



Fiscal Year 2021
Congressional Submission

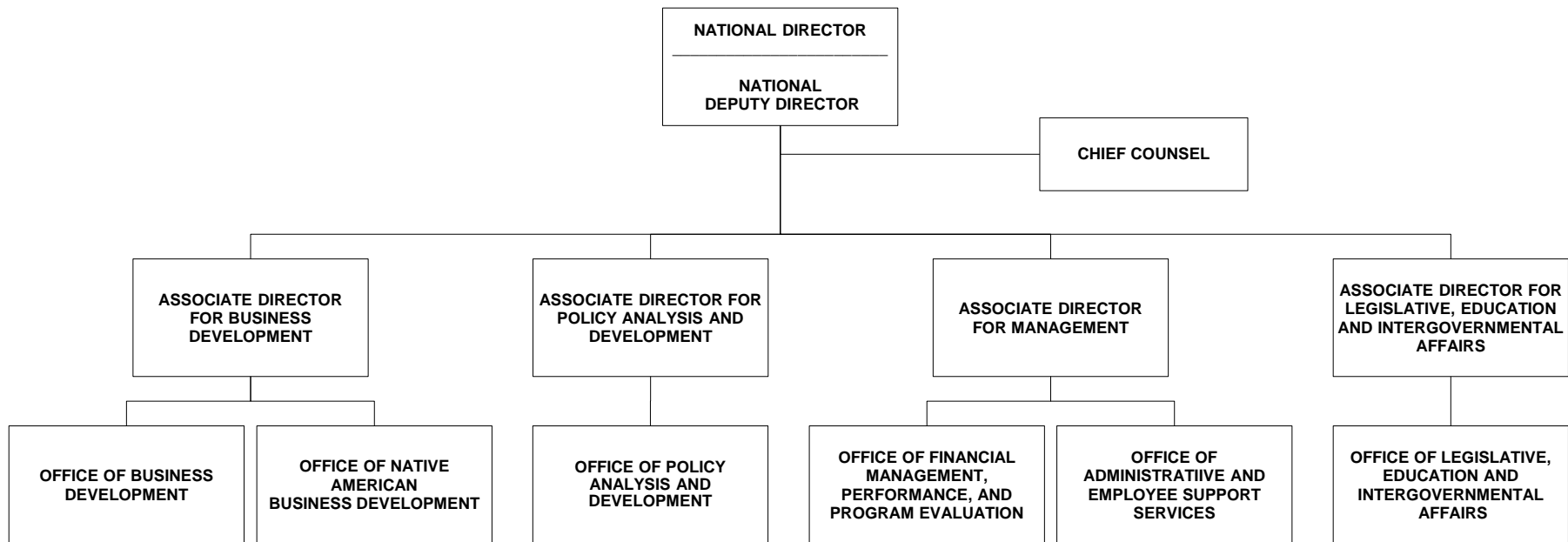
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**DEPARTMENT OF COMMERCE
MINORITY BUSINESS DEVELOPMENT AGENCY
Budget Estimates, Fiscal Year 2021
Congressional Submission**

Table of Contents

<u>Exhibit Number</u>	<u>Exhibit</u>	<u>Page Number</u>
2	Organization Chart	MBDA-2
3	Executive Summary	MBDA-3
3T	Transfer Change Detail by Object Class	MBDA-5
4A	Program Increases / Decreases / Terminations	MBDA-7
4T	Transfer Summary Table	MBDA-8
5	Summary of Resource Requirements	MBDA-9
6	Summary of Reimbursable Obligations	MBDA-10
7	Summary of Financing	MBDA-11
8	Adjustments to Base	MBDA-12
10	Program and Performance: Direct Obligations	MBDA-13
11	Program and Performance: Reimbursable Obligations	MBDA-14
12	Justification of Program and Performance (by subactivity)	MBDA-15
13	Program Change	MBDA-24
15	Program Change Detail by Object Class	MBDA-26
16	Summary of Requirements by Object Class	MBDA-28
34	Advisory & Assistance Services	MBDA-30
35	Periodical, Pamphlets, & Audiovisual Services	MBDA-31
36	Average Grade & Salaries	MBDA-32
41	Implementation Status of GAO And OIG Recommendations	MBDA-33
APPR	Summary of Goals, Objectives and Performance Measures	MBDA-35

U.S. DEPARTMENT OF COMMERCE MINORITY BUSINESS DEVELOPMENT AGENCY



Department of Commerce
Minority Business Development Agency (MBDA)
Budget Estimates, Fiscal Year 2021
Executive Summary

Vision Statement:

One-stop shop for all minority-owned businesses. Strengthen minority business enterprises' (MBEs) global competitiveness.

Base Program:

The MBDA Budget Request includes program activities funded at \$10.3 million and 50 positions. In FY 2021, MBDA will continue concentrating its efforts on modernizing MBDA as well as removing obstacles inhibiting the growth and expansion of MBEs.

Program Change:

In FY 2021, MBDA will shift its spending priorities and programmatic focus. Taxpayers' dollars invested in MBDA will be spent with a focus on return on investment - from serving individual minority business enterprises (MBEs) to removing obstacles hindering the growth of the entire minority business community. MBDA will become the pre-eminent policy and advocacy research authority for MBEs in the U.S. Specifically, MBDA will generate research centered on the impact these firms will have on the U.S. economy. MBDA will expand its Office of Policy Analysis and Development (OPAD) by generating robust data, information, and knowledge on industry trends and policy initiatives related to MBEs. MBDA will collect, aggregate and analyze data, and release information that meet the needs of MBEs and their stakeholders in the public and private sectors. MBDA will also commission research and author white papers that identify challenges/barriers and offer solutions that address opportunities to strengthen government and private sector supply chains, access to capital and boost exports.

In addition, MBDA will continue to focus on the following areas:

Measuring and rewarding the effectiveness of public sector programs and policies that contribute to the growth of MBEs

MBDA will continue to lead the Federal Government's efforts to identify and promote actions that broaden the inclusion of MBEs into the U.S. economy. MBDA will partner with Federal agencies to ensure MBE inclusive programs and practices are being developed and implemented.

Leveraging federal funds to broaden outreach to MBEs

MBDA will partner with Federal agencies to promote access to capital and procurements for MBEs. In collaboration with various Federal agencies, state and local governments, and private sector partners, MBDA will conduct a national effort to address contracting inclusion challenges. MBDA will also collaborate with private lending institutions, relevant Federal financial institutions and alternative lenders to address access to capital. MBDA will establish strategic partnerships with entities that have a mutual goal of seeking to expand their supply chains and increase access to capital for MBEs. MBDA will also foster opportunities for minority fund managers and minority equity investors.

Exploring market-driven, programmatic synergies to better assist MBEs

MBDA will build upon its industry specific research; business trends impacting MBEs concentrated within those industries; and explore and adopt policy initiatives. MBDA will define standards and definitions to further streamline programmatic synergies. MBDA will work with the Secretary of Commerce and stakeholders to develop a national minority business initiative. MBDA anticipates working with public and private sector stakeholders to conduct planning, logistics and rollout of this national initiative. The results of this initiative will be analyzed and evaluated by MBDA with a goal of determining best practices and will be disseminated through an annual report presented to the Secretary of Commerce.

