

114TH CONGRESS  
2D SESSION

# S. 2812

To amend the Small Business Act to reauthorize and improve the Small Business Innovation Research Program and the Small Business Technology Transfer Program, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

APRIL 18, 2016

Mrs. SHAHEEN (for herself, Mr. VITTER, Mr. MARKEY, and Ms. AYOTTE) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

---

## A BILL

To amend the Small Business Act to reauthorize and improve the Small Business Innovation Research Program and the Small Business Technology Transfer Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “SBIR and STTR Re-  
5 authorization and Improvement Act of 2016”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—REAUTHORIZATION OF PROGRAMS

Sec. 101. Permanency of SBIR program and STTR program.

TITLE II—ENHANCED SMALL BUSINESS ACCESS TO FEDERAL INNOVATION INVESTMENTS

Sec. 201. Allocation increases and transparency in base calculation.

Sec. 202. Regular oversight of award amounts.

TITLE III—COMMERCIALIZATION IMPROVEMENTS

Sec. 301. Permanency of the commercialization pilot program for civilian agencies.

Sec. 302. Enforcement of national small business goal for Federal research and development.

Sec. 303. Tracking rapid innovation fund awards in annual congressional report.

Sec. 304. Intellectual property protection for technology development.

Sec. 305. Annual GAO audit of compliance with commercialization goals.

Sec. 306. Clarifying the Phase III preference.

Sec. 307. Improvements to technical and business assistance.

TITLE IV—PROGRAM DIVERSIFICATION INITIATIVES

Sec. 401. Regional SBIR State collaborative initiative pilot program.

Sec. 402. Federal and State Technology Partnership Program.

TITLE V—OVERSIGHT AND SIMPLIFICATION INITIATIVES

Sec. 501. Data modernization summit.

Sec. 502. Implementation of outstanding reauthorization provisions.

Sec. 503. Strengthening of the requirement to shorten the application review and decision time.

Sec. 504. Continued GAO oversight of allocation compliance and accuracy in funding base calculations.

TITLE VI—TECHNICAL CHANGES

Sec. 601. Uniform reference to the Department of Health and Human Services.

Sec. 602. Flexibility for Phase II award invitations.

1 **TITLE I—REAUTHORIZATION OF**  
2 **PROGRAMS**

3 **SEC. 101. PERMANENCY OF SBIR PROGRAM AND STTR PRO-**  
4 **GRAM.**

5 (a) SBIR.—Section 9(m) of the Small Business Act  
6 (15 U.S.C. 638(m)) is amended—

1 (1) in the subsection heading, by striking  
2 “TERMINATION” and inserting “SBIR PROGRAM  
3 AUTHORIZATION”; and

4 (2) by striking “terminate on September 30,  
5 2017” and inserting “be in effect for each fiscal  
6 year”.

7 (b) STTR.—Section 9(n)(1)(A) of the Small Busi-  
8 ness Act (15 U.S.C. 638(n)(1)(A)) is amended by striking  
9 “through fiscal year 2017”.

10 **TITLE II—ENHANCED SMALL**  
11 **BUSINESS ACCESS TO FED-**  
12 **ERAL INNOVATION INVEST-**  
13 **MENTS**

14 **SEC. 201. ALLOCATION INCREASES AND TRANSPARENCY IN**  
15 **BASE CALCULATION.**

16 (a) SBIR.—Section 9(f) of the Small Business Act  
17 (15 U.S.C. 638(f)) is amended—

18 (1) in paragraph (1)—

19 (A) in the matter preceding subparagraph  
20 (A), by striking “expend” and inserting “obli-  
21 gate for expenditure”;

22 (B) in subparagraph (H), by striking  
23 “and” at the end;

1 (C) in subparagraph (I), by striking “and  
2 each fiscal year thereafter,” and inserting a  
3 semicolon; and

4 (D) by inserting after subparagraph (I) the  
5 following:

6 “(J) for a Federal agency other than the  
7 Department of Defense—

8 “(i) not less than 3.5 percent of the  
9 extramural budget for research or research  
10 and development of the Federal agency in  
11 each of fiscal years 2018 and 2019;

12 “(ii) not less than 4 percent of such  
13 extramural in each of fiscal years 2020  
14 and 2021;

15 “(iii) not less than 4.5 percent of such  
16 extramural in each of fiscal years 2022  
17 and 2023;

18 “(iv) not less than 5 percent of such  
19 extramural in each of fiscal years 2024  
20 and 2025;

21 “(v) not less than 5.5 percent of such  
22 extramural in each of fiscal years 2026  
23 and 2027; and

1           “(vi) not less than 6 percent of such  
2           extramural in fiscal year 2028 and each  
3           fiscal year thereafter; and

4           “(K) for the Department of Defense—

5           “(i) not less than 2.5 percent of the  
6           budget for research and development of the  
7           Department of Defense in each of fiscal  
8           years 2018 and 2019;

9           “(ii) not less than 3 percent of such  
10          budget in each of fiscal years 2020 and  
11          2021;

12          “(iii) not less than 3.5 percent of such  
13          budget in each of fiscal years 2022 and  
14          2023;

15          “(iv) not less than 4 percent of such  
16          budget in each of fiscal years 2024 and  
17          2025;

18          “(v) not less than 4.5 percent of such  
19          budget in each of fiscal years 2026 and  
20          2027; and

21          “(vi) not less than 5 percent of such  
22          budget in fiscal year 2028 and each fiscal  
23          year thereafter,”;

24                 (2) in paragraph (2)(B), by inserting “(or for  
25                 the Department of Defense, an amount of the budg-

1 et for basic research of the Department of Defense)”  
2 after “research”; and

3 (3) in paragraph (4), by inserting “(or for the  
4 Department of Defense an amount of the budget for  
5 research of the Department of Defense)” after “of  
6 the agency”.

