

# DEPARTMENT OF SMALL BUSINESS SERVICES

Andrew Schwartz, Acting Commissioner



## WHAT WE DO

The Department of Small Business Services (SBS) makes it easier for businesses in New York City to start, grow and thrive by providing direct assistance to business owners, fostering neighborhood development in commercial districts and linking employers to a skilled and qualified workforce. SBS runs the City's NYC Business Solutions Centers, Industrial Business Solutions Providers and Workforce1 Career Centers; provides services to support the growth of local economic development organizations throughout the City; and administers the Minority and Women-owned Business Enterprise Program (M/WBE).

## FOCUS ON EQUITY

By focusing on three key pillars – good jobs, stronger businesses and a fairer economy – SBS is committed to ensuring economic security for all New Yorkers by providing a wide range of services that help businesses, jobseekers and neighborhoods throughout the five boroughs. For businesses, the agency has fundamentally changed the way it provides services to immigrant entrepreneurs through the Immigrant Business Initiative, doubling the number of non-English business courses being offered. Through Women Entrepreneurs NYC, the agency has committed to providing customized services to 5,000 women entrepreneurs in underserved communities. Additionally, SBS is leading Small Business First, an initiative to improve the City's regulatory environment and consolidate information that small businesses need to start, grow and thrive. The agency also oversees the Minority and Women-Owned Business Enterprises (M/WBE) Program, where it reached a new high in certified M/WBEs in Fiscal 2015.

In order to provide good jobs to New Yorkers, SBS announced in April 2014 higher wage standards for businesses receiving free recruitment services through its Workforce1 Centers. In addition, the Agency's Tech Talent Pipeline continues to train and connect New Yorkers to well-paid jobs in the City's growing tech sector. For neighborhoods, through new needs assessment initiatives, SBS is providing community partners with the tools to better understand their needs and connect them with resources to meet those needs.

## OUR SERVICES AND GOALS

### **SERVICE 1 Help businesses start, operate and expand in New York City.**

- Goal 1a Assure that businesses and entrepreneurs have easy access to a variety of high quality support services.
- Goal 1b Retain jobs and businesses in New York City by administering incentive programs for facility renovation and promoting retention of NYC businesses and relocation of businesses to NYC.

### **SERVICE 2 Match businesses in need of workers with qualified applicants.**

- Goal 2a Assure that businesses have timely access to qualified job applicants.

### **SERVICE 3 Provide financial support and technical assistance for New York City's commercial districts throughout the five boroughs.**

- Goal 3a Strengthen and expand New York City's Business Improvement District (BID) program and other local economic development organizations.

### **SERVICE 4 Help minority and women-owned businesses identify and compete for City contracts.**

- Goal 4a Increase the number of Minority and Women-owned Business Enterprises (M/WBEs) that obtain City contracts.

# HOW WE PERFORMED IN FISCAL 2015

## SERVICE 1 Help businesses start, operate and expand in New York City.

**Goal 1a** Assure that businesses and entrepreneurs have easy access to a variety of high quality support services.

In Fiscal 2015, NYC Business Solutions helped 735 different businesses access 805 awards and \$64.8 million in financing assistance, including \$37.7 million awards to businesses applying to the Hurricane Sandy Business Loan and Grant Program. The 45 percent increase in the total financing amount was due mainly to the large amount in Hurricane Sandy loans and grants. The number of awards also increased from Fiscal 2014 to Fiscal 2015 by 55 percent, from 518 to 805.

NYC Business Solutions provides services to small businesses seeking to launch, operate and expand in the City. In Fiscal 2015, NYC Business Solutions helped over 7,600 unique businesses, providing business courses in nine different languages. In Fiscal 2015, over 6,400 individuals participated in business courses citywide.

