

State funds for SBIR companies

Including SBIR matching grants and cash assistance for "Phase 0"

July 2021

Summary



Navigating the Small Business Innovation Research (SBIR) and Small Business

Technology Transfer (STTR) application process is a resource intensive
process. Because of this, some states have created dedicated state matching programs or grant funds
to diffuse the costs of developing and submitting SBIR/STTR proposals. Generally, these programs
assist in covering the cost over three areas of the SBIR/STTR award cycle; pre-proposal feasibility
research and analysis, proposal preparation and submittal, and project performance and post-award.

During the pre-proposal and preparation phases, some states have created what are known as "Phase 0" awards programs. These programs are designed to assist new applicants in their pursuit of Phase I federal SBIR/STTR awards. While states and others may refer to many services as "Phase 0" programs, this report covers only those that provide either direct funding to a business preparing to submit an SBIR/STTR application or to cover the cost of related, specialized assistance.

More substantial funding is available in many states in the form of grants that match a federal SBIR/STTR award. These matching programs provide small businesses with additional funding that can generally support technological and commercial development of the technology that is the subject of the federal award. As covered in the report, the availability of matching funds may vary within a state for Phase I and Phase II.

State level programs that provide matching funds for SBIR awardees have demonstrated value for innovative small businesses within their regions. SSTI compiled the following list of state programs that appear to be active as of June 2021.



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State SBIR/STTR support at-a-glance.

State	Phase 0	Phase I	Phase II
Alabama			
Alaska			
Arkansas			
Colorado			
Delaware			
Florida			
Hawaii			
Illinois			
Indiana			
lowa			
Kentucky			
Louisiana			
Maryland			
Massachusetts			
Michigan			
Minnesota			
Mississippi			
Montana			
Nebraska			
New Jersey			
New Mexico			
New York			
North Carolina			
Oregon			
Rhode Island			
South Carolina			
South Dakota			
Tennessee			
Vermont			
Virginia			
West Virginia			
Wisconsin			
Wyoming			

Phase O Programs

The programs listed below are only those that provide cash assistance. Additional resources may be available in these and other states in the form of technical assistance or other non-financial resources to SBIR/STTR applicants.



Unless otherwise noted, all programs were confirmed active in April 2021.

Alaska Innovation Partnership (IPart) Proposal Support and Travel & Training Program

The <u>Alaska program</u> provides grants of up to \$15,000 to innovative companies seeking to apply for SBIR Phase I or II grants.

Colorado SBDC TechSource

<u>TechSource</u> in Colorado has funding available to help women-owned, minority-owned and/or rural-based science and technology businesses access private resources for assistance with SBIR/STTR proposal development. Grant awards are up to \$1,000/business.

Hawaii SBIR Phase 0 Grant Program

HTDC provides <u>Hawaii's Phase 0</u>, I, II and III SBIR and STTR qualified awardees a matching grant, depending on the federal award phase. Phase 0 is up to \$3,000 for grant writing services.

Louisiana Technology transfer Office (LTTO) Phase 0 Program

<u>Louisiana</u> provides qualified applicants with the opportunity to request funds of up to \$2,000 to cover reasonable costs incurred in developing an SBIR or STTR Phase I or II proposal.

Mississippi FAST Phase 0 Program

<u>Mississippi's program</u> provides financial assistance (up to \$3,000) to qualifying small businesses to help offset the cost of developing a Phase 1 SBIR/STTR proposal for submission to a federal agency's solicitation.

Montana Innovation Partnership (MTIP) FAST Microgrants Program

MTIP provides up to \$1,500 per year. Prospective SBIR/STTR applicants may apply to MTIP to receive microgrants to attend conferences, travel to speak with agencies or commercialization partners, to acquire consulting services from an approved service provider for assistance with preparation of Phase I or Phase II proposals.

Nebraska SBIR/STTR Grant Program

Funds are available in <u>Nebraska</u> to assist small businesses during the federal SBIR/STTR application process. Phase 0 grants can reimburse for up to \$5,000 per project for costs incurred in preparing a federal Phase I proposal.

