
Department of Small and Local Business Development

<http://dslbd.dc.gov>

Telephone: 202-727-3900

| Description | FY 2011 Actual | FY 2012 Approved | FY 2013 Proposed | % Change from FY 2012 |
|------------------|-------------------|---------------------|---------------------|-----------------------------|
| Operating Budget | \$7,802,987 | \$5,264,071 | \$6,185,221 | 17.5 |
| FTEs | 24.2 | 25.0 | 31.0 | 24.2 |

The mission of the Department of Small and Local Business Development (DSLBD) is to foster the economic growth, development, and retention of District-based businesses.

Summary of Services

The Department of Small and Local Business Development provides assistance and services to District-based businesses by identifying and disseminating business opportunities; advocating and promoting small business; providing one-on-one counseling services, workshops, courses and trainings; certifying companies to do business in the city; and fostering small business development in commercial districts.

The agency's FY 2013 proposed budget is presented in the following tables:

FY 2013 Proposed Gross Funds Operating Budget, by Revenue Type

Table EN0-1 contains the proposed FY 2013 agency budget compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

Table EN0-1
(dollars in thousands)

| Appropriated Fund | Actual FY 2010 | Actual FY 2011 | Approved FY 2012 | Proposed FY 2013 | Change from FY 2012 | Percent Change* |
|---------------------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|------------------------------------|----------------------------|
| <u>General Fund</u> | | | | | | |
| Local Funds | 2,339 | 7,536 | 4,852 | 5,276 | 424 | 8.7 |
| Total for General Fund | 2,339 | 7,536 | 4,852 | 5,276 | 424 | 8.7 |
| <u>Federal Resources</u> | | | | | | |
| Federal Grant Funds | 341 | 258 | 361 | 909 | 548 | 152.0 |
| Total for Federal Resources | 341 | 258 | 361 | 909 | 548 | 152.0 |
| <u>Intra-District Funds</u> | | | | | | |
| Intra-District Funds | 3,080 | 9 | 51 | 0 | -51 | -100.0 |
| Total for Intra-District Funds | 3,080 | 9 | 51 | 0 | -51 | -100.0 |
| Gross Funds | 5,761 | 7,803 | 5,264 | 6,185 | 921 | 17.5 |

*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 2013 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2013 Proposed Full-Time Equivalents, by Revenue Type

Table EN0-2 contains the proposed FY 2013 FTE level compared to the FY 2012 approved FTE level by revenue type. It also provides FY 2010 and FY 2011 actual data.

Table EN0-2

| Appropriated Fund | Actual FY 2010 | Actual FY 2011 | Approved FY 2012 | Proposed FY 2013 | Change from FY 2012 | Percent Change |
|---------------------------------------|-------------------|-------------------|---------------------|---------------------|---------------------------|-------------------|
| General Fund | | | | | | |
| Local Funds | 23.1 | 20.3 | 20.5 | 24.0 | 3.5 | 17.3 |
| Total for General Fund | 23.1 | 20.3 | 20.5 | 24.0 | 3.5 | 17.3 |
| Federal Resources | | | | | | |
| Federal Grant Funds | 0.0 | 4.0 | 4.0 | 7.0 | 3.0 | 75.0 |
| Total for Federal Resources | 0.0 | 4.0 | 4.0 | 7.0 | 3.0 | 75.0 |
| Intra-District Funds | | | | | | |
| Intra-District Funds | 0.0 | 0.0 | 0.5 | 0.0 | -0.5 | -100.0 |
| Total for Intra-District Funds | 0.0 | 0.0 | 0.5 | 0.0 | -0.5 | -100.0 |
| Total Proposed FTEs | 23.1 | 24.2 | 25.0 | 31.0 | 6.0 | 24.2 |

FY 2013 Proposed Operating Budget, by Comptroller Source Group

Table EN0-3 contains the proposed FY 2013 budget at the Comptroller Source Group (object class) level compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

