

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—114th Cong., 2d Sess.

S. 2812

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

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended to be proposed by Mrs. SHAHEEN (for herself and Mr. VITTER)

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

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.

2

TITLE II—ENHANCED SMALL BUSINESS ACCESS TO FEDERAL
INNOVATION INVESTMENTS

- Sec. 201. Allocation increases and compliance clarification.
- 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. Protecting innovative technologies.
- Sec. 304. Annual GAO audit of compliance with commercialization goals.
- Sec. 305. Clarifying the Phase III preference.
- Sec. 306. Improvements to technical and business assistance.
- Sec. 307. Extension of phase 0 proof of concept partnership pilot.
- Sec. 308. Satisfaction of competition requirements for Department of Defense.
- Sec. 309. Pilot program for streamlined technology transition from the SBIR and STTR programs of the Department of Defense.

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 realignment and modernization.
- 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.
- Sec. 505. Coordination between agencies on commercialization assistance.

TITLE VI—PARTICIPATION BY WOMEN AND MINORITIES

- Sec. 601. SBA coordination on increasing outreach for women and minority-owned businesses.
- Sec. 602. Federal agency outreach requirements for women and minority-owned businesses.
- Sec. 603. STTR policy directive modification.
- Sec. 604. Interagency SBIR/STTR Policy Committee.
- Sec. 605. Diversity and STEM workforce development pilot program.

TITLE VII—TECHNICAL CHANGES

- Sec. 701. Uniform reference to the Department of Health and Human Services.
- Sec. 702. 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—

7 (1) in the subsection heading, by striking
8 “TERMINATION” and inserting “SBIR PROGRAM
9 AUTHORIZATION”; and

10 (2) by striking “terminate on September 30,
11 2017” and inserting “be in effect for each fiscal
12 year”.

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

16 **TITLE II—ENHANCED SMALL**
17 **BUSINESS ACCESS TO FED-**
18 **ERAL INNOVATION INVEST-**
19 **MENTS**

20 **SEC. 201. ALLOCATION INCREASES AND COMPLIANCE**
21 **CLARIFICATION.**

22 (a) SBIR.—Section 9(f)(1) of the Small Business Act
23 (15 U.S.C. 638(f)) is amended—

1 “(v) not less than 4.2 percent of such
2 extramural budget in fiscal year 2026;

3 “(vi) not less than 4.4 percent of such
4 extramural budget in fiscal year 2027; and

5 “(vii) not less than 4.5 percent of
6 such extramural budget in fiscal year 2028
7 and each fiscal year thereafter; and

8 “(K) for the National Science Foundation
9 and the Department of Health and Human
10 Services, for fiscal year 2022 and each fiscal
11 year thereafter, the lesser of—

12 “(i) the percentage of the extramural
13 budget for research or research and devel-
14 opment of the National Science Founda-
15 tion or the Department of Health and
16 Human Services, respectively, equal to the
17 sum of—

18 “(I) the percentage in effect
19 under this paragraph for the National
20 Science Foundation or the Depart-
21 ment of Health and Human Services,
22 respectively, for the previous fiscal
23 year; and

24 “(II)(aa) 0.07 percent; or

1 “(bb) if the extramural budget
2 for research or research and develop-
3 ment of the National Science Founda-
4 tion or the Department of Health and
5 Human Services, respectively, for the
6 fiscal year is not less than 103 per-
7 cent of such extramural budget for
8 the previous fiscal year, 0.2 percent;
9 or

10 “(ii) 4.5 percent of the extramural
11 budget for research or research and devel-
12 opment of the National Science Founda-
13 tion or the Department of Health and
14 Human Services, respectively,”.

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

17 (1) in subparagraph (A)—

18 (A) by striking “expend” and inserting
19 “obligate for expenditure”; and

20 (B) by striking “not less than the percent-
21 age of that extramural budget specified in sub-
22 paragraph (B)” and inserting “for a Federal
23 agency other than the National Science Foun-
24 dation or the Department of Health and
25 Human Services, not less than the percentage

1 of that extramural budget specified in subpara-
2 graph (B), and for the National Science Foun-
3 dation and the Department of Health and
4 Human Services, not less than the percentage
5 of that extramural budget specified in subpara-
6 graph (C)”;

7 (2) in subparagraph (B)—

8 (A) in the subparagraph heading, by in-
9 serting “OTHER THAN FOR NSF AND HHS” after
10 “AMOUNTS”;

11 (B) in the matter preceding clause (i), by
12 striking “the extramural budget required to be
13 expended by an agency” and inserting “the ex-
14 tramural budget of a Federal agency other than
15 the National Science Foundation or the Depart-
16 ment of Health and Human Services required
17 to be obligated for expenditure with small busi-
18 ness concerns”;

19 (C) in clause (iv), by striking “and” at the
20 end;

21 (D) in clause (v), by striking “fiscal year
22 2016 and each fiscal year thereafter.” and in-
23 serting “each of fiscal years 2016 through
24 2021;”; and

25 (E) by adding at the end the following:

1 “(vi) 0.5 percent for fiscal year 2022;

2 “(vii) 0.55 percent for fiscal year

3 2023;

4 “(viii) 0.6 percent for fiscal year

5 2024;

6 “(ix) 0.65 percent for fiscal year

7 2025;

8 “(x) 0.7 percent for fiscal year 2026;

9 “(xi) 0.75 percent for fiscal year

10 2027;

11 “(xii) 0.8 percent for fiscal year 2028;

12 “(xiii) 0.85 percent for fiscal year

13 2029;

