

Life Sciences Caucus Meeting
February 27, 2025
7:30am

Co-chairs:

Senators Newton and Chaudhuri
Representatives White and Reives

Meeting will begin shortly



Advocate. Advance.

The NC Life Sciences Organization is the trade association for the life sciences industry in North Carolina.

NCLifeSci represents nearly 300 member companies across the state.

(formerly NCBIO)

Agenda

- Welcoming remarks by Chairs and introduction of new Senate Democratic Chair
- North Carolina Biotechnology Center
 - A review of the growing NC Life Sciences Ecosystem
- Commerce Office of Science Technology and Innovation
 - Review of the One NC Small Business Fund

**North Carolina
Biotechnology Center®**

February 20, 2025

North Carolina's Growing Life Sciences Ecosystem

Presented by

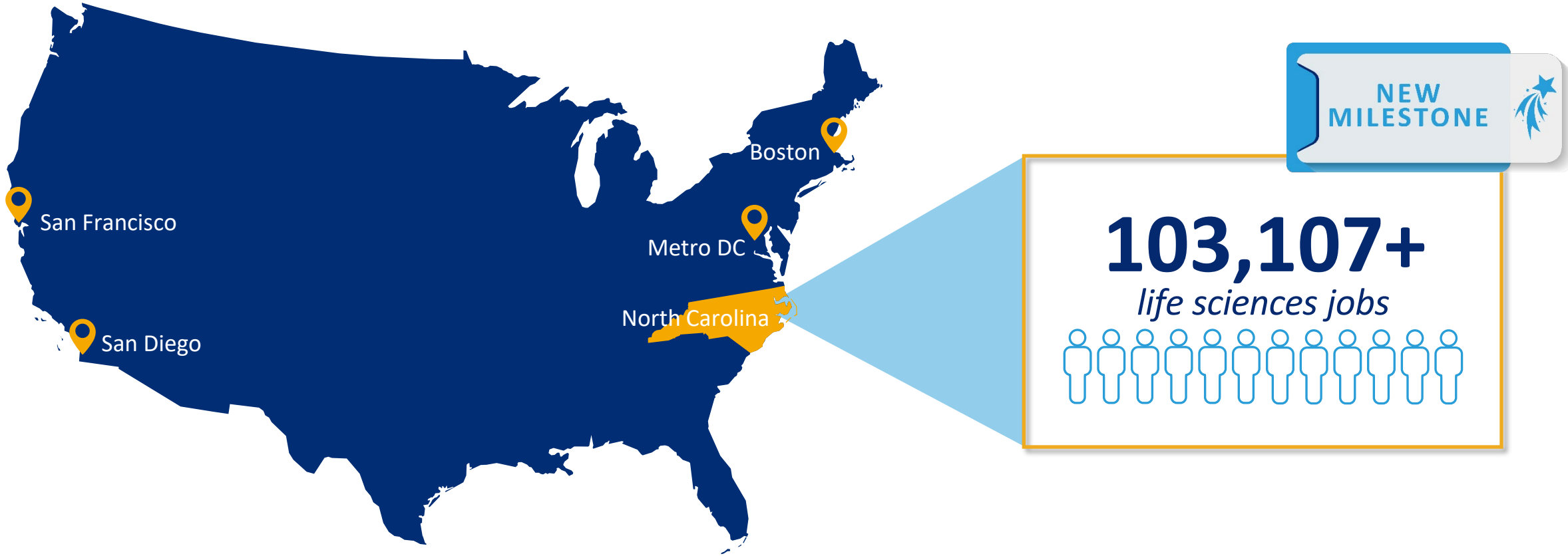
Bill Bullock, SVP, Economic and Statewide Development

Mary Beth Thomas, SVP, Science and Business Development

Agenda

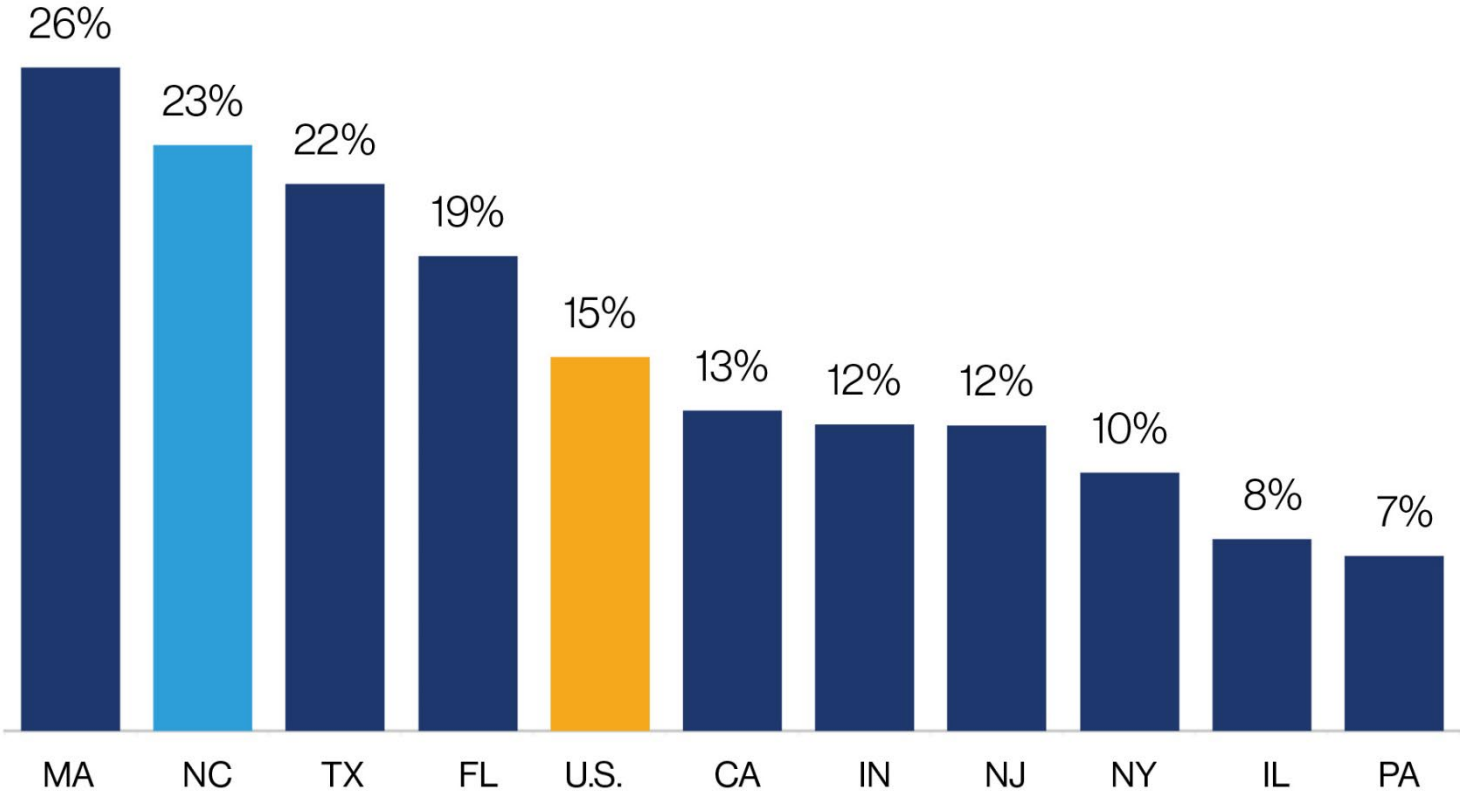
- NC's Life Sciences ecosystem
- Impact on North Carolina
- Role of NCBiotech
- Future opportunity

North Carolina Life Sciences Employment Exceeds 100,000



NC Life Sciences Employment Outpaced National Industry Growth, Second Only to Mass.

