

# U.S. Department of Commerce Minority Business Development Agency



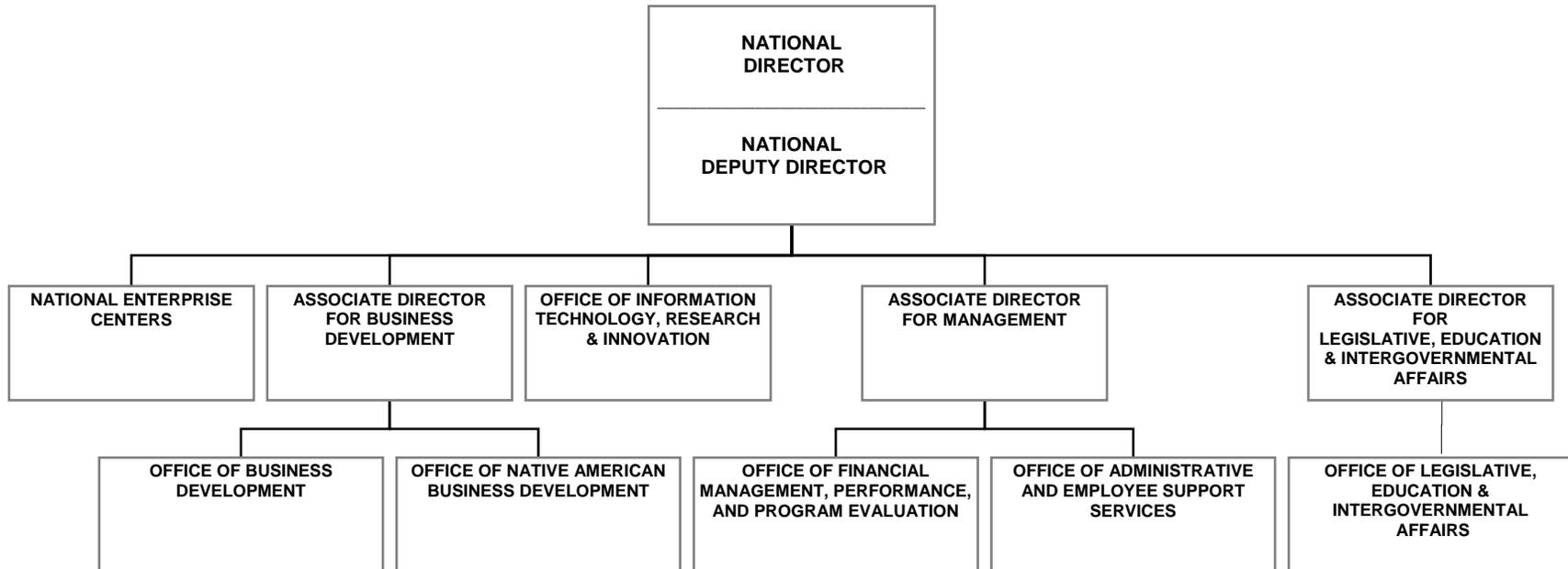
## Budget Estimates, Fiscal Year 2012 Congressional Submission

DEPARTMENT OF COMMERCE  
 MINORITY BUSINESS DEVELOPMENT AGENCY  
 Budget Estimates, Fiscal Year 2012  
 Congressional Submission

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DEPARTMENT OF COMMERCE  
MINORITY BUSINESS DEVELOPMENT AGENCY  
Organization Chart



**Department of Commerce  
Minority Business Development Agency  
Budget Estimates Fiscal Year 2012  
Executive Summary**

**MBDA Mission Statement:**

The mission of MBDA is to foster the growth and global competitiveness of U.S. businesses that are minority-owned. MBDA serves as the only Federal agency dedicated to the establishment, growth and competitiveness of U.S. businesses that are minority-owned.

**Department of Commerce Strategic Goals Supported by MBDA:**

The Minority Business Development Agency (MBDA) supports several Department of Commerce strategic goals and underlying objectives. Specific corresponding goals include:

- Innovation and Entrepreneurship: Develop the tools, systems, policies and technologies critical to transforming our economy, fostering U.S. competitiveness, and driving the development of new businesses.
- Market Development and Commercialization: Help create market opportunities that equip businesses and communities with the tools they need to create new businesses and quality jobs with special emphasis on un-served and underserved groups.
- Trade Promotion and Compliance: Improve our global competitiveness and foster domestic growth while protecting American security.
- Customer Service: Create a culture of outstanding communication and services to our internal and external customers.
- Organizational Excellence: Create a high performing organization with integrated, efficient and effective service delivery.
- Workforce Excellence: Develop and support a diverse, highly qualified workforce with the right skills in the right job to carry out the mission.

MBDA's primary contributions to the mission of the Department of Commerce are within the strategic goal, Market Development and Commercialization. The specific objective is to promote competitiveness of disadvantaged and distressed communities and businesses.

**Business Problem and Statement of Economic Benefit:**

MBDA fully supports Department of Commerce efforts to ensure the full participation of businesses that are minority-owned competing in the United States and global marketplaces. MBDA works to remove barriers to entry and open doors to economic opportunity. Likewise, the MBDA Strategic Growth Initiative has made progress providing performance dividends for minority businesses. Many high growth minority firms have successfully competed for larger prime contracts and financial awards, and have had a significant economic impact within the minority community and overall economy. MBDA successfully provides minority business development services to minority business enterprises through a network that includes MBDA staff and its funded organizations (grantees). The MBDA staff and network of funded centers provide management and technical assistance and offer business services to grow and expand local minority firms. MBDA's performance metrics and targets have been expanded to capture increases in operational efficiencies.

**Base Program:**

Within the single line appropriation, Minority Business Development, MBDA has five base activities with a total FY 2012 base budget estimate of \$32.2M and a Full-Time Equivalent (FTE) count of 100.

<b>Base Program (\$'s in thousands)</b>	<b>FTE</b>	<b>Amount</b>
<b>Annualized FY 2011 Continuing Resolution</b>	<b>100</b>	<b>\$31,500</b>
<b>Base Restoration (FY 2011 Adjustments to Base)</b>	<b>0</b>	<b>386</b>
<b>FY 2012 Adjustments to Base</b>	<b>0</b>	<b>292</b>
<b>FY 2012 Base</b>	<b>100</b>	<b>\$32,178</b>

The five base activities are as follows:

- Minority Business Public Private Partnerships are MBDA's network of funded centers, (grantees) that operate under cooperative agreements. The network of MBDA Business Centers and Native American Business Enterprise Centers are comprised of for-profit entities, non-profit entities, state and local governments, tribal entities and institutes of higher learning. The centers provide an array of business counseling and development services to the minority business community and work in full collaboration with MBDA field staff.
- Minority Business Direct Federal Client Services are the direct MBDA staff and resources which provide direct collaboration with MBDA funded centers, one-on-one client service delivery, referrals, resource match-making, business-to-business teaming facilitation, as well as indirect service delivery through electronic means. The MBDA units responsible for this activity are the Office of Business Development and MBDA's National and Regional Enterprise Centers.
- Minority Business Advocacy and Outreach is managed by MBDA's Office of Legislative, Education and Intergovernmental Affairs. This group is responsible for establishing and maintaining positive relations between the Agency, Members of Congress, the White House, and other government entities; and, coordinating the Agency's congressional and intergovernmental activity with the Department's Office of Legislative and Intergovernmental Affairs.
- Minority Business Policy and Oversight activities consist of the Office of the National Director and the Research and Knowledge Management unit within the Office of Business Development. The Office of the National Director leads the Agency and is tasked with promoting the growth and competitiveness of minority-owned businesses nationwide. The Research and Knowledge Management unit is the research arm of MBDA and manages the institutional knowledge of the Agency.
- Office of Native American Business Development is engaged in identifying opportunities in the areas of federal procurement, energy, manufacturing, international trade, and financial services for Native American constituencies. This office collaborates with other federal agencies, Indian Nations, and private industry to provide leadership in Indian economic development. Other activities include conducting outreach to private sector companies and other minority businesses to collaborate in building private and public partnerships for developing sustainable economies in Indian Country.

**Administrative Cost Savings:**

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. 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, the President directed each agency to analyze its administrative costs and identify savings, where possible. After reviewing its administrative costs, MBDA has identified \$171,000 in administrative savings with an additional \$79,000 in savings identified through the Department's Working Capital Fund (see Departmental Management Working Capital Fund section for more details). MBDA has targeted the closure of regional facilities in FY 2011 to achieve these savings. The \$171,000 in administrative savings will be reinvested in the MBDA Business Center Program to better support the Department's mission.

#### **FY 2012 Program Changes:**

MBDA plans to increase two base activities and terminate funding of its earmarks from FY 2010 for a net total of \$144K.

<b>Program Changes (\$'s in thousands)</b>	<b>FTE</b>	<b>Amount</b>
<b>FY 2012 Base</b>	<b>100</b>	<b>\$32,178</b>
<b>Program Changes</b>	<b>3</b>	<b>144</b>
<b>TOTAL FY 2012</b>	<b>103</b>	<b>\$32,322</b>

- **MBDA Business Centers:** MBDA is requesting \$600,000 to fund two MBDA Business Centers (MBC) that would provide a full array of business development services, including loan packaging assistance, the identification of contracting opportunities, and general minority business advocacy. The centers will be selected through a competitive grant process focused in an area of the country where minority businesses have been most affected by the current economic downturn.
- **Office of Native American Business Development:** MBDA is requesting \$644,000 in funding for the Office of Native American Business Development (ONABD). The Department of Commerce has never received appropriated funds to implement the Native American Business Development, Trade Promotion, and Tourism Act of 2000 or to implement the Indian Tribal Regulatory Reform and Business Development Act of 2000. The ONABD has operated with one expert liaison dedicated to the execution of the Native American Business Development, Trade Promotion, and Tourism Act of 2000. The initiative would expand the staff from one liaison to also include: one program manager, two business development specialists and one program analyst. In addition to the increase in staff, the proposed budget includes the funding for Native American trade promotion research and a report on economic disparities on Indian Territories. The expansion of the ONABD will support Native American business development, trade promotion and tourism and the hiring of an experienced program manager will increase the office's effectiveness and foster improved relations between Indian tribes and the Federal government.
- **Termination of FY 2010 Congressionally Directed Spending Items:** MBDA proposes to eliminate \$1,100,000 in funding for congressionally designated spending items as identified in House Report 111-366.

