Life Sciences

Introduction

Massachusetts is the global epicenter for the life sciences industry. Yet, other states, such as Texas, New York, California, and North Carolina, are competing hard to outpace us. To remain the leader and to continue to cultivate innovative companies and lifesaving treatments, the Healey-Driscoll Administration recognizes that the state must continue to actively invest and thoughtfully partner with industry to further cultivate the ecosystem.

To that end, this bill turns the page to the next chapter of the state's consistent support of the life sciences industry. This bill reauthorizes the Massachusetts Life Sciences Center (MLSC) for the third time and includes the resources needed to launch this new phase of the Life Sciences Initiative. This iteration builds on the successes that the state has fostered over the past 15 years. The outsized role played by Massachusetts institutions during the COVID-19 pandemic and securing of the ARPA-H Investor Catalyst Hub have provided recent validation of Life Sciences Initiative’s success. It is also evident in the industry’s expansion beyond Boston and Cambridge.
An Act Relative to Strengthening Massachusetts’ Economic Leadership: Life Sciences

The Healey-Driscoll Administration seeks to refocus the state’s life science strategy around the present-day challenges and opportunities and position the state’s preeminence in the life sciences for continued success. This includes elevating cross-sector collaboration across priority areas, including health equity. By bringing together different aspects of the existing ecosystem, such as life sciences companies, community healthcare providers, and academic research institutions, the state can explore ways to keep residents healthy, instead of waiting until people are sick.

This proposed legislation will reenergize the MLSC to take the state’s life sciences ecosystem to the next frontier of sustainability and growth.

Life Sciences Framework ($1 Billion, 10-year Strategy)

- **Capital ($500 M):** MLSC will embrace a model that includes broader, wide-ranging requests for proposals with specific themes that encourage multi-institution, cross-sector collaboration. Through this realignment, the state will be better able to pursue health equity ventures, research and development, and capital eligible initiatives to continue to drive economic growth, foster innovation, and support a thriving ecosystem.

- **Tax Incentives ($350 M):** The Life Sciences Tax Incentive Program is a proven success in sustainably and responsibly incentivizing the creation of jobs in the industry. This bill will increase the statutory cap from $30 M to $50 M for life sciences tax incentives, with the annual awards subject to approval by the Secretary of A&F. The bill also provides long-term predictability by extending the program to 2033. This will further enhance a valuable business development tool to attract and retain companies in Massachusetts.
  - All incentives will continue to be subject to recapture in the event of failure of a certified life sciences company to substantially achieve the new state revenue, job growth and capital investment projections.

- **Operating ($150 M):** As part of this strategy, the Healey-Driscoll Administration plans to leverage operating resources to further its commitment to workforce training and other strategic initiatives that are crucial for supporting the sector. The FY25 House 2 budget dedicates $10 million for MLSC. There are limitations with respect to the use of capital funds and tax incentives. Operating appropriations can be deployed to fund internships and make grants and loans available to early-stage companies. Notably, this vision includes the expansion of Pathmaker, a key component of the administration’s MassTalent Initiative, to scale career training programs for in-demand job opportunities within the industry.
Key Themes

- **Competitiveness:** The national and international landscape for life sciences is increasingly competitive. Massachusetts must continue to create an environment that supports industry and academia to maintain its competitive edge moving forward. This is the time to invest and lengthen the lead.

- **Equity:** Life Sciences presents a unique opportunity to expand the impact of the life sciences and transform lives. This mindset applies across all dimensions, including job opportunities, health outcomes, and regionalization. The Healey-Driscoll Administration wants to ensure that residents in all regions, across a diversity of backgrounds and experiences, can participate in and benefit from this key sector.

- **Innovation:** Embracing models used at the federal level by DARPA, ARPA-H, and EDA, this revised strategy seeks to break down siloes and drive cross-sector collaboration among key industries, such as life sciences, biomanufacturing, medical technology, and healthcare and hospitals. As outlined in the economic development plan, this ecosystem is large enough to have scale, but small enough to run pilots and explore. This is an advantage that must be capitalized on.

Snapshot of the Life Sciences Initiative’s Impact

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<thead>
<tr>
<th>Life Sciences 2008 – 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Funding</strong></td>
</tr>
<tr>
<td><strong>Job Impacts</strong></td>
</tr>
<tr>
<td><strong>Internships</strong></td>
</tr>
<tr>
<td><strong>Investments Leveraged</strong></td>
</tr>
</tbody>
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Beyond direct impacts, Massachusetts has seen the industry flourish since 2008:

- 110% industry employment growth
- Scaled to ~30% of US life sciences VC funding
- Home to ~15% of the U.S. drug development pipeline
- Lab space grew by ~250% since 2010, at more than 60 million square feet in 2023
- #1 National Institutes of Health NIH Awards per capita (2022)