

Calendar No. 310

114TH CONGRESS
1ST SESSION

S. 2136

To establish the Regional SBIR State Collaborative Initiative Pilot Program,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 6, 2015

Mr. VITTER (for himself, Mr. ENZI, and Mr. COONS) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

DECEMBER 3, 2015

Reported by Mr. VITTER, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To establish the Regional SBIR State Collaborative Initiative
Pilot 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 “*Improving Small Busi-*
5 *ness Innovative Research and Technologies Act of 2015*”.

1 SEC. 2. REGIONAL SBIR STATE COLLABORATIVE INITIA-

2 TIVE PILOT PROGRAM.

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

4 is amended—

5 (1) in subsection (mm) —

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

11 “(7) IN GENERAL.—Each Federal agency that
12 is required to conduct an SBIR program shall pro-
13 vide 15 percent of the funds allocated to the SBIR
14 program of the Federal agency that are set aside for
15 administrative purposes under paragraph (1) to the
16 Administration—

17 “(A) for the Regional SBIR State Collaborative Initiative Pilot Program established
18 under subsection (tt);
19

20 “(B) for the Federal and State Technology
21 Partnership Program established under section
22 34; and

“(C) to support the Office of the Administration that administers the SBIR program and the STTR program, subject to reasonable costs.

1 in carrying out those programs, including any
2 conference relating to the programs.

3 “(8) PILOT PROGRAM.—Of amounts provided to
4 the Administration under paragraph (1), not less
5 than \$5,000,000 shall be used to provide grants
6 under the Regional SBIR State Collaborative Initia-
7 tive Pilot Program established under subsection (tt)
8 for each fiscal year in which the program is in ef-
9 feet.”; and

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

11 “(tt) REGIONAL SBIR STATE COLLABORATIVE INT-
12 IATIVE PILOT PROGRAM.—

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

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

15 “(i) a research institution; and

16 “(ii) a small business concern;

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

18 “(i) a State that the Administration
19 determines is in the bottom third of States
20 with respect to the average number of an-
21 nual SBIR program and STTR program
22 awards made to companies in the State for
23 the preceding 3 years for which the Ad-
24 ministration has applicable data; and

25 “(ii) an EPSCoR State that—

1 “(I) is a State described in clause
2 (ii); or
3 “(II) is—
4 “(aa) not a State described
5 in clause (i); and
6 “(bb) invited to participate
7 in a regional collaborative;
8 “(C) the term ‘EPSCoR State’ means a
9 State that participates in the Experimental
10 Program to Stimulate Competitive Research of
11 the National Science Foundation, as established
12 under section 113 of the National Science
13 Foundation Authorization Act of 1988 (42
14 U.S.C. 1862g);
15 “(D) the term ‘FAST program’ means the
16 Federal and State Technology Partnership Pro-
17 gram established under section 34;
18 “(E) the term ‘pilot program’ means the
19 Regional SBIR State Collaborative Initiative
20 Pilot Program established under paragraph (2);
21 “(F) the term ‘regional collaborative’
22 means a collaborative consisting of eligible enti-
23 ties that are located in not less than 3 eligible
24 States; and

1 “(G) the term ‘State’ means any State of
2 the United States, the District of Columbia, the
3 Commonwealth of Puerto Rico, and any terri-
4 tory or possession of the United States.

5 “(2) ESTABLISHMENT.—The Administrator
6 shall establish a pilot program, to be known as the
7 Regional SBIR State Collaborative Initiative Pilot
8 Program, under which the Administrator shall pro-
9 vide grants to regional collaboratives to address the
10 needs of small business concerns in order to be more
11 competitive in the proposal and selection process for
12 awards under the SBIR program and the STTR
13 program and to increase technology transfer and
14 commercialization.

15 “(3) GOALS.—The goals of the pilot program
16 are—

17 “(A) to create regional collaboratives that
18 allow eligible entities to work cooperatively to
19 leverage resources to address the needs of small
20 business concerns;

21 “(B) to grow SBIR program and STTR
22 program cooperative research and development
23 and commercialization through increased
24 awards under those programs;

1 “(C) to increase the participation of States
2 that have historically received a lower level of
3 awards under the SBIR program and the
4 STTR program;

5 “(D) to utilize the strengths and advan-
6 tage of regional collaboratives to better leverage
7 resources, best practices, and economies of scale
8 in a region for the purpose of increasing
9 awards;

10 “(E) to increase the competitiveness of the
11 SBIR program and the STTR program;

12 “(F) to identify sources of outside funding
13 for applicants for an award under the SBIR
14 program and the STTR program, including
15 venture capitalists, angel investor groups, pri-
16 vate industry, crowd funding, and special loan
17 programs; and

18 “(G) to offer increased one-on-one engage-
19 ments with companies and entrepreneurs for
20 SBIR program and STTR program education,
21 assistance, and successful outcomes.

