

Why GAO Did This Study

To help drive economic growth, agencies provide SBIR and STTR awards to small businesses, which may face challenges funding research and development. For these awards, agencies release solicitations that include open or conventional topics.

The SBIR and STTR Extension Act of 2022 includes provisions for GAO to review agencies' use of open topics. This report examines, among other things, the extent to which agencies issued open topic awards in FY 2022 and the status of DOD's FY 2023 open topic efforts.

GAO analyzed data from participating agencies and the Small Business Administration (SBA) for awards issued from FY 2019 through 2022—the most recent data available at the time of GAO's review. To examine DOD's FY 2023 open topic efforts, GAO analyzed the 507 topics that DOD components released in their FY 2023 solicitations, including coding each topic on the extent to which the language specified research needs and solutions. GAO also reviewed statutory and policy requirements and interviewed agency officials.

What GAO Recommends

GAO is making a recommendation to DOD to revise its open topic guidance to clarify how open and conventional topics should differ. DOD concurred with our recommendation.

View [GAO-24-107036](#). For more information, contact Hilary Benedict at (202) 512-6888 or BenedictH@gao.gov.

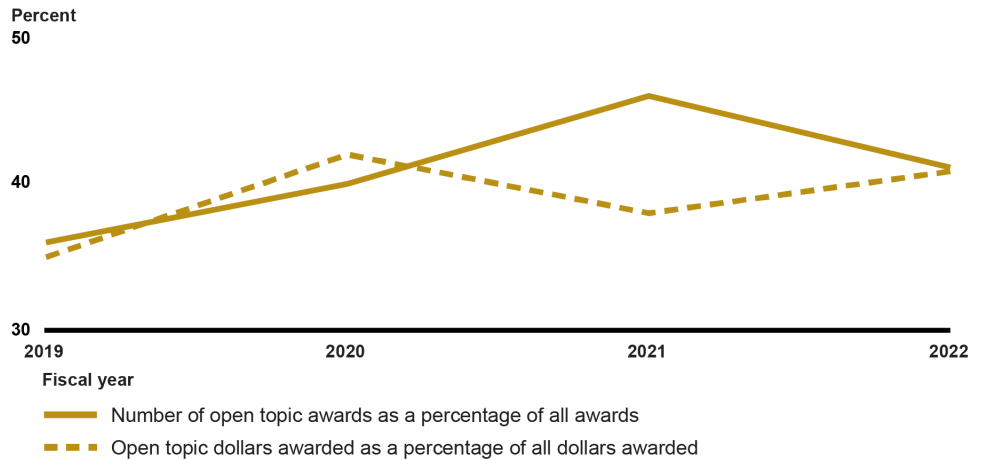
SMALL BUSINESS RESEARCH PROGRAMS

Agencies Broadly Solicit Ideas, but Clearer Guidance Could Improve DOD Efforts

What GAO Found

In fiscal year (FY) 2022, 40 percent of all Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) program awards, totaling about \$1.8 billion, were from open topics. In response to solicitations that include open topics, small businesses submit proposals that generally define research needs and propose solutions. GAO found that open topics may promote competition and increase innovation, because open topic awards were spread across a larger number of businesses compared to conventional topics. For conventional topics, agencies generally define needs, and small businesses propose solutions. Of the 11 agencies that participated in the SBIR and STTR programs in FY 2022, four exclusively issued open topic awards, four exclusively issued conventional topic awards, and the remaining three issued both types.

Open Topic Awards in the Small Business Innovation Research and Small Business Technology Transfer Programs, FY 2019–2022



Source: GAO analysis of data from the Small Business Administration and the 11 SBIR/STTR agencies. | GAO-24-107036

Each participating DOD component is required to release at least one open topic solicitation per year, starting in FY 2023. This requirement is intended, in part, to expand the ability for small businesses to propose solutions to meet DOD needs. In response, DOD issued guidance to its components, and the 12 relevant DOD components released FY 2023 topics that they identified as open.

However, some DOD components' open topics were similar to their conventional topics—narrowly defining needs and suggesting potential solutions. GAO found that seven of 12 components' FY 2023 open topics differed to some extent from their conventional topics in the specificity with which they defined needs and solutions, but the other five components' topics did not differ. DOD's guidance on open topics does not indicate whether and how open and conventional topics should differ. By clarifying its guidance to indicate how the topics' specificity should differ, DOD could ensure components consistently release open topics that are more broadly defined than their conventional topics. This would help DOD better fulfill the purposes of the act in implementing open topics activities and promote additional competition within the SBIR and STTR programs.