



**MINORITY BUSINESS  
DEVELOPMENT AGENCY**  
U.S. DEPARTMENT OF COMMERCE

Fiscal Year 2020  
Congressional Budget Submission

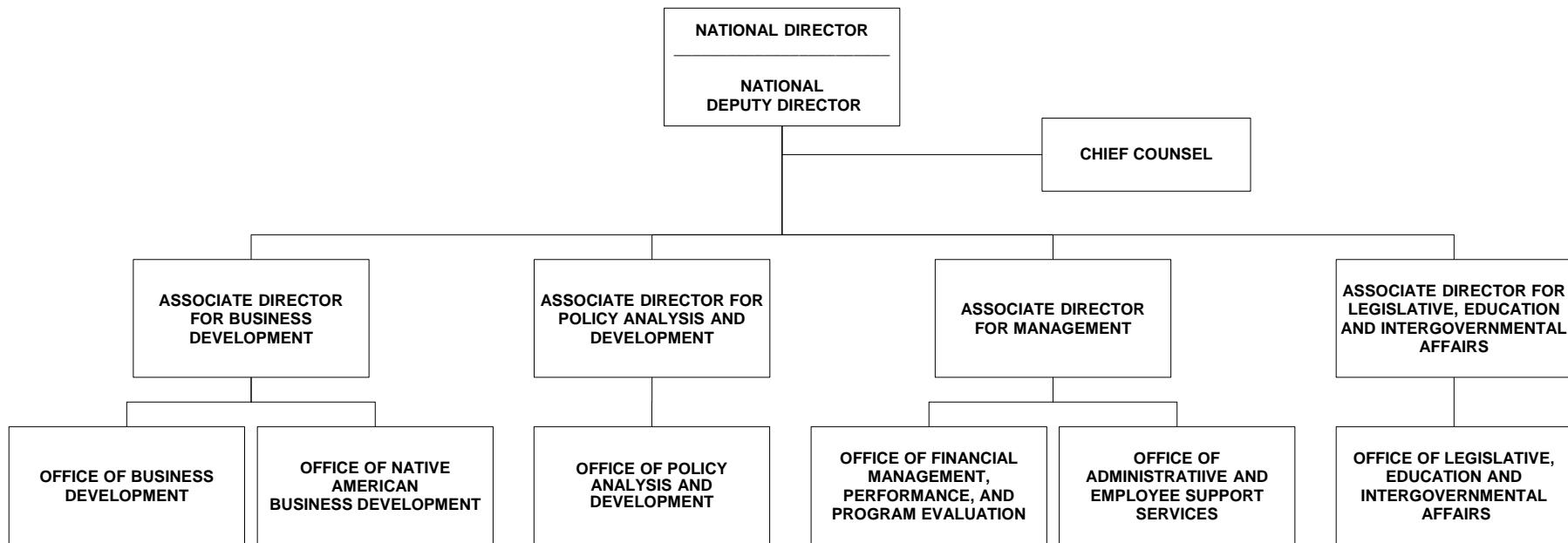
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**DEPARTMENT OF COMMERCE  
MINORITY BUSINESS DEVELOPMENT AGENCY  
Budget Estimates, Fiscal Year 2020  
Congressional Budget Submission**

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# U.S. DEPARTMENT OF COMMERCE MINORITY BUSINESS DEVELOPMENT AGENCY Organization Chart



**Department of Commerce  
Minority Business Development Agency (MBDA)  
FY 2020 Congressional Budget Submission  
Executive Summary**

**Vision Statement:**

One MBDA, fully integrating minority owned businesses into mainstream America to fuel economic growth for generations to come.

**Base Program:**

The MBDA Budget Request includes base program activities funded at a total of \$10.0 million and 50 positions. MBDA will continue its spending priorities and programmatic focus by helping remove obstacles inhibiting the growth and expansion of minority business enterprises (MBEs). MBDA will continue to provide a foundation to ensure minority entrepreneurs have access to the resources needed to create jobs to drive the Nation's prosperity.

**Program Change:**

In FY 2020, MBDA will concentrate its efforts on expanding its Office of Policy Analysis and Development (OPAD) by generating robust data, information, and knowledge on industry trends that shape policy and policy initiatives related to MBEs and influence Federal, Tribal Nations, state, local, and private sector stakeholders. 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 and advocacy 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.

Additionally, MBDA will expand 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 American economy. MBDA will partner with Federal agencies to ensure MBE inclusive programs and practices are being developed and implemented. The agency will establish an "Inclusion of MBEs into the American Economy" Report Card that rewards and acknowledges public sector entities that exemplify best practices and model programs in support of the diversity, inclusion, growth and expansion of MBEs.

