

# U.S. Department of Commerce Minority Business Development Agency



## Budget Estimates, Fiscal Year 2014 Congressional Submission

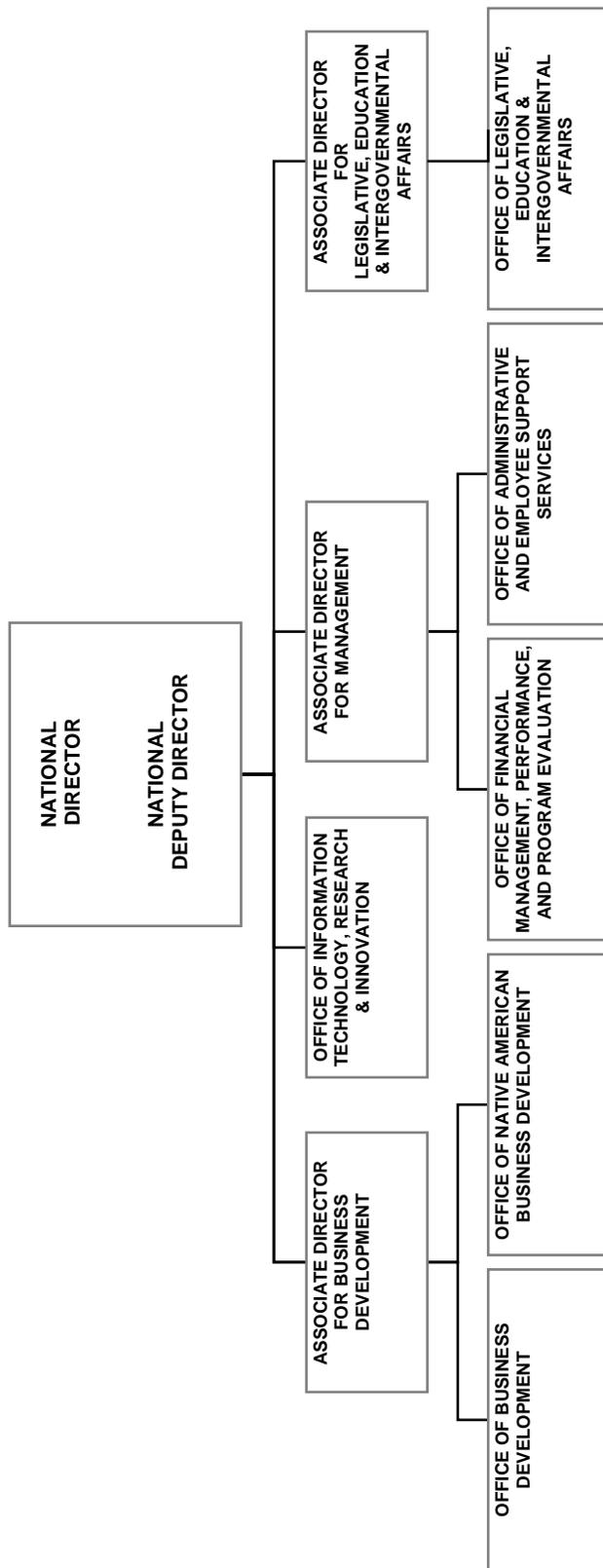
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DEPARTMENT OF COMMERCE  
 MINORITY BUSINESS DEVELOPMENT AGENCY  
 Budget Estimates, Fiscal Year 2014  
 Congressional Submission

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DEPARTMENT OF COMMERCE  
MINORITY BUSINESS DEVELOPMENT AGENCY  
Organization Chart



**Department of Commerce  
Minority Business Development Agency  
Budget Estimates Fiscal Year 2014  
Executive Summary**

**MBDA Mission Statement:**

The mission of MBDA is to foster the growth and global competitiveness of U.S. businesses that are minority-owned. MBDA is dedicated to the establishment, growth, and competitiveness of U.S. businesses that are minority-owned.

**Department of Commerce Strategic Goals Supported by MBDA:**

The Minority Business Development Agency (MBDA) supports several Department of Commerce strategic goals and underlying objectives. Specific corresponding goals include:

- Innovation and Entrepreneurship: Develop the tools, systems, policies, and technologies critical to transforming our economy, fostering U.S. competitiveness, and driving the development of new businesses.
- Market Development and Commercialization: Help create market opportunities that equip businesses and communities with the tools they need to create new businesses and quality jobs with special emphasis on un-served and underserved groups.
- Trade Promotion and Compliance: Improve our global competitiveness and foster domestic growth while protecting American security.
- Customer Service: Create a culture of outstanding communication and services to our internal and external customers.
- Organizational Excellence: Create a high performing organization with integrated, efficient and effective service delivery.
- Workforce Excellence: Develop and support a diverse, highly qualified workforce with the right skills in the right job to carry out the mission.

MBDA's primary contributions to the mission of the Department of Commerce are within the strategic goal, Market Development and Commercialization. The specific objective is to promote the vitality and competitiveness of our communities and businesses, particularly those that are disadvantaged or in distressed areas.

**Business Problem and Statement of Economic Benefit:**

MBDA is tasked to create new jobs by expanding the U.S. economy through the nation's 5.8 million minority-owned and operated businesses. The Agency fully supports Department of Commerce efforts to ensure the full participation of businesses that are minority-owned competing in the United States and global marketplaces. MBDA works to remove barriers to entry and open doors to economic opportunity. Likewise, the MBDA Strategic Growth Initiative has made progress providing performance dividends for minority businesses. Many high growth minority firms have successfully competed for larger prime contracts and financial awards, and have had a significant economic impact within the minority community and overall economy. MBDA successfully provides minority business development services to minority business enterprises through a network that includes MBDA staff and its funded centers. The MBDA staff and its network of funded centers provide management and technical assistance and offer business services to grow and expand minority owned and operated firms. These efforts build capacity through new jobs created and retention of existing jobs.

In FY 2014, MBDA will have completed its transformation into an export-focused Agency to support the global expansion of minority-owned firms. This will align MBDA more closely with existing trade promotion agencies, including the International Trade Administration, the Overseas Private Investment Corporation, the Export-Import Bank, and the Trade Promotion Coordinating Committee. This is an exciting new direction for the Agency that will yield substantial results in terms of new jobs created by minority-owned businesses.

**Base Program:**

Within the single line appropriation, Minority Business Development, MBDA has five base activities with a total FY 2014 base budget estimate of \$31.1M and a Full-Time Equivalent (FTE) count of 100.

