



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**ANNUAL MEETING**  
**AGENDA**  
**Friday, June 5, 2020, 10:30 AM**

**DIAL-IN NUMBER:**

**1-888-431-3598**

**Access Code: 8068877**

- 1. Reading of Public Notice**
- 2. Roll Call**
- 3. Approval of Meeting Minutes\***
  - a. Minutes of February 21, 2020 Meeting\*
- 4. Annual Meeting Approvals:**
  - a. Election of Officers\*
  - b. Appointment of Committees
  - c. Adoption of Calendar of Meetings – 2020 – 2021\*
- 5. Chairman’s Report**
- 6. Executive Director’s Report**
  - a. CSIT Annual Report\*
- 7. SBIR / STTR Program Update**
  - a. Rescind FAST award to NJII\*
  - b. Eliminate FAST Program Funding\*
  - c. Increase Direct Funding Support for Component 2 - \$25K\*
  - d. Review of Hearing Officer Recommendations for Appeals
    - i. Aspen Consulting Group\*
    - ii. Innovations Unlimited LLC\*
    - iii. JME Group Associates, Inc.\*
    - iv. Plumeria Therapeutics Inc.\*
    - v. Princeton Infrared Technologies, Inc.\*
    - vi. SunRay Scientific LLC\*
- 8. Public Comment**
- 9. Adjournment**

Asterisk indicates items for action by CSIT Board

**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION, AND TECHNOLOGY**

**February 21, 2020**

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

**EBERHARDT HALL  
NEWARK NJ 07102**

**MINUTES OF THE MEETING**

Members of the Commission present: Gunjan Doshi, InRhythm, Chairman; Public Members Debbie Hart, BioNJ, Vice Chair; David Pascrell, Gibbons, Treasurer; Charlene Brown, AT&T; Dr. Alain Kornhauser, Princeton University; Ex-Officio Members: Tim Sullivan, CEO of the New Jersey Economic Development Authority; Commissioner Lamont Repollet of the Dept. of Education; and Diana Gonzalez for Dr. Zakiya Smith Ellis, Secretary of the Office of Higher Education.

Members present via conference call: Non-Voting Member Dr. Nariman Farvardin, President, Stevens Institute of Technology; and Senator Robert Singer, Non-Voting Legislative Member.

Members absent: Public Members; Dr. Joel Bloom, President, NJIT; and Non-Voting Members Dr. Robert Barchi, Rutgers; Assemblyman Christopher DePhillips; Assemblyman Andrew Zwicker; and Senator Paul Sarlo.

Also present: Judith Sheft, Executive Director, CSIT; Dr. Fadi Deek, Provost & Sr. Executive VP, NJIT; Jeffrey Oakman, Governor's Office, via conference call; David Kimball, VP Research & Economic Development, Rutgers; Brian Sabina, SVP, Economic Transformation, EDA; Kathleen Coviello, Executive VP, Technology & Life Sciences, EDA; Danielle Esser, Director, Governance and Strategic Initiatives, EDA; Fatou Jobe, Project Officer, EDA; Muneerah Sanders, Executive Assistant, EDA; Deputy Attorney General Elizabeth Tillou; Stephanie Brown, Governor's Authorities Unit; and staff.

Chairman Doshi called the meeting to order at 10:00 am with a quorum of the Commission present. Per the Chairman's request, Muneerah Sanders read the Open Public Meetings announcement and performed the roll call of the Commission.

The next item was the approval of the December 13, 2019 minutes. On a motion by Mr. Sullivan, and seconded by Ms. Hart, the minutes were approved by the 8 voting members present.

The next item was the approval of the January 31, 2020 special meeting minutes. On a motion by Ms. Brown, and seconded by Ms. Gonzalez, the minutes were approved by the 8 voting members present

At Chairman Doshi's request, Dr. Deek gave opening remarks and welcomed all to Eberhardt Hall at NJIT.

**FOR INFORMATION ONLY:** The next item was the presentation of the Chairman's Report to the Commission:

**APPROVAL OF SBIR/STTR GRANT AWARDS:**

At Chairman Doshi's request, Ms. Sheft gave a presentation on the SBIR/STTR Grant Awards, and summarized the three action items presented to the Commission for their approval.

Chairman Doshi announced that applicants have the right to appeal within ten calendar days in writing and highlighted the appeal requirements.

The next item was the request to approve \$125K in funding to the New Jersey Innovation Institute as the winner of the Technical Assistance component of the Small Business Innovation Research and Small Business Technology Transfer Support Program. **On a motion by Dr. Kornhauser, and seconded by Mr. Pascrell, the request was approved by the seven (8) voting members present.**

The next item was the request to approve the re-assignment of Program Funding of \$100K from Phase II Grants to Phase I Grants of the Small Business Innovation Research and Small Business Technology Transfer Support Program. **On a motion by Mr. Sullivan, and seconded by Ms. Hart, the request was approved by the seven (8) voting members present.**

The next item was the request to approve \$375K in funding to 13 companies as the winners of the Direct Financial Assistance component (Phase I&II) of the Small Business Innovation Research and Small Business Technology Transfer Support Program. **On a motion by Ms. Hart, and seconded by Mr. Pascrell, the request was approved by the seven (8) voting members present.**

**Strategic Focus Discussion:**

Chairman Doshi asked the Commission to comment on future areas of focus for the CSIT, which specific customer base to focus on, and asked for any specific suggestions regarding the next programs.

Mr. Pascrell stated that there are a number of programs that could be explored; both concept and funding amounts should be evaluated by the program committee.

Ms. Sheft added that early stage companies, who haven't received awards could be included to participate in the Ignite Program.

The consensus was that the next program(s) should be sector-based, have technology interest, as well as diversity and inclusion. The Commission should also create awareness around the programs to ensure they hit the targeted audiences.

Chairman Doshi advised that once the projects are determined, marketing will come next.

Ms. Coviello added the Centers for Excellence should be considered as part of the discussion.

Marketing Plan Discussion:

Chairman Doshi confirmed that the members of the Program Committee were Ms. Hart, Ms. Brown, Mr. Sullivan, Assemblyman Zwicker, Chris Molloy, and Dr. Farvardin. The Chairman announced that Chris Molloy was stepping down from the Committee, and stated that if there was any interest in joining to please advise him. Mr. Kimball stated that he would be joining the committee in Chris Molloy's place on behalf of Rutgers University.

Mr. Kimball said an easy way for marketing was to make sure that the Program Committee is part of the outreach.

Ms. Sheft added that she is being visible and making sure members of the public are aware of the CSIT and its role. For example, she and Tim Sullivan attended a conference for Women of Color recently where she advised attendees of her role with the CSIT and the mission of organization.

Mr. Sabina said that participants in the NJ Accelerate program, can qualify for matching funds on a 1-1 basis of up to \$100,000. He added that they could qualify for up to \$25,000 per event, and it could be for training, demo day, or programming. Also, if a company graduates with two locations in New Jersey, they could qualify for six months' rent, and that a woman- or minority-owned business could receive an extra months' rent, or up to seven months' rent.

Mr. Doshi suggested identifying funding that could be successfully leveraged with the CSIT funds. Mr. Sabina suggest that research is needed to identify buckets of funding that could be appropriately leveraged with the CSIT funds, such as DOT and BPU. Senator Singer agreed.

Dr. Kornhauser stated that the Commission may want to evaluate philanthropic avenues. He added that Amazon's CEO, Jeff Bezos has donated \$10,000,000 recently, adding that NJ CSIT should be able to take advantage of and be prepared to leverage resources like that.

Mr. Doshi added it should also be worth considering other Commissions that the CSIT can join and/or partner with, in some fashion. Senator Singer suggested taking a look at the Franklin Fund in Pennsylvania.

Chairman Doshi said given the focus, the challenge will be not to exceed two sectors, and within each sector have diversity and inclusion.

Mr. Doshi also asked the Commission to define measure that success of companies that are funded/supported by the Commission. Members agreed that jobs, distribution, and impact on technology sector are relevant.

Mr. Pascrell stated the early on, the EDA did a presentation on what other states are doing, and it might be good to review it.

**OLD BUSINESS:**

There was no old business.

**PUBLIC COMMENT:**

There was no public comment.

**ADJOURNMENT:**

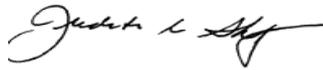
There being no further business, on a motion by Ms. Hart, and seconded by Dr. Kornhauser, the meeting was adjourned at 11:25am.

**NEXT MEETING DATE:**

The next meeting date for the Commission on Science, Innovation, and Technology was scheduled for Friday, March 13, 2020 at 10:00 am at the BioScience Center, North Brunswick.

**CERTIFICATION:**

The foregoing and attachments represent a true and complete summary of the actions taken by the Commission on Science, Innovation, and Technology at its Meeting on February 21, 2020.



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Judith Sheft, Executive Director  
Secretary



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

## **MEMORANDUM**

**TO:** Members of the Commission

**FROM:** Gunjan Doshi  
Chairman

**DATE:** June 5, 2020

**RE:** Annual Organizational Meeting

### **Summary**

The New Jersey Commission on Science, Innovation and Technology's ("CSIT" or "Commission") by-laws provide that an annual reorganization meeting be held during the second quarter of each calendar year.

The Members are asked to consider the following recommendations associated with the annual reorganization meeting:

### **Officers**

As per the by-laws, Judith Sheft, as the Executive Director, serves as the Secretary of the Commission. In the event that the Executive Director is absent, the Executive Director has designated Danielle Esser, Director of Governance and Strategic Initiatives, at the NJEDA to serve as Secretary.

Debbie Hart has been serving in the position of Vice Chairman, and it is recommended that the Members approve Debbie Hart to continue to serve in this position.

David Pascrell has been serving in the position of Treasurer, and it is recommended that the Members approve David Pascrell to continue to serve in this position.

### **Committees**

The Commission has three (3) committees that may meet throughout the year. I am advising the Members and ex-officio designees of the appointment of the Committee Members, with the appointment of individual members to chair each committee as indicated:

**Executive Committee**

- *Chair: Gunjan Doshi, Founder and CEO, InRhythm*
- Debbie Hart, Vice Chair, President & CEO, BioNJ
- David Pascrell, Treasurer, Co-Chair, Government & Regulatory Affairs, Gibbons, P.C.
- Tim Sullivan, CEO, NJEDA

The Executive Committee will meet to address personnel, nominating and interim approvals.

**Audit Committee**

- *Chair: David Pascrell, Co-Chair, Government & Regulatory Affairs, Gibbons, P.C.*
- The Honorable Christopher DePhilips, Assemblyman, Legislative District 40
- Dr. Zakiya Smith Ellis, Secretary of Higher Education, OSHE
- Dr. Nariman Farvardin, President, Stevens Institute of Technology
- The Honorable Paul Sarlo, State Senator, Legislative District 36

The Audit Committee will meet to address financial reporting and the Commission’s audit process.

**Program Committee**

- *Chair: Debbie Hart, President & CEO, BioNJ*
- Charlene Brown, Regional Vice President, AT&T External Affairs
- Dr. Nariman Farvardin, Stevens Institute of Technology
- David Kimball, Senior Vice President for Research & Economic Development, Rutgers University
- Tim Sullivan, CEO, NJEDA
- The Honorable Andrew Zwicker, Assemblyman, Legislative District 16
- *NEW: Dr. Alain Kornhauser, Professor, Operations Research & Financial Engineering, Director, Transportation Program, Princeton University*

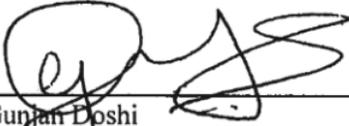
The Program Committee will meet to address priorities of program development and implementation for the Commission.

**Calendar of Meetings**

The Members are requested to approve the attached Calendar of Meetings through April 2021.

**Recommendation:**

The Members approval is requested for the following actions: (1) Election of Officers, including Vice Chair and Treasurer; and (2) CSIT Calendar of Meetings through April 2021.



Gunjan Doshi  
Chairman

Prepared by: Danielle Esser, Director Governance & Strategic Initiatives, NJEDA  
Attachment: CSIT Calendar of Meetings



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**NJ COMMISSION ON SCIENCE, INNOVATION AND  
TECHNOLOGY MEETING CALENDAR  
2020 - 2021**

**Friday, July 17, 2020**

**Friday, August 28, 2020**

**Friday, October 9, 2020**

**Friday, November 20, 2020**

**Friday, January 8, 2021**

**Friday, February 19, 2021**

**Friday, April 2, 2021 – Annual Meeting**

**ALL MEETINGS ARE TELEPHONIC UNLESS  
OTHERWISE NOTED.**

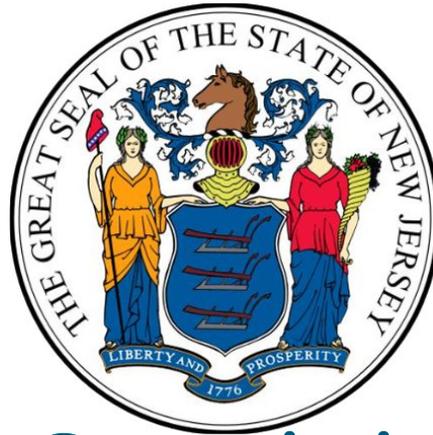
*Physical locations are to be determined.*

**ALL MEETINGS ARE SCHEDULED FOR 10:00 AM – 12:00PM  
UNLESS OTHERWISE NOTED.**

**SCHEDULE IS SUBJECT TO CHANGE.**

**The agenda can be found 48 hours prior to the meeting on our website:**

[www.njeda.com/csit](http://www.njeda.com/csit).



# New Jersey Commission on Science, Innovation and Technology

## Annual Report

CSIT Board Meeting

June 5<sup>th</sup>, 2020

# CSIT Annual Report

- CSIT Mission
- Timeline of Key Activities
- First round of SBIR/STTR Program
- CSIT Budget



# CSIT Role – Restarting the NJ Economy

## CSIT Mission

Responsible for strengthening the innovation economy within the State, encouraging collaboration and connectivity between industry and academia and the translation of innovations into successful high growth businesses

## Target Focus

Early stage entrepreneurs developing innovation based companies



# CSIT Timeline of Key Activities

Date	Activity
August 2018	Enabling legislation enacted establishing CSIT
February 2019	Governor Murphy appoints Gunjan Doshi CSIT Board Chair
March 2019	Initial CSIT Board Meeting
June 2019	MOU with NJEDA for support functions (revised Aug. 2019) Hiring process initiated for Executive Director Initial Review of CSIT Program concepts
August 2019	CSIT By-Laws Adopted CSIT Vice Chair (Debbie Hart) and Treasurer (David Pascrell) elected CSIT Committees established (Executive, Audit, Program, Hiring)
September 2019	Program Committee Proposal to Launch SBIR/STTR Support Program
December 2019	Initial SBIR/STTR Pilot Program Launched Judith Sheft Appointed CSIT Executive Director
January 2020	Initial SBIR/STTR Applications Received
February – June 2020	Review and Internal Appeals of SBIR/STTR Applications



# SBIR Program Objectives

## Program objectives

1. Increase the success rate of NJ companies seeking federal funding for SBIR/STTR program
2. Provide more technical assistance and support to increase the number of NJ companies to applying for SBIR/STTR funds
3. Reduce the financial burden for NJ companies that have won Phase 1 of the federal SBIR/STTR program
4. Maximize growth of small NJ companies in moving from Phase 1 to Phase 2 of the SBIR/STTR federal program

## Operating parameters

1. \$500,000 pilot program
2. Operate on a pilot basis for three (3) years
3. Funds can be replenished as part of an annual budget process or as needed to support continued operations
4. Implemented by the Commission on Science, Innovation and Technology (CSIT) and administrative and technical support will be provided by NJEDA as requested