### **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.

### **Streamlining assistance for MBEs**

MBDA will continue to support the Presidential commission on minority business entrepreneurship (established in FY 2019). MBDA will conduct research, analysis, and support to the commission in order to develop recommendations. MBDA will continue to collaborate with key stakeholders, including business leaders, educators, thought leaders and other representatives of the public and private sector entities to develop enhanced support for MBEs. MBDA anticipates leveraging its technological capabilities to provide MBE referrals to other existing service providers.

The Budget Request includes the following costs:

- Personnel cost, including salaries and benefits; and,
- Miscellaneous cost associated with operating the agency, including overhead, travel, training, supplies and printing.

<b>MBDA (in thousands)</b>	<b>FTE</b>	<b>Amount</b>
<b>FY 2019 Appropriation</b>	<b>50</b>	<b>\$40,000</b>
<b>Adjustments to Base</b>	<b>0</b>	<b>\$0</b>
<b>FY 2020 Base</b>	<b>50</b>	<b>\$40,000</b>
<b>Program Change</b>	<b>0</b>	<b>-\$30,000</b>
<b>FY 2020 President's Budget</b>	<b>50</b>	<b>\$10,000</b>

**Department of Commerce**  
 Minority Business Development Agency  
 Salaried and Expenses  
**FY 2020 PROGRAM INCREASES / DECREASES / TERMINATIONS**  
 (Dollar amounts in thousands)

**Increases**

Page No. in CJ	Appropriation	Budget Program	Title of Increase/Decrease	Positions	Budget Authority
	Minority Business Development	Minority Business Development	N/A	0	0
<b>Subtotal, Increases</b>				<b>0</b>	<b>0</b>

**Decreases**

Page No. in CJ	Appropriation	Budget Program	Title of Increase/Decrease	Positions	Budget Authority
MBDA - 21	Minority Business Development	Minority Business Development	Policy Re-orientation	0	-30,000
<b>Subtotal, Decreases</b>				<b>0</b>	<b>-30,000</b>

**Terminations**

Page No. in CJ	Appropriation	Budget Program	Title of Increase/Decrease	Positions	Budget Authority
	Minority Business Development	Minority Business Development	N/A	0	0
<b>Subtotal, Terminations</b>				<b>0</b>	<b>0</b>

**Total, Increases, Decreases and Terminations** 0      -30,000

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

	Positions	FTE	Budget Authority	Direct Obligations
<b>FY 2019 Enacted</b>	50	50	40,000	40,000
plus: Inflationary/Adjustments to base	0	0	0	0
<b>FY 2020 Base</b>	50	50	40,000	40,000
less: Program Change	0	0	(30,000)	(30,000)
<b>FY 2020 Estimate</b>	50	50	10,000	10,000

Comparison by activity/subactivity		2018		2019		2020		2020		Increase / (Decrease)	
		Actual	Amount	Enacted	Amount	Base	Amount	Estimate	Amount	Personnel	Amount
Minority Business Development	Pos/BA	50	39,000	50	40,000	50	40,000	50	10,000	0	(30,000)
	FTE/Obl.	40	38,680	50	40,000	50	40,000	50	10,000	0	(30,000)
TOTALS	Pos/BA	50	39,000	50	40,000	50	40,000	50	10,000	0	(30,000)
	FTE/Obl.	40	38,680	50	40,000	50	40,000	50	10,000	0	(30,000)
Adjustments to Obligations											
Recoveries and Refunds											
	Unobligated Balance, start of year		0								
	Unobligated Balance, end of year		320								
Appropriation		39,000		40,000		40,000		10,000		(30,000)	

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

Comparison by activity	2018		2019		2020		2020		Increase / (Decrease)		
	Actual		Enacted		Base		Estimate		Over 2020 Base		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
<b>Reimbursable projects</b>											
Minority Business Development	Pos/BA	0	445	0	61	0	0	0	0	0	0
	FTE/Obl.	0	384	0	61	0	0	0	0	0	0
<b>Total, Reimbursable projects.....</b>	Pos/BA	0	445	0	61	0	0	0	0	0	0
	FTE/Obl.	0	384	0	61	0	0	0	0	0	0

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

Comparison by activity	2018 Actual	2019 Enacted	2020 Base	2020 Estimate	Increase / (Decrease) Over 2020 Base
<b>Total Obligations</b>	<b>39,125</b>	<b>40,061</b>	<b>40,000</b>	<b>10,000</b>	<b>(30,000)</b>
Offsetting collections from:					
Federal Funds	(445)	(61)	0	0	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries and Refunds	0	0	0	0	0
Unobligated balance direct, start of year	0	0	0	0	0
Unobligated balance reimbursable, start of year	0	0	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance direct, end of year	320	0	0	0	0
Unobligated balance reimbursable, end of year	0	0	0	0	0
Unobligated balance expiring	0	0	0	0	0
<b>Budget Authority</b>	<b>39,000</b>	<b>40,000</b>	<b>40,000</b>	<b>10,000</b>	<b>(30,000)</b>
Financing:					
Unobligated balance rescission	0	0	0	0	0
Transferred from other accounts (-)	0	0	0	0	0
Transferred to other accounts (+)	0	0	0	0	0
<b>Appropriation</b>	<b>39,000</b>	<b>40,000</b>	<b>40,000</b>	<b>10,000</b>	<b>(30,000)</b>

