

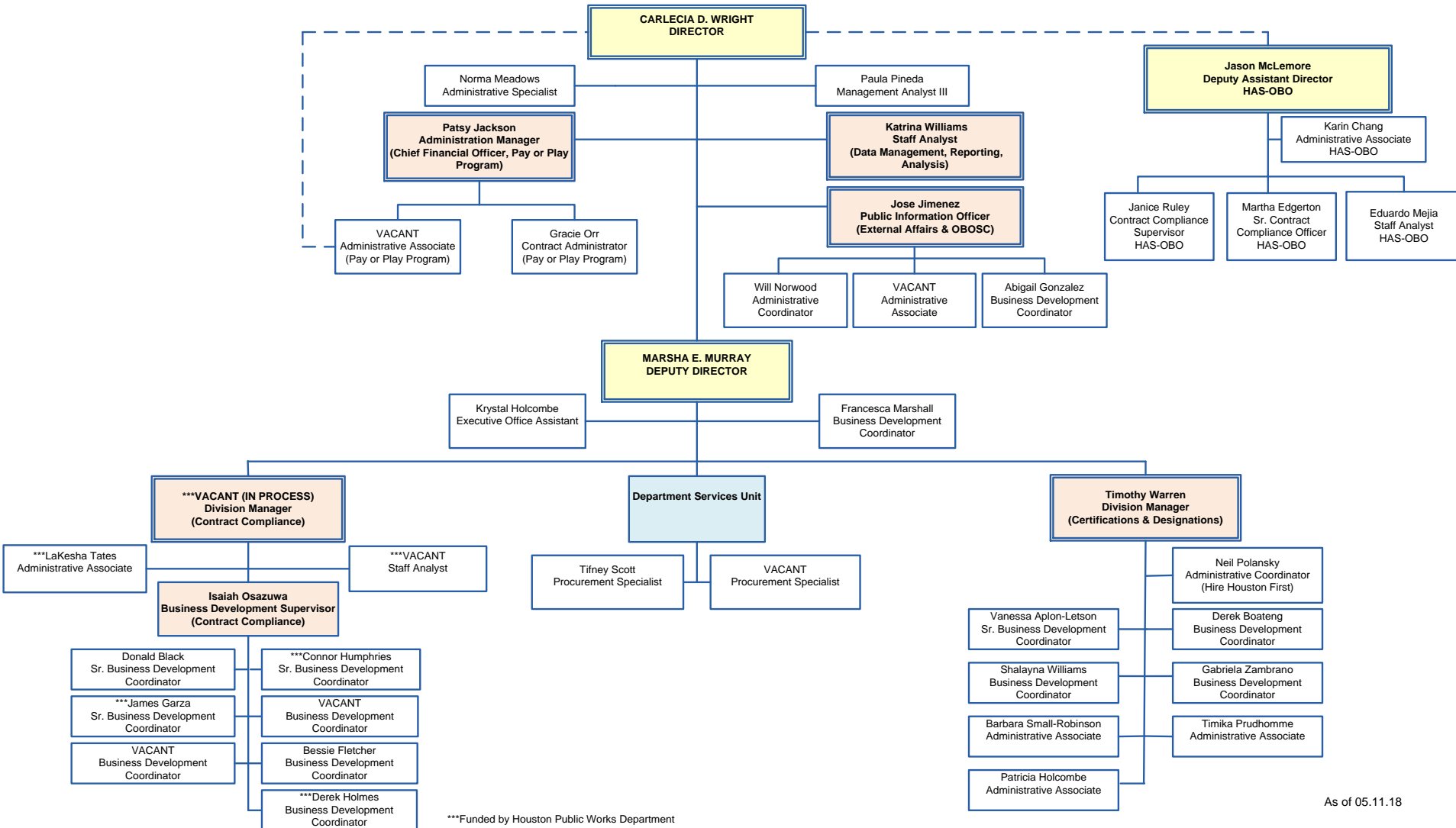


# Office of Business Opportunity

## FY 2019 Proposed Budget Presentation

**May 17, 2018**

# Organizational Chart



\*\*\*Funded by Houston Public Works Department

# Revenues By Funds (\$ in thousands)



Fund	FY17 Actual	FY18 Budget	FY18 Estimates	FY19 Proposed	Variance FY19 Prop/FY18 Estimates	% Change
General Fund	\$ 129	\$ 126	\$ 371	\$ 591	\$ 220	59.3%
Special Revenue	\$ 1,339	\$ 1,181	\$ 1,191	\$ 1,191	\$ -	0.0%
<b>Total</b>	<b>\$1,468</b>	<b>\$1,307</b>	<b>\$1,562</b>	<b>\$1,782</b>	<b>\$220</b>	<b>59.3%</b>



