

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT**



**Responses to Fiscal Year 2023-2024
Performance Oversight Pre-Hearing Questions**

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Interim Director

Before the
Committee on Business and Economic Development
The Honorable Kenyan McDuffie, Chairperson

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RACIAL EQUITY

1. **Please discuss the Department's engagement with the District's Chief Equity Officer, including how often the Department engages with the Chief Equity Officer, topics of discussion, and any Department action that has resulted from that engagement.**

Response: The DSLBD Racial Equity Team, a cross-divisional team of six DSLBD staff representing most agency divisions, has regular engagement with the Office of Racial Equity (ORE) through standard check-ins for the pilot cohort. This also includes ongoing engagement and feedback as we finalize DSLBD's Racial Equity Action Plan and outreach to ORE for support and information. In addition, in FY23, two members of DSLBD's leadership team volunteered to actively participate in ORE's Interagency Committee on Racial Equity (ICRE), with one DSLBD staff member co-chairing ICRE's Subcommittee on Community Engagement.

2. **Please provide a summary of the Department's participation in the Mayor's Office of Racial Equity's Racial Equity Pilot Cohort. What are the Department's lessons learned?**

Response: Engaging in pilot work is an ongoing process for the agency. DSLBD joined the Office of Racial Equity pilot cohort in FY21, forming an internal racial equity team and sending a representative to a year-long racial equity training. The Department has undertaken several all-staff efforts and developed a consensus-driven racial equity action plan that is sensitive to the race and gender neutrality required by the Certified Business Enterprise law. Within that, the approach is ensuring access and awareness to barriers that groups may be facing to participation and support and creating identity neutral solutions that nonetheless take aim as removing or reducing such barriers.

Some lessons learned include:

- Racial equity work can have a much longer timescale than the standard Fiscal Year cycle many programs within government operate on, with groundwork being laid at the beginning that can take years to build to the final goals.
- An all-staff approach to racial equity work takes time both to carve space into all staff members' workloads, but also time to build trust and a common understanding of racial equity principles.
- Racial equity work can provide leadership development opportunities for staff that are valuable to racial equity work, the overall work of the agency, and staff opportunities.
- Racial equity work can include but is much broader than affirmative action policies alone, requiring an understanding of barrier assessment of areas that may be barriers for all groups but due to the larger historical and current systemic issues may be having an increased burden on some communities. Alleviating a barrier for all may have a positive racial equity impact if some

groups are experiencing a greater burden but all or most groups still face some burden.

- Racial equity work is consistently met with questions about equity needs based in other identifying factors, and DSLBD as a standard has always promoted and supported many kinds of equity. Interweaving a specific focus on racial equity while remaining supportive of all individuals and groups seeking support takes time.
- Access to capital, in many formats including revenue, as it leads to true wealth-building opportunities is an area from the citywide plan that stands out. However, building the infrastructure for a deeper, collective understanding of access to capital needs and barriers is a large and encompassing area.

3. In the context of the Department and its mission, describe three areas, programs, or initiatives where the Department has the greatest opportunity to address racial inequity.

Response: Through initiatives such as the Certified Business Enterprise (CBE) Program, We Aspire, and the Equity Impact Enterprise grants by DSLBD, the Department has successfully worked to close racial equity gaps in the business community. The agency envisions ongoing opportunities for further advancement in these areas.

4. Describe any programs or policies where the Department has had success in building racial equity during Fiscal Year 2023 and Fiscal Year 2024, to date.

Response: In addition to the Aspire to Entrepreneurship program, the agency administers two other critical programs impacting entrepreneurs and businesses located east of the Anacostia River. These programs are the Ward 8 Community Investment Fund and the Dream Pitch Program.

The Ward 8 Community Investment Fund is a program that offers businesses located in Ward 8 with grants and loans to defray start-up and operating costs for existing and businesses preparing to open their doors. The agency is in the process of disbursing funds to the grantee, which will then be provided to qualifying businesses interested in participating in the program.

The Dream Pitch Program is an 8-week cohort-based training program for microbusinesses in Ward 7 and 8, culminating in the Dream Pitch Competition. The Dream Pitch Competition is an opportunity for participants to pitch their business to a panel of judges, showcasing the knowledge gained through the program.

5. Consider the demographic data that the Department collects, tracks, and evaluates as part of its operations. Does the Department collect information on race and geographic area? If not, why not?

Response: Within the DSLBD District Enterprise System (DES), the agency collects some self-reported demographic data from registered CBEs. Given DSLBD's primary

law on race and gender neutrality of the CBE program, DSLBD is careful to ensure that data is self-reported and that it is used and treated appropriately as self-reported.

6. **Consider one operational data point and performance data point where the Department collects information on race or could collect information on race. How could the Department use this data to inform future programmatic decisions?**

Response: DSLBD's draft Racial Equity Plan includes the outline of a CBE subcontracting study project to assess CBE utilization in a specific contract related to the CBE Green programming. CBE Green is a program funded by a required MOU with the Department of Energy and the Environment (DOEE) to support more CBEs in subcontracting with the DC Sustainable Energy Utility (DCSEU) and similar green infrastructure opportunities. Through the subcontracting study project, DSLBD will seek to create a framework for data collection and analysis both from existing and potentially new data sources to analyze subcontractor utilization overall.

7. Describe two programs or policies where the Department can build racial equity.

Response: *Please see responses to Question 5 & 6.*

8. Describe what a racially equitable DC would look like and how the Department's operations would reflect this achievement.

Response: While DSLBD, by statute, is race and gender neutral, the agency works to ensure that every small business, regardless of background, receives equitable access to resources, networks, and opportunities, creating a marketplace that thrives on diversity and fosters economic empowerment for all entrepreneurs in the District.

GENERAL QUESTIONS

9. **Please provide a current organizational chart for the agency, as of January 1, 2024, including the number of vacant, frozen, and filled positions in each division or subdivision. Include the names and titles of all senior personnel and note the date that the information was collected on the chart.**
 - a. **Please provide an explanation of the roles and responsibilities of each division and subdivision.**
 - b. **Please provide a narrative explanation of any changes to the organizational chart made during the previous year.**

Response: *Please see attachment Q9 – Organizational Chart.*

Response (a):

CBE Certification – The Certified Business Enterprise (CBE) Certification Division registers eligible businesses as part of the CBE program. Participating businesses receive preference points in procurement opportunities offered by the District government.

Business Development – The Business Development Division provides CBEs and local businesses with programming support and resources to help them compete for District and federal contracting opportunities and private sector contracts.

CBE Compliance & Enforcement – The Compliance Division monitors District agencies' goals concerning contracting and procuring goods and services with Small Business Enterprises (SBEs). The division also monitors public and private projects to ensure that prime contractors meet their SBE spending goals, typically 35% of the contract, as required by law.

Commercial Revitalization – The Revitalization Division provides services and funding to help retail corridors and strengthen neighborhoods to improve the quality of life for everyone in the District by funding Main Streets, Clean Teams, and registering or re-registering Business Improvement Districts (BIDs). The division also facilitates Art All Night, an annual event that celebrates the performing and visual arts across the city.

