



Office of Business Opportunity

**FY 2027 Proposed Budget
Workshop Presentation
May 18, 2026**

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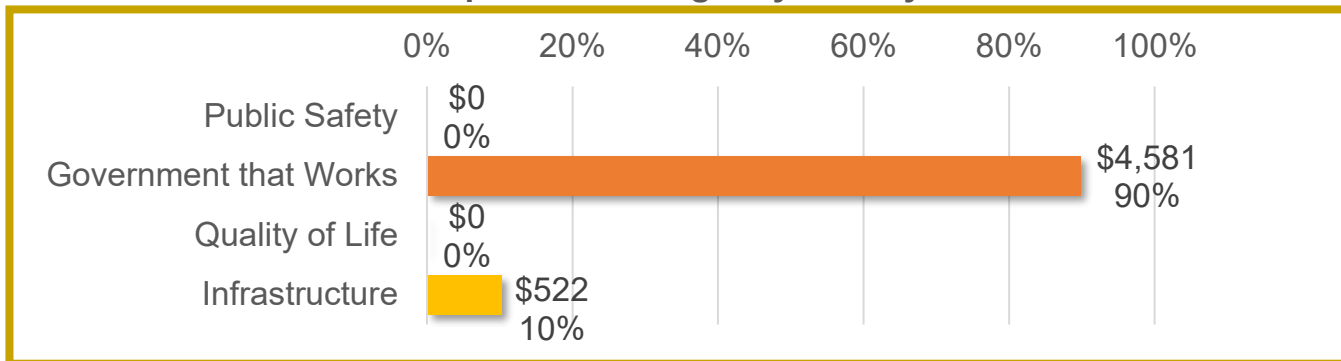
Strategic Alignment



The tables below summarize OBO's alignment to the Mayor's Priorities. All programs align to a mayoral priority, and the overall department budget is broken down as such.

Government that Works	Public Safety	Quality of Life	Infrastructure
Administration Services			External Affairs
Certification & Designations			
Contract Compliance			
Debt Services & Interfund Transfers			

Department Budget by Priority



Plans to Eliminate the Gap (PEG)



This table represents the reductions taken by OBO.

Name of Program	FTEs Filled	FTEs Vacant	Personnel Cost	Other Cost	Total Approved Reduction
Personnel Reduction	0.0	2.0	\$171,785	\$ 0	\$171,785
Supplies and Services Reduction	0.0	0.0	\$ 0	\$30,111	\$ 30,111
Total	0.0	2.0	\$171,785	\$30,111	\$201,896

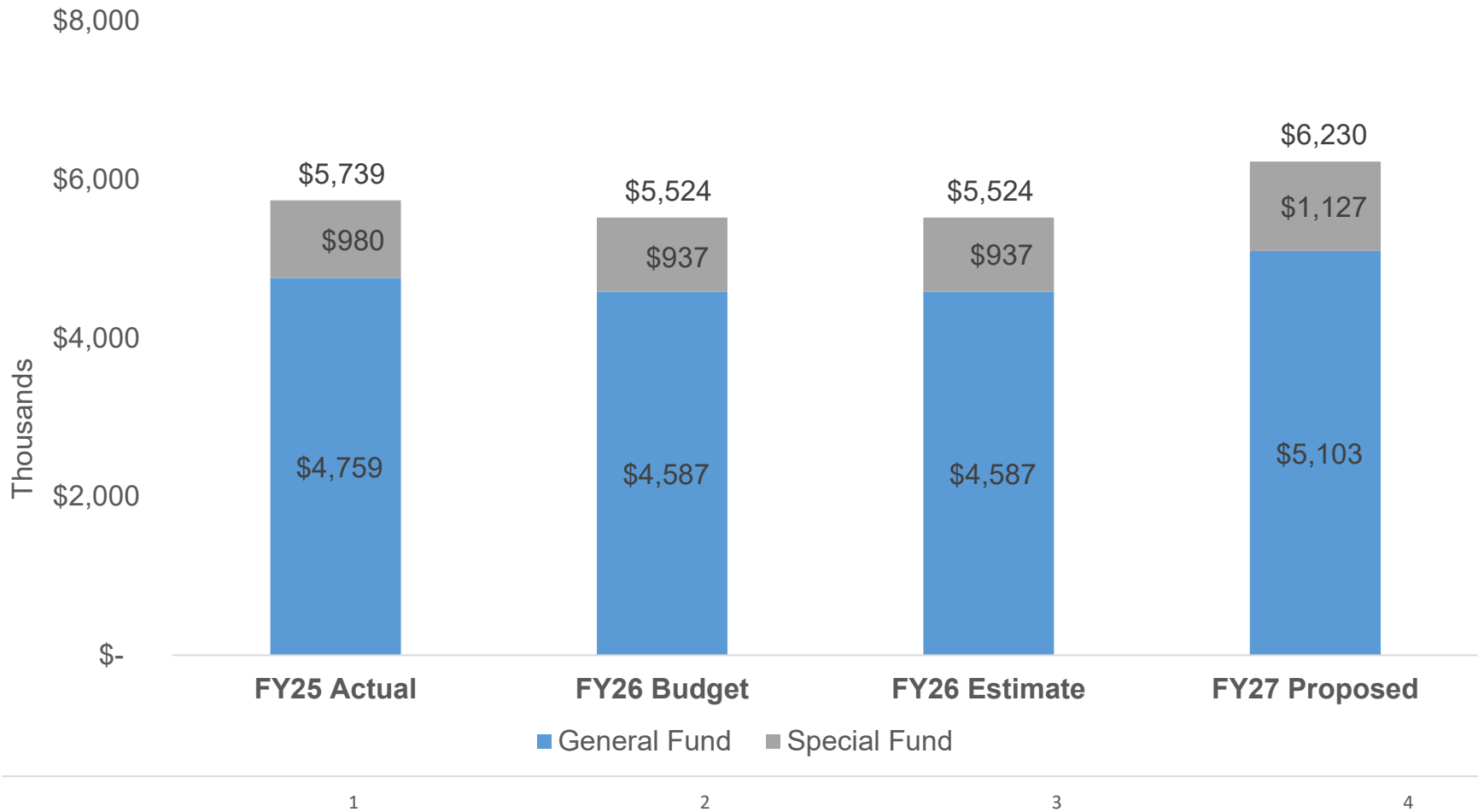
Expenditures by Fund [in thousands]



