

DEPARTMENT OF SMALL BUSINESS SERVICES

Kevin D. Kim, Commissioner



WHAT WE DO

The Department of Small Business Services (SBS) makes it easier for businesses in New York City to start, operate and grow 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 grants and services to support the growth of local community and economic development organizations throughout the City; oversees the largest network of Business Improvements Districts (BIDs) in the country; and administers the City's Minority and Women-owned Business Enterprise (M/WBE) Program.

FOCUS ON EQUITY

SBS is dedicated to promoting equitable economic development and enhancing economic mobility. SBS actively collaborates with New Yorkers, with a special focus on historically underserved neighborhoods and communities, to create programs and services tailored to their unique needs. These efforts form the foundation of SBS' three key pillars: good jobs, strong businesses, and thriving neighborhoods.

To achieve this, SBS offers a wide array of services designed to assist businesses, jobseekers, and communities across all five boroughs. SBS places a particular emphasis on tailoring employment and business services to historically marginalized groups, such as Black, indigenous, people of color (BIPOC), immigrants, women, and low-income individuals, and through new initiatives to foster growing industries, such as the cannabis industry.

SBS also plays a central role in the City's efforts to certify and strengthen over 10,000 Minority and Women-owned Business Enterprises (M/WBEs). Additionally, SBS extends direct support to the diverse range of commercial corridors in NYC, including those located in low and moderate-income (LMI) areas. This support takes the form of financial assistance and technical guidance provided to local economic development organizations and Business Improvement Districts (BIDs).

OUR SERVICES AND GOALS

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

- Goal 1a Ensure 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.
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SERVICE 2 Meet businesses’ talent demands by connecting New Yorkers to good jobs.

- Goal 2a Match or train New Yorkers to meet the qualifications businesses require.
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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.
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SERVICE 4 Help minority and women-owned businesses identify and compete for City contracts.

- Goal 4a Increase the number of M/WBEs that obtain City contracts.

HOW WE PERFORMED IN FISCAL 2023

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

Goal 1a

Ensure that businesses and entrepreneurs have easy access to a variety of high-quality support services.

In Fiscal 2023, SBS dramatically increased its outreach services due in large part to the creation of a new outreach team and the launch of new outreach initiatives to bring services directly into communities. One example, “NYC BEST in Your Community”, targets underserved communities through community partners to raise awareness of SBS government navigation programs. In addition, the Small Business Hotline expanded its scope to provide services beyond COVID-19 assistance including SBS programs such as Commercial Lease Assistance and M/WBE certification. Ultimately the number of unique businesses served in navigating government increased to 7,991, an 86 percent increase compared to Fiscal 2022. Similarly, the number of services provided to help businesses navigate government increased 67 percent, from 5,876 in Fiscal 2022 to 9,813 in Fiscal 2023.

In Fiscal 2023, SBS launched the \$75 million NYC Small Business Opportunity Fund – the largest public-private partnership effort directed at small businesses in the City’s history. As a result, SBS distributed \$109 million in financial awards to businesses which continues to pace higher than pre-pandemic years even as businesses sought larger average loans and given the conclusion of federal emergency grant and loan programs (such as the Fiscal 2022 \$100M NYC Covid Resilience Grant that served 10,000 small businesses). The NYC Small Business Opportunity Fund, which provides loans up to \$250,000 per business, is expected to be completed in Fiscal 2024. Overall, the number of unique businesses served fell slightly from last year to 24,312 due to the number of financial awards decreasing to pre-pandemic levels.

Performance Indicators	Actual					Target		Trend	
	FY19	FY20	FY21	FY22	FY23	FY23	FY24	5-Year	Desired Direction
Unique customers and businesses served	19,671	20,872	18,901	26,688	24,312	*	*	Up	Up
★ Unique businesses receiving financial awards (facilitated or disbursed)	977	4,572	1,424	10,627	1,232	570	570	Up	Up
★ Financial awards to businesses (facilitated or disbursed)	1,186	4,881	1,624	10,942	1,312	740	740	Up	Up
Dollar value of financial awards to businesses (facilitated or disbursed) (\$000)	\$76,152	\$122,896	\$83,333	\$261,123	\$109,277	*	*	Up	Up
Unique customers served by programs that help navigate government	5,176	2,688	2,711	4,301	7,991	*	*	Up	*
Number of services provided to help businesses navigate government	9,360	4,344	4,326	5,876	9,813	*	*	Up	*
★ Number of unique businesses opened with assistance from SBS	529	359	179	164	184	↑	↑	Down	Up
★ Critical Indicator ● Equity Indicator “NA” Not Available ⇅ Directional Target * None									

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 and attract eligible businesses by reducing energy costs associated with relocation or capital improvements. Lower energy costs are a significant incentive to promote business retention for firms and facilities seeking to move, modernize and/or expand in New York City across all boroughs. The program saves businesses up to 45 percent on eligible utility costs. The Energy Cost Savings Program (ECSP) has been extended until June 2027.