Innovation & Equitable Development (Inno.ED) – Inno.Ed is responsible for helping build the entrepreneurial ecosystem in the city by identifying and developing small business owners. Inno.ED has several statutory programs and agency initiatives under its purview, each designed to remove barriers to entrepreneurship.

APEX Accelerators – Formally known as DCPTAC, the division offers all District businesses personalized counseling and competitive insights for successfully navigating state, local, and federal government contracting processes, specializing in federal procurement opportunities.

Response (b): There were two organizational changes to the chart; Virginia Marie Roure was added as the Manager for Retail Business Development and there was one FTE added to the APEX program.

10. Please provide a current Schedule A for the agency which identifies each position by program and activity, with the employee's title/position, salary, fringe benefits, and length of time with the agency. Please note the date that the information was collected. Schedule A should also indicate if the position is continuing/term/temporary/contract or if it is vacant or frozen. Please separate salary and fringe benefits and indicate whether the position must be filled to comply with federal or local law.

Response: *Please see attachment Q10 – Schedule A.*

11. Please list all employees detailed to or from your agency. For each employee identified, please provide the name of the agency the employee is detailed to or from, the reason for the detail, the date of the detail, and the employee's projected date of return.

Response: The agency does not currently have employees detailed to or from the Department.

12. Please provide the Committee with:

- a. A list of all employees who received or retained cellphones, personal digital assistants, or similar communications devices at agency expense in Fiscal Years 2023 and 2024, to date;
- b. A list of all vehicles owned, leased, or otherwise used by the agency and to whom the vehicle is assigned, as well as a description of all vehicle accidents involving the agency's vehicles in Fiscal Years 2023 and 2024, to date;
- c. A list of travel expenses, arranged by employee for Fiscal Years 2023 and 2024, to date, including the justification for travel; and
- d. A list of the total workers' compensation payments paid in Fiscal Years 2023 and 2024, to date, including the number of employees who received workers' compensation payments, in what amounts, and for what reasons.

Response (a)(b)(c): *Please see attachments Q12a – Communication Devices, Q12b – Vehicles, and Q12c – Travel Expenses.*

Response (d): *The agency does not have any worker's compensation for FY23 and FY24, to date.*

13. For Fiscal Years 2023 and 2024, to date, what was the total cost for mobile communications and devices, including equipment and service plans?

Response: *Please see attachment Q13 – Mobile Devices.*

14. For Fiscal Years 2023 and 2024, to date, please list all intra-District transfers to or from the agency. For each transfer, include the following details:

- a. Buyer agency;
- b. Seller agency;
- c. The program and activity codes and names in the sending and receiving agencies' budgets;
- d. Funding source (i.e. local, federal, special purpose revenue);
- e. Description of MOU services;
- f. Total MOU amount, including any modifications;
- g. Whether a letter of intent was executed for Fiscal Year 2023 or 2024 and if so, on what date,
- h. The date of the submitted request from or to the other agency for the transfer;
- i. The dates of signatures on the relevant MOU; and
- j. The date funds were transferred to the receiving agency.

Response: *Please see attachment Q14 – Intra District Transfers.*

15. Please list any additional intra-district transfers planned for Fiscal Year 2024, including the anticipated agency(ies), purposes, and dollar amounts.

Response: Currently, no additional intra-district transfers are planned for the remainder of FY24.

16. For Fiscal Years 2023 and 2024, to date, please identify any special purpose revenue funds maintained by, used by, or available for use by the agency. For each fund identified, provide:

- a. The revenue source name and code;
- b. The source of funding;
- c. A description of the program that generates the funds;
- d. The amount of funds generated by each source or program;
- e. Expenditures of funds, including the purpose of each expenditure; and
- f. The current fund balance.

Response: *Please see attachment Q16 – Special Purpose Revenues*

17. For Fiscal Years 2023 and 2024, to date, please list any purchase card spending by the agency, the employee making each expenditure, and the general purpose for each expenditure.

Response: *Please see attachment Q17 – PCARD Expenditures*

18. Please list all memoranda of understanding (“MOU”) entered by your agency during Fiscal Years 2023 and 2024, to date, as well as any MOU currently enforced. For each, indicate the date on which the MOU was entered and the termination date.

Response: *Please see attachment Q14 – Intra District Transfers*

19. Please list the ways, other than MOU, in which the agency collaborated with analogous agencies in other jurisdictions, with federal agencies, or with non-governmental organizations in Fiscal Years 2023 and 2024, to date and whether there was an associated cost. If there was an associated cost, please report.

Response: In FY23 and FY24, to date, the agency has:

- Participated in several panel discussions, in partnership with multiple stakeholders, focused on CBE certifications and practices.
- Partnered with DC Reach Coalition as a working group with the U.S. Treasury Department & DISB and other community members to discuss solutions around access to capital for small businesses.
- Partnered with LIIF to facilitate business development planning for DC childcare centers.

- Partnered with the Ward 8 Community Economic Development to support community-led economic planning efforts.
- Collaborated with the Small Business Anti-Displacement Network to learn about best practices for small business anti-displacement.
- Partnered with the U.S. Department of State to host international fellows from the American Council Program
- Supported the Pew Charitable Trusts speaking series on the Downtown Revitalization Ideation by offering the agency’s expertise and knowledge.
- Hosting an intern from the Georgetown University Pivot Program, which has a focus on returning citizen entrepreneurship.
- Participated in the DC Cannabusiness Association’s conventions.
- Collaborated with the Downtown BID by having a Made in DC booth at the Holiday Market, which expands the network and reach of our local makers.
- Participated in the Urban Manufacturing Alliance’s national call to share best practices learned from Made in DC with other similar programs around the country.

20. Please list all recommendations (either preliminary or final) identified by the Office of the Inspector General, D.C. Auditor, or other federal or local oversight entities during the previous four years. Please discuss specifically what actions the agency has taken to address these recommendations. If a recommendation has not yet been implemented, please explain why.

