

114TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

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

---

Mrs. SHAHEEN (for herself and Mr. VITTER) introduced the following bill;  
which was read twice and referred to the Committee on

---

**A BILL**

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

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

3 **SECTION 1. SHORT TITLE.**

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

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

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

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—REAUTHORIZATION OF PROGRAMS

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

TITLE II—ENHANCED SMALL BUSINESS ACCESS TO FEDERAL  
INNOVATION INVESTMENTS

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

Sec. 202. Regular oversight of award amounts.

TITLE III—COMMERCIALIZATION IMPROVEMENTS

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

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

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

Sec. 304. Intellectual property protection for technology development.

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

Sec. 306. Clarifying the Phase III preference.

Sec. 307. Improvements to technical and business assistance.

TITLE IV—PROGRAM DIVERSIFICATION INITIATIVES

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

Sec. 402. Federal and State Technology Partnership Program.

TITLE V—OVERSIGHT AND SIMPLIFICATION INITIATIVES

Sec. 501. Data modernization summit.

Sec. 502. Implementation of outstanding reauthorization provisions.

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

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

TITLE VI—TECHNICAL CHANGES

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

Sec. 602. Flexibility for Phase II award invitations.

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

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

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

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

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

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

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

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

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

18 (1) in paragraph (1)—

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

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

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

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

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

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

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

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

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

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

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

4 “(K) for the Department of Defense—

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

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

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

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

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

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

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

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

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

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

9 (1) in subparagraph (A)—

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

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

22 (2) in subparagraph (B)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (b) SENSE OF CONGRESS REGARDING REGULAR RE-  
17 VIEW OF THE AWARD SIZES.—It is the sense of Congress  
18 that for fiscal year 2019, and every third fiscal years  
19 thereafter, Congress should evaluate whether the max-  
20 imum award sizes under the Small Business Innovation  
21 Research Program under section 9 of the Small Business  
22 Act (15 U.S.C. 638) should be adjusted and, if so, take  
23 appropriate action to direct that such adjustments be  
24 made under the policy directives issued under subsection  
25 (j) of 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  
19           less than 10 percent for fiscal year 2018, and each fiscal  
20           year thereafter,” after “shall establish goals”.

21 **SEC. 303. TRACKING RAPID INNOVATION FUND AWARDS IN**  
22                   **ANNUAL CONGRESSIONAL REPORT.**

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

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

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

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

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

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

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

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

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

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

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

14           “(tt) INTELLECTUAL PROPERTY PROTECTIONS.—

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

21                   “(2) CLARIFICATION OF PATENT COSTS.—

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

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

4 “(i) the costs of preparing—

5 “(I) invention disclosures;

6 “(II) reports; and

7 “(III) other documents;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5           “(3) a list, organized by Federal agency, of  
6 small business concerns that have asserted that—

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

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

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

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

18                   (1) by striking paragraph (4);

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

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

24                   “(2) PHASE III AWARD DIRECTION FOR AGEN-  
25 CIES AND PRIME CONTRACTORS.—To the greatest



1 extent practicable, Federal agencies and Federal  
2 prime contractors shall issue Phase III awards relat-  
3 ing to technology, including sole source awards and  
4 awards under the Defense Research and Develop-  
5 ment Rapid Innovation Program under section 1073  
6 of the Ike Skelton National Defense Authorization  
7 Act for Fiscal Year 2011 (Public Law 111–383; 124  
8 Stat. 4366; 10 U.S.C. 2359 note), to the SBIR and  
9 STTR award recipients that developed the tech-  
10 nology.”.