Table EN0-3
(dollars in thousands)

| Comptroller Source Group | Actual FY 2010 | Actual FY 2011 | Approved FY 2012 | Proposed FY 2013 | Change from FY 2012 | Percent Change* |
|--|-------------------|-------------------|---------------------|---------------------|---------------------------|--------------------|
| 11 - Regular Pay - Continuing Full Time | 1,672 | 1,141 | 1,444 | 1,652 | 208 | 14.4 |
| 12 - Regular Pay - Other | 309 | 301 | 528 | 690 | 162 | 30.7 |
| 13 - Additional Gross Pay | 79 | 90 | 0 | 0 | 0 | N/A |
| 14 - Fringe Benefits - Current Personnel | 362 | 281 | 420 | 542 | 122 | 29.1 |
| 15 - Overtime Pay | 0 | 1 | 0 | 0 | 0 | N/A |
| Subtotal Personal Services (PS) | 2,422 | 1,814 | 2,391 | 2,884 | 493 | 20.6 |
| 20 - Supplies and Materials | 26 | 19 | 10 | 49 | 39 | 394.8 |
| 30 - Energy, Comm. and Building Rentals | 26 | 0 | 0 | 0 | 0 | N/A |
| 31 - Telephone, Telegraph, Telegram, Etc. | 30 | 22 | 0 | 37 | 37 | N/A |
| 33 - Janitorial Services | 13 | 0 | 0 | 0 | 0 | N/A |
| 34 - Security Services | 3 | 0 | 0 | 0 | 0 | N/A |
| 35 - Occupancy Fixed Costs | 14 | 0 | 0 | 0 | 0 | N/A |
| 40 - Other Services and Charges | 106 | 71 | 23 | 275 | 252 | 1,104.4 |
| 41 - Contractual Services - Other | 39 | 571 | 695 | 910 | 215 | 30.9 |
| 50 - Subsidies and Transfers | 3,082 | 5,301 | 2,144 | 2,000 | -144 | -6.7 |
| 70 - Equipment and Equipment Rental | 0 | 5 | 0 | 29 | 29 | 5,726.6 |
| Subtotal Nonpersonal Services (NPS) | 3,339 | 5,989 | 2,873 | 3,301 | 428 | 14.9 |
| Gross Funds | 5,761 | 7,803 | 5,264 | 6,185 | 921 | 17.5 |

*Percent change is based on whole dollars.

Division Description

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

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

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

This division contains the following 4 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** – provides District based small businesses with support to prepare for and gain access to federal government procurement opportunities;
- **Business Development** – develops and implements business management training sessions and technical assistance programs, and identifies and disseminates business and training opportunities to small and local businesses; and
- **Trade and Export** – provides training, targeted services provision, 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.

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

This division contains the following 3 activities:

- **Capacity Building** – provides oversight, funding, compliance monitoring, and support for the growth and development of neighborhood business development, 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; and
- **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.

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 Department of Small and Local Business Development has no division structure changes in the FY 2013 proposed budget.

FY 2013 Proposed Operating Budget and FTEs, by Division and Activity

Table EN0-4 contains the proposed FY 2013 budget by division and activity compared to the FY 2012 approved budget. It also provides the FY 2011 actual data.

Table EN0-4

(dollars in thousands)

