

August 29, 2025

Governor Gavin Newsom
1303 10th St., Suite 1173
Sacramento, CA 95814

Dear Governor Newsom,

We are writing on behalf of California Life Sciences (CLS) to respectfully request your support for the timely and clean reauthorization of the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs by issuing a public statement highlighting their importance, communicating directly with the California congressional delegation, and engaging with your fellow governors. These vital programs are a cornerstone of our nation's—and our state's—innovation ecosystem and are critical for economic growth and technological leadership.

For more than four decades, the SBIR/STTR programs, often called "America's Seed Fund," have served as one of the most effective mechanisms for transforming cutting-edge research into commercially viable products and services. By requiring federal agencies with large research and development (R&D) budgets to set aside a small percentage for small businesses, these programs fuel innovation, create high-paying jobs, and address the nation's most pressing challenges in defense, healthcare, energy, and more.

These federal funds and the matching grant program in our state also provide a clear indication to our industry of our state's commitment to support early-stage company creation and expansion efforts.

Here in California, the impact of the SBIR/STTR programs is profound. They serve as a powerful catalyst for our local economy by:

- **Fueling Small Business Growth:** Providing non-dilutive seed funding to early-stage technology companies, allowing them to develop and de-risk innovative ideas that are often too early for private venture capital.
- **Creating High-Quality Jobs:** Supporting scientists, engineers, researchers, and technicians across California in high-wage, high-skill positions.
- **Enhancing our Innovation Ecosystem:** Fostering collaboration between our state's research universities, federal laboratories, and the private sector, leading to a vibrant and resilient technology landscape.
- **Delivering a Strong Return on Investment:** SBIR/STTR-funded companies in California significant follow-on private investment and contribute substantial tax revenue back to our state and local economies.

The SBIR/STTR programs require periodic reauthorization by Congress. The current authorization is set to expire on **September 30, 2025**. A lapse in this authorization would create programmatic uncertainty, disrupt critical research projects for small businesses across our state, and cede our technological advantage to global competitors. It is imperative that Congress acts to

pass a reauthorization without delay and without harmful amendments that could weaken the programs' effectiveness.

Your voice as Governor is incredibly influential. Again, we urge you to demonstrate your support for the innovators and entrepreneurs of California by taking the following actions:

1. **Issue a public statement** or proclamation highlighting the importance of the SBIR/STTR programs to the economy and future of California.
2. **Communicate directly with the California congressional delegation**, urging them to champion and vote for a timely, long-term, and clean reauthorization of the programs.
3. **Engage with your fellow governors**, perhaps through the National Governors Association, to build a bipartisan coalition of support for reauthorization.

Your leadership on this issue can be instrumental in ensuring small businesses in California have access to this essential source of R&D funding. We would be pleased to provide your office with any additional information, including state-specific data on the impact of these programs.

Thank you for your time and for your unwavering commitment to the economic prosperity of our great state.

Sincerely,



Mike Guerra
President & CEO, California Life Sciences

cc:

Dee Dee Myers, Senior Advisor to the Governor and Director of the Governor's Office of Business and Economic Development

Tara Lynn Gray, Director, Office of the Small Business Advocate