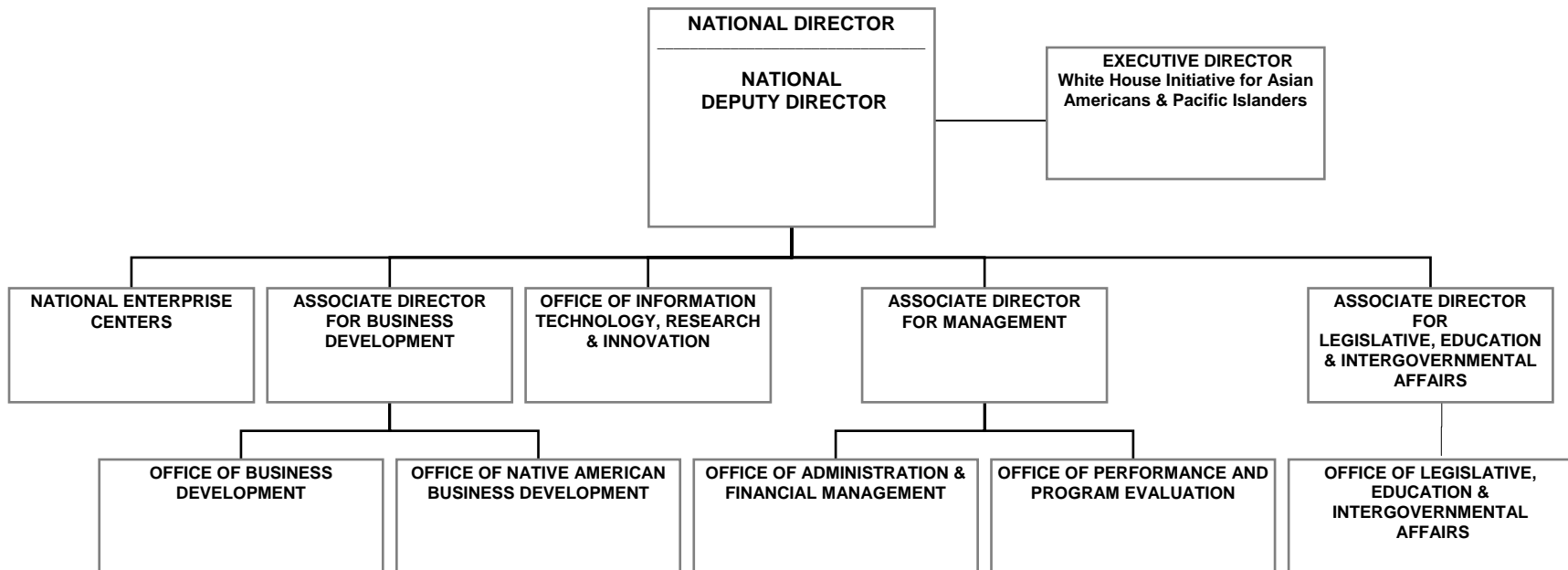


DEPARTMENT OF COMMERCE
 MINORITY BUSINESS DEVELOPMENT AGENCY
 Budget Estimates, Fiscal Year 2008
 Congressional Submission

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DEPARTMENT OF COMMERCE
MINORITY BUSINESS DEVELOPMENT AGENCY
Organization Chart



**Department of Commerce
Minority Business Development Agency
Executive Summary**

Department of Commerce Strategic Goal:	Provide the Information and Tools to Maximize U.S. Competitiveness and Enable Economic Growth for American Industries, Workers and Consumers.
Department of Commerce Objective:	Enhance Economic Growth for All Americans By Developing Partnerships With Private Sector and Non-Government Organizations.
Minority Business Development Agency Goal:	To Increase Access to the Marketplace and Financing for Minority-Owned Businesses.

The Minority Business Development Agency (MBDA) is one of the leading minority business programs for the Federal Government. MBDA's vision is to be an entrepreneurially focused and innovative organization, committed to empowering minority business enterprises in the promotion of an ownership society. In short, MBDA is an entrepreneurial agency serving minority entrepreneurs.

MBDA's primary objective is achieving entrepreneurial parity for minority business enterprises. Entrepreneurial parity is defined as reaching proportionality between the minority population percentage and the percentage share of business development measures such as numbers of firms, gross receipts and employment. Recent research shows that business participation rates (the number of business owners in a particular ethnic group for every 1,000 persons of the same ethnic group) for each minority group falls below both the non-minority business participation rate and the national average. Minority businesses are significantly smaller, with less employees and revenues, than comparable majority-owned businesses. In reaching parity between these business communities, access to financing, education, and technology are the "keys to entrepreneurial success", according to findings from the Economics and Statistics Administration by Dr. Patricia Buckley.

Although businesses with revenues of \$1 million or more constitute just 3% of the overall minority business community, these businesses are responsible for 66% of the total revenues of minority-owned enterprises and 54.4% of employment. In order to promote overall U.S. economic growth, it is critical to promote medium to large business enterprises that can have a significant impact on employment and the tax base in their communities. Increasing the number of medium and large minority businesses is in the

strategic interest of achieving MBDA's vision of achieving entrepreneurial parity for the minority business community.

In pursuit of entrepreneurial parity, MBDA has engaged in a Strategic Growth policy. The Strategic Growth policy is designed to address the issue of sustainable business value for firms of size operating in high-growth industries. MBDA activities are now focused on providing access to capital and markets for these firms.

MBDA's FY 2008 budget will continue to pursue increased opportunities for the strategic growth of minority business enterprises, economic parity, new jobs, and wealth creation within the minority business community. MBDA will continue its market segmented approach to provide high quality, customer-focused business development services. Electronic commerce and a willingness to engage in strategic alliances and joint ventures will continue to be promoted by MBDA in the minority business community. With all these activities, MBDA has designed a comprehensive and stratified approach to minority business development services.

MBDA's programs have proven that they provide an impact on the U.S. economy. Even so, MBDA recognizes the current budget environment and the need to prioritize limited resources. With that in mind, the FY 2008 budget seeks to provide the highest level of service to the minority business community while supporting the President's overall fiscal goals. MBDA has realigned its organization and programs, and streamlined operating costs to ensure that the agency is operating as efficiently as possible.

The President's Management Agenda is a model for MBDA's organizational structure that now continues to provide for a high quality delivery system of services. In addition, through MBDA's continued strategic partnership with Dartmouth's Amos Tuck School of Business, the agency has established a standardized training curriculum for our funded projects and business development specialists that will continue to provide a network of highly skilled business professionals to assist our customers.

