



# PITTSBURGH LIFE SCIENCES ALLIANCE

Honorable Chairman Senator Frank Farry  
CC Senate Institutional Sustainability and Innovation Committee  
Pennsylvania State Capitol  
501 N. 3<sup>rd</sup> Street  
Harrisburg, PA 17120

May 5, 2026

Honorable Chairman and Members of the Committee,

Thank you for the opportunity to speak to you today on this important topic and your commitment to the issue. As the President and CEO of the Pittsburgh Life Sciences Alliance, I have the honor of leading our mission to make Pittsburgh a global life sciences leader and economic engine at the intersection of the region's unique clinical, research, manufacturing, and advanced technology strengths.

The life sciences sector in the Southwest Pennsylvania region supports over 15,500 jobs and accounts for more than \$3.4 billion in annual economic activity. In the past several years, the sector has been growing much faster than regional private sector employment as a whole and paying wages that are 58% higher on average.

The region is fortunate to have a strong foundation born out of two globally recognized R1 universities, both ranked among the top universities for patent creation, combining for over \$1.2B in annual research and development expenditure in the life sciences. Southwest PA is also home to two nationally recognized integrated finance and delivery networks, providing an incredible depth of clinical expertise, clinical data, and translational opportunities. These foundations have helped support an ecosystem of over 220 human health innovation companies with strong clusters in medical device development and manufacturing, data driven healthcare, and next generation therapeutics.

Despite this positive momentum and national leadership, we are at a critical juncture where we can either lead the next generation of medical breakthroughs or watch our homegrown talent migrate to states with more aggressive incentive structures, more direct state investment in innovation economy infrastructure, and readily available risk capital.

Notably, while our world-class universities invest heavily in research and development expenditures across the Commonwealth, ranking 4th nationally, we fall behind other states in converting that discovery into widespread commercialization and job creation, emphasizing the need for renewed commitment. There are a number of investments being proposed this legislative session by your colleagues and the Governor that



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could increase the Commonwealth's competitiveness, support increased job growth locally, and advance new treatments and cures for the American public. Today I would like to discuss three of those proposals.

## **#1 Small Business Innovation Research (SBIR) / Small Business Technology Transfer (STTR) Matching Program**

Known as "America's Seed Fund", SBIR/STTR are among the most critical Federal policies for maintaining American global innovation leadership. These programs support a wide range of fields critical to U.S. national security and economic vitality including energy, agriculture, defense, robotics, artificial intelligence, and transportation, in addition to the life sciences. The importance of these programs in the life sciences and healthcare technology cannot be overstated in helping fuel the transition from academic discovery to commercialization, since most private capital considers this stage too early for investment.

At least 35 other states have already established some sort of SBIR/STTR matching programs. This sound policy approach allows states to piggyback on the significant expertise of the federal government to select the most promising technology. Matching programs also help retain intellectual property, which the state has already invested in heavily via our R1 universities, in the local jurisdiction. Additionally, state matching programs help unlock additional federal and private sector capital by demonstrating a more sustainable runway and a robust and committed local ecosystem.

A state matching program would also be a sound investment in expanding the long-term tax base, as several of the largest life sciences and healthcare technology employers in the region can track their local lineage back to SBIR/STTR supported start-ups.

Pittsburgh Life Sciences Alliance strongly supports the creation of a state matching program, such as those proposed in SB 811 sponsored by Senators Farry and Haywood.

## **#2 "Innovate in PA 2.0" Budget Proposal**

Governor Shapiro's 2026-2027 budget proposal includes investments in priority innovation industries that are driving new job creation and economic activity, including in the life sciences. This proposal provides needed investment in the innovation ecosystem and sends a clear market signal to business attraction targets and private sector capital about the Commonwealth's commitment to the sector. The proposal includes initiatives such as the establishment of venture studios, the creation of a statewide clinical trial network, and federal matching funds, such as the SBIR/STTR match discussed in the preceding section.

Both North Carolina and Massachusetts are seen as undisputed global leaders in life sciences and have the workforce and economic output that comes with that leadership position. Their large competitive



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advantages can be traced to decisive investments made by the public sector decades ago. Pennsylvania has a chance to begin this catalytic investment today.

### **#3 Expansion of the Research and Development Tax Credit**

Finally, the Pennsylvania research and development tax credit is regarded by life sciences companies as one of the most helpful state offerings and is regularly oversubscribed. It helps mature and early-stage companies alike as the tax credits are tradeable and is a critical tool for business attraction and expansion.

Expanding the annual allocation to this tax credit would help improve the Pennsylvania business climate for companies of all sizes. The tax credit also supports other high-growth industries such as energy and emerging technologies. We are supportive of the approaches in SB 792 proposed by Senators Farry and Santarsiero and HB 1004, led by Representatives Briggs and Gaydos.

In closing, the world-class life sciences assets and capabilities in the Southwest region and across the Commonwealth can be a catalyst for improving the physical, economic, and social health of our state, but the right policies and investments need to be put in place to maximize their potential.

On behalf of the Pittsburgh Life Sciences Alliance and the growing and vibrant life sciences ecosystem in the region, I want to extend my sincere gratitude for the opportunity to testify and your commitment to the long-term strength and vibrancy of the Commonwealth of Pennsylvania. My team and I are at your disposal to provide additional information on any of the issues discussed during this testimony.

Sincerely,

Megan K. Shaw  
President and CEO  
Pittsburgh Life Sciences Alliance