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U.S. GOVERNMENT
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II

119TH CONGRESS
2D SESSION

S. 3971

To extend the SBIR and STTR programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 3, 2026

Ms. ERNST (for herself and Mr. MARKEY) introduced the following bill; which was read twice, considered, read the third time, and passed

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A BILL

To extend the SBIR and STTR programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Innovation and Economic Security Act".

SEC. 2. BOLSTERING RESEARCH SECURITY OF SBIR AND STTR AWARDS.

(a) IN GENERAL.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended—

(1) in subsection (g)—

(A) by redesignating paragraphs (15), (16), and (17) as paragraphs (16), (18), and (19), respectively;

(B) by inserting after paragraph (14) the following:

''(15) evaluate whether a small business concern presents a security risk for any reason, through measures including—

''(A) the due diligence process required under subsection (vv);

''(B) disclosures submitted under this subsection; or

''(C) coordination with the intelligence community, as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 3003), Federal law enforcement, and other counterintelligence capabilities of the Federal Government;'';

(C) in paragraph (16), as so redesignated—

(i) by striking subparagraph (B);

(ii) by striking ''that—'' and all that follows through ''the small business concern submitting'' and inserting ''that the small business concern submitting'';

(iii) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and adjusting the margins accordingly;

(iv) in subparagraph (B), as so redesignated, by striking ''or'' at the end;

(v) in subparagraph (C), as so redesignated, by striking ''and'' at the end; and

(vi) by adding at the end the following:

''(D) has a security risk connecting the small business concern to an entity, including any affiliates of the entity, or individual on—

''(i) the UFLPA Entity List maintained by the Department of Homeland Security;

''(ii) the Non-SDN Chinese Military-Industrial Complex Companies List of the Office of Foreign Assets Control maintained by the Department of the Treasury;

''(iii) the Section 889 Prohibition List established under section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law

115–232; 132 Stat. 1917) and maintained by the Department of Defense;

''(iv) the list of Chinese Military companies required under section 1260H of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (10 U.S.C. 113 note) and maintained by the Department of Defense;

''(v) the Military End User List maintained by the Bureau of Industry and Security of the Department of Commerce;

''(vi) the Entity List maintained by the Bureau of Industry and Security of the Department of Commerce;

''(vii) the List of Equipment and Services maintained by the Federal Communications Commission; or

''(viii) the Withhold Release Orders and Findings List maintained by U.S. Customs and Border Protection;

''(E) has a security risk with a primary source that is classified; or

''(F) has a security risk that the Federal agency determines warrants a denial;'';

(D) by inserting after paragraph (16), as so redesignated, the following:

''(17) provide for—

''(A) a process under which, upon making an award decision to deny an application on the basis of a determination under paragraph (16), or upon making a determination under paragraph (16) that a small business concern has a security risk described in that paragraph, the Federal agency provides to the small business concern, as appropriate pursuant to the discretion of the Federal agency and in a manner that does not compromise national security, a notification—

''(i) advising the small business concern of such determination; and

''(ii) identifying the basis for such determination; and

''(B) a policy that clarifies that receipt of an award decision denying an application does not prohibit the small business concern from being eligible for an award in a subsequent award cycle;'';

(E) in paragraph (19), as so redesignated—

(i) in subparagraph (B), by striking ''paragraph (16)(A)'' and inserting ''paragraph (18)(A)''; and

(ii) in subparagraph (C), by striking ''paragraph (16)(B)'' and inserting ''paragraph (18)(B)'';

(2) in subsection (o)—

(A) by redesignating paragraphs (19), (20), and (21) as paragraphs (20), (22), and (23), respectively;

(B) by inserting after paragraph (18) the following:

''(19) evaluate whether a small business concern presents a security risk for any reason, through measures including—

''(A) the due diligence process required under subsection (vv);

''(B) disclosures submitted under this subsection; or

''(C) coordination with the intelligence community, as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 3003), Federal law enforcement, and other counterintelligence capabilities of the Federal Government;'';