7 (b) STTR.—Section 9(n)(1) of the Small Business  
8 Act (15 U.S.C. 638(n)(1)) is amended—

9 (1) in subparagraph (A)—

10 (A) by striking “expend” and inserting  
11 “obligate for expenditure”; and

12 (B) by striking “not less than the percent-  
13 age of that extramural budget specified in sub-  
14 paragraph (B)” and inserting “for a Federal  
15 agency other than the Department of Defense,  
16 not less than the percentage of that extramural  
17 budget specified in subparagraph (B) and, for  
18 the Department of Defense, not less than the  
19 percentage of the budget for research and de-  
20 velopment of the Department of Defense speci-  
21 fied in subparagraph (B)”;

22 (2) in subparagraph (B)—

23 (A) in the matter preceding clause (i), by  
24 striking “the extramural budget required to be  
25 expended by an agency” and inserting “the ex-

1           tramural budget, for a Federal agency other  
2           than the Department of Defense, and of the  
3           budget for research and development, for the  
4           Department of Defense, required to be obli-  
5           gated for expenditure with small business con-  
6           cerns”;

7           (B) in clause (iv), by striking “and” at the  
8           end;

9           (C) in clause (v), by striking “fiscal year  
10          2016 and each fiscal year thereafter.” and in-  
11          serting “each of fiscal years 2016 and 2017;”;  
12          and

13          (D) by adding at the end the following:

14                 “(vi) 0.55 percent for each of fiscal  
15                 years 2018 and 2019;

16                 “(vii) 0.65 percent for each of fiscal  
17                 years 2020 and 2021;

18                 “(viii) 0.75 percent for each of fiscal  
19                 years 2022 and 2023; and

20                 “(ix) 1 percent for fiscal year 2024  
21                 and each fiscal year thereafter.”.

22 **SEC. 202. REGULAR OVERSIGHT OF AWARD AMOUNTS.**

23           (a) **ELIMINATION OF AUTOMATIC INFLATION AD-**  
24 **JUSTMENTS.**—Section 9(j) of the Small Business Act (15  
25 U.S.C. 638(j)) is amended—

1 (1) in paragraph (2)(D), by inserting “through  
2 fiscal year 2016” after “every year”; and

3 (2) by adding at the end the following:

4 “(4) 2016 MODIFICATIONS FOR DOLLAR VALUE  
5 OF AWARDS.—Not later than 120 days after the  
6 date of enactment of the SBIR and STTR Reau-  
7 thORIZATION and Improvement Act of 2016, the Ad-  
8 ministrATOR shall modify the policy directives issued  
9 under this subsection to—

10 “(A) eliminate the annual adjustments for  
11 inflation of the dollar value of awards described  
12 in paragraph (2)(D); and

13 “(B) clarify that Congress intends to re-  
14 view the dollar value of awards every 3 fiscal  
15 years.”.

16 (b) SENSE OF CONGRESS REGARDING REGULAR RE-  
17 VIEW OF THE AWARD SIZES.—It is the sense of Congress  
18 that for fiscal year 2019, and every third fiscal year there-  
19 after, Congress should evaluate whether the maximum  
20 award sizes under the Small Business Innovation Re-  
21 search Program under section 9 of the Small Business Act  
22 (15 U.S.C. 638) should be adjusted and, if so, take appro-  
23 priate action to direct that such adjustments be made  
24 under the policy directives issued under subsection (j) of  
25 such section.



1 (c) CLARIFICATION OF SEQUENTIAL PHASE II  
 2 AWARDS.—Section 9(ff) of the Small Business Act (15  
 3 U.S.C. 638(ff)) is amended by adding at the end the fol-  
 4 lowing:

5 “(3) CLARIFICATION OF SEQUENTIAL PHASE II  
 6 AWARDS.—The head of a Federal agency shall en-  
 7 sure that any sequential Phase II award is made in  
 8 accordance with the limitations on award sizes under  
 9 subsection (aa).”.

10 **TITLE III—COMMERCIALIZATION**  
 11 **IMPROVEMENTS**

12 **SEC. 301. PERMANENCY OF THE COMMERCIALIZATION**  
 13 **PILOT PROGRAM FOR CIVILIAN AGENCIES.**

14 Section 9(gg) of the Small Business Act (15 U.S.C.  
 15 638(gg)) is amended—

16 (1) in the subsection heading, by striking  
 17 “PILOT PROGRAM” and inserting “COMMERCIALIZA-  
 18 TION DEVELOPMENT AWARDS”;

19 (2) by striking paragraphs (2), (7), and (8);

20 (3) by redesignating paragraphs (3), (4), (5),  
 21 and (6) as paragraphs (2), (3), (4), and (5), respec-  
 22 tively;

23 (4) by adding at the end the following:

24 “(6) DEFINITIONS.—In this subsection—

1           “(A) the term ‘commercialization develop-  
 2           ment program’ means a program established by  
 3           a covered Federal agency under paragraph (1);  
 4           and

5           “(B) the term ‘covered Federal agency’—

6                   “(i) means a Federal agency partici-  
 7                   pating in the SBIR program or the STTR  
 8                   program; and

9                   “(ii) does not include the Department  
 10                  of Defense.”; and

11           (5) by striking “pilot program” each place it  
 12           appears and inserting “commercialization develop-  
 13           ment program”.

