

MBDA

**MINORITY BUSINESS
DEVELOPMENT AGENCY**

UNITED STATES DEPARTMENT OF COMMERCE

Fiscal Year 2027

Congressional Budget Submission

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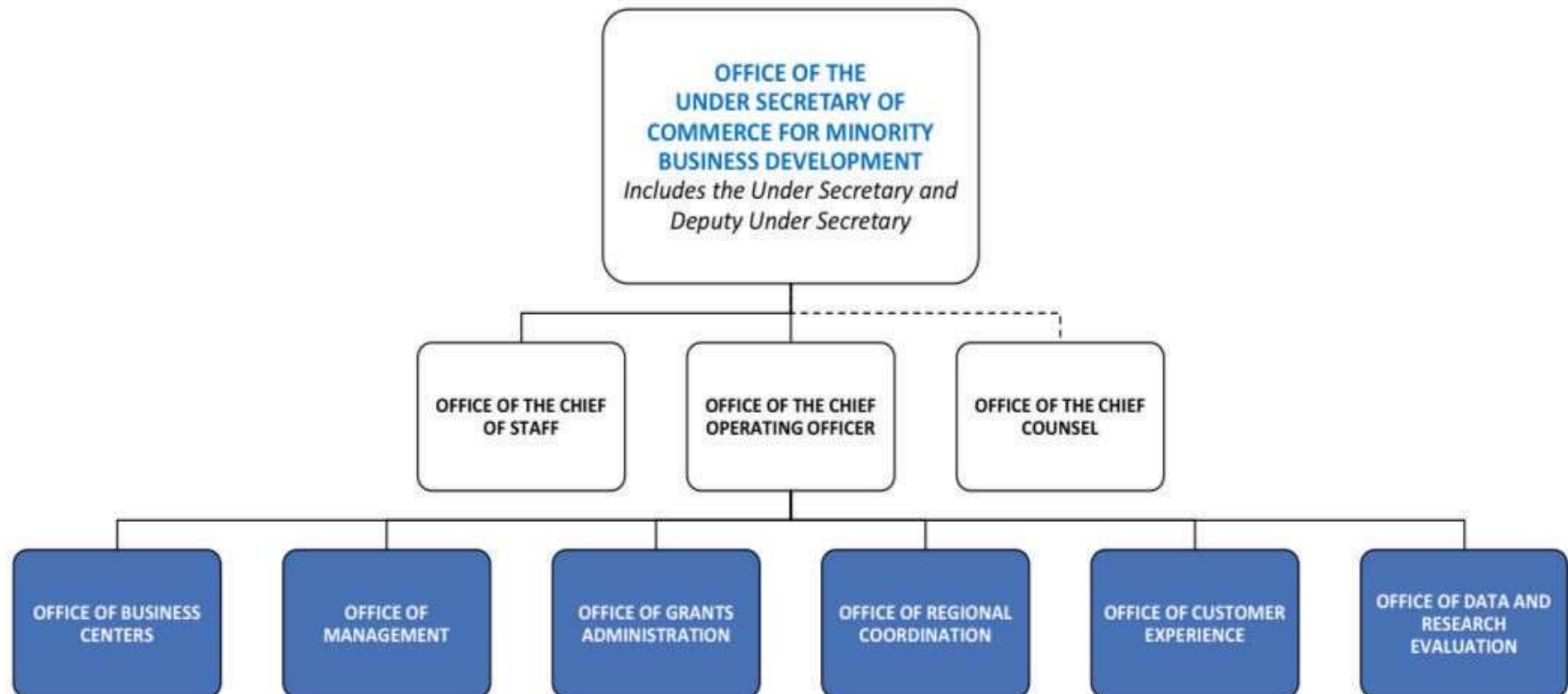
**Department of Commerce
Minority Business Development Agency (MBDA)
Minority Business Development
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Department of Commerce
Minority Business Development Agency (MBDA)
Minority Business Development
Organization Chart

Exhibit 2



**Department of Commerce
Minority Business Development Agency (MBDA)
Budget Estimate, Fiscal Year 2027
Executive Summary**