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

	<u>FTE</u>	<u>Amount</u>
Other Changes:		
2019 Pay raise		88
Change in compensable days		23
Civil Service Retirement System (CSRS)		(3)
Federal Employees Retirement System (FERS)		112
Thrift Savings Plan		1
Federal Insurance Contribution Act (FICA) - OASDI		11
Health insurance		(2)
Employees Compensation Fund		18
Travel:		
Per diem		4
Rental payments to GSA		(355)
Workers Compensation		18
Working Capital Fund		85
Total, adjustments to base	0	0

**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

		2018 Actual		2019 Enacted		2020 Base		2020 Estimate		Increase / (Decrease) Over 2020 Base	
Comparison by line item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development	Pos/BA	50	39,000	50	40,000	50	40,000	50	10,000	0	(30,000)
	FTE/Obl.	40	38,680	50	40,000	50	40,000	50	10,000	0	(30,000)
<b>Direct Obligations.....</b>	Pos/BA	50	39,000	50	40,000	50	40,000	50	10,000	0	(30,000)
	FTE/Obl.	40	38,680	50	40,000	50	40,000	50	10,000	0	(30,000)

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

Activity: Minority Business Development  
 Subactivity: Minority Business Development

Comparison by line item		2018 Actual		2019 Enacted		2020 Base		2020 Estimate		Increase / (Decrease) Over 2020 Base	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Minority Business Development.....	Pos/BA	0	445	0	61	0	0	0	0	0	0
	FTE/Obl.	0	384	0	61	0	0	0	0	0	0
<b>Total, Reimbursable projects.....</b>	Pos/BA	0	445	0	61	0	0	0	0	0	0
	FTE/Obl.	0	384	0	61	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**  
**Subactivity: 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 2020, 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 that hinder the growth of the entire minority business community. MBDA will become 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 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 be implemented and 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 of 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 will implement 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

In FY 2019, 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' creation and retention of 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 revenues<sup>1</sup>.

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.<sup>2</sup> 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 can 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 has a limited operational bandwidth and a low overall volume of clients served annually.

In FY 2019, MBDA will fully operationalize its Office of Policy and Analysis Development (OPAD). MBDA will be completing its broad agency announcement (BAAs) awards that were funded in FY2018. The BAAs are innovative ideas that support Presidential and Department of Commerce initiatives. The BAAs will provide proof of concepts 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 2020, MBDA will operationalize its transition to an agency focused on policy analysis and development. MBDA will also transition its program model to develop evidence-based approaches that find new solutions to impact all MBEs.

<sup>1</sup> U.S. Department of Commerce, Census Bureau, 2012 Survey of Business Owners.

<sup>2</sup> 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).



## Cooperative Agreements and Grants

In FY 2018, MBDA's American Indian and Alaska Natives (AI/AN) business center program completed its multi-year awards. MBDA continued its efforts to support the AI/AN businesses through a new broad agency announcement focused on American Indians, Alaska Natives, and Native Hawaiians and related competitions as noted below. MBDA funded 9 specialty programs (advance manufacturing, exporting and federal procurement) that align with the President's initiatives. MBDA renewed 26 business center cooperative agreements, and will subsequently fund the business centers again in FY 2019 that will continue the business center operation through March 31, 2020.

In FY 2018, MBDA supported Presidential initiatives and complemented Department of Commerce initiatives, MBDA competed 13 broad agency announcements (BAAs). 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):

- Access to Capital - Funding innovative projects facilitating greater access to capital through one or more of the following: (1) Support greater use of non-traditional funding for MBEs; (2) Assist minority fund managers with accessing capital from institutions; (3) Assist investment managers and/or fund management firms to explore, consider and invest in MBEs, minority business led projects, and/or minority communities.
- American Indian, Alaska Native, and Native Hawaiian Project (AI/AN/NH) – Funding innovative projects seeking to impact one or more core needs for AI/AN/NH entities and businesses. Although AI/AN/NH'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.
- Aquaculture - Funding innovative project(s) that demonstrate and execute a strategy to identify and promote minority business owners in aquaculture industries or research institutions with the goal of advancing U.S. marine aquaculture.
- Disaster Readiness – Funding innovative project(s) that can increase MBE inclusion in disaster contracting systems at the local, state, or Federal level (e.g., National Emergency Resource Registry) ahead of any natural disaster.
- Disaster Recovery - Funding innovative project(s) that can demonstrate a capability for improving local or regional minority businesses who have been affected by natural disasters in Puerto Rico, Gulf States, U.S. Virgin Islands, and Hawaii.
- 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.
- Global Minority 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.
- Historically Black Colleges and Universities (HBCU) Initiative - Funding innovative projects supporting the White House Initiative on HBCUs ability to: 1) Compete for Federal research and development funds; 2) Leverage partnerships with

Federal laboratories and/or technology related resources; 3) Develop and implement STEM entrepreneurship; 4) Compete for Federal contracting opportunities.

