Calendar No. 480

114TH CONGRESS 2D SESSION

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.

IN THE SENATE OF THE UNITED STATES

APRIL 18, 2016

Mrs. Shaheen (for herself, Mr. Vitter, Mr. Markey, and Ms. Ayotte) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

May 24, 2016

Reported by Mr. VITTER, with an amendment

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

A BILL

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

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

1 SECTION 1. SHORT TITLE.

- 2 This Act may be eited as the "SBIR and STTR Re-
- 3 authorization and Improvement Act of 2016".
- 4 SEC. 2. TABLE OF CONTENTS.
- 5 The table of contents for this Act is as follows:
 - Sec. 1. Short title.
 - Sec. 2. Table of contents.

TITLE I—REAUTHORIZATION OF PROGRAMS

- Sec. 101. Permanency of SBIR program and STTR program.
 - TITLE II—ENHANCED SMALL BUSINESS ACCESS TO FEDERAL INNOVATION INVESTMENTS
- Sec. 201. Allocation increases and transparency in base calculation.
- Sec. 202. Regular oversight of award amounts.

TITLE HI—COMMERCIALIZATION IMPROVEMENTS

- Sec. 301. Permanency of the commercialization pilot program for civilian agencies
- Sec. 302. Enforcement of national small business goal for Federal research and development.
- Sec. 303. Tracking rapid innovation fund awards in annual congressional report.
- Sec. 304. Intellectual property protection for technology development.
- Sec. 305. Annual GAO audit of compliance with commercialization goals.
- Sec. 306. Clarifying the Phase III preference.
- Sec. 307. Improvements to technical and business assistance.

TITLE IV—PROGRAM DIVERSIFICATION INITIATIVES

- Sec. 401. Regional SBIR State collaborative initiative pilot program.
- Sec. 402. Federal and State Technology Partnership Program.

TITLE V—OVERSIGHT AND SIMPLIFICATION INITIATIVES

- Sec. 501. Data modernization summit.
- Sec. 502. Implementation of outstanding reauthorization provisions.
- See. 503. Strengthening of the requirement to shorten the application review and decision time.
- Sec. 504. Continued GAO oversight of allocation compliance and accuracy in funding base calculations.

TITLE VI—TECHNICAL CHANGES

- Sec. 601. Uniform reference to the Department of Health and Human Services.
- Sec. 602. Flexibility for Phase II award invitations.

TITLE I—REAUTHORIZATION OF 1 **PROGRAMS** 2 SEC. 101. PERMANENCY OF SBIR PROGRAM AND STTR PRO-4 GRAM. 5 (a) SBIR.—Section 9(m) of the Small Business Act (15 U.S.C. 638(m)) is amended— 7 (1) in the subsection heading, by striking "TERMINATION" and inserting "SBIR PROGRAM 8 9 AUTHORIZATION"; and 10 (2) by striking "terminate on September 30, 11 2017" and inserting "be in effect for each fiscal 12 vear". 13 (b) STTR.—Section 9(n)(1)(A) of the Small Business Act (15 U.S.C. 638(n)(1)(A)) is amended by striking "through fiscal year 2017". TITLE H—ENHANCED **SMALL** 16 BUSINESS ACCESS TO 17 **INNOVATION INVEST**-ERAL 18 **MENTS** 19 20 SEC. 201. ALLOCATION INCREASES AND TRANSPARENCY IN 21 BASE CALCULATION. 22 (a) SBIR.—Section 9(f) of the Small Business Act (15 U.S.C. 638(f)) is amended— 24 (1) in paragraph (1)—

1	(A) in the matter preceding subparagraph
2	(A), by striking "expend" and inserting "obli-
3	gate for expenditure";
4	(B) in subparagraph (H), by striking
5	"and" at the end;
6	(C) in subparagraph (I), by striking "and
7	each fiscal year thereafter," and inserting a
8	semicolon; and
9	(D) by inserting after subparagraph (I) the
10	following:
11	"(J) for a Federal agency other than the
12	Department of Defense—
13	"(i) not less than 3.5 percent of the
14	extramural budget for research or research
15	and development of the Federal agency in
16	each of fiscal years 2018 and 2019;
17	"(ii) not less than 4 percent of such
18	extramural in each of fiscal years 2020
19	and 2021;
20	"(iii) not less than 4.5 percent of such
21	extramural in each of fiscal years 2022
22	and 2023;
23	"(iv) not less than 5 percent of such
24	extramural in each of fiscal years 2024
25	and 2025;

1	"(v) not less than 5.5 percent of such
2	extramural in each of fiscal years 2026
3	and 2027; and
4	"(vi) not less than 6 percent of such
5	extramural in fiscal year 2028 and each
6	fiscal year thereafter; and
7	"(K) for the Department of Defense—
8	"(i) not less than 2.5 percent of the
9	budget for research and development of the
10	Department of Defense in each of fiscal
11	years 2018 and 2019;
12	"(ii) not less than 3 percent of such
13	budget in each of fiscal years 2020 and
14	2021;
15	"(iii) not less than 3.5 percent of such
16	budget in each of fiscal years 2022 and
17	2023;
18	"(iv) not less than 4 percent of such
19	budget in each of fiscal years 2024 and
20	2025;
21	"(v) not less than 4.5 percent of such
22	budget in each of fiscal years 2026 and
23	2027; and

1	"(vi) not less than 5 percent of such
2	budget in fiscal year 2028 and each fiscal
3	year thereafter,";
4	(2) in paragraph (2)(B), by inserting "(or for
5	the Department of Defense, an amount of the budg-
6	et for basic research of the Department of Defense)"
7	after "research"; and
8	(3) in paragraph (4), by inserting "(or for the
9	Department of Defense an amount of the budget for
10	research of the Department of Defense)" after "of
11	the agency".
12	(b) STTR.—Section 9(n)(1) of the Small Business
13	Act (15 U.S.C. 638(n)(1)) is amended—
14	(1) in subparagraph (A) —
15	(A) by striking "expend" and inserting
16	"obligate for expenditure"; and
17	(B) by striking "not less than the percent-
18	age of that extramural budget specified in sub-
19	paragraph (B)" and inserting "for a Federal
20	agency other than the Department of Defense,
21	not less than the percentage of that extramural
22	budget specified in subparagraph (B) and, for
23	the Department of Defense, not less than the
24	percentage of the budget for research and de-

1	velopment of the Department of Defense speci-
2	fied in subparagraph (B)"; and
3	(2) in subparagraph (B)—
4	(A) in the matter preceding clause (i), by
5	striking "the extramural budget required to be
6	expended by an agency" and inserting "the ex-
7	tramural budget, for a Federal agency other
8	than the Department of Defense, and of the
9	budget for research and development, for the
10	Department of Defense, required to be obli-
11	gated for expenditure with small business con-
12	cerns";
13	(B) in clause (iv), by striking "and" at the
14	end;
15	(C) in clause (v), by striking "fiscal year
16	2016 and each fiscal year thereafter." and in-
17	serting "each of fiscal years 2016 and 2017;";
18	and
19	(D) by adding at the end the following:
20	"(vi) 0.55 percent for each of fiscal
21	years 2018 and 2019;
22	"(vii) 0.65 percent for each of fiscal
23	years 2020 and 2021;
24	"(viii) 0.75 percent for each of fiscal
25	years 2022 and 2023; and

1	"(ix) 1 percent for fiscal year 2024
2	and each fiscal year thereafter.".
3	SEC. 202. REGULAR OVERSIGHT OF AWARD AMOUNTS.
4	(a) Elimination of Automatic Inflation Ad-
5	JUSTMENTS.—Section 9(j) of the Small Business Act (15
6	U.S.C. 638(j)) is amended—
7	(1) in paragraph (2)(D), by inserting "through
8	fiscal year 2016" after "every year"; and
9	(2) by adding at the end the following:
10	"(4) 2016 MODIFICATIONS FOR DOLLAR VALUE
11	OF AWARDS.—Not later than 120 days after the
12	date of enactment of the SBIR and STTR Reau-
13	thorization and Improvement Act of 2016, the Ad-
14	ministrator shall modify the policy directives issued
15	under this subsection to—
16	"(A) eliminate the annual adjustments for
17	inflation of the dollar value of awards described
18	in paragraph (2)(D); and
19	"(B) clarify that Congress intends to re-
20	view the dollar value of awards every 3 fiscal
21	years.''.
22	(b) Sense of Congress Regarding Regular Re-
23	VIEW OF THE AWARD SIZES.—It is the sense of Congress
24	that for fiscal year 2019, and every third fiscal year there-
25	after Congress should evaluate whether the maximum

1	award sizes under the Small Business Innovation Re
2	search Program under section 9 of the Small Business Ac
3	(15 U.S.C. 638) should be adjusted and, if so, take appro
4	priate action to direct that such adjustments be made
5	under the policy directives issued under subsection (j) or
6	such section.
7	(c) Clarification of Sequential Phase I
8	AWARDS.—Section 9(ff) of the Small Business Act (15)
9	U.S.C. 638(ff)) is amended by adding at the end the fol
10	lowing:
11	"(3) Clarification of sequential phase i
12	AWARDS.—The head of a Federal agency shall en
13	sure that any sequential Phase H award is made in
14	accordance with the limitations on award sizes under
15	subsection (aa).".
16	TITLE III—COMMERCIALIZATION
17	IMPROVEMENTS
18	SEC. 301. PERMANENCY OF THE COMMERCIALIZATION
19	PILOT PROGRAM FOR CIVILIAN AGENCIES.
20	Section 9(gg) of the Small Business Act (15 U.S.C
21	638(gg)) is amended—
22	(1) in the subsection heading, by striking
23	"PILOT PROGRAM" and inserting "COMMERCIALIZA
24	TION DEVELOPMENT AWARDS";
25	(2) by striking paragraphs (2), (7), and (8);

1	(3) by redesignating paragraphs (3) , (4) , (5) ,
2	and (6) as paragraphs (2), (3), (4), and (5), respec-
3	tively;
4	(4) by adding at the end the following:
5	"(6) Definitions.—In this subsection—
6	"(A) the term 'commercialization develop-
7	ment program' means a program established by
8	a covered Federal agency under paragraph (1);
9	and
10	"(B) the term 'covered Federal agency'—
11	"(i) means a Federal agency partici-
12	pating in the SBIR program or the STTR
13	program; and
14	"(ii) does not include the Department
15	of Defense."; and
16	(5) by striking "pilot program" each place it
17	appears and inserting "commercialization develop-
18	ment program".
19	SEC. 302. ENFORCEMENT OF NATIONAL SMALL BUSINESS
20	GOAL FOR FEDERAL RESEARCH AND DEVEL-
21	OPMENT.
22	Section 9(h) of the Small Business Act (15 U.S.C.
23	638(h)) is amended by inserting ", which may not be less
24	than 10 percent for fiscal year 2018, and each fiscal year
25	thereafter," after "shall establish goals".

