



**S**<sub>MALL</sub> **B**<sub>USINESS</sub>

**T**<sub>ECHNOLOGY</sub>

**T**<sub>RANSFER</sub> **P**<sub>ROGRAM</sub>

**(STTR)**

**ANNUAL REPORT - FY 2005**

**Office of Technology  
U.S. Small Business Administration**



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The SBA is currently developing the government database which will maintain information on all Phase II awards funded under the STTR program. This database will not be accessible by the public; therefore, any confidential information that is provided by the STTR Phase II awardees will not be disclosed to the public. A username and password will be required to access the database. The SBA will control the issuance of the username and passwords. The database is being designed to allow the SBA, each participating agency, Government Accountability Office, the National Academy of Science and the Congress to effectively measure the impact and success of the program.

The Office of Management and Budget has recently approved the SBA's survey form for STTR applicants, which request information regarding the commercialization of work completed under past Phase II STTR awards. The survey form is part of SBA's current enhancement of its Tech-Net data system. This reporting system will be required for STTR applicants as well as SBIR applicants.



## Summary of Data

During FY 2005, small businesses submitted 3,380 proposals under the STTR program, including 2,931 Phase I proposals and 449 Phase II proposals. A total of 832 awards were made to 662 different small businesses including 611 Phase I awards and 221 Phase II awards. In FY 2005, total STTR program obligations were \$233,314,432. Small business received \$139,021,735 or 60 percent of total funding. Research institutions received \$87,424,277 or 37 percent.



## HUBZone Small Business Concerns

The agencies received 77 Phase I and 9 Phase II proposals. The participating agencies made six Phase I awards totaling \$569,725 and three Phase II awards totaling \$1,842,223 to HUBZone certified small business concerns.

**Table 1: Number of STTR Awards – FY 1994 through FY 2005**

Fiscal Year	Phase I	Phase II	Totals
94	198	0	198
95	238	22	260
96	238	88	326
97	260	89	349
98	208	109	317
99	251	78	329
00	233	95	328
01	244	93	337
02	356	114	470
03	397	111	508
04	667	193	860
05	611	221	832
Total	3,901	1,213	5,114

**Table 2: Value of STTR Awards-- FY 1994 through FY 2005 (in millions of dollars)**

Fiscal Year	Phase I	Phase II	Totals
94	\$18.9	\$	\$ 18.9
95	23.0	10.8	33.8
96	22.7	41.8	64.4
97	24.1	44.8	69.0
98	19.7	45.1	64.8
99	24.3	41.0	*65.0
00	24.0	46.0	*70.0
01	25.4	46.0	* 71.4
02	36.3	55.3	*91.6
03	41.1	51.0	*92.1
04	76.8	107.8	184.6*
05	74.0	146.3	220.3
Total	410.3	635.9	1,046.2*

\*Does not include modifications

## Introduction

This report is the twelfth annual report presented by the U.S. Small Business Administration (SBA) pursuant to Public Law 102-564, the Small Business Research and Development Enhancement Act of 1992, as amended.

This report describes the operation and administration of the Small Business Technology Transfer program (STTR) for fiscal year (FY) 2005. This report also provides data on the results of the first 12 years of the STTR program, including the number of solicitations released, the number of proposals received and the number of awards resulting from those solicitations.



## Summary of Legislation

### *Public Law 102-564, as amended*

Title I of Public Law 102-564 amended the Small Business Act by reauthorizing the Small Business Innovation Research (SBIR) program. Congress passed Title II of the Act authorizing the STTR program.

The STTR program shares the underlying philosophy of the SBIR program. It recognizes Federally funded research and development as a base for technological innovation that will contribute to the growth and strength of the Nation's economy. It differs from the SBIR program in that STTR awards are made to small businesses that pursue technological innovation through cooperative research and development with Federal laboratories and non-profit scientific and educational institutions. In September 1996, Public Law 104-208

reauthorized the STTR program through FY 1997. Public Law 105-135 reauthorized the program through September 30, 2005. In October 2005, Public Law 107-50 reauthorized the STTR program through FY 2009 and increased the program set-aside from .15 percent to .3 percent beginning in FY 2005.