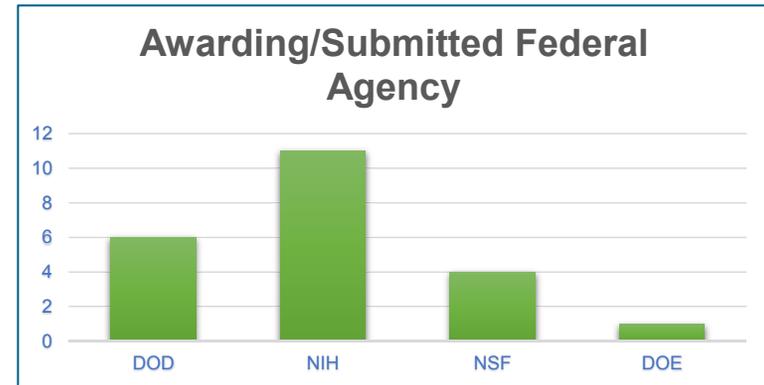
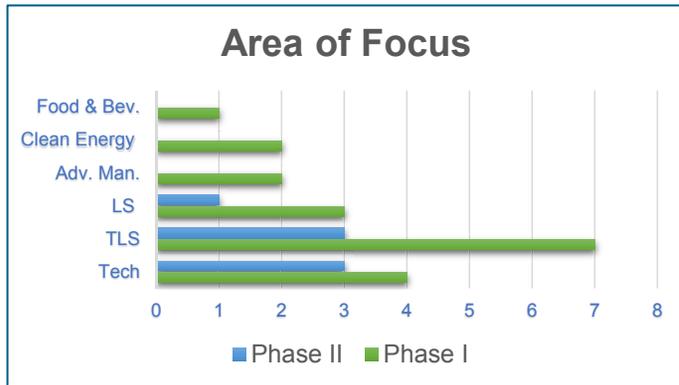


# SBIR/STTR: Summary of first round Applications

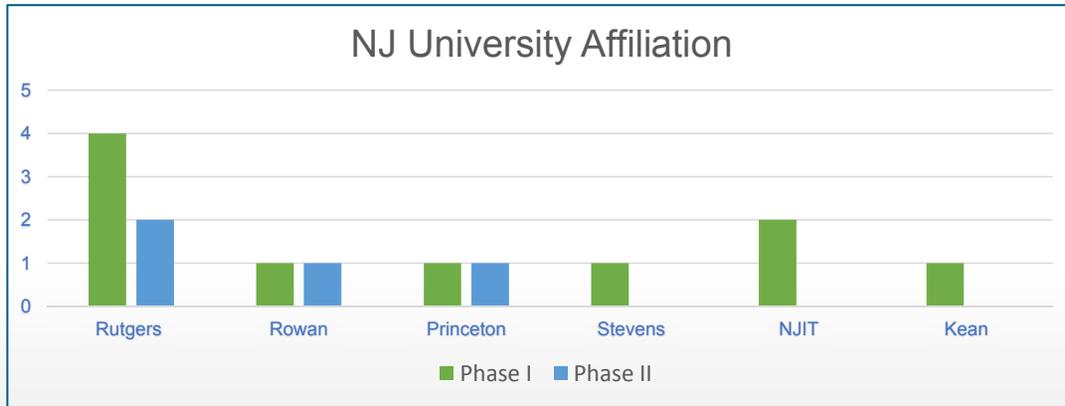
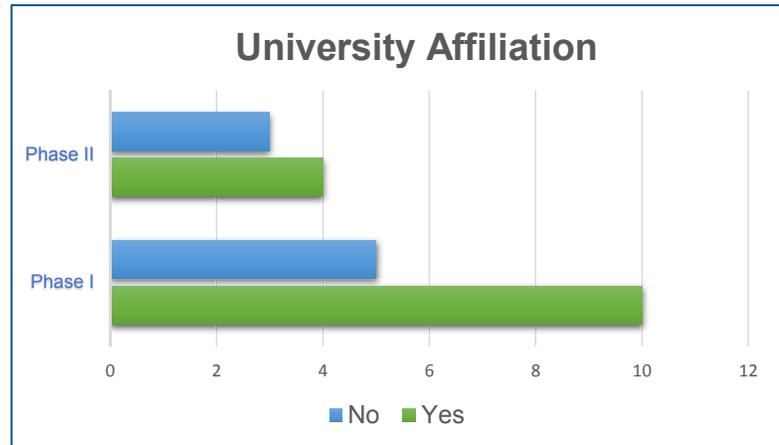
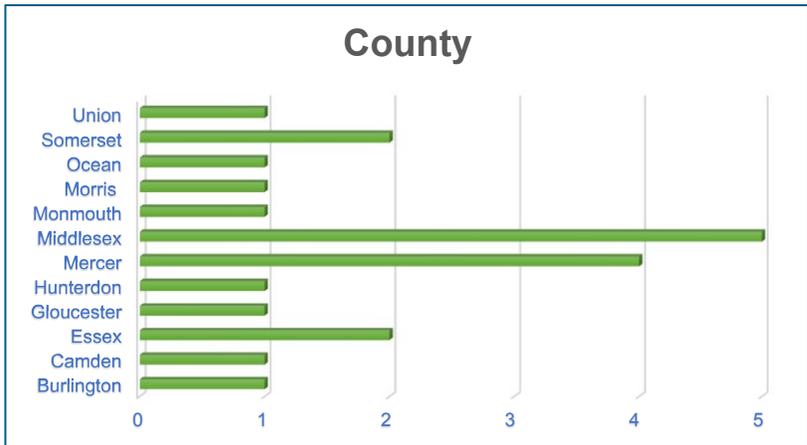
	Component 1: Technical Assistance	Component 2: Direct Financial Assistance	
	FAST Grant	Phase I Grant	Phase II Grant
Application Deadline	Jan 13 2020	Jan 20 2020	Jan 20 2020
Number of Received Applications	2	15	7
Number of Complete Applications	2	12	2
Number of Reviewers	3	5	5



# SBIR/STTR: Component 2 Applicants



# SBIR/STTR: Component 2 Applicants



# SBIR/STTR: Key takeaways from round one

## Application Process

- **Online application** – majority of the disqualified applicants was due to missing documentation; have an online application for future rounds
- **Webinar** – have a webinar after the release of applications to answer questions and provide guidance
- **Application period** - increase the application period window for the Program

## Criteria

- **Phase I grant** – add an eligibility criteria of not having more than five (5) previous SBIR/STTR awards.
- **Opportunity zone** – change the opportunity zone criteria to include “*R&D space*” located in an opportunity zone eligible census track

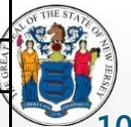
## Program Outreach

- **Female participation** – marketing to increase female participation (82% of applications were male)
- **Encourage more applicants with Technology from Universities** – direct marketing to University Tech Transfer/Commercialization/Licensing office
- Increase Minority participation – targeted marketing to increase Minority participation



# Estimated Expenses Through 9/30/20

FY2019-FY2020 Appropriations	Amount	Notes
FY2019 appropriation	\$ 1,000,000	
FY 2020 appropriation	\$ 0	FY20 Budget Freeze of FY 20 Appropriation - Covid 19
<b>Total Available Budget</b>	<b>\$ 1,000,000</b>	
Estimated FY19 / FY 20 Expenses (Through 9/30/20)	Amount	Notes
<b>Administrative</b>		
Executive Director salary to 6/30/20	\$ 127,500	<i>6 months of full-loaded salary</i>
NJEDA program support charge-back & Insurance	\$ 79,500	
<b>Sub-total administrative through 6/30/20</b>	<b>\$ 206,500</b>	
<b>Program</b>		
SBIR/STTR Technical Assistance Grant	\$ 125,000	1 FAST technical assistance grant
SBIR/STTR Small Business Grants	\$ 375,000	Phase 1 and Phase II Direct Company Support
<b>Sub-total program expenses</b>	<b>\$ 500,000</b>	
<b>Additional Administrative Expenses (7/1/20 – 9/30/20)</b>	<b>\$ 85,000</b>	Additional expenses due to extension of FY20 – salary, NJEDA Charegback, miscellaneous
<b>Total Expenses</b>	<b>\$ 791,500</b>	
<b>Available Funds 10/1/20</b>	<b>\$ 208,500</b>	





New Jersey  
**CSIT**

**Commission on Science,  
Innovation and Technology**

**Annual  
Report  
2019**

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June 5, 2020

Innovation is all about execution and implementation of an idea. It is the process that brings a spark of creativity or invention to life to address real individual or societal needs. As the Executive Director of New Jersey's Commission on Science, Innovation and Technology (CSIT), I am continually inspired by the advances taking place throughout the state, and the people and businesses that make up our robust innovation ecosystem.

New Jersey has a rich history of innovation, more scientists and engineers per square mile than anywhere in world, and numerous globally-recognized universities and medical centers. Combined with the state's large corporate research centers in various industry sectors such as pharmaceuticals/life sciences, telecommunications, and energy, we have much to offer emerging technology and life sciences businesses that set down their roots here in the Garden State.

Reflecting on 2019 and thinking how much has changed in the world since December 31, 2019, I am proud of the synergy that our state's innovation ecosystem creates. And of all the way that New Jersey companies are stepping up to impact the local, state, national global marketplaces. From the largest of pharmaceutical giants to the smallest of biotechnology startups, from the leaders in the clean energy sector to researchers at our fine academic institutions, everyone is playing a vital role in making the innovation economy succeed.

I thank each and every one of you for your contributions to our state's collective accomplishments.

A handwritten signature in black ink, appearing to read "Judith L. Sheft".

Judith Sheft  
CSIT Executive Director

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NJ COMMISSION ON SIENCE, INNOVATION AND TECHNOLOGY



June 5, 2020

In late 2018, Governor Phil Murphy re-established the Commission on Science, Innovation and Technology (CSIT) to bolster innovation within the Garden State and to enhance collaboration across the public sector, academia, and private industry. I was honored to be named Chairman of CSIT in February 2019.

From his first moments in office, Governor Murphy has made creating the most diverse and inclusive innovation ecosystem in the nation and reclaiming New Jersey's role as a national leader in innovation key focal points of his administration. At CSIT, we are committed to furthering these visions and creating opportunities for entrepreneurs, researchers and technology businesses of all sizes.

During 2019, our first full year in operation, CSIT set numerous steps in motion that laid the foundation for supporting New Jersey's innovation economy for years to come.

As you will read within the annual report, highlights included establishing committees, electing a vice chair and treasurer, and launching applications for the New Jersey Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Support Program.

The most significant of these steps came in December, when we hired Judith Sheft as our Executive Director. Judith was the perfect person for this position, as she brings nearly two decades of expertise in New Jersey's innovation ecosystem to CSIT. She spent the past 18 years as an Associate Vice President at New Jersey Institute of Technology (NJIT). Judith has been a vocal champion for innovation within New Jersey, and she will be a great voice for the Commission to push forward the work of the CSIT and drive the innovation economy in New Jersey.

I would like to thank the many business leaders, university leaders, scientists, and public and private sector partners that comprise the CSIT Board for their hard work and dedication.

As we look ahead to 2020, and a post-COVID-19 landscape, CSIT's mission and work will be more important than ever. Stay tuned for new programs and initiatives that will benefit businesses and researchers throughout the industry.

A handwritten signature in black ink, appearing to read "Gunjan Doshi".

Gunjan Doshi  
Chairman

Gunjan Doshi  
CSIT Chair

**NJ COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Governor Phil Murphy and the Legislature re-established the New Jersey Commission on Science, Innovation and Technology (CSIT) in August 2018. The Commission is responsible for strengthening the innovation economy within the State, encouraging collaboration and connectivity between industry and academia, and the translation of innovations into successful high-growth businesses.

CSIT members include business leaders, university leaders, and scientists, along with representatives of the New Jersey Economic Development Authority (NJEDA), the Secretary of Higher Education, the Commissioner of Education, and members of the state Legislature.

# MISSION

CSIT is committed to advancing innovation-based economic development and job growth, and to creating a stronger, fairer economy for all New Jersey citizens by keeping the Garden State at the forefront of scientific and technological innovations. Innovation alone is not enough to drive sustained economic activity. It requires the translation of innovation into commercial application in the marketplace. This, in turn, results in new firm formation and high wage jobs that can improve and save lives and change the world for the better. Support for early-stage entrepreneurs and innovation-based entrepreneurial companies is a key underpinning to achieving a robust, diverse and inclusive innovation economy.

CSIT links and leverages resources and collaborates with other NJ agencies to implement programs and policies to address the challenges faced by entrepreneurs, especially gaps in services and support for early stage startups focused on technology commercialization with the potential for high growth and further investment.

# PROGRAMS

**SUPPORT AND  
COORDINATE** activities to

assist early stage science, innovation and technology entrepreneurs;

**STIMULATE AND PROMOTE** strong academic/industrial cooperation to accelerate the commercialization of new technologies from public and private research institutions;

**ENCOURAGE AND PROPEL** the development of scientific and technological programs in areas of strategic importance;

**ENHANCE** science, innovation and technology policy decision making at all levels of State government.

## VOTING MEMBERS

### *PUBLIC MEMBERS APPOINTED BY GOVERNOR, BACKGROUND IN **SCIENCE/TECHNOLOGY***

Gunjan Doshi, Chair | *Founder and CEO, InRhythm*

Debbie Hart, Vice Chair | *President and CEO, BioNJ*

David Pascrell, Treasurer | *Co-Chair, Government and Regulatory Affairs, Gibbons P.C.*

### *PUBLIC MEMBERS APPOINTED BY GOVERNOR WITH RECOMMENDATION OF SENATE PRESIDENT, BACKGROUND IN **SCIENCE/TECHNOLOGY, OR BUSINESS RELATED TO SCIENCE/TECHNOLOGY***

Dr. Joel Bloom | *President, w*

Charlene Brown | *Regional Vice President, AT&T External Affairs*

### *PUBLIC MEMBERS APPOINTED BY GOVERNOR WITH RECOMMENDATION OF SPEAKER OF ASSEMBLY, BACKGROUND IN **SCIENCE/TECHNOLOGY, OR BUSINESS RELATED TO SCIENCE/TECHNOLOGY***

Dr. Alain Kornhauser | *Professor, Operations Research & Financial Engineering / Director, Transportation Program, Princeton University*

Dr. Zakiya Smith Ellis | *Secretary of Higher Education, Ex-officio, or Designee*

Dr. Lamont Repollet | *Commissioner of Education, Ex-officio, or Designee*

Tim Sullivan | *CEO, NJEDA, Ex-officio, or Designee*

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## NON-VOTING MEMBERS

### *MEMBERS OF THE SENATE APPOINTED BY THE PRESIDENT OF THE SENATE, EX-OFFICIO*

The Honorable Paul Sarlo | *Democrat*

The Honorable Robert Singer | *Republican*

### *MEMBERS OF THE GENERAL ASSEMBLY APPOINTED BY THE SPEAKER OF THE GENERAL ASSEMBLY, EX-OFFICIO*

The Honorable Andrew Zwicker | *Democrat*

The Honorable Christopher DePhillips | *Republican*

### *PRESIDENTS OF THE STATE'S PUBLIC AND PRIVATE RESEARCH INSTITUTIONS OF HIGHER EDUCATION, APPOINTED ANNUALLY BY THE GOVERNOR, EX-OFFICIO*

Dr. Robert Barchi | *President, Rutgers University*

Dr. Nariman Farvardin | *President, Stevens Institute of Technology*

# HIGHLIGHTS

An initial slate of Board members was appointed to CSIT in December 2018, a Chairman was appointed in February 2019, and CSIT held its first meeting in March 2019. In May 2019, CSIT signed a Memorandum of Understanding (MOU) with the NJEDA to support the rapid scale-up of Commission operations. Through this MOU, NJEDA is providing CSIT with programmatic and administrative support to accelerate the launch of new innovation-economy programs.

In June 2019, CSIT established a Program Committee. This Committee conducted a gap analysis of innovation programs within the State, including benchmarking New Jersey's programs against those of peer states such as New York, Massachusetts, Pennsylvania, Maryland, and California. Following this gap analysis, the Program Committee presented to the full CSIT Board a high-level Program Roadmap and initial set of program recommendations. In December 2019, CSIT launched its first program, a federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Support Program technical assistance and small business direct matching grant program.

Expansion of the current SBIR/STTR program and development of subsequent programs on the roadmap was planned for the remainder of fiscal 2020/2021. The first round of the initial SBIR/STTR direct matching grant program is currently undergoing the appeals process. Unfortunately, the COVID-19 pandemic and subsequent uncertainty regarding CSIT FY20 and FY21 budgets has slowed the award of the initial technical assistance support component of the initial SBIR/STTR program.

CSIT executed a broad search for an Executive Director in the second half of 2019, appointing Judith Sheft to the position in December 2019.

## KEY CSIT TIMELINE OF ACTIVITIES:



# COMMISSION PROGRAMS

CSIT links and leverages resources and collaborates with other New Jersey agencies to implement programs and policies to address the challenges faced by entrepreneurs. These programs and policies particularly address gaps in services and support for early-stage startups focused on technology commercialization with the potential for high growth and further investment.

