

# DHS Science and Technology Directorate

## Small Business Innovation Research (SBIR) Program

### About the Federal SBIR Program

The federal Small Business Innovation Research (SBIR) program is one of the largest examples of U.S. public-private partnerships. Created in 1982 through the Small Business Innovation Development Act, and reauthorized by the SBIR/STTR<sup>1</sup> Reauthorization Act of 2011, federal agencies with extramural research budgets in excess of \$100M must set aside a minimum of 3.2% for small businesses to engage in federal research/research and development (R/R&D) with potential for commercialization. Eleven federal agencies have SBIR programs. Each year approximately \$2.5B is awarded to small businesses through this federal-wide program. The objectives of the SBIR Program are to:

- Stimulate technological innovation;
- Use small businesses to meet federal R/R&D needs;
- Foster and encourage participation by socially and economically disadvantaged small businesses, and by women-owned small businesses, in technological innovation; and
- Increase private sector commercialization of innovations derived from federal R/R&D, thereby increasing competition, productivity, and economic growth.

The SBIR program is a three-phase competitive program:

<b>Phase I:</b> <b>Scientific and Technical Feasibility Study; Proof of Concept</b>	<ul style="list-style-type: none"> <li>• Funded with SBIR funds</li> <li>• 33% may be outsourced</li> <li>• Not to exceed 6 months in duration</li> <li>• \$150,000 threshold<sup>2</sup></li> <li>• Up to an additional \$5,000/year may be provided for Technical Assistance</li> <li>• Participation in DHS/NSF I-Corps Program at \$50K (S&amp;T only)</li> </ul>
<b>Phase II:</b> <b>Full Research/R&amp;D; Prototype Demonstration</b>	<ul style="list-style-type: none"> <li>• Funded with SBIR funds</li> <li>• 50% may be outsourced</li> <li>• Generally 24 months in duration</li> <li>• \$1,000,000 threshold<sup>2</sup></li> <li>• Up to an additional \$5,000/year may be provided for Technical Assistance</li> <li>• Potential for Commercialization Readiness Pilot Program funds</li> <li>• Participation in DHS/NSF I-Corps Program at \$50K (S&amp;T only)</li> </ul>
<b>Phase III:</b> <b>Commercialization</b>	<ul style="list-style-type: none"> <li>• Funded with private or non-SBIR government sources</li> <li>• No dollar or time limits</li> <li>• Size standards do not apply</li> <li>• For work that derives from, extends, or completes Phase I/Phase II efforts</li> <li>• Can be sole-sourced; competition determined in Phase I</li> </ul>

<sup>1</sup> Small Business Technology Transfer Program

<sup>2</sup> The S&T Directorate limits SBIR Phase I awards to \$100,000 and Phase II awards to \$750,000, excluding the \$5,000/year for Discretionary Technical Assistance services. DND0 awards up to \$150,000 for Phase I and \$1,000,000 for Phase II

### About S&T's SBIR Program

The Department of Homeland Security (DHS) Science and Technology Directorate's (S&T's) SBIR program began in 2003. Through FY2016, 30 solicitations (covering 188 topics) were released, allowing small businesses to propose innovative solutions that have the potential to support the DHS missions as follows:

- Prevent Terrorism & Enhance Security (111)
- Secure & Manage Our Borders (14)
- Safeguard & Secure Cyberspace (21)
- Strengthen National Preparedness & Resilience (35)
- Mature & Strengthen the Homeland Security Enterprise (7)

### Who is Eligible to Participate in S&T's SBIR Program?

<b>Type and Size of Firm</b>	<ul style="list-style-type: none"> <li>• Organized as a for-profit concern</li> <li>• Place of business located in the U.S. and operates primarily in the U.S. or makes a significant contribution to the U.S. economy</li> <li>• Not more than 500 employees, including affiliates</li> <li>• Can be a joint venture (JV); each party to the JV must be a concern that satisfies all program eligibility requirements</li> </ul>
<b>Ownership and Control</b>	<ul style="list-style-type: none"> <li>• More than 50% directly owned and controlled by:             <ol style="list-style-type: none"> <li>1) One or more individuals who are U.S. citizens/permanent residents;</li> <li>2) Other for-profit small business concerns (each of which is directly owned and controlled by individuals who are U.S. citizens/permanent residents);</li> <li>3) A combination of (1) and (2) above.</li> </ol> </li> </ul>
<b>Principal Investigator</b>	<ul style="list-style-type: none"> <li>• Primary employment (more than one-half of the time) must be with the small business at the time of the award and during the project duration.</li> </ul>

### S&T's SBIR Program Statistics

Through FY2016, the S&T SBIR program received 3,737 Phase I proposals from over 2,100 small businesses. The proposal submissions resulted in 635 Phase I awards to small businesses located in 44 states, plus the District of Columbia. Of the Phase I projects, 40% (246) received Phase II awards; and of these, 39% (95) received Phase III funding (~\$237M from non-SBIR funds, private investment, licenses and product sales).

### S&T's SBIR Program Makes an Impact

From a 2015 study of completed S&T SBIR Phase II projects (102 projects, 89 companies), evidence shows:

- SBIR companies filed a total of 92 patent applications (28 patents issued; 23 pending); and
- Over 40 commercial products (licenses and sales, over \$55M).



**Homeland Security**

Science and Technology

To learn more about S&T's SBIR program, contact the SBIR Program Office at [stsbir.program@hq.dhs.gov](mailto:stsbir.program@hq.dhs.gov) or visit <https://sbir2.st.dhs.gov>.

# DHS Science and Technology Directorate

## Small Business Innovation Research (SBIR) Program

### S&T's SBIR Program: A National Perspective

DHS S&T's SBIR program is truly a national program. Since 2004, proposals have been received from every state in the United States, as well as the District of Columbia and Puerto Rico. Through FY2016, SBIR awards have been made to small businesses in 44 states, plus the District of Columbia. The map below shows the number of proposal submissions from and the number of awards to small businesses located in each state.

Beginning in FY2013, S&T's SBIR program office extended its outreach efforts to ensure that small businesses located in under-represented states are aware of the opportunities that the SBIR program affords them.

### S&T's SBIR Program Reaches Women-Owned Small Businesses and Socially and Economically Disadvantaged Small Businesses

Beginning in FY2004, S&T's SBIR program has been collecting data associated with women-owned small businesses and socially and economically disadvantaged small businesses. Of the 3,737 proposals received and the 635 Phase I awards made since that time through FY2016, women-owned small businesses have submitted ~21% (804) of the proposals and received ~16% (100) of the Phase I awards. Socially and economically disadvantaged small businesses have submitted ~14% (517) of the proposals and have received ~10% (60) of the Phase I awards.

To ensure that women-owned small businesses, as well as socially and economically disadvantaged small businesses, continue to participate in the SBIR program, S&T's SBIR Program Office will increase outreach to these groups in FY2016.

