

SMALL BUSINESS INNOVATION
AND ECONOMIC SECURITY ACT

Ms. ERNST. Mr. President, I rise today as the Senate puts small business first in America's innovation program and gives them the certainty they need to build and grow.

For too long, our Nation's seed fund programs, SBIR and STTR, have been allowed to prioritize a few large companies over truly small businesses. Until now, these programs received blank checks to squander tax dollars meant to advance innovation in our national interest and have not protected taxpayer-funded technologies from foreign influence.

When confronted with this unacceptable status quo, I knew Congress could work together to find a solution for our truly small businesses. After working across the aisle and with our small businesses, we now have the necessary reforms to strengthen America's seed fund while unleashing small businesses to deliver for taxpayers and our warfighters.

Together, our bipartisan, bicameral legislation will ensure awardees safeguard tech against Chinese espionage, hold recipients accountable to actually producing cutting-edge technologies and capabilities—no more blank checks—require for the first time an annual limit on applications to prioritize truly small businesses over large companies who know how to game the system, establish the first of its kind strategic breakthrough awards, and, finally, provide taxpayers with transparency into who receives these awards.

These changes were necessary, and we are taking the time to absolutely get it right. And, tonight, I am proud the Senate is unanimously passing these long-overdue updates for innovators.

And at this time I would like to yield the floor to my ranking member on the Small Business Committee Senator MARKEY.

Mr. MARKEY. Thank you, Madam Chair.

Mr. President, I am so happy to come to the floor today to reopen the Small Business Innovation Research and Small Business Technology Transfer Programs. These programs deliver more than \$4 billion to thousands of innovative small businesses across our country every single year.

But for nearly 5 months, these programs have been shuttered. That never should have happened.

In September, I came to the Senate floor seeking unanimous consent to pass H.R. 5100, a bipartisan bill sponsored by the chairs and ranking members of the Small Business Committee and House Science and Technology Committee to temporarily extend these programs while negotiations continued. Unfortunately, my motion was blocked and the programs abruptly shut down.

As a result, the smallest SBIR and STTR companies were hurt. Important

research and development was stalled, and jobs were lost.

While I am glad to have come to an agreement, I am disappointed at the suffering that was caused by the longest shutdown in the program's history.

But we did ultimately come to an agreement. That is what we bring to the floor here today.

More than 40 years ago, Congress created the SBIR Program to serve four purposes: one, stimulate economic innovation; two, use America's small businesses to meet Federal research and development needs; three, to foster and encourage participation by minority and disadvantaged individuals in innovation; and, four, to increase private sector commercialization from Federal research and development.

Ten years later, Congress created the STTR Program to promote collaborations between small businesses and research institutions.

And since the creation of the SBIR and STTR Programs, 33,000 American small businesses have won more than \$77 billion in awards.

In my own home State of Massachusetts, more than \$9 billion in SBIR and STTR funding has been won by more than 2,600 small businesses in Massachusetts. It has been the engine of growth out on our tech belt.

The SBIR, STTR Programs have been overwhelmingly successful in supporting innovative small businesses and their technologies. This is just great news here. Data shows that 60 percent of all awardees in the past 5 years are first-time winners. The SBIR Program has returned anywhere from \$22 to \$33 for every \$1 spent by the program that is pushed into our economy. And through SBIR and STTR funding, small businesses have created cutting-edge lifesaving medical breakthroughs. In fact—this is an unbelievable number—one out of every eight FDA-approved drugs is linked to the SBIR and STTR Programs.

SBIR funding ultimately led to the creation of a drug to treat COVID-19 infections, a medication that treats HIV infections, new treatments for Alzheimer's disease, a continuous glucose monitoring device for type 1 diabetics, and even the world's smallest heart pump—SBIR, STTR.

These programs have also led to the creation of technologies we take for granted, such as GPS, wireless communications systems, and even self-automated vacuum cleaners.

Simply put, the benefits of the SBIR and STTR Programs touch our lives far more than most people realize. It has unleashed a cornucopia of innovation that now is a part of every American family's lives, and we must keep this program funded and going.

The American people deserve to have access to the most innovative technologies. Our brave men and women who defend our freedom deserve to be equipped with the best available technology to keep themselves and all of us at home safe as Senator ERNST said.

Our families and our friends who are battling illnesses deserve access to the most effective breakthrough treatments that innovation can offer.

For the Federal Government to continue investing in the most innovative technologies, SBIR and STTR funding must continue to be based purely on the strength of an idea, the best ideas our country has. That is the spirit of Darwinian paranoia-inducing competition, which is the heart of our system in our country.

So now, after 5 months of the programs' lapse, I am proud that the chair and I have negotiated a bipartisan agreement that does not automatically eliminate any small business from the program. Unlike previous proposals that would have automatically kicked out more than 50 successful small businesses across 20 States and severely curtailed hundreds of small businesses, this reauthorization would allow small businesses to continue innovating and creating groundbreaking technology for our country.

In an attempt to preserve quality proposals, this legislation requires each Agency with an SBIR and STTR Program to place a ceiling on the number of proposals that any small business can submit. The ceiling must be placed in one of three categories: one, a proposal limit per fiscal year; two, a proposal limit per solicitation; or, three, a proposal limit per topic.

This language provides Agencies the flexibility to administer these programs in a manner that best promotes innovation.

I recently met with Agency officials across the administration, including at the Pentagon, to ensure this language would not hinder the development of cutting-edge technologies to protect our country. I received assurances from the Pentagon—the largest awarding SBIR and STTR Agency—that the provision would be implemented on a per-topic basis and no company would be unfairly targeted. That means any small business can take their best shot at solving any problem the government—the NIH, the Defense Department—poses, and Agencies can secure the most innovative solutions.