<b>MBDA (\$'s in thousands)</b>	<b>FTE</b>	<b>Amount</b>
<b>FY 2013 Continuing Resolution</b>	<b>100</b>	<b>\$30,525</b>
<b>FY 2014 Adjustments to Base</b>	<b>0</b>	<b>604</b>
<b>FY 2014 Base</b>	<b>100</b>	<b>\$31,129</b>
<b>FY 2014 Program Change</b>	<b>0</b>	<b>-1,843</b>
<b>FY 2014 OMB Request</b>	<b>100</b>	<b>\$29,286</b>

- Minority Business Public Private Partnerships are MBDA's network of funded centers, (grantees) that operate under cooperative agreements. The network of MBDA Business Centers and Native American Business Enterprise Centers are comprised of for-profit entities, non-profit entities, state and local governments, tribal entities and institutes of higher learning. The centers provide an array of business counseling and development services to the minority business community and work in full collaboration with MBDA staff.
- Minority Business Direct Federal Client Services are the direct MBDA staff and resources which provide direct collaboration with MBDA funded centers, one-on-one client service delivery, referrals, resource match-making, business-to-business teaming facilitation, as well as indirect service delivery through electronic means. The MBDA's Office of Business Development is responsible for this activity.
- Minority Business Advocacy and Outreach is managed by MBDA's Office of Legislative, Education and Intergovernmental Affairs. This group is responsible for establishing and maintaining positive relations between the Agency, Members of Congress, the White House, and other government entities; and, coordinating the Agency's congressional and intergovernmental activity with the Department's Office of Legislative and Intergovernmental Affairs.
- Minority Business Policy and Oversight activities consist of the Office of the National Director which leads the Agency and is tasked with promoting the growth and competitiveness of minority-owned businesses nationwide.
- Office of Native American Business Development is engaged in identifying opportunities in the areas of federal procurement, energy, manufacturing, international trade, and financial services for Native American constituencies. This office collaborates with other federal agencies, Indian Nations, and private industry to provide leadership in Indian economic development. Other activities include conducting outreach to private sector companies and other minority businesses to collaborate in building private and public partnerships for developing sustainable economies in Indian Country.

**Total FY 2014 Budget Request:**

In summary, MBDA is requesting \$29.3M for critical investment funding in FY 2014 that will assist in the creation of \$2B in contracts and financings and 5,000 new jobs. The FY 2014 budget request also seeks to provide the highest level of service to the minority business community while supporting the President's commitment to holding level domestic discretionary funding. MBDA will also continue to foster innovation and entrepreneurship within minority communities in high-growth industries in support of the Administration's efforts to out-innovate, out-educate, and out-build our nation's competitors.

**APP / Exhibit 3A**

**FY 2014 Annual Performance Plan**

**Minority Business Development Agency**

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Section 4	Strategic Objectives – includes management challenges
Section 5	Target and Performance Summary Table (with brief measure descriptions) / Validation and Verification
Section 6	Resource Requirements Summary
Section 7	Agency Priority Goals
Section 8	Other Information

**Agency Information**

Mission Statement: To foster the growth and global competitiveness of U.S. businesses that are minority-owned.

**Cross-Agency Priority Goals**

MBDA is not a leader of or a participant in any Cross-Agency Priority Goals.

**Corresponding DOC Strategic Theme(s) and Goal(s)**

The Minority Business Development Agency supports several Department of Commerce strategic goals and objectives:

Innovation and Entrepreneurship Goal: Develop the tools, systems, policies, and technologies critical to transforming our economy, fostering U.S. competitiveness, and driving the development of new businesses

- Objective 3: Stimulate high-growth business formation and entrepreneurship through investing in high-risk, high-reward technologies and by removing impediments to accelerate technology commercialization

Market Development and Commercialization Goal: Foster market opportunities that equip businesses and communities with the tools they need to expand, creating quality jobs with special emphasis on unserved and underserved groups

- Objective 6: Promote the advancement of sustainable technologies, industries, and infrastructure
- Objective 7: Promote the vitality and competitiveness of our communities and businesses, particularly those that are disadvantaged or in distressed areas
- Objective 8: Improve the competitiveness of small and medium-sized firms in manufacturing and service industries

Trade Promotion and Compliance Goal: Improve our global competitiveness and foster domestic job growth while protecting American security

- Objective 9: Increase U.S. export value through trade promotion, market access, compliance, and interagency collaboration (including support for small and medium enterprises)

Customer Service Goal: Create a culture of outstanding communication and services to our internal and external customers. MBDA supports all Department of Commerce customer service objectives.

Organizational Excellence: Create a high-performing organization with integrated, efficient, and effective service delivery. MBDA supports all Department of Commerce organizational excellence objectives.

Workforce Excellence: Develop and support a diverse, highly qualified workforce with the right skills in the right jobs to carry out the Department's mission. MBDA supports all Department of Commerce organizational excellence objectives.

**Strategic Objectives**

The Agency has identified the following strategic objectives necessary to achieve positive results:

- Enhancing grants administration processes
- Creating strategic alliances with public and private entities that result in MBE access to the global economy
- Improving Customer Relationship Management (CRM)
- Enhancing advocacy efforts on behalf of MBEs
- Increasing access to capital for MBEs

MBDA has identified the following strategies to achieve its strategic objectives and performance goals: MBDA fully supports the Department of Commerce efforts to ensure the full participation of businesses that are minority-owned competing in the United States and global marketplaces. MBDA works to remove barriers to entry and open doors to economic opportunity. Likewise, the MBDA Strategic Growth Initiative (SGI) has made progress, providing performance dividends for minority businesses. Many high growth minority firms have successfully competed for larger prime contracts and financial awards, and have had a significant economic impact within the minority community. The MBDA funded network provides management and technical

assistance and offers business services to grow and expand local minority firms. MBDA has aligned staff performance metrics with agency goals.

MBDA's management challenges include:

- Improving organizational efficiency, effectiveness, and responsiveness
- Improving contracting and procurement opportunities for MBEs who lack the size, scale and scope to compete
- Improving access to capital for MBEs in high-growth industries including green technology, clean energy, healthcare, infrastructure and broadband technology
- Funding centers at sufficient levels to meet existing demand for services allowing current and future centers the ability to proactively pursue additional clients

**Performance Goals and Other Indicators**

**Market Development and Commercialization Goal:** Help create market opportunities that equip businesses and communities with the tools they need to create new businesses and quality jobs with special emphasis on un-served and underserved groups

**Objective:** Promote competitiveness of disadvantaged and distressed communities and businesses

**Measure 1a Dollar value of contract awards to Minority Business Enterprises (MBEs)**

MBDA accomplishes its performance goals through the implementation of several business development programs. The success of these programs is measured by the dollar value of contract awards obtained by MBEs and facilitated by MBDA's grantees and staff. The certainty that MBEs will realize the proceeds associated with these awards varies from contract to contract. Multiple year contracts with option years are less certain as the options may or may not be exercised. MBDA includes the full potential value of multiple year contract awards obtained in its annual reporting for this performance measure, and discloses the dollar value of option years in a footnote. For indefinite delivery contracts, only actual dollar values realized or guaranteed are included in the annual reporting of this outcome performance measure.

