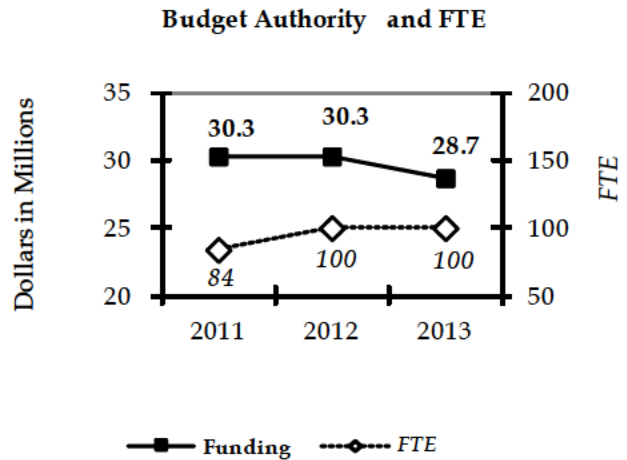


Minority Business Development Agency

The Minority Business Development Agency (MBDA) promotes the ability of minority business enterprises (MBE) 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. MBDA, through its direct Federal client services and its network of funded centers (1) fosters the expansion of opportunities for minority-owned businesses in the global marketplace; (2) identifies sources of financial capital for minority-owned firms; (3) develops and upgrades electronic tools to provide access to growth markets through automated matching of MBEs to public and private sector opportunities; (4) provides management and technical assistance to minority-owned businesses; and (5) advocates for the increased use of electronic commerce and new technologies by MBEs.



In FY 2013, MBDA will continue to support the national growth and expansion of U.S. businesses that are minority-owned, with a specific focus on minority firms operating in high growth industries such as green technology and clean energy. A key component to our economic recovery, under the auspices of President Obama’s National Export Initiative, export promotion and the globalization of the minority business community will continue to be a substantial focus of Agency activities in FY 2013. MBDA’s target clients have unique competitive advantages in the global markets including language skills, cultural knowledge, knowledge of local business practices and familial and other relationships. These competitive advantages have resulted in minority-owned firms being twice as likely to export as nonminority-owned firms.

MBDA will also 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, which includes participating in BusinessUSA, 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 all forms of contracting opportunities. MBDA will continue to rely on its nationwide network of funded centers to provide management and technical assistance, contract opportunities, and financial transactions for businesses that are minority-owned.

Summary of Appropriations

Funding Levels

| Appropriation | 2011 <u>Actual</u> | 2012 <u>Enacted</u> | 2013 <u>Estimate</u> | Increase <u>(Decrease)</u> |
|-------------------------------|-----------------------|------------------------|-------------------------|-------------------------------|
| Minority Business Development | \$30,339 | \$30,339 | \$28,689 | (\$1,650) |
| FTE | | | | |
| Minority Business Development | 84 | 100 | 100 | 0 |

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> |
| 2012 Appropriation | | | 100 | \$30,339 |
| Adjustments to Base | | | | |
| <u>Other Changes</u> | | | | |
| 2013 Pay raise | | \$38 | | |
| Civil Service Retirement System (CSRS) | | (18) | | |
| Federal Employees' Retirement System (FERS) | | 31 | | |
| Thrift Savings Plan | | 5 | | |
| Federal Insurance Contributions Act (FICA/OASDI) | | 18 | | |
| Health insurance | | 42 | | |
| Employees' Compensation Fund | | (37) | | |
| Travel - Mileage | | | | |
| Travel - Per Diem | | 11 | | |
| Rent payments to GSA | | 61 | | |
| HCHB Electricity | | (51) | | |
| HCHB Water | | 1 | | |
| Other services: | | | | |
| Working Capital Fund | | (29) | | |
| General Pricing Level Adjustment | | | | |
| Communications, utilities, and miscellaneous | | 2 | | |
| Other services | | 38 | | |
| Equipment | | 6 | | |
| Subtotal, Other Cost Changes | | | 0 | 118 |
| Less Amount Absorbed | | | 0 | (118) |
| TOTAL, ADJUSTMENTS TO BASE | | | 0 | 0 |
| 2013 Base | | | 100 | 30,339 |
| Administrative Savings [non-add] | | | [0] | [58] |
| Program Changes | | | 0 | (1,650) |
| 2013 APPROPRIATION | | | 100 | 28,689 |

Comparison by Activity

| | 2012 Currently Avail. | | 2013 Base | | 2013 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 | \$30,339 | 100 | \$30,339 | 100 | \$28,689 | 0 | (\$1,650) |
| TOTAL DIRECT OBLIGATIONS | 100 | 30,339 | 100 | 30,339 | 100 | 28,689 | 0 | (1,650) |
| REIMBURSABLE OBLIGATIONS | | | | | | | | |
| | 0 | 300 | 0 | 300 | 0 | 300 | 0 | 0 |
| TOTAL OBLIGATIONS | 100 | 30,639 | 100 | 30,639 | 100 | 28,989 | 0 | (1,650) |
| FINANCING | | | | | | | | |
| Unobligated balance, start of year (Direct) | | | | | | | | |
| Offsetting collections from: | | | | | | | | |
| Federal funds | | (300) | | | | (300) | | |
| Subtotal, financing | 0 | (300) | | | 0 | (300) | | |
| TOTAL BUDGET AUTHORITY/ APPROPRIATION | 100 | 30,339 | | | 100 | 28,689 | | |

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 continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on MBDA’s administrative savings planned for FY 2012 (\$0.25 million), an additional \$0.06 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$0.31 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

| | <u>Base</u> | | <u>Increase / Decrease</u> | |
|-----------------|-------------|---------------|----------------------------|---------------|
| | <u>FTE</u> | <u>Amount</u> | <u>FTE</u> | <u>Amount</u> |
| Base Reductions | 100 | \$30,339 | 0 | -\$1,650 |

MBDA plans to reduce all base program activities for a total of \$1.6M in FY 2013. 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 will reduce its costs through closure of its 5 regional offices, reassignment of its Federal regional staff to Washington, DC, and an overall streamlining of operations. In FY 2012, MBDA will close its regional locations in support of the effort to reduce overhead costs and centralize operations in Washington, DC. It is expected that by FY 2013, commensurate savings will have been achieved to support a lean and highly efficient operation.

Performance Objective and Measures

(Dollars reflects obligations in Millions and includes reimbursable amounts)

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.

| | 2011 Actual | 2012 (Annualized) / Target | 2013 Estimate / Target |
|--|----------------|-------------------------------|---------------------------|
| Objective 7 Promote competitiveness of disadvantaged and distressed communities and businesses | \$30.3 | \$30.3 | \$28.7 |
| Dollar value of contract awards to minority business enterprises | \$1.4B | \$1.1B | \$1.1B |
| Dollar value of financial awards obtained | \$2.1B | \$0.9B | \$0.9B |
| Number of new job opportunities created | 4,200 | 5,000 | 5,000 |