

**HB 654**  
**Support**

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TO: The Honorable Anne Kaiser, Chair  
House Ways and Means Committee

FROM: Elizabeth A. Hafey, Esq.  
Associate Director, State Affairs

DATE: February 4, 2021

Johns Hopkins is pleased to offer testimony in support of **HB 654 – 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 103 SBIR/STTR awards to 53 unique companies, amounting to \$77,189,845 in funding.
- These 53 companies account for over 700 jobs and over \$1.5 billion in cumulative funding; in other words, they have raised an additional \$1.4 billion from other sources (for an average of around \$30 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 January 2021 acquisition by Exact Sciences. The company has 80 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.

**Government and Community Affairs**

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 HB 654**.

cc: Delegate Lily Qi  
Members, House Ways and Means Committee