companies, providing companies with new talent and expertise. The [Technology Fellowship Program](#) provides doctoral graduates with valuable entrepreneur experience and helps create more high-quality high-tech jobs in New Jersey. The Fellowship provides \$65,000 salary for the first year, \$75,000 salary for the second year, with an addition \$10,000 each year to be spent on career development expenses for the postdoctoral fellow.

Please [CLICK HERE](#) for more information on the Technology Fellowship Program.