# FY 2019 - Revenues Highlights

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- The FY 2019 Budget for Fund 1000 reflects a 59.3% increase from the FY 2018 Budget Estimates - an approximate increase of \$220,000.
- The FY 2019 Budget for Fund 2424 reflects no increase from the FY 2018 Budget Estimates.

# Expenditures By Funds (\$ in thousands)



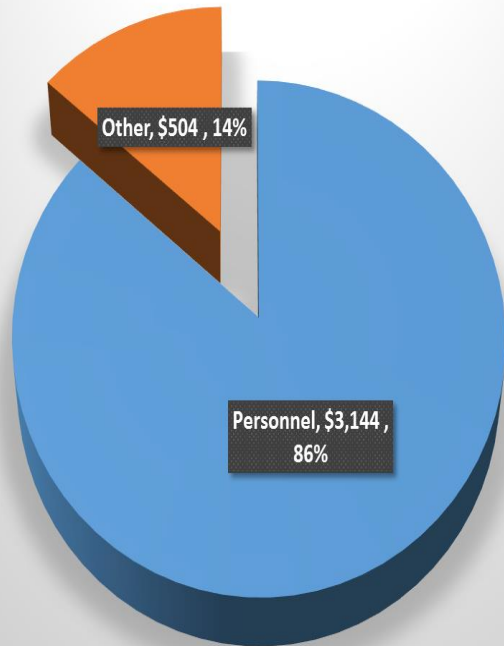
Fund	FY17 Actual	FY18 Budget	FY18 Estimates	FY19 Proposed	Variance FY19 Prop/FY18 Est.	% Change
General Fund	\$ 2,915	\$ 3,332	\$ 3,332	\$ 3,648	\$ 316	9.5%
Special Revenue	\$ 712	\$ 877	\$ 877	\$ 1,325	\$ 448	51.1%
<b>Total</b>	<b>\$3,627</b>	<b>\$4,209</b>	<b>\$4,209</b>	<b>\$4,973</b>	<b>\$764</b>	<b>60.6%</b>