This slide represents the total expenditures by fund in thousands – FY27 Proposed vs FY26 Current Budget (in thousands).

Category	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed	Variance FY27 Proposed/ FY26 Current	% Change
General Fund	4,759	4,587	4,587	5,103	516	11.25%
Special Revenue Fund	980	937	937	1,127	190	20.28%
Total	5,739	5,524	5,524	6,230	706	12.78%

Expenditures by Fund [in thousands]

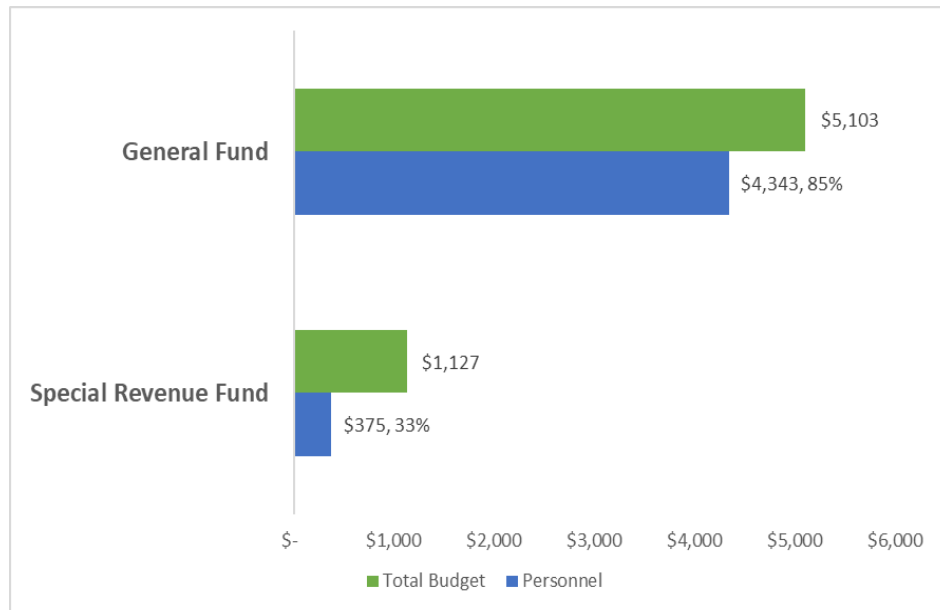


Personnel vs. Non-Personnel [in thousands]



The graphs below are utilized to show how much of the budget is personnel vs. non-personnel. All non-personnel charges are broken out by primary service function.

Personnel Breakdown

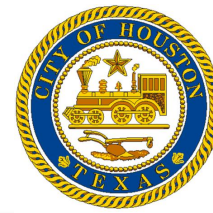


Non-Personnel Breakdown

Supplies	\$	36	1%
Services	\$	391	8%
Restricted Accounts	\$	333	7%
Total	\$	760	16%

Supplies	\$	1	0%
Services	\$	746	66%
Restricted Accounts	\$	5	1%
Total	\$	752	67%

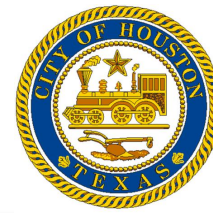
Expenditures by Program [in thousands]



This slide lists the Program Budgets for FY27 Proposed vs FY26 Current Budget (in thousands).

