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Exhibit R-2, RDT&E Budget Item Justification: PB 2022 Office of the Secretary Of Defense **Date:** May 2021

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide I BA 6: RDT&E Management Support</i>	R-1 Program Element (Number/Name) PE 0605790D8Z I <i>Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR)</i>
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COST (\$ in Millions)	Prior Years	FY 2020	FY 2021	FY 2022 Base	FY 2022 OCO	FY 2022 Total	FY 2023	FY 2024	FY 2025	FY 2026	Cost To Complete	Total Cost
Total Program Element	-	3.567	3.582	3.639	-	3.639	-	-	-	-	-	-
518: <i>SBIR/Challenge Admin</i>	-	3.567	3.582	3.639	-	3.639	-	-	-	-	-	-

A. Mission Description and Budget Item Justification

This program element (PE) provides funding for the administration of the Department of Defense (DoD) Small Business Innovation Research (SBIR) program and the Small Business Technology Transfer (STTR) program. The authority to establish SBIR and STTR programs is codified in 15 U.S.C. 638. The statutory goals of the programs are to stimulate technological innovation, meet federal research and development (R&D) needs, foster and encourage participation in innovation and entrepreneurship by women and socially or economically disadvantaged persons, and increase private sector commercialization of innovations from federal R&D funding. In addition, the STTR program aims to foster technology transfer through cooperative R&D between small businesses and research institutions.

The DoD SBIR/STTR programs set-aside almost two billion dollars annually Defense-wide to competitively fund scientific and technical innovation to specifically address the National Defense Strategy (NDS) modernization priorities and the mission needs of participating DoD components. DoD components participating in the SBIR/STTR programs include: Army, Navy, Air Force, Defense Advanced Research Projects Agency (DARPA), Missile Defense Agency (MDA), Defense Threat Reduction Agency (DTRA), U.S. Special Operations Command (SOCOM), Joint Science & Technology Office for Chemical & Biological Defense (CBD), National Geospatial-Intelligence Agency (NGA), Defense Logistics Agency (DLA), Defense Microelectronics Activity (DMEA), Defense Health Agency (DHA), Strategic Capabilities Office (SCO), Defense Human Resources Activity (DHRA), Space Development Agency (SDA), and the Office of Secretary of Defense (OSD).

B. Program Change Summary (\$ in Millions)	FY 2020	FY 2021	FY 2022 Base	FY 2022 OCO	FY 2022 Total
Previous President's Budget	3.568	3.582	3.639	-	3.639
Current President's Budget	3.567	3.582	3.639	-	3.639
Total Adjustments	-0.001	0.000	0.000	-	0.000
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Program Adjustments	-0.001	-	-	-	-

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Exhibit R-2A, RDT&E Project Justification: PB 2022 Office of the Secretary Of Defense										Date: May 2021		
Appropriation/Budget Activity 0400 / 6					R-1 Program Element (Number/Name) PE 0605790D8Z / <i>Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR)</i>				Project (Number/Name) 518 / <i>SBIR/Challenge Admin</i>			
COST (\$ in Millions)	Prior Years	FY 2020	FY 2021	FY 2022 Base	FY 2022 OCO	FY 2022 Total	FY 2023	FY 2024	FY 2025	FY 2026	Cost To Complete	Total Cost
518: <i>SBIR/Challenge Admin</i>	-	3.567	3.582	3.639	-	3.639	-	-	-	-	-	-
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Small Business Innovation Research (SBIR) program and the Small Business Technology Transfer (STTR) programs are highly competitive programs that encourage domestic small businesses to engage in federal research, development, test and evaluation (RDT&E) with the potential for commercialization. Through a competitive awards-based program, SBIR/STTR enables small businesses to explore their technological potential and provide the incentive to profit from its commercialization. By including qualified small businesses in the nation's research and development (R&D) arena, high-tech innovation is stimulated, and the United States gains entrepreneurial spirit as it meets specific research and development needs.

The SBIR/STTR programs are executed in three phases. The purpose of Phase I is to determine, insofar as possible, the scientific technical and commercial merit, and feasibility of ideas submitted under the SBIR/STTR programs. Phase II is the principal research or research and development effort and is expected to produce a well-defined deliverable prototype. Phase III SBIR/STTR efforts derive from, extend or conclude Phase I or Phase II efforts, and are not funded with SBIR/STTR funds. Under Phase III, companies participating in the SBIR/STTR programs are expected to obtain funding from the private sector and/or non-SBIR/non-STTR government sources to develop the prototype into a viable product or non-R&D service for sale in military and/or private sector markets.

This PE funds the administrative support to the SBIR/STTR programs including: policy development, oversight of program execution for participating DoD agencies, outreach to small businesses, Impact Level IV (IL4) environment hosting/operation and maintenance for the Defense SBIR/STTR Innovation Portal (DSIP), and conduct of a virtual symposium to better communicate DoD mission and technology needs to small businesses.

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

	FY 2020	FY 2021	FY 2022
Title: SBIR/Challenge Admin	3.567	3.582	3.639
Description: This program element is the only source of funds for the coordination, administration and execution of the Department's SBIR/STTR programs in accordance with statute, SBA SBIR/STTR Policy Directive, and DoD policies and regulations. The Director, Small Business and Technology Partnerships (SBTP) is tasked with oversight and execution of essential SBIR/STTR Program activities that are required by law.			
FY 2021 Plans:			
(1) Coordinate and execute the administrative portions of the DoD SBIR/STTR Programs including the development of technical topics, preparation of SBIR/STTR Broad Agency Announcements (BAAs) or Commercial Solution Offerings (CSOs), and receipt of proposal responses; execute the OSD SBIR/STTR budgets and ensure alignment with NDS modernization priorities;			

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

	FY 2020	FY 2021	FY 2022
<p>(2) Establish automated processes across the entire SBIR/STTR lifecycle including the development and maintenance of the Defense SBIR/STTR Innovation Portal (DSIP) and software required for the measurement, evaluation, and effective management of the Department's SBIR/STTR Programs;</p> <p>(3) Establish an outreach program that includes participation in local, state, regional, and national conferences, SBA Road Tours, and other outreach events, geared toward small technology companies, potential investors in such companies, small disadvantaged businesses (SDBs), woman owned small businesses (WOSBs), Institutions of Higher Learning, underrepresented states, and others, to facilitate participation in the SBIR/STTR programs. Conduct a virtual SBIR/STTR symposium that educates the SBIR/STTR community on the NDS modernization priorities, and select topics that will increase small business understanding of engaging with DoD, protecting intellectual property/data rights, and critical technology protection;</p> <p>(4) Coordinate oversight, collect results, track execution and provide reporting of Phase II technology transition in the DoD SBIR Commercialization Readiness Program (CRP); and</p> <p>(5) Prepare all reports mandated by law and policy.</p> <p>FY 2022 Plans:</p> <p>(1) Continue coordination and execution of the administrative responsibilities of the DoD SBIR/STTR programs;</p> <p>(2) Refine and improve established automated processes across the entire SBIR/STTR lifecycle;</p> <p>(3) Re-evaluate and expand upon existing outreach programs;</p> <p>(4) Continue oversight, collection of results, tracking execution and reporting of Phase II technology transition results from the DoD SBIR Commercialization Readiness Program (CRP); and</p> <p>(5) Prepare and respond to required reports mandated by law and policy.</p> <p>FY 2021 to FY 2022 Increase/Decrease Statement: The increase reflects minor budget adjustments.</p>			
Accomplishments/Planned Programs Subtotals	3.567	3.582	3.639

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

N/A

Remarks

D. Acquisition Strategy

N/A