14 **SEC. 302. ENFORCEMENT OF NATIONAL SMALL BUSINESS**

15                   **GOAL FOR FEDERAL RESEARCH AND DEVEL-**  
 16                   **OPMENT.**

17           Section 9(h) of the Small Business Act (15 U.S.C.  
 18           638(h)) is amended by inserting “, which may not be less  
 19           than 10 percent for fiscal year 2018, and each fiscal year  
 20           thereafter,” after “shall establish goals”.

21 **SEC. 303. TRACKING RAPID INNOVATION FUND AWARDS IN**

22                   **ANNUAL CONGRESSIONAL REPORT.**

23           Section 9(b)(7) of the Small Business Act (15 U.S.C.  
 24           638(b)(7)) is amended—

1           (1) in subparagraph (F), by striking “and” at  
2 the end;

3           (2) in subparagraph (G), by striking the period  
4 at the end and inserting “; and”; and

5           (3) by adding at the end the following:

6           “(H) information regarding awards under  
7 the Rapid Innovation Program under section  
8 1073 of the Ike Skelton National Defense Au-  
9 thorization Act for Fiscal Year 2011 (Public  
10 Law 111–383; 124 Stat. 4366; 10 U.S.C. 2359  
11 note), including—

12                   “(i) the number and dollar amount of  
13 awards made under the Rapid Innovation  
14 Program to business concerns receiving an  
15 award under the SBIR program or the  
16 STTR program;

17                   “(ii) the proportion of awards under  
18 the Rapid Innovation Program made to  
19 business concerns receiving an award  
20 under the SBIR program or the STTR  
21 program;

22                   “(iii) the proportion of awards under  
23 the Rapid Innovation Program made to  
24 small business concerns; and

1 “(iv) a projection of the effect on the  
2 number of awards under the Rapid Innova-  
3 tion Program if amounts to carry out the  
4 program were made available as a fixed al-  
5 location of the amount appropriated to the  
6 Department of Defense for research, devel-  
7 opment, test, and evaluation, excluding  
8 amounts appropriated for the defense uni-  
9 versities;”.

10 **SEC. 304. INTELLECTUAL PROPERTY PROTECTION FOR**  
11 **TECHNOLOGY DEVELOPMENT.**

12 Section 9 of the Small Business Act (15 U.S.C. 638)  
13 is amended by adding at the end the following:

14 “(tt) INTELLECTUAL PROPERTY PROTECTIONS.—

15 “(1) IN GENERAL.—Subject to paragraph  
16 (2)(B), the cost of seeking protection for intellectual  
17 property, including a trademark, copyright, or pat-  
18 ent, that was created through work performed under  
19 an SBIR or STTR award is allowable as an indirect  
20 cost under that award.

21 “(2) CLARIFICATION OF PATENT COSTS.—

22 “(A) IN GENERAL.—A Federal agency  
23 shall not directly or indirectly inhibit, through  
24 the policies, directives, or practices of the Fed-  
25 eral agency, an otherwise eligible small business

1 concern performing under an SBIR or STTR  
2 award from recovering patent costs incurred as  
3 requirements under that award, including—

4 “(i) the costs of preparing—

5 “(I) invention disclosures;

6 “(II) reports; and

7 “(III) other documents;

8 “(ii) the costs for searching the art to  
9 the extent necessary to make the invention  
10 disclosures;

11 “(iii) other costs in connection with  
12 the filing and prosecution of a United  
13 States patent application where title or  
14 royalty-free license is to be conveyed to the  
15 Federal Government; and

16 “(iv) general counseling services relat-  
17 ing to patent matters, including advice on  
18 patent laws, regulations, clauses, and em-  
19 ployee agreements.

20 “(B) RECOVERY LIMITATIONS.—After con-  
21 sultation with contracting or auditing authori-  
22 ties, the patent costs described in subparagraph  
23 (A) shall be allowable for technology developed  
24 under a—

1 “(i) Phase I award, as indirect costs  
2 in an amount not greater than \$5,000;

3 “(ii) Phase II award, as indirect costs  
4 in an amount not greater than \$15,000;  
5 and

6 “(iii) Phase III award in which the  
7 Federal Government has government pur-  
8 pose rights (as defined in section  
9 227.7103–5 of title 48, Code of Federal  
10 Regulations).”.