Performance:

The effectiveness of MBDA investments is assessed using numerous internal and external performance measures including the Government Performance and Results Act (GPRA) goals. These efforts have been institutionalized in MBDA operations to maintain quality control and use objective methods to assess MBDA performance. For current GPRA targets please see the FY 2021/2019 Annual Performance Plan and Report.

Adjustments:

Inflationary Adjustments

MBDA’s FY 2021 Base includes a total of \$423 thousand and 0 FTE/ 0 positions to account for the full funding requirement for inflationary adjustments to current programs for MBDA activities. This includes the 2020 pay raise of 3.1 percent, and the 2021 pay raise of 1.0 percent as well as inflationary increases for labor and non-labor activities, including benefits, service contracts, utilities, and rent charges from the General Services Administration (GSA).

Technical Adjustments (Transfers)

From Office	Subactivity	To Agency	Subactivity	Amount
MBDA Bureau	Minority Business Development	Departmental Management	Operations and Administration	\$66,000 / 0 FTE / 0 Positions

The Department of Commerce (DOC) is proposing to transfer nine projects and funding out of the Working Capital Fund and the Advances and Reimbursable account to the Departmental Management Salaries and Expense account as part of its annual review to properly align and account programs and costs. This transfer executes the MBDA portion of the DOC transfer. For more information regarding the specific projects and funding transfers for the Department of Commerce please refer to Exhibit 3 of the Departmental Management FY 2021 Congressional Justification Budget.

Department of Commerce
 Minority Business Development Agency
 Minority Business Development
TRANSFER CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Activity Minority Business Development
 Subactivity Minority Business Development Transfer to the Departmental Management Salaries and Expenses Account

Object Class	2020 Enacted	2021 Transfer	2021 Base
11.1 Full-time permanent	4,577		4,577
11.3 Other than full-time permanent	0		0
11.5 Other personnel compensation	50		50
11.8 Special personnel services payments	0		0
11.9 Total personnel compensation	4,627		4,627
			0
12.1 Civilian personnel benefits	1,658		1,658
13 Benefits for former personnel	0		0
21 Travel and transportation of persons	166		166
22 Transportation of things	5		5
23.1 Rental payments to GSA	925		925
23.2 Rental payments to others	0		0
23.3 Communications, utilities and miscellaneous charges	96		96
24 Printing and reproduction	100		100
25 Other contractual services			0
25.1 Advisory and assistance services	500		500
25.2 Other services	1,998		1,998
25.3 Other goods and services from federal sources	5,236	(66)	5,170
25.4 Operation and maintenance of facilities	0		0
25.7 Operation and maintenance of equipment	0		0
25.8 Subsistence and support of persons	0		0
26 Supplies and materials	14		14

31	Equipment	175		175
32	Land and structures	0		0
33	Investment loans	0		0
41	Grants, subsidies and contributions	26,500		26,500
42	Insurance claims and indemnities	0		0
43	Interest and dividends	0		0
44	Refunds	0		0
				0
99	Total direct obligations	42,000	(66)	41,934
	Less prior year recoveries			0
	Less unobligated balance			0
	Total Budget Authority	42,000	(66)	41,934

Personnel Data

Full-time Equivalent Employment

Full-time permanent	50	0	50
Other than full-time permanent	0	0	0
Total	50	0	50

Authorized Positions

Full-time permanent	50	0	50
Other than full-time permanent	0	0	0
Total	50	0	50

Department of Commerce
 Minority Business Development Agency
FY 2021 PROGRAM INCREASES / DECREASES / TERMINATIONS
 (Dollar amounts in thousands)

Exhibit 4A

Increases

Page No. in CJ	Appropriation	Budget Program	Title of Increase/Decrease	Positions	Budget Authority
12	Minority Business Development	Minority Business Development	Inflation increase	0	423
Subtotal, Increases				0	423

Decreases

Page No. in CJ	Appropriation	Budget Program	Title of Increase/Decrease	Positions	Budget Authority
5	Minority Business Development	Minority Business Development	Transfer to the Departmental Management Salaries and Expenses Account	0	-66
15	Minority Business Development	Minority Business Development	Policy Re-orientation	0	-32,076
Subtotal, Decreases				0	-32,142

Terminations

Page No. in CJ	Appropriation	Budget Program	Title of Increase/Decrease	Positions	Budget Authority
	N/A	N/A	N/A	0	0
Subtotal, Terminations				0	0

Department of Commerce
 Minority Business Development Agency
FY 2021 TRANSFER SUMMARY TABLE
 (Dollar amounts in thousands)
 (Grouped by Title of Transfer, Largest to Smallest)

Page No. in CJ	Budget Program	Appropriation	Title of transfer	Positions	Budget Authority
5	Minority Business Development	Minority Business Development	Transfer to the Departmental Management Salaries and Expenses Account	0	-66
Total, Transfers				0	-66

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

	Positions	FTE	Budget Authority	Direct Obligations
FY 2020 Enacted	50	50	42,000	42,000
plus: Inflationary adjustments to base	0	0	423	423
FY 2021 Base	50	50	42,423	42,423
plus: Program Change	0	0	(32,142)	(32,142)
FY 2021 Estimate	50	50	10,281	10,281

Comparison by activity/subactivity		2019		2020		2021		2021		Increase / (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development	Pos/BA	50	40,000	50	42,000	50	42,423	50	10,281	0	(32,142)
	FTE/Obl.	37	39,598	50	42,000	50	42,423	50	10,281	0	(32,142)
TOTALS	Pos/BA	50	40,000	50	42,000	50	42,423	50	10,281	0	(32,142)
	FTE/Obl.	37	39,598	50	42,000	50	42,423	50	10,281	0	(32,142)
Adjustments to Obligations											
Recoveries and Refunds											
Unobligated Balance, start of year		0									
Unobligated Balance, end of year		402									
Appropriation		40,000		42,000		42,423		10,281		(32,142)	

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

Comparison by activity		2019		2020		2021		2021		Increase / (Decrease)	
		Actual		Enacted		Base		Estimate		Over 2021 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Reimbursable projects											
Minority Business Development	Pos/BA	0	103	0	0	0	0	0	0	0	0
	FTE/Obl.	0	103	0	0	0	0	0	0	0	0
Total, Reimbursable projects	Pos/BA	0	103	0	0	0	0	0	0	0	0
	FTE/Obl.	0	103	0	0	0	0	0	0	0	0

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

	2019 Actual	2020 Enacted	2021 Base	2021 Estimate	Increase / (Decrease) Over 2021 Base
Total Obligations	39,701	42,000	42,423	10,281	(32,142)
Offsetting collections from:					
Federal Funds	(103)	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 direct, start of year	0	0	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance direct, end of year	402	0	0	0	0
Unobligated balance expiring	0	0	0	0	0
Budget Authority	40,000	42,000	42,423	10,281	(32,142)
Financing:					
Transferred from other accounts (-)	0	0	0	0	0
Transferred to other accounts (+)	0	0	0	0	0
Appropriation	40,000	42,000	42,423	10,281	(32,142)