New York WIN SBIR/STTR Assistance Program

In <u>New York</u>, the Western New York Incubator Network (WIN) contribution is limited to \$4,000. The program links quality SBIR/STTR applicants with outside experts to submit timely, high-quality proposals to relevant federal agencies.

North Carolina SBIR/STTR Phase I Incentive Funds Program

When appropriations are available, the North Carolina Department of Commerce provides funds to reimburse companies for costs incurred while preparing and submitting Phase I SBIR/STTR proposals.

Oregon SBIR/STTR Grant Support

<u>Business Oregon's</u> Phase 0 grants are awarded to businesses that are pursuing federal Phase I SBIR/STTR grant funds. Phase 00 grants help businesses pursuing federal Phase II or Fast-Track grants. Phase 0 or 00 grants can be for up to \$5,000.

Rhode Island Small Business Fund

The <u>Innovate Rhode Island</u> Small Business Fund provides grants of up to \$3,000 to assist small businesses offset the costs associated with preparing a competitive Phase I SBIR/STTR application.

South Dakota Proof of Concept SBIR Supplement Program

The <u>program</u> provides Phase 0 funding (with a maximum of \$5,000) for companies to work towards applying for a federal SBIR Phase I grant.

Tennessee Launch TN Commercialization Microgrants

In <u>Tennessee</u>, if an application is approved by a Launch TN-designated team, the company will be approved for up to \$4,000 for Phase I SBIR/STTR assistance during Phase 0.

Vermont EPSCoR SBIR/STTR Phase 0 Program

The <u>program</u> in Vermont provides the opportunity for small businesses to compete for grants to foster research and development projects which will lead to application to federal SBIR programs. The maximum amount of each grant is \$15,000.

West Virginia SBDC In-Tech SBIR/STTR Matching Funds Program

Phase 0 funding in West Virginia's <u>program</u> provides companies that are currently applying for federal SBIR Phase I grants an additional \$2,500 after the successful completion of the federal application.

Wisconsin CTC SBIR/STTR Assistance Microgrants

The grants provided in <u>Wisconsin</u> cover reimbursement of costs up to \$4,500 that are incurred by a business in hiring an independent, approved third-party to assist in the development of a federal Phase I SBIR/STTR research and development proposal.

SBIR/STTR Matching Grant Programs

SBIR/STTR grants are a core source of early-stage financing for innovative small businesses throughout the country. These highly competitive federally funded awards allow small businesses to engage in research and development, production, and ultimately work towards commercialization.



To help attract these innovative, technology-oriented small businesses, states throughout the country have developed matching programs to supplement the funding provided by the federal SBIR/STTR grants. By providing additional financing opportunities, states can increase a small business' access to capital while ensuring that the participating state will remain the home of the business for the immediate future. Through SBIR/STTR matching programs, states have experienced positive economic growth and increased employment opportunities.

Note that some of the states that are not listed here may still have funds available to support technology development—those programs simply do not restrict eligibility to SBIR companies.

Unless otherwise noted, all programs were confirmed active in June 2021.

[Alabama] Innovate Alabama Matching Grant Program

In 2021, Alabama authorized a new program to match SBIR and STTR Phase I and II awards. Once funded, the program will be run by the Alabama Innovation Corporation, which was also newly-created in 2021. The program has an emphasis on outreach and funding for underrepresented companies, including gender, race and geography, as well as for companies working with Historically Black Colleges and Universities. The state Legislature appropriated \$5 million in FY 2021.

Phase I funding amount:
 Phase II funding amount:
 Funding timing:
 Award process:
 50 percent match up to \$100,000
 Fo percent match up to \$250,000
 Post-SBIR Phase I/II Award
 Competitive, to be determined

Arkansas SBIR Matching Grant

The <u>Arkansas SBIR Matching Grant</u> provides matching funding to SBIR Phase I and SBIR Phase II awardees. The program aims to induce the retention and growth of companies within the state, allowing Arkansas the opportunity to retain high-tech jobs in middle-skill and high-skill occupations.

