



Fiscal Year 2024
Congressional Justification

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**Department of Commerce
 Minority Business Development Agency
 Budget Estimate, Fiscal Year 2024
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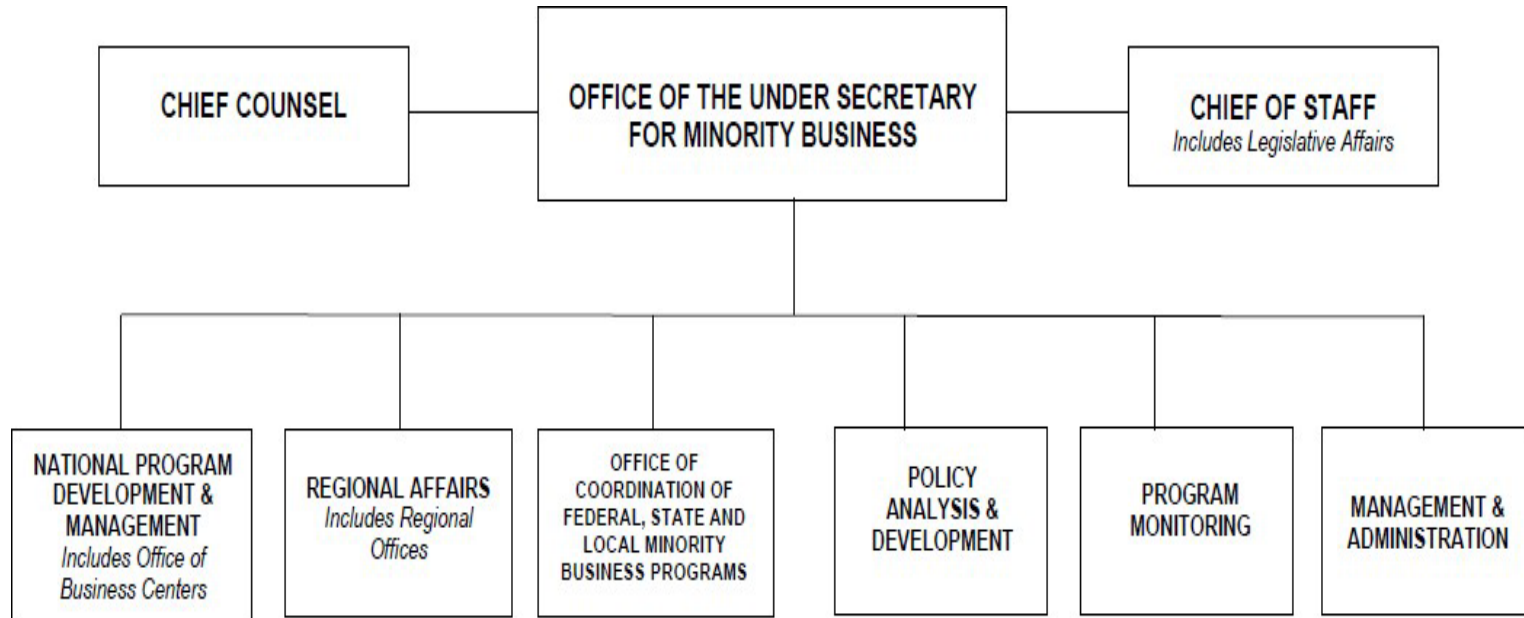
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Department of Commerce
Minority Business Development Agency
Organization Chart

Exhibit 2



Department of Commerce
Minority Business Development Agency (MBDA)
Budget Estimate, Fiscal Year 2024
Executive Summary

Exhibit 3

The FY 2024 MBDA Budget Request totals \$110 million and 134 positions. The Budget provides resources to implement the Minority Business Development Act of 2021 (P.L. 117-58, “the Act”), which codified MBDA as a permanent agency and authorized several new activities to support minority business enterprises (MBE). With the confirmation of the Agency’s first Under Secretary for Minority Business Development, this Budget supports the Under Secretary’s priorities and builds on the Agency’s FY 2023 progress.

This Budget enables the Agency to fully establish a Rural Business Center Program that will provide technical business assistance to MBEs located in rural areas. It continues implementation of the Act by establishing regional offices that will expand national access to the Agency’s services and programs and improve the Agency’s regional coordination with Federal, State, Local, and Tribal organizations.

The Budget also strengthens the Agency’s network of business centers, including MBDA Business Centers and Specialty Centers, and it includes initiatives to ensure minority entrepreneurs have access to the resources needed to create jobs and drive the Nation’s prosperity. Further, the budget provides resources for constituency outreach to foster stronger ecosystems; and grants to enable MBDA to partner with public and private sector and educational institutions to support opportunities for entrepreneurship, business and management learning opportunities.

Vision Statement

Economic prosperity for all American business enterprises.

Performance:

For current Government Performance and Results Act (GPRA) targets, please see the Annual Performance Plan and Report.

Inflationary Adjustments:

MBDA’s FY 2024 Base includes a total of \$6.7 million and 0 positions to account for the full funding requirement for inflationary adjustments to current programs for MBDA activities. This includes the FY 2023 pay raise of 4.6 percent, and the FY 2024 pay raise of 5.2 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).

Program Changes:

In addition, MBDA requests additional resources for the following programs:

Department of Commerce
Minority Business Development Agency (MBDA)
Budget Estimate, Fiscal Year 2024
Executive Summary

Exhibit 3

MBDA Business Centers (+\$2.8 million)

The request will provide an additional \$2.8 million in financial assistance and personnel to existing MBDA Business Center program to strengthen existing centers and/or establish up to six new MBDA Business Centers.

MBDA Rural Business Center Program (+\$16.6 million)

The request will provide an additional \$16.6 million to scale the MBDA Rural Business Center Program. In FY 2024, MBDA will scale the Rural Business Center Program based on lessons learned from the FY 2023 pilot program initiative. The Rural Business Center Program will provide a range of technical assistance and business development services to address critical business development areas. This technical assistance will position rural minority owned enterprises to capture manufacturing opportunities, secure financial capital, create jobs, and fill supply chain gaps in critical supplies and essential goods and services.

Regional Operations (+\$6.2 million)

The request will provide an additional \$6.2 million to scale regional operations begun in FY 2023. This will fund three to eight geographically dispersed regional operation locations. Regional operating units will: work with, advocate for, and strengthen MBDA Business and Specialty Centers in their designated regions; coordinate with resource and lending partners of other Federal, State, and local agencies; coordinate with state and local procurement offices; and coordinate MBE access to business retention or expansion programs specific to that region.

Data, Research, Evaluation (+\$2.8 million)

The request will provide an additional \$2.8 million to fully establish and maintain an information clearinghouse for the collection and appropriate dissemination of MBE data and to evaluate its resilience to economic shocks.

Public-Private Partnerships, Minority Business Enterprise Advisory Council (+\$2.6 million)

The request will provide an additional \$2.6 million to facilitate the exchange of market expertise between MBEs and from industry thought leaders to MBEs; improve MBDA centers business tools; increase support for investment in MBE ecosystems; increase knowledge and understanding of Socially and Economically Disadvantaged Individuals (SEDI) owned businesses and services among thought leaders; and improve constituency outreach to MBEs, trade associations and other MBE stakeholders.

Entrepreneurship Education Development Activities (+\$2.3 million)

The request will provide an additional \$2.3 million in grants to partner with public and private sector entities and educational institutions to support opportunities for business and management education, apprenticeships, entrepreneurship training, and related activities for the benefit of SEDI.

Department of Commerce
Minority Business Development Agency
Increases / Decreases / Terminations
(Dollars amounts in thousands)

Exhibit 4A

Increases

| Page No. | Appropriation | Budget Program | Title of Increase/Decrease | Positions | Budget Authority |
|------------------|-------------------------------|--|----------------------------|-----------|------------------|
| MBDA - 22 | Minority Business Development | MBDA Business Centers | Increase | 3 | 2,781 |
| MBDA - 26 | Minority Business Development | MBDA Rural Business Center Program | Increase | 4 | 16,637 |
| MBDA - 30 | Minority Business Development | Regional Operations | Increase | 30 | 6,189 |
| MBDA - 34 | Minority Business Development | Data, Research, Evaluation | Increase | 6 | 2,831 |
| MBDA - 38 | Minority Business Development | Public-Private Partnerships, Minority Business Enterprise Advisory Council | Increase | 13 | 2,592 |
| MBDA - 44 | Minority Business Development | Entrepreneurship Education Development Activities | Increase | 2 | 2,282 |
| Total, Increases | | | | 58 | 33,312 |

Decreases

| Page No. | Appropriation | Budget Program | Title of Increase/Decrease | Positions | Budget Authority |
|------------------|---------------|----------------|----------------------------|-----------|------------------|
| | N/A | N/A | N/A | 0 | 0 |
| Total, Decreases | | | | 0 | 0 |

Terminations

| Page No. | Appropriation | Budget Program | Title of Increase/Decrease | Positions | Budget Authority |
|---------------------|---------------|----------------|----------------------------|-----------|------------------|
| | N/A | N/A | N/A | 0 | 0 |
| Total, Terminations | | | | 0 | 0 |

Department of Commerce
Minority Business Development Agency
Summary of Resource Requirements
(Dollar amounts in thousands)

Exhibit 5

| | Positions | FTE | Budget Authority | Direct Obligations |
|---------------------------|-----------|-----|------------------|--------------------|
| FY 2023 Enacted | 76 | 70 | 70,000 | 70,000 |
| plus: Adjustments to base | 0 | 6 | 6,688 | 6,688 |
| FY 2024 Base | 76 | 76 | 76,688 | 76,688 |
| plus: 2024 program change | 58 | 44 | 33,312 | 33,312 |
| FY 2024 Estimate | 134 | 120 | 110,000 | 110,000 |

| Comparison by activity/subactivity | | 2022 Actual | | 2023 Enacted | | 2024 Base | | 2024 Estimate | | Increase / (Decrease) Over 2024 Base | |
|------------------------------------|----------|-------------|--------|--------------|--------|-----------|--------|---------------|---------|--------------------------------------|--------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Minority Business Development | Pos/BA | 50 | 55,000 | 76 | 70,000 | 76 | 76,688 | 134 | 110,000 | 58 | 33,312 |
| | FTE/Obl. | 34 | 53,900 | 70 | 70,000 | 76 | 76,688 | 134 | 110,000 | 58 | 33,312 |
| TOTALS | Pos/BA | 50 | 55,000 | 76 | 70,000 | 76 | 76,688 | 134 | 110,000 | 58 | 33,312 |
| | FTE/Obl. | 34 | 53,900 | 70 | 70,000 | 76 | 76,688 | 134 | 110,000 | 58 | 33,312 |

