The original documents are located in Box 15, folder “Office of Minority Business Enterprise - General, 1973-1975 (2)” of the Stanley Scott Papers at the Gerald R. Ford Presidential Library.

THE WHITE HOUSE
WASHINGTON

FEB. 14
Date

TO: STAN

FROM: JOHN

SAM IS ALL "WET." ACTION IS WORKING WITH OMB ON THE AUTHORITY AND FUNDS TO DO MORE OF THE THINGS IT SHOULD HAVE BEEN DOING ALL ALONG WITH ITS TWO BUSINESS DEVELOPMENT/ASSISTANCE PROGRAMS (ACE & SCORE).

OMBE AND OMB ~~ARE~~ BEING CONFUSED IN HIS OWN MIND. ONLY OMB CAN GIVE ADDITIONAL FUNDS TO ANOTHER FEDERAL AGENCY, NOT OMBE.

SUGGEST A TELEPHONIC THANKS TO SAM OUT OF COURTESY, BUT HE IS OFF BASE.

ACTION Memorandum

WASHINGTON, D.C. 20525

Date: January 29, 1974

Reply to Attn. of: Elmer F. Lange, Deputy Associate Director, SCORE/ACE

Elmer Lange

Subject: Management Assistance to Minority Businessmen

To: Harry Hogan, Associate Director, Office of Policy & Program Development

Thru: Marjorie W. Lynch, Associate Director, Domestic Operations

Willard L. Hoing

Ms. Mary De Carlo from ACTION's OPPD has been meeting with OMB for the last two weeks in regards to SCORE and ACE developing programs to assist the Office of Minority Business Enterprise (OMBE) in the Department of Commerce. OMBE evidently needs more counseling services because of the increased involvement of minority businessmen in the multi-billion dollar Federal Procurement Program. The Federal Procurement Program includes social and economic disadvantages as criteria for participating. Which in effect allows most small businessment to participate.

AT ACTION

This paper is written to give OPPD our opinions of how SCORE and ACE could expand to include working with the Federal Procurement Program. OPPD will then negotiate with OMB as to funds and authority to expand. When OMB gives the green light to go we would develop the program systems, with OPPD, ACTION Regional Offices and the National SCORE Council input, for the Regions to implement and operate.

The following are some of the major program efforts to be made which we believe will develop the image of SCORE and ACE in the minority business communities offer counseling services and add more minorities as SCORE and ACE volunteers:

I. Recruit sponsors for SCORE and ACE chapters who represent three sections of the community. They are (a) Business, (b) Non-profit, and (c) Government (municipal, county and/or state). The recruitment of retired and active volunteers would come from these three sections also Retired Federal Goverment executives would be included as potential candidates for SCORE. The counseling services will now be offered to government and non-profit programs (i.e. Drug Rehabilitation Centers, Community Action Economic Development Programs, etc.) as well as businesses with 8(a) contracts. The Small Business Administration could continue to refer their loan cases to SCORE chapters and participate.

II. A major recruitment campaign would be conducted with special emphasis on getting commitments from large businesses to offer, on a need basis, their executives as ACE volunteers. It is from this group that most of the minorities will be recruited. All

ACTION
WASHINGTON, D.C. 20525

SAMUEL P. SINGLETARY
ASSISTANT DIRECTOR
OFFICE OF
MINORITY AFFAIRS

February 6, 1974

Mr. Stanley Scott
White House
Washington, D. C.

Dear Stan,

Enclosed is a copy of a program developed by ACTION staff for management and technical assistance for minority businessmen who lack the expertise so necessary to become commercially viable. The Office of Management and Budget has suggested that OMBE look at our ideas in this area.

You will recall that I mentioned this idea to you when we initially proposed that OMBE fund a similar project. I believe the real merit to this program lies in its cost effectiveness i.e., compared to OMBE's use of SBA's 406 Program. We calculate our cost at one quarter of that which SBA currently spends on its minority technical assistance program. Additionally, it will cover rural and small towns where no management assistance is currently available.

Perhaps you can be of help to us in supporting our position with the Office of Minority Business Enterprise.

Thanking you in advance for any assistance rendered.

Sincerely yours,

Samuel P. Singletary

Encl: As stated

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

FEB 26 1974

Honorable John K. Tabor
Under Secretary of Commerce
Washington, D. C. 20230

FEB 28 1974

Dear Mr. Tabor:

As a participant on the Interagency Council for Minority Business Enterprise, I am writing to you of a matter which, I am certain, could be of mutual concern.

About two weeks ago, I had the distinct pleasure of meeting with a Mr. Bertram H. King, in my office. Mr. King is Executive Director of the Council for Opportunity in Graduate Management Education, popularly known as COGME. COGME, headquartered in Cambridge, Massachusetts, was organized in January 1970, with a three million dollar grant from the Sloan Foundation. The organization has ten member schools, including MIT, Harvard, Cornell and Wharton, to mention only a few. Their goal is to increase the participation of minorities in management (MBA programs) via a program of recruitment and financial assistance, offering fellowships to eligible candidates. In effect, creating a pool of multiple experts. Naturally, those funds are just about depleted.

The Small Business Administration has no statutory authority to respond to COGME's type of effort. However, COGME has been successful in securing some federal funding from the Office of Economic Opportunity (for Native American applicants) and the Office of Minority Business Enterprise, Department of Commerce, within the past year. Unfortunately, the private sector, according to Bert, has not really seen fit to carry its fair share of such a worthy project.

The part that causes me some concern is this: in response to CCGME's request to the Office of Education for assistance, it was surprising to learn that Assistant Secretary for Education Sidney P. Marland, Jr., was unable to identify capability to support CCGME. For example, we here in SBA were under the impression that legislation such as the Higher Education Act of 1965 (P.L. 89-329), the Education Professions Development Act (P.L. 90-35), or some similar authority, would give the Office of Education a vehicle to directly provide assistance. But perhaps we are mistaken.

If your office could clarify this area for us, I may be able to offer better guidance as to the proper avenues to follow in this and other projects of a similar nature. I've enclosed a brochure for your convenience.

Many thanks for your continuing interest.

Sincerely,

/s/ Joseph J. Luna

C. Mack Higgins
for Assistant Administrator
for Minority Enterprise

Enclosure

cc: Mr. B. H. King, Executive Director,
CCGME ✓
Honorable S. P. Marland, Jr.,
Assistant Secretary for Education/HEW

March 18, 1974

Mr. C. Mack Higgins
Assistant Administrator for
Minority Enterprise
U. S. Small Business Administration
Washington, D. C. 20416

Dear Mr. Higgins:

It was a pleasure meeting with you and Ms. Porter during my visit to Washington. I very much appreciate the interest you expressed in COGME and the time taken from your busy schedule to discuss the program.