Phase I funding amount: 50 percent match up to \$50,000
Phase II funding amount: 50 percent match up to \$100,000
Funding timing: Post-SBIR Phase I/II Award

Award process: Awarded at the discretion of the Director of the Arkansas Economic

Development Commission

Delaware Technical Innovation Program

The <u>Delaware Strategic Fund</u> supports business research that will bring innovative new products, jobs, and revenue to Delaware, and is the primary funding source used for SBIR/STTR grants. This bridge funding can be used to help cover costs for Phase I awardees that have submitted an application for a Phase II award.

Phase I funding amount: Up to \$50,000

Phase II funding amount: n/a

Funding timing: Post-Phase I award and pre-Phase II award

Award process: Application

Florida High Tech Corridor Council Matching Grants Research Program

The Florida High Tech Corridor Council has allocated funds to the region's three research universities to support research projects occurring in conjunction with an industry partner to commercialize new technologies while accessing student talent. The matching grants program supports initiatives beyond SBIR/STTR but includes assistance through one of these programs as part of its funding priorities. Historically, the Corridor has been interested in projects moving from Phase I to Phase II. Companies may apply for up to \$150,000.

Phase I funding amount: Up to \$150,000
Phase II funding amount: Up to \$150,000
Funding timing: Not specified

Award process: Competitive Proposal

Hawaii SBIR Research Program

HTDC provides Hawaii's Phase 0, I, II and III SBIR and STTR qualified awardees a matching grant, depending on the federal award phase. Phase 0: up to \$3,000 for grant writing services; Phase I: up to 50 percent of the Federal Phase I award; and Phases II & III up to \$500,000 (not funded for FY 2021). In 2020, HTDC funded four first-time applicants in the Phase 0/1 category (\$520,000 in total matching funds) and three first-time applicants within the Phase 2/3 segment (\$900,000 in total matching funds). HTDC received \$1.4 million for the program in FY 2020.

Phase I funding amount: 50 percent (up to \$500,000)

Phase II funding amount: 50 percent match up to \$500,000 (not funded in FY 2021)

Funding timing: Post-SBIR award
Award process: Competitive Proposal

Illinois SBIR and STTR Matching Program

In March 2021, Governor J.B. Pritzker of Illinois announced the formation of the Illinois SBIR and STTR Matching Program, set to be administered by the Illinois Department of Commerce and Economic Opportunity.

Phase I funding amount: 50 percent up to \$50,000

Phase II funding amount: n/a

Funding timing: Post-SBIR award

Award process: Competitive, to be determined

Indiana SBIR/STTR Grant Matching Awards

Elevate Ventures, in partnership with the Indiana Economic Development Corporation, through the <u>21st Century Research & Technology Fund</u>, provides Phase I with matching funds of 50 percent of federal dollar awarded, up to \$50,000 in state matching per federal award and a lifetime maximum of \$150,000 in state matching per company, including affiliates.

Phase I funding amount: 50 percent (up to \$50,000)

Phase II funding amount: n/a

Funding timing: Post-SBIR award Award process: Application

Iowa BioConnect SBIR/STTR Outreach Program

<u>BioConnect Iowa</u>, previously known as the Iowa Innovation Corporation, administers the state's program and offers technical assistance to applicants throughout the SBIR/STTR application process. The matching program provides funding assistance up to \$25,000 to recipients of SBIR Phase I awards while an additional \$25,000 is available to eligible applicants on submission of a Phase II solicitation.

Phase I funding amount: Up to \$25,000 Up to \$25,000 Up to \$25,000

Funding timing: Post-SBIR Phase I award and Post-SBIR Phase II submission Award process: Funding available as part of assistance program, fee required

Kentucky SBIR/STTR Matching Funds Program

The <u>Kentucky SBIR/STTR Matching Funds Program</u> is funded by the Cabinet for Economic Development, Office of Entrepreneurship. The Kentucky SBIR/STTR Matching Funds Program provides matching funds up to \$150,000 for Phase I and up to \$500,000 for Phase II (not to exceed two years). These matching funds are to be used for new and additional work tasks that are complementary to existing federal SBIR/STTR awards. Kentucky SBIR/STTR Matching Funds Program Grants are awarded by a competitive selection process.