## Technology Resources Network

As defined in Section 9 of the Small Business Act, the SBA has designed and implemented the Technology Resources Network (Tech-Net) to streamline and standardize the reporting of STTR awards and applicant information by the Federal agencies required to participate in the STTR program. The SBA had several working sessions with the agencies to define the input data fields and a core set of output reports to help the SBA administer the program. The SBA incorporated the unique needs of each agency into the design of the database system to ensure that the system would provide much needed award and applicant information. Information such as name, size, location, abstracts and identifying number of each small business concern that has received a Phase I or Phase II award is available in this database. Agencies now have the ability to review awards and applicant information, and edit previously reported data interactively through Tech-Net. The public version of this database can be accessed by visiting the website <http://tech-net.sba.gov>. The participating agencies are providing information needed in a timely manner to maintain the database.

New Mexico, North Dakota, Oklahoma,  
Pennsylvania, Puerto Rico, South  
Dakota, Washington, and Wyoming.

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## Executive Order 13329

On February 24, 2004, the President signed Executive Order 13329, Encouraging Innovation in Manufacturing. The Executive Order states that continued technological innovation is critical to a strong manufacturing sector of the United States economy. The Executive Order recognizes that the commercialization of technologies, products, or services funded through the SBIR and STTR programs play a crucial role in stimulating the United States economy. The Executive Order further acknowledges that the research and development work performed by small businesses participating in these two important programs have contributed to our National defense, improved our health and welfare, protected the environment, and improved our production processes. SBA is proposing to amend the STTR Policy Directive to address the Executive Order.

During FY 2005, there were a total of 167 STTR Phase I and Phase II awards that involved manufacturing topics. Those awards totaled \$48.8 million.

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## Federal and State Technology Partnership

Because funds were not appropriated for the Federal and State Technology Partnership (FAST) program for FY 2005, there is no new activity to report for that period. However, during FY 2005, 16 FY 2004 FAST award recipients requested no-cost extensions to complete proposed projects. Those award recipients were Alaska, Arizona, Arkansas, Indiana, Kentucky, Louisiana, Maryland, Mississippi,

STTR Program Data - Fiscal Year 2005

AGENCY OBLIGATIONS	DOD	NSF	DOE	NASA	HHS	TOTAL
AGENCY EXTRAMURAL BUDGET	41,946,533,000	3,590,000,000	4,113,116,000	4,400,000,000	22,836,000,000	76,885,649,000
AGENCY STTR BUDGET	125,843,056	10,800,000	12,174,000	13,200,000	68,500,000	230,517,056
DOLLARS OBLIGATED	123,943,003	11,355,846	12,179,909	12,731,859	73,103,815	233,314,432
% OF EXTRAMURAL BUDGET	0.30%	0.32%	0.30%	0.29%	0.32%	0.30%
DEFICIT/SURPLUS	-1,900,053	555,846	5,909	-468,141	4,603,815	2,797,376
<b>STTR AWARD PROFILE - COMMITMENTS</b>						
TOTAL PHASE I AWARDS	322	29	30	40	190	611
MINORITY DISAD. PHASE I AWARDS	29	7	5	11	1	53
TOTAL PHASE II AWARDS	132	9	13	25	42	221
MINORITY/DISAD. PHASE II AWARDS	6	0	0	4	1	11
TOTAL PHASE I DOLLARS AWARDED	29,458,086	3,825,494	2,994,881	3,994,162	33,662,192	73,934,815
MIN/DISAD. PHASE I DOLLARS AWARDED	2,744,592	499,793	496,822	1,098,978	207,078	5,047,263
TOTAL PHASE II DOLLARS AWARDED	84,098,426	4,921,617	9,185,028	8,737,697	39,441,623	146,384,391
MIN/DISAD. PHASE II DOLLARS AWARDED	4,244,371	0	0	2,349,761	820,375	7,414,507
TOTAL PHASE I & II AWARDED	113,556,512	8,747,111	12,179,909	12,731,859	73,103,815	220,319,206
AVERAGE AMOUNT PHASE I AWARDS (\$)	91,485	131,914	99,829	99,909	177,169	121,006
<b>STTR SOLICITATION PROFILE</b>						
NO. OF SOLICITATIONS RELEASED	1	2	1	1	1	6
NO. OF RESEARCH TOPICS	127	4	49	9	131	320
NO. PHASE I PROPOSALS RECEIVED	1,620	169	284	119	739	2,931
NO. PHASE II PROPOSALS RECEIVED	216	23	48	41	121	449
<b>RESEARCH INSTITUTION PROFILE</b>						
NUMBER OF FFRDCS	15	2	18	2	2	39
NUMBER OF UNIVERSITIES	411	35	21	60	236	763
NUMBER OF OTHER NON-PROFIT	30	1	4	4	40	79

