



THE SBIR & STTR EXTENSION ACT OF 2022

BACKGROUND:

The Small Business Innovation Research (“SBIR”) program was signed into law by President Ronald Reagan in 1982 to spur innovation and increase small business participation in federal research and development activity. The Small Business Technology Transfer (“STTR”) program, which requires a small business to collaborate with a non-profit research institution, was enacted in 1992 to bridge the gap between basic science and the commercialization of resulting innovations. Both programs play an important role in our innovation economy by leveraging public dollars to be matched by private investment and maintaining American leadership in technology.

FUNDING:

Each federal agency with a research budget exceeding \$100 million per year is required to set aside 3.2% of appropriated extramural R&D funding for SBIR grants. Federal agencies with research budgets surpassing \$1 billion per year are required to set aside 0.45% of R&D funding to support STTR grants. Agencies that fund SBIR & STTR grants as part of their research budgets include: the National Science Foundation, the Department of Defense, NASA, the National Institutes of Health, and the Department of Energy, among others. Congressional Budget Office analysis for the legislation states that it will have no direct spending or revenue effects.

THE SBIR & STTR EXTENSION ACT OF 2022:

This bipartisan legislation reauthorizes the SBIR & STTR programs for three years (until September 2025). Importantly, the Act includes reforms that improve the programs and that are priorities for Republican Members:

- **Bolstering Research Security** – The bill mandates that each agency conducting an SBIR & STTR program must implement strong due diligence measures to prevent the influence of the PRC or other foreign actors.
- **Increasing Transparency & Oversight** – The bill includes additional reporting requirements conducted by SBIR/STTR awarding agencies and the GAO. This will strengthen Congressional oversight, increase public transparency, and safeguard taxpayer dollars.
- **Focusing on Commercialization** – The bill includes additional enhanced performance benchmarks that small businesses who have won multiple awards through the SBIR & STTR programs are required to meet. This will ensure that the programs are focused on commercializing projects and leveraging federal grant money to increase private capital investments.

Ranking Members Luetkemeyer and Lucas strongly support this legislation and urge House Republicans to vote in favor of the bill. If you have any questions, please reach out to the House Small Business Committee at 202-225-5821 or the House Science Committee at 202-225-6371.