Category	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed	Variance FY27 Proposed/ FY26 Current	% Change
Administration Services	\$ 2,032	\$ 1,486	\$ 1,486	\$ 1,524	\$ 38	2.56%
Business Support and Development	\$ 407	\$ 398	\$ 398	\$ -	\$ (398)	-100%
Certification and Designations	\$ 998	\$ 1,289	\$ 1,289	\$ 1,472	\$ 183	14.20%
Contract Compliance	\$ 1,260	\$ 1,418	\$ 1,418	\$ 2,081	\$ 663	46.76%
Department Services	\$ 196	\$ 203	\$ 203	\$ -	\$ (203)	-100%
External Affairs	\$ -	\$ -	\$ -	\$ 522	\$ 522	100%
Workforce Development Program	\$ 102	\$ 99	\$ 99	\$ -	\$ (99)	-100%
Debt Service and Interfund Transfers	\$ 744	\$ 631	\$ 631	\$ 631	\$ -	0%
Total	\$ 5,739	\$ 5,524	\$ 5,524	\$ 6,230	\$ 706	12.78%

Administration Services Program



Priority: Government that Works

FY 2027 FTE Count: 5.6

Program Description

This program sets and implements the strategic direction, policy, and long-term goals of the department, manages all budget and personnel matters, analytics, and 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 employees contractual pay increases.
- Includes funding for the B2G MWBE Certification and Compliance platform.

FY26 Prop Budget by Fund

Fund 1000	\$1,524
Total	\$1,524

Performance

Measure Name	FY25 Actual	FY26 Progress (Q3)	FY26 Target	FY27 Target	Target Context
MWSBE Contract Participation – Goods	N/A	N/A	15%	N/A	Measures the Dollar Amount
MWSBE Contract Participation – Goods & Services	12%	24%	N/A	N/A	Measures the Dollar Amount
MWSBE Contract Participation – Professional Services	37%	26%	26%	26%	Measures the Dollar Amount
MWSBE Other Services	N/A	N/A	19%	N/A	Measures the Dollar Amount
MWSDBE Contract Participation – Construction	40%	34%	34%	34%	Measures the Dollar Amount
Percentage of Citywide Compliance with Title VI Requirements	100%	100%	100%	100%	Measures Percentage
Expenditures Adopted Budget vs Actual Utilization	86%	84%	98%	98%	Monitors Expenditures
Revenues Adopted Budget vs Actual Utilization	97%	112%	100%	100%	Monitors Revenue

Business Support & Development Program



Priority:	Infrastructure
FY 2027 FTE Count:	0

<u>Program Description</u>	<u>Significant Budget Items</u>	<u>FY27 Prop Budget by Fund</u>	
The OBO Solutions Center serves as an information clearinghouse for Houstonians wishing to start, operate, or grow a business, regardless of certification.	This program has been consolidated, and its activities are now reported under the External Affairs Program.	Fund 1000	\$0
		Total	\$0

<u>Performance</u>					
Measure Name	FY25 Actual	FY26 Progress (Q3)	FY26 Target	FY27 Target	Target Context
Conduct a Customer Satisfaction Survey for the cohort-based business development and capacity building programs.	97%	100%	100%	N/A	Measures the Satisfaction Rating
Number of small businesses and aspiring entrepreneurs assisted by the OBO Solutions Center.	1,586	3,214	2,500	N/A	Measures the Number

Certification and Designations Program



Priority:	Government that Works
FY 2027 FTE Count:	13.3

Program Description

This program certifies businesses for participation on City and federally funded projects. Certification types include Minority, Women, Small Business Enterprises (MWSBE), Persons with Disabilities Business Enterprises (PDBE), Veteran Owned Small Business Enterprises (VOSB), Service-Disabled Veteran Owned Small Business Enterprises (SDVOSB), Disadvantaged Business Enterprises (DBE), and Airport Concession Disadvantaged Business Enterprises (ACDBE). Additionally, the Division also designates businesses Hire Houston First for local preference and recognizes the LGBTBE Certification from the National Gay and Lesbian Chamber of Commerce (NGLCC).

Significant Budget Items

- Includes funding for health benefits, pension contributions and municipal employees contractual pay increases.
- (1) FTE transferred to OBO to address reducing the certification timeline.

FY27 Prop Budget by Fund

Fund 1000	\$1,472
Total	\$1,472

Certification and Designations Program, Continued



Performance

Measure Name	FY25 Actual	FY26 Progress (Q3)	FY26 Target	FY27 Target	Target Context
Average number of business days to process certification applications from application submission to final determination.	N/A	N/A	N/A	30	Measures the Average
Percentage of Minority, Women, and Small Business Enterprises certified as firms in the City of Houston MWSBE Directory within the fiscal year.	N/A	N/A	N/A	80%	Measures Percentage
Percentage of total dollars awarded to businesses certified by the City within the fiscal year.	N/A	N/A	N/A	30%	Measures Percentage
Number of new certified firms.	431	340	1,000	400	Measures the Number
Number of Disadvantaged Business Enterprise (DBE), Airport Concessions Disadvantaged Business Enterprise (ACDBE), MWSBE, and PDBE firms that renewed certification during the fiscal year.	745	1,210	1,400	200	Measures the Number
Number of firms approved in the Hire Houston First Designations Program.	564	466	300	N/A	Measures the Number
Number of firms participating in the Hire Houston First Designations Program.	564	2,239	N/A	N/A	Measures the Number
Number of days to process certification for MWSDBE.	186	13	N/A	N/A	Measures the Number

Contract Compliance Program



Priority:	Government that Works
FY 2027 FTE Count:	17.3

Program Description

This program enforces local, state, and federal labor standards and prompt payment requirements on contracts in addition to monitoring contracts with MWSBE and DBE/ACDBE goals to ensure compliance with local and federal Good Faith Efforts policies. The team collaborates with City departments in the final evaluation and rating of all goal-related contracts.

