

# Small Business Innovation Research (SBIR) and Small Business Technology Transfer Research (STTR) Programs

Overview and Reauthorization Updates  
March 2026 SBPAC Meeting



# **SBIR Reauthorization 2025: Small Business Innovation and Economic Security Act**

# S. 3971 Small Business Innovation and Economic Security Act

- [S.3971 - 119th Congress \(2025-2026\): Small Business Innovation and Economic Security Act | Congress.gov | Library of Congress](#)
- Passed Senate March 3, 2026
- Passed House March 17, 2026
- Awaiting President's Signature (As of 3/19/2026)

# High Level Overview

- Reauthorizes the SBIR/STTR program through 2031
- Sec. 2 further defines how agencies evaluate whether a small business presents a security risk or other foreign risk
- Sec. 3 adds a new “Strategic Breakthrough” SBIR award authority for larger awards without waivers
- Sec. 4 requires agencies to limit the number of proposals that a small business concern can submit
- Sec. 5-6 requires education and outreach to the agency procurement and acquisition workforce on SBIR Phase III
- Sec. 8 – GSA must require FPDS to designate Phase III awards, indicate non-SBIR awards using SBIR-funded technology, and reference the prior award identification number

## Sec. 2: Security Requirements

Agencies must evaluate whether a small business presents a security or foreign risk, across eight distinct entity lists.

- UFLPA
- Non-SDN Chinese Military-Industrial Complex
- Section 889 Prohibition List
- Chinese Military Companies List
- Military End User List
- Entity List
- FCC Equipment/Services List
- CBP Withhold Release Orders

Award denial may be allowed on classified grounds, but agencies must advise denied firms “in a manner that does not compromise national security.”

## Sec. 3: Strategic Breakthrough Awards

- Agencies with SBIR budgets over \$100M may set aside up to 0.5% of their extramural budget for “Strategic Breakthrough Allocations”
- These awards may be up to \$30M per firm, over 48 months
- Awards must be completed within 90 days of receiving a proposal
- 100% match is required from either private capital or non-SBIR government funding

## Sec. 5: Phase III SBIR Contracting and Education

- SBA, in coordination with DOW and GSA, must establish training for contracting officers and acquisition personnel covering:
  - The missions, goals, and authorities of the SBIR and STTR programs
  - Use of Phase III agreements
  - Phase III data rights
  - Execution of Phase III sole source contracts

## Sec. 6: Phase III Improvements

- Procurement Center Representatives (PCR) must advocate for maximum practicable use and transition of SBIR/STTR-developed technologies to Phase III
- Agencies must develop simplified, standardized procedures, model contracts, and solicitation clauses for Phase I, II, and III awards

## Sec. 8: Improving SBIR and STTR Data Collection

- New data fields are required in the SBIR/STTR database and FPDS
  - Direct to Phase II
  - Subsequent Phase II
  - Strategic Breakthrough
  - Phase III prime contract award
  - Phase III subcontract award
- Phase III reporting now required (previously optional) in FPDS
- Reporting required on non-SBIR contracts and subcontracts if using SBIR- or STTR-funded technology in FPDS

# Resources

- Reach out to SBA's Office of Investment and Innovation (Technology@sba.gov) with questions about SBIR/STTR or ideas about implementation of the Small Business Innovation and Economic Security Act
- Learn more about SBIR and STTR Programs: <https://www.sbir.gov/>
- Find the SBIR Policy Directive: <https://www.sbir.gov/about/policies>
- Connect with agency SBIR program managers: <https://www.sbir.gov/participating-agencies>
- Find small businesses with innovative technology ready for rapid procurement through Phase III sole source contracts: <https://www.sbir.gov/awards>