I will continue to hold this administration accountable and fight to maintain the merit-based nature of these programs.

This reauthorization also includes several new improvements for the SBIR and STTR communities.

The bill retains the bipartisan 2022 foreign due diligence program, which requires Agencies to create a process to communicate with small businesses if they have been flagged for a foreign risk, and explicitly ends the blacklisting of companies. This transparency measure allows small businesses the opportunity to address any foreign risk they pose, likely unknown to them.

Two, the bill expands direct to phase II authority to the Department of Energy and the National Aeronautics and Space Administration. This will fast-

track clean and cutting-edge technology.

Three, the bill preserves STTR Program funding for universities and research institutions.

Four, the bill directs Agencies to train contracting officers so that SBIR-STTR technologies can more effectively transition to commercialization.

Five, it allows any unused fiscal year 2026 funding to be carried over so that no SBIR or STTR funding is lost as a result of the program's lapse. Therefore, that funding can be used next year.

Finally, the bill reauthorizes the program until 2031, giving some stability, some reliability, some certainty to small businesses, which they need after a tumultuous 5 months.

Throughout this process, I knew any agreement had to have broad support, and that is why it was so important to get input from all stakeholders and receive assurances from the implementing Agencies. So while this legislation does not include every improvement—I would like to see or make programs permanent—it is a bipartisan product that resulted from a negotiation between the chair and myself as the ranking member.

The agreement now immediately reopens the programs so that we can once again stake our position on the world stage, empowering our most nimble companies in our country and our nimble allies around the world in the innovation ecosystem to partner with our brilliant small businesses to make the technological breakthroughs to put us at the cutting-edge of world leadership.

I thank you, Mr. President, and I thank you, Madam Chair, for our work together.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Ms. ERNST. Mr. President, notwithstanding rule XXII, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 3971, which is at the desk.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 3971) to extend the SBIR and STTR programs, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Ms. ERNST. I ask unanimous consent that the bill be considered read a third time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill was ordered to be engrossed for a third reading and was read the third time.

Ms. ERNST. I know of no further debate on the bill.

The PRESIDING OFFICER. If there is no further debate on the bill, the bill having been read the third time, the question is, Shall the bill pass?

The bill (S. 3971) was passed as follows:

S. 3971

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Small Business Innovation and Economic Security Act”.

SEC. 2. BOLSTERING RESEARCH SECURITY OF SBIR AND STTR AWARDS.

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

(1) in subsection (g)—

(A) by redesignating paragraphs (15), (16), and (17) as paragraphs (16), (18), and (19), respectively;

(B) by inserting after paragraph (14) the following:

“(15) evaluate whether a small business concern presents a security risk for any reason, through measures including—

“(A) the due diligence process required under subsection (vv);

“(B) disclosures submitted under this subsection; or

“(C) coordination with the intelligence community, as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 3003), Federal law enforcement, and other counterintelligence capabilities of the Federal Government;”;

(C) in paragraph (16), as so redesignated—

(i) by striking subparagraph (B);

(ii) by striking “that—” and all that follows through “the small business concern submitting” and inserting “that the small business concern submitting”;

(iii) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and adjusting the margins accordingly;

(iv) in subparagraph (B), as so redesignated, by striking “or” at the end;

(v) in subparagraph (C), as so redesignated, by striking “and” at the end; and

(vi) by adding at the end the following:

“(D) has a security risk connecting the small business concern to an entity, including any affiliates of the entity, or individual on—

“(i) the UFLPA Entity List maintained by the Department of Homeland Security;

“(ii) the Non-SDN Chinese Military-Industrial Complex Companies List of the Office of Foreign Assets Control maintained by the Department of the Treasury;

“(iii) the Section 889 Prohibition List established under section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115–232; 132 Stat. 1917) and maintained by the Department of Defense;

“(iv) the list of Chinese Military companies required under section 1260H of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (10 U.S.C. 113 note) and maintained by the Department of Defense;

“(v) the Military End User List maintained by the Bureau of Industry and Security of the Department of Commerce;

“(vi) the Entity List maintained by the Bureau of Industry and Security of the Department of Commerce;

“(vii) the List of Equipment and Services maintained by the Federal Communications Commission; or

“(viii) the Withhold Release Orders and Findings List maintained by U.S. Customs and Border Protection;

“(E) has a security risk with a primary source that is classified; or

“(F) has a security risk that the Federal agency determines warrants a denial;”;

(D) by inserting after paragraph (16), as so redesignated, the following:

“(17) provide for—

“(A) a process under which, upon making an award decision to deny an application on the basis of a determination under paragraph (16), or upon making a determination under paragraph (16) that a small business concern has a security risk described in that paragraph, the Federal agency provides to the small business concern, as appropriate pursuant to the discretion of the Federal agency and in a manner that does not compromise national security, a notification—

“(i) advising the small business concern of such determination; and

“(ii) identifying the basis for such determination; and

“(B) a policy that clarifies that receipt of an award decision denying an application does not prohibit the small business concern from being eligible for an award in a subsequent award cycle;”;

(E) in paragraph (19), as so redesignated—

(i) in subparagraph (B), by striking “paragraph (16)(A)” and inserting “paragraph (18)(A)”; and

(ii) in subparagraph (C), by striking “paragraph (16)(B)” and inserting “paragraph (18)(B)”;;

(2) in subsection (o)—

(A) by redesignating paragraphs (19), (20), and (21) as paragraphs (20), (22), and (23), respectively;

(B) by inserting after paragraph (18) the following:

“(19) evaluate whether a small business concern presents a security risk for any reason, through measures including—

