



Office of Business Opportunity

FY 2024 Proposed Budget
Workshop Presentation
May 22, 2023

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Director

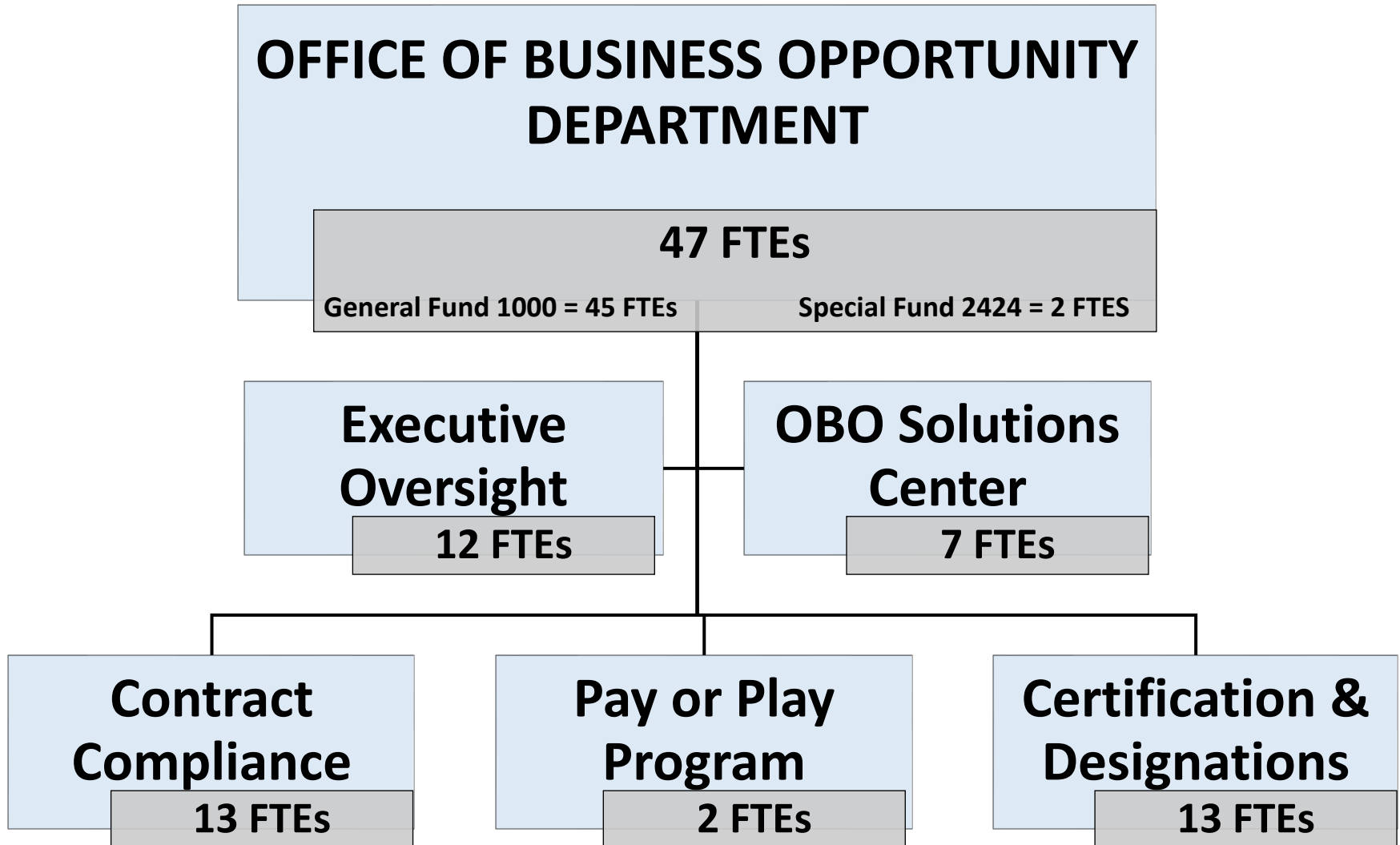


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Department Organization Chart