22 “(4) APPLICATION.—

23 “(A) IN GENERAL.—A regional collabora-
24 tive that desires to participate in the pilot
25 program shall submit to the Administrator an

1 application at such time, in such manner, and
2 containing such information as the Adminis-
3 trator may require.

4 **“(B) INCLUSION OF LEAD ELIGIBLE ENTI-**
5 **TIES AND COORDINATOR.**—A regional collabora-
6 tive shall include in an application submitted
7 under subparagraph (A)—

8 “(i) the name of each lead eligible en-
9 tity from each eligible State in the regional
10 collaborative, as designated under para-
11 graph (5); and

12 “(ii) the name of the coordinator for
13 the regional collaborative, as designated
14 under paragraph (6).

15 **“(5) LEAD ELIGIBLE ENTITY.—**

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

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

1 “(C) RESPONSIBILITIES.—Each lead eligible
2 entity designated under subparagraph (A)
3 shall be responsible for administering the activities
4 and program initiatives described in paragraph (7) in the applicable eligible State.

5
6 “(6) REGIONAL COLLABORATIVE COORDI-
7 NATOR.—

8 “(A) IN GENERAL.—Each regional collaborative
9 shall designate a coordinator from amongst the eligible entities located in the eligible
10 States in the regional collaborative, who shall serve as the interface between the regional
11 collaborative and the Administration with respect to the management of grants received
12 under the pilot program.

13 “(B) LIMITATION.—A regional collaborative
14 may not appoint as coordinator under subparagraph (A) an eligible entity located in an EPSCoR State described in paragraph
15 (1)(B)(ii)(II).

16 “(7) USE OF FUNDS.—Each regional collaborative
17 that is awarded a grant under the pilot program shall, in each eligible State in which an eligible
18 entity of the regional collaborative is located—

1 “(A) establish an initiative under which
2 first-time applicants for an award under the
3 SBIR program or the STTR program are re-
4 viewed by experienced, national experts in the
5 United States, as determined by the lead eligi-
6 ble entity designated under paragraph (5);

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

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

20 “(D) conduct focused and concentrated
21 outreach efforts to increase participation in the
22 SBIR program and the STTR program by
23 small business concerns owned and controlled
24 by women; small business concerns owned and
25 controlled by veterans; small business concerns

1 owned and controlled by socially and economi-
2 cally disadvantaged individuals (as defined in
3 section 8(d)(3)(C)), and historically Black col-
4 leges and universities;

5 “(E) administer a structured program of
6 training and technical assistance—

7 “(i) to prepare applicants for an
8 award under the SBIR program or the
9 STTR program—

10 “(I) to compete more effectively
11 for Phase I and Phase II awards; and

12 “(II) to develop and implement a
13 successful commercialization plan; and

14 “(ii) to create more competitive pro-
15 posals to increase awards under the SBIR
16 program and the STTR program; and

17 “(F) to assist applicants for an award
18 under the SBIR program or the STTR program
19 to 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) GRANT AMOUNT.—

24 “(A) IN GENERAL.—The Administrator
25 may award a grant to each eligible State in

1 which an eligible entity of a regional collabora-
2 tive is located not more than \$300,000 to
3 carry out the activities described in paragraph
4 (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) shall 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 GRANT.”** A grant awarded
16 under this subsection shall be for a period of not
17 more than 1 year, and may be renewed by the Ad-
18 ministrator for 1 additional year.

19 **“(10) TERMINATION.”** The pilot program shall
20 terminate on September 30, 2017.

21 **“(11) REPORT.”** Not later than 1 year after
22 the date on which the pilot program terminates, the
23 Administrator shall submit to the Committee on
24 Small Business and Entrepreneurship of the Senate
25 and the Committee on Small Business of the House

1 of Representatives a report on the pilot program,
2 which shall include—

3 “(A) an assessment of the pilot program
4 and the effectiveness of the pilot program in
5 meeting the goals described in paragraph (3);

6 “(B) an assessment of the best practices,
7 including an analysis of how the pilot program
8 compares to the FAST program and a single
9 State approach; and

10 “(C) recommendations as to whether any
11 aspect of the pilot program should be extended
12 or made permanent.”.