Response: The following recommendations were included in a July 7, 2021 ODCA Report related to compliance with District CBE law in regards to the Office of Lottery and Gaming contract:

Recommendation	Response
DSLBD should clearly identify in DCMR and SOPs how each relevant section of the D.C. Code is examined and reviewed and what supporting documentation is necessary to determine if the business meets the criteria for certification.	A new comprehensive rulemaking was promulgated on 8/11/2023; Section 801 of Chapter 8, Title 27 outlines the documentation required when submitting an application for certification.
DSLBD should ensure that sufficient resources are allocated to the Certification Division and Compliance Division so that same-day self-recertification eligibility can be	DSLBD is reassessing its self-imposed recertification review timelines to ensure such timelines are pragmatic.

checked within the timeframe DSLBD establishes.	
DSLBD should clearly identify in the DCMR what is required for recertification if the business has a material change to report.	A new comprehensive rulemaking was promulgated on 8/11/2023; Section 807.4 of Chapter 8, Title 27 speaks to material change reporting requirements/timing. Agency review and subsequent action is fact-specific and is dependent on the type of material change reported. Additionally, DSLBD has implemented, however, the District Enterprise System (DES) which, in part, takes the recertifying applicant through questions that inform as to what is required.
DSLBD should update the DCMR and finalize their Compliance Division SOPs to include responsibilities for reviewing and monitoring CBE participation on D.C. government contracts	Updated SOPs were issued on 2/2/2022; a new comprehensive rulemaking was promulgated on 8/11/2023; Sections 822-827 of Chapter 8, Title 27 clarify responsibilities for submissions, reporting, and agency monitoring/review as it relates to SBE spend/compliance.
DSLBD should ensure contract beneficiaries pay CBEs from their own business account, and only award credit towards the 35% CBE goal for payments made by the beneficiary.	DSLBD is not a party to the procuring agency's contract with the beneficiary, and the Department is not responsible for, nor does it have any authority under the law, to direct beneficiaries on the fiscal management of their respective contracts. Also, District law does not render a direct obligation for the beneficiary to pay the subcontractor without deviation or without an intermediary from its own account.

Response: The following recommendations were included in a December 21, 2021 Office of the Inspector General’s Report related to the Main Streets Program:

Recommendation	Response
Work with the D.C. Council to enact a governing statute that authorizes rulemaking authority and then draft regulations to submit to the D.C. Council.	DSLBD has actively worked with D.C. Council to amend the CBE Act and its regulations since 2020. We hope to move those changes forward and work with Council on making appropriate updates to the D.C. Main Streets Program.
Implement a policy requiring DCMS Boards and DSLBD employees who interact with DCMS to complete fraud prevention training.	For clarity, the DCMS grantee organizations’ boards are not all “D.C. Main Streets Boards.” The majority are boards of independent non-profits that have won Program grants and likely obtain other types of contributions.
Establish a formal process to periodically review RFAs and the standards for selecting grantees and commit to only modifying that process w/n the established timeframe.	DSLBD will need to consider appropriate timing for RFA review and modification in light of the actions and incidents that could prompt changes, e.g., legislative and budget cycles, while also recognizing the need for emergency or corrective changes during an active RFA. DSLBD will remain vigilant and mindful of impacts on applicants.
Establish a document retention policy that complies with the requirements of the Office of Public Record.	Implemented
Include a requirement in agency regulations that written justifications for grant decisions be included in grant files and preserved for independent review for a period specified in the document retention policy.	<p>The Department agrees that a written justification should be a part of the grant file and has included this requirement in DSLBD’s Grants Policies and Procedures Manual. D.C. Council has the authority to incorporate our policy into the Department’s regulations, but DSLBD alone does not. (Please see the Important Note for Recommendation 1.)</p> <p>Any such justification can be requested pursuant to open records laws, thus produced for the public upon request, pursuant to any applicable redactions.</p>
Implement procedures governing the expenditure and reimbursement process, including requiring both proof of payment and detailed invoices, and include these procedures in all new/renewed grant agreements.	Implemented

<p>Implement a procedure through which Main Street Programs' expenditure data are posted regularly on their websites subject to appropriate redactions, so constituents can review transactions and create a way for the public to notify DSLBD of questionable transactions.</p>	<p>The Annual Report that D.C. Main Street Programs will publish (in March) requires them to include a summary of key indicators demonstrating progress towards strategic goals, grantee performance, and financial management (like its annual budget and expenditure data). This report has to be posted on the Programs' respective websites, pursuant to their respective grant agreements.</p> <p>Given the abundance of confidential trade secrets and volume of information (e.g., hundreds of transactions and supporting documents within a fiscal year), DSLBD does not believe it is appropriate for every transaction to be a part of the respective Annual Reports or posted on their websites. Moreover, if implemented, DSLBD foresees being inundated constantly with questions, and responding to them all would add significantly to the Main Street staff's workloads. Further, the public currently may inquire and receive such reports through the FOIA process, so there is no efficiency in adding yet another process.</p>
<p>Establish a policy that caps the number of Main Street grantees for which a DSLBD grant administrator exercises oversight and assign additional FTEs the task of reviewing and verifying expenditures.</p>	<p>The District has 28 Main Street Programs, the vast majority of which were historically created by the D.C. Council. In creating them, Council has not provided additional FTE monies for oversight. Presently, DSLBD has three FTEs who manage the D.C. Main Streets Program and another three who provide support. Two of the three supporting staff members started on January 30, 2023.</p> <p>Further, NMSC's relevant guidelines recommend that (1) there is one full-time staff person dedicated to coordinating the Main Street America Program and (2) at least one additional full-time employee for every 10 designated Programs, including new, mature, or affiliated Programs. DSLBD presently meets that</p>

	<p>standard. The Department, however, continues to evaluate its staffing needs and wants to maintain a robust and strong staff. Notwithstanding that, given current staff numbers and workloads, DSLBD cannot cap the number of D.C. Main Street grantees for each DSLBD administrator, as suggested by OIG.</p>
<p>Include a requirement in grant agreements that grantees complete a technical assistance report and define the details for these submissions.</p>	<p>Implemented</p>
<p>Establish procedures to (a) monitor subgrants, including a requirement that grantees submit invoices, checks, and documentation of subgrant fund expenditures, and (b) periodically verify that subgrantees received subgrants.</p>	<p>In Progress</p>
<p>Develop a process to ensure enforcement of the biannual audit requirement by requiring a third-party review of these audits and tie fund disbursements to their completion.</p>	<p>The question appears to be based on OIG’s misunderstanding that the former “biannual audit” was a twice-a-year audit. It was a two-year audit. Doing this twice a year would be problematic as that would not represent a natural point to reconcile the records. In addition, this would be extraordinarily burdensome in cost and tasks for grantees, given the amount of grant funds allocated and the amount of time required (usually several months) to conduct an audit.</p> <p>Moreover, at present, DSLBD appears to be exceeding federal standards whereby a non-federal entity that expends \$750,000 or more during its fiscal year in federal awards must have a single or program-specific audit conducted for that year, pursuant to 2 C.F.R. § 200.501.</p>
<p>Require grantees to post biannual audits on the Main Street program’s website.</p>	<p>The Audit concerns the grant organization, and there is significant confidential and trade secret information (e.g., finances, weaknesses of the organization, and targeted areas of improvement) with this task. Such a requirement could be fundamentally misused and misunderstood if obtained by the public. Further, the Annual Report is available on the Program’s websites,</p>