Strategic Guidance Alignment

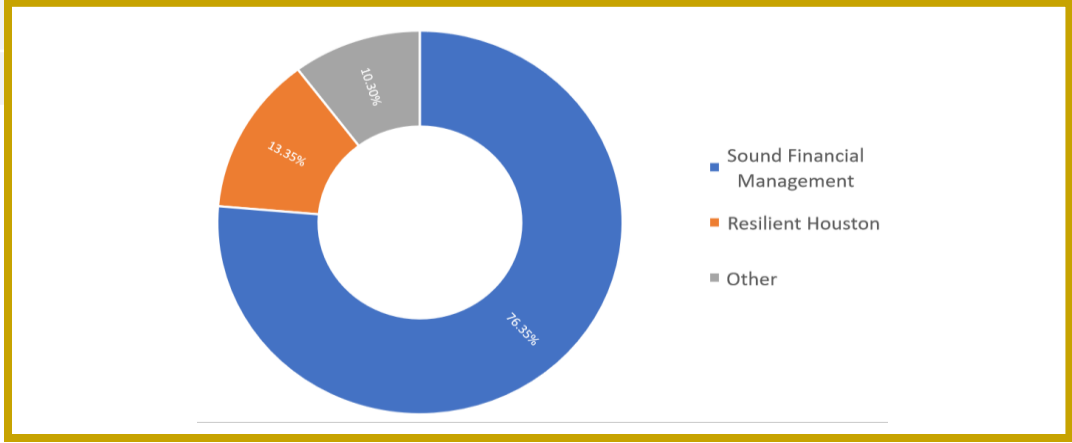


Objective

The tables below summarize OBO's alignment to the Mayor's defined Priorities and Initiatives as defined in his Strategic Guidance. All programs align with a mayoral priority and the overall department budget is broken down as such.

Sound Financial Management	Public Safety	Complete Communities	Service & Infrastructure	Resilient Houston	Other
<ul style="list-style-type: none"> Administration Services Certification and Designations Contract Compliance Department Services 				<ul style="list-style-type: none"> Business Support and Development Workforce Development 	<ul style="list-style-type: none"> Debt Service and Interfund Transfers
ALIGNED INITIATIVES			DEPARTMENT BUDGET BY PRIORITY		

- Sound Financial Management
- Resilient Houston
- Other



Expenditures by Program [in thousands]



Objective

Program Budgets for FY23 - Current Budget vs. FY24 Proposed Budget (in thousands)

Program	FY22 Actual	FY23 Budget	FY23 Estimate	FY24 Proposed	Variance FY24 Proposed/ FY23 Budget	% Change
Administration Services	\$1,339	\$2,191	\$2,191	\$1,979	-\$212	-9.68%
Business Support and Development	\$407	\$620	\$620	\$699	\$79	12.74%
Certification and Designations	\$935	\$916	\$916	\$1,077	\$161	17.58%
Contract Compliance	\$778	\$1,607	\$1,607	\$1,652	\$45	2.80%
Department Services	\$159	\$268	\$268	\$289	\$21	7.84%
Workforce Development	\$102	\$155	\$155	\$175	\$20	12.90%
Debt Service and Interfund Transfers	\$1,290	\$870	\$870	\$674	-\$196	-22.5%
Total	\$5,010	\$6,628	\$6,628	\$6,545	-83	-1.25



Program 1

Priority:	Sound Financial Management
FY 2024 FTE Count:	8

Program Description

Administration Services Program sets and implements the strategic direction, policies, and long-term goals of the department, manages all budget and personnel matters, analytics, Title VI compliance, and directly engages with the Mayoral Administration, City Council, and the general public in the execution of OBO's mission.

Significant Budget Items

- Includes funding for health benefits, pension contributions, and municipal pay increases.
- Includes funding for contract compliance monitoring services and B2G MWBE Certification and Compliance module.

FY24 Prop Budget by Fund

Fund 1000	\$1,979
Total	\$1,979

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
MWSBE Contract Participation - Professional Services	47%	24%	24%	24%	Measures the dollar amount.
MWSBE Contract Participation – Purchasing	19%	11%	11%	11%	Measures the dollar amount.
MWSDBE Contract Participation – Construction	40%	34%	34%	34%	Measures the dollar amount.
Percentage of citywide compliance with Title VI requirements	50%	100%	N/A	100%	Measures the percentage.



Program 2

Priority:	Resilient Houston
FY 2024 FTE Count:	6.4

Program Description

Business Support and Development Program, via the OBO Solutions Center, serves as an information clearinghouse for Houstonians wishing to start, operate, or grow a business, regardless of certification. In addition, this Program provides business development and capacity building resources.

Significant Budget Items

- External resources are relied upon for funding for certain business development programs and the annual business plan competition.