1	SEC. 303. TRACKING RAPID INNOVATION FUND AWARDS IN
2	ANNUAL CONGRESSIONAL REPORT.
3	Section 9(b)(7) of the Small Business Act (15 U.S.C.
4	638(b)(7)) is amended—
5	(1) in subparagraph (F), by striking "and" at
6	the end;
7	(2) in subparagraph (G), by striking the period
8	at the end and inserting "; and"; and
9	(3) by adding at the end the following:
10	"(H) information regarding awards under
11	the Rapid Innovation Program under section
12	1073 of the Ike Skelton National Defense Au-
13	thorization Act for Fiscal Year 2011 (Public
14	Law 111–383; 124 Stat. 4366; 10 U.S.C. 2359
15	note), including—
16	"(i) the number and dollar amount of
17	awards made under the Rapid Innovation
18	Program to business concerns receiving an
19	award under the SBIR program or the
20	STTR program;
21	"(ii) the proportion of awards under
22	the Rapid Innovation Program made to
23	business concerns receiving an award
24	under the SBIR program or the STTR
25	program;

1	"(iii) the proportion of awards under
2	the Rapid Innovation Program made to
3	small business concerns; and
4	"(iv) a projection of the effect on the
5	number of awards under the Rapid Innova-
6	tion Program if amounts to carry out the
7	program were made available as a fixed al-
8	location of the amount appropriated to the
9	Department of Defense for research, devel-
10	opment, test, and evaluation, excluding
11	amounts appropriated for the defense uni-
12	versities;".
13	SEC. 304. INTELLECTUAL PROPERTY PROTECTION FOR
	SEC. 304. INTELLECTUAL PROPERTY PROTECTION FOR TECHNOLOGY DEVELOPMENT.
13 14 15	
14 15	TECHNOLOGY DEVELOPMENT.
14 15	TECHNOLOGY DEVELOPMENT. Section 9 of the Small Business Act (15 U.S.C. 638)
14 15 16	Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:
14 15 16 17	TECHNOLOGY DEVELOPMENT. Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following: "(tt) Intellectual Property Protections.—
14 15 16 17 18	TECHNOLOGY DEVELOPMENT. Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following: "(tt) Intellectual Property Protections.— "(1) In General.—Subject to paragraph
14 15 16 17 18	Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following: "(tt) Intellectual Property Protections.— "(1) In General.—Subject to paragraph (2)(B), the cost of seeking protection for intellectual
14 15 16 17 18 19 20	Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following: "(tt) Intellectual Property Protections.— "(1) In General.—Subject to paragraph (2)(B), the cost of seeking protection for intellectual property, including a trademark, copyright, or pat-
14 15 16 17 18 19 20 21	Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following: "(tt) Intellectual Property Protections.— "(1) In General.—Subject to paragraph (2)(B), the cost of seeking protection for intellectual property, including a trademark, copyright, or patent, that was created through work performed under

1	"(A) IN GENERAL.—A Federal agency
2	shall not directly or indirectly inhibit, through
3	the policies, directives, or practices of the Fed-
4	eral agency, an otherwise eligible small business
5	concern performing under an SBIR or STTR
6	award from recovering patent costs incurred as
7	requirements under that award, including—
8	"(i) the costs of preparing—
9	"(I) invention disclosures;
10	"(II) reports; and
11	"(III) other documents;
12	"(ii) the costs for searching the art to
13	the extent necessary to make the invention
14	disclosures;
15	"(iii) other costs in connection with
16	the filing and prosecution of a United
17	States patent application where title or
18	royalty-free license is to be conveyed to the
19	Federal Government; and
20	"(iv) general counseling services relat-
21	ing to patent matters, including advice on
22	patent laws, regulations, clauses, and em-
23	ployee agreements.
24	"(B) RECOVERY LIMITATIONS.—After con-
25	sultation with contracting or auditing authori-

1	ties, the patent costs described in subparagraph
2	(A) shall be allowable for technology developed
3	under a—
4	"(i) Phase I award, as indirect costs
5	in an amount not greater than \$5,000;
6	"(ii) Phase H award, as indirect costs
7	in an amount not greater than \$15,000;
8	and
9	"(iii) Phase III award in which the
10	Federal Government has government pur-
11	pose rights (as defined in section
12	227.7103-5 of title 48, Code of Federal
13	Regulations).".
14	SEC. 305. ANNUAL GAO AUDIT OF COMPLIANCE WITH COM-
15	MERCIALIZATION GOALS.
16	Section 9(nn) of the Small Business Act (15 U.S.C.
17	638(nn)) is amended to read as follows:
18	"(nn) Annual GAO Report on Government
19	COMPLIANCE WITH GOALS, INCENTIVES, AND PHASE III
20	PREFERENCE.—Not later than 1 year after the date of
21	enactment of the SBIR and STTR Reauthorization and
22	Improvement Act of 2016, and every year thereafter until
23	the date that is 5 years after the date of enactment of
24	the SBIR and STTR Reauthorization and Improvement
25	Act of 2016, the Comptroller General of the United States

1	shall submit to the Committee on Small Business and En-
2	trepreneurship of the Senate and the Committee on Small
3	Business of the House of Representatives a report that—
4	"(1) discusses the status of the compliance of
5	Federal agencies with the requirements or authori-
6	ties established under—
7	"(A) subsection (h), relating to the estab-
8	lishment by certain Federal agencies of a goal
9	for funding agreements for research and re-
10	search and development with small business
11	concerns;
12	"(B) subsection (y)(5)(A), relating to the
13	requirement for the Department of Defense to
14	establish goals for the transition of Phase III
15	technologies in subcontracting plans;
16	"(C) subsection $(y)(5)(B)$, relating to the
17	requirement for the Department of Defense to
18	establish procedures for a prime contractor to
19	report the number and dollar amount of con-
20	tracts with small business concerns for Phase
21	III SBIR projects or STTR projects of the
22	prime contractor; and
23	"(D) subsection (y)(6), relating to the re-
24	quirement for the Department of Defense to set
25	a goal to increase the number of Phase II SRIR

1	and STTR contracts that transition into pro-
2	grams of record or fielded systems;
3	"(2) includes, for a Federal agency that is in
4	compliance with a requirement described under
5	paragraph (1), a description of how the Federal
6	agency achieved compliance; and
7	"(3) includes a list, organized by Federal agen-
8	ey, of small business concerns that have asserted
9	that —
10	"(A) technology of the small business con-
11	cern was stolen by the Government or a prime
12	contractor; or
13	"(B) the Federal agency solicited bids for
14	a contract that was for work that derived from
15	extended, or completed efforts made under prior
16	funding agreements under the SBIR program
17	or STTR program.".
18	SEC. 306. CLARIFYING THE PHASE III PREFERENCE.
19	Section 9(r) of the Small Business Act (15 U.S.C
20	638(r)) is amended—
21	(1) by striking paragraph (4);
22	(2) by redesignating paragraph (2) as para
23	graph (4), and transferring such paragraph to after
24	paragraph (3): and

1	(3) by inserting after paragraph (1) the fol-
2	lowing:
3	"(2) Phase III Award direction for agen-
4	CIES AND PRIME CONTRACTORS.—To the greatest
5	extent practicable, Federal agencies and Federal
6	prime contractors shall issue Phase III awards relat-
7	ing to technology, including sole source awards and
8	awards under the Defense Research and Develop-
9	ment Rapid Innovation Program under section 1073
10	of the Ike Skelton National Defense Authorization
11	Act for Fiscal Year 2011 (Public Law 111–383; 124
12	Stat. 4366; 10 U.S.C. 2359 note), to the SBIR and
13	STTR award recipients that developed the tech-
14	nology.".
	nology.''. SEC. 307. IMPROVEMENTS TO TECHNICAL AND BUSINESS
141516	
15 16	SEC. 307. IMPROVEMENTS TO TECHNICAL AND BUSINESS
15 16 17	SEC. 307. IMPROVEMENTS TO TECHNICAL AND BUSINESS ASSISTANCE.
15 16 17	SEC. 307. IMPROVEMENTS TO TECHNICAL AND BUSINESS ASSISTANCE. Section 9(q) of the Small Business Act (15 U.S.C.
15 16 17 18	SEC. 307. IMPROVEMENTS TO TECHNICAL AND BUSINESS ASSISTANCE. Section 9(q) of the Small Business Act (15 U.S.C. 638(q)) is amended—
15 16 17 18 19	SEC. 307. IMPROVEMENTS TO TECHNICAL AND BUSINESS ASSISTANCE. Section 9(q) of the Small Business Act (15 U.S.C. 638(q)) is amended— (1) in the subsection heading, by inserting
15 16 17 18 19 20	SEC. 307. IMPROVEMENTS TO TECHNICAL AND BUSINESS ASSISTANCE. Section 9(q) of the Small Business Act (15 U.S.C. 638(q)) is amended— (1) in the subsection heading, by inserting "AND BUSINESS" after "Technical";
15 16 17 18 19 20 21	SEC. 307. IMPROVEMENTS TO TECHNICAL AND BUSINESS ASSISTANCE. Section 9(q) of the Small Business Act (15 U.S.C. 638(q)) is amended— (1) in the subsection heading, by inserting "AND BUSINESS" after "Technical"; (2) in paragraph (1)—
15 16 17 18 19 20 21 22	SEC. 307. IMPROVEMENTS TO TECHNICAL AND BUSINESS ASSISTANCE. Section 9(q) of the Small Business Act (15 U.S.C. 638(q)) is amended— (1) in the subsection heading, by inserting "AND BUSINESS" after "Technical"; (2) in paragraph (1)— (A) in the matter preceding subparagraph

1	(ii) by inserting "assistance with
2	product sales, intellectual property protec-
3	tions, market research," after "tech-
4	nologies,"; and
5	(B) in subparagraph (D), by inserting ".
6	including intellectual property protections" be-
7	fore the period at the end; and
8	(3) in paragraph (3)—
9	(A) in subparagraph (A) , by striking
10	"\$5,000 per year" each place that term appears
11	and inserting "\$6,500 per project";
12	(B) in subparagraph (B), by striking
13	"\$5,000 per year" each place that term appears
14	and inserting "\$15,000 per project";
15	(C) in subparagraph (C), by inserting "or
16	business" after "technical"; and
17	(D) in subparagraph (D), by inserting "or
18	business" after "technical" each place that
19	term appears.
20	TITLE IV—PROGRAM
21	DIVERSIFICATION INITIATIVES
22	SEC. 401. REGIONAL SBIR STATE COLLABORATIVE INITIA
23	TIVE PILOT PROGRAM.
24	Section 9 of the Small Business Act (15 U.S.C. 638)
25	is amended—

1	(1) in subsection (mm)—
2	(A) in paragraph (1), in the matter pre-
3	ceding subparagraph (A), by striking "2017"
4	and inserting "2021"; and
5	(B) by adding at the end the following:
6	"(7) SBIR AND STTR PROGRAMS; FAST PRO-
7	GRAM.—
8	"(A) DEFINITION.—In this paragraph, the
9	term 'covered Federal agency' means a Federal
10	agency that—
11	"(i) is required to conduct an SBIR
12	program; and
13	"(ii) elects to use the funds allocated
14	to the SBIR program of the Federal agen-
15	ey for the purposes described in paragraph
16	(1).
17	"(B) REQUIREMENT.—Each covered Fed-
18	eral agency shall transfer an amount equal to
19	15 percent of the funds that are used for the
20	purposes described in paragraph (1) to the Ad-
21	ministration—
22	"(i) for the Regional SBIR State Col-
23	laborative Initiative Pilot Program estab-
24	lished under subsection (uu);

