



Fiscal Year 2025 Congressional Justification

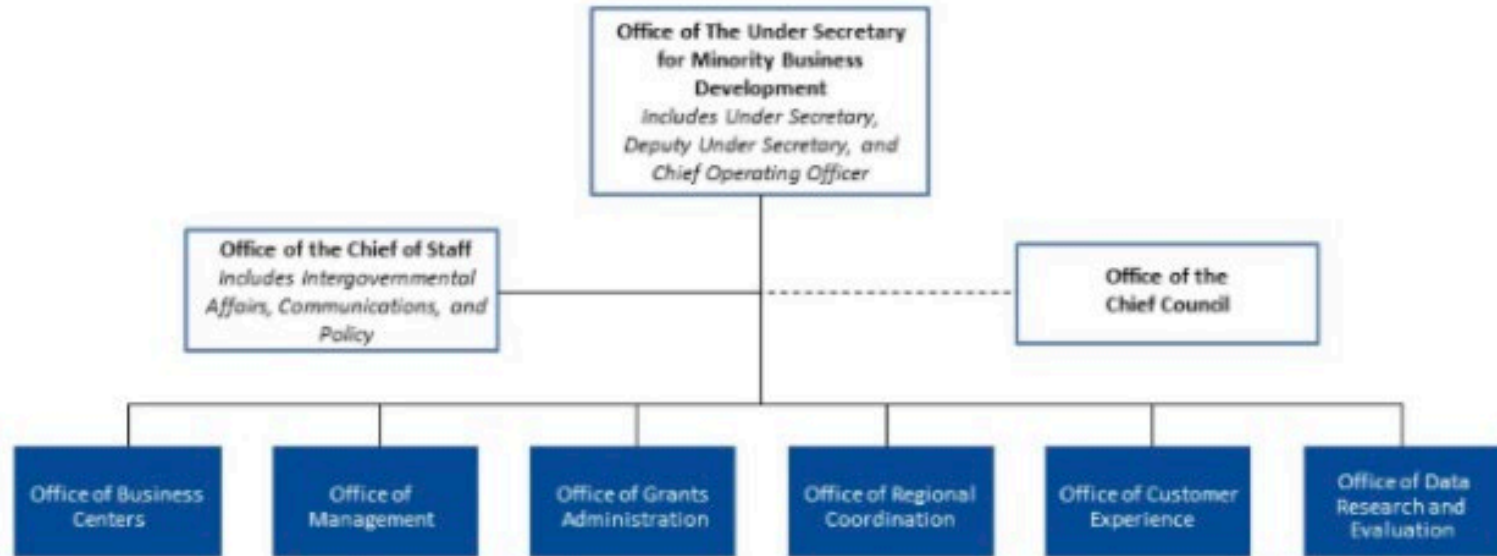
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**Department of Commerce
Minority Business Development Agency
Budget Estimate, Fiscal Year 2025
Table of Contents**

<u>Exhibit Number</u>	<u>Exhibit</u>	<u>Page Number</u>
2	Organization Chart	MBDA - 5
3	Executive Summary	MBDA - 7
4A	Program Increases/Decreases/Terminations	MBDA - 10
5	Summary of Resource Requirements	MBDA - 11
6	Summary of Reimbursable Obligations	MBDA - 12
7	Summary of Financing	MBDA - 13
8	Adjustments to Base	MBDA - 14
10	Program and Performance: Direct Obligations	MBDA - 15
12	Justification of Program and Performance	MBDA - 16
	MBDA Program Change 2025	
	MBDA Business Centers	
13	Program Change 2025	MBDA - 29
15	Program Change Detail by Object Class	MBDA - 30
	MBDA Rural Business Centers	
13	Program Change 2025	MBDA - 32
15	Program Change Detail by Object Class	MBDA - 33
	Data, Research, Evaluation	
13	Program Change 2025	MBDA - 35
15	Program Change Detail by Object Class	MBDA - 36
	Public-Private Partnerships, Minority Business Enterprise Advisory Council	
13	Program Change 2025	MBDA - 38
15	Program Change Detail by Object Class	MBDA - 40
	Non-recurring Operational Costs	
13	Program Change 2025	MBDA - 42
15	Program Change Detail by Object Class	MBDA - 43

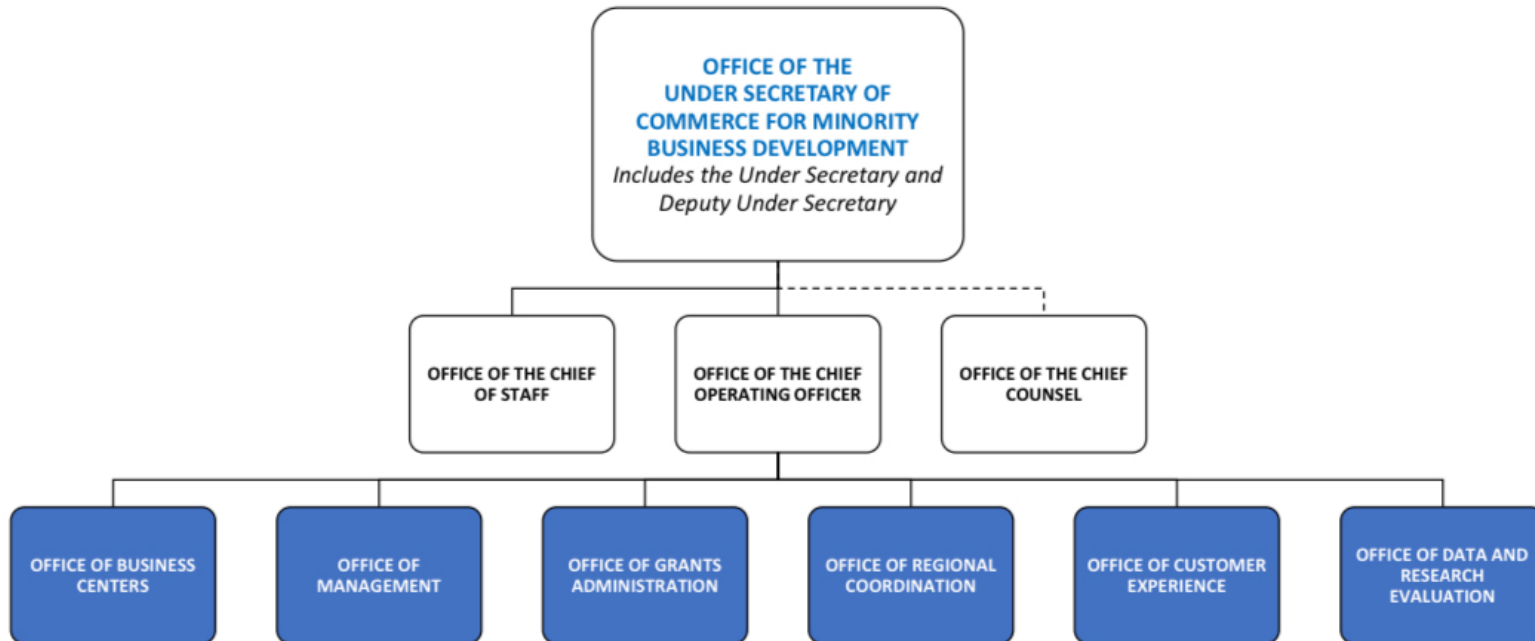
<u>Exhibit Number</u>	<u>Exhibit</u>	<u>Page Number</u>
16	Summary of Requirements by Object Class	MBDA - 45
33	Appropriations Requiring Authorizing Legislation	MBDA - 47
34	Advisory and Assistance Services	MBDA - 48
35	Periodical, Pamphlets, and Audiovisual Services	MBDA - 49
36	Average Grade and Salaries	MBDA - 50
41	Implementation Status of GAO and OIG Recommendations	MBDA - 51
42	Descriptions of Tribal Consultations	MBDA - 54
APPR	Summary of Goals, Objectives, and Performance Measures	MBDA - 55