Target and Performance Table						
	FY2009 Actual	FY2010 Actual	FY2011 Target	FY2012 Actual	FY2013 Target	FY2014 Target
<b>Actuals &amp; Targets</b>	\$2.1B	\$1.5B	\$1.1B	\$2.2B	\$1.1B	\$1.1B
<b>Comments on Changes to Targets</b>	n/a					
<b>Relevant Program Changes</b>	Title of Program Change					
<b>Validation &amp; Verification Information</b>	<b>Data Source</b> Secured Internet transmission to Program Performance system	<b>Reporting Frequency</b> On-going submission after obtaining documentation by projects and staff	<b>Data Storage</b> Oracle platform	<b>Internal Control Procedures</b> Client and Source Verification by Regional Project Managers	<b>Data Limitations</b> Data integrity dependent on agency verification policy and timeliness of review	<b>Actions to be Taken</b> Quarterly desk assessment and semi-annual site visit and review

### Measure 1b Dollar value of financial awards obtained

<b>Measure Description</b>	MBDA works to obtain financial awards (loans, bonds, lines of credit, letters of credit, equity, etc.) for minority clients. Using the funded network, strategic partners, agency staff and the MBDA Internet portal, assistance is provided to support successful financial packages. These awards allow minority firms to expand and grow, to provide products and services, and to hire new employees.					
<b>Target and Performance Table</b>						
<b>Actuals &amp; Targets</b>	<b>FY2009 Actual</b>	<b>FY2010 Actual</b>	<b>FY2011 Target</b>	<b>FY2012 Actual</b>	<b>FY2013 Target</b>	<b>FY2014 Target</b>
<b>Comments on Changes to Targets</b>	\$0.9B	\$1.8B	\$0.9B	\$1.4B	\$0.9B	\$0.9B

<b>Relevant Program Changes</b>	Title of Program Change					
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	Secured Internet transmission to Program Performance system	On-going submission after obtaining documentation by projects and staff	Oracle platform	Client and Source Verification by Regional Project Managers	Data integrity dependent on agency verification policy and timeliness of review	Quarterly desk assessment and semi-annual site visit and review

### Measure 1c Number of new job opportunities created

<b>Measure Description</b>	By assisting minority firms to compete in the marketplace for contracts and financial awards, MBDA increases the number of new employees within minority businesses. This demonstrates MBDA's long-term goal for economic parity and its contribution to the Nation's economy.					
<b>Target and Performance Table</b>						
<b>Actuals &amp; Targets</b>	<b>FY2009 Actual</b>	<b>FY2010 Actual</b>	<b>FY2011 Target</b>	<b>FY2012 Actual</b>	<b>FY2013 Target</b>	<b>FY2014 Target</b>
<b>Comments on Changes to Targets</b>	4,134	5,845	5,000	6,500	5,000	5,000

<b>Relevant Program Changes</b>	Title of Program Change					
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	Secured Internet transmission to Program Performance system	Quarterly reports as available directly from clients	Oracle platform	Client Source documents forwarded to Regional Project Managers	Data integrity dependent on agency verification policy and timeliness of review	Quarterly desk assessment and semi-annual site visit and review

**Resource Requirements Table**

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Enacted / Actual	FY 2013 Estimate	FY 2014 Base	Increase/ Decrease	FY 2014 Request
<b>Performance Objective 1: Promote competitiveness of disadvantaged and distressed communities and businesses</b>								
Minority Business Development	\$30.1	\$31.8	\$30.6	\$30.3	\$30.5	\$31.1		\$29.3
FTE	82	86	84	68	100	100		100
<b>Total Funding</b>								
Direct	\$29.8	\$31.5	\$30.3	\$30.3	\$30.5	\$31.1		\$29.3
Reimbursable	\$0.3	\$0.3	\$0.3	\$0.0	\$0.0	\$0.0		\$0.0
Total	\$30.1	\$31.8	\$30.6	\$30.3	\$30.5	\$31.1		\$29.3
<b>Total FTE</b>	82	86	84	68	100	100		100

**Agency Priority Goals / Measures**

All of the MBDA performance measures detailed above are considered priority goals.

**Other Information**

- a) Management reviews – MBDA Management review progress against its priority performance measures on a weekly basis.
- b) Cross-Agency collaborations – MBDA is not involved in any cross-agency collaborations.
- c) Program evaluations – No program evaluations are proposed for the coming year.
- d) MBDA's most recent Annual Performance Report can be found at the following link:  
<http://www.mbda.gov/sites/default/files/APR2011.pdf>
- e) Data Validation and Verification – The FY 2012 PAR includes in the Secretary's Statement, an assessment of the reliability and completeness of the Department's performance data.
- f) Lower-priority program activities for FY 2013 can be found in *The Cuts, Consolidations and Savings* volume of the President's budget, available at: <http://www.whitehouse.gov/omb/budget/CCS>.

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 SUMMARY OF RESOURCE REQUIREMENTS  
 Preferred Budget Level  
 (Dollar amounts in thousands)

Page No. MBDA - 9 MBDA - 26	FY 2013 CR (Annualized) plus: 2013 Adjustments to Base 2014 Base Less Administrative Savings [amount reinvested] Plus (or less): 2014 Program Changes 2014 Estimate	Positions 110 0 110 0 110	FTE 100 0 100 0 100	Budget Authority 30,525 604 31,129 [15] -1,843 29,286	Obligations 30,525 604 31,129 [15] -1,843 29,286
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	2012 Actual		2013 CR (annualized)		2014 Base		2014 Estimate		Increase/ (Decrease) over 2014 Base
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	

<u>Comparison by activity:</u>									
Minority Business Development:									
Total	74	30,339	110	30,525	110	31,129	110	29,286	0
Pos./BA	68	30,339	100	30,525	100	31,129	100	29,286	0
FTE/Obl.									
Adjustments to Obligations:									
Recoveries									
Unobligated Balance, SOY									
Unobligated Balance, Transferred									
Unobligated Balance, EOY									
Unobligated Balance, Expiring									
Financing from transfers:									
Transfer from other accounts									
Transfer to other accounts									
Appropriation		30,339		30,525		31,129		29,286	-1,843

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Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
**SUMMARY OF REIMBURSABLE OBLIGATIONS**  
 (Dollar amounts in thousands)

<u>Comparison by activity:</u>	2012	2013	2014	2014	Increase/
	Available	CR (annualized)	Base	Estimate	(Decrease)
	Personnel Amount	Personnel Amount	Personnel Amount	Personnel Amount	over 2014 Base
Minority Business Development	0	0	0	0	0
Total	0	0	0	0	0

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 SUMMARY OF FINANCING  
 (Dollar amounts in thousands)

	2012 Available Amount	2013 CR (annualized) Amount	2014 Base Amount	2014 Estimate Amount	Increase/ Decrease Amount
Total Obligations	30,339	30,525	31,129	29,286	-1,843
Financing:					
Offsetting collections from:					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	0	0	0	0	0
Unobligated balance, start of year	0	0	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0
Unobligated balance expiring	0	0	0	0	0
Budget Authority	30,339	30,525	31,129	29,286	-1,843
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	30,339	30,525	31,129	29,286	-1,843

Exhibit 8

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 ADJUSTMENTS TO BASE  
 (Dollar amounts in thousands)

	FTE	Amount
Other Changes:		
Annualization of 2013 Pay Raise		13
2014 Pay Raise		87
Civil Service Retirement System (CSRS)		(39)
Federal Employees Retirement System (FERS)		77
Thrift Savings Plan		11
Federal Insurance Contribution Act (FICA)-OASDI		35
Health Insurance		6
Employees' Compensation Fund		100
Rental Payments to GSA		38
HCHB Electricity		(28)
HCHB Water		7
Other Services:		
Working Capital Fund		187
Personal Identity Verification (PIV)		54
General Pricing Level Adjustment		
Other Services		45
Communications, utilities, and miscellaneous charges		2
Equipment		7
Rental of Office copying equipment		2
Total, Adjustments to Base	0	604

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 JUSTIFICATION OF ADJUSTMENTS TO BASE  
 (Dollar amounts in thousands)

Object Class	FTE	Amount
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2013 Pay Raise.....	0	13
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A pay raise of 0.5% is assumed to be effective January 1, 2013.

