

Minority Business Development Agency

The Minority Business Development Agency (MBDA) has the lead role in the Federal Government of coordinating all minority business programs. The Agency provides a variety of direct and indirect business assistance services to advance its mission for achieving economic parity for minority businesses by actively promoting their ability to grow and compete in the global economy. MBDA is reengineering its organizational structure to be the frontline support for minority business assistance, information and customer service and become entrepreneurially focused to empower minority business enterprises in wealth creation.

For FY 2005, MBDA will continue to define its program strategy through one goal and several objectives that promote job creation, economic growth and sustainable development for the growing minority business population in the United States. The goal is:

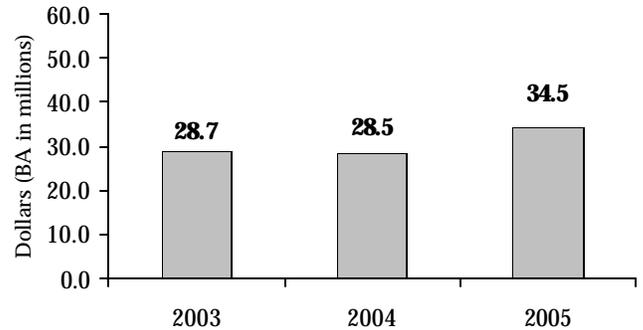
Increase opportunities and access of minority-owned businesses to the marketplace and financing. To accomplish this goal, MBDA will:

- Provide electronic access to growth markets by automated matching of minority business firms' capabilities with public and private sector opportunities;
- Promote the expansion of opportunities for minority-owned businesses in the global marketplace;
- Assist and advocate for the increased use of electronic commerce and new technologies by minority-owned business for success;
- Provide management and technical assistance resources for minority owned businesses;
- Develop electronic databases of public and private sector sources to provide timely on-line market and resource information to minority business owners regarding available business opportunities; and
- Identify an increased access to available sources of financial capital for minority owned firms.

The goal and objectives listed above support the Department's strategic goal to "Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers."

MBDA plans to use the Internet to establish an information clearinghouse and National referral center for minority owned businesses of any size, which will be able to gain access to the network of public and private business development resources. The Agency will also expand the automated capabilities of matching firms with contracting opportunities. MBDA will continue to use the Minority Business Development Centers (MBDCs) and Native American Business Development Centers (NABDCs) to provide management and technical assistance and Minority Business Opportunity Committees (MBOCs) to provide brokering of contract opportunities and financial transactions for minority owned businesses.

MBDA Funding



Summary of Appropriations

<u>Funding Levels</u>	2003	2004	2005	Increase
Appropriation	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>(Decrease)</u>
Minority Business Development	\$28,718	\$28,556	\$34,461	\$5,905
Unobligated balance, rescission	0	(28)	0	28
TOTAL BUDGET AUTHORITY	28,718	28,528	34,461	5,933
FTE				
Minority Business Development	92	120	121	1

Highlights of Budget Changes

Appropriation: Minority Business Development

Summary of Requirements

	Detailed		Summary	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2004 Appropriation			120	\$28,556
Adjustments to Base				
Other Changes				
2004 Pay raise		\$90		
2005 Pay raise		94		
Payment to the Working Capital Fund		25		
Within-grade step increases		67		
Change in Compensable Days		(31)		
Civil Service Retirement System(CSRS)		(14)		
Federal Employees' Retirement System(FERS)		22		
Thrift Savings Plan		4		
Federal Insurance Contributions Act (FICA) -OASDI		10		
Health insurance		66		
Employees' Compensation Fund		20		
Travel: Per Diem		4		
Rent payments to GSA		62		
Printing and reproduction		1		
Other services:				
NIST Accounting Changes		(188)		
Working Capital Fund		58		
General Pricing Level Adjustments				
Communications, Utilities, & misc.		2		
Other services		46		
Supplies		2		
Equipment		3		
Subtotal, other cost changes			0	343
Less amount absorbed				(49)
TOTAL, ADJUSTMENTS TO BASE			0	294
2005 Base			120	28,850
Program Changes			1	5,611
2005 APPROPRIATION			121	34,461

