
AN ACT ESTABLISHING THE YOUTH SBIR LAUNCH GRANT PROGRAM

SECTION 1. SHORT TITLE

This act shall be known and may be cited as “**An Act Establishing the Youth SBIR Launch Grant Program.**”

SECTION 2. FINDINGS AND PURPOSE

The General Court finds that:

1. The Commonwealth has a demonstrated interest in fostering innovation, workforce development, and economic growth through merit-reviewed, non-dilutive grant programs.
2. Existing federal and state Small Business Innovation Research (SBIR)–style programs demonstrate that early-stage, high-risk innovation investments yield measurable long-term economic returns, including business formation, job creation, and tax-base expansion.
3. High school students in the Commonwealth possess the capacity to originate viable scientific, technological, health, and societal innovation concepts when provided with appropriate incentive structures.
4. Current public funding mechanisms do not permit students to enter the innovation pipeline early, despite demonstrated benefits of early exposure to rigorous proposal development and commercialization planning.
5. Failure in early-stage research and development is an expected and acceptable outcome, provided public funds are administered with accountability and measurable learning outcomes.

Purpose.

The purpose of this act is to establish a merit-reviewed, SBIR-modeled grant program that permits students enrolled in high school to submit innovation proposals, receive conditional award approval, and activate grant funding only after graduation and upon reaching legal adulthood, for the purpose of launching high-impact ventures that advance the public interest.

SECTION 3. DEFINITIONS

For the purposes of this act, the following terms shall have the following meanings:

- **“Applicant”**: A student enrolled in grades 9 through 12 in a public or private secondary school located within the Commonwealth.
- **“Principal Investigator (PI)”**: The individual applicant who originates the proposed project and who, upon award activation, assumes full responsibility for execution, reporting, and compliance.
- **“Pre-Award Approval”**: A conditional determination by the administering agency that an application meets merit and feasibility criteria, pending award activation eligibility.
- **“Award Activation”**: The release of grant funds following confirmation that the PI has graduated from high school or obtained a GED equivalent and has reached the age of 18.
- **“Eligible High School Student”**: An applicant who meets enrollment requirements at the time of submission.
- **“Financial Need Tier”**: A classification used solely to determine the PI payment amount, based on verified financial documentation at the time of award activation.
- **“Allowable Costs”**: Expenditures directly related to research, development, commercialization planning, incorporation, or market validation as defined by regulation.
- **“Milestones”**: Objective, measurable deliverables tied to phased release of project funds.

SECTION 4. PROGRAM CREATION

There is hereby established within the **Executive Office of Economic Development** the **Youth SBIR Launch Grant Program**.

The Executive Office of Economic Development (EOED) shall administer the program and may consult with the **Massachusetts Department of Elementary and Secondary Education** solely for purposes of application access and school-interface logistics. DESE shall have no authority over award decisions.

SECTION 5. YOUTH SBIR LAUNCH FUND

1. There is hereby established a **non-lapsing, segregated fund** to be known as the **Youth SBIR Launch Fund**.
 2. The fund shall be capitalized with a one-time appropriation of **\$50,000,000**.
 3. Monies in the fund may be expended over multiple fiscal years without regard to fiscal-year limitation.
 4. Administrative, evaluation, audit, information-technology, and reporting expenses shall not exceed **10 percent** of total appropriations.
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SECTION 6. BUDGET STRUCTURE AND AWARD VOLUME

1. Of the total appropriation:
 - **\$5,000,000** shall be reserved for program administration and evaluation.
 - **\$45,000,000** shall be reserved for grant awards.
 2. The program shall operate as a **five-year pilot**, targeting approximately **\$10,000,000 per year** in total program expenditures.
 3. Annual awards shall be issued to **50–100 Principal Investigators statewide**, subject to merit review and available funding.
 4. Average award size shall range between **\$105,000 and \$135,000**, allowing flexibility to accommodate need-based PI payments.
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SECTION 7. AWARD DESIGN

Each grant award shall consist of two components:

1. **Project Budget**
 - Fixed amount of **\$90,000** per award.
 - Funds shall be milestone-gated and restricted to allowable project costs.
2. **Principal Investigator Payment**
 - A living stipend paid monthly during the award period.
 - Tiered based on verified financial need:

- **\$15,000**
- **\$30,000**
- **\$45,000**

Total award amounts shall therefore range from **\$105,000 to \$135,000**.