**Department of Commerce
Minority Business Development Agency
Organization Chart “AS IS”**



**Department of Commerce
Minority Business Development Agency
Organization Chart "TO BE"**

The proposed adjustment to the organization structure is a clarifying change intended to directly delineate lines of supervision within the Minority Business Development Agency (MBDA).



**Department of Commerce
Minority Business Development Agency (MBDA)
Budget Estimate, Fiscal Year 2025
Executive Summary**

The FY 2025 MBDA Budget Request totals \$80 million and includes 76 positions. This budget will allow MBDA to continue to implement the Minority Business Development Act of 2021 (P.L. 117-58, “the Act”), which codified the MBDA as a permanent agency with expanded authorities to support minority business enterprises (MBEs). MBDA will continue its efforts to (1) broaden its Rural Business Center Program, which will ensure the Agency’s services and tools are available in rural and urban areas; (2) explore the efficacy of MBDA regional offices; (3) expand access to the Agency’s Data, Research and Evaluation services, Public-Private Partnership programs and improve the Agency’s regional coordination with federal, state, local, and tribal organizations; and (4) strengthen the Agency’s network of business centers, which includes MBDA Business Centers, Specialty Centers, and Rural Business Centers. These efforts help ensure minority and underserved entrepreneurs have access to the resources needed to create jobs, advance local economies, and drive the Nation’s prosperity. In addition, MBDA will continue to implement its Capital Readiness Program (CRP), which is funded through the U.S. Department of Treasury, State Small Business Credit Initiative (SSBCI), to provide technical assistance to help underserved entrepreneurs across the country to grow and scale their businesses.

Vision Statement:

Economic prosperity for all American business enterprises

Performance:

Please see the Annual Performance Plan and Report for current Government Performance and Results Act targets.

Inflationary Adjustments

MBDA’s FY 2025 base includes a total of \$4.231 million and 0 positions to account for the full funding requirement for inflationary adjustments to current programs for MBDA activities. This includes the annualization of the FY 2024 pay raise, and the FY 2025 pay raise of 2.2 percent, as well as an inflationary increases for labor and non-labor activities, including benefits, service contracts, utilities, and rent charges from the General Services Administration (GSA).

Program Changes:

MBDA plans to carry out the responsibilities of the Act and expand its programs that target unique challenges faced by MBEs. MBDA requests additional resources for the following programs:

MBDA Business Centers (+\$1.960 million and 0 FTE/0 positions) - The budget requests an additional \$1.96 million for the MBDA Business Center program to strengthen the existing network of MBDA Business Centers and Specialty Centers. MBDA Business Centers provide technical assistance and business development services, including, business consulting, access to private equity

Department of Commerce
Minority Business Development Agency (MBDA)
Budget Estimate, Fiscal Year 2025
Executive Summary

and venture capital opportunities, and facilitation of joint ventures and strategic partnerships. Support from MBDA's Business Centers contributed to MBEs creating and retaining approximately 18,975 American jobs in FY 2023.

MBDA Rural Business Centers Program (+\$3.182 million and 0 FTE/0 positions) - The budget requests an additional \$3.182 million in FY 2025 to advance the MBDA Rural Business Center Program. In FY 2023, MBDA provided \$3.8 million in supplemental grants to existing eligible MBDA Business Centers to establish the Rural Business Centers program. (The supplemental program details can be found in Exhibit 12, page 25.) The funding requested in FY 2025 will allow for MBDA to broaden and expand the existing 19 Rural Business Centers that are currently receiving the supplemental grants and potentially establish additional Rural Business Centers. Additional funding will allow the grantees to expand their reach and have a greater impact in the areas they are currently serving. The Rural Business Center program provides 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 to private equity and venture capital opportunities, and facilitation of joint ventures and strategic partnerships. This request executes Title III of the Act, which directed the development of rural business centers to provide technical business assistance to minority business enterprises located in rural areas.

Data, Research, & Evaluation (+\$2.063 million and 0 FTE/0 positions) - The request will provide an additional \$2.063 million to fully establish and maintain an information clearinghouse and to evaluate the effectiveness of MBDA's programs including the Capital Readiness Program. 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 MBEs. MBDA will fund contracts to operate and oversee the secure online database. MBDA will also fund an impact examination of the MBDA Capital Readiness Program in supporting new venture formation, scaling of businesses, and access to capital, business growth, job creation and wealth. This examination is included in the Department's FY2025 Evaluation Plan.

Public-Private Partnerships, Minority Business Enterprise Advisory Council (+\$0.948 million 0 FTE/0 positions) - The budget requests an additional \$948 thousand for the Minority Business Enterprise Advisory Council (MBEAC). This council consists of 19 members who will meet in person twice per year. This program change request will provide funding for travel for the council members, contractor support, and research and publication of findings.