(C) in paragraph (20), as so redesignated—

(i) by striking subparagraph (B);

(ii) by striking ''that—'' and all that follows through ''the small business concern submitting'' and inserting ''that the small business concern submitting'';

(iii) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and adjusting the margins accordingly;

(iv) in subparagraph (B), as so redesignated, by striking ''or'' at the end;

(v) in subparagraph (C), as so redesignated, by striking ''and'' at the end; and

(vi) by adding at the end the following:

''(D) has a foreign risk connecting the small business concern to an entity, including any affiliates of the entity, or individual on—

''(i) the UFLPA Entity List maintained by the Department of Homeland Security;

''(ii) the Non-SDN Chinese Military-Industrial Complex Companies List of the

Office of Foreign Assets Control maintained by the Department of the Treasury;

''(iii) the Section 889 Prohibition List established under section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115–232; 132 Stat. 1917) and maintained by the Department of Defense;

''(iv) the list of Chinese Military companies required under section 1260H of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (10 U.S.C. 113 note) and maintained by the Department of Defense;

''(v) the Military End User List maintained by the Bureau of Industry and Security of the Department of Commerce;

''(vi) the Entity List maintained by the Bureau of Industry and Security of the Department of Commerce;

''(vii) the List of Equipment and Services maintained by the Federal Communications Commission; or

''(viii) the Withhold Release Orders and Findings List maintained by U.S. Customs and Border Protection;

''(E) has a security risk with a primary source that is classified; or

''(F) has a security risk that the Federal agency determines warrants a denial;'';

(D) by inserting after paragraph (20) the following:

''(21) provide for—

''(A) a process under which, upon making an award decision to deny an application on the basis of a determination under paragraph (20), or upon making a determination under paragraph (20) that a small business concern has a security risk described in that paragraph, the Federal agency provides to the small business concern, as appropriate pursuant to the discretion of the Federal agency and in a manner that does not compromise security, a notification—

''(i) advising the small business concern of such determination; and

''(ii) identifying the basis for such determination; and

''(B) a policy that clarifies that receipt of an award decision denying an application does not prohibit the small business concern from being eligible for an award in a subsequent award cycle;''; and

(E) in paragraph (23), as so redesignated—

(i) in subparagraph (B), by striking ''paragraph (20)(A)'' and inserting ''paragraph (22)(A)''; and

(ii) in subparagraph (C), by striking ''paragraph (20)(B)'' and inserting ''paragraph (22)(B)''; and

(3) in subsection (vv)(2)—

(A) by amending subparagraph (A) to read as follows:

''(A) assess, using a risk-based approach as appropriate—

''(i) the cybersecurity practices of a small business concern;

''(ii) patent analysis;

''(iii) employee analysis;

''(iv) foreign ownership of a small business concern seeking an award, including the financial ties and obligations

(which shall include surety, equity, and debt obligations) of the small business concern and employees of the small business concern to a foreign country, foreign person, or foreign entity;

''(v) foreign affiliations of a covered individual, owner, or other key personnel of a small business concern with an entity in a foreign country of concern;

''(vi) investment relationships of a small business concern with an individual or entity in a foreign country of concern;

''(vii) technology licensing agreements or joint ventures (including joint venture-like agreements) with an individual or entity in a foreign country of concern; and

''(viii) business relationships between a covered individual, owner, or other key personnel of a small business concern and an individual or entity in a foreign country of concern;'';

(B) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(C) examine any relationship of a small business concern seeking an award to any entity or individual included on the lists described in subsections (g)(16)(D) and (o)(20)(D).''.

(b) GAO STUDY.—Section 4(b)(4) of the SBIR and STTR Extension Act of 2022 (Public Law 117–183; 136 Stat. 2183) is amended by striking ''3 years'' and inserting ''8 years''.

SEC. 3. PHASE II STRATEGIC BREAKTHROUGH FUNDING.

