

**U.S. Small Business Administration
Office of Business Development**

FY 2015 408 Report to the Congress

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¹ This section of the Report examines firms that exited the 8(a) BD program within the three preceding fiscal years of the Report year and that *completed* the full nine years of the business development program.

² The data in this section represents 8(a) contract dollar obligations by North American Industry Classification (NAICS) for *8(a) firms regardless of when the firm was in the 8(a) BD program* and was pulled from the Federal Procurement Data System – Next Generation (FPDS-NG).

³ The obligated contract dollars data in this section represents 8(a) contract dollar obligations for FY 2015, which we obtained from FPDS-NG as this is the best source of information on Federal contracting.

Statutory Requirements

STATUTE

This is the report on the U.S. Small Business Administration's (SBA) 8(a) Business Development Program as required by the Business Opportunity Development Reform Act of 1988, 15 U.S. Code (U.S.C.)§636(j)16(A)(B)(C) and Small Business Act Section 7(j)(16)(A)(B)(C).

SMALL BUSINESS ACT - Section 7(j)(16)(A)(B)(C)

(16) (A) The Administrator shall develop and implement a process for the systematic collection of data on the operations of the Program established pursuant to paragraph (10).

(B) Not later than April 30 of each year, the Administrator shall submit a report to the Congress on the Program that shall include the following:

(i) The average personal net worth of individuals who own and control concerns that were initially certified for participation in the Program during the immediately preceding fiscal year. The Administrator shall also indicate the dollar distribution of net worth, at \$50,000 increments, of all such individuals found to be socially and economically disadvantaged. For the first report required pursuant to this paragraph the Administrator shall also provide the data specified in the preceding sentence for all eligible individuals in the Program as of the effective date of this paragraph.

(ii) A description and estimate of the benefits and costs that have accrued to the economy and the Government in the immediately preceding fiscal year due to the operations of those business concerns that were performing contracts awarded pursuant to section 8(a).

(iii) A compilation and evaluation of those business concerns that have exited the Program during the immediately preceding three fiscal years. Such compilation and evaluation shall detail the number of concerns actively engaged in business operations, those that have ceased or substantially curtailed such operations, including the reasons for such actions, and those concerns that have been acquired by other firms or organizations owned and controlled by other than socially and economically disadvantaged individuals. For those businesses that have continued operations after they exited from the Program, the Administrator shall also separately detail the benefits and costs that have accrued to the economy during the immediately preceding fiscal year due to the operations of such concerns.

(iv) A listing of all participants in the Program during the preceding fiscal year identifying, by State and by Region, for each firm: the name of the concern, the race or ethnicity, and gender of the disadvantaged owners, the dollar value of all contracts received in the preceding year, the dollar amount of advance payments received by each concern pursuant to contracts awarded under section 8(a), and a description including (if appropriate) an estimate of the dollar value of all benefits received pursuant to paragraphs (13) and (14) and section 7(a)(20) during such year.

(v) The total dollar value of contracts and options awarded during the preceding fiscal year pursuant to section 8(a) and such amount expressed as a percentage of total sales of (I) all firms participating in the Program during such year; and (II) of firms in each of the nine years of program participation.

(vi) A description of such additional resources or program authorities as may be required to provide the types of services needed over the next two-year period to service the expected portfolio of firms certified pursuant to section 8(a).

(vii) The total dollar value of contracts and options awarded pursuant to section 8(a), at such dollar increments as the Administrator deems appropriate, for each four digit standard industrial classification code under which such contracts and options were classified.

(C) The first report required by subparagraph (B) shall pertain to fiscal year 1990.