In June 2019, CSIT established a Program Committee. This Committee conducted a gap analysis of innovation programs within the State, including benchmarking New Jersey's programs against those of peer states such as New York, Massachusetts, Pennsylvania, Maryland, and California. Following this gap analysis, the Program Committee presented to the full CSIT Board a high-level Program Roadmap and initial set of program recommendations.

It should be noted that since the state's Commission on Science and Technology was defunded in 2010, some of its program focus areas were absorbed by other state agencies including the NJEDA and the Department of Labor and Workforce Development. Additionally, several new initiatives to support the Garden State's innovation ecosystem have been developed within the Office of Innovation, the Office of the Secretary of Higher Education, the Department of Labor and Workforce Development and the NJEDA. These programs have focused on the future of work, research fellowships and industry partnerships, rent support for startups moving to collaborative workspaces, venture and angel investment funds, tax credit and incentive programs, support for municipal cluster development and industry development, and New Jersey Founders & Funders speed-matching events.

*HOWEVER, THERE REMAINED KEY GAPS IN THE STATE'S INNOVATION ECOSYSTEM THAT THE PROGRAM COMMITTEE ANALYSIS IDENTIFIED AS AREAS THAT CSIT COULD SUPPORT:*

**FEDERAL SBIR / STTR MATCHING OR GAP FUNDING**

**DIRECT EARLY-STAGE TECHNOLOGY PROOF OR CONCEPT AND SEED FUNDING GRANTS**

**UNIVERSITY FUNDING TO SUPPORT COMMERCIALIZATION ACTIVITIES**

**DIRECT SUPPORT FOR INCUBATORS, ACCELERATORS, AND OTHER COLLABORATIVE WORKSPACES**

**FEDERAL GRANT-MATCHING SUPPORT**

**SUPPORT FOR THE NEXT GENERATION OF UNIVERSITY/INDUSTRY CENTERS OF EXCELLENCE**

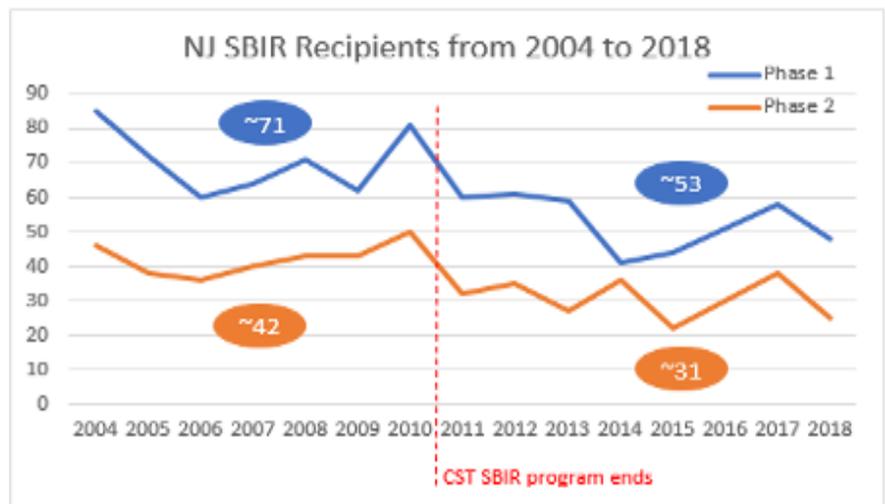


## CSIT FEDERAL SBIR/STTR MATCHING FUNDING PROGRAM

With a limited budget of \$1 million covering both administrative and programmatic expenses, the Commission's Program Committee decided to focus initially on SBIR/STTR matching grant support. (See Appendix for details on the Federal SBIR/STTR programs). This program was selected because it addresses challenges faced by New Jersey innovation-based entrepreneurs, would be easy to stand up, builds on the Commission's mandate of creating a vibrant innovation economy by supporting high potential innovation-based entrepreneurs, and is similar to the former Commission's support programs. Benchmarking from other states that have implemented similar SBIR matching grant and technical assistance programs demonstrates that companies that receive support have increased success rates and are more likely to maximize their ability to move from Phase I to Phase II awards.

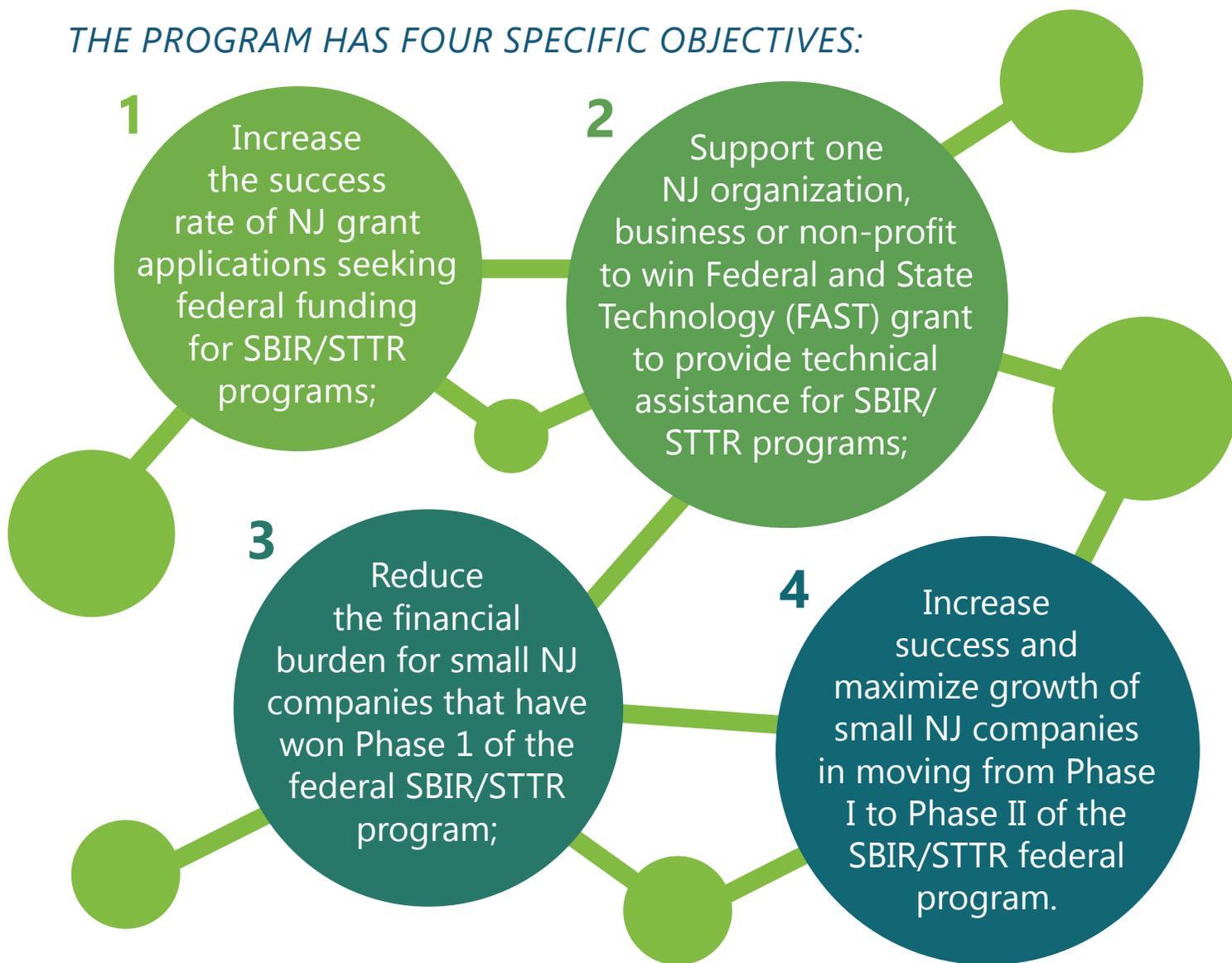
The former Commission provided coaching and gap funding to New Jersey SBIR applicants, until 2010. According to [www.sbir.gov](http://www.sbir.gov), from 2004 to 2010, New Jersey averaged 71 Phase I recipients and 42 Phase II recipients per year.

From 2011 to 2018, when the former Commission no longer provided resources, NJ averages decreased to 53 Phase I recipients and 31 Phase II recipients per year. This represents a 25 percent decrease in Phase I recipients and 28 percent decrease in Phase II recipients.



The CSIT SBIR / STTR Support Program, including technical assistance (FAST) and direct company support in terms of matching grants, was launched in December 2019 to address the above decline, maximize opportunities, improve competitiveness of applicants, and increase the number of applications and awardees.

*THE PROGRAM HAS FOUR SPECIFIC OBJECTIVES:*



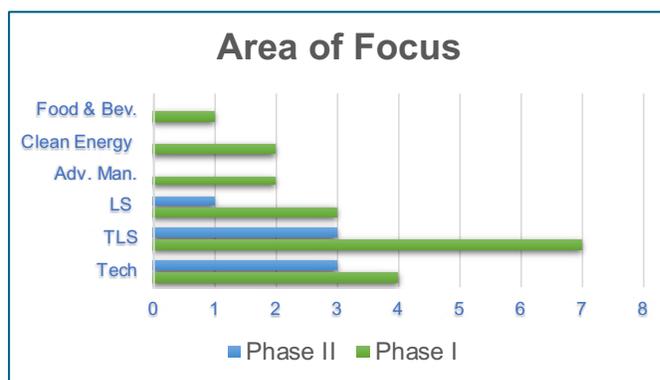
The CSIT SBIR/STTR Support Program is complementary to other programs, including the New Jersey Small Business Development Centers (NJSBDC) technology commercialization support. It also strengthens the current technical assistance initiatives by providing additional funding for both technical assistance and direct company support, increasing the potential award benefits to applicant companies.

## CSIT SBIR/STTR - IMPLEMENTATION OUTCOMES

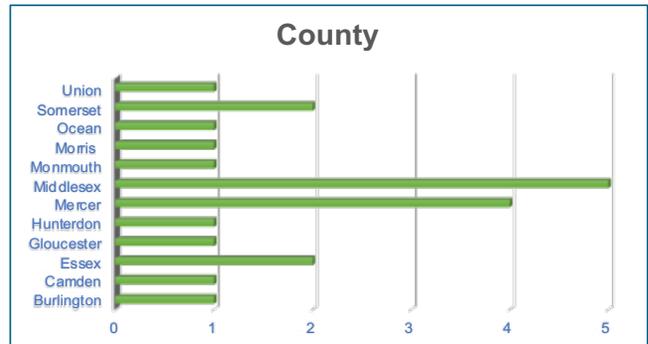
The CSIT SBIR/STTR program opened in late December 2019 with a five-week open application period.

The Direct Financial Assistance component aimed to provide Phase I grants of \$25,000 to NJ small businesses that had receive a federal Phase I SBIR/STTR awards and Phase II grants of \$50,000 to New Jersey small businesses that have successfully completed Phase I and have applied for Phase II of the Federal SBIR/STTR program. The program was targeted to provide seven Phase I grants (\$175,000) and four Phase II grants (\$200,000).

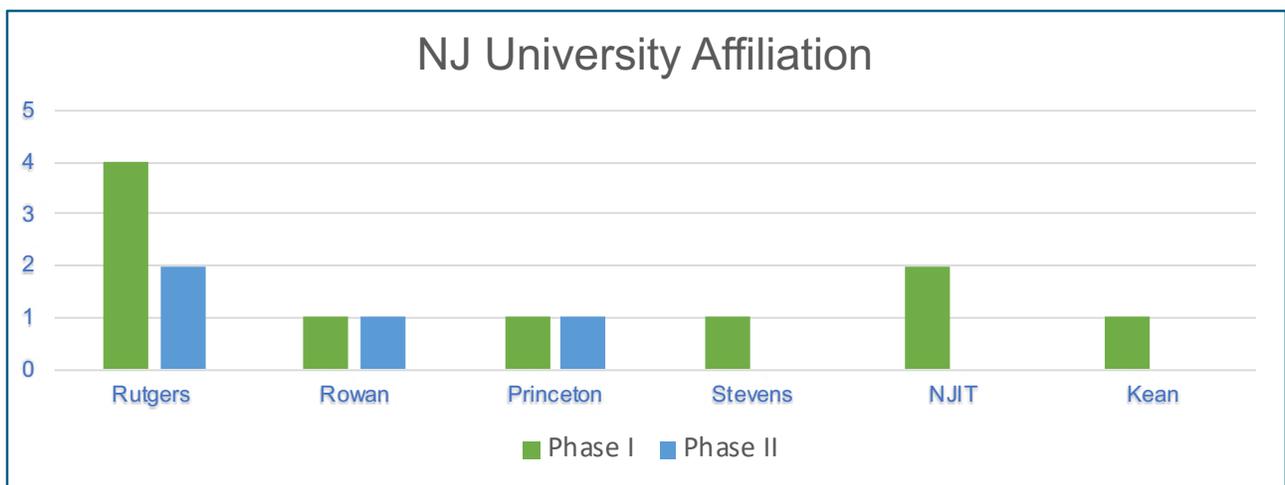
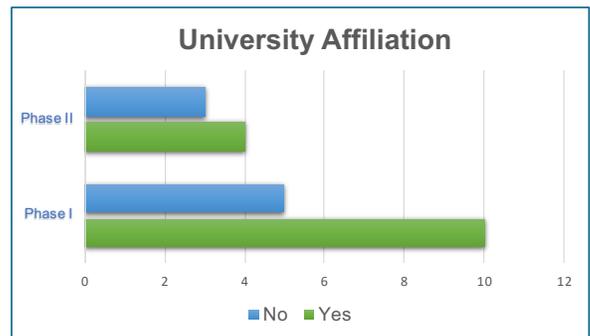
A total of 22 applications were received - 15 Phase I applications and seven Phase II applications. The companies had projects across a range of areas with technology and life sciences combined the highest followed by technology, life sciences, advanced manufacturing, clean energy and food /beverage. The supporting federal agencies were National Institutes of Health (NIH), Department of Defense (DoD), National Science Foundation (NSF) and Department of Energy. This is consistent with overall federal funding where approximately 75 percent of the SBIR/STTR awards are given out by DoD and NIH.



The CSIT program had many first-time SBIR/STTR applicants (60 percent Phase I and 28 percent Phase II), which is in line with CSIT's objectives of increasing the number of successful applicants in the program. Additionally, the applications came from companies located throughout New Jersey, indicating that there is a base for innovation economic development in every region of the state. However, only 18 percent of applicants are currently located in Opportunity Zones.



A majority of the applicants have an affiliation with a New Jersey university – licensed technology, located in a university incubator space, collaborating with university faculty or utilizing university lab / testing facilities. This is supportive of the CSIT strategy of stimulating and promoting strong industrial – academic collaboration.



## CSIT SBIR/STTR - IMPLEMENTATION OUTCOMES *CONT.*

For the technical assistance (FAST) component, two applications were received from organizations that have experience working with early stage innovation-based companies. The applications are under review. The winner of the technical assistance component will also be able to apply as the New Jersey state-supported applicant to the Federal SBIR FAST program. The Federal and State Technology (FAST) Partnership Program provides one year of funding to organizations to execute state/regional programs that increase the number of SBIR/STTR proposals, leading to an increase in the number of SBIR/STTR awards. Federal funding for FAST currently provides up to \$125,000 per applicant for outreach, financial support, and technical assistance to next generation research and development (R&D) focused small businesses. The program places emphasis on helping women, socially/economically disadvantaged individuals, and applicants from underrepresented or rural areas compete in the SBIR and STTR programs. Only one application is allowed per state. It was anticipated that the NJ FAST awardee would use the CSIT funds as part of the required match for the Federal submission. <sup>1</sup>

<sup>1</sup> This component of the SBIR/STTR support program may be canceled as a result of the budget freeze put into place on March 27, 2020 resulting from the current global COVID-19 pandemic. CSIT has alternative means of ensuring SBIR/STTR applicants receive coaching and mentoring support.



## ***CSIT SBIR/STTR - PRELIMINARY TAKEAWAYS***

CSIT launched the SBIR/STTR program in late December 2019 with a short application window. Even with this limited timeframe to conduct outreach over the end of year holiday and shut down period, the program was oversubscribed and NJEDA received inquiries from companies that did not apply. This indicates that SBIR/STTR companies in NJ that are building high-potential, innovation-based businesses are looking for additional support.