As suggested during our conversation, I am submitting a proposal to the SBA on behalf of the Council for Opportunity in Graduate Management Education. It is our hope that the objectives of the COGME program, directed toward the development of management expertise among minorities, are found to be suitable to SBA priorities. The interest which the government and American industry have taken in diminishing social and economic inequalities and in stimulating minority economic development, has pointed out the need for minorities with managerial skills to ensure and hasten such development. However, it has been found that this need cannot be provided for by the current supply of such persons. The establishment of our program represents the effort to increase the number of minority managers by offering able and motivated members of minority groups the opportunity to obtain a management education. As I pointed out during our meeting, minorities are beginning to view business as a possible career choice; yet, the cost of the necessary training is often too great a deterrant despite the expected rewards.

COGME is an independent, non-profit organization which joins ten schools of management in a concerted effort to increase, through a program of recruitment and financial assistance, the number of minority men and women graduating from their MBA programs. COGME was initiated by a grant from the Alfred P. Sloan Foundation of $3,000,000 with a commitment from the Council that it would ensure the continuation of the program by seeking additional funds from American industry, the government, and other sources. This amount from Sloan was granted on a prorated basis: COGME was to receive $1,000,000 the first year with a decrease of $200,000 each year thereafter. We expect to receive our final grant of $200,000 this Jung.

The average COGME award amounts to $7,500 which finances approximately 55% of a student's total expenses for a two-year MBA program (need being defined as tuition and fees plus living expenses minus resources). Students are encouraged to finance the remaining cost through loans which can be readily obtained from the member schools. Upon graduation, a typical COGME student would have incurred debts averaging between $5,000 and $7,000 dependent upon his or her status as either single or married.

It is our hope that if the COGME program is found to be suitable to the funding concerns of the SBA, serious consideration will be given to extending support to COGME. As I am aware that there are no provisions within the SBA to provide for fellowships, such support could be in the form of a grant, for administrative and research activities, in the amount of $300,000 to be distributed over a period of three years, at $100,000 per year. We believe COGME to be worthy of such support for the following reasons:

-- As outlined in the enclosed Fact Sheet, COGME has proven to have had success in fulfilling its goal: there has been a marked increase in enrollment of qualified minority students at the member schools.

-- Management expertise on the part of minorities is greatly needed within the private and public sectors to solidify and hasten equal opportunity and economic development.

-- COGME represents ten of the nation's leading schools of management. The Council is thus committed to selecting able applicants, offering them the best available edudation, and providing society with top minority managers.

-- As the majority of COGME schools are located in urban areas, SBA regional offices would have access to the available pool of minority students with management skills. Currently, 37 of our graduates are employed by the government - 23 of these people are working, within the government or in programs funded by the government, on projects dealing with minority economic development.

-- COGME Fellows, for their part, would be able to particpate in regional development programs of the SBA: if mutually agreeable, students could be hired as summer or full-time employees.

I hope that this information will be useful to you in evaluating the suitability of COGME to the SBA programs. I am also including the Fact Sheet, the two COGME brochures, and an article which appeared in the January 6 issue of the N. Y. Times. The article discusses the present situation of minorities in MBA programs.

I have requested that the materials relating to the Executive Management programs at Harvard and at M.I.T. be forwarded to you. If for some reason you have not as yet received them, please let me know.

Again, I sincerely thank you for the time and interest you have directed toward the COGME program. If you should desire any additional information, please do not hesitate to contact me at the above address or by phone at (617) 491-8370.

Sincerely,

Bert King
Executive Director

BK:dey
Enclosures

THE WHITE HOUSE

WASHINGTON

Wednesday, 3/27/74

Stan:

Attached is material f/ meeting w/ Fred Malek, Wally Scott, Paren Mitchell, John Calhoun at Wm. Stanton's office.

Congress will be adjourning from 4/11-4/22. (Paren Mitchell's office called today to set a specific date for mtg after 4/22.

Return to me and I will reschedule.

Pat

pat

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DATE: March 26, 1974

REPLY TO ATTN OF: EGGD/Commerce

SUBJECT: Meeting With Congressmen Stanton and Mitchell at 10:00 A.M., March 27, 1974

• The Deputy Director

This memorandum is in two main parts: first, information on points which the two Congressmen may bring up, and, second, points you may wish to make.

A. Background Information On Items Which May Be Raised

1. OMBE Reorganization

Congressman Mitchell has been interested in this from its start, last October. OMBE Director Armendaris testified last week on the matter before a subcommittee which Mitchell is on. Based upon our information, the reorganization is going well. We will be specifically looking at this question during field trips this spring and summer. You may wish to ask Mitchell if he knows of any problems.

2. Legislation to Transfer OEO's CDC Program to Commerce

Congressman Stanton will almost certainly raise this question, as he is a co-sponsor with Congressman Steiger of a bill which differs from the Administration proposal. The Administration proposal, H.R. 8556 (Hawkins) and S. 1941 (Tower), provides for (a) grant authority for OMBE, and, (b) transfer of Part A of Title VII of the Economic Opportunity Act from OEO to Commerce. The Steiger-Stanton bill, H.R. 10023, is broader. It provides for: (a) statutory existence for OMBE, and, (b) transfer of all of Title VII from OEO to Commerce. Just last week, in considering a proposal by Commerce, we reaffirmed our position on this issue in favor of the present Administration proposal, which provides the necessary authority for OMBE and transfer of what is needed from OEO's legislation. A broader bill is not necessary at this time. We should continue to oppose a broader bill because it would reduce administrative flexibility to redirect the OMBE program. Also, we should not accept any undesirable provisions just to get the CDC program transferred; it would be no disaster if the CDC program died.

3. Testimony of Last October

During your testimony last October before the Addabbo subcommittee, Congressman Mitchell asked about using the Overseas Private Investment Corporation (OPIC) mechanism to stimulate minority business exports. We have not made a formal review of that issue, due to the uncertain legislative future of OPIC.

4. Status of Staff Study of Minority Enterprise Programs

There may be a question about the on-going OMB-Commerce-SBA staff study of minority enterprise programs. Here is a brief review of the status:

- We did an extensive rethinking of how to proceed in January;
- We are now concentrating on using the Census update of the 1969 survey of minority business as our main data base;
- We will match assisted firms against that data base, to analyze changes;
- This will go on through the summer, and we hope to have preliminary results in the fall; and
- We believe it is crucial to have sound, reliable data to base our analysis and recommendations upon.

