

113TH CONGRESS  
2D SESSION

# S. 2551

To amend the Small Business Act to establish the Innovative Approaches to Technology Transfer Grant Program.

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IN THE SENATE OF THE UNITED STATES

JUNE 26, 2014

Mrs. GILLIBRAND (for herself and Mr. COATS) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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## A BILL

To amend the Small Business Act to establish the Innovative Approaches to Technology Transfer Grant Program.

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 “Technology and Re-  
5 search Accelerating National Security and Future Eco-  
6 nomic Resiliency Act of 2014” or the “TRANSFER Act”.

7 **SEC. 2. INNOVATIVE APPROACHES TO TECHNOLOGY**

8 **TRANSFER GRANT PROGRAM.**

9 Section 9(jj) of the Small Business Act (15 U.S.C.  
10 638(jj)) is amended to read as follows:

1 “(jj) INNOVATIVE APPROACHES TO TECHNOLOGY  
2 TRANSFER.—

3 “(1) GRANT PROGRAM.—

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

5 “(i) the term ‘covered agency’ means  
6 a Federal agency that is required to estab-  
7 lish an STTR program under subsection  
8 (n);

9 “(ii) the term ‘eligible institution’  
10 means—

11 “(I) an institution of higher edu-  
12 cation;

13 “(II) a technology transfer orga-  
14 nization that facilitates the commer-  
15 cialization of technologies developed  
16 by 1 or more institutions of higher  
17 education;

18 “(III) a Federal laboratory;

19 “(IV) a public or private non-  
20 profit entity; or

21 “(V) a consortium of any of the  
22 entities described under subclause (I),  
23 (II), (III), or (IV);

24 “(iii) the term ‘Federal laboratory’  
25 has the meaning given that term under

1 section 4(6) of the Stevenson-Wydler Tech-  
2 nology Innovation Act of 1980 (15 U.S.C.  
3 3703(6));

4 “(iv) the term ‘institution of higher  
5 education’ has the meaning given that  
6 term under section 101(a) of the Higher  
7 Education Act of 1965 (20 U.S.C.  
8 1001(a)); and

9 “(v) the term ‘program’ means an In-  
10 novative Approaches to Technology Trans-  
11 fer Grant Program established by a cov-  
12 ered agency under subparagraph (B).

13 “(B) ESTABLISHMENT OF PROGRAM.—The  
14 head of each covered agency shall establish a  
15 grant program, to be known as the Innovative  
16 Approaches to Technology Transfer Grant Pro-  
17 gram of the covered agency, to make grants to  
18 eligible institutions to improve or accelerate the  
19 commercialization of high quality and commer-  
20 cially viable federally funded research and tech-  
21 nology by small business concerns.

22 “(C) USE OF FUNDS.—Grants awarded  
23 under a program may be used to—

24 “(i) provide early-stage proof of con-  
25 cept funding for translational research;

1           “(ii) identify research and technology  
2           that have the potential for accelerated  
3           commercialization;

4           “(iii) support technology maturation  
5           activities, including prototype construction,  
6           experiment analysis, product comparison,  
7           and the collection of performance data;

8           “(iv) provide funding for technical  
9           validations, market research, clarifying in-  
10          tellectual property rights position and  
11          strategy, and investigating commercial and  
12          business opportunities;

13          “(v) provide advice, mentoring, entre-  
14          preneurial education, project management,  
15          and technology and business development  
16          expertise to innovators and recipients of  
17          technology transfer licenses to maximize  
18          commercialization potential; and

19          “(vi) conduct outreach to small busi-  
20          ness concerns as potential licensees of fed-  
21          erally funded research and technology to  
22          provide technology transfer services to  
23          those small business concerns.

24          “(D) APPLICATION.—

1           “(i) IN GENERAL.—An eligible institu-  
2           tion desiring a grant under the program  
3           shall submit an application to a covered  
4           agency at such time, in such manner, and  
5           containing such information as the covered  
6           agency may require.