# FY19 Personnel vs Non Personnel (Fund 1000) (\$ in thousands)

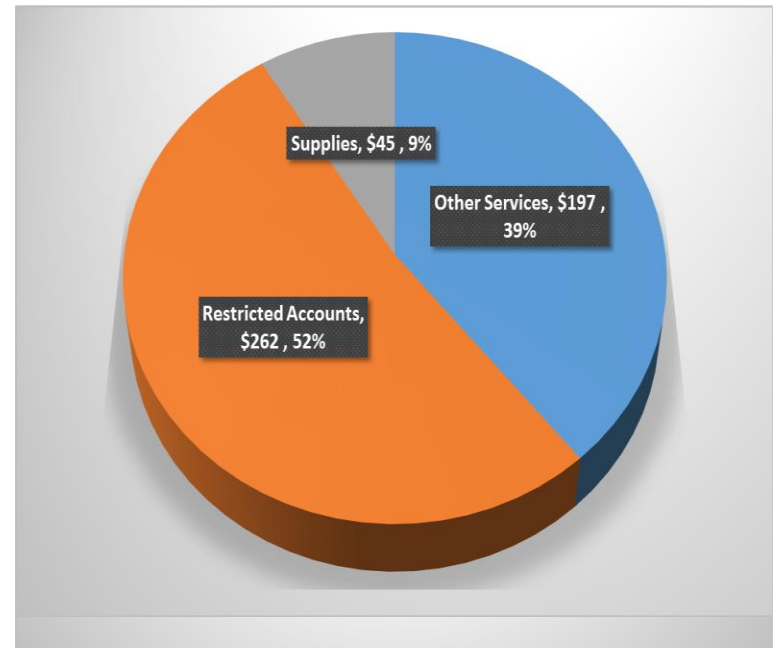


FY 19 Proposed Budget \$3,648K

### Personnel vs Non-Personnel



### Personnel Primary Service Functions

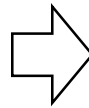
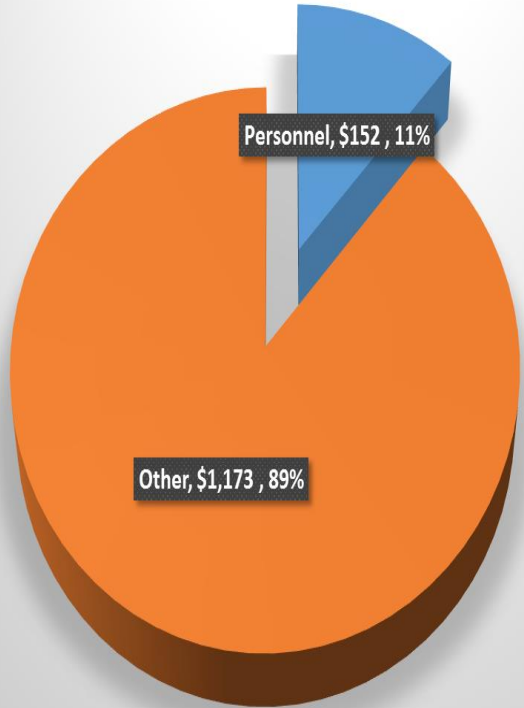