#### **Total FY 2012 Budget Request:**

In summary, MBDA is requesting \$32.3M for critical investment funding in FY 2012 that will assist in the creation of over \$2B in contracts and financings and over 5,000 new jobs. The FY 2012 budget request also seeks to provide the highest level of service to the minority business community while supporting the President's overall economic stimulus and recovery efforts focusing on job creation. MBDA will also continue to foster innovation and entrepreneurship within minority communities in high-growth industries.

	<b>FTE</b>	<b>Amount (dollars in thousands)</b>	<b>Dollar Value of Contracts Awarded</b>	<b>Dollar Value of Financials Awarded</b>	<b>New Job Opportunities Created</b>
FY 2010 Actuals	86	\$31,500	\$1.5B	\$1.8B	4,000
FY 2011 Currently Available	100	\$31,500	\$1.1B	\$0.9B	5,000
<b>FY 2012 Budget Request</b>	<b>103</b>	<b>\$32,322</b>	<b>\$1.17B</b>	<b>\$0.94B</b>	<b>5,300</b>

## 2012 Annual Performance Plan Minority Business Development Agency

### Table of Contents

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### Section 1 Mission Statement

To foster the growth and global competitiveness of U.S. businesses that are minority-owned.

### Section 2 Corresponding DOC Strategic Goals

The Minority Business Development Agency supports several Department of Commerce strategic goals and objectives:

Innovation and Entrepreneurship Goal: Develop the tools, systems, policies and technologies critical to transforming our economy, fostering U.S. competitiveness, and driving the development of new businesses.

- Objective 3: Stimulate high growth business formation and entrepreneurship, through investments in high-risk high-reward technologies and removing impediments to accelerate technology commercialization

Market Development and Commercialization Goal: Help create market opportunities that equip businesses and communities with the tools they need to create new businesses and quality jobs with special emphasis on un-served and underserved groups

- Objective 6: Promote and support the advancement of green and blue technologies and industries
- Objective 7: Promote competitiveness of disadvantaged and distressed communities and businesses
- Objective 8: Provide services to improve the competitiveness of small and medium size firms in manufacturing and service industries

Trade Promotion and Compliance Goal: Improve our global competitiveness and foster domestic job growth while protecting American security

- Objective 9: Increase US export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)

Customer Service Goal: Create a culture of outstanding communication and services to our internal and external customers. MBDA supports all Department of Commerce customer service objectives.

Organizational Excellence: Create a high performing organization with integrated, efficient and effective service delivery. MBDA supports all Department of Commerce organizational excellence objectives.

Workforce Excellence: Develop and support a diverse, highly qualified workforce with the right skills in the right job to carry out the mission. MBDA supports all Department of Commerce organizational excellence objectives.

**Performance Goal/Outcome:** To increase access to the marketplace and financing for minority-owned businesses. MBDA's primary performance goals are measured by the dollar value of contracts obtained, the dollar value of financial awards obtained and new job opportunities created by minority business enterprises assisted by MBDA and its network of funded centers.

**Internal Goals:**

- Maximize job creation, innovation and global competitiveness for minority business enterprises
- Establish MBDA as the agency of choice for minority-owned businesses, policymakers, and the private sector
- Implement operational efficiencies throughout MBDA

**Internal Objectives:**

- Achieve \$1 billion in contracts and financings in each region
- Encourage and finalize five merger and acquisition deals exceeding \$50 million
- Secure at least five contracts or financings exceeding \$100 million for businesses that are minority owned
- Globalize businesses that are minority-owned through international deal-making
- Establish marketing and outreach plans associated with the MBDA brand
- Establish all MBDA staff as "ambassadors" to enhance MBDA relationships nationwide and globally
- Complete at least two significant research studies
- Restructure agency to focus on deals in specific growth industries
- Increase percentage of employees focused on deals
- Enhance level of intellectual capital within MBDA through enhanced training and development
- Develop plan for increased service delivery on a national basis to incorporate support of Commerce and White House initiatives

**Rationale:** MBDA fully supports the Department of Commerce efforts to ensure the full participation of businesses that are minority-owned competing in the United States and global marketplaces. MBDA works to remove barriers to entry and open doors to economic opportunity. Likewise, the MBDA Strategic Growth Initiative (SGI) has made progress, providing performance dividends for minority businesses. Many high growth minority firms have successfully competed for larger prime contracts and financial awards, and have had a significant economic impact within the minority community. The MBDA funded network provides management and technical assistance and offers business services to grow and expand local minority firms. MBDA has aligned staff performance metrics with agency goals.

## **Section 4 Priorities and Management Challenges**

The Agency has updated its Strategic Plan through 2012 and identified future priorities and activities necessary to achieve positive results. These include:

- Enhancing grants administration processes and establishing regional offices as national enterprise centers
- Developing a long term disaster recovery and rebuilding program
- Creating strategic alliances that result in MBE access to the global economy
- Improving Customer Relationship Management (CRM)
- Enhancing advocacy efforts on behalf of MBEs
- Increasing access to capital for MBEs

MBDA's management challenges include:

- Improving organizational efficiency, effectiveness, and responsiveness
- Improving contracting and procurement opportunities for MBEs who lack the size, scale and scope to compete
- Improving access to capital for MBEs in high-growth industries including green technology, clean energy, healthcare, infrastructure and broadband technology
- Obtaining research and knowledge to effectively address the business needs of the growing minority population
- Becoming a recognized knowledge management and information center for minority businesses in the public and private sectors
- Funding grantees at sufficient levels to meet existing demand for services allowing current and future centers the ability to proactively pursue additional clients

## Section 5 Targets and Performance Summary

**Market Development and Commercialization Goal:** Help create market opportunities that equip businesses and communities with the tools they need to create new businesses and quality jobs with special emphasis on un-served and underserved groups

**Objective:** Promote competitiveness of disadvantaged and distressed communities and businesses

### Measure 1a Dollar value of contract awards to Minority Business Enterprises (MBEs)

<b>Measure Description</b>	MBDA accomplishes its performance goals through the implementation of several business development programs. The success of these programs is measured by the dollar value of contract awards obtained by MBEs and facilitated by MBDA's grantees and staff. The certainty that MBEs will realize the proceeds associated with these awards varies from contract to contract. Multiple year contracts with option years are less certain as the options may or may not be exercised. MBDA includes the full potential value of multiple year contract awards obtained in its annual reporting for this performance measure, and discloses the dollar value of option years in a footnote. For indefinite delivery contracts, only actual dollar values realized or guaranteed are included in the annual reporting of this outcome performance measure.					
<b>Target and Performance Table</b>						
	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Actual</b>	<b>FY2011 Target</b>	<b>FY2012 Target</b>
<b>Actuals &amp; Targets</b>	\$1.2B	\$1.0B	\$2.1B	\$1.5B	\$1.1B	\$1.17B
<b>Comments on Changes to Targets</b>	The FY 2011 target has been adjusted to be consistent with funding under a continuing resolution.					
<b>Relevant Program Changes</b>	<b>Program Changes</b>	<b>Title of Program Change</b>				<b>Page Number</b>
		MBDA Business Centers				MBDA – 30
		Office of Native American Business Development				MBDA – 31
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	Secured Internet transmission to Program Performance system	On-going submission after obtaining documentation by projects and staff	Oracle platform	Client and Source Verification by Regional Project Managers	Data integrity dependent on agency verification policy and timeliness of review	Quarterly desk assessment and semi-annual site visit and review

### Measure 1b Dollar value of financial awards obtained

<b>Measure Description</b>	MBDA works to obtain financial awards (loans, bonds, lines of credit, letters of credit, equity, etc) for minority clients. Using the funded network, strategic partners, agency staff and the MBDA Internet portal, assistance is provided to support successful financial packages. These awards allow minority firms to expand and grow, to provide products and services, and to hire new employees.					
<b>Target and Performance Table</b>						
	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Actual</b>	<b>FY2011 Target</b>	<b>FY2012 Target</b>
<b>Actuals &amp; Targets</b>	\$0.6B	\$1.1B	\$0.9B	\$1.8B	\$0.9B	\$0.9B
<b>Comments on Changes to Targets</b>	The FY 2011 target has been adjusted to be consistent with funding under a continuing resolution.					
<b>Relevant Program Changes</b>	<b>Program Changes</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
		MBDA Business Centers				MBDA – 30
		Office of Native American Business Development				MBDA – 31

<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	Secured Internet transmission to Program Performance system	On-going submission after obtaining documentation by projects and staff	Oracle platform	Client and Source Verification by Regional Project Managers	Data integrity dependent on agency verification policy and timeliness of review	Quarterly desk assessment and semi-annual site visit and review

