



MEMORANDUM

TO: Mayor and Council

FROM: Rebecca Giello, Interim Director
Economic Development Department 

DATE: August 31, 2018

SUBJECT: Update on Fiscal Year 2017-18 Budget Rider: Funding proposal for multiple chambers

This memorandum serves to update the City Council on the Economic Development Department’s proposed approach to address the Budget Rider approved during the Fiscal Year 2018 Budget Approval process. City Council directed staff to provide recommendations on methods to equitably fund the Chambers, to include the Austin Independent Business Alliance (AIBA).

The Economic Development Department (EDD) recommends that in addition to the Multi-Ethnic Chamber Alliance (MECA) and the Austin Independent Business Alliance, there also be an invitation to include other Chambers to participate in a stakeholder process. Staff’s recommendation to extend a broader invitation to chambers recognizes additional Chamber partners that have been instrumental stakeholders. This invitation would include but is not limited to Chambers that currently receive funding from the EDD. Chambers that currently receive funding include Austin Chamber of Commerce, Austin Young Chamber and MECA Alliance. The MECA Alliance includes the Greater Austin Asian Chamber of Commerce, the Greater Austin Hispanic Chamber of Commerce, the Greater Austin Black Chamber of Commerce, and the Austin Gay and Lesbian Chamber of Commerce. The Disability Chamber of Commerce has been instrumental in EDD stakeholder meetings regarding programs and initiatives. The Chamber does not currently receive funding from EDD. The department recommends a broader outreach and stakeholder process to chambers to address funding recommendations that will align with applicable Strategic Plan outcomes, specifically Economic Opportunity and Affordability and Cultural and Learning Opportunities. Below is a snapshot of funding for the MECA Alliance and Austin Chamber activities for the past five fiscal years.

Chamber	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
IBIZ District Marketing	67,650	50,000	70,000	55,000	55,000	55,000
Local Business Conference	-	19,900	-	15,000	15,000	15,000
Austin Gay & Lesbian Chamber of Commerce	153,750	153,750	166,750	153,750	153,750	153,750
Greater Asian American Chamber of Commerce	142,500	142,500	205,500	289,320	192,500	142,500
Greater Black Chamber of Commerce	171,000	171,000	184,000	171,000	171,000	171,000
Hispanic Chamber of Commerce	212,500	212,500	225,500	212,500	212,500	212,500
Opportunity Austin/Greater Austin Chamber of Commerce	350,000	350,000	350,000	350,000	350,000	350,000

Total annual requirements: 1,097,400 1,099,650 1,201,750 1,246,570 1,149,750 1,099,750

The funding for the minority chambers of commerce has been in place for more than 13 years. The chambers within the MECA Alliance are funded at various levels but have similar contractual performance metrics. Opportunity Austin has received funding for 8 years from EDD and 5 years from Austin Energy. The Austin Independent Business Alliance has received funding for 12 years. EDD has had two contracts to fund the Austin Young Chamber. The Fiscal Year

2018 funding amount to the Austin Young Chamber is \$25,000. Performance metrics in these various contracts may or may not align with Council's new Strategic Direction. There have been requests by other chambers regarding access to financial assistance from the City of Austin.

A combination of the City Council Budget Rider per CIUR #1955 and the six (6) new policy outcomes framed in the City of Austin Strategic Direction 2023 present an opportunity to evaluate the alignment of the department's funding with a lens to the Strategic Plan outcomes. The stakeholder process will seek to identify: (1) a more equitable approach to making funding available for Chamber activities; (2) the role chambers can play in addressing Strategic Plan outcomes; (3) a methodology or formula to fund chamber activities. EDD will seek the services of a consultant who can assist with a stakeholder process that provides for the inclusion for chambers operating in the City of Austin that opt to have involved representation in the process. To address the Council's direction as well as identified community equity concerns, the department proposes a stakeholder engagement process working with the Equity Office that will address the following steps:

Reorientation: This effort will involve a training and orientation for chamber representatives on the Six Council Priorities, Beyond Diversity, and the Mayor's Task Force on Racism.

Realignment: This effort will include table discussions with all entities on furthering the work of EDD and how services with chambers align with strategic outcomes to include primarily Culture & Lifelong Learning and Economic Opportunity & Affordability.

Activities:

1. Planning discussions with the Equity Office to include design of the stakeholder process (activities underway);
2. Contract with a consultant to assist with stakeholder process as well design and deployment of a Chamber Self-Assessment Tool;
3. Develop recommendations related to equity in funding availability for Chamber activities;
4. Review recommendations with City of Austin Equity Office, City of Austin Budget Office, and stakeholders.
5. Issue final report and recommendations for methods to equitably fund all Chambers and recommend how the City of Austin can engage new chamber requests.

A final report will be issued in order to make recommendations for the Fiscal Year 2019-2020 Budget, which is when current terms end for chambers currently funded.

For additional information, please contact me at 512-974-3045 or Sylnovia Holt-Rabb, Interim Deputy Director at 512-974-3131.

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