SECTION 8. ELIGIBILITY AND TIMING

1. Applications may be submitted by eligible high school students at any time during grades 9 through 12.
 2. **No funded work shall be performed prior to award activation.**
 3. Grant awards shall activate only upon verification that:
 - The applicant has graduated from high school or obtained a GED equivalent; and
 - The applicant has reached the age of **18**.
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SECTION 9. APPLICATION REQUIREMENTS

Applications shall include a complete plan covering:

1. Problem definition and public impact.
 2. Technical or scientific approach.
 3. Development and testing milestones.
 4. Budget justification.
 5. Commercialization pathway from research and development through market launch.
 6. Measurable outcomes and success criteria.
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SECTION 10. MERIT REVIEW AND INTEGRITY

1. Awards shall be made through an independent, competitive, peer-review process.
2. Review panels shall adhere to conflict-of-interest standards.

3. Scoring criteria shall be modeled on SBIR principles, including feasibility, impact, and execution capability.
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SECTION 11. PER-SCHOOL AWARD LIMITS

EOED shall establish by regulation a cap on the number of awarded Principal Investigators per graduating class per school, to ensure statewide distribution while maintaining merit-based selection.

SECTION 12. REPORTING AND ACCOUNTABILITY

1. Grant recipients shall submit:
 - Quarterly milestone reports; and
 - A final outcomes report at the conclusion of the award period.
 2. Financial documentation, including receipts and vendor invoices, shall be required.
 3. Unspent funds shall revert to the Youth SBIR Launch Fund.
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SECTION 13. PUBLIC RETURN ON INVESTMENT REPORTING

EOED shall submit an annual report to the General Court detailing program outcomes, including:

- Businesses formed and survival rates.
 - Jobs created and wages paid.
 - In-state expenditures and tax-base impacts.
 - Follow-on funding and revenue, where applicable.
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SECTION 14. FUNDING MECHANISMS

The General Court may capitalize the Youth SBIR Launch Fund through one or more of the following mechanisms:

1. Reallocation or partial reduction of existing tax expenditures, including the film tax credit.

2. Transfer of a portion of year-end consolidated net surplus.
3. One-time appropriation from the Stabilization Fund.
4. Appropriation from the General Fund undesignated balance.
5. Allocation of Fair Share surplus or above-cap resources when structured as an education-to-workforce investment.
6. Optional success-based contribution mechanisms, including reversion of unused funds or capped revenue-sharing upon significant commercial success.

Failure of individual ventures shall not constitute grounds for penalty, provided funds are expended in compliance with program requirements.

SECTION 15. EFFECTIVE DATE

This act shall take effect upon passage.

Legislative Note (Non-Codified Statement of Intent)

The General Court recognizes that current academic and innovation pathways often require young entrepreneurs to bridge substantial financial and institutional gaps before their ideas are eligible for formal recognition or funding. This program is intended to empower students to apply the knowledge and skills acquired through their public education to identify real-world problems, propose solutions, and establish measurable impact within their communities.

By allowing students to enter the innovation pipeline during high school and activate awards after graduation, the Commonwealth affirms that career development need not begin with debt, nor innovation be delayed by traditional academic sequencing. Schools are thereby incentivized to equip students with practical insight, analytical tools, and applied problem-solving skills that enable self-directed opportunity creation.

This initiative supports a model in which students may choose to pursue higher education as a means of enhancement and specialization following early career establishment, rather than as a prerequisite for participation in economic and civic contribution—while ensuring that public investment in education yields direct public benefit.

One-Sentence Legislative Framing

This bill establishes a five-year, \$50 million Youth SBIR Launch Grant Program that allows Massachusetts students to apply in high school and activate rigorously reviewed innovation grants after graduation, producing new businesses, jobs, and long-term economic returns while modernizing how students engage with education.