### Measure 1c Number of new job opportunities created

<b>Measure Description</b>	By assisting minority firms to compete in the marketplace for contracts and financial awards, MBDA increases the number of new employees within minority businesses. This demonstrates MBDA's long-term goal for economic parity and its contribution to the Nation's economy.					
<b>Target and Performance Table</b>						
	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Actual</b>	<b>FY2011 Target</b>	<b>FY2012 Target</b>
<b>Actuals &amp; Targets</b>	3,506	4,603	4,134	5,845	5,000	5,300
<b>Comments on Changes to Targets</b>	The FY 2011 target has been adjusted to be consistent with funding under a continuing resolution.					
<b>Relevant Program Changes</b>	<b>Program Changes</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
		MBDA Business Centers				MBDA – 30
		Office of Native American Business Development				MBDA – 31
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	Secured Internet transmission to Program Performance system	Quarterly reports as available directly from clients	Oracle platform	Client Source documents forwarded to Region Project Managers	Data integrity dependent on agency verification policy and timeliness of review	Quarterly desk assessment and semi-annual site visit and review

### Measure 1d Satisfaction rating for the American Customer Satisfaction Index (ACSI)

<b>Measure Description</b>	MBDA requires funded projects and agency staff to demonstrate customer relations management in providing services to minority clients. The agency includes this in project evaluations and staff performance plans. MBDA contracts with the Federal Consulting Group at the Department of the Treasury and the University of Michigan to measure customer satisfaction and establish an American Customer Satisfaction Index (ACSI). The ACSI survey is conducted every other year.					
<b>Target and Performance Table</b>						
	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Actual</b>	<b>FY2011 Target</b>	<b>FY2012 Target</b>
<b>Actuals &amp; Targets</b>	72%	N/A	67%	N/A	75%	N/A
<b>Comments on Changes to Targets</b>	The ACSI survey is conducted every other year and will not be conducted in FY 2012. MBDA plans to achieve a customer service satisfaction rating of 75% in FY 2011.					
<b>Relevant Program Changes</b>	<b>Program Changes</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
	n/a	n/a				n/a
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	Contracted Survey with Federal Consulting Group	Two year follow-up Survey	Develop a revised model to review projects, Staff and regions for benchmark	Client Performance System and Phoenix Database Systems Portal Clients Served	Data integrity dependent on agency verification policy and timeliness of review	Quarterly desk assessment and semi-annual site visit and review

## Measure 1e Cumulative Economic Impact

<b>Measure Description</b>	In reviewing its annual activities related to the dollar value of contracts and financial awards, the long term goal of achieving \$30 billion dollars in cumulative economic impact by 2020 was established (base year of FY 1999) as a result of the 2005 performance review. Progress toward this goal is tracked annually.					
<b>Target and Performance Table</b>						
	<b>Unused</b>	<b>Unused</b>	<b>FY2005 Actual</b>	<b>FY2010 Actual</b>	<b>FY2015 Target</b>	<b>FY2020 Target</b>
<b>Actuals &amp; Targets</b>			\$11B	\$22.7B	\$25B	\$34B
<b>Comments on Changes to Targets</b>	Targets reflect the cumulative effect of annual targets for measures described above. In 2010 the long term goal was revised upwards to \$25 billion dollars in cumulative economic impact by 2015 and \$34 billion dollars in cumulative economic impact by 2020.					
<b>Relevant Program Changes</b>	<b>Program Changes?</b>	<b>Title of Program Change</b>				<b>Exhibit 13 Page Number</b>
	n/a	n/a				n/a
<b>Validation &amp; Verification Information</b>	<b>Data Source</b>	<b>Reporting Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
	Contracted Survey with Federal Consulting Group	Two year follow-up Survey	Develop a revised model to review projects, Staff and regions for benchmark	Client Performance System and Phoenix Database Systems	Data integrity dependent on agency verification policy and timeliness of review	Quarterly desk assessment and semi-annual site visit and review

## Section 8 Resource Requirements

**Market Development and Commercialization Goal:** Help create market opportunities that equip businesses and communities with the tools they need to create new businesses and quality jobs with special emphasis on un-served and underserved groups

**Objective:** Promote competitiveness of disadvantaged and distressed communities and businesses

	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Currently Avail	FY 2012 Base	Increase/Decrease	FY 2012 Request
<b>Total Funding</b>	29.9	28.5	30.1	31.8	31.8	32.5	0.1	32.6
<b>Total Direct</b>	29.6	28.2	29.8	31.5	31.5	32.2	0.1	32.3
<b>Total Reimbursable</b>	0.3	0.3	0.3	0.3	0.3	0.3	0.0	0.3
<b>Total IT Funding</b>	2.0	2.0	2.0	2.0	2.0	2.0	0.0	2.0
<b>Total FTE</b>	94	75	82	86	100	100	3	103

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 SUMMARY OF RESOURCE REQUIREMENTS  
 Preferred Budget Level  
 (Dollar amounts in thousands)

Page No.				Budget	
		Positions	FTE	Authority	Obligations
	Annualized 2011 CR	110	100	31,500	31,500
	plus: Restoration of Base (2011 Adjustments to Base without Pay Raise)	0	0	386	386
MBDA-15	plus: 2012 Adjustments to Base (no pay raise included)	0	0	292	292
	2012 Base	110	100	32,178	32,178
	Administrative Savings (all savings reinvested)	[0]	[0]	[171]	[171]
	plus: 2012 Program Changes	4	3	144	144
	2012 Estimate	114	103	32,322	32,322

		2010		2011		2012		2012		Increase/ (Decrease)	
		Enacted	Amount	Annualized CR	Amount	Base	Amount	Estimate	Amount	over 2012 Base	
<u>Comparison by activity:</u>											
Minority Business Development:											
Total	Pos./BA	86	31,500	110	31,500	110	32,178	114	32,322	4	144
	FTE/Obl.	86	31,535	100	31,500	100	32,178	103	32,322	3	144
Adjustments to Obligations:											
Recoveries											
	Unobligated Balance, SOY		(35)								
	Unobligated Balance, Transferred										
	Unobligated Balance, EOY										
	Unobligated Balance, Expiring										
Financing from transfers:											
	Transfer from other accounts										
	Transfer to other accounts										
Appropriation			31,500		31,500		32,178		32,322		144

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Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 SUMMARY OF REIMBURSABLE OBLIGATIONS  
 (Dollar amounts in thousands)

		2010 Enacted		2011 Annualized CR		2012 Base		2012 Estimate		Increase/ (Decrease) over 2012 Base	
<u>Comparison by activity:</u>		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Minority Business Development	Pos./BA	0	300	0	300	0	300	0	300	0	0
Total	Pos./BA	0	300	0	300	0	300	0	300	0	0

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 SUMMARY OF FINANCING  
 (Dollar amounts in thousands)

	2010 Enacted Amount	2011 Annualized CR Amount	2012 Base Amount	2012 Estimate Amount	Increase/ Decrease Amount
Total Obligations	31,835	31,800	32,478	32,622	144
Financing:					
Offsetting collections from:					
Federal funds	(300)	(300)	(300)	(300)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	0				
Unobligated balance, start of year	(35)	0	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0
Unobligated balance expiring	0	0	0	0	0
Budget Authority	31,500	31,500	32,178	32,322	144
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	31,500	31,500	32,178	32,322	144

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 ADJUSTMENTS TO BASE  
 (Dollar amounts in thousands)

	FTE	Amount
Other Changes:		
Civil Service Retirement System (CSRS)		(1)
Federal Employees Retirement System (FERS)		2
Thrift Savings Plan		0
Federal Insurance Contribution Act (FICA)-OASDI		(11)
Health Insurance		46
Employee's Compensation Fund		(58)
Travel		
Mileage		(1)
Per Diem		24
Rental Payments to GSA		32
HCHB Electricity		44
HCHB Water		1
Printing and reproduction		1
Other services:		
Working capital fund		175
General Pricing Level Adjustment		
Other Services		33
Communications, utilities, and miscellaneous charges		1
Equipment		1
Rental of Office copying equipment		1
Supplies and Materials		2
Total, Adjustments to Base	0	292

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 JUSTIFICATION OF ADJUSTMENTS TO BASE  
 (Dollar amounts in thousands)

Object Class	FTE	Amount
Civil Service Retirement System (CSRS).....	0	(1)
<p>The number of employees covered by Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 22.4% in 2011 to 22.2% in 2012 for regular employees. Contribution rates will remain the same at 7.0%.</p>		
2012 \$7,852,000 x .222 x .0700.....		122,020
2011 \$7,852,000 x .224 x .0700.....		123,119
Total adjustment-to-base.....		(1,099)
Federal Employees Retirement System (FERS).....	0	2
<p>The number of employees covered by FERS will continue to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 77.6% in 2011 to 77.8% in 2012 for regular employees. The contribution rate will stay the same at 11.7%.</p>		
2012 \$7,852,000 x .778 x .1170.....		714,736
2011 \$7,852,000 x .776 x .1170.....		712,899
Total adjustment-to-base.....		1,837
Thrift Savings Plan (TSP).....	0	0
<p>The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain at 2% in 2012.</p>		
2012 \$7,852,000 x .778 x .020.....		122,177
2011 \$7,852,000 x .776 x .020.....		121,863
Total adjustment-to-base.....		314

Federal Insurance Contribution Act (FICA)..... 0 (11)

As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from \$106,800 to \$110,175 in 2012. However, the percentage of Total Salaries subject to FICA decreased from 94.2% in FY 2011 to 91.1% in FY 2012. The OASDI tax rate will remain at 6.20% in 2012.

Regular:

2012	\$7,852,000 x .778 x .911 x .062.....	345,040
2011	\$7,852,000 x .776 x .942 x .062.....	<u>355,864</u>
Subtotal	.....	(10,824)

Other Salaries:

2012	\$250,000 x .778 x .911 x .062.....	10,986
2011	\$250,000 x .776 x .942 x .062.....	<u>11,330</u>
Subtotal	.....	(344)

Total adjustment-to-base ..... (11,168)

Health Insurance..... 0 46

Effective January 2012, MBDA's contribution to Federal employees' health insurance premiums increases by 6.4%. Applied against the 2011 estimate of \$721,000, the additional amount required is \$46,144.

