



Navigating SBIR Reauthorization

Randy Simpson

COO

TechOpp, Inc.

06/04/2025

Outline

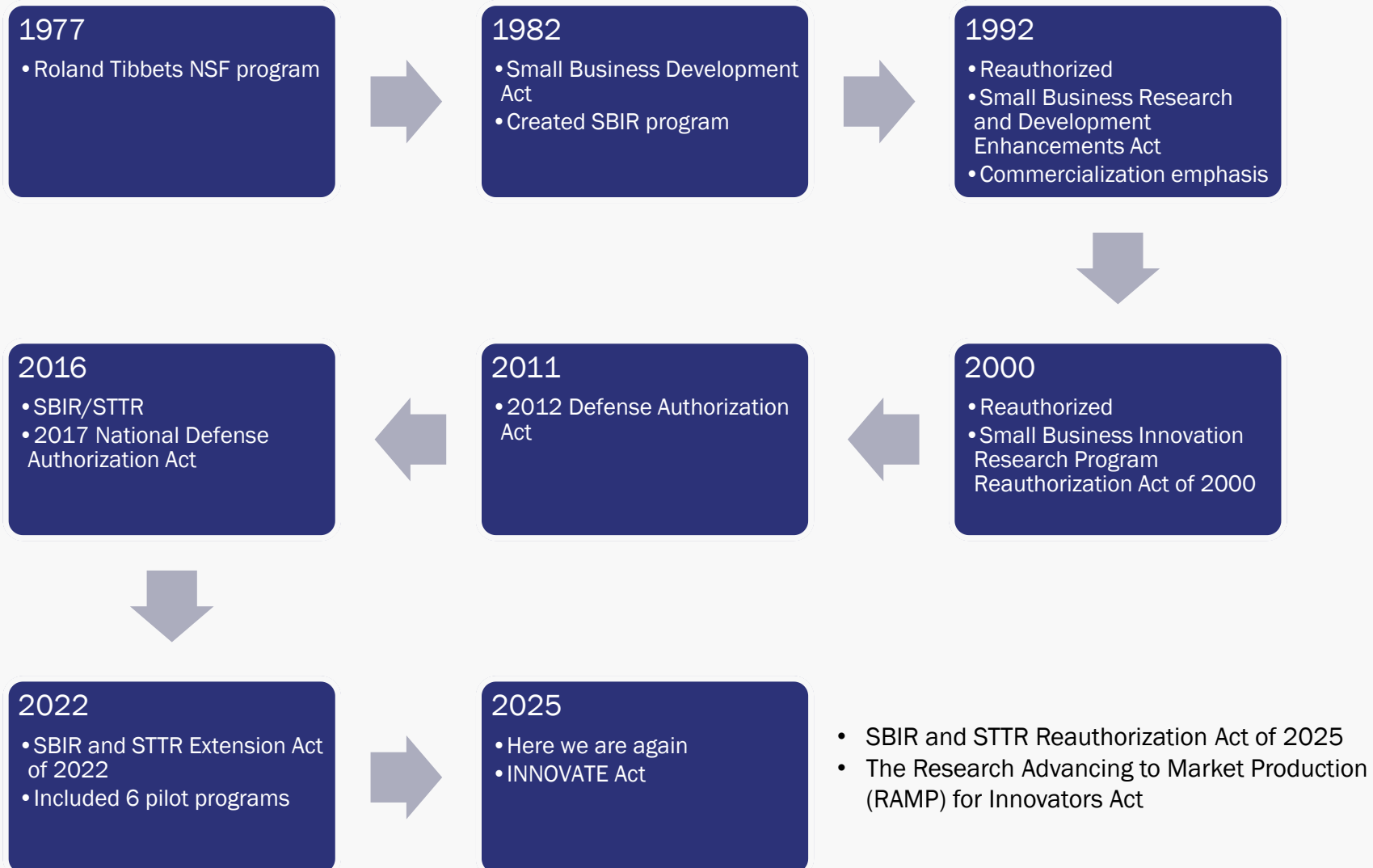
Purpose is to help
small businesses
prepare and adapt

- Background
- Proposed Legislation
- Small Business Impact
- Call to Action
- Resources from TechOpp