Figure 5: Life Sciences Industry Employment Trends, NC and Comparison States, 2019-23



North Carolina's Core Strengths



Credit: CSL Seqirus

Life Sciences
Manufacturing



Credit: BioAgilytix

Contract Research
& Testing



Credit: Shutterstock

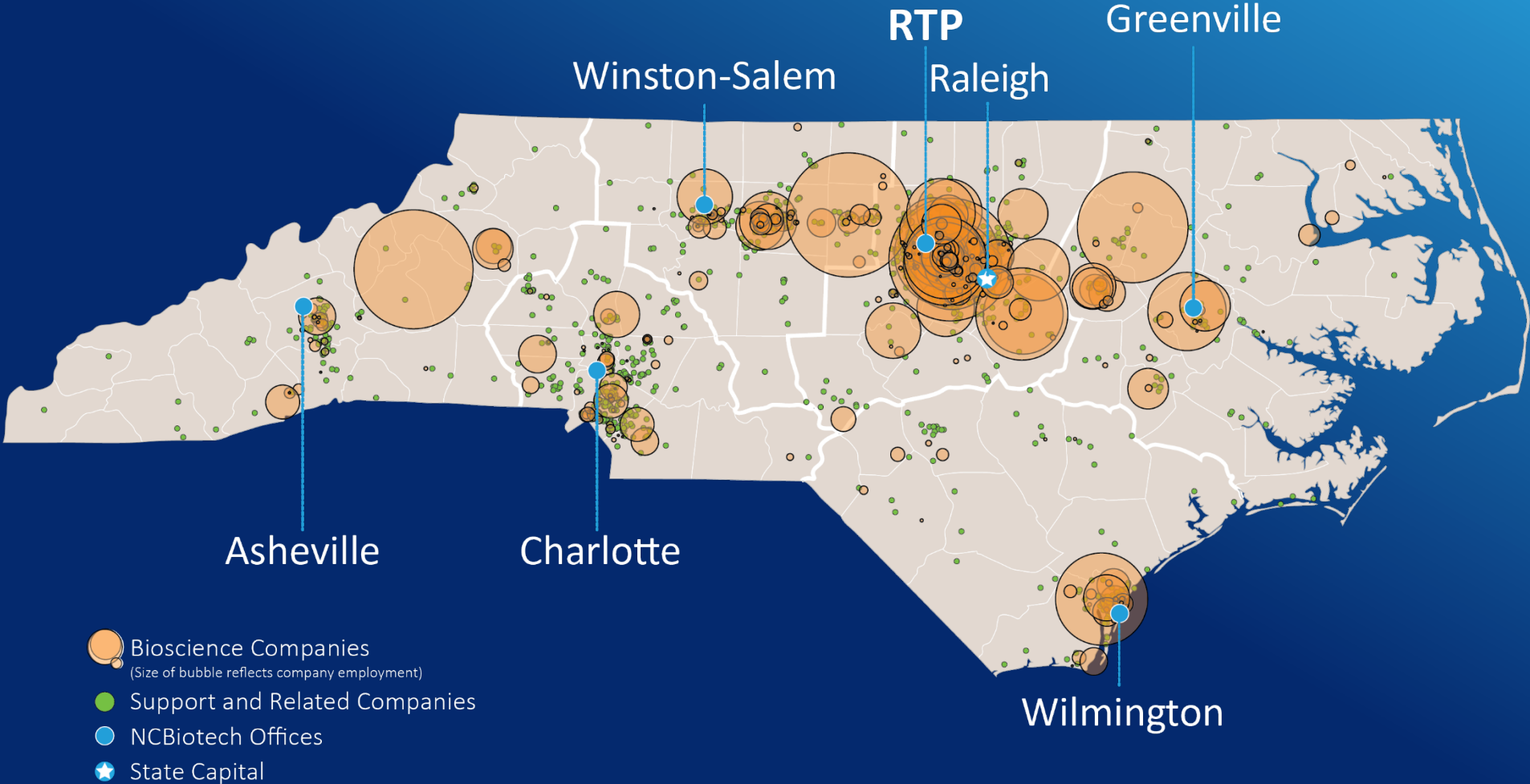
Research &
Development



Credit: BASF

Ag
Tech

NC Life Sciences Ecosystem



NC Life Sciences Economic Impact in 2024

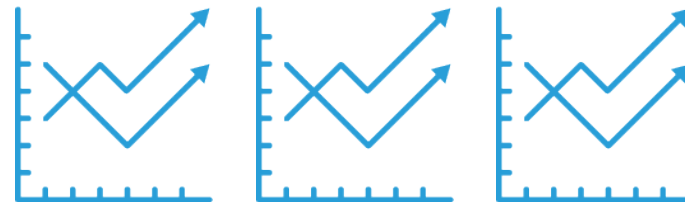
\$82B

*Economic impact of NC
life sciences*

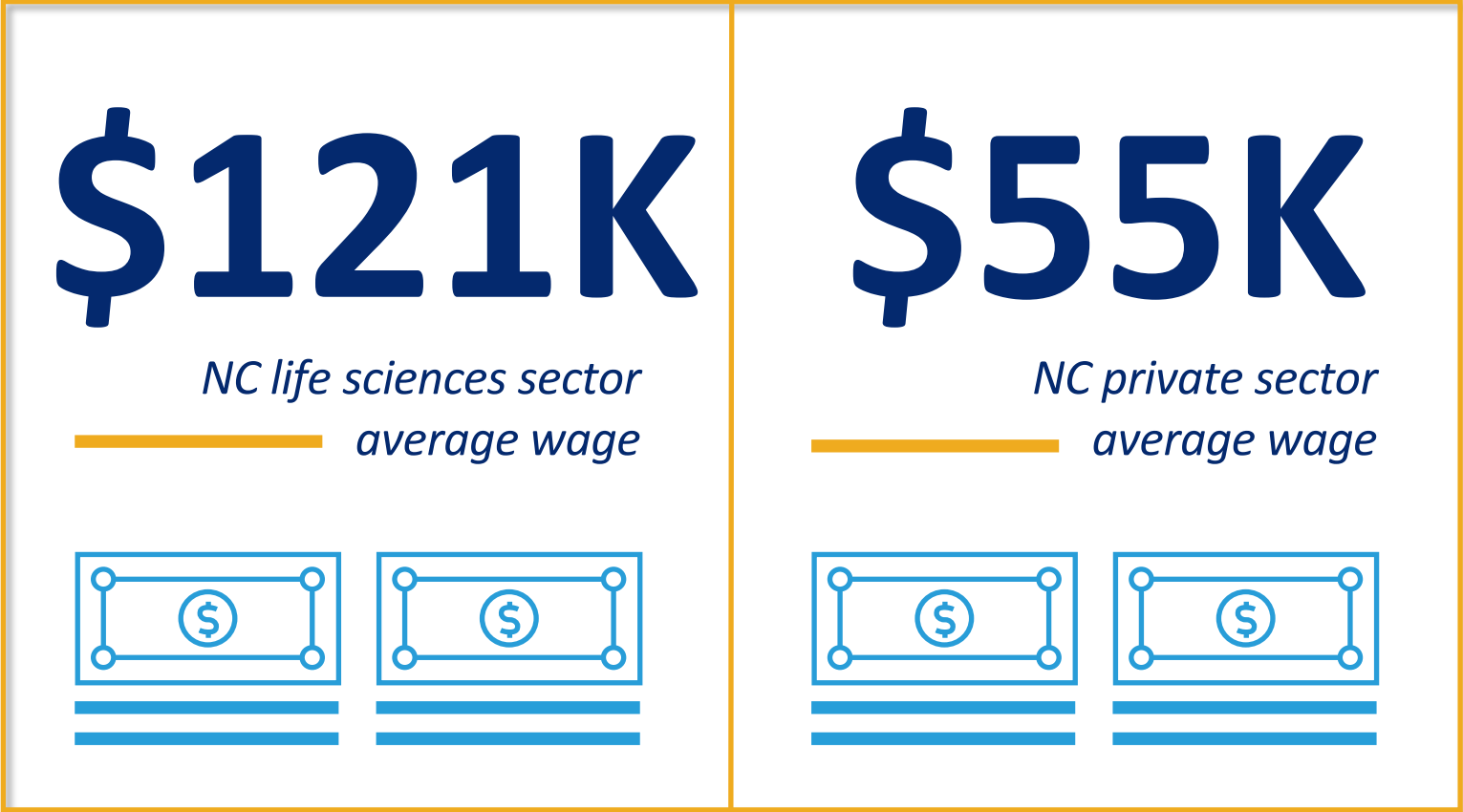


\$2.5B

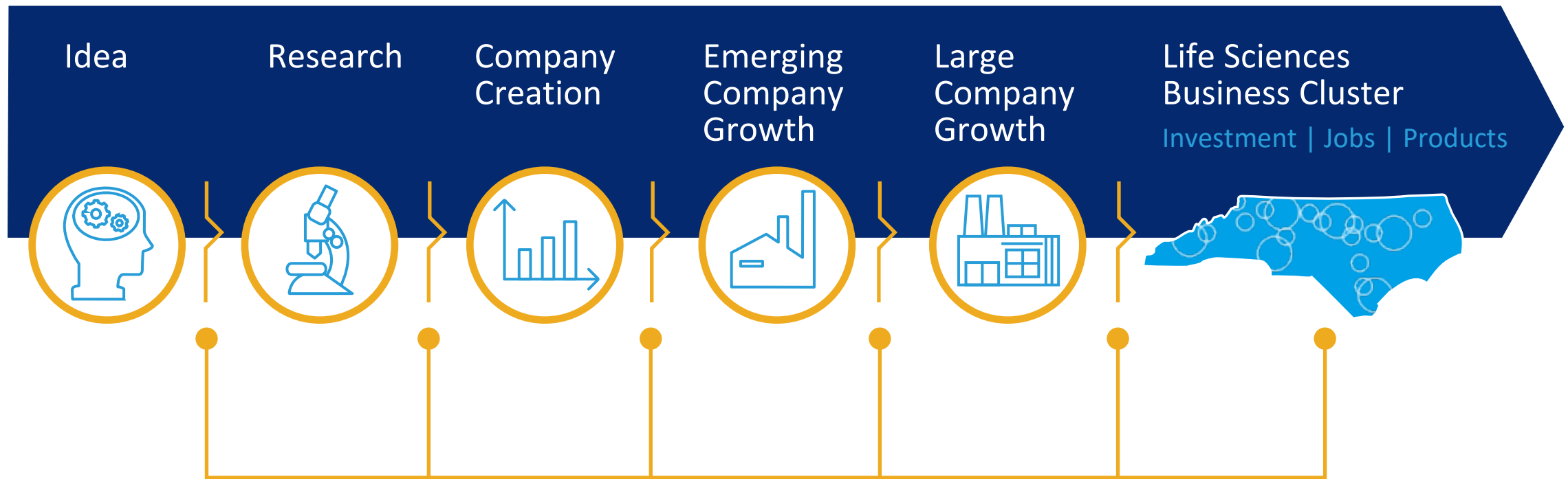
*State and local
tax revenue*



NC Life Sciences Wages Exceeds State's Private Sector Wage By 84%



NCBiotech Programs From Idea to Impact



NCBiotech activities and funding *support pipeline for growth*

NCBiotech Loan Program



* Follow-on funding = **\$8.01B**
Executes **16-23** loans annually
Maintains **80+** portfolio companies