Research stemming from the MBDA MBEAC will contribute to valuable insights, recommendations, and actionable solutions to inform policy, decision-making, and/or specific initiatives related to the council's areas of focus – contracts, capital, domestic & global

**Department of Commerce
Minority Business Development Agency (MBDA)
Budget Estimate, Fiscal Year 2025
Executive Summary**

supply chains. The results of such research will be well documented, evidence-based, and relevant to the issues or challenges addressed by the council. Some potential outcomes or results that research from the MBEAC may aim to achieve include:

- Policy Recommendations
- Data-Driven Insights
- Best Practices and Strategies
- Impact Assessments
- Stakeholder Engagement
- Evaluation and Monitoring
- Capacity Building
- Public Awareness and Education

Overall, the result of the research stemming from the MBEAC will generate actionable knowledge that informs evidence-based policymaking, fosters collaboration and innovation, and ultimately contributes to positive outcomes for the clients and stakeholders that MBDA serves.

The Council will advise MBDA leadership by:

- Serving as a source of knowledge and information on developments in areas of the economic and social life of the United States that affect socially or economically disadvantaged business concerns; and
- Providing leadership with information regarding plans, programs, and activities in the public and private sectors related to socially or economically disadvantaged business concerns.

Non-recurring Operational Costs (-\$2.384 million 0 FTE/0 positions) - To partially offset the requested increases MBDA will reduce contractual support by \$2.384 million. This offset poses no negative performance impacts to MBDA's mission.

**Department of Commerce
 Minority Business Development Agency
 FY 2025 Program Increases / Decreases / Terminations**
 (Dollar amounts in thousands)

Increases

Page No.	Appropriation	Budget Program	Title of Increase/Decrease	Positions	Budget Authority
MBDA - 29	Minority Business Development	MBDA Business Centers	Increase	0	1,960
MBDA - 32	Minority Business Development	MBDA Rural Business Centers Program	Increase	0	3,182
MBDA - 35	Minority Business Development	Data, Research, & Evaluation	Increase	0	2,063
MBDA - 38	Minority Business Development	Public-Private Partnerships & Minority Business Enterprise Advisory Council	Increase	0	948
Total, Increases				0	8,153

Decreases

Page No.	Appropriation	Budget Program	Title of Increase/Decrease	Positions	Budget Authority
MBDA - 42	Minority Business Development	Non-recurring Operational Costs	Decrease	0	-2,384
Total, Decreases				0	-2,384

Terminations

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

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

	Positions	FTE	Budget Authority	Direct Obligations
FY 2024 Annualized CR	76	76	70,000	70,000
plus: Adjustments to base	0	0	4,231	4,231
FY 2025 Base	76	76	74,231	74,231
FY 2025 Estimate	76	76	80,000	80,000

Comparison by activity/sub-activity		2023		2024		2025		2025		Increase / (Decrease)	
		Actuals		Annualized CR		Base		Estimate		Over 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development	Pos/BA	76	69,002	76	70,000	76	74,231	76	80,000	0	5,769
	FTE/Obl.	49	69,002	70	70,000	76	74,231	76	80,000	0	5,769
Total	Pos/BA	76	69,002	76	70,000	76	74,231	76	80,000	0	5,769
	FTE/Obl.	49	69,002	70	70,000	76	74,231	76	80,000	0	5,769

Adjustments to Obligations

Recoveries and Refunds	0	0	0	0
Unobligated Balance, start of year	0	0	0	0
Unobligated balance transferred	0	0	0	0
Unobligated Balance, end of year	0	0	0	0
Unobligated Balance, rescission	0	0	0	0
Unobligated balance expiring	0	0	0	0
Appropriation	69,002	70,000	74,231	80,000

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 Summary of Reimbursable Obligations
 (Dollar amounts in thousands)**

Comparison by activity		2023 Actual		2024 Annualized CR		2025 Base		2025 Estimate		Increase / (Decrease) Over 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
<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
 Salaries and Expenses
 Summary of Financing**
 (Dollar amounts in thousands)

	2023 Actuals	2024 Annualized CR	2025 Base	2025 Estimate	Increase / (Decrease) Over 2025 Base
Minority Business Development	-	-	-	-	-
Total Obligations	187,560	76,422	79,121	84,890	5,769
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	(6,422)	(4,890)	(4,890)	0
Unobligated balance reimbursable, start of year	0	0	0	0	0
Unobligated balance direct, end of year	6,422	4,890	3,294	3,294	0
Unobligated balance reimbursable, end of year	0	0	0	0	0
Unobligated balance expiring	998	0	0	0	0
Budget Authority	194,980	74,890	77,525	83,294	5,769
Financing:					
Unobligated balance rescission	0	0	0	0	0
Transferred from other accounts (-)	(125,000)	0	0	0	0
Transferred to other accounts (+)	0	0	0	0	0
Appropriation	70,000	70,000	74,231	80,000	5,769

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Adjustments to Base**
(Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Other Changes:		
2024 Pay raise		113
2025 Pay raise		175
Increase in Awards		31
Annualization		0
Civil Service Retirement System (CSRS)		0
Federal Employees Retirement System (FERS)		234
Thrift Savings Plan (TSP)		56
Federal Insurance Contribution Act (FICA) – OASDI		84
Health insurance		16
Workers' Compensation Fund		(61)
Travel:		
Mileage		0
Per diem		11
Rental payments to GSA		(158)
GSA Furniture and IT Program (FIT)		(92)
Postage		0
National Archives & Records Administration		0
Working Capital Fund, Department Management		3,656
Cybersecurity (Non-Add in WCF)		73
General Pricing Level Adjustment		229
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	0
Total, adjustments to base	0	4,231

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 Program and Performance: Direct Obligations**

Activity: Minority Business Development
 Subactivity: Minority Business Development

Line item		2023 Actuals		2024 Annualized CR		2025 Base		2025 Estimate		Increase / (Decrease) Over 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development	Pos/BA	76	69,002	76	70,000	76	74,231	76	80,000	0	5,769
	FTE/Obl.	49	69,002	76	70,000	76	74,231	76	80,000	0	5,769
Direct Obligations	Pos/BA	76	69,002	76	70,000	76	74,231	76	80,000	0	5,769
	FTE/Obl.	49	69,002	76	70,000	76	74,231	76	80,000	0	5,769

**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.

MBDA is focused on implementing the vision of the Minority Business Development Act of 2021, which elevated the Agency as a leader in the Federal Government and affirmed equity in business as a national priority. MBDA is turning that vision into a reality by strengthening the organization, expanding reach, and elevating the MBE voice. MBDA will continue to implement the vision of the Act, focusing on scaling MBDA's Rural Business Center Programs; building the data, research, and evaluation work; strengthening public-private partnerships; and sustaining the MBE Advisory Council to help today's businesses by continuing to lay the foundation for tomorrow's businesses to succeed without systemic challenges holding them back.