11 **SEC. 305. ANNUAL GAO AUDIT OF COMPLIANCE WITH COM-**  
12 **MERCIALIZATION GOALS.**

13 Section 9(nn) of the Small Business Act (15 U.S.C.  
14 638(nn)) is amended to read as follows:

15 “(nn) ANNUAL GAO REPORT ON GOVERNMENT  
16 COMPLIANCE WITH GOALS, INCENTIVES, AND PHASE III  
17 PREFERENCE.—Not later than 1 year after the date of  
18 enactment of the SBIR and STTR Reauthorization and  
19 Improvement Act of 2016, and every year thereafter until  
20 the date that is 5 years after the date of enactment of  
21 the SBIR and STTR Reauthorization and Improvement  
22 Act of 2016, the Comptroller General of the United States  
23 shall submit to the Committee on Small Business and En-  
24 trepreneurship of the Senate and the Committee on Small  
25 Business of the House of Representatives a report that—

1           “(1) discusses the status of the compliance of  
2 Federal agencies with the requirements or authori-  
3 ties established under—

4           “(A) subsection (h), relating to the estab-  
5 lishment by certain Federal agencies of a goal  
6 for funding agreements for research and re-  
7 search and development with small business  
8 concerns;

9           “(B) subsection (y)(5)(A), relating to the  
10 requirement for the Department of Defense to  
11 establish goals for the transition of Phase III  
12 technologies in subcontracting plans;

13           “(C) subsection (y)(5)(B), relating to the  
14 requirement for the Department of Defense to  
15 establish procedures for a prime contractor to  
16 report the number and dollar amount of con-  
17 tracts with small business concerns for Phase  
18 III SBIR projects or STTR projects of the  
19 prime contractor; and

20           “(D) subsection (y)(6), relating to the re-  
21 quirement for the Department of Defense to set  
22 a goal to increase the number of Phase II SBIR  
23 and STTR contracts that transition into pro-  
24 grams of record or fielded systems;

1           “(2) includes, for a Federal agency that is in  
2 compliance with a requirement described under  
3 paragraph (1), a description of how the Federal  
4 agency achieved compliance; and

5           “(3) includes a list, organized by Federal agen-  
6 cy, of small business concerns that have asserted  
7 that—

8                   “(A) technology of the small business con-  
9 cern was stolen by the Government or a prime  
10 contractor; or

11                   “(B) the Federal agency solicited bids for  
12 a contract that was for work that derived from,  
13 extended, or completed efforts made under prior  
14 funding agreements under the SBIR program  
15 or STTR program.”.

16 **SEC. 306. CLARIFYING THE PHASE III PREFERENCE.**

17           Section 9(r) of the Small Business Act (15 U.S.C.  
18 638(r)) is amended—

19                   (1) by striking paragraph (4);

20                   (2) by redesignating paragraph (2) as para-  
21 graph (4), and transferring such paragraph to after  
22 paragraph (3); and

23                   (3) by inserting after paragraph (1) the fol-  
24 lowing:





1           tions, market research,” after “tech-  
2           nologies,”; and

3           (B) in subparagraph (D), by inserting “,  
4           including intellectual property protections” be-  
5           fore the period at the end; and

6           (3) in paragraph (3)—

7           (A) in subparagraph (A), by striking  
8           “\$5,000 per year” each place that term appears  
9           and inserting “\$6,500 per project”;

10          (B) in subparagraph (B), by striking  
11          “\$5,000 per year” each place that term appears  
12          and inserting “\$15,000 per project”;

13          (C) in subparagraph (C), by inserting “or  
14          business” after “technical”; and

15          (D) in subparagraph (D), by inserting “or  
16          business” after “technical” each place that  
17          term appears.

18                           **TITLE IV—PROGRAM**  
19           **DIVERSIFICATION INITIATIVES**

20   **SEC. 401. REGIONAL SBIR STATE COLLABORATIVE INITIA-**  
21                           **TIVE PILOT PROGRAM.**

22           Section 9 of the Small Business Act (15 U.S.C. 638)  
23   is amended—

24           (1) in subsection (mm)—

1 (A) in paragraph (1), in the matter pre-  
2 ceding subparagraph (A), by striking “2017”  
3 and inserting “2021”; and

4 (B) by adding at the end the following:

5 “(7) SBIR AND STTR PROGRAMS; FAST PRO-  
6 GRAM.—

7 “(A) DEFINITION.—In this paragraph, the  
8 term ‘covered Federal agency’ means a Federal  
9 agency that—

10 “(i) is required to conduct an SBIR  
11 program; and

12 “(ii) elects to use the funds allocated  
13 to the SBIR program of the Federal agen-  
14 cy for the purposes described in paragraph  
15 (1).

16 “(B) REQUIREMENT.—Each covered Fed-  
17 eral agency shall transfer an amount equal to  
18 15 percent of the funds that are used for the  
19 purposes described in paragraph (1) to the Ad-  
20 ministration—

21 “(i) for the Regional SBIR State Col-  
22 laborative Initiative Pilot Program estab-  
23 lished under subsection (uu);

1           “(ii) for the Federal and State Tech-  
2           nology Partnership Program established  
3           under section 34; and

4           “(iii) to support the Office of the Ad-  
5           ministration that administers the SBIR  
6           program and the STTR program, subject  
7           to agreement from other agencies about  
8           how the funds will be used, in carrying out  
9           those programs and the programs de-  
10          scribed in clauses (i) and (ii).