# FY19 Personnel vs Non Personnel (Fund 2424) (\$ in thousands)

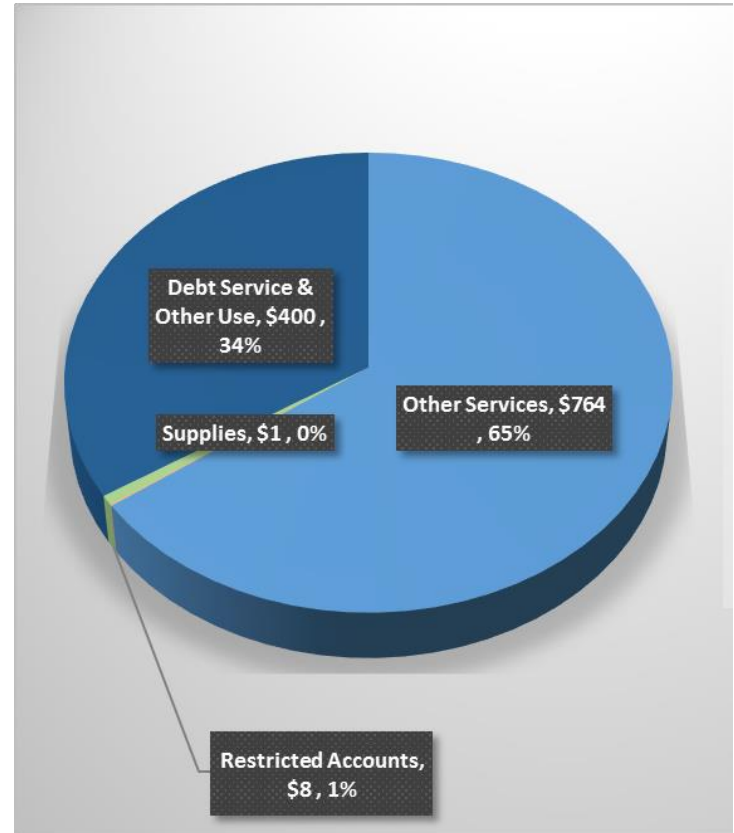


FY 19 Proposed Budget \$1,325K

### Personnel vs Non-Personnel



### Personnel Primary Service Functions



# Department Budget Reductions (\$ in thousands)



Fund	FY17	FY18	FY19	3-Year Total
General Fund	\$ 0	\$ 86	\$ 0	\$ 86
Special Revenue Fund	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total</b>				

- In FY 2018, OBO cut \$49,500 in funding for the Build Up Houston Program, \$20,000 for the Kauffman Fasttrac NewVenture Program, and \$16,704 from the General Ledger accounts for a total of \$86,204.
- The Build Up Houston Program and the Kauffman Initiative impacted revenue generated by future potential small businesses supporting Houston's economy and job growth.



# FY 2019 Budget Expenditures Net Change (\$ in thousands)



Office of Business Opportunity		
\$ in Thousands		
<b>FY2019 General Fund Budget Expenditures Net Change to FY2018 Current Budget</b>		
<b>FY2018 Current Budget</b>		
Operating Budget	\$ 3,003	<i>Notes</i>
Restricted Budget	\$ 330	1
<b>FY2018 Current Budget</b>	<b>\$ 3,332</b>	
<b>Explanation of FY2018 Incremental Increase/(Decrease)</b>		
<b>Operating Budget Adjustments</b>		
Budget reduction initiatives	-	
<b>Subtotal Operating Budget Adjustments</b>	<b>\$ -</b>	
<b>% Change from FY17 Operating Budget</b>	<b>0.0%</b>	
<b>Contractual or Mandated Adjustments:</b>		
Health Benefits Active Civilian	\$ 8	
Health Benefits Active Classified (if applicable)	-	
Municipal Pension	(5)	
Classified Pension (if applicable)	-	
Restricted Accounts	(68)	
Program Adjustment	\$ 381	
<b>Subtotal Contractual/Mandated Increases</b>	<b>\$ 315</b>	
<b>FY2019 Proposed Budget</b>		
Operating and Contractual Adjustments	\$ 315	
<b>FY2019 Proposed Budget</b>	<b>\$ 3,648</b>	
<b>% Change from FY18 Current Budget</b>	<b>9.5%</b>	
<b>Notes:</b>		
1. Restricted Budget includes service chargeback accounts for items such fuel, electricity, IT accounts, etc.		



# FY 2019 - Expenditures Highlights

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- The FY 2019 Budget for Fund 1000 reflects a 9.5% increase from the FY 2018 Budget Estimates - an approximate increase of \$316,000.
- The FY 2019 Budget for Fund 2424 reflects a 51.1% increase from the FY 2018 Budget Estimates, which equates to an approximate increase of \$448,000. A significant amount of this increase is due to budgetary adjustments in the Emergency TeleHealth Navigation (ETHAN) Program's budget, as well as funding to implement an electronic management system to track all Pay or Play activities.

# OBO FY 19 Functional Organizational Chart

(\$ in thousands)



## OFFICE OF BUSINESS OPPORTUNITY

FUND 1000

35.0 FTEs \$3,648

### OBO Solutions Center

5.0 FTEs \$482

Provides free business assistance and monitors business creation and job development by systematically tracking clients.

### Certification and Compliance

24.0 FTEs \$2,611

Consists of Certification and Designations, Contract Compliance, Department Services and Administration.