It might be emphasized that the purpose of the study is to identify ways of improving the effectiveness of the programs, rather than to reduce or terminate the programs.

5. Recent Criticisms of SBA and OMBE

OMB has taken a low-profile position on the recent criticisms of the two agencies, letting them handle the problems themselves. We have cooperated on two changes worth mentioning in this context. For SBA, we have provided additional audit personnel. They are also making structural changes to strengthen their audit process. For OMBE, we approved an increase in the 1975 budget to initiate a marketing development and training program, to increase the quality of OMBE-funded technical assistance.

6. Issues Raised by the National Association of Black Manufacturers

The NABM has rasied two issues which the Congressmen may also raise. First, does the announced new emphasis on assuring the success of assisted firms mean that fewer new firms will be started? We have not changed the proportion of new versus existing firms that we plan to assist. The new emphasis applies to both types, and means we have to do a better job of analyzing business prospects. Second, NABM also suggested that firms not be "graduated" from the 8(a) subcontracting subsidy program, but rather be kept in the program until they have grown large enough to be outside SBA's standards for a small business. We have always had a policy of planning to graduate firms from the subsidy program to a fully-competitive position. It does no favor to a firm to keep it dependent upon subsidized government contracts, and too fragile to exist over the long-term on its own in the market place.

B. Points You Should Make

1. Progress On Objectives

A. Coordination Between OMBE and SBA

An early result of the long-term staff study was a realization that the agencies needed to better coordinate their efforts in the field. We also needed to avoid the "numbers game" of counting firms assisted, and instead to concentrate more on assuring the chances of success of these businesses. We met with the agencies in December, and expect a submission of a coordinated field operation plan and revised objectives at the end of this month. The two agencies have been making a sustained, good-faith effort, and progress so far has been good.

B. Effect of Energy and Materials Shortages

While loan volume has not been as high as our targets, due to general economic conditions, we have also had to cope with the effects of the energy and materials shortages. The agencies have put a good deal of effort into analyzing how to forestall the effects of these shortages. We have been looking at changes in programs to help existing firms affected, as well as avoiding placing a new firm into an impossible situation. We will be modifying our 1974 objectives to take these effects into account, and also considering the shortages in setting our 1975 objectives, which we expect from the agencies soon.

2. Our Desire To Establish A Dialogue

You might sound out Congressman Mitchell on the idea of establishing a dialogue with the Black Caucus on the range of concerns the Caucus members have, including the minority enterprise programs. We would want not just to explain Administration policy and programs, but also to receive criticism and suggestions. We believe that Congressman Mitchell might be receptive to the idea.

Jas. L. Hill

James L. Hill
Budget Examiner

MINORITY BUSINESS ENTERPRISE PROGRAM
REVIEW AND RECOMMENDATIONS

FORWARD

The Minority Business Enterprise program, to use a business term, is near bankruptcy.

The advertising of the concept has drawn many to join the ranks of those who believe that participation in U.S. capitalism and economic development of minority people is inseparable.

Today, those concerned with the delivery of the promise of Minority Business Enterprise are disappointed and frustrated by the persistent ineptitude and miniscule impact the current programs are having.

When presidential and national committments were made in other areas of concern such as space, maritime, foreign aid, etc., massive resources were applied and goals associated with remedies were set and attained, or surpassed. The absence of these same elements in the Minority Enterprise Program is the basis of the disappointment and frustration. Their absence is also the reason conditions for minority businesses appear to be worsening.

The realization that the current program is severely deficient has become widespread throughout the country. OMBE contractors have this awareness and are silent for obvious self-interest reasons. The OMBE and SBA contractors who also happen to be minority businesses, have thus far been the only minority businesses heard from. The great majority of minority businesses are not in this category, have not been heard from and, in fact, have no means of effectively giving input. They now are committed to bring about change.

The Republican Administration initiated the concept and established the current programs. They still have the opportunity to bring about the changes necessary, but that opportunity is rapidly slipping away. Unless immediate and effective steps are taken now, the only responsible alternative minority business people will have will be to call for the dismantling of the programs, which by their existence provide a facade of progress. This action will bring into disrepute the original committment and intent of the President when he initiated the programs.

On the other hand, the Republican party and the administration still has the opportunity to make an historic contribution to minority people and the nation at large, by making the concept of minority business enterprise a reality.

This can be accomplished by taking immediate steps to establish credibility in the current programs and leveraging that credibility into the larger commitments which will be necessary to remedy business inequity.

MINORITY BUSINESS ENTERPRISE PROGRAM
REVIEW AND RECOMMENDATIONS

PROBLEM	IMPACT	RECOMMENDATION
I. OMBE		
A. Administration		
1. Contract Administration ineffective. No separate administrative function in regional offices.	Contractors placed in constant fiscal jeopardy and cannot stabilize operations or attract and keep high caliber staff. Poor administration on the part of OMBE compromises OMBE's ability to demand good administration from contractors.	Establish complete administrative network between national and regional offices. Staff with people experienced in procurement and contracts. Set specific standards of performance for administrative operations and enforce.
2. Major national contracts i.e., NEDA, ICBO, hide poor performance under overall blanket organization reputation.	Contractors in areas where poor performing chapters are located are demoralized and are suspicious of the integrity of OMBE. Resources in poor-performing areas are wasted.	Write regional contracts with the large national organizations, i.e., each regional office would contract with the national organization for the work done in the region, thereby placing responsibility for performance, review, priorities, etc. under control of the regional office, and bringing the resources under and into the regional program strategy.
3. Some regional offices are seriously deficient and not able to cope with the OMBE role.	Severe OMBE credibility damage occurring, program floundering and increased politicitization of the decision process occurring.	Major immediate staff changes overdue. Task Force type, get-well plans needed, i.e., contract administration and program evaluation and review teams on TDY, while restaffing is implemented.