Background

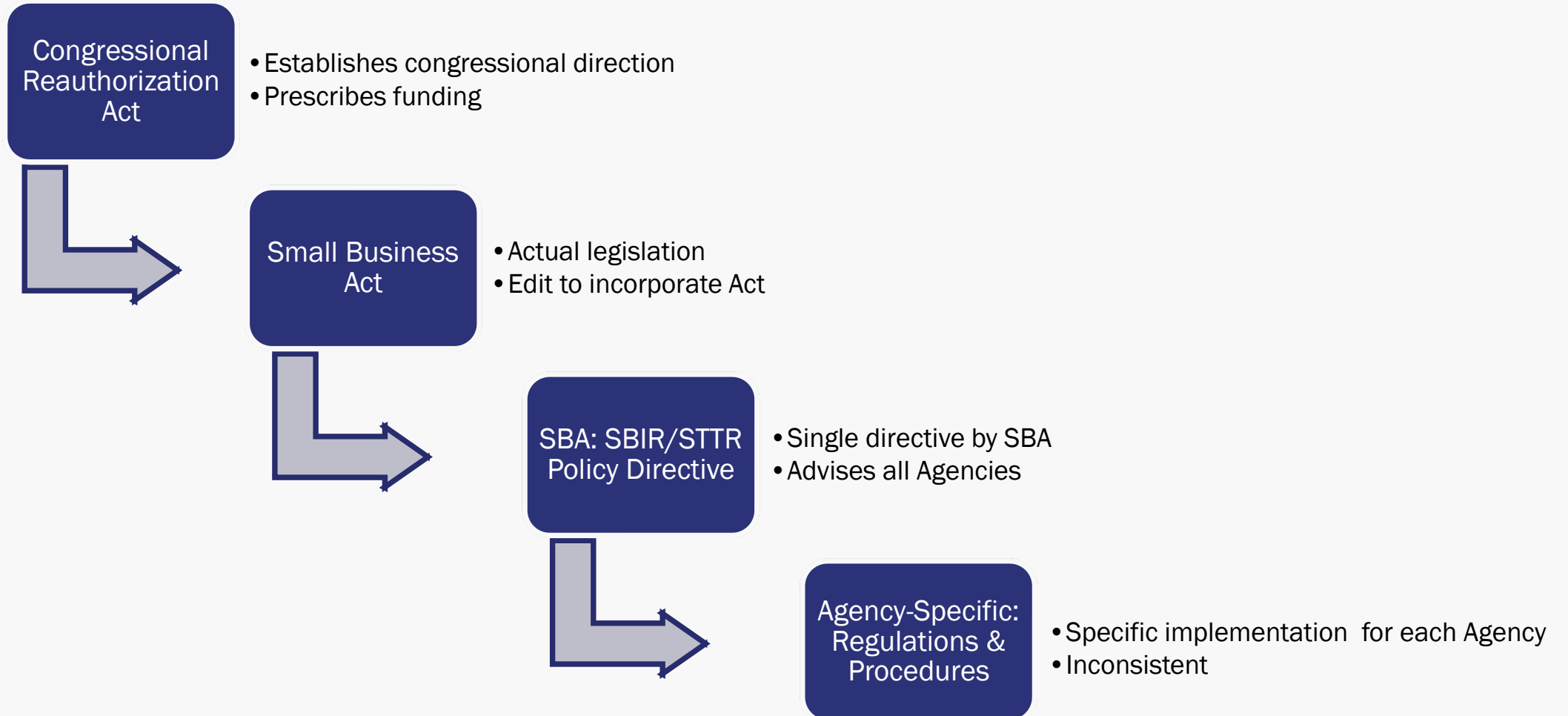
Background

Long-Standing Federal Funding Program



Congress and Agency Responsibilities

Legislation to
Directives to Policy



Proposed Legislation

Proposed Legislation

INNOVATE Act

119TH CONGRESS
1ST SESSION

S. 853

To improve the SBIR and STTR programs under the Small Business Act,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 5, 2025

Ms. ERNST introduced the following bill; which was read twice and referred
to the Committee on Small Business and Entrepreneurship

A BILL

To improve the SBIR and STTR programs under the Small
Business Act, and for other purposes.

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

3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Investing in National Next-Generation Opportunities for
6 Venture Acceleration and Technological Excellence” or the
7 “INNOVATE Act”.