11          “(8) PILOT PROGRAM.—

12           “(A) IN GENERAL.—Of amounts provided  
13           to the Administration under paragraph (7), not  
14           less than \$5,000,000 shall be used to provide  
15           awards under the Regional SBIR State Collabo-  
16           rative Initiative Pilot Program established  
17           under subsection (uu) for each fiscal year in  
18           which the program is in effect.

19           “(B) DISBURSEMENT FLEXIBILITY.—The  
20           Administration may use any unused funds  
21           made available under subparagraph (A) as of  
22           April 1 of each fiscal year for awards to carry  
23           out clauses (ii) and (iii) of paragraph (7)(B)  
24           after providing written notice to—

1 “(i) the Committee on Small Business  
2 and Entrepreneurship and the Committee  
3 on Appropriations of the Senate; and

4 “(ii) the Committee on Small Busi-  
5 ness and the Committee on Appropriations  
6 of the House of Representatives.”; and

7 (2) by adding after subsection (tt), as added by  
8 section 304 of this Act, the following:

9 “(uu) REGIONAL SBIR STATE COLLABORATIVE INI-  
10 TIATIVE PILOT PROGRAM.—

11 “(1) DEFINITIONS.—In this subsection—

12 “(A) the term ‘eligible entity’ means—

13 “(i) a research institution; and

14 “(ii) a small business concern;

15 “(B) the term ‘eligible State’ means—

16 “(i) a State that the Administrator  
17 determines is in the bottom half of States,  
18 based on the average number of annual  
19 SBIR program awards made to companies  
20 in the State for the preceding 3 years for  
21 which the Administration has applicable  
22 data; and

23 “(ii) an EPSCoR State that—

24 “(I) is a State described in clause  
25 (i); or

1 “(II) is—

2 “(aa) not a State described  
3 in clause (i); and

4 “(bb) invited to participate  
5 in a regional collaborative;

6 “(C) the term ‘EPSCoR State’ means a  
7 State that participates in the Experimental  
8 Program to Stimulate Competitive Research of  
9 the National Science Foundation, as established  
10 under section 113 of the National Science  
11 Foundation Authorization Act of 1988 (42  
12 U.S.C. 1862g);

13 “(D) the term ‘FAST program’ means the  
14 Federal and State Technology Partnership Pro-  
15 gram established under section 34;

16 “(E) the term ‘pilot program’ means the  
17 Regional SBIR State Collaborative Initiative  
18 Pilot Program established under paragraph (2);

19 “(F) the term ‘regional collaborative’  
20 means a collaborative consisting of eligible enti-  
21 ties that are located in not less than 3 eligible  
22 States; and

23 “(G) the term ‘State’ means any State of  
24 the United States, the District of Columbia, the

1 Commonwealth of Puerto Rico, and any terri-  
2 tory or possession of the United States.

3 “(2) ESTABLISHMENT.—The Administrator  
4 shall establish a pilot program, to be known as the  
5 Regional SBIR State Collaborative Initiative Pilot  
6 Program, under which the Administrator shall pro-  
7 vide awards to regional collaboratives to address the  
8 needs of small business concerns in order to be more  
9 competitive in the proposal and selection process for  
10 awards under the SBIR program and the STTR  
11 program and to increase technology transfer and  
12 commercialization.

13 “(3) GOALS.—The goals of the pilot program  
14 are—

15 “(A) to create regional collaboratives that  
16 allow eligible entities to work cooperatively to  
17 leverage resources to address the needs of small  
18 business concerns;

19 “(B) to grow SBIR program and STTR  
20 program cooperative research and development  
21 and commercialization through increased  
22 awards under those programs;

23 “(C) to increase the participation of States  
24 that have historically received a lower level of

1 awards under the SBIR program and the  
2 STTR program;

3 “(D) to utilize the strengths and advan-  
4 tages of regional collaboratives to better lever-  
5 age resources, best practices, and economies of  
6 scale in a region for the purpose of increasing  
7 awards and increasing the commercialization of  
8 the SBIR program and STTR projects;

9 “(E) to increase the competitiveness of the  
10 SBIR program and the STTR program;

11 “(F) to identify sources of outside funding  
12 for applicants for an award under the SBIR  
13 program or the STTR program, including ven-  
14 ture capitalists, angel investor groups, private  
15 industry, crowd funding, and special loan pro-  
16 grams; and

17 “(G) to offer increased one-on-one engage-  
18 ments with companies and entrepreneurs for  
19 SBIR program and STTR program education,  
20 assistance, and successful outcomes.

21 “(4) APPLICATION.—

22 “(A) IN GENERAL.—A regional collabo-  
23 rative that desires to participate in the pilot  
24 program shall submit to the Administrator an  
25 application at such time, in such manner, and



1 containing such information as the Adminis-  
2 trator may require.

3 “(B) INCLUSION OF LEAD ELIGIBLE ENTI-  
4 TIES AND COORDINATOR.—A regional collabo-  
5 rative shall include in an application submitted  
6 under subparagraph (A)—

7 “(i) the name of each lead eligible en-  
8 tity from each eligible State in the regional  
9 collaborative, as designated under para-  
10 graph (5)(A); and

11 “(ii) the name of the coordinator for  
12 the regional collaborative, as designated  
13 under paragraph (6).