MINORITY BUSINESS ENTERPRISE PROGRAM
REVIEW AND RECOMMENDATIONS

PROBLEM	IMPACT	RECOMMENDATION
B. Program		
1. Program lacks complete "Planning, Budgeting and Evaluation", or "Management by Objectives" elements. Program leadership has no understanding or experience in implementing PBE or MBO in a business environment.	Lack of focus on parameters which influence business activity, i.e., goals and objectives are not related to the business indicators such as sales, profits, capitalization. These items when they are inferred, are not interrelated so as to provide for priorities and intelligent relative magnitude of effort. Any responsible review of OMBE Program is an abysmal experience.	Replace current leadership with management competent in these areas with personal business backgrounds. Establish performance criteria for the management as a corporate officer would have. Those performance goals and objectives should be specific and reviewed periodically.
2. Program has contracts which are, or appear to be, "political" rather than merit motivated. Potential meritorious performers are, or appear to be, excluded for political rather than program or budget reasons.	Growing distrust of the program and the intent of the Administration. Waste of limited resources on non-productive operations. Exclusion of opportunities to assist minority business more effectively.	The current "suspect" contracts should be reviewed carefully and monitored so that specific performance is adhered to, or they are terminated for non-performance. Recent program rejections should be reviewed on a merit basis and reconsidered.
3. Lack of vigorous and new initiatives:	Minority business image remains small, marginal and low impact.	A specific level of effort (10%) should be directed towards producing from five to six major enterprises in each region within one year. A major enterprise comprising an operation with sales of $3 million per year minimum (30 to 35 operations total).

MINORITY BUSINESS ENTERPRISE PROGRAM
REVIEW AND RECOMMENDATIONS

PROBLEM	IMPACT	RECOMMENDATION
a. The American Indian Program is a poor imitation of the other OMBE programs	Resources which are available to American Indians only, continue to be wasted.	American Indian Programs: (1) Inventory all resources available to American Indians, i.e., BIA, Royalties, Trust Funds, Land, Private Sector Interest, etc. (2) Based on (1) above, design on an area basis, a strategy for American Indian Business Development. (3) Develop program within the strategy established in (2) above. Move aggressively into new or growing markets.
b. The construction opportunity is passing minority business by.	The chance to be involved in high growth, capital and impact business is being lost.	<u>Construction</u>: Convene a task force on Construction Opportunity, including major minority construction industry people to develop strategy for construction programs in Alaska Pipeline, urban housing, transit, etc.
c. The telecommunications effort is bogging down.	The current outstanding contractor for OMBE in this field is suffering from severe financial difficulties because of poor OMBE contract administration.	Provide vigorous administrative and program support to current Contractor and seek development of allied businesses in telecommunications field.

MINORITY BUSINESS ENTERPRISE PROGRAM
REVIEW AND RECOMMENDATIONS

PROBLEM	IMPACT	RECOMMENDATION
d. Trade Associations are being weakened instead of strengthened by OMBE.	Vital input to the program is being lost from fear of making constructive critique of program.	Develop with trade associations a comprehensive program which is designed to make trade associations self-supporting in a specified period of time. Maintain open communications receptive to criticism.
e. No quick reaction vehicle for aiding firms in crisis.	Many potentially successful firms are lost because the normal time cycle for assistance will not adjust to crisis conditions.	Establish emergency criteria and procedures for responding to crisis situations throughout OMBE/SBA network.
f. Lack of meaningful steps to deal with energy crisis impact on minority business.	Lack of materials, cost increases and low priorities are crippling many manufacturing firms.	Seek critical material priorities for minorities from government and private sector, and establish clearing house for requests and referrals.
g. Marketing efforts are not felt at the minority business level.	Most firms problems are due to insufficient market (sales) opportunities.	Design and implement a near term marketing strategy that will utilize the more than 2,000 people OMBE has under their 300 contracts to bring sales into companies.
	Future markets for minorities are bleak.	Long term marketing program with government and industry participating in new and growing markets, foreign trade, etc.
C. Goals and Objectives		
Management of the stated OMBE goals is poor. OMBE is unable to month by month evaluate progress, problems, remedies, etc. Must wait for year-end results.	Program implementation is rarely felt at minority business level. Panic-type effort at contract close is the general pattern. Most goals and objectives will not be met.	Institute shorter review and reporting cycles at regional levels, and conduct contract performance review on an ongoing basis. All keyed to master regional program plans.

MINORITY BUSINESS ENTERPRISE PROGRAM
REVIEW AND RECOMMENDATIONS

PROBLEM	IMPACT	RECOMMENDATION
C. Goals and Objectives Magnitude of OMBE goals and objectives inadequate and unrelated to a plan to eliminate conditions for which OMBE was created to remedy.	Lack of accountability to Minority Community, and other taxpayers for value received. OMBE goal to start 3,000 new minority businesses represents less than 1% of current minority businesses. This goal doesn't keep up with attrition. OMBE goal to expand 6,000 businesses lacks any criteria for significant expansion, i.e., sales, profits, employment, etc.	Determine overall remedy being sought by Minority Business Enterprise Program, i.e., receipts from less than 1% to 5%, unemployment from 9.7% to 5.0%, etc.
	OMBE goal of 7,500 loans represents less than 3% of minority businesses. OMBE goal of $300 million in procurement is less than 3% increase in sales for minorities. This insufficient goal will not be achieved and no margin or profit goal is included.	Institute a "total packaging" concept throughout the OMBE network. Where a firm is assisted in obtaining a long-term (2-3 year) market opportunity from government or the private sector, and then financial, management and technical assistance are given as a part of the "total package".

MINORITY BUSINESS ENTERPRISE PROGRAM
REVIEW AND RECOMMENDATIONS

PROBLEM	IMPACT	RECOMMENDATION
II. SBA		
A. Basically hostile to minority business. Under current laws, SBA must place Small Business interest over Minority Business interest.	Minority businesses remain last considered, receive less in loans, procurement, etc.	Change existing regulations to insure separate and distinct commitment to Minority Business, or place program functions in a less hostile environment. (OMBE could perform those functions if OMBE had the administrative and programmative credibility.)
B. SBA Goals and Objectives. The same problems as described in the OMBE Goals and Objectives.	Same	Same
C. 8(a) Program failing to be a vehicle for viability.	Firms are entrapped and destroyed by the process rather than helped.	Complete overhaul of 8(a) Program required, and closer tie-in with OMBE program essential, i.e.: 1. Establish a specific criteria for "graduating" a firm from the program. 2. Selection of longer-term 8(a) opportunities (2-3 years per contract). 3. Increase current profit margin limit of 10%.
D. EOL Loan Program is inadequate.	Firms cannot get loans needed because of $50,000 limit. They either under-capitalize or are forced out.	Set EOL loans and guarantees at same levels as regular small businesses, i.e., $300,000.

