



Small Business Innovation Research (SBIR)  
Small Business Technology Transfer (STTR)



# 2019 SBIR/STTR Funding & Commercialization- Arizona Regional Summit:

## *SBIR/STTR Overview*

UA Tech Park - Event Center  
Tuesday, March 26, 2019

**Robert Vinson**

NIH SBIR/STTR Program Office,  
Office of Extramural Research





National Institutes of Health  
Office of Extramural Research

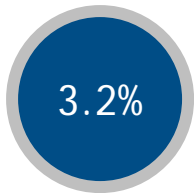
# Mission of the SBIR/STTR Programs

***To support scientific excellence  
and technological innovation by  
providing investment of Federal  
R&D funds into small businesses  
to work on critical national  
priorities and build a  
stronger economy.***



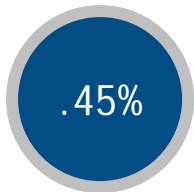


## SET ASIDE



### SMALL BUSINESS INNOVATION RESEARCH (SBIR) PROGRAM

Set-aside program for small business concerns to engage in federal R&D -- with potential for commercialization



### SMALL BUSINESS TECHNOLOGY TRANSFER (STTR) PROGRAM

Set-aside program to facilitate cooperative R&D between small business concerns and US research institutions -- with potential for commercialization





- Stimulate technological innovation
- Use small business to meet federal R&D needs
- Foster and encourage participation by minorities and disadvantaged persons in technological innovation
- Increase private-sector commercialization innovations derived from federal R&D

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*Small Business Innovation Development Act of 1982*

P.L. 114-328 Re-Authorizes program through FY2022





- Stimulate and foster scientific and technological innovation through **cooperative research** and development carried out *between* **small business concerns** and **research institutions**
- Foster **technology transfer** between small business concerns and research institutions

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*Small Business Research and Development  
Enhancement Act of 1992*

P.L. 114-328 Re-Authorizes program through FY2022



The screenshot shows the homepage of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) website. At the top left is the NIH logo. Next to it is the SBIR · STTR logo with the tagline "America's Seed Fund™" and "POWERED BY SBA". The URL "www.sbir.gov" is prominently displayed in the center. On the right, there is an SBA logo and navigation links for "Login/Register", "Contact Us", and "Search". Below these is a horizontal menu with categories: Home Links, About, Funding, Awards, News, Events, Tutorials, and Resources. The main content area features a large blue arrow pointing right with the text "FIND FUNDING". Below this are three vertical buttons: "SUCCESS STORIES" and "GET THE 411". A search bar is positioned to the right of the "FIND FUNDING" button, containing the text "Search Open Funding Topics" and a "Search" button. A large image of a hand pointing at a screen is overlaid on the right side of the page. Below the main content area are three columns of information:

- Learn About**
  - Overview
  - Policy Directive
  - Authorization Act
  - Intellectual Property
- I'm a(an)...**
  - Applicant
  - Awardee
  - Investor
  - Large Business
- I Want to...**
  - Start a Small Business
  - Register my company
  - Update my company profile/commercialization



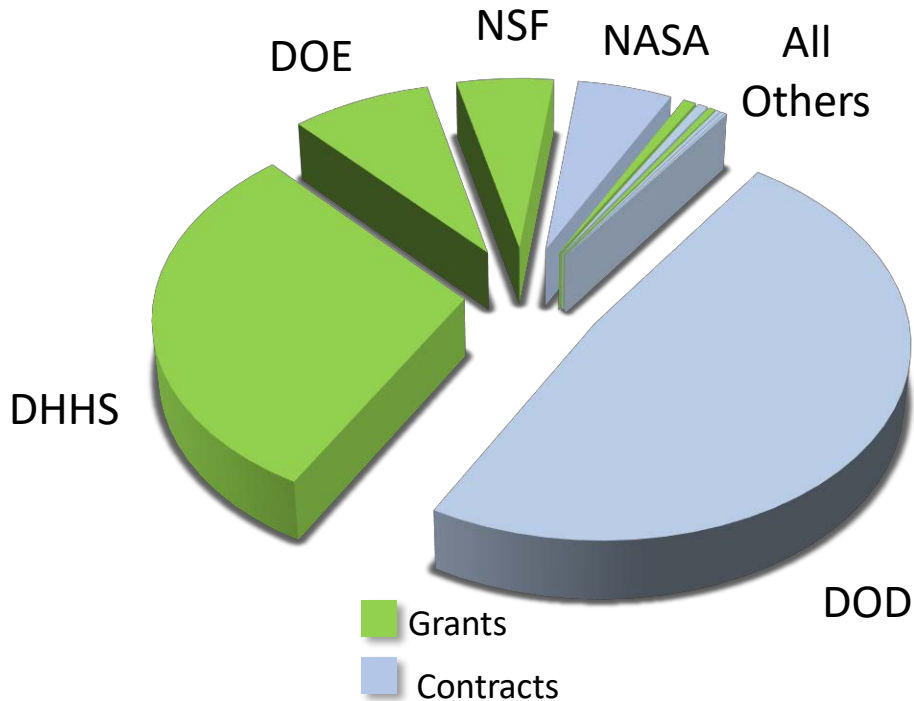


## Best Things about SBIR/STTR For Small Businesses

- **Non-Dilutive Capital** – The funding agency cannot take an equity position or ownership of the firm
- **IP/Data Rights** protection – Government can't share reports or data with anyone outside of the federal government for 5 years (DoD) or 4 years (other agencies)
- **Direct follow on Phase III** awards – No need for further competition, which benefits both the government and small businesses