Significant Budget Items

- Includes funding for health benefits, pension contributions and municipal employees contractual pay increases.
- The Department Services and the Pay or Play Programs have been consolidated in the Contract Compliance Program.

FY27 Prop Budget by Fund

Fund 1000	\$1,585
Fund 2424	\$496
Total	\$2,081

Contract Compliance Program Continued



Performance

Measure Name	FY25 Actual	FY26 Progress (Q3)	FY26 Target	FY27 Target	Target Context
Average number of business days to complete final compliance review and closeout.	N/A	N/A	N/A	30	Measures the Number
Percentage of construction contracts receiving a “Satisfactory” rating for compliance with labor standards and prevailing wage requirements at closeout.	N/A	N/A	N/A	80%	Measures the Percentage
Percentage of contracts that do not meet a “Satisfactory” rating for labor standards and prevailing wages at closeout.	N/A	N/A	N/A	25%	Measures the Percentage
Percentage of Pay or Play funds collected from contractors selecting the “Pay” option.	N/A	N/A	N/A	90%	Measures the Percentage
Percentage of closed construction contracts meeting Labor Standards requirements.	59%	65%	75%	75%	Measures the Percentage
Percentage of closed contracts meeting or exceeding the awarded contract goal and/or providing the requisite “Good Faith Efforts”.	92%	89%	85%	85%	Measures the Percentage
Percentage of new and existing contracts in which vendors chose the “PLAY” option to provide health benefits to employees in a manner that satisfies the City’s requirements for the PAY or PLAY Program.	100%	78%	80%	N/A	Measures the Percentage

Department Services Program



Priority:	Government that Works
FY 2027 FTE Count:	0.0

Program Description

This 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

This program has been consolidated, and its activities are now reported under the Contract Compliance Program.

FY27 Prop Budget by Fund

Fund 1000	\$0
Total	\$0

Performance

Measure Name	FY25 Actual	FY26 Progress (Q3)	FY26 Target	FY27 Target	Target Context
Number of Pre-Bid Good Faith Efforts and Pre-Award Good Faith Efforts Reviews.	38	37	N/A	N/A	Measures the Number
Reduction in the number of rejected participation plans submitted by the departments due to department and/or prime contractor error.	2	0	45	N/A	Measures the Number

External Affairs Program



Priority: Infrastructure

FY 2027 FTE Count: 4.9

Program Description

This program assists in the success of small businesses and entrepreneurs by providing impactful business development and capacity building programs, as well as business support services that include general business guidance, connections to business development organizations, and community partner organizations. It also administers workforce development initiative which includes coordinating resource fairs, connecting individuals to wrap-around services, and facilitating legal clinics.

Significant Budget Items

- Includes funding for health benefits, pension contributions and municipal employees contractual pay increases.
- This program was established as part of the consolidation of the former Business Support and Development and Workforce Development programs.

FY27 Prop Budget by Fund

Fund 1000	\$522
Total	\$522

Performance

Measure Name	FY25 Actual	FY26 Progress (Q3)	FY26 Target	FY27 Target	Target Context
Percentage of businesses engaged with External Affairs that become certified to participate toward MWSBE and DBE goals or are awarded City contracts during the fiscal year.	N/A	N/A	N/A	25%	Measures Percentage
Average staff hours required to document services provided to a business.	N/A	N/A	N/A	2	Measures Hours
Number of participants who attend workforce development events and complete an on-site job interviews	N/A	N/A	N/A	500	Measures the Number
Percentage of businesses reporting that services received met their needs for building business capacity or contracting readiness.	N/A	N/A	N/A	95%	Measures Percentage
Percentage of surveyed businesses that report a favorable perception of OBO services during the fiscal year.	N/A	N/A	N/A	95%	Measures Percentage

Workforce Development Program



Priority:	Infrastructure
FY 2027 FTE Count:	0.0

Program Description

Workforce Development Program initiatives are held bi-annually to support employment efforts by Prime Contractors and Certified Firms.

Significant Budget Items

- This program has been consolidated, and its activities are now reported under the External Affairs program.