Adjustments to Obligations

Recoveries and Refunds

| | |
|------------------------------------|-------|
| Unobligated Balance, start of year | 0 |
| Unobligated Balance, end of year | 1,100 |

| | | | | | | |
|---------------|--------|--------|--------|---------|---|--------|
| Appropriation | 55,000 | 70,000 | 76,688 | 110,000 | 0 | 33,312 |
|---------------|--------|--------|--------|---------|---|--------|

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

| Comparison by activity | | 2022 | | 2023 | | 2024 | | 2024 | | Increase / (Decrease) | |
|-------------------------------------|----------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|-----------------------|---------------|
| | | Actual | | Enacted | | Base | | Estimate | | Over 2024 Base | |
| | | <u>Personnel</u> | <u>Amount</u> | <u>Personnel</u> | <u>Amount</u> | <u>Personnel</u> | <u>Amount</u> | <u>Personnel</u> | <u>Amount</u> | <u>Personnel</u> | <u>Amount</u> |
| <u>Reimbursable projects</u> | | | | | | | | | | | |
| Minority Business Development | Pos/BA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FTE/Obl. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total, Reimbursable projects | Pos/BA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FTE/Obl. | 0 | 0 | 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)

| | 2022 Actual | 2023 Enacted | 2024 Base | 2024 Estimate | Increase / (Decrease) Over 2024 Base |
|---|----------------|-----------------|---------------|------------------|---|
| Minority Business Development | 53,900 | 165,125 | 78,313 | 111,625 | 33,312 |
| Total Obligations | 53,900 | 165,125 | 78,313 | 111,625 | 33,312 |
| Offsetting collections from: | | | | | |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Trust funds | 0 | 0 | 0 | 0 | 0 |
| Non-Federal sources | 0 | 0 | 0 | 0 | 0 |
| Recoveries | 0 | | | | 0 |
| Unobligated balance direct, start of year | 0 | (100,000) | (4,875) | (4,875) | 0 |
| Unobligated balance reimbursable, start of year | 0 | 0 | 0 | 0 | 0 |
| Unobligated balance direct, end of year | 100,000 | 4,875 | 3,250 | 3,250 | 0 |
| Unobligated balance reimbursable, end of year | 0 | 0 | 0 | 0 | 0 |
| Unobligated balance expiring | 1,100 | 0 | 0 | 0 | 0 |
| Budget Authority | 155,000 | 170,000 | 76,688 | 110,000 | 33,312 |
| Financing: | | | | | |
| Unobligated balance rescission | 0 | 0 | 0 | 0 | 0 |
| Transferred from other accounts (-) | (100,000) | 0 | 0 | 0 | 0 |
| Transferred to other accounts (+) | 0 | 0 | 0 | 0 | 0 |
| Appropriation | 55,000 | 170,000 | 76,688 | 110,000 | 33,312 |

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

| | <u>Positions</u> | <u>Amount</u> |
|--|------------------|---------------|
| Other Changes: | | |
| 2023 Pay raise | | 144 |
| 2024 Pay raise | | 854 |
| Increase in Awards | | 60 |
| Full-year cost in 2024 of positions financed for part-year in 2023 | | 1,513 |
| Change in compensable days | | 45 |
| Federal Employees Retirement System (FERS) | | 1,292 |
| Thrift Savings Plan (TSP) | | 297 |
| Federal Insurance Contribution Act (FICA) - OASDI | | 432 |
| Health insurance | | 10 |
| Workers' Compensation Fund | | (51) |
| Travel: | | |
| Mileage | | 0 |
| Per diem | | 10 |
| Rental payments to GSA | | (110) |
| GSA Furniture and IT Program (FIT) | | (93) |
| Postage | | 0 |
| Working Capital Fund, Department Management | | 1,899 |
| Cybersecurity (Non-Add in WCF) | | 3 |
| General Pricing Level Adjustment | | 449 |
| Enterprise Services | | (45) |
| HCHB Utilities | | 0 |
| Telecommunications Services | | (18) |
| Federal Protective Service | | 0 |
| Other changes unique to Minority Business Development Agency | | 0 |
| Subtotal, other changes | 0 | 6,688 |
| Total, adjustments to base | 0 | 6,688 |

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 | | 2022 Actual | | 2023 Enacted | | 2024 Base | | 2024 Estimate | | Increase / (Decrease) Over 2024 Base | |
|-------------------------------|----------|-------------|--------|--------------|--------|-----------|--------|---------------|---------|--------------------------------------|--------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Minority Business Development | Pos/BA | 50 | 55,000 | 76 | 70,000 | 76 | 76,688 | 134 | 110,000 | 58 | 33,312 |
| | FTE/Obl. | 34 | 53,900 | 70 | 70,000 | 76 | 76,688 | 134 | 110,000 | 58 | 33,312 |
| Direct Obligations | Pos/BA | 50 | 55,000 | 76 | 70,000 | 76 | 76,688 | 134 | 110,000 | 58 | 33,312 |
| | FTE/Obl. | 34 | 53,900 | 70 | 70,000 | 76 | 76,688 | 134 | 110,000 | 58 | 33,312 |

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

Activity: Minority Business Development

Goal Statement

The goal of MBDA is to promote the growth, global competitiveness, and the inclusion of minority-owned businesses through data, research, evaluation, partnership programs, and Federal financial assistance programs.

Base Programs

MBDA awards federal financial assistance awards to operate Business Centers, Specialty Centers, and other programs to serve millions of MBEs through technical assistance and business development services, which enable:

- Access to Capital,
- Access to Contracts, and
- Access to Markets.

MBDA Business and Specialty Centers provide technical assistance and business development services including business consulting; access to private equity and venture capital opportunities; and facilitating joint ventures and strategic partnerships. Broad Agency Announcements (BAAs) offer opportunities for entities to propose innovative solutions that address specific challenges experienced by MBEs and can serve as a pilot for future programs. In FY 2023, MBDA is piloting Rural Business Centers aimed at MBEs that are in lower-density regions of the United States, particularly those that may not have reasonable access to traditional MBDA Business Centers or Specialty Centers. Also, in FY 2023, MBDA is exploring regional operations to better serve MBEs.

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

Table of MBDA Business and Specialty Centers and Programs

| Count | Type | City | State |
|--------------|----------------------|-------------|----------------|
| 1 | MBDA Business Center | Birmingham | Alabama |
| 2 | MBDA Business Center | Phoenix | Arizona |
| 3 | MBDA Business Center | Los Angeles | California |
| 4 | MBDA Business Center | Sacramento | California |
| 5 | MBDA Business Center | San Jose | California |
| 6 | MBDA Business Center | Centennial | Colorado |
| 7 | MBDA Business Center | Miami | Florida |
| 8 | MBDA Business Center | Orlando | Florida |
| 9 | MBDA Business Center | Atlanta | Georgia |
| 10 | MBDA Business Center | Honolulu | Hawaii |
| 11 | MBDA Business Center | Elgin | Illinois |
| 12 | MBDA Business Center | Baton Rouge | Louisiana |
| 13 | MBDA Business Center | Baltimore | Maryland |
| 14 | MBDA Business Center | Boston | Massachusetts |
| 15 | MBDA Business Center | Detroit | Michigan |
| 16 | MBDA Business Center | Minneapolis | Minnesota |
| 17 | MBDA Business Center | Jackson | Mississippi |
| 18 | MBDA Business Center | St. Louis | Missouri |
| 19 | MBDA Business Center | Las Vegas | Nevada |
| 20 | MBDA Business Center | Camden | New Jersey |
| 21 | MBDA Business Center | Albuquerque | New Mexico |
| 22 | MBDA Business Center | Brooklyn | New York |
| 23 | MBDA Business Center | New York | New York |
| 24 | MBDA Business Center | Durham | North Carolina |

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

Table of MBDA Business and Specialty Centers and Programs

| Count | Type | City | State |
|--------------|------------------------|----------------|----------------------|
| 25 | MBDA Business Center | Cleveland | Ohio |
| 26 | MBDA Business Center | Durant | Oklahoma |
| 27 | MBDA Business Center | Philadelphia | Pennsylvania |
| 28 | MBDA Business Center | San Juan | Puerto Rico |
| 29 | MBDA Business Center | Memphis | Tennessee |
| 30 | MBDA Business Center | Dallas | Texas |
| 31 | MBDA Business Center | El Paso | Texas |
| 32 | MBDA Business Center | Houston | Texas |
| 33 | MBDA Business Center | San Antonio | Texas |
| 34 | MBDA Business Center | Alexandria | Virginia |
| 35 | MBDA Business Center | Tacoma | Washington |
| 36 | MBDA Business Center | Columbia | South Carolina |
| 37 | MBDA Business Center | Indianapolis | Indiana |
| 38 | MBDA Business Center | Portland | Oregon |
| 39 | MBDA Business Center | Fayetteville | Arkansas |
| 40 | MBDA Business Center | Milwaukee | Wisconsin |
| 41 | MBDA Business Center | Salt Lake City | Utah |
| 1 | Advanced Manufacturing | East Hartford | Connecticut |
| 2 | Advanced Manufacturing | Louisville | Kentucky |
| 3 | Advanced Manufacturing | Baltimore | Maryland |
| 4 | Advanced Manufacturing | San Antonio | Texas |
| 5 | Export Center | Mesa | Arizona |
| 6 | Export Center | Miami | Florida |
| 7 | Export Center | Houston | Texas |
| 8 | Export Center | San Antonio | Texas |
| 9 | Federal Procurement | Washington | District of Columbia |