ABBREVIATIONS

Minority Codes (Ethnicity/Race)* Abbreviations for individual firms

AP	Asian Pacific American
BA	Black American
CA	Caucasian American
HA	Hispanic American
NA	Native American
OT	Other (American)
SA	Subcontinent Asian American

Entity Abbreviations for entity firms

ANC	Owned by an Alaska Native Corporation
CDC	Owned by a Community Development Corporation
NHO	Owned by a Native Hawaiian Organization
TO	Owned by a Tribal Organization

EXECUTIVE SUMMARY

This report is provided annually to the Congress to determine and quantify the extent to which the Minority Small Business and Capital Ownership Development Program (herein referenced as the 8(a) Business Development (BD) program) has assisted in the development of firms owned and controlled by socially and economically disadvantaged individuals. The Small Business Act requires the U.S. Small Business Administration (SBA) to provide information on participants in the 8(a) BD program for the Report year and the status of the business concerns that completed their 8(a) BD program term during the preceding three fiscal years of the Report year. The Fiscal Year (FY) 2015 Report will report on FY 2015 firms and will provide information on firms that left/completed the program during the three preceding fiscal years, e.g. FY 2012, FY 2013 and FY 2014.

FY 2015 marked the 48th year of the SBA's 8(a) BD Program. During fiscal year 2015, a total of 5,399 businesses participated in the 8(a) BD Program (defined as in the program at least one day during the fiscal year). These firms made significant contributions to the Federal, state and local tax bases and contributed an estimated 116,006 jobs to the Nation's economy.⁴ Between October 1, 2014 and September 30, 2015, a total of 515 new firms were certified to participate in the program.⁵

Total sales, based on FPDS- NG data, were \$25,872,709,566. This consisted of \$16,588,080,897 in 8(a) sales and \$9,284,628,669 non-8(a) sales. The 8(a) revenue represents an estimated 64.11 percent of total revenue for FY 2015 firms.⁶

In order to assess the current business status of former 8(a) firms that exited and *completed*⁷ the program during the past three preceding fiscal years, SBA utilized Dun and Bradstreet (D&B) data to provide information on these firms for the reporting year of FY 2015. Between October 1, 2011 and September 30, 2014, a total of 2,453 firms completed the term of nine years before exiting the program. Of the 2,453 total number of firms, there were 2,381 active firms, 48 ceased firms and 24 firms defined as not having data available for determining status as reported by D&B. Of the active firms, two were acquired by another firm or organization owned and controlled by other than socially and economically disadvantages individuals and 34 firms were substantially curtailed.

As reported by D&B and based on the 2,381 active firms within the group of 8(a) firms that exited and completed the program during the past three preceding fiscal years, these firms reported revenues for FY 2015 of approximately \$5,212,676,380 and provided jobs for approximately 77,753 persons.

⁴ Data regarding jobs (employees) was pulled from SBA's internal database (e8a System) on November 12, 2015.

⁵ Data regarding new certified firms was pulled from SBA's internal database (e8a System) on April 7, 2016, which shows 515 new disadvantaged individual firms and 56 new entities (ANCs, NHOs, TOs, or CDCs) certified to participate in the program.

⁶ This data was certified by SBA on February 19, 2015. 8(a) sales and non-8(a) sales represent 8(a) contract dollars and non-8(a) contract dollars respectively reported in FPDS-NG.

⁷ The term "completed" in the context of the 8(a) BD program means that the firm spent the full nine program years in the program and then exited.

PROGRAM INITIATIVES

- 1. Mission:** The purpose of the 8(a) BD program is to assist eligible small disadvantaged business concerns to compete in the American economy through business development. These small disadvantaged businesses are owned and controlled by socially and economically disadvantaged *individuals* or by economically disadvantaged *entities*, to include Tribally Owned, Alaskan Native Corporations, Native Hawaiian Organizations and Community Development Corporations. The 8(a) BD program fulfills its mission by providing business development resources, such as marketing, managerial, technical, and financial and procurement assistance.
- 2. Business Development:** The 8(a) BD program promotes business development over a nine year period. Each participant's progress is monitored and measured, and its developmental needs are identified through an annual review, including an analysis of the firm's business plan. The 8(a) BD firms can receive guidance from many organizations outside of the SBA, to include Service Corps of Retired Executives (SCORE), Small Business Development Centers (SBDC), and Women's Business Centers (WBC). In addition, through award of sole source and limited-competition contracts, the 8(a) BD program provides a logical and systematic approach to market access and enterprise growth to small businesses owned and controlled by socially and economically disadvantaged individuals and economically disadvantaged entities.
- 3. Management and Technical Assistance:** Under Small Business Act Section 7(j)(16)(B)(i), the SBA provides specialized training, professional consultant assistance, and high-level executive development to eligible firms. This authority allows the SBA to provide assistance to 8(a) BD program participants as well as to other small disadvantaged businesses, low-income entrepreneurs, and small businesses in labor-surplus areas or areas with a high proportion of low-income individuals. 8(a) certified firms also receive assistance through SCORE, SBDCs, WBCs, and the United States Export Assistance Centers (USEAC), as well as the mentor-protégé, joint venture, surety bond guarantee, and SBA loan programs.

