

THE COUNCIL OF THE CITY OF NEW YORK



Hon. Christine C. Quinn
Speaker of the Council

Hon. Diana Reyna
Chair, Committee on Small Business Services

Hearing on the Fiscal 2014 Preliminary Budget & the Fiscal 2013 Preliminary Mayor's Management Report

Department of Small Business Services

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Small Business Services Overview

The Department of Small Business Services (SBS) supports the formation and growth of the City's small businesses and promotes neighborhood development as well as oversees the City's adult workforce development program. SBS enhances services offered to the business community by working with other governmental agencies and public utilities.

Fiscal 2014 Preliminary Plan Highlights

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Personal Services	\$16,767	\$18,259	\$17,925	\$17,500	(\$760)
Other Than Personal Services	120,866	117,594	127,370	87,607	(\$29,987)
Agency Total	\$137,633	\$135,853	\$145,295	\$105,106	(\$30,747)

*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan funding.

SBS' Fiscal 2014 Preliminary Budget reflects a \$105.1 million, or 22.6% decrease when compared to the Fiscal 2013 Adopted Budget of \$135.9 million.

There is a decrease of four positions in the Fiscal 2013 Preliminary Budget when compared to the Fiscal 2012 Adopted Budget as a result of vacancy eliminations and accruals, one vacancy and the hire of new staff at less than budgeted salaries for the New Business Acceleration Team, and two per diem layoffs.

Revenue and Expense Highlights

- Vacancy Eliminations and Accruals.** The agency will eliminate three vacancies in the Neighborhood Development, Business Development, and Workforce Development areas. Additionally, SBS will realize savings from positions that have not been filled in the current fiscal year. The vacancy eliminations will generate savings of \$161,000 in Fiscal 2013 and \$335,000 in Fiscal 2014. The associated fringe benefit offset is \$38,000 in Fiscal 2013 and \$66,000 in Fiscal 2014. Therefore, the net savings from vacancy eliminations is \$123,000 in Fiscal 2013 and \$272,000 in Fiscal 2014. The vacancy accrual will save \$90,000 in Fiscal 2013.
- Salary Savings and Layoffs.** SBS will generate salary savings from the elimination of per diem and mixed funded vacancies in the Executive and Business Development Units. This will save approximately \$43,000 in Fiscal 2013 and \$45,000 in Fiscal 2014. The agency will also implement two layoffs in Fiscal 2013. These positions are per diem that are not included in the headcount. This saves \$35,000 in Fiscal 2013 and \$70,000 in Fiscal 2014.
- Industrial Business Zones.** The agency will achieve pro rata (5.4%) OTPS savings in Fiscal 2013 with Industrial Business Zone contract funding. These will result in savings of \$62,000.