FY7 Prop Budget by Fund

Fund 1000	\$0
Total	\$0

Performance

Measure Name	FY25 Actual	FY26 Progress (Q3)	FY26 Target	FY27 Target	Target Context
Number of attendees at the workforce development events.	921	942	1000	N/A	Measures the Number
Percentage of attendees receiving job offers at workforce development events.	64%	18%	30%	N/A	Measures the Percentage
Percentage of attendees receiving supportive services at workforce development events.	33%	72%	75%	N/A	Measures the Percentage

Debt Service and Interfund Transfers Program



Priority:	Government that Works
FY 2027 FTE Count:	0.0

Program Description

Interfund Transfers - allocations included in this section reflect interfund transfers to Houston Police Department and Houston Health Department.

Significant Budget Items

Includes funding Houston Police Department's Crisis Call Diversion Program and Houston Health Department's Client Access Program.

FY27 Prop Budget by Fund

Fund 2424	\$631
Total	\$631

Performance

Measure Name	FY24 Actual	FY25 Progress (Q3)	FY25 Target	FY26 Target	Target Context

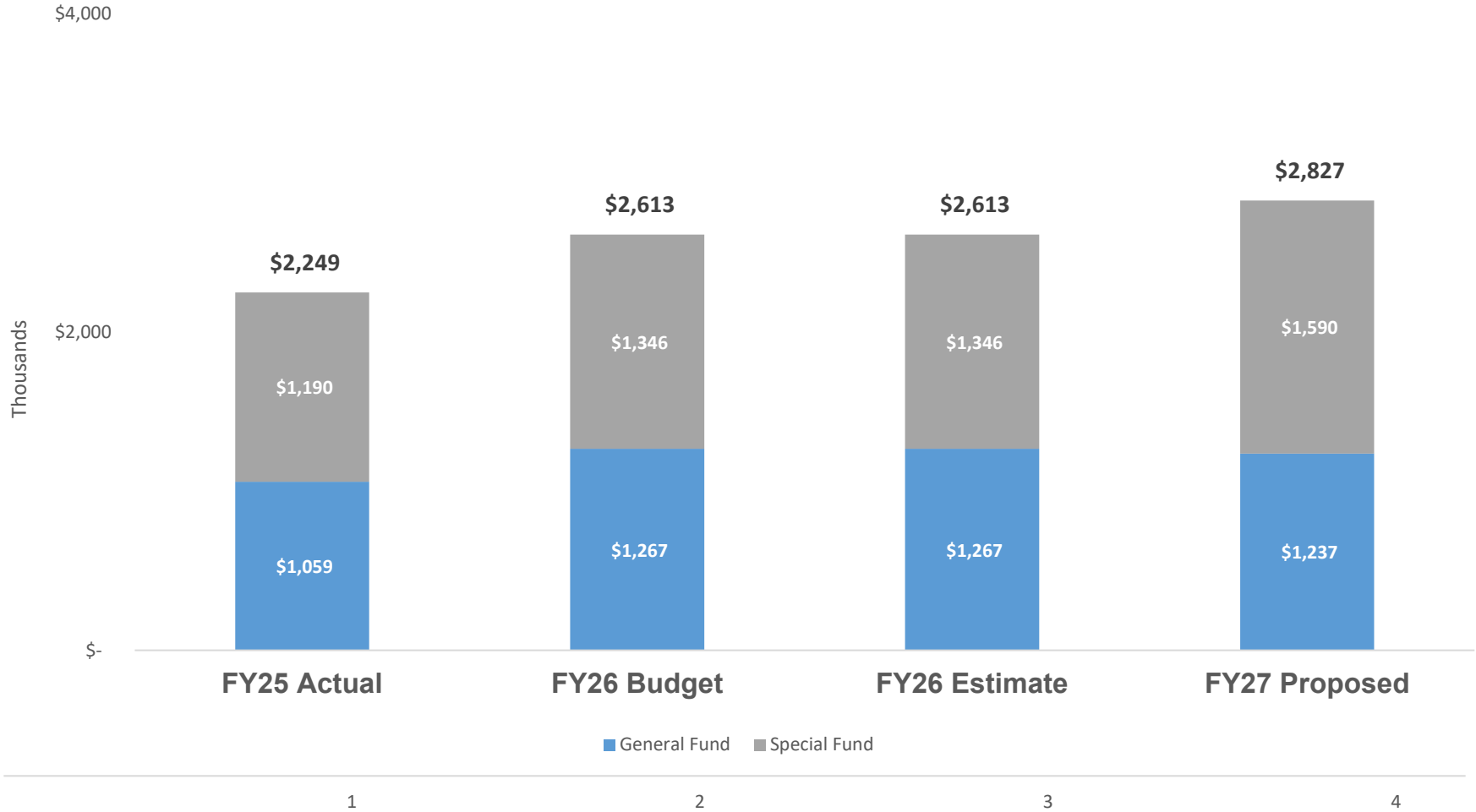
Revenue Highlights [in Thousands]



Revenue Highlights

- Significant changes from the FY2026 Estimates to the FY2027 Proposed Budget Revenue represents a 2.37% decrease in the General Fund.
- Significant changes from the FY2026 Estimates to the FY2027 Proposed Budget Revenue represents a 18.13% increase in the Special Revenue Fund.
 - HPW, HAS, and HCD anticipate additional contracts in FY2027, which will increase the Contractor Responsibility Fund revenue based on trending “Pay” Option vendors.