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

Table of MBDA Business and Specialty Centers and Programs

| Count | Type | City | State |
|--------------|--|---------------|----------------------|
| 1 | AIANNH Cook Inlet Tribal Council, Inc | Anchorage | 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 Sault Ste. Marie Tribe of Chippewa Indians | Marie | Michigan |
| 6 | AIANNH Native American Development Corporation | Billings | Montana |
| 7 | AIANNH Salish Kootenai College | Pablo | Montana |
| 8 | AIANNH Southwest Business Development Consultants, LLC | Albuquerque | New Mexico |
| 9 | AIANNH Regents of New Mexico State University | Las Cruces | New Mexico |
| 10 | AIANNH Rural Enterprises of Oklahoma, Inc. | Durant | Oklahoma |
| 11 | AIANNH ONABEN | Tulsa | Oklahoma |
| 12 | AIANNH Oregon Native American Chamber | Portland | Oregon |
| 13 | AIANNH South Puget Intertribal Planning | Shelton | Washington |
| 1 | Entrepreneurship Education for Formerly Incarcerated Persons The Dannon Project | Birmingham | Alabama |
| 2 | Entrepreneurship Education for Formerly Incarcerated Persons The Dannon Project | Los Angeles | California |
| 3 | Entrepreneurship Education for Formerly Incarcerated Persons Morgan State University | Baltimore | Maryland |
| 4 | Entrepreneurship Education for Formerly Incarcerated Persons Desa Inc | Columbia | South Carolina |
| 1 | Enterprising Women of Color MP Services, LLC | Washington | District of Columbia |
| 2 | Enterprising Women of Color Washington Area Community Investment Fund, Inc | Washington | District of Columbia |
| 3 | Enterprising Women of Color Operations Hope | Atlanta | Georgia |
| 4 | Enterprising Women of Color Young Women's Christian Association of OAHU | Honolulu | Hawaii |
| 5 | Enterprising Women of Color Women's Business Enterprise Council South | Metairie | Louisiana |

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

Table of MBDA Business and Specialty Centers and Programs

| Count | Type | City | State |
|--------------|---|-------------|--------------|
| 1 | Inner City Innovation Hub Georgia Tech Research Corporation | Atlanta | Georgia |
| 2 | Inner City Innovation Hub William Marsh Rice University | Houston | Texas |
| 1 | Hispanic Serving Institution Miami Dade College | Miami | Florida |
| 2 | Historically Black College/University Savannah State University | Savannah | Georgia |
| 3 | Native Hawaiian Serving Institution University of Hawaii | Honolulu | Hawaii |
| 4 | Tribal College and University Salish Kootenai College | Pablo | Montana |

Data, Research, and Evaluation

MBDA collects data, commissions research, and disseminates research findings to foster the establishment and successful operation of MBEs. MBDA hosts a repository of evidence-based publications and reports to promote awareness of the current challenges MBEs face.

Partnership with Universities and Colleges

MBDA partners with large and small Historically Black Colleges and Universities (HBCUs), Minority-Serving Institutions (MSIs), and Hispanic Serving Institutions (HSIs). The Agency is prioritizing its partnerships with HBCUs, MSIs, and HSIs, and Tribal Colleges and Universities (TCUs) in several areas, including: 1) research, where the Agency partners with an institution to research areas that are critical to issues facing MBEs; 2) collaboration, which may permit an exchange of personnel between the Agency and the universities; 3) education, where funds may be provided to HBCUs, MSIs, HSIs or TCUs to strengthen academic programs focused on entrepreneurship, 4) business formation, or other areas that are vital to an MBE’s success; and 5) technical assistance, where the Agency may enter into a cooperative agreement or provide a grant to an HBCU, MSI, HSI, or TCU to enhance the institutions' ability to serve MBEs and aspiring entrepreneurs and founders. MSIs may prove critical to the Agency’s ability to successfully launch and operate Rural Business Centers.

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

Statement of Operating Objectives

Implement the Minority Business Development Act of 2021 (P.L. 117-58, “the Act”), through the authorized existing and new activities to support minority business enterprises (MBEs):

Regional Operations

In FY2024, establish three to eight new Regional Operations units that work with, advocating for, and strengthening MBDA Business and Specialty Centers in their designated regions; coordinating with resource and lending partners of other Federal, State, and local agencies; coordinating with state and local procurement offices; and coordinating MBE access to business retention or expansion programs specific to that region.

Existing Initiatives

MBDA Business Centers

Operate a network of Business Centers that provide MBEs technical assistance and business development services that enable MBEs to: access capital, contracts, and markets; create and retain jobs; and grow through trade.

MBA Specialty Centers

Operate a network of Specialty Centers that provide technical assistance and business development services to generate increased financing and contract opportunities, facilitate greater access to new and global markets and increase access to federal procurement officials and prime contractors.

Market Development, Research, and Information

Coordinate the Agency’s data, research, and evaluation activities to align with Section 100103 of the Act and the Foundations for Evidence-based Policymaking Act of 2018. Rely on data, research, and evaluation to gain a deep and broad awareness of the current challenges MBEs face.

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

Focus data, research, and evaluation priorities on one or more of the following areas;

- (1) Targeted solutions to unique challenges facing MBEs;
- (2) Effectiveness of Agency and other Federally-funded programs to ensure that they are addressing the unique needs of MBEs;
- (3) Strengthen and improve the Agency's data, research, and evaluation capabilities across workforce;
- (4) Collaboration with academic research community, industry and international partners to discover and exploit opportunities to inform policymaking.

New Initiatives

Rural Business Centers Program

Scale the FY 2023 pilot program initiative to serve clients that provide a range of rural specific technical assistance and business development services, through business consulting; private equity and venture capital opportunities; and facilitating joint ventures and rural minority business enterprises strategic partnerships.

Federal coordination

Award federal financial assistance grants to partner with public and private sector entities and educational institutions to support opportunities for business and management education, apprenticeships, entrepreneurship training, and related activities for the benefit of socially or economically disadvantaged individuals.

Continue development and implementation of a Public-Private Partnerships program and a Minority Business Enterprise Advisory Council to provide the Under Secretary and the Department with industry information regarding plans, programs, and activities in the public and private sectors as described in MBA Act.

Collect and provide direct evidence of matters from MBE and partners that relate to socially or economically disadvantaged business concerns ranging from capital accumulation and business formulation to labor development and role in regional economic development.

Disseminate information promoting minority business development to the public and strategic partners operating within the minority business community.

Leverage constituency outreach including minority-owned business, trade associations, the academic community, community development organizations, private sector corporations, as well as Federal, state, and local government officials to provide and inform the Under Secretary and the Department with direct industry information.

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

Utilize the Agency’s website, social media accounts, strategic alliance portfolios, and national conferences, to provide access to information and network resources that support minority business development.

Explanation and Justification

| | | 2022 Actual | | 2023 Enacted | | 2024 Base | |
|-------------------------------|----------|----------------|--------|-----------------|--------|--------------|--------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Minority Business Development | | | | | | | |
| | Pos/BA | 50 | 55,000 | 76 | 70,000 | 76 | 76,688 |
| | FTE/Obl. | 34 | 53,900 | 70 | 70,000 | 76 | 76,688 |

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 PROGRAM CHANGES FOR FY 2024**
 (Dollar amounts in thousands)

| | | 2024 Base | | 2024 Estimate | | Increase (Decrease) | |
|-------------------------------|----------|--------------|--------|------------------|--------|---------------------|--------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Minority Business Development | Pos/BA | 8 | 20,860 | 11 | 23,642 | 3 | 2,781 |
| | FTE/Obl. | 8 | 20,860 | 10 | 23,642 | 2 | 2,781 |

Program change: MBDA Business Centers

MBDA Business Centers (+\$2.8 million and 2 FTE/3 positions) - The request will use an additional \$2.8 million in federal financial assistance and program personnel for the existing MBDA Business Center program to strengthen existing centers and/or establish up to six new MBDA Business Centers. MBDA Business Centers provide technical assistance and business development services, which include business consulting; access to private equity and venture capital opportunities; and facilitation of joint ventures and strategic partnerships. MBDA’s programmatic facilitation of these contracts and financings contributed to MBEs creating and retaining approximately 30,349 American jobs in FY2022.

| Performance Measures | 2023 | 2024 | 2025 | 2026 | 2027 |
|-----------------------------|---------|---------|---------|---------|------|
| MBEs Reached | 252,605 | 292,487 | 283,000 | 243,000 | TBD |
| MBE Clients Served | 5,590 | 12,746 | 14,400 | 12,700 | TBD |
| Economic Benefit to MBEs | \$3.23B | \$4.1B | \$4.9B | \$4.3B | TBD |
| Jobs Created/Retained | 11,522 | 15,078 | 17,400 | 15,100 | TBD |

Department of Commerce
Minority Business Development Agency
Minority Business Development
PROGRAM CHANGE PERSONNEL DETAIL
(Dollar amounts in thousands)

Exhibit 14

Activity: Minority Business Development

Program Change: MBDA Business Centers

| Title | Grade | Number | Annual Salary | Total Salaries |
|---------------------------------|-------|--------|---------------|----------------|
| Grants Management Specialist | 12/13 | 1 | 130,683 | 130,683 |
| Grants Management Specialist | 11/12 | 1 | 109,899 | 109,899 |
| Management and Program Analyst | 11 | 1 | 91,688 | 91,688 |
| Total | | 3 | | 332,270 |
| Less lapse | | -1 | | -83,068 |
| Total full-time permanent (FTE) | | 2 | | 249,203 |
| 2023 Pay Adjustment (5.20%) | | | | 12,959 |
| | | | | 262,161 |

Personnel Data Summary

| Full-time Equivalent Employment | |
|---------------------------------|---|
| Full-time permanent | 2 |
| Other than full-time permanent | 0 |
| Total | 2 |

Authorized Positions:

| | |
|--------------------------------|---|
| Full-time permanent | 3 |
| Other than full-time permanent | 0 |
| Total | 3 |