- Investing in National Next-Generation Opportunities for Venture Acceleration and Technological Excellence
 - MARCH 5, 2025
 - Senator ERNST introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship
- The bill with the most text and changes

Full Text: <https://www.congress.gov/bill/119th-congress/senate-bill/853>

Legislation Introduced

Now in Committee on
Small Business and
Entrepreneurship



ABOUT JONI

BORN
July 1, 1970 in Red Oak

RESIDENCE
Red Oak, Iowa

COMMITTEES

- Armed Services
 - Emerging Threats and Capabilities (Chair)
 - Cybersecurity
 - Personnel
- Agriculture, Nutrition, and Forestry
 - Rural Development, Energy, and Credit (Chair)
 - Conservation, Forestry, Natural Resources, and Biotechnology
 - Livestock, Dairy, Poultry, and Food Safety
- Homeland Security and Government Affairs
 - Border Management, Federal Workforce, and Regulatory Affairs
 - Disaster Management, District of Columbia, and Census
- Small Business & Entrepreneurship (Chair)

EDUCATION

- Iowa State University (B.A.)
- Columbus State University (M.P.A.)

[DOWNLOAD OFFICIAL PHOTO](#)

- Senator Joni Ernst (R-IA)
- Introduced 3/5/2025

Source: <https://www.ernst.senate.gov/about>

Another Version

SBIR/STTR Reauthorization Act of 2025

119TH CONGRESS
1ST SESSION

S. 1573

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

IN THE SENATE OF THE UNITED STATES

MAY 1, 2025

Mr. MARKEY introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

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

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

3 SECTION 1. SHORT TITLE.

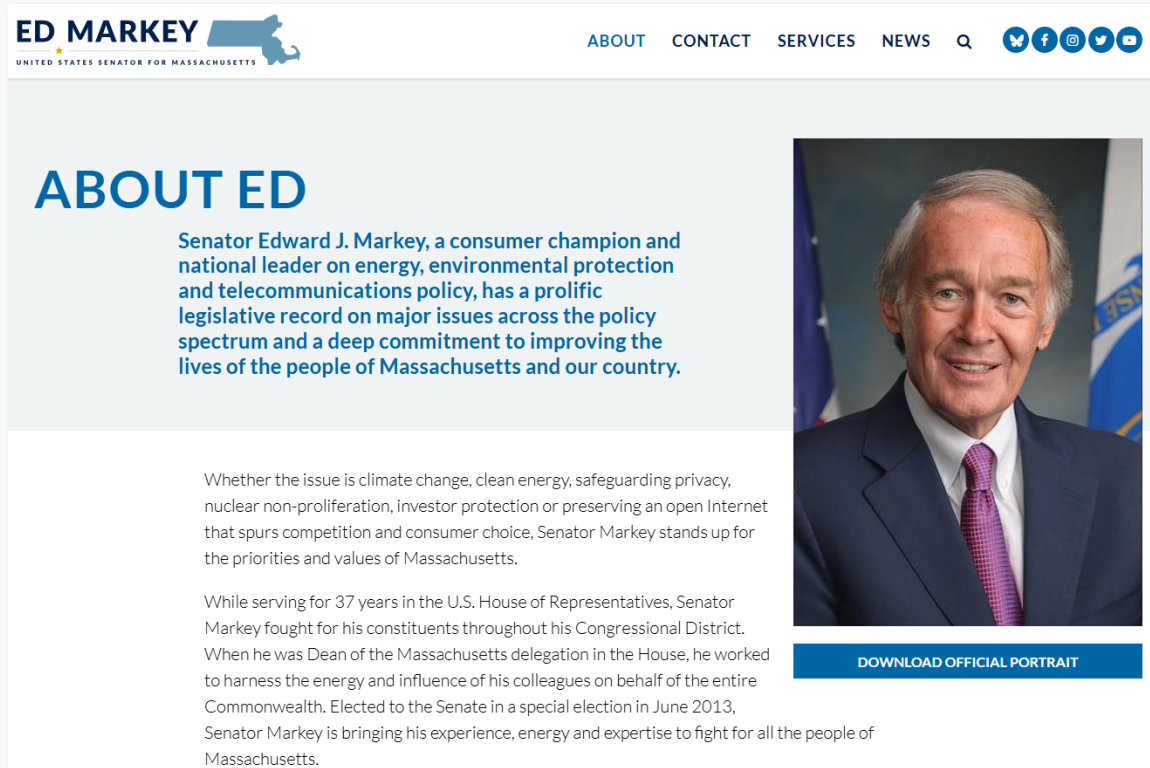
4 This Act may be cited as the “SBIR/STTR Reau-
5 thorization Act of 2025”.