United States Senate

MEMORANDUM

To: Stan Scott

FYI

John Adams

United States Senate

SELECT COMMITTEE ON SMALL BUSINESS
(CREATED PURSUANT TO S. RES. 58, 81ST CONGRESS)
WASHINGTON, D.C. 20510

June 12, 1974

Mr. Sherman Funk
Chief, Program Reseach and Development
Office of Minority Business Enterprise
Department of Commerce
Washington, D.C.

Dear Mr. Funk:

Again I find it necessary to address you in regards to a matter about which we obviously do not agree.

I recently received your "Memorandum For Record" dated May 31, 1974 referencing the May 29, 1974 meeting at OMBE regarding the Pan African Business Center which I attended along with OMBE and Dept. of Commerce representatives and the Executive Director of the Pan African Business Center.

Perhaps the most revealing item in your "memo" is that according to the Dept. of Commerce General Counsel's office they first became aware of the proposed contract modification on May 20, 1974. You state that the items which had to be resolved were first brought to your attention on May 26, 1974. The initial discussions involved the contract modification began in the Fall of 1973. Might I suggest that between Fall of 1973 and May 20, all of the outstanding matters could have been resolved had they been properly handled within the department.

I further do not understand how the contracting officer who, according to your memo, on May 23 said the modification would be ready for signature on May 28 or 29 could miss the items brought to your attention on the 26th (i.e., the cost sharing clause, the interim audit, and the missing breakout of other direct costs).

You also refer to OMBE's change of position to the affect that OMBE "was going to extend the contract rather than renew". These two are mentioned as if they can be equated. Clearly, such is not the case. As was mentioned at the meeting the contemplated extension would expire in approximately 90 days and the constituent would again find himself back at OMBE trying to get some real assurance of program continuity and uncertain as to his future funding. On the other hand a contract renewal would be for a minimum of one year which could provide at least a years continuity and allow the constituent an opportunity to work on the actual performance of the contract and not constantly worry about whether he would be able to meet his payroll and other obligations.

As to the comment attributed to me regarding "dozens and dozens of similar examples"; let me state as clearly as I can, that I do not have "dozens and dozens of examples", and never so stated, However, I am aware of other somewhat similar examples which can be documented.

As to the alleged statement (also attributed to me) that this situation was typical of OMBE's contract management "across the board". Again I am misquoted. I simply do not know of OMBE's contract management "across the board". Attempts to ascertain same have been fruitless. This statement attributed to me is totally inaccurate. I do know, however, that in a number of instances OMBE's performance has left a great deal to be desired. I am under the impression that OMBE does business with 300 or so "middlemen". I certainly have no way of knowing what OMBE's performance is with each of those 300 organizations, i.e., "across the board".

Your memo also erroneously attributes to me a statement that OMBE's activity reflected "bungling incompetence or desire to see the minority enterprise effort fail" (emphasis added). Again, this is a totally inaccurate statement. I never spoke of or even discussed the "minority enterprise effort". I did, however, deal with specific contracts and suggested as to certain of OMBE's activities they were either extremely poor contract managers or they were not dealing with specific contractors in a forthright and honest manner. As to the "bungling incompetence" the facts speak for themselves.

The entire paragraph attributing certain comments to me is perhaps clearly indicative of either an overt attempt to pervert the truth or a failure to understand the accurate meaning and import of the English language.

If this is indicative of your ability to understand and report simple conversations then I suggest that further meetings should be recorded or transcribed.

Because I am of the opinion the referenced document will be circulated to other individuals active in the minority enterprise effort, I am taking the liberty of sending copies of this memo to the meeting attendees and other selected individuals.

With best wishes,

Sincerely,

John O. Adams

John O. Adams
Minority Counsel

cc: attendees

U.S. DEPARTMENT OF COMMERCE
Office of Minority Business Enterprise
Washington, D.C. 20230

June 26, 1974

MEMORANDUM FOR Alex Armendaris
Samuel Cornelius

FROM: Ed Sexton E.T.S.
Special Assistant to the Director

SUBJECT: An evaluation of the Critical EEO Analysis of OMBE

Mr. Cornelius, the Deputy Director, made a request of me to ask Mr. Calvin Brooks, OMBE's Equal Employment Opportunity Officer, to do a Critical EEO Analysis of OMBE employees. This has been done. I was also asked of my opinion of the report of which I am now submitting. In looking over the report, it is apparent that the whites occupy most of the policy making positions; and even though they make up a small percentage of the Agency, they have the highest GS Grades.

I would say that there is no EEO issue on the quantity of minority employees at OMBE. Minorities occupy 75.5% of all positions.

The real EEO issue is the quality of minority employment and the absense of minorities from policy control at the middle management level.

Of the six Regional Directors, of which I again strongly recommend that they be Schedule C's, all six directors are minorities, but they have really not been delegated authority to make final decisions on contracts and grants, to hire their own people, and to decide and handle their own administrative budgets. These Regional Directors are administratively accountable for performance without authority to decide essentials to performance. They should be Schedule C's so they can be held accountable to the Director and Deputy Director.

As you know, every significant action on OMBE's program passes through the Chief Counsel's office, where attitudes determine whether a matter is strictly interpreted or liberally interpreted. Yet, there are no minority lawyers in the Chief Counsel's office to provide insights on the stream of activities on security, etc., that are controlling the OMBE directors. There is no one there to interpret the attitudes of the current black leadership or the attitudes of the community they represent.

The public image of the Minority Enterprise program is received through the Public Affairs Office. There are no minorities there in any positions of a stature higher than that of clerical workers. Mr. Cornelius and I have just come from the 34th Annual Publisher's Convention in Pittsburg, Pa., where I found that there are good staff people available for positions with OMBE.

We also do not have any black or brown people on the Congressional staff, which is run by whites who are not sensitive to ethnicity and its importance to the Congressmen who vote our appropriations and other legislation on minority business enterprise.

In the National Programs Division there is no minority person with any authority over the funds or over the hiring of personnel. The organizational design clearly, in my mind, keeps minorities in advisory positions on issues concerning the expenditure of funds and the hiring of personnel.

In Administration and Field Operations, which needs to be broken down, the policy making jobs where key controls are exercised are not held by minorities. The result being that OMBE's policy planning and policy formulation is generatied without day-to-day minority input.

The Director and the Deputy Director can only review finished products or reports. Legal decisions must go through them. Contracts, procurements, audits and security along with guidelines and plans for program activity in FOA must follow the same procedure. The Director and Deputy Director deserve critical minority input at the planning and formulation stages.

On the basis of the report and my analysis, minorities do not occupy key middle management roles of policy formulation and implementation despite their employment numbers, other than the Director and Deputy Director.

