



Fiscal Year 2026

Congressional Budget Submission

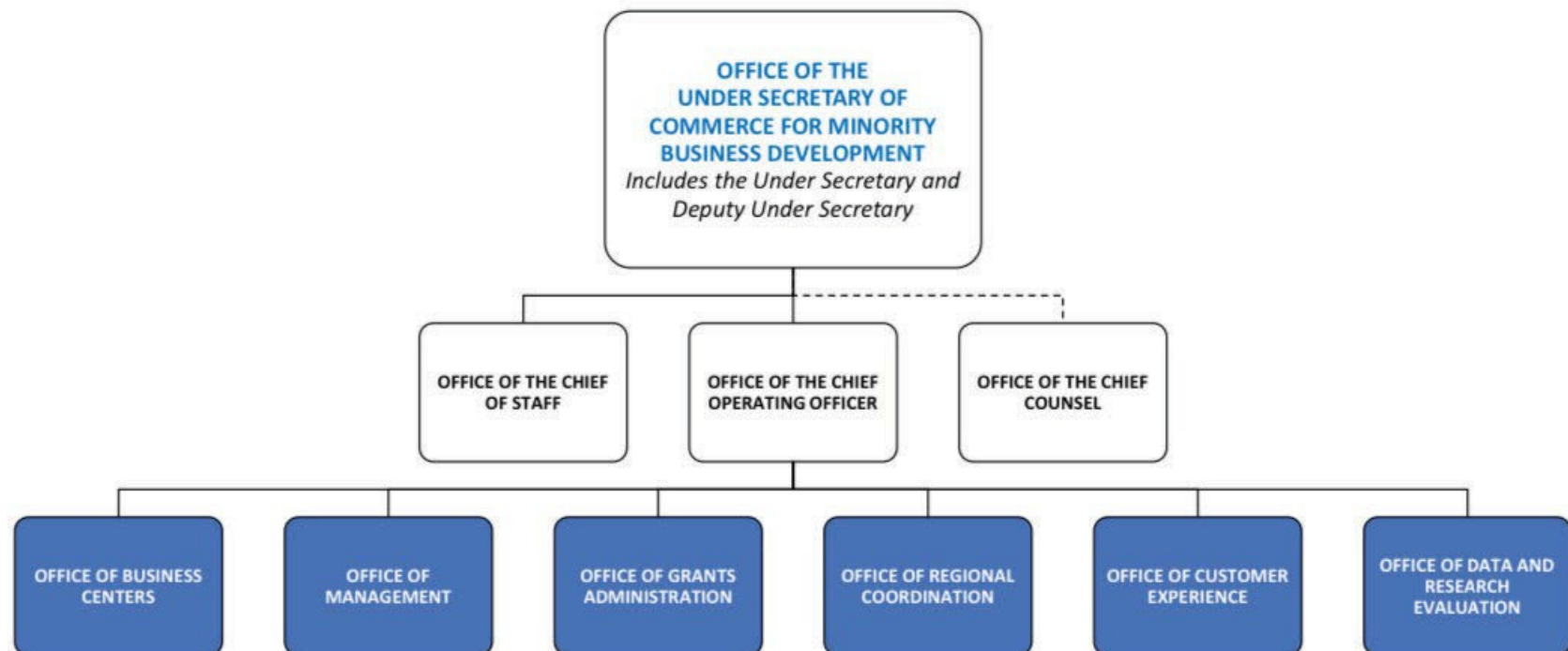
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**Department of Commerce
Minority Business Development Agency
Budget Estimate, Fiscal Year 2026
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Exhibit 1

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Department of Commerce
Minority Business Development Agency
Organization Chart



Department of Commerce
Minority Business Development Agency (MBDA)
Budget Estimate, Fiscal Year 2026
Executive Summary

Exhibit 3

MBDA Mission Statement:

The Administration proposes to eliminate the Minority Business Development Agency due to its unconstitutional practices and focus on only minority businesses. This is consistent with the Administration's plans to move the Nation towards fiscal responsibility and to redefine the proper role of the Federal Government. Other existing Federal, State, local, and private sector efforts promote business entrepreneurship including Small Business Administration District Offices and Small Business Development Centers.

Program Change:

MBDA requests a program change of -\$61 million and -74 FTE, leaving \$7.25 million to cover the anticipated costs associated with winding down the agency. The President's Budget assumes an orderly closeout of the agency in fiscal year 2026. The requested amount will cover the following costs:

- Personnel costs, including severance payments, leave payouts, salaries for essential personnel during the shutdown, human resources support for conducting the shutdown, associated overhead costs, and any legal costs.
- Miscellaneous costs associated with shutting down the agency, including records management and National Archives and Records Administration (NARA), responsible disposal of IT equipment, and other miscellaneous costs required for the orderly shutdown of the agency.