Exhibit 3

The Administration's Fiscal Year (FY) 2027 Budget builds on the President's commitment to advance the vision of a Federal Government that spends taxpayer dollars more efficiently and effectively and provides necessary services in support of key national priorities while reducing deficits and keeping the Nation on a responsible fiscal path. The Administration has made the necessary tradeoffs and choices inherent in pursuing these goals. This means changing the role and size of the Federal Government and prioritizing the programs that provide a good return for the taxpayer, as well as eliminating those agencies like MBDA, which promote certain activities that violate the Civil Rights Act of 1964. In 2024, a U.S. District Court found MBDA's presumption of "social disadvantage based on race or ethnicity" in its funding decisions to be unconstitutional. MBDA's core mission has been to promote such divisive and discriminatory diversity, equity, and inclusion (DEI) practices, which is why the Budget eliminates the Agency.

In support of these goals, the Minority Business Development Agency (MBDA) FY 2027 budget requests \$3.5 million to cover the costs associated with closing down the agency and restoring confidence in America's fiscal management.

Inflationary Adjustments

MBDA's FY 2027 Base includes a total of \$3.5 million and 2 positions to account for the full funding requirement for inflationary adjustments to current programs for MBDA activities. This includes inflationary increases for labor and non-labor activities, including benefits, service contracts, utilities, and rent charges from the General Services Administration (GSA).

**Department of Commerce
Minority Business Development Agency (MBDA)
Minority Business Development
Program Increases/Decreases/Terminations**

Exhibit 4A

Increases

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

Decreases

Page No	Appropriation	Budget Program	Title of Decrease	Positions	Budget Authority
MBDA-11	Minority Business Development	All Programs	Closeout	(21)	(46,500)
Subtotal, Decreases				(21)	(46,500)

Terminations

Page No	Appropriation	Budget Program	Title of Termination	Positions	Budget Authority
None					
Subtotal, Terminations				0	0
Total, Increases, Decreases and Terminations				0	(46,500)

**Department of Commerce
Minority Business Development Agency (MBDA)
Minority Business Development
Summary of Resource Requirements**

Exhibit 5

	Positions	FTE	Budget Authority	Direct Obligations
FY 2026 Appropriation Available	23	23	50,000	50,000
Plus: Inflationary/Adjustments to base	0	0	0	
FY 2027 Base	23	23	50,000	50,000
Plus: Program Changes	(21)	(21)	(46,500)	(46,500)
FY 2027 Estimate	2	2	3,500	3,500

Comparison by activity/subactivity		2,025		2,026		2,027		2,027		Increase / (Decrease)	
		Actual Personnel	Amount	Enacted Personnel	Amount	Base Personnel	Amount	Estimate Personnel	Amount	from 2027 Base Personnel	Amount
Minority Business Development	Pos/BA	57	68,250	23	50,000	23	50,000	2	3,500	(21)	(46,500)
	FTE/Obl.	23	22,071	23	50,000	23	50,000	2	3,500	(21)	(46,500)
Total	Pos/BA	57	68,250	23	50,000	23	50,000	2	3,500	(21)	(46,500)
	FTE/Obl.	23	22,071	23	50,000	23	50,000	2	3,500	(21)	(46,500)
Adjustments to Obligations											
	Recoveries and Refunds		0		0		0		0		0
	Unobligated Balance, start of year		0		0		0		0		0
	Unobligated balance transferred		0		0		0		0		0
	Unobligated Balance, end of year		0		0		0		0		0
	Unobligated Balance, rescission		0		0		0		0		0
	Unobligated balance expiring		0		0		0		0		0
Appropriation			68,250		50,000		50,000		3,500		(46,500)

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**Department of Commerce
Minority Business Development Agency
Minority Business Development
Adjustments-to-Base**

Exhibit 8

	<u>FTE</u>	<u>Amount</u>
Transfers of Estimates:		
Adjustments	0	0
Financing	0	0
Other Changes:		
2026 Pay raise		0
2027 Pay raise		0
Increase in Awards		0
Annualization	0	(3,403)
Civil Service Retirement System (CSRS)		0
Federal Employees Retirement System (FERS)		(1,793)
Thrift Savings Plan (TSP)		(2)
Federal Insurance Contribution Act (FICA) - OASDI		(1)
Health insurance		0
Workers' Compensation Fund		0
Travel:		(95)
Mileage		0
Per diem		0
Rental payments to GSA		0
GSA Furniture and IT Program (FIT)		(2)
Postage		0
National Archives & Records Administration		0
Working Capital Fund, Department Management		(1,800)
Cybersecurity (Non-Add in WCF)		0
General Pricing Level Adjustment		0
Enterprise Services		0