14 “(xiv) 0.9 percent for fiscal year

15 2030; and

16 “(xv) 0.95 percent for fiscal year

17 2031 and each fiscal year thereafter.”; and

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

19 “(C) EXPENDITURE AMOUNTS FOR NSF

20 AND HHS.—The percentage of the extramural

21 budget required to be expended by the National

22 Science Foundation and the Department of

23 Health and Human Services in accordance with

24 subparagraph (A) shall be—

1 “(i) for each of fiscal years 2016
2 through 2021, 0.45 percent; and

3 “(ii) for fiscal year 2022 and each fis-
4 cal year thereafter, the lesser of—

5 “(I) the percentage of the extra-
6 mural budget for research or research
7 and development of the National
8 Science Foundation or the Depart-
9 ment of Health and Human Services,
10 respectively, equal to the sum of—

11 “(aa) the percentage in ef-
12 fect under this paragraph for the
13 National Science Foundation or
14 the Department of Health and
15 Human Services, respectively, for
16 the previous fiscal year; and

17 “(bb)(AA) 0 percent; or

18 “(BB) if the extramural
19 budget for research or research
20 and development of the National
21 Science Foundation or the De-
22 partment of Health and Human
23 Services, respectively, for the fis-
24 cal year is not less than 103 per-
25 cent of such extramural budget

1 for the previous fiscal year, 0.05
2 percent; or

3 “(II) 0.95 percent of the extra-
4 mural budget for research or research
5 and development of the National
6 Science Foundation or the Depart-
7 ment of Health and Human Services,
8 respectively.”.

9 (c) DEPARTMENT OF DEFENSE FUNDING INCREASE
10 PILOT.—For each of fiscal years 2018, 2019, and 2020,
11 the Secretary of Defense may authorize any program of
12 the Department of Defense to expend funds through the
13 Small Business Innovation Research program or the Small
14 Business Technology Transfer program. Any additional
15 funds expended under the authority under this subsection
16 shall not count towards meeting the required expenditure
17 requirements under subsection (f) or (n) of section 9 of
18 the Small Business Act (15 U.S.C. 638), as amended by
19 this section.

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

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

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

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

2 “(4) 2016 MODIFICATIONS FOR DOLLAR VALUE
3 OF AWARDS.—Not later than 120 days after the
4 date of enactment of the SBIR and STTR Reau-
5 thorization and Improvement Act of 2016, the Ad-
6 ministrator shall modify the policy directives issued
7 under this subsection to clarify that Congress in-
8 tends to review the dollar value of awards every 3
9 fiscal years.”.

10 (b) SENSE OF CONGRESS REGARDING REGULAR RE-
11 VIEW OF THE AWARD SIZES.—

12 (1) IN GENERAL.—It is the sense of Congress
13 that for fiscal year 2019, and every third fiscal year
14 thereafter, Congress should evaluate whether the
15 maximum award sizes under the Small Business In-
16 novation Research Program and the Small Business
17 Technology Transfer Program under section 9 of the
18 Small Business Act (15 U.S.C. 638) should be ad-
19 justed and, if so, take appropriate action to direct
20 that such adjustments be made under the policy di-
21 rectives issued under subsection (j) of such section.

22 (2) POLICY CONSIDERATIONS.—In reviewing
23 adjustments to the maximum award sizes, Congress
24 should take into consideration the balance of number
25 of awards to size of awards, the missions of Federal

1 agencies, and the technology needed to support na-
2 tional goals.

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

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

12 “(4) CROSS-AGENCY SEQUENTIAL PHASE II
13 AWARDS.—A small business concern that receives a
14 sequential Phase II SBIR or Phase II STTR award
15 for a project from a Federal agency is eligible to re-
16 ceive an additional sequential Phase II award that
17 continues work on that project from another Federal
18 agency.”.

19 **TITLE III—COMMERCIALIZATION** 20 **IMPROVEMENTS**

21 **SEC. 301. PERMANENCY OF THE COMMERCIALIZATION** 22 **PILOT PROGRAM FOR CIVILIAN AGENCIES.**

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

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

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

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

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

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

10 “(A) the term ‘commercialization develop-
11 ment program’ means a program established by
12 a covered Federal agency under paragraph (1);
13 and

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

15 “(i) means a Federal agency partici-
16 pating in the SBIR program or the STTR
17 program; and

18 “(ii) does not include the Department
19 of Defense.”; and

20 (5) by striking “pilot program” each place it
21 appears and inserting “commercialization develop-
22 ment program”.

1 **SEC. 302. ENFORCEMENT OF NATIONAL SMALL BUSINESS**
2 **GOAL FOR FEDERAL RESEARCH AND DEVEL-**
3 **OPMENT.**

4 Section 9(h) of the Small Business Act (15 U.S.C.
5 638(h)) is amended to read as follows:

6 “(h) NATIONAL SMALL BUSINESS GOAL FOR FED-
7 ERAL RESEARCH AND DEVELOPMENT.—

8 “(1) IN GENERAL.—The Administrator, in con-
9 sultation with Federal agencies, shall establish a
10 Governmentwide goal for each fiscal year, which
11 shall be not less than 10 percent, for the percentage
12 of the amounts made available for research or re-
13 search and development that shall be obligated for
14 funding agreements—

15 “(A) with small business concerns; or

16 “(B) that will facilitate the development of
17 research and development small business con-
18 cerns.

19 “(2) AGENCY GOALS.—

20 “(A) IN GENERAL.—The head of each
21 Federal agency which has a budget for research
22 or research and development in excess of
23 \$20,000,000, in consultation with the Adminis-
24 trator, shall establish a goal for the Federal
25 agency for each fiscal year that is appropriate
26 to the mission of the Federal agency for the

1 percentage of such budget that shall be obli-
2 gated for funding agreements—

3 “(i) with small business concerns; or

4 “(ii) that will facilitate the develop-
5 ment of research and development small
6 business concerns.