FY24 Prop Budget by Fund

Fund 1000	\$699
Total	\$699

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Number of small businesses and aspiring entrepreneurs assisted by the OBO Solutions Center.	2,304	2,500	2,868	3,000	Measures the number



Program 3

Priority:	Sound Financial Management
FY 2024 FTE Count:	11.7

Program Description

Certification and Designations Program measures the average number of days it takes OBO to process an application for MWSDBE certification from the date an application is received to the date a decision is made; and measures the increase in the pool of Hire Houston First designated businesses.

Significant Budget Items

- Additional certification staff is funded by the Houston Airport System.

FY24 Prop Budget by Fund

Fund 1000	\$1,077
Total	\$1,077

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Increase in number of firms participating in the Hire Houston First Designations Program.	365	300	256	300	Measures the number
Number of days to process certification for MWSDBE.	106	120	145	120	Measures the days



Program 4

Priority:	Sound Financial Management
FY 2024 FTE Count:	14.7

Program Description

Contract Compliance Program monitors and audits Prime Contractors' performance related to MWSDBE goals and Labor & EEO laws.

- Significant Budget Items**
- Includes funding for staff augmentation compliance monitoring contracts.

FY24 Prop Budget by Fund

Fund 1000	\$1,335
Fund 2424	\$138
Total	\$1,653

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Number of MWSDBE Prime Contractors receiving a satisfactory performance rating on construction contracts.	97%	100%	97%	100%	Measures the percentage
Number of construction Prime Contractors receiving a satisfactory performance rating for Labor & EEO Compliance at contract closeout.	80%	100%	70%	100%	Measures the percentage
Percentage of new and existing contracts in which vendors choose the "PLAY" option to provide health benefits to employees in a manner that satisfies the City's requirements for the PAY or PLAY Program.	47%	100%	60%	100%	Measures the percentage



Program 5

Priority:	Sound Financial Management
FY2024 FTE Count:	2.9

Program Description

Department Services Program facilitates compliance with the MWSDBE program by City departments and the contracting community in the award of MWSDBE goal-oriented contracts by offering training, guidance, and technical assistance to City department procurement teams and prime contractors.

Significant Budget Items

- N/A

FY24 Prop Budget by Fund

Fund 1000	\$289
Total	\$289

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Number of Pre-Bid Good Faith Efforts and Pre-Award Good Faith Efforts reviews.	41	30	46	30	Measures the number



Program 6

Priority:	Resilient Houston
FY2024 FTE Count:	1.6

Program Description

Workforce Development Program includes the Turnaround Houston Job and Readiness Fairs which are held several times per year in the Complete Communities.

Significant Budget Items

- External funding is used to augment this Program's impact.

FY24 Prop Budget by Fund

Fund 1000	\$175
Total	\$175

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Number of attendees at the Turnaround Houston Job and Readiness Fairs.	432	860	900	1,300	Measures the number



Program 7

Priority:	Other
FY2024 FTE Count:	0

Program Description

Budget allocations included in this section reflect debt service payments and/or interfund transfers.

Significant Budget Items

- N/A

FY24 Prop Budget by Fund

Fund 2424	\$674
Total	\$674

Performance

Fund	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Contractor Responsibility Fund	1,290	870	870	674	N/A

Expenditures by Fund [in thousands]



Objective

FY23 Current Budget vs. FY24 Proposed Budget

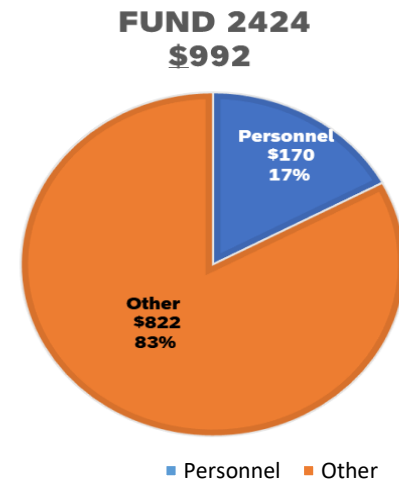
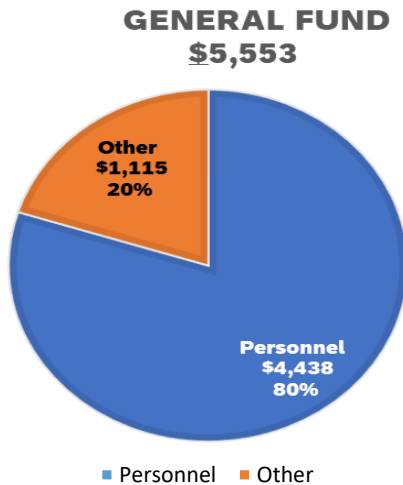
Category	FY22 Actual	FY23 Budget	FY23 Estimate	FY24 Proposed	Variance FY24 Proposed/ FY23 Budget	% Change
General Fund	\$3,516	\$5,423	\$5,423	\$5,553	\$130	2.40%
Special Revenue Fund	\$1,494	1,205	1,205	992	-\$213	-17.68%
Total	5,010	6,628	6,628	6,545	-\$83	-1.25%