Phase I funding amount: Up to \$150,000

Phase II funding amount: Up to \$500,000

Funding timing: Post-SBIR award

Award process: Competitive proposal

Maryland Small Business Innovation Research and Technology Transfer Incentive Program

In 2021, the Maryland General Assembly authorized the Maryland Small Business Innovation Research and Technology Transfer Incentive Program, prioritizing small businesses that are engaged in "research and development activities that assist in the prevention of, preparedness for, or response to a public health crisis in the State." Women-owned and rurally located small businesses are specific targets for potential program awards.

Phase I funding amount: 25 percent matching (up to \$25,000), maximum of 20 awards Phase II funding amount: 25 percent matching (up to \$75,000), maximum of 10 awards

Funding timing: Post-SBIR award

Award process: Competitive, to be determined

[Massachusetts] MassVentures' START Award program

MassVentures' START Award program is a competitive program for companies that have won Phase I or II SBIR/STTR grants, with selections based on a company's potential for commercialization and job growth. The program is staged over a three-year period. In the first year 10 companies win \$100,000 grants. In the second year five of those companies are chosen to win \$200,000 grants. And in year three, two companies are awarded \$500,000 in either grants or equity depending on the situation. The funds are to be used to expedite commercialization and generally used to cover expenses not allowed under the federal SBIR program such as patents and marketing studies in sales efforts. In addition to funding and assistance in helping transition SBIR funded technologies into growing technology companies as opposed to attracting more SBIR funding, MassVentures also provides mentoring, networking, and seminars on critical areas such as marketing studies, IP strategies, and presentation skills. The program's current structure provides \$3 million per year.

Phase I funding amount: \$100,000 (year one), \$200,000 (year two), \$500,000 (year three) Phase II funding amount: \$100,000 (year one), \$200,000 (year two), \$500,000 (year three)

Funding timing. Post-SBIR award

Award process: Competitive proposal with ongoing competition

Michigan Emerging Technologies Fund

The Michigan Small Business Development Center in partnership with the Michigan Economic Development Corporation operates the <u>Michigan Emerging Technologies Fund</u> (ETF), which provides matching dollars to support commercialization of SBIR/STTR projects. The ETF matches 25 percent of Phase I SBIR/STTR awards up to \$25,000, and 25 percent of Phase II SBIR/STTR awards up to \$125,000. ETF awards are made in the form of grants and do not need to be paid back; however, ETF funds must be used to help bring Michigan SBIR/STTR projects to commercialization in at least one of the four technology sectors supported by the ETF. These sectors are: Advanced Automotive, Manufacturing, Materials, Information, and Agricultural Processing; Alternative Energy; Homeland Security and Defense; and Life Sciences. To receive Phase II ETF matching funds, a third party investor must also be proven to be committed to the project.

Phase I funding amount: Up to \$25,000 Phase II funding amount: Up to \$125,000

Funding timing: Application for ETF matching must be submitted Pre-SBIR award,

funding provided once the federal SBIR award has been granted.

Award process: Automatic for eligible applicants

[Minnesota] Launch Minnesota SBIR/STTR Matching Grant

The <u>Launch Minnesota's Innovation Grants</u> includes an SBIR/STTR matching track for first-time Phase I and Phase II awardees. Businesses can only receive one award for each phase during a two-year period. Launch Minnesota gives increased consideration towards startups located within Greater Minnesota, as well as those owned by women, veterans, and people of color. The program received \$1.5 million for FY 2022 and 2023.

Phase I funding amount: Up to \$35,000

Phase II funding amount: Up to \$50,000

Funding timing: Post-SBIR award

Award process: Competitive proposal

Montana SBIR/STTR Matching Funds Program

The <u>SBIR/STTR Matching Funds Program</u> assists technology-based Montana companies by providing additional funding that can be used for technology development or other uses during the time that the company is working on a SBIR/STTR project. Awards are made in two tranches: 50 percent upon approval of a "stage 1" application, and the remaining 50 percent after approval of the "stage 2" report. Companies may not receive more than one award (two stages) per fiscal year.