7 “(B) LIMITATION.—The head of a Federal
8 agency may not establish a percentage goal
9 under subparagraph (A) for a fiscal year that
10 is less than the percentage goal that was estab-
11 lished under subparagraph (A) for the Federal
12 agency for the previous fiscal year.”.

13 **SEC. 303. PROTECTING INNOVATIVE TECHNOLOGIES.**

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

16 “(tt) PROTECTING INNOVATIVE TECHNOLOGIES.—

17 “(1) COST-REIMBURSEMENT CONTRACTS.—

18 “(A) IN GENERAL.—Subject to subpara-
19 graph (B)(ii), the cost of seeking protection for
20 intellectual property, including a trademark,
21 copyright, or patent, that was created through
22 work performed under an STTR award that
23 uses a cost-reimbursement contract or an SBIR
24 award that uses a cost-reimbursement contract

1 is allowable as an indirect cost under that
2 award.

3 “(B) CLARIFICATION OF PATENT COSTS.—

4 “(i) IN GENERAL.—A Federal agency
5 shall not directly or indirectly inhibit,
6 through the policies, directives, or practices
7 of the Federal agency, an otherwise eligible
8 small business concern performing under
9 an award described in subparagraph (A)
10 from recovering patent costs incurred as
11 requirements under that award, includ-
12 ing—

13 “(I) the costs of preparing—

14 “(aa) invention disclosures;

15 “(bb) reports; and

16 “(cc) other documents;

17 “(II) the costs for searching the
18 art to the extent necessary to make
19 the invention disclosures;

20 “(III) other costs in connection
21 with the filing and prosecution of a
22 United States patent application
23 where title or royalty-free license is to
24 be conveyed to the Federal Govern-
25 ment; and

1 “(IV) general counseling services
2 relating to patent matters, including
3 advice on patent laws, regulations,
4 clauses, and employee agreements.

5 “(ii) RECOVERY LIMITATIONS.—The
6 patent costs described in clause (i) shall be
7 allowable for technology developed under
8 a—

9 “(I) Phase I award, as indirect
10 costs in an amount not greater than
11 \$5,000;

12 “(II) Phase II award, as indirect
13 costs in an amount not greater than
14 \$15,000; and

15 “(III) Phase III award in which
16 the Federal Government has govern-
17 ment purpose rights (as defined in
18 section 227.7103-5 of title 48, Code
19 of Federal Regulations).

20 “(2) FIRM FIXED-PRICE CONTRACTS.—An oth-
21 erwise eligible small business concern performing
22 under an STTR award that uses a firm fixed-price
23 contract or an SBIR award that uses a firm fixed-
24 price contract may recover fair and reasonable costs
25 arising from seeking protection for intellectual prop-

1 erty, including a trademark, copyright, or patent,
2 that was created through work performed under that
3 award.”.

4 **SEC. 304. ANNUAL GAO AUDIT OF COMPLIANCE WITH COM-**
5 **MERCIALIZATION GOALS.**

6 Section 9(nn) of the Small Business Act (15 U.S.C.
7 638(nn)) is amended to read as follows:

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

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

22 “(A) subsection (h), relating to the estab-
23 lishment by certain Federal agencies of a goal
24 for funding agreements for research and re-

1 search and development with small business
2 concerns;

3 “(B) subsection (y)(5)(A), relating to the
4 requirement for the Department of Defense to
5 establish goals for the transition of Phase III
6 technologies in subcontracting plans;

7 “(C) subsection (y)(5)(B), relating to the
8 requirement for the Department of Defense to
9 establish procedures for a prime contractor to
10 report the number and dollar amount of con-
11 tracts with small business concerns for Phase
12 III SBIR projects or STTR projects of the
13 prime contractor; and

14 “(D) subsection (y)(6), relating to the re-
15 quirement for the Department of Defense to set
16 a goal to increase the number of Phase II SBIR
17 and STTR contracts that transition into pro-
18 grams of record or fielded systems;

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

23 “(3) includes a list, organized by Federal agen-
24 cy, of small business concerns that have asserted to
25 an appropriate Federal agency that—

1 “(A) the Government or prime con-
2 tractor—

3 “(i) did not protect the intellectual
4 property of the small business concern in
5 accordance with data rights under the
6 SBIR or STTR award; or

7 “(ii) issued a Phase III SBIR or
8 STTR award conditional on relinquishing
9 data rights;

10 “(B) the Federal agency solicited bids for
11 a contract, or provided funding to an entity
12 other than the small business concern receiving
13 the SBIR or STTR award, that was for work
14 that derived from, extended, or completed ef-
15 forts made under prior funding agreements
16 under the SBIR program or STTR program;

17 “(C) the Government or prime contractor
18 did not comply with the SBIR and STTR policy
19 directives and the small business concern filed
20 a comment or complaint to the Office of the
21 National Ombudsman or appealed to the Ad-
22 ministrator for intervention; or

23 “(D) the Federal agency did not comply
24 with subsection (g)(12) or (o)(16) requiring
25 timely notice to the Administrator of any case

1 or controversy before any Federal judicial or
2 administrative tribunal concerning the SBIR
3 program or the STTR program of the Federal
4 agency.”.

5 **SEC. 305. CLARIFYING THE PHASE III PREFERENCE.**

6 Section 9(r) of the Small Business Act (15 U.S.C.
7 638(r)) is amended—

8 (1) by striking paragraph (4);

9 (2) by redesignating paragraph (2) as para-
10 graph (4), and transferring such paragraph to after
11 paragraph (3); and

12 (3) by inserting after paragraph (1) the fol-
13 lowing:

14 “(2) PHASE III AWARD DIRECTION FOR AGEN-
15 CIES AND PRIME CONTRACTORS.—To the greatest
16 extent practicable, Federal agencies and Federal
17 prime contractors shall issue Phase III awards relat-
18 ing to technology, including sole source awards, to
19 the SBIR and STTR award recipients that devel-
20 oped the technology.”.

