

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2025 Air Force **Date:** March 2024

Appropriation/Budget Activity 3600: <i>Research, Development, Test & Evaluation, Air Force</i> / BA 6: <i>RDT&E Management Support</i>	R-1 Program Element (Number/Name) PE 0605502F / <i>Small Business Innovation Research</i>
--	---

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	-	836.355	1.466	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
663005: <i>Small Business Innovation Research</i>	-	836.355	1.466	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) program implements 15 U.S.C Section 638 to maximize the creative, innovative, and entrepreneurial spirit of small businesses to solve technological problems. AFWERX administers the DAF SBIR/STTR program with a vision to empower an innovation ecosystem that delivers disruptive Air & Space capabilities. AFWERX accelerates agile and affordable capability transitions by teaming innovation technology developers with Airmen and Guardian talent. AFWERX accomplishes this through (1) connecting diverse, innovative industry, academia, and Government entities; (2) creating capability options and prototype opportunities for the DAF; (3) facilitating streamlined acquisition processes; and (4) fostering a culture of innovation. Additionally, this Program Element (PE) has a direct tie to PE 0604009F (AFWERX Prime) as this program improves DAF capabilities by connecting innovators, simplifying technology transfer, and accelerating results.

Funding is spread across multiple focus areas that change from year to year based on known and emerging technology gaps, warfighting demand signals, and broader assessments of the military industrial base in light of its reliance on foundational commercial industries. Expected proportional execution of SBIR/STTR funds in each fiscal year's focus area, as well as a description of each of these areas, is provided below. Actuals may vary depending on allocation of actual funds received, timeliness of funds availability, or changes to strategic guidance or executive priorities.

The DAF SBIR/STTR program implements three different approaches to provide funding and opportunities to small businesses. Open Topic: The Open Topic Program uses a technology-agnostic solicitation which encourages commercial industry to submit dual-use technology solutions without having a known end-user. It is used to capture the best capabilities and emerging technologies and allows industry to bring novel solutions to the DAF. Specific Topic: The Specific Topic Program seeks innovative solutions for SECAF identified Operational Imperatives and defined problem sets by a DAF end user or customer. Specific Topics have clearly-defined requirements and a known DAF customer built into the topic solicitation. STRATFI/TACFI: The STRATFI (Strategic Funding Increase) and TACFI (Tactical Funding Increase) Programs help to scale Phase II efforts to the level needed to achieve technology transitions. These programs de-risk development through syndication with multiple transition-focused partners and leveraging outside investment.

This program is in Budget Activity 6, RDT&E Management Support because this budget activity includes research, development, test and evaluation efforts and funds to sustain and/or modernize the installations or operations required for general research, development, test and evaluation.

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2025 Air Force	Date: March 2024
--	-------------------------

Appropriation/Budget Activity 3600: <i>Research, Development, Test & Evaluation, Air Force</i> / BA 6: <i>RDT&E Management Support</i>	R-1 Program Element (Number/Name) PE 0605502F / <i>Small Business Innovation Research</i>
--	---

B. Program Change Summary (\$ in Millions)	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total
Previous President's Budget	0.000	1.466	2.425	0.000	2.425
Current President's Budget	836.355	1.466	0.000	0.000	0.000
Total Adjustments	836.355	0.000	-2.425	0.000	-2.425
• 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	836.355	0.000			
• Other Adjustments	0.000	0.000	-2.425	0.000	-2.425

C. Accomplishments/Planned Programs (\$ in Millions)	FY 2023	FY 2024	FY 2025
Title: Small Business Innovation Research & Small Business Technology Transfer	836.355	1.466	0.000
<p>Description: The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) program implements 15 U.S.C Section 638 to maximize the creative, innovative, and entrepreneurial spirit of small businesses to solve technological problems. AFWERX's mission is to accelerate agile and affordable capability transitions by teaming leaders in innovative technology with Airmen and Guardian talent.</p> <p>The DAF SBIR/STTR program implements three different approaches to provide funding and opportunities to small businesses:</p> <p>Open Topic: The Open Topic Program uses a technology-agnostic solicitation which encourages commercial industry to submit dual-use technology solutions without having a known end-user. It is used to capture the best capabilities and emerging technologies and allows industry to bring novel solutions to the DAF.</p> <p>Specific Topic: The Specific Topic Program seeks innovative solutions for SECAF identified Operational Imperatives and defined problem sets by a DAF end user or customer. Specific Topics have clearly-defined requirements and a known DAF customer built into the topic solicitation.</p> <p>STRATFI/TACFI: The STRATFI (Strategic Funding Increase) and TACFI (Tactical Funding Increase) Programs help to scale Phase II efforts to the level needed to achieve technology transitions. These program de-risk development through syndication with multiple transition-focused partners and leveraging outside investment.</p> <p>FY 2024 Plans:</p>			

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2025 Air Force	Date: March 2024
--	-------------------------

Appropriation/Budget Activity 3600: <i>Research, Development, Test & Evaluation, Air Force I BA 6: RDT&E Management Support</i>	R-1 Program Element (Number/Name) PE 0605502F / <i>Small Business Innovation Research</i>
---	---

C. Accomplishments/Planned Programs (\$ in Millions)	FY 2023	FY 2024	FY 2025
FY 2024 SBIR/STTR funds are intended to be allocated as follows: Specific Topic: 37% Open Topic: 37% STRATFI/TACFI: 20% Administrative: 6% <i>FY 2025 Plans:</i> FY 2025 Plans: FY 2025 SBIR/STTR funds are intended to be allocated as follows: Specific Topic: 37% Open Topic: 37% STRATFI/TACFI: 20% Administrative: 6% <i>FY 2024 to FY 2025 Increase/Decrease Statement:</i> FY 2025 funding decreased compared to FY 2024 by \$1.466 million due to the correction of a civilian pay raise assumption that should not have been in this PE.			
Accomplishments/Planned Programs Subtotals	836.355	1.466	0.000

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

N/A

Remarks

N/A

E. Acquisition Strategy

Not applicable