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

	<u>FTE</u>	<u>Amount</u>
Transfers of Estimates:		
Transfer to the Departmental Management Salaries and Expenses Account	0	(66)
Other Changes:		
2020 Pay raise		143
2021 Pay raise	0	35
Full-year cost in 2021 of positions financed for part-year in 2020	0	0
Change in compensable days		(24)
Awards		46
Civil Service Retirement System (CSRS)		(3)
Federal Employees Retirement System (FERS)		65
Thrift Savings Plan (TSP)		1
Federal Insurance Contribution Act (FICA) - OASDI		11
Health insurance		13
Employees Compensation Fund		0
Travel:		
Mileage		0
Per diem		0
Rental payments to GSA		(7)
Postage		0
Workers Compensation		(4)
Printing and reproduction		2
National Archives Records Administration		0
Working Capital Fund		34
General Pricing Level Adjustment		166
Continuous Diagnostics and Mitigation Charges		4
Enterprise Services		7
Total, adjustments to base	0	423

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

Activity: Minority Business Development

Line item		2019 Actual		2020 Enacted		2021 Base		2021 Estimate		Increase / (Decrease) Over 2021 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development	Pos/BA	50	40,000	50	42,000	50	42,423	50	10,281	0	(32,142)
	FTE/Obl.	37	39,598	50	42,000	50	42,423	50	10,281	0	(32,142)
Direct Obligations	Pos/BA	50	40,000	50	42,000	50	42,423	50	10,281	0	(32,142)
	FTE/Obl.	37	39,598	50	42,000	50	42,423	50	10,281	0	(32,142)

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

Activity: Minority Business Development

Comparison by activity		2019 Actual		2020 Enacted		2021 Base		2021 Estimate		Increase / (Decrease) Over 2021 Base	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Minority Business Development	Pos/BA	0	61	0	0	0	0	0	0	0	0
	FTE/Obl.	0	61	0	0	0	0	0	0	0	0
Total, Reimbursable projects		0	61	0	0	0	0	0	0	0	0
	FTE/Obl.	0	61	0	0	0	0	0	0	0	0

Department of Commerce
Minority Business Development Agency
Minority Business Development
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Minority Business Development

Goal Statement

The goal of Minority Business Development Agency (MBDA) is to promote the growth of minority owned businesses through the mobilization and advancement of public and private sector programs, policy, and research. MBDA is the only Federal agency entirely dedicated to developing and growing minority-owned businesses in the United States.

Base Programs

In FY 2021, MBDA will shift its spending priorities and programmatic focus. Taxpayers' dollars invested in MBDA will be spent with a focus on return on investment - from serving individual minority business enterprises (MBEs) to removing obstacles hindering the growth of the entire minority business community. MBDA will continue operating as a policy and advocacy focused organization for minority businesses across the U.S. The range of policy efforts will impact MBEs seeking to do business across public and private sectors. MBDA will continue to identify barriers that impede the growth and expansion of these firms and will provide an annual report to the Secretary of Commerce. MBDA will generate research focused on the impact of MBEs to the U.S. economy. Policy papers, white papers, research papers, studies, forums and business roundtables will continue to focus on how MBEs participate in driving the growth of the U.S. economy. MBDA will partner with industry specific thought leaders and partners to optimize support and collaborate to commission research and issue policy. MBDA will also advocate for MBEs among Federal partners, Tribal Nations, state and local governments, and the private sector. MBDA will refer MBEs to other existing resources and opportunities virtually so they may continue to create jobs and contribute to our Nation's prosperity.

Statement of Operating Objectives

MBDA's ultimate goal is to secure increased participation and prosperity for MBEs in the U.S economy. MBDA will operate as a data-driven, policy-focused agency aimed at shaping and impacting Federal programs in order to increase access to contracts and capital for MBEs. MBDA implements its policy, research and data clearinghouse services to remove regulatory obstacles and create new opportunities that foster the next generation of MBEs. MBDA's strategic focus is to maximize domestic and global competitiveness of MBEs resulting in American jobs, increased innovation, exports, advanced manufacturing, and entrepreneurship.

Explanation and Justification

Minority Business Development	2019 Actual		2020 Enacted		2021 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Pos/BA	50	40,000	50	42,000	50	10,281
FTE/Obl.	37	39,598	50	42,000	50	10,281

In FY 2020, MBDA will deliver services to MBEs through a network of Minority Business Centers (MBCs) and specialty projects, which position MBEs to perform in high-growth industries, emerging markets, and corporate supply chains. MBDA programs will help MBEs secure an annual average of \$7 billion worth of contracts and financings. MBDA’s programmatic facilitation of these contracts and financings will contribute to MBEs creating and retaining roughly 11,000 American jobs.

MBDA’s Business Center Program is the primary delivery system of MBDA’s services to the minority business community. 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. MBDA acts as a catalyst to build minority-owned firms of size, scale and capacity. This focus is critical to addressing the opportunity gaps experienced by MBEs, as latest Census data shows only 2% of all minority businesses generate \$1 million in annual revenues¹.

Minority-owned businesses are nearly twice as likely to export their products and services as non-minority- owned businesses. Minority-owned businesses are also three times more likely to generate 100 percent of their revenues from exporting than non-minority-owned firms.² Minority-owned businesses are leaders in exporting in several key industries including wholesale trade, professional science, technical services, finance, and insurance. They also make substantial contributions to exports in the manufacturing, retail trade, technology, and educational services.

However, the MBC program could only serve a fraction of the 8 million MBEs due to its high-touch service model. MBCs rely on center consultants serving a small quantity of clients at a time. While the MBC model regularly generated a high volume of economic impact, it

¹ U.S. Department of Commerce, Census Bureau, 2012 Survey of Business Owners.

² U.S. Department of Commerce, Minority Business Development Agency, *The State of Minority Business Enterprises, An Overview of the 2002 Survey of Business Owners, Number of Firms, Gross Receipts, and Paid Employees* (2006).

has a limited operational bandwidth and a low overall volume of clients served annually.

In FY 2020, the fully operationalized its Office of Policy and Analysis Development (OPAD) will collect, aggregate and analyze data, and release information that meets the needs of the MBE communities and their stakeholders in the public and private sectors. MBDA will be completing its broad agency announcement (BAAs) awards that were funded in FY 2019. The BAAs are innovative ideas that support Presidential and Department of Commerce initiatives. The BAAs will provide proofs of concept to address specific challenges experienced by MBEs. These awards will also provide MBDA with data and information that will shape future policy and advocacy efforts. In FY 2021, MBDA will complete its transition to an agency focused on policy analysis and development. MBDA will transition its program model to develop evidence-based approaches that find new solutions to impact all MBEs.

Cooperative Agreements and Grants

In FY 2020, MBDA will continue its efforts to support the American Indian, Alaska Natives, Native Hawaiian (AIANNH) businesses through BAAs. MBDA funded 9 specialty programs (advance manufacturing, exporting and federal procurement) that align with the President's initiatives. MBDA will renew 25 business center cooperative agreements. The Business Center program is in year 5 of a 5-year award.

In FY 2020, MBDA will support Presidential initiatives and complement Department of Commerce initiatives through BAAs and a grant pilot. The grant pilot will provide research on a venture capital model that attracts investors to consolidate capital into an investment fund for matching venture capitalists with high growth potential MBEs.