	<p>which allows for sufficient transparency. To be clear, the Annual Report is specific to Main Streets, whereas the Audit concerns the greater grant organization (with parts highlighting Main Street activity).</p> <p>Moreover, the public can request specific documents via FOIA after reviewing the publicly available Annual Report.</p>
<p>Develop a policy to clarify audit requirements for organizations that manage multiple Main Street Programs</p>	<p>The grant agreement requires that the Audit contain an Independent Financial Statement Report prepared by an independent accountant, including (1) the grantee’s fiscal year income statement; (2) the grantee’s balance sheet; (3) the grantee’s reconciliation of cash balances; and (4) an independent review of grantee’s internal controls which cover the prevention of waste, misuse, misappropriations, and fraud; compliance with applicable laws, regulations, contracts, and policies and procedures; and ensuring or encouraging management efficiency.</p>
<p>Improve the format and content of its grant closeout letters to better measure and communicate the Programs purpose and a grantee’s achievements.</p>	<p>Implemented</p>
<p>Make quarterly reports and closeout letters publicly available and design a process where the public can submit comments to DSLBD.</p>	<p>The public is able to contact DSLBD with questions or comments. The public can also comment in D.C. Main Street public board meetings when they are not closed for executive sessions. DSLBD does not oppose requiring D.C. Main Streets to post upcoming public meetings as notice. However, a public comment process takes significant time and arguably has limited value, given the general public’s lack of familiarity with the nuances of the many different D.C. Main Streets Programs and their respective work.</p> <p>Again, the quarterly reports and closeout letters are publicly available through the FOIA process.</p>

Design the new information system in a way that saves an audit trail and retains historical information following the D.C. Government document retention policy.	Aspects of this work are being integrated into the new DES; however, this proposed timeframe is based in part on continued funding for DES.
Implement a policy to recompute grants at the defined interval DSLBD determines most appropriate, but not to exceed every five years.	In Progress

21. Please list all capital projects in the financial plan and provide an update on all capital projects under the agency’s purview in Fiscal Years 2023 and 2024, to date, including the amount budgeted, actual dollars spent, and any remaining balances. In addition, please provide:

- a. An update on all capital projects begun, in progress, or concluded in Fiscal Years 2022, 2023, and 2024, to date, including the amount budgeted, actual dollars spent, and any remaining balances.
- b. An update on all capital projects planned for Fiscal Years 2024, 2025, 2026, 2027, 2028, and 2029.
- c. A description of whether the capital projects begun, in progress, or concluded in Fiscal Year 2022, 2023, or 2024, to date, had an impact on the operating budget of the agency. If so, please provide an accounting of such an impact.

Response: The Department has one capitol project, ENS16C – Small Business IT System – in progress during FY23 and FY24, to date.

Response (a):

FY22

Budgeted	Expenditure	Balance
\$720,000	\$720,000	\$0

FY23

Budgeted	Expenditure	Balance
\$874,000	\$825,000	\$0 (\$50K reprogrammed)

FY24

Budgeted	Expenditure	Balance
\$1,400,000	\$303,330	1,096,670

Response (b) & (c): *Please see attachment Q21(b)(c) – ENS16 Small Business IT System*

22. Please provide a table showing your agency’s Council-approved original budget, revised budget (after reprogrammings, etc.), and actual spending, by program and activity, for Fiscal Years 2022, 2023, and the first quarter of 2024. For each program

and activity, please include total budget and break down the budget by funding source (federal, local, special purpose revenue, or intra-district funds).

- a. Include any over- or under-spending. Explain any variances between Fiscal Year appropriations and actual expenditures for Fiscal Years 2022 and 2023 for each program and activity code.
- b. Attach the cost allocation plans for Fiscal Years 2023 and 2024, to date.
- c. In Fiscal Year 2023 or 2024, to date, did the agency have any federal funds that lapsed? If so, please provide a full accounting, including amounts, fund sources (e.g. grant name), and reason the funds were not fully expended.

Response (a): *Please see attachment Q22(a) – Over-spending and Under-spending.*

Response (b): *Please see attachment Q22(b) – Cost Allocation Plans*

Response (c): There were no federal funds that lapsed in FY23.

23. Please list, in chronological order, each reprogramming in Fiscal Years 2023 and 2024, to date, that impacted the agency, including those that moved funds into the agency, out of the agency, and within the agency. Include the revised, final budget for your agency after the reprogrammings for Fiscal Years 2023 and 2024, to date. For each reprogramming, list the date, amount, rationale, and reprogramming number. Please also include the program, activity, and CSG codes for the originating and receiving funds.

- a. **Please provide an update on the Living Wage Certification Program. Does the Department plan to work with a non-for-profit organization to begin their work on the Living Wage Certification Program?**

Response: *Please see attachment Q23 – Reprogramming Data.* Please be advised that there is no reprogramming in FY24, to date.

Response (a): Funds for the Program were allocated and expended in FY20. In FY21, pursuant to the FY21 Revised Local Budget Emergency Act of 2021, \$362,670 in local funds were rescinded from the Department to maintain a balanced budget; part of this rescission included \$100,000 allocated to the Living Wage Certification Program. Funds were not allocated for the Program in the Department's Budget since FY22. Further, effective July 1, 2023, the District's Minimum Wage and Living Wage became the same rate with an increase to \$17.00 and beginning July 1, 2024, the minimum wage in the District of Columbia will increase from \$17.00 per hour to \$17.50 per hour for all workers, regardless of the size of the employer.

24. Please list each grant or sub-grant received by your agency in Fiscal Years 2023 and 2024, to date. List the date, amount, source, purpose of the grant or sub-grant received, and amount expended.

- a. How many FTEs are dependent on grant funding? What are the terms of this funding? If it is set to expire, what plans, if any, are in place to continue funding the FTEs?

Response: *Please see attachment Q24 – List of Grants*

Response (a): The grant funding supports five (5) FTEs in the agency's APEX Accelerator division.

25. Please describe every grant your agency is, or is considering, applying for in Fiscal Year 2024.

Response: The agency is applying for the follow grant in FY24:

- **State Small Business Credit Initiative (SSBCI) Technical Assistance Grant Program, U.S. Treasury Department** –The application was submitted, and we anticipate receiving an award, pending final approval. The grant will provide \$755,000 over the next five years.

26. **Please list each contract, procurement, and lease, executed, extended, and option years exercised by your agency during Fiscal Years 2023 and 2024, to date. For each contract, please provide the following information, where applicable:**

- i. The name of the contracting party;
- ii. Contract number;
- iii. Contract type (e.g. HCA, BPA, Sole Source, exempt from competitive award, etc.)
- iv. The nature of the contract, including the end product or service;
- v. Contract's outputs and deliverables;
- vi. Status of deliverables;
- vii. The dollar amount of the contract, including amount budgeted and amount actually spent;
- viii. The term of the contract;
- ix. Whether the contract was competitively bid;
- x. Subcontracting status (i.e. did the Contractor sub any provision of the
- xi. goods and/or services with another vendor);
- xii. Division and activity within DSLBD utilizing the goods and/or services;
- xiii. The name of the agency's contract monitor and the results of any monitoring
- xiv. activity; and
- xv. The funding source.