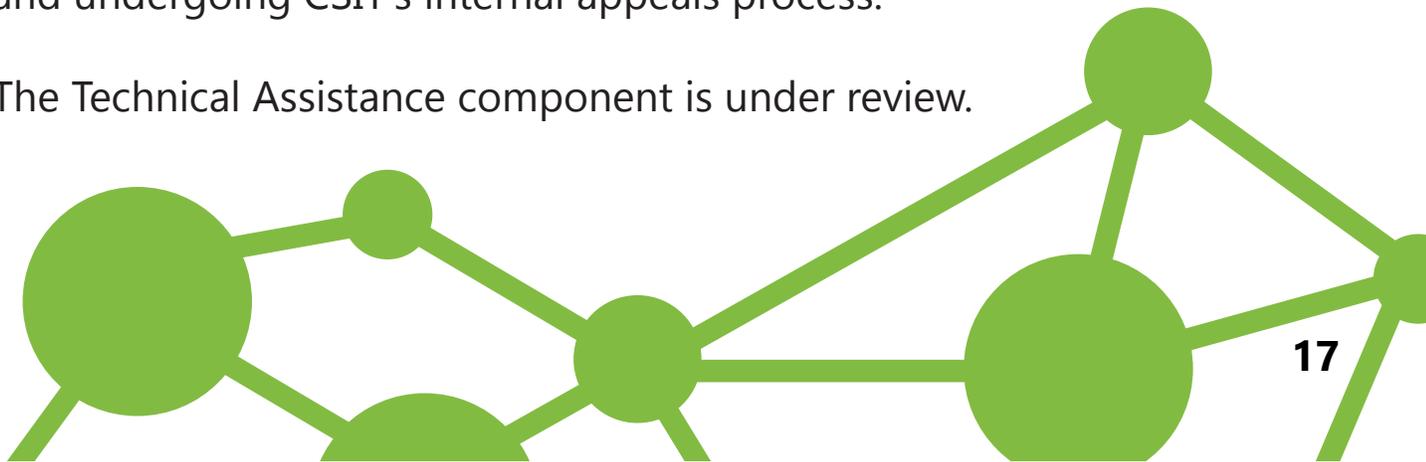
To enhance the application process, a webinar will be held for future program rounds, to address questions and provide guidance in the application process. The open-application period will be extended and companies that are missing documents will be given a cure period to submit all the required materials.

In terms of outreach, there will be more marketing / communication to underrepresented groups and females. In this pilot round, 82 percent of the applications came from males. It is expected that the NJ FAST Technical Assistance awardee will focus efforts in reaching these populations and providing 1:1 support and guidance for submitting applications for both the CSIT grants and federal solicitations.

## ***CSIT SBIR/STTR - STATUS***

The Direct Financial Assistance applications are currently under review and undergoing CSIT's internal appeals process.

The Technical Assistance component is under review.



# LOOKING AHEAD

In January 2020, CSIT submitted a budget request for approximately \$4 million for FY21. This was to support the development and implementation of a variety of programs including additional SBIR/STTR direct company support, an early stage seed grant program, a technology commercialization matching fund for university spin outs, and innovation ecosystem events.

In light of the fiscal uncertainty due to the COVID 19 health emergency, the New Jersey Office of Management and Budget has placed certain funding into spending freeze reserve to preserve sufficient cash and budget authority to meet emergency and statutory obligations. It is therefore unclear what level of funding will be appropriated for CSIT in the FY21 budget. The close of the FY20 budget has been extended for three months to September 30, 2020.

The CSIT Executive Director and Board are evaluating alternatives to address the fiscal uncertainty including a potential elimination of the technical assistance (FAST) SBIR/STTR technical assistance component which would enable CSIT to provide much needed direct company support matching grants and continue administrative functions.



FY2019-FY2020 APPROPRIATIONS		
	AMOUNT	NOTES
FY2019 appropriation	\$1,000,000	
FY2020 appropriation	\$0	FY20 Budget Freeze on FY20 appropriation to CSIT of \$1,000,000
<b>TOTAL PRIOR APPROPRIATIONS</b>	<b>\$1,000,000</b>	

ESTIMATED FY2019-FY2020 EXPENSES		
	AMOUNT	NOTES
<i>ADMINISTRATIVE</i>		
Executive Director salary	\$127,500	6 months of fully-loaded salary
NJEDA program support charge-back	\$75,000	Estimated Chargeback through 6/30/20
Insurance, Telephone / Network	\$4,000	12 month of board insurance
<i>Sub-total administrative</i>	<i>\$206,500</i>	
<i>PROGRAM</i>		
SBIR/STTR Technical Assistance Grant	\$125,000	1 technical assistance grant
SBIR/STTR small business grants	\$375,000	phase I and phase II direct company support
<i>Sub-total program</i>	<i>\$500,000</i>	
<b>TOTAL ESTIMATED FY2019-FY2020 EXPENSES</b>	<b>\$706,500</b>	<b>EXPENSES THROUGH 6/30/20</b>

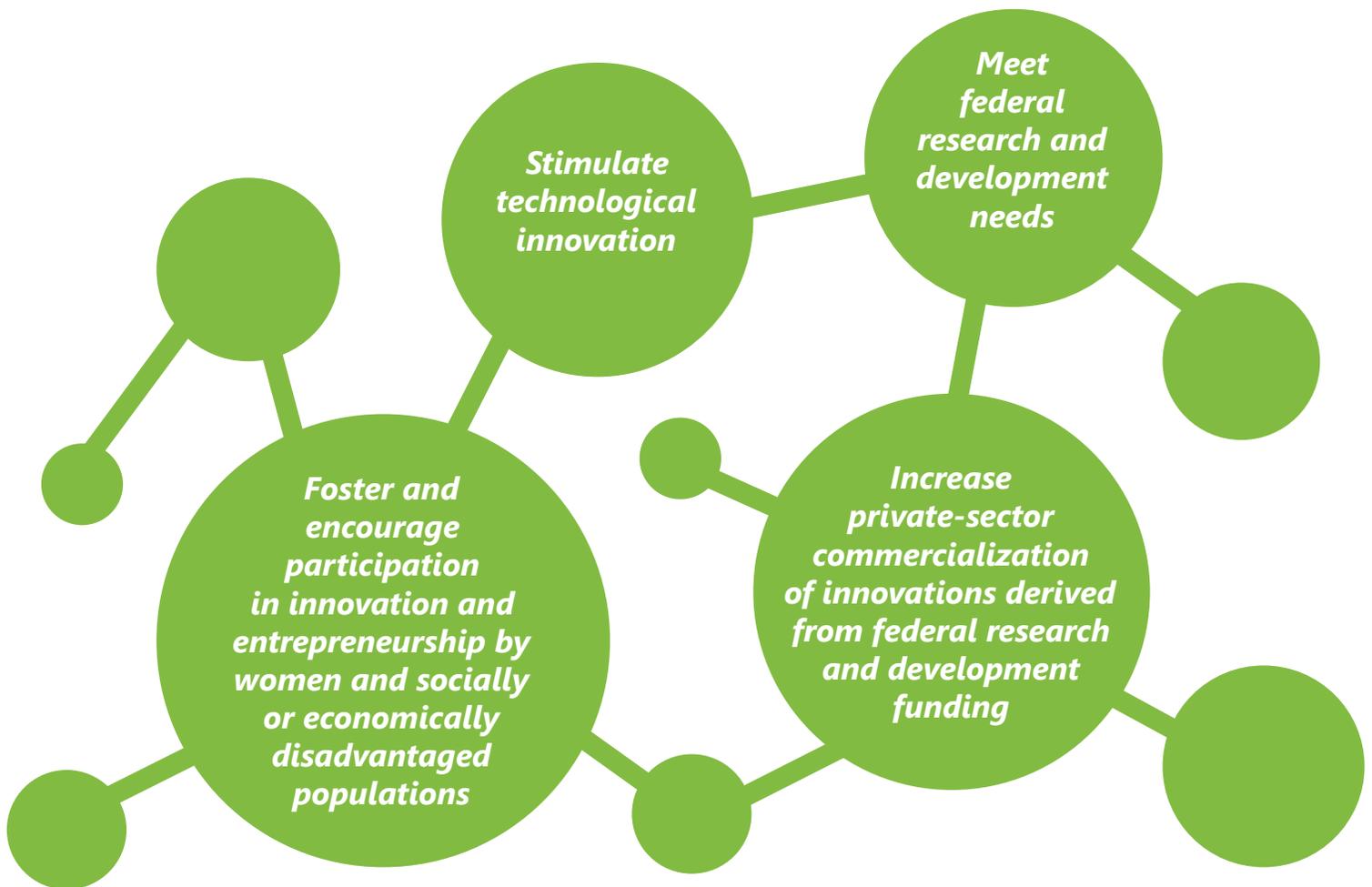
<i>ESTIMATED ADMINISTRATIVE EXPENSES 7/20 – 9/20</i>	<i>\$85,000</i>	<i>ADDITIONAL FY20 EXPENSES DUE TO EXTENSION OF FY20 DUE TO COVID 19</i>
<i>ESTIMATED AVAILABLE FUNDS 10/1/20</i>	<i>\$208,500</i>	<i>ASSUMES NO MODIFICATION OF SBIR/STTR PROGRAMS</i>

# APPENDIX

## ***FEDERAL SBIR/STTR BACKGROUND***

The Federal Small Business Innovation Research (SBIR) and the Small Business Technology Transfer Program (STTR) are highly-competitive, three-phase award programs, which provide qualified small businesses opportunities to propose innovative ideas that meet the specific research and development needs of the federal government. The programs were created to support scientific excellence and technological innovation through the investment of federal research funds in critical American priorities to build a strong national economy.

*THE GOALS OF THE FEDERAL PROGRAMS ARE TO:*





Congress established the SBIR program in 1982 and the STTR program ten years later to assist small business concerns (SBCs) in obtaining Federal research and development (R&D) funds to build a strong economy and support technological innovation.

SBIR/STTR targets the entrepreneurial sector because that is where most innovation and innovators thrive. However, the risk and expense of conducting serious R&D efforts are often beyond the means of many small businesses. By reserving a specific percentage of federal R&D funds for small businesses, SBIR protects the small business and enables it to compete on the same level as larger businesses. SBIR funds the critical startup and development stages and it encourages the commercialization of the technology, product, or service, which, in turn, stimulates the U.S. economy. Since its enactment in 1982, the SBIR program has helped thousands of small businesses to compete for federal R&D awards. Their contributions have enhanced the nation's defense, protected our environment, advanced health care, and improved our ability to manage information and manipulate data. Annually the SBIR/STTR award obligations are approximately \$3B. In FY19, 105 NJ companies received approximately \$38M in SBIR/STTR awards.

**SBIR:** Requires federal agencies with extramural research/research & development (R/R&D) budgets over \$100 million to set aside a percentage (3.2 percent) of their annual extramural R/R&D budget for small businesses.

**STTR:** Modeled after the SBIR program, STTR requires federal agencies with extramural budgets exceeding \$1 billion to set aside a percentage (0.45 percent) of their annual extramural R&D budget for small business concerns that work in cooperation with universities, federally funded research and development centers, and other non-profit scientific and educational institutions. The goal is to facilitate transfer of technology and research from these institutions to commercial use and encourage innovation.





**Phase I – Feasibility/Proof of Concept:** *Using a competitive process, federal agencies award up to \$150,000 to a small business to perform R/R&D for up to six to 12 months on a specific topic in order to establish its technical merit, feasibility, and commercial potential. During this phase, federal agencies assess both the performance of the small business and the potential of the technology prior to providing further federal support in Phase II.*

**Phase II – Full Research and Development:** *Based on the results achieved in Phase I, federal agencies will decide whether to continue R/R&D efforts into Phase II based on the scientific, technical, and commercial merit and feasibility of the idea. If the federal agency decides to continue into Phase II, they will award up to \$1 million to the small business to continue R/R&D efforts for up to 2 years.*

**Phase III - Commercialization:** *No specific SBIR funding is associated with Phase III, however, some agencies may include follow-on non-SBIR funded R&D or production contracts for products or services intended for use by the U.S. Government. The objective of Phase III is for the small business to pursue commercialization objectives resulting from the Phase I/II R/R&D activities.*



New Jersey  
**CSIT**

Commission on Science,  
Innovation and Technology

***WWW.NJEDA.COM/ABOUT/  
PUBLIC-INFORMATION/CSIT***



# **SBIR/STTR PROGRAM UPDATE**



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**TO:** Members of New Jersey Commission on Science, Innovation, and Technology

**FROM:** Gunjan Doshi  
Chair, New Jersey Commission on Science, Innovation, and Technology

**DATE:** June 5, 2020

**RE:** **Amending approval of the FAST grant award of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Support Program**

**Proposal:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Rescind the previous grant approval of \$125,000 awarded to the New Jersey Innovation Institute (NJII) as the FAST winner of the SBIR/STTR Program on February 21<sup>st</sup>, 2020.

**Background and Context**

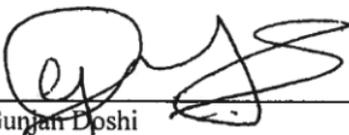
At the February 21<sup>st</sup>, 2020 Board meeting, members approved and awarded NJII, a grant of \$125,000 as the winner of the Technical Assistance component (FAST) of the SBIR/STTR grant program.

However, during the Closing process, it was discovered that NJII's application submission included a W-9 document, rather than a New Jersey Tax Clearance Certificate, a document required to be provided with the grant application pursuant to the Notice of Funding. During staff's initial review, the W-9 document was mistaken as a New Jersey Tax Clearance Certificate. Because NJII did not submit the New Jersey Tax Clearance Certificate before the deadline as required, its application is not complete and cannot be considered.

**Request:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Rescind the previous grant approval of \$125,000 awarded to the New Jersey Innovation Institute (NJII) as the FAST winner of the SBIR/STTR Program.

  
\_\_\_\_\_  
Gunjan Doshi  
Chairman

Prepared by: Fatou Jobe

**Attachments**

- Evaluation Score Summary



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**Summary of scores and for the New Jersey Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) grant Program**

**Component 1: Direct Financial Assistance (FAST Grant) Evaluation Score Summary**

Review criteria	Possible points	New Jersey Innovation Institute (NJII)			Institute for Life Science Entrepreneurship (ILSE)		
		Review r 1	Review r 2	Review r 3	Review r 1	Review r 2	Review r 3
Program Design	1 - 50	43	35	36	37	30	37
Organizational experience and capacity	1 - 25	20	20	19	18	15	22
Program Management Structure	1 - 10	10	7	6	10	8	10
Risk Management	1 - 10	10	7	10	10	10	10
Past Performance (Organization and NJ's SBIR/STTR efforts)	1 - 5	5	3	3	5	4	5
<b>Sub-total</b>		<b>88</b>	<b>72</b>	<b>74</b>	<b>80</b>	<b>67</b>	<b>84</b>
<b>Total score</b>		<b>234</b>			<b>231</b>		



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

### **MEMORANDUM**

**TO:** Members of New Jersey Commission on Science, Innovation, and Technology

**FROM:** Gunjan Doshi  
Chair, New Jersey Commission on Science, Innovation, and Technology

**DATE:** June 5, 2020

**RE:** Elimination of component 1 (FAST grant of \$125k) of the CSIT Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Support Program

#### **Proposal:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Eliminate component 1 (Technical assistance: FAST grant of \$125k) of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Support Program

#### **Background and Context**

On September 20th, 2019, Members approved a \$125k grant program to enhance NJ's innovative economy by providing technical support to NJ small businesses seeking to or participating in the Federal SBIR/STTR program. The Board approved the Notice of Funding for the FAST grant during the December 13<sup>th</sup> Board meeting and applications to the Program opened on December 16th, 2019.

The awardee of the FAST grant was to be provided \$125k of grant funding to provide technical assistance to New Jersey companies, as well as a letter of Support to aid in its applications for the Federal FAST grant program. Two applications were received from the New Jersey Innovation Institute (NJII) and the Institute for Life Science Entrepreneurship (ILSE).

#### **Covid-19 impact on CSIT's budget:**

In March 2020, there was a freeze of \$1M on CSIT's FY20 appropriation by Treasury and an extension of the Fiscal Year 2020 to September 31, 2020 due to State budget constraints caused by Covid-19. CSIT's current operating budget is \$1M from the FY19 appropriation. Total administrative and program budget expenses are projected to be \$792,000 in September 2020. There is an additional \$255,000 projected administrative expenses to be incurred between October 1, 2020 and June 30, 2021. Without an appropriation in the FY2021 budget, the CSIT expects to be in a budget deficit of \$47,000.