Personnel vs. Non-Personnel [in thousands]



Objective

The graphs below are utilized to show Personnel vs. Non-Personnel costs. All non-personnel charges are broken out by primary service function.



Other Category Breakdown

Restricted Accounts	\$244
Supplies	\$24
Services	\$847
Total	\$1,115

Restricted Accounts	\$5
Supplies	\$1
Services	\$816
Total	\$822

Revenue by Program [in thousands]

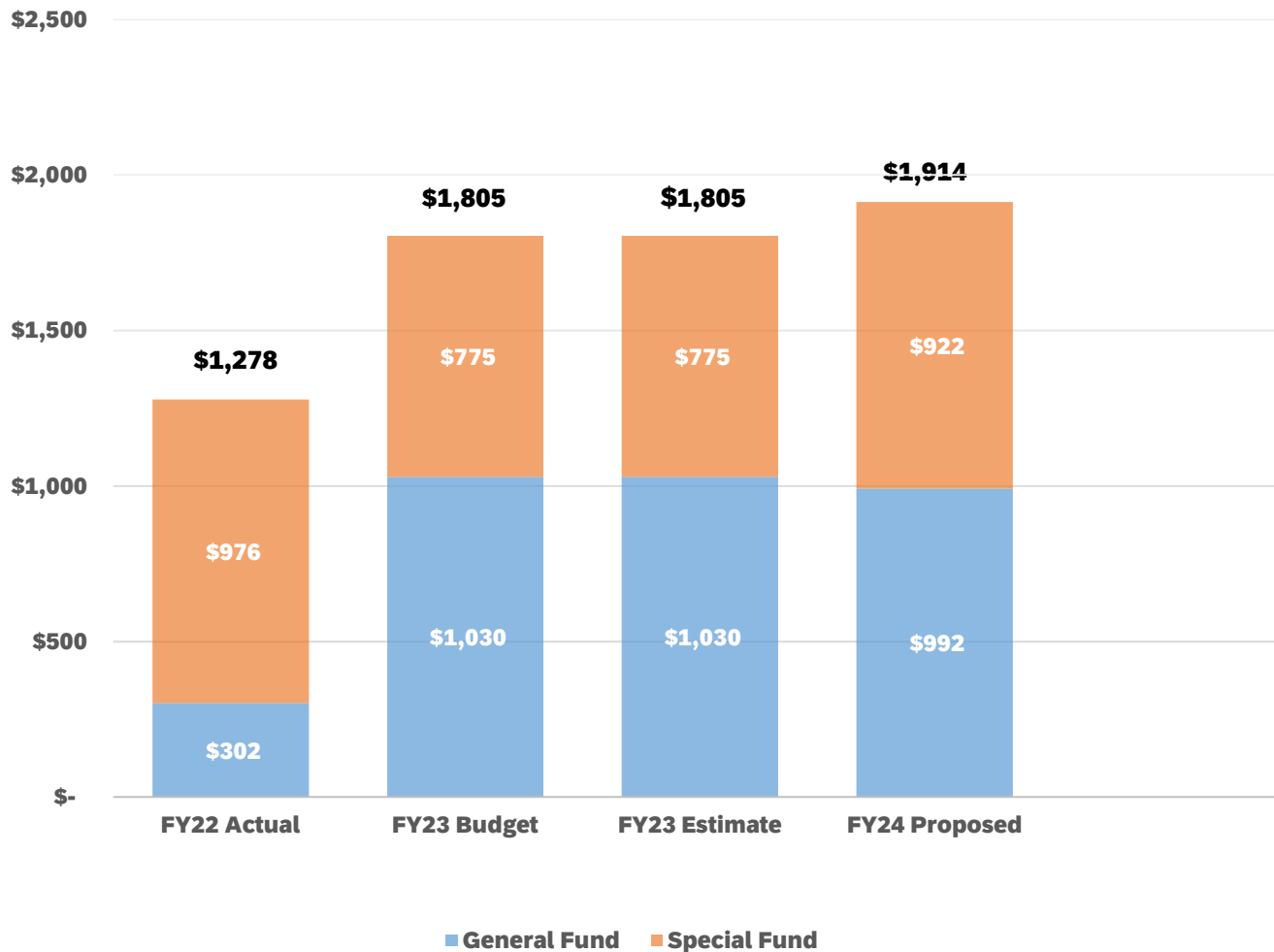


Objective

Program Budgets for FY2023 Estimate vs. FY2024 Proposed in thousands

Program	FY22 Actual	FY23 Budget	FY23 Estimate	FY24 Proposed	Variance FY24 Proposed/ FY23 Estimate	% Change
Administration Services	\$0	\$0	\$0	\$0	\$0	0%
Business Support and Development	\$0	\$0	\$0	\$0	\$0	0%
Certification and Designations	\$1	\$0	\$0	\$0	\$0	0%
Contract Compliance	\$1,277	\$1,805	\$1,805	\$1,914	109	6.04%
Department Services	\$0	\$0	\$0	\$0	\$0	0%
Workforce Development	\$0	\$0	\$0	\$0	\$0	0%
Total	\$1,278	\$1,805	\$1,805	\$1,914	\$109	6.04%

Revenue by Fund [in thousands]



Revenue Highlights [in thousands]



Revenue Highlights

Significant revenue changes from FY2023 Estimates to FY2024 Proposed

Contract Compliance Program

Overall, the Proposed FY2024 program revenue reflects a 6.04% (\$109) increase from the FY2023 Budget Estimates

- Fund 2424 (Special Fund: Pay or Play/Contractor Responsibility Fund) – reflects an increase of 18.97% (\$147) attributed to anticipated revenue increases supporting the fund.
 - HPW, HAS, and HCD anticipate additional contracts in FY2024, which will increase the Contractor Responsibility Fund revenue based on trending "Pay" option vendors.
- Fund 1000 (General Fund) reflects a decrease of -3.69% (-\$38) due to an HPW-funded employee's transfer back to the HPW Department.



