



TECHNOLOGICAL INNOVATION

Through Small Businesses

Two Programs Fund R&D

The Department of Defense (DoD) Small Business Innovation Research (SBIR) Program was established in 1982 to fund research and development (R&D) projects at small technology companies. Eligible projects must serve a DoD need and have the potential for commercialization in private sector and/or military markets. DoD's SBIR program is part of the larger federal SBIR program administered by 11 federal agencies.

Congress initially established the Small Business Technology Transfer (STTR) program on a pilot basis in 1992. It is similar in structure to SBIR but funds cooperative R&D projects between small businesses and nonprofit research institutions (such as universities) to move research to market.

At A Glance

PROGRAM	ESTABLISHED	FY07 BUDGET
Federal SBIR	1982 (Public Law 97-219)	\$2.2B (approx.)
DoD SBIR	1982 (Public Law 97-219)	\$1.13B
STTR	1992 (Public Law 302-564)	\$132M

Funding

DoD is required by law to allocate 2.5 percent of its extramural research, development, test and evaluation (RDT&E) budget in each fiscal year, to fund R&D projects with small businesses through the SBIR program. The following DoD components have SBIR programs: Air Force, Army, Navy, Missile Defense Agency (MDA), Defense Advanced Research Projects Agency (DARPA), Joint Science and Technology Office for Chem-Bio Defense (CBD), Defense Threat Reduction Agency (DTRA), Office of the Secretary of Defense (OSD) run by the Director of Defense Research and Engineering (DDR&E), Special Operations Command (SOCOM), Defense Logistics Agency (DLA), Defense Microelectronics Activity (DMEA) and National Geospatial Agency (NGA).

DoD allocates 0.3 percent of its RDT&E budget to fund the STTR program. The Air Force, Army, Navy, MDA, DARPA and OSD (DDR&E) all participate in STTR.

Any individual component agency with more than \$100 million in extramural RDT&E funds is delegated responsibility for assessing and allocating SBIR funding and awards. The same is true of STTR awards for DoD components with over \$1 billion in extramural RDT&E funds. Each component is responsible for implementing an effective program to leverage the benefits of small business innovation for their constituent Warfighter, consistent with their mission.

The Process