Comparison by Activity

	2004 Currently Avail.		2005 Base		2005 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Business Development	74	\$17,195	74	\$17,310	75	\$19,921	1	\$2,611
Advocacy, Research & Information	46	11,403	46	11,540	46	14,540	0	3,000
TOTAL DIRECT OBLIGATIONS	120	28,598	120	28,850	121	34,461	1	5,611
REIMBURSABLE OBLIGATIONS	0	553		475		475	0	0
TOTAL OBLIGATIONS	120	29,151	120	29,325	121	34,936	1	5,611
FINANCING								
Unobligated balance, start of year (Direct)		(70)						
Unobligated balance, start of year (Reimbursable)		(78)						
Offsetting collections from:								
Federal funds		(475)				(475)		
Subtotal, financing	0	(623)			0	(475)		
TOTAL BUDGET AUTHORITY	120	28,528			121	34,461		
Unobligated balance, rescission		28						
TOTAL APPROPRIATION	120	28,556						

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Annual Survey of Minority Owned Business Enterprises	1	\$100	0	+\$3,000

The budget request includes \$3,000 for an annual Survey of Minority-Owned Business Enterprises (SMOBE). An Annual Survey of Minority-Owned Business Enterprises will supplement the 5-year Economic Census SMOBE to provide more timely, frequent and comprehensive statistical data about minority business. This level of funding is necessary to provide tabulations at the national and state levels. The survey would be jointly designed by MBDA and the Census Bureau and conducted by Census.

Business Development Centers	0	\$6,718	0	+\$1,111
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MBDA is investing \$1,111 to assist in reestablishing new business development centers in areas of minority population density and growth. Minority Business Development Centers (MBDC) are designed to ensure the financial and managerial solvency of Minority Business Enterprises. These centers provide a full array of business development services, including loan packaging assistance, the matchmaking of contract opportunities and minority business advocacy.

Minority Business Opportunity Committees	2	\$1,776	0	+\$1,000
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The budget request includes \$1,000 to expand the network of Minority Business Opportunity Committees (MBOC). The MBOC is an organization comprised of high level public and private sector executives whose primary objective is to increase opportunities within the minority business community.

	<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>
White House Initiative on Asian American and Pacific Islanders	1	+\$500

Consistent and pursuant to the President's and Secretary of Commerce's initiative on trade promotion for Asian Americans and Pacific Islanders (AAPI), the budget requests \$500 to enhance the ability of U.S. minority businesses to gain access to the global marketplace. This funding will be used to foster business to business growth between minority business enterprises and the international global market and to develop business opportunities in Asia.

MBDA Performance Measures

Key performance measures that demonstrate MBDA's ability to develop an entrepreneurial innovative market-focused economy and improve minority owned business access to financing include:

- The number and dollar value of contract awards obtained.
- The number and dollar value of financing awards obtained.

MBDA's performance measures focus on measuring program impact and contribution toward meeting the agency's goals listed above. MBDA will continue to develop and refine the 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 these goals and measures is in the MBDA section of the Department of Commerce budget.

Performance Goal (Obligations) and Measures (Targets)

(Dollars in millions)

	2003	2004	2005
	<u>Actual</u>	Estimate / <u>Target</u>	Estimate / <u>Target</u>
Goal: Increase the opportunities and access of minority-owned businesses to the marketplace and financing	\$28.7	\$29.1	\$34.9
Total number of clients receiving services	7,228	25,000	30,000
Number of contract awards obtained	3,125	3,200	3,300
Dollar value of contract awards obtained	\$0.7B	\$0.8B	\$1.0B
Number of financial awards obtained	533	550	600
Dollar value of financial awards obtained	\$0.4B	\$0.4 B	\$0.45 B
Number of employee training hours	9,874	5,500	5,500
Number of new job opportunities created	New	New	2,100
Percent increase in client gross receipts	New	New	10%
Percent increase in American customer satisfaction index	New	New	5%
Number of national and regional strategic partnerships	8	150	175

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