In 2008, MBDA will continue its training and development efforts with senior managers and staff. The agency will continue to focus on customer relations management (CRM), and strive to make MBDA a citizen-centered agency. As an entrepreneurially focused agency, CRM is the obvious next step in cultural change for a federal agency dealing with business development.

FY 2008 Annual Performance Plan

MBDA's Mission and Goal

MBDA's mission is to achieve entrepreneurial parity for Minority Business Enterprises (MBEs) by promoting their ability to grow and to compete in the global economy. MBDA's goal is to **"Increase Access to the Marketplace and Financing for Minority-Owned Businesses."** MBDA was established to address the special demands and barriers experienced by minority-owned firms and entrepreneurs for the purpose of gaining full access and participation in the free enterprise system. MBDA will continue to open doors to access financial capital and procurement contracts that will allow MBEs to grow, increase MBE gross receipts, create job opportunities within the minority community, and utilize strategic partnerships to leverage resources.

Priorities/Management Challenges

In FY 2008, MBDA will continue its work to ensure the creation of new jobs and business opportunities within the minority community. MBDA will make the critical decisions to ensure meeting national performance goals; adopt strategies to attract the best professional employees; use technology to improve efficiency and effectiveness; disseminate critical business information; establish new public-private partnerships; and create a work environment that stimulates innovation and high morale. The biggest challenge will be to sustain MBDA's programs and continue to support the fastest growing segment of the American population, the minority community.

Unit Cost Measures

MBDA funds approximately 32 Minority Business Enterprise Centers (MBECs) nationwide at an average grant amount of \$250,000. The following annual performance data is associated with each center:

- Approximately 100 clients per year
- On average, \$10.7 million in financial awards obtained for clients- loans, lines of credit, bonding
- On average, \$25 million in contract awards obtained for clients
- On average, 68 new job opportunities created
- On average, \$225,000 in new gross receipts for clients

Each center contributes to MBDA's overall annual program performance and therefore plays an integral part in the agency achieving its goals and mission. MBDA will competitively solicit new MBECs in FY 2007.

PART Assessment

MBDA expects to conduct a complete Program Assessment Rating Tool (PART) review to address the effectiveness and management of the agency in FY 2007. MBDA will be well prepared for this exercise having met all the corrective actions from the last PART. For example, MBDA has refined its performance measures to track progress towards the long term goal of entrepreneurial parity for minority business enterprises as it relates to increasing firms, employment, gross receipts and improving customer relations management. MBDA has revised its strategic plan for FY 2007 –FY 2010 to more clearly identify the agency's top priorities and the strategies necessary to address these critical issues.

The agency has established clear guidelines for the verification and validation of reported performance measures. Likewise, the Office of Performance and Program Evaluation (OPPE) has completed evaluations of MBDA's major programs and its recommendations have been implemented. MBDA has demonstrated a proven track record during the last three years that supports the Department's strategic goal to Maximize U.S. Competitiveness and Enable Economic Growth for American Industries, Workers and Consumers.

Efficiency Measure: Return on Agency Investment (ROAI):

	FY 2006 Actual	FY 2007 Target	FY 2008 Target	FY 2009 Target	FY 2010 Target
Transaction Dollar Goal (contracts and financials)	\$1.5B	\$1.3B	\$1.3B	\$1.3B	\$1.3B
MBDA Appropriations (rounded to nearest \$10M)	\$30M	\$30M	\$30M	\$30M	\$30M
ROAI	\$50/\$1	\$43/\$1	\$43/\$1	\$43/\$1	\$43/\$1

MBDA's ROAI is based on total dollars in transaction awards obtained (Contracts and Financials) divided by the total annual MBDA appropriation. For fiscal years 2007 through 2010, the Transaction Dollar Goal is estimated at \$1.3 billion and the MBDA appropriation is estimated at \$30 million each fiscal year. Assuming a \$30 million annual investment, MBDA realizes \$1.3 billion in contracts and financials each fiscal year. This translates to a return on investment of \$43 for every \$1 invested. IN FY 2006 MBDA realized an Agency ROAI of \$50 for every \$1 invested.

Effectiveness Measure: Success of MBDA grantees to meet annual goals:

	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target	FY 2009 Target	FY 2010 Target
Number of MBDA grantees	43	43	43	40	40	40
Grantees obtaining a Satisfactory or Better Annual Performance Rating Score	86%	80%	80%	80%	80%	80%

In an effort to hold MBDA grantees accountable and to properly monitor grantee success, MBDA regularly evaluates each project's performance rating score. This score evaluates the grantee's success in meeting the requirements of the Federal Funding Opportunity published in the Federal Register. This effectiveness measure will help to ensure that MBDA maintains a network of high quality grantees providing vital business development services to the nation's minority entrepreneurs.

FY 2008 Program Changes

In FY 2008, MBDA proposes no program changes in support of the President's overall fiscal goals. MBDA will maintain its focus on achieving entrepreneurial parity for the minority business community and continue to concentrate on producing innovative ways to empower minority business enterprises. The agency will leverage its resources to provide high quality, narrowly focused business development services for minority entrepreneurs, resulting in positive economic impacts. While businesses of all size categories are important, the national minority business community needs to focus on becoming "growth firms" that can compete in an era of contract bundling and strategic partnering. MBDA will focus on these firms to achieve entrepreneurial parity.

Target and Performance Summary

Performance Goal: To increase access to the marketplace and financing for minority-owned businesses.	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2008 Target
Dollar Value of Contract Awards to MBEs	\$1.3B	\$0.7B	\$0.95B	\$1.1B	\$1.1B	\$0.85B	\$0.85B
Dollar Value of Financial Awards Obtained	\$0.4B	\$0.4B	\$0.6B	\$0.6B	\$0.41B	\$0.45B	\$0.45B
Number of New Job Opportunities	New	New	New	2,270	4,000	1,800	1,800
Percent Increase in Client Gross Receipts	New	New	New	30%	7.5%	5%	5%
Percent Increase in Customer Satisfaction Index	New	New	New	13%	N/A	5%	N/A

Resource Requirements Summary

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Base	Increase/Decrease	FY 2008 Request
Total Funding	28.3	29.0	28.7	29.8	29.8	29.9	29.0	0	29.0
Direct	28.2	28.9	28.5	29.5	29.6	29.6	28.7	0	28.7
Reimbursable	0.1	0.1	0.6	0.3	0.2	0.3	0.3	0	0.3
IT Funding	2.0	2.0	1.5	1.5	2.0	2.0	2.0	0	2.0
FTE	92	92	92	96	94	115	115	0	115

Department of Commerce Strategic Goal:

Provide the Information and Tools to Maximize U.S. Competitiveness and Enable Economic Growth for American Industries, Workers and Consumers.