# SBIR/STTR Budgets by Agency, FY2018



~ \$3.6 Billion in FY2018  
across all agencies



5 AGENCIES WITH SBIR & STTR PROGRAMS	APPROX BUDGET
Department of Defense (DOD)	\$ 1.750 B
Department of Health and Human Services (DHHS), including the National Institutes of Health (NIH)*	\$1.088 B
Department of Energy (DOE), including Advanced Research Projects Agency – Energy (ARPA-E)	\$291.7 M
National Science Foundation (NSF)	\$ 202.4 M
National Aeronautics and Space Administration (NASA)	\$198.0 M
6 AGENCIES WITH ONLY SBIR PROGRAMS	APPROX BUDGET
Department of Agriculture (USDA)	\$27.0 M
Department of Homeland Security (DHS): Science and Technology Directorate (S&T) & Countering Weapons of Mass Destruction Office (CWMD)	\$20.8 M
Department of Commerce: National Oceanic and Atmospheric Administration (NOAA) & National Institute of Standards and Technology (NIST)	\$14.2 M
Department of Transportation (DOT)	\$8.5 M
Department of Education (ED)	\$7.5 M
Environmental Protection Agency (EPA)	\$4.2 M

\*DHHS also issues contracts



# Agency SBIR Differences

## Contracting Agencies

- Agency establishes plans, requirements, deliverables
- Highly focused topics
- Procurement capability
- More fiscal requirements

## Granting Agencies

- Investigator initiates approach
- Less-specified topics
- Assistance mechanism
- More flexibility

DOD

DHS

HHS/NIH

DOT

NASA

DEd

EPA

*HHS/NIH ~ 10% Contracts, 90% Grants*

HHS/NIH

NSF

DOE

USDA

DOC

# SBIR/STTR: III-Phase Competitive Program



## PHASE I Feasibility Study

- Award Guideline: **\$150K** - varies by Agency - can be **\$225K** or more
- Duration: 6 months (SBIR)/12 months (STTR)



## PHASE II Full Research, R&D to Prototype

- Award Guideline: **\$1M** (SBIR/STTR) - varies by Agency - can rise to **\$1.5M**, or more with waiver
- Duration: 2 years



## PHASE III Commercialization

- Subsequent investment to achieve commercialization, or sale
- Use of non-SBIR/STTR Funds

- Organized as for-profit US business
- Small: 500 or fewer employees, including affiliates
- Work must be done in the US (with few exceptions)
- Individual Ownership:
  - Greater than 50% US-owned by US citizens and independently operated <OR>
  - Greater than 50% owned and controlled by other business concern/s that is/are greater than 50% owned and controlled by one or more individuals <OR>
  - Be a concern which is more than 50% owned by multiple venture capital operating companies, hedge funds, private equity firms, or any combination of these (For some agencies)

**Determined at Time of Award!**





- Applicant is a Small Business Concern
- Formal Cooperative R&D Effort
  - Minimum 40% by small business
  - Minimum 30% by US research institution
- US Research Institution
  - College or university; other non-profit research organization; Federal R&D center
- Intellectual Property Agreement
  - Allocation of rights in IP and rights to carry out follow-on R&D and commercialization





# SBIR and STTR Critical Differences

	SBIR	STTR
Partnering Requirement	Permits partnering	Requires a non-profit research institution partner (e.g. university)
Work Requirement	Guidelines: May outsource 33% (Phase I) 50% (Phase II)	Minimum Work Requirements: 40% small business 30% research institution partner
Principal Investigator	Primary employment (>50%) must be with the small business	PI may be employed by either the research institution partner or small business

**Award is always made to the small business!**





- SBIR/STTR programs authorized through **FY22**
- 4 pilot programs extended through **FY22**
  - **SBIR Direct Phase II** (some by 1/7/19, rest by 4/5/19)
    - Apply at Application Level for SBIR Direct Phase II (New)
    - NIH Only, not available for STTR by law
  - **Commercialization Readiness Pilot Program** (SB1 or other options targeting 4/5/19)
  - **3% Agency SBIR Admin funds** (more outreach, more commercialization assistance, etc.)
  - **NIH Phase 0 Proof of Concept Centers** (REACH - planning)





- Increase Technical and Business Assistance
  - Up to \$6,500 per year per Phase I (up from \$5K/year)
  - Up to \$50,000 per Phase II **project** (up from \$5K/year)
  - Request at time of APPLICATION
  - Request in F. Other Direct Costs lines 8-10 on SBC budget
  - Label as "Technical Assistance"

**F. Other Direct Costs**

**Funds Requested (\$)**

1. Materials and Supplies	
2. Publication Costs	
3. Consultant Services	
4. ADP/Computer Services	
5. Subawards/Consortium/Contractual Costs	
6. Equipment or Facility Rental/User Fees	
7. Alterations and Renovations	
8.	
9.	
10.	
<b>Total Other Direct Costs</b>	

Subaward/Consortium/Contractual Costs are not pre-populated. Include both Direct and Indirect costs.



## Some of our Home Runs



[www.sbir.gov/news/success-stories](http://www.sbir.gov/news/success-stories)