Questions



Appendix

Restricted Account Details

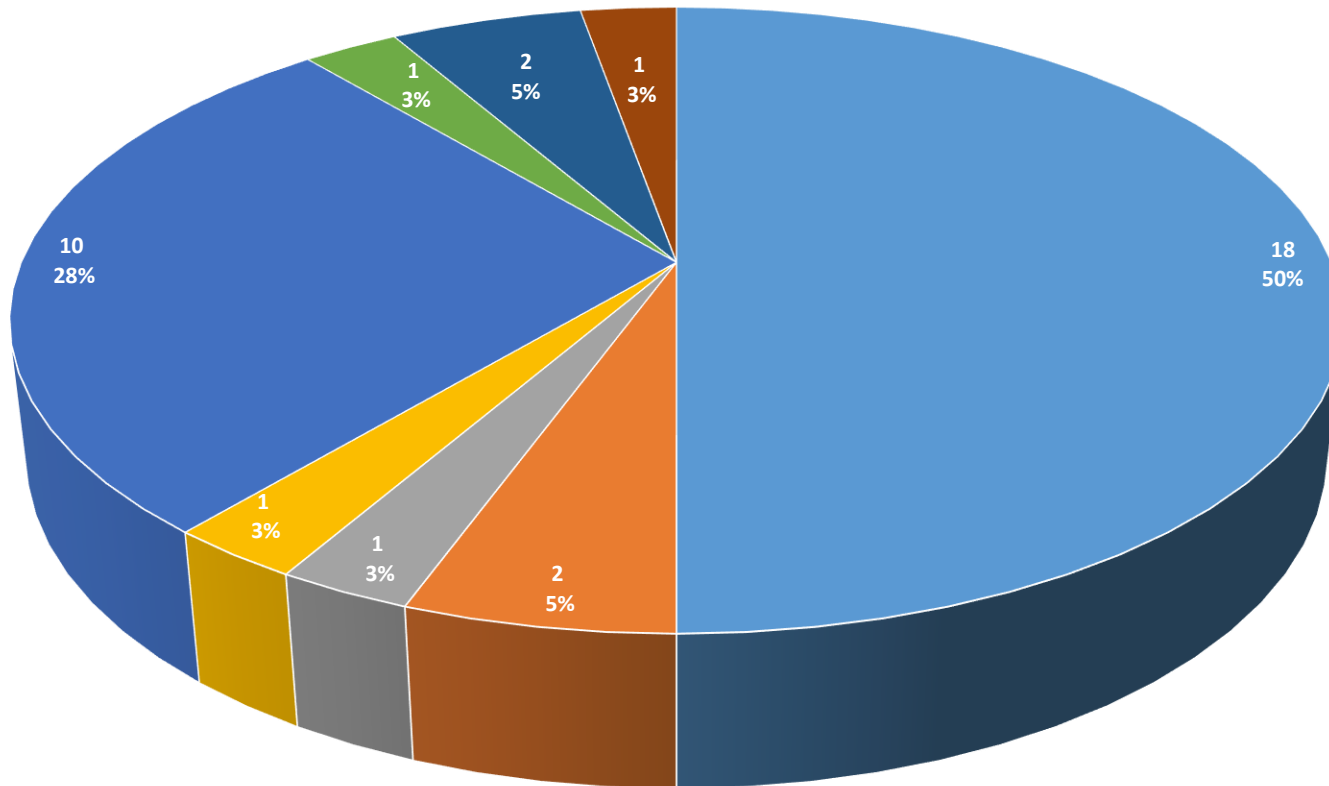


GL Description	Justification & Cost Drivers
Interfund Electricity	Responsible for administering the electricity accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Electricity expenses are projected to be lower than the previous year as a function of the competitive bidding process.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
Interfund KRONOS Service Charge	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS).
Interfund Drainage Charge	Fee is based on impervious service.
Interfund Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature.
Interfund Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts cover Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.
Interfund Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
Interfund Wireless Services	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
Interfund Vehicle Accidents	Provides vehicle accidents repairs for all city departments' rolling stock equipment.
Interfund Permit Center Point of Sale	HPC Point of Sale chargeback.
Interfund Insurance Fees	Cost increase for property insurance premium.
Interfund GIS Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS).
Interfund Permit Center Rent Chargeback	HPC lease chargeback.
Interfund Vehicle Services - Tires	Tire purchases and services costs for City's rolling stock equipment.
Interfund Vehicle Services	Provides repair, maintenance, and administrative support for all city departments' rolling stock equipment. Expense explanation - Vehicle Services are projected to increase driven by part cost, contractual increases, and an aging vehicle population.
Interfund Vehicle Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing.
Interfund Natural Gas	Responsible for administering the natural gas accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Natural gas expenses are projected to be lower than the previous year due to current market conditions and locking in a rate favorable to the City.
