

Office of Small and Local Business Development

www.dslbd.dc.gov

Telephone: 202-727-3900

Description	FY 2014 Actual	FY 2015 Approved	FY 2016 Proposed	% Change from FY 2015
Operating Budget	\$8,190,014	\$9,445,947	\$10,338,186	9.4
FTEs	33.6	38.0	46.0	21.0

The Office of Small and Local Business Development (OSLBD) supports the development, economic growth, and retention of District-based businesses and promotes economic development throughout the District's commercial corridors.

Summary of Services

The Office of Small and Local Business Development provides assistance and services to District-based businesses by positioning them to compete successfully for local, federal, and global business opportunities; advocating and promoting small business; providing one-on-one technical assistance, workshops, and training; certifying companies to do business in the city; and fostering small business development in commercial corridors.

The agency's FY 2016 proposed budget is presented in the following tables:

FY 2016 Proposed Gross Funds Operating Budget, by Revenue Type

Table EN0-1 contains the proposed FY 2016 agency budget compared to the FY 2015 approved budget. It also provides FY 2013 and FY 2014 actual expenditures.

Table EN0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2013	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
General Fund						
Local Funds	4,047	7,734	8,985	9,642	657	7.3
Total for General Fund	4,047	7,734	8,985	9,642	657	7.3
Federal Resources						
Federal Grant Funds	69	456	461	696	235	51.1
Total for Federal Resources	69	456	461	696	235	51.1
Gross Funds	4,116	8,190	9,446	10,338	892	9.4

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2016 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2016 Proposed Full-Time Equivalents, by Revenue Type

Table EN0-2 contains the proposed FY 2016 FTE level compared to the FY 2015 approved FTE level by revenue type. It also provides FY 2013 and FY 2014 actual data.

Table EN0-2

Appropriated Fund	Actual FY 2013	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change
General Fund						
Local Funds	25.5	30.4	35.0	42.3	7.3	20.8
Total for General Fund	25.5	30.4	35.0	42.3	7.3	20.8
Federal Resources						
Federal Grant Funds	0.8	3.2	3.0	3.7	0.7	23.3
Total for Federal Resources	0.8	3.2	3.0	3.7	0.7	23.3
Total Proposed FTEs	26.3	33.6	38.0	46.0	8.0	21.0

FY 2016 Proposed Operating Budget, by Comptroller Source Group

Table EN0-3 contains the proposed FY 2016 budget at the Comptroller Source Group (object class) level compared to the FY 2015 approved budget. It also provides FY 2013 and FY 2014 actual expenditures.

Table EN0-3
(dollars in thousands)

Comptroller Source Group	Actual FY 2013	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
11 - Regular Pay - Continuing Full Time	1,624	2,415	2,412	3,391	979	40.6
12 - Regular Pay - Other	350	279	667	434	-233	-35.0
13 - Additional Gross Pay	36	45	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	361	539	646	780	134	20.7
Subtotal Personal Services (PS)	2,372	3,277	3,725	4,605	880	23.6
20 - Supplies and Materials	20	30	45	60	15	33.3
31 - Telephone, Telegraph, Telegram, Etc.	33	58	50	66	16	32.4
40 - Other Services and Charges	65	192	181	155	-26	-14.4
41 - Contractual Services - Other	1,053	1,153	2,612	1,285	-1,327	-50.8
50 - Subsidies and Transfers	556	3,334	2,808	4,110	1,302	46.4
70 - Equipment and Equipment Rental	18	145	25	57	32	129.0
Subtotal Nonpersonal Services (NPS)	1,744	4,913	5,721	5,734	13	0.2
Gross Funds	4,116	8,190	9,446	10,338	892	9.4

*Percent change is based on whole dollars.

Division Description

The Office of Small and Local Business Development operates through the following 4 divisions:

Certification – processes applicants into the Certified Business Enterprise (CBE) program and monitors, tracks, and reports the activities of District agencies and non-government project partners to ensure compliance with purchasing, participation, and utilization goals with CBEs pursuant to District Law 16-33, the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended.

This division contains the following 2 activities:

- **Certification** – processes and issues certifications designating a District-based business as a CBE, conducts inspections to ensure businesses are compliant with certification regulations, and responds to complaints regarding non-compliant certified companies; and
- **Compliance** – provides oversight of District government agencies and non-government projects to ensure compliance with District regulations regarding CBE utilization and participation pursuant to District Law 16-33.

Business Opportunities and Access to Capital – provides District-based businesses with the knowledge and capacity-building tools necessary to form, develop, grow, and expand by offering classes, training, technical assistance, and advocacy to promote greater participation in local, federal, and private-sector opportunities.

