



BIOKANSAS
THE BIOSCIENCE NETWORK IN KANSAS

January 28, 2021

Senator Olson
Chair, Commerce Committee
Kansas State Senate

Re: Support for Senate Bill 66

Dear Chairman Olson and Members of the Committee,

Thank you for the opportunity to testify in support of the renewal of the Kansas Angel Investment Tax Credit Program. As the President & CEO of BioKansas, I'm writing you as a strong proponent to SB 66, which would renew the angel investor tax credit act.

Our organization is a non-profit organization that works to grow and support the bioscience ecosystem within the state. Through our efforts, we aim to support companies, academic institutions, and individuals that are working to – not only – improve global health and medical technology but also the Kansas economy. For taxpayer funded science to positively impact national and state economies, it requires that we move discoveries from academic research institutions into the marketplace and clinic. To accomplish this, requires significant investment in entrepreneurial companies.

The angel investor tax credit program has provided entrepreneurs in Kansas a competitive advantage to attract investment from outside of the state. These external investment funds are important for raising the capital necessary to adequately fund the creation and sustainability of innovative companies. While discoveries and ideas are essential for the inception of a company, early stage companies lack the revenue and collateral to fully support their business. Therefore, investment money is essential until companies can reach the point that they are revenue positive.

Reaching a point where bioscience companies can become revenue positive can take a significant amount of time, compared to companies in other industries. This extended timeline is due to the need for companies to demonstrate that their idea or invention can be commercialized. During this period, bioscience startup companies often work closely with Contract Research Organizations (CROs) and Contract Manufacturing Organizations (CMOs) to have access to the highly specialized expertise and equipment that isn't readily available to them within their own companies. Because the equipment and salary costs are so substantial for bioscience companies, working with CROs and CMOs allows them to maximize the reach of their available funding. The high concentration of specialized CROs in Kansas makes the state an attractive option for startup companies within the biosciences to grow their businesses.



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By passing SB 66, Kansas will have a greater competitive advantage that will result in an increased ability to attract and retain innovative companies and people.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sonia M. Hall'.

Sonia M. Hall, PhD
President & CEO
BioKansas