Base Programs

MBDA awards federal financial assistance to operate a network of centers —business centers, specialty centers, rural business 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's Business Centers are designed to assist socially and economically disadvantaged entrepreneurs in starting and growing businesses through counseling, training, and access to capital. Centers are now located in 34 states, the District of Columbia, and Puerto Rico. Additionally, MBDA Business Centers partner closely with other Federal agencies and the private sector to better equip economically or socially disadvantaged entrepreneurs, which includes providing services in different languages. In addition to providing training and counseling services, MBDA Business Centers have placed an emphasis on access to capital, as access to capital remains a significant barrier to socially and economically disadvantaged entrepreneurs sustaining businesses. A large percentage of MBDA Business Centers are affiliated with organizations that are lenders, many of which are Community Development Financial Institutions.

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Justification of Program and Performance**

In FY 2023, MBDA explored regional coordination with the goal of creating and strengthening partnerships at the local and state level to amplify MBDA's mission and better connect socially and economically disadvantaged entrepreneurs to MBDA's network of resources. Several approaches are under study including co-locating with Commerce bureaus with an existing regional footprint. This approach shows promise, yielding cost savings and achieving MBDA's goal of enhancing customer experience through regional coordination.

In FY 2023, MBDA expanded its national network from 88 to 131 business centers and programs, increased its reach in rural communities, and launched CRP, the largest technical assistance program of its kind. In FY 2023, the national network helped businesses secure over \$1.2 billion in capital, over \$1.6 billion in contracts, and nearly \$300 million in export deals.

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Justification of Program and Performance**

Table of MBDA 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 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 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 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	Historical 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
1	Rural Business Center	Phoenix	Arizona
2	Rural Business Center	Fayetteville	Arkansas
3	Rural Business Center	Centennial	Colorado
4	Rural Business Center	Dallas	Texas
5	Rural Business Center	El Paso	Texas
6	Rural Business Center	Atlanta	Georgia
7	Rural Business Center	Honolulu	Hawaii
8	Rural Business Center	Baltimore	Maryland
9	Rural Business Center	Miami	Florida
10	Rural Business Center	Albuquerque	New Mexico
11	Rural Business Center	Durant	Oklahoma
12	Rural Business Center	Beaverton	Oregon
13	Rural Business Center	Orlando	Florida
14	Rural Business Center	San Juan	Puerto Rico
15	Rural Business Center	Sacramento	California
16	Rural Business Center	San Antonio	Texas
17	Rural Business Center	San Jose	California
18	Rural Business Center	Columbia	South Carolina
19	Rural Business Center	Memphis	Tennessee
20	Rural Business Center	Tacoma	Washington
21	Rural Business Center	Milwaukee	Wisconsin

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Justification of Program and Performance**

Data, Research, and Evaluation

MBDA collects data, commissions research, and disseminates findings for and about MBE's. This includes findings to assist entrepreneurs and prospective entrepreneurs in understanding what is necessary to establish and successfully operate MBEs. MBDA relies on data, research, and evaluation—allowing consumers to gain deep and broad awareness of the current challenges MBEs face. MBDA's repository of evidence-based publications and reports is cataloged to facilitate access.

Partnership with Universities and Colleges

MBDA partners with Historically Black Colleges and Universities (HBCUs), Minority-Serving Institutions (MSIs), and Hispanic Serving Institutions (HSIs). The Agency continues to prioritize 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 explore areas that are critical to issues facing MBEs; 2) collaboration, which may permit an exchange of personnel and data 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 grant or cooperative agreement with an HBCU, MSI, HSI, or TCU to enhance the institutions' ability to serve MBEs, underserved and aspiring entrepreneurs and founders. MSIs may prove critical to MBDA's ability to successfully optimize its research through machine learning, as well as 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”), which authorized existing and several new activities to support minority business enterprises (MBEs).

Existing Initiatives

MBDA Business Centers

Utilize federal financial assistance to operate a network of public partnerships that enables the Agency to deliver to MBEs technical assistance and business development services, which can ultimately enable them to have access to capital, contracts, and markets; create and retain jobs; and facilitate the growth of MBEs through trade.

MBDA Specialty Centers

MBDA Specialty Centers offer targeted assistance to minority manufacturers to increase the number of “Made in America” products sold domestically and globally. The centers provide technical assistance and business development services to generate increased financing, contract opportunities, and greater access to new and global markets for MBEs. In addition, these centers facilitate access to federal procurement officials and prime contractors throughout the region. MBDA Specialty Centers explore partnerships with other organizations that offer technical assistance programs and services that can strengthen the Agency’s existing network of specialty centers.

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Justification of Program and Performance**

Market Development, Research, and Information

MBDA will coordinate data, research, and evaluation activities with external entities in alignment with Section 100103 of the Act and the Foundations for Evidence-based Policymaking Act of 2018. The Agency relies on data, research, and evaluation to gain a deep and broad awareness of the current challenges MBEs face.

MBDA uses data, research, and evaluation which enables the Agency to discover and exploit opportunities to inform policymaking across the U.S. Government and recommend targeted solutions that strengthen MBEs' likelihood of success.

MBDA focuses its priorities on the following areas:

- (1) Targeted solutions - MBDA conducts thorough, quality research in partnership with organizations from the federal, state, local, tribal, private sector, or academia to propose targeted solutions to unique challenges facing MBEs
- (2) Program effectiveness — MBDA, in partnership with MBEs, federal, state, local, tribal, private sector, or academia community organizations evaluates the effectiveness of Agency and other federally funded programs to ensure that they are addressing the unique needs of MBEs
- (3) Efficacy - strengthen and improve MBDA's data, research, and evaluation capabilities across its workforce
- (4) Partnership - foster and enhance university-industry collaboration and engage with the academic research community and international partners.

Rural Business Centers

There are nearly 10 million MBEs in the United States, of which there are more than 544 thousand located in rural areas. Rural America covers a vast amount of land across the United States, making geographical distances a substantial barrier to economic success. Rural industry is not exclusively agricultural. Only one in five non-metro counties is dependent on agriculture; and the largest sector by employment in rural communities is the service sector. The diversity of rural economies means that there is a diverse need for rural businesses.