This division contains the following 5 activities:

- **Capital Acquisition** – expands business opportunities for CBEs by increasing the availability of start-up, working equity, and development capital bonding; partners with lending institutions to provide financial tools; and provides targeted technical assistance that will allow for greater preparedness for the lending process;
- **Procurement Technical Assistance Program** – provides District-based small businesses with support to prepare for and gain access to federal government procurement opportunities through the Procurement Technical Assistance Program;
- **Business Development** – provides support, resources, and technical assistance to current or prospective business owners by providing one-on-one counseling, monthly training courses, and workshops to address a broad variety of start-up and development issues from establishing a business to building business credit and finding loans; promotes and advocates for small and local businesses headquartered in the District of Columbia; and is responsible for increasing opportunities for small business participation in the procurement process within the public and private sectors and communicating industry-specific business opportunities;
- **Trade and Export** – provides training, targeted services, trade mission support, and business opportunity identification in order to increase the number of District small businesses that export, grow the dollar value of exports from District businesses, and coordinate trade missions for qualified District-based businesses; and
- **Technology and Innovation** – provides support and assistance for technology companies pursuing opportunities in the development of Small Business Innovation and Research (SBIR) and Small Business Technology Transfer (STTR) program applications; develops and delivers training and technical assistance sessions, as well as unique multi-sector events, designed to assist District technology entrepreneurs launch and grow their businesses; and leverages expertise in federal and private commercialization practices to generate competitive grant applications for District-based small businesses.

Commercial Revitalization – provides technical and funding assistance that supports, promotes, and fosters economic development in commercial districts as well as the retention, recruitment, and enhancement of small businesses throughout the city.

This division contains the following 4 activities:

- **Capacity Building** – provides oversight, funding, and support for the growth and development of neighborhood businesses and manages grants to community-based organizations;
- **Main Streets** – fosters retail investment in the District by providing services and funding to help communities retain and recruit businesses, improve commercial properties and streetscapes, and attract consumers;
- **Commercial Clean Teams** – maintains commercial corridors; enhances litter clean-up efforts through the removal of debris from streets, sidewalks and storefronts; and removes graffiti and illegal sign postings within designated clean team service-delivery areas; and
- **Healthy Food Programs** – facilitates increased supply and demand for healthy foods in accordance with the Food, Environment and Economic Development (FEED) D.C. Act by providing technical assistance with regard to the purchase, marketing, and maintenance of healthy foods in District of Columbia food desserts.

Agency Management – provides for administrative support and the required tools to achieve operational and programmatic results. This division is standard for all agencies using performance-based budgeting.

Division Structure Change

The Office of Small and Local Business Development has no division structure changes in the FY 2016 proposed budget.

FY 2016 Proposed Operating Budget and FTEs, by Division and Activity

Table EN0-4 contains the proposed FY 2016 budget by division and activity compared to the FY 2015 approved budget. It also provides the FY 2014 actual data.

Table EN0-4

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015
(1000) Agency Management								
(1010) Personnel	105	85	158	73	0.1	0.8	1.8	1.0
(1015) Training and Education	35	43	46	3	0.1	0.4	0.4	0.0
(1020) Contracting and Procurement	12	114	14	-99	0.1	0.1	0.1	0.0
(1030) Property Management	14	14	14	1	0.1	0.1	0.1	0.0
(1040) Information Technology	69	64	81	17	0.1	0.1	0.1	0.0
(1050) Financial Management	104	117	132	16	0.1	0.1	0.1	0.0
(1055) Risk Management	12	14	14	1	0.1	0.1	0.1	0.0
(1060) Legal	239	282	307	25	0.0	0.0	2.0	2.0
(1070) Fleet Management	0	6	6	0	0.0	0.0	0.0	0.0
(1080) Communications	92	172	131	-42	1.9	2.1	1.6	-0.5
(1085) Customer Service	70	73	77	4	1.0	1.1	1.1	0.0
(1090) Performance Management	395	217	367	150	2.7	1.2	2.2	1.0
Subtotal (1000) Agency Management	1,147	1,200	1,349	149	6.5	6.5	10.0	3.5
(2000) Certification								
(2010) Certification	851	530	1,415	885	5.5	4.4	7.3	2.9
(2020) Compliance	646	640	985	345	6.1	6.4	10.3	3.9
Subtotal (2000) Certification	1,497	1,170	2,400	1,230	11.5	10.8	17.7	6.9

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Table EN0-4 (Continued)

