

GOVERNOR JOSH SHAPIRO

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Governor Shapiro Visits the Space Institute at the University of Pittsburgh to Highlight Proposed Investments to Speed Up Pennsylvania's Innovation Economy and Connect Researchers with the Private Sector

Governor Shapiro's <u>2025-26 proposed budget</u> includes a new \$50 million investment to create the PA Innovation program to further position the Commonwealth as an economic development and innovation leader.

This budget aims to connect the dots and attract new businesses in the life science sector — delivering speed and lower costs through access to network of leading universities and research institutions.



Pittsburgh, PA – Today, Governor Josh Shapiro and Department of Community and Economic Development (DCED) Secretary Rick Siger joined local leaders at the <u>Space Institute</u> at the University of Pittsburgh (Pitt) to highlight the Shapiro Administration's commitment to fostering Pennsylvania's innovation economy.

Building on that commitment, Governor Shapiro's 2025-2026 proposed

<u>budget</u> creates a new, \$50 million PA Innovation program, which includes a onetime \$30 million initiative to spur life sciences job growth and \$20 million to provide annual funding to support large-scale innovation. This proposal aims to establish a network among leading universities and research institutions to provide life sciences companies in Pennsylvania with a competitive edge in completing their clinical trials more quickly and at reduced costs. This funding will give Pennsylvania a competitive advantage — positioning our Commonwealth as a leader to companies who want to move quickly on getting their discoveries to market.

"In order to compete, we have to be investing in our future. Pitt Space is a great example of the kind of cutting-edge research and development happening right here in our Commonwealth and my Administration is laser-focused on supporting this kind of work," said **Governor Shapiro.** "From our world-class research institutions to our skilled workforce, Pennsylvania has the resources to be an innovation leader and we're doubling down on this commitment with a new, \$50 million innovation fund that will support the breakthroughs of tomorrow that will power our economy." This fund will establish a network among leading universities and research institutions to help life sciences companies in the Commonwealth complete clinical trials more quickly and at reduced costs. By connecting world-class universities like Pitt with leading life sciences companies that want to do business here, Pennsylvania can create a one-stop-shop for companies seeking partners for the trials and studies they need to complete to get their medicine to market. It will also challenge industry partners to look for new, faster ways to innovate and commercialize their discoveries by putting up matching Commonwealth dollars to support initiatives that strengthen the life sciences sector in a number of ways — whether that's an initiative to improve the way research and development is done.

Lastly, this fund will help train top-tier talent that can take a successful spinoff from a place like Pitt Space and make it a commercial success. That network will deliver greater speed and lower costs for the life sciences industry, helping fuel the fire in this space, connecting researchers, and incentivizing collaboration. Taken together, this new fund will give Pennsylvania a competitive advantage — positioning our Commonwealth as a leader to companies who want to move quickly on getting their discoveries to market.

The Pitt Space initiative officially launched in September 2024 to advance the United States' space research and workforce development. Pitt Space is organizing, magnifying, and expanding activities across campus in terms of three core areas of strength — space engineering, space biomedicine, and space science. The comprehensive program builds upon Pitt's historical contributions to space science, such as the analysis of Apollo 11 moon rocks and the leadership of Samuel Pierpont Langley at the Allegheny Observatory, further cementing Pitt as a leading U.S. space university.

The Space Biomedicine program aims to drive innovation in both space and terrestrial healthcare. Its discoveries have the potential to not only support human exploration of space but also to provide valuable insights into aging, immune function, cancer risk, mitochondrial health, and resilience in extreme environments on Earth.

"Space innovation and technologies have had dramatic impacts on our nation and economy. Today, the industry is more active than it has ever been which is why it's critical we support the work these students are doing here at Pitt Space," said **Secretary Siger.** "These important research programs need to be fostered and nurtured so that we are at the forefront of building tomorrow's economy, which is why Governor Shapiro is proposing a \$50 million investment in this year's budget."

"States have aggressively invested in creating business-friendly environments and building robust life sciences clusters. It's our turn to see bipartisan support for policies that make this Commonwealth more competitive for human health innovation," said **Megan Shaw, President and CEO of Pittsburgh Life Sciences**. "The innovation program outlined here is a down payment on a huge economic opportunity — facilitating innovation, commercialization, and job creation. Pittsburgh is poised to become a global hub for human health innovation — smart investments and policy today will keep Pennsylvania at the forefront for generations to come."

