



Pending SBIR Reauthorization

WHAT IS NEW

The long-awaited legislation to reauthorize the SBIR/STTR program was Presented to the President on April 2, 2026. There are three outcomes at this point:

1. The President signs S.3971 and it immediately becomes law
2. The President ignores S.3971. After 10 days (not counting Sundays), the Bill becomes law as if the President signed the Bill (Article I, Section 7, Clause 2 of the US Constitution). That would be April 13, 2026
3. The President Vetoes S.3971, which then would go back to both the House and Senate. An override requires 2/3 majority in both chambers.

WHAT CHANGES FROM S.3971 ONCE IT BECOMES LAW

Senate Bill S.3971 codifies the “Small Business Innovation and Economic Security Act” that amends the existing Small Business Act. These are some highlights of key elements and changes:

- **AUTHORIZES** both SBIR & STTR (and existing pilots) until Sept 30, 2031
- **EXPANDS** Direct to Phase II to the STTR program and adds DOE and NASA to the previously authorized Agencies NIH, DOD & Education
- **NEW** Strategic Breakthrough Awards: Up to \$30 M as Phase II follow on, and requires outside matching funds. Strategic Breakthrough awards at DOD have additional requirements, and only the larger agencies can participate (DOD, HHS, NSF, DOE, NASA, USDA)
- **UPDATED** Foreign Influence disclosures:
 - A list of Prohibited Entities is mandated that will result in award denial.
 - Agencies **MUST** provide a reason for denials,
 - Resubmission of denied proposals is allowed
- **NEW** Each Agency must define annual proposal limits starting October 1, 2026. Agencies can choose an annual limit by company, by solicitation, or by topic.
- **NEW** Phase III emphasis. New law requires agency contracting staff training and new simplified & standard Phase III award procedures. These changes aim to help companies sell SBIR/STTR products to contracting agencies.
- **UPDATES** Technical and Business Assistance (TABA):
 - All Agencies must participate (previously voluntary)
 - Amounts remain the same (\$6,500 Phase I, \$50,000 Phase II),
 - **NEW**—allows TABA funds to be used internally
- **NEW** I-Corps Participation: Allows TABA funds to be used to pay for I-Corps
- **REQUIRES** Several Agency administrative reporting updates



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ACTIONS TO TAKE NOW

1. Sign up on the Listserv for each SBIR Agency you may apply to later. This way you will get the most up to date information immediately. Our website has links to each of the SBIR agencies here: <https://bbcetc.com/capabilities/sbir-str-research-grant-assistance/helpful-links/>
2. Sign up for our newsletter here: <https://bbcetc.com/news-events/newsletter-archive/>
3. Connect with BBCetc consultants before the rush! We can help build a strong proposal with clear technical objectives now so you can reach the new deadlines as they roll out. Get started here: <https://bbcetc.com/capabilities/work-with-bbcetc/>