13 **SEC. 3. FAST PROGRAM.**

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

16 (1) in subsection (h)—

17 (A) in paragraph (1), by striking “2001
18 through 2005” and inserting “2016 and 2017”,
19 and

20 (B) in paragraph (2), by striking “fiscal
21 years 2001 through 2005” and inserting “each
22 of fiscal years 2016 and 2017”; and

23 (2) in subsection (i), by striking “September
24 30, 2005” and inserting “September 30, 2017”.

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Improving Small Busi-*
3 *ness Innovative Research and Technologies Act of 2015”.*

4 **SEC. 2. REGIONAL SBIR STATE COLLABORATIVE INITIATIVE**5 **PILOT PROGRAM.**

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

8 *(1) in subsection (mm)—*

9 *(A) in paragraph (1), by striking “for the*
10 *3 fiscal years beginning after the date of enact-*
11 *ment of this subsection,” and inserting “and*
12 *until September 30, 2017;”; and*

13 *(B) by adding at the end the following:*

14 *“(7) SBIR AND STTR PROGRAMS; FAST PRO-*
15 *GRAM.—*

16 *“(A) DEFINITION.—In this paragraph, the*
17 *term ‘covered Federal agency’ means a Federal*
18 *agency that—*

19 *“(i) is required to conduct an SBIR*
20 *program; and*

21 *“(ii) elects to use the funds allocated to*
22 *the SBIR program of the Federal agency for*
23 *the purposes described in paragraph (1).*

24 *“(B) REQUIREMENT.—Each covered Federal*
25 *agency shall provide an amount equal to 15 per-*
26 *cent of the funds that are used for the purposes*

1 described in paragraph (1) to the Administra-
2 tion—

3 “(i) for the Regional SBIR State Col-
4 laborative Initiative Pilot Program estab-
5 lished under subsection (tt);

6 “(ii) for the Federal and State Tech-
7 nology Partnership Program established
8 under section 34; and

9 “(iii) to support the Office of the Ad-
10 ministration that administers the SBIR
11 program and the STTR program, subject to
12 agreement from other agencies about how
13 the funds will be used, in carrying out those
14 programs and the programs described in
15 clauses (i) and (ii).

16 “(8) PILOT PROGRAM.—

17 “(A) IN GENERAL.—Of amounts provided to
18 the Administration under paragraph (7), not less
19 than \$5,000,000 shall be used to provide awards
20 under the Regional SBIR State Collaborative
21 Initiative Pilot Program established under sub-
22 section (tt) for each fiscal year in which the pro-
23 gram is in effect.

24 “(B) DISBURSEMENT FLEXIBILITY.—The
25 Administration may used any unused funds

1 *made available under subparagraph (A) as of
2 April 1 of each fiscal year for awards to carry
3 out clauses (ii) and (iii) of paragraph (7)(B)
4 after providing written notice to—*

5 *“(i) the Committee on Small Business
6 and Entrepreneurship and the Committee*

7 *on Appropriations of the Senate; and*

8 *“(ii) the Committee on Small Business
9 and the Committee on Appropriations of the*

10 *House of Representatives.”; and*

11 *(2) by adding at the end the following:*

12 *“(tt) REGIONAL SBIR STATE COLLABORATIVE INITIA-*

13 *TIVE PILOT PROGRAM.—*

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

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

16 *“(i) a research institution; and*

17 *“(ii) a small business concern;*

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

19 *“(i) a State that the Administrator de-
20 termines is in the bottom half of States,*

21 *based on the average number of annual
22 SBIR program awards made to companies*

23 *in the State for the preceding 3 years for
24 which the Administration has applicable*

25 *data; and*

1 “(ii) an EPSCoR State that—
2 “(I) is a State described in clause
3 (i); or
4 “(II) is—
5 “(aa) not a State described
6 in clause (i); and
7 “(bb) invited to participate
8 in a regional collaborative;
9 “(C) the term ‘EPSCoR State’ means a
10 State that participates in the Experimental Pro-
11 gram to Stimulate Competitive Research of the
12 National Science Foundation, as established
13 under section 113 of the National Science Foun-
14 dation Authorization Act of 1988 (42 U.S.C.
15 1862g);
16 “(D) the term ‘FAST program’ means the
17 Federal and State Technology Partnership Pro-
18 gram established under section 34;
19 “(E) the term ‘pilot program’ means the
20 Regional SBIR State Collaborative Initiative
21 Pilot Program established under paragraph (2);
22 “(F) the term ‘regional collaborative’ means
23 a collaborative consisting of eligible entities that
24 are located in not less than 3 eligible States; and

1 “(G) the term ‘State’ means any State of
2 the United States, the District of Columbia, the
3 Commonwealth of Puerto Rico, and any terri-
4 tory or possession of the United States.