21 **SEC. 306. IMPROVEMENTS TO TECHNICAL AND BUSINESS**
22 **ASSISTANCE.**

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

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

3 (2) in paragraph (1)—

4 (A) in the matter preceding subparagraph
5 (A)—

6 (i) by striking “a vendor selected
7 under paragraph (2)” and inserting “1 or
8 more vendors selected under paragraph
9 (2)(A)”;

10 (ii) by inserting “and business” before
11 “assistance services”; and

12 (iii) by inserting “assistance with
13 product sales, intellectual property protec-
14 tions, market research, market validation,
15 and development of regulatory plans and
16 manufacturing plans,” after “tech-
17 nologies,”; and

18 (B) in subparagraph (D), by inserting “,
19 including intellectual property protections” be-
20 fore the period at the end;

21 (3) in paragraph (2)—

22 (A) by striking “Each agency may select a
23 vendor to assist small business concerns to
24 meet” and inserting the following:

1 “(A) IN GENERAL.—Each agency may se-
2 lect 1 or more vendors from which small busi-
3 ness concerns may obtain assistance in meet-
4 ing”; and

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

6 “(B) SELECTION BY SMALL BUSINESS
7 CONCERN.—A small business concern may, by
8 contract or otherwise, select 1 or more vendors
9 to assist the small business concern in meeting
10 the goals listed in paragraph (1).”; and

11 (4) in paragraph (3)—

12 (A) by inserting “(A)” after “paragraph
13 (2)” each place it appears;

14 (B) in subparagraph (A), by striking
15 “\$5,000 per year” each place it appears and in-
16 serting “\$6,500 per project”;

17 (C) in subparagraph (B)—

18 (i) by striking “\$5,000 per year” each
19 place it appears and inserting “\$35,000
20 per project”; and

21 (ii) in clause (ii), by striking “which
22 shall be in addition to the amount of the
23 recipient’s award” and inserting “which
24 may, as determined appropriate by the
25 head of the Federal agency, be included as

1 part of the recipient’s award or be in addi-
2 tion to the amount of the recipient’s
3 award”;

4 (D) in subparagraph (C)—

5 (i) by inserting “or business” after
6 “technical”;

7 (ii) by striking “the vendor” and in-
8 serting “a vendor”; and

9 (iii) by adding at the end the fol-
10 lowing: “Business-related services aimed at
11 improving the commercialization success of
12 a small business concern may be obtained
13 from an entity, such as a public or private
14 organization or an agency of or other enti-
15 ty established or funded by a State that fa-
16 cilitates or accelerates the commercializa-
17 tion of technologies or assists in the cre-
18 ation and growth of private enterprises
19 that are commercializing technology.”;

20 (E) in subparagraph (D)—

21 (i) by inserting “or business” after
22 “technical” each place it appears; and

23 (ii) in clause (i)—

24 (I) by striking “the vendor” and
25 inserting “1 or more vendors”; and

1 (II) by striking “provides” and
2 inserting “provide”; and

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

4 “(E) MULTIPLE AWARD RECIPIENTS.—The
5 Administrator shall establish a limit on the
6 amount of technical and business assistance
7 services that may be received or purchased
8 under subparagraph (B) by small business con-
9 cerns with respect to multiple Phase II SBIR or
10 STTR awards for a fiscal year.”.

11 **SEC. 307. EXTENSION OF PHASE 0 PROOF OF CONCEPT**
12 **PARTNERSHIP PILOT.**

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

15 (1) in paragraph (6) by striking “The Director”
16 and inserting “Not later than February 1, 2019, the
17 Director”; and

18 (2) in paragraph (7), by striking “2017” and
19 inserting “2019”.

20 **SEC. 308. SATISFACTION OF COMPETITION REQUIREMENTS**
21 **FOR DEPARTMENT OF DEFENSE.**

22 All awards by the Department of Defense under the
23 SBIR program or the STTR program shall be considered
24 to meet the competition requirements under section 2304
25 of title 10, United States Code.

1 **SEC. 309. PILOT PROGRAM FOR STREAMLINED TECH-**
2 **NOLOGY TRANSITION FROM THE SBIR AND**
3 **STTR PROGRAMS OF THE DEPARTMENT OF**
4 **DEFENSE.**

5 (a) DEFINITIONS.—In this section—

6 (1) the terms “commercialization”, “SBIR”,
7 “STTR”, “Phase I”, “Phase II”, and “Phase III”
8 have the meanings given those terms in section 9(e)
9 of the Small Business Act (15 U.S.C. 638(e));

10 (2) the term “covered small business concern”
11 means—

12 (A) a small business concern that com-
13 pleted a Phase II award under the SBIR or
14 STTR program of the Department of Defense;
15 or

16 (B) a small business concern that—

17 (i) completed a Phase I award under
18 the SBIR or STTR program of the De-
19 partment of Defense; and

20 (ii) a contracting officer for the De-
21 partment of Defense recommends for inclu-
22 sion in a multiple award contract described
23 in subsection (b);

24 (3) the term “multiple award contract” has the
25 meaning given the term in section 3302(a) of title
26 41, United States Code;

1 (4) the term “pilot program” means the pilot
2 program established under subsection (b); and

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

6 (b) ESTABLISHMENT.—The Secretary of the Defense
7 may establish a pilot program under which the Depart-
8 ment of Defense shall award multiple award contracts to
9 covered small business concerns for the purchase of tech-
10 nologies, supplies, or services that the covered small busi-
11 ness concern has developed through the SBIR or STTR
12 program.

13 (c) WAIVER OF COMPETITION IN CONTRACTING ACT
14 REQUIREMENTS.—The Secretary of the Defense may es-
15 tablish procedures to waive provisions of section 2304 of
16 title 10, United States Code, for purposes of carrying out
17 the pilot program.