“(A) the due diligence process required under subsection (vv);

“(B) disclosures submitted under this subsection; or

“(C) coordination with the intelligence community, as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 3003), Federal law enforcement, and other counterintelligence capabilities of the Federal Government;”;

(C) in paragraph (20), as so redesignated—

(i) by striking subparagraph (B);

(ii) by striking “that—” and all that follows through “the small business concern submitting” and inserting “that the small business concern submitting”;

(iii) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and adjusting the margins accordingly;

(iv) in subparagraph (B), as so redesignated, by striking “or” at the end;

(v) in subparagraph (C), as so redesignated, by striking “and” at the end; and

(vi) by adding at the end the following:

“(D) has a foreign risk connecting the small business concern to an entity, including any affiliates of the entity, or individual on—

“(i) the UFLPA Entity List maintained by the Department of Homeland Security;

“(ii) the Non-SDN Chinese Military-Industrial Complex Companies List of the Office of Foreign Assets Control maintained by the Department of the Treasury;

“(iii) the Section 889 Prohibition List established under section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115–232; 132 Stat. 1917) and maintained by the Department of Defense;

“(iv) the list of Chinese Military companies required under section 1260H of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (10 U.S.C. 113 note) and maintained by the Department of Defense;

“(v) the Military End User List maintained by the Bureau of Industry and Security of the Department of Commerce;

“(vi) the Entity List maintained by the Bureau of Industry and Security of the Department of Commerce;

“(vii) the List of Equipment and Services maintained by the Federal Communications Commission; or

“(viii) the Withhold Release Orders and Findings List maintained by U.S. Customs and Border Protection;

“(E) has a security risk with a primary source that is classified; or

“(F) has a security risk that the Federal agency determines warrants a denial;”;

(D) by inserting after paragraph (20) the following:

“(21) provide for—

“(A) a process under which, upon making an award decision to deny an application on the basis of a determination under paragraph (20), or upon making a determination under paragraph (20) that a small business concern has a security risk described in that paragraph, the Federal agency provides to the small business concern, as appropriate pursuant to the discretion of the Federal agency and in a manner that does not compromise security, a notification—

“(i) advising the small business concern of such determination; and

“(ii) identifying the basis for such determination; and

“(B) a policy that clarifies that receipt of an award decision denying an application does not prohibit the small business concern from being eligible for an award in a subsequent award cycle;”;

(E) in paragraph (23), as so redesignated—

(i) in subparagraph (B), by striking “paragraph (20)(A)” and inserting “paragraph (22)(A)”;

(ii) in subparagraph (C), by striking “paragraph (20)(B)” and inserting “paragraph (22)(B)”;

(3) in subsection (vv)(2)—

(A) by amending subparagraph (A) to read as follows:

“(A) assess, using a risk-based approach as appropriate—

“(i) the cybersecurity practices of a small business concern;

“(ii) patent analysis;

“(iii) employee analysis;

“(iv) foreign ownership of a small business concern seeking an award, including the financial ties and obligations (which shall include surety, equity, and debt obligations) of the small business concern and employees of the small business concern to a foreign country, foreign person, or foreign entity;

“(v) foreign affiliations of a covered individual, owner, or other key personnel of a small business concern with an entity in a foreign country of concern;

“(vi) investment relationships of a small business concern with an individual or entity in a foreign country of concern;

“(vii) technology licensing agreements or joint ventures (including joint venture-like agreements) with an individual or entity in a foreign country of concern; and

“(viii) business relationships between a covered individual, owner, or other key personnel of a small business concern and an individual or entity in a foreign country of concern;”;

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

(C) by adding at the end the following:

“(C) examine any relationship of a small business concern seeking an award to any entity or individual included on the lists described in subsections (g)(16)(D) and (o)(20)(D).”.

(b) GAO STUDY.—Section 4(b)(4) of the SBIR and STTR Extension Act of 2022 (Public Law 117-183; 136 Stat. 2183) is amended by striking “3 years” and inserting “8 years”.

SEC. 3. PHASE II STRATEGIC BREAKTHROUGH FUNDING.

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

(1) in subsection (aa), by adding at the end the following:

“(6) STRATEGIC BREAKTHROUGH ALLOCATION.—The requirement under paragraph (1) and the requirement to receive a waiver from the Administrator under paragraph (4) do not apply to a Federal agency for awards of not more than \$30,000,000 to a small business concern with funds made available under a strategic breakthrough allocation (as defined in subsection (ff)(3)(A)).”; and

(2) in subsection (ff), by adding at the end the following:

“(3) STRATEGIC BREAKTHROUGH AWARDS.—

“(A) STRATEGIC BREAKTHROUGH ALLOCATION DEFINED.—In this paragraph, the term ‘strategic breakthrough allocation’ means, with respect to a Federal agency with a required expenditure under subsection (f)(1) in excess of \$100,000,000, an expenditure amount from the SBIR allocation under subsection (f)(1) of such agency of not more than 0.50 percent of the extramural budget for research or research and development designated for such agency for fiscal year 2026 and every fiscal year thereafter.

“(B) AWARD.—Under this paragraph, a funding agreement may be awarded to a small business concern by a Federal agency using funds made available under a strategic breakthrough allocation.

“(C) FUND PARAMETERS.—In the case of a Phase II agreement that is awarded to a small business concern by a Federal agency using funds made available under a strategic breakthrough allocation, the following requirements shall apply:

“(i) AWARD SIZE AND PERIOD OF PERFORMANCE.—A Federal agency may award from a strategic breakthrough allocation not more than \$30,000,000 to a small business concern, including its affiliates, in a single award or series of awards based on reaching production or development milestones, if the total period of performance of the project with respect to which such funds are awarded is not more than 48 months.