- Research – Funding project(s) to identify and quantify industry-specific information for and about minority business enterprises that empirically define implications for the U.S. economy. Research could also address potential policy remedies and programs opportunities for the disparities and opportunity gaps.
- Space Commerce – Funding innovative project(s) that promote minority business owners operating in space commercialization industries related to technological advancement.
- Sustainable Business Model – Funding innovative model(s) to ensure business assistance organizations continue to exist in the event of a single-source funding disruption, through methods in revenue diversification and/or cost-cutting methods.
- Technology Transfer and Commercialization - Funding innovative project(s) that demonstrate and execute a strategy to identify minority business owners in high-tech industries with the goal of having them engage with a federal laboratory to explore new product development and commercialization.
- Virtual Business Center – Funding an innovative project that addresses the needs of minority businesses virtually, that can provide cloud-based tools and applications that provide access to information and resources regarding contracts opportunities, sources of financing and/or investment capital.

The following table and map reflect the current MBDA national network:

Count	Center Type	City	State
1	MBDA Business Center	Atlanta	Georgia
2	MBDA Business Center	Chicago	Illinois
3	MBDA Business Center	Dallas	Texas
4	MBDA Business Center	Denver	Colorado
5	MBDA Business Center	Detroit	Michigan
6	MBDA Business Center	El Paso	Texas
7	MBDA Business Center	Honolulu	Hawaii
8	MBDA Business Center	Los Angeles	California
9	MBDA Business Center	Memphis	Tennessee
10	MBDA Business Center	Miami	Florida
11	MBDA Business Center	Bronx	New York
12	MBDA Business Center	Philadelphia	Pennsylvania
13	MBDA Business Center	Phoenix	Arizona

<b>Count</b>	<b>Center Type</b>	<b>City</b>	<b>State</b>
14	MBDA Business Center	San Antonio	Texas
15	MBDA Business Center	San Jose	California
16	MBDA Business Center	San Juan	Puerto Rico
17	MBDA Business Center	Tacoma	Washington
18	MBDA Business Center	Washington, DC	District of Columbia
19	MBDA Business Center	Houston	Texas
20	MBDA Business Center	Minneapolis	Minnesota
21	MBDA Business Center	Orlando	Florida
22	MBDA Business Center	Columbia	South Carolina
23	MBDA Business Center	Manhattan	New York
24	MBDA Business Center	St. Louis	Missouri
25	MBDA Business Center	Pasadena	California
26	MBDA Business Center	Baltimore	Maryland

<b>Count</b>	<b>Center Type</b>	<b>City</b>	<b>State</b>
2	Advanced Manufacturing	Baltimore	Maryland
3	Advanced Manufacturing	Detroit	Michigan
4	Advanced Manufacturing	San Antonio	Texas
5	Export	Chicago	Illinois
6	Export	Miami	Florida
7	Export	Sacramento	California
8	Export	San Antonio	Texas
9	Federal Procurement	Washington, DC	District of Columbia

1	AIANNH United Tribes	Albuquerque	New Mexico
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Count	Center Type	City	State
2	AIANNH Rural Enterprises of Oklahoma	Durant	Oklahoma
3	AIANNH United Tribes Technical College	Bismarck	North Dakota
4	AIANNH Asian Inc	San Francisco	California
5	AIANNH Kaufman & Associates	Spokane	Washington
6	AIANNH Rural Community Assistance	W. Sacramento	California
7	AIANNH University of Alaska	Anchorage	Alaska
8	AIANNH Council for Native Hawaiian	Kapolei	Hawaii
9	AIANNH Nat'l Center for American Indian	Mesa	Arizona
10	AIANNH New Mexico Community Capital	Albuquerque	New Mexico

Count	Center Type	City	State
2	BAA Virtual Business Service	Washington	District of Columbia
3	BAA Access to Capital	Baltimore	Maryland
4	BAA Access to Capital	Washington	District of Columbia
5	BAA Access to Capital	Philadelphia	Pennsylvania
6	BAA Self Sustaining Model	Minneapolis	Minnesota
7	BAA HCBU	Washington	District of Columbia
8	BAA HCBU	Atlanta	Georgia
9	BAA HCBU	Toulagoo	Mississippi
10	BAA HCBU	Orangeburg	South Carolina
11	BAA Disaster Recovery	Houston	Texas
12	BAA Disaster Recovery	Miami	Florida
13	BAA Disaster Recovery	Hilo	Hawaii
14	BAA Disaster Readiness	San Juan	Puerto Rico
15	BAA Disaster Readiness	New Orleans	Louisiana