"I chose to be at Pitt because of the amazing work we do at the medical center, the School of Medicine, and the university at large," said **Dr. Rory Cooper, University of Pittsburgh Assistant Vice Chancellor for Research for STEM-Health Sciences Collaborations**. "My team creates life-changing assistive technologies — like the controls used on every power wheelchair in the world, which have given millions of people independent mobility for the first time. Pennsylvania is home to one of the largest wheelchair manufacturers, and with institutions like Pitt, CMU, Penn State, Temple, and Penn, we are arguably the strongest academic state in the world for assistive technology. We need to leverage that strength to grow the commercial sector so that the companies and jobs that come from these innovations stay right here and transform lives around the world."

Over the last two years, the **Shapiro Administration** has successfully competed for business, made strategic investments in key sectors of the Commonwealth's economy, and implemented transformative changes to the permitting, licensing, and certification processes to ensure Pennsylvania moves at the speed of business. As a result, the Commonwealth has attracted over \$5.2 billion in private sector investments and created nearly 9,500 new jobs.

Over 100,000 Pennsylvanians work in this industry — at places like Krystal Biotech in Western Pennsylvania, Spark Therapeutics in Philly, and GSK in Lancaster County.

Pennsylvania's life sciences sector is poised for explosive innovation and growth. The University of Pennsylvania, University of Pittsburgh, and Pennsylvania State University all spend over \$1 billion annually on groundbreaking research and development —and taken together, Pennsylvania's colleges and universities rank fourth in the nation in life sciences research and development spending.

In the last five years, Pennsylvania companies received 10,783 new life sciences patents — the fourth highest number in the country — but only received 3 percent of the venture capital flooding into the sector. The Governor's budget proposal aims to connect the dots and attract new businesses in the life science sector.

The 2024-25 enacted budget made significant investments aligned with the overall tenyear economic strategy. This budget goes further to implement the <u>Economic</u> <u>Development Strategy</u>, positioning Pennsylvania as a national leader in innovation, job creation, and economic development.

"We know how to transform, and the life sciences and innovation economy is a critical part of our economic future and growth in our next chapter that we are writing today," said **Allegheny County Executive Sara Innamorato**. "I'm happy to stand with a Governor who understands the importance of investing in science and technology. Together, we understand that we need to create places that attract and retain public and private investment — like we're seeing through the life sciences sector. We've

discovered lifesaving, world-changing science here in Pittsburgh. Now is the time to double down and grow it. The convergence of AI, life sciences, biotechnology, and data analytics is transforming this region — and we are positioned to lead."

"I am proud to be supporting the vision and leadership Governor Josh Shapiro as he seeks to make critical investments in the innovation space," said **Senator Jay Costa.** "Western Pennsylvania has the capacity to lead the national field in the areas of life sciences, technology, and economic development, and I look forward to championing this strategic plan in the legislature to unleash the full potential of our commonwealth's resources."

"Economic development is essential to our city and our region, as well as to our communities and our neighborhoods, in order for them to thrive," said **Representative La'Tasha Mayes**. "And for me — especially around my passion of maternal health, which the Governor has been such a leader on during his administration — I believe that life science and biomedicine can be part of the solution to ending preventable maternal deaths in our Commonwealth. This is why it's important that we are able to get the job done — to make sure that we can invest the dollars, invest the \$50 million in our state budget this year."

Governor Shapiro's <u>2025-26 budget proposal</u> calls for more new and expanded investments to implement the Economic Development Strategy and increase our competitiveness, strengthen communities, and address critical housing needs.

Fostering innovation is a key component of **Governor Shapiro's** 2025-26 budget proposal, which includes:

- **\$50 million** for the new PA Innovation program, including a one-time \$30 million initiative to spur life sciences job growth and \$20 million to provide annual funding to support large-scale innovation
- **\$10 million** for AdvancePA tax credits to create high quality jobs across Pennsylvania
- **\$12.5 million** dedicated to WEDnetPA to expand our workforce and close critical workforce gaps
- \$3.5 million to create and launch the Pennsylvania Regional Economic Competitiveness Challenge to provide different geographic regions with the resources they need to plan and implement localized economic development strategies.
- **\$2 million** for the creation of Career Connect to build internships at Pennsylvania companies

Read more about <u>Governor Shapiro's 2025-26 budget proposal</u>. Explore the Governor's 2025-26 Budget in Brief <u>here</u>, or visit <u>shapirobudget.pa.gov</u> to learn more.

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