(a) IN GENERAL.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended—

(1) in subsection (aa), by adding at the end the following:

''(6) STRATEGIC BREAKTHROUGH ALLOCATION.—The requirement under paragraph (1) and the requirement to receive a waiver from the Administrator under paragraph (4) do not apply to a Federal agency for awards of not more than $30,000,000 to a small business concern with funds made available under a strategic breakthrough allocation (as defined in subsection (ff)(3)(A)).''; and

(2) in subsection (ff), by adding at the end the following:

''(3) STRATEGIC BREAKTHROUGH AWARDS.—

''(A) STRATEGIC BREAKTHROUGH ALLOCATION DEFINED.—In this paragraph, the term 'strategic breakthrough allocation' means, with respect to a Federal agency with a required expenditure under subsection (f)(1) in excess of $100,000,000, an expenditure amount from the SBIR allocation under subsection (f)(1) of such agency of not more than 0.50 percent of the extramural budget for research or research and development designated for such agency for fiscal year 2026 and every fiscal year thereafter.

''(B) AWARD.—Under this paragraph, a funding agreement may be awarded to a small business concern by a Federal agency using funds made available under a strategic breakthrough allocation.

''(C) FUND PARAMETERS.—In the case of a Phase II agreement that is awarded to a small business concern by a Federal agency using funds made available under a strategic breakthrough allocation, the following requirements shall apply:

''(i) AWARD SIZE AND PERIOD OF PERFORMANCE.—A Federal agency may award from a strategic breakthrough allo-

cation not more than $30,000,000 to a small business concern, including its affiliates, in a single award or series of awards based on reaching production or development milestones, if the total period of performance of the project with respect to which such funds are awarded is not more than 48 months.

''(ii) SMALL BUSINESS CONCERN REQUIREMENTS.—The small business concern shall—

''(I) have been awarded not less than 1 prior Phase II award under the SBIR or STTR program;

''(II) demonstrate not less than 100 percent matching funds from—

''(aa) new private capital as a result of an award using funds made available under a strategic breakthrough allocation;

''(bb) new funding awarded by a government agency under a program other than Phase I or II of the SBIR or STTR program as a result of an award using

funds made available under a strategic breakthrough allocation; or

"(cc) a combination of funds described in items (aa) and (bb);

"(III) demonstrate a technology that is an effective solution, as determined by market research; and

"(IV) only be eligible for an award from the strategic breakthrough allocation at the Department of Defense if the small business concern—

"(aa) provides a product, process, or technology that meets a necessary level of readiness and has a commitment for inclusion in a program objective memorandum from an official with the rank of program acquisition executive or higher in an acquisition organization of the Department of Defense;

"(bb) provides a product, process, or technology that will

meet high priority requirements or operational needs of a military department through a successful transition and into the acquisition process; and

''(cc) demonstrates not less than 20 percent of the required matching funds under subclause (II) come from new funding awarded by the Department of Defense under a program other than Phase I or II of the SBIR or STTR program as a result of an award using funds made available under a strategic breakthrough allocation.

''(iii) DEADLINE.—The Federal agency shall complete any contract awards using strategic breakthrough allocation funds not later than 90 days after receiving a proposal from a small business concern for the award.

''(iv) ELIGIBLE ACTIVITIES.—Eligible activities by a small business concern using strategic breakthrough allocation funds are

any critical technology areas or requirements deemed necessary by the Federal agency.

''(v) SELECTION CRITERIA.—In making awards using funds made available under a strategic breakthrough allocation, the Federal agency shall consider—

''(I) the potential of the small business concern to advance the national security capabilities of the United States;

''(II) the potential of the small business concern to provide new technologies or processes, or new applications of existing technologies, that will enable new alternatives to existing programs;

''(III) whether a customer in a Federal agency has expressed an intent to purchase and integrate technology from the small business concern into its operations; or

''(IV) whether a particular technology area is undercapitalized by private investment.

''(D) USE OF STREAMLINED CONTRACTING MECHANISMS.—Each Federal agency shall implement streamlined processes and requirements for submitting proposals and applying for awards using funds made available under a strategic breakthrough allocation.''.