<b>Count</b>	<b>Center Type</b>	<b>City</b>	<b>State</b>
16	BAA Prison Reform	Washington	District of Columbia
17	BAA Prison Reform	Washington	District of Columbia
18	BAA Prison Reform	Columbia	South Carolina
19	BAA Aquaculture	Miami	Florida
20	BAA Space	Colorado Springs	Colorado
21	BAA Women's Empowerment	El Paso	Texas
22	BAA Women's Empowerment	Washington	District of Columbia
23	BAA Innovative Tech. Commercialization	Upper Marlboro	Maryland
24	BAA Innovative Tech. Commercialization	Louisville	Kentucky
25	BAA Policy Research	New York	New York

# National Network of MBDA Programs

*WHERE BUSINESSES COME TO GROW*

-  MBDA Business Center
-  Broad Agency Announcement (BAA) Grants
-  MBDA Advanced Manufacturing Center
-  MBDA Export Center
-  MBDA Federal Procurement Center
-  American Indian, Alaska Native, and Native Hawaiian (AIAN/NH) Initiative



**Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 PROGRAM CHANGES FOR FY 2020**

	2020 Base		2020 Estimate		Increase (Decrease) over 2020 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development						
Pos/BA	50	40,000	50	10,000	0	(30,000)
FTE/Obl.	50	40,000	50	10,000	0	(30,000)

Program change -\$30 million, 0 FTE

MBDA requests a program change of -\$30 million. The remaining \$10 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 2020, 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 2020 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	2019	2020	2021	2022	2023
Produce Three Major Policy Papers Related to Minority Businesses	3	3	3	3	3
Minority Business Contracts and Financing Awarded	\$624 M	\$364 M	retired		
Number of Jobs Created	1,325	773	retired		
<b>Costs and Benefits:</b>					
Direct Obligations	40,000	10,000	10,200	10,404	10,612
Uncapitalized	-	-	-	-	-
Budget Authority	40,000	10,000	10,200	10,404	10,612
Outlays	40,000	10,000	10,200	10,404	10,612
FTE	50	50	50	50	50
Positions	50	50	50	50	50
Benefits, in dollars	40,000	10,000	10,200	10,404	10,612



**Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Minority Business Development  
 Subactivity: Minority Business Development  
 Program Change: Program Change of Minority Business Development

Title	Grade	Number	Annual Salary	Total Salaries
<hr/>				
No position or FTE change				
Total		0		0
Less lapse	0.00%	<u>0</u>		<u>0</u>
Total full-time permanent (FTE)		0		0
2019 Pay Adjustment (0.00%)	0%			<u>0</u>
				0
Personnel Data				
Full-time Equivalent Employment				
Full-time permanent		0		
Other than full-time permanent		<u>0</u>		
Total		0		
Authorized Positions:				
Full-time permanent		0		
Other than full-time permanent		<u>0</u>		
Total		0		

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

Object Class	2018 Actuals	2019 Enacted	2020 Base	2020 Estimate	2020 Increase / (Decrease)
<b>11 Personnel compensation</b>					
11.1 Full-time permanent	4,266	4,604	4,712	4,712	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	50	50	50	50	0
11.8 Special personnel services payments	0	0	0	0	0
<b>11.9 Total personnel compensation</b>	<b>4,316</b>	<b>4,654</b>	<b>4,762</b>	<b>4,762</b>	<b>0</b>
12.1 Civilian personnel benefits	1,659	1,549	1,707	1,707	0
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	326	475	479	61	(418)
22.0 Transportation of things	4	6	6	6	0
23.1 Rental payments to GSA	957	957	602	602	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities and miscellaneous	99	120	120	120	0
24.0 Printing and reproduction	121	150	150	150	0
25.1 Advisory and assistance services	1,914	1,335	1,335	450	(885)
25.2 Other services from non-federal sources	2,030	1,502	1,813	498	(1,315)
25.3 Purchases of goods and services from Gov't	4,817	7,324	7,098	1,639	(5,459)
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	29	26	26	4	(22)
31.0 Equipment	1	2	2	1	(1)
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	22,407	21,900	21,900	0	(21,900)

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	<u>38,680</u>	<u>40,000</u>	<u>40,000</u>	<u>10,000</u>	<u>(30,000)</u>

**Department of Commerce**  
**Minority Business Development Agency**  
**Minority Business Development**  
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Less, Prior Year Unobligated Balance 320

Less, Prior Year Recoveries and Refunds

Total Budget Authority	<u>39,000</u>	<u>40,000</u>	<u>40,000</u>	<u>10,000</u>	<u>(30,000)</u>
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	2018 Actual	2019 Enacted	2020 Base	2020 Estimate	2020 Increase / (Decrease)
Personnel Data					
Full-time equivalent Employment					
Full-time permanent	40	50	50	50	0
Other than full-time permanent	0	0	0	0	0
Total	<u>40</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>0</u>
Authorized Positions					
Full-time permanent	50	50	50	50	0
Other than full-time permanent	0	0	0	0	0
Total	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>0</u>