11 **SEC. 307. IMPROVEMENTS TO TECHNICAL AND BUSINESS**  
12 **ASSISTANCE.**

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

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

17 (2) in paragraph (1)—

18 (A) in the matter preceding subparagraph

19 (A)—

20 (i) by inserting “and business” before  
21 “assistance services”; and

22 (ii) by inserting “assistance with  
23 product sales, intellectual property protec-  
24 tions, market research,” after “tech-  
25 nologies,”; and

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

4 (3) in paragraph (3)—

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

8 (B) in subparagraph (B), by striking  
9 “\$5,000 per year” each place that term appears  
10 and inserting “\$15,000 per project”;

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

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

16 **TITLE IV—PROGRAM**  
17 **DIVERSIFICATION INITIATIVES**

18 **SEC. 401. REGIONAL SBIR STATE COLLABORATIVE INITIA-**  
19 **TIVE PILOT PROGRAM.**

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

22 (1) in subsection (mm)—

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

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

2 “(7) SBIR AND STTR PROGRAMS; FAST PRO-  
3 GRAM.—

4 “(A) DEFINITION.—In this paragraph, the  
5 term ‘covered Federal agency’ means a Federal  
6 agency that—

7 “(i) is required to conduct an SBIR  
8 program; and

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

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

18 “(i) for the Regional SBIR State Col-  
19 laborative Initiative Pilot Program estab-  
20 lished under subsection (uu);

21 “(ii) for the Federal and State Tech-  
22 nology Partnership Program established  
23 under section 34; and

24 “(iii) to support the Office of the Ad-  
25 ministration that administers the SBIR

1 program and the STTR program, subject  
2 to agreement from other agencies about  
3 how the funds will be used, in carrying out  
4 those programs and the programs de-  
5 scribed in clauses (i) and (ii).

6 “(8) PILOT PROGRAM.—

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

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

20 “(i) the Committee on Small Business  
21 and Entrepreneurship and the Committee  
22 on Appropriations of the Senate; and

23 “(ii) the Committee on Small Busi-  
24 ness and the Committee on Appropriations  
25 of the House of Representatives.”; and

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

3           “(uu) REGIONAL SBIR STATE COLLABORATIVE INI-  
4           TIATIVE PILOT PROGRAM.—

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

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

7           “(i) a research institution; and

8           “(ii) a small business concern;

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

10           “(i) a State that the Administrator  
11           determines is in the bottom half of States,  
12           based on the average number of annual  
13           SBIR program awards made to companies  
14           in the State for the preceding 3 years for  
15           which the Administration has applicable  
16           data; and

17           “(ii) an EPSCoR State that—

18           “(I) is a State described in clause

19           (i); or

20           “(II) is—

21           “(aa) not a State described

22           in clause (i); and

23           “(bb) invited to participate

24           in a regional collaborative;

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

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

11          “(E) the term ‘pilot program’ means the  
12          Regional SBIR State Collaborative Initiative  
13          Pilot Program established under paragraph (2);

14          “(F) the term ‘regional collaborative’  
15          means a collaborative consisting of eligible enti-  
16          ties that are located in not less than 3 eligible  
17          States; and

18          “(G) the term ‘State’ means any State of  
19          the United States, the District of Columbia, the  
20          Commonwealth of Puerto Rico, and any terri-  
21          tory or possession of the United States.

22          “(2) ESTABLISHMENT.—The Administrator  
23          shall establish a pilot program, to be known as the  
24          Regional SBIR State Collaborative Initiative Pilot  
25          Program, under which the Administrator shall pro-

1       vide awards to regional collaboratives to address the  
2       needs of small business concerns in order to be more  
3       competitive in the proposal and selection process for  
4       awards under the SBIR program and the STTR  
5       program and to increase technology transfer and  
6       commercialization.

7               “(3) GOALS.—The goals of the pilot program  
8       are—

9               “(A) to create regional collaboratives that  
10       allow eligible entities to work cooperatively to  
11       leverage resources to address the needs of small  
12       business concerns;

13              “(B) to grow SBIR program and STTR  
14       program cooperative research and development  
15       and commercialization through increased  
16       awards under those programs;

17              “(C) to increase the participation of States  
18       that have historically received a lower level of  
19       awards under the SBIR program and the  
20       STTR program;

21              “(D) to utilize the strengths and advan-  
22       tages of regional collaboratives to better lever-  
23       age resources, best practices, and economies of  
24       scale in a region for the purpose of increasing