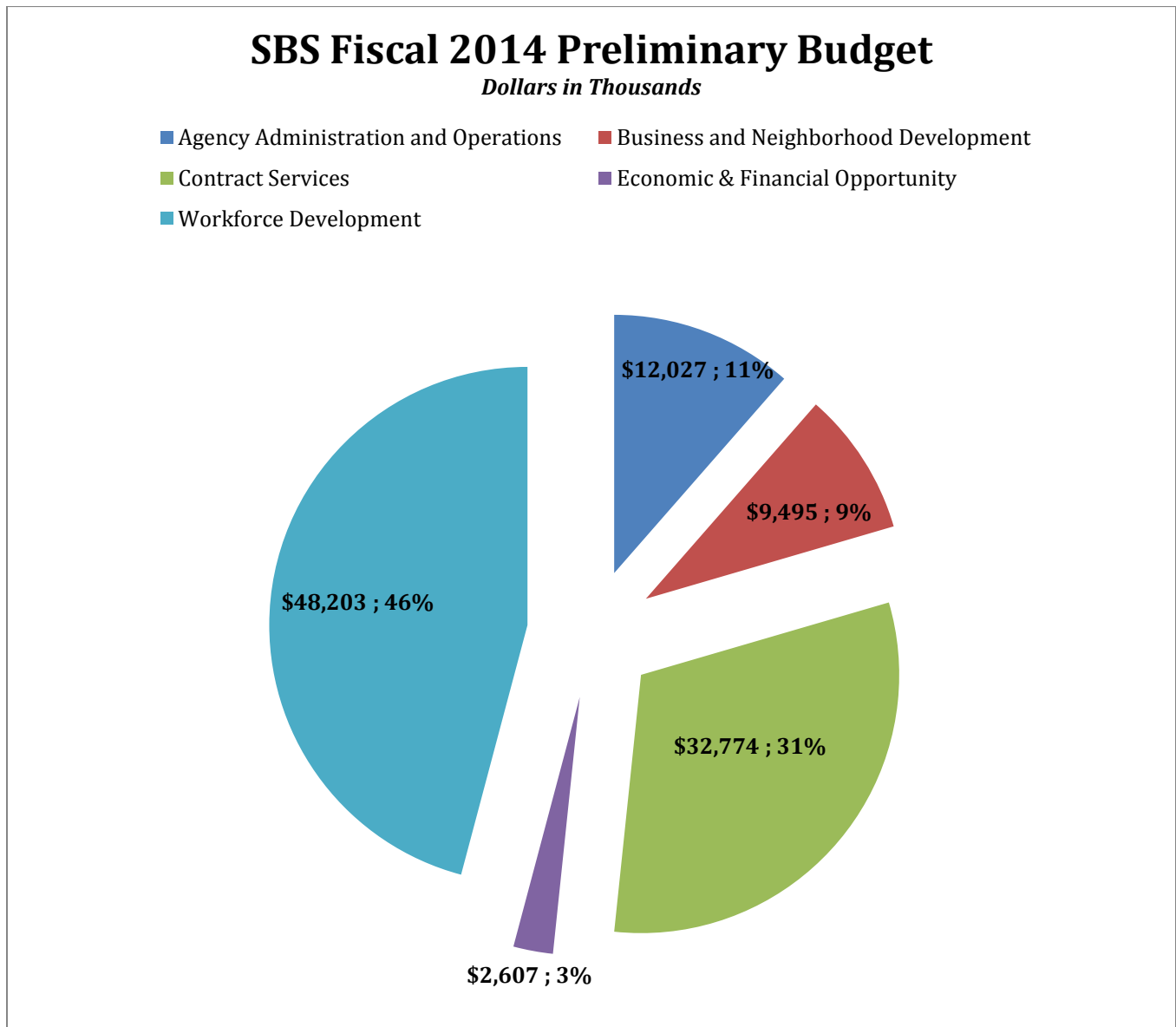
- **Clean Heat Industrial Savings.** SBS will have a reduction of 5.4% in technical support funds for a Clean Heat program to assist buildings in the conversion of heating oil to gas. This will save \$383,000 in Fiscal 2013.
- **New Business Acceleration Team.** The NYC New Business Acceleration Team (NBAT) is a mayoral initiative providing new eating and drinking establishments with a streamlined program to open as quickly as possible. NBAT works to help businesses open faster by reducing the time and effort needed in order to meet basic City requirements like plan reviews and inspections. NBAT assigns client managers to businesses to serve as a one-stop shop for navigating City regulations. SBS will achieve savings through the elimination of one vacancy and the hire of new staff at less than budgeted salaries for the New Business Acceleration Team, who will assist with the execution of the Hurricane Sandy fee waiver initiative. This will save \$110,000 in Fiscal 2013 and \$165,000 in Fiscal 2014.
- **NYC & Company Contract Reduction.** NYC & Company will reduce visitor services, international tourism representation, marketing promotions and personnel. This will save \$717,000 in Fiscal 2013 and \$1.036 million in Fiscal 2014. \$485,000 of Fiscal 2013 funding has been returned through a restoration.
- **Trust for Governor's Island Contract Reduction.** The Trust for Governor's Island will achieve savings through contract reductions of \$642,000 in Fiscal 2013 and \$830,000 in Fiscal 2014.
- **Red Hook and Midtown Community Courthouse Reduction.** The Red Hook and Midtown Community Courthouse program will lower its Fiscal 2013 tax levy budget through service reductions. The contract expires in the current fiscal year. This will save \$13,000 in Fiscal 2013 and \$19,000 in Fiscal 2014.
- **EDC Increase in Contractual Payments.** The economic development corporation (EDC) will increase its contractual payments to the City in Fiscal 2013 and out years. This generates \$3.4 million in Fiscal 2013 and \$5.0 in Fiscal 2014.
- **EDC Reimbursement to the City- Heat, Light and Power.** EDC will reimburse the City for utility payments made on EDC managed properties. This will result in savings of \$191,000 in Fiscal 2013 and \$283,000 in Fiscal 2014.
- **EDC Graffiti Removal Reduction.** EDC will lower this budget item but without reducing service. This will result in savings of \$31,000 in Fiscal 2013 and \$49,000 in Fiscal 2014.
- **EDC East River Ferry Reduction.** EDC will lower this budget with no service changes. The authority will cover the reduction with a Participation Payment received from the operator of the service, for meeting certain milestones. This will result in Fiscal 2013 and 2014 only and will total \$167,000 and \$196,000 respectively.
- **EDC/Parks Workforce Development Reduction.** EDC will lower surplus funding in the Parks Workforce Study budget. This will save \$54,000 for Fiscal 2013 only.
- **EDC High Tech Connect Reduction.** The authority will lower this budget item for Fiscal 2013 without impact on service. The savings will be \$15,000.

SBS Financial Summary

<i>Dollars in Thousands</i>	2012	2013	2013	2014	*Difference
	Actual	Adopted	Jan. Plan	Jan. Plan	2013 - 2014
Budget by Program Area					
Agency Administration and Operations	\$11,907	\$12,137	\$12,057	\$12,027	(\$111)
Business Development	8,468	7,246	9,509	6,928	(318)
Contract Svcs: Economic Development Corp	30,078	15,239	13,221	11,033	(4,206)
Contract Svcs: NYC&Co / Tourism Support	13,981	13,278	13,046	12,262	(1,017)
Contract Svcs: Other	16,016	19,908	21,127	9,479	(10,429)
Economic & Financial Opportunity: M/WBE	2,663	2,699	2,583	1,827	(873)
Economic & Financial Oppty: Labor Svcs	667	780	780	780	0
MO Film, Theatre, and Broadcasting	0	0	0	0	0
MO Industrial & Manufacturing Businesses	1,242	1,156	1,094	0	(1,156)
Neighborhood Development	3,857	5,712	5,109	2,568	(3,144)
Workforce Development: One Stop Centers	26,463	26,339	25,100	23,082	(3,257)
Workforce Development: Program					
Managemnt	10,803	8,300	13,722	8,191	(108)
Workforce Development: Training	10,149	16,797	16,906	16,152	(645)
Workforce Development: WIB and Other	1,338	6,261	11,042	778	(5,484)
TOTAL	\$137,633	\$135,853	\$145,295	\$105,106	(\$30,747)
Funding					
City Funds	N/A	\$84,826	\$75,561	\$55,905	(\$28,921)
Other Categorical	N/A	56	56	56	0
State	N/A	0	1,393	0	0
Federal - Community Development	N/A	2,481	2,840	2,481	0
Federal - Other	N/A	47,980	64,875	46,154	(1,826)
Intra City	N/A	510	570	510	0
TOTAL	\$0	\$135,853	\$145,295	\$105,106	(\$30,747)
Positions					
Full-Time Positions - Civilian	193	224	221	220	(4)
TOTAL	193	224	221	220	(4)