North Carolina's Favorable Business Climate



2023, 2022, 2021, 2020
Top Business Climate



2023, 2022
Top State for Business



2023
Top Market for Biomanufacturing



2022 Top Biotech Hubs

NC Life Sciences Growth 2024

25

life sciences announcements

4,576

announced jobs

\$10.8B

announced investment

AMGEN

December 2024 | Wake
370 new jobs | **\$1B** investment

Frontier 

November 2024 | New Hanover
300 new jobs | **\$800M** investment

**Johnson
& Johnson**

October 2024 | Wilson
420 new jobs | **\$2B** investment

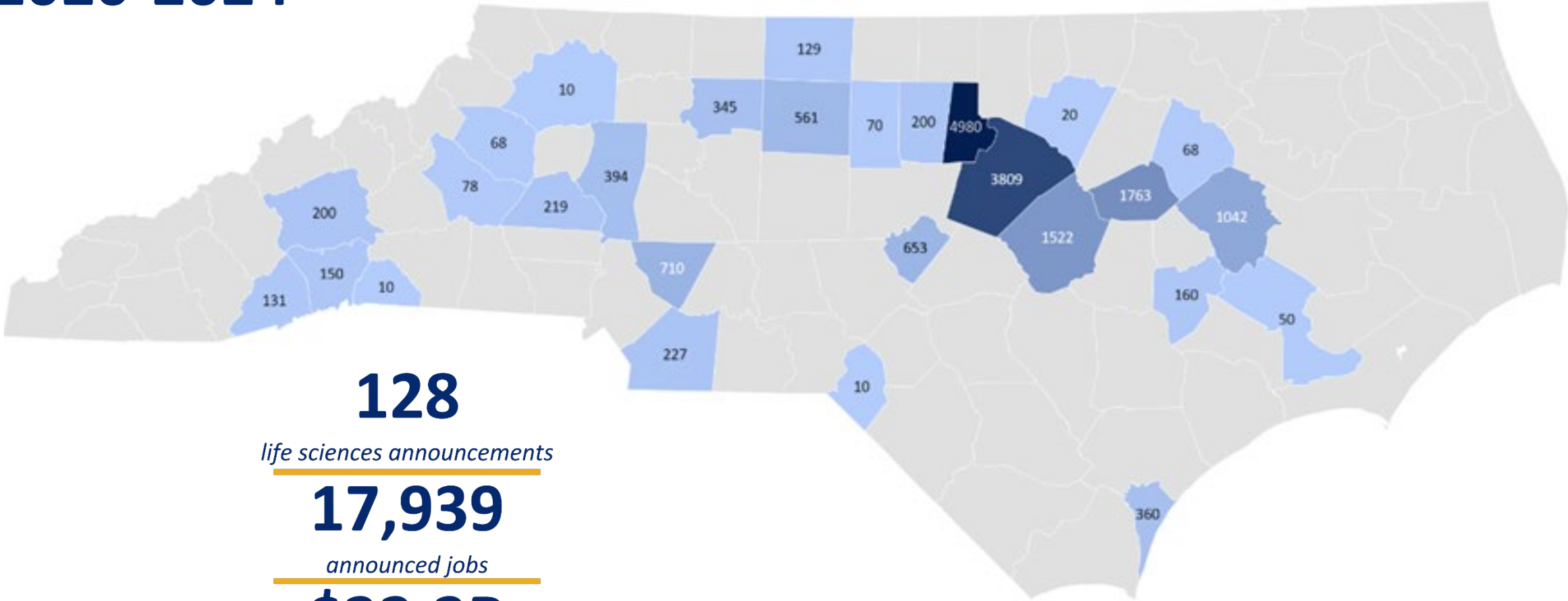

novo nordisk®

June 2024 | Johnston
1000 new jobs | **\$4.1B** investment

FUJIFILM
Diosynth
biotechnologies

April 2024 | Wake
680 new jobs | **\$1.2B** investment

NC Life Sciences Growth 2020-2024



128

life sciences announcements

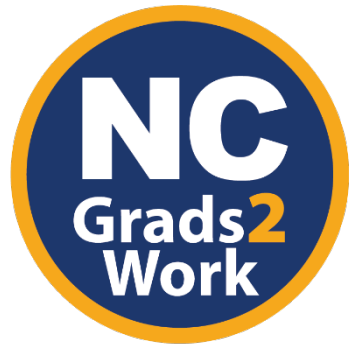
17,939

announced jobs

\$22.2B

announced investment

NCBiotech – Growing NC’s Life Sciences Workforce

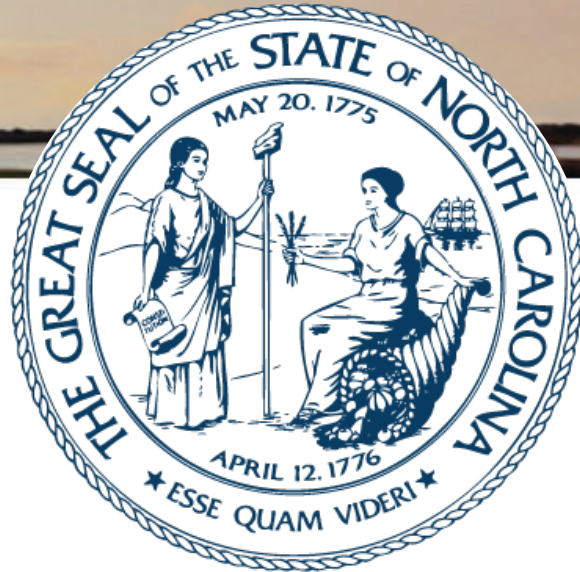


powered by **NCBIOTECH.**



The Future for NC Life Sciences...





www.nccommerce.com/sti

NC LIFE SCIENCES LEGISLATIVE CAUCUS BREAKFAST MEETING
THURSDAY, FEBRUARY 27, 2025

OVERVIEW & IMPACTS OF THE ONE NC SMALL BUSINESS PROGRAM

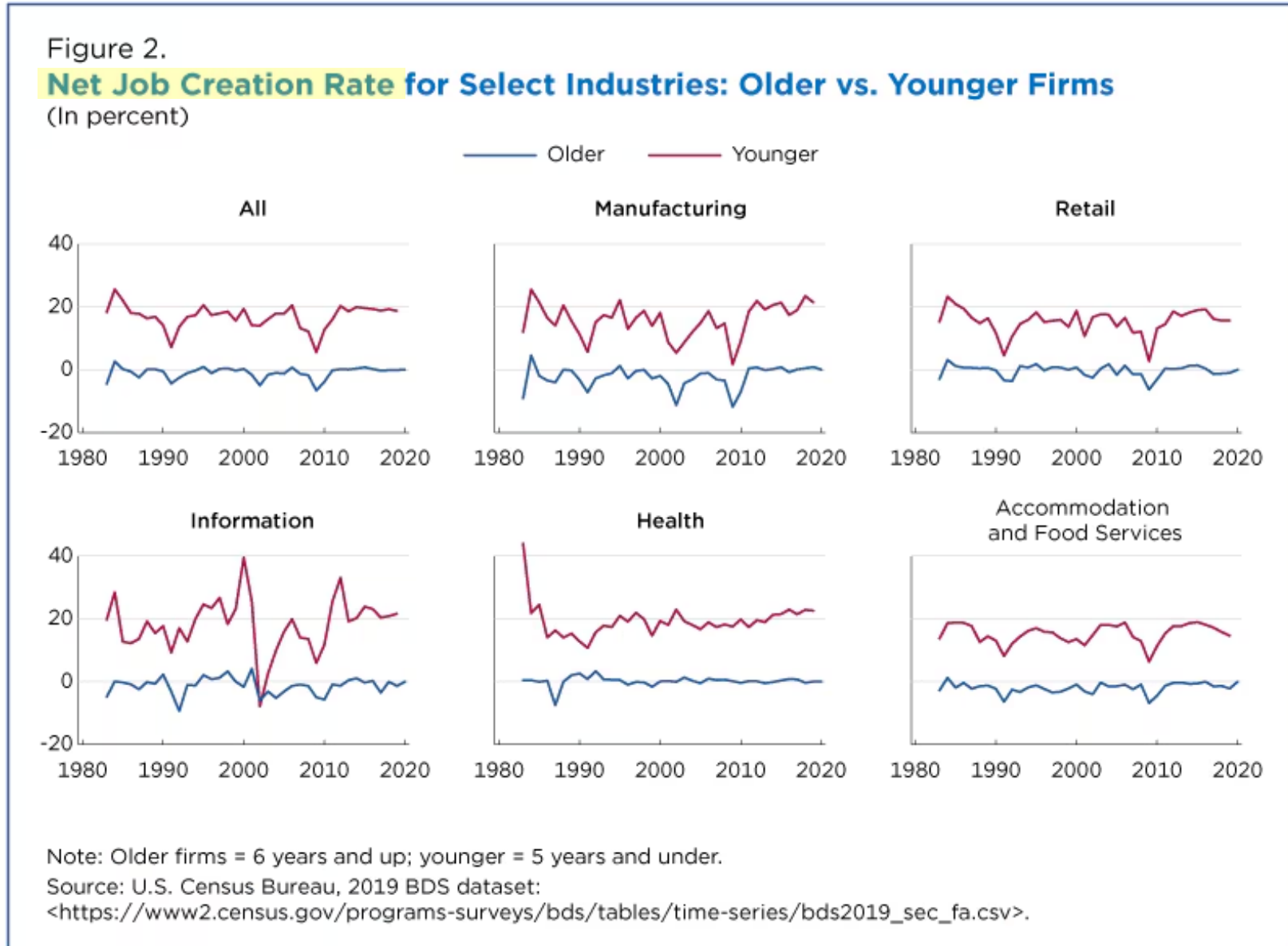
JOHN HARDIN, PHD

EXECUTIVE DIRECTOR, OFFICE & BOARD OF SCIENCE, TECHNOLOGY & INNOVATION (OSTI/BSTI)
NORTH CAROLINA DEPARTMENT OF COMMERCE



Small Businesses Lead Jobs Creation

- **Net** job creation rate is notably higher for younger firms (red lines) than for older ones (blue lines).
- **Net** job creation rate hovers around 15% to 20% for younger firms; is 0% or negative for older firms.
- **One NC Small Business Program is the only program within the NC Department of Commerce that focuses exclusively on young, innovative small businesses.**



To Grow Jobs, Federal Government (in 1980s & 90s) Created:

America's Seed Fund

Small Business Innovation Research (SBIR)
Small Business Technology Transfer (STTR)

Coordinated by  U.S. Small Business Administration

Highly competitive programs run through 11 federal agencies (e.g., DoD, NIH, NSF) that fund businesses to engage in Research and Development (R&D) with strong potential for commercialization, growth, and job creation

“We in government must work in partnership with small businesses to ensure that technologies and processes are readily transferred to commercial applications.”