NET WORTH OF NEWLY CERTIFIED PROGRAM PARTICIPANTS

SMALL BUSINESS ACT – SECTION 7(J)(16)(B)(i)

([T]he administrator shall submit a report to the Congress...that shall include the following:)

The average personal net worth of individuals who own and control concerns that were initially certified for participation in the Program during the immediately preceding fiscal year. The Administrator shall also indicate the dollar distribution of net worth, at \$50,000 increments, of all such individuals found to be socially and economically disadvantaged.

1. **Personal Net Worth⁸:** The personal net worth, for program purposes, is the net value of the remaining assets of an individual, after total liabilities are deducted from his/her total assets. During the 2015 fiscal year, 515 firms were initially certified to participate in the 8(a) BD Program. Table I presents data on the personal net worth of the 582 individuals who used their eligibility to qualify 515 firms (more than one individual may use his/her social and economic disadvantage status to qualify a single firm). The average personal net worth of these individuals was \$330,689.

Individuals with a personal net worth ranging from less than zero dollars to \$50,000 constituted 18.73 percent of owners controlling firms that were certified; individuals with a personal net worth of \$50,001 to \$100,000 constituted 9.62 percent; and individuals with a personal net worth of \$100,001 to \$150,000 constituted 12.03 percent. Approximately 57.73 percent of the individuals owning and controlling firms that were certified had a personal net worth ranging from less than zero dollars to \$250,000 (the regulated threshold for entrance to the 8(a) BD Program.)

1. **Adjusted Personal Net Worth⁹:** The adjusted personal net worth, for program purposes, is defined as personal net worth less the disadvantaged individual's equity in his or her primary residence and the individual's ownership interest in the applicant concern. In determining personal net worth, the Small Business Act requires the SBA to utilize adjusted personal net worth. Thus, for determining whether or not an individual may be considered economically disadvantaged, the adjusted personal net worth is used. For FY 2015, the average adjusted personal net worth of individuals owning and controlling firms and initially certified during FY 2015 was \$59,627.

Individuals with an adjusted personal net worth ranging from less than zero dollars to \$50,000 constituted 49.83 percent of owners controlling firms that were certified; individuals with an adjusted personal net worth of \$50,001 to \$100,000 constituted 17.70 percent; and individuals with an adjusted personal net worth of \$100,001 to \$150,000 constituted 13.40 percent. Approximately 99 percent of the individuals owning and controlling firms that were certified had an adjusted personal net worth less than \$249,999 (less than the regulated threshold of \$250,000 for entrance to the 8(a) BD Program.)

⁸ See Table I. Data for Table I and Table II was pulled on April 7, 2016 and was verified against the electronic source documents in Business Development Management Information System (BDMIS). BDMIS is the database of record for 8(a) application reviews.

⁹ See Table II.