During Fiscal 2023, ECSP approved 36 businesses for benefits representing 1,275 jobs compared to 48 businesses and 1,138 jobs, respectively in Fiscal 2022. Still, the estimated dollar value of energy savings for businesses approved for ESCP benefits decreased 41 percent, from \$518,00 in Fiscal 2022 to \$308,000 in Fiscal 2023.

Performance Indicators	Actual					Target		Trend	
	FY19	FY20	FY21	FY22	FY23	FY23	FY24	5-Year	Desired Direction
Value of Energy Cost Savings Program savings for businesses (\$000)	\$816	\$1,276	\$822	\$518	\$308	*	*	Down	*
Number of jobs retained by Energy Cost Savings Program (ECSP) for approved businesses	2,446	3,191	2,118	1,138	1,275	*	*	Down	*
Number of businesses approved for Energy Cost Savings Program benefits	56	58	47	48	36	*	*	Down	*
★ Critical Indicator ● Equity Indicator "NA" Not Available ⬆️⬆️ Directional Target * None									

SERVICE 2

Meet businesses’ talent demands by connecting New Yorkers to good jobs.

Goal 2a

Match or train New Yorkers to meet the qualifications businesses require.

In Fiscal 2023 the Workforce1 Career Center system served 87,085 jobseekers and facilitated 23,599 hires and promotions. In the face of a strong labor market, the goal of this year’s focus remained on how to create an equitable economic recovery for some of the City’s most vulnerable jobseekers. Some of SBS’ most successful initiatives centered on creating a strong partnership with the NYC Department of Consumer and Workers Protection (DCWP) to provide financial empowerment services at Workforce1 Career Centers and with the Mayor’s Office of People with Disabilities to bring customized and more accessible services to jobseekers with disabilities.

SBS administers industry-informed occupational trainings in key economic sectors, providing employers with a pipeline to skilled talent for in-demand occupations in technology, healthcare, industrial, food, and media. In Fiscal 2023, 7,218 New Yorkers were enrolled in cohort sector trainings and apprenticeships.

Performance Indicators	Actual					Target		Trend	
	FY19	FY20	FY21	FY22	FY23	FY23	FY24	5-Year	Desired Direction
★ Workforce1 systemwide hires and promotions	27,367	26,204	18,889	25,098	23,599	25,000	25,000	Down	*
Number of jobseekers registered through the Workforce1 Career Center system for the first time	52,028	44,208	30,519	33,403	38,318	*	*	Down	*
Walk-in traffic at Workforce1 Centers	260,219	240,175	250,163	245,605	233,964	*	*	Neutral	*
Customers enrolled in training	2,195	2,123	8,764	6,948	7,218	*	*	Up	Up
Unique customers served	100,677	93,944	79,438	81,338	87,085	*	*	Down	Up
Businesses awarded funding for employer-based training	30	12	10	15	12	*	*	Down	*
★ Critical Indicator ● Equity Indicator "NA" Not Available ⬆️⬆️ Directional Target * None									

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.

SBS administers Commercial Revitalization Grants which help nonprofit Community-Based Development Organizations (CBDOs) serving low-to-moderate income (LMI) neighborhoods assess their community needs and carry out merchant organizing, district marketing, beautification, and small business support. The number of CBDOs receiving financial support increased 54.8 percent in Fiscal 2023, from 62 in Fiscal 2022 to 96. The value of financial awards to CBDOs also increased significantly, up 125.9 percent to \$13.1 million in Fiscal 2023.

Performance Indicators	Actual					Target		Trend	
	FY19	FY20	FY21	FY22	FY23	FY23	FY24	5-Year	Desired Direction
Frontage feet receiving supplemental sanitation services through BIDs	1,516,082	1,531,377	1,531,377	1,531,377	1,552,401	*	*	Neutral	*
Value of all financial awards to community-based development organizations	\$3,791,406	\$4,506,406	\$4,444,350	\$5,834,796	\$13,181,864	*	*	Up	*
Number of unique community-based development organizations receiving financial awards	26	33	55	62	96	*	*	Up	*
★ Critical Indicator * Equity Indicator "NA" Not Available ⇅ Directional Target * None									

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

Goal 4a

Increase the number of M/WBEs that obtain City contracts.

During Fiscal 2023, SBS certified and recertified a total of 2,819 M/WBEs, increasing the number of certified M/WBEs in the program to 10,799 by the end of the fiscal year. The M/WBE recertification rate was 60.6 percent in Fiscal 2023, reaching the annual target of 60 percent. SBS continues working to support certified firms to compete for and perform on contracts issued using the M/WBE Noncompetitive Small Purchase method and other procurement methods through outreach, education, and technical assistance.

SBS has worked to improve the quality of data in the Online Directory of NYC Certified Businesses and connected M/WBEs to contract financing, bonding assistance and a range of other resources and capacity building programming. The number of M/WBEs that were awarded City contracts increased by 19 percent to 1,903, compared to the prior year's 1,605. Additionally, the number of M/WBEs that were awarded City contracts after receiving direct assistance from SBS rose 18 percent to 1,390, compared to the previous year.