- Addresses Technical and Business Assistance (TABAs)
 - *Agencies will no longer have assigned TABA vendors*
 - *Small Business choose their own*
 - *TABA\$ can be used for*
 - Staff Augmentation/Training
 - iCorps team course fees
 - Cybersecurity assistance
- Commercialization peer review
- Agencies must establish a Technology Commercialization Office/Official
 - *Provide pathway to Phase III*
 - *Create Commercialization Impact Assessment*
- Now in committee on Small Business and Entrepreneurship

Full Text: <https://www.congress.gov/bill/119th-congress/senate-bill/1573/text>

Legislation Introduced

Now in Committee on
Small Business and
Entrepreneurship



The screenshot shows the official website of Senator Edward J. Markey. The header includes the name "ED MARKEY" with a map of Massachusetts, and navigation links for "ABOUT", "CONTACT", "SERVICES", and "NEWS". Social media icons for Twitter, Facebook, Instagram, and YouTube are also present. The main content area features a section titled "ABOUT ED" with a blue header. Below this, a paragraph describes Senator Markey as a consumer champion and national leader on energy, environmental protection, and telecommunications policy. To the right of this text is a portrait of Senator Markey. Below the portrait is a button labeled "DOWNLOAD OFFICIAL PORTRAIT".

ED MARKEY
UNITED STATES SENATOR FOR MASSACHUSETTS

ABOUT CONTACT SERVICES NEWS

ABOUT ED

Senator Edward J. Markey, a consumer champion and national leader on energy, environmental protection and telecommunications policy, has a prolific legislative record on major issues across the policy spectrum and a deep commitment to improving the lives of the people of Massachusetts and our country.

Whether the issue is climate change, clean energy, safeguarding privacy, nuclear non-proliferation, investor protection or preserving an open Internet that spurs competition and consumer choice, Senator Markey stands up for the priorities and values of Massachusetts.

While serving for 37 years in the U.S. House of Representatives, Senator Markey fought for his constituents throughout his Congressional District. When he was Dean of the Massachusetts delegation in the House, he worked to harness the energy and influence of his colleagues on behalf of the entire Commonwealth. Elected to the Senate in a special election in June 2013, Senator Markey is bringing his experience, energy and expertise to fight for all the people of Massachusetts.

DOWNLOAD OFFICIAL PORTRAIT

- Senator Edward J. Markey (D-MA)
- Introduced 5/1/2025

Another Version

Research Advancing to
Market Production for
Innovators Act

119TH CONGRESS
1ST SESSION

H. R. 3239

To improve commercialization activities in the SBIR and STTR programs,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2025

Ms. HOULAHAN (for herself and Mr. BALDERSON) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committees on Science, Space, and Technology, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To improve commercialization activities in the SBIR and
STTR programs, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Research Advancing
5 to Market Production for Innovators Act”.

- FAST Program extended: Sept 2030
- SBIR allocation increases 4% to 7%
- STTR allocation increases 0.5% to 1%
- Adds Fellowship/Intern opportunities
 - *Minority outreach emphasis*
- Tech and Business Assistance—TABA
 - *Small Business chooses vendor*
 - *Use funding to hire/train staff*
 - *Use funding for iCorp training*
- Train Federal CO on Phase III funding
- Establish Technology Commercialization Office/Officer
 - *Produce Commercialization Impact Assessment Report to Congress*
- Budget to increase emerging states participation
- Direct to Phase II awards < 10% total

<https://www.congress.gov/bill/119th-congress/house-bill/3239/history>

Legislation Introduced

Now in Committee on
Small Business and
Entrepreneurship



- U.S. Representative Chrissy Houlahan (D-PA)
- Introduced 5/7/2025

Source: <https://houlahan.house.gov/>

Small Business Impact

“Emerging States”

S. 853 Definition

Per S.853: The term ‘emerging State’ means the 25 States with the fewest combined number of award recipients in the SBIR program and the STTR program that have received their first Phase I award in the previous 10 fiscal years

Rank	State	Estimated Total Phase I Awards (FY19–FY23)
1	North Dakota (ND)	5–7
2	Mississippi (MS)	7–10
3	Alaska (AK)	10–12
4	West Virginia (WV)	15
5	South Dakota (SD)	25
6	Maine (ME)	28
7	Nebraska (NE)	29
8	Nevada (NV)	32
9	Vermont (VT)	32
10	Wyoming (WY)	34
11	Idaho (ID)	36
12	Iowa (IA)	51