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

	FY 2018 Actual	FY 2019 Enacted	FY 2020 Estimate
Consulting Services	97	1,100	600
Management and Professional Services	1,817	3,000	50
Special Studies and Analyses	0	0	0
Management and support services for research and development	0	0	0
<b>TOTALS</b>	<b>1,914</b>	<b>4,100</b>	<b>650</b>

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

	FY 2017 Actual	FY 2018 Actual	FY 2019 Enacted	FY 2020 Estimate
Periodicals	8	24	25	25
Pamphlets	47	97	125	125
Audiovisuals	0	0	0	0
<b>TOTALS</b>	<b>55</b>	<b>121</b>	<b>150</b>	<b>150</b>

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 2018 Actual	FY 2019 Enacted	FY 2020 Estimate
Average ES Salary	\$189,600	\$157,874	\$159,611
Average GS/GM Grade	12	12	12
Average GS/GM Salary	\$100,621	\$104,073	\$105,218



**FY 2020 ANNUAL PERFORMANCE PLAN/FY 2018 ANNUAL PERFORMANCE REPORT**

***Minority Business Development Agency***

**Summary**

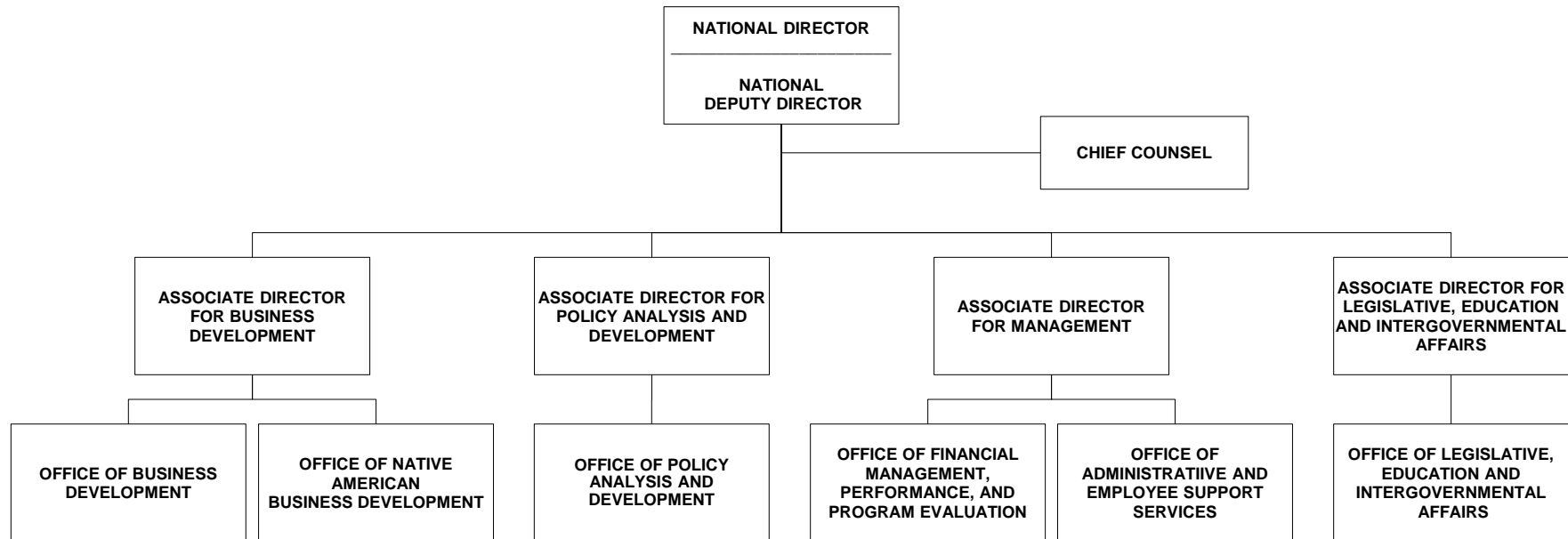
**OVERVIEW**

The Minority Business Development Agency (MBDA) is the only Federal agency entirely dedicated to developing and growing minority-owned businesses in the United States. MBDA will continue its spending priorities and programmatic focus by helping remove obstacles inhibiting the growth and expansion of minority business enterprises (MBEs). MBDA will continue to provide a foundation to ensure minority entrepreneurs have access to the resources needed to create jobs to drive the Nation's prosperity.

**MISSION STATEMENT**

MBDA promotes the growth of minority owned businesses through the mobilization and advancement of public and private sector programs, policy, and research.