Department of Commerce Objective: Enhance Economic Growth for All Americans By Developing Partnerships With Private Sector and Non-Government Organizations.

Minority Business Development Agency Performance Goal:

To Increase Access to the Marketplace and Financing for Minority-Owned Businesses.

Rationale:

These performance measures are outcome indicators measuring the ability of minority business enterprise to grow, create jobs, and increase annual gross receipts. The agency maintains a Strategic Growth Initiative to service larger minority firms with the ability to compete for contracts and financial opportunities. This will be measured by the Return on Agency Investment Efficiency measure and the Project Effectiveness measure for funded projects in obtaining a satisfactory or better annual rating.

Explanation of Each Performance Measure

Dollar Value of contract awards to Minority Business Enterprises (MBEs)

MBDA accomplishes its performance goal through the implementation of several business development programs. The success of these programs is measured by the dollar value of contract awards obtained by minority business enterprises (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 performance measure.

FY 2007 Target

MBDA projects that the dollar value of contract awards to MBEs will be maintained.

FY 2008 Target

MBDA projects that the dollar value of contract awards to MBEs will be maintained.

Dollar value of financial awards obtained

This represents the cumulative dollar value of transactions that have been approved, verified and validated for each financial package (loans, lines of credit, surety bonds, etc.) obtained for clients serviced by MBDA funded projects, agency staff or the MBDA Portal on-line tools.

FY 2007 Target

MBDA projects that the dollar value of financial awards will be maintained.

FY 2008 Target

MBDA projects that the dollar value of financial awards will be maintained.

Number of new job opportunities created

The growth in the number of new employees will demonstrate MBDA's long-term success and contribution to the Nation's economy. This measure focuses specifically on the number of jobs created within minority-owned business enterprises as a result of contract and financial services provided by MBDA funded projects and agency staff.

FY 2007 Target

MBDA projects that the level of new jobs will be maintained provided that the amount of contract and financial award dollars obtained for clients continues at planned levels.

FY 2008 Target

MBDA projects that the level of new jobs will be maintained provided that the amount of contract and financial award dollars obtained for clients continues at planned levels.

Percent increase in Client Gross receipts

MBDA measures increases in MBE gross receipts to determine the growth in firm size to further achieve entrepreneurial parity. This measure will focus specifically on the increase to individual minority business enterprise receipts as a result of the services provided by MBDA's funded projects and staff.

FY 2007 Target

A 5% increase in client gross receipts is projected for FY 2007. This projection is anticipated due to the completion of revised and improved MBEC and MBOC programs.

FY 2008 Target

MBDA projects that the 5% increase in client gross receipts will be maintained provided that the amount of contract and financial award dollars obtained for clients continues at planned levels.

Percent increase in the Customer Satisfaction Index

Working with the Federal Consulting Group at the Department of Treasury and the University of Michigan, MBDA has developed a program module to measure customer satisfaction and has established an American Customer Satisfaction Index. This survey is taken in odd numbered years. MBDA improved 13% from 2003 to 2005.

FY 2007 Target

MBDA plans to improve its Index score by 3%.

FY 2008 Target

No survey will be taken in FY 2008.

Number of national and regional partnerships

Strategic partnerships are critical to adding value to the services available to minority business. MBDA funded projects report partnerships established to support the agency mission. Likewise, national partnerships are maintained to leverage resources.

FY 2007 Target

MBDA will maintain on-going partnership relationships and report on their progress.

FY 2008 Target

The target represents MBDA's continued goal for this measure.

Program Evaluations

In FY 2005, the Office of Performance and Program Evaluation completed a review of the Minority Business Development Center program. Recommendations have been implemented and will appear in the next competitive solicitation for FY 2007.

In FY 2006, MBDA will have completed a review the Regional Enterprise Centers (District Offices) to evaluate the value added to the agency mission by these units.

Cross-cutting Activities:

Intra-Department of Commerce:

MBDA continues to engage in cooperative efforts with several Departmental organizations. MBDA will utilize the resources offered by the Department of Commerce to maintain effective operations and the following:

- Acquire and implement best practices concerning financial processes in cooperation with the National Institute of Standards and Technology (NIST).
- Maintain an automated procurement and contracting system in cooperation with the National Oceanic and Atmospheric Administration (NOAA).
- Administer human resource actions and initiatives through the services of the International Trade Administration (ITA).
- Maintain our alliance with the ITA to identify qualified minority vendor firms that can participate in trade missions to obtain global opportunities and receive the necessary information and technical assistance from ITA Export Assistance Centers.
- Ensure minority business enterprise participation in new and emerging technology and innovation programs offered by NOAA and NIST ventures such as manufacturing extension centers and aquaculture business.
- Work with the Census Bureau to maintain current data and demographic information that can be used for marketing research and expand the survey of minority business.

Other Government Agencies:

MBDA will reach out to other Federal agencies, such as:

- The Office of Personnel Management to implement the most effective programs for enhancing human capital.
- The U.S. Department of Agriculture and the U.S. Department of Treasury to provide information regarding the latest and best training programs for budget, debt management, and finance.
- Export-Import Bank to include minority business in trade initiatives that provide access to export financing and global markets.

- Liaison with the Offices of Small and Disadvantaged Business Utilization (OSDBUs) to work closely with agency representatives to identify federal contracts and programs that can service minority business and to respond to MBDA's requests to participate in trade fairs and procurement conferences.
- Partnership with the United States Agency for International Development (USAID) to educate the minority business and the African business communities on two-way trade between MBEs and sub-Saharan African businesses.
- MBDA continue to maintain a working relationship with the Small Business Administration (SBA) to share resources and support the needs of local communities in promoting business ownership, especially in support of the Gulf Region Initiative. MBDA and SBA also work together to co-sponsor the Annual Minority Enterprise Development (MED) Week conference.

Government/ Private Sector Partnerships:

Private sector corporations contribute sponsorships to finance local and national conferences to benefit minority businesses such as the annual Minority Business Development Week (MED Week) conference. Likewise, other local governments and communities assist with MBDA events to promote procurement opportunities, social capital/networking, and organizational alliances. These stakeholders also:

- Participate in local workshops and training seminars on issues of importance to the minority business community.
- Distribute information about business opportunities.
- Sponsor booths to exhibit products and services at trade fairs.
- Receive Congressional and Presidential recognition for significant achievements.

