



Testimony
For the Committee on Small Business and
Entrepreneurship
United States Senate

**Opportunities for Small Business
Participation in NIH ARRA Research
Programs**

Statement of
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Submitted for the Record
Monday, June 22, 2009

Madam Chairman and Members of the Committee:

I am pleased to provide the following statement regarding the American Recovery and Reinvestment Act (ARRA) and the opportunities for small businesses to participate in National Institutes of Health (NIH) ARRA research programs.

As you know, the funds provided to the NIH under ARRA are exempted from the statutory set-aside requirements for the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs; therefore, the NIH is not required to provide a set amount of its ARRA funds to those programs. The NIH continues to comply with the statutory requirement to set aside 2.8% of its other Fiscal Year (FY) 2009 appropriated extramural budget toward the SBIR/STTR programs.

Although the NIH is not required by ARRA to provide a set amount of the funds toward the SBIR/STTR programs, it is important to note that NIH is committed to the small business community and small businesses are able to, already have, and will receive NIH ARRA funds. NIH has been encouraging small businesses to apply for stimulus funds through various funding opportunity announcements that have been released to assure that small businesses receive an adequate share of the ARRA funds appropriated to NIH.

Outreach efforts have been stepped up to alert small companies of ARRA opportunities. In the last two months, seven SBIR/STTR presentations have been given throughout the country at life science or SBIR/STTR conferences in Indiana, Kentucky, New Jersey, New York, Maryland and Washington, D.C. NIH's 11th Annual SBIR/STTR Conference is to be held next week, with typical attendance in the hundreds; this will be another excellent opportunity to disseminate information about targeted ARRA opportunities to a national small business audience.

During the past few months, NIH has released several funding opportunity announcements (FOAs) that were supported by ARRA, for which small businesses were strongly encouraged to apply. These include:

- The *NIH Challenge Grants in Health and Science Research* or "Challenge Grants"
<http://grants.nih.gov/grants/guide/rfa-files/RFA-OD-09-003.html>
This opportunity focuses on specific knowledge gaps, new technologies, data generation or research methods and would benefit from an influx of funds to quickly advance the area in significant ways.
- *Research and Research Infrastructure "Grand Opportunities"* or "GO Grants"
<http://grants.nih.gov/grants/guide/rfa-files/RFA-OD-09-004.html>
This opportunity focuses on developing and implementing critical research innovations to advance their research enterprises, stimulating future growth and investments, and advancing public health and health care delivery.

More than 500 applications were submitted by small companies in response to the Challenge Grant announcement, and over 370 applications were submitted for GO grants.

As recently as June 2, NIH released two additional announcements that explicitly target the private sector commercial research community. These include:

- *Recovery Act Limited Competition: Biomedical Research, Development, and Growth to Spur the Acceleration of New Technologies (BRDG-SPAN) Pilot Program*
<http://grants.nih.gov/grants/guide/rfa-files/RFA-OD-09-008.html>

This FOA is a pilot program that focuses on the funding gap between promising research and development and transitioning to the market by contributing to the critical funding needed to pursue the next appropriate milestone(s) toward ultimate commercialization. Any U.S.-owned, for-profit enterprise/commercial organization is encouraged to apply for this funding, and although not explicitly limited to small businesses, most of the applications are expected to be submitted by small businesses. Please note that applications received under this funding opportunity may be given funding priority if the applicant is associated with an enterprise/commercial organization that is of small size and/or of limited resources.

- *Recovery Act Limited Competition: Small Business Catalyst Awards for Accelerating Innovative Research*
<http://grants.nih.gov/grants/guide/rfa-files/RFA-OD-09-009.html>

This opportunity specifically targets the SBIR research community and focuses on accelerating innovation through high risk, high reward research and development that has the commercial potential and is relevant to the NIH mission. It seeks to encourage fresh research perspectives and approaches and focuses on early-stage ideas that promise to lead to major leaps forward rather than incremental improvements of existing technologies. Only U.S. small

business concerns are eligible to submit Phase I SBIR applications, and first-time applicants to NIH may receive funding priority.

In March 2009, NIH offered three administrative supplement and competitive revision opportunities for those with active research project grants (including SBIR and STTR). The supplements provided additional funding to accelerate the tempo of scientific research on active grants. Revision awards support a significant expansion of the scope or research protocol of approved and funded projects. Administrative supplements were also offered to provide summer research experiences for students and science educators. SBIR and STTR projects successfully competed. At this time, nearly 20 SBIR/STTR grantees have been selected to receive administrative supplements to provide summer research experiences for students and/or science educators.

In addition to releasing these funding opportunity announcements, the paylines at various NIH institutes and centers have been extended to reach more meritorious research grants, including those submitted by small businesses.

As evidenced, NIH has afforded small business with a large variety of opportunities to compete in the NIH ARRA program in keeping with the President's agenda to revitalize America's innovation engine. NIH has used ARRA funds to support small businesses in new and unique ways that are likely to advance biomedical science and quicken the development of products and services that benefit the health of the nation.

Thank you for the opportunity to present this information to you.