~Ronald Reagan, July 22, 1982

SBIR & STTR Use a Three-Phase, Stage-Gate Process



In 2022*, ~\$4.7 billion awarded nationally via more than 6,000 awards to ~3,700 awardees; **81% via Phase II awards.**

Yet, federal Phase I grants are often not enough to enable innovators to succeed and proceed to Phase II



one north carolina
Small Business Program
NCGS § 143B-437.80-81

Authorized by
General Assembly in 2005
to **target Phase I, increase success,**
and ultimately win more Phase II dollars

**Thank
you!!!**

*Latest year for which complete data is available.

Two Programs Under the One NC Small Business Program

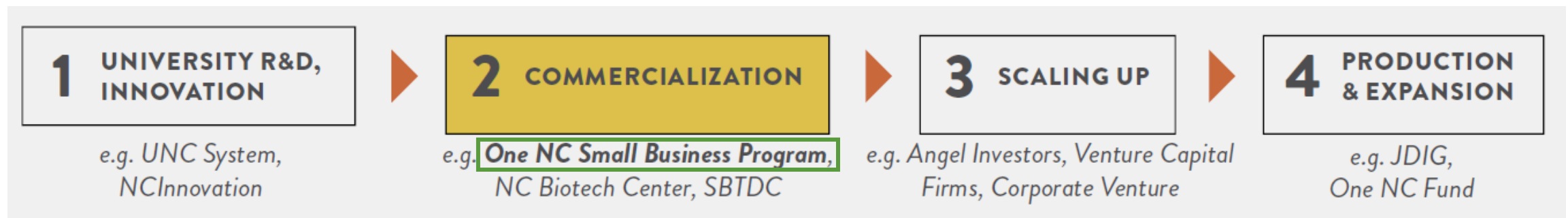
Incentive: reimburses (up to \$12k) companies for cost of preparing Phase I SBIR/STTR proposals.

1. Incentivizes NC companies to compete for Phase I SBIR/STTR funds.
2. Increases number & quality of NC applications for Phase I SBIR/STTR funds.

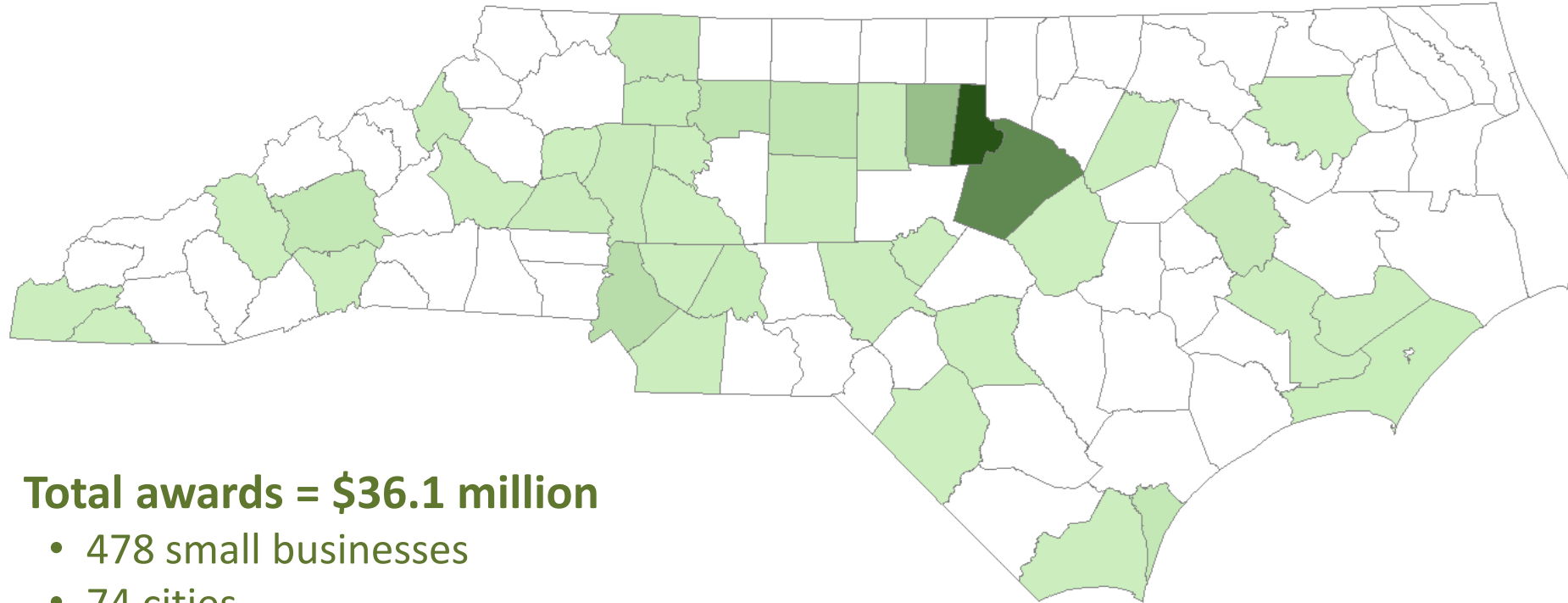
Matching: awards grant (up to \$200k) to companies who have received a Phase I SBIR/STTR award.

1. Makes NC companies more competitive for Phase II SBIR/STTR funds.
2. Helps NC companies bridge funding gap between Phase I and Phase II funds.

Plays a Critical Role in Our State's Innovation Pipeline:



Grants Have Been Awarded *throughout* NC, FY 2006-2024

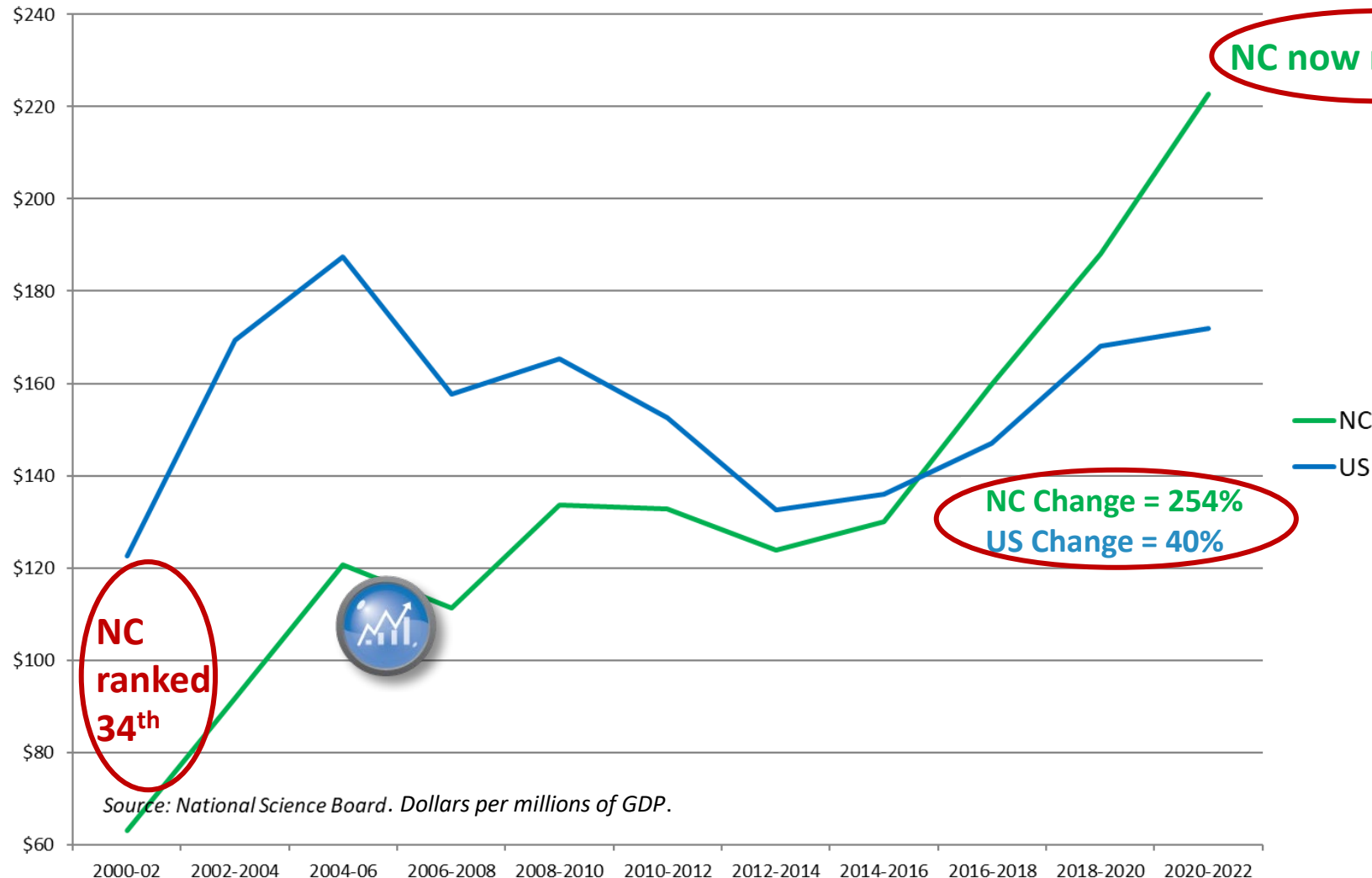


Total awards = \$36.1 million

- 478 small businesses
- 74 cities
- 40 counties

The breadth & impact (see later slides) of grants will increase if funding increases!

NC SBIR/STTR Funding & Leverage Increased Significantly



One NC Small Business Program created in 2005

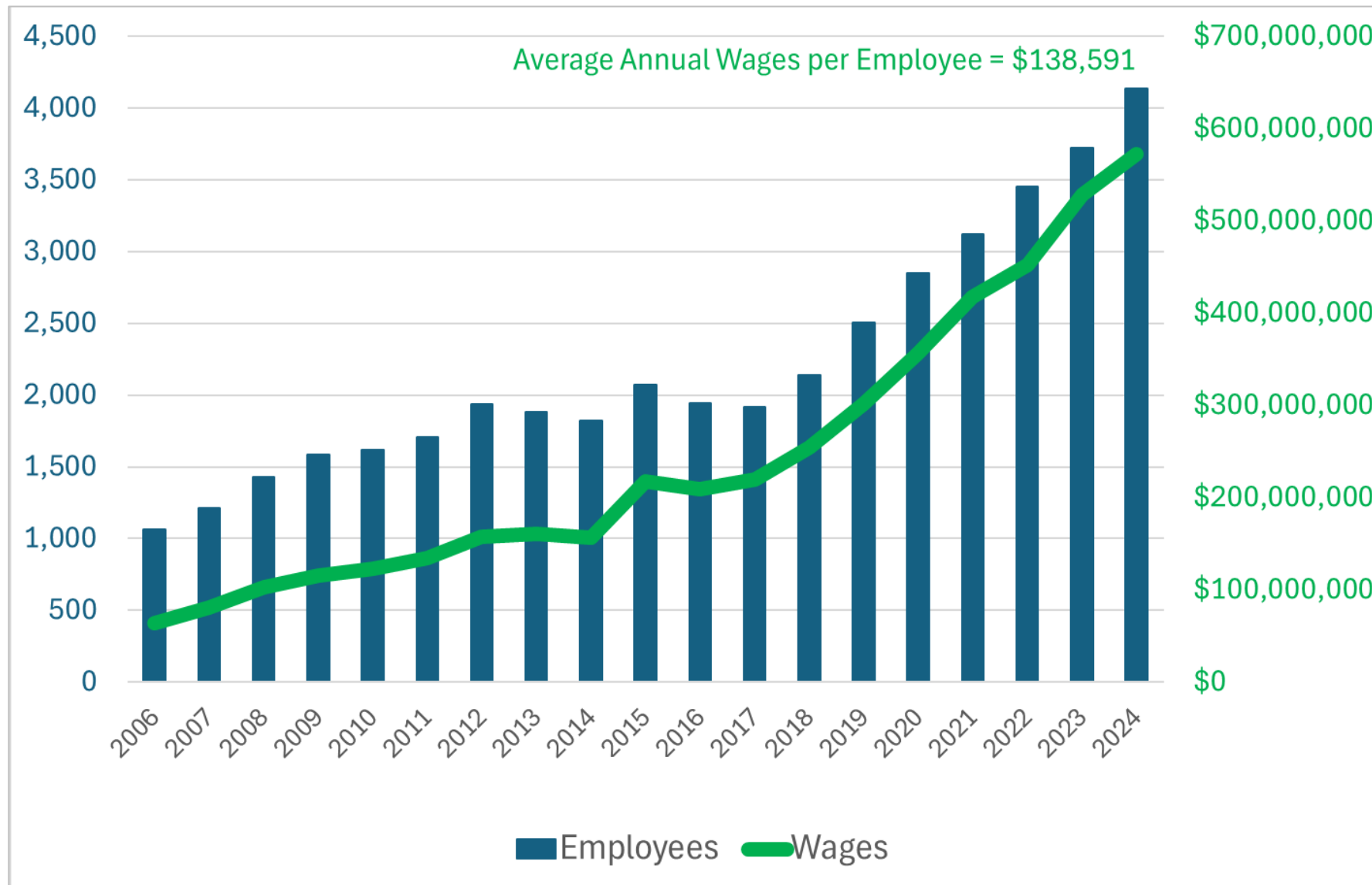
Trend:

NC's SBIR/STTR funding as share of GDP increased 6x faster than U.S. average

Now well above U.S average, due primarily to increased Phase II awards

More \$ coming into NC!

Grants Have Led to Significant Employee and Wage Growth

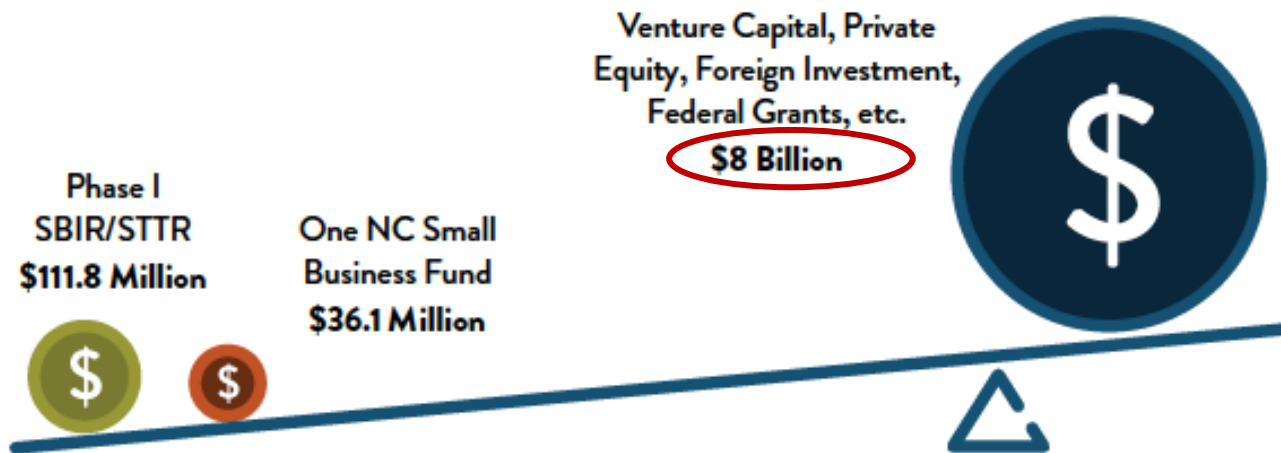


Your support has helped add jobs and increase wages across the state.