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

Exhibit 15

Activity: Minority Business Development

Program Change: MBDA Business Centers

| | | 2022 | 2023 | 2024 | 2024 | 2024 |
|---------------------|---|---------------|----------------|--------------|-----------------|--------------------------|
| | | Actual | Enacted | Base | Estimate | Increase/Decrease |
| Object Class | | | | | | |
| 11 | Personnel compensation | | | | | |
| 11.1 | Full-time permanent | 1,264 | 1,317 | 1,368 | 1,630 | 262 |
| 11.3 | Other than full-time permanent | 0 | 0 | 0 | | 0 |
| | <i>Subtotal 11-01 and 11-03</i> | <i>1,264</i> | <i>1,317</i> | <i>1,368</i> | <i>1,630</i> | <i>262</i> |
| 11.5 | Other personnel compensation | 5 | 33 | 34 | 41 | 7 |
| 11.8 | Special personnel services payments | 1 | 0 | 0 | 0 | 0 |
| 11.9 | Total personnel compensation | 1,270 | 1,350 | 1,402 | 1,671 | 269 |
| 12.1 | Civilian personnel benefits | 453 | 472 | 491 | 585 | 94 |
| 13.0 | Benefits for former personnel | 0 | 0 | 0 | 0 | 0 |
| 21.0 | Travel and transportation of persons | 31 | 31 | 32 | 61 | 30 |
| 22.0 | Transportation of things | 0 | 0 | 0 | 0 | 0 |
| 23.1 | Rental payments to GSA | 0 | 0 | 0 | 0 | 0 |
| 23.2 | Rental payments to others | 0 | 0 | 0 | 0 | 0 |
| 23.3 | Communications, utilities and miscellaneous | 0 | 0 | 0 | 0 | 0 |
| 24.0 | Printing and reproduction | 0 | 0 | 0 | 0 | 0 |
| 25.1 | Advisory and assistance services | 0 | 0 | 0 | 0 | 0 |
| 25.2 | Other services from non-federal sources | 0 | 0 | 0 | 0 | 0 |
| 25.3 | Other goods and services from Federal sources | 376 | 324 | 203 | 203 | 0 |
| 25.4 | Operation and maintenance of facilities | 0 | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 0 | 0 | 0 | 0 | 0 |

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

Exhibit 15

Activity: Minority Business Development

Program Change: MBDA Business Centers

| | | 2022 | 2023 | 2024 | 2024 | 2024 |
|---------------------|-------------------------------------|---------------|----------------|-------------|-----------------|--------------------------|
| Object Class | | Actual | Enacted | Base | Estimate | Increase/Decrease |
| 26.0 | Supplies and materials | 0 | 0 | 0 | 0 | 0 |
| 31.0 | Equipment | 0 | 0 | 0 | 0 | 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 | 18,733 | 18,733 | 18,733 | 21,122 | 2,389 |
| 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 | 20,863 | 20,910 | 20,860 | 23,642 | 2,781 |

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 PROGRAM CHANGE PERSONNEL DETAIL
 (Dollar amounts in thousands)**

Exhibit 13

| | | 2024 Base | | 2024 Estimate | | Increase (Decrease) | |
|-------------------------------|----------|--------------|--------|------------------|--------|---------------------|--------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Minority Business Development | Pos/BA | 0 | 3,053 | 4 | 19,690 | 4 | 16,637 |
| | FTE/Obl. | 0 | 3,053 | 3 | 19,690 | 3 | 16,637 |

Program change: MBDA Rural Business Centers Program

MBDA Rural Business Centers Program (+\$16.6 million and 2 FTE/3 positions) - The request will provide an additional \$16.6 million to scale the MBDA Rural Business Centers Program. In FY 2024, MBDA will scale the Rural Business Centers based on lessons learned from the FY 2023 program initiatives. The Rural Business Center program will provide a range of technical assistance and business development services to address critical business development areas. This technical assistance will position rural minority owned enterprises to capture manufacturing opportunities, secure financial capital, create jobs, and fill supply chain gaps in critical supplies and essential goods and services. The technical assistance and business development services will include business consulting; access private equity and venture capital opportunities; and facilitation of joint ventures and strategic partnerships. This request executes title III of the MBD Act, which directed the development of Rural Business Centers to provide technical business assistance to minority business enterprises located in rural areas.

Performance Measures:

MBDA will develop and provide performance measures for subsequent budget requests and annual performance plans and reports. Customers/client’s partnerships served, extent of program participation and services delivered must be determined prior to the development of program performance measures. Additional measures for examination will track event attendance participation, satisfaction surveys and/or real time polls, and targeted training offerings. Advanced gauges of the program will be developed to analyze return on investment and effectiveness of service deliver functions.

MBDA will develop additional, more granular, performance measures based on the findings of the FY 2023 implementation.

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 PROGRAM CHANGE PERSONNEL DETAIL**
 (Dollar amounts in thousands)

Activity: Minority Business Development

Program Change: MBDA Rural Business Centers

| Title | Grade | Number | Annual Salary | Total Salaries |
|---------------------------------|--------|----------|---------------|----------------|
| Grants Management Specialist | 12/13 | 2 | 130,683 | 261,366 |
| Grants Management Specialist | 11/12 | 1 | 109,899 | 109,899 |
| Management and Program Analyst | 11 | 1 | 91,688 | 91,688 |
| Total | | 4 | | 462,953 |
| Less lapse | 25.00% | -1 | | -115,738 |
| Total full-time permanent (FTE) | | <u>3</u> | | <u>347,215</u> |
| 2023 Pay Adjustment (5.20%) | 5.2% | | | <u>18,055</u> |
| | | | | <u>365,270</u> |
| Personnel Data Summary | | | | |
| Full-time Equivalent Employment | | | | |
| Full-time permanent | | 3 | | |
| Other than full-time permanent | | <u>0</u> | | |
| Total | | 3 | | |
| Authorized Positions: | | | | |
| Full-time permanent | | 4 | | |
| Other than full-time permanent | | <u>0</u> | | |
| Total | | 4 | | |

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

Activity: Minority Business Development

Program Change: MBDA Rural Business Centers

| | | 2022 | 2023 | 2024 | 2024 | 2024 |
|---------------------|---|---------------|----------------|-------------|-----------------|--------------------------|
| | | Actual | Enacted | Base | Estimate | Increase/Decrease |
| Object Class | | | | | | |
| 11 | Personnel compensation | | | | | |
| 11.1 | Full-time permanent | 0 | 0 | 0 | 365 | 365 |
| 11.3 | Other than full-time permanent | 0 | 0 | 0 | 0 | 0 |
| | <i>Subtotal 11-01 and 11-03</i> | | | | 365 | 365 |
| 11.5 | Other personnel compensation | 0 | 0 | 0 | 9 | 9 |
| 11.8 | Special personnel services payments | 0 | 0 | 0 | 0 | 0 |
| 11.9 | Total personnel compensation | 0 | 0 | 0 | 374 | 374 |
| 12.1 | Civilian personnel benefits | 0 | 0 | 0 | 131 | 131 |
| 13.0 | Benefits for former personnel | 0 | 0 | 0 | 0 | 0 |
| 21.0 | Travel and transportation of persons | 0 | 0 | 0 | 40 | 40 |
| 22.0 | Transportation of things | 0 | 0 | 0 | 0 | 0 |
| 23.1 | Rental payments to GSA | 0 | 0 | 0 | 0 | 0 |
| 23.2 | Rental payments to others | 0 | 0 | 0 | 0 | 0 |
| 23.3 | Communications, utilities and miscellaneous | 0 | 0 | 0 | 0 | 0 |
| 24.0 | Printing and reproduction | 0 | 0 | 0 | 0 | 0 |
| 25.1 | Advisory and assistance services | 0 | 0 | 0 | 0 | 0 |
| 25.2 | Other services from non-federal sources | 0 | 0 | 0 | 0 | 0 |
| 25.3 | Other goods and services from Federal sources | 0 | 52 | 53 | 145 | 92 |
| 25.4 | Operation and maintenance of facilities | 0 | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 0 | 0 | 0 | 0 | 0 |

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

Exhibit 15

Activity: Minority Business Development

Program Change: MBDA Rural Business Centers

| | | 2022 | 2023 | 2024 | 2024 | 2024 |
|---------------------|-------------------------------------|---------------|----------------|-------------|-----------------|--------------------------|
| | | Actual | Enacted | Base | Estimate | Increase/Decrease |
| Object Class | | | | | | |
| 26.0 | Supplies and materials | 0 | 0 | 0 | 0 | 0 |
| 31.0 | Equipment | 0 | 0 | 0 | 0 | 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 | 0 | 3,000 | 3,000 | 19,000 | 16,000 |
| 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 | 0 | 3,052 | 3,053 | 19,690 | 16,637 |

Department of Commerce
Minority Business Development Agency
Minority Business Development
PROGRAM CHANGES FOR FY 2024
(Dollar amounts in thousands)

| | | 2024 | | 2024 | | Increase (Decrease) | |
|-------------------------------|----------|-----------|--------|-----------|--------|---------------------|--------|
| | | Base | | Estimate | | Personnel | Amount |
| | | Personnel | Amount | Personnel | Amount | | |
| Minority Business Development | Pos/BA | 6 | 1,718 | 36 | 7,907 | 30 | 6,189 |
| | FTE/Obl. | 6 | 1,718 | 29 | 7,907 | 23 | 6,189 |

Program change: Regional Operations

Regional Operations (+\$6.2 million and 23 FTE/30 positions) - The program request (\$6.2 million) will fund rent, personnel and contracts necessary to carry out regional operations in three to eight geographically dispersed locations, as envisioned in the MBD Act. This investment will build on the \$1.7 million used to formulate regional operations in FY 2023. Regional operations will enable MBDA to better serve MBEs by improving understanding of the business environment of that region.

Regional operating units will work with and advocate for MBDA Business Centers that are in designated regions. They will resource and facilitate collaboration between MBDA Business Centers and external stakeholders that are place-based and specific to the geographic area. They will work with stakeholders to increase business center capability, visibility, and relevance in the local area.

