

Department of Small and Local Business Development

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Table EN0-1

Description	FY 2015	FY 2016	FY 2017	% Change
	Actual	Approved	Proposed	from FY 2016
OPERATING BUDGET	\$9,501,019	\$10,338,186	\$10,993,325	6.3
FTEs	37.2	46.0	48.0	4.4

The Department of Small and Local Business Development (DSLBD) 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 Department 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 2017 proposed budget is presented in the following tables:

FY 2017 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table EN0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table EN0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change
GENERAL FUND										
LOCAL FUNDS	8,524	9,642	10,415	772	8.0	34.2	42.3	44.3	2.0	4.7
TOTAL FOR GENERAL FUND	8,524	9,642	10,415	772	8.0	34.2	42.3	44.3	2.0	4.7

Table EN0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change		Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change	
				FY 2016	Percentage Change*				FY 2016	Percentage Change
FEDERAL RESOURCES										
FEDERAL GRANT FUNDS	482	696	579	-117	-16.9	3.0	3.7	3.7	0.0	0.3
TOTAL FOR FEDERAL RESOURCES	482	696	579	-117	-16.9	3.0	3.7	3.7	0.0	0.3
INTRA-DISTRICT FUNDS										
INTRA-DISTRICT FUNDS	495	0	0	0	N/A	0.0	0.0	0.0	0.0	N/A
TOTAL FOR INTRA-DISTRICT	495	0	0	0	N/A	0.0	0.0	0.0	0.0	N/A
GROSS FUNDS	9,501	10,338	10,993	655	6.3	37.2	46.0	48.0	2.0	4.4

*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 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2017 Proposed Operating Budget, by Comptroller Source Group

Table EN0-3 contains the proposed FY 2017 budget at the Comptroller Source Group (object class) level compared to the FY 2016 approved budget. It also provides FY 2014 and FY 2015 actual expenditures.

Table EN0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
11 - REGULAR PAY - CONTINUING FULL TIME	2,415	2,745	3,391	3,704	313	9.2
12 - REGULAR PAY - OTHER	279	438	434	424	-9	-2.2
13 - ADDITIONAL GROSS PAY	45	111	0	0	0	N/A
14 - FRINGE BENEFITS - CURRENT PERSONNEL	539	661	780	896	116	14.9
15 - OVERTIME PAY	0	0	0	0	0	N/A
SUBTOTAL PERSONAL SERVICES (PS)	3,277	3,956	4,605	5,024	420	9.1
20 - SUPPLIES AND MATERIALS	30	39	60	75	15	24.8
31 - TELEPHONE, TELEGRAPH, TELEGRAM, ETC.	58	58	66	66	0	0.2
40 - OTHER SERVICES AND CHARGES	192	148	155	127	-28	-18.1
41 - CONTRACTUAL SERVICES - OTHER	1,153	1,983	1,285	691	-595	-46.3
50 - SUBSIDIES AND TRANSFERS	3,334	3,301	4,110	4,953	843	20.5
70 - EQUIPMENT AND EQUIPMENT RENTAL	145	15	57	57	0	0.0
SUBTOTAL NONPERSONAL SERVICES (NPS)	4,913	5,545	5,734	5,969	236	4.1
GROSS FUNDS	8,190	9,501	10,338	10,993	655	6.3

*Percent change is based on whole dollars.