Rank	State	Estimated Total Phase I Awards (FY19–FY23)
13	Arkansas (AR)	54
14	Rhode Island (RI)	57
15	Montana (MT)	59
16	Oklahoma (OK)	62
17	Kansas (KS)	64
18	Louisiana (LA)	74
19	Kentucky (KY)	92
20	South Carolina (SC)	94
21	Alabama (AL)	95–105
22	New Hampshire (NH)	100–110
23	New Mexico (NM)	110–120
24	Delaware (DE)	115–125
25	Hawaii (HI)	125–135

Small Business Act

Potential amendments
per INNOVATE Act

181

SMALL BUSINESS ACT

Sec. 9

any other country determined to be a country of concern by the Secretary of State;

(18) the term "malign foreign talent recruitment program" has the meaning given such term in section 10638 of the Research and Development, Competition, and Innovation Act (division B of Public Law 117-167); and

(19) the term "federally funded award" means a Phase I, Phase II (including a Phase II award under subsection (cc)), or Phase III SBIR or STTR award made using a funding agreement.

(20) the term "emerging State" means the 25 States with the fewest combined number of award recipients in the SBIR program and the STTR program that have received their first Phase I award in the previous 10 fiscal years;

(21) the term "rural area" means a county or other political subdivision of a State that the Bureau of the Census has defined as mostly rural or completely rural in the most recent decennial census;

(22) the term "open topic announcement" means a solicitation for SBIR or STTR proposals that—

(A) is a generalized problem statement or broad technology area and does not contain any language requiring that the solutions that a small business concern proposes adhere to specific technological specifications; and

(B) evaluates the ability of the solution proposed by the small business concern to meet the stated innovation need of the agency or Government end user; and

(23) the term "foreign risk" means, in the past 10 years, any foreign affiliation, technology licensing agreement, joint venture, contractual or financial obligation (pending or otherwise), investment agreement, research relationship (including co-authorship), or business relationship between—

(A) a small business concern (including all subsidiaries, spinouts, and affiliates) submitting a proposal for an SBIR or STTR program, and covered individuals, owners, or other key personnel of the small business concern; and

(B) an individual, research institution, business entity, government, or government-owned entity in a foreign country of concern that is disclosed, as required under subsection (g) or subsection (o), or otherwise identified in the due diligence process, as required under subsection (vv).

(49) (f) FEDERAL AGENCY EXPENDITURES FOR THE SBIR PROGRAM.—

(1) REQUIRED EXPENDITURE AMOUNTS.—Except as provided in paragraph (2)(B), each Federal agency which has an extramural budget for research or research and development in excess of \$100,000,000 for fiscal year 1992, or any fiscal year thereafter, shall expend with small business concerns—

(A) not less than 1.5 percent of such budget in each of fiscal years 1993 and 1994;

(B) not less than 2.0 percent of such budget in each of fiscal years 1995 and 1996;

(C) not less than 2.5 percent of such budget in each of fiscal years 1997 through 2011;

(D) not less than 2.6 percent of such budget in fiscal

January 16, 2025

As Amended Through P.L. 118-159, Enacted December 23, 2024

- TechOpp took S.853 and incorporated the proposed changes into the Small Business Act
- We then commented on each revised section to include those elements of interest to the Small Business Community
- This has been done for the other two proposed Acts as well
 - *If you'd like one of these documents, please reach out to Randy Simpson*
 - *See last slide for contact information*