| Division/Activity | Dollars in Thousands | | | | Full-Time Equivalents | | | |
|---|----------------------|---------------------|---------------------|---------------------------|-----------------------|---------------------|---------------------|---------------------------|
| | Actual FY 2011 | Approved FY 2012 | Proposed FY 2013 | Change from FY 2012 | Actual FY 2011 | Approved FY 2012 | Proposed FY 2013 | Change from FY 2012 |
| (1000) Agency Management Program | | | | | | | | |
| (1010) Personnel | 16 | 17 | 20 | 2 | 0.2 | 0.2 | 0.2 | 0.0 |
| (1015) Training and Education | 13 | 14 | 17 | 2 | 0.1 | 0.1 | 0.2 | 0.0 |
| (1020) Contracting and Procurement | 13 | 14 | 17 | 2 | 0.1 | 0.1 | 0.2 | 0.0 |
| (1030) Property Management | 13 | 14 | 17 | 2 | 0.1 | 0.1 | 0.2 | 0.0 |
| (1040) Information Technology | 102 | 54 | 0 | -54 | 0.1 | 0.1 | 0.0 | -0.1 |
| (1050) Financial Management | 81 | 120 | 122 | 2 | 0.6 | 1.2 | 0.2 | -0.9 |
| (1055) Risk Management | 13 | 14 | 17 | 2 | 0.1 | 0.1 | 0.2 | 0.0 |
| (1060) Legal | 149 | 150 | 157 | 7 | 0.3 | 0.0 | 0.0 | 0.0 |
| (1070) Fleet Management | 2 | 3 | 2 | -1 | 0.0 | 0.0 | 0.0 | 0.0 |
| (1080) Communications | 13 | 14 | 126 | 112 | 0.1 | 0.1 | 1.4 | 1.2 |
| (1085) Customer Service | 63 | 60 | 118 | 58 | 1.1 | 1.1 | 1.7 | 0.6 |
| (1090) Performance Management | 14 | 16 | 173 | 157 | 0.2 | 0.2 | 1.3 | 1.2 |
| Subtotal (1000) Agency Management Program | 493 | 492 | 785 | 293 | 3.2 | 3.5 | 5.6 | 2.1 |
| (2000) Certification | | | | | | | | |
| (2010) Certification | 477 | 576 | 619 | 42 | 7.7 | 6.5 | 5.2 | -1.3 |
| (2020) Compliance | 111 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (2050) Capacity Building | 0 | 85 | 0 | -85 | 0.0 | 1.0 | 0.0 | -1.0 |
| Subtotal (2000) Certification | 588 | 662 | 619 | -43 | 7.7 | 7.5 | 5.2 | -2.3 |
| (3000) Business Opp and Access to Capital | | | | | | | | |
| (3010) Training and Education | 0 | 136 | 0 | -136 | 0.0 | 1.6 | 0.0 | -1.6 |
| (3020) Business Opportunities | 269 | 321 | 0 | -321 | 2.1 | 3.2 | 0.0 | -3.2 |
| (3030) Capital Acquisition | 85 | 0 | 135 | 135 | 0.0 | 0.0 | 1.4 | 1.4 |
| (3040) Procurement Tech Assistance | 154 | 491 | 481 | -10 | 4.1 | 4.7 | 4.0 | -0.7 |
| (3050) Access to Capital | 0 | 0 | 0 | 0 | 0.8 | 0.0 | 0.0 | 0.0 |
| (3060) Business Development | 0 | 0 | 747 | 747 | 0.0 | 0.0 | 7.2 | 7.2 |
| (3070) Trade and Export | 0 | 0 | 796 | 796 | 0.0 | 0.0 | 3.0 | 3.0 |
| Subtotal (3000) Business Opp and Access to Capital | 509 | 948 | 2,159 | 1,211 | 7.0 | 9.5 | 15.6 | 6.0 |

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Table ENO-4 (Continued)

(dollars in thousands)

| Division/Activity | Dollars in Thousands | | | | Full-Time Equivalents | | | |
|--|----------------------|---------------------|---------------------|---------------------------|-----------------------|---------------------|---------------------|---------------------------|
| | Actual FY 2011 | Approved FY 2012 | Proposed FY 2013 | Change from FY 2012 | Actual FY 2011 | Approved FY 2012 | Proposed FY 2013 | Change from FY 2012 |
| (4000) Commercial Revitalization | | | | | | | | |
| (4010) Neighborhood Corridor Revitalization | 568 | 779 | 0 | -779 | 2.6 | 2.4 | 0.0 | -2.4 |
| (4020) Capacity Building | 5,645 | 2,384 | 465 | -1,918 | 2.1 | 2.1 | 1.6 | -0.5 |
| (4030) Main Streets | 0 | 0 | 888 | 888 | 0.0 | 0.0 | 1.6 | 1.6 |
| (4040) Commercial Clean Teams | 0 | 0 | 1,270 | 1,270 | 0.0 | 0.0 | 1.5 | 1.5 |
| Subtotal (4000) Commercial Revitalization | 6,213 | 3,162 | 2,623 | -540 | 4.7 | 4.5 | 4.7 | 0.2 |
| (5000) Training and Education | | | | | | | | |
| (5010) Training and Education Services | 0 | 0 | 0 | 0 | 1.6 | 0.0 | 0.0 | 0.0 |
| Subtotal (5000) Training and Education | 0 | 0 | 0 | 0 | 1.6 | 0.0 | 0.0 | 0.0 |
| Total Proposed Operating Budget | 7,803 | 5,264 | 6,185 | 921 | 24.2 | 25.0 | 31.0 | 6.0 |

(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 2013 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2013 Proposed Budget Changes

The Department of Small and Local Business Development's (DSLBD) proposed FY 2013 gross budget is \$6,185,221, which represents a 17.5 percent increase over its FY 2012 approved gross budget of \$5,264,071. The budget is comprised of \$5,276,440 in Local funds and \$908,781 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 2012 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The initial adjustments in the budget proposal represent changes that should be compared to the FY 2013 CSFL budget and not necessarily changes made to the FY 2012 Local funds budget. The FY 2013 CSFL adjustments to the FY 2012 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.

