

115TH CONGRESS
1ST SESSION

S. 1961

To amend the Small Business Act to temporarily reauthorize certain pilot programs under the Small Business Innovation Research Program and the Small Business Technology Transfer Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 16, 2017

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

A BILL

To amend the Small Business Act to temporarily reauthorize certain pilot programs under 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 Over-
5 sight and Pilot Program Extension Act of 2017”.

1 **SEC. 2. PILOT EXTENSIONS AND REPORTING COMPLIANCE;**
2 **PILOT PROGRAM.**

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

5 (1) in subsection (cc), by striking “2017” and
6 inserting “2018”;

7 (2) in subsection (gg)(7), by striking “2017”
8 and inserting “2018”;

9 (3) in subsection (jj)(7), by striking “2017”
10 and inserting “2018”;

11 (4) in subsection (mm)—

12 (A) in paragraph (1)—

13 (i) in the matter preceding subpara-
14 graph (A), by striking “2017” and insert-
15 ing “2018”;

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

18 (iii) in subparagraph (J), by striking
19 the period at the end and inserting “;
20 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
25 redundancy, and improve data oversight and ac-
26 curacy.”; 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 (tt);

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

2 “(tt) REGIONAL SBIR STATE COLLABORATIVE INI-
3 TIATIVE PILOT PROGRAM.—

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

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

6 “(i) a research institution; and

7 “(ii) a small business concern;

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

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

16 “(ii) an EPSCoR State that—

17 “(I) is a State described in clause
18 (i); or

19 “(II) is—

20 “(aa) not a State described
21 in clause (i); and

22 “(bb) invited to participate
23 in a regional collaborative;

24 “(C) the term ‘EPSCoR State’ means a
25 State that participates in the Experimental

1 Program to Stimulate Competitive Research of
2 the National Science Foundation, as established
3 under section 113 of the National Science
4 Foundation Authorization Act of 1988 (42
5 U.S.C. 1862g);

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

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

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

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

20 “(2) ESTABLISHMENT.—The Administrator
21 shall establish a pilot program, to be known as the
22 Regional SBIR State Collaborative Initiative Pilot
23 Program, under which the Administrator shall pro-
24 vide awards to regional collaboratives to address the
25 needs of small business concerns in order to—

1 “(A) be more competitive in the proposal
2 and selection process for awards under the
3 SBIR program and the STTR program; and

4 “(B) increase technology transfer and com-
5 mercialization.

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

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

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

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

20 “(D) to utilize the strengths and advan-
21 tages of regional collaboratives to better lever-
22 age resources, best practices, and economies of
23 scale in a region for the purpose of increasing
24 awards and increasing the commercialization of
25 the SBIR program and STTR projects;

1 “(E) to increase the competitiveness of the
2 SBIR program and the STTR program;

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

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

13 “(4) APPLICATION.—

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

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

24 “(i) the name of each lead eligible en-
25 tity from each eligible State in the regional

1 collaborative, as designated under para-
2 graph (5)(A); and

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

6 “(C) AVOIDANCE OF DUPLICATION.—A re-
7 gional collaborative shall include in an applica-
8 tion submitted under subparagraph (A) an ex-
9 planation regarding how the activities of the re-
10 gional collaborative under the pilot program
11 would differ from other State and Federal out-
12 reach activities in each eligible State in the re-
13 gional collaborative.

14 “(5) LEAD ELIGIBLE ENTITY.—

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

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

24 “(C) RESPONSIBILITIES.—Each lead eligi-
25 ble entity designated under subparagraph (A)

1 shall be responsible for administering the activi-
2 ties and program initiatives described in para-
3 graph (7) in the applicable eligible State.

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

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

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

23 “(B) engage national mentors on a fre-
24 quent basis to work directly with applicants for
25 an award under the SBIR program or the

1 STTR program, particularly during Phase II,
2 to assist with the process of preparing and sub-
3 mitting a proposal;

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

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

21 “(E) administer a structured program of
22 training and technical assistance—

23 “(i) to prepare applicants for an
24 award under the SBIR program or the
25 STTR program—

1 “(I) to compete more effectively
2 for Phase I and Phase II awards; and

3 “(II) to develop and implement a
4 successful commercialization plan;

5 “(ii) to assist eligible States focusing
6 on transition and commercialization to win
7 Phase III awards from public and private
8 partners;

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

14 “(iv) to assist first-time applicants by
15 providing small grants for proof of concept
16 research; and

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

23 “(8) AWARD AMOUNT.—

24 “(A) IN GENERAL.—The Administrator
25 shall provide an award to each eligible State in

1 which an eligible entity of a regional collabo-
2 rative is located in an amount that is not more
3 than \$300,000 to carry out the activities de-
4 scribed in paragraph (7).

5 “(B) LIMITATION.—

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

10 “(ii) RULE OF CONSTRUCTION.—

11 Nothing in clause (i) may be construed to
12 prevent an eligible State from applying for
13 an award under the FAST program and
14 the pilot program for the same year.

15 “(9) DURATION OF AWARD.—An award pro-
16 vided under the pilot program—

17 “(A) shall be for a period of not more than
18 1 year; and

19 “(B) may be renewed by the Administrator
20 for 1 additional year.

21 “(10) TERMINATION.—The pilot program shall
22 terminate on September 30, 2018.

23 “(11) REPORT.—Not later than March 30,
24 2018, the Administrator shall submit to the Com-
25 mittee on Small Business and Entrepreneurship of

1 the Senate and the Committee on Small Business of
2 the House of Representatives a report on the pilot
3 program, which shall include—

4 “(A) details regarding the recipient of each
5 award provided under the pilot program, includ-
6 ing the amount of each award, the number of
7 small business concerns that received assistance
8 from the award amounts, and the manner in
9 which the award was used to meet the goals de-
10 scribed in paragraph (3);

11 “(B) to the extent practicable, an assess-
12 ment of the best practices of the pilot program,
13 including an analysis of how the pilot program
14 compares to the FAST program and a single-
15 State approach; and

16 “(C) recommendations regarding whether
17 any aspect of the pilot program should be ex-
18 tended or made permanent.

19 “(uu) OUTSTANDING REPORTS AND EVALUA-
20 TIONS.—

21 “(1) IN GENERAL.—Not later than March 30,
22 2018, the Administrator shall submit to the Com-
23 mittee on Small Business and Entrepreneurship of
24 the Senate, the Committee on Small Business of the
25 House of Representatives, and the Committee on

1 Science, Space, and Technology of the House of
2 Representatives—

3 “(A) each report, evaluation, or analysis,
4 as applicable, described in subsection (b)(7),
5 (g)(9), (o)(10), (y)(6)(C), (gg)(6), (jj)(6), and
6 (mm)(6); and

7 “(B) metrics regarding, and an evaluation
8 of, the authority provided to the National Insti-
9 tutes of Health, the Department of Defense,
10 and the Department of Education under sub-
11 section (cc).

12 “(2) INFORMATION REQUIRED.—Not later than
13 December 31, 2017, the head of each agency that is
14 responsible for carrying out a provision described in
15 subparagraph (A) or (B) of paragraph (1) shall sub-
16 mit to the Administrator any information that is
17 necessary for the Administrator to carry out the re-
18 sponsibilities of the Administrator under that para-
19 graph.”.

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