Regional operations will also coordinate with resource and lending partners of other appropriate Federal agencies, State, and local procurement offices. Additionally, they will facilitate use of business retention or expansion programs specific to that region. Regional operating units will also collaborate with regional public and private programs that focus on MBE and promote business continuity and preparedness.

Performance Measures:

MBDA will develop and provide performance measures for subsequent budget requests and annual performance plans and reports. Customers/client’s partnerships served, extent of program participation and services delivered must be determined prior to the development of program performance measures. Additional measures for examination will track event attendance participation, satisfaction surveys and/or real time polls, and targeted training offerings. Advanced gauges of the program will be developed to analyze return on investment and effectiveness of service deliver functions.

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 PROGRAM CHANGE PERSONNEL DETAIL
 (Dollar amounts in thousands)**

Program Change: Regional Operations

| Title | Grade | Number | Annual Salary | Total Salaries |
|---------------------------------|----------|--------|---------------|----------------|
| Management and Program Analyst | 11/12/13 | 6 | 130,683 | 784,098 |
| Public Affairs Specialist | 11/12 | 6 | 109,899 | 659,394 |
| Management and Program Analyst | 11/12 | 9 | 109,899 | 989,091 |
| Management and Program Analyst | 11 | 3 | 91,688 | 275,064 |
| Management and Program Analyst | 9/11 | 3 | 91,688 | 275,064 |
| Management and Program Analyst | 7/9 | 3 | 68,146 | 204,438 |
| Total | | 30 | | 3,187,149 |
| Less lapse | 25.00% | -8 | | -796,787 |
| Total full-time permanent (FTE) | | 23 | | 2,390,362 |
| 2023 Pay Adjustment (5.20%) | 5.2% | | | 124,299 |
| | | | | 2,514,661 |

Personnel Data Summary

| | |
|---------------------------------|----|
| Full-time Equivalent Employment | |
| Full-time permanent | 23 |
| Other than full-time permanent | 0 |
| Total | 23 |

Authorized Positions:

| | |
|--------------------------------|----|
| Full-time permanent | 30 |
| Other than full-time permanent | 0 |
| Total | 30 |

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

Exhibit 15

Activity: Minority Business Development

Program Change: Regional Operations

| Object Class | 2022 Actual | 2023 Enacted | 2024 Base | 2024 Estimate | 2024 Increase/Decrease |
|--|------------------------|-------------------------|----------------------|--------------------------|-----------------------------------|
| 11 Personnel compensation | | | | | |
| 11.1 Full-time permanent | 0 | 1,018 | 1,057 | 3,572 | 2,515 |
| 11.3 Other than full-time permanent | 0 | 0 | 0 | 0 | 0 |
| <i>Subtotal 11-01 and 11-03</i> | 0 | 1,018 | 1,057 | 3,572 | 2,515 |
| 11.5 Other personnel compensation | 0 | 25 | 26 | 89 | 63 |
| 11.8 Special personnel services payments | 0 | 0 | 0 | 0 | 0 |
| 11.9 Total personnel compensation | 0 | 1,043 | 1,084 | 3,661 | 2,578 |
| 12.1 Civilian personnel benefits | 0 | 365 | 379 | 1,281 | 902 |
| 13.0 Benefits for former personnel | 0 | 0 | 0 | 0 | 0 |
| 21.0 Travel and transportation of persons | 0 | 50 | 51 | 347 | 296 |
| 22.0 Transportation of things | 0 | 0 | 0 | 0 | 0 |
| 23.1 Rental payments to GSA | 0 | 0 | 0 | 2,413 | 2,413 |
| 23.2 Rental payments to others | 0 | 0 | 0 | 0 | 0 |
| 23.3 Communications, utilities and miscellaneous | 0 | 0 | 0 | 0 | 0 |
| 24.0 Printing and reproduction | 0 | 0 | 0 | 0 | 0 |
| 25.1 Advisory and assistance services | 0 | 0 | 0 | 0 | 0 |
| 25.2 Other services from non-federal sources | 0 | 0 | 0 | 0 | 0 |
| 25.3 Other goods and services from Federal sources | 0 | 200 | 204 | 204 | 0 |
| 25.4 Operation and maintenance of facilities | 0 | 0 | 0 | 0 | 0 |
| 25.7 Operation and maintenance of equipment | 0 | 0 | 0 | 0 | 0 |

Department of Commerce
Minority Business Development Agency
Minority Business Development
PROGRAM CHANGES FOR FY 2024
(Dollar amounts in thousands)

Exhibit 15

Activity: Minority Business Development

Program Change: Regional Operations

| Object Class | 2022 Actual | 2023 Enacted | 2024 Base | 2024 Estimate | 2024 Increase/Decrease |
|--|------------------------|-------------------------|----------------------|--------------------------|-----------------------------------|
| 33.0 Investment loans | 0 | 0 | 0 | 0 | 0 |
| 41.0 Grants, subsidies and contributions | 0 | 0 | 0 | 0 | 0 |
| 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 | 0 | 1,658 | 1,718 | 7,907 | 6,189 |

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 PROGRAM CHANGES FOR FY 2024
 (Dollar amounts in thousands)**

Exhibit 13

| | | 2024 Base | | 2024 Estimate | | Increase (Decrease) | |
|-------------------------------|----------|--------------|--------|------------------|--------|---------------------|--------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Minority Business Development | Pos/BA | 3 | 4,162 | 9 | 6,993 | 6 | 2,831 |
| | FTE/Obl. | 3 | 4,162 | 8 | 6,993 | 5 | 2,831 |

Program change: Data, Research, Evaluation

Data, Research, Evaluation (+\$2.8 million and 5 FTE/6 positions) - \$2.8 million is requested to fully establish and maintain an information clearinghouse and to evaluate MBE’s resilience to economic shocks. The information clearinghouse will facilitate the collection and dissemination of MBE data to relevant parties (including business owners and researchers). The clearinghouse will include demographic, economic, financial, managerial, and technical data relating to minority business enterprises. Additional personnel is necessary to operate and oversee the secure online database. MBDA will also use this program increase to fund an examination of the extent to which MBEs are resilient when facing economic shocks and MBE’s utility and impact to their community in times of economic shock. This examination will inform design of current and future programs to improve MBEs resilience and utility to their communities in times of economic shock. This examination is included in the Department’s FY 2024 Evaluation Plan.

Performance Measures:

Performance metrics must be developed to assess program success and utility of MBDA data and clearinghouse. Program deliverables will be responsive to the FY 2024 Department Evaluation Plan.

Department of Commerce
Minority Business Development Agency
Minority Business Development
PROGRAM CHANGE PERSONNEL DETAIL
(Dollar amounts in thousands)

Exhibit 14

Activity: Minority Business Development

Program Change: Data, Research, Evaluation

| Title | Grade | Number | Annual Salary | Total Salaries |
|---------------------------------|--------|--------|---------------|----------------|
| Data Scientist | 13/14 | 1 | 154,428 | 154,428 |
| Economist | 13/14 | 1 | 154,428 | 154,428 |
| Data Analyst | 13 | 2 | 130,683 | 261,366 |
| Research Analyst | 11/12 | 2 | 109,899 | 219,798 |
| Total | | 6 | | 790,020 |
| Less lapse | 25.00% | -2 | | -197,505 |
| Total full-time permanent (FTE) | | 5 | | 592,515 |
| 2023 Pay Adjustment (5.20%) | 5.2% | | | 30,811 |
| | | | | 623,326 |

Personnel Data Summary

| Full-time Equivalent Employment | |
|---------------------------------|---|
| Full-time permanent | 5 |
| Other than full-time permanent | 0 |
| Total | 5 |

Authorized Positions:

| | |
|--------------------------------|---|
| Full-time permanent | 6 |
| Other than full-time permanent | 0 |
| Total | 6 |

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

Exhibit 15

Activity: Minority Business Development

Program Change: Data, Research, Evaluation

| Object Class | 2022 Actual | 2023 Enacted | 2024 Base | 2024 Estimate | 2024 Increase/Decrease |
|--|------------------------|-------------------------|----------------------|--------------------------|-----------------------------------|
| 11 Personnel compensation | | | | | |
| 11.1 Full-time permanent | 555 | 579 | 601 | 1,224 | 623 |
| 11.3 Other than full-time permanent | 0 | 0 | 0 | 0 | 0 |
| <i>Subtotal 11-01 and 11-03</i> | <i>555</i> | <i>579</i> | <i>601</i> | <i>1,224</i> | <i>623</i> |
| 11.5 Other personnel compensation | 2 | 14 | 15 | 31 | 16 |
| 11.8 Special personnel services payments | 23 | 0 | 0 | 0 | 0 |
| 11.9 Total personnel compensation | 581 | 593 | 616 | 1,255 | 639 |
| 12.1 Civilian personnel benefits | 203 | 208 | 216 | 439 | 224 |
| 13.0 Benefits for former personnel | 0 | 0 | 0 | 0 | 0 |
| 21.0 Travel and transportation of persons | 0 | 0 | 0 | 59 | 59 |
| 22.0 Transportation of things | 0 | 0 | 0 | 0 | 0 |
| 23.1 Rental payments to GSA | 0 | 0 | 0 | 0 | 0 |
| 23.2 Rental payments to others | 0 | 0 | 0 | 0 | 0 |
| 23.3 Communications, utilities and miscellaneous | 0 | 0 | 0 | 0 | 0 |
| 24.0 Printing and reproduction | 0 | 0 | 0 | 0 | 0 |
| 25.1 Advisory and assistance services | 0 | 0 | 0 | 0 | 0 |
| 25.2 Other services from non-federal sources | 0 | 0 | 0 | 0 | 0 |
| 25.3 Other goods and services from Federal sources | 365 | 3,265 | 3,330 | 5,239 | 1,909 |
| 25.4 Operation and maintenance of facilities | 0 | 0 | 0 | 0 | 0 |
| 25.7 Operation and maintenance of equipment | 0 | 0 | 0 | 0 | 0 |