The BAAs offered opportunities for entities to propose innovative solutions that address specific challenges experienced by MBEs. The BAAs also serve as proof of concept models for later consideration as possible programs.

Highlights of the BAAs include (in alpha order):

- American Indian, Alaska Native, and Native Hawaiian Project (AIANNH) – Funding innovative projects seeking to impact one or more core needs for AIANNH entities and businesses. Although AIANNH's experience a range of common needs that impede growth, MBDA has identified five areas that are consistently identified as top needs through the recently held MBDA Tribal Consultations. These core needs are: (1) Access to Capital; (2) Business Training; (3) Federal Program Coaching; (4) Business Incubators and Accelerators; and, (5) Infrastructure Focused Public-Private Partnerships.
- Entrepreneurship Education Program for Formerly Incarcerated Persons – Funding innovative project(s) to support formerly incarcerated individuals with entrepreneurship assistance including (but not limited to): (1) Educational programs and workshops; (2) Entrepreneurial training; and (3) Coaching assistance.
- Women Economic Empowerment Initiative – Funding innovative project(s) to support minority women entrepreneurs to build their businesses, secure contracts and capital, and increase employment opportunities.
- MBE Innovation Hub projects- Designed to assist MBEs with adopting and integrating new technologies for their businesses to support the digital transformation of communities suffering from urban decline; and to build clusters of leading innovators, technology entrepreneurs, and investors to foster minority entrepreneurship and facilitate deal-making.

The following table and map reflect the current MBDA national network (in alpha order by state):

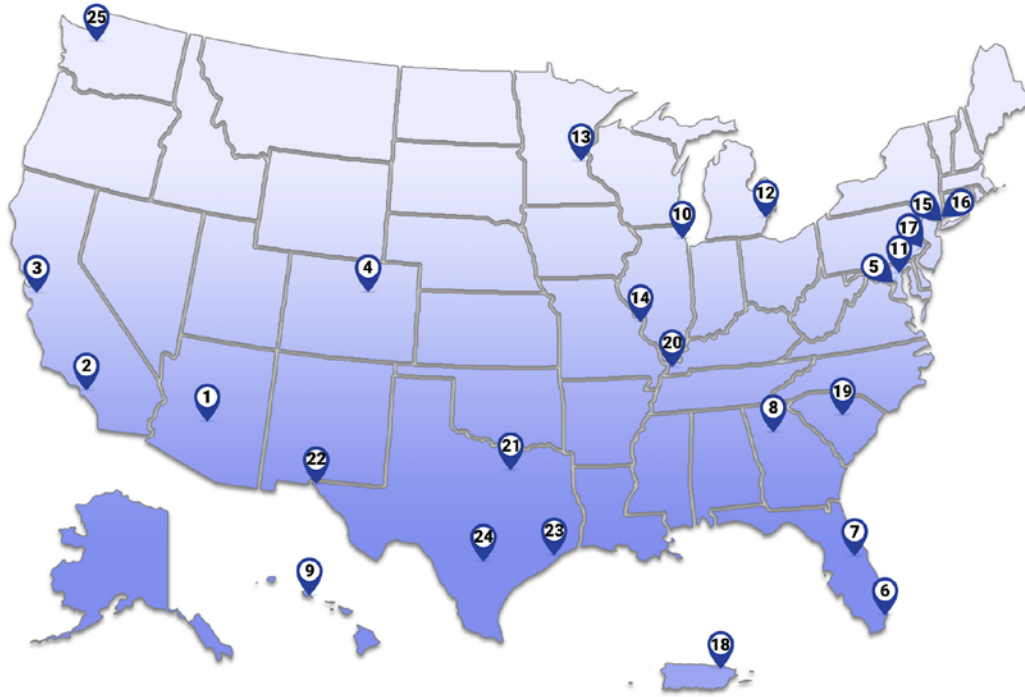
Count	Center Type	City	State
1	MBDA Business Center	Phoenix	Arizona
2	MBDA Business Center	Pasadena	California
3	MBDA Business Center	San Jose	California
4	MBDA Business Center	Denver	Colorado
5	MBDA Business Center	Washington	District of Columbia
6	MBDA Business Center	Miami	Florida
7	MBDA Business Center	Orlando	Florida
8	MBDA Business Center	Atlanta	Georgia
9	MBDA Business Center	Honolulu	Hawaii
10	MBDA Business Center	Chicago	Illinois
11	MBDA Business Center	Baltimore	Maryland
12	MBDA Business Center	Detroit	Michigan
13	MBDA Business Center	Minneapolis	Minnesota
14	MBDA Business Center	St. Louis	Missouri
15	MBDA Business Center	Bronx	New York
16	MBDA Business Center	Manhattan	New York
17	MBDA Business Center	Philadelphia	Pennsylvania
18	MBDA Business Center	San Juan	Puerto Rico
19	MBDA Business Center	Columbia	South Carolina
20	MBDA Business Center	Memphis	Tennessee
21	MBDA Business Center	Dallas	Texas
22	MBDA Business Center	El Paso	Texas
23	MBDA Business Center	Houston	Texas
24	MBDA Business Center	San Antonio	Texas
25	MBDA Business Center	Tacoma	Washington

Count	Center Type	City	State
1	Advanced Manufacturing	Atlanta	Georgia
2	Advanced Manufacturing	Baltimore	Maryland
3	Advanced Manufacturing	Detroit	Michigan
4	Advanced Manufacturing	San Antonio	Texas
5	Export Center	Sacramento	California
6	Export Center	Miami	Florida
7	Export Center	Chicago	Illinois
8	Export Center	San Antonio	Texas
9	Federal Procurement	Washington	District of Columbia

Count	Center Type	City	State
1	AIANNH Spruce Root, Inc.	Juneau	Alaska
2	AIANNH National Center for American Indian Enterprise Development	Mesa	Arizona
3	AIANNH Arizona Hispanic Chamber of Commerce	Phoenix	Arizona
4	AIANNH Asian, Inc	San Francisco	California
5	AIANNH Rural Community Assistance Corporation	West Sacramento	California
6	AIANNH Sault Ste. Marie Tribe of Chippewa Indians	Marie	Michigan
7	AIANNH Native American Development Corporation	Billings	Montana
8	AIANNH Salish Kootenai College	Pablo	Montana
9	AIANNH Southwest Business Development Consultants, LLC	Albuquerque	New Mexico
10	AIANNH Regents of New Mexico State University	Las Cruces	New Mexico
11	AIANNH Rural Enterprises of Oklahoma, Inc.	Durant	Oklahoma
12	AIANNH ONABEN	Portland	Oregon
13	AIANNH The TAALA Fund	Pacific Beach	Washington

Count	Center Type	City	State
1	BAA Prison Reform – Georgetown University	Washington	District of Columbia
2	BAA Prison Reform – J&J Monitoring	Washington	District of Columbia
3	BAA Prison Reform – Desa, Inc.	Columbia	South Carolina
4	BAA Women’s Empowerment – Walkers Legacy	Washington	District of Columbia
5	BAA Women’s Empowerment – El Paso Hispanic Chamber of Commerce	El Paso	Texas

Count	Center Type	City	State
1	Grant Pilot – NAIC	Washington	District of Columbia



