

OSD RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)

February 2008

APPROPRIATION/ BUDGET ACTIVITY
RDTE, Defense Wide BA 06

PE NUMBER AND TITLE
0605790D8Z - Small Business Innovative Research (SBIR)Challenge Admin

COST (\$ in Millions)	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
P518 SBIR Administration	4.423	3.135	2.165	2.193	2.240	2.298	2.358

A. Mission Description and Budget Item Justification: (U) The Small Business Innovation Research (SBIR) Program and the Small Business Technology Transfer (STTR) Program fund approximately \$1.264 billion annually in mission oriented research and development projects at small technology companies. The purpose of the program is to stimulate the development of new technologies to improve U.S. military and economic capabilities. The SBIR/STTR Program is mandated by public laws (PL) 97-219, PL 99-443, PL 102-564, PL 106-554, and PL 107-50 and is codified in 15 USC 638. The Department of Defense (DoD) SBIR/STTR Program competitively funds scientific and technical innovation to specifically address the needs of participating DoD components.

(U) DoD components participating in the SBIR Program include the: Army , Navy, Air Force, Defense Advanced Research Projects Agency (DARPA), Missile Defense Agency (MDA), Defense Threat Reduction Agency (DTRA), U.S. Special Operations Command (SOCOM), Joint Science & Technology Office for Chemical & Biological Defense, National Geospatial-Intelligence Agency (NGA), the Defense Logistics Agency (DLA), the Defense MicroElectronics Activity (DMEA) and the Office of Secretary of Defense (OSD) through the Director, Defense Research & Engineering (DDR&E). DoD components participating in the STTR Program include the: Army, Navy, Air Force, DARPA, MDA, and OSD.

<u>B. Program Change Summary</u>	FY 2007	FY 2008	FY 2009
Previous President's Budget (FY 2008)	4.422	2.162	2.168
Current BES/President's Budget (FY 2009)	4.423	3.135	2.165
Total Adjustments	0.001	0.973	-0.003
Congressional Program Reductions			
Congressional Rescissions			
Congressional Increases		1.000	
Reprogrammings			
SBIR/STTR Transfer		-0.087	
Other	0.001	0.060	

FY08 Congressional increases are not directly associated with the administration of the program.

C. Other Program Funding Summary Not applicable for this item.

OSD RDT&E BUDGET ITEM JUSTIFICATION (R2 Exhibit)

February 2008

APPROPRIATION/ BUDGET ACTIVITY

RDTE, Defense Wide BA 06

PE NUMBER AND TITLE

0605790D8Z - Small Business Innovative Research (SBIR)Challenge Admin

D. Acquisition Strategy Not applicable for this item.

E. Performance Metrics: Not Applicable.

OSD RDT&E BUDGET ITEM JUSTIFICATION (R2a Exhibit)

February 2008

APPROPRIATION/ BUDGET ACTIVITY RDTE, Defense Wide BA 06		PE NUMBER AND TITLE 0605790D8Z - Small Business Innovative Research (SBIR)Challenge Admin					PROJECT P518	
COST (\$ in Millions)	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	
P518 SBIR Administration	4.423	3.135	2.165	2.193	2.240	2.298	2.358	

A. Mission Description and Budget Item Justification: (U) The SBIR/STTR Program is executed in three phases. The purpose of Phase I is to determine, insofar as possible, the scientific technical and commercial merit, and feasibility of ideas submitted under the SBIR/STTR Program. Phase II awards are made to firms that have been awarded a Phase I contract on the basis of the results of their Phase I effort and the scientific, technical, and commercial merit of the Phase II proposal. Phase II is the principal research or research and development effort and is expected to produce a well-defined deliverable prototype. Phase III SBIR/STTR efforts derive from, extend or conclude Phase I or Phase II efforts, and are not funded with SBIR/STTR funds. Under Phase III, companies participating in the SBIR/STTR Program are expected to obtain funding from the private sector and/or non-SBIR/STTR government sources to develop the prototype into a viable product or non-R&D service for sale in military and/or private sector markets.

B. Accomplishments/Planned Program:

<u>Accomplishments/Planned Program Title:</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Small Business Innovation Research Administration	4.423	3.135	2.165

(U) Since PL 102-564 prohibits the use of any of the SBIR budget to fund administrative costs of the program, program element (PE) 0605790D8Z is the only source of funds for the coordination, administration and execution of the Departments SBIR/STTR Program. In addition to funding costs for program administration, coordination and execution, PE 0605790D8Z funds essential elements of the SBIR/STTR Program that are required by law including: (a) the development and maintenance of information systems and software required for the measurement, evaluation, and effective management of the Departments SBIR/STTR R&D Program; (b) outreach to small technology companies, potential investors in such companies, SDBs WOSBs HBCU/MIs and others, to encourage and facilitate their participation in the SBIR/STTR Programs (e.g. conferences, trade shows, etc.); (c) preparation of the SBIR/STTR R&D solicitations and related publications; (d) support efforts such as administration of the various SBIR/STTR process action teams; (e) development and promulgation of guidance and reference materials to DoD contracting officers, technical monitors, and other personnel involved in administering the SBIR/STTR Programs; and (f) responding to requests for information relative to DoDs SBIR/STTR Program that receives about 16,000 proposals yearly and issues over 3,000 contracts.

C. Other Program Funding Summary Not applicable for this item.

D. Acquisition Strategy Not applicable for this item.

OSD RDT&E BUDGET ITEM JUSTIFICATION (R2a Exhibit)

February 2008

APPROPRIATION/ BUDGET ACTIVITY

RDTE, Defense Wide BA 06

PE NUMBER AND TITLE

**0605790D8Z - Small Business Innovative Research (SBIR)Challenge
Admin**

PROJECT

P518

E. Major Performers Not applicable for this item.