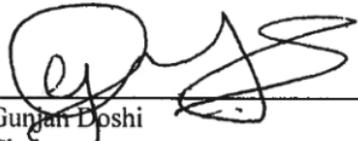
If the FAST grant component is eliminated, this will free up \$125,000 in funding that CSIT can use to support its administrative expenses, increase funding to the Direct Financial Assistance component of the SBIR/STTR program and support eco-system activities and initiatives in FY 2021.

It is recommended that CSIT cancel the FAST component of the SBIR/STTR program because CSIT staff and several NJEDA staff have taken training from the SBA to provide SBIR coaching and assistance to companies. CSIT will still be able to provide some sort of technical assistance in the future to companies seeking to apply to the SBIR/STTR program. In addition, the proposed workplan and scope of activities that the NJ FAST applicants described would need to be modified significantly to address the ongoing social distancing guidelines so funding the proposed programs is likely not to be a prudent use of CSIT funds

**Request:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Eliminate component 1 (Technical assistance: FAST grant of \$125k) of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Support Program.

  
\_\_\_\_\_  
Gunjan Doshi  
Chairman

Prepared by: Fatou Jobe



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

## **MEMORANDUM**

**TO:** Members of New Jersey Commission on Science, Innovation, and Technology

**FROM:** Gunjan Doshi  
Chair, New Jersey Commission on Science, Innovation, and Technology

**DATE:** June 5, 2020

**RE:** Additional funding of \$25k to Direct Financial Assistance of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Support Program

### **Proposal:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve \$25k of additional funding to component 2 (Direct Financial Assistance) of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Support Program

### **Background and Context**

On September 20th, 2019, Members approved a \$375k grant program to enhance NJ's innovative economy by providing financial support to NJ small businesses seeking to or participating in the Federal SBIR/STTR program to be allocated as follows:

- Seven (7) Phase I grants of \$25k (total budget of \$175k) and
- Four (4) Phase II grants of \$50k each (total budget of \$200k)

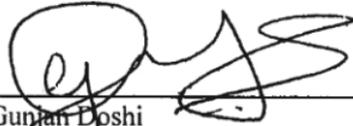
Twenty-two (22) companies applied. Based on the applicant mix, the CSIT Board approved funding for 11 Phase I awards (\$275K total) and 2 Phase II awards (\$100K). All companies were given the option to appeal, regardless of reason for denial. Six companies appealed and the Hearing Officer has completed the review and is recommending one (1) Phase I application of \$25k to be evaluated and scored.

To ensure the CSIT's ability to provide funding to all successfully scored applicants, it is recommended that an additional \$25K be added to component 2 (Direct Financial Assistance) of the SBIR/STTR Program.

**Request:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve \$25k of additional funding to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Support Program



Gunjan Doshi  
Chairman

Prepared by: Fatou Jobe

# **REVIEW OF HEARING OFFICER'S RECOMMENDATIONS FOR APPEALS**

# Summary of component 2 (Direct Financial Assistance) appeals of the SBIR/STTR program

Company	Reason for denial (Missing documentation)	Hearing Officer's recommendation
Aspen Consulting Group Inc	<ul style="list-style-type: none"> <li>• Missing NJ WR 30 (if structured as a C-Corporation) or Shareholder Agreement of K-1 (if structured as an LLC)</li> <li>• Missing 1099/W2 for company employ</li> </ul>	<p><b>Deny appeal</b></p> <ul style="list-style-type: none"> <li>• No employee information provided in application as part of its application</li> </ul>
Innovations Unlimited LLC	NJ Tax Clearance Certificate	<p><b>Deny appeal</b></p> <ul style="list-style-type: none"> <li>• Could not obtain a Tax Clearance Certificate before due date; had an issue with 2017 NJ 1065</li> </ul>
JME Group Associates Inc	<ul style="list-style-type: none"> <li>• Missing NJ WR 30 (if structured as a C-Corporation) or Shareholder Agreement of K-1 (if structured as an LLC)</li> <li>• Missing 1099/W2 for company employees</li> </ul>	<p><b>Deny appeal</b></p> <ul style="list-style-type: none"> <li>• Was not able to provide IRS documentation to verify S-Corp status before the Hearing Officer's deadline</li> </ul>



# Summary of component 2 (Direct Financial Assistance) appeals of the SBIR/STTR program

Company	Reason for denial (Missing documentation)	Hearing Officer's recommendation
Plumeria Therapeutics Inc	NJ Business Registration Certificate	<b>Approve appeal</b> <ul style="list-style-type: none"> <li>• Provided a Business Registration receipt as an alternative in application</li> </ul>
Princeton Infared Technologies Inc	<ul style="list-style-type: none"> <li>• Proof of SBIR Phase I award</li> <li>• Copy of Phase I final report</li> <li>• Proof of Phase II submission</li> <li>• NJ Business Registration</li> <li>• NJ WR 30 (structured as a C-Corporation) or Shareholder Agreement or K-1 if structured as an LLC)</li> <li>• NJ Tax Clearance Certificate</li> </ul>	<b>Deny appeal</b> <ul style="list-style-type: none"> <li>• Some of the missing documentation was later provided during the appeal, however the application was incomplete at time of submission</li> </ul>
SunRay Scientific LLC	NJ Tax Clearance Certificate	<b>Deny appeal</b> <ul style="list-style-type: none"> <li>• No evidence of attempting to obtain a Tax clearance certificate prior to the application deadline; subsequently obtained one in March 2020</li> </ul>





Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**MEMORANDUM**

**TO:** Members of New Jersey Commission on Science, Innovation, and Technology

**FROM:** Gunjan Doshi, Chair  
New Jersey Commission on Science, Innovation, and Technology

**DATE:** June 5, 2020

**RE:** Vote on Hearing Officer's Recommendation on Aspen Consulting Group's Appeal of Denial Decision for the New Jersey Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Grant Program

**Proposal:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve the Hearing Officer's recommendation to deny Aspen Consulting Group's appeal of and affirm the CSIT's denial for a Phase II grant of \$50k for the SBIR/STTR support program.

**Background and Context**

Aspen Consulting Group Inc applied for a Phase II grant of \$50k from CSIT's SBIR/STTR Program. The application was received on January 17, 2020 and after a document completeness review, it was marked as an incomplete application due to the following:

1. Missing NJ WR 30 (if structured as a C-Corporation) or Shareholder Agreement of K-1 (if structured as an LLC)
2. Missing 1099/W2 for company employees

The Company was issued a denial letter on February 26, 2020 and given the option to appeal the decision. The Company appealed the denial decision based on the following grounds;

1. "Aspen Consulting Group did not submit a NJ WR 30 because we are structured as an S-Corporation and the instructions to submit only apply to a C-Corp"
2. "Aspen Consulting Group is not a C-Corp, nor do we have a Shareholder Agreement or K1 because we are not structured as an LLC. Therefore, we did not include a NJ WR 30 in our application packet because it was not applicable"

**CSIT’s Recommendation on Aspen Consulting Group’s appeal**

The CSIT Notice of Funding (NOF) posted on the website does not reference any required employee documentation in relation to entities structured as S-Corps, however it does reference submission of a 1099 or W-2 in the NOF attachment (on Page 8) and in the Document Checklist (posted on the CSIT website). The Company did not provide any information regarding employee payroll including a 1099 or W-2 as part of its original submission on January 17, 2020. As such, CSIT recommended to deny the appeal from Aspen Consulting Group.

**Hearing Officer’s Review and Recommendation of Aspen Consulting Group’s Appeal**

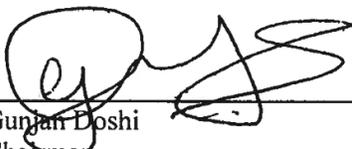
The Hearing Officer’s review found no evidence that Aspen Consulting Group complied with the Notice of Funding requirement to submit 1099 or W-2 documentation with its application materials by January 20, 2020. The company indicated 45 New Jersey employees and should have included 1099 or W-2 documentation for these 45 employees. In addition, Aspen Consulting Group should have provided evidence that it was not formed as a C Corporation or an LLC, but rather as a Subchapter S Corporation to satisfy the first issue for which its application was declined (not providing a WR-30 or Shareholder Agreement or K-1).

The Hearing Officer recommended “upholding the rejection of Aspen Consulting Group’s application for a Phase II bridge grant because its application was not complete by January 20, 2020”.

**Request:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve the Hearing Officer’s recommendation to deny Aspen Consulting Group’s appeal of and affirm the CSIT’s denial for a Phase II grant of \$50k for the SBIR/STTR support program.

  
\_\_\_\_\_  
Gunjan Doshi  
Chairman

Prepared by: Fatou Jobe



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**MEMORANDUM**

**TO:** Members of the Commission on Science, Innovation and Technology

**FROM:** John J. Rosenfeld  
Hearing Officer

**DATE:** June 5, 2020

**RE::** Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Federal Grant Programs  
Appeal – Aspen Consulting Group

**BACKGROUND:**

The Commission on Science, Innovation and Technology (CSIT) issued a Notice of Funding for Round 1 of direct financial assistance for businesses applying to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Federal grant programs on December 16, 2019. The funding created a \$500,000 grant pilot support program to provide technical and financial support to New Jersey's small businesses seeking or undergoing the Federal SBIR/STTR grant program. CSIT's program is structured into two components and this Notice of Funding falls under Component 2 (Direct Financial Assistance).

Component 2, Direct Financial Assistance, offers two grant programs with a total of \$375,000 budgeted for grants. Of that total, \$175,000 in matching grants is available for seven (7) Phase I winners and \$200,000 in bridge grants is available for four (4) Phase II applicants.

Applications for this funding were due by January 20, 2020 and were required to be "complete and in full compliance with all requirements." Any applicant that submitted an application for funding that was deemed to be incomplete was informed of the specific information that was missing from its submission and the documents submitted were not evaluated. These applicants were also provided an opportunity to appeal the initial denial by the CSIT. A Hearing Officer is assigned to provide an independent review of any appeals. I am fulfilling the role of Hearing Officer and have completed my review of the appeals.

The CSIT received 15 applications from Phase I applicants and seven (7) applications for Phase II applicants. Three (3) of the Phase I applicants' applications were deemed incomplete and five (5) of the Phase II applicants' applications were deemed incomplete. In terms of appeals, two (2) of the declined Phase I applicants appealed and four (4) of the declined Phase II applicants appealed.

### **Aspen Consulting Group**

Aspen Consulting Group's application was rejected for:

1. Not providing a WR-30 (if structured as a C-Corporation) or a Shareholder Agreement or K-1 (if structured as an LLC)
2. Not providing a 1099 or W-2 for company employees

The Contracts Manager of Aspen Consulting Group, Jan Holderness, appealed this decision via a letter dated March 3, 2020. In that letter, the Contracts Manager stated: "ACG is not a C-Corp nor do we have a Shareholder Agreement or K1 because we are not structured {sic} as an LLC. Therefore, we did not include a NJ WR 30 in our application packet because it was not applicable. The request for 1099/W-2 information was not included in the list of documentation for the application per the instructions stated below:

*Applications for **Bridge grant for Phase 2 Applicants** shall include the following documentation:*

1. *Completed and signed Application form*
2. *Proof of Phase I award and completion prior to the issuance of this Notice of Funding: The company must provide evidence that the Phase I final report was received and accepted by the Federal SBIR/STTR agency, that the terms of the SBIR/STTR Phase I grant agreement/contract between the company and the participating Federal agency were satisfactorily met by the company*
  - *Proof of Phase I award*
  - *A copy of the Phase I final report*
3. *Proof of Phase II application submission: proof that Phase II proposal has been submitted to and received by the participating Federal agency.*
  - *An example of this would be written or electronic notification from the agency confirming date of proposal receipt*
  - *A copy of the Phase II proposal submitted to sponsoring agency*
4. *NJ business registration: <https://www.nj.gov/njbusiness/registration/>*
5. ***NJ WR30 (if structured as a C-Corporation)***
6. ***Shareholder Agreement or K-1 (if structured as an LLC)***
7. *Copy of State issued identification document for designated Principal investigator/project manager of the project*
8. *Tax Certificate Clearance: [https://www16.state.nj.us/NJ\\_PREMIER\\_EBIZ/jsp/home.jsp](https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp) Please note that the tax clearance will need to be renewed every 6 months*

ACG did comply with all the requested documentation listed above.

*The request for 1099 or W-2 information appeared in Exhibit A but did not provide any detail on which employees we should submit these for. ACG does not have any 1099 employees therefore we did not include this information in our application."*

CSIT's analysis of Aspen Consulting Group's appeal concedes that the Notice of Funding did not require Subchapter S Corporations to submit a WR-30, shareholder agreement or a K-1 statement. However, CSIT recommends declining the appeal because the applicant did not submit 1099 or W-2 documentation (or any acceptable alternative) as required by Appendix A on Page 8 of the Notice of Funding as well as the Document Checklist posted on the CSIT website with its application on January 17, 2020.

After reviewing the information provided by Aspen Consulting Group, the written appeal information provided by Aspen Consulting Group as well as the appeal recommendation provided by the CSIT, I find no evidence that Aspen Consulting Group complied with the Notice of Funding requirement to submit 1099 or W-2 documentation with its application materials by January 20, 2020. In addition to Appendix A on Page 8 of the Notice of Funding, the requirement to provide 1099 or W-2 documentation is also contained on Page 1 of the application for this CSIT grant in Box 16 where it states, "*Current # of employees in NJ (full and part time) (please attach most recent payroll-W-2/1099)*". Aspen Consulting Group indicated that it had 45 New Jersey employees in this box and should have included 1099 or W-2 documentation for these 45 employees. Lastly, Aspen Consulting Group should have provided evidence that it was not formed as a C Corporation or an LLC, but rather as a Subchapter S Corporation to satisfy the first issue for which its application was declined (not providing a WR-30 or Shareholder Agreement or K-1).

**RECOMMENDATION:**

After careful consideration of the appeal information provided by Aspen Consulting Group and the CSIT, I recommend upholding the rejection of Aspen Consulting Group's application for a Phase II bridge grant because its application was not complete by January 20, 2020.

- c. J. Sheft  
J. Holderness



May 13, 2020

John J. Rosenfeld  
Hearing Officer  
NJ Commission on Science, Innovation and Technology

**SUBJECT:** Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Federal Grant Programs  
Appeal - Aspen Consulting Group - Phase II

**Re:** 5 June Board Meeting - Commission on Science, Innovation and Technology

Dear Mr. Rosenfeld,

Aspen Consulting Group (ACG) Inc. is in receipt of your independent review of our appeal concerning our application for STTR Phase II funding. In accordance with the direction provided in your email dated 8 May 2020, ACG submits the following information for your consideration and presentation to the Board Meeting on 5 June 2020.

ACG has enclosed a redacted copy of our NJ WR30 and a copy of our official notification from the State of NJ as an S-Corp. ACG believes the submission of these two documents will fulfill the requirements that were previously lacking in our application.

We apologize for misinterpreting the instructions on our previous submission and request the enclosed copies be presented to the board on 5 June 2020 for reconsideration of our STTR Phase II application.

Thank you for your attention and consideration of our request. I look forward to the final board decision concerning our appeal.

Sincerely,

A handwritten signature in black ink that reads "Jan Holderness".

Jan Holderness  
Contracts Manager  
Aspen Consulting Group Inc.



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**MEMORANDUM**

**TO:** Members of New Jersey Commission on Science, Innovation, and Technology

**FROM:** Gunjan Doshi  
Chair, New Jersey Commission on Science, Innovation, and Technology

**DATE:** June 5, 2020

**RE:** Vote on Hearing Officer's Recommendation on Innovations Unlimited LLC's Appeal of Denial Decision for the New Jersey Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Grant Program

**Proposal:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve the Hearing Officer's recommendation to deny Innovations Unlimited LLC's appeal and affirm the CSIT's denial for a Phase II grant of \$50k for the SBIR/STTR support program.