Total cost in 2014 of 2013 pay increase.....	50,667
Less amount funded in 2013.....	38,000
Less amount absorbed.....	0
Amount requested in 2014 to provide cost of 2013 pay increase.....	12,667

2014 Pay Raise.....	0	87
---------------------	---	----

A general pay raise of 1% is assumed to be effective January 1, 2014.

The cost in 2014 of pay increase.....	74,151
Less amount absorbed in FY 2014.....	0
Amount requested for 2014 pay increase.....	74,151
Payment to Working Capital Fund.....	13,000
Total, adjustment for 2014 pay increase.....	87,151

Civil Service Retirement System (CSRS) .....	0	(39)
--	---	------

The number of employees covered by Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 19.1% in 2013 to 10.9% in 2014 for regular employees. Contribution rates will remain the same at 7.0%.

2014 \$7,800,000 x .109 x .0700.....	51,884
2013 \$7,800,000 x .191 x .0700.....	90,916
Total adjustment-to-base.....	(39,032)

Federal Employees Retirement System (FERS)..... 0 77

The number of employees covered by FERS will continue to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 80.9% in 2013 to 89.1% in 2014 for regular employees. The contribution rate will increase from 11.7% to 11.9%.

2014	\$7,800,000 x .891 x .1190.....	
2013	\$7,800,000 x .809 x .1170.....	720,997
	Total adjustment-to-base.....	<u>643,640</u>
		77,357

Thrift Savings Plan (TSP)..... 0 11

The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain at 2%.

2014	\$7,800,000 x .891 x .020.....	121,176
2013	\$7,800,000 x .809 x .020.....	<u>110,024</u>
	Total adjustment-to-base.....	11,152

Federal Insurance Contribution Act (FICA)..... 0 35

As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from \$106,800 to \$110,175 in 2014. The OASDI tax rate will remain at 6.20% in 2014.

Regular:		
2014	\$7,800,000 x .891 x .924 x .062.....	347,097
2013	\$7,800,000 x .809 x .917 x .062.....	<u>312,765</u>
	Subtotal .....	34,332

Other Salaries:		
2014	\$250,000 x .891 x .924 x .062.....	3,930
2013	\$250,000 x .809 x .917 x .062.....	<u>3,542</u>
	Subtotal .....	388

Total adjustment-to-base ..... 34,720

Employee's Compensation Fund..... 0 100

The Employee's Compensation Fund is based upon actual billing from the Department of Labor pursuant to 5 U.S.C. 8147.

Health Insurance.....	0	6
<p>Effective January 2014, MBDA's contribution to Federal employees' health insurance premiums increases by 6.5%. Applied against the 2013 estimate of \$499,933, the additional amount required is \$7,499.</p>		
Rental Payments to GSA.....	0	38
<p>GSA rates are projected to increase 1.6% in 2014. This percentage was applied to the 2013 estimate to arrive at an increase of \$38,352.</p>		
HCHB Electricity.....	0	(28)
<p>Electricity cost share reduction in the Herbert C. Hoover building.</p>		
HCHB Water.....	0	7
<p>Water cost share increase in the Herbert C. Hoover building.</p>		
Other Services.....	0	241
<p>This request includes a working capital fund increase of \$187,000 at the Department of Commerce. A \$54,000 increase is required to fund accelerated planning, implementation, training and oversight of the Department-wide efforts to meet 75 percent Personal Identity Verification (PIV) compliance by the end of FY 2014. This effort will be executed via the Departmental Management's Advances and Reimbursements Fund.</p>		
General Pricing Level Adjustment.....	0	56
<p>This request applies OMB economic assumptions for FY 2014 to sub-object classes where the prices that the government pays are established through the market system. Factors are applied to communications, utilities and miscellaneous charges (excluding postage &amp; FTS 2000) (\$2,227); other services (\$44,632); rental of office copying equipment (\$1,802); and equipment (\$6,936).</p>		
Total FY 2014 Adjustments to Base and Built-in-Changes.....	0	604

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
 (Dollar amounts in thousands)

Activity: Minority Business Development  
 Subactivity: Minority Business Development

	2012 Available		2013 CR (annualized)		2014 Base		2014 Estimate		Increase/ (Decrease) over 2014 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development	74	30,339	110	30,525	110	31,129	110	29,286	0	-1,843
	68	30,339	100	30,525	100	31,129	100	29,286	0	-1,843
Total	74	30,339	110	30,525	110	31,129	110	29,286	0	-1,843
	68	30,339	100	30,525	100	31,129	100	29,286	0	-1,843

Department of Commerce  
Minority Business Development Agency  
Minority Business Development  
PROGRAM JUSTIFICATION

**APPROPRIATION ACCOUNT: MINORITY BUSINESS DEVELOPMENT****BUDGET PROGRAM: MINORITY BUSINESS DEVELOPMENT**

For FY 2014, MBDA requests a total of \$29,286,000 and 100 FTE. This amount reflects an increase \$604,000 for inflationary adjustments and a decrease of \$1,843,000 associated with a base reduction.

**BASE JUSTIFICATION FOR FY 2014**

Within the single line appropriation, Minority Business Development, MBDA has five base sub-programs with a total FY 2014 budget estimate of \$29.3M and a Full-Time Equivalent (FTE) count of 100. The five sub-programs are as follows:

- Minority Business Public Private Partnerships are MBDA's network of funded centers (grantees) that operate under cooperative agreements. The network of MBDA Business Centers is comprised of for-profit entities, non-profit entities, state and local governments, tribal entities and institutes of higher learning. The centers provide an array of business counseling and development services to the minority business community and work in full collaboration with MBDA staff.
- Minority Business Direct Federal Client Services are the direct MBDA staff and resources which provide direct collaboration with MBDA funded centers, one-on-one client service delivery, referrals, resource match-making, business-to-business teaming facilitation, as well as indirect service delivery through electronic means. The MBDA unit responsible for this program is the Office of Business Development.
- Minority Business Policy and Oversight programs consist of the Office of the National Director and the Research and Knowledge Management unit. The Office of the National Director leads the Agency and is tasked with promoting the growth and competitiveness of minority-owned businesses nationwide.
- Minority Business Advocacy and Outreach is managed by MBDA's Office of Legislative, Education and Intergovernmental Affairs. This group is responsible for establishing and maintaining positive relations between the Agency, Members of Congress, the White House, and other government entities; and coordinating the Agency's congressional and intergovernmental activity with the Department's Office of Legislative and Intergovernmental Affairs.
- Office of Native American Business Development is engaged in identifying opportunities in the areas of federal procurement, energy, manufacturing, international trade, and financial services for Native American constituencies. This office collaborates with other federal agencies, Indian Nations, and industry to provide leadership in Indian economic development. Other activities include conducting outreach to private sector companies and other minority businesses to collaborate in building private and public partnerships for developing sustainable economies in Indian Country.

## MINORITY BUSINESS PUBLIC PRIVATE PARTNERSHIPS

MBDA successfully provides business development services to minority business enterprises (MBEs) through a network that includes the MBDA's staff and funded organizations. MBDA continues to build on this base by using the services of MBDA Business Centers (MBCs) (formerly MBECs and MBOCs and Native American Business Enterprise Centers (NABECs)).