Interfund Radio System Access	Due to the consolidation of the radio group in General Fund to revolving fund for HITS. This group is responsible for the operation and maintenance of the City's public safety radio system.



FY23 Staff Demographic Breakdown

■ Black Female ■ White Female ■ Hispanic Female ■ Asian Female ■ Black Male ■ White Male ■ Hispanic Male ■ Asian Male



Department FY2023 Accomplishments



- **Certification:** The City certified its 5,000th business in December 2022, creating one of the largest pools of certified MWBEs in Texas - second only to the State of Texas HUB Certification Program. The City certifies in 10 counties while the State's program certifies in 254 counties across Texas.
- **New Business Growth Tool:** Launched OBO's online Financial Education and Assessment Tool to assist business owners who are seeking funding. The tool is designed to connect small businesses with appropriate financing resources.
- **Business Development:** Celebrated the 10th Anniversary of the Liff Off Houston Startup Business Plan Competition, with more than \$300,000 in startup funds awarded to winners through sponsorship by Capital One Bank. In FY2023, increased competition applications by 56%. In FY2023, 91.7% of participants were identified as people of color, 74.6% were female and 48.5% had no college degree.
- **Returning Citizens:** Celebrated graduation of Turnaround Entrepreneurship Program's third cohort, with financial support from Houston Complete Communities and program support by Houston Health Department's Community Re-Entry Network Program.
- **Workforce Development:** The Turnaround Houston Job & Readiness Fairs have connected more than 6,000 individuals to job opportunities and resource organizations since its inception in 2016. December 2022 and April 2023 Fairs had over 800 attendees and over 350 positions were filled.