(b) COMMERCIALIZATION READINESS PROGRAM.—Section 9(y) of the Small Business Act (15 U.S.C. 638(y)) is amended—

(1) in paragraph (2)—

(A) by striking ''shall identify'' and inserting ''shall—

''(A) identify'';

(B) in subparagraph (A), as so designated—

(i) by inserting '', including small business concerns with an award from the strategic breakthrough allocation (as defined in subsection (ff)(3)(A),'' before ''that have the potential''; and

(ii) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

''(B) ensure, in collaboration with SBIR program managers of each component, that re-

search programs identified under subparagraph (A) are analyzed within the programming and budgeting process as budget requests are developed; and

''(C) provide to the Committee on Small Business and Entrepreneurship of the Senate and the Committees on Small Business and Science, Space, and Technology of the House of Representatives information on the integration of SBIR and STTR awardees in budget rollouts for research, development, testing, and evaluation activities.'';

(2) by striking paragraph (3);

(3) by redesignating paragraphs (4), (5), and (6) as paragraphs (3), (4), and (5), respectively; and

(4) in paragraph (5), as so redesignated—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following:

''(C) establish a mechanism to provide small business concerns with direct access to program and requirements offices that may

purchase technology from the small business concern under Phase III of the SBIR program; and''.

(c) BRIEFINGS.—

(1) DEFINITION.—In this subsection, the term ''appropriate committees of Congress'' means—

(A) the Committee on Small Business and Entrepreneurship of the Senate;

(B) the Committee on Small Business of the House of Representatives; and

(C) the Committee on Science, Space, and Technology of the House of Representatives.

(2) GENERAL REQUIREMENT.—Not later than 60 days after the date of enactment of this Act, the head of each Federal agency that is eligible to make an award from funds made available under a strategic breakthrough allocation (as defined in paragraph (3) of subsection (ff) of section 9 of the Small Business Act (15 U.S.C. 638), as added by this section) shall brief the appropriate committees of Congress on whether that Federal agency plans to make awards pursuant to the authority provided under such paragraph (3), including the reasons why the Federal agency plans to, or does not plan to, use that authority.

(3) RECURRING BRIEFING BY FEDERAL AGENCIES USING FUNDING AUTHORITY.—The head of each Federal agency that opts to make awards pursuant to the authority under paragraph (3) of subsection (ff) of section 9 of the Small Business Act (15 U.S.C. 638), as added by this section, shall, on a recurring basis until the Federal agency finalizes procedures for making those awards, brief the appropriate committees of Congress regarding the implementation of such paragraph (3) by that Federal agency.

(d) TERMINATION.—Effective on September 30, 2031—

(1) this section and the amendments made by this section shall cease to have effect; and

(2) the provisions of law amended by this section shall be restored as if such amendments had not been enacted.

SEC. 4. REDUCING ADMINISTRATIVE BURDEN.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:

''(aaa) REDUCING ADMINISTRATIVE BURDEN.—

''(1) IN GENERAL.—With respect to fiscal year 2027 and each fiscal year thereafter, the Director of the SBIR or STTR program office of each Federal

agency shall, pursuant to authority that may not be delegated, set equally for all small business concerns a limit on the maximum number of proposals that a small business concern may submit in response to Phase I solicitations and Phase II solicitations under subsection (cc), published by that Federal agency, including all components of that Federal agency, in a single fiscal year. In establishing such a limitation, the Director of the SBIR or STTR program office of each Federal agency shall use 1 of the following methods:

''(A) A limit for any small business concern on a fiscal year basis.

''(B) A limit for any small business concern on a solicitation basis.

''(C) A limit for any small business concern on a topic basis.

''(2) WAIVER.—

''(A) IN GENERAL.—On a topic by topic basis, the Director of the SBIR or STTR program office of each Federal agency may grant a waiver of the proposal limit under paragraph (1) at the time of a solicitation announcement for a specific topic for the SBIR or STTR program of the Federal agency if the topic is time-

sensitive and urgent to the mission of the Federal agency.