### Contract Compliance

6.0 FTEs \$555

Performs required work on City, State, and Federally funded projects, enforce Labor Standards Compliance requirements on contracting department's existing contracts, coordinate compliance monitoring, enforce penalty language, and ensure the ability to effectively monitor contracts.

# OBO FY 19 Functional Organizational Chart

(\$ in thousands)

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**OFFICE OF BUSINESS OPPORTUNITY**  
**FUND 2424**  
**2 FTEs \$1,325**

**Contractor Responsibility Fund**

**2 FTEs \$1,325**

Provides oversight of the Pay or Play Program and is responsible for program revenue collections, administrative operations, financial oversight, and monitoring of funds.



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# Questions

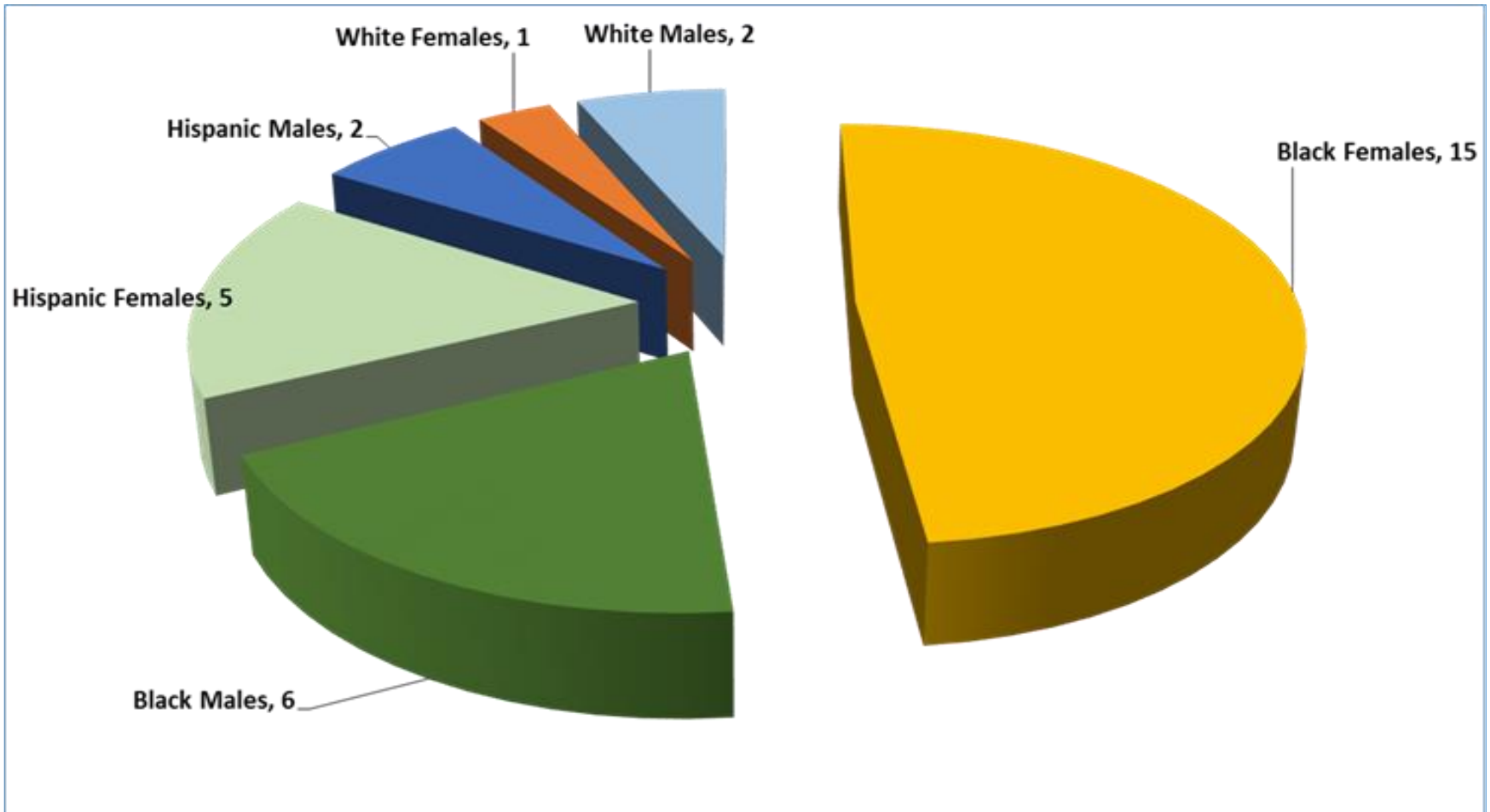
# Appendix

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- Contents to include:
  - Department Demographics
  - FY 2018 Accomplishments
  - FY 2019 Performance Measures

# OBO FY 19 Staff Demographic Breakdown



# FY 2018 Accomplishments

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## **BUILD UP HOUSTON**

In February 2018, the Office of Business Opportunity partnered with Houston Community College to launch the 4th Cohort of Build Up Houston. In its second year, seven certified firms participated. In August 2018, 11 small business owners will graduate from the program. Build Up Houston is a comprehensive, seven month program designed to increase the capacity and success of small businesses in the construction service industry with doing business in the City of Houston. The program utilizes curriculum provided by Interise, a non-profit organization, focused on helping established small business owners take their companies to the next level for continual growth and success. Interise has an award-winning curriculum developed and refined by working hand-in-hand with small business owners and national business experts. Interise has established themselves as a proven leader in educating and training established business owners to grow their businesses.

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## **INTERAGENCY MENTOR PROTÉGÉ PROGRAM (IMPP)**

The City of Houston, Metropolitan Transit Authority of Harris County, Houston Independent School District, Port Houston, Houston Community College, and the Houston First Corporation have teamed together for the 6th year of the Interagency Mentor Protégé Program (IMPP). IMPP exists to strengthen effective working relationships and fosters long term stability between established firms and local agencies with emerging historically underutilized businesses. The goals of IMPP is to enhance business skills and broaden the base of historically underutilized businesses by providing the knowledge and experience of established firms. This year's program began on May 1st with 20 certified firms. Over 80 applications were received for the 2018 cohort of the IMPP.