**Background and Context**

Innovations Unlimited LLC applied for a Phase II grant of \$50k from CSIT's SBIR/STTR Program. The application was received on January 20, 2020 and after a document completeness review, it was marked as an incomplete application due to the following:

1. Missing NJ Tax Clearance Certificate
2. The Company did not communicate to CSIT that it was having issues obtaining a NJ Tax clearance certificate at the time of submission on January 20, 2020
3. When CSIT consulted the Office of Taxation to inquire if the Company has attempted to apply for a NJ Tax clearance certificate, it was informed that Taxation have "not heard from the Company via email or paper application"

The Company was issued a denial letter on February 26, 2020 and given the option to appeal the decision. The Company appealed the denial decision based on the following grounds;

1. The Company followed the instructions to apply for a NJ Tax Clearance Certificate which is available to be obtained online
2. The Company did begin the process to apply for the NJ Tax Clearance Certificate on January 18, 2020 but received an error message and emailed the Office of Taxation for assistance
3. This was the Company's first attempt first time applying for a NJ Grant and were unfamiliar with what the NJ Tax Clearance Certificate would look like or what information it would have on it

**CSIT’s Recommendation on Innovations Unlimited LLC Appeal**

After the Company was issued the declination letter, they provided evidence to CSIT on attempts to obtain a NJ tax Clearance certificate prior to the application deadline. CSIT contacted the Office of Taxation and provided the evidence from the Company. On March 5, 2020, the Office of Taxation confirmed to CSIT that “Innovations Unlimited LLC initially reached out on January 19, 2020 and followed up about the missing return on February 6, 2020”. With the new information, CSIT originally recommended to the hearing officer that the application from Innovations Unlimited LLC be evaluated and scored.

**Hearing Officer’s Review and Recommendation of Innovations Unlimited LLC Appeal**

During the appeal review, the Hearing Officer found that, while Innovations Unlimited, LLC attempted to obtain a New Jersey Tax Clearance Certificate prior to the application deadline, they could not have obtained the required New Jersey Tax Clearance Certificate by the deadline as they had a tax problem at that time. The issue encountered was not a technical issue with the website but stemmed from the fact that Innovations Unlimited, LLC had not filed its 2017 NJ-1065 at the time. It subsequently provided the NJ Tax Clearance Certificate to CSIT on February 13, 2020 which was beyond the one-week extension provided.

The Hearing Officer recommended “upholding the rejection of Innovations Unlimited, LLC’s application for a Phase II bridge grant because its application was not complete by January 20, 2020”. Based on the appeal review, CSIT recommends that the appeal be denied.

**Request:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve the Hearing Officer’s recommendation to deny Innovations Unlimited LLC’s appeal and affirm the CSIT’s denial for a Phase II grant of \$50k for the SBIR/STTR support program.

  
\_\_\_\_\_  
Gunjan Doshi  
Chairman

Prepared by: Fatou Jobe



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**MEMORANDUM**

**TO:** Members of the Commission on Science, Innovation and Technology

**FROM:** John J. Rosenfeld  
Hearing Officer

**DATE:** June 5, 2020

**SUBJECT:** Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Federal Grant Programs  
Appeal – Innovations Unlimited, LLC

**BACKGROUND:**

The Commission on Science, Innovation and Technology (CSIT) issued a Notice of Funding for Round 1 of direct financial assistance for businesses applying to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Federal grant programs on December 16, 2019. The funding created a \$500,000 grant pilot support program to provide technical and financial support to New Jersey's small businesses seeking or undergoing the Federal SBIR/STTR grant program. CSIT's program is structured into two components and this Notice of Funding falls under Component 2 (Direct Financial Assistance).

Component 2, Direct Financial Assistance, offers two grant programs with a total of \$375,000 budgeted for grants. Of that total, \$175,000 in matching grants is available for seven (7) Phase I winners and \$200,000 in bridge grants is available for four (4) Phase II applicants.

Applications for this funding were due by January 20, 2020 and were required to be "complete and in full compliance with all requirements." Any applicant that submitted an application for funding that was deemed to be incomplete was informed of the specific information that was missing from its submission and the documents submitted were not evaluated. These applicants were also provided an opportunity to appeal the initial denial by the CSIT. A Hearing Officer is assigned to provide an independent review of any appeals. I am fulfilling the role of Hearing Officer and have completed my review of the appeals.

The CSIT received 15 applications from Phase I applicants and seven (7) applications for Phase II applicants. Three (3) of the Phase I applicants' applications were deemed incomplete and five (5) of the Phase II applicants' applications were deemed incomplete. In terms of appeals, two (2) of the declined Phase I applicants appealed and four (4) of the declined Phase II applicants appealed.

### **Innovations Unlimited, LLC**

Innovations Unlimited, LLC's application was rejected for:

1. Not providing its New Jersey Tax Clearance Certification

The Co-Owner of Innovations Unlimited, LLC, Darleen Sawyer, appealed this decision via an e-mail dated February 29, 2020. In that e-mail, the Co-Owner stated: "*we would like to appeal the decision on the following grounds:*

- 1. We followed the instructions to apply for a NJ Tax Clearance Certificate which is available to be obtained online.*
- 2. We did begin the process to apply for the NJ Tax Clearance Certificate on January 18, 2020. I had to apply for a MyNewJersey account and a Premier Business Services account.*
- 3. Once I applied for the accounts and attempted to obtain the NJ Tax Clearance Certificate, I received an error message stating "The account requires further review"*
- 4. This was our first time applying for a NJ Grant and were unfamiliar with what the NJ Tax Clearance Certificate would look like or what information it would have on it. We did send evidence (copies of the webpages) with the initial application that stated that we did not owe any taxes and that our quarterly taxes were filed and up to date. We also sent copies of all of our tax returns since we started our business in 5/2016. I sent several emails to [BusinessAssistanceTC.Taxation@treas.nj.gov](mailto:BusinessAssistanceTC.Taxation@treas.nj.gov) and [nj.taxation@treas.state.nj.us](mailto:nj.taxation@treas.state.nj.us) to inquire as to why I couldn't access the NJ Tax Clearance Certificate. I received a reply that our 2017 NJ 1065 was not filed. We used a tax software to file our 2017 business taxes in 2018 because our tax preparer died and we could not find a replacement right away. We were unaware that the 2017 NJ 1065 was not filed. We immediately filed the 2017 NJ 1065. It took a few days before the 2017 NJ 1065 was posted as received on the website and a few more days before I could access the NJ Tax Clearance Certificate. I checked for it every day and we forwarded it to CSIT as soon as it was available.*
- 5. I have attached email conversations with both of the above mentioned government agencies as proof of the inquiries."*

CSIT's analysis of Innovations Unlimited, LLC's appeal concludes that Innovations Unlimited, LLC provided documentation evidencing its attempts to obtain a New Jersey Tax Clearance Certificate prior to the application deadline. On March 5, 2020, the NJ Division of Taxation confirmed to CSIT that Innovations Unlimited, LLC reached out on January 19, 2020 and followed up about the missing return on February 6, 2020. Taxation confirmed that the Company had, in good faith, attempted to comply with the application requirements by applying for a tax clearance certificate prior to the application deadline. CSIT finds the new information acceptable and recommends approval of Innovations Unlimited LLC's appeal.

After reviewing the information provided by Innovations Unlimited, LLC, the written appeal information provided by Innovations Unlimited, LLC as well as the appeal recommendation provided by the CSIT, I find that while Innovations Unlimited, LLC attempted to obtain a New Jersey Tax Clearance Certificate prior to the application deadline, Innovations Unlimited LLC could not have obtained the required New Jersey Tax Clearance Certificate by the deadline as Innovations Unlimited, LLC had a tax problem at that time. During my review, I found an e-mail from Brian Sabina, Senior Vice President, Economic Transformation at the NJEDA indicating that he was fine allowing a one week extension to provide the tax clearance documentation due to challenges with Taxation's tax clearance website as long as CSIT has proof

that the applicants tried to obtain tax clearance prior to the deadline. A one week extension due to technical difficulties with a third-party website seems reasonable as long as the extension is applied equitably to all of the applicants having this issue, which I believe it was. While the NJ Division of Taxation did confirm that Innovations Unlimited, LLC started the process of obtaining its NJ Tax Clearance Certificate on January 19, 2020, prior to the deadline, the issue it encountered was not a technical issue with the website but stemmed from the fact that Innovations Unlimited, LLC had not filed its 2017 NJ-1065 at the time. Innovations Unlimited, LLC subsequently filed its 2017 NJ-1065 and sent an e-mail to the CSIT indicating it was forwarding the NJ Tax Clearance Certificate on February 13, 2020 (though I did not find the referenced tax clearance certificate during my review). As providing the NJ Tax Clearance Certificate to CSIT on February 13, 2020 is beyond the one week extension provided and the issue encountered by Innovations Unlimited, LLC was not a technical issue with the NJ Division of Taxation's website but a tax issue that precluded the issuance of a NJ Tax Clearance Certificate, I find that the applicant did not comply with the Notice of Funding requirement to submit a NJ Tax Clearance Certificate with its application materials by January 20, 2020.

**RECOMMENDATION:**

After careful consideration of the appeal information provided by Innovations Unlimited, LLC and the CSIT, I recommend upholding the rejection of Innovations Unlimited, LLC's application for a Phase II bridge grant because its application was not complete by January 20, 2020.

- c. J. Sheft
- D. Sawyer

**From:** dsawyer@innovationsunlimitedllc.com <dsawyer@innovationsunlimitedllc.com>  
**Sent:** Tuesday, May 12, 2020 5:16 PM  
**To:** John Rosenfeld <JRosenfeld@njeda.com>  
**Cc:** Judith A. Sheft <jsheft.csit@njeda.com>; 'dorothy owens' <dm.owens@hotmail.com>  
**Subject:** RE: CSIT Appeal Information

Mr. Rosenfeld,

We would like to respectfully submit further documentation for your consideration of our appeal. We would like to paint a full picture of the series of events, with supporting documentation, that surrounded the attempt to obtain our Tax Clearance Certificate.

I have attached a copy of each email that was sent to and received from 3 New Jersey Tax entities (State of NJ Department of the Treasury, Division of Taxation, Taxation Business Assistance, and NJ Portal)

The following is a list of the attachments:

1. Printout from the Division of Taxation, dated 1/19/20 (Showing no tax debt as of 1/19/20). This was included with the original application that was submitted because we didn't know if we would get our Tax Clearance Certificate by the deadline
2. Each email conversation with tax entities
3. Proof of date of current filing 2017 NJ 1065 after confirmation original was not received in 2018
4. Tax Clearance Certificate
5. My personal tax return with NJ 1065 form attached as it was filed with Taxact Software in 2017.

We are a very professional business and are serious about filing our taxes each year and we have never owed or been delinquent on any of our taxes. We have always hired tax professionals to prepare our taxes. Our tax professional died in 2017 and we didn't find out until 2018 when we attempted to make an appointment to file our 2017 taxes. We searched for another tax preparer. Although there were many around, they were either very expensive or were booked for the entire season. We thought we had submitted our NJ taxes with Taxact tax software. We entered all of the information into the software and submitted it. We are not sure why it wasn't received by the state of NJ. We always file long before the due date. We did not receive a notice that our taxes were not filed for the 2017 tax year and we were never assessed any penalty for not filing taxes. We did submit the 2017 return as soon as it was confirmed that it was not on file. We even checked with Taxact and was told it was filed. We provided the confirmation number to the Division of Taxation and was again informed that it was not on file and that the Division doesn't have any such number. Although, you may not have found a technical error with the Taxation Division, there was definitely an error in transmission of our 2017 NJ 1065 tax return between Taxact and the Taxation Division.

We learned a valuable lesson from this experience and we have been checking to ensure that each return that we filed has been documented as filed on the divisions website.

Please consider all documents submitted and feel free to contact us with any additional questions.

Best regards,

Darleen Sawyer

**From:** John Rosenfeld <[JRosenfeld@njeda.com](mailto:JRosenfeld@njeda.com)>  
**Sent:** Friday, May 8, 2020 2:31 PM  
**To:** [dsawyer@innovationsunlimitedllc.com](mailto:dsawyer@innovationsunlimitedllc.com)  
**Cc:** Judith A. Sheft <[jsheft.csit@njeda.com](mailto:jsheft.csit@njeda.com)>  
**Subject:** CSIT Appeal Information

Ms. Darleen Sawyer,

I was appointed Hearing Officer to provide an independent review of Innovations Unlimited LLC's appeal of the Commission on Science, Innovation and Technology's (CSIT) decision to decline funding through the Small Business Innovation Research or Small Business Technology Transfer federal grant programs.

I have completed my review of Innovations Unlimited LLC's appeal and I am attaching my recommendation to this e-mail. Please note, my recommendation is just that, a recommendation to the Board of the Commission on Science, Innovation and Technology. The CSIT Board will make the final decision on whether to adopt, reject, or modify my recommendation.

The CSIT Board is scheduled to meet on June 5, 2020. If you wish to submit objections or exceptions to my recommendation to the CSIT Board for their consideration, please email your written comments to me on or before May 22, 2020. At the CSIT Board Chairperson's discretion, you may also be able to present your objections or exceptions at the CSIT Board meeting. If you choose to attend the meeting, please note that it may occur via teleconference due to coronavirus emergency procedures. Details on the CSIT Board meeting time and location can be obtained by visiting <https://www.njeda.com/about/Public-Information/CSIT/CSIT-Board-Schedule>.

Thank you for your interest in the CSIT assistance program. If you have any questions, please let me know.

Thank you.

John J. Rosenfeld  
Hearing Officer



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**MEMORANDUM**

**TO:** Members of New Jersey Commission on Science, Innovation, and Technology

**FROM:** Gunjan Doshi  
Chair, New Jersey Commission on Science, Innovation, and Technology

**DATE:** June 5, 2020

**RE:** Vote of Hearing Officer's Recommendation on JME Group Associates Inc's Appeal of Denial Decision for the New Jersey Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Grant Program

**Proposal:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve the Hearing Officer's recommendation to deny JME Group Associates Inc's appeal of the CSIT's denial for a Phase II grant of \$50k for the SBIR/STTR support program.

**Background and Context**

JME Group Associates Inc applied for a Phase II grant of \$50k from CSIT's SBIR/STTR Program. The application was received on January 16, 2020 and after a document completeness review, it was marked as an incomplete application due to the following:

1. Missing NJ WR 30 (if structured as a C-Corporation) or Shareholder Agreement of K-1 (if structured as an LLC)
2. Missing 1099/W2 for company employees

The Company was issued a denial letter on February 26, 2020 and given the option to appeal the decision. The Company appealed the denial decision based on the following grounds;

1. JME Group Associates Inc did not submit the necessary employee information because the company is structured as an S-Corp and the Notice of Funding did not provide any employee documentation requirement from entities structured as an S-Corp.

**CSIT's Recommendation on JME Group Associates Inc Appeal**

The CSIT Notice of Funding posted on the website did not reference any required employee documentation in relation to entities structured as S-Corps, however it did reference submission of a 1099 or W-2. The Company did attempt to provide some form of employee verification by submitting a summary of their internal payroll as part of its original application.

Given that the Company attempted to submit some form of payroll information in good faith, CSIT originally recommended that the grant denial decision for JME Group Associates Inc be reversed and the application from JME Group Associates Inc to be evaluated and scored.

**Hearing Officer’s Review and Recommendation on JME Group Associates Inc Appeal**

During the review, the Hearing Officer requested documentation from JME Group Associates, illustrating that the company is in fact, an S-Corp., however the documentation provided did not have any indication as to the structure of the company. The Hearing Officer then requested for the IRS determination letter that notifies applicants if their election to be an S-Corp. has been either accepted or rejected; additional time to provide said determination letter from the IRS was given to JME Group Associates, however no further response or documentation was received from JME group Associates, Inc. in writing before the deadline.

The Hearing Officer recommended “rejecting the appeal of JME Group Associates, Inc.’s application for a Phase II bridge grant, because its application was not complete by January 20, 2020”. Based on the appeal review, CSIT recommends upholding the denial of appeal.

**Request:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve the Hearing Officer’s recommendation to deny JME Group Associates Inc’s appeal of the CSIT’s denial for a Phase II grant of \$50k for the SBIR/STTR support program.

  
\_\_\_\_\_  
Gunjan Doshi  
Chairman

Prepared by: Fatou Jobe



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

### **MEMORANDUM**

**TO:** Members of the Commission on Science, Innovation and Technology

**FROM:** John J. Rosenfeld  
Hearing Officer

**DATE:** June 5, 2020

**SUBJECT:** Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Federal Grant Programs  
Appeal – JME Group Associates, Inc.

### **BACKGROUND:**

The Commission on Science, Innovation and Technology (CSIT) issued a Notice of Funding for Round 1 of direct financial assistance for businesses applying to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Federal grant programs on December 16, 2019. The funding created a \$500,000 grant pilot support program to provide technical and financial support to New Jersey's small businesses seeking or undergoing the Federal SBIR/STTR grant program. CSIT's program is structured into two components and this Notice of Funding falls under Component 2 (Direct Financial Assistance).

Component 2, Direct Financial Assistance, offers two grant programs with a total of \$375,000 budgeted for grants. Of that total, \$175,000 in matching grants is available for seven (7) Phase I winners and \$200,000 in bridge grants is available for four (4) Phase II applicants.

