

Shooting Ourselves in the Foot
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One of New Jersey's greatest assets is its highly skilled labor force, which now includes thousands of former Lucent and AT&T engineers and Pharmacia scientists.

These engineers and scientists could serve as the brains behind new companies working to make telecommunications faster, clearer and cheaper, or to cure cancer and other diseases, or to design innovative consumer and business products and services.

But these companies need a springboard, and an important provider of that springboard is now at risk with Gov. James McGreevey's budget proposal to eliminate funding for the state Commission on Science and Technology.

The commission historically has been responsible for the development and oversight of the programs in science and technology that advance economic development and employment. Its long-term objectives are to promote development of New Jersey's academic research capabilities; enhance the transfer of technology from the research environment to a business setting; encourage technology development; and support the preparation of a technology-literate workforce.

Key programs sponsored by the commission include:

Research and development seed investment grants in applied research and development programs at universities. Twenty such academic/industry research programs are in place. Eliminating funding will further compound the impact of other funding reductions to research universities, affect New Jersey's leadership position and reduce federal research funds these programs attract.

Historically, commission-supported programs have obtained an average of \$3 in nonstate funds for every \$1 invested by the commission.

- Operating support for all 11 of New Jersey's technology business incubators, including five new ones that opened in 2002. A number of these facilities will not be able to survive without the state's operating support, and companies that benefit from an incubator setting will be hurt and possibly destroyed.
- The very successful, self-supported Springboard Technology Investment Loan Program and the Small Business Innovation Research Program both focus on providing funding for early-stage life sciences and technology companies that is not available in the private sector. Similar, and even more expansive, programs are readily available in New York and

Pennsylvania, which devoted \$100 million of its tobacco settlement funds to a program focused exclusively on early-stage life sciences companies. We are already seeing businesses move across the state border to take advantage of these programs.

- The staff and operations of the 18-year-old commission. These professionals have the networks, contacts, knowledge and experience to link New Jersey's academic, industrial, military and governmental sectors and broker successful new alliances, programs and initiatives.

Favorable Reviews

Harvard Business School Professor Michael E. Porter recently submitted a report on New Jersey's life sciences industry to the governor and Prosperity New Jersey, an organization designed to foster growth. That report recommended encouraging continued investments in university research and development funding; investments in life science startups; linkage of academic and industrial research programs; and new science initiatives and related activities. Copies of this report are available at www.prosperitynj.org.

The commission also was favorably reviewed recently by the state Department of Treasury in a report by Rutgers University's National Center for Public Productivity, with a recommendation to strengthen the commission's programs and funding. Copies of this report are available at the commission Web site, www.state.nj.us/scitech.

While we are all aware of the state's budget crisis, we must be mindful of the importance of supporting programs that will maintain New Jersey's competitive position in a technology-based and technology-driven economy.

Moreover, the science and technology sector is a lucrative one for New Jersey's lawyers, often requiring intellectual property prosecution and litigation, product liability litigation, employment counseling and litigation, commercial litigation, financing transactions, acquisition transactions and general contracting services.

New Jersey's legal community must join the discussion to find rational, alternative scenarios to keep support for the commission's core programs alive while maintaining the critical infrastructure of its professional staff and program expertise. The alternative is a balanced budget in 2003, but a much less prosperous future for the state.

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