# FY 2018 Accomplishments Cont'd

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## TURNAROUND HOUSTON

The Turnaround Houston Initiative is playing a pivotal role in the City's recovery efforts. Utilizing Workforce Disaster Funds received by the Texas Gulf Coast Workforce Board from the Texas Workforce Commission, the City of Houston and the Texas Gulf Coast Workforce Board-Workforce Solutions, have partnered to host events for the explicit purpose of hiring individuals who were: 1) displaced from their jobs as a result of Harvey; 2) have been unemployed for 10 consecutive weeks or more and are substantially looking for employment; or 3) are currently receiving unemployment insurance to fill temporary positions with the City to assist in its clean-up, repair of public facilities and/or humanitarian assistance to residents impacted by Harvey. Since November, 2017 there have been a total of three Turnaround Houston Disaster Recovery Hiring Events with a total of 286 individuals being recommended for immediate hire to fill temporary disaster related positions throughout various City departments. Of this total, approximately 140 individuals are still currently temporarily employed with some persons having been permanently hired into full-time roles with the City.

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## FACEBOOK COMMUNITY BOOST

The Office of Business Opportunity partnered with Facebook for the Houston component of its Community Boost program. [Facebook Community Boost](#) aims to help small businesses grow and to equip more people with the digital skills they need to compete in the new economy. Houston was among the first of 30 U.S. cities chosen by Facebook for this exciting initiative in 2018. Facebook Community Boost Houston took place April 3-6, 2018 with a series of digital marketing training, demonstrations, and related activities at the event "Hub" located in the historic Julia Ideson building. Based on a "train-the-trainer" model, representatives affiliated with various community partners from across the Greater Houston Area received digital marketing training designed to be offered as part of their organizational suite of services. Additionally, digital marketing "pop-ups" were held in the Gulfton and Acres Homes neighborhoods for local entrepreneurs and small business owners. Currently, in light of Houston's growing digital skills gap, Facebook is developing a fully-funded, full-time coding boot camp for individuals wishing to become developers.