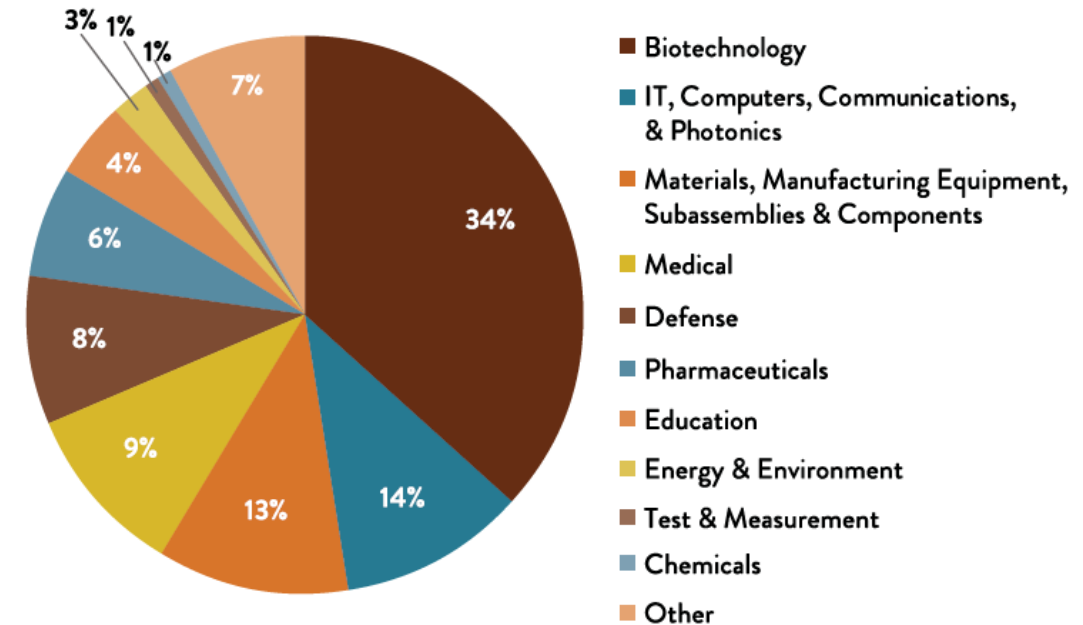
Total Follow-On Funding is Very Large

250x Return on State Investment

State funding leverages larger follow-on funding amounts from multiple other sources.



