

Minority Business Development Agency

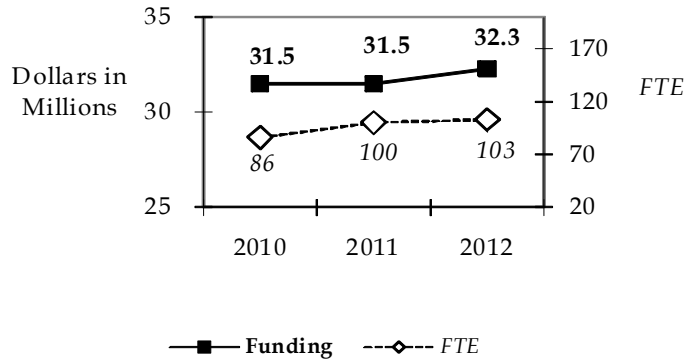
The Minority Business Development Agency (MBDA) actively promotes the ability of Minority Business Enterprises (MBEs) to grow and to participate in the global economy through a range of activities that include funding a network of centers that provide MBEs a variety of business assistance services.

In FY 2012, MBDA will continue to support the national growth and expansion of U.S. businesses that are minority-owned. An objective of MBDA is to achieve entrepreneurial parity for minority business enterprises. Entrepreneurial parity is defined as reaching proportionality between the minority population percentage and the percentage share of business development

measures such as number of firms, gross receipts, and employment. In pursuit of entrepreneurial parity, MBDA has engaged in a Strategic Growth policy. The Strategic Growth policy is designed to address the issue of sustainable business value for minority firms operating in high-growth industries, such as green technology and clean energy. MBDA works to provide these firms with access to capital and markets.

MBDA will continue to develop additional avenues by which it can leverage its resources while expanding the availability of services to MBEs. This includes the use of the Internet to establish information clearinghouses and national referral centers for minority-owned businesses of any size, which will provide a wider access to public and private business development resources. MBDA will also expand its automated matching capabilities related to contracting opportunities. MBDA will continue to use the MBDA Business Centers (MBCs) and Native American Business Enterprise Centers (NABECs) to provide management and technical assistance, contract opportunities, and financial transactions for businesses that are minority-owned.

Budget Authority and FTE



Summary of Appropriations

Funding Levels

Appropriation	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
Minority Business Development	\$31,500	\$31,500	\$32,322	\$822

FTE

Minority Business Development	86	100	103	3
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Highlights of Budget Changes

Appropriation: Minority Business Development

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			100	\$31,500
Adjustments to Base				
<u>Adjustments</u>				
Restoration of Base				386
<u>Other Changes</u>				
Civil Service Retirement System (CSRS)		(\$1)		
Federal Employees' Retirement System (FERS)		2		
Federal Insurance Contributions Act (FICA) - OASDI		(11)		
Health insurance		46		
Employees' Compensation Fund		(58)		
Travel:				
Per Diem		24		
Mileage		(1)		
Rent payments to GSA		32		
Electricity		44		
Water		1		
Printing and reproduction		1		
Other services:				
Working Capital Fund		175		
General Pricing Level Adjustments				
Communications, utilities, and miscellaneous charges		1		
Other services		33		
Supplies		2		
Equipment		1		
Rental of office copying equipment		1		
Subtotal, other cost changes			0	292
Total, Adjustments to Base			0	678
2012 Base			100	32,178
Administrative Cost Savings			{0}	{171}
Program Changes			3	144
2012 APPROPRIATION			103	32,322

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Minority Business Development	100	\$31,535	100	\$32,178	103	\$32,322	3	\$144
TOTAL DIRECT OBLIGATIONS	100	31,535	100	32,178	103	32,322	3	144
REIMBURSABLE OBLIGATIONS	0	300	0	300	0	300	0	0
TOTAL OBLIGATIONS	100	31,835	100	32,478	103	32,622	3	144
FINANCING								
Unobligated balance, start of year (Direct)		(35)						
Offsetting collections from:								
Federal funds		(300)				(300)		
Subtotal, financing	0	(335)			0	(300)		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	100	31,500			103	32,322		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money, the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings, where possible. After reviewing its administrative costs, MBDA has identified \$171,000 in administrative savings with an additional \$79,000 in savings identified through the Department’s Working Capital Fund (see Departmental Management Working Capital Fund section for more details). MBDA has targeted the closure of regional facilities in FY 2011 to achieve these savings. The \$171,000 in administrative savings will be reinvested in the MBDA Business Center Program to better support the Department’s mission.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
MBDA Business Centers	6	\$14,000	0	+\$600

MBDA is requesting \$600,000 to fund two additional MBDA Business Centers. The additional centers would provide a full array of business development services, including loan packaging assistance, the identification of contracting opportunities, and general minority business advocacy. The centers will be selected through a competitive grant process focused in areas of the country where minority businesses have been most affected by the current economic downturn.

Office of Native American Business Development	1	\$200	3	+\$644
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MBDA is requesting \$644,000 in funding for the Office of Native American Business Development (ONABD). The Department of Commerce has never received appropriated funds to implement the Native American Business

Development, Trade Promotion, and Tourism Act of 2000 or to implement the Indian Tribal Regulatory Reform and Business Development Act of 2000. The ONABD has operated with one expert liaison dedicated to the execution of the Native American Business Development, Trade Promotion, and Tourism Act of 2000. The initiative would expand the staff from just one liaison to also include: one program manager, two business development specialists and one program analyst. In addition to the increase in staff, the proposed budget includes the funding for Native American trade promotion research and a report on economic disparities on Indian Territories. The expansion of the ONABD will support Native American business development, trade promotion and tourism and the hiring of an experienced program manager will increase the office’s effectiveness and foster improved relations between Indian tribes and the Federal government.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Termination of Unrequested Congressional Projects	0	\$1,100	0	-\$1,100

MBDA proposes to eliminate funding for congressionally designated spending items as identified in House Report 111-366.

Performance Objective and Measures

(Dollars reflects obligations in Millions and includes reimbursable amounts)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the re-organization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. All of MBDA’s program activities support the theme of Economic Growth and corresponding goal of Market Development and Commercialization while appearing within one objective – Promote competitiveness of disadvantaged and distressed communities and businesses (Objective 7). MBDA will continue to develop and refine its performance measures as a key management tool for benchmarking program impact. The following table shows the measures that MBDA uses to gauge its performance. A more detailed description of this objective and these measures may be found in the MBDA section of the Department of Commerce budget.

	2010 Actual	2011 CR (Annualized) / Target	2012 Estimate / Target
Objective 7 Promote competitiveness of disadvantaged and distressed communities and businesses	\$31.8	\$31.8	\$32.6
Dollar value of contract awards to minority business enterprises	\$1.5B	\$1.1B	\$1.17B
Dollar value of financial awards obtained	\$1.8B	\$0.9B	\$0.94B
Number of new job opportunities created	5,845	5,000	5,300
Satisfaction rating for the American Customer Satisfaction Index (ACSI)	N/A ¹	75%	N/A ¹
Cumulative economic impact	\$22.7 B	N/A ²	N/A ²

1. The ACSI occurs only in odd years so no target appears in FY 2010.

2. This long-term outcome measure has incremental five-year targets with the long-term goal of achieving \$30B in cumulative economic impact by 2020. The next five year target is in FY 2015, set at \$25B.