CC: Diana Lozano, John Calhoun

U.S. DEPARTMENT OF COMMERCE
Office of Minority Business Enterprise
Washington, D.C. 20230

JUN 13 1974

MEMORANDUM FOR: Samuel Cornelius

FROM: Calvin Brooks
Equal Employment Opportunity Officer

SUBJECT: Critical EEO Analysis of Office of Minority Business Enterprise

In accordance with your request, I have compiled the EEO analysis of OMBE.

I am attaching to this report, breakdowns of OMBE employees both by grade and ethnic group.

It is to be noted that this report is based on statistics compiled as of April 30, 1974.

Attachments

Critical EEO Analysis of
OMBE

Critical EEO Analysis of OMBE

Exhibit A is a breakdown of employees by grade in which you will note that the average GS grade in OMBE is 10.80. It is also a fact that out of 30 grade 15 positions 18 are held by Whites, 9 by Blacks, 2 by Spanish speaking and 1 Indian.

If grades 16, 17, and 18 were added to the total of 30, one could conclude that out of 37 top positions, 52.32% are held by Whites.

Of the grade 15 positions, 60% are held by Whites, 30% by Blacks and 10% by Spanish speaking or Indian.

Of the grade 14 positions 55% are held by Blacks, 10% by Whites, 31% Spanish speaking and approximately 4% Indian. Note that the highest percentage of Spanish speaking personnel is located in grade 14.

Looking down the chart, it is apparent that there is a great number of Blacks in clerical grades GS-2 through GS-8, with a heavy concentration in grades 5, 6, and 7. It is to be noted that there are no White, Indian, or Orientals in grade 5. The GS-5 grades are held by 13 Blacks and 5 Spanish speaking.

In the grade 6 positions we have 14 Black, 2 Spanish speaking, 5 White, no Indian or Oriental.

In the grade 7 positions we have 10 Black, 2 Spanish speaking, 1 Indian, 5 White and no Oriental.

Exhibit A, page 2, is a breakdown of total OMBE, starting with item one, note that Blacks occupy 57% of OMBE positions while Whites occupy 24.5% with the balance distributed 17% Spanish speaking, 1% Indian and 0.5% Oriental.

In item two of Exhibit 2, a further breakdown of total OMBE reveals that as of the professional and clerical, Blacks total 51%, Spanish speaking 18%, Indian 1%, Oriental 0.7% and Whites 29.3%

The clerical breakdown reveals that Blacks total 68%, Spanish speaking 14%, Indian 0.1%, Orientals 0% and Whites 16.9%.

Exhibit A-3 is a breakdown by office of each OMBE component. While overall we generally look good racially, there are a few OMBE components that we could stand to improve from an EEO posture.

In the Legal Office we have no Blacks or other minority lawyers working full time in the capacity of lawyers. The Legal Staff carries a professional staff of three lawyers. At present, in OMBE, there are 4 Black lawyers working in other capacities (non legal).

The same lack of Black or other minority personnel is visible in the Public and Congressional Affairs office. This office carries a staff of 4 professionals.

In Field Operations and Administration, it is noted that of the four grade GS-15's, only one is Black. There are two women branch chiefs. However, their grades are below that of GS-13.

Professional		Clerical
Black	18	14
Spanish speaking	0	0
Indian	0	0
Oriental	0	0
White	12	4

An EEO look at the Program Research and Development Staff reveals there are seven permanent employees. The break down is as follows:

Professionals		Sec-Clerical
Black	2	2
Spanish speaking	1	0
Indian	0	0
Oriental	1	0
White	1	0

It is noted that the secretarial-clerical staff is composed of all Blacks. Overall, the PRD staff has a good ethnic mix.

An EEO look at National Programs Division reveals the following.

Professionals		Clerical
Black	10	7
Spanish Speaking	1	0
Indian	2	1
Oriental	0	0
White	9	3

Recently, National Programs Division was realigned and under the new structure which created Branches, it is noted that of the four Branches only one Branch has a Black Branch Chief. All other Branch Chiefs are White. A further breakdown of National Programs Division reveals that of the professionals we have 7 Whites at the GS-15 or above levels as compared to Blacks totaling 5 at the GS-15 or above level. We have 1 Spanish speaking at the GS-15 level. We have no Indians or Orientals at the GS-15 or above level. At the GS-13 and 14 level we have 2 Whites, 3 Blacks and 2 Indians. There are two women professionals, both Black, one a GS-12 the other GS-11.

An EEO look at the Regional Offices reveals generally, a good mix. However, the New York Region does not have any white personnel (professional or clerical). It is also noted that none of the Regional Administrators are White. The Chicago Region does ~~not~~ have ~~any~~ one Black clerical personnel. We have Spanish speaking employees in every Region. There are no Indian or Oriental employees in any region.

A breakdown of each region reveals the following:

Washington, D. C.

Professional		Clerical
Black	9	5
Spanish speaking	2	0
Indian	0	0
Oriental	0	0
White	2	0

New York

Professional		Clerical
Black	6	3
Spanish speaking	4	1
Indian	0	0
Oriental	0	0
White	0	0

Atlanta

Professional		Clerical
Black	11	6
Spanish speaking	1	1
Indian	0	0
Oriental	0	0
White	2	0

Chicago

Professional		Clerical
Black	5	0
Spanish speaking	2	1
Indian	0	0
Oriental	0	0
White	1	1

Dallas

Professional		Clerical
Black	4	1
Spanish speaking	6	3
Indian	0	0
Oriental	0	0
White	1	1

San Francisco

Professional		Clerical
Black	4	2
Spanish speaking	7	1
Indian	0	0
Oriental	0	0
White	3	2

Summary , Conclusion and Recommendations

In light of the above critical EEO analysis of OMBE, it is concluded that generally the Agency has a good ethnic mix of personnel.

There are more total Blacks in the Agency than any other ethnic group. A total breakdown reveals the following:

Professionals		Sec-Clerical
Black	73	49
Spanish speaking	26	10
Indian	2	1
Oriental	1	0
White	40	12

The statistics reveal that Whites occupy most of the policy making positions and even though they make up a small percentage of the Agency they have the highest GS grades.

There are very few women professionals, and none above grade GS-12. The bulk of the women employees are located in the clerical-secretarial positions. These positions may become dead end. In order to prevent this, I would recommend that we create a few staff-assistant positions because a cursory EEO look reveals that many of the women secretarial-clerical are, in fact, doing more than just secretarial work and by the creation of such a position, they would be allowed to grow and,if the opportunity presents itself, they could gradually develop into professional employees. In other words, Staff-Assistant positions could be the bridge between the clerical and professional. At present, there is no bridge. Hence, the secretarial-clerical position has become dead end for some and could eventually become dead end for many more.

