

NIH SCIENTIFIC MANAGEMENT REVIEW BOARD

NIH Small Business Innovation Research/Small Business Technology Transfer Program Working Group

CHARGE

The Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs provide dedicated funding for U.S. small businesses to develop new technological innovations with the potential for commercialization. Established through the Small Business Innovation Development Act of 1982 (PL 97-219), the SBIR program requires federal agencies with extramural research and development (R&D) budgets exceeding \$100 million to allocate 2.5% to an agency SBIR program. The STTR program, created in 1992 through the Small Business Technology Transfer Act (PL 102-564), requires agencies with budgets exceeding \$1 billion to set aside 0.3% for an STTR program. Currently, 11 federal agencies participate in the SBIR program and 5 participate in the STTR program. The U.S. Small Business Administration is the coordinating agency for these programs and directs their implementation, reviews their progress, and reports to Congress on their operations.

With a budget of nearly \$32 billion, the National Institutes of Health (NIH) funds one of the largest SBIR/STTR programs. The NIH SBIR/STTR programs are some of the vehicles NIH Institutes and Centers (ICs) use to accomplish their R&D objectives, primarily by encouraging small businesses to propose innovative research ideas that are relevant to the NIH mission. As noted in a recent report from the National Research Council¹, the NIH SBIR/STTR programs differ from those at other agencies, as the NIH mission – to seek fundamental knowledge about the nature and behavior of living systems and the application of that knowledge to enhance health, lengthen life, and reduce the burdens of illness and disability – is not focused on developing products and technologies for use by NIH. For this reason, identifying what has potential “commercial value” that aligns with the NIH mission can be both challenging and complex.

The NIH requests that the SMRB recommend strategies for how NIH can optimize its utilization of the SBIR/STTR programs in keeping with the NIH mission. In addressing this charge, the SMRB should consider how NIH can support the SBIR/STTR programs in ways that:

¹ National Research Council, (2009). *An Assessment of the Small Business Innovation Research Program at the National Institutes of Health*. Washington, D.C.: National Academies Press.

- Foster innovation within small businesses that aligns with the priorities of the NIH ICs;
- Fund quality proposals yielding the greatest potential for successful commercialization; and
- Leverage existing resources and expertise to enable the success of its grantees.

The SBIR/STTR Working Group will:

- Seek input from experts and stakeholders such as NIH leadership, NIH intramural researchers, NIH extramural grantees, representatives of small businesses and industry, representatives of venture capitalist firms, academic investigators, patient advocacy and consumer organizations, and other governmental organizations;
- Hold deliberations, including a roundtable session, open to the full SMRB; and
- Report its recommendations to the full SMRB.

The SBIR/STTR Working Group will present to the full SMRB:

The SBIR/STTR Working Group will present its findings and recommendations to the full SMRB in a timeframe that positions the full Board to complete its deliberations on this matter by Spring, 2013.