14 “(C) AVOIDANCE OF DUPLICATION.—A re-  
15 gional collaborative shall include in an applica-  
16 tion submitted under subparagraph (A) an ex-  
17 planation as to how the activities of the regional  
18 collaborative under the pilot program would dif-  
19 fer from other State and Federal outreach ac-  
20 tivities in each eligible State in the regional col-  
21 laborative.

22 “(5) LEAD ELIGIBLE ENTITY.—

23 “(A) IN GENERAL.—Each eligible State in  
24 a regional collaborative shall designate 1 eligible

1           entity located in the eligible State to serve as  
2           the lead eligible entity for the eligible State.

3           “(B) AUTHORIZATION BY GOVERNOR.—  
4           Each lead eligible entity designated under sub-  
5           paragraph (A) shall be authorized to act as the  
6           lead eligible entity by the Governor of the appli-  
7           cable eligible State.

8           “(C) RESPONSIBILITIES.—Each lead eligi-  
9           ble entity designated under subparagraph (A)  
10          shall be responsible for administering the activi-  
11          ties and program initiatives described in para-  
12          graph (7) in the applicable eligible State.

13          “(6) REGIONAL COLLABORATIVE COORDI-  
14          NATOR.—Each regional collaborative shall designate  
15          a coordinator from amongst the eligible entities lo-  
16          cated in the eligible States in the regional collabo-  
17          rative, who shall serve as the interface between the  
18          regional collaborative and the Administration with  
19          respect to measuring cross-State collaboration and  
20          program effectiveness and documenting best prac-  
21          tices.

22          “(7) USE OF FUNDS.—Each regional collabo-  
23          rative that is provided an award under the pilot pro-  
24          gram may, in each eligible State in which an eligible  
25          entity of the regional collaborative is located—

1           “(A) establish an initiative under which  
2 first-time applicants for an award under the  
3 SBIR program or the STTR program are re-  
4 viewed by experienced, national experts in the  
5 United States, as determined by the lead eligi-  
6 ble entity designated under paragraph (5)(A);

7           “(B) engage national mentors on a fre-  
8 quent basis to work directly with applicants for  
9 an award under the SBIR program or the  
10 STTR program, particularly during Phase II,  
11 to assist with the process of preparing and sub-  
12 mitting a proposal;

13           “(C) create and make available an online  
14 mechanism to serve as a resource for applicants  
15 for an award under the SBIR program or the  
16 STTR program to identify and connect with  
17 Federal labs, prime government contractor com-  
18 panies, other industry partners, and regional in-  
19 dustry cluster organizations;

20           “(D) conduct focused and concentrated  
21 outreach efforts to increase participation in the  
22 SBIR program and the STTR program by  
23 small business concerns owned and controlled  
24 by women, small business concerns owned and  
25 controlled by veterans, small business concerns

1 owned and controlled by socially and economi-  
2 cally disadvantaged individuals (as defined in  
3 section 8(d)(3)(C)), and historically black col-  
4 leges and universities;

5 “(E) administer a structured program of  
6 training and technical assistance—

7 “(i) to prepare applicants for an  
8 award under the SBIR program or the  
9 STTR program—

10 “(I) to compete more effectively  
11 for Phase I and Phase II awards; and

12 “(II) to develop and implement a  
13 successful commercialization plan;

14 “(ii) to assist eligible States focusing  
15 on transition and commercialization to win  
16 Phase III awards from public and private  
17 partners;

18 “(iii) to create more competitive pro-  
19 posals to increase awards from all Federal  
20 sources, with a focus on awards under the  
21 SBIR program and the STTR program;  
22 and

23 “(iv) to assist first-time applicants by  
24 providing small grants for proof of concept  
25 research; and

1           “(F) assist applicants for an award under  
2 the SBIR program or the STTR program to  
3 identify sources of outside funding, including  
4 venture capitalists, angel investor groups, pri-  
5 vate industry, crowd funding, and special loan  
6 programs.

7           “(8) AWARD AMOUNT.—

8           “(A) IN GENERAL.—The Administrator  
9 shall provide an award to each eligible State in  
10 which an eligible entity of a regional collabo-  
11 rative is located in an amount that is not more  
12 than \$300,000 to carry out the activities de-  
13 scribed in paragraph (7).

14           “(B) LIMITATION.—

15           “(i) IN GENERAL.—An eligible State  
16 may not receive an award under both the  
17 FAST program and the pilot program for  
18 the same year.

19           “(ii) RULE OF CONSTRUCTION.—  
20 Nothing in clause (i) shall be construed to  
21 prevent an eligible State from applying for  
22 an award under the FAST program and  
23 the pilot program for the same year.

24           “(9) DURATION OF AWARD.—An award pro-  
25 vided under the pilot program shall be for a period

1 of not more than 1 year, and may be renewed by the  
2 Administrator for 1 additional year.

3 “(10) TERMINATION.—The pilot program shall  
4 terminate on September 30, 2021.

5 “(11) REPORT.—Not later than February 1,  
6 2021, the Administrator shall submit to the Com-  
7 mittee on Small Business and Entrepreneurship of  
8 the Senate and the Committee on Small Business of  
9 the House of Representatives a report on the pilot  
10 program, which shall include—

11 “(A) an assessment of the pilot program  
12 and the effectiveness of the pilot program in  
13 meeting the goals described in paragraph (3);

14 “(B) an assessment of the best practices,  
15 including an analysis of how the pilot program  
16 compares to the FAST program and a single-  
17 State approach; and

18 “(C) recommendations as to whether any  
19 aspect of the pilot program should be extended  
20 or made permanent.”.