''(B) WRITTEN JUSTIFICATION.—For each topic for which a waiver is sought under subparagraph (A), the Director of the SBIR or STTR program office of the Federal agency shall provide a written justification to the Administrator, and to the Undersecretary described in subparagraph (C), for why the use of the waiver authority is imperative for the agency's mission and the nature of the immediate and critical need that the Director reasonably believes cannot be met by small business concerns that have not reached the proposal limit under paragraph (1).

''(C) TIMING.—The Undersecretary overseeing the SBIR or STTR program at a Federal agency and the Administrator are required to approve or disapprove a waiver and written justification not later than 15 days after the date on which the Undersecretary receives from the Director the waiver request described in subparagraph (A) and the written justification described in subparagraph (B).

''(D) NONDELEGATION.—The authority to grant or approve a waiver under subparagraph (A) or (C), respectively, may not be delegated.

''(E) WAIVER EFFECTS.—If the Federal agency grants a waiver under subparagraph (A) with respect to a topic for the SBIR or STTR program of a Federal agency, paragraph (1) shall not prohibit any small business concern from submitting an SBIR or STTR proposal to that Federal agency under such topic.

''(F) RECORD REQUIREMENT.—Participating agencies shall maintain information on topics to which waivers of the proposal limit under this paragraph are granted, including the written justifications for those waivers.

''(G) LIMITATION.—A Federal agency may not grant a waiver under this paragraph with respect to more than 5 percent of the topics of the SBIR and STTR programs of the Federal agency in any fiscal year.

''(3) REPORTING.—

''(A) IN GENERAL.—Not later than 30 days after the date on which the Director of the SBIR or STTR program office of a Federal agency sets or changes a limit under paragraph

(1), the head of that Federal agency shall provide to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business and the Committee on Science, Space, and Technology of the House of Representatives the methodology for setting or changing that limit, the considerations made in setting or changing that limit, and how many small business concerns are impacted by that limit based on historical data.

''(B) WRITTEN NOTIFICATION.—Not later than 30 days after the date on which the Director of the SBIR or STTR program office of a Federal agency grants a waiver under paragraph (2), the Director shall provide to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business and the Committee on Science, Space, and Technology of the House of Representatives a written notification regarding the granting of that waiver, which shall include the information described in paragraph (2)(F) with respect to that waiver.

''(4) TIMING.—The Director shall establish the proposal limit under paragraph (1) not later than 90

days before the start of fiscal year 2027 and each fiscal year thereafter.''.

SEC. 5. PHASE III AWARD EDUCATION.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended—

(1) in subsection (e)—

(A) in paragraph (18), by striking ''and'' at the end;

(B) in paragraph (19), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(20) the term 'agency acquisition workforce' means the employees of a Federal agency that have procurement or acquisition responsibilities, including—

''(A) employees described in section 1703 of title 41, United States Code; and

''(B) individuals that are part of the acquisition workforce, as defined in section 101(a) of title 10, United States Code.'';

(2) in subsection (r), by adding at the end the following:

''(5) WORKFORCE TRAINING.—

''(A) IN GENERAL.—The Administrator, in coordination with the Secretary of Defense, the

Administrator of General Services, and the head of any other Federal agency that the Administrator determines appropriate, shall establish training activities for contracting officers and the agency acquisition workforce of Federal agencies to ensure that all such individuals are fully aware of all aspects of Phase III awards under the SBIR and STTR programs, as applicable.

''(B) TRAINING TOPICS.—The training activities required under subparagraph (A) shall include training on—

''(i) the missions, goals, and authorities of the SBIR and STTR programs;

''(ii) the use of Phase III agreements;

''(iii) Phase III data rights; and

''(iv) the execution of Phase III sole source award contracts.