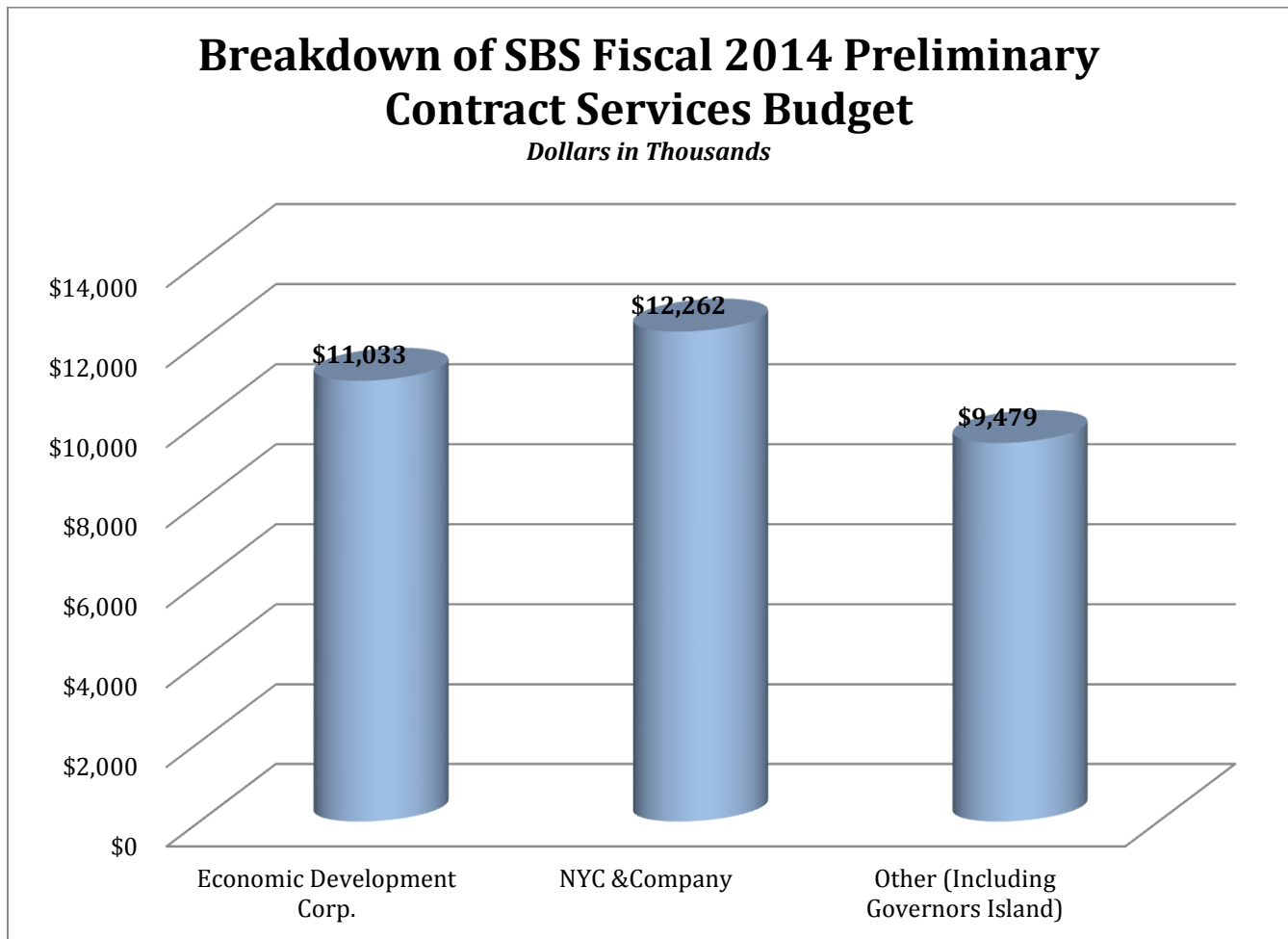
*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.

SBS Fiscal 2014 Preliminary Budget Breakdown by Program Area



SBS' Fiscal 2014 Preliminary Budget is \$105.1 million. The workforce development program makes up approximately 46 percent, or \$48.2 million, of SBS' budget and funds the City's Workforce One Stop Centers, program management, training, and the Workforce Investment Board (WIB). The contract services program area makes up 31 percent, or \$32.8 million, of SBS' budget. The Agency's administration and operations makes up 11 percent, or \$12 million, of SBS' budget and funds the office personnel from the executive, legal, finance, information technology, and administrative offices, and other than personal services such as office supplies, property, and equipment. The Business Neighborhood Development programs is about 9 percent, or \$9.5 million of the total budget and Economic & Financial Opportunity programs are approximately 3 percent, or \$2.6 million.

SBS' Contractual Services with EDC, NYC & Co., and Other Areas



The Economic Development Corporation (EDC) is a non-city agency, local development corporation that is under contract with SBS. EDC’s mission is to produce jobs in the City by attracting and retaining businesses and encouraging the creation of capital projects. EDC is funded through a contract with SBS. EDC works with the private and public sectors on economic development initiatives that revitalize businesses, create jobs, and generate revenues for the City.

NYC & Company is the City’s official tourism marketing organization dedicated to building NYC’s economy and positive image through tourism and convention development, major events, and the marketing of NYC on a worldwide basis. SBS contracts with NYC & Company to support its work in promoting NYC as a premier tourist destination and convention center.

Other Areas contain funding for services and programs administered by not-for-profit and other non-City agencies that are under contract with SBS and generally provide services citywide or for large scale projects, including Governors Island.