Line by Line Assessment

INNOVATE Act

Page	Summary	Small Business Concern and/or Action
175	Removed funding <u>reporting</u> on women, socially or economically disadvantaged. Added who reside in emerging states or rural areas.	Small Business in an emerging state is the focus of program <u>reporting</u> . Should encourage Phase-0 state funding. There was no benefit for disadvantaged small business in the 2022 Extension Act
179	Added Phase 1A for open topics only	Opportunity for small businesses who have no SBIR/STTR awards to enter the program with less of an investment
181	Allocates 10% more workshare to SB and 10% less workshare to RI for STTR only	Increases workshare for small business
181	Added definitions for new terminology such as “emerging states” and “rural areas”	See slide on emerging states and rural areas
181	SBIR “tax” increases: 3.2% to 3.45%	More funding will be available
183	Removes disadvantaged and adds “emerging state” to reporting	
184	Adds provision for Agency to evaluate national security risk from small business concern	Discourages small business from foreign engagement
185	Adds specific foreign ownership and IP transfer restrictions	
187	Removes enhanced outreach efforts to socially and economically disadvantaged small businesses	There was not an advantage to a disadvantaged small business in the prior Act.
190	Replaces disadvantaged with emerging state or rural area	
193	Limits STTR funding at DoD & NASA to TRL 1, 2 and 3 only (assume this is the starting point)	STTR Applications with Research Institutions will need to be at lower TRL. Find RI willing to work at lower TRLs and recognize the time to market is increased
194	STTR contracts are FFP	
195	Revises STTR award <u>reporting</u> to remove socially or economically disadvantaged individual	
197	Adds foreign risk language to STTR award instruction	Carefully consider your business relationships with foreign entities
198	Adds certain conditions under which an STTR awardee must repay the grant funds to the Agency	Encourages execution to the administrative requirements including exclusion of foreign involvement

Line by Line Assessment

INNOVATE Act

Page	Summary	Small Business Concern and/or Action
204	Removes the Commercialization Readiness Program	If you have a CRP presently, it will not be renewed
206	Moved the provision to ensure adequate competition by assuring no entity is shaping the topic from another section	Be extremely careful discussing ideas with Agencies towards “seeding” a topic. Although this will continue IMHO.
207	Establishes a \$30M ceiling for Strategic Breakthrough awards	
208	Limit of 10% of SBIR funds to Direct to Phase II topics	Prepare to bid more Phase I opportunities. Time to market will be increased.
208	DoD and NIH limited to 30% of SBIR funds to Direct to Phase II topics	
208	Small Business limited to 25 D2P2 awards (assume this is lifetime?)	D2P2 topics will be limited so this may not be a substantial restriction
208	Agency limited to 25 D2P2 awards to one company	
211	Removes sequential Phase II awards from STTR program	Consider how to transition to SBIR from STTR if post Phase II funding is needed
211	Defines “Strategic Breakthrough Awards”	
211	Agency will identify rapid transition programs	
211	New Strategic Breakthrough funding allocation	
211	DoD shall provide direct access to program and requirements offices for small businesses	Small Business should “remind” their agency contacts of this statement?!
211	DoD report on Program of Record transition rates	
213	Removes the accelerated award pilot program for DoD	
214	Small business with over \$75M lifetime PhI + PhII awards is now ineligible to apply	Potentially less competition for published topics as some companies are eliminated. Some of their employees may be on the market too.
214	Limits small business to apply PI to only one proposal per PhI or PhII solicitation	Consider how to access conditional PI’s that will be brought on board upon award. Build a strategy to cover their non-SBIR/STTR hour allocation.

Line by Line Assessment

INNOVATE Act

Page	Summary	Small Business Concern and/or Action
214	Small businesses may not submit more than 3 proposals to a single solicitation	Investigate other non-SBIR funding sources
214	Limits small businesses to applying to no more than 25 PhI and PhII topics in a year to all Agencies	Limits submissions, be selective, look for alternate grant funding sources
216	Removes the Phase 0 Proof of Concept Partnership Program	
218	Increase participation by states with a low level of awards	Will these states augment their FAST or other state funded programs to introduce SBIR/STTR opportunities?
218	Removes DEI as an award factor	
219	2.5% of SBIR budget goes to Phase IA awards	2.5% of 3.4% of R&D budget = small number
219	1A awards for first timers only	If you are a first-time bidder, this is worth investigating (as well as traditional Phase I topics)
219	1A proposals limited to 2 pages with five sections	Learn to be concise in your proposal writing
219	1A award is \$40K maximum	This is a one-time offer so potentially has no long-term effect in the small business community.
219	1A award notification within 90 days of proposal submission	Feedback mandated within 90 days
219	1A funds may be used to prepare for a Ph1 or Ph2 subsequent proposal	To be determined if funds can be used for Phase I proposal development
220	Minimum performance standard for small businesses with >10 Ph1 awards to convert 25% of Ph1 awards to Ph2 or be ineligible to perform on SBIR/STTR projects for one year	It is important to refine Phase I performance metrics to improve transition rate. What needs to change in your small business? Establish project management and Phase II capture strategy to improve transition rate.
221	Minimum performance standard for small businesses with >25 Ph1 awards to convert 50% of Ph1 awards to Ph2 or be ineligible to perform on SBIR/STTR Ph1 projects for that Agency for one year + limited to 5 Ph1 awards annually thereafter until the conversion standard is met.	
221	Small businesses with >25 Ph2 lifetime awards must have annual non-SBIR/STTR receipts exceeding the total of Ph1 + Ph2 awards	Renewed focus on non-SBIR grant funding
221	Small businesses with >25 Ph2 lifetime awards must receive minimum of 65% of their receipts from other than SBIR/STTR receipts for the 3 years preceding the most recent fiscal year (only 35% of revenue can come from SBIR/STTR).	