New York City Business Acceleration (NYCBA) provides a variety of services to help businesses. These services include free client management, plan reviews, consultations with inspectors and inspections from City agencies including Buildings, Fire, Health and Mental Hygiene, Environmental Protection, and Consumer Affairs. NYCBA assisted 13 percent more businesses to open in Fiscal 2015 than in Fiscal 2014, and site consultations by NYCBA inspectors increased 52 percent over that period. There has been a steady increase in business owners' use of NYCBA with the program's expansion into retail and industrial/manufacturing sectors.

NYC Business Solutions Customized Training, a program enabling employers to increase the skills and salaries of their employees by investing in training, awarded grants to 19 businesses in Fiscal 2015, a 24 percent decrease from Fiscal 2014. The program plans to broaden its outreach and marketing efforts in order to reach more businesses. The decrease in the projected number of individuals benefiting from customized training is a result of awarding more grants to smaller businesses.

★ Critical Indicator "NA" - means Not Available in this report ↕ shows desired direction

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Unique businesses served by NYC Business Solutions	10,247	8,696	11,340	8,344	7,642	*	*	Up	Down
★ Financing awards to businesses facilitated by NYC Business Solutions	710	683	1,200	518	805	540	540	Up	Neutral
★ Unique businesses receiving financing awards facilitated by NYC Business Solutions	627	588	1,053	440	735	470	470	Up	Neutral
Value of financing awards facilitated by NYC Business Solutions (\$000)	\$39,840	\$71,484	\$54,101	\$44,811	\$64,799	*	*	Up	Up
★ Businesses awarded NYC Business Solutions training funds	16	26	27	25	19	26	26	Neutral	Neutral
Projected number of individuals receiving wage gains or new employment as a result of Training Funds awards	270	510	590	888	438	*	*	Up	Up
★ Number of businesses opened by NYC Business Acceleration	NA	NA	563	757	854	↑	↑	Up	NA
Number of unique businesses served by NYC Business Acceleration	NA	NA	4,989	6,377	5,899	*	*	Up	NA
Projected number of hires by businesses opened by NYC Business Acceleration	NA	NA	9,280	13,090	12,037	*	*	Up	NA
Site consultations by NYC Business Acceleration inspectors	NA	NA	215	678	1,031	*	*	Up	NA

**Goal 1b**

Retain jobs and businesses in New York City by administering incentive programs for facility renovation and promoting retention of NYC businesses and relocation of businesses to NYC.

The Energy Cost Savings Program (ECSP) helps retain eligible NYC businesses by reducing energy costs associated with relocation or capital improvements. Lower energy costs are a significant incentive to promote business retention for firms seeking to move, modernize or expand space. The businesses approved for ECSP in Fiscal 2015 saved \$841,000 in annual energy costs, with an estimated \$9 million in savings for businesses over the 12-year life of the benefits. The ECSP numbers were lower in Fiscal 2014 because the State legislation did not approve the program’s renewal until late in the year, and SBS was not authorized to approve new cases for most of Fiscal 2014.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Value of Energy Cost Savings Program savings for businesses (\$000)	\$433	\$597	\$760	\$176	\$841	*	*	Up	Up
Jobs created or retained by Energy Cost Savings Program	1,083	2,521	4,122	361	5,164	*	*	Up	Up
Value of Lower Manhattan Energy Program savings for active commercial tenants (cumulative) (\$000)	\$24,915	\$25,032	\$17,418	\$14,546	\$12,433	*	*	Up	Down
Commercial tenants active in Lower Manhattan Energy Program	1,403	1,403	1,095	1,059	1,152	*	*	Up	Down

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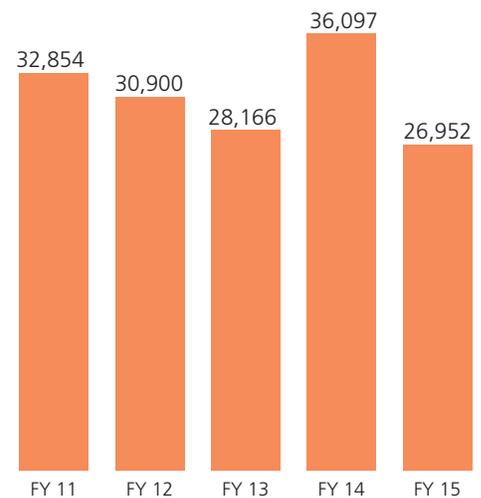
**SERVICE 2 Match businesses in need of workers with qualified applicants.**

**Goal 2a**

Assure that businesses have timely access to qualified job applicants.