1 awards and increasing the commercialization of  
2 the SBIR program and STTR projects;

3 “(E) to increase the competitiveness of the  
4 SBIR program and the STTR program;

5 “(F) to identify sources of outside funding  
6 for applicants for an award under the SBIR  
7 program or the STTR program, including ven-  
8 ture capitalists, angel investor groups, private  
9 industry, crowd funding, and special loan pro-  
10 grams; and

11 “(G) to offer increased one-on-one engage-  
12 ments with companies and entrepreneurs for  
13 SBIR program and STTR program education,  
14 assistance, and successful outcomes.

15 “(4) APPLICATION.—

16 “(A) IN GENERAL.—A regional collabo-  
17 rative that desires to participate in the pilot  
18 program shall submit to the Administrator an  
19 application at such time, in such manner, and  
20 containing such information as the Adminis-  
21 trator may require.

22 “(B) INCLUSION OF LEAD ELIGIBLE ENTI-  
23 TIES AND COORDINATOR.—A regional collabo-  
24 rative shall include in an application submitted  
25 under subparagraph (A)—



1                   “(i) the name of each lead eligible en-  
2                   tity from each eligible State in the regional  
3                   collaborative, as designated under para-  
4                   graph (5)(A); and

5                   “(ii) the name of the coordinator for  
6                   the regional collaborative, as designated  
7                   under paragraph (6).

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

16                  “(5) LEAD ELIGIBLE ENTITY.—

17                  “(A) IN GENERAL.—Each eligible State in  
18                  a regional collaborative shall designate 1 eligible  
19                  entity located in the eligible State to serve as  
20                  the lead eligible entity for the eligible State.

21                  “(B) AUTHORIZATION BY GOVERNOR.—  
22                  Each lead eligible entity designated under sub-  
23                  paragraph (A) shall be authorized to act as the  
24                  lead eligible entity by the Governor of the appli-  
25                  cable eligible State.

1           “(C) RESPONSIBILITIES.—Each lead eligi-  
2           ble entity designated under subparagraph (A)  
3           shall be responsible for administering the activi-  
4           ties and program initiatives described in para-  
5           graph (7) in the applicable eligible State.

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

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

19                 “(A) establish an initiative under which  
20                 first-time applicants for an award under the  
21                 SBIR program or the STTR program are re-  
22                 viewed by experienced, national experts in the  
23                 United States, as determined by the lead eligi-  
24                 ble entity designated under paragraph (5)(A);

1           “(B) engage national mentors on a fre-  
2           quent basis to work directly with applicants for  
3           an award under the SBIR program or the  
4           STTR program, particularly during Phase II,  
5           to assist with the process of preparing and sub-  
6           mitting a proposal;

7           “(C) create and make available an online  
8           mechanism to serve as a resource for applicants  
9           for an award under the SBIR program or the  
10          STTR program to identify and connect with  
11          Federal labs, prime government contractor com-  
12          panies, other industry partners, and regional in-  
13          dustry cluster organizations;

14          “(D) conduct focused and concentrated  
15          outreach efforts to increase participation in the  
16          SBIR program and the STTR program by  
17          small business concerns owned and controlled  
18          by women, small business concerns owned and  
19          controlled by veterans, small business concerns  
20          owned and controlled by socially and economi-  
21          cally disadvantaged individuals (as defined in  
22          section 8(d)(3)(C)), and historically black col-  
23          leges and universities;

24          “(E) administer a structured program of  
25          training and technical assistance—

1                   “(i) to prepare applicants for an  
2                   award under the SBIR program or the  
3                   STTR program—

4                   “(I) to compete more effectively  
5                   for Phase I and Phase II awards; and

6                   “(II) to develop and implement a  
7                   successful commercialization plan;

8                   “(ii) to assist eligible States focusing  
9                   on transition and commercialization to win  
10                  Phase III awards from public and private  
11                  partners;

12                  “(iii) to create more competitive pro-  
13                  posals to increase awards from all Federal  
14                  sources, with a focus on awards under the  
15                  SBIR program and the STTR program;  
16                  and

17                  “(iv) to assist first-time applicants by  
18                  providing small grants for proof of concept  
19                  research; and

20                  “(F) assist applicants for an award under  
21                  the SBIR program or the STTR program to  
22                  identify sources of outside funding, including  
23                  venture capitalists, angel investor groups, pri-  
24                  vate industry, crowd funding, and special loan  
25                  programs.