External Factors and Mitigation Strategies

MBDA, being a business program, must respond to economic downturns and still provide needed services. The continued use of strategic partnerships with public and private sector organizations will help to leverage MBDA's limited resources.

Business-to-business and business-to-world-market economies require updated E-commerce technologies in order to partner with larger firms. There are other practices that often deny minority firms access to the marketplace. MBDA is mitigating these factors by addressing them in its market-focused information technology programs and internet portal that offers electronic solutions and assistance.

MBDA has traditionally relied on the Survey of Business Ownership (SBO), prepared by the Census Bureau, to provide comprehensive minority business data. However, this survey is conducted every 5 years with current information reflecting 2002 data.

However, the Census Bureau will collect 2007 data in FY 2008 as part of the 2007 Economic Census. MBDA will rely on this data to build a foundation for research and information on the Nation's minority business communities and will also work with the Census Bureau on ways to update data on minority businesses between Economic Censuses. MBDA knows that with current immigration increases, minority population and other minority business data can be difficult to estimate.

Data Validation and Verification

Performance Measure	Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be taken
Dollar Value of Contract Awards to MBEs	Secured Internet transmission to Program Performance system	Semi-annual Reports	Oracle platform	Source Verification by Regional Project managers	Data integrity dependent on agency verification policy	Review quarterly by OPPE staff
Dollar Value of Financial Awards Obtained	Secured Internet transmission to Program Performance system	Semi-annual Reports	Oracle platform	Source Verification by Regional Project managers	Data integrity dependent on agency verification policy	Review quarterly by OPPE staff
Number of new job Opportunities created	Secured Internet transmission to Program Performance system	Semi-annual Reports	Oracle platform	Source Verification by Regional Project managers	Data integrity dependent on agency verification policy	Review quarterly by OPPE staff
Percent Increase in Client Gross Receipts	Secured Internet transmission to Program Performance system	Semi-annual Reports	Oracle platform	Source Verification by Regional Project managers	Data integrity dependent on agency verification policy	Review quarterly by OPPE staff
Percent Increase in the Customer Satisfaction Index	Contracted Survey	Two year follow-up Survey	Established Model for benchmark	Client Performance system database for Agency Programs	Data integrity dependent on agency verification policy	Review quarterly by OPPE staff

Summary of Resources

(Dollar Amounts in Thousands)

	FY 2006	FY 2007	FY 2008
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Minority Business Development....	\$29,641	\$29,640	\$28,701

Summary of Performance

Performance Goal: To increase access to the marketplace and financing for minority-owned businesses.	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2008 Target
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Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

Page
No.

	Positions	FTE	Budget Authority
FY 2007 Continuing Resolution	128	115	29,640
plus: Adjustment of Support Level in FY 2007 President's Budget			1
plus: 2008 adjustments to base	0	0	(940)
2008 base	128	115	28,701
plus: 2008 program changes	0	0	0
2008 estimate	128	115	28,701

		2006		2007		2008		2008		Increase/	
		Actual		Currently Available		Base		Estimate		(Decrease) over 2007 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
<u>Comparison by activity:</u>											
Minority Business Development:											
MBDA-	Minority Business Development	Pos./BA	128 29,641	128 29,640	128 28,701	128 28,701	128 28,701	0	0		
		FTE/Obl.	94 29,641	115 29,640	115 28,701	115 28,701	115 28,701	0	0		
	Total	Pos./BA	128 29,641	128 29,640	128 28,701	128 28,701	128 28,701	0	0		
		FTE/Obl.	94 29,641	115 29,640	115 28,701	115 28,701	115 28,701	0	0		
Adjustments to Obligations:											
Recoveries											
Unobligated Balance, SOY											
Unobligated Balance, Transferred											
Unobligated Balance, EOY											
Unobligated Balance, Expiring											
Financing from transfers:											
Transfer from other accounts											
Transfer to other accounts											

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

		<u>2006</u>		2007		2008		2008		Increase/ (Decrease) over 2008 Base	
		Actual		Currently Available		Base		Estimate			
<u>Comparison by activity:</u>		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development	Pos./BA	0	150	0	300	0	300	0	300	0	0
Total	Pos./BA	0	150	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)

	2006 Actual Amount	2007 Currently Available Amount	2008 Base Amount	2008 Estimate Amount	Increase/ Decrease Amount
Total Obligations	29,791	29,940	29,001	29,001	0
Financing:					
Offsetting collections from:					
Federal funds	(150)	(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	0	0	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0
Unobligated balance lapsing	0	0	0	0	0
Budget Authority	29,641	29,640	28,701	28,701	0
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	29,641	29,640	28,701	28,701	0

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

	<u>FTE</u>	<u>Amount</u>
Other Changes:		
2007 Pay Raise		57
2008 Pay Raise		205
Working Capital Fund Pay Raise		23
Civil Service Retirement System (CSRS)		(24)
Federal Employees Retirement System (FERS)		39
Thrift Savings Plan		7
Federal Insurance Contribution Act (FICA)-OASDI		21
Health Insurance		30
Change in Compensable Days		69
Employee's Compensation Fund		(9)
Mileage		5
Per Diem		9
Rental Payments to GSA		39
Postage		4
GPO Printing		2
Working Capital Fund		47
General Pricing Level Adjustment		71
Administrative Efficiencies		(1,535)
		<hr/>
Total, Adjustments to Base	0	(940)

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

Object Class	FTE	Amount
2007 Pay Raise.....	0	57
A pay raise of 2.2% became effective January 1, 2007.		
Total cost in 2008 of 2007 pay increase.....		228,000
Less amount funded in 2007		171,000
Less amount absorbed.....		0
Amount requested in 2008 to provide cost of 2007 pay increase.....		57,000
2008 Pay Raise.....	0	228
A general pay raise of 3.0% is assumed to be effective January 1, 2008.		
The cost in 2008 of pay increase.....		205,000
Less amount absorbed in FY 2008.....		0
Amount requested for 2008 pay increase.....		205,000
Payment to Working Capital Fund.....		23,000
Total, adjustment for 2008 pay increase.....		228,000
Civil Service Retirement System (CSRS).....	0	(24)
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 41.8% in 2007 to 37.5% in 2008 for regular employees. Contribution rates will remain the same.		
2008 \$8,045,000 x .375 x .0700.....		211,181
2007 \$8,045,000 x .418 x .0700.....		235,397
Total adjustment-to-base.....		(24,216)

Federal Employees Retirement System (FERS)..... 0 39

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 58.20% in 2007 to 62.50% in 2008 for regular employees. The contribution rate will remain the same.