''(C) FUNDING.—The training activities required under subparagraph (A) may be carried out using funds made available to carry out subsections (y) and (mm).''; and

(3) in subsection (mm)(1)—

(A) in subparagraph (J), by striking ''and'' at the end;

(B) in subparagraph (K), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(L) contracting officer and acquisition workforce training activities pursuant to subsection (r)(5).''.

SEC. 6. PHASE III IMPROVEMENTS.

(a) PROCUREMENT CENTER REPRESENTATIVE DIRECTIVES.—

(1) IN GENERAL.—Section 9(j)(4) of the Small Business Act (15 U.S.C. 638(j)(4)) is amended by inserting before the period at the end the following: '', and advocate for the maximum practicable use and transition of products, services, and technologies developed under SBIR or STTR programs to Phase III by means of Phase III awards to small business concerns''.

(2) MODIFICATION DEADLINE.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Small Business Administration shall modify the policy directives issued pursuant to subsection (j) of section 9 of the Small Business Act (15 U.S.C. 638(j)) in accordance with paragraph (4) of that subsection, as amended by paragraph (1).

(b) PHASE III AWARD SIMPLIFICATION.—Section 9(r)(4) of the Small Business Act (15 U.S.C. 638(r)(4)) is amended—

(1) in subparagraph (A), by striking ''and'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(C) develop simplified and standardized procedures and model contracts for Phase I, Phase II, and Phase III SBIR awards and report to the Administrator on actions taken by the Federal agency in support of these objectives; and

''(D) as applicable, issue standardized solicitation provisions and contract clauses that provide clear guidance on the information that small business concerns participating in SBIR or STTR programs can be expected to provide as part of market research or as part of a proposal by those small business concerns to establish eligibility for Phase III awards.''.

SEC. 7. TECHNICAL AND BUSINESS ASSISTANCE IMPROVEMENTS.

Section 9 of the Small Business Act (15 U.S.C. 638(q)), as amended by this Act, is amended—

(1) in subsection (q)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A)—

(I) by striking ''may enter into an agreement with 1 or more vendors selected under paragraph (2)(A) to provide small business concerns engaged in SBIR or STTR projects with technical and business assistance services'' and inserting ''shall authorize recipients of awards under the SBIR program or the STTR program to select, if desired, technical and business assistance provided under subparagraph (A) or (B) of paragraph (2) with respect to SBIR or STTR projects'';

(II) by inserting ''cybersecurity assistance,'' after ''intellectual property protections,''; and

(III) by striking ''such concerns'' and inserting ''such recipients'';

(ii) in subparagraph (C), by striking ''and'' at the end;

(iii) in subparagraph (D), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(E) screening for potential foreign involvement in technology development or commercialization activities.''; and

(B) in paragraph (2)—

(i) in the paragraph heading, by striking ''VENDOR SELECTION'' and inserting ''ELIGIBLE USES OF FUNDS.—'';

(ii) by striking subparagraph (A);

(iii) by redesignating subparagraph (B) as subparagraph (A); and

(iv) by inserting after subparagraph (A), as so redesignated, the following:

''(B) STAFF.—A small business concern may, by contract or otherwise, use funding provided under this section to hire new staff, augment staff, or direct staff to conduct or partici-

pate in training activities consistent with the goals listed in paragraph (1).'';

(C) in paragraph (3)—

(i) by striking subparagraphs (A) and (B) and inserting the following:

''(A) PHASE I.—A Federal agency described in paragraph (1) shall authorize a recipient of a Phase I SBIR or STTR award to use not more than $6,500 per project, included as part of the award of the recipient or in addition to the amount of the award of the recipient as determined appropriate by the head of the Federal agency, for the services described in paragraph (1)—

''(i) provided through a vendor selected by the small business concern under paragraph (2)(A); or

''(ii) achieved through the activities described in paragraph (2)(B).