1 “(8) AWARD AMOUNT.—

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

8 “(B) LIMITATION.—

9 “(i) IN GENERAL.—An eligible State  
10 may not receive an award under both the  
11 FAST program and the pilot program for  
12 the same year.

13 “(ii) RULE OF CONSTRUCTION.—  
14 Nothing in clause (i) shall be construed to  
15 prevent an eligible State from applying for  
16 an award under the FAST program and  
17 the pilot program for the same year.

18 “(9) DURATION OF AWARD.—An award pro-  
19 vided under the pilot program shall be for a period  
20 of not more than 1 year, and may be renewed by the  
21 Administrator for 1 additional year.

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

24 “(11) REPORT.—Not later than February 1,  
25 2021, the Administrator shall submit to the Com-



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

3           **TITLE V—OVERSIGHT AND**  
4           **SIMPLIFICATION INITIATIVES**

5           **SEC. 501. DATA MODERNIZATION SUMMIT.**

6           (a) DEFINITIONS.—In this section—

7           (1) the term “Administration” means the Small  
8           Business Administration;

9           (2) the term “Committee” means the SBIR and  
10          STTR Interagency Policy Committee established  
11          under subsection (b);

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

16          (4) the term “participating Federal agency”  
17          means a Federal agency with a SBIR program or a  
18          STTR program;

19          (5) the term “phase” means Phase I, Phase II,  
20          and Phase III, as those terms are defined under sec-  
21          tion 9(e) of the Small Business Act (15 U.S.C.  
22          638(e)); and

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

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

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

5 (1) 2 representatives from each participating  
6 Federal agency, of which—

7 (A) 1 shall have expertise with respect to  
8 the SBIR program and STTR program of the  
9 Federal agency; and

10 (B) 1 shall have expertise with respect to  
11 the information technology systems of the Fed-  
12 eral agency; and

13 (2) 2 representatives from the Administration,  
14 of which—

15 (A) 1 shall serve as chairperson of the  
16 Committee; and

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

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



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

6           (2) establish a uniform baseline for metrics that  
7           support improving the solicitation, contracting, fund-  
8           ing, and execution of program management in the  
9           SBIR program and the STTR program;

10          (3) normalize formatting and database usage  
11          across participating Federal agencies; and

12          (4) determine the feasibility of developing a  
13          common system across all participating Federal  
14          agencies and the paperwork requirements under  
15          such a common system.

16          (e) IMPLEMENTATION.—Not later than September  
17          31, 2018, the Committee shall brief the Committee on  
18          Small Business and Entrepreneurship of the Senate and  
19          the Committee on Small Business of the House of Rep-  
20          resentatives on the solutions identified by the Committee  
21          under subsection (d) and resources needed to execute the  
22          solutions.

1 **SEC. 502. IMPLEMENTATION OF OUTSTANDING REAUTHOR-**  
2 **IZATION PROVISIONS.**

3 (a) IN GENERAL.—Section 9(mm) of the Small Busi-  
4 ness Act (15 U.S.C. 638(mm)), as amended by section  
5 401(1) of this Act, is amended—

6 (1) in paragraph (1), by striking “paragraph  
7 (3)” and inserting “paragraphs (3) and (9)”; and

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

9 “(9) SUSPENSION OF FUNDING.—

10 “(A) FOR FEDERAL AGENCIES.—

11 “(i) IN GENERAL.—For fiscal years  
12 2018 and 2019, any Federal agency that  
13 has not implemented each provision of law  
14 described in clause (ii)—