1 Phoenix MBDA Business Center
Phoenix, Arizona

2 Pasadena MBDA Business Center
Pasadena, California

3 San Jose MBDA Business Center
San Jose, California

4 Denver MBDA Business Center
Denver, Colorado

5 Washington DC MBDA Business Center
Washington, DC

6 Miami MBDA Business Center
Miami, Florida

7 Orlando MBDA Business Center
Orlando, Florida

8 Atlanta MBDA Business Center
Atlanta, Georgia

9 Honolulu MBDA Business Center
Honolulu, Hawaii

10 Chicago MBDA Business Center
Chicago, Illinois

11 Baltimore MBDA Business Center
Baltimore, Maryland

12 Detroit MBDA Business Center
Detroit, Michigan

13 Minneapolis MBDA Business Center
Minneapolis, Minnesota

14 St. Louis MBDA Business Center
St. Louis, Missouri

15 Manhattan MBDA Business Center
Manhattan, New York

16 South Bronx MBDA Business Center
Bronx, New York

17 Philadelphia MBDA Business Center
Philadelphia, Pennsylvania

18 Puerto Rico MBDA Business Center
San Juan, Puerto Rico

19 Columbia MBDA Business Center
Columbia, South Carolina

20 Memphis MBDA Business Center
Memphis, Tennessee

21 Dallas MBDA Business Center
Dallas, Texas

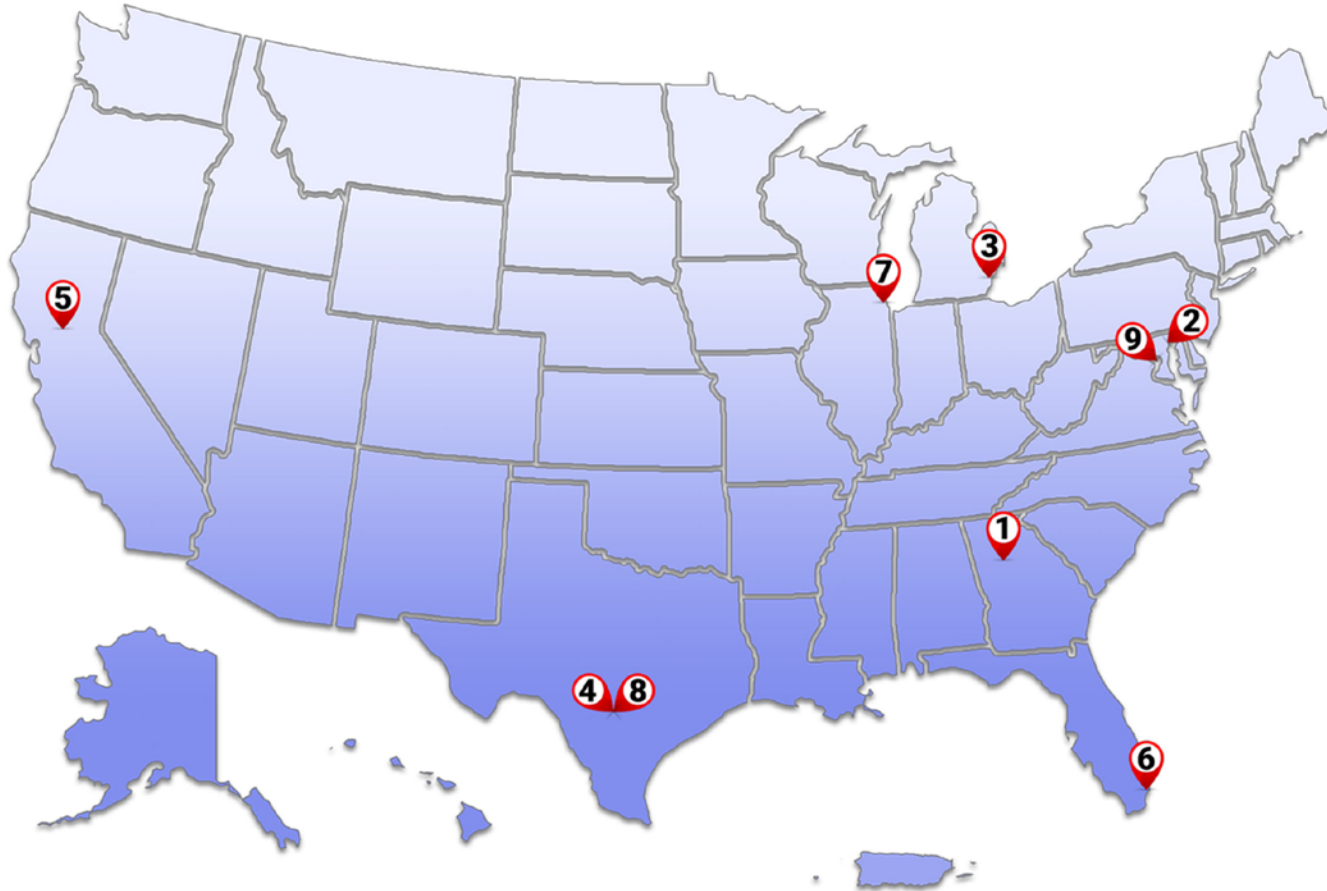
22 El Paso MBDA Business Center
El Paso, Texas

23 Houston MBDA Business Center
Houston, Texas

24 San Antonio MBDA Business Center
San Antonio, Texas

25 Tacoma MBDA Business Center
Tacoma, Washington

Please note: this map displays the location of the MBDA Business Centers in the chart on Page MBDA - 18.



ADVANCED MANUFACTURING CENTERS

Targeted assistance to minority manufacturers that aim to employ new technologies to increase the number of "Made in America" products that can be sold domestically and globally.

- 1** Atlanta MBDA Advanced Manufacturing Center
Atlanta, Georgia
- 2** Baltimore MBDA Advanced Manufacturing Center
Baltimore, Maryland
- 3** Detroit MBDA Advanced Manufacturing Center
Detroit, Michigan
- 4** San Antonio MBDA Advanced Manufacturing Center
San Antonio, Texas

EXPORT CENTERS

Technical assistance and business development services to generate increased financing, contract opportunities, and greater access to new and global markets for minority business enterprises (MBEs).