21 **SEC. 402. FEDERAL AND STATE TECHNOLOGY PARTNER-**  
22 **SHIP PROGRAM.**

23 Section 34 of the Small Business Act (15 U.S.C.  
24 657d) is amended—

25 (1) in subsection (h)—

1 (A) in paragraph (1), by striking “2001  
2 through 2005” and inserting “2017 through  
3 2021”; and

4 (B) in paragraph (2), by striking “fiscal  
5 years 2001 through 2005” and inserting “each  
6 of fiscal years 2017 through 2021”; and

7 (2) in subsection (i), by striking “September  
8 30, 2005” and inserting “September 30, 2021”.

9 **TITLE V—OVERSIGHT AND**  
10 **SIMPLIFICATION INITIATIVES**

11 **SEC. 501. DATA MODERNIZATION SUMMIT.**

12 (a) DEFINITIONS.—In this section—

13 (1) the term “Administration” means the Small  
14 Business Administration;

15 (2) the term “Committee” means the SBIR and  
16 STTR Interagency Policy Committee established  
17 under subsection (b);

18 (3) the terms “Federal agency”, “SBIR”, and  
19 “STTR” have the meanings given such terms under  
20 section 9(e) of the Small Business Act (15 U.S.C.  
21 638(e));

22 (4) the term “participating Federal agency”  
23 means a Federal agency with an SBIR program or  
24 an STTR program;

1           (5) the term “phase” means Phase I, Phase II,  
2           and Phase III, as those terms are defined under sec-  
3           tion 9(e) of the Small Business Act (15 U.S.C.  
4           638(e)); and

5           (6) the term “small business concern” has the  
6           meaning given that term under section 3 of the  
7           Small Business Act (15 U.S.C. 632).

8           (b) ESTABLISHMENT.—There is established an inter-  
9           agency committee to be known as the “SBIR and STTR  
10          Interagency Policy Committee”.

11          (c) MEMBERSHIP.—The Committee shall include—

12           (1) 2 representatives from each participating  
13          Federal agency, of which—

14           (A) 1 shall have expertise with respect to  
15          the SBIR program and STTR program of the  
16          Federal agency; and

17           (B) 1 shall have expertise with respect to  
18          the information technology systems of the Fed-  
19          eral agency; and

20           (2) 2 representatives from the Administration,  
21          of which—

22           (A) 1 shall serve as chairperson of the  
23          Committee; and



1 (B) 1 shall be from the Information Tech-  
2 nology Development Team of the Office of In-  
3 vestment and Innovation of the Administration.

4 (d) DUTIES.—The Committee shall review the rec-  
5 ommendations made in the report to Congress by the Of-  
6 fice of Science and Technology of the Administration enti-  
7 tled “SBIR/STTR TechNet Public & Government Data-  
8 bases”, dated September 15, 2014, and the practices of  
9 participating Federal agencies to—

10 (1) determine how to collect data on achieve-  
11 ments by small business concerns in each phase of  
12 the SBIR program and the STTR program and en-  
13 sure collection and dissemination of such data in a  
14 timely, efficient, and uniform manner;

15 (2) establish a uniform baseline for metrics that  
16 support improving the solicitation, contracting, fund-  
17 ing, and execution of program management in the  
18 SBIR program and the STTR program;

19 (3) normalize formatting and database usage  
20 across participating Federal agencies; and

21 (4) determine the feasibility of developing a  
22 common system across all participating Federal  
23 agencies and the paperwork requirements under  
24 such a common system.

1 (e) IMPLEMENTATION.—Not later than September  
2 31, 2018, the Committee shall brief the Committee on  
3 Small Business and Entrepreneurship of the Senate and  
4 the Committee on Small Business of the House of Rep-  
5 resentatives on the solutions identified by the Committee  
6 under subsection (d) and resources needed to execute the  
7 solutions.

8 **SEC. 502. IMPLEMENTATION OF OUTSTANDING REAUTHOR-**  
9 **IZATION PROVISIONS.**

10 (a) IN GENERAL.—Section 9(mm) of the Small Busi-  
11 ness Act (15 U.S.C. 638(mm)), as amended by section  
12 401(1) of this Act, is amended—

13 (1) in paragraph (1), by striking “paragraph  
14 (3)” and inserting “paragraphs (3) and (9)”; and  
15 (2) by adding at the end the following:

16 “(9) SUSPENSION OF FUNDING.—

17 “(A) FOR FEDERAL AGENCIES.—

18 “(i) IN GENERAL.—For fiscal years  
19 2018 and 2019, any Federal agency that  
20 has not implemented each provision of law  
21 described in clause (ii)—

22 “(I) shall continue to provide  
23 amounts to the Administration in ac-  
24 cordance with paragraph (7)(B); and

1           “(II) may not use any additional  
2 amounts as described in paragraph  
3 (1) until 30 days after the date on  
4 which the Federal agency submits to  
5 the Committee on Small Business and  
6 Entrepreneurship of the Senate and  
7 the Committee on Small Business of  
8 the House of Representatives docu-  
9 mentation demonstrating that the  
10 Federal agency has implemented and  
11 is in compliance with each provision of  
12 law described in clause (ii).