Revenue by Fund [in thousands]



Revenue by Fund [in thousands]



OBO's list of total revenues by fund in thousands – FY27 Proposed vs FY26 Estimate (in thousands).

Category	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed	Variance FY27 Proposed/ FY26 Estimate	% Change
General Fund	1,059	1,267	1,267	1,237	-30	-2.37%
Special Revenue Fund	1,190	1,346	1,346	1,590	244	18.13%
Total	\$2,249	\$2,613	\$2,613	\$2,827	\$214	8.19%

Revenue by Program [in thousands]



OBO's Program Budgets for FY27 Proposed vs FY26 Estimate (in thousands).

Program	FY25 Actual	FY26 Budget	FY26 Estimate	FY27 Proposed	Variance FY27 Proposed/ FY26 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	2,248	2,613	2,613	2,827	214	8.19%
Department Services	0	0	0	0	0	0%
Workforce Development Program	0	0	0	0	0	0%
Debt Service and Interfund Transfers	0	0	0	0	0	0%
Total	\$2,249	\$2,613	\$2,613	\$2, 827	\$214	8.19%

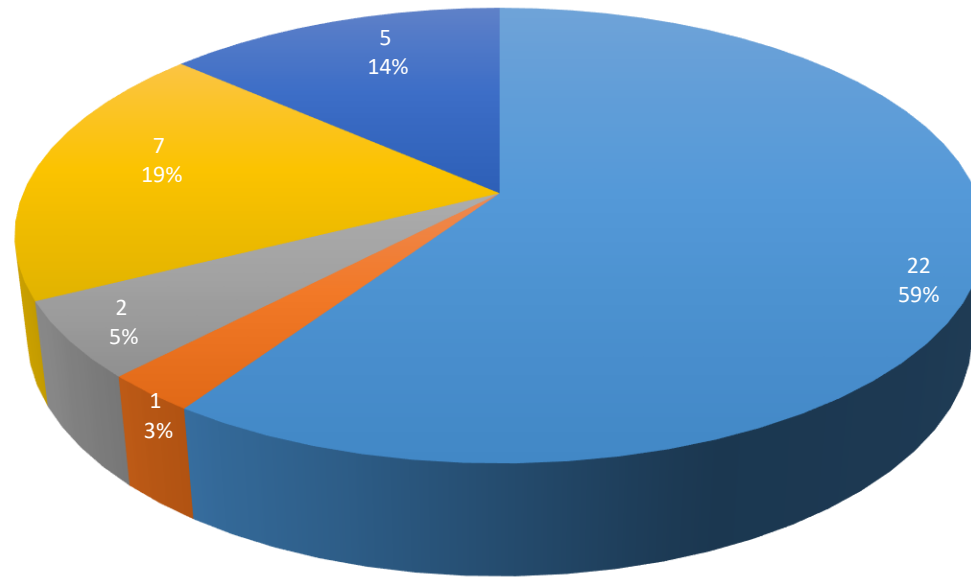


Questions



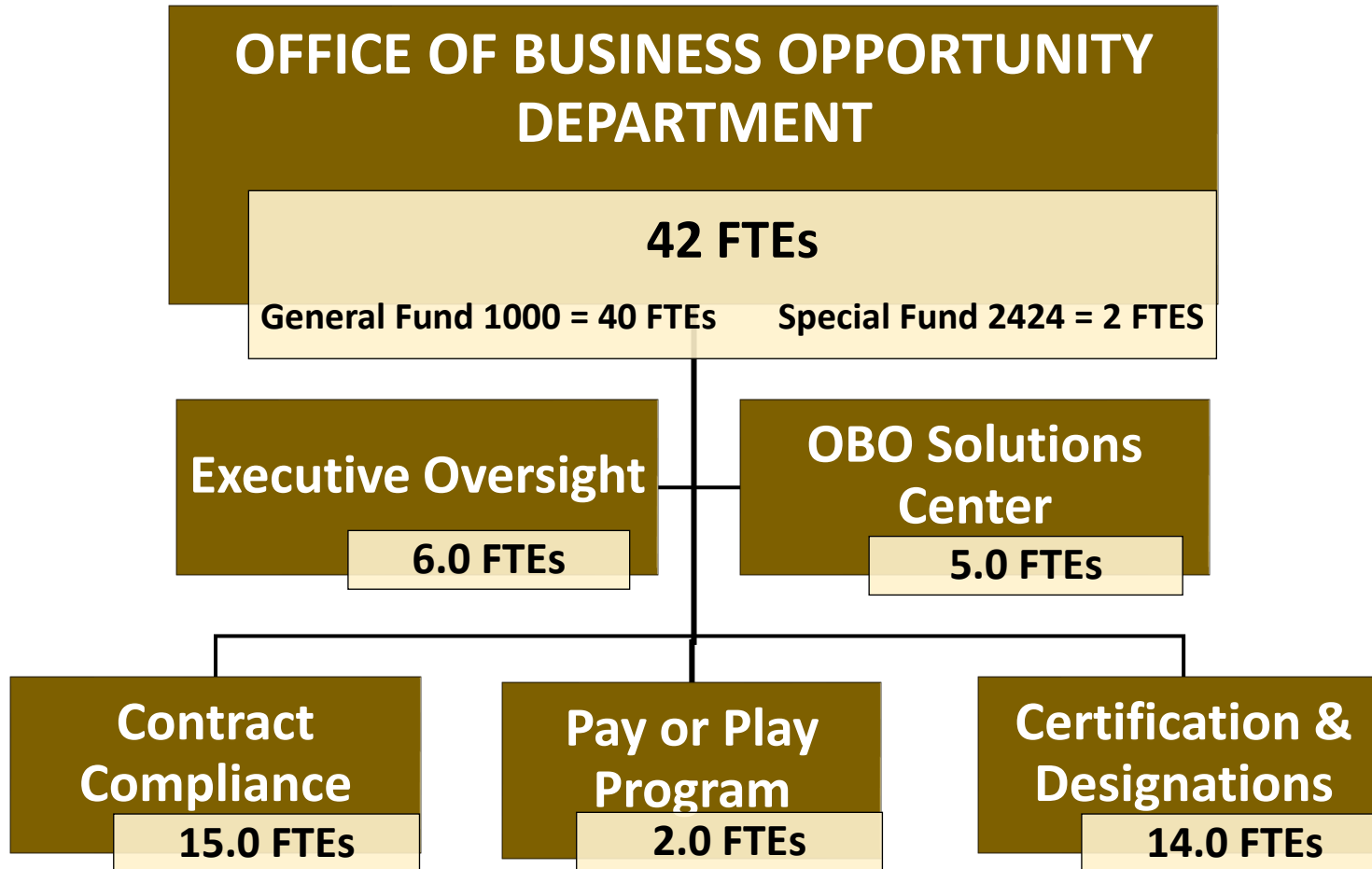
Appendix

FY26 Staff Demographic Breakdown

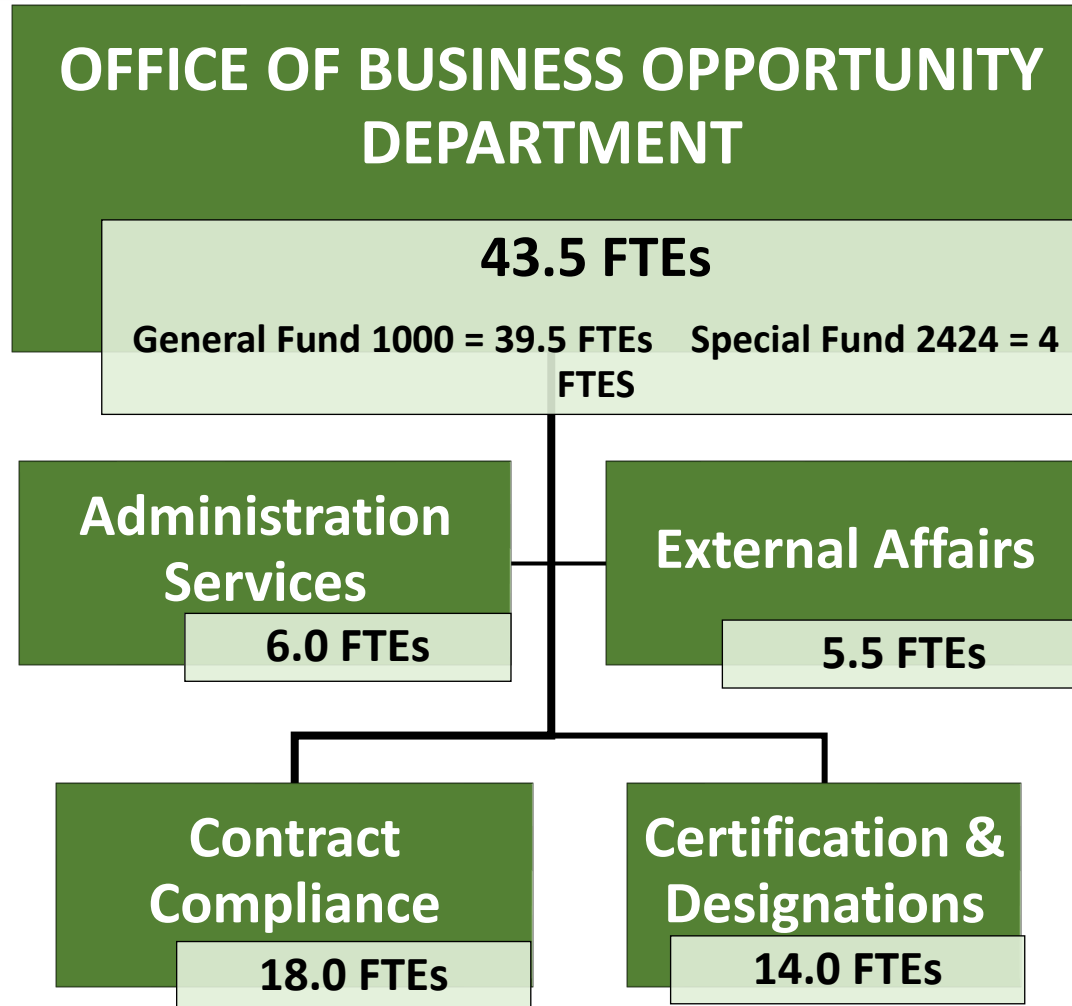


■ Black Female ■ White Female ■ Hispanic Female ■ Black Male ■ Hispanic Male

FY26 Department Organization Chart



FY27 Department Organization Chart



FY 2026 Accomplishments



- **Department Services Unit - 2 FTEs / 0 Vacancies**
 - Six (6) Training Institute Events
 - 21 Roadshows
 - 468 Contracts Reviewed for Goal Setting
 - 86 Pre-Bid Meetings Attended
 - 11 Mediations Conducted

- **Pay or Play Program - 2 FTEs / 0 Vacancies**
 - 18 Compliance Reviews
 - \$1,736,810 savings/cost avoidance to the Call Crisis Diversion Program
 - \$1,654,800 savings/cost avoidance to the Client Access Program

- **Contract Compliance Division - 13 FTEs / 3 Vacancies**
 - 1,407 Contracts Monitored
 - 111 Kickoffs and 121 Pre-Construction Meetings Attended