City Council Initiatives

FY 2013 Council Initiatives at 2013 Adoption	
<i>Dollars in Thousands</i>	
Small Business Services	
Small Business and Job Development/Financial Literacy	\$600
MWBE Leadership Association	600
High Tech Connect	275
IBZ RFP Restoration	160
Food Cooperative Expansion Initiative Phase 2	50
Food Distribution Study for Exports	25
MWBE Capacity Building and Mentoring Programs	54
Subtotal	\$1,764
Job Development	
Jobs to Build On	3,500
Consortium for Worker Education (CWE)	1,000
Food Retail and Workforce Training and Placement Program	60
Brooklyn Tech Triangle Planning Study	100
hackNY	100
Design Week	100
New Skills/New Jobs	597.5
Hard Hats for Vets	100
Workforce Development - Queens Tech Education	65
Expansion of New Amsterdam	61
Subtotal	\$4,660
TOTAL	\$6,424

Program Areas

Agency Administration and Operations

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$5,682	\$5,527	\$5,404	\$5,490	(\$37)
Other Salaried and Unsalariad	929	169	211	95	(73)
Additional Gross Pay	235	43	43	43	0
Overtime - Civilian	30	15	15	15	0
Subtotal	\$6,876	\$5,754	\$5,673	\$5,643	(\$111)
Other Than Personal Services					
Supplies and Materials	\$223	\$91	\$437	\$91	\$0
Property and Equipment	39	18	48	18	0
Other Services and Charges	3,624	3,925	4,123	3,976	50
Contractual Services	1,144	2,349	1,776	2,299	(50)
Subtotal	\$5,031	\$6,384	\$6,384	\$6,384	\$0
TOTAL	\$11,907	\$12,137	\$12,057	\$12,027	(\$111)
Funding					
City Funds	N/A	\$6,846	\$6,766	\$6,735	(\$111)
Federal - Other	N/A	5,281	5,281	5,281	0
Intra City	N/A	10	10	10	0
TOTAL	N/A	\$12,137	\$12,057	\$12,027	(\$111)
Positions					
Full-Time Positions - Civilian	76	68	68	68	0
TOTAL	76	68	68	68	0

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.*

This program area realized an overall reduction of \$111,000 from the Fiscal 2014 Preliminary Plan to the Fiscal 2013 Adopted Plan. This is primarily due personal services reductions due to salary vacancy savings. Additionally, the decrease in the OTPS budget is due to savings from a Microsoft license.

Business Development

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Uniformed	\$0	\$0	\$0	\$0	\$0
Full-Time Salaried - Civilian	\$2,733	\$3,787	\$3,591	\$3,534	(\$253)
Other Salaried and Unsalariated	407	22	22	22	0
Additional Gross Pay	116	4	4	4	0
Overtime - Civilian	5	0	0	0	0
Subtotal	\$3,262	\$3,813	\$3,617	\$3,560	(\$253)
Other Than Personal Services					
Supplies and Materials	\$22	\$50	\$57	\$50	\$0
Property and Equipment	9	18	8	18	0
Other Services and Charges	15	53	72	53	0
Contractual Services	5,160	3,311	5,754	3,246	(65)
Subtotal	\$5,206	\$3,433	\$5,891	\$3,368	(\$65)
TOTAL	\$8,468	\$7,246	\$9,509	\$6,928	(\$318)
Funding					
City Funds	N/A	\$3,386	\$4,217	\$3,057	(\$329)
Other Categorical	N/A	56	56	56	0
Federal - Community Development	N/A	468	500	478	11
Federal - Other	N/A	3,337	4,736	3,337	0
TOTAL	N/A	\$7,246	\$9,509	\$6,928	(\$318)
Positions					
Full-Time Positions - Civilian	40	59	58	57	(2)
TOTAL	40	59	58	57	(2)

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.*

SBS administers a variety of business development services, including the NYC Business Solutions Centers, Business Solutions Hiring & Training, Business Express, Microenterprise programs, and other direct business assistance services.

The decrease of \$318,000 for the Business Development program area from the Fiscal 2013 Adopted to Fiscal 2014 Preliminary budget is mainly due to vacancy eliminations, two layoffs of two per diem employees, and the additional personal services for the New Business Acceleration Team. The decrease in City funds are mainly Council funds which are expected to be restored. City Council funding for this program area includes Small Business and Job Development / Financial Literacy program to help small businesses and the Food Cooperative Expansion Initiative for organizations seeking to start food cooperatives.

Performance Measures

	Actual			Target		4-Month Actual	
	FY10	FY11	FY12	FY13	FY14	FY12	FY13
Unique businesses served by NYC Business Solutions	8,957	10,247	8,696	*	*	3,242	3,297
«Financing awards to businesses facilitated by NYC Business Solutions	575	710	683	683	690	230	163
«Unique businesses receiving financing awards facilitated by NYC Business Solutions	514	627	588	588	590	NA	NA
Value of financing awards facilitated by NYC Business Solutions (\$000)	\$29,528	\$39,840	\$71,484	*	*	\$32,453	\$23,206
«Businesses awarded NYC Business Solutions training funds	42	16	26	26	36	0	6

The number of businesses served by NYC Business Solutions stayed fairly consistent from the first four months of Fiscal 2012 to the same period in Fiscal 2013. The number of businesses that received financing awards decreased 29.1%, from 230 in Fiscal 2012 to 163 in Fiscal 2013.

Contract Services: Economic Development Corporation

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Other Than Personal Services					
Fixed and Misc Charges	\$11,000	\$0	\$0	\$0	\$0
Other Services and Charges	657	2,600	454	3,797	1,196
Contractual Services	18,422	12,638	12,767	7,236	(5,402)
TOTAL	\$30,078	\$15,239	\$13,221	\$11,033	(\$4,206)
Funding					
City Funds	N/A	\$12,913	\$5,816	\$10,533	(\$2,380)
State	N/A	0	1,393	0	0
Federal - Other	N/A	1,826	5,511	0	(1,826)
Intra City	N/A	500	500	500	0
TOTAL	N/A	\$15,239	\$13,221	\$11,033	(\$4,206)

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.*

The Economic Development Corporation (EDC) is a non-city agency, local development corporation that is under contract with SBS. EDC's mission is to produce jobs in the City by attracting and retaining businesses and encouraging the creation of capital projects. EDC is funded through a contract with SBS. EDC works with the private and public sectors on economic development initiatives that revitalize businesses, create jobs, and generate revenues for the City. In addition to corporate attraction and retention efforts, EDC markets, sells, and leases City-owned commercial and industrial properties; plans and prepares sites for development through infrastructure improvement; carries out capital improvements in neighborhood shopping districts and public spaces; and provides technical assistance to guide projects through the necessary public approval process. EDC is also involved in property management and the development of the City's marine terminals, airports, heliports, rail yards, and industrial parks.