13           “(ii) PROVISIONS.—The provisions of  
14 law described in this subparagraph are the  
15 following:

16           “(I) Subsection (r)(4), relating to  
17 Phase III preferences.

18           “(II) Paragraphs (5) and (6) of  
19 subsection (y), relating to insertion  
20 goals.

21           “(III) Subsection (g)(4)(B), re-  
22 lating to shortening the decision time  
23 for SBIR awards.



1           (1) in subsection (g)(4), by striking subpara-  
2 graph (B) and inserting the following:

3           “(B) make a final decision on each pro-  
4 posal submitted under the SBIR program—

5           “(i) for the Department of Health and  
6 Human Services, not later than 1 year  
7 after the date on which the applicable so-  
8 licitation closes, with a goal to reduce the  
9 review and decision time to less than 10  
10 months by September 30, 2019;

11           “(ii) for the Department of Agri-  
12 culture and the National Science Founda-  
13 tion, not later than 6 months after the  
14 date on which the applicable solicitation  
15 closes; or

16           “(iii) for any other Federal agency—

17           “(I) not later than 90 days after  
18 the date on which the applicable solici-  
19 tation closes; or

20           “(II) if the Administrator au-  
21 thorizes an extension with respect to a  
22 solicitation, not later than 90 days  
23 after the date that would otherwise be  
24 applicable to the Federal agency  
25 under subclause (I);”; and

1           (2) in subsection (o)(4), by striking subpara-  
2 graph (B) and inserting the following:

3           “(B) make a final decision on each pro-  
4 posal submitted under the STTR program—

5           “(i) for the Department of Health and  
6 Human Services, not later than 1 year  
7 after the date on which the applicable so-  
8 licitation closes, with a goal to reduce the  
9 review and decision time to less than 10  
10 months by September 30, 2019;

11           “(ii) for the Department of Agri-  
12 culture and the National Science Founda-  
13 tion, not later than 6 months after the  
14 date on which the applicable solicitation  
15 closes; or

16           “(iii) for any other Federal agency—

17           “(I) not later than 90 days after  
18 the date on which the applicable solici-  
19 tation closes; or

20           “(II) if the Administrator au-  
21 thorizes an extension with respect to a  
22 solicitation, not later than 90 days  
23 after the date that would otherwise be  
24 applicable to the Federal agency  
25 under subclause (I);”.

1 **SEC. 504. CONTINUED GAO OVERSIGHT OF ALLOCATION**  
2 **COMPLIANCE AND ACCURACY IN FUNDING**  
3 **BASE CALCULATIONS.**

4 Section 5136(a) of the National Defense Authoriza-  
5 tion Act for Fiscal Year 2012 (15 U.S.C. 638 note) is  
6 amended—

7 (1) in the matter preceding paragraph (1), by  
8 striking “until the date that is 5 years after the date  
9 of enactment of this Act” and inserting “until the  
10 date on which the Comptroller General of the United  
11 States submits the report relating to fiscal year  
12 2019”;

13 (2) in paragraph (1), by striking subparagraph  
14 (C) and inserting the following:

15 “(C) assess whether the change in the base  
16 funding for the Department of Defense as re-  
17 quired by subparagraphs (J) and (K) of section  
18 9(f)(1) of the Small Business Act (15 U.S.C.  
19 638(f)(1))—

20 “(i) improves transparency for deter-  
21 mining whether the Department is com-  
22 plying with the allocation requirements;

23 “(ii) reduces the burden of calculating  
24 the allocations; and

1                   “(iii) improves the compliance of the  
2                   Department with the allocation require-  
3                   ments; and”; and

4                   (3) in paragraph (2) by striking “under sub-  
5                   paragraph (B)” and inserting “under subparagraphs  
6                   (B) and (C)”.

## 7 **TITLE VI—TECHNICAL CHANGES**

### 8 **SEC. 601. UNIFORM REFERENCE TO THE DEPARTMENT OF** 9 **HEALTH AND HUMAN SERVICES.**

10           Section 9 of the Small Business Act (15 U.S.C. 638)  
11 is amended—

12                   (1) in subsection (cc), by striking “National In-  
13                   stitutes of Health” and inserting “Department of  
14                   Health and Human Services”; and

15                   (2) in subsection (dd)(1)(A), by striking “Di-  
16                   rector of the National Institutes of Health” and in-  
17                   serting “Secretary of Health and Human Services”.

### 18 **SEC. 602. FLEXIBILITY FOR PHASE II AWARD INVITATIONS.**

19           Section 9(e)(4)(B) of the Small Business Act (15  
20 U.S.C. 638(e)(4)(B)) is amended in the matter preceding  
21 clause (i)—

22                   (1) by striking “, which shall not include any  
23                   invitation, pre-screening, or pre-selection process for  
24                   eligibility for Phase II,”; and



1           (2) by inserting “in which eligibility for an  
2           award shall not be based only on an invitation, pre-  
3           screening, or pre-selection process and” before “in  
4           which awards”.

○