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

Exhibit 15

Activity: Minority Business Development

Program Change: Data, Research, Evaluation

| Object Class | 2022 Actual | 2023 Enacted | 2024 Base | 2024 Estimate | 2024 Increase/Decrease |
|--|------------------------|-------------------------|----------------------|--------------------------|-----------------------------------|
| 26.0 Supplies and materials | 0 | 0 | 0 | 0 | 0 |
| 31.0 Equipment | 0 | 0 | 0 | 0 | 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 | 0 | 0 | 0 | 0 | 0 |
| 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 | 1,149 | 4,065 | 4,162 | 6,993 | 2,831 |

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 PROGRAM CHANGES FOR FY 2024**
 (Dollar amounts in thousands)

Exhibit 13

| | | 2024 Base | | 2024 Estimate | | Increase (Decrease) | |
|-------------------------------|----------|--------------|--------|------------------|--------|---------------------|--------|
| | | Personnel | Amount | Personnel | Amount | Personnel | Amount |
| Minority Business Development | Pos/BA | 8 | 2,769 | 21 | 5,361 | 13 | 2,592 |
| | FTE/Obl. | 8 | 2,769 | 18 | 5,361 | 10 | 2,592 |

Program change: Public-Private Partnerships, Minority Business Enterprise Advisory Council

Program change: Public-Private Partnerships, Minority Business Enterprise Advisory Council

Public-Private Partnerships, Minority Business Enterprise Advisory Council (+\$2.6 million 10 FTE/13 positions) - \$2.6 million is requested to hire 13 people and leverage increased contractor support to:

- Increase knowledge and understanding of Socially and Economically Disadvantaged Individual (SEDI) owned businesses and services amongst key influencers through strategic communications efforts
- Facilitate the exchange of market expertise between MBEs and from industry thought leaders to MBEs through MBDA hosted forums including the Congressionally mandated Minority Business Enterprises Advisory Council, the Agency’s Annual Diverse Business Forum on Capital Formation, Minority Business Enterprises Advisory Council, the Agency’s Minority Enterprise Development Week, and Buy MBE Day
- Provide MBDA Centers with communication methods, business intelligence techniques, and analytical tools to build MBE’s satisfaction and trust with the Centers.
- Engage the network of Business Centers, private and public sector partners, and the public, to increase support for investment in MBE ecosystems by emphasizing how MBEs enhance local communities and the regional and national economies
- Improve constituency outreach to MBEs, trade associations, the academic community, community development organizations, private sector corporations, as well as Federal, state, and local government officials through the Agency’s website, social media accounts, strategic alliance portfolios, and national conferences

Department of Commerce
Minority Business Development Agency
Minority Business Development
PROGRAM CHANGES FOR FY 2024
(Dollar amounts in thousands)

Performance Measures:

Customers/client's partnerships served, extent of program participation and services delivered must be determined prior to the development of program performance measures. Additional measures for examination will track event attendance participation, satisfaction surveys and/or real time polls, and targeted training offerings. Advanced gauges of the program will be developed to analyze return on investment and effectiveness of service deliver functions

Department of Commerce
Minority Business Development Agency
Minority Business Development
PROGRAM CHANGE PERSONNEL DETAIL
(Dollar amounts in thousands)

Exhibit 14

Activity: Minority Business Development

Program Change: Public-Private Partnerships, Minority Business Enterprise Advisory Council

| Title | Grade | Number | Annual Salary | Total Salaries |
|---------------------------------|-------|--------|---------------|----------------|
| Public Affairs Specialist | 13/14 | 1 | 154,428 | 154,428 |
| Policy Analyst | 13 | 2 | 91,688 | 183,376 |
| Public Affairs Specialist | 12/13 | 3 | 130,683 | 392,049 |
| Policy Analyst | 11 | 2 | 91,688 | 183,376 |
| Public Affairs Specialist | 11 | 1 | 91,688 | 91,688 |
| Policy Analyst | 9/11 | 2 | 91,688 | 183,376 |
| Public Affairs Specialist | 9 | 2 | 75,782 | 151,564 |
| Total | | 13 | | 1,339,857 |
| Less lapse | | -3 | | -334,964 |
| Total full-time permanent (FTE) | | 10 | | 1,004,893 |
| 2023 Pay Adjustment (5.20%) | | | | 52,254 |
| | | | | 1,057,147 |

25.00%

5.2%

Department of Commerce
Minority Business Development Agency
Minority Business Development
PROGRAM CHANGE PERSONNEL DETAIL
(Dollar amounts in thousands)

Activity: Minority Business Development

Program Change: Public-Private Partnerships, Minority Business Enterprise Advisory Council

| | | | |
|--------------------------------|--|----|--|
| Full-time permanent | | 10 | |
| Other than full-time permanent | | 0 | |
| Total | | 10 | |
| | | | |
| Other than full-time permanent | | 13 | |
| Total | | 13 | |

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

Exhibit 15

Activity: Minority Business Development

Program Change: Public-Private Partnerships, Minority Business Enterprise Advisory Council

| Object Class | 2022 Actual | 2023 Enacted | 2024 Base | 2024 Estimate | 2024 Increase/Decrease |
|--|------------------------|-------------------------|----------------------|--------------------------|-----------------------------------|
| 11 Personnel compensation | | | | | |
| 11.1 Full-time permanent | 806 | 839 | 872 | 1,929 | 1,057 |
| 11.3 Other than full-time permanent | 806 | 839 | 872 | 1,929 | 0 |
| <i>Subtotal 11-01 and 11-03</i> | | | | | <i>0</i> |
| 11.5 Other personnel compensation | 3 | 21 | 22 | 48 | 26 |
| 11.8 Special personnel services payments | | 0 | 0 | 0 | 0 |
| 11.9 Total personnel compensation | 808 | 860 | 894 | 1,977 | 1,084 |
| 12.1 Civilian personnel benefits | 299 | 301 | 313 | 692 | 379 |
| 13.0 Benefits for former personnel | 0 | 0 | 0 | 0 | 0 |
| 21.0 Travel and transportation of persons | 14 | 14 | 15 | 143 | 128 |
| 22.0 Transportation of things | 0 | 0 | 0 | 0 | 0 |
| 23.1 Rental payments to GSA | 0 | 0 | 0 | 0 | 0 |
| 23.2 Rental payments to others | 0 | 0 | 0 | 0 | 0 |
| 23.3 Communications, utilities and miscellaneous | 0 | 0 | 0 | 0 | 0 |
| 24.0 Printing and reproduction | 2 | 2 | 2 | 2 | 0 |
| 25.1 Advisory and assistance services | 0 | 0 | 0 | 0 | 0 |
| 25.2 Other services from non-federal sources | 1,371 | 1,499 | 1,529 | 2,529 | 1,000 |
| 25.3 Other goods and services from Federal sources | 0 | 0 | 0 | 0 | 0 |
| 25.4 Operation and maintenance of facilities | 0 | 0 | 0 | 0 | 0 |
| 25.7 Operation and maintenance of equipment | 0 | 0 | 0 | 0 | 0 |

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

Activity: Minority Business Development

Program Change: Public-Private Partnerships, Minority Business Enterprise Advisory Council

| Object Class | 2022 Actual | 2023 Enacted | 2024 Base | 2024 Estimate | 2024 Increase/Decrease |
|--|------------------------|-------------------------|----------------------|--------------------------|-----------------------------------|
| 26.0 Supplies and materials | 16 | 16 | 17 | 17 | 0 |
| 31.0 Equipment | 0 | 0 | 0 | 0 | 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 | 0 | 0 | 0 | 0 | 0 |
| 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 | 2,511 | 2,693 | 2,769 | 5,361 | 2,591 |

Department of Commerce
Minority Business Development Agency
Minority Business Development
PROGRAM CHANGES FOR FY 2024
(Dollar amounts in thousands)

| | | 2024 | | 2024 | | Increase (Decrease) | |
|-------------------------------|----------|-----------|--------|-----------|--------|------------------------|--------|
| | | Base | | Estimate | | Personnel | Amount |
| | | Personnel | Amount | Personnel | Amount | | |
| Minority Business Development | Pos/BA | 0 | 0 | 2 | 2,282 | 2 | 2,282 |
| | FTE/Obl. | 0 | 0 | 2 | 2,282 | 2 | 2,282 |

Program change: Entrepreneurship Education Development Activities

Entrepreneurship Education Development Activities (+\$2.2 million and 2 FTE/2 positions) - The request will provide \$2 million in federal financial assistance grants for MBDA to partner with public and private sector entities and educational institutions to support opportunities for business and management education, apprenticeships, entrepreneurship training, and related activities for the benefit of socially or economically disadvantaged individuals. The Minority Business Development Act of 2021 authorized new entrepreneurship education development activities, including the Parren J. Mitchell Entrepreneurship Education Grants Program for grants to eligible institutions (e.g., HBCUs, MSIs, TCUs, among others).

Performance Measures:

MBDA will develop and provide performance measures for subsequent budget requests and annual performance plans and reports. Partnerships served, extent of program participation and services delivered must be determined prior to the development of program performance measures. Additional measures for examination will track event attendance participation, satisfaction surveys and/or real time polls, and targeted training offerings. Advanced gauges of the program will be developed to analyze return on investment and effectiveness of service deliver functions.

