

114TH CONGRESS
2D SESSION

S. 2793

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 13, 2016

Mrs. SHAHEEN (for herself, Mr. VITTER, 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-

tramural budget, for a Federal agency other than the Department of Defense, and of the budget for research and development, for the Department of Defense, required to be obligated for expenditure with small business concerns”;

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

(C) in clause (v), by striking “fiscal year 2016 and each fiscal year thereafter.” and inserting “each of fiscal years 2016 and 2017;”; and

(D) by adding at the end the following:

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

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

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

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

SEC. 202. REGULAR OVERSIGHT OF AWARD AMOUNTS.

(a) **ELIMINATION OF AUTOMATIC INFLATION ADJUSTMENTS.**—Section 9(j) of the Small Business Act (15 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

“(iv) a projection of the effect on the number of awards under the Rapid Innovation Program if amounts to carry out the program were made available as a fixed allocation of the amount appropriated to the Department of Defense for research, development, test, and evaluation, excluding amounts appropriated for the defense universities;”.

SEC. 304. INTELLECTUAL PROPERTY PROTECTION FOR TECHNOLOGY DEVELOPMENT.

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

“(tt) INTELLECTUAL PROPERTY PROTECTIONS.—

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

“(2) CLARIFICATION OF PATENT COSTS.—

“(A) IN GENERAL.—A Federal agency shall not directly or indirectly inhibit, through the policies, directives, or practices of the Federal 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 “(2) PHASE III AWARD DIRECTION FOR AGEN-
 2 CIES AND PRIME CONTRACTORS.—To the greatest
 3 extent practicable, Federal agencies and Federal
 4 prime contractors shall issue Phase III awards relat-
 5 ing to technology, including sole source awards and
 6 awards under the Defense Research and Develop-
 7 ment Rapid Innovation Program under section 1073
 8 of the Ike Skelton National Defense Authorization
 9 Act for Fiscal Year 2011 (Public Law 111–383; 124
 10 Stat. 4366; 10 U.S.C. 2359 note), to the SBIR and
 11 STTR award recipients that developed the tech-
 12 nology.”.

13 **SEC. 307. IMPROVEMENTS TO TECHNICAL AND BUSINESS**
 14 **ASSISTANCE.**

15 Section 9(q) of the Small Business Act (15 U.S.C.
 16 638(q)) is amended—

17 (1) in the subsection heading, by inserting
 18 “AND BUSINESS” after “TECHNICAL”;

19 (2) in paragraph (1)—

20 (A) in the matter preceding subparagraph

21 (A)—

22 (i) by inserting “and business” before
 23 “assistance services”; and

24 (ii) by inserting “assistance with
 25 product sales, intellectual property protec-

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 “(IV) Subsection (o)(4)(B), relat-
 2 ing to shortening the decision time for
 3 STTR awards.

4 “(V) Subsection (v), relating to
 5 reducing paperwork and compliance
 6 burdens.

7 “(B) FOR ADMINISTRATION.—For fiscal
 8 years 2018 and 2019, if the Administration is
 9 not in compliance with subsection (b)(7), relat-
 10 ing to annual reports to Congress, the Adminis-
 11 tration may not use amounts received under
 12 paragraph (7)(B) of this subsection for a pur-
 13 pose described in clause (iii) of such paragraph
 14 (7)(B).”.

15 (b) CLARIFICATION OF REPORTING REQUIRE-
 16 MENT.—Section 9(b)(7) of the Small Business Act (15
 17 U.S.C. 638(b)(7)) is amended in the matter preceding
 18 subparagraph (A), by striking “not less than annually”
 19 and inserting “not later than February 1 of each year”.

20 **SEC. 503. STRENGTHENING OF THE REQUIREMENT TO**
 21 **SHORTEN THE APPLICATION REVIEW AND**
 22 **DECISION TIME.**

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

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 posals 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 solic-
19 itation 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 solic-
19 itation 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”.

○