Table I
Total Personal Net Worth Excluding DVD Entities
(October 1, 2014 through September 30, 2015)
Individual Unadjusted Net Worth expressed in \$50,000 increments

Dollar Range	Number in Range	Cumulative Total	Cumulative Percentage
(\$600,001) - (\$550,001)	1	1	0.17%
(\$400,000) - (\$350,001)	1	2	0.34%
(\$350,000) - (\$300,001)	2	4	0.69%
(\$300,000) - (\$250,001)	1	5	0.86%
(\$250,000) - (\$200,001)	1	6	1.03%
(\$200,000) - (\$150,001)	2	8	1.37%
(\$150,000) - (\$100,001)	5	13	2.23%
(\$100,000) - (\$50,001)	9	22	3.78%
(\$50,000) - (\$1)	22	44	7.56%
\$0 - \$0	2	46	7.90%
\$1 - \$50,000	63	109	18.73%
\$50,001 - \$100,000	56	165	28.35%
\$100,001 - \$150,000	70	235	40.38%
\$150,001 - \$200,000	50	285	48.97%
\$200,001 - \$250,000	51	336	57.73%
\$250,001 - \$300,000	34	370	63.57%
\$300,001 - \$350,000	22	392	67.35%
\$350,001 - \$400,000	27	419	71.99%
\$400,001 - \$450,000	27	446	76.63%
\$450,001 - \$500,000	16	462	79.38%
\$500,001 - \$550,000	24	486	83.51%
\$550,001 - \$600,000	8	494	84.88%
\$600,001 - \$650,000	6	500	85.91%
\$650,001 - \$700,000	10	510	87.46%
\$700,001 - \$750,000	5	515	88.32%
\$750,001 - \$800,000	8	523	89.69%
\$800,001 - \$850,000	4	527	90.38%
\$850,001 - \$900,000	8	535	91.75%
\$900,001 - \$950,000	4	539	92.44%
\$950,001 - \$1,000,000	7	546	93.47%
\$1,000,001 - \$1,050,000	2	548	93.81%
\$1,050,001 - \$1,100,000	1	549	93.99%
\$1,100,001 - \$1,150,000	5	554	94.85%
\$1,150,001 - \$1,200,000	6	560	95.88%
\$1,200,001 - \$1,250,000	3	563	96.39%
\$1,250,001 - \$1,300,000	3	566	96.91%
\$1,500,001 - \$1,550,000	2	568	97.25%
\$1,550,001 - \$1,600,000	3	571	97.77%
\$1,600,001 - \$1,650,000	1	572	97.94%
\$1,650,001 - \$1,700,000	1	573	98.11%
\$1,750,001 - \$1,800,000	1	574	98.28%
\$1,900,001 - \$1,950,000	1	575	98.45%
More than \$2,000,000	7	582	100.00%

Range of Personal Net Worth \$ (\$591,880) - \$4,405,110
Median Personal Net \$210,166
Average Personal Net Worth \$330,689

Table II
Total Adjusted Personal Net Worth Excluding DVD Entities
(October 1, 2014 through September 30, 2015)
Individual Adjusted Net Worth expressed in \$50,000 increments

Dollar Range	Number in Range	Cumulative Total	Cumulative Percentage
(\$1,450,000) - (\$1,400,001)	1	1	0.17%
(\$700,000) - (\$650,001)	1	2	0.34%
(\$650,000) - (\$600,001)	0	2	0.34%
(\$600,000) - (\$550,001)	1	3	0.52%
(\$550,000) - (\$500,001)	0	3	0.52%
(\$500,000) - (\$450,001)	0	3	0.52%
(\$450,000) - (\$400,001)	0	3	0.52%
(\$400,000) - (\$350,001)	0	3	0.52%
(\$350,000) - (\$300,001)	3	6	1.03%
(\$300,000) - (\$250,001)	1	7	1.20%
(\$250,000) - (\$200,001)	4	11	1.89%
(\$200,000) - (\$150,001)	7	18	3.09%
(\$150,000) - (\$100,001)	14	32	5.50%
(\$100,000) - (\$50,001)	16	48	8.25%
(\$50,000) - (\$1)	56	104	17.87%
\$0 - \$0	3	107	18.38%
\$1 - \$50,000	183	290	49.83%
\$50,001 - \$100,000	103	393	67.53%
\$100,001 - \$150,000	78	471	80.93%
\$150,001 - \$200,000	54	525	90.21%
\$200,001 - \$249,999	57	582	100.00%