STTR Program Data - Fiscal Year 2005

	DOD	NSF	DOE	NASA	HHS	TOTAL
<b>COOPERATIVE RESEARCH PROFILE</b>						
TOTAL DOLLARS OF AWARDS	113,556,512	8,747,111	12,179,909	12,731,859	73,103,815	220,319,206
DOLLARS TO SMALL BUSINESS	70,592,251	7,254,992	7,618,346	11,282,006	42,274,140	139,021,735
DOLLARS TO RESEARCH INSTITUTION	41,218,060	3,534,979	4,564,014	7,521,338	30,585,886	87,424,277
NO. OF AWARDS TO UNIVERSITIES	411	35	21	60	236	763
DOLLARS TO UNIVERSITIES	38,435,711	3,235,043	2,706,200	6,881,556	62,269,614	113,528,124
NO. OF AWARDS TO FFRDCS	15	2	18	2	2	39
DOLLARS TO FFRDCS	888,408	199,966	1,690,870	79,902	379,089	3,238,235
NO. OF AWARDS TO OTHER NON-PROFITS	30	1	4	4	40	79
DOLLARS TO OTHER NON-PROFITS	1,893,946	99,970	166,944	559,880	10,455,112	13,175,852
<b>PHASE I</b>						
NUMBER OF FFRDC AWARDS	13	2	13	2	1	31
NUMBER OF UNIVERSITY AWARDS	286	26	13	36	163	524
NO. OF OTHER NON-PROFIT AWARDS	25	1	4	2	26	58
TOTAL DOLLARS OF AWARDS	29,458,086	3,825,494	2,994,881	3,994,162	33,662,192	73,934,815
DOLLARS TO SMALL BUSINESS	17,505,347	2,348,404	1,831,089	2,396,497	18,933,341	43,014,678
DOLLARS TO RESEARCH INSTITUTIONS	11,262,532	1,477,090	1,163,792	1,597,665	14,475,615	29,976,694
NO. OF AWARDS TO UNIVERSITIES	286	26	13	36	163	524
DOLLARS TO UNIVERSITIES	9,920,131	1,177,154	501,902	1,437,809	29,483,483	42,520,479
NO. OF AWARDS TO FFRDCS	13	2	13	2	1	31
DOLLARS TO FFRDCS	507,899	199,966	494,946	79,902	198,227	1,480,940

STTR Program Data - Fiscal Year 2005

	DOD	NSF	DOE	NASA	HHS	TOTAL
NO. OF AWARDS TO OTHER NON-PROFITS	25	1	4	2	26	58
DOLLARS TO OTHER NON-PROFITS	834,494	99,970	166,944	79,954	3,980,482	5,161,844
<b>PHASE II</b>						
NUMBER OF FFRDCS	2	0	5	0	1	8
NUMBER OF UNIVERSITIES	125	9	8	24	73	239
NUMBER OF OTHER NON-PROFIT	5	0	0	2	14	21
TOTAL DOLLARS OF AWARDS	84,098,426	4,921,617	9,187,479	8,737,697	39,441,623	146,386,842
DOLLARS TO SMALL BUSINESS	53,086,904	4,906,588	5,787,257	8,885,509	23,340,799	96,007,057
DOLLARS TO RESEARCH INSTITUTIONS	29,955,528	2,057,889	3,400,222	5,923,673	16,110,271	57,447,583
NO. OF AWARDS TO UNIVERSITIES	125	9	8	24	73	239
DOLLARS TO UNIVERSITIES	28,515,580	2,057,889	2,204,298	5,443,747	32,786,131	71,007,645
NO. OF AWARDS TO FFRDCS	2	0	5	0	1	8
DOLLARS TO FFRDCS	380,494	0	1,195,924	0	180,862	1,757,280
NO. OF AWARDS TO OTHER NON-PROFITS	5	0	0	2	14	21
DOLLARS TO OTHER NON-PROFITS	1,059,452	0	0	479,926	6,474,630	8,014,008

*FY 2005 dollars obligated include modifications to previous year's awards for DOD (\$10,386,491) and NSF (\$2,608,735)*