FY 2017 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table EN0-4 contains the proposed FY 2017 budget by division/program and activity compared to the FY 2016 approved budget. It also provides FY 2015 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table EN0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(1000) AGENCY MANAGEMENT								
(1010) PERSONNEL	80	158	96	-62	0.8	1.8	0.8	-1.0
(1015) TRAINING AND EDUCATION	41	46	49	3	0.4	0.4	0.4	0.0
(1020) CONTRACTING AND PROCUREMENT	113	14	137	123	0.1	0.1	0.1	0.0
(1030) PROPERTY MANAGEMENT	13	14	16	1	0.1	0.1	0.1	0.0
(1040) INFORMATION TECHNOLOGY	72	81	82	2	0.1	0.1	0.1	0.0
(1050) FINANCIAL MANAGEMENT	113	132	134	1	0.1	0.1	0.1	0.0
(1055) RISK MANAGEMENT	13	14	16	1	0.1	0.1	0.1	0.0
(1060) LEGAL	274	307	317	10	0.0	2.0	2.0	0.0
(1070) FLEET MANAGEMENT	2	6	4	-2	0.0	0.0	0.0	0.0
(1080) COMMUNICATIONS	149	131	177	46	2.1	1.6	2.1	0.5
(1085) CUSTOMER SERVICE	79	77	152	75	1.1	1.1	2.1	1.0
(1090) PERFORMANCE MANAGEMENT	204	367	380	12	1.2	2.2	2.2	0.0
SUBTOTAL (1000) AGENCY MANAGEMENT	1,155	1,349	1,559	210	6.4	10.0	10.5	0.5
(2000) CERTIFICATION								
(2010) CERTIFICATION	519	1,415	944	-470	4.3	7.3	8.4	1.0
(2020) COMPLIANCE	969	985	1,248	262	6.2	10.3	12.1	1.8
SUBTOTAL (2000) CERTIFICATION	1,488	2,400	2,192	-208	10.6	17.7	20.5	2.8
(3000) BUSINESS OPP AND ACCESS TO CAPITAL								
(3030) CAPITAL ACQUISITION	172	211	219	7	2.4	1.8	1.8	-0.1
(3040) PROCUREMENT TECH ASSISTANCE PROGRAM	429	569	535	-35	4.0	5.0	4.0	-1.0
(3050) ACCESS TO CAPITAL	1,061	0	0	0	1.0	0.0	0.0	0.0
(3060) BUSINESS DEVELOPMENT	446	442	840	398	6.3	3.8	4.8	0.9
(3070) TRADE AND EXPORT	232	405	116	-289	2.0	2.0	1.0	-1.0
(3080) TECHNOLOGY AND INNOVATION	128	232	241	9	0.0	1.0	1.0	0.0
SUBTOTAL (3000) BUSINESS OPP AND ACCESS TO CAPITAL	2,468	1,860	1,951	91	15.6	13.7	12.5	-1.2

Table EN0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(4000) COMMERCIAL REVITALIZATION								
(4020) CAPACITY BUILDING	781	359	367	8	2.5	2.4	2.3	-0.1
(4030) MAIN STREETS	1,174	1,525	1,530	6	1.1	1.1	1.1	0.0
(4040) COMMERCIAL CLEAN TEAMS	2,236	2,745	3,271	526	1.1	1.1	1.1	0.0
(4050) HEALTHY FOOD PROGRAMS	199	100	123	23	0.0	0.0	0.0	0.0
SUBTOTAL (4000) COMMERCIAL REVITALIZATION	4,390	4,729	5,292	563	4.6	4.6	4.5	-0.1
TOTAL PROPOSED OPERATING BUDGET	9,501	10,338	10,993	655	37.2	46.0	48.0	2.0

(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 programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

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) 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 Department of Small and Local Business Development has no division structure changes in the FY 2017 proposed budget.

FY 2016 Approved Budget to FY 2017 Proposed Budget, by Revenue Type

Table EN0-5 itemizes the changes by revenue type between the FY 2016 approved budget and the FY 2017 proposed budget. For a more comprehensive explanation of changes, please see the FY 2017 Proposed Budget Changes section, which follows the table.