There are a few OMBE offices that do not look too good from an EEO standpoint in that they contain either all Black or all White professional or clerical personnel.

I am not saying that because they are all White or all Black that OMBE discriminates, what I am saying is that when the opportunity presents itself, OMBE should make a concerted effort to change the posture of these OMBE components.

With regard to promotions an EEO look reveals that OMBE Blacks have been promoted in greater numbers than any other OMBE personnel. This is so, partly because Blacks make up a greater percentage of the OMBE population. A breakdown of promotions from February 1973 through February 1974 reveals the following totals:

There were 26 Blacks promoted as compared to 9 Spanish speaking and 10 Whites. A further breakdown by grade is included in Exhibit B attached hereto.

In conclusion, I feel OMBE must continue to be mindful of not only its EEO inhouse program but must also make our Contractors and other OMBE-funded projects and programs mindful of Equal Employment Opportunity.

EXHIBIT - A

Exhibit A.

Office of Minority Business Enterprise
As Of 4/30/74

Grades	Black	Spanish Speaking	Indian	Oriental	Majority	Total
18	0	1	0	0	0	1
17	1	0	0	0	1	2
16	2	0	0	0	2	4
15	9	2	1	0	18	30
14	16	9	1	0	3	29
13	16	6	0	1	5	28
12	18	3	0	0	7	28
11	5	1	0	0	2	8
10	2	0	0	0	0	2
9	6	3	0	0	2	11
8	7	1	0	0	2	10
7	10	2	1	0	5	18
6	14	2	0	0	4	20
5	13	5	0	0	0	18
4	2	1	0	0	0	3
3	1	0	0	0	0	1
2	0	0	0	0	1	1
Total	122	36	3	1	52	214

Average Grade 10.80

Total Full-Time Permanent Employment
As Of 4/30/74 214

Minority	162	76%	Professional	142	66%
Majority	52	24%	Clerical	72	34%
Total	214		Total	214	

Black	122	57%
Spanish-speaking	36	17%
Indian	3	1%
Oriental	1	0.5%
White	52	24.5%
Total	214	

Professional			Clerical		
Black	73	51%	Black	49	68%
Spanish-speaking	26	18%	Spanish-speaking	10	14%
Indian	2	1%	Indian	1	0.1%
Oriental	1	0.7%	Oriental	0	0
White	40	29.3%	White	12	16.9%
Total	142		Total	72	

Minority		
Black	122	75%
Spanish-speaking	36	22%
Indian	3	2%
Oriental	1	1%
Total	162	

Black			Spanish-speaking			Indian		
Professional	73	60%	Professional	26	70%	Professional	2	67%
Clerical	49	40%	Clerical	10	30%	Clerical	1	33%
Total	122		Total	36		Total	3	

White			Oriental		
Professional	40	77%	Professional	1	100%
Clerical	12	23%	Clerical	0	0
Total	52		Total	1	

Male	116	54%
Female	98	46%
Total	214	

Male			Female		
Professional	115	98%	Professional	27	28%
Clerical	1	2%	Clerical	71	72%
Total	116		Total	98	

Professional			Clerical		
Male	115	81%	Male	1	2%
Female	27	19%	Female	71	98%
Total	142		Total	72	

	As Of 6/30/73	(+)Inc. (-)Dec.	As Of 4/30/74		(+)Inc. (-)Dec.	Estimated 6/30/74		(+)Inc. (-)Dec.	Estimated 6/30/75	
Washington	195	-82		113	-3		110	+67		177
Field	50	+51		101	+19		120	+3		123
Regional Office	...		76			90			93	
Field Office	...		25			30			30	
	245			214			230			300

Office of Minority Business Enterprise
As Of 4/30/74

	Prof./Clerc. Black		Prof./Clerc. Spanish-Speaking		Prof./Clerc. Indian		Prof./Clerc. Oriental		Prof./Clerc. White		Prof./Clerc. Total	
Office of the Director	3	3	2	3	0	0	0	0	4	1	9	7
Advisory Council	0	2	0	0	0	0	0	0	1	0	1	2
Public and Congressional Affairs	0	3	0	0	0	0	0	0	4	0	4	3
Program Research and Development	2	2	1	0	0	0	1	0	1	0	5	2
Field Operations and Administration Division	18	14	0	0	0	0	0	0	12	4	30	18
National Programs Division	9	7	1	0	2	1	0	0	9	3	21	11
San Francisco Regional Office	4	2	7	1	0	0	0	0	3	1	14	4
Dallas Regional Office	4	1	6	3	0	0	0	0	1	2	11	6
Chicago Regional Office	5	0	2	1	0	0	0	0	1	1	8	2
Atlanta Regional Office	12	7	1	1	0	0	0	0	2	0	15	8
Washington Regional Office	10	5	2	0	0	0	0	0	2	0	14	5
New York Regional Office	6	3	4	1	0	0	0	0	0	0	10	4
Total	73	49	26	10	2	1	1	0	40	12	142	72

214

EXHIBIT - B

Exhibit B

Name	Grade to Grade		Effective Date	Division/Office
Yosef Patel SS	7/2 9/1	9/1 11/1	5/27/73 9/30/73	San Francisco Regional Office
Sarah Goldman W	6/5	7/4	12/23/73	National Programs
Richard Clinkscales B	14/2	15/1	1/20/74	National Programs
Theodore Lettes W	12/2	13/1	6/10/73	Private Programs
Ronald Wilson B	11/2	12/1	6/24/73	Financial Mgmt.
John Brown B	11/3	12/1	11/25/73	Financial Mgmt.
Robert Chavez S	9/1	11/1	6/27/73	Resigned
Emma Maestas S	7/5	8/4	6/24/73	Director
J[illegible] Topping W	14/3	15/1	10/14/73	Director
John Smith W	14/2	15/1	10/14/73	Director
Sonja Brown B	5/3	6/2	11/25/73	PPE
Carrie Stinson B	6/10	7/9	10/28/73	Chicago Regional
Melda Cabrera SS	7/2	9/1	10/28/73	Chicago Regional
Fred Williams B	11/2	12/1	10/28/73	Chicago Regional
Mary Grainger B	6/4	7/3	11/11/73	New York Regional
James Jackson B	12/2	13/1	10/28/73	Resigned
Dorothy Kenerson B	11/2	12/1	10/28/73	Atlanta Regional
Edna McCann W	5/7	7/6	12/9/73	Legal Staff
Julius Ganoza SS	12/2	13/1	10/28/73	San Francisco Regional
Ken Matzkin W	9/2	11/1	10/28/73	San Francisco Regional
Lonnie Murray B	12/2	13/1	11/25/73	National Programs

