



DUEY STROEBEL

STATE SENATOR • 20TH DISTRICT

Testimony on SB 894

January 17, 2024

Thank you Chairman Feyen and committee members for holding a public hearing on Senate Bill 894, a bipartisan bill I authored with Representative Nedweski for the purpose of providing state matching funds for the Wisconsin BioHealth Tech Hub's federal implementation grant application.

The Wisconsin BioHealth Tech Hub, led by BioForward, was recently designated by the U.S. Department of Commerce's Economic Development Administration (EDA) as one of 31 inaugural tech hubs under the Regional Technology and Innovation Hub program created by the CHIPS and Science Act of 2022. The program aims to strengthen U.S. economic and national security through the funding of regional consortia specializing in key technology areas. The area of emphasis for the Wisconsin BioHealth Tech Hub, as the name implies, is biohealth technology and personalized medicine. The Tech Hub covers the greater Madison and Milwaukee-Waukesha metropolitan areas and is comprised of various private and public sector entities who have a sizable economic impact throughout the state.

The Wisconsin BioHealth Tech Hub was also one of 29 tech hubs to receive a Strategy Development Grant (\$350,000) to further refine its plan for scaling up the manufacture, commercialization and deployment of critical technologies in personalized medicine. The tech hub designation provides BioForward with the opportunity to apply for a Phase 2 implementation grant of between \$50-75 million that would cover 3-8 projects. The deadline to apply for the implementation grant is February 29, 2024, and BioForward has indicated that the consortium will be securing an additional \$4-7 million in private funding commitments as part of the application process.

Specifically, SB 894 sets aside \$7.5 million in state matching funds for the Wisconsin BioHealth Tech Hub's grant application and designates the three projects that these matching funds would be allocated to should the federal implementation grant be awarded to the consortium. In other words, the release of the \$7.5 million in state funding would be contingent on the Wisconsin BioHealth Tech Hub receiving the federal implementation grant. Finally, the bill requires BioForward and the WEDC to annually report to the Legislature over the next three years detailing all uses of the state funding.

The Wisconsin BioHealth Tech Hub is well positioned to leverage federal funding opportunities to help place our state at the forefront of innovation in biohealth technology and personalized medicine. The state funding commitment in this bill is one of the final pieces that needs to be addressed before the consortium can proceed with its grant application. Thank you for your consideration of SB 894.

AMANDA NEDWESKI

STATE REPRESENTATIVE • 61ST ASSEMBLY DISTRICT

January 17, 2024

Senate Committee on Economic Development and Technical Colleges
Testimony on Senate Bill 894

Good morning Chairman Feyen and Committee Members,

Thank you for holding a public hearing on Senate Bill (SB) 894. During this time of workforce crisis and economic uncertainty, the state matching funds appropriated in this bill are essential in propelling Wisconsin forward as a global leader in biohealth technology innovation and commercialization in the rapidly growing vertical of personalized medicine. This is an exciting opportunity to impact private sector advancements in advanced manufacturing that will cultivate significant growth in highly technical jobs.

Senator Stroebel and I introduced this legislation in partnership with BioForward Wisconsin, a consortium of biohealth leaders spanning offices across Madison, Milwaukee, and Eau Claire, who are dedicated to fostering statewide collaboration, catalyzing innovation, and fortifying Wisconsin's economic and biohealth landscapes. You will be hearing more about BioForward in subsequent testimony today.

On October 23, 2023, the U.S. Department of Commerce's Economic Development Administration (EDA) designated 31 inaugural tech hubs and announced the recipients of 29 Strategy Development Grants (SDG). The Wisconsin BioHealth Tech Hub, which covers the greater Madison and Milwaukee-Waukesha regions, was one the tech hub designees and Strategy Development Grant recipients. This tech hub is being led by BioForward. The tech hub designation allows the Wisconsin BioHealth Tech Hub to apply for a next-step implementation grant of \$50-75 million for 3-8 projects, which you will hear about in more detail in subsequent testimony.