7           “(ii) REQUIRED INFORMATION.—An  
8           application submitted for a grant under  
9           the program shall include—

10                   “(I)(aa) a description of innova-  
11                   tive approaches to technology transfer,  
12                   technology development, and commer-  
13                   cial readiness that have the potential  
14                   to increase or accelerate technology  
15                   transfer outcomes and can be adopted  
16                   by other eligible institutions; or

17                   “(bb) a demonstration of, or a  
18                   plan to implement, proven technology  
19                   transfer and commercialization strate-  
20                   gies that can achieve greater commer-  
21                   cialization of federally funded research  
22                   and technology with a grant under the  
23                   program;

24                   “(II) a description of how the eli-  
25                   gible institution will contribute to

1 local and regional economic develop-  
2 ment efforts;

3 “(III) a plan for sustainability  
4 after grant amounts have been ex-  
5 pended; and

6 “(IV) a plan to assemble an over-  
7 sight board in accordance with sub-  
8 paragraph (F).

9 “(E) COMPETITIVE BASIS.—A covered  
10 agency shall award grants to eligible institu-  
11 tions under the program of the covered agency  
12 on a competitive basis.

13 “(F) OVERSIGHT BOARD.—

14 “(i) IN GENERAL.—An eligible institu-  
15 tion that receives a grant under the pro-  
16 gram shall assemble an oversight board  
17 to—

18 “(I) establish award programs  
19 for individual projects, including an  
20 application process;

21 “(II) provide rigorous evaluation  
22 of project applications;

23 “(III) determine which projects  
24 should receive awards from the eligi-  
25 ble institution;

1           “(IV) establish milestones and  
2 associated award amounts for projects  
3 that reach certain milestones;

4           “(V) determine whether a project  
5 is reaching the established milestones;  
6 and

7           “(VI) develop a process to reallo-  
8 cate outstanding award amounts from  
9 projects that are not reaching mile-  
10 stones to other projects with more po-  
11 tential to reach those milestones.

12           “(ii) MEMBERSHIP AND QUALIFICA-  
13 TIONS.—

14           “(I) IN GENERAL.—An oversight  
15 board assembled under clause (i) shall  
16 be composed of members who shall  
17 have demonstrated relevant technical,  
18 scientific, or business expertise, of  
19 whom three-fifths shall be drawn from  
20 relevant industries, start-up compa-  
21 nies, venture capital or other equity  
22 investment mechanisms, technical en-  
23 terprises, financial institutions, and  
24 business development organizations

1 with a track record of success in com-  
2 mercializing innovations.

3 “(II) CONFLICTS OF INTER-  
4 EST.—An oversight board assembled  
5 under clause (i) shall adopt policies  
6 that—

7 “(aa) prohibit conflicts of  
8 interest among members of the  
9 oversight board;

10 “(bb) ensure that relevant  
11 relationships are disclosed; and

12 “(cc) establish proper recus-  
13 al procedures in the event of a  
14 conflict of interest.

15 “(iii) USE OF EXISTING OVERSIGHT  
16 BOARDS.—An eligible institution may use  
17 oversight boards in existence on the date of  
18 the enactment of the Technology and Re-  
19 search Accelerating National Security and  
20 Future Economic Resiliency Act of 2014  
21 that meet the requirements of this sub-  
22 paragraph.

23 “(G) GRANT AND AWARD AMOUNTS.—

24 “(i) GRANT AMOUNTS.—The amount  
25 of a grant made by a covered agency under



1 the program of the covered agency shall be  
2 not more than \$3,000,000.

3 “(ii) AWARD AMOUNTS.—An eligible  
4 institution that receives a grant under a  
5 program shall make awards for individual  
6 projects that support the activities of  
7 clauses (i), (iii) and (iv) of subparagraph  
8 (C), which—

9 “(I) shall not be more than  
10 \$100,000; and

11 “(II) shall be provided in phased  
12 amounts, based on whether the  
13 project is reaching the milestones es-  
14 tablished by the oversight board of the  
15 eligible institution.