Range of Adjusted Personal Net Worth	(\$1,406,921) - \$249,999
Median Adjusted Personal Net Worth	\$50,966
Average Adjusted Personal Net Worth	\$59,627

BENEFITS AND COSTS OF THE DEVELOPMENT PROGRAM TO THE ECONOMY AND GOVERNMENT

SMALL BUSINESS ACT - Section 7(j)(16)(B)(ii)

([T]he administrator shall submit a report to the Congress...that shall include the following:)

A description and estimate of the benefits and costs that have accrued to the economy and the Government in the immediately preceding fiscal year due to the operation of those business concerns that were performing contracts awarded pursuant to section 8(a).

During FY 2015, a total of 5,399 firms participated in the 8(a) BD program. This total includes all firms that were in the program at least one day during the fiscal year. These firms provided employment for more than 116,006 individuals.

Total sales, based on FPDS- NG data, were \$25,872,709,566. This consisted of \$16,588,080,897 in 8(a) sales and \$9,284,628,669 non-8(a) sales. The 8(a) revenue represents an estimated 64.11 percent of total revenue for FY 2015 firms.

1. Benefits to the Economy and to the Government

In principal, the benefit to the economy represents the incremental gain to disadvantaged groups from employment and income supported by 8(a) business development assistance as well as incremental gains in business sustainability. The following are areas in which 8(a) participants are contributing to the gross domestic product: the Nation's tax base, employment, and the individual wealth and well-being of all Americans.

- a) **Long-term Business Development Efforts:** While 8(a) BD contract value figures represent a very small percentage of total Federal procurement dollars, they serve as an indicator of the development of firms owned and operated by individuals and entities that historically have had limited access to capital, credit and public/private contracting opportunities. Additionally, these contracts and values can serve as gauges to the Nation's economic growth and to the diversity of much needed new jobs.
- b) **Employment:** The 5,399 8(a) BD firms provided employment to an estimated 116,006 people during FY 2015, representing an average of 21.5 employees per company. The 8(a) BD program is a source of employment in all fifty states as well as the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands.

Costs to the Government

The SBA's Office of Business Development (BD), under the Office of Government Contracting and Business Development (GCBD), is responsible for the administration of the 8(a) BD program.

a. Program Administrative Costs¹⁰

¹⁰ Program Administrative Costs data were provided by SBA's Office of Chief Financial Officer (OCFO)

SBA program administrative costs consist of personnel, travel, supplies, training and normal business expenses. In FY 2015, the 8(a) BD program had actual costs of \$53,824,258, including \$10,319,342 attributable to Headquarters, and \$43,504,916 attributable to the Field Office (District Offices).

b. Management and Technical Assistance¹¹

Section 7(j) of the Small Business Act mandates that the SBA obtains and maintains a cadre of qualified individuals and organizations providing assistance to socially and economically disadvantaged individuals. For FY 2015, Section 7(j) assistance had actual costs of \$2,723,000 attributable to cooperative agreements and contracts.

c. Advance Payments

There were no advance payments made during FY 2015.

and are the same as what OCFO sent to the Congress.

¹¹ Management and technical assistance data were provided by SBA's Office of Chief Financial Officer (OCFO) and are the same as what OCFO sent to the Congress.

EVALUATION OF FIRMS THAT COMPLETED 8(a) BUSINESS DEVELOPMENT PROGRAM DURING THREE PREVIOUS FISCAL YEARS

SMALL BUSINESS ACT - Section 7(j)(16)(B)(iii)

([T]he administrator shall submit a report to the Congress...that shall include the following :)

A compilation and evaluation of those business concerns that have exited the Program during the immediately preceding three fiscal years. Such compilation and evaluation shall detail the number of concerns actively engaged in business operations, those that have ceased or substantially curtailed such operations, including the reasons for such actions, and those concerns that have been acquired by other firms or organizations owned and controlled by other than socially and economically disadvantaged individuals. For those businesses that have continued operations after they exited from the Program, the Administrator shall also separately detail the benefits and costs that have accrued to the economy during the immediately preceding fiscal year due to the operations of such concern.