Applications for this funding were due by January 20, 2020 and were required to be "complete and in full compliance with all requirements." Any applicant that submitted an application for funding that was deemed to be incomplete was informed of the specific information that was missing from its submission and the documents submitted were not evaluated. These applicants were also provided an opportunity to appeal the initial denial by the CSIT. A Hearing Officer is assigned to provide an independent review of any appeals. I am fulfilling the role of Hearing Officer and have completed my review of the appeals.

The CSIT received 15 applications from Phase I applicants and seven (7) applications for Phase II applicants. Three (3) of the Phase I applicants' applications were deemed incomplete and five (5) of the Phase II applicants' applications were deemed incomplete. In terms of appeals, two (2) of the declined Phase I applicants appealed and four (4) of the declined Phase II applicants appealed.

**JME GROUP ASSOCIATES, INC.**

JME Group Associates, Inc.'s application was rejected for:

1. Not providing a WR-30 (if structured as a C-Corporation) or a Shareholder Agreement or K-1 (if structured as an LLC)

The VP Research of JME Group Associates, Inc., Frank Martiniuk, PhD, appealed this decision via an undated letter. In that letter, the VP Research stated: *“We are appealing the decision to not review our proposal to the New Jersey Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) grant Program Phase II grant of \$50,000 due to failure to submit all required documentation pursuant to the Notice of Funding-NJ WR 30 (if structured as a C-Corporation) or Shareholder Agreement or K-1 (if structured as an LLC). We did not submit the information since we are an S-Corp and will be certifying our company as a B-Corp in the future.”* The appeal letter also indicated that JME Group Associates, Inc. was required to list its shareholders and their percentage ownership as part of its SBIR Phase I grant application. There are three (3) shareholders of JME Group Associates, Inc. each with approximately 1/3 ownership of the applicant.

CSIT's analysis of JME Group Associates, Inc.'s appeal concedes that the Notice of Funding did not require Subchapter S Corporations to submit a WR-30, shareholder agreement or a K-1 statement. Additionally, CSIT indicated that in lieu of submitting a 1099 or W-2 documentation, alternative documents were allowed per the response to question #10 of the Frequently Asked Questions section of CSIT's website. JME Group Associates, Inc. had provided a summary of internal payroll documentation. The CSIT found the submission of the internal payroll documentation to be acceptable.

After reviewing the application information provided by JME Group Associates, Inc., the written appeal information provided by JME Group Associates, Inc., follow-up information obtained from JME Group Associates, Inc.'s VP Research, Frank Martiniuk as well as the appeal recommendation provided by the CSIT, I find no evidence that JME Group Associates, Inc. complied with the requirements of the Notice of Funding. JME Group Associates, Inc. indicated in its appeal that it did not submit a WR-30 (if structured as a C-Corporation) or Shareholder Agreement or K-1 (if structured as an LLC) because it is an S-Corp. However, JME Group Associates, Inc. provided no evidence that it was an S-Corp. I sent a follow-up e-mail to Dr. Martiniuk on April 13, 2020 requesting documentation illustrating that JME Group Associates, Inc. is, in fact, an S-Corp. The document I received in response was the Certificate of Incorporation of JME Group Associates, Inc. but it did not provide any indication as to the structure of the applicant. I then requested additional information that would demonstrate that JME Group Associates, Inc. is an S-Corp. I received an undated, unexecuted copy of the 2018 corporate tax return for the applicant which included form 2553 in which JME Group Associates, Inc. sought to become an S-Corp as of January 1, 2020. I researched form 2553 and found that the instructions for form 2553 indicate that the IRS must accept the election of the applicant and will provide a determination letter shortly after form 2553 is filed: *“The service center will notify the corporation if its election is accepted and when it will take effect. The corporation will also be notified if its*

*election isn't accepted. The corporation should generally receive a determination on its election within 60 days after it has filed form 2553."* As these instructions indicate the IRS will issue a determination letter notifying the applicant if its election to be an S-Corp. is either accepted or rejected, I afforded JME Group Associates, Inc. additional time to provide said determination letter from the IRS. I have received no further response or documentation from JME group Associates, Inc. as of this writing. Note, JME Group Associates, Inc. was not declined for not providing 1099 or W-2 documentation presumably based on the summary of internal payroll documentation provided with its application as mentioned in CSIT's appeal recommendation.

**RECOMMENDATION:**

After careful consideration of the appeal information provided by JME Group Associates, Inc. and follow-up information provided by JME Group Associates, Inc. and the CSIT, I recommend rejecting the appeal of JME Group Associates, Inc.'s application for a Phase II bridge grant, because its application was not complete by January 20, 2020.

- c. J. Sheft  
F. Martiniuk, PhD



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**MEMORANDUM**

**TO:** Members of New Jersey Commission on Science, Innovation, and Technology

**FROM:** Gunjan Doshi  
Chair, New Jersey Commission on Science, Innovation, and Technology

**DATE:** June 5, 2020

**RE:** Vote on Hearing Officer's recommendation on Plumeria Therapeutics Inc's appeal of denial decision for the New Jersey Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) grant program

**Proposal:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve the Hearing Officer's recommendation to approve Plumeria Therapeutics Inc's appeal of CSIT's denial for a Phase I grant of \$25k for the SBIR/STTR support program.
2. Direct staff to score the application of Plumeria Therapeutics Inc.
3. Delegate authority to the Executive Director to award a Phase I grant of \$25k to Plumeria Therapeutics Inc.'s for the SBIR/STTR support program.

**Background and Context**

Plumeria Therapeutics Inc applied for a Phase I grant of \$25k from CSIT's SBIR/STTR Program. The application was received on January 19, 2020 and after a document completeness review, it was marked as an incomplete application due to the following:

1. Missing NJ Business registration certificate

The Company was issued a denial letter on February 26, 2020 and given the option to appeal the decision. The Company appealed the denial decision based on the following grounds;

1. It submitted a NJ Business registration receipt as part of its original application submission on January 19, 2020.

**CSIT's Recommendation on Plumeria Therapeutics Inc Appeal**

After further review, CSIT staff concurred with Plumeria Therapeutics Inc that the company's Business registration was submitted as part of its application on January 19, 2020 and was in compliance with the application requirements. The Company submitted a copy of their NJ Business registration receipt as opposed to a NJ Business registration certificate and this is acceptable. It was an oversight that occurred during CSIT staff's responsiveness review, and therefore staff recommended that the application from Plumeria Therapeutics Inc to be evaluated and scored.

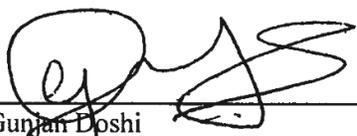
**Hearing Officer’s Recommendation on JME Group Associates Inc Appeal**

“After careful consideration of the appeal information and follow-up information provided by Plumeria Therapeutics Inc. and the CSIT, I recommend approving the appeal of Plumeria Therapeutics Inc.’s application allowing it to be reviewed and scored with the other applicants for a Phase I matching grant as it met the documentation requirements of the Notice of Funding and this documentation was received prior to the deadline of January 20, 2020”.

**Request:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve the Hearing Officer’s recommendation on Plumeria Therapeutics Inc’s appeal of denial decision for a Phase I grant of \$25k for the SBIR/STTR support program.
2. Direct staff to score the application of Plumeria Therapeutics Inc.
3. Delegate authority to the Executive Director to award a Phase I grant of \$25k to Plumeria Therapeutics Inc.’s for the SBIR/STTR support program if funding is available.



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Gunjan Doshi  
Chairman

Prepared by: Fatou Jobe



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**MEMORANDUM**

**TO:** Members of the Commission on Science, Innovation and Technology

**FROM:** John J. Rosenfeld  
Hearing Officer

**DATE:** June 5, 2020

**RE:** Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Federal Grant Programs  
Appeal – Plumeria Therapeutics Inc.

**BACKGROUND:**

The Commission on Science, Innovation and Technology (CSIT) issued a Notice of Funding for Round 1 of direct financial assistance for businesses applying to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Federal grant programs on December 16, 2019. The funding created a \$500,000 grant pilot support program to provide technical and financial support to New Jersey's small businesses seeking or undergoing the Federal SBIR/STTR grant program. CSIT's program is structured into two components and this Notice of Funding falls under Component 2 (Direct Financial Assistance).

Component 2, Direct Financial Assistance, offers two grant programs with a total of \$375,000 budgeted for grants. Of that total, \$175,000 in matching grants is available for seven (7) Phase I winners and \$200,000 in bridge grants is available for four (4) Phase II applicants.

Applications for this funding were due by January 20, 2020 and were required to be "complete and in full compliance with all requirements." Any applicant that submitted an application for funding that was deemed to be incomplete was informed of the specific information that was missing from its submission and the documents submitted were not evaluated. These applicants were also provided an opportunity to appeal the initial denial by the CSIT. A Hearing Officer is assigned to provide an independent review of any appeals. I am fulfilling the role of Hearing Officer and have completed my review of the appeals.

The CSIT received 15 applications from Phase I applicants and seven (7) applications for Phase II applicants. Three (3) of the Phase I applicants' applications were deemed incomplete and five (5) of the Phase II applicants' applications were deemed incomplete. In terms of appeals, two (2) of the declined Phase I applicants appealed and four (4) of the declined Phase II applicants appealed.

**PLUMERIA THERAPEUTICS INC.**

Plumeria Therapeutics Inc.'s application was rejected for:

1. Not providing its New Jersey Business Registration

The President and CEO of Plumeria Therapeutics Inc., Thomas P. Richardson, appealed this decision via an e-mail submitted February 26, 2020. In that e-mail, the President and CEO stated: *"I am writing to appeal on behalf of Plumeria Therapeutics, Inc. as I believe the disqualification is some kind of error or oversight. The New Jersey Business Registration was included in the application. Attached is the original e-mail with the NJ Business Registration information on Page 20-21."*

CSIT's analysis of Plumeria Therapeutics Inc.'s appeal recommends approving the appeal because it believes the information submitted in the application on January 19, 2020 was Plumeria Therapeutics Inc.'s NJ Business Registration receipt. The Notice of Funding requested a NJ Business Registration and did not specify that the applicants provide the NJ Business Registration Certificate. The CSIT finds the submission of the NJ Business Registration receipt to be acceptable.

After reviewing the application information provided by Plumeria Therapeutics Inc., the written appeal information provided by Plumeria Therapeutics Inc., follow-up information obtained from Plumeria Therapeutics Inc.'s CEO, Thomas P. Richardson as well as the appeal recommendation provided by the CSIT, I find evidence that Plumeria Therapeutics Inc. complied with the Notice of Funding requirement to submit a NJ Business Registration with its application materials on January 19, 2020. Since there is no heading on the information indicating the precise nature of the document contained on Pages 20 and 21 of the application materials, I sent a follow-up e-mail to Mr. Richardson requesting an explanation as to what this document is and how it relates to the NJ Business Registration Certificate, in an effort to clarify the nature of this document. The response received was, *"To find the business registration, I went to the NJ.gov website and I found the information about Plumeria's registration. Not knowing quite what I was looking for, the document looked like it had the information needed for my application. It looked official to me, with all kinds of codes and numbers etc., so I printed a PDF and included it in the application. This is attached to this email for ease of reference. After I was disqualified (in Feb), I was a bit confused and searched again and found the actual certificate (also attached)."* I then reviewed the two (2) documents to see if I could link them in any way. I found that the newly submitted NJ Business Registration Certificate does not contain much information beyond the name and address of the company and an effective date. The originally submitted document was two (2) pages and contained much more information including the name and address of the company, contact information, EIN, NAICS number, and a host of information regarding the nature of the business etc. The NJ Business Registration Certificate shows an effective date of February 2, 2018 which is the day after the filing date of February 1, 2018 contained on the document submitted with the application. As such, I find it reasonable to conclude that the applicant submitted a document with its application that was the information/data submitted to obtain a NJ Business Registration Certificate though not the NJ Business Registration Certificate itself. As the submitted document reasonably appears to be the information reviewed by the State of New Jersey to issue a NJ Business Registration Certificate and the State of New Jersey did issue a NJ Business Registration Certificate the very next day after the filing date of the document submitted, I

am recommending approving Plumeria Therapeutics Inc.'s appeal. Note, N.J.S.A. 52:32-44 does not draw a distinction between a Business Registration and a Business Registration Certificate as it defines Business Registration as "a business registration certificate issued by the Division of Revenue in the Department of the Treasury or such other form of verification or proof of registration as may be approved by the Division that a contractor or subcontractor is registered with the Department of the Treasury".

**RECOMMENDATION:**

After careful consideration of the appeal information and follow-up information provided by Plumeria Therapeutics Inc. and the CSIT, I recommend approving the appeal of Plumeria Therapeutics Inc.'s application allowing it to be reviewed and scored with the other applicants for a Phase I matching grant as it met the documentation requirements of the Notice of Funding and this documentation was received prior to the deadline of January 20, 2020.

c. J. Sheft  
T. Richardson



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**MEMORANDUM**

**TO:** Members of New Jersey Commission on Science, Innovation, and Technology

**FROM:** Gunjan Doshi  
Chair, New Jersey Commission on Science, Innovation, and Technology

**DATE:** June 5, 2020

**RE:** Vote on Hearing Officer's Recommendation on Princeton Infared Technologies Inc's Appeal of Denial Decision for the New Jersey Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Grant Program

**Proposal:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve the Hearing Officer's recommendation to deny Princeton Infared Technologies Inc's appeal of CSIT's denial for a Phase II grant of \$50k for the SBIR/STTR support program.

**Background and Context**

Princeton Infared Technologies Inc applied for a Phase II grant of \$50k from CSIT's SBIR/STTR Program. The application was received on January 3, 2020 and after a document completeness review, it was marked as an incomplete application due to the following:

1. Proof of SBIR Phase I award
2. Copy of Phase I final report
3. Proof of Phase II submission
4. NJ Business Registration
5. NJ WR 30 (if Structured as a C-Corporation) or Shareholder Agreement or K-1 if structured as an LLC)
6. NJ Tax Clearance Certificate

The Company was issued a denial letter on February 26, 2020 and given the option to appeal the decision. The Company appealed the denial decision based on the following grounds;

1. The missing documents were sent as an encrypted email as part of the original submission
2. Three of the missing documents were not listed on the website at the time of submission on January 3, 2020
3. The Company asked for confirmation that all documents were received, and it was confirmed as received

**CSIT’s Recommendation on Princeton Infared Technologies Inc Appeal**

After the Company was issued the declination letter, they submitted additional documentation on February 27, 2020. However, the application was still missing a NJ Tax Clearance and NJ Business Registration. Despite applicant’s claims that at the time of application some of the required documentation was not listed as part of the Notice of Funding available on the website, all required documents were listed on Notice of Funding posted and had not been changed or removed. As this was a competitive solicitation, Staff could only confirm receipt of application submission, not verification on application completeness to applicants. CSIT therefore recommended to deny the appeal from Princeton Infared Technologies Inc for a Phase II grant of \$50k during the first round of the SBIR/STTR Program due to missing documentation.

**Hearing Officer’s Review and Recommendation on Princeton Infared Technologies Inc Appeal**

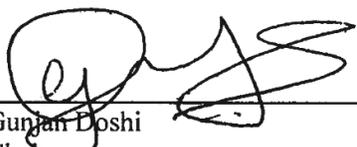
During the review, the Hearing Officer found no evidence that Princeton Infared Technologies, Inc. complied with the Notice of Funding requirement to submit proof of its SBIR Phase I award, a copy of the Phase I final report, proof of Phase II submission, a copy of its NJ Business Registration, its NJ WR-30 (if structured as a C-Corporation) or Shareholder Agreement or K-1 (if structured as an LLC) or its New Jersey Tax Clearance Certification with its application materials by January 20, 2020. The Hearing Officer also found no evidence that the documentation requirements for the Program changed over the course of the time period involved. Although Princeton Infared Technologies, Inc. provided proof of its SBIR Phase I award, a copy of the Phase I final report, and proof of Phase II submission on February 27, 2020, these documents were provided over a month after the application due date. Princeton Infared Technologies, Inc. still has not provided its NJ Business Registration, NJ WR-30 (if structured as a C-Corporation) or Shareholder Agreement or K-1 (if structured as an LLC), or its New Jersey Tax Clearance Certification.

The Hearing Officer recommended “upholding the rejection of Princeton Infared Technologies, Inc.’s application for a Phase II bridge grant because its application was not complete by January 20, 2020”.