- 5** Sacramento MBDA Export Center
Sacramento, California
- 6** Miami MBDA Export Center
Miami, Florida
- 7** Chicago MBDA Export Center
Chicago, Illinois
- 8** San Antonio MBDA Export Center
San Antonio, Texas

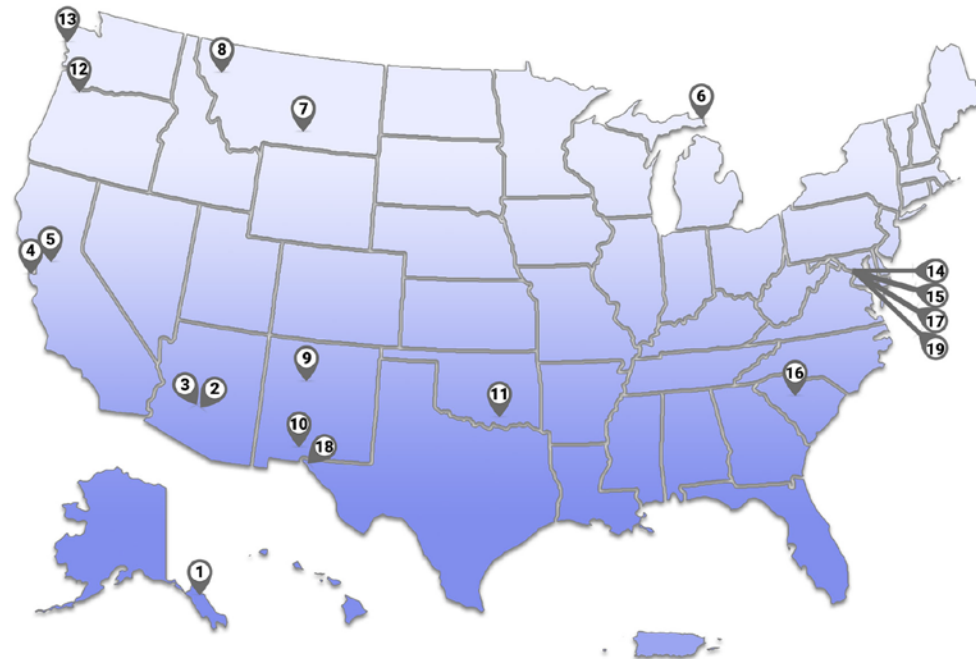
FEDERAL PROCUREMENT CENTER

The only MBDA Center solely focused on federal contracting closely aligns with MBE clients to promote their unique offerings to the federal government and connect them to procurement officials and prime contractors

- 9** MBDA Federal Procurement Center
Washington, DC

NATIONAL NETWORK MBDA GRANTEES

MBDA grantees address key priorities of the Agency designed to overcome the unique challenges faced by minority business enterprises. Grantees provide solutions that include education, outreach, sponsorships or other innovative projects that are not addressed through other MBDA programs.



American Indian Alaska Native / Native Hawaiian (AIANNH)

Alaska

- 1 Spruce Root, Inc.

Arizona

- 2 National Center for American Indian Enterprise Development
- 3 Arizona Hispanic Chamber of Commerce

California

- 4 Asian, Inc
- 5 Rural Community Assistance Corporation

Michigan

- 6 Sault Ste. Marie Tribe of Chippewa Indians

Montana

- 7 Native American Development Corporation
- 8 Salish Kootenai College

New Mexico

- 9 Southwest Business Development Consultants, LLC
- 10 Regents of New Mexico State University

Oklahoma

- 11 Rural Enterprises of Oklahoma, Inc.

Oregon

- 12 ONABEN

Washington

- 13 The TAALA Fund

Entrepreneurship Education for Former Incarcerated Persons

Washington, DC

- 14 Georgetown University

- 15 J&J Monitoring

South Carolina

- 16 Desa, Inc.

Global Women of Color Economic Empowerment

Washington, DC

- 17 Walkers Legacy

Texas

- 18 El Paso Hispanic Chamber of Commerce

Minority Growth Equity Funds Initiative The Billion Dollar Fund

Washington, DC

- 19 National Association of Investment Companies (NAIC)

Please note: this map displays the location of the Broad Agency Announcements in the chart on Pages MBDA - 19, and MBDA - 20.

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 PROGRAM CHANGES FOR FY 2021
 (Dollars in thousands)**

		2021 Base		2021 Estimate		Increase (Decrease) over 2021 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development	Pos/BA	50	42,423	50	10,281	0	(32,142)
	FTE/Obl.	50	42,423	50	10,281	0	(32,142)

Program change -\$32.1 million, 0 FTE

MBDA requests a program change of -\$32.1 million. The remaining \$10.3 million and 50 positions will be used more efficiently and effectively to ensure that Minority Business Enterprises (MBEs) are included in the economic growth of the Nation. In 2021, MBDA will make a shift in its spending priorities and programmatic focus. Taxpayer dollars invested in MBDA reflect this transition and focus on return on investment - from serving individual MBEs to removing obstacles to the growth of the entire minority business community. This operational change will provide a new foundation to ensure that minority entrepreneurs have access to the resources they need to create jobs and drive our Nation's prosperity.

The 2021 Budget for MBDA will focus on:

- Measuring and rewarding the effectiveness of public and private sector programs and policies that contribute to the growth of MBEs;
- Leveraging federal funds through public-private-partnerships to broaden outreach to MBEs;
- Exploring market-driven, programmatic synergies to better assist MBEs; and,
- Streamlining assistance for MBEs.

Performance Measures	2020	2021	2022	2023	2024
Produce Three Major Policy Papers Related to Minority Businesses	3	3	3	3	3
Minority Business Contracts and Financing Awarded	\$624 M	\$364 M	discontinued		
Supporting (Strategic Plan)	\$1.0B	\$1.0B	discontinued		
Number of Jobs Created	1,325	773	discontinued		

Department of Commerce
Minority Business Development Agency
Minority Business Development
PROGRAM CHANGE BY OBJECT CLASS
(Dollar amounts in thousands)

Activity	Minority Business Development					
	Object Class	2019 Actual	2020 Enacted	2021 Base	2021 Estimate	2021 Increase / (Decrease)
11	Personnel compensation					
11.1	Full-time permanent	4,213	4,577	4,731	4,731	0
11.3	Other than full-time permanent	0	0	0	0	0
11.5	Other personnel compensation	50	50	96	96	0
11.8	Special personnel services payments	0	0	0	0	0
11.9	Total personnel compensation	4,263	4,627	4,827	4,827	0
12.1	Civilian personnel benefits	1,528	1,658	1,741	1,741	0
13.0	Benefits for former personnel	0	0	0	0	0
21.0	Travel and transportation of persons	233	166	169	94	(75)
22.0	Transportation of things	5	5	5	5	0
23.1	Rental payments to GSA	927	925	918	918	0
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities and miscellaneous	96	96	100	100	0
24.0	Printing and reproduction	183	100	102	102	0
25.1	Advisory and assistance services	1,535	500	500	300	(200)
25.2	Other services from non-federal sources	1,523	1,998	1,998	1,497	(501)
25.3	Other goods and services from federal sources	7,699	5,236	5,371	505	(4,866)
25.4	Operation and maintenance of facilities	0	0	0	0	0
25.7	Operation and maintenance of equipment	0	0	0	0	0
26.0	Supplies and materials	15	14	14	14	0
31.0	Equipment	345	175	179	179	0
32.0	Land and structures	0	0	0	0	0
33.0	Investment loans	0	0	0	0	0
41.0	Grants, subsidies and contributions	21,246	26,500	26,500	0	(26,500)

Object Class	2019 Actual	2020 Enacted	2021 Base	2021 Estimate	2021 Increase / (Decrease)
42.0 Insurance claims and indemnities	0	0	0	0	0
43.0 Interest and dividends	0	0	0	0	0
44.0 Refunds	0	0	0	0	0
99.9 Total Obligations	39,598	42,000	42,423	10,281	(32,142)