Employee's Compensation Fund..... 0 (58)

The Employee's Compensation Fund is based upon actual billing from the Department of Labor pursuant to 5 U.S.C. 8147.

Mileage rate increase..... 0 (1)

Effective January 1, 2011, the General Services Administration decreased the mileage rate from 55.0 cents per mile, to 50 cents per mile, a 9% decrease. This percentage was applied to the 2011 estimate of \$7,000 to arrive at a decrease of \$630.

Per Diem..... 0 24

Effective October 1, 2010, the General Services Administration changed per diem rates. This change results in a 6.4% increase to MBDA. This percentage was applied to the 2011 estimate of \$379,000 to arrive at an increase of \$24,256.

Rental Payments to GSA.....	0	32
<p>GSA rates are projected to increase 1.7% in 2012. This percentage was applied to the 2011 estimate to arrive at an increase of \$31,654.</p>		
HCHB Electricity.....	0	44
<p>Electricity cost share in the Herbert C. Hoover building.</p>		
HCHB Water.....	0	1
<p>Water cost share in the Herbert C. Hoover building.</p>		
Printing and Reproduction.....	0	1
<p>Printing and reproduction is estimated to increase 1.3%. This percentage was applied to the 2011 estimate of \$77,000 to arrive at an increase of \$1,001.</p>		
Other Services.....	0	175
<p>This request applies to working capital fund increases at the Department of Commerce.</p>		
General Pricing Level Adjustment.....	0	38
<p>This request applies OMB economic assumptions for FY 2012 to sub-object classes where the prices that the government pays are established through the market system. Factors are applied to communications, utilities and miscellaneous charges (excluding postage &amp; FTS 2000) (\$1,572); other services (\$33,274); rental of office copying equipment (\$1,296); supplies and materials (\$1,752); transportation of things (\$180); rental payment to others (\$120) and equipment (\$576).</p>		
Total FY 2012 Adjustments to Base and Built-in-Changes.....	1	292

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS  
 (Dollar amounts in thousands)

Activity: Minority Business Development  
 Subactivity: Minority Business Development

		2010 Enacted		2011 Annualized CR		2012 Base		2012 Estimate		Increase/ (Decrease) over 2012 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development	Pos./BA	86	31,500	110	31,500	110	32,178	114	32,322	4	144
	FTE/Obl.	86	31,535	100	31,500	100	32,178	103	32,322	3	144
Total	Pos./BA	86	31,500	110	31,500	110	32,178	114	32,322	4	144
	FTE/Obl.	86	31,535	100	31,500	100	32,178	103	32,322	3	144

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development  
 PROGRAM JUSTIFICATION

**APPROPRIATION ACCOUNT: MINORITY BUSINESS DEVELOPMENT**

**BUDGET ACTIVITY: MINORITY BUSINESS DEVELOPMENT**

For FY 2012, MBDA requests an increase of \$822,000 and 3 FTE over the FY 2010 enacted level for a total of \$32,322,000 and 103 FTE. This increase includes \$678,000 million in inflationary adjustments and \$144,000 in program changes.

**BASE JUSTIFICATION FOR FY 2012**

Within the single line appropriation, Minority Business Development, MBDA has five base activities with a total FY 2012 base budget estimate of \$32.2M and a Full-Time Equivalent (FTE) count of 100. The five base activities are as follows:

- Minority Business Public Private Partnerships are MBDA's network of funded centers (grantees) that operate under cooperative agreements. The network of MBDA Business Centers and Native American Business Enterprise Centers are comprised of for-profit entities, non-profit entities, state and local governments, tribal entities and institutes of higher learning. The centers provide an array of business counseling and development services to the minority business community and work in full collaboration with MBDA field staff.
- Minority Business Direct Federal Client Services are the direct MBDA staff and resources which provide direct collaboration with MBDA funded centers, one-on-one client service delivery, referrals, resource match-making, business-to-business teaming facilitation, as well as indirect service delivery through electronic means. The MBDA units responsible for this program are the Office of Business Development and MBDA's field offices.
- Minority Business Advocacy and Outreach is managed by MBDA's Office of Legislative, Education and Intergovernmental Affairs. This group is responsible for establishing and maintaining positive relations between the Agency, Members of Congress, the White House, and other government entities; and coordinating the Agency's congressional and intergovernmental activity with the Department's Office of Legislative and Intergovernmental Affairs.
- Minority Business Policy and Oversight programs consist of the Office of the National Director and the Research and Knowledge Management unit. The Office of the National Director leads the Agency and is tasked with promoting the growth and competitiveness of minority-owned businesses nationwide. The Research and Knowledge Management unit is the research arm of MBDA and manages the institutional knowledge of the Agency.
- Office of Native American Business Development is engaged in identifying opportunities in the areas of federal procurement, energy, manufacturing, international trade, and financial services for Native American constituencies. This office collaborates with other federal agencies, Indian Nations, and industry to provide leadership in Indian economic development. Other activities include conducting outreach to private sector companies and other minority businesses to collaborate in building private and public partnerships for developing sustainable economies in Indian Country.

## MINORITY BUSINESS PUBLIC PRIVATE PARTNERSHIPS

MBDA successfully provides minority business development services to minority business enterprises (MBEs) through a network that includes the MBDA's staff and funded organizations. MBDA continues to build on this base by using the services of Minority Business Enterprise Centers (MBECs), Minority Business Opportunity Centers (MBOCs), and Native American Business Enterprise Centers (NABEC). In FY 2010, MBDA is initiating new competitions for MBDA Business Centers (formerly MBECs and MBOCs). MBDA will continue to fund the NABEC program.

MBDA's Business Centers and NABECs are operated by a network of private and public organizations. These entities compete under a public solicitation for MBDA grant opportunities. Selected candidates are offered cooperative agreements under multi-year awards. The network of private and public organizations that operate MBDA Business Centers and NABECs are comprised of for-profit entities, non-profit entities, state and local governments, tribal entities and institutes of higher education (including minority serving institutes). The network of private and public organizations hires individuals in local communities to delivery program-specific services.

MBDA's Business Center and NABEC programs provide an array of business counseling and development services to the minority business community. MBDA centers are required to work in full collaboration with MBDA field staff. Field collaboration efforts help expand the network of existing resources and strategic relationships offered throughout MBDA for the benefit of the individual minority business enterprise (MBE) that is being served. As strategic partners, MBDA and the network of public and private partnerships are able to harness greater efficiencies, leading to increased performance.

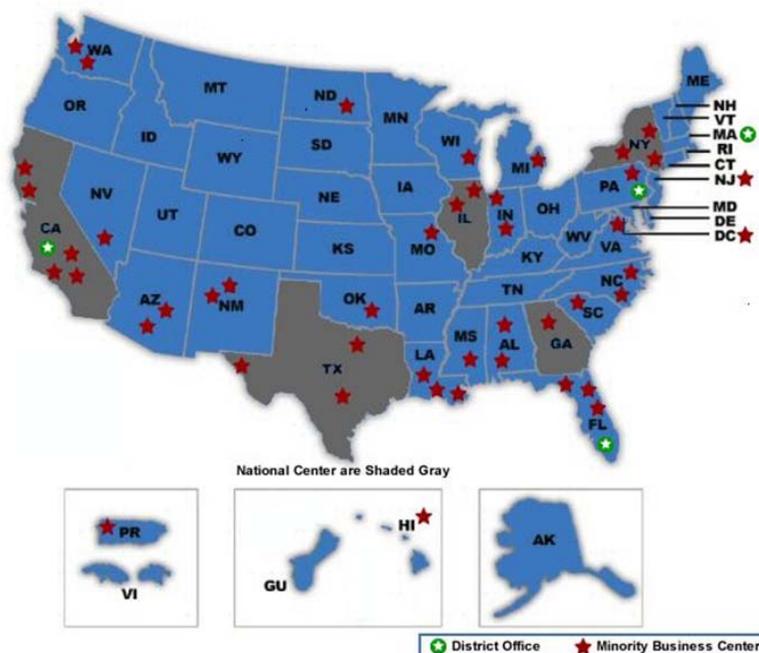
MBDA Business Center and NABEC programs are able to standardize services, expand outreach and leverage limited resources. The MBDA public private partnerships provide the following services to MBEs:

- business counseling (also known as management and technical assistance);
- identification of market and contracting opportunities for minority firms;
- growth in the dollar values and numbers of actual contract awards to MBEs;
- capacity building through new jobs created and retention of existing jobs;
- expansion of the dollar value and number of financial awards to MBEs;
- increased access to equity, working capital, lines of credit, surety and performance bonding, and other alternative sources of financing;
- assistance in expanding growth and global competitiveness;
- promotion of the advantages to achieving size and scale through teaming opportunities;
- training in management skills and business acumen for minority entrepreneurs; and
- assistance in gaining and maintaining access to profitable markets.

MBDA centers leverage resources from outside the federal government as the recipients of MBDA grant awards contribute over \$5.8 million in non-federal cost share. This level of commitment can only be obtained through outstanding public and private partnerships. MBDA and the centers work collaboratively with other local service providers such as local chambers of commerce, city council offices, local colleges and universities and other trade associations to effectively meet the needs of minority businesses. MBDA conducts 100% verification of all awarded transactions reported by its funded centers and by its staff.

MBDA is in the process of awarding 30 new MBDA Business Centers (MBCs). The annual award for an MBC ranges from \$221,000 to \$365,000 and the NABEC awards are on average, \$219,000.