In FY 2023, MBDA piloted a program to establish new 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 MBDA Specialty Centers. This pilot program provided \$3.8 million through supplemental grants to eligible existing MBDA Business Centers. This provided for 21 supplemental grants, of which, 19 grantees accepted the award. Eligibility for a Rural Supplement included Business Centers located in a state with:

- i. a rural minority population of at least 200,000,
- ii. a rural population that is at least 20% minority, or
- iii. at least one rural majority-minority county based on U.S Census Bureau data

Department of Commerce
Minority Business Development Agency
Minority Business Development
Justification of Program and Performance

The expectation for the Business Centers that were awarded the supplemental grant is they will expand their reach in providing technical assistance to Rural Minority Business Enterprises (RMBE) in their state. MBDA will facilitate the collaboration between Rural Supplement recipients and relevant federal departments (such as USDA and SBA). Awardees are required to establish a physical presence in one or more rural areas of their state to offer services to RMBEs located more than 50 miles from an existing Business Center. Rural Supplement recipients will apply funding to strengthen the entrepreneurial ecosystem and support for RMBEs regarding issues such as:

- Broadband internet accessibility and adoption
- Digital literacy skills
- Leveraging e-commerce
- Securing financial capital
- Securing public and private contracts
- Facilitating entrepreneurship in rural areas
- Creating jobs in rural areas
- The promotion of agriculture
- Climate adaptation
- Helping RMBEs meet gaps in the supply chain of critical supplies and essential goods and services for the United States
- Improving the connectivity of rural businesses through transportation and logistics
- Any other issue relating to the unique challenges faced by RMBEs

MBDA will conduct semiannual (April 30, 2024) and annual (October 30, 2024) performance reports to determine the efficacy of the program. The results and data gathered from these reports will demonstrate the impact of our current business centers' ability to reach Rural Minority Business Enterprises (RMBE) and provide support to those that may otherwise not receive technical assistance. The supplemental data will provide insights into the following: the reach of the those who service rural areas; how many engagements they were able to achieve during the funding period; how many new business were formed or scaled as a result of the funding; how many business and financing opportunities were identified along with legal assistance referrals to existing and/or pre-startup RMBEs; number of formal partnerships were established in support of the rural supplement program priorities; and the total principal value of approved loans, lines of credit, trade credit, subordinated debt, surety bonding, bonds used to raise capital for RMBEs, leases, equity investments, specialized industry financing, export letters of credit, capital formation, assets under management, and/or other financial agreements secured for RMBE clients.

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Justification of Program and Performance**

Federal Coordination

MBDA provides entrepreneurship education development activities using 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.

Through the continued development and implementation of a Public-Private Partnerships Program and the Minority Business Enterprise Advisory Council, MBDA staff will be better positioned to provide the Under Secretary and the Department with direct industry information regarding plans, programs, and activities in the public and private sectors as described in the Act.

MBDA will work with other federal agencies to share and collect data which describes the state of MBEs ranging from capital accumulation and business formation to labor development and the MBE role in regional economic development. MBDA will also disseminate information promoting minority business development to the public and strategic partners operating within the minority business community. This will be accomplished by leveraging constituency outreach including minority-owned businesses, minority serving institutions, trade associations, the academic community, community development organizations, private sector corporations, as well as federal, state, and local government officials.

In an effort to support minority business development, MBDA uses the Agency's website, social media accounts, strategic alliance portfolios, and national conferences to provide access to information and network resources.

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Justification of Program and Performance**

FY 2025 Agency Priorities

Expand Access to Capital

- Continue to execute the CRP with current funding through FY 2026
- Build on FY 2024 initiatives to deploy new access to capital models
- Build on MBDA's FY 2024 efforts to establish new partnerships with DOC bureaus and other federal agencies.

Implement the Minority Business Development Act of 2021

- Build on MBDA's FY 2024 efforts to invest in rural communities (MBDA Rural Business Centers)
- Build on MBDA's efforts to create operational capability, including exploring regional coordination to strengthen MBDA's network of resources
- Build on MBDA's FY 2024 efforts to implement a multi-year strategic plan.

Advance Equity

- Build on MBDA's FY 2024 efforts to advance equity (Establish specialty centers focused on women, native and indigenous, and veteran businesses)
- Build on MBDA's FY 2024 efforts to become the Federal Government's Premier Data and Research Agency for minority businesses.

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 Justification of Program and Performance**

Explanation and Justification

	2023 Actuals		2024 Annualized CR		2025 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development						
Pos/BA	76	69,002	76	70,000	76	74,231
FTE/Obl.	49	69,002	76	70,000	76	74,231

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 Program Changes for FY 2025**
 (Dollars in thousands)

		2025		2025		Increase (Decrease)	
		Base		Estimate		Personnel	Amount
		Personnel	Amount	Personnel	Amount		
Minority Business Development	Pos/BA	8	20,861	8	22,748	0	1,960
	FTE/Obl.	8	20,861	8	22,748	0	1,960

Program change: MBDA Business Centers

MBDA Business Centers (+\$1.960 million and 0 FTE/0 positions) - The budget requests an additional \$1.96 million for the MBDA Business Center program to strengthen the existing network of MBDA Business Centers and Specialty Centers. MBDA Business Centers provide technical assistance and business development services, including business consulting, access to private equity and venture capital opportunities, and facilitation of joint ventures and strategic partnerships. Support from MBDA’s Business Centers contributed to MBEs creating and retaining approximately 18,975 American jobs in FY 2023.

Performance Measures	2024	2025	2026	2027	2028
MBEs Reached	292,487	300,000	315,000	TBD	TBD
MBE Clients Served	12,746	14,000	15,000	TBD	TBD
Economic Benefit to MBEs	\$4.1B	\$4.9B	\$4.3B	TBD	TBD
Jobs Created / Retained	19,500	20,500	22,000	TBD	TBD

Department of Commerce
Minority Business Development Agency
Minority Business Development
Program Changes for FY 2025
(Dollars in thousands)

Activity: Minority Business Development
Program Change: MBDA Business Centers

Object Class	2023 Actuals	2024 Annualized CR	2025 Base	2025 Estimate	Increase/Decrease from 2025 Base
11 Personnel compensation					
11.1 Full-time permanent	1,317	1,317	1,368	1,368	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	33	33	34	34	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	1,350	1,350	1,402	1,402	0
12.1 Civilian personnel benefits	472	472	491	491	0
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	31	31	32	32	0
22.0 Transportation of things	0	0	0	0	0
23.0 Rent, communications, and utilities	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
25.0 Other contractual services	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	45	45
25.3 Other goods and services from Federal sources	324	324	203	203	0
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	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 2025
 (Dollars in thousands)**

