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Exhibit R-2, RDT&E Budget Item Justification: PB 2025 Defense Advanced Research Projects Agency **Date:** March 2024

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide / BA 6: RDT&E Management Support</i>	R-1 Program Element (Number/Name) PE 0605502E / <i>SMALL BUSINESS INNOVATION RESEARCH</i>
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COST (\$ in Millions)	Prior Years	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total	FY 2026	FY 2027	FY 2028	FY 2029	Cost To Complete	Total Cost
Total Program Element	-	126.852	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	-	-
SB-01: <i>SMALL BUSINESS INNOVATION RESEARCH</i>	-	126.852	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	-	-
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

In accordance with Public Law No: 116-92 (National Defense Authorization Act 2020) and the Small Business Act (15 U.S.C. 638), the DARPA Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are designed to provide small, high-tech businesses and academic institutions the opportunity to propose radical, innovative, high-risk approaches to address existing and emerging national security threats, thereby supporting DARPA's overall strategy to enable fundamental discoveries and technological breakthroughs that provide new military capabilities.

B. Program Change Summary (\$ in Millions)

	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025 Base</u>	<u>FY 2025 OCO</u>	<u>FY 2025 Total</u>
Previous President's Budget	0.000	0.000	0.000	-	0.000
Current President's Budget	126.852	0.000	0.000	-	0.000
Total Adjustments	126.852	0.000	0.000	-	0.000
• Congressional General Reductions	0.000	0.000			
• Congressional Directed Reductions	0.000	0.000			
• Congressional Rescissions	0.000	0.000			
• Congressional Adds	0.000	0.000			
• Congressional Directed Transfers	0.000	0.000			
• Reprogrammings	0.000	0.000			
• SBIR/STTR Transfer	126.852	0.000			

Change Summary Explanation

FY 2023: Increase reflects SBIR/STTR transfer.
 FY 2024: N/A
 FY 2025: N/A

C. Accomplishments/Planned Programs (\$ in Millions)

	FY 2023	FY 2024	FY 2025
Title: Small Business Innovation Research	126.852	0.000	0.000
Description: The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are			

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C. Accomplishments/Planned Programs (\$ in Millions)	FY 2023	FY 2024	FY 2025
<p>designed to provide small, high-tech businesses and academic institutions the opportunity to propose radical, innovative, high-risk approaches to address existing and emerging national security threats; thereby supporting DARPA's overall strategy to enable fundamental discoveries and technological breakthroughs that provide new military capabilities.</p> <p>FY 2024 Plans:</p> <ul style="list-style-type: none"> - Will continue to utilize DoD Out of Cycle BAA to release SBIR/STTR topics on a Just-in-Time basis. - Will continue to release an SBIR and/or STTR Open topic in accordance with the 2022 SBIR/STTR Reauthorization Act. Lessons learned from initial FY 2023 release will be identified and implemented for FY 2024. - Will continue its Due Diligence Program Business Assessment Program, taking lessons learned from its implementation in FY 2023 and improving and streamlining them in FY 2024. - Will continue to leverage DARPA SBIR/STTR topics in support of larger DARPA Programs to the highest extent possible to ensure successful transition of SBIR/STTR technologies. - Will continue to utilize various funding pathways available to the SBIR/STTR programs. This includes, Phase I, Phase II, Direct to Phase II, co-funds, cross agency awards, Phase II Enhancements, and SBIR XL Pilot. - Will continue to use DARPA s SBIR XL pilot, which aims to increase opportunities for DARPA funded technology by reimagining SBIRs to transform ideas into successful small businesses that scale. The goals of SBIR XL include: (1) increase relevance of SBIR Program for Technology Development in DARPA; (2) emphasize transition and commercialization as part of evaluation process including establishment of concrete commercialization milestones; (3) raise award ceilings to support efforts for operation-scale deployment, increasing the probability of technology transition and commercialization; (4) decrease award timelines. - Will continue to link wherever possible to the OUSD(R&E) Critical Technology Areas which include: (1) FutureG; (2) Trusted AI and Autonomy; (3) Biotechnology; (4) Advanced Computing and Software; (5) Integrated Sensing and Cyber; (6) Directed Energy); (7) Hypersonics; (8) Microelectronics; (9) Integrated Network Systems-of-Systems; (10) Quantum Science; (11) Space Technology; (12) Renewable Energy Generation and Storage; (13) Advanced Materials; (14) Human-Machine Interfaces. <p>FY 2025 Plans:</p> <ul style="list-style-type: none"> - Will continue to utilize DoD Out of Cycle BAA to release SBIR/STTR topics on a Just-in-Time basis. - Will continue to release an SBIR and/or STTR Open topic in accordance with the 2022 SBIR/STTR Reauthorization Act. Lessons learned from the FY 2024 release will be identified and implemented for FY 2025. - Will continue its Due Diligence Program Business Assessment Program, taking lessons learned from FY 2024 and improving and streamlining them in FY 2025. - Will continue to leverage DARPA SBIR/STTR topics in support of larger DARPA Programs to the highest extent possible to ensure successful transition of SBIR/STTR technologies. - Will continue to utilize various funding pathways available to the SBIR/STTR programs. This includes, Phase I, Phase II, Direct to Phase II, co-funds, cross agency awards, Phase II Enhancements, and SBIR XL Pilot. 			

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C. Accomplishments/Planned Programs (\$ in Millions)	FY 2023	FY 2024	FY 2025
- Will continue to use DARPA s SBIR XL pilot, which aims to increase opportunities for DARPA funded technology by reimagining SBIRs to transform ideas into successful small businesses that scale. The goals of SBIR XL include: (1) increase relevance of SBIR Program for Technology Development in DARPA; (2) emphasize transition and commercialization as part of evaluation process including establishment of concrete commercialization milestones; (3) raise award ceilings to support efforts for operation-scale deployment, increasing the probability of technology transition and commercialization; (4) decrease award timelines. - Will continue to link wherever possible to the OUSD(R&E) Critical Technology Areas which include: (1) FutureG; (2) Trusted AI and Autonomy; (3) Biotechnology; (4) Advanced Computing and Software; (5) Integrated Sensing and Cyber; (6) Directed Energy; (7) Hypersonics; (8) Microelectronics; (9) Integrated Network Systems-of-Systems; (10) Quantum Science; (11) Space Technology; (12) Renewable Energy Generation and Storage; (13) Advanced Materials; (14) Human-Machine Interfaces.			
Accomplishments/Planned Programs Subtotals	126.852	0.000	0.000

D. Other Program Funding Summary (\$ in Millions)

N/A

Remarks

E. Acquisition Strategy

N/A