MBDA Business Center programs will continue to provide core program services that reach minority entrepreneurs across the country. These funded centers will provide one-on-one and group consulting services in such areas as business counseling (i.e., management and technical assistance); deal facilitation and brokering services; marketing and growth strategies; teaming assistance; global expansion assistance; and assistance in obtaining contract and financial award opportunities. Designed to provide expanded consulting and “hands-on” services, the MBDA Business Center program will primarily service ethnic minority firms. Native American Business Enterprise Centers (NABECs) operate in eight locations across the United States. Each NABEC provides a wide-range of direct business assistance services to eligible Native American, tribal entity and minority-owned firms. Services include initial consultations and assessments, business technical assistance, and access to federal and non-federal procurement and financing opportunities.



The cooperative agreements (grants) are managed by a grants management team within the Office of Business Development. The grants management team is centralized within MBDA headquarters and utilizes the NOAA Grants Online system to process and monitor grants. The grants management team works closely with NOAA grants officers and performs internal audits on each of the funded centers on an annual basis.

Minority Business Public Private Partnerships is the core delivery system of MBDA's services to the minority business community. Today, the minority population in the United States represents 35 percent of total U.S. population and is expected to represent 54 percent by 2050. According to the US Census Bureau's 2007 Survey of Business owners, in 2007 there were 5.7 million minority-owned businesses (22% of all businesses) generating \$1 trillion in gross receipts (9% of total gross receipts of classifiable firms) and employing 5.9 million paid workers. The U.S. needs strong minority-owned firms to achieve maximum economic growth for the Nation. Minority owned firms are an engine of employment growth and economic expansion in America and have the potential to

contribute significantly to the balance of trade. MBDA is a catalyst to build minority-owned firms of size, scale and capacity.

The MBDA report, *Disparities in Capital Access between Minority and Non-Minority-Owned Businesses* -released in 2010, finds that minority businesses are less likely to have access to loans and equity investments, compared with non-minority-owned business. When minority businesses secure loans and equity, the loans are for lower amounts and carry higher interest rates compared to non-minority-owned firms similar in size and credit scores among other characteristics. Moreover, some minority-owned businesses still face obstacles in accessing procurement opportunities. Recently, the Department of Justice (DOJ) developed a statement to update its 1996 Review of Barriers for Minority- and Women-Owned Businesses submitted to the U.S. Congress. In its statement, DOJ finds “evidence clearly shows that discriminatory barriers continue to impede the ability of minority- and women-owned businesses to compete with other firms on a fair and equal footing in government contracting markets. Significant discrimination in arenas such as access to capital and employment, limits the formation of minority-owned businesses.”

Structural barriers and discrimination have slowed the growth and expansion of minority-owned businesses resulting in economic inefficiencies. If minority-owned businesses reach entrepreneurial parity, they would represent 8.1 million firms, generating more than \$3.4 trillion in gross receipts and employing 17.7 million workers.

## **MINORITY BUSINESS DIRECT FEDERAL CLIENT SERVICES**

The Minority Business Direct Federal Client Services program is MBDA's effort to provide services directly to minority businesses. These activities compliment MBDA's public-private partnership service delivery efforts and ensure that MBDA resources are focused on assisting as many minority businesses as possible. The Direct Client Services program involves direct collaboration with MBDA funded centers, one-on-one client service delivery, referrals, resource match-making, business-to-business teaming facilitation, as well as indirect service delivery through electronic means.

The MBDA units responsible for this program are the Office of Business Development (OBD) and the National and Regional Enterprise Centers (NECs and RECs). Both units are comprised exclusively of MBDA FTE staff. This program consists of just over 33% of the overall MBDA appropriation and 70% of the labor force. While the staff of the NECs and RECs report to the National Director and National Deputy Director, OBD coordinates all direct client service activities.

The Minority Direct Federal Client Services program promotes capital access, procurement and contracting opportunities, capacity building, market development, and advocacy for minority business enterprises. This program works collaboratively with MBDA Business Centers and Native American Business Enterprise Centers. Together, the MBDA's three programs yield higher performance results for MBDA.

MBDA also coordinates the establishment of strategic partnerships between minority businesses and large corporations to achieve broader market penetration and access to capital. MBDA staff identify opportunities through direct communications and ongoing relationships with private and public sector procuring entities. MBDA staff captures key information pertaining to the upcoming opportunity, matches the opportunity with minority business clients and communicates with the matched firm. Although, there are many electronic bid opportunity matching services available, the value of MBDA's service is having human interaction between potential buyers and minority vendors. Anecdotal information from minority businesses indicates that most bid matching

systems are a necessary tool and facilitate the identification of contracting opportunities. However, bid matching systems can not evaluate the qualitative aspect of the opportunity or competition in a satisfactory manner. Technology supports minority firms in opportunity matching and notification of general competition requirements. However, human interaction and contract opportunity intelligence gathered through person to person dialogue is perceived as highest value.

MBDA's outreach and relationship building efforts with public and private procurement entities generates an indirect benefit to minority firms. MBDA's ongoing efforts reinforce the importance of procuring entities when it comes to supplier diversity. The net result is that the public and private entities prioritize supplier diversity in their organizational value and take pleasure when broader diversity is achieved. In essence, good behavior rewards good behavior, provided someone is paying attention to it.

Recent MBDA efforts include fostering the development of market-based surety bonding entities for minority business enterprises. Although minority firms represent 12 percent of all firms in construction nationwide, currently less than one percent of all Federal construction contracts go to minority contractors. One of the leading causes of this is these contractors' inability to obtain surety bonding. The inherent problem is twofold: 1) consolidation of the surety industry has restricted access to performance bonds by raising underwriting standards; and 2) minority contractors continue to face discriminatory barriers and often lack the capacity, both financially and in terms of human resources, to effectively navigate through the myriad Federal, state, insurance, surety company, and private technical assistance programs available to them. MBDA's goal is to help identify over \$100 million in private capital through a public/private partnership and to grow that capacity to over \$1 billion in surety bonding capacity over time.

MBDA supports the Department of Commerce's various initiatives including: competitiveness and innovation, manufacturing, trade missions, exporting and job creation. The Minority Business Direct Client Services program ensures minority businesses participate in the Department's initiatives and more importantly, contribute to the U.S. economy. These Department-wide initiatives rely on Agency involvement to communicate key information to a target constituency, recruit prospective participants, and provide technical support and service referrals. These services are important aspects to achieving success. However, entrepreneurs engage when opportunities are converted into actual deals. It is at the deal making level when investments are executed, local economies are impacted and jobs are created. This program augments the Department's initiatives by assisting minority entrepreneurs in identifying high-value transactions and by facilitating partnerships, financing, and contracts.

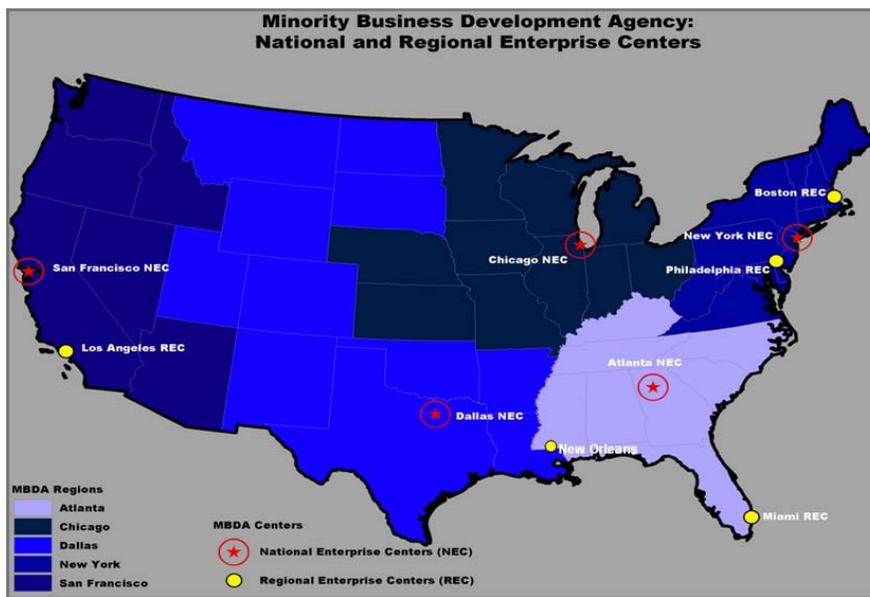
As previously described, MBDA is actively engaged in fostering deal-making activities. The Agency tracks work-in-progress (defined as a transaction anticipated to close within 30 days or less) and pipeline (defined as a transaction anticipated to close beyond 30 days) contracting and financing deals every two weeks. MBDA reviews each line item entry with Federal employees (business development specialists) to understand the deal, provide deal-making support and to determine the probability of success. This effort has refined Minority Business Direct Federal Client Services program and has improved its focus on increasing performance results.

MBDA continues to leverage its resources and to expand minority business participation in the global marketplace. The Agency has formed partnerships with other government agencies such as the International Trade Administration (ITA), Small Business Administration (SBA), as well as non-governmental organizations (NGOs), and the minority business trade associations. MBDA and its partners engage with minority businesses, promote advantages of international trade, conduct education forums and business-to-business partnerships. Furthermore, MBDA promotes the advantage of working with minority businesses and the fact that minorities are twice as likely to be

engaged in global commerce as non-minorities. Many minority entrepreneurs maintain relationships in other countries due to personal affinities that may include family relationships, understanding of language and culture. These characteristics make minority businesses high prospects for expanding U.S. share of the global marketplace.