 - 258 Audits Performed
 - 92 Contract Closeouts
 - MWSBE Ratings: Outstanding 55; Satisfactory seven (7); Satisfactory Due to Good Faith Efforts 25; Unsatisfactory five (5)
 - \$23K in Prevailing Wages Collected
 - Filled five (5) Vacancies

FY 2026 Accomplishments



- **External Affairs Division – 5 FTEs / 1 Vacancy**
 - Four (4) Capacity Building Programs – 1,431 Participants
 - Three (3) Workforce Development Programs - 921 Attendees
 - One (1) Procurement Event - 700 Attendees
 - LGBTQ+ Economic Development Coordinator
 - Three (3) Hires

- **Certification & Designations Division – 13 FTEs / 1 Vacancy**
 - Cleared backlog - 385 applications
 - New application processing average - 14 days
 - Hosted Texas Unified Certification Program Conference
 - Tabled six (6) outreach events to promote certification

- **Administration Services – 9 FTEs / 1 Vacancy**
 - Launched new VOSB and SDVOSB certifications
 - Title VI Complaints - 20 Received - 19 Dismissed
 - Title VI & Language Access Training - 100 Participants
 - Title VI Liaisons Annual Training for City Departments - 14 Participants
 - 22 Advisory Board members appointed/reappointed
 - Six (6) Contract Compliance Commission Meetings

FY 2026 Accomplishments



- **Awards**

- Greater Houston Procurement Forum Committee – MWSBE / DBE Recognition
- Regional Hispanic Contractors Association - LUNA Awards Business Advocate of the Year Nominee
- Subcontractors USA – Texas Top 50 – Community Hero
- Indo American Chamber of Commerce – Host Subcommittee Recognition
- Subcontractors USA – Supplier Diversity Champion & Construction Inclusion
- Greater Houston Procurement Breakfast- Bridge Builder Award
- Subcontractors USA E.C.O. Summit & Expo – Title Sponsor
- Tri-County Chamber of Commerce – Strategic Partner