DSLBD's FY 2013 CSFL budget is \$4,899,214, which represents a \$47,044, or 1.0 percent, increase over the FY 2012 approved Local funds budget of \$4,852,170.

Initial Adjusted Budget

Eliminate: The Department of Small and Local Business Development will eliminate the split funding of \$51,236 and 0.5 FTE with the Department of Employment Services in Intra-District funds. The services that were provided will be assumed by existing DSLBD staff.

Cost Increase: DSLBD will make several modifications to its Local budget to reallocate funding to support the development, economic growth, and retention of District-based businesses. To help accomplish this mission, the agency will add 3.5 Local FTEs at a cost of \$187,497, and \$31,695 in Other Services and Charges. An additional \$27,505 is needed for the fixed cost assessment for Telecom; \$15,831 to align personal services based on historical spending; and \$15,790 for Equipment and Supplies. The State Trade and Export Promotion Grant Award/Procurement Technical Assistance Program will provide DSLBD with federal grant funding for FY 2013 to be used in the Business Opportunities and Access to Capital program. The award will be used to fund 3.0 additional FTEs at a cost of \$238,773. Also in Federal Grant funds, Other Services and Charges will realize an increase of \$196,275, and \$58,210 supports planned step increases and associated Fringe Benefits costs. Additional increases in Federal Grant funds will cover Contractual Services and Supplies and Equipment purchases in the amounts of \$35,716, and \$17,011 respectively.

Cost Decrease: In Local funds, DSLBD will decrease Subsidies and Transfers by \$144,144 in the Commercial Revitalization program to partially offset the increases in personal services. The agency will also streamline operational costs by reducing Contractual Services by \$134,174 without an impact on the level of service.

Additionally Adjusted Budget

Technical Adjustment: Adjustment of fringe benefits to restore the District Government contribution for employee health insurance from 72 percent, implemented in the FY 2011 budget, to 75 percent in FY 2013, resulting in an increase of \$9,017 in Local funds and \$2,132 in Federal Grant funds.

Policy Initiatives

Cost Increase: DSLBD will have a Local funds match of \$119,000 for the Procurement Technical Assistance federal grant.

Technical Adjustment: In addition, a Local funds match of \$249,209 is needed for the State Trade and Export Promotion federal grant.

FY 2012 Approved Budget to FY 2013 Proposed Budget, by Revenue Type

Table EN0-5 itemizes the changes by revenue type between the FY 2012 approved budget and the FY 2013 proposed budget.

Table EN0-5
(dollars in thousands)