5 “(2) ESTABLISHMENT.—The Administrator shall
6 establish a pilot program, to be known as the Re-
7 gional SBIR State Collaborative Initiative Pilot Pro-
8 gram, under which the Administrator shall provide
9 awards to regional collaboratives to address the needs
10 of small business concerns in order to be more com-
11 petitive in the proposal and selection process for
12 awards under the SBIR program and the STTR pro-
13 gram and to increase technology transfer and com-
14 mercialization.

15 “(3) GOALS.—The goals of the pilot program
16 are—

17 “(A) to create regional collaboratives that
18 allow eligible entities to work cooperatively to le-
19 verage resources to address the needs of small
20 business concerns;

21 “(B) to grow SBIR program and STTR
22 program cooperative research and development
23 and commercialization through increased awards
24 under those programs;

1 “(C) to increase the participation of States
2 that have historically received a lower level of
3 awards under the SBIR program and the STTR
4 program;

5 “(D) to utilize the strengths and advantages
6 of regional collaboratives to better leverage re-
7 sources, best practices, and economies of scale in
8 a region for the purpose of increasing awards
9 and increasing the commercialization of the
10 SBIR program and STTR projects;

11 “(E) to increase the competitiveness of the
12 SBIR program and the STTR program;

13 “(F) to identify sources of outside funding
14 for applicants for an award under the SBIR
15 program or the STTR program, including ven-
16 ture capitalists, angel investor groups, private
17 industry, crowd funding, and special loan pro-
18 grams; and

19 “(G) to offer increased one-on-one engage-
20 ments with companies and entrepreneurs for
21 SBIR program and STTR program education,
22 assistance, and successful outcomes.

23 “(4) APPLICATION.—

24 “(A) IN GENERAL.—A regional collaborative
25 that desires to participate in the pilot program

1 shall submit to the Administrator an application
2 at such time, in such manner, and containing
3 such information as the Administrator may re-
4 quire.

5 "(B) INCLUSION OF LEAD ELIGIBLE ENTI-
6 TIES AND COORDINATOR.—A regional collabora-
7 tive shall include in an application submitted
8 under subparagraph (A)—

9 "(i) the name of each lead eligible enti-
10 ty from each eligible State in the regional
11 collaborative, as designated under para-
12 graph (5)(A); and

13 "(ii) the name of the coordinator for
14 the regional collaborative, as designated
15 under paragraph (6).

16 "(C) AVOIDANCE OF DUPLICATION.—A re-
17 gional collaborative shall include in an applica-
18 tion submitted under subparagraph (A) an ex-
19 planation as to how the activities of the regional
20 collaborative under the pilot program would dif-
21 fer from other State and Federal outreach activi-
22 ties in each eligible State in the regional collabo-
23 rative.

24 "(5) LEAD ELIGIBLE ENTITY.—

1 “(A) *IN GENERAL.*—Each eligible State in a
2 *regional collaborative shall designate 1 eligible*
3 *entity located in the eligible State to serve as the*
4 *lead eligible entity for the eligible State.*

5 “(B) *AUTHORIZATION BY GOVERNOR.*—
6 *Each lead eligible entity designated under sub-*
7 *paragraph (A) shall be authorized to act as the*
8 *lead eligible entity by the Governor of the appli-*
9 *cable eligible State.*

10 “(C) *RESPONSIBILITIES.*—Each lead eligi-
11 ble entity designated under subparagraph (A)
12 shall be responsible for administering the activi-
13 ties and program initiatives described in para-
14 graph (7) in the applicable eligible State.

15 “(6) *REGIONAL COLLABORATIVE COORDI-*
16 *NATOR.*—Each regional collaborative shall designate a
17 *coordinator from amongst the eligible entities located*
18 *in the eligible States in the regional collaborative,*
19 *who shall serve as the interface between the regional*
20 *collaborative and the Administration with respect to*
21 *measuring cross-State collaboration and program ef-*
22 *fectiveness and documenting best practices.*

23 “(7) *USE OF FUNDS.*—Each regional collabora-
24 *tive that is provided an award under the pilot pro-*

1 gram may, in each eligible State in which an eligible
2 entity of the regional collaborative is located—

3 “(A) establish an initiative under which
4 first-time applicants for an award under the
5 SBIR program or the STTR program are re-
6 viewed by experienced, national experts in the
7 United States, as determined by the lead eligible
8 entity designated under paragraph (5)(A);