In Fiscal 2015 55,133 new jobseekers were registered through the Workforce1 Career Center system, a decrease of 33 percent from the previous year. Workforce1 systemwide job placements were 26,952 in Fiscal 2015, a 25 percent decrease from Fiscal 2014. The decrease in new registrants and placements from Fiscal 2014 relates to the introduction of new higher wage standards and the shift in focus to quality jobs, and were an expected result of the SBS role in these changes. Workforce1 participation and registration are driven largely by available employment opportunities, and there have been fewer overall job opportunities available at the centers since the wage and job policy change.

**Workforce1 Career Centers Job Placements**



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
★ Workforce1 systemwide job placements	32,854	30,900	28,166	36,097	26,952	25,000	25,000	Up	Neutral
New jobseekers registered through the Workforce1 Career Center system	80,083	73,518	84,515	82,619	55,133	*	*	Up	Down
Walk-in traffic at Workforce1 Centers	252,068	312,009	320,273	367,695	266,663	*	*	Neutral	Up

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### SERVICE 3 Provide financial support and technical assistance for New York City's commercial districts throughout the five boroughs.

**Goal 3a** Strengthen and expand New York City's Business Improvement District (BID) program and other local economic development organizations.

In Fiscal 2015, SBS continued to build the City's BID program by assisting local organizations and merchants' associations interested in creating a BID with the planning, outreach and legislative phases of BID formation. In Fiscal 2015, SBS oversaw the legislative approval of three new BIDs (West Shore Staten Island, South Shore Staten Island and Meatpacking District (Manhattan)) and the expansion of one existing BID's boundaries (Fordham Road). SBS also continued to provide technical assistance training, capacity building workshops, commercial revitalization grants, support and oversight to the City's 72 existing BIDs, the most comprehensive network of its kind in the country.

In Fiscal 2015, the agency's Avenue NYC Program provided \$1.38 million to over 40 local development corporations throughout the City for grants and technical assistance to attract new businesses, organize merchants and promote the revitalization of commercial corridors in the neighborhoods.

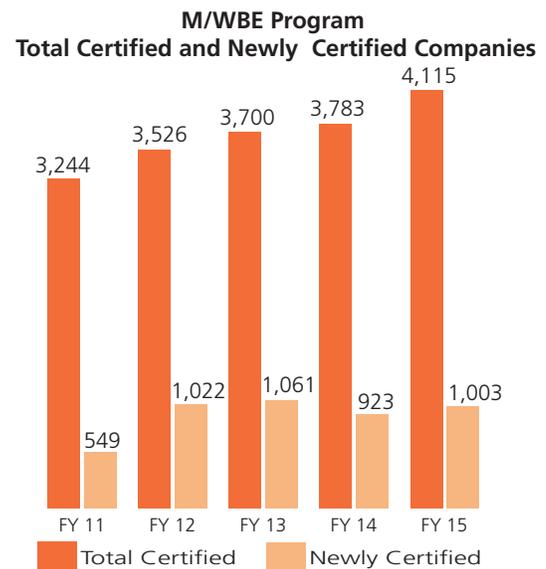
Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
★City block faces receiving supplemental sanitation services through BIDs	1,262	1,468	1,468	1,480	3,562	3,562	3,800	Up	Up
★Average acceptably clean BID sidewalk ratings (%)	99.0%	99.0%	98.5%	96.5%	96.1%	99.0%	97.0%	Up	Neutral
Value of AvenueNYC local development corporations funding (\$000,000)	\$1.80	\$1.74	\$1.50	\$1.38	\$1.38	*	*	Neutral	Down

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### SERVICE 4 Help minority and women-owned businesses identify and compete for City contracts.