Department of Commerce
Minority Business Development Agency
Minority Business Development
PROGRAM CHANGE PERSONNEL DETAIL
(Dollar amounts in thousands)

Activity: Minority Business Development

Program Change: Entrepreneurship Education Development
Activities

| Title | Grade | Number | Annual Salary | Total Salaries |
|---------------------------------|-------|--------|------------------|-------------------|
| Grants Management Specialist | 12/13 | 1 | 130,683 | 130,683 |
| Grants Management Specialist | 11/12 | 1 | 109,899 | 109,899 |
| Total | | 2 | | 240,582 |
| Less lapse | | -1 | | -60,146 |
| Total full-time permanent (FTE) | | 2 | | 180,437 |
| 2023 Pay Adjustment (5.20%) | | | | 9,383 |
| | | | | 189,819 |

Personnel Data Summary

Full-time Equivalent Employment

Full-time permanent

2

Other than full-time permanent

0

Total

2

Authorized Positions:

Full-time permanent

2

Other than full-time permanent

0

Total

2

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

Activity: Minority Business Development

Program Change: Entrepreneurship Education Development Activities

| Object Class | 2022 Actual | 2023 Enacted | 2024 Base | 2024 Estimate | 2024 Increase/Decrease |
|--|------------------------|-------------------------|----------------------|--------------------------|-----------------------------------|
| 11 Personnel compensation | | | | | |
| 11.1 Full-time permanent | 0 | 0 | 0 | 190 | 190 |
| 11.3 Other than full-time permanent | 0 | 0 | 0 | 0 | 0 |
| <i>Subtotal 11-01 and 11-03</i> | | | | | <i>0</i> |
| 11.5 Other personnel compensation | <i>0</i> | <i>0</i> | <i>0</i> | 5 | 5 |
| 11.8 Special personnel services payments | 0 | 0 | 0 | 0 | 0 |
| 11.9 Total personnel compensation | 0 | 0 | 0 | 195 | 195 |
| 12.1 Civilian personnel benefits | 0 | 0 | 0 | 68 | 68 |
| 13.0 Benefits for former personnel | 0 | 0 | 0 | 0 | 0 |
| 21.0 Travel and transportation of persons | 0 | 0 | 0 | 20 | 20 |
| 22.0 Transportation of things | 0 | 0 | 0 | 0 | 0 |
| 23.1 Rental payments to GSA | 0 | 0 | 0 | 0 | 0 |
| 23.2 Rental payments to others | 0 | 0 | 0 | 0 | 0 |
| 23.3 Communications, utilities and miscellaneous | 0 | 0 | 0 | 0 | 0 |
| 24.0 Printing and reproduction | 0 | 0 | 0 | 0 | 0 |
| 25.1 Advisory and assistance services | 0 | 0 | 0 | 0 | 0 |
| 25.2 Other services from non-federal sources | 0 | 0 | 0 | 0 | 0 |
| 25.3 Other goods and services from Federal sources | 0 | 0 | 0 | 0 | 0 |
| 25.4 Operation and maintenance of facilities | 0 | 0 | 0 | 0 | 0 |
| 25.7 Operation and maintenance of equipment | 0 | 0 | 0 | 0 | 0 |

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

Exhibit 15

Activity: Minority Business Development

Program Change: Entrepreneurship Education Development Activities

| Object Class | 2022 Actual | 2023 Enacted | 2024 Base | 2024 Estimate | 2024 Increase/Decrease |
|--|------------------------|-------------------------|----------------------|--------------------------|---------------------------|
| 26.0 Supplies and materials | 0 | 0 | 0 | 0 | 0 |
| 31.0 Equipment | 0 | 0 | 0 | 0 | 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 | 0 | 0 | 0 | 2,000 | 2,000 |
| 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 | 0 | 0 | 0 | 2,282 | 2,282 |

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

| Object Class | 2022 Actual | 2023 Enacted | 2024 Base | 2024 Estimate | 2024 Increase / (Decrease) |
|--|----------------|-----------------|---------------|------------------|----------------------------------|
| 11 Personnel compensation | | | | | |
| 11.1 Full-time permanent | 4,565 | 8,655 | 11,288 | 16,300 | 5,012 |
| 11.3 Other than full-time permanent | 0 | 0 | 0 | 0 | 0 |
| <i>Subtotal 11-01 and 11-03</i> | <i>4,565</i> | <i>8,655</i> | <i>11,288</i> | <i>16,300</i> | <i>5,012</i> |
| 11.5 Other personnel compensation | 12 | 222 | 282 | 408 | 125 |
| 11.8 Special personnel services payments | 38 | 0 | 0 | 0 | 0 |
| 11.9 Total personnel compensation | 4,615 | 8,877 | 11,570 | 16,708 | 5,137 |
| 12.1 Civilian personnel benefits | 1,704 | 2,916 | 4,050 | 5,096 | 1,046 |
| 13.0 Benefits for former personnel | 0 | 0 | 0 | 0 | 0 |
| 21.0 Travel and transportation of persons | 89 | 289 | 295 | 868 | 573 |
| 22.0 Transportation of things | 1 | 1 | 208 | 208 | 0 |
| 23.1 Rental payments to GSA | 949 | 1,083 | 973 | 3,386 | 2,413 |
| 23.2 Rental payments to others | 1 | 0 | 0 | 0 | 0 |
| 23.3 Communications, utilities and miscellaneous | 96 | 96 | 98 | 98 | 0 |
| 24.0 Printing and reproduction | 4 | 4 | 19 | 19 | 0 |
| 25.1 Advisory and assistance services | 9 | 9 | 563 | 574 | 11 |
| 25.2 Other services from non-federal sources | 2,491 | 6,674 | 6,738 | 12,196 | 5,458 |
| 25.3 Other goods and services from federal sources | 7,657 | 10,032 | 11,052 | 9,337 | (1,715) |
| 25.4 Operation and maintenance of facilities | 0 | 0 | 0 | 0 | 0 |
| 25.7 Operation and maintenance of equipment | 0 | 0 | 0 | 0 | 0 |

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

| Object Class | 2022 Actual | 2023 Enacted | 2024 Base | 2024 Estimate | 2024 Increase / (Decrease) |
|--|----------------|-----------------|---------------|------------------|----------------------------------|
| 26.0 Supplies and materials | 19 | 19 | 308 | 308 | 0 |
| 31.0 Equipment | 0 | 0 | 814 | 814 | 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 | 36,265 | 40,000 | 40,000 | 60,389 | 20,389 |
| 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 | 53,900 | 70,000 | 76,688 | 110,000 | 33,312 |

Less, Prior Year Unobligated Balance
Less, Prior Year Recoveries and Refunds
Plus, Unobligated Balance, EOY
Plus, Unobligated Balance, Expiring

1,100

| | | | | | |
|-------------------------------|--------|--------|--------|---------|--------|
| Total Budget Authority | 55,000 | 70,000 | 76,688 | 110,000 | 33,312 |
|-------------------------------|--------|--------|--------|---------|--------|

Personnel Data

Full-time equivalent Employment

| | | | | | |
|--------------------------------|-----------|-----------|-----------|------------|-----------|
| Full-time permanent | 50 | 70 | 76 | 120 | 44 |
| Other than full-time permanent | 0 | 0 | 0 | 0 | 0 |
| Total | 50 | 70 | 76 | 120 | 44 |

Authorized Positions

| | | | | | |
|--------------------------------|-----------|-----------|-----------|------------|-----------|
| Full-time permanent | 50 | 70 | 76 | 134 | 58 |
| Other than full-time permanent | 0 | 0 | 0 | 0 | 0 |
| Total | 50 | 70 | 76 | 134 | 58 |

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Appropriation Language and Code Citation**

For necessary expenses of the Minority Business Development Agency in fostering, promoting, and developing minority business enterprises, as authorized by law, \$110,000,000.

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 ADVISORY AND ASSISTANCE SERVICES**

| | 2022 Actual | 2023 Enacted | 2024 Estimate |
|--|----------------|-----------------|------------------|
| Consulting Services | 0 | 0 | 0 |
| Management and Professional Services | 250 | 513 | 524 |
| Special Studies and Analyses | 50 | 50 | 50 |
| Management and support services for research and development | 0 | 0 | 0 |
| TOTALS | 300 | 563 | 574 |

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 will utilize contractor services in support of the Under Secretary. 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

| | FY 2022 Actual | FY 2023 Enacted | FY 2024 Estimate |
|--------------|-------------------|--------------------|---------------------|
| Periodicals | 3 | 3 | 3 |
| Pamphlets | 99 | 99 | 101 |
| Audiovisuals | 0 | 0 | 0 |
| TOTALS | 102 | 102 | 104 |

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 AVERAGE GRADE AND SALARIES
 (Dollars in thousands)**

| | 2022 Actual | 2023 Enacted | 2024 Estimate |
|----------------------|----------------|-----------------|------------------|
| Average ES Salary | \$183,100 | \$184,949 | \$186,817 |
| Average GS/GM Grade | 12 | 12 | 12 |
| Average GS/GM Salary | \$113,506 | \$114,652 | \$117,632 |

**Department of Commerce
Minority Business Development Agency
Minority Business Development**

IMPLEMENTATION STATUS OF GAO AND OIG RECOMMENDATIONS

Title 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.

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development**

IMPLEMENTATION STATUS OF GAO AND OIG RECOMMENDATIONS

| | |
|---|-----|
| 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 |

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Description of Tribal Consultations**

Summary Description of Tribal Consultations:

In accordance with the Minority Business Development Act of 2021 (P.L. 117-58), SEC. 100702. FEDERAL ASSISTANCE, (a) IN GENERAL, paragraph (3) CONSULTATION. —The Under Secretary shall consult with public sector entities and private sector entities, as applicable, in deciding the amounts and types of Federal assistance to make available. This includes Tribal Governments; those recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published most recently as of the date of enactment of this division pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131)

Summary Description of Tribal Input:

The Minority Business Development Agency has no regulatory consultation activities to report in accordance with Executive Order 13175 of November 6, 2000 (Consultation and Coordination With Indian Tribal Governments).

Minority Business Development APPR Backup

Overview of Bureau Accomplishments

The President signed the Minority Business Development Act of 2021 (Act) on November 15, 2021 (P.L. 117-58, “MBD Act”), which codified the Minority Business Development Agency (MBDA) as a permanent agency and authorized several new activities to support minority business enterprises (MBEs). MBDA awarded six new Minority Business Centers (MBCs) in South Carolina, Indiana, Oregon, Arkansas, Wisconsin, and Utah expanding MBDA’s footprint from 28 states to 34 states, including District of Columbia and Puerto Rico. MBDA’s programming at the national level and through its grant awardees (i.e., Business Centers, Specialty Centers and Broad Agency Announcements) focus on key drivers to MBE’s success in the US economy: access to capital, access to contracts, access to domestic and global markets. MBDA’s strategic focus is to maximize domestic and global competitiveness of MBEs resulting in U.S. job creation, innovation advances, increases in manufacturing, exports, and global supply chains. MBDA continued 28 Broad Agency Announcement (BAA) grants that support and complement Department of Commerce initiatives. Additionally, MBDA awarded two new BAA grants for access to capital/ innovative finance solutions and seven BAA grants for its Minority Colleges and Universities program to provide funding to minority serving institutions to establish and grow entrepreneurship programs for students.