The SBA utilized data provided by Dun & Bradstreet (D&B) to analyze the 2,453 firms that completed their 8(a) Business Development Program terms between October 1, 2011 and September 30, 2014. (See Table III for category summary of firms based on data from SBA's e8a System and Table IIIa for status summary of firms based on D&B data.) In Table IIIa, of the 2,453 total number of firms, there were 2,381 active firms, 48 ceased firms, and 24 firms defined as not having data available for determining status. Of the active firms, two were acquired by another firm or organization owned and controlled by other than socially and economically disadvantaged individuals and 34 firms were substantially curtailed. Of the 2,381 active firms, the total annual revenue for such firms over the preceding three fiscal years was approximately \$5,212,676,380 in FY 2015. This provided jobs for approximately 77,753 persons.

As for the reasons that former program participant firms ceased operations, these could be various. Such reasons are most likely similar to the reasons that cause any category of business to cease operations. These may include the following: economic conditions; retirement; illness or death of the owner; reduced federal contracting opportunities; a decision to sell the business or start a new business venture; or the pursuit of other professional interests. According to recent census data,¹² two out of three new employer firms survive at least two years; and over a third stay in business 10 years or more. Census data report that 68 percent of new employer firms in 2000 survived at least two years, and 48 percent survived five or more years. Survival rates were similar across states and major industries. Bureau of Labor Statistics data on establishment age show that 48 percent of establishments survive five years or more and 34 percent survive 10 years or more.¹³

¹² U.S. Department of Commerce, Census Bureau, Business Dynamics Statistics. It should be noted that the Census Bureau does not produce and release official survival rate statistics. These numbers can, however, be derived from statistics provided in the BDS; specifically the number of employer businesses by age and year. A couple of caveats that are expected to distort these numbers slightly are: 1) Business exits have a precise definition in the BDS. An exit takes place when all establishments of a firm cease to exist. Firm entities that cease to exist as a legal construct due to merger and acquisition (M&A) activity but whose establishments do not all cease to exist; are not considered exits in these data. 2) The number of firms in the economy can change for things other than entry. Specifically, firm break ups, spinoffs and M&A activity can lead to multiple new legal entities where there was only one before.

¹³ It should be noted that the Census data represent *firms*, which are the entity of the business, while

TABLE III
FY 2015 Category Summary of Firms Completed 8(a) program during 3 Preceding Years

Category	FY 12	FY 13	FY 14
In Program at least 1 day and not listed in other 5 categories below	6,246	5,544	4836
Terminated	135	166	117
Withdrawn	207	160	123
Suspended	0	4	3
Completed program	798	776	870
Graduated/Early Graduated	4	9	2
TOTAL	7,390	6,659	5,951

Source: SBA's e8a System (11/12/2015)

Table IIIa

FY 2015 Status* Summary of Firms Completed 8(a) program during 3 Preceding Years

Fiscal Year	Completed 8(a) program	Firms Active in FY 15	Firms Ceased In FY 15	Firms for which D&B could not find data	Active Firms Acquired in FY 15	Active Firms Substantially Curtailed in FY 15 ¹⁴
FY 12	798	763	28	7	2	18
FY 13	785	770	11	4	0	12
FY14	870	848	9	13	0	4
TOTAL	2,453	2,381	48	24	2	34

Source: Dun & Bradstreet (02/19/2016)

*Statutory language in this section requests status information on firms that have completed the 8(a) Program for each of the three preceding fiscal years of the Report Year. A firm having *completed* the 8(a) program is defined as a firm having spent the full nine years in the program. *Active* firms are defined as being actively engaged in business operations. D&B designated a firm as active if the firm satisfied one of

Bureau of Labor Statistics indicate *establishments*. The firm and establishment survival age figures are similar.