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**Department of Commerce
Minority Business Development Agency
Minority Business Development
Adjustments-to-Base**

Exhibit 8

HCHB Utilities		0
Telecommunications Services		0
Federal Protective Service		0
Other changes unique to Minority Business Development Agency		(39,404)
Subtotal, other changes	0	(46,500)
Total, adjustments to base	0	(46,500)

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

Exhibit 12

Activity: Minority Business Development Agency

Goal Statement

For FY 2027, MBDA requests \$3.5 million to successfully continue the orderly closeout of MBDA.

Program Description

The Minority Business Development appropriation is needed for the orderly closedown of MBDA including the close-out of grants previously awarded by MBDA. These activities will be carried out through a reduced footprint at the headquarters located in Washington, DC.

Statement of Operating Objectives

To continue the orderly closeout of the Minority Business Development Agency.

Department of Commerce
Minority Business Development Agency
Minority Business Development
Program Change for 2027
(Dollars in thousands)

Exhibit 13

Minority Business Development Agency (MBDA)

	2026 Enacted		2027 Estimate		Increase/ Decrease from 2027 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Pos/BA	23	50,000	2	3,500	(21)	(46,500)
FTE/Obl.	23	50,000	2	3,500	(21)	(46,500)

Program Change: ((\$46,500), (21)FTE/(21)Positions).

MBDA requests \$3.5 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 2027. 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.

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

Exhibit 14

Activity: Minority Business Development Agency

(MBDA) Program Change: Closeout

Title	Grade	Number	Total Salaries
Management and Program Analyst	11	1	(111,087)
Management and Program Analyst	12	3	(348,213)
Business Development Specialist	13	1	(138,024)
Government Info Specialist	13	2	(276,048)
Legislative Affairs Specialist	13	2	(276,048)
Management and Program Analyst	13	4	(552,096)
Legislative Affairs Specialist	14	1	(215,756)
Management and Program Analyst	14	7	(1,525,293)
Supervisory Management Analyst	15	1	(257,832)
Administration and Program Staff	15	1	(297,662)
Total			(3,998,059)

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Program Change Detail by Object Class**

Exhibit 15

Activity: Minority Business Development Agency (MBDA)

Object Class	2025 Actual	2026 Enacted	2027 Base	2027 Estimate	2,027 Increase / (Decrease)
11 Full Time Personnel compensation	6,419	3,998	3,998	595	(3,403)
11.3 Other than full-time permanent	0	0	0	0	0
Subtotal 11-01 and 11-03	6,419	3,998	3,998	595	(3,403)
11.5 Other personnel compensation	0	2	2	2	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	6,419	4,000	4,000	597	(3,403)
12.1 Civilian personnel benefits	2,055	2,000	2,000	207	(1,793)
13 Benefits for former personnel	275	0	0	0	0
21 Travel and transportation of persons	104	120	120	25	(95)
22 Transportation of things	1,104	2	2	1	(1)
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	364	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities and miscellaneous	47	47	47	31	(16)
24 Printing and reproduction	6	48	48	32	(16)
25 Other contractual services	4	448	448	595	147
25.1 Advisory and assistance services	17	0	0	0	0
25.2 Other services from non-federal sources	0	350	350	0	(350)
25.3 Other goods and services from federal sources	8,886	3,952	3,952	1,910	(2,042)
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.6 Medicare care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0
26 Supplies and materials	5	33	33	2	(31)

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Program Change Detail by Object Class**

Exhibit 15

31	Equipment	0	0	0	0	0
32	Land and structures	0	0	0	0	0
33	Investment loans	0	0	0	0	0
41	Grants, subsidies and contributions	2,785	39,000	39,000	100	(38,900)
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	0	0	0	0	0
44	Refunds	0	0	0	0	0
99.9	Total Obligations	22,071	50,000	50,000	3,500	(46,500)