2008	\$8,045,000 x .625 x .1120.....	563,150
2007	\$8,045,000 x .582 x .1020.....	<u>524,405</u>
Total adjustment-to-base.....		38,745

Thrift Savings Plan (TSP)..... 0 7

The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain 2% in 2008.

2008	\$8,045,000 x .625 x .020.....	100,563
2007	\$8,045,000 x .582 x .020.....	<u>93,644</u>
Total adjustment-to-base.....		6,919

Federal Insurance Contribution Act (FICA)..... 0 21

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 \$96,150 to \$102,300 in 2008. The OASDI tax rate will remain 6.20% in 2008.

Regular:		
2008	\$8,045,000 x .625 x .928 x .062.....	289,298
2007	\$8,045,000 x .582 x .923 x .062.....	<u>267,943</u>
Subtotal		21,355
Other Salaries:		
2008	\$53,000 x .625 x .928 x .062.....	1,906
2007	\$53,000 x .582 x .923 x .062.....	<u>1,765</u>
Subtotal		141
Total adjustment-to-base		21,496

Health Insurance.....	0	30
<p>Effective January 2006, MBDA's contribution to Federal employees' health insurance premiums increased by 5.4%. Applied against the 2007 estimate of \$548,000, the additional amount required is \$29,592.</p>		
Change in Compensable Days.....	0	69
<p>The savings of one compensable day in 2008 compared to 2007 is calculated by dividing the 2007 estimated personnel compensation (\$8,045,000) and applicable benefits (\$873,000) by 262 compensable days. The cost of two compensable day is (\$68,600).</p>		
Employee's Compensation Fund.....	0	(9)
<p>The Employee's Compensation Fund bill for the year ending June 30, 2006 is \$9,000 less than the bill for the year ending June 30, 2005. The charges will be reimbursed to the Department of Labor pursuant to 5 U.S.C 8147.</p>		
Mileage rate increase.....	0	5
<p>Effective January 1, 2006, the General Services Administration raised the mileage rate from 40.5 cents to 44.5 cents per mile, a 9.9% rate increase. This percentage was applied to the 2007 estimate of \$46,000 to arrive at an increase of \$4,554.</p>		
Per Diem.....	0	9
<p>Effective October 1, 2005, the General Services Administration changed per diem rates. This change results in a 5.78% increase to MBDA. This percentage was applied to the 2007 estimate of \$155,000 to arrive at an increase of \$8,955.</p>		
Rental Payments to GSA.....	0	39
<p>GSA rates are projected to increase 2.4% in 2008. This percentage was applied to the 2007 estimate of \$1,636,000 to arrive at an increase of \$39,264.</p>		

Postage	0	4
<p>Effective January 8, 2006, the Governors of the Postal Service implemented a rate increase for first-class mail from 0.37 cents to 0.39 cents, a 5.4% rate increase. This percentage was applied to the 2007 estimate of \$73,000 to arrive at an increase of \$3,942.</p>		
Printing and Reproduction.....	0	2
<p>Printing and reproduction is estimated to increase 1.8%. This percentage was applied to the 2007 estimate of \$114,000 to arrive at an increase of \$2,052.</p>		
Working Capital Fund.....	0	47
<p>An additional amount of \$47,000 is required to fund cost increases in the Departmental Management Working Capital Fund.</p>		
General Pricing Level Adjustment.....	0	71
<p>This request applies OMB economic assumptions for FY 2008 to subobject 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 & FTS 2000) (\$1,422); other services (\$62,666); supplies and materials (\$1,566) and equipment (\$5,112).</p>		
Total Other Changes	0	<u>595</u>
Less: Administrative efficiencies.....	0	(1,535)
Total FY 2008 Adjustments to Base and Built-in-Changes.....	0	(940)

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

		2006		2007		2008		2008		Increase/ (Decrease) over 2008 Base	
		Actual		Currently Available		Base		Estimate			
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Development	Pos./BA	128	29,641	128	29,640	128	28,701	128	28,701	0	0
	FTE/Obl.	94	29,641	115	29,640	115	28,701	115	28,701	0	0
Total	Pos./BA	128	29,641	128	29,640	128	28,701	128	28,701	0	0
	FTE/Obl.	94	29,641	115	29,640	115	28,701	115	28,701	0	0

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

Activity: Minority Business Development
 Subactivity: Minority Business Development

		2006 Actual		2007 Currently Available		2008 Base		2008 Estimate		Increase/ (Decrease) over 2008 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
<u>Comparison by activity:</u>											
Business Development	Pos./BA	0	150	0	300	0	300	0	300	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Total	Pos./BA	0	150	0	300	0	300	0	300	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0

Department of Commerce
Minority Business Development Agency
Minority Business Development
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Minority Business Development

Subactivity: Minority Business Development

Goal and Objectives

Department of Commerce Strategic Goal:

Provide the Information and Tools to Maximize U.S. Competitiveness and Enable Economic Growth for American Industries, Workers and Consumers.

Department of Commerce Objective:

Enhance Economic Growth for All Americans By Developing Partnerships with Private Sector and Non-Government Organizations.

Minority Business Development Agency Goal:

To Increase Access to the Marketplace and Financing for Minority-owned Businesses.

Activities and Objectives:

- To increase the dollar value of contract awards obtained.
- To increase the dollar value of financial packages awards obtained.
- To increase the number of new job opportunities created.

- To improve the American Customer Satisfaction Index for MBDA.
- To promote the increase of business gross receipts

Base Program

Minority Business Development Agency (MBDA) provides business development services to the minority business community. As the only Federal agency created specifically to foster the establishment and growth of minority-owned business, MBDA develops policies and designs programs to increase minority business participation in the national and global economy. MBDA continues to make investments in the future of minority business. MBDA is unique in that since its inception it has served as the only federal agency whose sole mission is to address the distinctive needs of the MBEs. MBDA enhances the success of minority entrepreneurs by expanding the availability of market and financing opportunities and through the provision of consulting services.

In FY 2003 MBDA completed its reorganization which included the renaming of its regional and district offices to National and Regional Enterprise Centers (NECs and RECs). This change was enacted to establish new responsibilities as the centers became the frontline providers for client business development services that will be innovative and entrepreneurially focused. The focal point of MBDA's enterprise centers will be to service strategic growth firms, identifying new opportunities from public and private sector organizations and the project management of funded programs. The NECs respond to minority business enterprises using a variety of electronic business tools and services, strategic alliances and outreach. The Enterprise Centers support the President's Management Agenda for government agencies to be more citizen-centered.