¹⁴ The Curtailed rate is lower than historical trends because the Base year total employee size is now D&B's measure of employee size instead of the SBA's reported number of employees at the time the business left the program. This provides for a D&B to D&B data comparison instead of the former D&B (current year) to SBA (base year) comparison and results in a more accurate curtail rate measure for this year and all subsequent years.

four metrics. *Ceased* firms are firms that are out of business. D&B designated a firm as ceased if the firm satisfied one of seven metrics. Active firms *acquired* are defined as having been acquired by other firms or organizations owned and controlled by other than socially and economically disadvantaged individuals.

D&B used a two stop process for designating acquired firms. First, D&B designated a firm as acquired if the firm satisfied one of two metrics. Then D&B provided this list to SBA for review. SBA performed step two by confirming whether or not the firm was acquired by other than an 8(a) firm. If the firm was acquired by other than an 8(a) firm then the firm would be listed as acquired.

Firms *substantially curtailed* (defined in statute as “substantially ceased” are defined as firms with the number of employees at the end of the Reporting year to be less than 50% of the number of employees at the end of the fiscal year when the business left the program. D&B defined a firm as being substantially curtailed using this metric.

COMPILATION OF FISCAL YEAR 2015 PROGRAM PARTICIPANTS

SMALL BUSINESS ACT - Section 7(j)(16)(B)(iv)

([T]he administrator shall submit a report to the Congress...that shall include the following :)

A listing of all participants in the Program during the preceding fiscal year identifying, by State and by Region, for each firm: the name of the concern, the race or ethnicity, and gender of the disadvantaged owners, the dollar value of all contracts received in the preceding year, the dollar amount of advance payments received by each concern pursuant to contracts awarded under section 637(a) of this title, and a description including (if appropriate) an estimate of the dollar value of all benefits received pursuant to paragraphs (13) and (14) and section 7(a) (20) during such year.

Appendix B that follows provides a compilation of 2015 program participants, including dollars obligated in FY 2015, in addition to detail by firm to include region, state, MED Min codes (comprised of Minority Enterprise Development (MED) codes and Minority (Min or Ethnicity/Race) codes, entity designation (if other than an individual firm) and gender.¹⁵

Statistics concerning the categories of MED Min, entities and gender are provided below.

The MED Min categories used in this report are significant as they are used as the basis of disadvantage.¹⁶ The information below shows the number of firms in each MED Min category and the percentage that number is of the total number of firms (5,399):

- Asian Pacific American (AP) – 593 (10.98%)
- Black American (BA) – 1,708 (31.64%)
- Caucasian American (CA) – 43 (0.80%)
- Hispanic American (HA) – 1,235 (22.87%)
- Native American (NA) – 347 (6.43%)
- Native Hawaiian American (NH) – 3 (0.06%)
- Other (American) (OT)¹⁷ – 508 (9.40%)
- Subcontinent Asian American (SA) – 602 (11.15%)

Gender categories are also included in Appendix B.¹⁸ Men owned 67.24 percent of the firms, and women owned 32.76 percent. Of the FY 2015 8(a) firms, 4.20 percent of the total number of firms did

¹⁵ Firm names listed in Appendix B were pulled from FPDS-NG on November 12, 2015 using DUNS numbers for FY 2015 8(a) firms.

¹⁶ MED Min categories are used in the 8(a) program and found in the e8a System (SBA's internal database). They represent Minority Enterprise Development (MED) codes used as basis of disadvantage (if other than ethnicity/race) along with Minority (Min or Ethnicity/Race) categories also used as basis of disadvantage.

¹⁷ The category of "Other (American)" includes individuals who selected "Other" or who made no selection at all.

¹⁸ Gender data was pulled from SBA's internal database (e8a System).

not report a specific gender.