18 (d) USE OF CONTRACT VEHICLE.—A multiple award
19 contract described in subsection (b) may be used by any
20 service or component of the Department of Defense.

21 (e) TERMINATION.—The pilot program established
22 under this section shall terminate on September 30, 2022.

23 (f) RULE OF CONSTRUCTION.—Nothing in this sec-
24 tion shall be construed to prevent the commercialization
25 of products and services produced by a small business con-

1 cern under an SBIR or STTR program of a Federal agen-
2 cy through—

- 3 (1) direct awards for Phase III of an SBIR or
4 STTR program; or
5 (2) any other contract vehicle.

6 **TITLE IV—PROGRAM**
7 **DIVERSIFICATION INITIATIVES**

8 **SEC. 401. REGIONAL SBIR STATE COLLABORATIVE INITIA-**
9 **TIVE PILOT PROGRAM.**

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

- 12 (1) in subsection (mm)—
13 (A) in paragraph (1)—
14 (i) in the matter preceding subpara-
15 graph (A), by striking “2017” and insert-
16 ing “2021”;
17 (ii) in subparagraph (I), by striking
18 “and” at the end;
19 (iii) in subparagraph (J), by striking
20 the period and inserting “; and”; and
21 (iv) by adding at the end the fol-
22 lowing:
23 “(K) funding for improvements that in-
24 crease commonality across data systems, reduce

1 redundancy, and improve data oversight and ac-
2 curacy.”; and

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

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

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

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

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

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

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

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

1 “(ii) the Committee on Small Busi-
2 ness and the Committee on Appropriations
3 of the House of Representatives.”; and

4 (2) by adding after subsection (tt), as added by
5 section 303 of this Act, the following:

6 “(uu) REGIONAL SBIR STATE COLLABORATIVE INI-
7 TIATIVE PILOT PROGRAM.—

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

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

10 “(i) a research institution; and

11 “(ii) a small business concern;

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

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

20 “(ii) an EPSCoR State that—

21 “(I) is a State described in clause

22 (i); or

23 “(II) is—

24 “(aa) not a State described

25 in clause (i); and

1 “(bb) invited to participate
2 in a regional collaborative;

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

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

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

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

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

24 “(2) ESTABLISHMENT.—The Administrator
25 shall establish a pilot program, to be known as the

1 Regional SBIR State Collaborative Initiative Pilot
2 Program, under which the Administrator shall pro-
3 vide awards to regional collaboratives to address the
4 needs of small business concerns in order to be more
5 competitive in the proposal and selection process for
6 awards under the SBIR program and the STTR
7 program and to increase technology transfer and
8 commercialization.

9 “(3) GOALS.—The goals of the pilot program
10 are—

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

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

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

23 “(D) to utilize the strengths and advan-
24 tages of regional collaboratives to better lever-
25 age resources, best practices, and economies of

1 scale in a region for the purpose of increasing
2 awards and increasing the commercialization of
3 the SBIR program and STTR projects;

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

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

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

16 “(4) APPLICATION.—

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

23 “(B) INCLUSION OF LEAD ELIGIBLE ENTI-
24 TIES AND COORDINATOR.—A regional collabo-

1 rative shall include in an application submitted
2 under subparagraph (A)—

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

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

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

18 “(5) LEAD ELIGIBLE ENTITY.—

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

23 “(B) AUTHORIZATION BY GOVERNOR.—
24 Each lead eligible entity designated under sub-
25 paragraph (A) shall be authorized to act as the

1 lead eligible entity by the Governor of the appli-
2 cable eligible State.

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

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

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

21 “(A) establish an initiative under which
22 first-time applicants for an award under the
23 SBIR program or the STTR program are re-
24 viewed by experienced, national experts in the

1 United States, as determined by the lead eligi-
2 ble entity designated under paragraph (5)(A);

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

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

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

1 “(E) administer a structured program of
2 training and technical assistance—

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

6 “(I) to compete more effectively
7 for Phase I and Phase II awards; and

8 “(II) to develop and implement a
9 successful commercialization plan;

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

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

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

22 “(F) assist applicants for an award under
23 the SBIR program or the STTR program to
24 identify sources of outside funding, including
25 venture capitalists, angel investor groups, pri-

1 vate industry, crowd funding, and special loan
2 programs.

3 “(8) AWARD AMOUNT.—

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

10 “(B) LIMITATION.—

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

15 “(ii) RULE OF CONSTRUCTION.—

16 Nothing in clause (i) shall be construed to
17 prevent an eligible State from applying for
18 an award under the FAST program and
19 the pilot program for the same year.

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

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

1 “(11) REPORT.—Not later than February 1,
2 2021, the Administrator shall submit to the Com-
3 mittee on Small Business and Entrepreneurship of
4 the Senate and the Committee on Small Business of
5 the House of Representatives a report on the pilot
6 program, which shall include—

7 “(A) an assessment of the pilot program
8 and the effectiveness of the pilot program in
9 meeting the goals described in paragraph (3);

10 “(B) an assessment of the best practices,
11 including an analysis of how the pilot program
12 compares to the FAST program and a single-
13 State approach; and

14 “(C) recommendations as to whether any
15 aspect of the pilot program should be extended
16 or made permanent.”.

17 **SEC. 402. FEDERAL AND STATE TECHNOLOGY PARTNER-**
18 **SHIP PROGRAM.**

19 Section 34 of the Small Business Act (15 U.S.C.
20 657d) is amended—

21 (1) in subsection (h)—

22 (A) in paragraph (1), by striking “2001
23 through 2005” and inserting “2017 through
24 2021”; and

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

4 (2) in subsection (i), by striking “September
5 30, 2005” and inserting “September 30, 2021”.