Phase I funding amount: Up to \$60,000 Up to \$60,000 Up to \$60,000

Funding timing: Within 180 days of receiving an SBIR/STTR award Award process: Application to Montana Department of Commerce

Nebraska SBIR/STTR Grant Program

The Nebraska Department of Economic Development's (DED) <u>SBIR/STTR Initiative</u> provides funding to support companies working on SBIR/STTR projects in the state. In Phases I and II, matching grants are available for successful federal applications to support research and commercialization. Phase I and II grants will match federal SBIR/STTR awards up to \$100,000 or 65 percent of the federal grant, whichever is less. DED may award up to \$4 million per year for grants. DED will not award funding to a qualifying business for more than one project every two years. Phase 0 support is also available.

Phase I funding amount: 65 percent matching, up to \$100,000 Phase II funding amount: 65 percent matching, up to \$100,000

Funding timing: Post-Phase I approval or post-Phase II application

Award process: Competitive proposal

New Jersey CSIT SBIR/STTR Direct Financial Assistance Program

The New Jersey <u>SBIR/STTR Direct Financial Assistance Program</u> provides funding towards both Phase I awardees and bridge funding for companies that have completed a federal level SBIR Phase I and are moving on to Phase II federal funding. Phase I funding is available for up to 12 companies. Phase II funding, which is structured as a bridge between a Phase II application and award, is available for five companies. The program received \$550,000 in FY 2020.

Phase I funding amount: Up to \$25,000 Phase II funding amount: Up to \$50,000

Funding timing: Post-SBIR Phase I award and Pre-SBIR Phase II award

Award process: Competitive proposal

New Mexico SBIR Grant

The New Mexico SBIR Grant provides additional funding to businesses that have received federal SBIR grants: up to \$25,000 for applicants with active federal Phase I grants and up to \$100,000 for applicants with active federal Phase II grants. For companies to be eligible, they must be headquartered within the state of New Mexico, 51 percent of their activities conducted under the federal award must be performed in the state, and 31 percent of the state-funded activities must be within New Mexico.

Phase I funding amount: Up to \$25,000 Phase II funding amount: Up to \$100,000

Funding timing: Post-SBIR Phase I/II award Award process: Competitive proposal

[North Carolina] One N.C. Small Business Program

The <u>One North Carolina Small Business Program</u> includes the SBIR/STTR Phase I Matching Funds Program, which awards matching funds to North Carolina businesses with an SBIR or STTR Phase I award. Match is for 50 percent of the SBIR/STTR award, up to \$50,000. The most recent funding round awarded \$1.5 million across 29 companies. The state also has a "Phase I Incentive" program, which provides Phase 0 support.

Phase I funding amount: 50 percent matching (up to \$50,000)

Phase II funding amount: n/a

Funding timing: Post-SBIR Phase I award Award process: Competitive proposal

[Oregon] Business Oregon SBIR/STTR Grant Support Program

<u>Business Oregon</u>, the state's economic development agency, provides matching grants up to \$50,000 for companies with a Phase I federal grant award and up to \$100,000 for companies with a Phase II federal award. When funding is available, Business Oregon also provides Phase 0 and 00 assistance to companies applying for Phase I and Phase II, respectively.

Phase I funding amount: Up to \$50,000
Phase II funding amount: Up to \$100,000
Funding timing: Post-SBIR award
Award process: Competitive

[Rhode Island] STAC SBIR/STTR Matching Grants

Commerce RI, through the <u>RI Science & Technology Advisory Council</u> (STAC), operates a matching grant program (as well as an application grant and internship grant) for SBIR/STTR Phases I and II. The SBIR/STTR program provides Phase I awardees with up to \$45,000 to pursue a Phase II award, and Phase II awardees with up to \$100,000 to advance their technology's commercialization potential.

