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**March 24, 2026**

To: The Honorable Marvin L. Abney, Chair, House Finance Committee

RE: Support for Innovation Program Funding, FY27 Budget Economic Development Article

Dear Chairman Abney and Members of the House Committee on Finance,

I am writing to express my strong support for the continued funding of the Innovate Rhode Island Small Business Fund's SBIR Matching Grant Program, listed in the budget as the "**Innovative Matching Grants/Internships**" line item.

As Rhode Island resident, and an academic clinical psychologist who has transitioned into technology commercialization, I have seen firsthand the tremendous impact this program has on our state's innovation ecosystem. I have co-founded a Rhode Island-based start-up that was launched with federal Small Business Technology Transfer (STTR) grant support. I can personally attest to the necessity of SBIR/STTR matching funds to continue critical development work between federal grant phases. I urge you to maintain (and ideally strengthen) the state's investment in this program, which serves as an effective tool for spurring high-tech small business growth and job creation in Rhode Island.

The need for this program has never been greater. The current climate for research funding is unpredictable, with traditional grant sources becoming increasingly competitive and uncertain. In fact, the federal SBIR/STTR program itself is facing a reauthorization gap, which has temporarily paused new awards and disbursements. This funding uncertainty at the federal level makes Rhode Island's matching support a crucial bridge for companies and researchers. Those of us with active SBIR/STTR projects in Rhode Island are relying on the state match to sustain our operations and teams while federal funds are delayed. Without the state's help, we risk losing our momentum as we await federal program reauthorization.

Moreover, as an innovation leader in the academic medical community, I have observed a surge of interest among university faculty and clinicians in entrepreneurship and SBIR/STTR funding opportunities. With the traditional NIH and other grant funding

becoming less predictable, more of our top research talent is looking to form start-ups and commercialize their discoveries through SBIR/STTR awards. The SBIR Matching Grant Program has become a go-to resource that I regularly recommend to colleagues. It provides not only matching dollars but also support for SBIR proposal development and internships for students in these companies, significantly strengthening the applications and the startups themselves. Many promising projects with SBIR/STTR awards are poised to turn into new products, services, and companies, but they need this state partnership to get off the ground.

The SBIR Matching Grant Program addresses a critical gap that purely federal funding cannot fill, such as forming a legal entity, setting up accounting systems, securing intellectual property, or bridging the cash flow gap between grant phases. The state match helps our entrepreneurs cover these essential but unfunded needs at the very start of their journey. The program effectively de-risks the process of launching a technology company in Rhode Island. By offering matching funds, along with assistance such as grant-writing support and intern stipends, Rhode Island makes it feasible for a scientist or engineer to take that leap into entrepreneurship.

It is important to note that the benefits of the SBIR Matching Grant Program extend across Rhode Island's economy. For instance, my current SBIR/STTR award has engaged local service providers, including a Providence-based software development firm, a Rhode Island legal team, and a local accounting firm to assist in the execution of project. SBIR Matching Grant Program funds would then go to continue those services while I await the reauthorization gap, this kind of economic ripple effect is important to consider when fully considering the ramifications of no longer supporting this essential small business innovation resource in our state.

Rhode Island has made impressive strides in cultivating a vibrant tech and life science scene, in part due to programs like the SBIR Matching grants. We are at a point where our state's researchers and innovators are eager to launch startups and bring new technologies to market, from medical devices and digital health platforms to clean energy solutions and advanced materials. Pulling support now, just as this wave of innovation is cresting, would forfeit the significant gains we have made since 2013. It could lead to promising companies relocating to states that offer more support, or simply not launching at all. On the other hand, maintaining our commitment now will solidify Rhode Island's reputation as a place that welcomes and champions scientific entrepreneurs.

In sum, I respectfully ask the Committee to maintain the "Innovative Matching Grants/Internships" funding at \$1 million (or more) in the FY27 budget. The Innovate RI SBIR Matching Grant Program is an indispensable catalyst for innovation and economic growth in our state. The program has a proven track record of success, bridging

academic research and commercial enterprise, attracting federal money, and creating jobs right here in Rhode Island

Thank you for your consideration and for your ongoing efforts to foster economic development and innovation in our state. I would be happy to provide any further information or personal insights on the SBIR Matching Grant Program's impact. Please feel free to contact me at any time.

Sincerely,

**Joshua J. Kemp, PhD**

Founder & CEO, PARC Innovations, LLC

Resident of Rhode Island