Response: *Please see attachment Q26 – Agency Contracts*

27. **Please list all pending lawsuits that name the agency as a party. Identify which cases on the list are lawsuits that potentially expose the District to significant financial liability or will result in a change in agency practices and describe the current status of the litigation. Please provide the extent of each claim, regardless of its likelihood of success. For those identified, please include an explanation about the issues involved in each case.**

Response:

- JN OEA Matter No. J-0009-18 - Complainant went through the administrative process, claiming that she was incorrectly terminated as a term employee. After the OEA appeals process—whereby OEA ruled that the Complainant was a term employee and no longer a career service employee and that the Complainant needed to provide DSLBD w/ certain HR paperwork to account for a possible compensation package for the specific time period between termination and the end of her term, minus wages earned elsewhere—the Complainant appealed to DC Superior Court. As a procedural matter, the Superior Ct. sent the case back to OEA so that the court could rule on the substantive aspects of the case. OEA again ruled in DSLBD's favor, whereby the Complainant may only be awarded the difference for the months between her termination and term end date, minus any other wages earned. The Complainant appealed to the DC Superior Court. The parties filed their respective briefs and replies, and we are awaiting the court's decision. Hence, the potential loss, although capped, is not known now.
- 2020 CA 004055 B - The Complainant got several claims dismissed, but a sole surviving whistleblower claim exists whereby the complaint states she was terminated after BEGA allegedly informed DSLBD that she reported a former employee for ethics violations. The parties took depositions in FY23. The District filed for summary judgment, and we are awaiting the court's decision. Hence, the potential loss is not known at this time.
- 2022 CA 000959 B - A complaint concerning a breach of contract and an action involving real property was filed as it relates to a CBE Agreement arising out of a DMPED public-private development project. The parties are preparing for discovery. Hence, the potential loss is not known at this time.

28. Please list all settlements entered into by the agency or by the District on behalf of the agency in Fiscal Year 2023 or 2024, to date, and provide the parties' names, the amount of the settlement, and if related to litigation, the case name and a brief description of the case. If unrelated to litigation, please describe the underlying issue or reason for the settlement (e.g. administrative complaint, etc.).

Response: The agency, or the District on behalf of the agency, has not entered any settlements in FY23 or FY24.

29. Please list the administrative complaints or grievances that the agency received in Fiscal Years 2023 and 2024, to date, broken down by source. Please describe the process utilized to respond to any complaints and grievances received and any changes to agency policies or procedures that have resulted from complaints or grievances received. For any complaints or grievances that were resolved in Fiscal Year 2023 and 2024, to date, describe the resolution.

Response:

Office of Human Rights (OHR)

- There was an ongoing administrative matter concerning OHR NO. 20-184 DC(CN). In FY23, OHR found the Complainant did not have probable cause. There was no loss.
- There is a separate ongoing administrative matter concerning OHR No. 21-177 DC(CN). The facts stem from the aforementioned matter (OHR No. 20-184 DC(CN)), and the Complainant claims that she was written up as a form of retaliation and continued discrimination. DSLBD is waiting for a determination of probable cause. The potential loss, if any, is not known at this time.
- There is an ongoing administrative matter concerning OHR No. 18-188-(DC-FMLA) & OHR No. 18-177-DC(CN). The matter is pending a status update from OAG and OHR - after being inactive since September 28, 2018. The potential loss, if any, is not known at this time.
- There is an administrative matter concerning OHR. No. 24-029 DC (CN). The agency's position paper is due on, or about, January 11, 2024. The potential loss, if any, is not known at this time.
- There is an administrative matter concerning from OHR (complaint number yet to be assigned), given that Complainant received a right to sue after being terminated by EOM (but working in DSLBD). The District declined to settle, and we are awaiting Complainant's next steps or actions. The potential loss, if any, is not known at this time.

EEOC/Human Rights complaints go through the procedures as dictated by OHR, and DSLBD responds as requested/required.

30. **Please describe the agency's procedures for investigating allegations of sexual harassment or misconduct committed by or against its employees. List and describe any allegations received by the agency in Fiscal Years 2023 and 2024, to date, whether those allegations were resolved.**

Response: The agency follows the requirements as set forth in the Mayor's Order No. 2017-313, Mayor's Order No. 2023-131, DPM, DCMR, and other governing District laws and orders whereby DSLBD's Sexual Harassment Office takes the lead in investigating.

31. **Please list and describe any ongoing investigations, audits, or reports on the agency or any employee of the agency, or any investigations, studies, audits, or reports on the agency or any employee of the agency that were completed during Fiscal Years 2023 and 2024, to date. Please include any actions taken in response to any recommendations, whether final or preliminary, from any investigations, studies, audits, or reports on the agency during Fiscal Years 2023 and 2024, to date.**

Response: The Office of the Inspector General, Inspections & Evaluations Unit issued a report on December 21, 2022, concerning the administration and compliance of the

DC Main Streets Program at the behest of Council. In addition, DSLBD expects that same Inspection Unit to issue a report about District grants processes which will purportedly relate to all District agencies' grantmaking.

32. **Please describe any spending pressures the agency experienced in Fiscal Year 2023 and any anticipated spending pressures for the remainder of Fiscal Year 2024. Include a description of the pressure and the estimated amount. If the spending pressure was in Fiscal Year 2023, describe how it was resolved, and if the spending pressure is in Fiscal Year 2024, describe any proposed solutions.**

Response: The Department collaborates extensively with the Mayor's Office of Budget and Performance Management, ensuring a coordinated effort in addressing any required modifications to the agency's budget. The close partnership underscores the Administration's commitment to effective financial planning and resource allocation.

33. Please provide a copy of the agency's Fiscal Year 2023 performance accountability report. Please explain which performance plan strategic objectives, initiatives, key performance indicators (KPIs) and workload measures were completed in Fiscal Year 2023 and whether they were completed on time and within budget. For any measure not met or completed, please provide an explanation.

Response: *Please see attachment Q33 – FY23 Performance Accountability Report*

KPI	FY23 Target	FY23 Achieved	Explanation
Percent of monitored agencies participating in mandatory Expendable Budget training	100%	92%	While DSLBD is responsible for conducting the trainings and makes every effort to encourage all agencies to attend, the non-compliance of an agency(s) is beyond DSLBD's control.
Total dollar amount of loans dispersed to small businesses	\$600,000	\$79,000	Several conditions affecting the number of loans are external and outside DSLBD's control including: the number of businesses that opt to pursue debt financing versus grant funding; the amount businesses' request; whether businesses referred to lenders can meet their qualification criteria; and the ongoing economic downturn caused by the Covid-19 pandemic has affected small businesses' ability to qualify loans.

34. **Please provide a copy of your agency’s Fiscal Year 2024 performance plan as submitted to the Office of the City Administrator. Further, discuss any changes to any outcomes or measurements from Fiscal Year 2023 or 2024, including the outcomes to be measured or changes to the targets or goals of outcomes; list each specifically and explain why it was dropped, added, or changed.**

Response: Please see attachments Q34 – FY24 Performance Plan; Q34 – FY24 Performance Plan Changes

35. **Please provide the number of FOIA requests for Fiscal Years 2023 and 2024, to date, that were submitted to your agency. Include the number granted, partially granted, denied, and pending. In addition, please provide the average response time, the estimated number of FTEs required to process requests, the estimated number of hours spent responding to these requests, and the cost of compliance.**

Response:

- For FY23, DSLBD received 11 requests, and 13 were processed in the FY using the FOIA Express Portal. Of those: 0 granted in full, 7 partially granted, 1 denied, 4 no records, 1 requested record not reasonably described, and 1 was pending at the end of the FY. The average response time for all processed perfected requests was 15 days.