Phase I funding amount: Up to \$45,000 Phase II funding amount: Up to \$100,000

Funding timing: Post-SBIR award and still active on application deadline

Award process: Competitive proposal

[South Carolina] SCRA SBIR/STTR Grant Matching

The <u>South Carolina Research Authority</u> (SCRA) offers a match of 50 percent of federal SBIR/STTR Phase I awards, up to \$50,000. The program is open to winners of federal Phase I SBIR awards to help the company obtain a Phase II award. Companies must be an SCRA member but can apply for membership at the same time as applying for grant funding. SCRA awarded seven grants totaling \$300,000 in 2020.

Phase I funding amount: Up to \$50,000

Phase II funding amount: n/a

Funding timing: Post-SBIR Phase I award Award process: Competitive proposal

South Dakota Proof of Concept Program

The South Dakota Governor's Office of Economic Development (GOED) offers the <u>Proof of Concept Program</u> to provide funding of up to \$25,000 to companies as a financial support for their federal SBIR Phase II application process or to otherwise bridge the company's work between the two awards. Additionally, GOED provides Phase 0 funding (with a maximum of \$5,000) for companies to work towards applying for a federal SBIR Phase I grant.

Phase I funding amount: n/a

Phase II funding amount: Up to \$25,000

Funding timing: Pre-SBIR Phase II award Award process: Application to GOED

Tennessee SBIR/STTR Matching Fund

<u>Launch Tennessee</u>, with funding from the state, offers matching grants for both Phase I and Phase II awards. Funds are prioritized for companies in Tennessee's "Tier 3 and 4" counties and Opportunity Zones, or companies that are female-owned, minority-owned, veteran-owned, or owned by those with disabilities. State assistance is limited for companies that have existed for more than 10 years or have received more than 10 SBIR/STTR awards.

As of June 2020, 60 percent of the companies supported by the SBIR/STTR Matching Fund have gone on to raise \$53 million in private capital and 58 percent have generated revenue. Half of these companies have had female, minority, rural, and/or veteran representation in executive leadership.

Phase I funding amount: \$100,000 Phase II funding amount: \$300,000

Funding timing: Post-SBIR award

Award process: Competitive proposal

West Virginia SBDC In-Tech Program

The West Virginia SBDC's Innovation-Technology (In-Tech) program, which is funded by the state, includes SBIR/STTR Phase I and II Matching Funds, as well as Phase 0 assistance for proposals. Application windows are during January, May and September of each year. Companies must have received their federal award and the project must still be active in order to apply. Phase I assistance will be provided in two payments (50 percent each), and Phase II assistance may be up to \$100,000 per year for two years.

Phase I funding amount: Up to \$100,000 Up to \$200,000

Funding timing: Post-SBIR award but still active at deadline

Award process: Competitive proposal

[Wisconsin] SBIR Advance

Wisconsin Economic Development Corp. (WEDC) and the University of Wisconsin System operate a <u>match program</u> for Phase I and Phase II SBIR/STTR awardees. Companies apply after they have received a federal award, and funds are made available following the completion of specific milestones. For Phase I, these milestones are completion of Lean Startup training, the creation of a commercialization plan, and Phase II application submission. For Phase II, milestones are negotiated between the company and selection committee. Those applying for Phase I funding must still be eligible to submit a Phase II federal proposal. Phase II funding is for up to \$100,000 for two years.

Phase I funding amount: Matches 50 percent, up to \$75,000

Phase II funding amount: Up to \$200,000
Funding timing: Post-SBIR award
Award process: Competitive proposal

[Wyoming] Startup Wyoming SBIR Phase I and II Matching Program

The Wyoming Business Council (WBC), through its <u>Startup Wyoming</u> grant programs, provides Phase I matches up to \$100,000 for first-time awardees, and up to \$70,000 for repeating awardees. For Phase II, the program matches up to \$200,000. Applicants must commit to remaining in Wyoming for three years after commercialization of their technology and to seeking additional funding.

Phase I funding amount: Up to \$100,000 for first time awardees; up to \$70,000 for repeat

awardees

Phase II funding amount: Up to \$200,000
Funding timing: Post-SBIR award
Award process: Application to WBC