The \$4.2 million decrease from the Fiscal 2013 Adopted Budget to the Fiscal 2014 Preliminary Budget is attributable to the proposed savings in contractual payment, utility fees, and project budgets (ex. graffiti removal, high tech connect). Additionally, non-baselined Council funds for the High Tech Connect initiative for entrepreneurs have not been restored in this budget.

Contract Services: NYC & Company and Tourism Support

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Other Than Personal Services					
Contractual Services	13,981	13,278	13,046	12,262	(1,017)
TOTAL	\$13,981	\$13,278	\$13,046	\$12,262	(\$1,017)
Funding					
City Funds	N/A	\$13,278	\$13,046	\$12,262	(\$1,017)
TOTAL	N/A	\$13,278	\$13,046	\$12,262	(\$1,017)

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.*

NYC & Company is the City’s official tourism marketing organization dedicated to building NYC’s economy and positive image through tourism and convention development, major events, and the marketing of NYC on a worldwide basis. SBS contracts with NYC & Company to support its work in promoting NYC as a premier tourist destination and convention center.

The Fiscal 2014 Preliminary Budget for NYC & Company is \$1.02 million less than the Fiscal 2013 Adopted Budget as a result of budget gap closing. NYC & Company will reduce its visitor services, international tourism representation, marketing promotions, and personnel. Additionally, Council funding for Design Week has not been baselined so this funding is not included.

Contract Services: Other (Including Governors Island)

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Other Than Personal Services					
Other Services and Charges	\$0	\$10,308	\$2,236	\$9,477	(\$830)
Contractual Services	16,016	9,600	18,891	2	(9,598)
TOTAL	\$16,016	\$19,908	\$21,127	\$9,479	(\$10,429)
Funding					
City Funds	N/A	\$19,908	\$18,831	\$9,479	(\$10,429)
Federal - Other	N/A	0	2,236	0	0
Intra City	N/A	0	60	0	0
TOTAL	N/A	\$19,908	\$21,127	\$9,479	(\$10,429)

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.*

This program area contains funding for services and programs administered by not-for-profit and other non-City agencies that are under contract with SBS and generally provide services citywide or for large scale projects. There is a \$10.4 million decrease in the Fiscal 2014 Preliminary Budget from the Fiscal 2013 Adopted Budget, The decrease in Other Services and Charges is attributable to the contract reduction from the Trust for Governors Island for \$830,000. The additional reduction of city funds is from the Council funds which are not baselined and the agencies reduction of budgeting for certain program.

Economic & Financial Opportunity: Minority and Women-Owned Business Enterprise

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$1,030	\$805	\$805	\$780	(\$25)
Other Salaried and Unsalari ed	111	46	46	46	0
Additional Gross Pay	52	17	17	17	0
Subtotal	\$1,194	\$868	\$868	\$844	(\$25)
Other Than Personal Services					
Supplies and Materials	\$38	\$48	\$29	\$45	(\$3)
Fixed and Misc Charges	2	4	4	4	0
Property and Equipment	13	2	5	2	0
Other Services and Charges	600	10	18	5	(5)
Contractual Services	817	1,768	1,658	928	(840)
Subtotal	\$1,470	\$1,831	\$1,714	\$983	(\$848)
TOTAL	\$2,663	\$2,699	\$2,583	\$1,827	(\$873)
Funding					
City Funds	N/A	\$2,699	\$2,583	\$1,827	(\$873)
TOTAL	N/A	\$2,699	\$2,583	\$1,827	(\$873)
Positions					
Full-Time Positions - Civilian	11	19	19	19	0
TOTAL	11	19	19	19	0

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.*

The City's Minority and Women-Owned Business Enterprise (MWBE) fosters the growth of the City's minority and women-owned businesses. The program certifies and recertifies businesses as MWBEs and provides procurement and technical assistance to better prepare MWBEs to win City contracts.

The decrease of \$872,000 from the Fiscal 2013 Adopted Budget to the Fiscal 2014 Preliminary Budget mainly reflects the non-baselined City Council funding that is expected to be restored for the MWBE Capacity Building and Mentoring Programs and the MWBE Leadership Association initiative that provides guidance on government contracting. Reductions in personal services are due to vacancy eliminations.

Performance Measures

	Actual			Target		4-Month Actual	
	FY10	FY11	FY12	FY13	FY14	FY12	FY13
«Minority and Women-owned Business Enterprises certified	2,791	3,244	3,526	3,526	3,879	3,422	3,586
«Minority and Women-owned Business Enterprises awarded City contracts	485	529	633	633	665	NA	NA
« - M/WBEs awarded contracts after receiving direct assistance	356	378	439	439	461	NA	NA
«Annual M/WBE recertification rate	70.2%	49.4%	62.5%	62.5%	65.0%	NA	NA
Newly certified businesses in M/WBE Program	636	549	1,022	*	*	255	351
«City contracts awarded to Minority and Women-owned Business Enterprises	6,173	6,564	8,496	8,496	8,921	2,247	2,523
« - Contracts awarded to M/WBEs after receiving direct assistance	4,707	4,856	5,391	5,391	5,661	1,567	1,561
Instances of firms receiving procurement assistance from the Division of Economic and Financial Opportunity	2,962	1,711	1,552	*	*	352	290

SBS has certified 351 new Minority and Women-Owned Business Enterprises during the first four months of Fiscal 2013, compared to 255 over the same period last year. The total number of certified M/WBEs reached was 3,586, which is an increase of five percent from the same period last year.