Call to Action

Call to Action

Get Involved

- Read the proposed legislation
- Do you agree with each provision? Or not? And why?
 - *Contact your elected official and the Bill's sponsor*
 - *Do your homework—make your case—offer succinct wording*
 - Consider how each element impacts the small business community
- Prepare contingency plan should INNOVATE Act become law
 - *If you are a small business who has reached the lifetime limit*
 - Begin sourcing other federal funds to replace lost SBIR/STTR funds
 - *Never bid an SBIR/STTR? Study the Phase 1A provision*
 - Prepare to submit on the next open topic
 - Do your research now to validate an “agency/public need”

Resources from TechOpp

Upcoming Webinars

Actionable Guidance



Leveraging Proposed Changes to the SBIR Program for Early-Stage Businesses

Randy Simpson | 6/18/2025 | 2:00pm(EST)

Several proposed changes are designed to help early-stage businesses, but also present unique challenges. We cover how to leverage those changes to get started with SBIR funding.

Add to Calendar



Maximizing your Phase I to Phase II Conversion Rate

Randy Simpson | 7/9/2025 | 2:00pm(EST)

There are proposed minimum standards for Phase I to Phase II conversion. We will focus on how to maximize your chances of winning Phase IIs to exceed these standards.

Add to Calendar



Moving Beyond SBIR Funding

Randy Simpson | 7/23/2025 | 2:00pm(EST)

Many successful companies who have leveraged SBIR funding to support R&D and product development may become ineligible. In this webinar we focus on how to secure non-SBIR funding to enable continued innovation.

Add to Calendar

[Register Here](#)

Techopp.com/webinars

Information Resources

Stay Informed, Be Prepared, Speak Out

SBIR Reauthorization 2025

The SBIR program is due for reauthorization and must be completed by September 30, 2025. The proposed changes may present challenges to established participants and new opportunities for early stage companies. We offer informational resources and actionable guidance to assist small businesses to navigate this evolving landscape.

Upcoming Live Webinars

RECENT NEWS



Stay up to date with recent news. We summarize relevant articles from across the web with links to full articles.

Read More

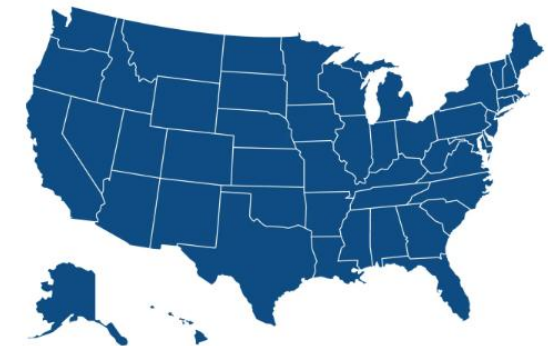
PROPOSED LEGISLATION



Multiple bills are currently proposed related to SBIR reauthorization. We provide summary highlights and links to full text documents.