Access to Capital

By far the most important aspect of developing a business, and often the most difficult to achieve, is access to capital and financial management. MBDA Business Centers’ staff offer extensive experience in commercial lending and banking, financial, credit and risk analysis and general financial counseling. In FY2022, MBDA laid the foundation for the establishment of the Treasury’s State Small Business Credit Initiative (SSBCI) program and will issue in FY23 a Broad Agency Announcement on alternative financing for MBEs. This program will build a directory of MBE-friendly capital providers and match MBEs to those providers. The agency will launch the SSBCI grant competition in FY 2023 and it is anticipated that approximately \$100M of program funding will extend from FY2023 – FY 2026.

Access to Contracts

MBDA Business Centers provide procurement assistance to help minority-owned firms do business with major corporations, federal, state, and local governments. In FY2022, MBDA prioritized influencing policy that supports MBE inclusion in contracts by participating in the federal procurement Infrastructure Investment and Jobs Act (IIJA) Council and coordinating with agencies’ Offices of Small and Disadvantaged Business Utilization. MBDA also deployed supplemental funding to 26 existing Business Centers to strengthen procurement assistance capacity and prepare MBEs for upcoming IIJA-related contract opportunities. MBDA is also convening federal partners to advocate for MBE inclusion in federal contracting, in alignment with E.O. 13985 into FY2023 and FY2024.

Minority Business Development APPR Backup

Access to Markets

Increasing market share through the identification of new markets or increasing client customer base in an existing market is a goal for each of the Business Centers. Services include private and public sector procurement assistance, teaming, joint ventures, domestic and global supply chain management, and specialized certification assistance including 8(a), MBE, as well as Small Disadvantaged Business. The Business Centers also assist with market research, and market plan development on emerging industries and markets such as electronic vehicles, climate, clean green energy, construction, healthcare, and high-speed rail, amongst others.

Global Business Development

For decades MBDA has promoted exporting as a business growth strategy for MBEs. Minority firms are a key component of the U.S. international trade economy, are uniquely qualified, and have a competitive advantage to enter global markets because of their linguistic and cultural ties. MBDA is partnering with the International Trade Administration (ITA), Global Diversity Export Initiative and the ITA national network of U.S. Export Assistance Centers to share global business resources and strategies to assist MBEs.

Data, Research and Evidence

In FY2022, as part of the Agency's Learning Agenda, MBDA is explored: What are the most effective approaches to increase capital availability to minority businesses? MBDA engaged the U.S. General Services Administration's Office of Evaluation Services to support the completion of the Learning Agenda which is anticipated to be completed in FY2023. MBDA initiated two additional studies as required under the MBD Act on (i) ways in which minority businesses can meet the gaps in the supply chain of the U.S., and (ii) a study on opportunities for providing alternative financing solutions to minority businesses. MBDA engaged the Library of Congress Federal Research Division to conduct the former study. A working paper will be developed by November 2022 and a final report by July 2023. MBDA is conducting the latter study internally. The results of the studies are anticipated to improve advocacy and awareness among private and public stakeholders, as well as inform the development and design of future MBDA programs. MBDA produced new minority business fact sheets by race/ethnicity groups and 50 minority business breakouts by states. MBDA also released a report on federal contracting "The Probability of Winning Federal Contracts: An Analysis of Small Minority Owned Firms" which provided compelling evidence to support MBEs in Federal contracting.

Planned Actions through FY 2024

In FY2022 MBDA began implementing the MBD Act by developing the Agency's long-term strategy to expand as a permanent federal agency with an Under Secretary and meet the Agency's mission on a greater scale. As MBDA evolves, the Agency looks to focus on four strategic pillars: 1) Expand Services; 2) Research and Data; 3) Intergovernmental Coordination, Marketing, Communications, and External Affairs; and 4) Build Capacity. For 2023 and beyond, MBDA aims to further broaden its network of Business Centers to expand its footprint in more states and territories, begin implementation of the Rural Business Center program,

Minority Business Development APPR Backup

and coordinate digital-enabled tools to offer greater availability of services for MBEs. MBDA will support its programs by investing in additional technology, increasing the average awards to Centers, establishing a national network of Business Centers in every U.S. state and territory.

The MBD Act mandates MBDA to implement a new Parren J. Mitchell Entrepreneurship Education Grant program. This program will be launched and continue beyond FY2024. This program will make annual awards to institutions of higher education to develop curricula that includes business management, marketing, leadership, and other entrepreneurial skills and trainings. This program adds to MBDA's current partnerships with minority serving higher education institutions and supports MBDA's goal to inspire the next generation of minority businesses and entrepreneurs.

MBDA's pilot grants for the Enterprising Women of Color initiative, Entrepreneurship for Formerly Incarcerated Persons projects and Inner-City Innovation Hub projects were extended for one year in FY22. Evaluation of best practices and lessons learned during FY23 will inform the program portfolio for FY23-24.

Analysis of Performance Indicators

In FY2022, MBDA initiated a new set of measures and targets to better align with the Department's Strategic Plan and reflect improved tangible results generated through MBDA programs, activities and initiatives. The new measure, Economic Benefits to MBEs, aggregates (a) dollar value of contracts, (b) dollar value of financing, (c) dollar value of capacity investments, (d) and increase in sales. Whereas, in prior years MBDA tracked only items (a) and (b), resulting in an underreporting of performance of MBEs served in retail industries and areas that increase MBE equity. MBDA continues reporting MBE clients served and modified jobs by including jobs created and jobs retained.

Explanation of Trends

The agency received an increase of \$7 million for a total appropriation of \$55 million in FY 2022 that supported the expansion of new Business Centers and initiatives that did not officially start until September 1, 2022. Performance impacts from FY2022 resulted in \$2.6B for Economic Benefit to MBEs and the agency has exceeded its goal for jobs created and retained at 30,349. In observation and based on anecdotal input from the national network of MBDA Business Centers, in FY2022, Operators of the Business Centers have acknowledged that their clients continued to be impacted by the pandemic and issues related to supply chains, loss of customers, loss of staff, and in some instances starting over. However, there is a positive outlook related to some industries that benefited from the pandemic and the recently announced Infrastructure Investment and Jobs Act and E.O. 13985.

Minority Business Development APPR Backup

Explanation of Targets for FY 23 and FY 24

MBDA performance measures are based on the summation of MBDA program performance as outlined in the cooperative agreements through business centers, pilots, and programs. Individual program awards contribute in whole or in part to current year actual performance and projected future year performance targets. MBDA is cognizant of needed lead and lag times for programs to initiate operations and build momentum that result in service outputs, outcomes and impact. As such, MBDA has adjusted performance targets for each program award that originate in FY23 and FY24, as well as those incumbent programs that continue through FY23 and FY24. Performance targets that reflect a rise are due to the increase in existing programs, such as the Business Centers and the addition of new programs, such as the Innovative Finance/Access to Capital pilot, based on alignment with MBDA budgetary requests. In FY23, MBDA also anticipates expanding its Business Center programs and launching its Rural Business Center program.

Progression of the Performance Indicators

MBDA has continued to improve upon the way it captures various performance elements within its portfolio of grant investments. While the agency has key pillars that it reports to OMB, it has also continued to expand upon qualitative measurements, such as number of strategic alliances, outreach and awareness, and strategic facilitated actions. Additionally, the agency continues to coordinate with the OCIO on regular sprints to ensure that performance dashboards accurately reflect data that is useful and informative for future investments.

Performance Data Validation and Verification

Performance data on all MBDA program performance that are submitted to OMB are tracked through Salesforce. The data is entered by Business Center staff and is validated by MBDA Program Analyst staff, to ensure accuracy. This is a formal process that requires multiple validation points and documentation that must be adhered to for 100% of contracts and financial transactions, and job creation. The confirmed performance data in the Salesforce system is used to determine "Satisfactory or Above" performance, in a given award cycle/calendar year. It should be noted that the Business Centers start date is off cycle with the Fiscal Year for the agency.

Minority Business Development APPR Backup

Performance Indicators

| Strategic Objective | Class | Indicators | FY 2022 Target | FY 2022 Actual | FY 2022 Status | FY 2023 Target | FY 2024 Target |
|---------------------|-------------------|---|----------------|----------------|----------------|----------------|----------------|
| 1.1 | Proposed new | Economic Benefit to (Manufacturing) MBE clients | \$57.40 M | \$171.51 M | Exceeded | \$64.16 M | \$66.86 M |
| 1.1 | Current/Recurring | Number of jobs by (Manufacturing) MBE clients | 850 | 749 | Not Met | 950 | 990 |
| 1.1 | Current/Recurring | Number of (Manufacturing) MBE clients served | 214 | 437 | Exceeded | 239 | 249 |
| 1.3 | Proposed new | Economic Benefit to (Exporting) MBE clients | \$188.16 M | \$301.67 M | Exceeded | \$210.29 M | \$219.15 M |
| 1.3 | Current/Recurring | Number of jobs by (Exporting) MBE clients | 779 | 771 | Met | 870 | 907 |
| 1.3 | Current/Recurring | Number of (Exporting) MBE clients served | 636 | 513 | Not Met | 711 | 741 |
| 2.1 | Proposed new | Economic Benefit to MBEs | \$2.27 B | \$2.57 B | Exceeded | \$3.23 B | \$4.11 B |
| 2.2 | Current/Recurring | Number of jobs by MBE clients | 7,540 | 28,829 | Exceeded | 9,702 | 13,181 |
| 2.3 | Current/Recurring | Number of MBE clients served | 3,043 | 4,994 | Exceeded | 4,640 | 11,756 |
| 2.3 | Proposed new | MBEs Reached | 225,000 | 442,020 | Exceeded | 252,605 | 292,487 |