

**UNCLASSIFIED**

<b>RDT&amp;E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)</b>									DATE June 2001	
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense Wide/BA 6						R-1 ITEM NOMENCLATURE SBIR Administration <b>PE 0605790D8Z</b>				
COST ( <i>In Millions</i> )	FY2000	FY2001	FY2002						Cost to Complete	Total Cost
Total Program Element (PE) Cost	1.662	1.713	2.068						Continuing	Continuing
SBIR Administration/P518	1.662	1.713	2.068						Continuing	Continuing

(U) **A. Mission Description and Budget Item Justification**

(U) **BRIEF DESCRIPTION OF ELEMENT**

(U) Under the Small Business Innovation Research (SBIR) program, DoD and ten other federal agencies are required to allocate a small percentage of their extramural R&D budgets to fund mission-oriented R&D projects at small technology companies. The program has broad bipartisan backing in Congress, based on DoD's 1996 finding that 'SBIR-developed technologies have resulted in significant improvements in U.S. military capabilities and major savings to the taxpayer,' as well as favorable independent evaluations by the GAO, National Academy of Sciences, National Bureau of Economic Research at Harvard, and others. Funding for DoD's SBIR program is approximately \$500. million in FY 1998.

(U) PE 0605790D8Z is the only source of funds for the coordinated administration of the component SBIR programs within DoD, because the 1992 SBIR Act provided that 'a Federal agency shall not use any of its SBIR budget...for the purpose of funding administrative costs of the program.' PE 0605790D8Z funds central elements of SBIR program administration that are required by law, including: Coordination, publication, and distribution of DoD's SBIR research solicitations, as required by 15 U.S.C. 638(g)(2); Monitoring of DoD-wide SBIR program expenditures, to meet Congressionally-mandated reporting requirements in 15 U.S.C. 638(g)(8), (j)(2)(F), and (1)(2); Sponsorship of national SBIR conferences, which are the only existing forum for small technology companies to interact directly with DoD's SBIR program managers, contracting officers, and technical personnel, and thereby learn how to prepare research proposals that serve DoD's needs.

**UNCLASSIFIED**

**UNCLASSIFIED**

<b>RDTE&amp;E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)</b>		<b>DATE</b> June 2001
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDTE&E, Defense Wide/BA 6	<b>R-1 ITEM NOMENCLATURE</b> SBIR Administration <b>PE 0605790D8Z</b>	

(U) These functions are central to the operation of the SBIR program and have been a standard part of the program since it was initiated at DoD in 1983.

**UNCLASSIFIED**

**UNCLASSIFIED**

<b>RDT&amp;E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)</b>							<b>DATE</b> June 2001		
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense Wide/BA 6					<b>R-1 ITEM NOMENCLATURE</b> SBIR Administration <b>PE 0605790D8Z</b>				

<i>COST(In Millions)</i>	FY 2000	FY 2001	FY 2002						Cost to Complete	Total Cost
Total Program Element (PE) Cost	1.662	1.713	2.068						Continuing	Continuing
SBIR Administration/P518	1.662	1.713	2.068						Continuing	Continuing

(U) **Project Number and Title: P518 SBIR Administration**

(U) **PROGRAM ACCOMPLISHMENTS AND PLANS**

(U) **FY 2000 Accomplishments:**

(U) This PE will continue to fund the core administrative functions and USD(A&T) initiatives to streamline the SBIR process, monitor the track record of multiple-award winners, and evaluate the success of the Fast Track policy and other aspects of the program. It will also fund a pilot initiative to evaluate the commercialization plans now required in all phase II SBIR proposals (commercialization in military and private sector markets). (\$ 1.662 million)

(U) **FY 2001 Plans:**

(U) This PE will continue to fund the core administrative functions and USD(A&T) initiatives to streamline the SBIR process, monitor the track record of multiple-award winners, and evaluate the success of the Fast Track policy and other aspects of the program. It will also fund a pilot initiative to evaluate the commercialization plans now required in all phase II SBIR proposals (commercialization in military and private sector markets). (\$ 1.713 million)

**UNCLASSIFIED**

**UNCLASSIFIED**

<b>RDT&amp;E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)</b>		DATE June 2001
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense Wide/BA 6	R-1 ITEM NOMENCLATURE SBIR Administration <b>PE 0605790D8Z</b>	

**(U) FY 2002 Plans:**

(U) This PE will continue to fund the core administrative functions and USD(AT&L) initiatives to streamline the SBIR process, monitor the track record of multiple-award winners, and evaluate the success of the Fast Track policy and other aspects of the program. It will also fund a pilot initiative to evaluate the commercialization plans now required in all phase II SBIR proposals (commercialization in military and private sector markets). (\$ 2.068 million)

<b>(U) <u>B. Program Change Summary</u></b>	<b><u>FY2000</u></b>	<b><u>FY2001</u></b>	<b><u>FY2002</u></b>	<b><u>Total Cost</u></b>
Previous President's Budget Submit	1.630	1.728	1.757	Continuing
Appropriated Value	0.000	1.728	0.000	Continuing
Adjustments to Appropriated Value				
a. Congressionally Directed Undistributed Reduction	0.000	-0.012	0.000	
b. Rescission/Below-threshold Reprogramming, Inflation Adjustment	0.032	0.003	0.000	
c. Other	0.000	0.000	0.311	
Current President's Budget	1.662	1.713	2.068	Continuing

**UNCLASSIFIED**

UNCLASSIFIED

<b>RDT&amp;E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)</b>		<b>DATE</b> June 2001
<b>APPROPRIATION/BUDGET ACTIVITY</b> RDT&E, Defense Wide/BA 6	<b>R-1 ITEM NOMENCLATURE</b> SBIR Administration <b>PE 0605790D8Z</b>	

**Change Summary Explanation**

(U) **Funding:** The changes in funding in FY 2000 were the result of a below threshold reprogramming. FY 2001 reductions reflected Section 8086 reductions

(U) **Schedule:** N/A

(U) **Technical:**

(U) C. **Other Program Funding Summary Cost** N/A

(U) D. **Acquisition Strategy:** N/A

(U) E. **Schedule Profile:** N/A

UNCLASSIFIED