

116TH CONGRESS
1ST SESSION

S. 2045

To reauthorize the SBIR and STTR programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 27, 2019

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

A BILL

To reauthorize the SBIR and STTR programs, 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 Per-
5 manency and Improvement Act of 2019”.

6 **SEC. 2. PERMANENCY OF SBIR AND STTR PROGRAMS.**

7 (a) SBIR.—Section 9(m) of the Small Business Act
8 (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 2022” 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 2022”.

10 **SEC. 3. ALLOCATION INCREASE.**

11 (a) SBIR.—Section 9(f)(1) of the Small Business Act
 12 (15 U.S.C. 638(f)) is amended—

13 (1) in the matter preceding subparagraph (A),
 14 by striking “expend” and inserting “obligate for ex-
 15 penditure”;

16 (2) in subparagraph (H), by striking “and” at
 17 the end;

18 (3) in subparagraph (I), by striking “and each
 19 fiscal year thereafter,” and inserting a semicolon;
 20 and

21 (4) by inserting after subparagraph (I) the fol-
 22 lowing:

23 “(J) not less than 3.5 percent of such
 24 budget in fiscal year 2020;

1 “(K) not less than 4 percent of such budg-
 2 et in fiscal year 2021;

3 “(L) not less than 5 percent of such budg-
 4 et in fiscal year 2022;

5 “(M) not less than 6 percent of such budg-
 6 et in fiscal year 2023; and

7 “(N) not less than 6.4 percent of such
 8 budget in fiscal year 2024 and each fiscal year
 9 thereafter.”.

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

12 (1) in subparagraph (A), by striking “expend”
 13 and inserting “obligate for expenditure”; and

14 (2) in subparagraph (B)—

15 (A) in clause (iv), by striking “and” at the
 16 end;

17 (B) in clause (v), by striking “fiscal year
 18 2016 and each fiscal year thereafter.” and in-
 19 serting “fiscal year 2019;”; and

20 (C) by adding at the end the following:

21 “(vi) 0.55 percent for fiscal year
 22 2020;

23 “(vii) 0.65 percent for fiscal year
 24 2021;

1 “(viii) 0.75 percent for fiscal year
 2 2022;
 3 “(ix) 0.85 percent for fiscal year
 4 2023; and
 5 “(x) 1 percent for fiscal year 2024
 6 and each fiscal year thereafter.”.

7 **SEC. 4. ACCELERATING AWARD TIMELINES ACROSS AGEN-**
 8 **CIES.**

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

11 (1) in subsection (g)(8)—

12 (A) in subparagraph (B), by striking
 13 “and” at the end;

14 (B) in subparagraph (C), by adding “and”
 15 at the end; and

16 (C) by adding at the end the following:

17 “(D) the average and median amount of
 18 time that each Federal agency with an SBIR
 19 program takes to review and make a final deci-
 20 sion on proposals submitted under the pro-
 21 gram;”;

22 (2) in subsection (o)(9)—

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

1 (B) in subparagraph (C), by adding “and”
2 at the end; and

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

4 “(D) the average and median amount of
5 time that each Federal agency with an STTR
6 program takes to review and make a final deci-
7 sion on proposals submitted under the pro-
8 gram;”;

9 (3) in subsection (hh)—

10 (A) by adding at the end the following:

11 “(3) REQUIREMENT TO ACCELERATE ALL SBIR
12 AND STTR AWARDS.—Not later than 1 year after the
13 date of enactment of this paragraph, each Federal
14 agency participating in the SBIR program or STTR
15 program, other than the Department of Defense,
16 shall establish a program to reduce the time for
17 awards under the SBIR and STTR programs of the
18 Federal agency by—

19 “(A) developing simplified and standard-
20 ized procedures and model contracts throughout
21 the Federal agency for Phase I, Phase II, and
22 Phase III SBIR awards;

23 “(B) for Phase I SBIR and STTR awards,
24 reducing the amount of time between solicita-
25 tion closure and award;

1 “(C) for Phase II SBIR and STTR
2 awards, reducing the amount of time between
3 the end of a Phase I award and the start of the
4 Phase II award;

5 “(D) for Phase II SBIR and STTR
6 awards that skip Phase I, reducing the amount
7 of time between solicitation closure and award;

8 “(E) for sequential Phase II SBIR and
9 STTR awards, reducing the amount of time be-
10 tween Phase II awards; and

11 “(F) reducing the award times described in
12 subparagraphs (B), (C), (D), (E), and (F) to be
13 as close to 90 days as possible.”; and

14 (4) in subsection (ii), by adding at the end the
15 following:

16 “(3) ADDITIONAL COMPTROLLER GENERAL RE-
17 PORTS.—The Comptroller General of the United
18 States shall submit to the Committee on Small Busi-
19 ness and Entrepreneurship of the Senate and the
20 Committee on Small Business of the House of Rep-
21 resentatives—

22 “(A) not later than 2 years after the date
23 of enactment of this paragraph, a report that—

24 “(i) provides the average and median
25 amount of time that each Federal agency

1 with an SBIR or STTR program takes to
2 review and make a final decision on pro-
3 posals submitted under the program; and

4 “(ii) compares that average and me-
5 dian amount of time with that of the pre-
6 vious 5 fiscal years; and

7 “(B) not later than March 31, 2023, a re-
8 port that—

9 “(i) includes the information described
10 in subparagraph (A);

11 “(ii) assesses where each Federal
12 agency participating in the SBIR or STTR
13 program needs improvement with respect
14 to the proposal review and award times
15 under the program;

16 “(iii) identifies best practices for
17 shortening the proposal review and award
18 times under the SBIR and STTR pro-
19 grams; and

20 “(iv) analyzes the efficacy of the pro-
21 gram established under subsection
22 (hh)(3).”.

1 **SEC. 5. ENCOURAGING VENTURE CAPITAL-OWNED PRO-**
 2 **GRAM PARTICIPANTS.**

3 Section 9(dd) of the Small Business Act (15 U.S.C.
 4 638(dd)) is amended—

5 (1) by striking paragraph (1) and inserting the
 6 following:

7 “(1) **AUTHORITY.**—The head of a Federal
 8 agency that participates in the SBIR program—

9 “(A) may award not more than 25 percent
 10 of the funds allocated for the SBIR program of
 11 the Federal agency to small business concerns
 12 that are owned in majority part by multiple
 13 venture capital operating companies, hedge
 14 funds, or private equity firms through competi-
 15 tive, merit-based procedures that are open to all
 16 eligible small business concerns; and

17 “(B) may not award any funds allocated
 18 for the SBIR program of the Federal agency to
 19 small business concerns owned by venture cap-
 20 ital operating companies, hedge funds, or pri-
 21 vate equity firms whose owners do not have
 22 United States citizenship.”;

23 (2) by striking paragraph (2);

24 (3) by redesignating paragraphs (3) through
 25 (7) as paragraphs (2) through (6); and

26 (4) in paragraph (2), as so redesignated—

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

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

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

6 “(C) indicate if any of the venture capital
7 operating companies, hedge fund, or private eq-
8 uity firm owners of the small business concern
9 do not have United States citizenship.”.

10 **SEC. 6. PHASE III AWARD EDUCATION.**

11 Section 9(r)(4) of the Small Business Act (15 U.S.C.
12 638(r)(4)) is amended—

13 (1) in subparagraph (A), by striking “and” at
14 the end;

15 (2) in subparagraph (B), by striking the period
16 at the end and inserting “; and”; and

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

18 “(C) train contracting officers in the exe-
19 cution of Phase III sole source award con-
20 tracts.”.

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