

The SBIR and STTR Reauthorization Act of 2025
Senate Small Business Committee Ranking Member *Ed Markey (D-Mass.)* and House
Small Business Committee Ranking Member *Nydia Velázquez (NY-7)*

Endorsing Organizations: Small Business Technology Council, MassMEDIC, New England Innovation Alliance, VentureWell, and National Small Business Association (NSBA)

Summary: *The SBIR/STTR Reauthorization Act of 2025* makes permanent and expands the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, positioning America's small businesses to continue to be global leaders in innovation. For over 40 years, the SBIR and STTR programs have delivered over \$70 billion in research and development (R&D) funding to over 30,000 small businesses, ushering in technological breakthroughs that have benefited everyday Americans across the country.

This reauthorization preserves competition within the programs while also breaking down barriers to participation for new applicants. It also increases the funding for each of the programs, providing more funding opportunities for small businesses to spur innovation.

Specifically, *the SBIR/STTR Reauthorization Act of 2025* would:

- **Make permanent the SBIR and STTR programs.** Permanently authorizing the SBIR and STTR programs would give both small businesses and government agencies the stability needed to continue their collaboration to spur innovation.
- **Maintain competitiveness of the SBIR and STTR programs.** The legislation maintains the program's 40-year long practice of facilitating merit-based competition to determine which innovative small businesses receive awards. This legislation would place no caps or limits on small businesses or the number of awards they can receive to ensure unbridled innovation for America.
- **Increase research funding for small businesses and partnering research institutions.** Agencies, over the course of 7 years, would be required to allocate at least 7% of their extramural R&D budgets to SBIR and 1% to STTR—up from 3.2% and 0.45%, respectively.
- **Strengthen commercialization efforts.** Agencies often fail to identify SBIR/STTR-funded technologies that demonstrate a solution to their needs, fueling a belief that many technologies simply do not showcase commercialization potential. Requiring agencies to designate a Technology Commercialization Official and undergo acquisition training would result in a greater number of SBIR/STTR technologies being commercialized by the federal government.
- **Maintain bipartisan foreign due diligence efforts.** The legislation extends the bipartisan due diligence program until 2030.
- **Dismantle barriers to broaden participation.** The time and resources required to develop an SBIR/STTR proposal can be a significant barrier to entry for many small

businesses, particularly those with limited resources. By reauthorizing the Federal and State Technology (FAST) Partnership Program and allowing agencies to use a portion of their SBIR/STTR funding to assist businesses in developing competitive proposals, the bill would help diversify the applicant pool and bring in new participants, including those from states that have historically received fewer awards. The bill also allows agencies to use a portion of their SBIR and STTR funding to establish internship and fellowship opportunities to spur innovation with a targeted effort to reach women and socially and economically disadvantaged individuals.