The MBCs are operated by a network of private and public organizations. These entities compete under a public solicitation for MBDA grant opportunities. Selected candidates are offered cooperative agreements under multi-year awards. The network of private and public organizations that operate MBDA Business Centers are comprised of for-profit entities, non-profit entities, state and local governments, tribal entities and institutes of higher education (including minority serving institutes). The network of private and public organizations hires individuals in local communities to deliver business-specific services. The annual award for an MBC ranges from \$225,000 to \$590,000.

The MBC program provides an array of business counseling and development services to the minority business community. MBDA centers are required to work in full collaboration with MBDA staff. Collaboration efforts help expand the network of existing resources and strategic relationships offered throughout MBDA for the benefit of the individual minority business enterprise (MBE) that is being served. As strategic partners, MBDA and the network of public and private partnerships are able to harness greater efficiencies, leading to increased performance.

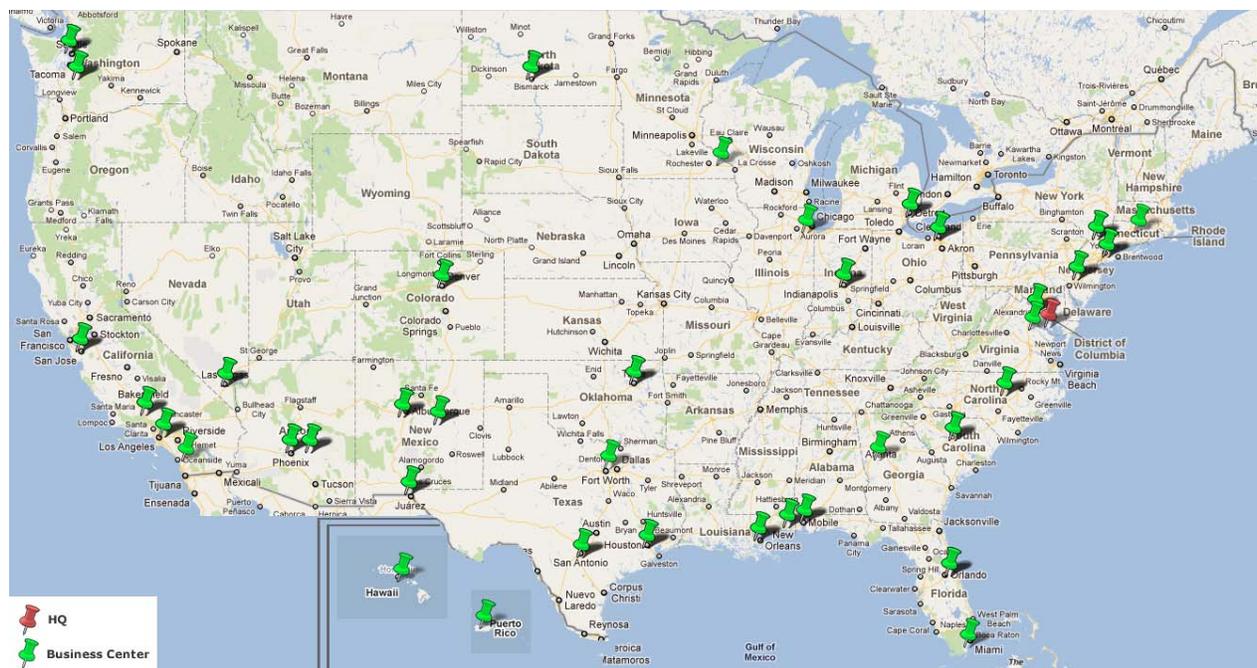
MBDA's Business Center program is able to standardize services, expand outreach and leverage limited resources. The MBDA public private partnerships provide the following services to MBEs:

- business counseling (also known as management and technical assistance);
- identification of market and contracting opportunities for minority firms;
- growth in the dollar values and numbers of actual contract awards to MBEs;
- capacity building through new jobs created and retention of existing jobs;
- expansion of the dollar value and number of financial awards to MBEs;
- increased access to equity, working capital, lines of credit, surety and performance bonding, and other alternative sources of financing;
- assistance in expanding growth and global competitiveness;
- promotion of the advantages to achieving size and scale through teaming opportunities;
- training in management skills and business acumen for minority entrepreneurs; and
- assistance in gaining and maintaining access to profitable markets.

The MBC program leverages resources from outside the federal government as the recipients of MBDA grant awards contribute over \$5.8 million in non-federal cost share. This level of commitment can only be obtained through outstanding public and private partnerships. MBDA and the centers work collaboratively with other local service providers such as local chambers of commerce, city council offices, local colleges and universities and other trade associations to effectively meet the needs of minority businesses. MBDA conducts 100% verification of all awarded transactions reported by its funded centers and by its staff.

MBDA's Business Center program will continue to provide core program services that reach minority entrepreneurs across the country. These funded centers will provide one-on-one and group consulting services in such areas as business counseling (i.e., management and technical assistance); deal facilitation and brokering services; marketing and growth strategies; teaming assistance; global expansion assistance; and assistance in obtaining contract and financial award

opportunities. Designed to provide expanded consulting and “hands-on” services, the MBDA Business Center program will primarily service ethnic minority firms, along with Native American, tribal entity, and minority-owned firms. Services include initial consultations and assessments, business technical assistance, and access to federal and non-federal procurement and financing opportunities.



The cooperative agreements (grants) are managed by a grants management team within MBDA's Office of Business Development. The grants management team is centralized within MBDA headquarters and utilizes the NOAA Grants Online system to process and monitor grants. The grants management team works closely with NOAA grants officers and performs internal audits on each of the funded centers on an annual basis.

Minority Business Public Private Partnerships make up the core delivery system of MBDA's services to the minority business community. Today, the minority population in the United States represents 35 percent of total U.S. population and is expected to represent 54 percent by 2050. According to the US Census Bureau's 2007 Survey of Business owners, in 2007 there were 5.7 million minority-owned businesses (22% of all businesses) generating \$1 trillion in gross receipts (9% of total gross receipts of classifiable firms) and employing 5.9 million paid workers. The U.S. needs strong minority-owned firms to achieve maximum economic growth for the Nation. Minority owned firms are an engine of employment growth and economic expansion in America and have the potential to contribute significantly to the balance of trade. MBDA is a catalyst to build minority-owned firms of size, scale and capacity.

The MBDA report titled, “Disparities in Capital Access between Minority and Non-Minority-Owned Businesses” and released in 2010, finds that minority businesses are less likely to have access to loans and equity investments, compared to non-minority-owned business. When minority businesses secure loans and equity, on average, the loans are for lower amounts and carry higher interest rates compared to non-minority-owned firms similar in size and credit scores among other characteristics. Moreover, some minority-owned businesses still face obstacles in accessing procurement opportunities. Recently, the Department of Justice (DOJ) developed a statement to update its 1996 Review of Barriers for Minority- and Women-Owned Businesses submitted to the

U.S. Congress. In its statement, DOJ finds “evidence clearly shows that discriminatory barriers continue to impede the ability of minority- and women-owned businesses to compete with other firms on a fair and equal footing in government contracting markets. Significant discrimination in arenas such as access to capital and employment, limits the formation of minority-owned businesses.”

Structural barriers and discrimination have slowed the growth and expansion of minority-owned businesses resulting in economic inefficiencies. If minority-owned businesses reach entrepreneurial parity, they would represent 8.1 million firms, generating more than \$3.4 trillion in gross receipts and employing 17.7 million workers.