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Summary of Requirements by Object Class**

Exhibit 16

Object Class	2025 Actual	2026 Enacted	2027 Base	2027 Estimate	2027 Increase / (Decrease)
11 Full Time Personnel compensation	6,419	3,998	3,998	595	(3,403)
11.3 Other than full-time permanent	0	0	0	0	0
<i>Subtotal 11-01 and 11-03</i>	6,419	3,998	3,998	595	(3,403)
11.5 Other personnel compensation	0	2	2	2	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	6,419	4,000	4,000	597	(3,403)
12.1 Civilian personnel benefits	2,055	2,000	2,000	207	(1,793)
13.0 Benefits for former personnel	275	0	0	0	0
21.0 Travel and transportation of persons	104	120	120	25	(95)
22.0 Transportation of things	1,104	2	2	1	(1)
23.0 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	364	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities and miscellaneous	47	47	47	31	(16)
24.0 Printing and reproduction	6	48	48	32	(16)
25.0 Other contractual services	4	448	448	595	147
25.1 Advisory and assistance services	17	0	0	0	0
25.2 Other services from non-federal sources	0	350	350	0	(350)
25.3 Other goods and services from federal sources	8,886	3,952	3,952	1,910	(2,042)
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.6 Medicare care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0
26.0 Supplies and materials	5	33	33	2	(31)
31.0 Equipment	0	0	0	0	0
32.0 Land and structures	0	0	0	0	0

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Summary of Requirements by Object Class**

Exhibit 16

33.0	Investment loans	0	0	0	0	0
41.0	Grants, subsidies and contributions	2,785	39,000	39,000	100	(38,900)
42.0	Insurance claims and indemnities	0	0	0	0	0
43.0	Interest and dividends	0	0	0	0	0
44.0	Refunds	0	0	0	0	0
99.9	Total Obligations	<u>22,071</u>	<u>50,000</u>	<u>50,000</u>	<u>3,500</u>	<u>(46,500)</u>
	Less prior year recoveries					
	Restoration of recoveries					
	Less prior year unobligated balance					
	Total Budget Authority	<u>68,250</u>	<u>50,000</u>	<u>50,000</u>	<u>3,500</u>	<u>(46,500)</u>
 <u>Personnel Data</u>						
<u>Full-time equivalent Employment</u>						
	Full-time permanent	27	23	23	2	(21)
	Other than full-time permanent	0	0	0	0	0
	Total	<u>27</u>	<u>23</u>	<u>23</u>	<u>2</u>	<u>(21)</u>
 <u>Authorized Positions</u>						
	Full-time permanent	57	23	23	2	(21)
	Other than full-time permanent	0	0	0	0	0
	Total	<u>57</u>	<u>23</u>	<u>23</u>	<u>2</u>	<u>(21)</u>

**Department of Commerce
Minority Business Development Agency
Budget Estimate, Fiscal Year 2027
Appropriation Language Code and Citations**

Exhibit 33

For necessary expenses to carry out the closure of the Minority Business Development Agency \$3,500,000: 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
Advisory and Assistance Services**

Exhibit 34

	FY 2025 Actual	FY 2026 Enacted	FY 2027 Estimate
Consulting Services	0	0	0
Management and professional services	0	0	0
Special studies and analyses	0	0	0
Management and support services for research and development			
TOTALS	0	0	0

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Periodicals, Pamphlets, and Audiovisual Services**

Exhibit 35

	FY 2025 Actual	FY 2026 Enacted	FY 2027 Estimate
Periodicals	0	0	0
Pamphlets	0	0	0
Audiovisuals	0	0	0
TOTALS	0	0	0

**Department of Commerce
Minority Business Development Agency
Minority Business Development
Average Grade and Salaries**

Exhibit 36

	2025 Actuals	2026 Enacted	2027 Estimate
Average ES Salary	\$183,100	\$294,716	\$294,716
Average GS/GM Grade	12	12	N/A
Average GS/GM Salary	\$113,506	\$113,506	N/A

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.

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**

Exhibit 41

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**

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

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
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:

No Tribal Consultations were required.