



**Presented to Members of the Senate Institutional Sustainability & Innovation Committee
At the Public Hearing on Life Sciences Innovation in Pennsylvania
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**Testimony of Michele Washko
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Honorable Chairmen and Members of the Committee, thank you for the opportunity to speak with you today. My name is Michele Washko, and I am the President & CEO of Life Sciences Greenhouse Investments (LSGI), a nonprofit, evergreen venture fund that invests in health-related biotechnology companies.

Background

Enabled by the Pennsylvania legislature in 2002, LSGI is one of three regionally based organizations known collectively as [Pennsylvania's Life Sciences Greenhouses](#) (LSGs). Our purpose is twofold: enhance human health and advance PA's economy by investing in early-stage life sciences companies.

Unlike a majority of venture funds, which typically have a predetermined lifespan ranging between 5 and 10 years, **evergreen funds like LSGI are designed with sustainability in mind**. We focus on making sound investments and use the returns to make new investments.

As of June 2024, LSGI has invested more than \$43 million into 82 companies and projects, attracting nearly \$700 million in private, follow-on funding and creating more than 8,000 direct and indirect jobs.

The primary focus of our efforts is the geography often referred to as the "T." This region encompasses 50 of PA's 67 counties, representing more than 6 million Pennsylvanians, or 45% of the Commonwealth's total population. Most of these counties, 39 of 50, are rural.¹

Among my hopes for today is to impress upon you just how important the life sciences industry is to the central part of the Commonwealth and how we can enhance economic opportunity for a greater proportion of Pennsylvanians by leveraging existing the existing momentum and innovation-related assets within the central part of the state.

Building on Existing Strengths

Pennsylvania is a national leader in the life sciences, but many people incorrectly assume that the industry-related innovation and economic benefits are confined to urban centers in the southeast and southwest. In fact, the life sciences have been identified by the Department of Community and

¹ Center for Rural Pennsylvania, <https://www.rural.pa.gov/data/rural-urban-definitions>, accessed March 28, 2025.



Economic Development (DCED) as **one of the five key industry sectors with the greatest potential to drive sustainable growth across the Commonwealth.**²

DCED's ten-year strategic plan, released in 2024, reveals that GDP growth in life sciences outpaced the national average over the past decade: 3% annual growth versus the U.S. average of 2.6%. In northeast PA, employment share in the pharmaceuticals and chemical manufacturing sector is 2.5 times the national average.

The plan also notes that 63% of Pennsylvania's academic R&D activities are related to life sciences and anticipates significant growth in the life sciences field—more than 6,500 net new jobs in Pennsylvania by 2033. Pennsylvanians employed in the life sciences earn on average \$120,000 annually, nearly double Pennsylvania's average wage of \$69,000.³

Additionally, **every job created in the industry generates an estimated 2.2 indirect and induced jobs.** These jobs are generated by firms in the supply chain as well as spending by the companies and their employees. And they are reflected in nearly every other sector of the Commonwealth's economy, from agriculture to energy and retail.⁴

Commonwealth-Wide Impact

Life sciences enterprises can be found across the Commonwealth - in urban, suburban and rural locations- and include not just the early-stage companies served by LSGI, but more mature companies and hubs of innovation as well.

Examples of LSGI investees include:

- BobcatBio, Inc., a **Hershey**, PA developer of a cancer therapy
- OK2StandUp, LLC, a **Bedford**, PA creator of fall-prevention technology for hospital and nursing home patients
- Forma Medical, Inc., a **Camp Hill**, PA seller of proprietary tools for minimally invasive foot surgeries
- Ilico Genetics, **Bethlehem**, PA firm commercializing a technology for early detection of gastric cancer

Mature firms located within the "T" include:

- Lampire Biological Laboratories, which has sites in **Berks, Bedford, and Lancaster counties**, produces reagents used in the diagnostic and pharmaceutical industries
- Sanofi Pasteur, Inc., a global firm, has a manufacturing facility in **Swiftwater**, PA
- Teleflex, which has facilities in **Wayne**, PA and **Wyomissing**, PA, is global provider of medical products

² Pennsylvania Department of Community & Economic Development, *A Ten-Year Strategic Plan for Economic Development in Pennsylvania: 2024-2023*.

³ KPMG. *Pennsylvania Life Sciences Industry*, 2022.



Innovation hubs include:

- Geisinger’s Steele Institute for Health Innovation, **Danville**, PA is part of a nonprofit system of 126 care sites, Geisinger Health Plan, Geisinger College of Health Sciences with more than 1,400 active clinical research studies
- The Berks Biomedical Innovation Collaborative, in **Reading**, PA supports regional innovations and subsequent commercialization prospects in biomedicine, biohealth, and biotech
- Penn State University’s Center for Medical Innovation (CMI), **State College, Hershey, and Middletown**, PA works with faculty and staff across all campuses to provide funding for life science innovation. In FY 2024 alone, the CMI provided \$3.9M in startup funding, \$97,500 in technology funding, supported 18 patent applications and 42 invention disclosures for technologies. Three patents and 10 licenses/options issued, all feeding into PA’s life sciences innovation engine.

Recommended Policy Priorities

- **Level or Additional Funding for PA’s Life Sciences Greenhouses**
Operations and new investments at Pennsylvania’s three regional LSGs are supported in part by annual funding of \$1M each (\$3M total) from the Tobacco Settlement. Level or increased funding for these evergreen funds will enhance the long-term sustainability of these organizations which have, so far, directly invested a total of \$118M into emerging life sciences entities; leveraged nearly \$5 billion in additional private dollars; created more than 3,000 high-paying, quality jobs; supported formation of 182 new enterprises; and contributed to development of numerous new therapeutics, medical devices, diagnostics and medical information technologies
- **Proposed Innovation Fund in FY 25-26 State Budget**
The Administration’s budget proposal for FY25-26 includes \$50 million in new funding for innovation, with \$30 million dedicated specifically to life sciences. This sector-specific investment signals to entrepreneurs and investors PA’s commitment to the sector and contributes to new business starts, as well as business attraction and retention.
- **SBIR and STTR Matching Grants**
The federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are competitive awards that both validate the promise of the foundational technologies and serve as sources of non-dilutive capital. Pennsylvania is one of only 18 states that does not offer SBIR and STTR state matching grants.
- **Research and Development Tax Credits**
The Pennsylvania R&D tax credits are favored by both startup companies and mature firms since early-stage firms can sell their credits to companies with a tax liability. An estimated 1,150 benefit from this program each year⁵

⁵ KPMG. *Pennsylvania Life Sciences Industry*, September 2002



On behalf of Life Sciences Greenhouse Investments and the Commonwealth's life sciences ecosystem as a whole, thank you for the opportunity to share our perspective on the pivotal role that innovation and entrepreneurship play in advancing innovation and promoting sustainability for the Commonwealth and its citizens.

Sincerely

Michele M. Washko