“(ii) SMALL BUSINESS CONCERN REQUIREMENTS.—The small business concern shall—

“(I) have been awarded not less than 1 prior Phase II award under the SBIR or STTR program;

“(II) demonstrate not less than 100 percent matching funds from—

“(aa) new private capital as a result of an award using funds made available under a strategic breakthrough allocation;

“(bb) new funding awarded by a government agency under a program other than Phase I or II of the SBIR or STTR program as a result of an award using funds made available under a strategic breakthrough allocation; or

“(cc) a combination of funds described in items (aa) and (bb);

“(III) demonstrate a technology that is an effective solution, as determined by market research; and

“(IV) only be eligible for an award from the strategic breakthrough allocation at the Department of Defense if the small business concern—

“(aa) provides a product, process, or technology that meets a necessary level of readiness and has a commitment for inclusion in a program objective memorandum from an official with the rank of program acquisition executive or higher in an acquisition organization of the Department of Defense;

“(bb) provides a product, process, or technology that will meet high priority requirements or operational needs of a military department through a successful transition and into the acquisition process; and

“(cc) demonstrates not less than 20 percent of the required matching funds under subsection (II) come from new funding awarded by the Department of Defense under a program other than Phase I or II of the SBIR or STTR program as a result of an award using funds made available under a strategic breakthrough allocation.

“(iii) DEADLINE.—The Federal agency shall complete any contract awards using strategic breakthrough allocation funds not later than 90 days after receiving a proposal from a small business concern for the award.

“(iv) ELIGIBLE ACTIVITIES.—Eligible activities by a small business concern using strategic breakthrough allocation funds are any critical technology areas or requirements deemed necessary by the Federal agency.

“(v) SELECTION CRITERIA.—In making awards using funds made available under a strategic breakthrough allocation, the Federal agency shall consider—

“(I) the potential of the small business concern to advance the national security capabilities of the United States;

“(II) the potential of the small business concern to provide new technologies or processes, or new applications of existing technologies, that will enable new alternatives to existing programs;

“(III) whether a customer in a Federal agency has expressed an intent to purchase and integrate technology from the small business concern into its operations; or

“(IV) whether a particular technology area is undercapitalized by private investment.

“(D) USE OF STREAMLINED CONTRACTING MECHANISMS.—Each Federal agency shall implement streamlined processes and requirements for submitting proposals and applying for awards using funds made available under a strategic breakthrough allocation.”.

(b) COMMERCIALIZATION READINESS PROGRAM.—Section 9(y) of the Small Business Act (15 U.S.C. 638(y)) is amended—

(1) in paragraph (2)—

(A) by striking “shall identify” and inserting “shall—

“(A) identify”;

(B) in subparagraph (A), as so designated—

(i) by inserting “, including small business concerns with an award from the strategic breakthrough allocation (as defined in subsection (ff)(3)(A)),” before “that have the potential”; and

(ii) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

“(B) ensure, in collaboration with SBIR program managers of each component, that research programs identified under subparagraph (A) are analyzed within the programming and budgeting process as budget requests are developed; and

“(C) provide to the Committee on Small Business and Entrepreneurship of the Senate and the Committees on Small Business and Science, Space, and Technology of the House of Representatives information on the integration of SBIR and STTR awardees in budget rollouts for research, development, testing, and evaluation activities.”;

(2) by striking paragraph (3);

(3) by redesignating paragraphs (4), (5), and (6) as paragraphs (3), (4), and (5), respectively; and

(4) in paragraph (5), as so redesignated—

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

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following:

“(C) establish a mechanism to provide small business concerns with direct access to program and requirements offices that may purchase technology from the small business

concern under Phase III of the SBIR program; and”.

(c) BRIEFINGS.—

(1) DEFINITION.—In this subsection, the term “appropriate committees of Congress” means—

(A) the Committee on Small Business and Entrepreneurship of the Senate;

(B) the Committee on Small Business of the House of Representatives; and

(C) the Committee on Science, Space, and Technology of the House of Representatives.

(2) GENERAL REQUIREMENT.—Not later than 60 days after the date of enactment of this Act, the head of each Federal agency that is eligible to make an award from funds made available under a strategic breakthrough allocation (as defined in paragraph (3) of subsection (ff) of section 9 of the Small Business Act (15 U.S.C. 638), as added by this section) shall brief the appropriate committees of Congress on whether that Federal agency plans to make awards pursuant to the authority provided under such paragraph (3), including the reasons why the Federal agency plans to, or does not plan to, use that authority.

(3) RECURRING BRIEFING BY FEDERAL AGENCIES USING FUNDING AUTHORITY.—The head of each Federal agency that opts to make awards pursuant to the authority under paragraph (3) of subsection (ff) of section 9 of the Small Business Act (15 U.S.C. 638), as added by this section, shall, on a recurring basis until the Federal agency finalizes procedures for making those awards, brief the appropriate committees of Congress regarding the implementation of such paragraph (3) by that Federal agency.

(d) TERMINATION.—Effective on September 30, 2031—

(1) this section and the amendments made by this section shall cease to have effect; and

(2) the provisions of law amended by this section shall be restored as if such amendments had not been enacted.

SEC. 4. REDUCING ADMINISTRATIVE BURDEN.

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

“(aaa) REDUCING ADMINISTRATIVE BURDEN.—

“(1) IN GENERAL.—With respect to fiscal year 2027 and each fiscal year thereafter, the Director of the SBIR or STTR program office of each Federal agency shall, pursuant to authority that may not be delegated, set equally for all small business concerns a limit on the maximum number of proposals that a small business concern may submit in response to Phase I solicitations and Phase II solicitations under subsection (cc), published by that Federal agency, including all components of that Federal agency, in a single fiscal year. In establishing such a limitation, the Director of the SBIR or STTR program office of each Federal agency shall use 1 of the following methods:

“(A) A limit for any small business concern on a fiscal year basis.