Object Class	2023 Enacted	2024 Column	2025 Base	2025 Estimate	Increase/Decrease from 2025 Base
25.8 Subsistence and support of persons	0	0	0	0	0
26.0 Supplies and materials	0	0	0	0	0
31.0 Equipment	0	0	0	10	10
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	20,638	1,905
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	20,910	20,910	20,861	22,821	1,960

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 Program Changes for FY 2025
 (Dollars in thousands)**

		2025		2025		Increase (Decrease)		
		Base		Estimate		Amount	Personnel	Amount
		Personnel	Amount	Personnel	Amount			
Minority Business Development	Pos/BA	0	3,053	0	6,235	0	3,182	
	FTE/Obl.	0	3,053	0	6,235	0	3,182	

Program Change: MBDA Rural Business Centers Program

MBDA Rural Business Centers Program (+\$3.182 million and 0 FTE/0 positions) - The budget requests an additional \$3.182 million in FY 2025 to advance the MBDA Rural Business Center Program. In FY 2023, MBDA provided \$3.8 million in supplemental grants to existing eligible MBDA Business Centers to establish the Rural Business Centers program. (The supplemental program details can be found in Exhibit 12, page 25.) The funding requested in FY 2025 will allow for MBDA to broaden and expand the existing 19 Rural Business Centers that are currently receiving the supplemental grants and potentially establish additional Rural Business Centers. Additional funding will allow the grantees to expand their reach and have a greater impact in the areas they are currently serving. The Rural Business Center program provides 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 to private equity and venture capital opportunities, and facilitation of joint ventures and strategic partnerships. This request executes Title III of the 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. Performance outcomes will be provided in the first semi-annual report from the FY 2023/2024 pilot program in Q3 of FY 2024. Customers/clients’ 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 delivery functions.

Department of Commerce
Minority Business Development Agency
Minority Business Development
Program Change Detail by Object Class
(Dollars in thousands)

Activity: Minority Business Development
Program Change: Rural Business Centers Program

Object Class	2023 Actuals	2024 Annualized CR	2025 Base	2025 Estimate	Increase/Decrease from 2025 Base
11 Personnel compensation					
11.1 Full-time permanent	0	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	0	0	0	0	0
12.1 Civilian personnel benefits	0	0	0	0	0
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	0	0	0	124	124
22.0 Transportation of things	0	0	0	0	0
23.0 Rent, communications, and utilities	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
25.0 Other contractual services	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	186	186
25.3 Other goods and services from federal sources	52	52	52	52	0
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	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
(Dollars in thousands)

Object Class	2023 Actuals	2024 Annualized CR	2025 Base	2025 Estimate	Increase/Decrease from 2025 Base
25.8 Subsistence and support of persons	0	0	0	0	0
26.0 Supplies and materials	0	0	0	0	0
31.0 Equipment	0	0	0	13	13
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	3,000	3,000	3,000	5,859	2,859
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	3,052	3,052	3,052	6,234	3,182

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 Program Change Personnel Detail**

		2025		2025		Increase (Decrease)	
		Base		Estimate		Personnel	Amount
		Personnel	Amount	Personnel	Amount		
Minority Business Development	Pos/BA	3	4,162	3	6,225	0	2,063
	FTE/Obl.	3	4,162	3	6,225	0	2,063

Program change: Data, Research, & Evaluation

Data, Research, & Evaluation (+\$2.063 million and 0 FTE/0 positions) - The request will provide an additional \$2.063 million to fully establish and maintain an information clearinghouse and to evaluate the effectiveness of MBDA’s programs including the Capital Readiness Program. The information clearinghouse will facilitate the collection and dissemination of Minority Business Enterprise (MBE) data to relevant parties (including business owners and researchers). The clearinghouse will include demographic, economic, financial, managerial, and technical data relating to MBEs. MBDA will fund contracts to operate and oversee the secure online database. MBDA will also fund an impact examination of the MBDA Capital Readiness Program in supporting new venture formation, scaling of businesses, and access to capital, business growth, job creation and wealth. This examination is included in the Department’s FY2025 Evaluation Plan.

Performance Measures

MBDA will develop and provide performance measures for subsequent budget requests and annual performance plans and reports once approvals for the information clearinghouse, the data warehouse, and agreements for the data visualization service are cleared. A functional and supported information clearinghouse will provide the capacity to begin storing, tracking, organizing, and managing inputs for the performance measures.

Measures for examination will track data sources integrated with geospatial tagging; analytical and data visualization products released; number of published papers, data sets, and factsheets; and number of program evaluations. Advanced gauges of the program will be developed to analyze return on investment and effectiveness of service delivery functions.

Department of Commerce
Minority Business Development Agency
Minority Business Development
Program Change Detail by Object Class
(Dollars in thousands)

Activity: Minority Business Development
Program Change: Data, Research, & Evaluation

Object Class	2023 Actuals	2024 Annualized CR	2025 Base	2025 Estimate	Increase/Decrease from 2025 Base
11 Personnel compensation					
11.1 Full-time permanent	317	579	601	601	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	10	14	15	15	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	327	593	616	616	0
12.1 Civilian personnel benefits	125	208	216	216	0
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	2	0	0	59	59
22.0 Transportation of things	0	0	0	0	0
23.0 Rent, communications, and utilities	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
25.0 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	0	0	0	0	0
25.2 Other services from non-federal sources	824	0	0	1,984	1,984
25.3 Other goods and services from federal sources	1,020	3,265	3,330	3,330	0
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	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
 (Dollars in thousands)**

Object Class	2023 Actuals	2024 Annualized CR	2025 Base	2025 Estimate	Increase/Decrease from 2025 Base
25.8 Subsistence and support of persons	0	0	0	0	0
26.0 Supplies and materials	4	0	0	0	0
31.0 Equipment	0	0	0	20	20
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	2,302	4,066	4,162	6,225	2,063

Department of Commerce
Minority Business Development Agency
Minority Business Development
Program Changes for FY 2025
(Dollars in thousands)

		2025		2025		Increase (Decrease)	
		Base		Estimate		Personnel	Amount
		Personnel	Amount	Personnel	Amount		
Minority Business Development	Pos/BA	8	2,769	8	3,718	0	948
	FTE/Obl.	8	2,769	8	3,718	0	948

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

Public-Private Partnerships, Minority Business Enterprise Advisory Council (+\$0.948 million 0 FTE/0 positions) - The budget requests an additional \$948 thousand for the Minority Business Enterprise Advisory Council (MBEAC). This council consists of 19 members who will meet in person twice per year. This program change request will provide funding for travel for the council members, contractor support, and research and publication of findings.