- Subcontractors USA – Opportunity Champion
- Greater Women’s Chamber of Commerce

Appendix



Data and Reporting:

OBO was awarded CIP funds to enhance its compliance platforms in order to support increased efficiencies across all divisions for FY 2026 – 2027. Phase I began January 2026.

- **Citywide Contract Mapping and Integration Study**

OBO has engaged a consulting firm to review and document contract initiation processes across all departments. This study will identify the most effective method to import all contract awards and purchase order spending into OBO's contract compliance platform, ensuring alignment with City Ordinance Chapter 15 and the Federal Aviation Authority (FAA) requirements.

- **Implementation of a Comprehensive CRM System**

A departmentwide CRM is now in place to consolidate outreach activities and program events. This system enhances OBO's ability to track firm participation and progression through departmental programs.

- **Enhancements to B2GNow Compliance Modules**

Additional modules have been deployed within B2GNow to streamline the setup and closeout of major construction projects, improve transparency in POP (Pay or Play) invoicing, provide automated staff alerts, and enhance email automation capabilities.

- **Phase II (Planned for Completion in FY 2027)**

Phase II will focus on establishing standardized contract naming conventions and developing formal Standard Operating Procedures (SOPs) to support seamless data imports between the City's SAP system and OBO's B2GNow contract compliance system.

Appendix



Special Considerations:

- **Certification Related Fee:** On hold pending judicial ruling on MBE program.
- **Local Small Business Directory Fee:** Proposed and approved for fee study and implementation FY 2027. Proposed range \$1.50 - \$2.00.