“(B) A limit for any small business concern on a solicitation basis.

“(C) A limit for any small business concern on a topic basis.

“(2) WAIVER.—

“(A) IN GENERAL.—On a topic by topic basis, the Director of the SBIR or STTR program office of each Federal agency may grant a waiver of the proposal limit under paragraph (1) at the time of a solicitation announcement for a specific topic for the SBIR or STTR program of the Federal agency if the topic is time-sensitive and urgent to the mission of the Federal agency.

“(B) WRITTEN JUSTIFICATION.—For each topic for which a waiver is sought under subsection (A), the Director of the SBIR or

STTR program office of the Federal agency shall provide a written justification to the Administrator, and to the Undersecretary described in subparagraph (C), for why the use of the waiver authority is imperative for the agency’s mission and the nature of the immediate and critical need that the Director reasonably believes cannot be met by small business concerns that have not reached the proposal limit under paragraph (1).

“(C) TIMING.—The Undersecretary overseeing the SBIR or STTR program at a Federal agency and the Administrator are required to approve or disapprove a waiver and written justification not later than 15 days after the date on which the Undersecretary receives from the Director the waiver request described in subparagraph (A) and the written justification described in subparagraph (B).

“(D) NONDELEGATION.—The authority to grant or approve a waiver under subparagraph (A) or (C), respectively, may not be delegated.

“(E) WAIVER EFFECTS.—If the Federal agency grants a waiver under subparagraph (A) with respect to a topic for the SBIR or STTR program of a Federal agency, paragraph (1) shall not prohibit any small business concern from submitting an SBIR or STTR proposal to that Federal agency under such topic.

“(F) RECORD REQUIREMENT.—Participating agencies shall maintain information on topics to which waivers of the proposal limit under this paragraph are granted, including the written justifications for those waivers.

“(G) LIMITATION.—A Federal agency may not grant a waiver under this paragraph with respect to more than 5 percent of the topics of the SBIR and STTR programs of the Federal agency in any fiscal year.

“(3) REPORTING.—

“(A) IN GENERAL.—Not later than 30 days after the date on which the Director of the SBIR or STTR program office of a Federal agency sets or changes a limit under paragraph (1), the head of that Federal agency shall provide to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business and the Committee on Science, Space, and Technology of the House of Representatives the methodology for setting or changing that limit, the considerations made in setting or changing that limit, and how many small business concerns are impacted by that limit based on historical data.

“(B) WRITTEN NOTIFICATION.—Not later than 30 days after the date on which the Director of the SBIR or STTR program office of a Federal agency grants a waiver under paragraph (2), the Director shall provide to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business and the Committee on Science, Space, and Technology of the House of Representatives a written notification regarding the granting of that waiver, which shall include the information described in paragraph (2)(F) with respect to that waiver.

“(4) TIMING.—The Director shall establish the proposal limit under paragraph (1) not later than 90 days before the start of fiscal year 2027 and each fiscal year thereafter.”.

SEC. 5. PHASE III AWARD EDUCATION.

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

(1) in subsection (e)—

(A) in paragraph (18), by striking “and” at the end;

(B) in paragraph (19), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(20) the term ‘agency acquisition workforce’ means the employees of a Federal

agency that have procurement or acquisition responsibilities, including—

“(A) employees described in section 1703 of title 41, United States Code; and

“(B) individuals that are part of the acquisition workforce, as defined in section 101(a) of title 10, United States Code.”;

(2) in subsection (r), by adding at the end the following:

“(5) WORKFORCE TRAINING.—

“(A) IN GENERAL.—The Administrator, in coordination with the Secretary of Defense, the Administrator of General Services, and the head of any other Federal agency that the Administrator determines appropriate, shall establish training activities for contracting officers and the agency acquisition workforce of Federal agencies to ensure that all such individuals are fully aware of all aspects of Phase III awards under the SBIR and STTR programs, as applicable.

“(B) TRAINING TOPICS.—The training activities required under subparagraph (A) shall include training on—

“(i) the missions, goals, and authorities of the SBIR and STTR programs;

“(ii) the use of Phase III agreements;

“(iii) Phase III data rights; and

“(iv) the execution of Phase III sole source award contracts.

“(C) FUNDING.—The training activities required under subparagraph (A) may be carried out using funds made available to carry out subsections (y) and (mm).”;

(3) in subsection (mm)(1)—

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

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

(C) by adding at the end the following:

“(L) contracting officer and acquisition workforce training activities pursuant to subsection (r)(5).”.

SEC. 6. PHASE III IMPROVEMENTS.

(a) PROCUREMENT CENTER REPRESENTATIVE DIRECTIVES.—

(1) IN GENERAL.—Section 9(j)(4) of the Small Business Act (15 U.S.C. 638(j)(4)) is amended by inserting before the period at the end the following: “, and advocate for the maximum practicable use and transition of products, services, and technologies developed under SBIR or STTR programs to Phase III by means of Phase III awards to small business concerns”.

(2) MODIFICATION DEADLINE.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Small Business Administration shall modify the policy directives issued pursuant to subsection (j) of section 9 of the Small Business Act (15 U.S.C. 638(j)) in accordance with paragraph (4) of that subsection, as amended by paragraph (1).