| | PROGRAM | BUDGET | FTE |
|--|--|--------------|-------------|
| LOCAL FUNDS: FY 2012 Approved Budget and FTE | | 4,852 | 20.5 |
| Fringe Benefit Rate Adjustment | Multiple Programs | 24 | 0.0 |
| Consumer Price Index | Multiple Programs | 15 | 0.0 |
| Personal Services Growth Factor | Multiple Programs | 8 | 0.0 |
| FY 2013 Current Services Funding Level Budget (CSFL) | | 4,899 | 20.5 |
| Cost Increase: Additional FTEs salary and Fringe Benefits | Multiple Programs | 187 | 3.5 |
| Cost Increase: Other Services and Charges | Multiple Programs | 32 | 0.0 |
| Cost Increase: Fixed costs assessment for Telecom | Agency Management Program | 28 | 0.0 |
| Cost Increase: Align personal services with projected costs | Multiple Programs | 16 | 0.0 |
| Cost Increase: Equipment, Supplies and Materials | Multiple Programs | 16 | 0.0 |
| Cost Decrease: Redirect funding from Subsidies and Transfers | Commercial Revitalization | -144 | 0.0 |
| Cost Decrease: Contracts to streamline operations | Multiple Programs | -134 | 0.0 |
| FY 2013 Initial Adjusted Budget | | 4,899 | 24.0 |
| Technical Adjustment: Health insurance contribution | Multiple Programs | 9 | 0.0 |
| FY 2013 Additionally Adjusted Budget | | 4,908 | 24.0 |
| FY 2013 Policy Initiatives | | | |
| Technical Adjustments: To match a federal grant | Business Opportunity and Access to Capital | 249 | 0.0 |
| Cost Increase: To match a federal grant | Business Opportunity and Access to Capital | 119 | 0.0 |
| LOCAL FUNDS: FY 2013 Proposed Budget and FTE | | 5,276 | 24.0 |
| FEDERAL GRANT FUNDS: FY 2012 Approved Budget and FTE | | 361 | 4.0 |
| Cost Increase: STEP Grant award FTEs salary and fringe benefits costs | Business Opportunity and Access to Capital | 239 | 3.0 |
| Cost Increase: Other Services and Charges | Business Opportunity and Access to Capital | 196 | 0.0 |
| Cost Increase: Align personal services with projected costs | Business Opportunity and Access to Capital | 58 | 0.0 |
| Cost Increase: Contractual Services | Business Opportunity and Access to Capital | 36 | 0.0 |
| Cost Increase: Supplies and Equipment purchases | Business Opportunity and Access to Capital | 17 | 0.0 |
| FY 2013 Initial Adjusted Budget | | 907 | 7.0 |
| Technical Adjustment: Health insurance contribution | Multiple Programs | 2 | 0.0 |
| FY 2013 Additionally Adjusted Budget | | 909 | 7.0 |
| FEDERAL GRANT FUNDS: FY 2013 Proposed Budget and FTE | | 909 | 7.0 |
| INTRA-DISTRICT FUNDS: FY 2012 Approved Budget and FTE | | 51 | 0.5 |
| Eliminate: Intra-District agreement with the Department of Employment Services | Agency Management Program | -51 | -0.5 |
| FY 2013 Initial Adjusted Budget | | 0 | 0.0 |
| INTRA-DISTRICT FUNDS: FY 2013 Proposed Budget and FTE | | 0 | 0.0 |
| Gross for EN0 - Department of Small and Local Business Development | | 6,185 | 31.0 |

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

Agency Performance Plan

The agency has the following objectives and performance indicators for its divisions:

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

Objective 2: Assist small businesses with accessing capital, expanding business opportunities and training and education resources.

Objective 3: Increase utilization of Certified Business Enterprises (CBEs) and strengthen compliance and enforcement program.

Agency Performance Measures

| Measure | FY 2010 Actual | FY 2011 Target | FY 2011 Actual | FY 2012 Projection | FY 2013 Projection | FY 2014 Projection |
|---|-------------------|-------------------|-------------------|-----------------------|-----------------------|-----------------------|
| Percentage of certification applications processed within 45 business days ¹ | 95% | 85% | 88% | 85% | 85% | 85% |
| Average number of business days for certification application determinations | 24 | 30 | 28 | 30 | 30 | 30 |
| Number of participants in small business training and education activities | Not Available | 3,000 | 3,658 | 3,000 | 3,000 | 3,000 |
| Number of businesses participating in exporting activities | Not Available | Not Available | Not Available | 5 | 5 | 5 |
| Percentage of District Agencies who met 50 percent CSBE set aside goal | Not Available | Not Available | Not Available | 50% | 50% | 50% |
| Number of tree boxes maintained in commercial corridors | Not Available | Not Available | Not Available | 20,000 | 20,000 | 20,000 |
| Number of trash bags collected in commercial corridors | Not Available | 200,000 | 121,604 | 200,000 | 200,000 | 200,000 |
| Number of graffiti removed in commercial corridors | Not Available | Not Available | Not Available | 2,000 | 2,000 | 2,000 |

Performance Plan Endnotes:

1. This is an industry standard measure indicating a percentage of certification applications processed on time. Various municipalities use similar measures. For example, the Office the Fairfax County Executive in Fairfax employs percentage of audits completed on time. The Department of Contracting and Procurement in Oakland, CA uses two similar measures: Percentage of formal bids completed within 65 days and percent age of informal bids completed within 21 days.