The Amos Tuck School of Business Administration at Dartmouth College, one of the top ranked business schools in the nation, assisted MBDA in establishing a standardized delivery process of high quality and responsive business development services. One of the outcomes of this strategic partnership is the development of an entrepreneurial curriculum and training course for MBDA's network of funded projects and staff.

In FY 2008, MBDA will continue to use electronic tools to provide business development services and to help foster access to information about Minority Business Development. The 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 such as the Phoenix/Opportunity On-line Bid-Matching system, the interactive 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.

The future growth of minority-owned businesses is dependent on access to growth markets and the types of resources necessary to penetrate those markets. MBDA has broadened its reach to the minority business community through electronic commerce by promoting and providing business information that can assist minority businesses in these areas.

MBDA will continue to leverage the agency's resources and expand its outreach. The agency has formed partnerships with other government agencies such as the International Trade Administration (ITA), other trade institutions, and the minority business community to promote and expand opportunities for minority firms in the global marketplace. MBDA will accomplish this through a series of activities that are designed to take advantage of the historical, cultural and language affinities that provide natural competitive benefits to minority businesses with countries in Africa, Latin America, Europe and Asia.

MBDA's focus is to help MBEs achieve entrepreneurial parity. The provision of entrepreneurial development services addresses the need to start, maintain and expand businesses in efforts that go beyond the historical focus on increased penetration of the Federal Government marketplace. The focus is to impact the total number of *entrepreneurially focused* minority-owned firms in the United States and their earning potential.

Business Development Network

In the past, MBDA has successfully provided business development services to MBEs through a network that includes the MBDA's staff and funded organizations. In FY 2008, MBDA will continue to build on this base by using the services of the Minority Business Opportunity Centers (MBOC), Minority Business Enterprise Centers (MBEC), Native American Business Enterprise Centers (NABEC), Community Roundtables, and other Access to Markets and Capital programs.

MBECs, NABECs and MBOCs are funded networks of private and public organizations that provide an array of business development services to the minority business community. These centers are funded through cooperative agreements commonly referred to as grants that are awarded annually based on a three year agreement. Through these programs, MBDA has been able to standardize services, expand its outreach, and leverage its resources.

The MBEC and NABEC programs provide:

- 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; and
- expansion of the dollar and number of financial awards to expand firms and increase receipts.

The MBOCs are most effective at:

- increasing access to equity and working capital;
- developing management skills and business acumen of minority entrepreneurs;
- assisting in gaining access and maintaining profitable markets and
- increasing the dollar values and numbers of actual contract awards with a commensurate increase in jobs.

Capital and Market Access

Capital access programs for minority business development have historically focused on debt capital guarantee programs of the Federal Government. However, there is a much greater need for *equity* capital. Based on a Milken Institute study, capital demands of minority businesses are in excess of \$144 billion per year, consisting of approximately \$1 billion in equity capital and \$143 billion in debt financing. Nevertheless, estimates based on available information, indicate that less than \$20 billion per year in debt financing has been made available to minority businesses by commercial banks. Minority businesses continue to have difficulty obtaining capital through the commercial markets.

In FY 2003 and FY 2004 MBDA hosted several summits and conferences that have brought together a large array of strategic partnerships. These partners represent nationally based financial institutions who have established partnerships to increase access to capital for minority business enterprises. The Access to Capital Summit in FY 2003 resulted in a policy initiative designed to increase access to capital for MBEs.

MBDA has also partnered with the Small Business Administration (SBA) and the Economic Development Administration (EDA) to provide access to their programs. In addition, MBDA will continue to facilitate access to the types of capital required by firms seeking

substantial growth. MBDA has taken steps to provide access to larger financial capital resources, which go beyond traditional government-sponsored bank loans. A long-term objective is to establish entrepreneurial *finance cooperation* designed to fund entrepreneurial and innovative initiatives in partnership with venture capitalists.

Additionally, MBDA will continue to explore ways of systemically improving capital flow to minority businesses. A primary method is to encourage and promote the creation and maintenance of a secondary private market for minority and small business loans. This will allow lending institutions to sell off their loans and replenish their pools of capital. This method of securitization will increase pools of capital for minority businesses and will increase the focus on lending to under-served markets.

Advocacy

MBDA supports minority business participation and substantiates the long-term economic benefit with a sound business case of entrepreneurial parity. Therefore, MBDA has used advocacy, research and information to promote the development and delivery of services and to advance key policy initiatives.

The most prominent traditional advocacy activity has been the Minority Enterprise Development (MED) Week event. This annual event has been held throughout the country since 1982. MED Week recognizes the achievements of minority entrepreneurs who were assisted by the agency as well as public/private sector entities that have supported them. At local MED Week events, businesses are nominated for regional and national honors. The local events culminate in the National MED Week event held in Washington, DC in September. During MED Week, MBDA hosts such events as a minority youth summit that includes business plan competitions for college students and the minority enterprise capital access (MECA) boot camp. National MED Week attracts more than 1,000 participants to the Washington Area, annually.

MED Week promotes business growth through a variety of networking opportunities and constitutes a forum that allows minority businesses to:

- participate in workshops and seminars on issues of importance to the minority business community;
- gather information about available business opportunities;
- network with governmental and private sector purchasing officials;
- market their goods and services through the purchase of exhibit booths; and
- receive Congressional and Presidential recognition for significant achievements.

MBDA will continue to partner with the Small Business Administration (SBA), other governmental entities and the private sector to produce this event that establishes a forum for advocating on behalf of the minority business community.

Electronic Access to Markets

Through MBDA's Minority Business Internet Portal, the agency's Phoenix and Opportunity databases electronically match minority business capabilities with contract and other opportunities. The Phoenix Database consists of minority-owned firms that register their capabilities online through the MBIP and the Opportunity Database permits any individual or institution to register procurement opportunities online. The system automatically matches firms with opportunities and provides follow-up tracking. MBDA also uses these databases to broker relationships among minority businesses seeking to enter partnerships, joint ventures and other strategic alliances in order to enhance their capability to conduct the type of large scale business transactions that are becoming more prevalent with private and public sector organizations. MBDA will continue to populate the system by conducting workshops and seminars for minority companies and providing direct linkages to electronic commerce through Business Enterprise Centers and Business Resource Centers.