(b) PHASE III AWARD SIMPLIFICATION.—Section 9(r)(4) of the Small Business Act (15 U.S.C. 638(r)(4)) is amended—

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

(2) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(C) develop simplified and standardized procedures and model contracts for Phase I, Phase II, and Phase III SBIR awards and report to the Administrator on actions taken by the Federal agency in support of these objectives; and

“(D) as applicable, issue standardized solicitation provisions and contract clauses that provide clear guidance on the information that small business concerns participating in SBIR or STTR programs can be expected to provide as part of market research or as part of a proposal by those small business concerns to establish eligibility for Phase III awards.”.

SEC. 7. TECHNICAL AND BUSINESS ASSISTANCE IMPROVEMENTS.

Section 9 of the Small Business Act (15 U.S.C. 638(q)), as amended by this Act, is amended—

- (1) in subsection (q)—
- (A) in paragraph (1)—
- (i) in the matter preceding subparagraph (A)—

(I) by striking “may enter into an agreement with 1 or more vendors selected under paragraph (2)(A) to provide small business concerns engaged in SBIR or STTR projects with technical and business assistance services” and inserting “shall authorize recipients of awards under the SBIR program or the STTR program to select, if desired, technical and business assistance provided under subparagraph (A) or (B) of paragraph (2) with respect to SBIR or STTR projects”;

(II) by inserting “cybersecurity assistance,” after “intellectual property protections,”; and

(III) by striking “such concerns” and inserting “such recipients”;

(ii) in subparagraph (C), by striking “and” at the end;

(iii) in subparagraph (D), by striking the period at the end and inserting “; and”;

(iv) by adding at the end the following: “(E) screening for potential foreign involvement in technology development or commercialization activities.”; and

(B) in paragraph (2)—

- (i) in the paragraph heading, by striking “VENDOR SELECTION” and inserting “ELIGIBLE USES OF FUNDS.—”;
- (ii) by striking subparagraph (A);
- (iii) by redesignating subparagraph (B) as subparagraph (A); and
- (iv) by inserting after subparagraph (A), as so redesignated, the following:

“(B) STAFF.—A small business concern may, by contract or otherwise, use funding provided under this section to hire new staff, augment staff, or direct staff to conduct or participate in training activities consistent with the goals listed in paragraph (1).”;

(C) in paragraph (3)—

- (i) by striking subparagraphs (A) and (B) and inserting the following:

“(A) PHASE I.—A Federal agency described in paragraph (1) shall authorize a recipient of a Phase I SBIR or STTR award to use not more than \$6,500 per project, included as part of the award of the recipient or in addition to the amount of the award of the recipient as determined appropriate by the head of the Federal agency, for the services described in paragraph (1)—

- “(i) provided through a vendor selected by the small business concern under paragraph (2)(A); or
- “(ii) achieved through the activities described in paragraph (2)(B).

“(B) PHASE II.—A Federal agency described in paragraph (1) shall authorize a recipient of a Phase II SBIR or STTR award to utilize not more than \$50,000 per project, included as part of the award of the recipient or in addition to the amount of the award of the recipient as determined appropriate by the head of the Federal agency, for the services described in paragraph (1)—

- “(i) provided through a vendor selected by the small business concern under paragraph (2)(A); or
- “(ii) achieved through the activities described in paragraph (2)(B).”;

(D) by adding at the end the following:

“(5) TARGETED REVIEW.—A Federal agency may perform targeted reviews of technical and business assistance funding as described in subsection (mm)(1)(F).”;

(2) by adding at the end the following:

“(bbb) I-CORPS PARTICIPATION.—

“(1) IN GENERAL.—Each Federal agency with an Innovation Corps program (com-

monly known as ‘I-Corps’) that is required to conduct an SBIR or STTR program shall—

“(A) provide an option for requesting participation in an I-Corps teams course, I-Corps bootcamp, or another equivalent training program to recipients of an award under the SBIR or STTR program; and

“(B) authorize the recipients described in subparagraph (A) to use amounts authorized under subsection (q) to participate in the I-Corps teams course, I-Corps bootcamp, or another equivalent training program.

“(2) COST OF PARTICIPATION.—The cost of participation by a recipient described in paragraph (1)(A) in an I-Corps course, I-Corps bootcamp, or another equivalent training program may be provided by—

“(A) an I-Corps team SBIR or STTR grant;

“(B) funds awarded to the recipient under subsection (q);

“(C) funds made available to carry out subsection (mm);

“(D) the participating teams or other sources as appropriate; or

“(E) any combination of sources described in subparagraphs (A), (B), (C), and (D).”.

SEC. 8. IMPROVING SBIR AND STTR DATA COLLECTION.

(a) ADDITIONAL DATA FIELDS IN SBIR DATABASE.—Section 9(k)(1) of the Small Business Act (15 U.S.C. 638(k)(1)) is amended—

(1) in subparagraph (E)(iv), by striking “and” at the end;

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

(3) by adding at the end the following:

“(G) for each award granted, whether the award is classified or designated as—

- “(i) direct to Phase II, under subsection (cc);
- “(ii) subsequent Phase II, under subsection (bb)(1);
- “(iii) a strategic breakthrough award under subsection (ff)(3);
- “(iv) a Phase III prime contract award; or
- “(v) a Phase III subcontract award.”.

(b) IMPROVING FEDERAL PROCUREMENT DATA SYSTEMS DATA TRACKING.—

(1) DEFINITIONS.—In this section:

(A) FEDERAL AGENCY; PHASE II; PHASE III; SBIR; STTR.—The terms “Federal agency”, “Phase II”, “Phase III”, “SBIR”, and “STTR” have the meanings given those terms in section 9(e) of the Small Business Act (15 U.S.C. 638(e)).