Research stemming from the MBDA MBEAC will contribute to valuable insights, recommendations, and actionable solutions to inform policy, decision-making, and/or specific initiatives related to the council's areas of focus – contracts, capital, domestic & global supply chains. The results of such research will be well documented, evidence-based, and relevant to the issues or challenges addressed by the council. Some potential outcomes or results that research from the MBEAC may aim to achieve include:

- Policy Recommendations
- Data-Driven Insights
- Best Practices and Strategies
- Impact Assessments
- Stakeholder Engagement
- Evaluation and Monitoring
- Capacity Building
- Public Awareness and Education

Overall, the result of the research stemming from the MBEAC will generate actionable knowledge that informs evidence-based policymaking, fosters collaboration and innovation, and ultimately contributes to positive outcomes for the clients and stakeholders that MBDA serves.

The Council will advise the leadership of the Agency by:

- Serving as a source of knowledge and information on developments in areas of the economic and social life of the United States that affect socially or economically disadvantaged business concerns; and

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Program Changes for FY 2025**

(Dollars in thousands)

- Providing leadership with information regarding plans, programs, and activities in the public and private sectors related to socially or economically disadvantaged business concerns.

Performance Measures

MBDA will develop and provide performance measures for subsequent budget requests and annual performance plans and reports.

Department of Commerce
Minority Business Development Agency
Minority Business Development
Program Change Detail by Object Class
(Dollars in thousands)

Activity: Minority Business Development

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

Object Class	2023 Actuals	2024 Annualized CR	2025 Base	2025 Estimate	Increase/Decrease from 2025 Base
11 Personnel compensation					
11.1 Full-time permanent	890	839	872	872	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	15	21	22	22	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	905	860	894	894	0
12.1 Civilian personnel benefits	339	301	313	313	0
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	37	14	15	30	15
22.0 Transportation of things	0	0	0	0	0
23.0 Rent, communications, and utilities	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	28	0	0	0	0
24.0 Printing and reproduction	13	2	2	6	4
25.0 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	100	0	0	0	0
25.2 Other services from non-federal sources	7	1,499	1,529	2,429	900
25.3 Other goods and services from federal sources	4,796	0	0	0	0
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	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
(Dollars in thousands)

Object Class	2023 Actuals	2024 Annualized CR	2025 Base	2025 Estimate	Increase/Decrease from 2025 Base
25.8 Subsistence and support of persons	0	0	0	0	0
26.0 Supplies and materials	22	16	17	17	0
31.0 Equipment	0	0	0	42	42
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	6,247	2,692	2,770	3,718	948

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 Program Change Detail by Object Class
 (Dollars in thousands)**

		2025		2025		Increase (Decrease)	
		Base		Estimate		Personnel	Amount
		Personnel	Amount	Personnel	Amount		
Minority Business Development	Pos/BA	0	0	0	0	0	(2,384)
	FTE/Obl.	0	0	0	0	0	(2,384)

Program Change: Non-recurring Operational Costs

Non-recurring Operational Costs (-\$2.384 million 0 FTE/0 positions) - To partially offset the requested increases MBDA will reduce contractual support, which facilitated MBDA's reorganization transformation from prior fiscal years, by \$2.384 million. This offset poses no negative performance impacts to MBDA's mission.

Department of Commerce
Minority Business Development Agency
Minority Business Development
Program Change Detail by Object Class
(Dollars in thousands)

Activity: Minority Business Development
Program Change: Non-recurring Operational Costs

Object Class	2023 Actuals	2024 Annualized CR	2025 Base	2025 Estimate	Increase/Decrease from 2025 Base
11 Personnel compensation					
11.1 Full-time permanent	6,095	8,655	8,972	8,972	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	66	222	225	225	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	6,161	8,877	9,197	9,197	0
12.1 Civilian personnel benefits	2,179	2,916	3,220	3,220	0
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	240	289	305	305	0
22.0 Transportation of things	1	1	1	1	0
23.0 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	1,085	958	925	925	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities and miscellaneous	100	96	80	80	0
24.0 Printing and reproduction	37	4	4	4	0
25.0 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	9	9	9	9	0
25.2 Other services from non-federal sources	12,386	6,674	9,275	7,286	(1,989)
25.3 Other goods and services from federal sources	9,642	10,157	13,801	13,479	(395)
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	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
(Dollars in thousands)

25.8	Subsistence and support of persons	0	0	0	0	0
26.0	Supplies and materials	56	19	19	19	0
31.0	Equipment	0	0	95	95	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	37,106	40,000	37,300	34,600	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	69,002	70,000	74,231	71,920	(2,384)

Department of Commerce
Minority Business Development Agency
Minority Business Development
Summary of Requirements by Object Class
(Dollars in thousands)

Object Class	2023 Actuals	2024 Annualized CR	2025 Base	2025 Estimate	2025 Increase / (Decrease)
11					
11.3					
11.5					
11.8					
11.9					
12.1					
13.0					
21.0					
22.0					
23.0					
23.1					
23.2					
23.3					
24.0					
25.0					
25.1					
25.2					
25.3					
25.4					
25.6					
25.7					
26.0					
31.0					
32.0					
33.0					

Department of Commerce
Minority Business Development Agency
Minority Business Development
Summary of Requirements by Object Class
(Dollars in thousands)

41.0	Grants, subsidies and contributions	37,106	40,000	37,300	41,894	4,594
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	69,002	70,000	74,231	80,000	5,769
	Less prior year recoveries					
	Restoration of recoveries					
	Less prior year unobligated balance					
	Total Budget Authority	69,002	70,000	74,231	80,000	5,769

Personnel Data**Full-time equivalent Employment**

Full-time permanent	49	76	76	76	0
Other than full-time permanent	0	0	0	0	0
Total	49	76	76	76	0

Authorized Positions

Full-time permanent	76	76	76	76	0
Other than full-time permanent	0	0	0	0	0
Total	76	76	76	76	0

**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, \$80,000,000.

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Advisory and Assistance Services**

	2023 Actuals	2024 Annualized CR	2025 Estimate
Consulting Services	0	0	0
Management and Professional Services	513	513	524
Special Studies and Analyses	50	50	50
Management and support services for research and development	0	0	0
TOTALS	563	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 to aid in standing up new offices within its new organization structure, 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 Studies and Analyses to compile and complete those reports.