15 “(I) shall continue to provide  
16 amounts to the Administration in ac-  
17 cordance with paragraph (7)(B); and

18 “(II) may not use any additional  
19 amounts as described in paragraph  
20 (1) until 30 days after the date on  
21 which the Federal agency submits to  
22 the Committee on Small Business and  
23 Entrepreneurship of the Senate and  
24 the Committee on Small Business of  
25 the House of Representatives docu-  
26 mentation demonstrating that the

1 Federal agency has implemented and  
2 is in compliance with each provision of  
3 law described in clause (ii).

4 “(ii) PROVISIONS.—The provisions of  
5 law described in this subparagraph are the  
6 following:

7 “(I) Subsection (r)(4), relating to  
8 Phase III preferences.

9 “(II) Paragraphs (5) and (6) of  
10 subsection (y), relating to insertion  
11 goals.

12 “(III) Subsection (g)(4)(B), re-  
13 lating to shortening the decision time  
14 for SBIR awards.

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

18 “(V) Subsection (v), relating to  
19 reducing paperwork and compliance  
20 burdens.

21 “(B) FOR ADMINISTRATION.—For fiscal  
22 years 2018 and 2019, if the Administration is  
23 not in compliance with subsection (b)(7), relat-  
24 ing to annual reports to Congress, the Adminis-  
25 tration may not use amounts received under

1 paragraph (7)(B) of this subsection for a pur-  
2 pose described in clause (iii) of such paragraph  
3 (7)(B).”.

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

9 **SEC. 503. STRENGTHENING OF THE REQUIREMENT TO**  
10 **SHORTEN THE APPLICATION REVIEW AND**  
11 **DECISION TIME.**

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

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

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

18 “(i) for the Department of Health and  
19 Human Services, not later than 1 year  
20 after the date on which the applicable so-  
21 licitation closes, with a goal to reduce the  
22 review and decision time to less than 10  
23 months by September 30, 2019;

24 “(ii) for the Department of Agri-  
25 culture and the National Science Founda-



1                   tion, not later than 6 months after the  
2                   date on which the applicable solicitation  
3                   closes; or

4                   “(iii) for any other Federal agency—  
5                   “(I) not later than 90 days after  
6                   the date on which the applicable solic-  
7                   itation closes; or

8                   “(II) if the Administrator au-  
9                   thorizes an extension with respect to a  
10                  solicitation, not later than 90 days  
11                  after the date that would otherwise be  
12                  applicable to the Federal agency  
13                  under subclause (I);”.

14 **SEC. 504. CONTINUED GAO OVERSIGHT OF ALLOCATION**  
15 **COMPLIANCE AND ACCURACY IN FUNDING**  
16 **BASE CALCULATIONS.**

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

20                  (1) in the matter preceding paragraph (1), by  
21                  striking “until the date that is 5 years after the date  
22                  of enactment of this Act” and insert “until the date  
23                  on which the Comptroller General of the United  
24                  States submits the report relating to fiscal year  
25                  2019”;

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

3                   “(C) assess whether the change in the base  
4           funding for the Department of Defense as re-  
5           quired by subparagraphs (J) and (K) of section  
6           9(f)(1) of the Small Business Act (15 U.S.C.  
7           638(f)(1)—

8                   “(i) improves transparency for deter-  
9           mining whether the Department is com-  
10          plying with the allocation requirements;

11                   “(ii) reduces the burden of calculating  
12          the allocations; and

13                   “(iii) improves the compliance of the  
14          Department with the allocation require-  
15          ments; and”;

16           (3) in paragraph (2) by striking “under sub-  
17          paragraph (B)” and inserting “under subparagraphs  
18          (B) and (C)”.

## 19   **TITLE VI—TECHNICAL CHANGES**

### 20   **SEC. 601. UNIFORM REFERENCE TO THE DEPARTMENT OF** 21                   **HEALTH AND HUMAN SERVICES.**

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

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

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

7 **SEC. 602. FLEXIBILITY FOR PHASE II AWARD INVITATIONS.**

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

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

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