**Request:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve the Hearing Officer’s recommendation to deny Princeton Infared Technologies Inc’s appeal of CSIT’s denial for a Phase II grant of \$50k for the SBIR/STTR support program.

  
\_\_\_\_\_  
Gunjan Doshi  
Chairman

Prepared by: Fatou Jobe



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**MEMORANDUM**

**TO:** Members of the Commission on Science, Innovation and Technology

**FROM:** John J. Rosenfeld  
Hearing Officer

**DATE:** June 5, 2020

**RE:** Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Federal Grant Programs  
Appeal – Princeton Infrared Technologies, Inc.

**BACKGROUND:**

The Commission on Science, Innovation and Technology (CSIT) issued a Notice of Funding for Round 1 of direct financial assistance for businesses applying to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Federal grant programs on December 16, 2019. The funding created a \$500,000 grant pilot support program to provide technical and financial support to New Jersey's small businesses seeking or undergoing the Federal SBIR/STTR grant program. CSIT's program is structured into two components and this Notice of Funding falls under Component 2 (Direct Financial Assistance).

Component 2, Direct Financial Assistance, offers two grant programs with a total of \$375,000 budgeted for grants. Of that total, \$175,000 in matching grants is available for seven (7) Phase I winners and \$200,000 in bridge grants is available for four (4) Phase II applicants.

Applications for this funding were due by January 20, 2020 and were required to be "complete and in full compliance with all requirements." Any applicant that submitted an application for funding that was deemed to be incomplete was informed of the specific information that was missing from its submission and the documents submitted were not evaluated. These applicants were also provided an opportunity to appeal the initial denial by the CSIT. A Hearing Officer is assigned to provide an independent review of any appeals. I am fulfilling the role of Hearing Officer and have completed my review of the appeals.

The CSIT received 15 applications from Phase I applicants and seven (7) applications for Phase II applicants. Three (3) of the Phase I applicants' applications were deemed incomplete and five (5) of the Phase II applicants' applications were deemed incomplete. In terms of appeals, two (2) of the declined Phase I applicants appealed and four (4) of the declined Phase II applicants appealed.

**Princeton Infrared Technologies, Inc.**

Princeton Infrared Technologies, Inc.'s application was rejected for:

1. Not providing proof of SBIR Phase I award
2. Not providing a copy of the Phase I final report
3. Not providing proof of Phase II submission
4. Not providing a copy of its NJ Business Registration
5. Not providing its NJ WR-30 (if structured as a C-Corporation) or Shareholder Agreement or K-1 (if structured as an LLC)
6. Not providing its New Jersey Tax Clearance Certification

The President of Princeton Infrared Technologies, Inc., Martin Ettenberg, appealed this decision via two (2) e-mails submitted February 26 and February 27, 2020. In the February 26, 2020 e-mail, the President stated: *“When I submitted my documents, which was very early in the process, those checklists that are now online were not available on the website. I received the instructions by email form {sic} my contact at NJEDA. When I sent in my submission I asked if they had received all the documents that were needed. Some of the documents you listed in this letter were sent in separately for my application. Those documents can easily be sent now.”* In the February 27, 2020 e-mail, the President stated: *“We submitted documents to the CSIT Grant on January 3, 2020. We submitted all the requested information found on the website at that time, which we believe was less than what is there now. Some of the documents submitted were sensitive and they were encrypted. We asked for confirmation that all documents were received and we received a confirmation they were. We supplied the encryption key at that time. On January 24th, 2020 we were told there were two documents missing from our application. Those were added to the application on January 24th, 2020. These documents were not on the website originally. These were added. In the letter from February 26th, 2020 it states several documents that were not received by NJEDA. Several of those documents were sent in originally in the encrypted email. There were three documents listed that we did not include but those were not listed on the website when we submitted on January 3, 2020. We are happy to include them now. They are as follows:*

*Bo2 HQ003419p0059 is our fully executed Phase I contract.  
HQ003419P0059 final report delivered enc.docx is the Phase I final report  
SBIR/STTR Proposal Submission Verification is the verification of our Phase II submission.*

*The word document is encrypted as it includes sensitive ITAR information from the DoD. Please contact me for the encryption code.”*

CSIT's analysis of Princeton Infrared Technologies, Inc.'s appeal recommends declining the appeal because of the six (6) missing documents listed as reasons for rejecting the application, the applicant had only submitted the W-2 information with its application on January 3, 2020. The applicant did provide proof of its SBIR Phase I award, a copy of the Phase I final report, and proof of Phase II submission on February 27, 2020, which is after the January 20, 2020 deadline. The applicant still has not submitted its NJ Business Registration or its Tax Clearance Certificate. The W-2 information submitted with the application has been accepted as the required employee documentation. In response to the applicant's assertion that the CSIT website did not contain the full requirements for

submission on January 3, 2020, when it applied, and that additional requirements were added later, the CSIT states that *“all requirements were included in the Notice of Funding and on the Application checklists which were available on the website as of December 18, 2019 and those documents have not been changed or updated at any time.”* Lastly, CSIT explains that it did not confirm completeness of the application upon submission. Rather, CSIT confirmed receipt of the application on January 8, 2020 via email stating: *“Thank you for applying to the New Jersey Commission on Science, Innovation and Technology’s SBIR/STTR Support Program. Your application for the Phase II Bridge Grant has been received. Your application will be processed after the deadline and we will get in touch with you.”*

After reviewing the information provided by Princeton Infrared Technologies, Inc., the written appeal information provided by Princeton Infrared Technologies, Inc. as well as the appeal recommendation provided by the CSIT, I find no evidence that Princeton Infrared Technologies, Inc. complied with the Notice of Funding requirement to submit proof of its SBIR Phase I award, a copy of the Phase I final report, proof of Phase II submission, a copy of its NJ Business Registration, its NJ WR-30 (if structured as a C-Corporation) or Shareholder Agreement or K-1 (if structured as an LLC) or its New Jersey Tax Clearance Certification with its application materials by January 20, 2020. I also note that on Page 7 of the Notice of Funding, the release date of said Notice of Funding is shown to be December 16, 2019. The Notice of Funding contains a document checklist listing numerous required documents, including the six (6) noted as missing above. The Notice of Funding was released prior to the January 3, 2020 application submission by the applicant and, per the CSIT, the Notice of Funding has not changed since it was released. As such, I find no evidence that the documentation requirements have changed over the course of the time period involved. Although Princeton Infrared Technologies, Inc. provided proof of its SBIR Phase I award, a copy of the Phase I final report, and proof of Phase II submission on February 27, 2020, these documents were provided over a month after the application due date. Princeton Infrared Technologies, Inc. still has not provided its NJ Business Registration, NJ WR-30 (if structured as a C-Corporation) or Shareholder Agreement or K-1 (if structured as an LLC), or its New Jersey Tax Clearance Certification. Note, Princeton Infrared Technologies, Inc. was not declined for not providing 1099 or W-2 documentation, but it had provided W-2 documentation in an encrypted file with its application as mentioned in CSIT’s appeal recommendation.

**RECOMMENDATION:**

After careful consideration of the appeal information provided by Princeton Infrared Technologies, Inc. and the CSIT, I recommend upholding the rejection of Princeton Infrared Technologies, Inc.’s application for a Phase II bridge grant because its application was not complete by January 20, 2020.

c. J. Sheft  
M. Ettenberg

**From:** [Martin Ettenberg](#)  
**To:** [John Rosenfeld](#)  
**Cc:** [Judith A. Sheft](#)  
**Subject:** RE: CSIT Appeal Information  
**Date:** Tuesday, May 12, 2020 7:36:08 PM

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Thank you John.

I appreciate the report.

I am disappointed in your assessment. I also found some of the information incorrect as we have submitted our NJ business registration and WR-30.

I am surprised they were not now attached to our file.

I appreciate you taking the time to email us.

Thank you,  
Martin

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**From:** John Rosenfeld [mailto:JRosenfeld@njeda.com]  
**Sent:** Friday, May 8, 2020 2:32 PM  
**To:** Martin Ettenberg <martin.ettenberg@princetonirtech.com>  
**Cc:** Judith A. Sheft <jsheft.csit@njeda.com>  
**Subject:** CSIT Appeal Information

Mr. Martin Ettenberg,

I was appointed Hearing Officer to provide an independent review of Princeton Infrared Technologies, Inc.'s appeal of the Commission on Science, Innovation and Technology's (CSIT) decision to decline funding through the Small Business Innovation Research or Small Business Technology Transfer federal grant programs.

I have completed my review of Princeton Infrared Technologies, Inc.'s appeal and I am attaching my recommendation to this e-mail. Please note, my recommendation is just that, a recommendation to the Board of the Commission on Science, Innovation and Technology. The CSIT Board will make the final decision on whether to adopt, reject, or modify my recommendation.

The CSIT Board is scheduled to meet on June 5, 2020. If you wish to submit objections or exceptions to my recommendation to the CSIT Board for their consideration, please email your written comments to me on or before May 22, 2020. At the CSIT Board Chairperson's discretion, you may also be able to present your objections or exceptions at the CSIT Board meeting. If you choose to attend the meeting, please note that it may occur via teleconference due to coronavirus emergency procedures. Details on the CSIT Board meeting time and location can be obtained by visiting <https://www.njeda.com/about/Public-Information/CSIT/CSIT-Board-Schedule>.

Thank you for your interest in the CSIT assistance program. If you have any questions, please let me know.

Thank you.

John J. Rosenfeld  
Hearing Officer



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**MEMORANDUM**

**TO:** Members of New Jersey Commission on Science, Innovation, and Technology

**FROM:** Gunjan Doshi  
Chair, New Jersey Commission on Science, Innovation, and Technology

**DATE:** June 5, 2020

**RE:** Vote on Hearing Officer's Recommendation on Sunray Scientific LLC's Appeal of Denial Decision for the New Jersey Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Grant Program

**Proposal:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve the Hearing Officer's recommendation to deny SunRay Scientific LLC's appeal of CSIT's denial for a Phase I grant of \$25k for the SBIR/STTR support program.

**Background and Context**

SunRay Scientific LLC applied for a Phase I grant of \$25k from CSIT's SBIR/STTR Program. The application was received on January 17, 2020 and after a document completeness review, it was marked as an incomplete application due to the following:

1. Missing NJ Tax Clearance Certificate (the Company did not submit a NJ Tax Clearance as part of its application submitted on January 17, 2020)
2. The Company did not inform CSIT of having any issues obtaining a NJ Tax Clearance certificate
3. When CSIT contacted the Office of Taxation on January 23, 2020 to confirm companies that have been issued certificates, it was indicated from Taxation that they have "not heard from SunRay Scientific LLC via email or paper application" for a NJ Tax Clearance certificate

The company was issued a denial letter on February 27, 2020 and given the option to appeal the decision. The company appealed the denial decision based on the following grounds;

1. "We are reapplying for a tax clearance certificate and should be able to apply 3 days after the formation of our NJ Portal at Premiere Business Services, which will be Thursday, March 5. We will send the NJ Tax Certificate as soon as we receive it"

**CSIT’s Recommendation on Sunray Scientific LLC Appeal**

SunRay Scientific LLC did not demonstrate that it had a NJ Tax Clearance certificate or attempted to acquire a NJ Tax Clearance certificate prior to the application deadline on January 20, 2020. The company only applied for a NJ Tax Clearance certificate after the denial letter was issued to them. CSIT recommended that the appeal from SunRay Scientific be denied and the application not to be evaluated or scored.

**Hearing Officer’s Review and Recommendation on Sunray Scientific LLC appeal**

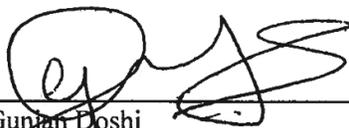
During the review, the Hearing Officer found no evidence that SunRay Scientific LLC complied or attempted to comply with the Notice of Funding requirement to submit a NJ Tax Clearance Certificate with its application materials by January 20, 2020. Furthermore, its appeal, dated March 2, 2020, indicated that the SunRay Scientific LLC had not yet applied for a NJ Tax Clearance Certificate as of that date. Although a NJ Tax Clearance Certificate was later obtained, it was dated nearly two months past the application due date.

The Hearing officer recommended “upholding the rejection of SunRay Scientific LLC’s application for a Phase I matching grant because its application was not complete by January 20, 2020”.

**Request:**

The Members of the Commission on Science, Innovation, and Technology (CSIT) are requested to:

1. Approve the Hearing Officer’s recommendation to deny SunRay Scientific LLC’s appeal of CSIT’s denial for a Phase I grant of \$25k for the SBIR/STTR support program.

  
\_\_\_\_\_  
Gunjan Doshi  
Chairman

Prepared by: Fatou Jobe



Philip D. Murphy  
GOVERNOR

**State of New Jersey**  
**NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY**

Sheila Oliver  
LT GOVERNOR

**MEMORANDUM**

**TO:** Members of the Commission on Science, Innovation and Technology

**FROM:** John J. Rosenfeld  
Hearing Officer

**DATE:** June 5, 2020

**RE:** Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) Federal Grant Programs  
Appeal – SunRay Scientific LLC

**BACKGROUND:**

The Commission on Science, Innovation and Technology (CSIT) issued a Notice of Funding for Round 1 of direct financial assistance for businesses applying to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Federal grant programs on December 16, 2019. The funding created a \$500,000 grant pilot support program to provide technical and financial support to New Jersey’s small businesses seeking or undergoing the Federal SBIR/STTR grant program. CSIT’s program is structured into two components and this Notice of Funding falls under Component 2 (Direct Financial Assistance).

Component 2, Direct Financial Assistance, offers two grant programs with a total of \$375,000 budgeted for grants. Of that total, \$175,000 in matching grants is available for seven (7) Phase I winners and \$200,000 in bridge grants is available for four (4) Phase II applicants.

Applications for this funding were due by January 20, 2020 and were required to be “complete and in full compliance with all requirements.” Any applicant that submitted an application for funding that was deemed to be incomplete was informed of the specific information that was missing from its submission and the documents submitted were not evaluated. These applicants were also provided an opportunity to appeal the initial denial by the CSIT. A Hearing Officer is assigned to provide an independent review of any appeals. I am fulfilling the role of Hearing Officer and have completed my review of the appeals.

The CSIT received 15 applications from Phase I applicants and seven (7) applications for Phase II applicants. Three (3) of the Phase I applicants’ applications were deemed incomplete and five (5) of the Phase II applicants’ applications were deemed incomplete. In terms of appeals, two (2) of the declined Phase I applicants appealed and four (4) of the declined Phase II applicants appealed.

### **SunRay Scientific LLC**

SunRay Scientific LLC's application was rejected for:

1. Not providing its New Jersey Tax Clearance Certification

The CEO of SunRay Scientific LLC, Madhu Stemmermann, appealed this decision via an e-mail submitted March 2, 2020. In that e-mail, the CEO stated: "*We are reapplying for a tax clearance certificate and should be able to apply 3 days after the formation of our NJ Portal at Premier Business Services which will be Thursday, March 5. We will send the NJ Tax Certificate as soon as we receive it.*" A NJ Tax Clearance Certificate for SunRay Scientific LLC, dated March 17, 2020, was ultimately received by the CSIT on March 17, 2020 and is part of the record, which I reviewed as the Hearing Officer.

CSIT's analysis of SunRay Scientific LLC's appeal recommends declining the appeal because the applicant did not submit a NJ Tax Clearance Certificate with its application on January 17, 2020. In addition, the applicant did not inform CSIT that it was having issues obtaining its NJ Tax Clearance Certificate, and when CSIT contacted the NJ Division of Taxation on January 23, 2020, Taxation indicated that it had not heard from SunRay Scientific LLC via e-mail or paper application for a Tax Clearance Certificate.

After reviewing the information provided by SunRay Scientific LLC, the written appeal information provided by SunRay Scientific LLC as well as the appeal recommendation provided by the CSIT, I find no evidence that SunRay Scientific LLC complied or attempted to comply with the Notice of Funding requirement to submit a NJ Tax Clearance Certificate with its application materials by January 20, 2020. Further, its appeal, dated March 2, 2020, indicated that the applicant had not yet applied for a NJ Tax Clearance Certificate as of that date. Although a NJ Tax Clearance Certificate was later obtained, it was dated nearly two months past the application due date.

### **RECOMMENDATION:**

After careful consideration of the appeal information provided by SunRay Scientific LLC and the CSIT, I recommend upholding the rejection of SunRay Scientific LLC's application for a Phase I matching grant because its application was not complete by January 20, 2020.

- c. J. Sheft  
M. Stemmermann