6 **TITLE V—OVERSIGHT AND** 7 **SIMPLIFICATION INITIATIVES**

8 **SEC. 501. DATA REALIGNMENT AND MODERNIZATION.**

9 Section 9 of the Small Business Act (15 U.S.C. 638)
10 is amended by adding after subsection (uu), as added by
11 section 401 of this Act, the following:

12 “(vv) SBIR AND STTR INTERAGENCY POLICY COM-
13 MITTEE.—

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

15 “(A) the term ‘Committee’ means the
16 SBIR and STTR Interagency Policy Committee
17 established under paragraph (2);

18 “(B) the term ‘participating Federal agen-
19 cy’ means a Federal agency with an SBIR pro-
20 gram or an STTR program; and

21 “(C) the term ‘phase’ means Phase I,
22 Phase II, and Phase III.

23 “(2) ESTABLISHMENT.—There is established an
24 interagency committee to be known as the ‘SBIR
25 and STTR Interagency Policy Committee’.

1 “(3) MEMBERSHIP.—The Committee shall in-
2 clude—

3 “(A) 4 representatives from each partici-
4 pating Federal agency, of which—

5 “(i) 1 shall have expertise with re-
6 spect to the SBIR program and STTR
7 program of the Federal agency;

8 “(ii) 1 shall have expertise with re-
9 spect to the broader research and develop-
10 ment missions and programs of the Fed-
11 eral agency;

12 “(iii) 1 shall have expertise with re-
13 spect to marketplace commercialization or
14 to the transition of technologies to support
15 the missions of the Federal agency; and

16 “(iv) 1 shall have expertise with re-
17 spect to the information technology sys-
18 tems of the Federal agency; and

19 “(B) 2 representatives from the Adminis-
20 tration, of which—

21 “(i) 1 shall serve as chairperson of the
22 Committee; and

23 “(ii) 1 shall be from the Information
24 Technology Development Team of the Of-

1 fice of Investment and Innovation of the
2 Administration.

3 “(4) WORKING GROUPS.—

4 “(A) IN GENERAL.—The Committee shall
5 establish working groups as necessary to ensure
6 consistency and clarity between the partici-
7 pating Federal agencies.

8 “(B) DATA REALIGNMENT AND MOD-
9 ERNIZATION WORKING GROUP.—

10 “(i) IN GENERAL.—The Committee
11 shall establish a data alignment and mod-
12 ernization working group, which shall re-
13 view the recommendations made in the re-
14 port to Congress by the Office of Science
15 and Technology of the Administration enti-
16 tled ‘SBIR/STTR TechNet Public & Gov-
17 ernment Databases’, dated September 15,
18 2014, and the practices of participating
19 Federal agencies to—

20 “(I) determine how to collect
21 data on achievements by small busi-
22 ness concerns in each phase of the
23 SBIR program and the STTR pro-
24 gram and ensure collection and dis-

1 semination of such data in a timely,
2 efficient, and uniform manner;

3 “(II) establish a uniform baseline
4 for metrics that support improving
5 the solicitation, contracting, funding,
6 and execution of program manage-
7 ment in the SBIR program and the
8 STTR program;

9 “(III) normalize formatting and
10 database usage across participating
11 Federal agencies; and

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

17 “(ii) MEMBERSHIP.—Each member of
18 the Committee shall serve as a member of
19 the data alignment and modernization
20 working group.

21 “(5) IMPLEMENTATION.—Not later than Sep-
22 tember 31, 2018, the Committee shall brief the
23 Committee on Small Business and Entrepreneurship
24 of the Senate and the Committee on Small Business
25 of the House of Representatives on the solutions

1 identified by the working group under paragraph (4)
2 and resources needed to execute the solutions.”.

3 **SEC. 502. IMPLEMENTATION OF OUTSTANDING REAUTHOR-**
4 **IZATION PROVISIONS.**

5 (a) IN GENERAL.—Section 9(mm) of the Small Busi-
6 ness Act (15 U.S.C. 638(mm)), as amended by section
7 401(1) of this Act, is amended—

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

11 “(9) SUSPENSION OF FUNDING.—

12 “(A) FOR FEDERAL AGENCIES.—

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

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

20 “(II) may not use additional
21 amounts as described in paragraph
22 (1) until 30 days after the date on
23 which the Federal agency submits to
24 the Committee on Small Business and
25 Entrepreneurship of the Senate and

1 the Committee on Small Business of
2 the House of Representatives docu-
3 mentation demonstrating that the
4 Federal agency has implemented and
5 is in compliance with each provision of
6 law described in clause (ii).

7 “(ii) PROVISIONS.—The provisions of
8 law described in this clause are the fol-
9 lowing:

10 “(I) Subsection (r)(4), relating to
11 Phase III preferences.

12 “(II) Paragraphs (5) and (6) of
13 subsection (y), relating to insertion
14 goals.

15 “(III) Subsection (g)(4)(B), re-
16 lating to shortening the decision time
17 for SBIR awards.

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

21 “(V) Subsection (v), relating to
22 reducing paperwork and compliance
23 burdens.

24 “(B) FOR ADMINISTRATION.—For fiscal
25 years 2018 and 2019, if the Administration is

1 not in compliance with subsection (b)(7), relat-
2 ing to annual reports to Congress, the Adminis-
3 tration may not use amounts received under
4 paragraph (7)(B) of this subsection for a pur-
5 pose described in clause (iii) of such paragraph
6 (7)(B).”.

7 (b) CLARIFICATION OF REPORTING REQUIRE-
8 MENT.—Section 9(b)(7) of the Small Business Act (15
9 U.S.C. 638(b)(7)) is amended in the matter preceding
10 subparagraph (A), by striking “not less than annually”
11 and inserting “not later than December 31 of each year”.