''(B) PHASE II.—A Federal agency described in paragraph (1) shall authorize a recipient of a Phase II SBIR or STTR award to utilize not more than $50,000 per project, included as part of the award of the recipient or in addition to the amount of the award of the

recipient as determined appropriate by the head of the Federal agency, for the services described in paragraph (1)—

"(i) provided through a vendor selected by the small business concern under paragraph (2)(A); or

"(ii) achieved through the activities described in paragraph (2)(B)."; and

(D) by adding at the end the following:

"(5) TARGETED REVIEW.—A Federal agency may perform targeted reviews of technical and business assistance funding as described in subsection (mm)(1)(F)."; and

(2) by adding at the end the following:

"(bbb) I–CORPS PARTICIPATION.—

"(1) IN GENERAL.—Each Federal agency with an Innovation Corps program (commonly known as 'I–Corps') that is required to conduct an SBIR or STTR program shall—

"(A) provide an option for requesting participation in an I–Corps teams course, I–Corps bootcamp, or another equivalent training program to recipients of an award under the SBIR or STTR program; and

''(B) authorize the recipients described in subparagraph (A) to use amounts authorized under subsection (q) to participate in the I–Corps teams course, I–Corps bootcamp, or another equivalent training program.

''(2) COST OF PARTICIPATION.—The cost of participation by a recipient described in paragraph (1)(A) in an I–Corps course, I–Corps bootcamp, or another equivalent training program may be provided by—

''(A) an I–Corps team SBIR or STTR grant;

''(B) funds awarded to the recipient under subsection (q);

''(C) funds made available to carry out subsection (mm);

''(D) the participating teams or other sources as appropriate; or

''(E) any combination of sources described in subparagraphs (A), (B), (C), and (D).''.

SEC. 8. IMPROVING SBIR AND STTR DATA COLLECTION.

(a) ADDITIONAL DATA FIELDS IN SBIR DATABASE.—Section 9(k)(1) of the Small Business Act (15 U.S.C. 638(k)(1)) is amended—

(1) in subparagraph (E)(iv), by striking ''and'' at the end;

(2) in subparagraph (F)(v), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(G) for each award granted, whether the award is classified or designated as—

''(i) direct to Phase II, under subsection (cc);

''(ii) subsequent Phase II, under subsection (bb)(1);

''(iii) a strategic breakthrough award under subsection (ff)(3);

''(iv) a Phase III prime contract award; or

''(v) a Phase III subcontract award.''.

(b) IMPROVING FEDERAL PROCUREMENT DATA SYSTEMS DATA TRACKING.—

(1) DEFINITIONS.—In this section:

(A) FEDERAL AGENCY; PHASE II; PHASE III; SBIR; STTR.—The terms ''Federal agency'', ''Phase II'', ''Phase III'', ''SBIR'', and ''STTR'' have the meanings given those terms in section 9(e) of the Small Business Act (15 U.S.C. 638(e)).

(B) SMALL BUSINESS CONCERN.—The term ''small business concern'' has the meaning given the term in section 3 of the Small Business Act (15 U.S.C. 632).

(2) REQUIREMENT TO UPDATE.—The Administrator of General Services shall update the Federal Procurement Data System described in section 1122(a)(4) of title 41, United States Code, or any successor system, to—

(A) require reporting on whether an award under the SBIR or STTR program under section 9 of the Small Business Act (15 U.S.C. 638) is classified or designated as—

(i) direct to Phase II, under subsection (cc) of such section;

(ii) subsequent Phase II, under subsection (bb)(1) of such section;

(iii) a strategic breakthrough award under subsection (ff)(3) of such section, as added by this Act;

(iv) a Phase III prime contract award; or

(v) a Phase III subcontract award;

(B) require reporting on whether a contract is designated as a Phase III contract;

(C) require reporting on whether non-SBIR contracts and subcontracts are using SBIR- or STTR-funded technology; and

(D) require a government contracting officer, when recording a Phase II or Phase III contract following on from work done by a small business concern during a Phase I or Phase II award, to reference an SBIR or STTR contract identification number for relevant prior SBIR or STTR work done.

SEC. 9. EXTENDING SBIR AND STTR AUTHORIZATION.