Mayor’s Office of Industrial and Manufacturing Businesses

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Other Than Personal Services					
Contractual Services	\$1,242	\$1,156	\$1,094	\$0	(1,156)
TOTAL	\$1,242	\$1,156	\$1,094	\$0	(\$1,156)
Funding					
City Funds	N/A	\$1,156	\$1,094	\$0	(\$1,156)
TOTAL	N/A	\$1,156	\$1,094	\$0	(\$1,156)

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.*

The Mayor’s Office of Industrial and Manufacturing Businesses (IMB) coordinates the City’s industrial policy to retain and promote industrial manufacturing firms and oversees the New York State Empire Zones within the City. The IMB currently manages the City’s 12 Empire Zones and 16 Industrial Business Zones.

The decrease of \$1.2 million in the Fiscal 2014 Preliminary Budget from the Fiscal 2013 Adopted Budget is the result of the Industrial Business Zone contract savings.

Neighborhood Development

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$818	\$947	\$877	\$887	(\$61)
Other Salaried and Unsalariated	90	5	5	5	0
Additional Gross Pay	37	0	0	0	0
Subtotal	\$945	\$953	\$883	\$893	(\$61)
Other Than Personal Services					
Supplies and Materials	\$4	\$0	\$3	\$0	\$0
Property and Equipment	0	0	3	0	0
Other Services and Charges	1	0	18	0	0
Contractual Services	2,908	4,758	4,202	1,675	(3,084)
Subtotal	\$2,912	\$4,758	\$4,226	\$1,675	(\$3,084)
TOTAL	\$3,857	\$5,712	\$5,109	\$2,568	(\$3,144)
Funding					
City Funds	N/A	\$3,698	\$2,059	\$564	(\$3,134)
Federal - Community Development	N/A	2,014	2,341	2,003	(11)
Federal - Other	N/A	0	709	0	0
TOTAL	N/A	\$5,712	\$5,109	\$2,568	(\$3,144)
Positions					
Full-Time Positions - Civilian	10	11	10	10	(1)
TOTAL	10	11	10	10	(1)

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.*

The Neighborhood Development program works to develop the City's business districts by encouraging the creation of Business Improvement Districts (BIDs) and other neighborhood organizations. The program also works to improve the physical conditions of neighborhoods.

The decrease of \$3.1 million from the Fiscal 2013 Adopted Budget to the Fiscal 2014 Preliminary Budget is attributed to vacancy eliminations in personal services, reallocation of federal funding to another program area, non-baselined City Council funding for the Food Distribution Study for Exports and the Brooklyn Tech Triangle Planning Study, and contract reductions.

Workforce Development: One Stop Centers, Program Management, Training, and Workforce Investment Board (WIB) and Other

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$3,179	\$5,276	\$5,106	\$4,965	(\$311)
Other Salaried and Unsalariad	545	777	913	777	0
Additional Gross Pay	98	38	38	38	0
Overtime - Civilian	1	0	0	0	0
Fringe Benefits	0	0	46	0	0
Subtotal	\$3,823	\$6,090	\$6,102	\$5,780	(\$311)
Other Than Personal Services					
Supplies and Materials	\$79	\$310	\$323	\$310	\$0
Property and Equipment	24	10	38	10	0
Other Services and Charges	5,138	519	8,127	519	0
Contractual Services	39,689	50,767	52,179	41,584	(9,183)
Subtotal	\$44,929	\$51,606	\$60,667	\$42,423	(\$9,183)
TOTAL	\$48,752	\$57,697	\$66,769	\$48,203	(\$9,494)
Funding					
City Funds	N/A	\$20,359	\$20,567	\$10,866	(\$9,494)
Federal - Other	N/A	37,337	46,202	37,337	0
TOTAL	N/A	\$57,697	\$66,769	\$48,203	(\$9,494)
Positions					
Full-Time Positions - Civilian	47	57	56	56	(1)
TOTAL	47	57	56	56	(1)

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.*

SBS currently operates the City's 15 Workforce1 Career Centers. The Workforce1 Career Centers provide job placement assistance, career advisement, job search counseling and referrals to skills training. SBS offers a range of training programs for adult jobseekers and dislocated workers, including services obtained through individual training grants.

The Fiscal 2014 Preliminary Budget includes \$48.2 million for Workforce Development, which is an overall program decrease of \$9.5 million. The \$311,000 decrease in personal services is due to the elimination of an Operating Manager position for \$73,000 and the agency's budget re-allocation based on reduced need from Fiscal 2013 to Fiscal 2014. The decrease in the OTPS budget is due to SBS is decreasing spending on one stop centers, causing savings of \$2.6 million, \$3.8 million of non-baselined funding for Fiscal 2014 from the Center for Economic Opportunity for Business Training and Employment Works, and non-baselined Council funding for initiatives such as the Food Retail Workforce Training and Placement Program, hackNY, New Skills/New Jobs, Hard Hats for Vets, Queens Tech Education, Expansion of New Amsterdam Market, Jobs to Build On, and Consortium for Worker Education.

Performance Measures

	Actual			Target		4-Month Actual	
	FY10	FY11	FY12	FY13	FY14	FY12	FY13
«Workforce1 system-wide job placements	29,456	32,854	30,900	30,900	25,000	12,118	7,035
New jobseekers registered through the Workforce1 Career Center system	97,755	80,083	73,518	*	*	28,564	27,717
Walk-in traffic at Workforce1 Centers	319,736	252,068	312,009	*	*	103,098	78,990

Workforce 1 system-wide job placements decreased 41.9% from 12,118 in the first four months of Fiscal 2012 to 7,035 for the same period in Fiscal 2013. Additionally, walk-in traffic at Workforce 1 centers decreased 23.4%, from 103,098 to 78,990 in the first four months of Fiscal 2012 and Fiscal 2013, respectively.