The Strategy Development Grant will enable the consortium - which includes Accuray, Employ Milwaukee, Exact Sciences, GE HealthCare, Madison Area Technical College, MadREP, Milwaukee Area Technical College, Milwaukee7, Plexus, Rockwell Automation, UW-Madison's School of Medicine and Public Health, the Universities of Wisconsin, WEDC and WRTP | BIG STEP - to further develop its regional strategy for scaling up the manufacture, commercialization and deployment of critical technologies in personalized medicine. This bill provides \$7.5 million in required state matching funds for the Wisconsin BioHealth Tech Hub's federal implementation grant application. The bill specifically designates three of the eight proposed projects that these state dollars would fund, should the federal grant be awarded.

The economic landscape is continuously evolving in Wisconsin. While we remain a top manufacturing powerhouse in the nation, the types of knowledge, training, and skills needed to compete have become more advanced than ever. As we scale up in precision manufacturing and

AMANDA NEDWESKI

STATE REPRESENTATIVE • 61ST ASSEMBLY DISTRICT

highly specialized technologies, attitudes about the value of traditional four-year degree experiences have waned in favor of investment in technical education and apprenticeship programs.

One of the consortium members, Rockwell Automation, is already preparing the next generation of workers to enter into this changing workforce. According to a recent BioForward press release, Rockwell “has been partnering with Gateway Technical College to offer the Academy for Advanced Manufacturing to train students in new manufacturing techniques.” The ongoing partnerships between the private sector and our technical colleges is critical to growing Wisconsin’s economy, and I’m excited to have a partner like Rockwell Automation working with Gateway, the technical college that serves my district and the surrounding area in Southeast Wisconsin.

The Wisconsin Biohealth Tech Hub represents a pivotal initiative at the forefront of healthcare innovation, aiming to propel Wisconsin into a global leadership position in personalized medicine and biohealth technologies. The Regional Technology and Innovation Hub Program is a vision designed to fortify the economic and national security of the United States. It achieves this through strategic, place-based investments in regions like Wisconsin that are equipped with the assets, resources, capacity, and latent potential to emerge as global frontrunners within the next decade in cutting-edge technologies and industries.

Wisconsin already stands as a hub of biohealth strength which contributed to our state winning a Phase 1 designation.

- We experienced biohealth sector growth of 10.8% from 2018-2021, resulting in a \$32 billion statewide impact that supported 129,000 jobs, fostering a multiplier effect of 2.5 jobs for every biohealth position.
- Wisconsin’s dynamic interconnecting manufacturing network is ranked among the top 10 in the U.S. and generated \$6B in products and services in 2021.
- We have a large and highly specialized precision manufacturing and automation base. We’ve experienced 29% growth in the biomanufacturing sector since 2018 and a 34% greater concentration of jobs in the medical device and equipment sector than the U.S. average.
- We have a secure supply chain. Wisconsin has a high concentration of FDA registered suppliers and houses the full continuum of the supply chain from R&D, to biomanufacturing, to logistics, to workforce. This is critical to the EDA in protecting economic and national security.

This is all evidence that \$7.5 million in state matching funds to move these projects forward is not only a solid and worthwhile investment, it’s a no brainer.

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STATE REPRESENTATIVE • 61ST ASSEMBLY DISTRICT

My testimony today is just an introduction to the exciting details that will be provided by the experts who will speak next. While I'm happy to speak to the bill, I recommend reserving detailed and technical questions for the subject matter experts and representatives who are here today to provide further evidence to support this investment.

With that, I thank you for your attention and consideration of SB 894 and am happy to take any questions.

WISCONSIN BIOHEALTH TECH HUB: LEADING THE NATION IN HEALTHCARE INNOVATION

Propelling Wisconsin into Global Leadership

The Wisconsin Biohealth Tech Hub represents a pivotal initiative at the forefront of healthcare innovation, aiming to propel Wisconsin into a global leadership position in personalized medicine and biohealth technologies.

Significance: The Regional Technology and Innovation Hub Program, established under the CHIPS and Science Act of 2022, operates under the guidance of the Economic Development Administration (EDA). This visionary program is designed to fortify the economic and national security of the United States. It achieves this through strategic, place-based investments in regions equipped with the assets, resources, capacity, and latent potential to emerge as global frontrunners within the next decade in cutting-edge technologies and industries.