The FOIA Officer works with other staff to pull and review documents. At least 1 FTE is needed to manage the processing of requests, but additional staff are needed to perform research, review materials, and suggest redactions as appropriate. The number of staff varies depending on the FOIA request, but typically a total of two to five people may work on a request. The FOIA Officer is a member of the Office of the General Counsel. It is not known how much time the FOIA Officer averaged this FY. The estimated number of hours spent responding to these requests must be more than 40 for other personnel. The costs cannot be identified at this time.

- For FY24, to date, DSLBD received 5 requests (in addition to starting with 1 pending request), processing them via the FOIA Express Portal. Of those: 0 granted in full, 4 partially granted, 0 denied, and 1 no records as of 12.21.23. The average response time for all processed perfected requests was 10 days.

The FOIA Officer works with other staff to pull and review documents. At least 1 FTE is needed to manage the processing of requests, but additional staff are needed to perform research, review materials, and suggest redactions as appropriate. The number of staff varies depending on the FOIA request, but typically, a total of two to five people may work on a request. The FOIA Officer was a member of the Office of the General Counsel. It is not known how much time the FOIA Officer averaged this FY. The estimated number of hours spent responding to these requests must be more than 20 for other personnel. The costs cannot be identified at this time.

36. **Please provide a list of all studies, research papers, reports, and analyses that the agency prepared or contracted for during Fiscal Years 2023 and 2024, to date.**

Please state the status and purpose of each. Please submit a hard copy to the Committee if the study, research paper, report, or analysis is complete. For each study, paper, report or analysis, please include:

- a. Report name;
- b. Author name, whether the agency or an outside party;
- c. Source of funding (program and activity codes); and
- d. Contract number or grant name if the report was produced by a contractor or grantee.

Response: In June 2023, Jon Stover & Associates completed the *Feasibility Assessment for a Main Street Program for Foggy Bottom and West End*. The grant is entitled: Foggy Bottom West End Study Grant. The funding source is *Local funds (1000) in Program 4000, Activity 4030, CSG 50*. The purpose of the study was to determine the feasibility of a Main Street in Foggy Bottom.

See attachment Q36 – Foggy Bottom Study

37. Please separately list each employee whose salary was \$100,000 or more in Fiscal Years 2023 and 2024, to date. Provide the name, position number, position title, program, activity, salary, and fringe. In addition, state the amount of any overtime or bonus pay received by each employee on the list.

Response:

Name	Position #	Position Title	Program	Activity	Salary	Fringe
Keith Howard	00101857	Manager, Small Business Development	Business Opportunities	3060	118,800	24,780
Corey Beasley	00005610	Business Certification Spec	Certification	2010	103,333	21,699
Melissa Resil	00042974	Program Manager	Certification	2010	136,000	28,560
<i>Kristi Whitfield</i>	<i>00043982</i>	<i>Former Director</i>	<i>Office of the Director</i>	1090	195,872	40,153
Rosemary Suggs-Evans	00085842	Interim Director	Office of the Director	1090	193,600	40,656
<i>Wanda Stansbury</i>	<i>00077658</i>	<i>Deputy General Counsel</i>	<i>Office of the Director</i>	<i>1060</i>	<i>142,100</i>	<i>29,130</i>
Lorenzo McRae	00043139	General Counsel	Office of the Director	1060	175,000	36,750
<i>Lauren Adkins</i>	<i>00077537</i>	<i>Manager, Small Business Development</i>	<i>Business Opportunities</i>	<i>3060</i>	<i>113,483</i>	<i>23,264</i>
Sirah Turner	00102381	Chief Administrative Officer	Office of the Director	1090	142,000	29,820
Kate Mereand	00077347	Manager, Small Business Technology	Small Business Technology	3065	142,000	29,820
James Goodman	00077350	Procure. Tech. Asstnce. Mgr.	PTAC	3040	128,590	27,300
<i>Sherri Battle</i>	<i>00045980</i>	<i>Management Liaison Specialist (HR)</i>	<i>Office of the Director</i>	<i>1010</i>	<i>111,171</i>	<i>22,790</i>
<i>Tyrone Hankerson</i>	<i>00088568</i>	<i>Compliance & Enforcement Manager</i>	<i>Office of the Director</i>	2020	119,059	24,407

Robert Dorsey	00092054	Chief of Staff	Office of the Director	1090	142,000	29,820
<i>Marcia Harris</i>	<i>00040123</i>	<i>Data Analyst</i>	<i>Office of the Director</i>	<i>1040</i>	<i>114,081</i>	<i>23,386</i>
<i>Cristina Amoruso</i>	<i>00033888</i>	<i>Manager, Retail Business Development</i>	<i>Commercial Revitalization</i>	<i>4020</i>	<i>127,963</i>	<i>26,232</i>
Lincoln Lashley	00035076	Project Manager	Commercial Revitalization	4020	119,916	225,182
Camille Nixon	00033010	Project Manager	Small Business Technology	3065	141,707	29,758
Venessa Kadiri	00077348	Procure. Tech. Asstnce. Spec.	PTAC	3040	113,950	223,929
<i>Sheila Edmondson</i>	<i>00077349</i>	<i>Procure. Tech. Asstnce. Spec.</i>	<i>PTAC</i>	<i>3040</i>	<i>109,528.00</i>	<i>22,453.24</i>
Shannon Taylor	00033888	Project Manager	Small Business Technology	3065	102,439	21,000
<i>Caroline Howe</i>	<i>00077538</i>	<i>Project Manager</i>	<i>Small Business Technology</i>	<i>3065</i>	<i>102,439</i>	<i>21,000</i>
Monica McCall-Matey	00078177	Compliance Specialist	Compliance	2020	110,967	23,303
<i>Yolanda Roy</i>	<i>00089120</i>	<i>Certification Analyst.</i>	<i>Certification</i>	<i>2010</i>	<i>102,440</i>	<i>21,000</i>
<i>Gladys Kamau</i>	<i>00097574</i>	<i>Program Analyst.</i>	<i>Certification</i>	<i>2010</i>	<i>100,925.94</i>	<i>20,689.82</i>
Charles Cooper	00088568	Compliance & Enforcement Manager	Office of the Director	2020	130,00	27,300
Andrea Williams	00077658	Deputy General Counsel	Office of the Director	1060	133,000	27,930
Amanda Ware	00040123	Data Analyst	Office of the Director	1040	114,081	23,386
Virginia-Marie Roure	00033888	Manager, Retail Business Development	Commercial Revitalization	4020	118,000	24,780

Note: Italicized name indicates a former employee

38. Please list in descending order the top 25 overtime earners in your agency in Fiscal Years 2023 and 2024, to date, if applicable. For each, state the employee's name, position number, position title, program, activity, salary, fringe, and the aggregate amount of overtime pay earned.