**ORGANIZATION STRUCTURE**



## **STRATEGIC GOALS AND OBJECTIVES**

### Goal 1 – Accelerate American Leadership

1.3 – Strengthen Intellectual Property Protection

### Goal 2 – Enhance Job Creation

2.2 – Reduce and Streamline Regulations

2.3 – Strengthen Domestic Commerce and the U.S. Industrial Base

2.4 – Increase U.S. Exports

2.5 – Increase Inward Investment into the United States

### Goal 3 – Strengthen U.S. Economic and National Security

3.4 – Deploy Public Safety Broadband

### Goal 4 - Fulfill Constitutional Requirements and Support Economic Activity

4.2 – Provide Accurate Data to Support Economic Activity

### Goal 5 – Deliver Customer-Centric Service Excellence

5.1 – Engage Commerce Employees

5.2 – Accelerate Information Technology Modernization

5.3 – Consolidate Functions for Cost Savings

## **TRACKING PROGRESS ON STRATEGIC OBJECTIVES**

MBDA will concentrate its efforts on expanding its Office of Policy Analysis and Development (OPAD) by generating robust data, information, and knowledge on industry trends that shape policy and policy initiatives related to MBEs and influence Federal, Tribal Nations, state, local, and private sector stakeholders. MBDA will collect, aggregate and analyze data, and release information that meets 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 and advocacy 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.

## **PROGRESS UPDATE FOR STRATEGIC OBJECTIVES**

In FY 2018, MBDA continued its efforts to support the AI/AN businesses through a new broad agency announcement focused on American Indians, Alaska Natives, and Native Hawaiians and related competitions.

MBDA funded 9 specialty programs (advance manufacturing, exporting and federal procurement) that align with the President's initiatives.

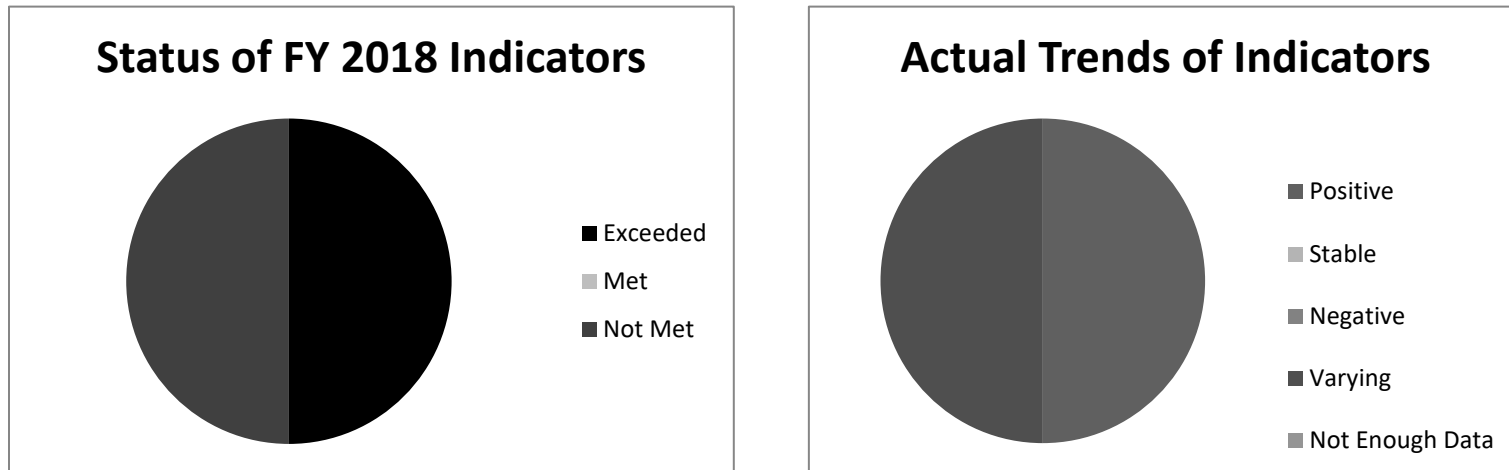
MBDA competed 25 broad agency announcements (BAAs) in 11 different Program areas. These BAAs offer opportunities for entities to propose innovative solutions that address specific challenges experienced by MBEs. The BAAs also serve as proof of concept models for later consideration as possible programs. There was an historic level of BAA interest: 2,000 inquiries and 700+ applications and more than half of MBDA's business center grant recipients applied

## **PLANNED ACTIONS FOR ACHIEVING STRATEGIC OBJECTIVES AND FY 2020 PERFORMANCE TARGETS**

Working through our network of MBCs and projects in FY 2019, MBDA strives to create a new generation of minority-owned businesses generating \$1 million in annual revenues. Our strategic focus is to maximize domestic and global competitiveness of minority-owned businesses that result in American jobs, foster innovation and expand entrepreneurship.

In 2020, MBDA will make a shift in its spending priorities and programmatic focus. Taxpayers dollars invested in MBDA will transition its return on investment - from serving *individual* minority business enterprises (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.