Strategic Phases: The EDA Tech Hub program progresses through rigorous phases:

- **May 15, 2023-** Notice of Funding Opportunity (NOFO) issued.
- **August 15, 2023-** Wisconsin submits Strategic Development Grant (SDG) and Phase 1 Tech Hub Designation Applications for Wisconsin Biohealth Tech Hub.
- **October 22, 2023-** **Wisconsin awarded an EDA Tech Hub designation**, being one of 31 out of 192 applications submitted, Wisconsin also received a Strategy Development Grant as one of 19 out of 172 applications submitted, with an award of \$350K.
- **February 29, 2024-** A critical milestone approaches with Phase 2 Tech Hub Implementation Application and **all commitments are due prior to this date.**
This phase, pivotal for WI's competitiveness, would award between \$50-\$70 million to approximately 10 states. If Wisconsin were selected, it would elevate Wisconsin's biohealth industry and manufacturing supply chain to unprecedented heights.

Growing Wisconsin's Biohealth Excellence: Wisconsin already stands as a hub of biohealth strength which contributed to WI winning a Phase 1 designation-

- **Significant Growth:** Biohealth sector growth of 10.8% from 2018-2021 contributed in 2021, \$32 billion in statewide impact and supported 129,000 jobs, fostering a multiplier effect of 2.5 jobs for every biohealth position.
- **Manufacturing Strength:** Wisconsin's dynamic interconnecting manufacturing network is ranked among the top 10 in the US and generated \$6B in products and services in 2021.
- **Large & Highly Specialized Precision Manufacturing & Automation Base:** 29% growth in the biomanufacturing sector since 2018 and a 34% greater concentration of jobs in the medical device and equipment sector than the US average.
- **Secure Supply Chain:** Wisconsin has a high concentration of FDA registered suppliers and houses the full continuum of the supply chain from R&D, to biomanufacturing, to logistics, to workforce. This is critical to the EDA in protecting economic and national security.
- **BioForward Wisconsin:** Spanning offices across Madison, Milwaukee, and Eau Claire, BioForward is dedicated to fostering statewide collaboration, catalyzing innovation, and fortifying Wisconsin's economic and biohealth landscapes.

Wisconsin's strength in manufacturing and biohealth industry are pivotal! Other states are aggressively competing in key industries, and this tech hub designation and the state legislation supporting it positions Wisconsin as a global leader.

Leveraging Wisconsin’s Manufacturing Powerhouse to Drive Advancements and National Security:

Wisconsin is among the top 10 manufacturing states, generating \$6 billion in products & services. The state boasts a dynamic and highly specialized precision manufacturing & automation base, experiencing 29% growth in the biomanufacturing sector since 2018. Positioned in the Midwest, Wisconsin fortifies the US supply chain, securing crucial national interests in manufacturing and technology. ***A cornerstone differentiator and worth the highest point structure within the Phase 2 Application.**

Private Industry Support and State Commitment to Future Growth: Key partnerships with leading corporations and startups cement Wisconsin’s role as a hub for biohealth product and services commercialization, and is vital for attracting talent, investments, and shaping WI’s future economic landscape. State funding commitment further demonstrates WI’s strategic vision to compete on a global scale. ***Also positioned at the pinnacle of our Phase 2 Application’s highest point structure.**

Engagement and Consortium: Strong consortium backing with commitments from influential stakeholders including private industry leaders, government bodies, and academia.



Support Wisconsin's Biohealth Tech Hub:

Your support for Assembly Bill 916 / Senate Bill 894 Tech Hub bills is fundamental in propelling Wisconsin as a global leader in personalized medicine. This legislation earmarks \$7.5 million in state matching funds for our Phase 2 application demonstrating to the nation and the EDA that Wisconsin is ready to compete.



MEMORANDUM

TO: Senator Dan Feyen, Chairman
Honorable members of the Senate Committee on Economic Development and Technical Colleges

FROM: Missy Hughes, Secretary and CEO
Wisconsin Economic Development Corporation

SUBJECT: Support for Senate Bill 894

The Wisconsin Economic Development Corporation is pleased to support Senate Bill 894, which would provide \$7.5 million in new state funding to assist our state's biohealth industry if Wisconsin qualifies for up to \$75 million in federal Regional Technology Hub grants.

