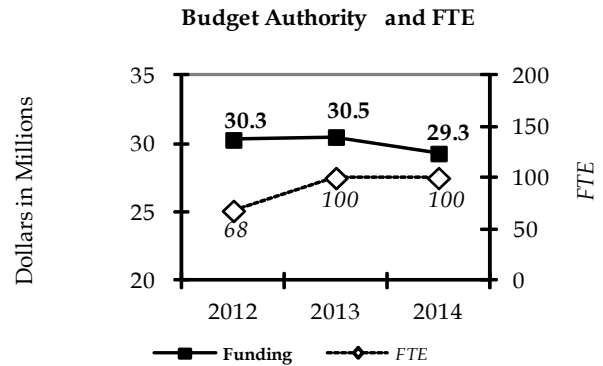


Minority Business Development Agency

The Minority Business Development Agency (MBDA) promotes the ability of minority business enterprises (MBE) to grow and to participate in the global economy through a range of activities that include funding a network of centers that provide MBEs a variety of business assistance services. Through its direct federal client services and its network of funded centers, MBDA: (1) fosters the expansion of opportunities for minority-owned businesses in the global marketplace; (2) identifies sources of financial capital for minority-owned firms; (3) develops and upgrades electronic tools to provide access to growth markets through automated matching of MBEs to public and private sector opportunities; (4) provides management and technical assistance to minority-owned businesses; and (5) advocates for the increased use of electronic commerce and new technologies by MBEs.



In FY 2014, MBDA will continue to support the national growth and expansion of U.S. businesses that are minority-owned, with a specific focus on minority firms operating in high growth industries such as green technology and clean energy. A key component to our economic recovery, under the auspices of President Obama’s National Export Initiative, export promotion and the globalization of the minority business community will continue to be a substantial focus of Agency activities in FY 2014. MBDA’s target clients have unique competitive advantages in the global markets including language skills, cultural knowledge, knowledge of local business practices and familial and other relationships. These competitive advantages have resulted in minority-owned firms being twice as likely to export as nonminority-owned firms.

MBDA will also continue to develop additional avenues by which it can leverage its resources while expanding the availability of services to MBEs. This includes the use of the Internet to establish information clearinghouses and national referral centers for minority-owned businesses of any size, which will provide a wider access to public and private business development resources. MBDA will also expand its automated matching capabilities related to all forms of contracting opportunities. MBDA will continue to rely on its nationwide network of funded centers to provide management and technical assistance, contract opportunities, and financial transactions for businesses that are minority-owned.

Summary of Appropriations

Funding Levels

| Appropriation | 2012 <u>Actual</u> | 2013 <u>Estimate</u> | 2014 <u>Estimate</u> | Increase (Decrease) |
|-------------------------------|-----------------------|-------------------------|-------------------------|------------------------|
| Minority Business Development | \$30,339 | \$30,525 | \$29,286 | (\$1,239) |

FTE

| | | | | |
|-------------------------------|----|-----|-----|---|
| Minority Business Development | 68 | 100 | 100 | 0 |
|-------------------------------|----|-----|-----|---|

Highlights of Budget Changes

Appropriation: Minority Business Development

Summary of Requirements

| | <u>Detailed</u> | | <u>Summary</u> | |
|--|-----------------|---------------|----------------|---------------|
| | <u>FTE</u> | <u>Amount</u> | <u>FTE</u> | <u>Amount</u> |
| 2013 Estimate | | | 100 | \$30,525 |
| Adjustments to Base | | | | |
| <u>Other Changes</u> | | | | |
| 2013 Pay raise | | \$13 | | |
| 2014 Pay raise | | 87 | | |
| Civil Service Retirement System (CSRS) | | (39) | | |
| Federal Employees' Retirement System (FERS) | | 77 | | |
| Thrift Savings Plan | | 11 | | |
| Federal Insurance Contributions Act (FICA/OASDI) | | 35 | | |
| Health insurance | | 6 | | |
| Employees' Compensation Fund | | 100 | | |
| Rent payments to GSA | | 38 | | |
| HCHB Electricity | | (28) | | |
| HCHB Water | | 7 | | |
| Other services: | | | | |
| Working Capital Fund | | 187 | | |
| Personal Identity Verification (PIV) | | 54 | | |
| General Pricing Level Adjustment | | | | |
| Rental payments to others | | 2 | | |
| Communications, utilities, and miscellaneous | | 2 | | |
| Other services | | 45 | | |
| Equipment | | 7 | | |
| Subtotal, Other Cost Changes | | | 0 | 604 |
| TOTAL, ADJUSTMENTS TO BASE | | | 0 | 604 |
| 2014 Base | | | 100 | 31,129 |
| Administrative Savings [non add] | | | | [15] |
| Program Changes | | | 0 | (1,843) |
| 2014 APPROPRIATION | | | 100 | 29,286 |