(B) SMALL BUSINESS CONCERN.—The term “small business concern” has the meaning given the term in section 3 of the Small Business Act (15 U.S.C. 632).

(2) REQUIREMENT TO UPDATE.—The Administrator of General Services shall update the Federal Procurement Data System described in section 1122(a)(4) of title 41, United States Code, or any successor system, to—

- (A) require reporting on whether an award under the SBIR or STTR program under section 9 of the Small Business Act (15 U.S.C. 638) is classified or designated as—
- (i) direct to Phase II, under subsection (cc) of such section;
- (ii) subsequent Phase II, under subsection (bb)(1) of such section;
- (iii) a strategic breakthrough award under subsection (ff)(3) of such section, as added by this Act;
- (iv) a Phase III prime contract award; or
- (v) a Phase III subcontract award;

(B) require reporting on whether a contract is designated as a Phase III contract;

(C) require reporting on whether non-SBIR contracts and subcontracts are using SBIR- or STTR-funded technology; and

(D) require a government contracting officer, when recording a Phase II or Phase III contract following on from work done by a small business concern during a Phase I or Phase II award, to reference an SBIR or

STTR contract identification number for relevant prior SBIR or STTR work done.

SEC. 9. EXTENDING SBIR AND STTR AUTHORIZATION.

(a) IN GENERAL.—Section 9 of the Small Business Act (15 U.S.C. 638), as amended by this Act, is amended—

(1) in subsection (m), by striking “September 30, 2025” and inserting “September 30, 2031”;

(2) in subsection (n)(1)(A), by striking “2025” and inserting “2031”.

(b) CARRY OVER FUNDS.—If a Federal agency that participates in the SBIR or STTR program has funds remaining at the end of fiscal year 2026 from amounts required to be expended under subsection (f)(1) or (n)(1), respectively, of section 9 of the Small Business Act (15 U.S.C. 638), the Federal agency may use those remaining funds in fiscal year 2027 for the SBIR or STTR program, as applicable, of the Federal agency.

SEC. 10. EXTENSION OF SBIR AND STTR PROGRAMS AND ACTIVITIES.

(a) PHASE FLEXIBILITY.—Section 9(cc) of the Small Business Act (15 U.S.C. 638(cc)) is amended—

(1) by striking “During fiscal years 2012 through 2025” and inserting “Until September 30, 2031”;

(2) by striking “, and the Department of Education” and inserting “the Department of Energy, the National Aeronautics and Space Administration, and the Department of Education”;

(3) by inserting “or STTR program” after “SBIR program” each place that term appears.

(b) COMMERCIALIZATION READINESS PROGRAM FOR CIVILIAN AGENCIES PILOT PROGRAM.—Section 9(gg)(7) of the Small Business Act (15 U.S.C. 638(gg)(7)) is amended by striking “2025” and inserting “2031”.

(c) ACCELERATED AWARDS.—Section 9(hh)(2)(C) of the Small Business Act (15 U.S.C. 638(hh)(2)(C)) is amended by striking “September 30, 2025” and inserting “September 30, 2031”.

(d) PHASE 0 PILOT PROGRAM.—Section 9(ij)(7) of the Small Business Act (15 U.S.C. 638(ij)(7)) is amended by striking “2025” and inserting “2031”.

(e) ADMINISTRATIVE ASSISTANCE.—Section 9(mm)(1) of the Small Business Act (15 U.S.C. 638(mm)(1)) is amended by striking “September 30, 2025” and inserting “September 30, 2031”.

(f) INCREASED MINIMUM PERFORMANCE STANDARDS.—Section 9(qq)(3)(I) of the Small Business Act (15 U.S.C. 638(qq)(3)(I)) is amended by striking “September 30, 2025” and inserting “September 30, 2031”.

(g) COMMERCIALIZATION ASSISTANCE PILOT PROGRAMS.—Section 9(uu)(3) of the Small Business Act (15 U.S.C. 638(uu)(3)) is amended by striking “September 30, 2025” and inserting “September 30, 2031”.

(h) DUE DILIGENCE PROGRAM.—Section 9(vv)(3)(C) of the Small Business Act (15 U.S.C. 638(vv)(3)(C)) is amended by striking “September 30, 2025” and inserting “September 30, 2031”.

(i) STTR PARTICIPATION OF MILITARY RESEARCH AND EDUCATIONAL INSTITUTIONS PILOT PROGRAM.—Section 9(yy)(2) of the Small Business Act (15 U.S.C. 638(yy)(2)) is amended by striking “September 30, 2025” and inserting “September 30, 2031”.

(j) BUDGET CALCULATION PILOT PROGRAM.—Section 9(zz)(3) of the Small Business Act (15 U.S.C. 638(zz)(3)) is amended by striking “September 30, 2025” and inserting “September 30, 2031”.

(k) SPECIAL OPERATIONS COMMAND PILOT.—Section 851(e) of the National Defense Authorization Act for Fiscal Year 2020 (10 U.S.C. 4901 note) is amended by striking

“September 30, 2025” and inserting “September 30, 2031”.

(1) GOVERNMENT ACCOUNTABILITY OFFICE MANDATE SUNSET.— The National Defense Authorization Act for Fiscal Year 2012 (Public Law 112-81) is amended by striking section 5142 (15 U.S.C. 638a).

Ms. ERNST. I ask unanimous consent that the motion to reconsider be considered made and laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Ms. ERNST. Mr. President, I ask unanimous consent that the Senate be in a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO ALICE NORMENT

Mr. BARRASSO. Mr. President, I would like to take the opportunity to express my appreciation to Alice for her hard work as an intern in my Washington, DC, office. I recognize her efforts and contributions to my office, as well as to the State of Wyoming.