The Minority Business Direct Federal Client Service is a natural fit to the overall mission of the Agency. Strategically, the majority of the MBDA staff within this program is located outside of headquarters, and in areas where there are high densities of minority entrepreneurs. MBDA operates in five National Enterprise Centers (Regions) and five Regional Enterprise Centers (District/Area offices). The five NEC regional offices are located in Atlanta, Chicago, Dallas, New York and San Francisco. The five RECs are located in Los Angeles, New Orleans, Miami, Philadelphia and Boston. This network represents the front line of MBDA's direct client services and implements strategic initiatives to meet objectives and performance results. These Federal employees provide consulting and referral services, identifies new resources, establishes partnerships and markets new opportunities that can lead to transaction awards for clients.

Throughout the United States, MBDA's National and Regional Enterprise Centers (NECs and RECs) continue to serve as the frontline service providers for client business development services that are innovative and entrepreneurially focused. The focal point of MBDA's enterprise centers continues to be servicing strategic growth firms and identifying new opportunities from public and private sector organizations. The NECs and RECs respond to the needs of minority business enterprises using a variety of electronic business tools and services, strategic alliances, and outreach activities.



The future growth of minority-owned businesses is dependent on accessing growth markets and resources necessary to penetrate those markets in real time. Given the broad geography, economic clusters, industries and different cultures that minority businesses are a part of, technology plays a key role in supporting the Agency's programmatic success. MBDA reaches its staff, funded centers and the minority business community through the use of electronic commerce by promoting and providing business information that can assist minority businesses in these areas. The MBDA Minority Business Internet Portal (MBIP) is a menu driven, user-friendly system that assists clients with business development needs and information. The MBIP includes a variety

of online resources that foster higher performance such as: Customer Relationship Management system, Partners.Net system, Phoenix/Opportunity On-line Bid-Matching system, Business Planner, Business Loan Analyzer, and the Capital Access business tool. MBDA also uses the Internet Portal as an information clearinghouse and national center for referral of minority-owned businesses of all sizes to the vast network of public and private business development resources.

Minority Business Direct Client Services program works in tandem with MBDA's Minority Business Public Private Partnerships to identify, facilitate and secure contracting and financing transactions for minority businesses. Today, the minority population in the United States represents 35 percent of total U.S. population and is expected to represent 54 percent by 2050. According to the US Census Bureau's 2007 Survey of Business owners, there were 5.7 million minority-owned businesses (22% of all businesses) generating \$1 trillion in gross receipts (9% of total gross receipts of classifiable firms) and employing 5.9 million paid workers. The U.S. needs strong minority-owned firms to achieve maximum economic growth for the Nation. Minority owned firms are an engine of employment growth and economic expansion in America and have the potential to contribute significantly to the balance of trade. MBDA is a catalyst to build minority-owned firms of size, scale and capacity.

## **MINORITY BUSINESS POLICY AND OVERSIGHT**

The Minority Business Policy and Oversight program consists of the Office of the National Director (OND) and the Research and Knowledge Management unit of the Office of Business Development.

The Office of the National Director leads the Minority Business Development Agency (MBDA). MBDA is tasked with promoting the growth and competitiveness of minority-owned businesses nationwide. By Executive Order 11625, MBDA conducts the following:

1. Coordinate the plans, programs and operations of Federal agencies to strengthen minority business enterprises (MBEs).
2. Promote the mobilization of activities and resources of State and local governments, businesses and trade associations, universities, foundations, professional organizations towards the growth of MBEs.
3. Establish a center for the development, collection, summarization and dissemination of information for and about minority business.
4. Provide financial assistance to public and private organizations so they may render business consulting services to MBEs.

The Department Organization Order 25-4A (2005-04-07) prescribes the organization and assignment of major functions within MBDA, including the scope of authority and functions of the Office of The National Director:

1. The National Director serves as the Chief Executive Officer for the Agency. In consideration of global and domestic market opportunities, innovations and challenges, the National Director shall direct the formulation, implementation and evaluation of policies and manage programs for all activities of the Agency.
2. The National Deputy Director is the principal assistant to the National Director and shall assist in the day-to-day activities of the Agency. The National Deputy Director may supervise the Executive Staff in the formation and execution of the budget, personnel issues, program and operational activities. In the National Director's absence, the National Deputy Director or the National Director's designee shall serve as the Agency focal point for liaison with the Congress,

White House, Office of the Secretary, and related organizations in coordination with appropriate Departmental officials.

The Research and Knowledge Management unit is the research arm of MBDA and manages the institutional knowledge of the Agency. The unit oversees and produces research studies, reports and fact sheets to increase the body of knowledge with respect to minority business enterprises. It also educates, promotes and develops solutions for sharing knowledge access agency functions to increase efficiencies and improve the overall performance of the organization.

Findings of the studies produced by MBDA are released at the Agency's annual National Minority Enterprise Development (MED) Week Conference. This event brings together about 1,000 attendees including corporate executives, large minority-owned business entrepreneurs, government and non-profit organization leaders and academicians, among other stakeholders. Moreover, the unit holds congressional and stakeholder briefings to discuss findings of its studies. In 2009, the unit held numerous congressional and stakeholder briefings to present the findings from MBDA's study, "*Characteristics of Minority Businesses and Entrepreneurs*." In 2010, the unit presented the findings of its latest report, "*Disparities in Capital Access between Minority and Non-Minority Businesses*" at a hearing of the Senate Committee on Business and Entrepreneurship, congressional briefing, the Maryland Governor's Minority Business University Conference, National Community Reinvestment Coalition Conference and Interagency Network of Enterprise Providers meeting, among many other venues.

As part of strengthening strategic partnerships and sharing knowledge on minority businesses, the unit recently held a joint event with SBA on the newly released report on contributions of immigrant business owners to the U.S. economy. The event was held at the Department of Commerce and was attended by academics and other MBDA stakeholders. The unit also collaborated with the Economic Statistics Administration and the Department of Justice regarding the joint efforts to collect data and studies on disparities in minority business performance relative to non-minority businesses, and provided advice to the Economic Statistics Administration for the development of a national disparity study on minority business procurement participation.

## **MINORITY BUSINESS ADVOCACY AND OUTREACH**

The Minority Business Advocacy and Outreach program is managed by MBDA's Office of Legislative, Education and Intergovernmental Affairs (OLEIA).

OLEIA is responsible for establishing and maintaining positive relations between the Agency, Members of Congress, the White House, the Office of Management and Budget and intergovernmental associations; and coordinating the Agency's congressional and intergovernmental activity with the Department's Office of Legislative and Intergovernmental Affairs. As part of the congressional and intergovernmental outreach efforts, OLEIA ensures an effective two-way communication system that promotes the Agency and minority businesses exists, and; provides timely responses to inquiries or requests for information, reports, or other assistance from Members of Congress and their staffs. This program ensures that the Agency is abreast of all legislation impacting the minority business community and provides analytical, legislative/policy reports to the Deputy National Director; and appropriately manages all intergovernmental activities.

OLEIA is also responsible for the development and implementation of an organized effort to build strategic alliances with public and private sector organizations, trade associations, educational institutions, and business advocacy groups as well as Federal, state and local government officials.

Activities associated with building strategic alliances include the hosting of stakeholder meetings, issue forums, and participation in stakeholder conferences, seminars and events. From these alliances and partnerships, MBDA creates and expands programs, services and opportunities in support of minority business enterprises. As part of the Advocacy and Outreach program, OLEIA oversees the National Advisory Council on Minority Business Enterprise, an official federal advisory council. This program also allows the Agency to propose, evaluate and recommend national policies which affect minority business development. Key initiatives undertaken by OLEIA in support of this program include educational conferences and seminars such as the Minority Business Enterprise Summit and the National Minority Enterprise Development Week Conference.

Two additional components to the Advocacy and Outreach program under the auspices of OLEIA are the Agency's public affairs, communications, marketing and branding activities and the Agency's executive secretariat function. This includes maintaining effective relationships with the media to promote the Agency's programs, accomplishments and priorities; message development and promotional materials; content development for the Agency's social media sites and website; and coordination of public affairs activities with the departmental Office of Public Affairs. As the Agency's executive secretariat, OLEIA serves as the focal point for all documents and correspondence directed to or issued by the Office of the National Director.

## **OFFICE OF NATIVE AMERICAN BUSINESS DEVELOPMENT**

MBDA's Office of Native American Business Development (ONABD) is engaged in identifying opportunities in the areas of federal procurement, energy, manufacturing, international trade, and financial services for Native American constituencies. The ONABD collaborates with other federal agencies, Indian Nations, and industry to provide leadership in Indian economic development. The ONABD also conducts outreach to private sector companies and other minority businesses to collaborate in building private and public partnerships for developing sustainable economies in Indian Country.

An Office of Native American Business Development was mandated by Congress in 2001 following passage of the Native American Business Development, Trade Promotion and Tourism Act of 2000. Section 4(a)(1) of the Native American Business Development, Trade Promotion, and Tourism Act of 2000 (25 U.S.C. § 4301 *et seq.*) requires the establishment of an ONABD within the Department of Commerce. Section 4(b)(1) of the Act charges the ONABD with "the coordination of Federal programs that provide assistance...to eligible entities for increased business, the expansion of trade by eligible entities, and economic development on Indian lands." Sections 5 and 6 of the Act require the ONABD to implement a Native American trade and export promotion program, and a Native American tourism program, respectively. Section 7 of the Act requires the Secretary of Commerce, in consultation with the ONABD, to report on an annual basis to the Senate Committee on Indian Affairs and the House Committee on Resources a summary of the activities of the ONABD in carrying out Sections 4 through 6 of the Act and any recommendations for legislation determined to be necessary to carry out Sections 4 through 6 of the Act.

