

TO: The Honorable Delores G. Kelley, Chair  
Senate Finance Committee

FROM: Mary Clapsaddle  
Director, State Affairs

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Johns Hopkins is pleased to offer testimony in support of **SB 398 – Maryland Small Business Innovation Research and Technology Transfer Incentive Program**. Johns Hopkins Technology Ventures, the technology transfer and commercialization arm of the University, has considerable experience with SBIR and STTR grants. These grants come at a critical time for university start-ups, during the aptly named “valley of death” when early stage technologies require significant development work that is not covered by traditional research grants. At the same time, these companies are often not ready to bring on institutional investors.

Indeed, SBIR has been a critical funding source for Johns Hopkins startups.

- Since 2017, JHTV has tracked the receipt of 128 SBIR/STTR awards to 48 unique companies, amounting to \$70,834,544 in funding.
- These 48 companies account for 559 jobs and \$1,402,681,204 in cumulative funding; in other words, they have raised an additional \$1.3 billion from other sources (for an average of \$29.2 million per company)

In particular, SBIR funding has been critical to the success of several Maryland startups.

Three notable examples that are local and have gained huge leverage from SBIR funding are:

- PapGene, which received \$4.5 million in SBIR funds. This helped it to access Series A capital; the technology was then licensed to Thrive Earlier Detection, which has made national headlines for its \$110 million Series A led by Third Rock Ventures. The company has 25 jobs in Baltimore and is growing.
- Immunomic, which received over \$600,000 in SBIR funds and went on to raise approximately \$15 million in venture capital and then license a technology to Astellas for \$300 million in upfront payments. Immunomic is located in Rockville.
- PGDx, which received some \$950,000 in SBIR funds and over \$107 million in subsequent venture capital. It employs over 200 people in Baltimore.

A state matching program would ensure that many more startups who take advantage of federal SBIR funds remain in Maryland. TEDCO is exactly the correct entity to manage these matching grants, and for these reasons, Johns Hopkins urges a **favorable committee report on SB 398**.

cc: Members, Senate Finance Committee  
Senator Brian J. Feldman