(a) IN GENERAL.—Section 9 of the Small Business Act (15 U.S.C. 638), as amended by this Act, is amended—

(1) in subsection (m), by striking ''September 30, 2025'' and inserting ''September 30, 2031''; and

(2) in subsection (n)(1)(A), by striking ''2025'' and inserting ''2031''.

(b) CARRY OVER FUNDS.—If a Federal agency that participates in the SBIR or STTR program has funds remaining at the end of fiscal year 2026 from amounts required to be expended under subsection (f)(1) or (n)(1), respectively, of section 9 of the Small Business Act (15 U.S.C. 638), the Federal agency may use those remaining

funds in fiscal year 2027 for the SBIR or STTR program, as applicable, of the Federal agency.

SEC. 10. EXTENSION OF SBIR AND STTR PROGRAMS AND ACTIVITIES.

(a) PHASE FLEXIBILITY.—Section 9(cc) of the Small Business Act (15 U.S.C. 638(cc)) is amended—

(1) by striking ''During fiscal years 2012 through 2025'' and inserting ''Until September 30, 2031'';

(2) by striking '', and the Department of Education'' and inserting ''the Department of Energy, the National Aeronautics and Space Administration, and the Department of Education''; and

(3) by inserting ''or STTR program'' after ''SBIR program'' each place that term appears.

(b) COMMERCIALIZATION READINESS PROGRAM FOR CIVILIAN AGENCIES PILOT PROGRAM.—Section 9(gg)(7) of the Small Business Act (15 U.S.C. 638(gg)(7)) is amended by striking ''2025'' and inserting ''2031''.

(c) ACCELERATED AWARDS.—Section 9(hh)(2)(C) of the Small Business Act (15 U.S.C. 638(hh)(2)(C)) is amended by striking ''September 30, 2025'' and inserting ''September 30, 2031''.

(d) PHASE 0 PILOT PROGRAM.—Section 9(jj)(7) of the Small Business Act (15 U.S.C. 638(jj)(7)) is amended by striking ''2025'' and inserting ''2031''.

(e) ADMINISTRATIVE ASSISTANCE.—Section 9(mm)(1) of the Small Business Act (15 U.S.C. 638(mm)(1)) is amended by striking ''September 30, 2025'' and inserting ''September 30, 2031''.

(f) INCREASED MINIMUM PERFORMANCE STANDARDS.—Section 9(qq)(3)(I) of the Small Business Act (15 U.S.C. 638(qq)(3)(I)) is amended by striking ''September 30, 2025'' and inserting ''September 30, 2031''.

(g) COMMERCIALIZATION ASSISTANCE PILOT PROGRAMS.—Section 9(uu)(3) of the Small Business Act (15 U.S.C. 638(uu)(3)) is amended by striking ''September 30, 2025'' and inserting ''September 30, 2031''.

(h) DUE DILIGENCE PROGRAM.—Section 9(vv)(3)(C) of the Small Business Act (15 U.S.C. 638(vv)(3)(C)) is amended by striking ''September 30, 2025'' and inserting ''September 30, 2031''.

(i) STTR PARTICIPATION OF MILITARY RESEARCH AND EDUCATIONAL INSTITUTIONS PILOT PROGRAM.—Section 9(yy)(2) of the Small Business Act (15 U.S.C. 638(yy)(2)) is amended by striking ''September 30, 2025'' and inserting ''September 30, 2031''.

(j) BUDGET CALCULATION PILOT PROGRAM.—Section 9(zz)(3) of the Small Business Act (15 U.S.C. 638(zz)(3)) is amended by striking ''September 30, 2025'' and inserting ''September 30, 2031''.

(k) SPECIAL OPERATIONS COMMAND PILOT.—Section 851(e) of the National Defense Authorization Act for Fiscal Year 2020 (10 U.S.C. 4901 note) is amended by striking ''September 30, 2025'' and inserting ''September 30, 2031''.

(l) GOVERNMENT ACCOUNTABILITY OFFICE MANDATE SUNSET.—The National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81) is amended by striking section 5142 (15 U.S.C. 638a).

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