MBDA (\$'s in thousands)	FTE	Amount
FY 2024 Enacted	76	\$68,250
Agency Elimination	-74	-\$61,000
FY 2026 President's Budget	2	\$7,250

Department of Commerce
Minority Business Development Agency
Minority Business Development
FY 2025 PROGRAM INCREASES / DECREASES / TERMINATIONS
(Dollar amounts in thousands)
(By Appropriation, Largest to Smallest)

Exhibit 4A

Increases

Page No in CJ	Appropriation	Budget Program	Title of Increase	Positions	Budget Authority
None					
Subtotal, Increases				0	0

Decreases

Page No in CJ	Appropriation	Budget Program	Title of Decrease	Positions	Budget Authority
MBDA-30	Minority Business Development	All programs	Closeout	(74)	(61,000)
Subtotal, Decreases				(74)	(61,000)

Terminations

Page No in CJ	Appropriation	Budget Program	Title of Termination	Positions	Budget Authority
None					
Subtotal, Terminations				0	0
Total, Increases, Decreases and Terminations				(74)	(61,000)

MBDA-6

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

Exhibit 5

	Positions	FTE	Budget Authority	Direct Obligations
FY 2024 Appropriation Available	76	76	68,250	68,250
Plus: Program Changes	(74)	(74)	(61,000)	(61,000)
FY 2026 Estimate	2	2	7,250	7,250

Comparison by activity/subactivity	2024		2026		Increase / (Decrease)	
	Enacted		Estimate		Over FY 2024 Enacted	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development	Pos/BA	76 68,250	2 7,250	(74) (61,000)		
	FTE/Obl.	76 61,000	2 7,250	(74) (61,000)		
Total	Pos/BA	76 68,250	2 7,250	(74) (61,000)		
	FTE/Obl.	76 68,250	2 7,250	(74) (61,000)		

Adjustments to Obligations						
Recoveries and Refunds		0		0		0
Unobligated Balance, start of year		0		0		0
Unobligated balance transferred		0		0		0
Unobligated Balance, end of year		0		0		0
Unobligated Balance, rescission		0		0		0
Unobligated balance expiring		0		0		0
Appropriation		68,250		7,250		(61,000)

MBDA-7

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

Exhibit 12

Activity: Minority Business Development

Goal Statement

For FY 2026, the Administration is requesting a decrease of \$61.0 million and 74 positions below the 2024 enacted budget level, for a total of \$7.25 million to facilitate the orderly closeout of MBDA.

Program Description

Following the March 2025 Executive Order¹ to reduce the scope of MBDA to the maximum extent consistent with applicable law, the Administration proposes to eliminate the Minority Business Development Agency due to its unconstitutional practices and focus on only minority businesses. This is consistent with the Administration's plans to move the Nation towards fiscal responsibility and to redefine the proper role of the Federal Government. Other existing Federal, State, local, and private sector efforts promote business entrepreneurship including Small Business Administration District Offices and Small Business Development Centers.

Statement of Operating Objectives

Implement the orderly closeout of the Minority Business Development Agency.

¹ Executive Order 14238, Continuing the Reduction of the Federal Bureaucracy, dated March 14, 2025.

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Program Change for FY 2026**

Exhibit 13

Minority Business Development Agency (MBDA)	2024 Enacted		2026 Estimate		Increase/ Decrease from 2026 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Pos/BA	76	68,250	2	7,250	(74)	(61,000)
FTE/Obl	76	68,250	2	7,250	(74)	(61,000)

Program Change: (-\$61,000, -55 FTE/-74 Positions).

MBDA requests \$7.25 million to cover the anticipated costs associated with winding down the agency. The President's Budget assumes an orderly closeout of the agency in fiscal year 2026. The requested amount will cover the following costs:

- Personnel costs, including severance payments, leave payouts, salaries for essential personnel during the shutdown, human resources support for conducting the shutdown, associated overhead costs, and any legal costs.
- Miscellaneous costs associated with shutting down the agency, including records management and NARA, responsible disposal of IT equipment, and other miscellaneous costs required for the orderly shutdown of the agency.

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

Exhibit 33

For necessary expenses of the to carry out the closure of the Minority Business Development Agency \$7,250,000:
Provided, That the Minority Business Development Act of 2021 (division K of Public Law 117-58) is hereby repealed.

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

Exhibit 41

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.

No action plans issued since last request..

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.

There are no recommendations that were 'Open' or 'Closed-Unimplemented'.

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**

Exhibit 41

Open Recommendation(s) the Department plans to implement.

No Open 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

No OIG Public Recommendations issued.

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**

Exhibit 41

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

No discrepancies identified.

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
Descriptions of Tribal Consultations**

Exhibit 42

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's (MBDA) tribal consultation process was grounded on the hosting of two virtual meetings which were held on May 17, 2024, with American Indian, Alaska Native, and Native Hawaiian Community Tribal officials and the governments of federally recognized Tribes, respectively. MBDA also accepted public comments to better inform how to design and fund its initiatives which impact tribal communities.