12 **SEC. 503. STRENGTHENING OF THE REQUIREMENT TO**
13 **SHORTEN THE APPLICATION REVIEW AND**
14 **DECISION TIME.**

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

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

19 “(B) make a final decision on each proposal
20 submitted under the SBIR program—

21 “(i) for the Department of Health and
22 Human Services, not later than 1 year after the
23 date on which the applicable solicitation closes,
24 with a goal to reduce the review and decision

1 time to less than 10 months by September 30,
2 2019;

3 “(ii) for the Department of Agriculture
4 and the National Science Foundation, not later
5 than 6 months after the date on which the ap-
6 plicable solicitation closes; or

7 “(iii) for any other Federal agency—

8 “(I) not later than 90 days after the
9 date on which the applicable solicitation
10 closes; or

11 “(II) if the Administrator authorizes
12 an extension with respect to a solicitation,
13 not later than 90 days after the date that
14 would otherwise be applicable to the Fed-
15 eral agency under subclause (I);”; and

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

18 “(B) make a final decision on each proposal
19 submitted under the STTR program—

20 “(i) for the Department of Health and
21 Human Services, not later than 1 year after the
22 date on which the applicable solicitation closes,
23 with a goal to reduce the review and decision
24 time to less than 10 months by September 30,
25 2019;

1 “(ii) for the Department of Agriculture
2 and the National Science Foundation, not later
3 than 6 months after the date on which the ap-
4 plicable solicitation closes; or

5 “(iii) for any other Federal agency—

6 “(I) not later than 90 days after the
7 date on which the applicable solicitation
8 closes; or

9 “(II) if the Administrator authorizes
10 an extension with respect to a solicitation,
11 not later than 90 days after the date that
12 would otherwise be applicable to the Fed-
13 eral agency 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 **SEC. 505. COORDINATION BETWEEN AGENCIES ON COM-**
20 **MERCIALIZATION ASSISTANCE.**

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

23 (1) in subsection (j), as amended by section
24 202(a) of this Act, by adding at the end the fol-
25 lowing:

1 “(5) COORDINATION OF COMMERCIALIZATION
2 ASSISTANCE.—Not later than 120 days after the
3 date of enactment of this paragraph, the Adminis-
4 trator shall modify the policy directive issued pursu-
5 ant to this subsection to clarify that a small business
6 concern receiving training through the Innovation
7 Corps program with administrative funds made
8 available under subsection (mm) shall not receive
9 discretionary business assistance funds for the same
10 or similar activities as allowed under subsection
11 (q).”; and

12 (2) in subsection (p), by adding at the end the
13 following:

14 “(4) COORDINATION OF COMMERCIALIZATION
15 ASSISTANCE.—Not later than 120 days after the
16 date of enactment of this paragraph, the Adminis-
17 trator shall modify the policy directive issued pursu-
18 ant to this subsection to clarify that a small business
19 concern receiving training through the Innovation
20 Corps program with administrative funds made
21 available under subsection (mm) shall not receive
22 discretionary business assistance funds for the same
23 or similar activities as allowed under subsection
24 (q).”.

1 **TITLE VI—PARTICIPATION BY**
2 **WOMEN AND MINORITIES**

3 **SEC. 601. SBA COORDINATION ON INCREASING OUTREACH**
4 **FOR WOMEN AND MINORITY-OWNED BUSI-**
5 **NESSES.**

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

8 (1) in paragraph (8), by striking “and” at the
9 end;

10 (2) in paragraph (9), by striking the period at
11 the end and inserting “; and”; and

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

13 “(10) to coordinate with participating agencies
14 on efforts to increase outreach and awards under
15 each of the SBIR and STTR programs to small
16 business concerns owned and controlled by women
17 and socially and economically disadvantaged small
18 business concerns, as defined in section 8(a)(4).”.

19 **SEC. 602. FEDERAL AGENCY OUTREACH REQUIREMENTS**
20 **FOR WOMEN AND MINORITY-OWNED BUSI-**
21 **NESSES.**

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

24 (1) in subsection (g)—

1 (A) in paragraph (11), by striking “and”
2 at the end;

3 (B) in paragraph (12), by striking the pe-
4 riod at the end and inserting “; and”; and

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

6 “(13) implement an outreach program to small
7 business concerns for the purpose of enhancing its
8 SBIR program, under which the Federal agency
9 shall—

10 “(A) provide outreach to small business
11 concerns owned and controlled by women and
12 socially and economically disadvantaged small
13 business concerns, as defined in section 8(a)(4);
14 and

15 “(B) establish goals for outreach by the
16 Federal agency to the small business concerns
17 described in subparagraph (A).”; and

18 (2) in subsection (o)(14), by striking “SBIR
19 program;” and inserting “SBIR program, under
20 which the Federal agency shall—

21 “(A) provide outreach to small business
22 concerns owned and controlled by women and
23 socially and economically disadvantaged small
24 business concerns, as defined in section 8(a)(4);
25 and

1 “(B) establish goals for outreach by the
2 Federal agency to the small business concerns
3 described in subparagraph (A).”.

4 **SEC. 603. STTR POLICY DIRECTIVE MODIFICATION.**

5 Section 9(p) of the Small Business Act (15 U.S.C.
6 638(p)), as amended by section 505 of this Act, is amend-
7 ed by adding at the end the following:

8 “(5) ADDITIONAL MODIFICATIONS.—Not later
9 than 120 days after the date of enactment of this
10 paragraph, the Administrator shall modify the policy
11 directive issued pursuant to this subsection to pro-
12 vide for enhanced outreach efforts to increase the
13 participation of small business concerns owned and
14 controlled by women and socially and economically
15 disadvantaged small business concerns, as defined in
16 section 8(a)(4), in technological innovation and in
17 STTR programs.”.

