EXECUTIVE SUMMARY

The Arkansas Economic Development Commission provides the following executive summary for the SBIR Grant Program Rule:

History

The federal SBIR grant program is offered through eleven federal agencies and provides funding to American small businesses. The Small Business Technology Transfer (STTR) program complements the SBIR program and includes a requirement that businesses partner with a research institution. The SBIR/STTR programs are an important source of early-stage technology development funding for small businesses. Arkansas Act 166 of 2017, codified at Arkansas Code §§ 15-3-701—709, implemented a matching grant program for Arkansas-based small businesses that secure federal SBIR awards, but did not include STTR grants. It further placed a lifetime cap of three matching grant awards to any Arkansas business. SBIR awards are discretionary and are granted by the Executive Director following recommendations from the AEDC Science and Technology Board.

2025 SBIR Amendments

Act 440 of 2025 amended Arkansas' SBIR grant program to include STTR grants, bringing Arkansas into alignment with the federal program. The Act further removed the lifetime cap of three awards per business, which is critical for the growth of high-performing technology businesses, several of which have already received three awards. Finally, for the purpose of efficiency and streamlined administration, Act 440 transferred the recommendation power for SBIR and STTR grants from the Science and Technology Board to the AEDC. Arkansas Code Section 15-3-709 requires the AEDC to promulgate rules to carry out the purposes of the statute.

The proposed amended rule makes the above changes to effectuate the amendments to the SBIR grant passed in Act 440.

Summary of Proposed SBIR Rule Amendments

The attached proposed amendment to the SBIR Rules, codified at 15 CAR §§ 141-101—108, makes the following changes to the rules:

- Adds provisions to include Small Business Technology Transfer grants;
- Removes references to the Division of Science and Technology, which is required by Act 440;
- Clarifies that eligible business applicants must be in good standing with the Arkansas Secretary of State's office;
- Adds a definition for "Principal Business Office;"
- Removes restrictions on the number of times companies can apply as per Act 440;
- Removes an unneeded definition of "Small Business Innovation Program;"
- Removes references to AEDC internal grant administration procedures that were not accurate and were unnecessary;
- Adds Arkansas Freedom of Information Act language and guidance for applying companies; and
- Effectuates other miscellaneous language cleanups.