Today, the importance of minority-owned businesses as a key component of U.S. international trade has never been greater. Minority-owned firms have the most favorable export attributes of any sector of the U.S. economy and represent the future of export growth. Minority-owned businesses are nearly twice as likely to export their products and services as non-minority owned businesses. Management teams of minority-owned businesses are six times more likely to transact business in a language other than English than non-minority business managers. Minority-owned businesses are three times more likely to generate 100 percent of their revenues from exporting than non-minority owned firms. Minority-owned firms are more likely to have international operations than non-minority owned firms in 14 of 19 key industry sectors. Minority-owned businesses are leaders in exporting in several key industries including wholesale trade, professional science, technical services, finance, and insurance. Minority-owned businesses make substantial contributions to exports in the manufacturing, retail trade, technology, and educational services.

In FY 2014, MBDA will complete its transformation into an export-focused Agency to support the global expansion of minority-owned firms. This will align MBDA more closely with existing trade promotion agencies, including the International Trade Administration, the Overseas Private Investment Corporation, the Export-Import Bank, and the Trade Promotion Coordinating Committee. This is an exciting new direction for the Agency that will yield substantial results in terms of new jobs created by minority-owned businesses.

## **MINORITY BUSINESS DIRECT FEDERAL CLIENT SERVICES**

The Minority Business Direct Federal Client Services program is MBDA’s effort to provide services directly to minority businesses. These activities compliment MBDA’s public-private partnership service delivery efforts and ensure that MBDA resources are focused on assisting as many minority businesses as possible. The Direct Federal Client Services program involves direct collaboration with MBDA funded centers, one-on-one client service delivery, referrals, resource match-making, business-to-business teaming facilitation, as well as indirect service delivery through electronic means.

The MBDA unit primarily responsible for this program is the Office of Business Development (OBD). This unit is comprised exclusively of MBDA staff. This program consists of just over 33% of the overall MBDA budget and 70% of the labor force. The Minority Direct Federal Client Services program promotes capital access, procurement and contracting opportunities, capacity building, market development, and advocacy for minority business enterprises. This program works collaboratively with MBDA Business. Together, MBDA’s efforts yield excellent performance results for MBDA.

MBDA also coordinates the establishment of strategic partnerships between minority businesses and large corporations to achieve broader market penetration and access to capital. MBDA staff identify opportunities through direct communications and ongoing relationships with private and public sector procuring entities. MBDA staff captures key information pertaining to the upcoming opportunity, matches the opportunity with minority business clients and communicates with the matched firm. Although, there are many electronic bid opportunity matching services available, the value of MBDA's service is having human interaction between potential buyers and minority vendors. Anecdotal information from minority businesses indicates that most bid matching systems are a necessary tool and facilitate the identification of contracting opportunities. However, bid matching systems cannot evaluate the qualitative aspect of the opportunity or competition in a satisfactory manner. Technology supports minority firms in opportunity matching and notification of general competition requirements. However, human interaction and contract opportunity intelligence gathered through person to person dialogue is perceived as highest value.

MBDA's outreach and relationship building efforts with public and private procurement entities generates an indirect benefit to minority firms. MBDA's ongoing efforts reinforce the importance of procuring entities when it comes to supplier diversity. The net result is that the public and private entities prioritize supplier diversity in their organizational value and take pleasure when broader diversity is achieved. In essence, good behavior rewards good behavior, provided someone is paying attention to it.

MBDA supports the Department of Commerce's various initiatives including: competitiveness and innovation, manufacturing, trade missions, exporting and job creation. The Minority Business Direct Client Services program ensures minority businesses participate in the Department's initiatives and more importantly, contribute to the U.S. economy. These Department-wide initiatives rely on Agency involvement to communicate key information to a target constituency, recruit prospective participants, and provide technical support and service referrals. These services are important aspects to achieving success. However, entrepreneurs engage when opportunities are converted into actual deals. It is at the deal making level when investments are executed, local economies are impacted, and jobs are created. This program augments the Department's initiatives by assisting minority entrepreneurs in identifying high-value transactions and by facilitating partnerships, financing, and contracts.

As previously described, MBDA is actively engaged in fostering deal-making activities. The Agency tracks work-in-progress (defined as a transaction anticipated to close within 30 days or less) and pipeline (defined as a transaction anticipated to close beyond 30 days) contracting and financing deals every two weeks. MBDA reviews each line item entry with Federal employees (business development specialists) to understand the deal, provide deal-making support and to determine the probability of success. This effort has refined the Minority Business Direct Federal Client Services program and has improved its focus on increasing performance results.

MBDA continues to leverage its resources and to expand minority business participation in the global marketplace. The Agency has formed partnerships with other government agencies such as the International Trade Administration (ITA), Small Business Administration (SBA), as well as non-governmental organizations (NGOs), and the minority business trade associations. MBDA and its partners engage with minority businesses, promote advantages of international trade, conduct education forums and business-to-business partnerships. Furthermore, MBDA promotes the advantage of working with minority businesses and the fact that minorities are twice as likely to be engaged in global commerce as non-minorities. Many minority entrepreneurs maintain relationships in other countries due to personal affinities that may include family relationships, understanding of language and culture. These characteristics make minority businesses high prospects for expanding U.S. share of the global marketplace.

The future growth of minority-owned businesses is dependent on accessing growth markets and resources necessary to penetrate those markets in real time. Given the broad geography, economic clusters, industries and different cultures that minority businesses are a part of, technology plays a key role in supporting the Agency's programmatic success. MBDA reaches its staff, funded centers and the minority business community through the use of electronic commerce by promoting and providing business information that can assist minority businesses in these areas. The MBDA Minority Business Internet Portal (MBIP) is a menu driven, user-friendly system that assists clients with business development needs and information. The MBIP includes a variety of online resources that foster higher performance such as: Customer Relationship Management system, Partners.Net system, Phoenix/Opportunity On-line Bid-Matching system, Business Planner, Business Loan Analyzer, and the Capital Access business tool. MBDA also uses the Internet Portal as an information clearinghouse and national center for referral of minority-owned businesses of all sizes to the vast network of public and private business development resources. The MBIP is also a crucial part of the BusinessUSA effort as clients are able to easily navigate to MBDA's portal and find out about MBDA tools and services.

Minority Business Direct Client Services program works in tandem with MBDA's Minority Business Public Private Partnerships to identify, facilitate and secure contracting and financing transactions for minority businesses. Today, the minority population in the United States represents 35 percent of total U.S. population and is expected to represent 54 percent by 2050. According to the U.S. Census Bureau's 2007 Survey of Business owners, there were 5.7 million minority-owned businesses (22% of all businesses) generating \$1 trillion in gross receipts (9% of total gross receipts of classifiable firms) and employing 5.9 million paid workers. The U.S. needs strong minority-owned firms to achieve maximum economic growth for the Nation. Minority owned firms are an engine of employment growth and economic expansion in America and have the potential to contribute significantly to the balance of trade. MBDA is a catalyst to build minority-owned firms of size, scale and capacity.

## **MINORITY BUSINESS POLICY AND OVERSIGHT**

The Minority Business Policy and Oversight program consists of the Office of the National Director (OND).