Appendix A: Budget Actions Chart

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of June 2013 Plan	\$84,826	\$51,027	\$135,853	\$47,797	\$49,201	\$96,998
Program to Eliminate the Gap (PEGs)						
Clean Heat Initiative Savings	(\$383)	\$0	(\$383)	\$0	\$0	\$0
EDC East River Ferry Reduction	(167)	0	(167)	(196)	0	(196)
EDC Graffiti Removal Reduction	(31)	0	(31)	(49)	0	(49)
EDC High Tech Connect Reduction	(15)	0	(15)	0	0	0
EDC/Parks Workforce Development Reduction	(54)	0	(54)	0	0	\$0
New Business Acceleration Team	(110)	0	(110)	(165)	0	(165)
NYC & Company Contract Reduction	(717)	0	(717)	(1,036)	0	(1,036)
Red Hook and Midtown Community Courthouse Reduction	(13)	0	(13)	(19)	0	(19)
SBS City Council Funds	(492)	0	(492)	0	0	\$0
SBS Industrial Business Zones	(62)	0	(62)	0	0	0
SBS Layoffs	(35)	0	(35)	(70)	0	(70)
SBS OTPS Savings	(641)	0	(641)	(833)	0	(833)
SBS PS Funding Reallocation	(78)	0	(78)	(74)	0	(\$74)
SBS Salary Savings	(43)	0	(43)	(45)	0	(45)
SBS Vacancy Accruals	(90)	0	(90)	0	0	0
SBS Vacancy Eliminations	(161)	0	(161)	(335)	0	(335)
Trust for Governors Island Contract Reduction	(642)	0	(642)	(830)	0	(830)
TOTAL, PEGs	(\$3,734)	\$0	(\$3,734)	(\$3,653)	\$0	(\$3,653)
New Needs						
n/a	0	0	0	0	0	0
TOTAL, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments						
ARRA NYC Solar Cities Roll	\$0	\$275	\$0	\$0	\$0	\$0
ARRA: EDC Cogen Feasibility	0	25	0	0	0	0
CD Rollover	0	337	337	0	0	0
Cedar Street Payment - NYPD	0	60	0	0	0	0
Fringe Benefits Offset - SBS Vacancy Eliminations PEG	38	0	38	66	0	66
LMDC Small Firm Assistance Rol	0	709	709	0	0	0
Smart Grid	0	2,486	2,486	0	0	0
TAA Budget Increase	0	400	400	0	0	0
Workforce MOU	0	22	22	0	0	0
CEO Funding Adjustment	0	0	0	3,849	0	3,849

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<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of June 2013 Plan	\$84,826	\$51,027	\$135,853	\$47,797	\$49,201	\$96,998
City Council Member Items	425	0	425	0	0	0
City Council Substitute NYC&Co	(100)	0	(100)	0	0	0
East River Waterfront Esplanad	0	568	568	0	0	0
FY13 OTPS TGI Sandy	0	2,236	2,236	0	0	0
MOER Melrose Site	0	160	160	0	0	0
MOER NYS BOA Grant	0	825	825	0	0	0
MOER US EPA 06 Petroleum Grant	0	161	161	0	0	0
MOER US EPA 07 Haz Grant	0	190	190	0	0	0
MOER US EPA 07 Petroleum Grant	0	170	170	0	0	0
MOER US EPA 12 RLF	0	21	21	0	0	0
NEG Disaster Funds	0	9,431	9,431	0	0	0
OER FY14 Rollover of Brownfield Fund, DEC Heating Oil Penalty and Grant Writing	(6,871)	0	(6,871)	7,496	0	7,496
TAA Budget Increase	0	434	434	0	0	0
US EPA Cleanup Grant 97259006	0	198	198	0	0	0
TOTAL, Other Adjustments	(\$6,508)	\$18,707	\$11,839	\$11,412	\$0	\$11,412
PEG Restorations						
PEG Restoration - NYC & Company Contract Reduction	\$485	\$0	\$485	\$350	\$0	\$350
SBS City Council Funds - PEG Restoration	492	0	492	0	0	0
TOTAL, PEG Restorations	\$977	\$0	\$977	\$350	\$0	\$350
TOTAL, All Changes	(\$9,265)	\$18,707	\$9,082	\$8,109	\$0	\$8,109
SBS Budget as of January 2014 Plan	\$75,561	\$69,734	\$144,935	\$55,905	\$49,201	\$105,106

Appendix B: Contract Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personal service provided to the City by means of a contract. The Contract Budget is a subset of the Other Than Personal Services (OTPS) portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget.

Category	Number	Budgeted	Pct. of DEP Total	Pct. of City Total
Contractual Services General	35	\$14,460,236	20.9%	3.2%
Telecommunications Maintenance	3	690,540	1.0%	1.4%
Maintenance & Repair, General	2	10,598	0.0%	0.0%
Office Equipment Maintenance	2	10,076	0.0%	0.1%
Data Processing Equipment	1	1,000	0.0%	0.0%
Printing Contracts	2	39,271	0.1%	0.1%
Temporary services	2	13,300	0.0%	0.0%
Cleaning Services	1	221	0.0%	0.0%
Economic Development	4	20,092,219	29.0%	94.6%
Training Programs for City Employees	6	84,018	0.1%	0.5%
Payments to Delegate Agencies	10	31,835,163	46.0%	10.4%
Professional Services: Legal Services	1	4,500	0.0%	0.0%
Professional Services: Computer Services	2	1,937,828	2.8%	2.0%
Professional Services: Direct Education Services	1	53,200	0.1%	0.0%
Fiscal 2014 Preliminary Budget	72	\$69,232,170	100.0%	2.7%