1	"(ii) for the Federal and State Tech-
2	nology Partnership Program established
3	under section 34; and
4	"(iii) to support the Office of the Ad-
5	ministration that administers the SBIR
6	program and the STTR program, subject
7	to agreement from other agencies about
8	how the funds will be used, in carrying out
9	those programs and the programs de-
10	scribed in clauses (i) and (ii).
11	"(8) PILOT PROGRAM.—
12	"(A) In General. Of amounts provided
13	to the Administration under paragraph (7), not
14	less than \$5,000,000 shall be used to provide
15	awards under the Regional SBIR State Collabo-
16	rative Initiative Pilot Program established
17	under subsection (uu) for each fiscal year in
18	which the program is in effect.
19	"(B) DISBURSEMENT FLEXIBILITY.—The
20	Administration may use any unused funds
21	made available under subparagraph (A) as of
22	April 1 of each fiscal year for awards to carry
23	out clauses (ii) and (iii) of paragraph (7)(B)

after providing written notice to—

24

1	"(i) the Committee on Small Business
2	and Entrepreneurship and the Committee
3	on Appropriations of the Senate; and
4	"(ii) the Committee on Small Busi-
5	ness and the Committee on Appropriations
6	of the House of Representatives."; and
7	(2) by adding after subsection (tt), as added by
8	section 304 of this Act, the following:
9	"(uu) REGIONAL SBIR STATE COLLABORATIVE INI-
10	TIATIVE PILOT PROGRAM.—
11	"(1) Definitions.—In this subsection—
12	"(A) the term 'eligible entity' means—
13	"(i) a research institution; and
14	"(ii) a small business concern;
15	"(B) the term 'eligible State' means—
16	"(i) a State that the Administrator
17	determines is in the bottom half of States,
18	based on the average number of annual
19	SBIR program awards made to companies
20	in the State for the preceding 3 years for
21	which the Administration has applicable
22	data; and
23	"(ii) an EPSCoR State that—
24	"(I) is a State described in clause
25	(i); or

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

1	Commonwealth of Puerto Rico, and any terri-
2	tory or possession of the United States.
3	"(2) ESTABLISHMENT.—The Administrator
4	shall establish a pilot program, to be known as the
5	Regional SBIR State Collaborative Initiative Pilot
6	Program, under which the Administrator shall pro-
7	vide awards to regional collaboratives to address the
8	needs of small business concerns in order to be more
9	competitive in the proposal and selection process for
10	awards under the SBIR program and the STTR
11	program and to increase technology transfer and
12	commercialization.
13	"(3) Goals.—The goals of the pilot program
14	are—
15	"(A) to create regional collaboratives that
16	allow eligible entities to work cooperatively to
17	leverage resources to address the needs of small
18	business concerns;
19	"(B) to grow SBIR program and STTR
20	program cooperative research and development
21	and commercialization through increased
22	awards under those programs;
23	"(C) to increase the participation of States
24	that have historically received a lower level of

1	awards under the SBIR program and the
2	STTR program;
3	"(D) to utilize the strengths and advan-
4	tages of regional collaboratives to better lever-
5	age resources, best practices, and economies of
6	scale in a region for the purpose of increasing
7	awards and increasing the commercialization of
8	the SBIR program and STTR projects;
9	"(E) to increase the competitiveness of the
10	SBIR program and the STTR program;
11	"(F) to identify sources of outside funding
12	for applicants for an award under the SBIR
13	program or the STTR program, including ven-
14	ture capitalists, angel investor groups, private
15	industry, crowd funding, and special loan pro-
16	grams; and
17	"(G) to offer increased one-on-one engage-
18	ments with companies and entrepreneurs for
19	SBIR program and STTR program education,
20	assistance, and successful outcomes.
21	"(4) APPLICATION.—
22	"(A) In General.—A regional collabo-
23	rative that desires to participate in the pilot
24	program shall submit to the Administrator an
25	application at such time, in such manner, and

1	containing such information as the Adminis-
2	trator may require.
3	"(B) Inclusion of Lead eligible enti-
4	TIES AND COORDINATOR.—A regional collabo-
5	rative shall include in an application submitted
6	under subparagraph (A) —
7	"(i) the name of each lead eligible en-
8	tity from each eligible State in the regional
9	collaborative, as designated under para-
10	$\frac{\text{graph }(5)(A)}{\text{and}}$
11	"(ii) the name of the coordinator for
12	the regional collaborative, as designated
13	under paragraph (6).
14	"(C) AVOIDANCE OF DUPLICATION.—A re-
15	gional collaborative shall include in an applica-
16	tion submitted under subparagraph (A) an ex-
17	planation as to how the activities of the regional
18	collaborative under the pilot program would dif-
19	fer from other State and Federal outreach ac-
20	tivities in each eligible State in the regional col-
21	laborative.
22	"(5) Lead eligible entity.—
23	"(A) In General.—Each eligible State in
24	a regional collaborative shall designate 1 cligible

1	entity located in the eligible State to serve as
2	the lead eligible entity for the eligible State.
3	"(B) AUTHORIZATION BY GOVERNOR.—
4	Each lead eligible entity designated under sub-
5	paragraph (A) shall be authorized to act as the
6	lead eligible entity by the Governor of the appli-
7	eable eligible State.
8	"(C) RESPONSIBILITIES.—Each lead eligi-
9	ble entity designated under subparagraph (A)
10	shall be responsible for administering the activi-
11	ties and program initiatives described in para-
12	graph (7) in the applicable eligible State.
13	"(6) REGIONAL COLLABORATIVE COORDI-
14	NATOR.—Each regional collaborative shall designate
15	a coordinator from amongst the eligible entities lo-
16	cated in the eligible States in the regional collabo-
17	rative, who shall serve as the interface between the
18	regional collaborative and the Administration with
19	respect to measuring cross-State collaboration and
20	program effectiveness and documenting best prac-
21	tices.
22	"(7) USE OF FUNDS.—Each regional collabo-
23	rative that is provided an award under the pilot pro-
24	gram may, in each eligible State in which an eligible

entity of the regional collaborative is located—

25

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 $(5)(A)$;
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 H
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

by women, small business concerns owned and

controlled by veterans, small business concerns

24

25

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;
14	"(ii) to assist eligible States focusing
15	on transition and commercialization to win
16	Phase III awards from public and private
17	partners;
18	"(iii) to create more competitive pro-
19	posals to increase awards from all Federal
20	sources, with a focus on awards under the
21	SBIR program and the STTR program;
22	and
23	"(iv) to assist first-time applicants by
24	providing small grants for proof of concept
25	research; and

1 "(F) assist applicants for an award under 2 the SBIR program or the STTR program to 3 identify sources of outside funding, including 4 venture capitalists, angel investor groups, pri-5 vate industry, erowd funding, and special loan 6 programs. 7 "(8) AWARD AMOUNT. 8 "(A) IN GENERAL.—The Administrator 9 shall provide an award to each eligible State in 10 which an eligible entity of a regional collabo-11 rative is located in an amount that is not more 12 than \$300,000 to carry out the activities de-13 scribed in paragraph (7). 14 "(B) LIMITATION.— "(i) IN GENERAL.—An eligible State 15 16 may not receive an award under both the 17 FAST program and the pilot program for 18 the same year. 19 Θ F CONSTRUCTION. 20 Nothing in clause (i) shall be construed to 21 prevent an eligible State from applying for 22 an award under the FAST program and 23 the pilot program for the same year. 24 "(9) DURATION OF AWARD.—An award pro-25 vided under the pilot program shall be for a period

1	of not more than 1 year, and may be renewed by the
2	Administrator for 1 additional year.
3	"(10) TERMINATION.—The pilot program shall
4	terminate on September 30, 2021.
5	"(11) Report.—Not later than February 1,
6	2021, the Administrator shall submit to the Com-
7	mittee on Small Business and Entrepreneurship of
8	the Senate and the Committee on Small Business of
9	the House of Representatives a report on the pilot
10	program, which shall include—
11	"(A) an assessment of the pilot program
12	and the effectiveness of the pilot program in
13	meeting the goals described in paragraph (3);
14	"(B) an assessment of the best practices,
15	including an analysis of how the pilot program
16	compares to the FAST program and a single-
17	State approach; and
18	"(C) recommendations as to whether any
19	aspect of the pilot program should be extended
20	or made permanent.".
21	SEC. 402. FEDERAL AND STATE TECHNOLOGY PARTNER-
22	SHIP PROGRAM.
23	Section 34 of the Small Business Act (15 U.S.C.
24	657d) is amended—
25	(1) in subsection (h)—

1	(A) in paragraph (1), by striking "2001
2	through 2005" and inserting "2017 through
3	2021"; and
4	(B) in paragraph (2), by striking "fiscal
5	years 2001 through 2005" and inserting "each
6	of fiscal years 2017 through 2021"; and
7	(2) in subsection (i), by striking "September
8	30, 2005" and inserting "September 30, 2021".
9	TITLE V—OVERSIGHT AND
10	SIMPLIFICATION INITIATIVES
11	SEC. 501. DATA MODERNIZATION SUMMIT.
12	(a) DEFINITIONS.—In this section—
13	(1) the term "Administration" means the Small
14	Business Administration;
15	(2) the term "Committee" means the SBIR and
16	STTR Interagency Policy Committee established
17	under subsection (b);
18	(3) the terms "Federal agency", "SBIR", and
19	"STTR" have the meanings given such terms under
20	section 9(e) of the Small Business Act (15 U.S.C.
21	638(e));
22	(4) the term "participating Federal agency"
23	means a Federal agency with an SBIR program or
24	

1	(5) the term "phase" means Phase I, Phase II,
2	and Phase III, as those terms are defined under sec-
3	tion 9(e) of the Small Business Act (15 U.S.C.
4	638(e)); and
5	(6) the term "small business concern" has the
6	meaning given that term under section 3 of the
7	Small Business Act (15 U.S.C. 632).
8	(b) ESTABLISHMENT.—There is established an inter-
9	agency committee to be known as the "SBIR and STTR
10	Interagency Policy Committee".
11	(e) Membership.—The Committee shall include—
12	(1) 2 representatives from each participating
13	Federal agency, of which—
14	(A) 1 shall have expertise with respect to
15	the SBIR program and STTR program of the
16	Federal agency; and
17	(B) 1 shall have expertise with respect to
18	the information technology systems of the Fed-
19	eral agency; and
20	(2) 2 representatives from the Administration,
21	of which—
22	(A) 1 shall serve as chairperson of the
23	Committee; and

1	(B) 1 shall be from the Information Tech-
2	nology Development Team of the Office of In-
3	vestment and Innovation of the Administration.
4	(d) DUTIES.—The Committee shall review the rec-
5	ommendations made in the report to Congress by the Of-
6	fice of Science and Technology of the Administration enti-
7	tled "SBIR/STTR TechNet Public & Government Data-
8	bases", dated September 15, 2014, and the practices of
9	participating Federal agencies to—
10	(1) determine how to collect data on achieve-
11	ments by small business concerns in each phase of
12	the SBIR program and the STTR program and en-
13	sure collection and dissemination of such data in a
14	timely, efficient, and uniform manner;
15	(2) establish a uniform baseline for metrics that
16	support improving the solicitation, contracting, fund-
17	ing, and execution of program management in the
18	SBIR program and the STTR program;
19	(3) normalize formatting and database usage
20	across participating Federal agencies; and
21	(4) determine the feasibility of developing a
22	common system across all participating Federal
23	agencies and the paperwork requirements under
24	such a common system.