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

Object Class	2019 Actual	2020 Enacted	2021 Base	2021 Estimate	2021 Increase / (Decrease)
11 Personnel compensation					
11.1 Full-time permanent	4,213	4,577	4,731	4,731	0
11.3 Other than full-time permanent	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Subtotal 11-01 and 11-03</i>	<i>4,213</i>	<i>4,577</i>	<i>4,731</i>	<i>4,731</i>	<i>0</i>
11.5 Other personnel compensation	50	50	96	96	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	4,263	4,627	4,827	4,827	0
12.1 Civilian personnel benefits	1,528	1,658	1,741	1,741	0
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	233	166	169	94	(75)
22.0 Transportation of things	5	5	5	5	0
23.1 Rental payments to GSA	927	925	918	918	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities and miscellaneous	96	96	100	100	0
24.0 Printing and reproduction	183	100	102	102	0
25.1 Advisory and assistance services	1,535	500	500	300	(200)
25.2 Other services from non-federal sources	1,523	1,998	1,998	1,497	(501)
25.3 Other goods and services from federal sources	7,699	5,236	5,371	505	(4,866)
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
26.0 Supplies and materials	15	14	14	14	0
31.0 Equipment	345	175	179	179	0
32.0 Land and structures	0	0	0	0	0
33.0 Investment loans	0	0	0	0	0

Object Class	2019 Actual	2020 Enacted	2021 Base	2021 Estimate	2021 Increase / (Decrease)
41.0 Grants, subsidies and contributions	21,246	26,500	26,500	0	(26,500)
42.0 Insurance claims and indemnities	0	0	0	0	0
43.0 Interest and dividends	0	0	0	0	0
44.0 Refunds	0	0	0	0	0
99.9 Total Obligations	39,598	42,000	42,423	10,281	(32,142)
Less, Prior Year Unobligated Balance	402				
Less, Prior Year Recoveries and Refunds					
Plus, Unobligated Balance, EOY					
Plus, Unobligated Balance, Expiring					
Total Budget Authority	40,000	42,000	42,423	10,281	(32,142)
Personnel Data					
Full-time equivalent Employment					
Full-time permanent	37	50	50	50	0
Other than full-time permanent	0	0	0	0	0
Total	37	50	50	50	0
Authorized Positions					
Full-time permanent	50	50	50	50	0
Other than full-time permanent	0	0	0	0	0
Total	50	50	50	50	0

Department of Commerce
Minority Business Development Agency
Minority Business Development
ADVISORY AND ASSISTANCE SERVICES
(dollars in thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate
Consulting Services	500	0	0
Management and Professional Services	751	300	250
Special Studies and Analyses	300	200	60
Management and support services for research and development	0	0	0
TOTALS	1,551	500	310

MBDA contracts with external vendors for Advisory and Assistance Services to obtain support and advice for standing up new programs, to quickly fill short-term skills gaps, and obtain external advice on MBDA programs.

MBDA uses consulting services to provide help with standing up the Office of Policy and Development (OPAD). MBDA obtains specialized assistance in Management Services that are not required long-term, and therefore not an efficient use of a federal position. MBDA provides reports on its programs and uses Special Studied and Analyses to compile and complete the reports.

Department of Commerce
Minority Business Development Agency
Minority Business Development
PERIODICALS, PAMPHLETS, AND AUDIOVISUAL SERVICES
(dollars in thousands)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate
Periodicals	24	34	25	26
Pamphlets	97	149	75	77
Audiovisuals	0	0	0	0
TOTALS	121	183	100	102

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 GRADE AND SALARIES
(Dollars in thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate
Average ES Salary	\$161,916	\$166,126	\$167,804
Average GS/GM Grade	12	12	12
Average GS/GM Salary	\$107,089	\$109,873	\$110,983

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development IMPLEMENTATION STATUS OF GAO AND OIG RECOMMENDATIONS**

31 U.S.C. 720, as amended January 3, 2019, requires the head of a federal agency to submit a written statement of the actions taken or planned on Government Accountability Office (GAO) recommendations to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 180 calendar days after the date of the report.

The Good Accounting Obligation in Government Act (GAO-IG Act), passed on January 3, 2019, (P.L. 115-414) requires each agency to include, in its annual budget justification, a report that identifies each public recommendation issued by GAO and the agency's office of the inspector general (OIG) which has remained unimplemented for one year or more from the annual budget justification submission date. In addition, the Act requires a reconciliation between the agency records and the IGs' Semiannual Report to Congress (SAR).

Section 1. Recommendations for which action plans were finalized since the last appropriations request.

Not applicable.

Section 2. Implementation of GAO public recommendations issued no less than one year ago that are designated by GAO as 'Open' or 'Closed-Unimplemented.'

Open Recommendation(s) the Department has decided not to implement.

Not applicable.

Report Number	N/A
Report Title	N/A
Issue Date	N/A
Recommendation Number	N/A
Recommendation	N/A
Reason for the Decision not to Implement	N/A

Open Recommendation(s) the Department plans to implement.

Not applicable.

Report Number	N/A
Report Title	N/A
Issue Date	N/A
Recommendation Number	N/A
Recommendation	N/A
Target Implementation Date	N/A
Closure Request Pending with GAO (Yes/No)	N/A
Clear Budget Implications (Yes/No)	N/A

Section 3. Implementation of OIG public recommendations issued no less than one year for which Final Action has not been Taken or Action Not Recommended has been Taken

Not applicable.

Report Number	N/A
Report Title	N/A
Issue Date	N/A
Recommendation Number	N/A
Recommendation	N/A
Target Implementation Date	N/A
Reason No Final Action Taken or Action Not Recommended Taken	N/A
Closure Request Pending	N/A

Section 4. Discrepancies between this report and the semiannual reports submitted by the Commerce Office of Inspector General or reports submitted by the GAO

Not applicable.

Report Number	N/A
Report Title	N/A
Issue Date	N/A
Recommendation Number	N/A
Recommendation	N/A
Discrepancy	N/A
Reason for Discrepancy	N/A

Annual Performance Plan / Report

Overview of Bureau Accomplishments

The Minority Business Development Agency (MBDA) Business Center Program was the primary delivery system of MBDA's services to the minority business community. 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. MBDA acts as a catalyst to build minority-owned firms of size, scale and capacity.

Planned Actions for FY 2021

MBDA will expand its Office of Policy Analysis and Development (OPAD) by generating robust data, information, and knowledge on industry trends that shape policy and initiatives related to MBEs. MBDA will collect, aggregate and analyze data, and release information that meet the needs of the MBE communities and its stakeholders in the public and private sectors. MBDA will also commission research and author white papers that identify challenges/barriers and offer solutions that address opportunities to strengthen government and private sector supply chains, access to capital and boost exports. MBDA will become the pre-eminent policy, advocacy, and research authority for, and on minority business enterprises in the U.S. Specifically, the agency will generate research centered on the impact these firms will have on the U.S. economy.

Analysis of Performance Indicators

In FY 2019, MBDA delivered services to MBEs through a network of MBDA Business Centers (MBCs) and specialty projects, which positioned MBEs to perform in high-growth industries, emerging markets, and corporate supply chains. MBDA programs helped MBEs secure almost \$4 billion worth of contracts and financings. MBDA's programmatic facilitation of these contracts and financings contributed to MBEs' creation and retention of roughly 22,000 American jobs.