Response: See response to Question 37.

39. For Fiscal Years 2023 and 2024, to date, please provide a list of employee bonuses or special pay granted that identifies the employee receiving the bonus or special pay, the amount received, and the reason for the bonus or special pay.

Response: In FY23 and FY24, to date, no employee has received a bonus or special pay.

40. Please provide each collective bargaining agreement that is currently in effect for agency employees. Please include the bargaining unit and the duration of each agreement. Please note if the agency is currently in a bargaining and its anticipated completion.

Response: The agency does not have any collective bargaining agreements.

41. **If there are any boards or commissions associated with your agency, please provide a chart listing the names, confirmation dates, terms, wards of residence, and attendance of each member. Include any vacancies. Please also attach agenda and minutes of each board or commission meeting in Fiscal Year 2023 or 2024, to date, if minutes were prepared. Please inform the Committee if the board or commission did not convene during any month.**

Response: There are no boards or commissions associated with the Department.

42. **Please list all reports or reporting currently required of the agency in the District of Columbia Code or Municipal Regulations. Provide a description of whether the agency is in compliance with these requirements, and if not, why not (e.g. the purpose behind the requirement is moot, etc.).**

Response: The agency is required to submit reports pursuant to D.C. Code §§ 2-218.54, 2-214.01, and 1-325.191. Reporting requirements outlined in subsections (a) and (b) of §2-218.54 are moot as they require reports to be submitted to the Compliance Unit at ODCA which was repealed in the DC Code. DSLBD’s semi-annual report pursuant to §§ 2-218.54, 2-214.01, and 1-325.191 is currently undergoing internal review. The agency is currently collecting information for the annual Minority and Women-Owned Business Assessment Program Report pursuant to D.C. Code §2-214.01. The end-of-year report is currently undergoing internal review and will be available once that process has concluded.

43. **Please attach copies of the required annual small business enterprise (“SBE”) expenditure reports for your agency for Fiscal Years 2022 and 2023.**

- a. **D.C. Official Code § 2-218.53(b) requires each District agency to submit supplemental information with their annual SBE expenditure report, including: a description of the activities the agency engaged in to achieve their Fiscal Year SBE expenditure goal; and a description of any changes the agency intends to make during the next Fiscal Year to achieve their SBE expenditure goal.**

Response: *Please see attachment Q43 – CBE Expenditure Reports*

44. **Please provide a list of any additional training or continuing education opportunities made available to agency employees. For each additional training or continuing education program, please provide the subject of the training, the names of the trainers, and the number of agency employees that were trained.**

Response: DSLBD strongly encourages staff to take advantage of trainings online that is offered through DCHR. Additionally, staff participated in the below trainings:

Employee Name	Subject	Trainer	Location
Venessa Kadiri	PTAC Program Development	National PTAC Association	Indianapolis, Indiana
Virginia- Marie Roure	Main Street Program Development	National Main Street Conference	Richmond, Virginia
Cristina Amoruso	Main Street Program Development	National Main Street Conference	Richmond, Virginia
Kristi Whitfield	Main Street Program Development	National Main Street Conference	Richmond, Virginia
Agency Wide	Team Building and Employee Development	Ronald Williams	
Virginia- Marie Roure	Main Street Program Development	National Main Street Conference	Boston, MA
Cristina Amoruso	Main Street Program Development	National Main Street Conference	Boston, MA
Kristi Whitfield	Main Street Program Development	National Main Street Conference	Boston, MA
Lorenzo McRae	Executive Leadership Program	DCHR/GW	Washington, DC
Sirah Turner	Executive Leadership Program	DCHR/GW	Washington, DC
Katherin Mereand	Executive Leadership Program	DCHR/GW	Washington, DC
Melissa Resil	Executive Leadership Program	DCHR/GW	Washington, DC
Charlene Louise	Certified Public Manager Program	DCHR/GW	Washington, DC

45. **Does the agency conduct annual performance evaluations of all its employees? Who conducts such evaluations? What steps are taken to ensure that all agency employees meet individual job requirements?**

Response: The agency conducts annual performance evaluations for its employees. Senior staff, including managers and the Chief of Staff, conduct the evaluations. Pursuant to DCHR guidelines, DSLBD managers meet with their staff and outline goals for the year. Evaluations continue throughout the year as managers conduct mid-year reviews with staff.

AGENCY OPERATIONS

46. **Please describe any initiatives that the agency implemented in Fiscal Year 2023 or 2024, to date, to improve the internal operations of the agency or the interaction of the agency with outside parties. Please describe the results, or expected results, of each initiative.**

Response: In FY23, one initiative the agency focused on was the uniformity of its grant policies and procedures across divisions as well as creating comprehensive grant

agreement templates that coincide with the types of grants the agency executes year over year to streamline grant drafting and subsequent execution timelines. This initiative proved to be successful as it contributed to greater efficiency in process, ultimately leading to timely disbursements for grantees following execution. Further, this initiative encouraged more cross-divisional collaboration amongst staff espousing greater internal team relationship building.

47. **DSLBD’s mission is to support the development, economic growth, and retention of District-based businesses. Can you please share how you work with other District agencies, such as DMPED, to achieve these goals? Specifically, what support and resources related to technical assistance are you currently providing to businesses in the District of Columbia?**

Response: DSLBD continues to partner across the entire Administration and the local stakeholders including business owners to ensure the advancement of small and local businesses. Agency partners include: DMPED, DOES, DDOT, DISB, OCP, DHCD, DGS, DCRA, OCTO, MOWPI, MONC, MOLA, MOCR, ONSE, DYRS, MOVA, MORCA, OCA, MOCC, MOAAA, MOAPIA, CAH, OCTFME, ABRA among others. Agency staff believe deeply in collaboration towards the advancement of the Mayor’s small and local business agenda which includes ensuring our local entrepreneurs succeed in starting or growing a business but also that our local residents gain employment and local services from those entrepreneurs who are community members and growers. Accordingly, the agency has technical assistance offerings such as one-on-counseling, through Small Biz Assist, a partnership with the DC Library where persons can sign up to meet with agency staff to obtain targeted supports and services, and through back office supports offered through the Department via grant programs such as CBE Green, a grant program funded through a partnership with DOEE. In addition, DSLBD’s Inno.ED division collaborates with MORCA when administering Aspire, a program offering direct support and technical assistance to returning citizen entrepreneurs.