Comparison by Activity

| | 2013 CR (Annualized) | | 2014 Base | | 2014 Estimate | | Increase / Decrease | |
|--|----------------------|---------------|------------|---------------|---------------|---------------|---------------------|---------------|
| | <u>FTE</u> | <u>Amount</u> | <u>FTE</u> | <u>Amount</u> | <u>FTE</u> | <u>Amount</u> | <u>FTE</u> | <u>Amount</u> |
| DIRECT OBLIGATIONS | | | | | | | | |
| Minority Business Development | 100 | \$30,525 | 100 | \$31,129 | 100 | \$29,286 | 0 | (\$1,843) |
| TOTAL DIRECT OBLIGATIONS | 100 | 30,525 | 100 | 31,129 | 100 | 29,286 | 0 | (\$1,843) |
| REIMBURSABLE OBLIGATIONS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OBLIGATIONS | 100 | 30,525 | 100 | 31,129 | 100 | 29,286 | 0 | (1,843) |
| FINANCING | | | | | | | | |
| Unobligated balance, start of year (Direct) | | | | | | | | |
| Offsetting collections from: | | | | | | | | |
| Federal funds | | 0 | | | | 0 | | |
| Subtotal, financing | 0 | 0 | | | 0 | 0 | | |
| TOTAL BUDGET AUTHORITY/ APPROPRIATION | 100 | 30,525 | | | 100 | 29,286 | | |

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on MBDA’s administrative savings in FY 2012 (\$0.25 million) and planned in FY 2013 (\$0.308 million), an additional \$0.015 million in savings is targeted for FY 2014 for a total savings in FY 2014 of \$0.323 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

| | Base | | Increase / Decrease | |
|------------------------|------------|---------------|---------------------|---------------|
| | <u>FTE</u> | <u>Amount</u> | <u>FTE</u> | <u>Amount</u> |
| Base Reductions | 100 | \$31,129 | 0 | -\$1,843 |

MBDA plans to reduce all base program activities for a total of \$1.8 million in FY 2014. In order to be good stewards of taxpayer money, the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, MBDA’s FY 2014 request reflects reduced costs associated with the closure of its 5 regional offices, reassignment of its Federal regional staff to Washington, DC, and an overall streamlining of operations. In FY 2012-13, MBDA closed its 5 regional locations in support of an effort to reduce overhead costs and centralize operations in Washington, DC.

Performance Objective and Measures

(Dollars reflects obligations in Millions and includes reimbursable amounts)

MBDA's program activities support the theme of Economic Growth and corresponding goal of Market Development and Commercialization while appearing within one objective - Promote competitiveness of disadvantaged and distressed communities and businesses (Objective 7). The following table shows the measures that MBDA uses to gauge its performance. A more detailed description of this objective and these measures may be found in the MBDA section of the Department of Commerce budget.

| | 2012 Actual | 2013 Estimate / Targets | 2014 Estimate / Targets |
|---|---------------|-------------------------|-------------------------|
| Objective 7 Promote competitiveness of disadvantaged and distressed communities and businesses | \$30.3 | \$30.5 | \$29.3 |
| Dollar value of contract awards to minority business enterprises | \$2.2B | \$1.1B | \$1.1B |
| Dollar value of financial awards obtained | \$1.4B | \$0.9B | \$0.9B |
| Number of new job opportunities created | 6,500 | 5,000 | 5,000 |