

Minority Business Development Agency

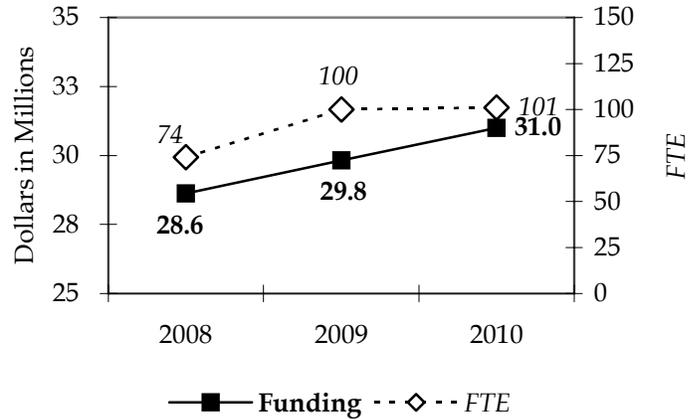
The Minority Business Development Agency (MBDA) actively promotes the ability of Minority Business Enterprises (MBEs) to grow and to participate in the global economy through a range of activities that include funding a network of centers that provide MBEs a variety of business assistance services.

In FY 2010, MBDA will continue to support the national growth and expansion of minority business enterprises. The Agency’s goal is to increase opportunities and access of minority-owned businesses to the marketplace and financing. To accomplish this goal, MBDA will:

- Foster the expansion of opportunities for minority-owned business in the global marketplace;
- Identify sources of financial capital for minority owned firms;
- Develop and upgrade electronic tools to provide access to growth markets through automated matching of MBEs to public and private sector opportunities;
- Provide management and technical assistance to minority-owned businesses; and,
- Advocate for the increased use of electronic commerce and new technologies by MBEs.

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 minority-owned businesses.

Budget Authority and FTE



Summary of Appropriations

Funding Levels

Appropriation	2008 <u>Actual</u>	2009 <u>Estimate</u>	2010 <u>Estimate</u>	Increase (Decrease)
Minority Business Development	\$28,623	\$29,825	\$31,000	\$1,175

FTE

Minority Business Development	74	100	101	1
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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>
2009 Appropriations			100	\$29,825
Adjustments to Base				
<u>Other Changes</u>				
2009 Pay raise		\$189		
2010 Pay raise		164		
Working Capital Fund Pay Raise		11		
Civil Service Retirement System(CSRS)		(51)		
Federal Employees' Retirement System(FERS)		81		
Thrift Savings Plan		15		
Federal Insurance Contributions Act (FICA) - OASDI		40		
Health insurance		13		
Employees' Compensation Fund		38		
Travel				
Per Diem		7		
Mileage		10		
Rent payments to GSA		43		
Postage		2		
HCHB Steam		70		
HCHB Electricity		141		
Printing and reproduction		1		
Other Services:				
Working capital fund		325		
Less payment to WCF for utilities		(200)		
Less payment to ITA for personnel services		(183)		
General Pricing Level Adjustment				
Other Services		20		
Communications, utilities, and miscellaneous charges		1		
Supplies and materials		1		
Subtotal, Other Changes			0	738
TOTAL, ADJUSTMENTS TO BASE			0	738
2010 Base			100	30,563
Program Changes			1	437
2010 APPROPRIATION			101	31,000

Comparison by Activity

	2009 Currently Avail.		2010 Base		2010 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	\$29,860	100	\$30,563	101	\$31,000	1	\$437
TOTAL DIRECT OBLIGATIONS	100	29,860	100	30,563	101	31,000	1	437
REIMBURSABLE OBLIGATIONS	0	300		300		300	0	0
TOTAL OBLIGATIONS	100	30,160	100	30,863	101	31,300	1	437
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	29,825			101	31,000		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Minority Business Assistance	100	\$30,563	1	+\$437

MBDA is requesting \$437,000 to fund one additional minority business development grant and one additional district office. The additional center would be a Minority Business Enterprise Center or a Minority Business Opportunity Center, and the one MBDA district staff office would be located in the Midwest region (all other MBDA regions presently have district staff offices).

The center will provide a full array of business development services, including loan packaging assistance, the identification of contracting opportunities, and general minority business advocacy. The center will be selected through a competitive grants process focused in an area of the country where minority businesses have been most affected by the current economic crisis.

The proposed MBDA district office would be staffed by one business development specialist (BDS) and located in the Midwest, specifically in an area where minority businesses have been most affected by the current economic crisis. The BDS would be responsible for opportunity dissemination, steering clients and deals to MBDA funded centers, training of minority business enterprises, direct client services, and overall advocacy for minority business.

MBDA Performance Measures

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.

Performance Outcome and Measures

(Dollars reflects obligations in Millions and includes reimbursable amounts)

	2008 Actual	2009 Estimate / Target	2010 Estimate / Target
Outcome: To increase access to the marketplace and financing for minority-owned businesses *	\$28.5	\$30.1	\$31.3
Dollar value of contract awards to minority business enterprises	\$0.9B	\$0.9B	\$1B
Dollar value of financial awards obtained	\$0.9B	\$0.5B	\$0.6B
Number of new job opportunities created	4,603	3,000	4,000
Percent increase in client gross receipts	6%	6%	6%
Satisfaction rating for the American Customer Satisfaction Index (ACSI)	N/A ¹	75%	N/A ¹
Cumulative economic impact	New	N/A ²	\$16 B

1. The ACSI occurs only in odd years so no target appears in FY 2008.

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.