1	(e) IMPLEMENTATION.—Not later than September
2	31, 2018, the Committee shall brief the Committee on
3	Small Business and Entrepreneurship of the Senate and
4	the Committee on Small Business of the House of Rep-
5	resentatives on the solutions identified by the Committee
6	under subsection (d) and resources needed to execute the
7	solutions.
8	SEC. 502. IMPLEMENTATION OF OUTSTANDING REAUTHOR-
9	IZATION PROVISIONS.
10	(a) In General.—Section 9(mm) of the Small Busi-
11	ness Act (15 U.S.C. 638(mm)), as amended by section
12	401(1) of this Act, is amended—
13	(1) in paragraph (1), by striking "paragraph
14	(3)" and inserting "paragraphs (3) and (9)"; and
15	(2) by adding at the end the following:
16	"(9) Suspension of Funding.—
17	"(A) FOR FEDERAL AGENCIES.—
18	"(i) In general.—For fiscal years
19	2018 and 2019, any Federal agency that
20	has not implemented each provision of law
21	described in clause (ii)—
22	"(I) shall continue to provide
23	amounts to the Administration in ac-
24	cordance with paragraph (7)(B); and

1	"(H) may not use any additional
2	amounts as described in paragraph
3	(1) until 30 days after the date on
4	which the Federal agency submits to
5	the Committee on Small Business and
6	Entrepreneurship of the Senate and
7	the Committee on Small Business of
8	the House of Representatives docu-
9	mentation demonstrating that the
10	Federal agency has implemented and
11	is in compliance with each provision of
12	law described in clause (ii).
13	"(ii) Provisions.—The provisions of
14	law described in this subparagraph are the
15	following:
16	"(I) Subsection (r)(4), relating to
17	Phase III preferences.
18	"(II) Paragraphs (5) and (6) of
19	subsection (y), relating to insertion
20	goals.
21	"(III) Subsection $(g)(4)(B)$, re-
22	lating to shortening the decision time
23	for SBIR awards.

1	"(IV) Subsection (o)(4)(B), relat-
2	ing to shortening the decision time for
3	STTR awards.
4	"(V) Subsection (v), relating to
5	reducing paperwork and compliance
6	burdens.
7	"(B) For administration.—For fiscal
8	years 2018 and 2019, if the Administration is
9	not in compliance with subsection (b)(7), relat-
10	ing to annual reports to Congress, the Adminis-
11	tration may not use amounts received under
12	paragraph (7)(B) of this subsection for a pur-
13	pose described in clause (iii) of such paragraph
14	(7)(B).".
15	(b) Clarification of Reporting Require-
16	MENT.—Section 9(b)(7) of the Small Business Act (15
17	U.S.C. 638(b)(7)) is amended in the matter preceding
18	subparagraph (A), by striking "not less than annually"
19	and inserting "not later than February 1 of each year".
20	SEC. 503. STRENGTHENING OF THE REQUIREMENT TO
21	SHORTEN THE APPLICATION REVIEW AND
22	DECISION TIME.
23	Section 9 of the Small Business Act (15 U.S.C. 638)
24	is amended—

1	(1) in subsection $(g)(4)$, by striking subpara-
2	graph (B) and inserting the following:
3	"(B) make a final decision on each pro-
4	posal submitted under the SBIR program—
5	"(i) for the Department of Health and
6	Human Services, not later than 1 year
7	after the date on which the applicable so-
8	licitation closes, with a goal to reduce the
9	review and decision time to less than 10
10	months by September 30, 2019;
11	"(ii) for the Department of Agri-
12	culture and the National Science Founda-
13	tion, not later than 6 months after the
14	date on which the applicable solicitation
15	closes; or
16	"(iii) for any other Federal agency—
17	"(I) not later than 90 days after
18	the date on which the applicable solic-
19	itation closes; or
20	"(H) if the Administrator au-
21	thorizes an extension with respect to a
22	solicitation, not later than 90 days
23	after the date that would otherwise be
24	applicable to the Federal agency
25	under subclause (I);"; and

1	(2) in subsection $(0)(4)$, by striking subpara-
2	graph (B) and inserting the following:
3	"(B) make a final decision on each pro-
4	posal submitted under the STTR program—
5	"(i) for the Department of Health and
6	Human Services, not later than 1 year
7	after the date on which the applicable so-
8	licitation closes, with a goal to reduce the
9	review and decision time to less than 10
10	months by September 30, 2019;
11	"(ii) for the Department of Agri-
12	culture and the National Science Founda-
13	tion, not later than 6 months after the
14	date on which the applicable solicitation
15	closes; or
16	"(iii) for any other Federal agency—
17	"(I) not later than 90 days after
18	the date on which the applicable solic-
19	itation closes; or
20	"(H) if the Administrator au-
21	thorizes an extension with respect to a
22	solicitation, not later than 90 days
23	after the date that would otherwise be
24	applicable to the Federal agency
25	under subclause (I);".

1	SEC. 504. CONTINUED GAO OVERSIGHT OF ALLOCATION
2	COMPLIANCE AND ACCURACY IN FUNDING
3	BASE CALCULATIONS.
4	Section 5136(a) of the National Defense Authoriza-
5	tion Act for Fiscal Year 2012 (15 U.S.C. 638 note) is
6	amended—
7	(1) in the matter preceding paragraph (1), by
8	striking "until the date that is 5 years after the date
9	of enactment of this Act" and inserting "until the
10	date on which the Comptroller General of the United
11	States submits the report relating to fiscal year
12	2019'';
13	(2) in paragraph (1), by striking subparagraph
14	(C) and inserting the following:
15	"(C) assess whether the change in the base
16	funding for the Department of Defense as re-
17	quired by subparagraphs (J) and (K) of section
18	9(f)(1) of the Small Business Act (15 U.S.C.
19	638(f)(1))—
20	"(i) improves transparency for deter-
21	mining whether the Department is com-
22	plying with the allocation requirements;
23	"(ii) reduces the burden of calculating
24	the allocations; and

1	"(iii) improves the compliance of the
2	Department with the allocation require-
3	ments; and"; and
4	(3) in paragraph (2) by striking "under sub-
5	paragraph (B)" and inserting "under subparagraphs
6	(B) and (C)".
7	TITLE VI—TECHNICAL CHANGES
8	SEC. 601. UNIFORM REFERENCE TO THE DEPARTMENT OF
9	HEALTH AND HUMAN SERVICES.
10	Section 9 of the Small Business Act (15 U.S.C. 638)
11	is amended—
12	(1) in subsection (ce), by striking "National In-
13	stitutes of Health" and inserting "Department of
14	Health and Human Services"; and
15	(2) in subsection $(dd)(1)(A)$, by striking "Di-
16	rector of the National Institutes of Health" and in-
17	serting "Secretary of Health and Human Services".
18	SEC. 602. FLEXIBILITY FOR PHASE II AWARD INVITATIONS.
19	Section 9(e)(4)(B) of the Small Business Act (15
20	U.S.C. 638(e)(4)(B)) is amended in the matter preceding
21	elause (i)—
22	(1) by striking ", which shall not include any
23	invitation, pre-screening, or pre-selection process for
24	eligibility for Phase H,"; and

- 1 (2) by inserting "in which eligibility for an
- 2 award shall not be based only on an invitation, pre-
- 3 screening, or pre-selection process and" before "in
- 4 which awards".
- 5 SECTION 1. SHORT TITLE.
- 6 This Act may be cited as the "SBIR and STTR Reau-
- 7 thorization and Improvement Act of 2016".
- 8 SEC. 2. TABLE OF CONTENTS.
- 9 The table of contents for this Act is as follows:
 - Sec. 1. Short title.
 - Sec. 2. Table of contents.

TITLE I—REAUTHORIZATION OF PROGRAMS

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

TITLE II—ENHANCED SMALL BUSINESS ACCESS TO FEDERAL INNOVATION INVESTMENTS

- Sec. 201. Allocation increases and transparency in base calculation.
- Sec. 202. Regular oversight of award amounts.

TITLE III—COMMERCIALIZATION IMPROVEMENTS

- Sec. 301. Permanency of the commercialization pilot program for civilian agencies.
- Sec. 302. Enforcement of national small business goal for Federal research and development.
- Sec. 303. Tracking rapid innovation fund awards in annual congressional report.
- Sec. 304. Intellectual property protection for technology development.
- Sec. 305. Annual GAO audit of compliance with commercialization goals.
- Sec. 306. Clarifying the Phase III preference.
- Sec. 307. Improvements to technical and business assistance.

TITLE IV—PROGRAM DIVERSIFICATION INITIATIVES

- Sec. 401. Regional SBIR State collaborative initiative pilot program.
- Sec. 402. Federal and State Technology Partnership Program.

TITLE V—OVERSIGHT AND SIMPLIFICATION INITIATIVES

- Sec. 501. Data modernization summit.
- Sec. 502. Implementation of outstanding reauthorization provisions.
- Sec. 503. Strengthening of the requirement to shorten the application review and decision time.
- Sec. 504. Continued GAO oversight of allocation compliance and accuracy in funding base calculations.

TITLE VI—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 "TER-
- 8 MINATION" and inserting "SBIR PROGRAM AUTHOR-
- 9 IZATION"; 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 Business
- 14 Act (15 U.S.C. 638(n)(1)(A)) is amended by striking
- 15 "through fiscal year 2017".

1	TITLE II—ENHANCED SMALL
2	BUSINESS ACCESS TO FED-
3	ERAL INNOVATION INVEST-
4	MENTS
5	SEC. 201. ALLOCATION INCREASES AND TRANSPARENCY IN
6	BASE CALCULATION.
7	(a) SBIR.—Section 9(f) of the Small Business Act (15
8	U.S.C. 638(f)) is amended—
9	(1) in paragraph (1)—
10	(A) in the matter preceding subparagraph
11	(A), by striking "expend" and inserting "obli-
12	gate for expenditure";
13	(B) in subparagraph (H), by striking
14	"and" at the end;
15	(C) in subparagraph (I), by striking "and
16	each fiscal year thereafter," and inserting a
17	semicolon; and
18	(D) by inserting after subparagraph (I) the
19	following:
20	"(J) for a Federal agency other than the
21	Department of Defense—
22	"(i) not less than 3.5 percent of the ex-
23	tramural budget for research or research
24	and development of the Federal agency in
25	each of fiscal years 2018 and 2019;

1	"(ii) not less than 4 percent of such ex-
2	tramural budget in each of fiscal years 2020
3	and 2021;
4	"(iii) not less than 4.5 percent of such
5	extramural budget in each of fiscal years
6	2022 and 2023;
7	"(iv) not less than 5 percent of such ex-
8	tramural budget in each of fiscal years 2024
9	and 2025;
10	"(v) not less than 5.5 percent of such
11	extramural budget in each of fiscal years
12	2026 and 2027; and
13	"(vi) not less than 6 percent of such ex-
14	tramural budget in fiscal year 2028 and
15	each fiscal year thereafter; and
16	"(K) for the Department of Defense—
17	"(i) not less than 2.5 percent of the
18	budget for research, development, test, and
19	evaluation of the Department of Defense in
20	each of fiscal years 2018 and 2019;
21	"(ii) not less than 3 percent of such
22	budget in each of fiscal years 2020 and
23	2021;

