

**Compromise Highlights of the SBIR/STTR Reauthorization Bill (as of 12/16/10)**  
**Industry support from the Small Business Technology Coalition and BIO**

- Makes firms majority owned and controlled by multiple venture capital firms eligible for up to 25 percent of the SBIR funds at NIH, NSF, and DoE and up to 15 percent of the funds at the other eight agencies;
- Reauthorizes the programs for 8 years, retaining Dr. Coburn's amendment, instead of 14 years as adopted by the Committee;
- Increases the SBIR program allocation by one percent, from 2.5 to 3.5 percent, at all agencies, including the NIH, spread out over ten years;
- Increases the STTR program allocation from 0.3 percent to 0.6 percent over six years;
- Allows for up to 3 percent of the SBIR allocation for administrative, oversight and processing costs if there is an allocation increase.
- Increases the award guidelines for SBIR and STTR awards from \$100,000 to \$150,000 for Phase I and from \$750,000 to \$1 million for Phase II;
- Limits award increases to 50 percent (\$225,000 for Phase I, \$1.5 million for Phase II) to address "jumbo" awards that have greatly exceeded the guidelines for Phase I and Phase II and cut out other
- Annual increases for inflation to keep award levels realistic for r&d costs.
- Reauthorizes and enhances the Federal and State Technology Partnership program, or FAST program and the Rural Outreach Program, programs that have been very effective in increasing the participation of small business in federal research and development and the start-up of high-tech firms;
- Streamlines and improves data collection and reporting requirements for the SBIR and STTR programs, including developing metrics for annual evaluations by each participating agency, as reflected in the amendment by Dr. Coburn;
- For oversight and fraud prevention, mandates amendment of the SBIR/STTR Policy Directives to include specific measures to prevent waste, fraud and abuse; requires inspectors general of participating federal agencies to establish fraud detection measures, coordinate fraud related information sharing between agencies, and provide fraud prevention related education and training to agencies administering the program; and strengthens the SBA's existing Tech-Net Database to help IGs combat cases of waste, fraud and abuse.