The Office of the National Director leads the Minority Business Development Agency (MBDA). MBDA is tasked with promoting the growth and competitiveness of minority-owned businesses nationwide. By Executive Order 11625, MBDA conducts the following:

1. Coordinate the plans, programs and operations of Federal agencies to strengthen minority business enterprises (MBEs).
2. Promote the mobilization of activities and resources of State and local governments, businesses and trade associations, universities, foundations, professional organizations towards the growth of MBEs.
3. Establish a center for the development, collection, summarization and dissemination of information for and about minority business.
4. Provide financial assistance to public and private organizations so they may render business consulting services to MBEs.

The Department Organization Order 25-4A (2005-04-07) prescribes the organization and assignment of major functions within MBDA, including the scope of authority and functions of the Office of The National Director:

1. The National Director serves as the Chief Executive Officer for the Agency. In consideration of global and domestic market opportunities, innovations and challenges, the National Director shall direct the formulation, implementation and evaluation of policies and manage programs for all activities of the Agency.
2. The National Deputy Director is the principal assistant to the National Director and shall assist in the day-to-day activities of the Agency. The National Deputy Director may supervise the Executive Staff in the formation and execution of the budget, personnel issues, program and operational activities. In the National Director's absence, the National Deputy Director or the National Director's designee shall serve as the Agency focal point for liaison with the Congress, White House, Office of the Secretary, and related organizations in coordination with appropriate Departmental officials.

## **MINORITY BUSINESS ADVOCACY AND OUTREACH**

The Minority Business Advocacy and Outreach program is managed by MBDA's Office of Legislative, Education and Intergovernmental Affairs (OLEIA).

OLEIA is responsible for establishing and maintaining positive relations between the Agency, Members of Congress, the White House, the Office of Management and Budget and intergovernmental associations; and coordinating the Agency's congressional and intergovernmental activity with the Department's Office of Legislative and Intergovernmental Affairs. As part of the congressional and intergovernmental outreach efforts, OLEIA ensures an effective two-way communication system that promotes the Agency and minority businesses exists, and; provides timely responses to inquiries or requests for information, reports, or other assistance from Members of Congress and their staffs. This program ensures that the Agency is abreast of all legislation impacting the minority business community and provides analytical, legislative/policy reports to the Deputy National Director; and appropriately manages all intergovernmental activities.

OLEIA is also responsible for the development and implementation of an organized effort to build strategic alliances with public and private sector organizations, trade associations, educational institutions, and business advocacy groups as well as Federal, state and local government officials. Activities associated with building strategic alliances include the hosting of stakeholder meetings, issue forums, and participation in stakeholder conferences, seminars and events. From these alliances and partnerships, MBDA creates and expands programs, services and opportunities in support of minority business enterprises. As part of the Advocacy and Outreach program, OLEIA oversees the National Advisory Council on Minority Business Enterprise, an official federal advisory council. This program also allows the Agency to propose, evaluate and recommend national policies which affect minority business development. Key initiatives undertaken by OLEIA in support of this program include educational conferences and seminars such as the Minority Business Enterprise Summit and the National Minority Enterprise Development Week Conference.

Two additional components to the Advocacy and Outreach program under the auspices of OLEIA are the Agency's public affairs, communications, marketing and branding activities and the Agency's executive secretariat function. This includes maintaining effective relationships with the media to promote the Agency's programs, accomplishments and priorities; message development and promotional materials; content development for the Agency's social media sites and website; and coordination of public affairs activities with the Department's Office of Public Affairs. As the

Agency's executive secretariat, OLEIA serves as the focal point for all documents and correspondence directed to or issued by the Office of the National Director.

## **OFFICE OF NATIVE AMERICAN BUSINESS DEVELOPMENT**

MBDA's Office of Native American Business Development (ONABD) is engaged in identifying opportunities in the areas of federal procurement, energy, manufacturing, international trade, and financial services for Native American constituencies. The ONABD collaborates with other federal agencies, Indian Nations, and industry to provide leadership in Indian economic development. The ONABD also conducts outreach to private sector companies and other minority businesses to collaborate in building private and public partnerships for developing sustainable economies in Indian Country.

An Office of Native American Business Development was mandated by Congress in 2001 following passage of the Native American Business Development, Trade Promotion and Tourism Act of 2000. Section 4(a)(1) of the Native American Business Development, Trade Promotion, and Tourism Act of 2000 (25 U.S.C. § 4301 *et seq.*) requires the establishment of an ONABD within the Department of Commerce. Section 4(b)(1) of the Act charges the ONABD with "the coordination of Federal programs that provide assistance...to eligible entities for increased business, the expansion of trade by eligible entities, and economic development on Indian lands." Sections 5 and 6 of the Act require the ONABD to implement a Native American trade and export promotion program, and a Native American tourism program, respectively. Section 7 of the Act requires the Secretary of Commerce, in consultation with the ONABD, to report on an annual basis to the Senate Committee on Indian Affairs and the House Committee on Resources a summary of the activities of the ONABD in carrying out Sections 4 through 6 of the Act and any recommendations for legislation determined to be necessary to carry out Sections 4 through 6 of the Act.

Section 4(a)(1) of the Indian Tribal Regulatory Reform and Business Development Act of 2000 (25 U.S.C. § 4301 note) requires the Secretary to establish an authority known as the Regulatory Reform and Business Development on Indian Lands Authority (Authority). As set forth in Section 4(a)(2) of the Act, the purpose of the Authority is to "facilitate the identification and subsequent removal of obstacles to investment, business development, and the creation of wealth with respect to the economies of Native American communities." The membership of the Authority shall be comprised of 21 members, of which 12 members shall be representatives of the Indian tribes recognized by the Bureau of Indian Affairs and no fewer than 4 members shall be representatives of non-governmental economic activities carried out by private enterprises in the private sector. The Authority is responsible for conducting "a review of laws (including regulations) relating to investment, business, and economic development that affect investment and business decisions concerning activities conducted on Indian lands" and for preparing and submitting a report to the Senate Committee on Indian Affairs, the House Committee on Resources, and to the governing body of each Indian tribe a report that includes the Authority's findings and recommendations, including proposed revisions to the laws and regulations reviewed by the Authority. (See Sections 4(d) and 5 of the Act.)

In March 2003, the Secretary of Commerce delegated to MBDA his authorities and responsibilities under the Native American Business Development, Trade Promotion, and Tourism Act of 2000 and under the Indian Tribal Regulatory Reform and Business Development Act of 2000. MBDA established the ONABD within the Agency's Office of Business Development in June 2005.

The Department Organization Order 25-4A (2005-04-07) prescribes the organization and assignment of major functions within MBDA, including the scope of authority and functions of the

Office of Native American Business Development. Per the order, the Office of Native American Business Development shall: ensure the coordination of Federal programs that provide assistance, including financial and technical assistance to eligible entities for increased business, the expansion of trade by eligible entities, and economic development on Indian lands.

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. As a result, MBDA directed the use of base resources in support of establishing an expert appointment. An ONABD expert liaison was selected and hired in 2005 to execute ONABD activities. MBDA has provided infrastructural support and a nominal discretionary budget to support outreach activities nationally since FY 2005. However, due to limited budgetary and human resources, the ONABD has not engaged in any activities under the Indian Tribal Regulatory Reform and Business Development Act of 2000. Today, the ONABD is temporarily led by a Senior Advisor of Native American Affairs who reports directly to the Secretary of Commerce.