1	"(iii) not less than 3.5 percent of such
2	budget in each of fiscal years 2022 and
3	2023;
4	"(iv) not less than 4 percent of such
5	budget in each of fiscal years 2024 and
6	2025;
7	"(v) not less than 4.5 percent of such
8	budget in each of fiscal years 2026 and
9	2027; and
10	"(vi) not less than 5 percent of such
11	budget in fiscal year 2028 and each fiscal
12	year thereafter,";
13	(2) in paragraph (2)(B), by inserting "(or for
14	the Department of Defense, an amount of the budget
15	for basic research of the Department of Defense)" after
16	"research"; and
17	(3) in paragraph (4), by inserting "(or for the
18	Department of Defense an amount of the budget for
19	research, development, test, and evaluation of the De-
20	partment of Defense)" after "of the agency".
21	(b) $STTR$.—Section $9(n)(1)$ of the Small Business Act
22	(15 U.S.C. 638(n)(1)) is amended—
23	(1) in subparagraph (A)—
24	(A) by striking "expend" and inserting "ob-
25	ligate for expenditure"; and

(B) by striking "not less than the percentage of that extramural budget specified in subparagraph (B)" and inserting "for a Federal agency other than the Department of Defense, not less than the percentage of that extramural budget specified in subparagraph (B) and, for the Department of Defense, not less than the percentage of the budget for research, development, test, and evaluation of the Department of Defense specified in subparagraph (B)"

(2) in subparagraph (B)—

- (A) in the matter preceding clause (i), by striking "the extramural budget required to be expended by an agency" and inserting "the extramural budget, for a Federal agency other than the Department of Defense, and of the budget for research, development, test, and evaluation, for the Department of Defense, required to be obligated for expenditure with small business concerns";
- (B) in clause (iv), by striking "and" at the end;
- (C) in clause (v), by striking "fiscal year 2016 and each fiscal year thereafter." and inserting "each of fiscal years 2016 and 2017;"; and

1	(D) by adding at the end the following:
2	"(vi) 0.55 percent for each of fiscal
3	years 2018 and 2019;
4	"(vii) 0.65 percent for each of fiscal
5	years 2020 and 2021;
6	"(viii) 0.75 percent for each of fiscal
7	years 2022 and 2023; and
8	"(ix) 1 percent for fiscal year 2024
9	and each fiscal year thereafter.".
10	SEC. 202. REGULAR OVERSIGHT OF AWARD AMOUNTS.
11	(a) Elimination of Automatic Inflation Adjust-
12	MENTS.—Section 9(j) of the Small Business Act (15 U.S.C.
13	638(j)) is amended—
14	(1) in paragraph (2)(D), by inserting "through
15	fiscal year 2016" after "every year"; and
16	(2) by adding at the end the following:
17	"(4) 2016 MODIFICATIONS FOR DOLLAR VALUE
18	OF AWARDS.—Not later than 120 days after the date
19	of enactment of the SBIR and STTR Reauthorization
20	and Improvement Act of 2016, the Administrator
21	shall modify the policy directives issued under this
22	subsection to—
23	"(A) eliminate the annual adjustments for
24	inflation of the dollar value of awards described
25	in paragraph $(2)(D)$; and

1	"(B) clarify that Congress intends to review
2	the dollar value of awards every 3 fiscal years.".
3	(b) Sense of Congress Regarding Regular Re-
4	VIEW OF THE AWARD SIZES.—It is the sense of Congress
5	that for fiscal year 2019, and every third fiscal year there-
6	after, Congress should evaluate whether the maximum
7	award sizes under the Small Business Innovation Research
8	Program and the Small Business Technology Transfer Pro-
9	gram under section 9 of the Small Business Act (15 U.S.C.
10	638) should be adjusted and, if so, take appropriate action
11	to direct that such adjustments be made under the policy
12	directives issued under subsection (j) of such section.
13	(c) Clarification of Sequential Phase II
14	AWARDS.—Section 9(ff) of the Small Business Act (15
15	U.S.C. 638(ff)) is amended by adding at the end the fol-
16	lowing:
17	"(3) Clarification of sequential phase ii
18	AWARDS.—The head of a Federal agency shall ensure
19	that any sequential Phase II award is made in ac-
20	cordance with the limitations on award sizes under
21	subsection (aa).
22	"(4) Cross-agency sequential phase ii
23	AWARDS.—A small business concern that receives a se-
24	quential Phase II SBIR or Phase II STTR award for
25	a project from a Federal agency is eligible to receive

1	an additional sequential Phase II award that con-
2	tinues work on that project from another Federal
3	agency.".
4	TITLE III—COMMERCIALIZATION
5	<i>IMPROVEMENTS</i>
6	SEC. 301. PERMANENCY OF THE COMMERCIALIZATION
7	PILOT PROGRAM FOR CIVILIAN AGENCIES.
8	Section 9(gg) of the Small Business Act (15 U.S.C.
9	638(gg)) is amended—
10	(1) in the subsection heading, by striking "PILOT
11	Program" and inserting "Commercialization De-
12	VELOPMENT AWARDS";
13	(2) by striking paragraphs (2), (7), and (8);
14	(3) by redesignating paragraphs (3), (4), (5),
15	and (6) as paragraphs (2), (3), (4), and (5), respec-
16	tively;
17	(4) by adding at the end the following:
18	"(6) Definitions.—In this subsection—
19	"(A) the term 'commercialization develop-
20	ment program' means a program established by
21	a covered Federal agency under paragraph (1);
22	and
23	"(B) the term 'covered Federal agency'—

1	"(i) means a Federal agency partici-
2	pating in the SBIR program or the STTR
3	program; and
4	"(ii) does not include the Department
5	of Defense."; and
6	(5) by striking "pilot program" each place it ap-
7	pears and inserting "commercialization development
8	program".
9	SEC. 302. ENFORCEMENT OF NATIONAL SMALL BUSINESS
10	GOAL FOR FEDERAL RESEARCH AND DEVEL-
11	OPMENT.
12	Section 9(h) of the Small Business Act (15 U.S.C. 638
13	(h)) is amended by inserting ", which may not be less than
14	10 percent for fiscal year 2018, and each fiscal year there-
15	after," after "shall establish goals".
16	SEC. 303. TRACKING RAPID INNOVATION FUND AWARDS IN
17	ANNUAL CONGRESSIONAL REPORT.
18	Section 9(b)(7) of the Small Business Act (15 U.S.C.
19	638(b)(7)) is amended—
20	(1) in subparagraph (F), by striking "and" at
21	$the\ end;$
22	(2) in subparagraph (G), adding "and" at the
23	end; and
24	(3) by adding at the end the following:

1	"(H) information regarding awards under
2	the Rapid Innovation Program under section
3	1073 of the Ike Skelton National Defense Author-
4	ization Act for Fiscal Year 2011 (Public Law
5	111–383; 124 Stat. 4366; 10 U.S.C. 2359 note),
6	including—
7	"(i) the number and dollar amount of
8	awards made under the Rapid Innovation
9	Program to business concerns receiving an
10	award under the SBIR program or the
11	$STTR\ program;$
12	"(ii) the proportion of awards under
13	the Rapid Innovation Program made to
14	business concerns receiving an award under
15	the SBIR program or the STTR program;
16	"(iii) the proportion of awards under
17	the Rapid Innovation Program made to
18	small business concerns; and
19	"(iv) a projection of the effect on the
20	number of awards under the Rapid Innova-
21	tion Program if amounts to carry out the
22	program were made available as a fixed al-
23	location of the amount appropriated to the
24	Department of Defense for research, develop-
25	ment test and evaluation excluding

1	amounts appropriated for the defense uni-
2	versities;".
3	SEC. 304. INTELLECTUAL PROPERTY PROTECTION FOR
4	TECHNOLOGY DEVELOPMENT.
5	Section 9 of the Small Business Act (15 U.S.C. 638)
6	is amended by adding at the end the following:
7	"(tt) Intellectual Property Protections.—
8	"(1) In general.—Subject to paragraph (2)(B),
9	the cost of seeking protection for intellectual property,
10	including a trademark, copyright, or patent, that was
11	created through work performed under an SBIR or
12	STTR award is allowable as an indirect cost under
13	that award.
14	"(2) Clarification of patent costs.—
15	"(A) In general.—A Federal agency shall
16	not directly or indirectly inhibit, through the
17	policies, directives, or practices of the Federal
18	agency, an otherwise eligible small business con-
19	cern performing under an SBIR or STTR
20	award from recovering patent costs incurred as
21	requirements under that award, including—
22	"(i) the costs of preparing—
23	$``(I)\ invention\ disclosures;$
24	"(II) reports; and
25	$``(III)\ other\ documents;$

1	"(ii) the costs for searching the art to
2	the extent necessary to make the invention
3	disclosures;
4	"(iii) other costs in connection with the
5	filing and prosecution of a United States
6	patent application where title or royalty-
7	free license is to be conveyed to the Federal
8	Government; and
9	"(iv) general counseling services relat-
10	ing to patent matters, including advice on
11	patent laws, regulations, clauses, and em-
12	ployee agreements.
13	"(B) Recovery Limitations.—After con-
14	sultation with contracting or auditing authori-
15	ties, the patent costs described in subparagraph
16	(A) shall be allowable for technology developed
17	under a—
18	"(i) Phase I award, as indirect costs in
19	an amount not greater than \$5,000;
20	"(ii) Phase II award, as indirect costs
21	in an amount not greater than \$15,000;
22	and
23	"(iii) Phase III award in which the
24	Federal Government has government pur-

1	pose rights (as defined in section 227.7103-
2	5 of title 48, Code of Federal Regulations).".
3	SEC. 305. ANNUAL GAO AUDIT OF COMPLIANCE WITH COM-
4	MERCIALIZATION GOALS.
5	Section 9(nn) of the Small Business Act (15 U.S.C.
6	638(nn)) is amended to read as follows:
7	"(nn) Annual GAO Report on Government Com-
8	PLIANCE WITH GOALS, INCENTIVES, AND PHASE III PREF-
9	ERENCE.—Not later than 1 year after the date of enactment
10	of the SBIR and STTR Reauthorization and Improvement
11	Act of 2016, and every year thereafter until the date that
12	is 5 years after the date of enactment of the SBIR and
13	STTR Reauthorization and Improvement Act of 2016, the
14	Comptroller General of the United States shall submit to
15	the Committee on Small Business and Entrepreneurship of
16	the Senate and the Committee on Small Business of the
17	House of Representatives a report that—
18	"(1) discusses the status of the compliance of
19	Federal agencies with the requirements or authorities
20	established under—
21	"(A) subsection (h), relating to the establish-
22	ment by certain Federal agencies of a goal for
23	funding agreements for research and research
24	and development with small business concerns;

1	"(B) subsection $(y)(5)(A)$, relating to the re-
2	quirement for the Department of Defense to es-
3	tablish goals for the transition of Phase III tech-
4	nologies in subcontracting plans;
5	"(C) subsection $(y)(5)(B)$, relating to the re-
6	quirement for the Department of Defense to es-
7	tablish procedures for a prime contractor to re-
8	port the number and dollar amount of contracts
9	with small business concerns for Phase III SBIR
10	projects or STTR projects of the prime con-
11	tractor; and
12	"(D) subsection $(y)(6)$, relating to the re-
13	quirement for the Department of Defense to set
14	a goal to increase the number of Phase II SBIR
15	and STTR contracts that transition into pro-
16	grams of record or fielded systems;
17	"(2) includes, for a Federal agency that is in
18	compliance with a requirement described under para-
19	graph (1), a description of how the Federal agency
20	achieved compliance; and
21	"(3) includes a list, organized by Federal agency,
22	of small business concerns that have asserted that—
23	"(A) the Government or prime contractor—
24	"(i) did not protect the intellectual
25	property of the small business concern in

1	accordance with data rights under the
2	SBIR or STTR award; or
3	"(ii) issued a Phase III SBIR or
4	STTR award conditional on relinquishing
5	data rights;
6	"(B) the Federal agency solicited bids for a
7	contract, or provided funding to an entity other
8	than the small business concern receiving the
9	SBIR or STTR award, that was for work that
10	derived from, extended, or completed efforts made
11	under prior funding agreements under the SBIR
12	program or STTR program;
13	"(C) the Government or prime contractor
14	did not comply with the SBIR and STTR policy
15	directives and the small business concern filed a
16	comment or complaint to the Office of the Na-
17	tional Ombudsman or appealed to the Adminis-
18	trator for intervention; or
19	"(D) the Federal agency did not comply
20	with subsection $(g)(12)$ or $(o)(16)$ requiring
21	timely notice to the Administrator of any case or
22	controversy before any Federal judicial or ad-
23	ministrative tribunal concerning the SBIR pro-
24	gram or the STTR program of the Federal agen-
25	cy.".

