



# PITTSBURGH LIFE SCIENCES ALLIANCE

Members of the Senate Majority Policy Committee  
Hearing on Rural Healthcare Access and Technological Innovation  
March 19, 2025  
Testimony of Megan Shaw, CEO and President of the Pittsburgh Life Sciences Alliance

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.

As you know, access to quality healthcare in Pennsylvania, and in rural communities in particular, is an increasingly urgent issue. We believe that in addition to policy and investments that focus on traditional physical infrastructure, payments, and the clinical workforce likely to be discussed today; supporting a robust, local innovation sector will advance cures for diseases impacting our neighbors, improve productivity and experience for clinicians providing care, and drive robust economic growth and job creation that helps improve overall economic conditions in our communities.

### **Current and Future Life Sciences Contributions to PA Economy, Employment, and Access**

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, excluding direct healthcare provision. Statewide the sector directly employs over 100,000 Pennsylvanians and contributes \$61.9 billion in annual economic activity. In particular, the Southwest Pennsylvania region excels in two areas:

- (1) The intersection of data-driven healthcare, emerging technology, and connected devices
- (2) Next-generation therapeutics development and manufacturing<sup>1</sup>

---

<sup>1</sup> *Life Sciences Assessment and Growth Opportunities for the Pittsburgh Region*, Teconomy Partners, LLC, 2024



## **PITTSBURGH** **LIFE SCIENCES** **ALLIANCE**

These new innovations and discoveries being driven by local academic institutions and companies are also directly contributing to the capacity of providers to serve our communities and the health conditions impacting them. For example:

- Abridge, a company founded by a UPMC cardiologist who received undergraduate training at Carnegie Mellon University in AI and machine learning, has developed generative AI for clinical conversations that has been adopted by over 100 health systems across the country. Their solutions are putting the clinician and patient relationship back at the center of healthcare and freeing up thousands of physician hours to focus on patient care at a time when clinical capacity is a dire concern for our health systems.
- Krsytal Biotech (KRY5) started as a four-person person company in 2016 and now has over 200 global employees, the vast majority in the Pittsburgh region, and are a publicly traded company valued at over \$5 billion. They develop and deliver genetic medicine for severe, life threatening or rare diseases.
- BioForge, the state-of-the-art biomanufacturing facility currently under construction in Pittsburgh's Hazelwood-Green neighborhood, is producing approximately 900 construction jobs and 360 support jobs, and 170 initial permanent jobs once operational. The facility has attracted ElevateBio, a globally recognized contract development and manufacturing organization (CDMO) as a long-term anchor tenant and helped Pittsburgh create near-term employment and a long-term competitive advantage in this rapidly growing field. At a time when rates for many types of cancer, such as cervical, breast, and ovarian cancers are increasing and impacting Pennsylvanians earlier in life, we will soon be able to create high-paying jobs manufacturing precision medicine therapies for oncology right here in Southwest Pennsylvania.

Today you will hear from two local companies who have developed regional technology with life-saving applications. These advanced technologies help Pennsylvanians stay out of the hospital, reducing the burden on individuals and the overall system, while growing our regional workforce.

### **Policy Opportunities to Support Life Sciences Growth in PA**

Many of the core challenges facing rural health systems are intricately tied to long-term demographic and economic trends impacting our region, including the simultaneous aging and shrinking population. Accelerating the translation of research and development in the regional life sciences sector to commercial activity and economic growth should be a central approach to addressing those underlying structural challenges.



# PITTSBURGH LIFE SCIENCES ALLIANCE

If Southwestern Pennsylvania could accelerate the translation of research and development discoveries and investment to commercial success at the same rate as other metropolitan areas, it could add over 25,000 jobs and over \$12B in additional economic activity in the sector, while also bringing new capabilities and treatments to providers and patients.

There are several policy opportunities that can make the state a more attractive location for life sciences companies to start, grow, and stay. There are three main areas currently under consideration by the state legislature I would like to speak to directly today.

## **SBIR and STTR Matching Grants**

The federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs (aka America's Seed Fund) are grants to small businesses from federal agencies. These highly competitive awards are one of the most essential programs for catalyzing new discoveries from research institutions into new startup companies that fuel economic growth and job creation. One longitudinal economic analysis found that every \$1 in SBIR funding from the National Institutes of Health Cancer Institute generated \$33 in economic output.<sup>2</sup>

Pennsylvania is one of only 18 states that does not offer SBIR and STTR state matching grants. We have submitted a fact sheet on matching grant programs from other states to the committee.<sup>3</sup>

## **Proposed Innovation Fund in FY 25-26 State Budget**

Governor Shapiro's budget proposal for FY25-26 includes \$50 million in new innovation funding with \$30 million dedicated specifically to support the life sciences. This sector-specific investment could be a catalytic starting point in developing differentiated capabilities that allow our region to spur more private sector investment and compete with other states for business attraction and retention.

Both North Carolina and Massachusetts are seen as undisputed global leaders in life sciences with unparalleled employment, business growth, and tax revenue generation. The large competitive advantages they hold today can be traced to decisive investments made by the public sector decades ago. We have attached additional analysis and examples of strategic policies and investments from other states that have spurred growth in this sector.<sup>4</sup>

---

<sup>2</sup> SBIR-STTR Economic Impact Study 2018, National Cancer Institute

<sup>3</sup> *What are SBIR/STTR grants and why does PA need a matching program?*, PLSA 2025

<sup>4</sup> *Bridge to the Future: Southwest Pennsylvania's Transformative Opportunity to Lead the Next Generation of Life Sciences Innovation*: PLSA 2024



# **PITTSBURGH** **LIFE SCIENCES** **ALLIANCE**

## **Research and Development Tax Credits**

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. Expanding the annual allocation to this tax credit would help improve the Pennsylvania business climate for companies of all sizes, in chorus with other actions this body is considering to improve the overall business climate in the Commonwealth.

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 with policies and investments that 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. We are at your disposal to provide additional information on any of the issues discussed during this testimony.

Sincerely,

Megan Shaw  
President and CEO, Pittsburgh Life Sciences Alliance