16 “(H) AUTHORIZED EXPENDITURES FOR  
17 THE PROGRAM.—

18 “(i) EXPENDITURE AMOUNTS.—The  
19 percentage of the extramural budget for  
20 research, or research and development, re-  
21 quired to be expended by a covered agency  
22 for the program of the covered agency  
23 shall be—

24 “(I) 0.05 percent for fiscal year  
25 2015; and

1                   “(II) 0.1 percent for each of fis-  
2                   cal years 2016 and 2017.

3                   “(ii) TREATMENT OF EXPENDI-  
4                   TURES.—Any portion of the extramural  
5                   budget expended by a covered agency for  
6                   the program of the covered agency shall  
7                   apply toward the STTR expenditure re-  
8                   quirements of the covered agency under  
9                   subsection (n).

10                   “(2) PROGRAM EVALUATION AND DATA COL-  
11                   LECTION AND DISSEMINATION.—

12                   “(A) EVALUATION PLAN AND DATA COL-  
13                   LECTION.—

14                   “(i) IN GENERAL.—Each covered  
15                   agency shall develop a program evaluation  
16                   plan to collect data to identify outcomes  
17                   resulting from the transfer of technology  
18                   under the program of the covered agency,  
19                   including—

20                   “(I) specific follow-on funding  
21                   identified or obtained, including fol-  
22                   low-on funding sources, such as Fed-  
23                   eral sources or private sources, not  
24                   later than 3 years after the date on  
25                   which an eligible institution makes an

1 award for a project under the pro-  
2 gram;

3 “(II) the number of projects  
4 which, not later than 5 years after re-  
5 ceiving an award from an eligible in-  
6 stitution under the program, result in  
7 a license to a start-up company or an  
8 established company with sufficient  
9 resources for effective commercializa-  
10 tion;

11 “(III) the number of invention  
12 disclosures received, United States  
13 patent applications filed, and United  
14 States patents issued not later than 5  
15 years after the date on which an eligi-  
16 ble institution makes an award for a  
17 project under the program;

18 “(IV) the number of projects re-  
19 ceiving an award from an eligible in-  
20 stitution under the program that se-  
21 cure Phase I or Phase II SBIR or  
22 STTR awards;

23 “(V) available information on  
24 revenue, sales, or other measures of  
25 products that have been commer-

1 cialized as a result of projects receiv-  
2 ing an award from an eligible institu-  
3 tion under the program not later than  
4 5 years after the date on which the el-  
5 ible institution made the award;

6 “(VI) the number and location of  
7 jobs created as a result of projects re-  
8 ceiving an award from an eligible in-  
9 stitution under the program; and

10 “(VII) any other data as the cov-  
11 ered agency may determine appro-  
12 priate.

13 “(B) EVALUATIVE REPORT TO CON-  
14 GRESS.—Not later than September 30, 2018,  
15 the head of each covered agency shall submit to  
16 the Committee on Small Business and Entre-  
17 preneurship of the Senate and the Committee  
18 on Science, Space, and Technology and the  
19 Committee on Small Business of the House of  
20 Representatives a report evaluating the activi-  
21 ties of the program of the covered agency,  
22 which shall include—

23 “(i) a detailed description of the im-  
24 plementation of the program;

1           “(ii) a detailed description of selection  
2           process used by the covered agency to  
3           award a grant to an eligible institution  
4           under the program;

5           “(iii) an accounting of the funds used  
6           in the program; and

7           “(iv) a summary of the data collected  
8           under subparagraph (A).

9           “(C) DATA DISSEMINATION.—For pur-  
10          poses of program transparency and the dissemi-  
11          nation of best practices, the Administrator shall  
12          include on the public database under subsection  
13          (k)(1) information on the program of each cov-  
14          ered agency, including—

15           “(i) the program evaluation plan re-  
16           quired under subparagraph (A);

17           “(ii) a list of recipients of awards  
18           made by an eligible institution for projects  
19           under the program by State; and

20           “(iii) information on the use by recipi-  
21           ents of awards made by an eligible institu-  
22           tion for projects under the program.”.

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