



DATE: 1/22/2020

TO: STEP 56 States and Territories

FROM: James Parker, STEP Director

SUBJ: ****STEP Grant NOFO Changes Under Consideration****

The purpose of this document is to provide advance notification of changes we are considering to the FY2020 State Trade Expansion Program (STEP) Notice of Funding Opportunity (NOFO) announcement.

1. **Award made for two years -- base year with an option.** This would eliminate the need to maintain concurrent grants and reduce the competition from every year to every two years. The first year would be competitive, allowing all states and territories to submit proposals. The second year would be an option year, with the SBA using its appropriation to fund the option.
2. **Focus on performance and reduce emphasis on review of the proposal.**
 - a. Grant evaluation criteria for States/territories would be based on prior performance for the most recent completed STEP grant year (STEP 6) and the written proposal.
 - b. The performance aspect would be evaluated based upon key metrics tied to the STEP statutory goals and mandate (e.g. utilization rate, ROI, ESBCs assisted, new-to-export (NTE) businesses assisted) as compared to other awardees during that STEP year. If a State/territory did not have an award during that year, it would receive a set amount of points, so as not to be disadvantaged.
 - c. The written aspect would be evaluated based on the technical proposal and merits of the plan contained within.
 - d. Following a passing score, the level of funding would largely be based upon prior performance rather than prior grant amount.
3. **Earlier Issuance of the Notice of Funding Opportunity.** The opportunity announcement currently exists in draft and we would plan to issue it in February 2020.
4. **Sixty-day Response Period.** States/territories would be allowed the maximum time that SBA can allow for responses, 60 days.
5. **Earlier Award Decisions.** States/territories would receive notices of SBA's decision much earlier than in past years to enable greater productivity in Q1 of the performance period.

6. Streamlined application process. We would reduce the number of documents required for a complete application. At this time, we anticipate eliminating as many as six previously required documents.