1 SEC. 306. CLARIFYING THE PHASE III PREFERENCE. 2 Section 0(n) of the Small Business Act (15)

- 2 Section 9(r) of the Small Business Act (15 U.S.C.
- 3 638(r)) is amended—
- 4 (1) by striking paragraph (4);
- 5 (2) by redesignating paragraph (2) as para-
- 6 graph (4), and transferring such paragraph to after
- 7 paragraph (3); and
- 8 (3) by inserting after paragraph (1) the fol-
- 9 *lowing:*
- 10 "(2) Phase III Award direction for agen-
- 11 CIES AND PRIME CONTRACTORS.—To the greatest ex-
- 12 tent practicable, Federal agencies and Federal prime
- 13 contractors shall issue Phase III awards relating to
- 14 technology, including sole source awards and awards
- under the Defense Research and Development Rapid
- 16 Innovation Program under section 1073 of the Ike
- 17 Skelton National Defense Authorization Act for Fiscal
- 18 Year 2011 (Public Law 111–383; 124 Stat. 4366; 10
- 19 U.S.C. 2359 note), to the SBIR and STTR award re-
- cipients that developed the technology.".
- 21 SEC. 307. 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—
- 25 (1) in the subsection heading, by inserting "AND
- 26 Business" after "Technical";

1	(2) in paragraph (1)—
2	(A) in the matter preceding subparagraph
3	(A)—
4	(i) by striking "a vendor selected under
5	paragraph (2)" and inserting "1 or more
6	vendors selected under paragraph (2)(A)";
7	(ii) by inserting "and business" before
8	"assistance services"; and
9	(iii) by inserting "assistance with
10	product sales, intellectual property protec-
11	tions, market research, market validation,
12	and development of regulatory plans and
13	manufacturing plans," after "technologies,";
14	and
15	(B) in subparagraph (D), by inserting ",
16	including intellectual property protections" be-
17	fore the period at the end;
18	(3) in paragraph (2)—
19	(A) by striking "Each agency may select a
20	vendor to assist small business concerns to meet"
21	and inserting the following:
22	"(A) In general.—Each agency may select
23	1 or more vendors from which small business
24	concerns may obtain assistance in meeting"; and
25	(B) by adding at the end the following:

1	"(B) Selection by small business con-
2	CERN.—A small business concern may, by con-
3	tract or otherwise, select 1 or more vendors to as-
4	sist the small business concern in meeting the
5	goals listed in paragraph (1)."; and
6	(4) in paragraph (3)—
7	(A) by inserting "(A)" after "paragraph
8	(2)" each place it appears;
9	(B) in subparagraph (A), by striking
10	"\$5,000 per year" each place it appears and in-
11	serting "\$6,500 per project";
12	(C) in subparagraph (B)—
13	(i) by striking "\$5,000 per year" each
14	place it appears and inserting "\$35,000 per
15	project"; and
16	(ii) in clause (ii), by striking "which
17	shall be in addition to the amount of the re-
18	cipient's award" and inserting "which may,
19	as determined appropriate by the head of
20	the Federal agency, be included as part of
21	the recipient's award or be in addition to
22	the amount of the recipient's award";
23	(D) in subparagraph (C)—
24	(i) by inserting "or business" after
25	"technical";

1	(ii) by striking "the vendor" and in-
2	serting "a vendor"; and
3	(iii) by adding at the end the fol-
4	lowing: "Business-related services aimed at
5	improving the commercialization success of
6	a small business concern may be obtained
7	from an entity, such as a public or private
8	organization or an agency of or other entity
9	established or funded by a State that facili-
10	tates or accelerates the commercialization of
11	technologies or assists in the creation and
12	growth of private enterprises that are com-
13	mercializing technology.";
14	(E) in subparagraph (D)—
15	(i) by inserting "or business" after
16	"technical" each place it appears; and
17	(ii) in clause (i)—
18	(I) by striking "the vendor" and
19	inserting "1 or more vendors"; and
20	(II) by striking "provides" and
21	inserting "provide"; and
22	(F) by adding at the end the following:
23	"(E) Multiple award recipients.—The
24	Administrator shall establish a limit on the
25	amount of technical and business assistance serv-

1	ices that may be received or purchased under
2	subparagraph (B) by small business concerns
3	with respect to multiple Phase II SBIR or
4	STTR awards for a fiscal year.".
5	TITLE IV—PROGRAM
6	DIVERSIFICATION INITIATIVES
7	SEC. 401. REGIONAL SBIR STATE COLLABORATIVE INITIA-
8	TIVE PILOT PROGRAM.
9	Section 9 of the Small Business Act (15 U.S.C. 638)
10	is amended—
11	(1) in subsection (mm)—
12	(A) in paragraph (1)—
13	(i) in the matter preceding subpara-
14	graph (A), by striking "2017" and inserting
15	"2021";
16	(ii) in subparagraph (I), by striking
17	"and" at the end;
18	(iii) in subparagraph (I), by striking
19	the period and inserting "; and"; and
20	(iv) by adding at the end the following:
21	"(K) funding for improvements that in-
22	crease commonality across data systems, reduce
23	redundancy, and improve data oversight and ac-
24	curacy."; and
25	(B) by adding at the end the following:

1	"(7) SBIR AND STTR PROGRAMS; FAST PRO-
2	GRAM.—
3	"(A) Definition.—In this paragraph, the
4	term 'covered Federal agency' means a Federal
5	agency that—
6	"(i) is required to conduct an SBIR
7	program; and
8	"(ii) elects to use the funds allocated to
9	the SBIR program of the Federal agency for
10	the purposes described in paragraph (1).
11	"(B) Requirement.—Each covered Federal
12	agency shall transfer an amount equal to 15 per-
13	cent of the funds that are used for the purposes
14	described in paragraph (1) to the Administra-
15	tion—
16	"(i) for the Regional SBIR State Col-
17	laborative Initiative Pilot Program estab-
18	lished under subsection (uu);
19	"(ii) for the Federal and State Tech-
20	nology Partnership Program established
21	under section 34; and
22	"(iii) to support the Office of the Ad-
23	ministration that administers the SBIR
24	program and the STTR program, subject to
25	agreement from other agencies about how

1	the funds will be used, in carrying out those
2	programs and the programs described in
3	clauses (i) and (ii).
4	"(8) Pilot program.—
5	"(A) In general.—Of amounts provided to
6	the Administration under paragraph (7), not less
7	than \$5,000,000 shall be used to provide awards
8	under the Regional SBIR State Collaborative
9	Initiative Pilot Program established under sub-
10	section (uu) for each fiscal year in which the
11	program is in effect.
12	"(B) DISBURSEMENT FLEXIBILITY.—The
13	Administration may use any unused funds made
14	available under subparagraph (A) as of April 1
15	of each fiscal year for awards to carry out
16	clauses (ii) and (iii) of paragraph (7)(B) after
17	providing written notice to—
18	"(i) the Committee on Small Business
19	and Entrepreneurship and the Committee
20	on Appropriations of the Senate; and
21	"(ii) the Committee on Small Business
22	and the Committee on Appropriations of the
23	House of Representatives."; and
24	(2) by adding after subsection (tt), as added by
25	section 304 of this Act, the following:

1	"(uu) Regional SBIR State Collaborative Ini-
2	TIATIVE PILOT PROGRAM.—
3	"(1) Definitions.—In this subsection—
4	"(A) the term 'eligible entity' means—
5	"(i) a research institution; and
6	"(ii) a small business concern;
7	"(B) the term 'eligible State' means—
8	"(i) a State that the Administrator de-
9	termines is in the bottom half of States,
10	based on the average number of annual
11	SBIR program awards made to companies
12	in the State for the preceding 3 years for
13	which the Administration has applicable
14	data; and
15	"(ii) an EPSCoR State that—
16	"(I) is a State described in clause
17	(i); or
18	"(II) is—
19	"(aa) not a State described
20	in clause (i); and
21	"(bb) invited to participate
22	in a regional collaborative;
23	"(C) the term 'EPSCoR State' means a
24	State that participates in the Experimental Pro-
25	gram to Stimulate Competitive Research of the

1	National Science Foundation, as established
2	under section 113 of the National Science Foun-
3	dation Authorization Act of 1988 (42 U.S.C.
4	1862g);
5	"(D) the term 'FAST program' means the
6	Federal and State Technology Partnership Pro-
7	gram established under section 34;
8	"(E) the term 'pilot program' means the
9	Regional SBIR State Collaborative Initiative
10	Pilot Program established under paragraph (2);
11	"(F) the term 'regional collaborative' means
12	a collaborative consisting of eligible entities that
13	are located in not less than 3 eligible States; and
14	"(G) the term 'State' means any State of
15	the United States, the District of Columbia, the
16	Commonwealth of Puerto Rico, and any terri-
17	tory or possession of the United States.
18	"(2) Establishment.—The Administrator shall
19	establish a pilot program, to be known as the Re-
20	gional SBIR State Collaborative Initiative Pilot Pro-
21	gram, under which the Administrator shall provide
22	awards to regional collaboratives to address the needs
23	of small business concerns in order to be more com-
24	petitive in the proposal and selection process for
25	awards under the SBIR program and the STTR pro-

1	gram and to increase technology transfer and com-
2	mercialization.
3	"(3) Goals.—The goals of the pilot program
4	are—
5	"(A) to create regional collaboratives that
6	allow eligible entities to work cooperatively to le-
7	verage resources to address the needs of small
8	business concerns;
9	"(B) to grow SBIR program and STTR
10	program cooperative research and development
11	and commercialization through increased awards
12	under those programs;
13	"(C) to increase the participation of States
14	that have historically received a lower level of
15	awards under the SBIR program and the STTR
16	program;
17	"(D) to utilize the strengths and advantages
18	of regional collaboratives to better leverage re-
19	sources, best practices, and economies of scale in
20	a region for the purpose of increasing awards
21	and increasing the commercialization of the
22	SBIR program and STTR projects;
23	"(E) to increase the competitiveness of the
24	SBIR program and the STTR program;