Read More

FUNDING DISTRIBUTION



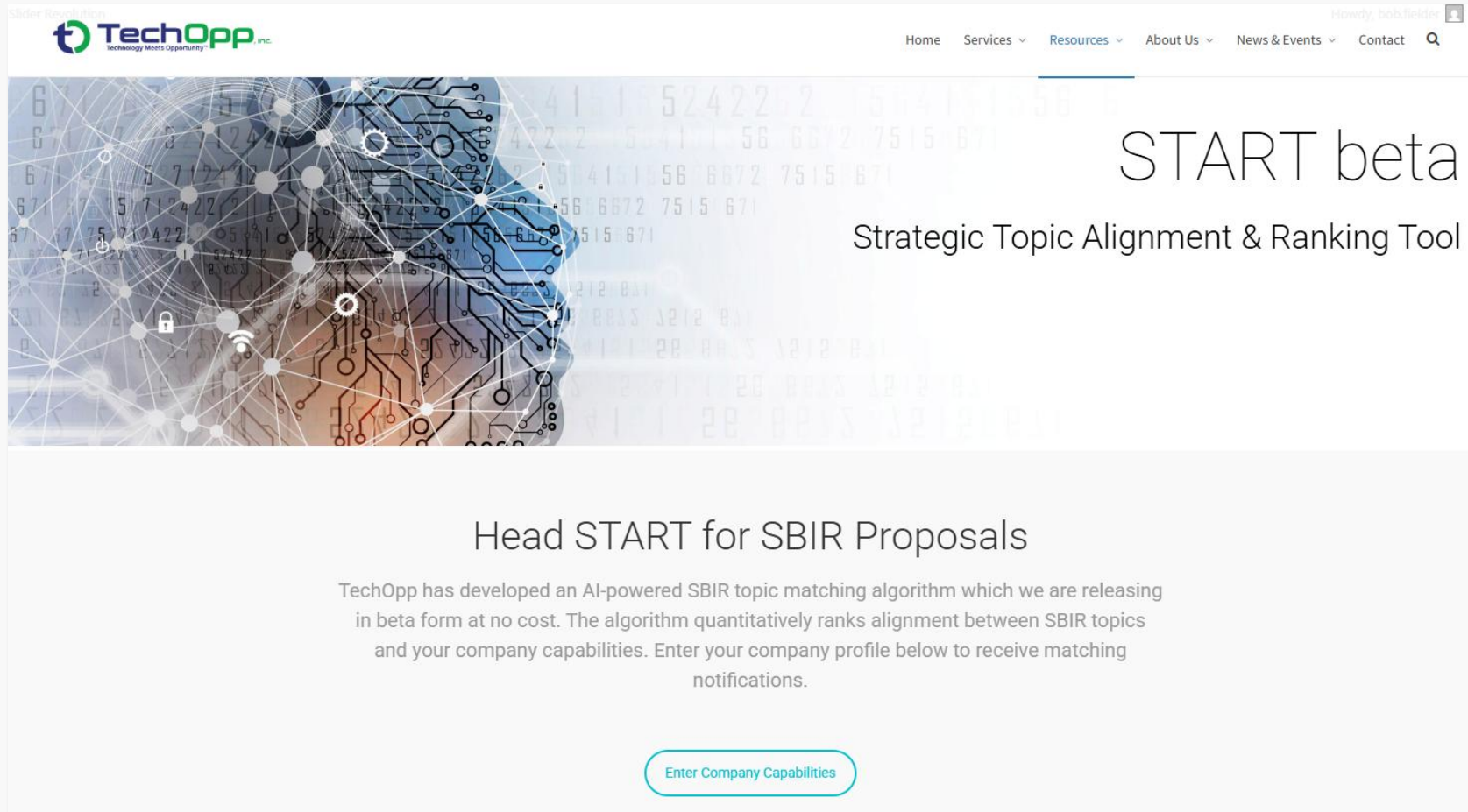
See SBIR funding distribution at the state and Congressional district level. We include links to your elected representatives.

Read More

Location: <https://techopp.com/resources/sbir-reauthorization/>

SBIR Topic Search Tool

Enter capabilities,
receive early
notification of topics



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START beta

Strategic Topic Alignment & Ranking Tool

Head START for SBIR Proposals

TechOpp has developed an AI-powered SBIR topic matching algorithm which we are releasing in beta form at no cost. The algorithm quantitatively ranks alignment between SBIR topics and your company capabilities. Enter your company profile below to receive matching notifications.

[Enter Company Capabilities](#)

Location: <https://techopp.com/resources/sbir-topic-search-tool/>

Direct Support

How we can help



PROPOSAL DEVELOPMENT

Our proposal management process includes coaching, writing, editing, and assistance with proposal submission.



TECHNICAL AND BUSINESS ASSISTANCE (TABAs)

Our hands-on TABA support leverages federal funding to support technology transition and commercialization.



TRAINING

We leverage our hands-on experience to provide actionable SBIR training for state agencies and small businesses.



STRATEGIC MARKETING

Our marketing services focus on increasing brand visibility and driving customer engagement.





Thank You

Randy Simpson, COO

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