9 “(B) engage national mentors on a frequent
10 basis to work directly with applicants for an
11 award under the SBIR program or the STTR
12 program, particularly during Phase II, to assist
13 with the process of preparing and submitting a
14 proposal;

15 “(C) create and make available an online
16 mechanism to serve as a resource for applicants
17 for an award under the SBIR program or the
18 STTR program to identify and connect with
19 Federal labs, prime government contractor com-
20 panies, other industry partners, and regional in-
21 dustry cluster organizations;

22 “(D) conduct focused and concentrated out-
23 reach efforts to increase participation in the
24 SBIR program and the STTR program by small
25 business concerns owned and controlled by

1 *women, small business concerns owned and con-*
2 *trolled by veterans, small business concerns*
3 *owned and controlled by socially and economi-*
4 *cally disadvantaged individuals (as defined in*
5 *section 8(d)(3)(C)), and historically black col-*
6 *leges and universities;*

7 “(E) administer a structured program of
8 *training and technical assistance—*

9 “(i) to prepare applicants for an
10 *award under the SBIR program or the*
11 *STTR program—*

12 “(I) to compete more effectively
13 *for Phase I and Phase II awards; and*

14 “(II) to develop and implement a
15 *successful commercialization plan;*

16 “(ii) to assist eligible States focusing
17 *on transition and commercialization to win*
18 *Phase III awards from public and private*
19 *partners;*

20 “(iii) to create more competitive pro-
21 *posals to increase awards from all Federal*
22 *sources, with a focus on awards under the*
23 *SBIR program and the STTR program;*
24 *and*

1 “(iv) to assist first-time applicants by
2 providing small grants for proof of concept
3 research; and

4 “(F) assist applicants for an award under
5 the SBIR program or the STTR program to
6 identify sources of outside funding, including
7 venture capitalists, angel investor groups, pri-
8 vate industry, crowd funding, and special loan
9 programs.

10 “(8) AWARD AMOUNT.—

11 “(A) IN GENERAL.—The Administrator
12 shall provide an award to each eligible State in
13 which an eligible entity of a regional collabora-
14 tive is located in an amount that is not more
15 than \$300,000 to carry out the activities de-
16 scribed in paragraph (7).

17 “(B) LIMITATION.—

18 “(i) IN GENERAL.—An eligible State
19 may not receive an award under both the
20 FAST program and the pilot program for
21 the same year.

22 “(ii) RULE OF CONSTRUCTION.—Noth-
23 ing in clause (i) shall be construed to pre-
24 vent an eligible State from applying for an

1 *award under the FAST program and the*
2 *pilot program for the same year.*

3 “(9) DURATION OF AWARD.—*An award provided*
4 *under the pilot program shall be for a period of not*
5 *more than 1 year, and may be renewed by the Ad-*
6 *ministrator for 1 additional year.*

7 “(10) TERMINATION.—*The pilot program shall*
8 *terminate on September 30, 2017.*

9 “(11) REPORT.—*Not later than September 30,*
10 *2018, the Administrator shall submit to the Com-*
11 *mittee on Small Business and Entrepreneurship of*
12 *the Senate and the Committee on Small Business of*
13 *the House of Representatives a report on the pilot*
14 *program, which shall include—*

15 “(A) *an assessment of the pilot program*
16 *and the effectiveness of the pilot program in*
17 *meeting the goals described in paragraph (3);*

18 “(B) *an assessment of the best practices, in-*
19 *cluding an analysis of how the pilot program*
20 *compares to the FAST program and a single*
21 *State approach; and*

22 “(C) *recommendations as to whether any*
23 *aspect of the pilot program should be extended or*
24 *made permanent.”.*

1 **SEC. 3. FAST PROGRAM.**2 *Section 34 of the Small Business Act (15 U.S.C. 657d)*3 *is amended—*4 *(1) in subsection (h)—*5 *(A) in paragraph (1), by striking “2001*
6 *through 2005” and inserting “2016 and 2017”;*7 *and*8 *(B) in paragraph (2), by striking “fiscal*
9 *years 2001 through 2005” and inserting “each of*
10 *fiscal years 2016 and 2017”; and*11 *(2) in subsection (i), by striking “September 30,*
12 *2005” and inserting “September 30, 2017”.*

Calendar No. 310

114TH CONGRESS
1ST SESSION
S. 2136

A BILL

To establish the Regional SBIR State Collaborative Initiative Pilot Program, and for other purposes.

DECEMBER 3, 2015

Reported with an amendment