1	"(F) to identify sources of outside funding
2	for applicants for an award under the SBIR
3	program or the STTR program, including ven-
4	ture capitalists, angel investor groups, private
5	industry, crowd funding, and special loan pro-
6	grams; and
7	"(G) to offer increased one-on-one engage-
8	ments with companies and entrepreneurs for
9	SBIR program and STTR program education,
10	assistance, and successful outcomes.
11	"(4) Application.—
12	"(A) In general.—A regional collaborative
13	that desires to participate in the pilot program
14	shall submit to the Administrator an application
15	at such time, in such manner, and containing
16	such information as the Administrator may re-
17	quire.
18	"(B) Inclusion of lead eligible enti-
19	ties and coordinator.—A regional collabo-
20	rative shall include in an application submitted
21	under subparagraph (A)—
22	"(i) the name of each lead eligible enti-
23	ty from each eligible State in the regional
24	collaborative, as designated under para-
25	graph (5)(A); and

1	"(ii) the name of the coordinator for
2	the regional collaborative, as designated
3	under paragraph (6).
4	"(C) Avoidance of duplication.—A re-
5	gional collaborative shall include in an applica-
6	tion submitted under subparagraph (A) an ex-
7	planation as to how the activities of the regional
8	collaborative under the pilot program would dif-
9	fer from other State and Federal outreach activi-
10	ties in each eligible State in the regional collabo-
11	rative.
12	"(5) Lead eligible entity.—
13	"(A) In general.—Each eligible State in a
14	regional collaborative shall designate 1 eligible
15	entity located in the eligible State to serve as the
16	lead eligible entity for the eligible State.
17	"(B) Authorization by Governor.—
18	Each lead eligible entity designated under sub-
19	paragraph (A) shall be authorized to act as the
20	lead eligible entity by the Governor of the appli-
21	cable eligible State.
22	"(C) Responsibilities.—Each lead eligi-
23	ble entity designated under subparagraph (A)
24	shall be responsible for administering the activi-

ties and program initiatives described in para-
graph (7) in the applicable eligible State.
"(6) Regional collaborative coordi-
NATOR.—Each regional collaborative shall designate a
coordinator from amongst the eligible entities located
in the eligible States in the regional collaborative,
who shall serve as the interface between the regional
collaborative and the Administration with respect to
measuring cross-State collaboration and program ef-
fectiveness and documenting best practices.
"(7) USE OF FUNDS.—Each regional collabo-
rative that is provided an award under the pilot pro-
gram may, in each eligible State in which an eligible
entity of the regional collaborative is located—
"(A) establish an initiative under which
first-time applicants for an award under the
SBIR program or the STTR program are re-
viewed by experienced, national experts in the
United States, as determined by the lead eligible
$entity\ designated\ under\ paragraph\ (5)(A);$
"(B) engage national mentors on a frequent
basis to work directly with applicants for an
award under the SBIR program or the STTR

program, particularly during Phase II, to assist

24

1	with the process of preparing and submitting a
2	proposal;
3	"(C) create and make available an online
4	mechanism to serve as a resource for applicants
5	for an award under the SBIR program or the
6	STTR program to identify and connect with
7	Federal labs, prime government contractor com-
8	panies, other industry partners, and regional in-
9	dustry cluster organizations;
10	"(D) conduct focused and concentrated out-
11	reach efforts to increase participation in the
12	SBIR program and the STTR program by small
13	business concerns owned and controlled by
14	women, small business concerns owned and con-
15	trolled by veterans, small business concerns
16	owned and controlled by socially and economi-
17	cally disadvantaged individuals (as defined in
18	section $8(d)(3)(C)$, and historically black col-
19	leges and universities;
20	"(E) administer a structured program of
21	training and technical assistance—
22	"(i) to prepare applicants for an
23	award under the SBIR program or the
24	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.—Noth-
11	ing in clause (i) shall be construed to pre-
12	vent an eligible State from applying for an
13	award under the FAST program and the
14	pilot program for the same year.
15	"(9) Duration of Award.—An award provided
16	under the pilot program 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, 2021.
21	"(11) Report.—Not later than February 1,
22	2021, the Administrator shall submit to the Com-
23	mittee on Small Business and Entrepreneurship of
24	the Senate and the Committee on Small Rusiness of

1	the House of Representatives a report on the pilot
2	program, 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, in-
7	cluding 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 or
12	made permanent.".
13	SEC. 402. FEDERAL AND STATE TECHNOLOGY PARTNER-
14	SHIP PROGRAM.
15	Section 34 of the Small Business Act (15 U.S.C. 657d)
16	is amended—
17	(1) in subsection (h)—
18	(A) in paragraph (1), by striking "2001
19	through 2005" and inserting "2017 through
20	2021"; and
21	
	(B) in paragraph (2), by striking "fiscal
22	(B) in paragraph (2), by striking "fiscal years 2001 through 2005" and inserting "each of
22 23	
	years 2001 through 2005" and inserting "each of

1 TITLE V—OVERSIGHT AND 2 SIMPLIFICATION INITIATIVES

3	SEC. 501. DATA MODERNIZATION SUMMIT.
4	(a) Definitions.—In this section—
5	(1) the term "Administration" means the Small
6	$Business\ Administration;$
7	(2) the term "Committee" means the SBIR and
8	STTR Interagency Policy Committee established
9	under subsection (b);
10	(3) the terms "Federal agency", "SBIR", and
11	"STTR" have the meanings given such terms under
12	section 9(e) of the Small Business Act (15 U.S.C.
13	638(e));
14	(4) the term "participating Federal agency"
15	means a Federal agency with an SBIR program or
16	an STTR program;
17	(5) the term "phase" means Phase I, Phase II,
18	and Phase III, as those terms are defined under sec-
19	tion 9(e) of the Small Business Act (15 U.S.C.
20	638(e)); and
21	(6) the term "small business concern" has the
22	meaning given that term under section 3 of the Small
23	Business Act (15 U.S.C. 632).

1	(b) Establishment.—There is established an inter-
2	agency committee to be known as the "SBIR and STTR
3	Interagency Policy Committee".
4	(c) Membership.—The Committee shall include—
5	(1) 2 representatives from each participating
6	Federal agency, of which—
7	(A) 1 shall have expertise with respect to the
8	SBIR program and STTR program of the Fed-
9	eral agency; and
10	(B) 1 shall have expertise with respect to
11	the information technology systems of the Fed-
12	eral agency; and
13	(2) 2 representatives from the Administration, of
14	which—
15	(A) 1 shall serve as chairperson of the Com-
16	$mittee;\ and$
17	(B) 1 shall be from the Information Tech-
18	nology Development Team of the Office of Invest-
19	ment and Innovation of the Administration.
20	(d) Duties.—The Committee shall review the rec-
21	ommendations made in the report to Congress by the Office
22	of Science and Technology of the Administration entitled
23	"SBIR/STTR TechNet Public & Government Databases",
24	dated September 15, 2014, and the practices of partici-
25	pating Federal agencies to—

1	(1) determine how to collect data on achieve-
2	ments by small business concerns in each phase of the
3	SBIR program and the STTR program and ensure
4	collection and dissemination of such data in a timely,
5	efficient, and uniform manner;
6	(2) establish a uniform baseline for metrics that
7	support improving the solicitation, contracting, fund-
8	ing, and execution of program management in the
9	SBIR program and the STTR program;
10	(3) normalize formatting and database usage
11	across participating Federal agencies; and
12	(4) determine the feasibility of developing a com-
13	mon system across all participating Federal agencies
14	and the paperwork requirements under such a com-
15	$mon\ system.$

16 (e) Implementation.—Not later than September 31, 17 2018, the Committee shall brief the Committee on Small 18 Business and Entrepreneurship of the Senate and the Com-19 mittee on Small Business of the House of Representatives 20 on the solutions identified by the Committee under sub-21 section (d) and resources needed to execute the solutions.

1	SEC. 502. IMPLEMENTATION OF OUTSTANDING REAUTHOR-
2	IZATION PROVISIONS.
3	(a) In General.—Section 9(mm) of the Small Busi-
4	ness Act (15 U.S.C. 638(mm)), as amended by section
5	401(1) of this Act, is amended—
6	(1) in paragraph (1), by striking "paragraph
7	(3)" and inserting "paragraphs (3) and (9)"; and
8	(2) by adding at the end the following:
9	"(9) Suspension of funding.—
10	"(A) For federal agencies.—
11	"(i) In general.—For fiscal years
12	2018 and 2019, any Federal agency that
13	has not implemented each provision of law
14	described in clause (ii)—
15	``(I) shall continue to provide
16	amounts to the Administration in ac-
17	$cordance\ with\ paragraph\ (7)(B);\ and$
18	"(II) may not use any additional
19	amounts as described in paragraph (1)
20	until 30 days after the date on which
21	the Federal agency submits to the Com-
22	mittee on Small Business and Entre-
23	preneurship of the Senate and the
24	Committee on Small Business of the
25	House of Representatives documenta-
26	tion demonstrating that the Federal

1	agency has implemented and is in
2	compliance with each provision of law
3	described in clause (ii).
4	"(ii) Provisions.—The provisions of
5	law described in this subparagraph are the
6	following:
7	"(I) Subsection $(r)(4)$, relating to
8	Phase III preferences.
9	"(II) Paragraphs (5) and (6) of
10	subsection (y), relating to insertion
11	goals.
12	"(III) Subsection $(g)(4)(B)$, relat-
13	ing to shortening the decision time for
14	SBIR awards.
15	"(IV) Subsection (o)(4)(B), relat-
16	ing to shortening the decision time for
17	STTR awards.
18	"(V) Subsection (v), relating to
19	reducing paperwork and compliance
20	burdens.
21	"(B) For administration.—For fiscal
22	years 2018 and 2019, if the Administration is
23	not in compliance with subsection (b)(7), relat-
24	ing to annual reports to Congress, the Adminis-
25	tration may not use amounts received under

1	paragraph $(7)(B)$ of this subsection for a purpose
2	described in clause (iii) of such paragraph
3	(7)(B).".
4	(b) Clarification of Reporting Requirement.—
5	Section 9(b)(7) of the Small Business Act (15 U.S.C.
6	638(b)(7)) is amended in the matter preceding subpara-
7	graph (A), by striking "not less than annually" and insert-
8	ing "not later than December 31 of each year".
9	SEC. 503. STRENGTHENING OF THE REQUIREMENT TO
10	SHORTEN THE APPLICATION REVIEW AND DE-
11	CISION TIME.
12	Section 9 of the Small Business Act (15 U.S.C. 638)
13	is amended—
14	(1) in subsection $(g)(4)$, by striking subpara-
15	graph (B) and inserting the following:
16	"(B) make a final decision on each proposal sub-
17	mitted under the SBIR program—
18	"(i) for the Department of Health and
19	Human Services, not later than 1 year after the
20	date on which the applicable solicitation closes,
21	with a goal to reduce the review and decision
22	time to less than 10 months by September 30,
23	2019;
24	"(ii) for the Department of Agriculture and
25	the National Science Foundation, not later than

1	6 months after the date on which the applicable
2	solicitation closes; or
3	"(iii) for any other Federal agency—
4	"(I) not later than 90 days after the
5	date on which the applicable solicitation
6	closes; or
7	"(II) if the Administrator authorizes
8	an extension with respect to a solicitation,
9	not later than 90 days after the date that
10	would otherwise be applicable to the Federal
11	agency under subclause (I);"; and
12	(2) in subsection (o)(4), by striking subpara-
13	graph (B) and inserting the following:
14	"(B) make a final decision on each proposal sub-
15	mitted under the STTR program—
16	"(i) for the Department of Health and
17	Human Services, not later than 1 year after the
18	date on which the applicable solicitation closes,
19	with a goal to reduce the review and decision
20	time to less than 10 months by September 30,
21	2019;
22	"(ii) for the Department of Agriculture and
23	the National Science Foundation, not later than
24	6 months after the date on which the applicable
25	solicitation closes; or