### **Summary of Performance**



In FY 2018, MBDA reported results on 2 of 2 performance indicators. Of those indicators, MBDA exceeded 1 target (50%), and did not meet 1 target (50%). Of the 2 indicators, 1 (50%) had a positive trend, 1 (50%) had a varying trend. Note that indicators should have at least three years of data to have a trend.

- One and 50% of indicators that were exceeded, one and 50% Not Met;
- Four indicators had trends (more than three years of data);
- Of those indicators with trends, two and 50% were positive, one and 25% was met and 1 and 25% were negative.

**Indicator Summary**

Goal #	Obj #	Indicator	Target	Actual	Status	Trend
1	1.2	Dollars leveraged (contracts and financings) through minority business manufacturing and export activity	\$624M	\$1.2B	Exceeded	Positive
1	1.2	Number of jobs created through minority business manufacturing and export activity	1,325	976	Not Met	Varying

**Detailed Indicator Plans and Performance**

**Current Indicators**

**Non-Recurring Indicators**

MBDA will be discontinuing the below indicators in FY 2020, due to the re-orientation of the agency with a focus on policy.

Indicator	Minority Business Contracts and Financing Awarded (millions)							
Category	Supporting (Strategic Plan)							
Type	Intermediate Outcome							
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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target		\$1.1B	\$624M	\$624M	\$624M	\$624M	\$624M	Retired
Actual		\$2.2B	\$1.1B	\$737M	\$1.6B	\$1.2B		Retired
Status		Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		Retired
Trend	Positive							
Explanation (if not met in FY 2017)								
Actions to be taken / Future Plans	None							
Adjustments to targets	Previously, MBDA planned to retire targets in FY 2020 due to the agency's focus on policy. MBDA plans to issue awards to the MBDA Business Centers and the targets are established to coincide with the Business Center funding.							
Notes	None							
Information Gaps	None							

Indicator	Minority Business Jobs Created / Retained							
Category	Supporting (Strategic Plan)							
Type	Intermediate Outcome							
Description	Number of jobs created and retained through minority business export activity as a result of supplemental Global Pathways and Advance Manufacturing grants MBDA that support U.S. exports and manufacturing							
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target		3,500	1,325	1,325	1,325	1,325	1,325	Retired
Actual		3,047	953	1,014	2,090	976		Retired
Status		Not Met	Not Met	Not Met	Exceeded	Not Met		Retired
Trend	Varying							
Explanation (if not met in FY 2018)								
Actions to be taken	None							
Adjustments to targets	Previously, MBDA planned to retire targets in FY 2020 due to the agency's focus on policy. MBDA plans to issue awards to the MBDA Business Centers and the targets are established to coincide with the Business Center funding.							
Notes	None							
Information Gaps	None							

## Other Indicators

Indicator	Contracts and Financing							
Description	Contracts and Financing by MBEs reported in billions							
	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Target	FY 2020 Target
Dollar Value of Contracts (Actual)	\$3.2B	\$4.2B	\$4.0B	\$1.9B	\$2.9B	\$3.4B	\$2.0B	Retired
Dollar Value of Financing (Actual)	\$1.5B	\$1.7B	\$1.9B	\$1.4B	\$4.9B	\$1.2B	\$1.0B	Retired
Jobs Created and Retained (Actual)	11,575	13,377	12,507	15,797	18,555	19,473	7,500	Retired

**Proposed New Indicators**

MBDA will become a policy and advocacy focused organization for minority businesses across the U.S.

Strategic Goal 2	Enhance Job Creation							
Objective #2.3	Strengthen Domestic Commerce and the U.S. Industrial Base							
Indicator	Policy Papers Related to Minority Businesses							
Category	Supporting (Strategic Plan)							
Type	Intermediate Outcome							
Description	The number of policy papers related to minority businesses.							
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Target							3	3
Actual								
Status								
Trend	TBD							
Explanation (if not met in FY 2018)	Not applicable							
Actions to be taken / Future Plans	None							
Adjustments to targets	None							
Notes	This is a new measure in FY 2018							
Information Gaps	None							

**Past Funding from FY 2013 to FY 2017**

<b>Strategic Goal</b>	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Trade and Investment	5,329	5,026	5,385	5,744	6,103
Innovation	24,360	22,974	24,615	26,256	27,897
<b>Total Budget Authority</b>	29,689	28,000	30,000	32,000	34,000
<b>Total Positions</b>	50	54	54	70	70

**Funding from FY 2018 to FY 2020**

<b>Strategic Goal</b>	<b>FY 2018 Enacted</b>	<b>FY 2019 Enacted</b>	<b>FY 2020 Base</b>	<b>Increase/ Decrease</b>	<b>FY 2020 Request</b>
Enhance Job Creation	19,500	20,000	20,000	-15,000	5,000
Fulfill Constitutional Requirements and Support Economic Activity	19,500	20,000	20,000	-15,000	5,000
<b>Total Budget Authority</b>	39,000	40,000	40,000	-30,000	10,000
<b>Total Positions</b>	50	50	50	50	50