Across Wide Range of Sectors

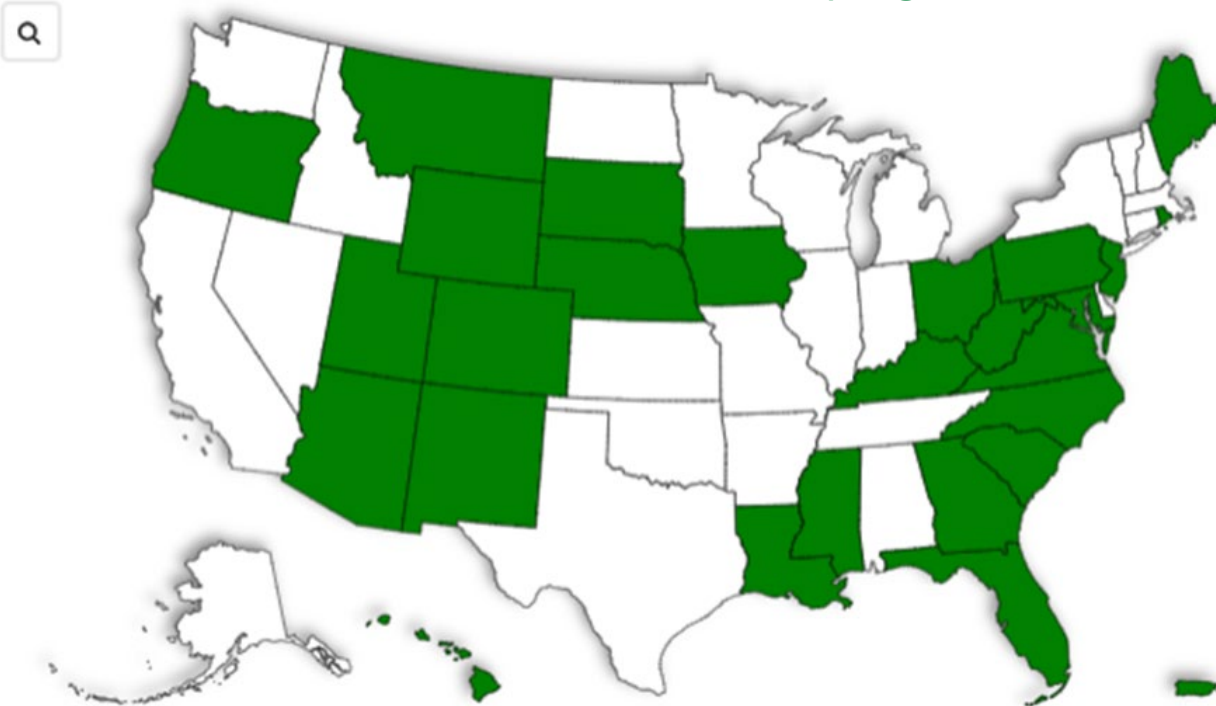


Other States Have Programs to Compete With NC*

FAST **Phase 0 Funding** Phase 1 Matching Funds Phase 2/3 Matching Funds

Gap Funds

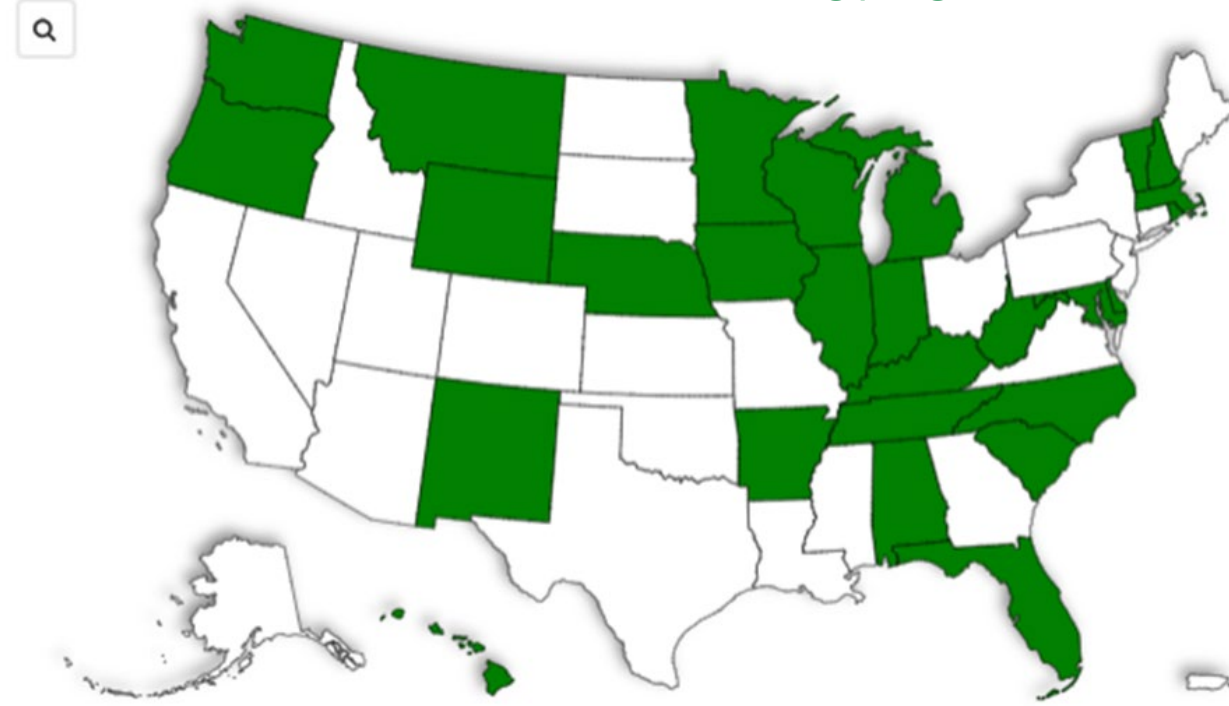
25 states have Incentive programs



FAST Phase 0 Funding **Phase 1 Matching Funds** Phase 2/3 Matching Funds

Gap Funds

26 states have Matching programs




*Many are funded at higher levels than NC's programs.

Source: SSTI Analysis of State SBIR Support Organizations, U.S. Census Bureau 2021 boundaries

Editor's note: The data in this report is based on publicly-available information as of the 1st quarter of 2024. If you have an update or correction, please contact us at tbedcop@ssti.org



Other States are Trying to Recruit NC Companies with Larger Matching Grants!

Screenshot of email sent to
Aegis Power Systems
(Murphy, NC) 
on January 19, 2024



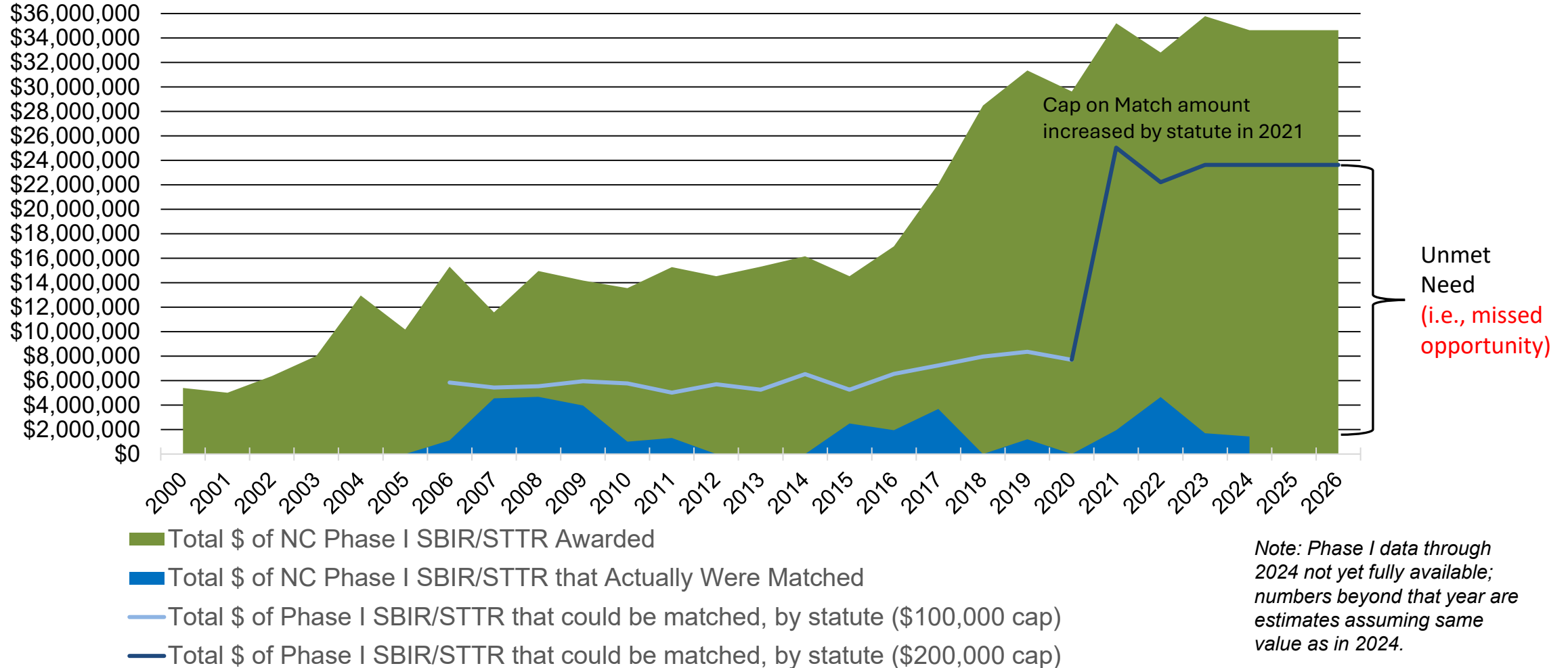
Congratulations on your achievement in securing a federal SBIR/STTR grant!

[Innovate Alabama](#) is our state's premier public-private partnership fueling entrepreneurship and technology, and we're excited to offer you a unique opportunity to further enhance your project in a state that's rapidly becoming a nexus for innovation across diverse sectors.