MBDA's Business Center Program was the primary delivery system of MBDA's services to the minority business community. 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. MBDA acts as a catalyst to build minority-owned firms of size, scale and capacity. This focus is critical to addressing the opportunity gaps experienced by MBEs, as latest Census data shows only 2% of all minority businesses generate \$1 million in annual revenues¹.

¹ U.S. Department of Commerce, Census Bureau, 2012 Survey of Business Owners.

MBDA uses Salesforce CRM System to collect and analyze data. Salesforce CRM System is a commercial off-the-shelf (COTS) software package that is utilized by MBDA Business Centers, and MBDA program analyst staff to ensure transactions are input within 72 hours after a transactional outcome resulting from MBDA served clients. This practice is a requirement of the Federal Funding Opportunity announcement, and grants management policy.

Performance Indicators

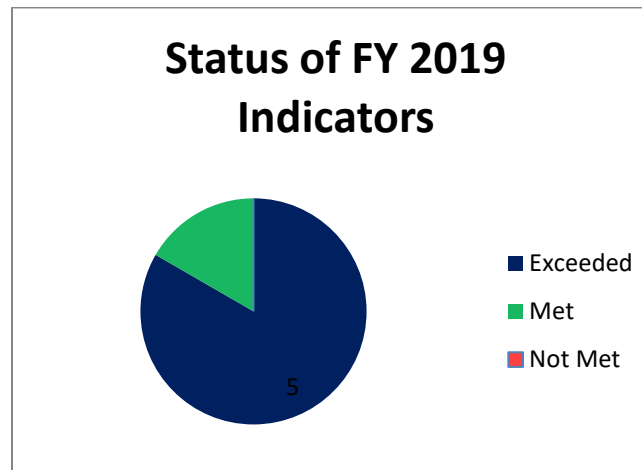
Current Milestone based Metric:

Indicator Name	Target	Actual
Dollars leveraged (contracts and financings) through minority business manufacturing and export activity	\$624M	\$1,111M

Indicator Name	Target	Actual
Number of jobs created through minority business manufacturing and export activity	1,325	1,450

Summary of Performance Indicators

In FY 2019, MBDA reported results on 6 performance indicators. Of those indicators, MBDA exceeded 5 targets (83%), and met 1 target (17%).



Strategic Objective	Indicator	FY 2019 Target	FY 2019 Actual	Status
2.3	Dollars leveraged (contracts and financings) through minority business manufacturing and export activity (Actual in millions of dollars)	\$624	\$1,111	Exceeded
2.3	Number of jobs created through minority business manufacturing and export activity	1,325	1,450	Exceeded
2.3	Dollar Value of Contracts (in millions of dollars)	\$2,000	\$2,400	Exceeded
2.3	Dollar Value of Financing (Actual in millions of dollars)	\$1,000	\$1,253	Exceeded
2.3	Jobs Created and Retained (Actual)	7,500	7,551	Exceeded
2.3	Policy Papers Related to Minority Businesses	3	3	Met

All Performance Indicators

Indicator	Minority Business Contracts and Financing Awarded (millions)						
Strategic Goal	Enhance Job Creation, Goal 2						
Objective	Strengthen Domestic Commerce and the U.S. Industrial Base, Objective 2.3						
Program Activity Name	Business Development						
Indicator Class	Discontinued						
Type	Intermediate Outcome						
Source	Salesforce CRM System						
Description	Dollars leveraged (contracts and financings) through minority business export activity as a result of supplemental Global Pathways and Advanced Manufacturing grants from MBDA that support U.S. exports and manufacturing						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	624	624	624	624	624	624	Discontinued
Actual	1,100	737	1,600	1,200	1,111		
Status*	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

*Status is defined as follows: Exceeded (over 100% of target); Met (90%-100% of target); Not Met (below 90% of target). Once actuals and targets are entered, the status cell should populate automatically.

Indicator	Minority Business Jobs Created / Retained						
Strategic Goal	Enhance Job Creation, Goal 2						
Objective	Strengthen Domestic Commerce and the U.S. Industrial Base, Objective 2.3						
Program Activity Name	Business Development						
Indicator Class	Discontinued						
Type	Intermediate Outcome						
Source	Salesforce CRM System						
Description	Number of jobs created through minority business manufacturing and export activity. MBDA tracks job creation and job retention through its national network of Minority Business Centers, Advanced Manufacturing Centers, the Federal Procurement Center, and the American Indian, Alaska Native, Native Hawaiian Broad Agency Announcements.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	1,325	1,325	1,325	1,325	1,325	1,325	Discontinued
Actual	953	1,014	2,090	976	1,450		
Status*	Not Met	Not Met	Exceeded	Not Met	Exceeded		

Indicator	Dollar Value of Contracts						
Strategic Goal	Enhance Job Creation, Goal 2						
Objective	Strengthen Domestic Commerce and the U.S. Industrial Base, Objective 2.3						
Program Activity Name	Business Development						
Indicator Class	Discontinued						
Type	Intermediate Outcome						
Source	Salesforce CRM System						
Description	Dollar value of contracts resulting from clients served and direct client services by MBDA national network of Minority business centers. The business centers facilitate access to public and private sector procurement opportunities for minority business enterprises both domestically and internationally.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	2	2	2	2	2	2	Discontinued
Actual	4	1.9	2.9	3.4	2.4		
Status*	Exceeded	Met	Exceeded	Exceeded	Exceeded		

Indicator	Dollar Value of Financings						
Strategic Goal	Enhance Job Creation, Goal 2						
Objective	Strengthen Domestic Commerce and the U.S. Industrial Base, Objective 2.3						
Program Activity Name	Business Development						
Indicator Class	Discontinued						
Type	Intermediate Outcome						
Source	Salesforce CRM System						
Description	Dollar value of financing resulting from clients served and direct client services by MBDA national network of Minority business centers. The business centers facilitate access to public and private sector procurement opportunities for minority business.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	1.0	1.0	1.0	1.0	1.0	1.0	Discontinued
Actual	1.9	1.4	4.9	1.2	1.2		
Status*	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

Indicator	Jobs Created and Retained						
Strategic Goal	Enhance Job Creation, Goal 2						
Objective	Strengthen Domestic Commerce and the U.S. Industrial Base, Objective 2.3						
Program Activity Name	Business Development						
Indicator Class	Discontinued						
Type	Intermediate Outcome						
Source	Salesforce CRM System						
Description	MBDA tracks job creation and job retention through its national network of Minority Business Centers, Advanced Manufacturing Centers, the Federal Procurement Center, and the American Indian, Alaska Native, Native Hawaiian Broad Agency Announcements.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	7,500	7,500	7,500	7,500	7,500	7,500	Discontinued
Actual	12,507	15,797	18,555	19,473	22,130		
Status*	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

Indicator	Policy Papers Related to Minority Businesses						
Strategic Goal	Enhance Job Creation, Goal 2						
Objective	Strengthen Domestic Commerce and the U.S. Industrial Base, Objective 2.3						
Program Activity Name	Business Development						
Indicator Class	New						
Type	Intermediate Outcome						
Source	MacroDyn Group and National Association of Investment Companies						
Description	The number of policy papers related to minority businesses.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target					3	3	3
Actual					3		
Status*					Met		