1	"(iii) for any other Federal agency—
2	"(I) not later than 90 days after the
3	date on which the applicable solicitation
4	closes; or
5	"(II) if the Administrator authorizes
6	an extension with respect to a solicitation,
7	not later than 90 days after the date that
8	would otherwise be applicable to the Federal
9	agency under subclause (I);".
10	SEC. 504. CONTINUED GAO OVERSIGHT OF ALLOCATION
11	COMPLIANCE AND ACCURACY IN FUNDING
12	BASE CALCULATIONS.
13	Section 5136(a) of the National Defense Authorization
14	Act for Fiscal Year 2012 (15 U.S.C. 638 note) is amended—
15	(1) in the matter preceding paragraph (1), by
16	striking "until the date that is 5 years after the date
17	of enactment of this Act" and insert "until the date
18	on which the Comptroller General of the United
19	States submits the report relating to fiscal year
20	2019";
21	(2) in paragraph (1), by striking subparagraph
22	(C) and inserting the following:
23	"(C) assess whether the change in the base
24	funding for the Department of Defense as re-
25	quired by subparagraphs (I) and (K) of section

1	9(f)(1) of the Small Business Act (15 U.S.C.
2	638(f)(1)—
3	"(i) improves transparency for deter-
4	mining whether the Department is com-
5	plying with the allocation requirements;
6	"(ii) reduces the burden of calculating
7	the allocations; and
8	"(iii) improves the compliance of the
9	Department with the allocation require-
10	ments; and"; and
11	(3) in paragraph (2) by striking "under sub-
12	paragraph (B)" and inserting "under subparagraphs
13	(B) and (C)".
14	TITLE VI—PARTICIPATION BY
15	WOMEN AND MINORITIES
16	SEC. 601. SBA COORDINATION ON INCREASING OUTREACH
17	FOR WOMEN AND MINORITY-OWNED BUSI-
18	NESSES.
19	Section 9(b) of the Small Business Act (15 U.S.C.
20	638(b)) is amended—
21	(1) in paragraph (8), by striking "and" at the
22	end;
23	(2) in paragraph (9), by striking the period at
24	the end and inserting "; and"; and
25	(3) by adding at the end the following:

1	"(10) to coordinate with participating agencies
2	on efforts to increase outreach and awards under each
3	of the SBIR and STTR programs to small business
4	concerns owned and controlled by women and socially
5	and economically disadvantaged small business con-
6	cerns, as defined in section $8(a)(4)$.".
7	SEC. 602. FEDERAL AGENCY OUTREACH REQUIREMENTS
8	FOR WOMEN AND MINORITY-OWNED BUSI-
9	NESSES.
10	Section 9 of the Small Business Act (15 U.S.C. 638)
11	is amended—
12	(1) in subsection (g)—
13	(A) in paragraph (11), by striking "and"
14	at the end;
15	(B) in paragraph (12), by striking the pe-
16	riod at the end and inserting "; and"; and
17	(C) by adding at the end the following:
18	"(13) implement an outreach program to small
19	business concerns for the purpose of enhancing its
20	SBIR program, under which the Federal agency
21	shall—
22	"(A) provide outreach to small business con-
23	cerns owned and controlled by women and so-
24	cially and economically disadvantaged small

1	business concerns, as defined in section $8(a)(4)$;
2	and
3	"(B) establish goals for outreach by the Fed-
4	eral agency to the small business concerns de-
5	scribed in subparagraph (A)."; and
6	(2) in subsection (o)(14), by striking "SBIR pro-
7	gram;" and inserting "SBIR program, under which
8	the Federal agency shall—
9	"(A) provide outreach to small business con-
10	cerns owned and controlled by women and so-
11	cially and economically disadvantaged small
12	business concerns, as defined in section $8(a)(4)$;
13	and
14	"(B) establish goals for outreach by the Fed-
15	eral agency to the small business concerns de-
16	scribed in subparagraph (A).".
17	SEC. 603. STTR POLICY DIRECTIVE MODIFICATION.
18	Section 9(p) of the Small Business Act (15 U.S.C.
19	638(p)) is amended by adding at the end the following:
20	"(4) Additional modifications.—Not later
21	than 120 days after the date of enactment of this
22	paragraph, the Administrator shall modify the policy
23	directive issued pursuant to this subsection to provide
24	for enhanced outreach efforts to increase the partici-
25	pation of small business concerns owned and con-

1	trolled by women and socially and economically dis-
2	advantaged small business concerns, as defined in sec-
3	tion $8(a)(4)$, in technological innovation and in
4	STTR programs.".
5	SEC. 604. INTERAGENCY SBIR/STTR POLICY COMMITTEE.
6	Section 5124 of the SBIR/STTR Reauthorization Act
7	of 2011 (Public Law 112–81; 125 Stat. 1837) is amended—
8	(1) by redesignating subsection (d) as subsection
9	(e); and
10	(2) by inserting after subsection (c) the fol-
11	lowing:
12	"(d) Meetings.—
13	"(1) In GENERAL.—The Interagency SBIR/
14	STTR Policy Committee shall meet not less than
15	twice per year to carry out the duties under sub-
16	section (c).
17	"(2) Outreach and technical assistance ac-
18	TIVITIES.—If the Interagency SBIR/STTR Policy
19	Committee meets to discuss outreach and technical as-
20	sistance activities to increase the participation of
21	small business concerns that are underrepresented in
22	the SBIR and STTR programs, the Committee shall
23	invite to the meeting—
24	"(A) a representative of the Minority Busi-
25	ness Development Agency; and

1	"(B) relevant stakeholders that work to ad-
2	vance the interests of—
3	"(i) small business concerns owned and
4	controlled by women, as defined in section
5	3 of the Small Business Act (15 U.S.C.
6	632); and
7	"(ii) socially and economically dis-
8	advantaged small business concerns, as de-
9	fined in section $8(a)(4)$ of the Small Busi-
10	ness Act (15 U.S.C. 637(a)(4)).".
11	SEC. 605. DIVERSITY AND STEM WORKFORCE DEVELOP-
12	MENT PILOT PROGRAM.
13	(a) Definitions.—In this section—
14	(1) the term "Administrator" means the Admin-
15	istrator of the Small Business Administration;
16	(2) the term "covered STEM intern" means a
17	student at, or recent graduate from, an institution of
18	higher education serving as an intern—
19	(A) whose course of study studied is focused
20	on the STEM fields; and
21	(B) who is a woman or a person from an
22	underrepresented population in the STEM fields;
23	(3) the term "eligible entity" means a small
24	business concern that—

1	(A) is receiving amounts under an award
2	under the SBIR program or the STTR program
3	of a Federal agency on the date on which the
4	Federal agency awards a grant to the small busi-
5	ness concern under subsection (b); and
6	(B) provides internships for covered STEM
7	interns;
8	(4) the terms "Federal agency", "SBIR", and
9	"STTR" have the meanings given those terms under
10	section 9(e) of the Small Business Act (15 U.S.C.
11	638(e));
12	(5) the term "institution of higher education"
13	has the meaning given the term under section 101(a)
14	of the Higher Education Act of 1965 (20 U.S.C.
15	1001(a));
16	(6) the term "person from an underrepresented
17	population in the STEM fields" means a person from
18	a group that is underrepresented in the population of
19	STEM students, as determined by the Administrator;
20	(7) the term "pilot program" means the Diver-
21	sity and STEM Workforce Development Pilot Pro-
22	gram established under subsection (b);
23	(8) the term "recent graduate", relating to a
24	woman or a person from an underrepresented popu-
25	lation in the STEM fields, means that the woman or

1	person from an underrepresented population in the
2	STEM fields earned an associate degree, bacca-
3	laureate degree, or postbaccalaureate from an institu-
4	tion of higher education during the 1-year period be-
5	ginning on the date of the internship;
6	(9) the term "small business concern" has the
7	meaning given the term under section 3 of the Small
8	Business Act (15 U.S.C. 632); and
9	(10) the term "STEM fields" means the fields of
10	science, technology, engineering, and math.
11	(b) Pilot Program for Internships for Women
12	AND PEOPLE FROM UNDERREPRESENTED POPULATIONS.—
13	The Administrator shall establish a Diversity and STEM
14	Workforce Development Pilot Program to encourage the
15	business community to provide workforce development op-
16	portunities for covered STEM interns, under which a Fed-
17	eral agency participating in the SBIR program or STTR
18	program may make a grant to 1 or more eligible entities
19	for the costs of internships for covered STEM interns.
20	(c) Amount and Use of Grants.—
21	(1) Amount.—A grant under subsection (b)—
22	(A) may not be in an amount of more than
23	\$15,000 per fiscal year; and

1	(B) shall be in addition to the amount of
2	the award to the recipient under the SBIR pro-
3	gram or the STTR program.
4	(2) USE.—Not less than 90 percent of the
5	amount of a grant under subsection (b) shall be used
6	by the eligible entity to provide stipends or other
7	similar payments to interns.
8	(d) Evaluation.—Not later than January 31 of the
9	first calendar year after the third fiscal year during which
10	the Administrator carries out the pilot program, the Ad-
11	ministrator shall submit to Congress—
12	(1) data on the results of the pilot program, such
13	as the number and demographics of the covered
14	STEM interns participating in an internship funded
15	under the pilot program and the amount spent on
16	such internships; and
17	(2) an assessment of whether the pilot program
18	helped the SBIR program and STTR program
19	achieve the congressional objective of fostering and en-
20	couraging the participation of women and persons
21	from underrepresented populations in the STEM
22	fields.
23	(e) Termination.—The pilot program shall terminate
24	after the end of the fourth fiscal year during which the Ad-
25	ministrator carries out the pilot program.

1	(f) Authorization of Appropriations.—There are
2	authorized to be appropriated such sums as may be nec-
3	essary to carry out the pilot program.
4	TITLE VII—TECHNICAL
5	CHANGES
6	SEC. 701. UNIFORM REFERENCE TO THE DEPARTMENT OF
7	HEALTH AND HUMAN SERVICES.
8	Section 9 of the Small Business Act (15 U.S.C. 638)
9	is amended—
10	(1) in subsection (cc), by striking "National In-
11	stitutes of Health" and inserting "Department of
12	Health and Human Services"; and
13	(2) in subsection (dd)(1)(A), by striking "Direc-
14	tor of the National Institutes of Health" and insert-
15	ing "Secretary of Health and Human Services".
16	SEC. 702. FLEXIBILITY FOR PHASE II AWARD INVITATIONS.
17	Section $9(e)(4)(B)$ of the Small Business Act (15)
18	$U.S.C.\ 638(e)(4)(B))$ is amended in the matter preceding
19	clause (i)—
20	(1) by striking ", which shall not include any
21	invitation, pre-screening, or pre-selection process for
22	eligibility for Phase II,"; and
23	(2) by inserting "in which eligibility for an
24	award shall not be based only on an invitation, pre-

- 1 screening, or pre-selection process and" before "in
- 2 which awards".

Calendar No. 480

114TH CONGRESS S. 2812

A BILL

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

 $\begin{array}{c} \mathrm{May}\ 24,\ 2016 \\ \\ \mathrm{Reported}\ \mathrm{with}\ \mathrm{an}\ \mathrm{amendment} \end{array}$