Performance Indicators	Actual					Target		Trend	
	FY19	FY20	FY21	FY22	FY23	FY23	FY24	5-Year	Desired Direction
★ Total M/WBEs certified	9,063	10,034	10,665	10,768	10,799	10,800	10,800	Up	Up
★ * M/WBEs awarded City contracts	1,528	1,539	1,416	1,605	1,903	1,223	1,223	Up	Up
★ M/WBEs awarded City contracts after receiving procurement and capacity building assistance	1,022	1,056	1,025	1,182	1,390	891	891	Up	Up
★ Annual M/WBE recertification rate (%)	101.0%	62.6%	66.7%	61.3%	60.6%	60.0%	60.0%	Down	Up
Newly certified and recertified businesses in M/WBE Program	3,281	2,436	2,239	2,319	2,819	*	*	Down	Up
★ Critical Indicator * Equity Indicator "NA" Not Available ⇅ Directional Target * None									

AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Trend	
	FY19	FY20	FY21	FY22	FY23	FY23	FY24	5-Year	Desired Direction
Customer Experience									
CORE facility rating	NA	97	NA	99	99	*	*	NA	Up
Letters responded to in 14 days (%)	100%	100%	100%	100%	100%	*	*	Neutral	Up
E-mails responded to in 14 days (%)	100%	100%	100%	100%	100%	*	*	Neutral	Up
Completed customer requests for interpretation	8,251	4,133	5,465	8,405	8,442	*	*	Up	*
★ Critical Indicator ● Equity Indicator "NA" Not Available ⬆️⬆️ Directional Target * None									

AGENCY RESOURCES

Resource Indicators	Actual ¹					Plan ²		5yr Trend
	FY19	FY20	FY21	FY22	FY23	FY23	FY24	
Expenditures (\$000,000) ³	\$244.5	\$340.1	\$227.0	\$513.2	\$223.0	\$440.4	\$210.0	Up
Revenues (\$000,000)	\$30.4	\$0.2	\$0.2	\$0.4	\$0.2	\$0.2	\$0.2	Down
Personnel	307	309	277	253	288	354	379	Down
Overtime paid (\$000)	\$53	\$205	\$80	\$96	\$76	\$66	\$65	Down
Human services contract budget (\$000,000)	\$31.9	\$33.5	\$36.6	\$35.5	\$43.6	\$50.5	\$26.1	Up
¹ Actual financial amounts for the current fiscal year are not yet final. Final fiscal year actuals, from the Comptroller's Comprehensive Annual Financial Report, will be reported in the next PMMR. Refer to the "Indicator Definitions" at nyc.gov/mmr for details. ² Authorized Budget Level ³ Expenditures include all funds "NA" - Not Available								
* None								

SPENDING AND BUDGET INFORMATION

Where possible, the relationship between an agency's goals and its expenditures and planned resources, by budgetary unit of appropriation (UA), is shown in the 'Applicable MMR Goals' column. Each relationship is not necessarily exhaustive or exclusive. Any one goal may be connected to multiple UAs, and any UA may be connected to multiple goals.

Unit of Appropriation	Expenditures FY22 ¹ (\$000,000)	Modified Budget FY23 ² (\$000,000)	Applicable MMR Goals ³
Personal Services - Total	\$24.3	\$30.7	
001 - Department of Business	\$15.7	\$18.9	All
004 - Contract Compliance and Bus. Opportunity	\$3.3	\$3.8	1a, 1b, 2a, 4a
010 - Workforce Investment Act	\$5.3	\$8.0	1a, 4a
Other Than Personal Services - Total	\$488.9	\$358.0	
002 - Department of Business	\$139.9	\$56.7	All
005 - Contract Compliance and Bus. Opportunity	\$2.9	\$4.0	1a, 1b, 2a, 4a
006 - Economic Development Corporation	\$212.8	\$165.8	Refer to table in EDC chapter
011 - Workforce Investment Act	\$67.2	\$79.6	1a, 4a
012 - Trust for Gov.'s Island and NYC & Co.	\$66.1	\$51.9	1b
Agency Total	\$513.2	\$388.8	
¹ Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2022. Includes all funds. ² City of New York Adopted Budget for Fiscal 2023, as of June 2023. Includes all funds. ³ Refer to agency goals listed at front of chapter. "NA" Not Available *None			

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- Retired 'Average acceptably clean BID sidewalk ratings (%)' from Goal 3a. The Scorecard street cleanliness inspection program is being overhauled to better reflect current standards of what constitutes a clean or dirty street and sidewalk, as the original scoring system was developed in the 1970s. These indicators will be replaced in a future Mayor's Management Report and historical ratings are still available on Open Data. Additional Resources

For additional information go to:

- The Social Indicators and Equity Report, EquityNYC:
<http://equity.nyc.gov/>
- Avenue NYC:
<https://www1.nyc.gov/site/sbs/neighborhoods/avenue-nyc.page>
- Neighborhood 360°:
<https://www1.nyc.gov/site/sbs/neighborhoods/neighborhood-360.page>
- Leadership Development Programs:
<https://www1.nyc.gov/site/sbs/neighborhoods/leadership-development.page>

For more information on the agency, please visit: www.nyc.gov/sbs.