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015
(3000) Business Opportunities and Access to Capital								
(3030) Capital Acquisition	0	308	211	-96	0.0	2.5	1.8	-0.6
(3040) Procurement Technical Assistance Program	340	500	569	69	2.5	4.0	5.0	1.0
(3050) Access to Capital	289	1,248	0	-1,248	0.0	1.0	0.0	-1.0
(3060) Business Development	543	683	442	-242	4.8	6.5	3.8	-2.6
(3070) Trade and Export	297	251	405	154	2.8	2.0	2.0	0.0
(3080) Technology and Innovation	110	130	232	102	0.4	0.0	1.0	1.0
Subtotal (3000) Business Opportunities and Access to Capital	1,579	3,120	1,860	-1,260	10.6	15.9	13.7	-2.3
(4000) Commercial Revitalization								
(4010) Neighborhood Corridor Revitalization	193	0	0	0	1.6	0.0	0.0	0.0
(4020) Capacity Building	233	349	359	10	1.6	2.6	2.4	-0.1
(4030) Main Streets	1,429	1,169	1,525	355	0.9	1.1	1.1	0.0
(4040) Commercial Clean Teams	2,011	2,237	2,745	508	0.0	1.1	1.1	0.0
(4050) Healthy Food Programs	100	200	100	-100	0.9	0.0	0.0	0.0
Subtotal (4000) Commercial Revitalization	3,967	3,956	4,729	773	4.9	4.8	4.6	-0.1
Total Proposed Operating Budget	8,190	9,446	10,338	892	33.6	38.0	46.0	8.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's divisions, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2016 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2016 Proposed Budget Changes

The Office of Small and Local Business Development's (OSLBD) proposed FY 2016 gross budget is \$10,338,186, which represents a 9.4 percent increase over its FY 2015 approved gross budget of \$9,445,947. The budget is comprised of \$9,642,186 in Local funds and \$696,000 in Federal Grant funds.

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2015 approved budget across multiple divisions, and it estimates how much it would cost an agency to continue its current divisions and operations into the following fiscal year. The FY 2016 CSFL adjustments to the FY 2015 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

OSLBD's FY 2016 CSFL budget is \$8,832,186, which represents a \$153,068, or 1.7 percent, decrease from the FY 2015 approved Local funds budget of \$8,985,254.

CSFL Assumptions

The FY 2016 CSFL calculated for OSLBD included adjustment entries that are not described in detail on table 5. These adjustments include a reduction of \$300,000 to account for the removal of one-time funding appropriated in FY 2015 for Clean Teams in Wards 3, 5, and 7 to support the H Street corridor Main Street improvement program and a one-time study to consider Lower Georgia Avenue for the Main Streets program. Additionally, adjustments were made for a net increase of \$99,133 in personal services to account for Fringe Benefit costs based on trend and comparative analyses, the impact of cost-of-living adjustments, and approved compensation agreements implemented in FY 2015, and an increase of \$47,799 in nonpersonal services based on the Consumer Price Index factor of 2.2 percent.

Agency Budget Submission

Increase: OSLBD's proposed Local funds budget reflects an increase of \$711,065 in the budget allocation for personal services to support an additional 7.3 Full-Time Equivalent (FTE) positions, as well as projected salary step and Fringe Benefit costs. The additional FTEs have been added to comply with the requirements in the new Certified Business Enterprise (CBE) law. Additionally, the proposed Local funds budget reflects increases of \$492,152 to support Commercial Clean Teams, \$47,251 for office equipment and supplies to support the new FTEs and the CBE process, and \$16,191 for projected Telecommunications costs.

The FY 2016 budget proposal in Federal Grant funds reflects a net increase of \$235,307 and 0.7 FTE primarily due to a newly administered D.C. State Trade and Export Promotion (STEP) grant for FY 2016.

Decrease: OSLBD's Local funds budget proposal reflects a net reduction of \$1,266,658. Of this amount, \$1,213,318 accounts for budget items in FY 2015 that are not recurring in FY 2016. These items were associated with the process of clarifying the definition of small business enterprise and CBE, to classify developers as beneficiaries, and to define what constitutes a government-assisted project that is subject to the requirements of the CBE program. The remaining \$53,340 is due to the completion of Main Streets program contracts in FY 2015.

Mayor's Proposed Budget

Reduce: The Local funds budget includes a reduction of \$100,000 in healthy food support grants in the Commercial Revitalization division.

District's Proposed Budget

Enhance: The Office of Small and Local Business Development's Local funds budget increased by \$510,000 to support the living wage salary adjustments for the Clean Teams in the Commercial Revitalization division. Additionally, the Local funds budget reflects a one-time increase of \$400,000 to create new Main Streets for Van Ness and Tenleytown.

FY 2015 Approved Budget to FY 2016 Proposed Budget, by Revenue Type

Table EN0-5 itemizes the changes by revenue type between the FY 2015 approved budget and the FY 2016 proposed budget.