Department of Commerce
Minority Business Development Agency
Minority Business Development
Periodicals, Pamphlets, and Audiovisual Services
(Dollars in thousands)

	FY 2023 Actuals	FY 2024 Annualized CR	FY 2025 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)**

	2023 Actuals	2024 Annualized CR	2025 Estimate
Average ES Salary	\$183,100	\$192,713	\$195,871
Average GS/GM Grade	12	12	13
Average GS/GM Salary	\$113,506	\$119,465	\$140,965

**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, 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) that 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.

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

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 Implementation Status of GAO and OIG Recommendations**

Open Recommendation(s) the Department plans to implement.

Not applicable.

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

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

Not applicable.

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

**Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 Implementation Status of GAO and OIG Recommendations**

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. In response to a new MBDA Tribal Program initiative, an upcoming tribal consultation is scheduled for April 2024.

**Department of Commerce
Minority Business Development Agency
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, the Act”), which codified the Minority Business Development Agency (MBDA) as a permanent agency and authorized several new activities to support MBEs. MBDA awarded six new Minority Business Centers (MBCs) in South Carolina, Indiana, Oregon, Arkansas, Wisconsin, and Utah expanding the footprint from 28 states to 34 states, including the District of Columbia and Puerto Rico. MBDA’s programming at the national level and through its grant awardees (i.e., business centers, specialty centers, rural business centers, and Broad Agency Announcements (BAA)) focus on key drivers to MBE’s success in the U.S. economy: access to capital, contracts, and domestic and global markets. MBDA’s strategic focus is to maximize the domestic and global competitiveness of MBEs resulting in U.S. job creation, innovation advances, increases in manufacturing, exports, and global supply chains. MBDA continued 29 Broad Agency Announcement grants that support and complement DOC 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 MSIs, for the establishment and growth of student entrepreneurship programs.

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 FY 2022, MBDA laid the foundation for the establishment of the Treasury’s SSBCI program and in FY 2023 issued a BAA on alternative financing for MBEs. This program built upon a directory of MBE-friendly capital providers and matched MBEs to those providers. In FY 2023, the agency launched an SSBCI grant competition, branded as CRP, and received more than 1,000 applications for 43 awards. From FY 2023-2026, the \$125M program will enable CRP awardees to launch and operate business incubators or accelerators designed to prepare minority and other underserved entrepreneurs to secure capital from the \$10 billion SSBCI and other capital sources.

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 FY 2023, 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 is also convening federal partners to advocate for MBE inclusion in federal contracting, in alignment with E.O. 13985 into FY 2024 and FY 2025.

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 the 8(a) program, 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, just to name a few.

Department of Commerce
Minority Business Development Agency
Minority Business Development APPR Backup

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 FY2023, as part of the Agency's Learning Agenda, MBDA initiated exploration of the question, "What are the most effective approaches to increase capital availability to minority businesses?". MBDA also initiated two additional studies as required under the Act on (i) ways in which minority businesses can meet the gaps in the supply chain of the United States, and (ii) a study on opportunities for providing alternative financing solutions to minority businesses. 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 state. MBDA initiated geospatial mapping and visualization.

Planned Actions through FY 2025

In FY 2022, MBDA began implementing the 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 FY 2025 and beyond, MBDA aims to further broaden its network of business centers to expand its footprint in more states and territories, expand the Rural Business Center program, 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, and establishing a national network of business centers in every U.S. state and territory.

The Act mandates MBDA to implement a new Parren J. Mitchell Entrepreneurship Education Grant program. This program makes 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 FY 2023. Evaluation of best practices and lessons learned during FY 2024 will inform the program portfolio for FY 2024-2025.

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

Analysis of Performance Indicators

In FY 2022, 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 \$15M in FY 2023, for a total appropriation of \$70M, that supported the expansion of new business centers and initiatives. Performance for FY 2023 exceeded its goals at \$5.41B for Economic Benefit to MBEs and the agency 18,975 for jobs created and retained. In observation and based on anecdotal input from the national network of MBDA Business Centers, in FY 2023, 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 IJA and E.O. 13985.

Explanation of Targets for FY 2024 and FY 2025

MBDA performance measures are based on the summation of its 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 originates in FY 2024 and FY 2025, as well as those incumbent programs that continue through FY 2024 and FY 2025. 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 FY 2025, MBDA also anticipates expanding its Business Center programs 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 Office of the Chief Information Officer on regular sprints to ensure that performance dashboards accurately reflect data that is useful and informative for future investments.

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

Performance Data Validation and Verification

Performance data on all MBDA program performance that are submitted to OMB are tracked through a cloud-based analytics software. 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 this 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.

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

Performance Indicators

Class	Strategic Objective	Performance Indicator	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2023 Target	FY 2023 Status	FY 2024 Target	FY 2025 Target
Current/Recurring	1.1	Number of (Manufacturing) MBE clients served	—	—	408	437	173	239	Not Met	249	249
Current/Recurring	1.1	Number of jobs by (Manufacturing) MBE clients	—	—	856	749	2,927	950	Exceeded	990	990
Proposed new	1.1	Economic Benefit to (Manufacturing) MBE clients	—	—	\$108.05 M	\$171.51 M	\$943.24 M	\$64.16 M	Exceeded	\$66.86 M	\$66.86 M
Proposed new	1.3	Economic Benefit to (Exporting) MBE clients	—	—	\$410.64 M	\$301.67 M	\$315.99 M	\$210.29 M	Exceeded	\$219.15 M	\$219.15 M
Current/Recurring	1.3	Number of (Exporting) MBE clients served	—	—	1,666	513	79	711	Not Met	741	761
Current/Recurring	1.3	Number of jobs by (Exporting) MBE clients	—	—	1,876	771	942	870	Exceeded	907	907
Current/Recurring	2.1	Economic Benefit to MBEs	—	—	\$2.94 B	\$2.57 B	\$5.41 B	\$3.23 B	Exceeded	\$4.11 B	\$4.11 B
Current/Recurring	2.2	Number of jobs by MBE clients	—	—	11,011	28,829	18,975	9,702	Exceeded	13,181	13,181
Current/Recurring	2.3	Number of MBE clients served	—	—	4,031	4,994	2,044	4,640	Not Met	11,756	11,756
Proposed new	2.3	MBEs Reached	—	—	—	442,020	351,438	252,605	Exceeded	292,487	300,000