# FY 2018 Accomplishments Cont'd

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## LIFTOFF HOUSTON!

In the first half of FY 2018, \$30,000 was awarded to three participants in the City of Houston's Business Plan Competition. In its fifth year, Liftoff Houston! held 18 workshops that provided training to 2,411 individuals. This Initiative is funded by Capital One Bank. Liftoff Houston! will launch again in June, 2018.

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## Virtual Legal Lab

## VIRTUAL LEGAL LAB

In FY 2016, OBO partnered with Vinson & Elkins, LLP to create the Virtual Legal Lab - a program that affords small businesses the opportunity to have one-on-one skype sessions with a licensed attorney to answer legal questions that they may have about their business. The program has hosted six Legal Labs in FY 2018, with a total of 16 small business owners participating.

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## DISPARITY STUDY

The Office of Business Opportunity, in collaboration with the Legal Department, hired a consultant to conduct a Citywide Disparity Study covering five years of City procurements. The Study will evaluate the extent of marketplace discrimination, if any, against minority-owned, women-owned, and disadvantaged businesses, as it relates to their participation on City of Houston construction and professional services contracts, as well as procurement of goods and services. The Study is estimated to be completed in September 2018.

# FY 2019 Performance Measures

## Fund 1000



<b>Customer Measures</b>	<b>Priorities</b>	<b>FY17 Actual</b>	<b>FY18 Budget</b>	<b>FY18 Estimates</b>	<b>FY19 Proposed</b>
New Certified Firms	Services & Infrastructure	275	*400	275	275
New Hire Houston First Designations	Services & Infrastructure	400	*275	400	250
Turnaround Houston	Complete Communities			750	750
Liftoff Houston! Business Plan Competition	Complete Communities			500	800
Labor Standards	Services & Infrastructure			60%	25,000
<b>Business Process Measures</b>	<b>Priorities</b>	<b>FY17 Actual</b>	<b>FY18 Budget</b>	<b>FY18 Estimates</b>	<b>FY19 Proposed</b>
Certification Processing Timeframes (days)	Services & Infrastructure	90	90	90	90
MWSBE Contract Participation – Construction	Services & Infrastructure	22%	34%	34%	34%
MWSBE Contract Participation – Professional Services	Services & Infrastructure	41%	24%	24%	24%
MWSBE Contract Participation – Purchasing	Services & Infrastructure	15%	11%	11%	11%
*New Certified Firms and New Hire Houston First Designations Performance Measures were inverted in error.					

# FY 2019 Performance Measures Fund 1000 (Cont'd)



Business Process Measures	Priorities	FY17 Actual	FY18 Budget	FY18 Estimates	FY19 Proposed
Expenditures: Adopted Budget vs Actual Utilization	Sound Financial Management	96%	98%	109%	98%
Revenues: Adopted Budget vs Actual Utilization	Sound Financial Management	103%	100%	296%	100%

# FY 2019 Performance Measures

## Fund 2424



<b>Business Process Measures</b>	<b>Priorities</b>	<b>FY17 Actual</b>	<b>FY18 Budget</b>	<b>FY18 Estimates</b>	<b>FY19 Proposed</b>
Ratio of Play Option Contracts	Services & Infrastructure	65%	65%	65%	65%
Expenditures : Adopted Budget vs Actual Utilization	Sound Financial Management	82%	98%	117%	98%
Revenue: Adopted Budget vs Actual Utilization	Sound Financial Management	155%	100%	101%	100%



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**Thank You**