18 **SEC. 604. INTERAGENCY SBIR/STTR POLICY COMMITTEE.**

19 Section 5124 of the SBIR/STTR Reauthorization Act
20 of 2011 (Public Law 112–81; 125 Stat. 1837) is amend-
21 ed—

22 (1) by redesignating subsection (d) as sub-
23 section (e); and

24 (2) by inserting after subsection (c) the fol-
25 lowing:

1 “(d) MEETINGS.—

2 “(1) IN GENERAL.—The Interagency SBIR/
3 STTR Policy Committee shall meet not less than
4 twice per year to carry out the duties under sub-
5 section (c).

6 “(2) OUTREACH AND TECHNICAL ASSISTANCE
7 ACTIVITIES.—If the Interagency SBIR/STTR Policy
8 Committee meets to discuss outreach and technical
9 assistance activities to increase the participation of
10 small business concerns that are underrepresented in
11 the SBIR and STTR programs, the Committee shall
12 invite to the meeting—

13 “(A) a representative of the Minority Busi-
14 ness Development Agency; and

15 “(B) relevant stakeholders that work to
16 advance the interests of—

17 “(i) small business concerns owned
18 and controlled by women, as defined in
19 section 3 of the Small Business Act (15
20 U.S.C. 632); and

21 “(ii) socially and economically dis-
22 advantaged small business concerns, as de-
23 fined in section 8(a)(4) of the Small Busi-
24 ness Act (15 U.S.C. 637(a)(4)).”.

1 **SEC. 605. DIVERSITY AND STEM WORKFORCE DEVELOP-**
2 **MENT PILOT PROGRAM.**

3 (a) DEFINITIONS.—In this section—

4 (1) the term “Administrator” means the Ad-
5 ministrator of the Small Business Administration;

6 (2) the term “covered STEM intern” means a
7 student at, or recent graduate from, an institution
8 of higher education serving as an intern—

9 (A) whose course of study studied is fo-
10 cused on the STEM fields; and

11 (B) who is a woman or a person from an
12 underrepresented population in the STEM
13 fields;

14 (3) the term “eligible entity” means a small
15 business concern that—

16 (A) is receiving amounts under an award
17 under the SBIR program or the STTR program
18 of a Federal agency on the date on which the
19 Federal agency awards a grant to the small
20 business concern under subsection (b); and

21 (B) provides internships for covered STEM
22 interns;

23 (4) the terms “Federal agency”, “SBIR”, and
24 “STTR” have the meanings given those terms under
25 section 9(e) of the Small Business Act (15 U.S.C.
26 638(e));

1 (5) the term “institution of higher education”
2 has the meaning given the term under section
3 101(a) of the Higher Education Act of 1965 (20
4 U.S.C. 1001(a));

5 (6) the term “person from an underrepresented
6 population in the STEM fields” means a person
7 from a group that is underrepresented in the popu-
8 lation of STEM students, as determined by the Ad-
9 ministrator;

10 (7) the term “pilot program” means the Diver-
11 sity and STEM Workforce Development Pilot Pro-
12 gram established under subsection (b);

13 (8) the term “recent graduate”, relating to a
14 woman or a person from an underrepresented popu-
15 lation in the STEM fields, means that the woman or
16 person from an underrepresented population in the
17 STEM fields earned an associate degree, baccalaureate degree, or postbaccalaureate from an insti-
18 tution of higher education during the 1-year period
19 beginning on the date of the internship;

21 (9) the term “small business concern” has the
22 meaning given the term under section 3 of the Small
23 Business Act (15 U.S.C. 632); and

24 (10) the term “STEM fields” means the fields
25 of science, technology, engineering, and math.

1 (b) PILOT PROGRAM FOR INTERNSHIPS FOR WOMEN
2 AND PEOPLE FROM UNDERREPRESENTED POPU-
3 LATIONS.—The Administrator shall establish a Diversity
4 and STEM Workforce Development Pilot Program to en-
5 courage the business community to provide workforce de-
6 velopment opportunities for covered STEM interns, under
7 which a Federal agency participating in the SBIR pro-
8 gram or STTR program may make a grant to 1 or more
9 eligible entities for the costs of internships for covered
10 STEM interns.

11 (c) AMOUNT AND USE OF GRANTS.—

12 (1) AMOUNT.—A grant under subsection (b)—

13 (A) may not be in an amount of more than
14 \$15,000 per fiscal year; and

15 (B) shall be in addition to the amount of
16 the award to the recipient under the SBIR pro-
17 gram or the STTR program.

18 (2) USE.—Not less than 90 percent of the
19 amount of a grant under subsection (b) shall be
20 used by the eligible entity to provide stipends or
21 other similar payments to interns.

22 (d) EVALUATION.—Not later than January 31 of the
23 first calendar year after the third fiscal year during which
24 the Administrator carries out the pilot program, the Ad-
25 ministrator shall submit to Congress—

1 (1) data on the results of the pilot program,
2 such as the number and demographics of the covered
3 STEM interns participating in an internship funded
4 under the pilot program and the amount spent on
5 such internships; and

6 (2) an assessment of whether the pilot program
7 helped the SBIR program and STTR program
8 achieve the congressional objective of fostering and
9 encouraging the participation of women and persons
10 from underrepresented populations in the STEM
11 fields.

12 (e) TERMINATION.—The pilot program shall termi-
13 nate after the end of the fourth fiscal year during which
14 the Administrator carries out the pilot program.

15 (f) AUTHORIZATION OF APPROPRIATIONS.—There
16 are authorized to be appropriated such sums as may be
17 necessary to carry out the pilot program.

18 **TITLE VII—TECHNICAL** 19 **CHANGES**

20 **SEC. 701. 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. 702. 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”.