Alice is a native of North Carolina. She is currently a junior at The Madeira School in McLean, VA. She has demonstrated a strong work ethic, which has made her an invaluable asset to our office. The quality of her work is reflected in her great efforts over the last several months.

I want to thank Alice for the dedication she has shown while working for me and my staff. It is a pleasure to have her as part of our team. I know she will have continued success with all of her future endeavors. I wish her all my best on her journey.

VOTE EXPLANATION

Mr. BENNET. Mr. President, I was necessarily absent for rollcall vote No. 44, on the motion to invoke cloture on the motion to proceed to H.R. 6644, the Housing for the 21st Century Act. Had I been present for the vote, I would have voted yes.

ADDITIONAL STATEMENTS

HONORING KANSAS LAW ENFORCEMENT OFFICERS INJURED IN THE LINE OF DUTY

• Mr. MARSHALL. Mr. President, I rise today to honor three deputies from the Osage County Sheriff's Office and one trooper from the Kansas Highway Patrol for their extraordinary courage and sacrifice in the line of duty while responding to a domestic violence incident on November 15, 2025.

On that morning, these officers promptly responded to a call for help, demonstrating the selflessness required of those who wear the badge. Gunfire erupted within minutes of arriving at

the scene, and Deputies Christian Moran, Corporal Clayton Hartpence, K-9 Deputy James Cason, and Trooper Adam Ellis were injured. All four were transported to hospitals for treatment, and the suspect was killed at the scene.

Over the ensuing months, these brave officers demonstrated tremendous strength and resilience in their recovery, supported by their families, fellow officers, medical professionals, and community. I am pleased to share that Deputies Moran, Hartpence, and Cason have returned to full active duty, and Trooper Ellis has also resumed service, once again answering the call to protect Kansans.

This incident reminds us that the dangers of policing are often unpredictable, and even routine calls can become life-threatening in an instant. These officers displayed courage under fire and an unwavering commitment to their duty. Their actions reflect the highest standards of law enforcement and public service.

I now ask my colleagues to join me in recognizing and honoring Deputies Moran, Hartpence, Cason, and Trooper Ellis for their bravery, sacrifice, and dedication to the safety and well-being of Kansans. May we never forget the risks officers face each day in service to others.●

RECOGNIZING THE UNIVERSITY OF MICHIGAN HILLEL ON THEIR CENTENNIAL ANNIVERSARY

• Mr. PETERS. Mr. President, I rise today to celebrate the centennial of Hillel at the University of Michigan. When it was founded in 1926, Michigan Hillel was the fourth Hillel to be established in North America. As a center for Jewish life, the University of Michigan Hillel not only provides programming and a physical space where students can observe their faith and celebrate their community.

Arising out of a need for a growing Jewish student population to find familiarity and fellowship, Hillel provided a foundation for carrying forward their cultural and social traditions into adulthood and to future generations. Whether it be celebrating Shabbat, the High Holidays, or any day in-between, Hillel has provided a forum to encourage Jewish students to more fully engage with and explore their identity. This important work has and continues to help shape the Jewish American identity.

Hillel's impact extends far beyond its Jewish religious and cultural programming. Hillel provides students with opportunities to develop their leadership skills and engage with the broader campus community, by encouraging student-driven engagement on campus and beyond. Dozens of student groups have grown out of and are supported by Hillel, providing educational programming partnering with other social, educational, and cultural groups within the university ecosystem.

Hillel has left an imprint on the university's legacy. Hillel supported pro-

ducing the first performance of then-student, now renowned playwright, Arthur Miller in 1937. In the 1960s, Hillel encouraged students to engage in the great societal debates of the Civil Rights era, including the Vietnam war, helping to shape the discussion on campus. More recently, in the 1980s, has continued its mission of encouraging student engagement in the intellectual debates of the university community, exemplified by its support of Consider Magazine, which highlights topics of interest to the Michigan community and enables a presentation of many perspectives on those topics.

Given the passion with which Hillel has pursued its mission and commitment to the university community, it is not surprising it has received several awards, including the Outstanding Campus award by Hillel International in 2020. It is a testament to Michigan Hillel's success that University of Michigan is recognized as one of the best schools in the country for Jewish students. I congratulate Michigan Hillel on reaching this great milestone in its history and wish it, its current students, and alumni continued success and meaningful engagement in fulfilling its mission.●

VERMONT STATE OF THE UNION ESSAY WINNERS

• Mr. SANDERS. Mr. President, since 2010, I have sponsored a State of the Union essay contest for Vermont high school students. This contest gives students in my State the opportunity to articulate what issues they would prioritize if they were President of the United States.

This is the contest's 16th year, and I would like to congratulate the 418 students who participated. It is truly heartening to see so many young people engaged in finding solutions for the problems that face our country. To my mind, this is what democracy is all about.

A volunteer panel of Vermont educators reviewed the essays and chose Saralynn Anderson as this year's winner. Saralynn, a junior at Essex High School, proposed legislation to improve mental health care for adolescents. Max Clegg, a junior at Mount Mansfield Union High School, was the second place winner. Max wrote about corporate concentration of economic power. Ada Allen, a sophomore at Craftsbury Academy, was the third place winner, with an essay on the importance of afterschool programs.

I am very proud to enter into the CONGRESSIONAL RECORD the essays submitted by Saralynn, Max, and Ada:

WINNER, SARALYNN ANDERSON, ESSEX HIGH SCHOOL, JUNIOR

Mental health affects how people think, act, and feel every day, yet millions of Americans, especially adolescents, are unable to access the care they need. In classrooms across the United States, students struggle silently with anxiety, depression, and overwhelming pressure, often long before adults