Table EN0-5
(dollars in thousands)

DESCRIPTION	DIVISION	BUDGET	FTE
LOCAL FUNDS: FY 2015 Approved Budget and FTE		8,985	35.0
Removal of One-Time Funding	Multiple Programs	-300	0.0
Other CSFL Adjustments	Multiple Programs	147	0.0
LOCAL FUNDS: FY 2016 Current Services Funding Level (CSFL) Budget		8,832	35.0
Increase: To adjust personal services	Multiple Programs	711	7.3
Increase: To support program initiative(s)	Commercial Revitalization	492	0.0
Increase: To align funding with nonpersonal services costs	Multiple Programs	47	0.0
Increase: To align Fixed Costs with proposed estimates	Agency Management	16	0.0
Decrease: To align resources with operational goals	Multiple Programs	-1,267	0.0
LOCAL FUNDS: FY 2016 Agency Budget Submission		8,832	42.3
Reduce: Healthy food support grant funding	Commercial Revitalization	-100	0.0
LOCAL FUNDS: FY 2016 Mayor's Proposed Budget		8,732	42.3
Enhance: To support two additional Clean Teams and living wage increase	Commercial Revitalization	510	0.0
Enhance: To support additional Main Streets	Commercial Revitalization	400	0.0
LOCAL FUNDS: FY 2016 District's Proposed Budget		9,642	42.3
FEDERAL GRANT FUNDS: FY 2015 Approved Budget and FTE		461	3.0
Increase: To align budget with projected grant awards	Business Opportunities and Access to Capital	235	0.7
FEDERAL GRANT FUNDS: FY 2016 Agency Budget Submission		696	3.7
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2016 Mayor's Proposed Budget		696	3.7
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2016 District's Proposed Budget		696	3.7
Gross for EN0 - Office of Small and Local Business Development		10,338	46.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Agency Performance Plan

The agency's performance plan has the following objectives for FY 2016:

Certification, Compliance and Enforcement

Objective 1: Improve the business certification process, increase participation, and strengthen compliance and enforcement of the CBE program (5-Year Economic Development Strategy 1.17).

KEY PERFORMANCE INDICATORS

Certification, Compliance and Enforcement

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Number of District agencies monitored for Certified Small Business Enterprise (CSBE) compliance	80	80	82	80	80	80
Average number of business days for certification application determinations	35	30	24	28	26	26
Percentage of certification applications processed within 45 business days	90%	85%	91.4%	85%	85%	85%
Number of certification applications processed	1,186	1,200	1,058	1,250	1,300	1,300
Number spot checks conducted (new in FY 2014)	Not Available	1,100	1,100	1,100	1,100	1,100

Business Opportunities and Access to Capital

Objective 1: Assist small businesses with accessing capital, expanding business opportunities and training and education resources (including 5-Year Economic Development Strategy 1.3 and 5.3).

KEY PERFORMANCE INDICATORS

Business Opportunities and Access to Capital

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Number of small business participants in training and education activities	4,045	3,200	4,367	3,400	3,400	3,500
Number of small business trade missions	1	1	2	1	1	1
Number of small businesses participating in international business matching activities (exporting activities)	17	20	27	20	20	25
Number of OSLBD clients obtaining Historically Underutilized Business Zones (HUBZone) and 8(a) certification [5-Year Economic Development Strategy 1.3]	110	1	414	75	100	125

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KEY PERFORMANCE INDICATORS (Continued)

Business Opportunities and Access to Capital

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Number of small businesses receiving microloans (new in FY 2014)	Not Available	Baseline	20	20	20	25
Number of participants in DC Food Incubators (new in FY 2014)	Not Available	Baseline	50	50	50	100

Commercial Revitalization

Objective 1: Extend economic development to District neighborhoods through commercial revitalization initiatives and programs.

KEY PERFORMANCE INDICATORS

Commercial Revitalization

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Number of graffiti removed in commercial corridors	1,664	1,364	2,500	3,000	3,500	3,500
Weight of litter and recyclables collected in pounds	Not Available	Baseline	1,059,593	800,000	800,000	800,000
Number of trash bags collected in commercial corridors ¹	97,347	Not Available	Not Available	Not Available	Not Available	Not Available
Number of tree boxes maintained in commercial corridors ²	20,000	7,463	Not Available	Not Available	Not Available	Not Available
Number of Streetscape Loan received ³	6	6	0	1	2	2

Agency Management

Objective 1: Provide administrative support and the required tools to achieve operational and programmatic effectiveness within OSLBD.

KEY PERFORMANCE INDICATORS

Agency Management

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Number of webpage views	193,270	144,784	117,500	120,000	122,500	130,000

Performance Plan Endnotes

¹In FY 2014, Commercial Revitalization has moved away from counting number of trash bags to tracking weight of collected trash.

²This indicator was discontinued in FY 2014.

³The Washington Area Community Investment Fund (WACIF) administers Streetscape Loan program and reports numbers to OSLBD. In FY 2014, WACIF did not give any loans.