Since 2019, WEDC has advocated for the creation of regional technology hubs to strengthen our nation's technological leadership in areas like Wisconsin that are outside traditional tech corridors. WEDC's efforts were brought closer to reality by the enactment of the bipartisan CHIPS and Science Act last year.

WEDC took the lead in forming a consortium of public and private sector partners -- including educational institutions, biohealth companies, precision manufacturers, and local economic development partners -- to apply for the Regional Technology Hub designation. The U.S. Economic Development Administration has designated Wisconsin as one of 31 finalists now competing for up to \$75 million in RTH funding. We will learn later this year whether our state will receive those funds.

It is difficult to overstate the significance of this moment for Wisconsin's economic future. Wisconsin is home is home to biohealth companies in every part of the state -- spanning medical devices and diagnostics, biotechnology and pharmaceuticals, digital health, and health research institutes -- supporting 129,000 jobs, with an estimated annual economic impact of \$32 billion in 2021.

The biohealth industry draws on so many of our state's competitive advantages: the excellence of our research and development community, the precision of our advanced manufacturers and skilled workers, our outstanding medical care providers and educational institutions, and that quintessentially Wisconsin characteristic of always trying to make things just a little better every day. Beyond our state's borders, the field of personalized health care stands to transform the entire world of medical care so that patients can heal faster, experience fewer side effects, and need less long-term chronic care.

For all of these reasons, and more, WEDC has already made substantial investments in this arena -- from providing initial funding that enabled Forward BioLabs, to helping scores of start-ups get off the ground, to helping Exact Sciences expand its revolutionary efforts at diagnosing cancer early. Additionally, as WEDC launches the Wisconsin Investment Fund, we expect to support millions of dollars of private venture capital investment into biohealth companies.

Senate Bill 894 would be an important signal that our state is deeply committed to this vital and vibrant sector of our growing economy.

WEDC is grateful to Representative Nedweski and Senator Stroebel for bringing this proposal forward, and respectfully requests that the Committee approve the bill.

LOOK FORWARD >



Date: **January 17, 2024**

To: **Senate Committee on Economic Development and Technical Colleges**

From: **Bellin and Gundersen Health System**

Re: **SB 894, a technology and innovation hub grant to BioForward, Inc.**

Chair Feyen and members of the committee, thank you for allowing me to submit testimony today in support of Senate Bill 894.

Bellin and Gundersen Health System is an integrated care delivery system providing services to over 600,000 patients throughout 35 counties in Wisconsin, Iowa, Minnesota, and Michigan's UP. Our system provides patients and communities with access to top-tier care at 11 hospitals, 100+ local clinic locations via more than 1,400 providers. As a not-for-profit health system, we champion work in preventive health services, behavioral health, mental well-being support services, and health equity.

Bellin and Gundersen Health System has the potential to partner with BioForward and the BioHealth Tech Hub should they be awarded the federal Tech Hub Implementation Grant, which could mean millions of dollars in federal funding for our state. Through incorporation of our *Envision* energy services subsidiary and our *Edge* venture capital capabilities, our organization has the potential to impact this initiative by lowering the financial impact of healthcare so the savings can be used to enhance and improve patient care and outcomes.

Bellin and Gundersen Health System views this legislation as a strong economic development opportunity between the state and federal government and Wisconsin's private sector to drive growth in our BioHealth industry in every corner of the state. We can foster Wisconsin's already strong healthcare standing by becoming a global leader in providing solutions for personalized medicine, such as research, testing, treatments, and therapies for human diseases. We laude the authors for seeing the opportunity to partner and leverage federal resources and BioForward for proactively engaging organizations throughout the state to maximize this as a truly Wisconsin-wide development initiative.

Thank you for your time and consideration of my written testimony. We respectfully ask you to support Senate Bill 894.

Sincerely,

Nathan Franklin
Director, External Affairs
Bellin and Gundersen Health System