Appendix C: Fiscal 2013 PMMR Performance Measures

	Actual			Target		4-Month Actual	
	FY10	FY11	FY12	FY13	FY14	FY12	FY13
Unique businesses served by NYC Business Solutions	8,957	10,247	8,696	*	*	3,242	3,297
New businesses served by NYC Business Solutions	7,766	6,306	8,763	*	*	2,425	
«Financing awards to businesses facilitated by NYC Business Solutions	575	710	683	683	690	230	163
«Unique businesses receiving financing awards facilitated by NYC Business Solutions	514	627	588	588	590	NA	NA
Value of financing awards facilitated by NYC Business Solutions (\$000)	\$29,528	\$39,840	\$71,484	*	*	\$32,453	\$23,206
«Businesses awarded NYC Business Solutions training funds	42	16	26	26	36	0	6
Projected number of individuals receiving wage gains or new employment as a result of Training Funds awards	1,308	270	510	*	*	0	148
«Recruit-to-hire ratio for job placements made through accounts managed by NYC Business Solutions Hiring	3:1	3:1	3:1	3:1	3:1	3:1	3:1
Businesses submitting eligible applications for NYC Business Solutions Training Funds	175	393	76	*	*		
Value of new Training Funds awards (\$)	\$2,074,152	\$664,781	\$1,015,062	*	*		
Employer investment in training leveraged through new Training Funds awards (\$)	\$1,416,997	\$529,123	\$565,367	*	*		
Projected number of individuals trained through NYC Business Solutions Training Funds	1,409	288	510	*	*		
Businesses receiving emergency assistance			352	*	*		
Participants in business classes	4,581		8,573	*	*		
Value of Energy Cost Savings Program savings for businesses (\$000)	\$967	\$433	\$597	*	*	\$77	\$96
Jobs created or retained by Energy Cost Savings Program	4,656	1,083	2,521	*	*	584	632
Value of Lower Manhattan Energy Program savings for commercial tenants (\$000)	\$31,938	\$24,915	\$25,032	*	*	\$12,155	\$10,543
Commercial tenants active in Lower Manhattan Energy Program	1,458	1,403	1,403	*	*	1,403	1,403
Jobs affected by businesses receiving Lower Manhattan Energy Program benefits (cumulative)	84,719	75,462	75,462	*	*	75,462	75,462

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	Actual			Target		4-Month Actual	
	FY10	FY11	FY12	FY13	FY14	FY12	FY13
Businesses approved for Energy Cost Savings Program benefits	62	37	38	*	*	12	10
Total private dollars invested by companies benefiting from Energy Cost Savings Program (\$)	\$330,979,524	\$16,295,331	\$15,376,786	*	*		
Total private dollars invested by companies benefiting from Lower Manhattan Energy Program (\$) (cumulative)	\$0	\$0	\$158,885,250	*	*	\$158,885,250	\$0
«Workforce1 system wide job placements	29,456	32,854	30,900	30,900	25,000	12,118	7,035
New jobseekers registered through the Workforce1 Career Center system	97,755	80,083	73,518	*	*	28,564	27,717
Walk-in traffic at Workforce1 Centers	319,736	252,068	312,009	*	*	103,098	78,990
Vendors meeting job placement targets (%)	100%	89%		*	*		
«City blocks receiving supplemental sanitation services through BIDs	1,262	1,262	1,468	1,468	1,480	1,373	1,468
«Average acceptably clean BID sidewalk ratings (%)	99.1%	99.0%	99.0%	99.0%	99.0%	98.8%	98.1%
Value of AvenueNYC local development corporations funding (\$000,000)	\$2.21	\$1.80	\$1.74	*	*	NA	NA
Business Improvement Districts formed	0	0	3	*	*	0	
Business Improvement Districts in planning	10		8	*	*	3	
Total Business Improvement District funds spent on sanitation/maintenance (\$)			\$24,528,463	*	*	NA	NA
Average acceptably clean BID street ratings (%)	97.7%	96.3%	98.0%	*	*	97.7%	97.7%
Local Development Corporations receiving AvenueNYC grants			48	*	*	NA	NA
Newly certified businesses in Locally-Based Enterprise Program	14	15	26	*	*	9	12
Total Locally-based Enterprises certified	91	70	67	*	*		
New Emerging Business Enterprise certifications	TBD	TBD	TBD	*	*	TBD	TBD
Total Emerging Business Enterprises certified	TBD	TBD	TBD	*	*		
«Minority and Women-owned Business Enterprises certified	2,791	3,244	3,526	3,526	3,879	3,422	3,586
«Minority and Women-owned Business Enterprises awarded City contracts	485	529	633	633	665	NA	NA
« - M/WBEs awarded contracts after receiving direct assistance	356	378	439	439	461	NA	NA
«Annual M/WBE recertification rate	70.2%	49.4%	62.5%	62.5%	65.0%	NA	NA

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	Actual			Target		4-Month Actual	
	FY10	FY11	FY12	FY13	FY14	FY12	FY13
Newly certified businesses in M/WBE Program	636	549	1,022	*	*	255	351
«City contracts awarded to Minority and Women-owned Business Enterprises	6,173	6,564	8,496	8,496	8,921	2,247	2,523
« - Contracts awarded to M/WBEs after receiving direct assistance	4,707	4,856	5,391	5,391	5,661	1,567	1,561
Instances of firms receiving procurement assistance from the Division of Economic and Financial Opportunity	2,962	1,711	1,552	*	*	352	290

Appendix D: Reconciliation of Program Areas to Units of Appropriation

<i>Dollars in Thousands</i>	Personal Services			Other Than Personal Services				Grand Total
	001	002	004	005	006	010	011	
Agency Administration and Operations	\$5,643	\$6,384						\$12,027
Business Development	3,560	393					2,975	\$6,928
Contract Svcs: Economic Development Corp					11,033			\$11,033
Contract Svcs: NYC&Co / Tourism Support		12,262						\$12,262
Contract Svcs: Other		9,479						\$9,479
Economic & Financial Opportunity: M/WBE			844	983				\$1,827
Economic & Financial Oppty: Labor Services			780					\$780
MO Industrial & Manufacturing Businesses								\$0
Neighborhood Development	893	1,675						\$2,568
Workforce Development: One Stop Centers						41	23,041	\$23,082
Workforce Development: Program Management						4,919	3,273	\$8,191
Workforce Development: Training					1,148	407	14,597	\$16,152
Workforce Development: WIB and Other						413	365	\$778
Grand Total	\$10,096	\$30,193	\$1,624	\$983	\$12,181	\$5,780	\$44,250	\$105,106