

Minority Business Development Agency

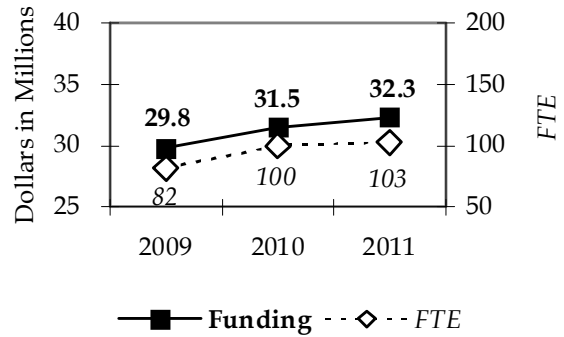
The Minority Business Development Agency (MBDA) actively promotes the ability of Minority Business Enterprises (MBEs) to grow and to participate in the global economy through a range of activities that include funding a network of centers that provide MBEs a variety of business assistance services.

In FY 2011, 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 has realigned its organization and programs, and streamlined operating costs to ensure that the agency is operating more efficiently. This focus on optimal service delivery guides day-to-day operations so that MBDA is able to provide high quality services to businesses that are minority-owned across the Nation.

MBDA will develop additional avenues by which it can leverage its resources while expanding the availability of services to MBEs. MBDA will continue to use 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 Minority Business Enterprise Centers (MBECs) and Native American Business Enterprise Centers (NABECs) to provide management and technical assistance, and Minority Business Opportunity Centers (MBOCs) to provide contract opportunities and financial transactions for businesses that are minority-owned.

Budget Authority and FTE



Summary of Appropriations

Funding Levels

Appropriation	2009 <u>Actual</u>	2010 <u>Estimate</u>	2011 <u>Estimate</u>	Increase (Decrease)
Minority Business Development	\$29,825	\$31,500	\$32,316	\$816
FTE				
Minority Business Development	82	100	103	3

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>
2010 Appropriations			100	\$31,500
Less Earmarks				(1,100)
Adjustments to Base				
<u>Other Changes</u>				
2010 Pay raise		\$58		
2011 Pay raise		121		
Working Capital Fund Pay Raise		9		
2011 Full year cost of position financed in 2010		23		
Civil Service Retirement System(CSRS)		(28)		
Federal Employees' Retirement System(FERS)		82		
Thrift Savings Plan		8		
Federal Insurance Contributions Act (FICA) - OASDI		30		
Health insurance		47		
Employees' Compensation Fund		1		
Travel				
Per Diem		6		
Mileage		(4)		
Rent payments to GSA		25		
HCHB Electricity		21		
Printing and reproduction		1		
Other Services:				
Working capital fund		93		
General Pricing Level Adjustment				
Other Services		20		
Communications, utilities, and miscellaneous charges		1		
Rental of office copying equipment		1		
Supplies and materials		1		
Subtotal, Other Changes			0	516
TOTAL, ADJUSTMENTS TO BASE			0	516
2011 Base			100	30,916
Program Changes			3	1,400
2011 APPROPRIATION			103	32,316

Comparison by Activity

	2010 Currently Avail.		2011 Base		2011 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	\$30,916	103	\$32,316	3	\$1,400
TOTAL DIRECT OBLIGATIONS	100	31,535	100	30,916	103	32,316	3	1,400
REIMBURSABLE OBLIGATIONS	0	300	0	300	0	300	0	0
TOTAL OBLIGATIONS	100	31,835	100	31,216	103	32,616	3	1,400
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	32,316		

Highlights of Program Changes

	<u>FTE</u>	<u>Base</u>		<u>Increase / Decrease</u>	
		<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	
Office of Native American Business Development	1	\$200	3	+\$800	

MBDA is requesting \$800,000 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.

Business Development Grants	99	\$30,716	0	+\$600
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MBDA is requesting \$600,000 to fund two additional minority business development centers. The additional centers would be Minority Business Enterprise Centers (MBEC) and 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 an area of the country where minority businesses have been most affected by the current economic downturn.

Performance Outcome and Measures

(Dollars reflects obligations in Millions and includes reimbursable amounts)

MBDA supports the Department’s strategic goal to “Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers.” MBDA's ability to develop an entrepreneurial, innovative, market-focused economy and improve minority-owned business access to financing is demonstrated through the following two key performance measures:

- The dollar value of contract awards to minority business enterprises
- The dollar value of financial awards

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 outcome and these measures may be found in the MBDA section of the Department of Commerce budget.

	2009 Actual	2010 Enacted / Targets	2011 Estimate / Targets
Outcome: To increase access to the marketplace and financing for minority-owned businesses *	\$30.1	\$31.8	\$32.6
Dollar value of contract awards to minority business enterprises	\$2.11B	\$1.0B	\$1.1B
Dollar value of financial awards obtained	\$0.81B	\$0.6B	\$0.6B
Number of new job opportunities created	3,024	4,000	4,300
Percent increase in client gross receipts	6%	6%	6%
Satisfaction rating for the American Customer Satisfaction Index (ACSI)	67%	N/A ¹	75%
Cumulative economic impact	N/A ²	\$16 B	N/A ²

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

2. This new 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 2010, set at \$16B.

* Total obligations may differ from those reported in other tables in this section and in Congressional Justification exhibits due to the inclusion of prior year funds in the amounts cited above.