MBDA will continue to provide outreach, training and customer service initiatives designed to encourage minority-owned firms to actively participate in electronic commerce. For example, MBDA and the National Institute of Standards and Technology (NIST) have partnered and sponsored training courses for minority executives in electronic commerce.

MBDA is using state-of-the-art electronic tools to help the agency address the need of MBEs on a global scale. One example of these tools is MBDA's Business Development Geographic Information System. Geographic Business Information Systems (GBIS) software delivers market research technology for minority firms via the Internet. This technology is used to: a) (Resource Locator) electronically identify the network of public and private business assistance resources available within the user's local market; and b) (Market Analyst) conduct comprehensive market research for purposes of developing effective entrepreneurial strategies for market penetration. This innovative technological approach will provide timely and cost effective information to entrepreneurs to solve business problems. MBDA will work with the Technology Administration as a strategic partner. MBDA will use other internal resources of the Department in the promotion of the GBIS program.

Any business having access to the Internet can search for business development resources by selecting the type of resource they need and simply clicking on a map. MBDA's GBIS brings much-needed clarity to the intricate and often frustrating web of available private

and public resources, thereby substantially reducing the time and costs typically associated with locating available assistance. This user friendly software will easily identify resources that are within a short driving distance of the firm, or if the firm desires, at any other geographic location throughout the country. In many cases it will identify resources that a firm would never have found using traditional manual search techniques.

New and Emerging Technology Transfer and Commercialization

The importance of our strategic initiative is to make use of internal assets. MBDA will purposely and strategically utilize DOC 's internal assets to enhance MBDA's programs and initiatives. MBDA's plan includes assisting minority firms in identifying and commercializing new technologies that offer unique potential for business success. MBDA will continue to assist minority inventors to commercialize their ideas by providing access to information and potential investors through seminars, outreach and workshops co-sponsored by the Patent and Trademark Office (PTO), and the National Institute of Standards and Technology (NIST). The National Telecommunications and Information Administration (NTIA), technology trade groups, colleges, universities and others will also be a part of sponsorship. MBDA will continue to develop mechanisms for technology transfer from Federal facilities to minority businesses and minority educational institutions. To facilitate this transfer MBDA has developed partnerships with minority serving Institutions and Federal agencies such as NIST and National Oceanic and Atmospheric Administration (NOAA) to promote the development and commercialization of new technologies. An example of this type of partnership is in the field of aquaculture where MBDA continues to work with NOAA to transfer Federal and private research about this industry to minority educational institutions.

MBDA will identify and assemble resources (i.e., finance, marketing, operations) necessary to assist minority firms in developing viable commercial strategies from new and emerging technologies.

Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Class	2006 Actual	2007 Currently Available	2008 Base	2008 Estimate	Increase / (Decrease)
11 Personal compensation					
11.1 Full-time permanent	7,871	7,871	8,225	8,225	0
11.3 Other than full-time permanent	174	174	174	174	0
11.5 Other personnel compensation	53	53	53	53	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	8,098	8,098	8,452	8,452	0
12.1 Civilian personnel benefits	1,593	1,593	1,657	1,657	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	422	422	436	436	0
22 Transportation of things	13	13	13	13	0
23.1 Rental payments to GSA	1,636	1,636	1,675	1,675	0
23.2 Rental payment to others	13	13	13	13	0
23.3 Commun., util., misc. charges	232	232	237	237	0
24 Printing and reproduction	114	114	116	116	0
25.1 Advisory and assistance services	1,500	1,500	500	500	0
25.2 Other services	1,462	1,462	1,275	1,275	0
25.3 Purchases of goods and services from Government accounts	2,339	2,339	2,386	2,386	0
25.4 Operations and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	111	111	111	111	0
25.8 Subsistence and support of persons	51	51	51	51	0
26 Supplies and materials	87	87	88	88	0
31 Equipment	284	284	5	5	0
32 Lands and structures	0	0	0	0	0
33 Investments and loans	0	0	0	0	0
41 Grants, subsidies and contributions	11,686	11,686	11,686	11,686	0
42 Insurance claims and indemnities	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
44 Refunds	0	0	0	0	0
99 Total obligations	29,641	29,641	28,701	28,701	0

Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Class	2006 Actual	2007 Currently Available	2008 Base	2008 Estimate	Increase / (Decrease)
Less: Obligations from prior year					
Total Budget Authority	29,641	29,641	28,701	28,701	0
<hr/>					
Personnel Data					
Full-Time Equivalent Employment:					
Full-time permanent	115	115	115	115	0
Other than full-time permanent	0	0	0	0	0
Total	115	115	115	115	0
Authorized Positions:					
Full-time permanent	124	124	124	124	0
Other than full-time permanent	4	4	4	4	0
Total	128	128	128	128	0

Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Class	2008 Adjustment to Base	2008 Base	2008 Estimate	Increase / (Decrease)
11 Personal compensation				
11.1 Full-time permanent				
Executive level				
Senior executive service	15	545	545	0
General schedule	339	7,680	7,680	0
Commissioned officers	0	0	0	0
Wage board/wage marine	0	0	0	0
Scientific & professional (P.L. 80-313)	0	0	0	0
Examiners of patent appeals (P.L. 82-593, 98-622)	0	0	0	0
Examiners of trademark appeals (P.L. 98-622)	0	0	0	0
Senior foreign service	0	0	0	0
Foreign service staff	0	0	0	0
Foreign service nationals	0	0	0	0
Consultants & experts	0	0	0	0
Students	0	0	0	0
[Law enforcement]	0	0	0	0
Subtotal	354	8,225	8,225	0
11.3 Other than full-time permanent				
General schedule	0	0	0	0
Wage board	0	0	0	0
Experts & consultants	0	174	174	0
Hourly	0	0	0	0
Subtotal	0	174	174	0

Object Class		2008 Adjustment to Base	2008 Base	2008 Estimate	Increase / (Decrease)
11.5	Other personnel compensation				
	Overtime	0	33	33	0
	SES performance awards	0	0	0	0
	Cash awards	0	0	0	0
	Merit pay awards	0	0	0	0
	Other	0	20	20	0
	Subtotal	0	53	53	0
11.8	Special personnel services payments				
	Foreign service officers (State)	0	0	0	0
	Other	0	0	0	0
	Subtotal	0	0	0	0
11.9	Total personnel compensation	354	8,452	8,452	0
12.1	Civilian personnel benefits				
	Civil service retirement	(24)	136	136	0
	Federal employees' retirement	39	490	490	0
	Thrift savings plan	7	77	77	0
	Federal insurance contribution act	21	203	203	0
	Health insurance	30	578	578	0
	Life insurance	0	10	10	0
	Employees' compensation fund	(9)	176	176	0
	Civil service retirement and disability fund	0	(13)	(13)	0
	Subtotal	64	1,657	1,657	0