Section 4(a)(1) of the Indian Tribal Regulatory Reform and Business Development Act of 2000 (25 U.S.C. § 4301 note) requires the Secretary to establish an authority known as the Regulatory Reform and Business Development on Indian Lands Authority (Authority). As set forth in Section 4(a)(2) of the Act, the purpose of the Authority is to "facilitate the identification and subsequent removal of obstacles to investment, business development, and the creation of wealth with respect to the economies of Native American communities." The membership of the Authority shall be comprised of 21 members, of which 12 members shall be representatives of the Indian tribes recognized by the Bureau of Indian Affairs and no fewer than 4 members shall be representatives

of non-governmental economic activities carried out by private enterprises in the private sector. The Authority is responsible for conducting “a review of laws (including regulations) relating to investment, business, and economic development that affect investment and business decisions concerning activities conducted on Indian lands” and for preparing and submitting a report to the Senate Committee on Indian Affairs, the House Committee on Resources, and to the governing body of each Indian tribe a report that includes the Authority’s findings and recommendations, including proposed revisions to the laws and regulations reviewed by the Authority. (See Sections 4(d) and 5 of the Act.)

In March 2003, the Secretary of Commerce delegated to MBDA his authorities and responsibilities under the Native American Business Development, Trade Promotion, and Tourism Act of 2000 and under the Indian Tribal Regulatory Reform and Business Development Act of 2000. MBDA established the ONABD within the Agency’s Office of Business Development in June 2005.

The Department Organization Order 25-4A (2005-04-07) prescribes the organization and assignment of major functions within MBDA, including the scope of authority and functions of the Office of Native American Business Development. Per the order, the Office of Native American Business Development shall: ensure the coordination of Federal programs that provide assistance, including financial and technical assistance to eligible entities for increased business, the expansion of trade by eligible entities, and economic development on Indian lands.

The Department of Commerce has never received appropriated funds to implement the Native American Business Development, Trade Promotion, and Tourism Act of 2000 or to implement the Indian Tribal Regulatory Reform and Business Development Act of 2000. As a result, MBDA directed the use of base resources in support of establishing an expert appointment. An ONABD expert liaison was selected and hired in 2005 to execute ONABD activities. MBDA has provided infrastructural support and a nominal discretionary budget to support outreach activities nationally since FY 2005. However, due to limited budgetary and human resources, the ONABD has not engaged in any activities under the Indian Tribal Regulatory Reform and Business Development Act of 2000. Today, the ONABD is led by a Senior Advisor of Native American Affairs who reports directly to the Secretary of Commerce.

#### **ADMINISTRATIVE COST SAVINGS:**

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. 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, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, MBDA has identified \$171,000 in administrative savings with an additional \$79,000 in savings identified through the Department’s Working Capital Fund (see Departmental Management Working Capital Fund section for more details). MBDA has targeted the closure of regional facilities in FY 2011 to achieve these savings. The \$171,000 in administrative savings will be reinvested in the MBDA Business Center Program to better support the Department’s mission.

**PROGRAM CHANGES FOR FY 2012:**

**MBDA Business Centers (Base Funding: 6 FTE and \$14 million; Program Change: +0 FTE and +\$0.6 million):** MBDA is requesting \$600,000 to fund two additional MBDA Business Centers (MBCs).

**Proposed Actions:** The additional MBCs would continue to provide a full array of business development services, including loan packaging assistance, the identification of contracting opportunities, and general minority business advocacy. The centers will be selected through a competitive grant process focused on areas of the country where minority businesses have been most affected by the current economic downturn.

**Statement of Need and Economic Benefits:** The annual award for an MBC ranges from \$221,000 to \$365,000 and the NABEC awards are on average \$219,000. These awards allow MBDA to work with local organizations (institutes of higher education, minority serving institutes, minority chambers of commerce, community development corporations, non-profit and for profit entities), through public-private partnerships, to provide management and technical assistance to minority business enterprises. The centers provide a full array of business development services, including loan packaging assistance, the identification of contracting opportunities, and general minority business advocacy.

MBDA centers are leveraging resources. MBCs contribute a minimum 20% non-federal cost share, while the NABECs contribute a minimum 10% non-federal cost share. In addition, the centers work collaboratively with other local service providers such as local chambers of commerce to effectively meet the needs of minority businesses. MBDA conducts 100% verification of all awarded transactions reported by its funded centers.

MBDA works to obtain financial awards (loans, bonds, lines of credit, letters of credit, equity, etc.) for minority clients. Using the funded network, strategic partners, agency staff and the MBDA Internet portal, assistance is provided to prepare successful financial packages. These awards allow minority firms to expand and grow, to provide products and services, and hire new employees. MBDA accomplishes its performance goals through the implementation of several business development programs. The success of these programs is measured by the dollar value of contract awards obtained by MBEs and facilitated by MBDA's grantees and staff. The certainty that MBEs will realize the proceeds associated with these awards varies from contract to contract. Multiple year contracts with option years are less certain as the options may or may not be exercised. MBDA includes the full potential value of multiple year contract awards obtained in its annual reporting for this performance measure. For indefinite delivery contracts, only actual dollar values realized or guaranteed are included in the annual reporting of this outcome performance measure. By assisting minority firms to compete in the marketplace for contracts and financial awards, MBDA increases the number of new employees within minority businesses.

MBDA's centers and the overall agency provide the following services to its constituents:

- management and technical assistance to MBEs;
- identification of market and contracting opportunities for minority firms;
- growth in the dollar values and numbers of actual contract awards with a commensurate increase in jobs;
- expansion of the dollar value and number of financial awards to MBEs;
- increased access to equity and working capital;
- training in management skills and business acumen for minority entrepreneurs; and
- assistance in gaining and maintaining access to profitable markets.

With an annual budget in FY 2010 of \$31.5 million and approximately \$12 million in funding across its network of centers, MBDA reported \$3.3 billion in awarded contracts and financial transactions and almost 6,000 new jobs created. Adding two new centers would allow MBDA to pursue an additional \$80 million in awards contracts and financial transaction and approximately 200 new jobs.

**Base Resource Assessment:** MBDA currently allocates \$14 million in resources and 6 FTE's to Minority Business Public Private Partnerships. This amount includes the cooperative agreement awards and the MBDA staff to monitor those agreements.

**Schedule and Milestones:** MBDA anticipates maintaining the funding level of cooperative agreements across its network of funded centers over the next five years. MBDA will make awards to operate the new MBDA Business Centers in FY 2011 with start dates of April 1, 2011. The total award period for all centers funded under the competitive solicitation is five years, with awards ranging from \$221,000 to \$365,000. The additional requested centers would follow a similar timeline to the recent competition for 30 MBCs.

MBDA will select operators of the centers through a competitive grant process. Physical locations of the centers will be determined through a data analysis process including (but not limited to) Census Bureau's "Survey of Business Owners," population estimates of minorities, industry analysis, and administration preferences.

**Deliverables:** MBDA accomplishes its performance goals through the implementation of several business development programs, including the funding of public private partnerships. The success of these programs is measured by the dollar value of contract awards and financial awards obtained by MBEs and facilitated by MBDA Business Centers, Native American Business Enterprise Centers, and MBDA staff. The certainty that MBEs will realize the proceeds associated with these awards vary from contract to contract and securitization of financing opportunities from private sector entities and alternative lending sources. MBDA is confident that its new collaborative approach will generate a significant increase in base performance. The base performance increase reflects collaborative work efforts generated through MBDA Direct Federal Client Services and MBDA funded programs.

**Office of Native American Business Development (Base Funding: 1 FTE and \$0.2 million; Program Change: +3 FTE and +\$0.6 million):** MBDA is requesting \$644,000 in funding for the Office of Native American Business Development (ONABD).

**Proposed Actions:** MBDA proposed expanding the Office on Native American Business Development (ONABD) to ensure full compliance with the Native American Business Development, Trade Promotion, and Tourism Act of 2000 and with the Indian Tribal Regulatory Reform and Business Development Act of 2000. The ONABD has operated with one expert liaison person dedicated to the execution of the Native American Business Development, Trade Promotion, and Tourism Act of 2000. The initiative would expand the staff from just one liaison to also include: one program manager, two business development specialists and one program analyst.

In addition to the increase in staff, the proposed budget also provides funding for Native American trade promotion research and a report on economic disparities on Indian Territories. ONABD will continue to work in six key areas for economic development that Native Americans are well positioned to capture: banking and finance; manufacturing; state and federal procurement; international trade; tourism; and energy development in Indian Country.

In collaboration with the White House Intergovernmental Affairs Office, ONABD will also continue to work with the Indian Affairs Executive Working Group (IAEWG). The IAEWG is designed and activated to be the first government wide project to train all federal employees on the role and responsibility of the federal government in fulfilling the vital trust responsibility to tribes. The IAEWG conducts a comprehensive review of federal consultation policies and reports out to federal agencies.

ONABD will continue to facilitate meetings and strategic partnerships between the Department of the Interior and other Federal agencies. ONABD will conduct educational outreach to Native American communities and participate in various conferences, training seminars, and meetings. ONABD will continue to nurture existing relationships with non-governmental organization stakeholders.

**Statement of Need and Economic Benefits:** The Department of Commerce has never received appropriated funds to implement the Native American Business Development, Trade Promotion, and Tourism Act of 2000 or to implement the Indian Tribal Regulatory Reform and Business Development Act of 2000. As a result, MBDA directed the use of some of its base resources in support of establishing an expert position. An ONABD Coordinator was selected and hired in 2005 to execute ONABD activities. In addition, MBDA provided infrastructural support and a discretionary budget to compliment outreach activities nationally since FY 2005. However, due to limited budgetary and human resources, ONABD has not engaged in any activities under the Indian Tribal Regulatory Reform and Business Development Act of 2000.