Listed below are the four categories of entity firms¹⁹ (entity firms being other than individual firms and being part of one of four set groups), the number of firms in each category and the percentage that number is of the total number of firms (5,399):

- Alaskan Native Corporations (ANC) - 231 (4.28 percent)
- Community Development Corporations (CDC) - 3 (0.06 percent)
- Native Hawaiian Organizations (NHO) - 26 (0.48 percent)
- Tribally Owned (TO) - 100 (1.85 percent)

During FY 2015, as part of the annual review submission, the 8(a) BD program required each Participant owned by a Tribe, ANC, NHO or CDC to submit to SBA information showing how the Tribe, ANC, NHO or CDC has provided benefits to the Tribal or native members and/or the Tribal, native or other community due to the Tribe's/ ANC's/ NHO's/ CDC's participation in the 8(a) BD program through one or more firms. Included here are some of the varied benefits reported for FY 2015: employee assistance, to include preparatory classes, education reimbursement, internship programs and in-house internships; health, social and cultural support, to include in-school support programs, drug and alcohol treatment, individual and family crisis assistance and after-school summer programs; economic and community development, to include establishment of non-profit organizations, such as a housing authority, to provide quality housing for elders, individuals and families. Entities (Tribe, ANC, NHO and CDC) reported diverse benefits valued at approximately \$84,511,751. (Benefits were self-reported.) Contract dollars for entities totaled \$5,982,905,644 in 8(a) revenue and \$15,137,967,539 in total revenues (8(a) and non-8(a) revenues combined). Contract dollars were taken from FPDS-NG as reported on February 19, 2015).

¹⁹ Entity categories were pulled from SBA's internal database (e8a System).

8(a) REVENUE AND NON 8(a) REVENUE FOR FISCAL YEAR 2015

SMALL BUSINESS ACT - Section 7(j)(16)(B)(v)

([T]he administrator shall submit a report to the Congress...that shall include the following:

The total dollar value of contracts and options awarded during the preceding fiscal year pursuant to section 8(a) and such amount expressed as a percentage of total sales of (I) all firms participating in the Program during such year, and (II) of firms in each of the nine years of program participation.

Total sales, based on FPDS- NG data, were \$25,872,709,566. This consisted of \$16,588,080,897 in 8(a) sales and \$9,284,628,669 in non-8(a) sales. The 8(a) revenue represents an estimated 64.11 percent of total revenue for FY 2015 firms.²⁰

²⁰ 8(a) sales are 8(a) contract dollars as reported in FPDS-NG and certified by SBA on February 19, 2015. Non-8(a) sales are contract dollars as reported in FPDS-NG and certified by SBA on February 19, 2015.

REQUESTED RESOURCES AND PROGRAM AUTHORITIES

SMALL BUSINESS ACT - Section 7(j)(16)(B)(vi)

([T]he administrator shall submit a report to the Congress...that shall include the following:)

A description of such additional resources or program authorities as may be required to provide the types of services needed over the next two year period to service the expected portfolio of firms certified pursuant to section 8(a).

At this time, no additional resources or program authorities are being requested.

DOLLAR OBLIGATIONS FOR 8(a) CONTRACTS BY NAICS CODES²¹

SMALL BUSINESS ACT - Section 7(j)(16)(B)(v)

([T]he administrator shall submit a report to the Congress...that shall include the following:)

The total dollar value of contracts and options awarded pursuant to section 637(a) of this title, at such dollar increments as the Administrator deems appropriate, for each four digit standard industrial classification code under which such contracts and options are classified.

Appendix A²² which follows indicates FY 2015 8(a) contract dollars obligated²³ by NAICS CODES (six-digit NAICS codes) for current firms and firms in which program term is completed but contract options remain open. This information was certified from FPDS-NG on February 19, 2015.

²¹ NAICS stands for North American Industry Classification System and are six digit codes. The SIC four-digit standard industrial classification code system is no longer in existence.

²² FY 2015 dollars obligated by NAICS were certified on February 19, 2015 from Federal Procurement Data System – Next Generation (FPDS-NG). FPDS-NG is the official depository for Federal procurements.

²³ Contract dollars obligated (listed as “action obligations in FPDS-NG”) represents dollars actually obligated in the fiscal year. “Actions” listed in FPDS-NG and used in this report represent number of modifications performed by the Contracting Officer during the fiscal year and do not represent number of contracts.