Object Class		2008			Increase / (Decrease)
		Adjustment to Base	2008 Base	2008 Estimate	
13	Benefits for former personnel				
	Severance pay	0	0	0	0
	Unemployment compensation	0	0	0	0
	Other	0	0	0	0
	Subtotal	0	0	0	0
21	Travel and transportation of persons				
	Common carrier	0	210	210	0
	Mileage	5	52	52	0
	Per diem/actual	9	164	164	0
	Vehicular	0	10	10	0
	Other	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	14	436	436	0
22	Transportation of things				
	[Overseas estimates]	0	13	13	0
23.1	Rental payments to GSA	39	1,675	1,675	0
23.2	Rental payment to others	0	13	13	0
23.3	Commun., util., misc. charges				
	Rental of ADP equipment	0	0	0	0
	Rental of office copying equipment	0	1	1	0
	Other equipment rental	0	6	6	0
	Federal telecommunications systems	0	80	80	0
	Other telecommunications services	1	73	73	0
	Postal Service by USPS	4	77	77	0
	Other	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	5	237	237	0

Object Class		2008 Adjustment to Base	2008 Base	2008 Estimate	Increase / (Decrease)
24	Printing and reproduction				
	Publications	2	38	38	0
	Public use forms	0	7	7	0
	Envelopes	0	2	2	0
	Other	0	69	69	0
	[Payments to GA, WCF]	0	[88]	[88]	0
	[Overseas estimates]	0	0	0	0
	Subtotal	2	116	116	0
25.1	Advisory and assistance services				
	Management & professional support services	(1,000)	500	500	0
	Studies, analyses, & evaluation	0	0	0	0
	Engineering & technical services	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	(1,000)	500	500	0
25.2	Other services				
	Training:				
	University	0	0	0	0
	Other	(50)	50	50	0
	ADP services	7	1,035	1,035	0
	Telecommunications services	8	150	150	0
	Other non-government contracts	(145)	10	10	0
	Other	(15)	30	30	0
	CAMS Bureau Specific	0	0	0	0
	CAMS Bureau Shared	0	0	0	0
	NARA Storage	0	0	0	0
	Subtotal	(195)	1,275	1,275	0

<u>Object Class</u>		2008	2008	2008	Increase /
		Adjustment	Base	Estimate	(Decrease)
		to Base			
25.3	Purchases of goods and services from Government accounts				
	Office of Personnel Management Training	0	0	0	0
	GSA reimbursable services	0	0	0	0
	Payments to GA, WCF	47	2,386	2,386	0
	Other	0	0	0	0
	Subtotal	<u>47</u>	<u>2,386</u>	<u>2,386</u>	<u>0</u>
25.4	Operations and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.6	Medical care	0	0	0	0
25.7	Operation and maintenance of equipment	0	111	111	0
25.8	Subsistence and support of persons	0	51	51	0
	Subtotal	<u>0</u>	<u>162</u>	<u>162</u>	<u>0</u>
26	Supplies and materials				
	Office supplies	0	63	63	0
	ADP supplies	2	25	25	0
	Other	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	<u>2</u>	<u>88</u>	<u>88</u>	<u>0</u>
31	Equipment				
	Office machines and equipment	(21)	2	2	0
	ADP hardware	(200)	2	2	0
	ADP software	(50)	1	1	0
	Other	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	<u>(271)</u>	<u>5</u>	<u>5</u>	<u>0</u>

Object Class		2008 Adjustment to Base	2008 Base	2008 Estimate	Increase / (Decrease)
32	Lands and structures	0	0	0	0
33	Investments and loans	0	0	0	0
41	Grants, subsidies and contributions	0	11,686	11,686	0
42	Insurance claims and indemnities	0	0	0	0
43	Interest and dividends	0	0	0	0
44	Refunds	0	0	0	0
99	Total Obligations	(940)	28,701	28,701	0
	Less prior year recoveries	0	0	0	0
	Total Budget Authority	(940)	28,701	28,701	0

DEPARTMENT OF COMMERCE
MINORITY BUSINESS DEVELOPMENT AGENCY
Minority Business Development
APPROPRIATION LANGUAGE AND CODE CITATIONS

1. For necessary expenses of the Department of Commerce in fostering, promoting, and developing minority business enterprise,

15 U.S.C. 1512

15 U.S.C. 1512 authorizes the Secretary of Commerce to foster, promote and develop business, foreign and domestic.

2. Including expenses of grants, contracts, and other agreements with public or private organizations,

No Specific Authority

This phrase has been in the appropriation since FY 1980 and specifies that program expenses are included in the total appropriation request.

31 U.S.C. 718 provides that: "No specific or indefinite appropriation...shall be construed to be permanent or available continuously without reference to a fiscal year...unless it is made in terms expressly providing that it shall continue available beyond the fiscal year for which the Appropriation Act in which it is contained makes provisions".

Department of Commerce
 Minority Business Development Agency
 Minority Business Development

CONSULTING AND RELATED SERVICES
 (Obligations in thousands of dollars)

	FY 2006 Actual -----	FY 2007 Estimate -----	FY 2008 Estimate -----
Consulting Services.....	0	0	0
Management and professional services.....	1,500	500	500
Special studies and analyses.....	0	40	0
Management and Support services for research and development.....			
Total.....	1,500	540	500

To provide services to the entire minority business community, MBDA invested in electronic commerce. MBDA contracts for this service under the guidance of it's Chief Information Officer.

Department of Commerce
 Minority Business Development Agency
 Minority Business Development

PERIODICALS, PAMPHLETS, AND AUDIOVISUAL PRODUCTS
 (Obligations in thousands of dollars)

	FY 2006 Actual -----	FY 2007 Estimate -----	FY 2008 Estimate -----
Periodicals.....	10	8	8
Pamphlets.....	7	5	5
Audiovisuals.....	<u>0</u>	<u>0</u>	<u>0</u>
Total.....	17	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 External 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 Grade and Salaries

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate
Average ES salary.....	\$ 147,994	\$ 151,250	\$ 155,787
Average GS/GM grade.....	11.07	12.00	12.00
Average GS/GM salary.....	\$ 79,440	\$ 81,187	\$ 83,623
Total compensable workyears:			
Full-time equivalent employment.....	94	115	115
Full-time equivalent of overtime and holiday hours.....	0	0	0