MBDA works to obtain financial awards (loans, bonds, lines of credit, letters of credit, equity, etc) for minority clients. Using the funded network, strategic partners, agency staff and the MBDA Internet portal, assistance is provided to prepare successful financial packages. The success of these programs is measured by the dollar value of contract awards obtained by MBEs and facilitated by MBDA's grantees and staff. By assisting minority firms to compete in the marketplace for contracts and financial awards, MBDA increases the number of new employees within minority businesses. This demonstrates MBDA's long-term goal for economic parity and its contribution to the Nation's economy.

The expansion of the ONABD will support Native American business development, trade promotion and tourism and the hiring of an experienced program manager will increase the office's effectiveness and foster improved relations between Indian tribes and the Federal government. The addition of a program manager and of professional staff will provide capacity to work with Native American communities to generate economic activities and results. MBDA anticipates ONABD staff will work directly with Native American firms and tribal entities to secure contract opportunities, financings and job creation.

The establishment of an Authority will foster improved relations between Indian tribes and the Federal government. The anticipated dialogue and review of relevant laws and regulations will foster open communication and better understanding of the economic needs of tribal entities and the coordination of Federal resources for continued growth and development.

**Base Resource Assessment:** MBDA currently allocates \$200k in resources and 1 FTE to the Office of Native American Business Development.

**Schedule and Milestones:**

Creation of the Regulatory Reform and Business Development on Indian Lands Authority (Authority)

- Develop Authority requirement, procedures, guidelines, and schedule of operational mission plan to be reviewed and approved by the White House and the Department of the Interior by end of the 2ndQ 2012
- Develop Authority member selection process and recruit/select Authority board per requirements by end of the 3rdQ 2012
- Solicit and select 21 person Advisory Authority, Begin Authority initial actions by the end of the 4thQ 2012
- Develop and submit annual report that includes the Authority's findings and recommendations, including proposed revisions to the laws and regulations reviewed by the Authority to the Office of the Secretary for submission to Senate Committee on Indian Affairs and the House Committee on Resources by the end of the 1stQ 2013

Creation of ONABD expanded operational plan for additional staff, business operation procedures staff action workflow, and reporting requirements by the end of the 1stQ 2011

- Recruit and hire ONABD program manager, program analyst, and 2 additional business development specialists by the end of the 2ndQ of 2012
- Develop and submit annual progress and accomplishment report to the National Director of MBDA by the end of the 4thQ 2012

**Deliverables:** The performance targets for ONABD include \$24 million in contract awards obtained, \$8 million in financial awards and 100 new jobs created on an annual basis.

**Termination of FY 2010 Congressionally Directed Spending Items:** - 0 FTE and -\$1.1 million: MBDA proposes to eliminate funding Congressionally designated spending as identified in House Report 111-366.

**Performance Goals and Measurement Data**

<b>Performance Measures</b>	<b>FY 2011 Target</b>	<b>FY 2012 Target</b>	<b>FY 2013 Target</b>	<b>FY 2014 Target</b>	<b>FY 2015 Target</b>	<b>FY 2016 Target</b>
<b>BASE PROGRAM WITHOUT CHANGES</b>						
Dollar Value of Contracts	\$1.1B	\$1.1B	\$1.1B	\$1.1B	\$1.1B	\$1.1B
Dollar Value of Financials	\$0.9B	\$0.9B	\$0.9B	\$0.9B	\$0.9B	\$0.9B
Number of Jobs Created	5,000	5,000	5,000	5,000	5,000	5,000
<b>MBDA Business Centers</b>						
Dollar Value of Contracts		\$0.05B	\$0.05B	\$0.05B	\$0.05B	\$0.05B
Dollar Value of Financials		\$0.03B	\$0.03B	\$0.03B	\$0.03B	\$0.03B
Number of Jobs Created		200	200	200	200	200
<b>Office of Native American Business Development</b>						
Dollar Value of Contracts		\$0.02B	\$0.02B	\$0.02B	\$0.02B	\$0.02B
Dollar Value of Financials		\$0.01B	\$0.01B	\$0.01B	\$0.01B	\$0.01B
Number of Jobs Created		100	100	100	100	100
<b>Earmark Terminations</b>		n/a	n/a	n/a	n/a	n/a
<b>TOTAL PROGRAM CHANGE</b>						
Dollar Value of Contracts		\$0.07B	\$0.07B	\$0.07B	\$0.07B	\$0.07B
Dollar Value of Financials		\$0.04B	\$0.04B	\$0.04B	\$0.04B	\$0.04B
Number of Jobs Created		300	300	300	300	300
<b>TOTAL BASE PROGRAM AND PROGRAM CHANGE</b>						
Dollar Value of Contracts	\$1.1B	\$1.17B	\$1.17B	\$1.17B	\$1.17B	\$1.17B
Dollar Value of Financials	\$0.9B	\$0.94B	\$0.94B	\$0.94B	\$0.94B	\$0.94B
Number of Jobs Created	5,000	5,300	5,300	5,300	5,300	5,300

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
**(Dollar amounts in thousands)**

Activity: Minority Business Development  
 Program Change: MBDA Business Centers

<b>Object Class</b>		<b>2012 Increase</b>
11.0	Personnel compensation	0
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	<u>0</u>
12.1	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payment to others	0
23.3	Communication., util., misc. charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	0
25.3	Purchases of goods and services from Government accounts	0
25.4	Operations and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	600
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	<u>0</u>
	<b>TOTAL OBLIGATIONS</b>	<b>600</b>

**PROGRAM CHANGE PERSONNEL DETAIL**  
**(Dollar amounts in thousands)**

Activity: Minority Business Development  
 Program Change: Office of Native American Business Development

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Program Manager	Washington, DC	14	1	105,211	105,211
Business Development Specialist	Washington, DC	13	1	89,033	89,033
Business Development Specialist	Washington, DC	12	1	74,872	74,872
Program Analyst	Washington, DC	12	1	74,872	74,872
<b>Total</b>			<u>4</u>		<u>343,988</u>
Less Lapse		25.00%	<u>(1.00)</u>		<u>(85,997)</u>
Total Full-time permanent (FTE)			3		257,991
FY 2012 Pay Adjustment					0
Total					<u>257,991</u>

**Personnel Data**

Full-time Equivalent Employment	
Full-time permanent	3
Other than full-time permanent	0
Total	<u>3</u>
Authorized Positions:	
Full-time permanent	4
Other than full-time permanent	0
Total	<u>4</u>

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
**(Dollar amounts in thousands)**

Activity: Minority Business Development

Program Change: Office of Native American Business Development

<b>Object Class</b>		<b>2012 Increase</b>
11.0	Personnel compensation	258
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	258
12.1	Civilian personnel benefits	61
13	Benefits for former personnel	0
21	Travel and transportation of persons	52
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payment to others	0
23.3	Communication., util., misc. charges	0
24	Printing and reproduction	0
25.1	Advisory and assistance services	120
25.2	Other services	0
25.3	Purchases of goods and services from Government accounts	0
25.4	Operations and maintenance of facilities	0
25.5	Research and development contracts	0
25.6	Medical care	0
25.7	Operation and maintenance of equipment	0
25.8	Subsistence and support of persons	0
26	Supplies and materials	0
31	Equipment	3
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	150
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
	<b>TOTAL OBLIGATIONS</b>	<b>644</b>

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
**(Dollar amounts in thousands)**

Activity: Minority Business Development  
Program Change: Earmark Terminations

<b>Object Class</b>	<b>2012 Increase</b>
11.0 Personnel compensation	0
11.1 Full-time permanent	0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	0
13 Benefits for former personnel	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.2 Rental payment to others	0
23.3 Communication., util., misc. charges	0
24 Printing and reproduction	0
25.1 Advisory and assistance services	0
25.2 Other services	0
25.3 Purchases of goods and services from Government accounts	0
25.4 Operations and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	0
31 Equipment	0
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	(1,100)
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
<b>TOTAL OBLIGATIONS</b>	<b>(1,100)</b>

Department of Commerce  
 Minority Business Development Agency  
 Minority Business Development

Advisory and Assistance Services  
 (Obligations in thousands of dollars)

	FY 2010 Actual -----	FY 2011 Estimate -----	FY 2011 Estimate -----
Consulting Services.....	230	230	230
Management and professional services.....	222	222	222
Special studies and analyses.....	43	43	163
Management and Support services for research and development.....	0	0	0
Total.....	495	495	615

Department of Commerce  
Minority Business Development Agency  
Minority Business Development

Periodicals, Pamphlets, and Audiovisual Products  
(Obligations in thousands of dollars)

	FY 2010 Actual -----	FY 2011 Estimate -----	FY 2012 Estimate -----
Periodicals.....	8	8	8
Pamphlets.....	5	5	5
Audiovisuals.....	<u>0</u>	<u>0</u>	<u>0</u>
Total.....	13	13	13

Executive Order 11625 authorizes the Minority Business Development Agency (MBDA) to provide "for the development, collection, summarization, and dissemination of information that will be helpful to persons and organizations throughout the nation in undertaking or promoting the establishment and successful operation of minority business enterprise". MBDA's Office of Legislation, Education, and Intergovernmental Affairs is responsible for the creation of periodicals, publications, and audiovisuals to carry out the mandate set forth in Executive Order 11625.

Department of Commerce  
Minority Business Development Agency  
Minority Business Development

Average Salaries and Grades

	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate
Average ES salary.....	\$ 156,567	\$ 156,567	\$ 156,567
Average GS/GM grade.....	10	10	10
Average GS/GM salary.....	\$ 93,976	\$ 93,976	\$ 93,976
Total compensable workyears:			
Full-time equivalent employment.....	86	100	103
Full-time equivalent of overtime and holiday hours.....	0	0	0