Name	Grade to Grade		Effective Date	Division/Office
Rodney Baker B	7/2	9/1	10/28/73	Atlanta Regional
Keith Stewart B	2/1	3/1	11/25/73	Advisory Council
Rudy Suarez SS	12/2	13/1	10/28/73	Atlanta Regional
Frederick Ward B	4/5	5/4	11/25/73	Administrative Services
Sherial Hunter B	5/4	6/3	12/23/73	Program Research and Development
Karen Mason B	4/3	5/2	11/25/73	Secretariat
Loretta Young B	11/2	12/1	12/9/73	Field Coordination
Diane Freeman B	7/4	8/3	12/23/73	FOA
Roy Chavez SS	12/2	13/1	1/6/74	National Programs
Janice Josey B	6/4	7/3	12/23/73	FOA
Renee Sprow B	9/2	11/1	12/9/73	National Programs
Mary Washington B	5/8	6/6	12/23/73	National Programs
Fred Tuck B	5/4	6/3	2/17/74	Information and Analysis
Shirley Gainey B	6/7	7/6	3/3/74	FOA
Harold McClendon W	11/2	12/1	2/17/74	Field Coordination
William Stern W	12/6	13/3	2/17/74	Field Coordination
Robert Hooks B	11/2	12/1	2/17/74	Washington Regional
Barry Becker W	11/2	12/1	2/4/73	PPD
Sim Stokes B	13/2	14/1	12/9/73	Dallas Regional
Richard Sewing W	12/6	13/3	1/6/74	Dallas Regional
Jesse Rios SS	12/2	13/1	3/4/73	Dallas Regional

Name	Grade to Grade		Effective Date	Division/Office
Ruben Porras SS	13/1	14/1	1/20/74	Dallas Regional Office
Linda Madrid W	6/7	7/6	3/18/73	Dallas Regional
Billy Medina SS	13/2	14/1	12/23/73	Dallas Regional
Bobby Jefferson B	12/2	13/1	11/25/73	Dallas Regional
Linda Rutledge B	2/2	3/1	2/4/73	Atlanta Regional

THE WHITE HOUSE
WASHINGTON

JULY 15
Date

TO: STAN

FROM: JOHN

SEXTON'S MEMO POINT OUT SOMETHING MANY MAY HAVE SUSPECTED, HOWEVER THE BLACK COMMUNITY MIGHT BE VERY UPSET IF THE TRUTH IS FOUND OUT ———

BLACK FUNDING REDUCED BY

OMBE: FY 72 - 55%

DOWN BY 11%

JULY '73 - APR 74 - 44%

MEXICAN AMERICAN:

FY 72 - 17%

ALMOST DOUBLED

JULY 73 - APR 74 - 32%

WHEN

CONFIDENTIAL

U.S. DEPARTMENT OF COMMERCE
Office of Minority Business Enterprise
Washington, D.C. 20230

July 12, 1974

MEMORANDUM FOR Alex Armendaris
Sam Cornelius

FROM: Ed Sexton

SUBJECT: OMBE - Program Funds:
Distribution of Obligations - (Dollar amounts in thousands)

Pursuant to Mr. Samuel Cornelius' request concerning Minority Business Enterprise Program Funds of Obligation by Constituent Groups, I was asked to study and get information for the record. Attached is a copy of the information for which you asked. You will notice, that there are five categories of race, such as

Black
Spanish-speaking (1)
American Indian
Other minorities (2)
Non-Minority (3)

When the distribution of obligations by constituent groups is compared with ethnic distribution on the basis of the 1970 Census, the policy appears unclear on the allocation of funds. For example, the 1970 Census shows that Blacks represent 64% and Spanish-speaking represent 28% of the minority population. In FY 72, obligations for Blacks were 55%; obligations for Spanish-speaking were 17%. In FY 73, obligations for Blacks increased 1% to 56%; obligations for Spanish-speaking decreased by 1% to 17%. From July1, 1973, through April 30, 1974, obligations for Blacks were sharply curtailed to 44%; in the same period, obligations for Spanish-speaking shot up to 32%. It is interesting to note that this latter indication is the only one on the chart in which a constituent group had a 100% increase. It is the only indicator in which the percentage of obligations (32%) exceeded the population percentage (28%) by 4%. And finally, when this indicator rose, obligations to Blacks suffered the sharpest set-back -- a 15% drop in obligations. Even after a summary of obligations from FY 72 through April 30, 1974, obligations for Blacks are 11% below population percentages (64% to 53%). Obligations for Spanish-speaking,on the other hand, is only 8% below population percentages (28% to 20%).

This gives rise to the delicate policy question often put to this office by outsiders. "What is the rule for allocating funds among ethnic groups?" While this is a delicate matter, a national policy is essential to the credibility of the Minority Business Enterprise Program.

Edwin T. Sexton, Jr.

Attachment

cc: Diana Lozano

Minority Business Enterprise Program Funds
Distribution of Obligations by Constituent Group
(Dollar amounts in thousands)

	FY 1972		FY 1973		FY 1974 Through 4/30/74		Total FY 1974 Projected		Total Through 4/30/74		Projected Total FY 1972 Through FY 1974	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Black................	$20,917	55	$14,745	56	$8,775	44	$23,838	52	$44,437	53	59,500	54
Spanish-speaking 1/..	6,387	17	4,111	16	6,332	32	7,914	17	16,830	20	18,412	17
American Indian......	1,250	03	712	03	525	03	1,573	03	2,487	03	3,535	03
Other minorities 2/..	6,288	17	4,480	17	1,583	08	7,865	17	12,351	15	18,633	17
Non-minority. 3/......	2,891	08	2,143	08	2,572	13	5,243	11	7,606	09	10,277	09
Total..........	37,733	100	26,191	100	19,787	100	46,433	100	83,711	100	110,357	100

1/ Includes Mexican-American, Puerto Rican, and other Spanish-speaking.

2/ Includes Oriental, Aluet, and combinations, such as Black/Puerto Rican.

3/ Includes State Governments, educational institutions and majority trade associations.

1970 Census

64% Black
28% Spanish Speaking
6% Other <
2% Indian