The [Innovate Alabama Supplemental Grant Program](#) offers additional funding to help businesses like yours accelerate innovation and growth. Our records indicate that you could [qualify](#) to apply for **up to \$250,000** in non-dilutive supplemental funds through our program, which aims to empower entrepreneurs and innovators like you.

Program Funding Not Keeping Pace with Demand

**Total Dollars of NC Phase I Awards vs.
Total Dollars of NC Phase I Awards that Could be Matched and that
Actually Were Matched by the One North Carolina Small Business Program**



Key Takeaways

Innovative Small Businesses

- Lead in creating jobs

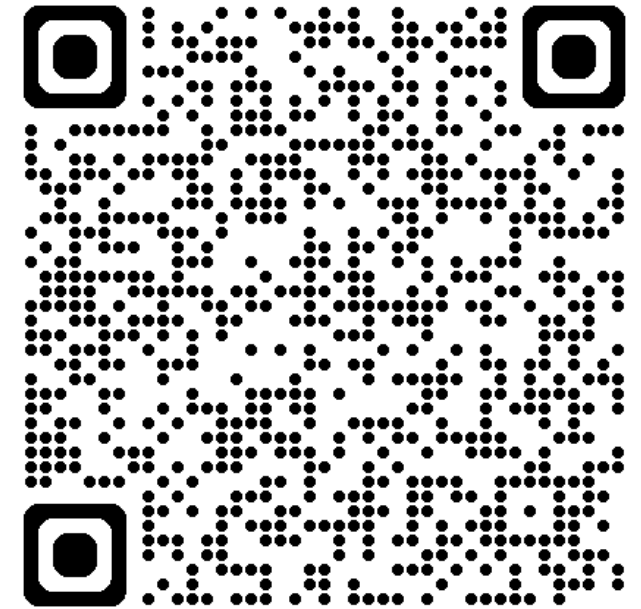
SBIR/STTR Programs

- America's Seed Fund for innovative small businesses
- Leveraged substantially by more than half of U.S. states

One NC Small Business Program

- Has a long, proven track record of significant impacts!
- Funding not keeping pace with growing need!
- Increased funding will maximize leverage and impacts!

Two-page program overview
available at:



Thank you for your support!

Q&A