#### **PROGRAM CHANGES FOR FY 2014:**

MBDA plans to reduce all base program activities for a total of \$1.8M in FY 2014. 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, MBDA's FY 2014 request reflects reduced costs associated with the closure of its 5 regional offices, reassignment of its Federal regional staff to Washington, DC, and an overall streamlining of operations. In FY 2012-13, MBDA closed its 5 regional locations in support of an effort to reduce overhead costs and centralize operations in Washington, DC.

#### **Performance Goals and Measurement Data**

<b>Performance Measures</b>	<b>FY 2013 Target</b>	<b>FY 2014 Target</b>	<b>FY 2015 Target</b>	<b>FY 2016 Target</b>	<b>FY 2017 Target</b>	<b>FY 2018 Target</b>
<b>BASE PROGRAM WITHOUT CHANGES</b>						
Dollar Value of Contracts	\$1.1B	\$1.1B	\$1.1B	\$1.1B	\$1.1B	\$1.1B
Dollar Value of Financials	\$0.9B	\$0.9B	\$0.9B	\$0.9B	\$0.9B	\$0.9B
Number of Jobs Created	5,000	5,000	5,000	5,000	5,000	5,000
<b>TOTAL PROGRAM CHANGE</b>						
Dollar Value of Contracts	\$0.00B	\$0.00B	\$0.00B	\$0.00B	\$0.00B	\$0.00B
Dollar Value of Financials	\$0.00B	\$0.00B	\$0.00B	\$0.00B	\$0.00B	\$0.00B
Number of Jobs Created	0	0	0	0	0	0
<b>TOTAL BASE PROGRAM AND PROGRAM CHANGE</b>						
Dollar Value of Contracts	\$1.1B	\$1.1B	\$1.1B	\$1.1B	\$1.1B	\$1.1B
Dollar Value of Financials	\$0.9B	\$0.9B	\$0.9B	\$0.9B	\$0.9B	\$0.9B
Number of Jobs Created	5,000	5,000	5,000	5,000	5,000	5,000

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
**(Dollar amounts in thousands)**

Activity: Minority Business Development  
Program Change: Base Reductions

<b>Object Class</b>		<b>2014 Increase/Decrease</b>
11.0	Personnel compensation	-450
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	-450
12.1	Civilian personnel benefits	-100
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	-1,100
23.2	Rental payment to others	0
23.3	Communication., util., misc. charges	0
24	Printing and reproduction	
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods and services from Government accounts	0
25.4	Operations and maintenance of facilities	-193
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
	<b>TOTAL OBLIGATIONS</b>	<b>(1,843)</b>

Department of Commerce  
 Minority Business Development Agency  
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 SUMMARY OF REQUIREMENTS BY OBJECT CLASS  
 (Dollar amounts in thousands)

Object Class	2012 Actual	2013 CR (annualized)	2014 Estimate	Increase/ (Decrease)
11 Personnel compensation	8,250	6,800	6,900	100
11.1 Full-time permanent	2,241	1,829	2,020	14
11.3 Other than full-time permanent	0	0	0	0
11.5 Other personnel compensation	250	77	77	0
11.8 Special personnel services payments	0	0	0	0
11.9 Total personnel compensation *	8,500	6,877	6,977	100
12.1 Civilian personnel benefits	2,241	1,829	2,034	14
13 Benefits for former personnel	0	0	0	0
21 Travel and transportation of persons	552	552	552	0
22 Transportation of things	13	13	13	(1)
23.1 Rental payments to GSA *	3,497	2,397	2,435	(335)
23.2 Rental payment to others	2	2	4	(2)
23.3 Commun., util., misc. charges	406	406	408	(58)
24 Printing and reproduction	7	7	7	0
25.1 Advisory and assistance services *	1,508	2,138	1,326	(812)
25.2 Other services *	380	450	180	(315)
25.3 Purchases of goods and services from Government accounts	2,141	2,025	2,244	(219)
25.4 Operations and maintenance of facilities	0	0	0	0
25.5 Research and development contracts	0	0	0	0
25.6 Medical care	0	0	0	0
25.7 Operation and maintenance of equipment	38	38	38	0
25.8 Subsidies and support of persons	0	0	0	0
26 Supplies and materials	20	20	20	0
31 Equipment	408	408	415	(215)
32 Lands and structures	0	0	0	0
33 Investments and loans	0	0	0	0
41 Grants, subsidies and contributions	10,626	13,363	13,363	0
42 Insurance claims and indemnities	0	0	0	0
43 Interest and dividends	0	0	0	0
44 Refunds	0	0	0	0
99 Total obligations	30,339	30,525	31,129	(1,843)
Less: Recoveries				
Less: Unobligated Balance, SOY				
Plus: Unobligated Balance, Transferred				
Plus: Unobligated Balance, EOY				
Plus: Unobligated Balance, Expiring				
Less: Transfer from other accounts				
Less: Transfer to other accounts				
99.1 Total Budget Authority	30,339	30,525	31,129	(1,843)

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS  
 (Dollar amounts in thousands)

Object Class	2012 Actual	2013 CR (annualized)	2014 Base	2014 Estimate	Increase / (Decrease)
Less: Obligations from prior years					
Total Budget Authority	30,339	30,525	31,129	29,286	(1,843)

Personnel Data

Full-Time Equivalent Employment:  
 Full-time permanent                    56                    100                    100                    100                    0  
 Other than full-time permanent        12                    0                    0                    0                    0  
 Total    68                    100                    100                    100                    0

Authorized Positions:  
 Full-time permanent                    110                    110                    110                    110                    0  
 Other than full-time permanent        0                    0                    0                    0                    0  
 Total    110                    110                    110                    110                    0

Department of Commerce  
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Advisory and Assistance Services  
 (Obligations in thousands of dollars)

	FY 2012 Actual -----	FY 2013 Estimate -----	FY 2014 Estimate -----
Consulting Services.....	230	230	230
Management and professional services.....	222	222	222
Special studies and analyses.....	43	43	43
Management and Support services for research and development.....	0	0	0
Total.....	495	495	495

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development

Periodicals, Pamphlets, and Audiovisual Products  
 (Obligations in thousands of dollars)

	FY 2012 Actual -----	FY 2013 Estimate -----	FY 2014 Estimate -----
Periodicals.....	8	8	8
Pamphlets.....	5	5	5
Audiovisuals.....	<u>0</u>	<u>0</u>	<u>0</u>
Total.....	13	13	13

Executive Order 11625 authorizes the Minority Business Development Agency (MBDA) to provide "for the development, collection, summarization, and dissemination of information that will be helpful to persons and organizations throughout the nation in undertaking or promoting the establishment and successful operation of minority business enterprise". MBDA's Office of Legislation, Education, and Intergovernmental Affairs is responsible for the creation of periodicals, publications, and audiovisuals to carry out the mandate set forth in Executive Order 11625.

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development

Average Salaries and Grades

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Average ES salary.....	\$ 156,567	\$ 156,567	\$ 156,567
Average GS/GM grade.....	10	10	10
Average GS/GM salary.....	\$ 85,979	\$ 85,979	\$ 85,979
Total compensable workyears:			
Full-time equivalent employment.....	68	100	100
Full-time equivalent of overtime and holiday hours.....	0	0	0