**Goal 4a** Increase the number of Minority and Women-owned Business Enterprises (M/WBEs) that obtain City contracts.

The Minority and Women-owned Business Enterprises Program certified and re-certified 1,003 M/WBEs in Fiscal 2015, increasing the total of certified M/WBEs to 4,115, an increase of nine percent from 3,783 at the end of Fiscal 2014. The M/WBE recertification rate for Fiscal 2015 met the annual target of 60 percent.



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
★ Total Minority and Women-owned Business Enterprises certified	3,244	3,526	3,700	3,783	4,115	3,896	4,238	Up	Up
★ Minority and Women-owned Business Enterprises awarded City contracts	529	633	651	684	902	691	698	Up	Up
★ - M/WBEs awarded contracts after receiving procurement and capacity building assistance	378	439	447	472	613	477	482	Up	Up
★ Annual M/WBE recertification rate	49.4%	62.5%	59.2%	60.4%	60.4%	60.0%	60.0%	Up	Up
Newly certified and recertified businesses in M/WBE Program.	549	1,022	1,061	923	1,003	*	*	Up	Up

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## AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Customer Experience	FY11	FY12	FY13	FY14	FY15	FY15	FY16	Desired Direction	5yr Trend
CORE facility rating	96	92	93	95	95	*	*	Up	Neutral
Letters responded to in 14 days (%)	100%	100%	100%	100%	100%	*	*	Up	Neutral
E-mails responded to in 14 days (%)	100%	100%	100%	100%	100%	*	*	Up	Neutral
Completed customer requests for interpretation	NA	NA	NA	NA	2,351	*	*	Neutral	NA

## AGENCY RESOURCES

Resource Indicators	Actual					Plan <sup>1</sup>		5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16	
Expenditures (\$000,000) <sup>2</sup>	\$148.7	\$137.6	\$150.3	\$202.3	\$370.4	\$313.7	\$262.0	Up
Revenues (\$000,000)	\$53.2	\$72.8	\$81.3	\$94.8	\$55.6	\$71.4	\$72.7	Up
Personnel	238	242	273	258	257	316	329	Neutral
Overtime paid (\$000)	\$30	\$36	\$71	\$59	\$1	\$0	\$0	Down
Human services contract budget (\$000,000)	\$36.0	\$24.4	\$25.9	\$27.1	\$30.1	\$28.5	\$19.2	Down

<sup>1</sup>Authorized Budget Level

"NA" - Not Available in this report

<sup>2</sup>Expenditures include all funds.

## NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- Goal 4b, 'Increase the value of City contracts awarded to Minority and Women-owned Business Enterprises (M/WBEs)', has been removed, as information on these values will not be published in the Mayor's Management Report.
- Two SBS indicators no longer appear, 'City contracts awarded to M/WBEs' and 'Contracts awarded to M/WBEs after receiving direct assistance'. To see the Fiscal 2015 M/WBE contract number and value information, please visit the Fiscal 2015 M/WBE Compliance Report at <http://www1.nyc.gov/site/mocs/mwbe/reports.page>.
- In Fiscal 2015, SBS revised its methodology for monitoring and reporting the indicator 'Completed customer requests for interpretation,' using more specific criteria and more regular reporting than in past years. Data for prior years is not yet available using the corrected methodology. SBS is working to recalculate the Fiscal 2014 figure and will report that in the Fiscal 2016 Preliminary Mayor's Management Report.

## ADDITIONAL RESOURCES

For more information on the agency, please visit: [www.nyc.gov/sbs](http://www.nyc.gov/sbs).