Table EN0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2016 Approved Budget and FTE		9,642	42.3
Removal of One-Time Funding	Multiple Programs	-400	0.0
Other CSFL Adjustments	Multiple Programs	159	0.0
LOCAL FUNDS: FY 2017 Current Services Funding Level (CSFL) Budget		9,401	42.3
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	88	0.0
Increase: To align resources with operational spending goals	Multiple Programs	38	0.0
Decrease: To adjust the Contractual Services budget	Multiple Programs	-502	0.0
LOCAL FUNDS: FY 2017 Agency Budget Submission		9,025	42.3
Enhance: To support additional Clean Teams and a living wage increase	Commercial Revitalization	520	0.0
Enhance: To support additional funding for Great Streets (one-time)	Commercial Revitalization	400	0.0
Enhance: To support emerging businesses (one-time)	Business Opp and Access to Capital	300	0.0
Enhance: To ensure compliance with CBE legislation	Certification	170	2.0
LOCAL FUNDS: FY 2017 Mayor's Proposed Budget		10,415	44.3
FEDERAL GRANT FUNDS: FY 2016 Approved Budget and FTE		696	3.7
Decrease: To align budget with projected grant awards	Multiple Programs	-117	0.0
FEDERAL GRANT FUNDS: FY 2017 Agency Budget Submission		579	3.7
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2017 Mayor's Proposed Budget		579	3.7
GROSS FOR EN0 - DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT		10,993	48.0

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

FY 2017 Proposed Budget Changes

The Department of Small and Local Business Development's (DSLBD) proposed FY 2017 gross budget is \$10,993,325, which represents a 6.3 percent increase over its FY 2016 approved gross budget of \$10,338,186. The budget is comprised of \$10,414,663 in Local funds and \$578,662 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 2016 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 2017 CSFL adjustments to the FY 2016 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 2017 CSFL budget is \$9,400,691, which represents a \$241,495, or 2.5 percent, decrease from the FY 2016 approved Local funds budget of \$9,642,186.

CSFL Assumptions

The FY 2017 CSFL calculated for DSLBD included adjustment entries that are not described in detail on table 5. These adjustments include a reduction of \$400,000 to account for the removal of one-time funding appropriated in FY 2016 for the creation of Main Streets for Van Ness and Tenleytown. Additionally, adjustments were made for an increase of \$137,733 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, and an increase of \$23,165 in nonpersonal services based on the Consumer Price Index factor of 2.3 percent.

CSFL funding for DSLBD also includes a decrease of \$2,393 for the Fixed Costs Inflation Factor to account for Fleet services estimates.

Agency Budget Submission

Increase: The budget proposal in Local funds reflects a net increase of \$87,580 in personal services across multiple divisions to support projected salary step and Fringe Benefit costs. In Local funds, the proposed budget also reflects an increase of \$38,212, which is comprised of \$23,341 for the Healthy Food program subsidies in the Commercial Revitalization division and \$14,871 for supplies in the Agency Management division.

Decrease: The proposed Local funds budget for nonpersonal services reflects a net decrease of \$501,820, primarily in the Certification division, based on projected reductions for contractual services, including the completion of a contract with the Department of Consumer and Regulatory Affairs to support the Certified Business Enterprise (CBE) Portal.

In Federal Grant funds, the proposed budget was reduced by \$117,338 to account for the expiration of the DC State Trade and Export Promotion (STEP) grant in FY 2016.

Mayor's Proposed Budget

Enhance: DSLBD's budget proposal in Local funds increased by \$520,000 in the Commercial Revitalization division. This adjustment is comprised of \$500,000 for additional Clean Teams, which will provide cleaner streets, sidewalks, and storefronts in neighborhood business districts to attract more customers to these areas and make them more viable locations for small businesses, and \$20,000 to support a living wage increase for the Clean Teams. The proposed Local funds budget also reflects an increase of \$400,000 in one-time funding to the Commercial Revitalization division for the Great Streets Initiative to support Small Business Capital Improvement Grants. Great Streets is the District's multi-year, multi-agency commercial revitalization initiative to transform emerging corridors into thriving and inviting neighborhood centers by providing these investments to stimulate small business creation, expansion, and retention while also creating new job opportunities for District residents, growing the tax base, and improving commercial vibrancy along the District's emerging corridors and in surrounding neighborhoods. The proposed Local funds budget reflects an increase of \$300,000 in one-time funding to help support emerging businesses succeed in the District and an increase of \$170,000 and 2.0 FTEs in the Certification division to provide oversight of 500 government-assisted projects, which will help ensure that the District's microloan program complies with CBE legislation.