48. **What are the agency’s top five priorities? Please explain how the agency is addressing these priorities, and how it will continue to do so for the remainder of Fiscal Year 2024, and in Q1 Fiscal Year 2025.**

- a. **How did the agency address the top priorities it listed in response to this question last year?**

Response: The agency addresses its priorities in all the work it undertakes to further its mission of supporting the retention of District-based businesses and promoting the economic development along the District corridors. Accordingly, DSLBD’s top five priorities remain, but are not limited to:

1. Advancing the District’s Comeback Plan including the revitalization of our downtown hub;
2. Working with our Main Streets and Clean Teams Programs to revitalize our economic corridors and further support retailers across all eight wards;

3. Supporting local creatives by working across government and stakeholder communities to expand the impacts of Art All Night and other creative-centered supports and services;
4. Strengthening the integrity of the CBE Program through legislative reforms to benefit *bona fide* local businesses; and
5. Advancing executive policies through an equity lens (*see response to Q1-8*).

Response (a): Last year’s top 5 priorities, some of which carried over into FY24, included:

1. Connecting local businesses to District and federal contract opportunities through the work of each division;
2. Working with our Main Streets and Clean Teams Programs to revitalize our economic corridors and further support retailers;
3. Supporting local creatives by working across government and stakeholder communities to expand the impacts of Art All Night and other creative-centered supports and services;
4. Strengthening the integrity of the CBE Program through legislative reforms to benefit *bona fide* local businesses; and
5. Advancing executive policies through an equity lens.

In addressing these priorities last fiscal year, the agency continued to work closely with the Main Streets and Clean Teams providing grants and direct-to-business subgrants in support of retailers along the District’s commercial corridors. The agency’s Apex Accelerator and Business Opportunities divisions focused on connecting local businesses, including CBEs, with opportunities within the federal sector and provided grant opportunities for CBEs attempting to enter the “green” marketplace. Further, the agency worked with agency partners and Main Streets to organize a successful 12th annual Art All Night to support local artists and creatives bringing out over 100,000 residents and tourist participants. The agency remains highly engaged in the racial equity space, having continuous engagement with the Office of Racial Equity as a pilot cohort member and a current representative on the Office’s Interagency Committee on Racial Equity. Lastly, the agency introduced legislation in the last two Council Periods and remains committed to comprehensive reforms related to closing loopholes in the CBE Act to strengthen the integrity of the program to the benefit of *bona fide* local businesses.

49. Please describe the Department’s current legislative priorities, whether/why/when consideration by the Committee is warranted, and if the Department foresees introducing additional measures for the Council’s consideration during the remainder of Fiscal Year 2024 and Q1 Fiscal Year 2025.

Response: Strengthening the integrity of the CBE Program to benefit *bona fide* local businesses remains a legislative priority. As such, the agency is drafting a legislative proposal to strengthen the compliance and enforcement measures for individuals and entities who do not comply with existing law, particularly as it relates to CBE participation on government contracts and ensure that we are achieving our goal of keeping local dollars within the District.

Please list each new program implemented by the agency during Fiscal Years 2022, 2023, and 2024, to date. For each initiative, please provide:

- a. A description of the initiative;
- b. The funding required to implement to the initiative; and
- c. Any documented results of the initiative.

Response: In FY24, \$300,000 was allocated for the creation of the Empowerment Fund. The Fund's purpose is to support those who support the District's commercial corridors. The inaugural cohort of awardees was our District's Clean Team crew members.

In FY22, FY23, and FY24, \$300,000 was allocated to the Just Cannabusiness Grant Program. The program is aimed to build and support equitable access to DC's legal cannabis market for local resident entrepreneurs, with a particular focus on returning citizens and veterans. Program grants will foster further innovation in direct industry and ancillary industry markets.

In FY22, \$250,000 was allocated to the DC Community Development Consortium Institute to develop a Ward 8 Community Investment Fund to provide access to capital to entrepreneurs residing in Ward 8. In FY24, \$528,904 was allocated to this program on a recurring basis.

In FY22, \$500,000 in American Rescue Plan Act funding was allocated to the Food Waste Innovation Grant Program. These grants will provide support for restaurants, food manufacturers, shared commercial kitchens, and commercial corridors like Main Streets and Business Improvement Districts, to minimize food waste. Reducing food waste in the District's food businesses can cut food and waste costs, reduce rodents, and reduce carbon emissions. \$500,000 was included in local funds to continue this program in FY23; in FY24, \$300,000.

In FY22 and FY23, \$66,000 was allocated for the Public Restroom Community Incentive Pilot. The pilot program provides financial incentives for local businesses making their restrooms available to the public, regardless of patronage.

In FY22, DSLBD created the Equity Impact Enterprise grant program disbursing over \$1.2M to provide direct financial support for small, resident-owned, disadvantaged certified business enterprises.

50. How does the agency measure programmatic success? Please discuss any changes to outcomes measured in Fiscal Years 2022, 2023, and 2024, to date.

Response: The agency coordinates efforts with the Office of the City Administrator to measure programmatic success and has several quantified measures within our performance reporting system. In addition to quantitative measures, we regularly seek out qualitative feedback and encourage community members and program participants to reach out to agency staff at all levels to gain a comprehensive picture of the impact of our work. DSLBD assesses each program on its own merits, based on our legal

authority and duties, our judgement of needs within the small and local business community that we are able to address, levels of engagement, and with an assessment of strengths and areas needing improvement.

51. What are the top metrics regularly used by the agency to evaluate its operations? Please be specific about which data points are monitored by the agency.

Response: The agency continues to fully utilize its annual performance plan to outline annual priorities and ensure progress is made towards completing strategic initiatives and daily operations.

52. Please list the task forces and organizations of which the agency is a member.

Response: The agency is a member of the following task forces and organizations:

- The Director actively engages with boards, such as the Public Utility Commission, the Minority Supplier Development Collaborative, and the Washington Economic Partnership, showcasing the agency's commitment to diverse collaborations.
- DC APEX maintains its affiliation with the Association of Procurement Technical Assistance Center, advocating for the nationwide network APEX programs. Additionally, the agency's membership with the National Contract Management Association ensures continuous professional development and access to extended procurement resources.
- The Innovation and Equitable Development Division plays a vital role in various councils, including the Innovation and Technology Inclusion Council, Food Policy Council, the Commission on Fashion Arts & Events, and contributes significantly to committees within the Workforce Investment Council.

53. Please explain the impact on your agency of any legislation passed at the federal level during Fiscal Years 2023 and 2024, to date, which significantly affected agency operations.

Response: There were no enacted federal laws in FY23 and FY24, to date, that affected the agency's operations.

54. Please explain the impact and implementation to date of legislation passed during Fiscal Years 2022, 2023, and 2024 to date. Specifically, please discuss the agency's implementation of the following:

- a. L25-0203, the "Fiscal Year 2024 Local Budget Act of 2023", particularly the DSLBD Grants subtitle and enhancements, additions, extensions, and changes made to the District's Clean Teams and Main Street programs.

Response: The agency successfully implemented the following provisions in the FY23 LBA: \$8,000 to expand the service area of the Shaw Clean Team to the 1900 block of

8th Street, NW; \$251,750 to restore funding to Ward 2 Clean Teams; \$528,904 to support the Ward 8 Community Investment Fund; a \$46,900 enhancement for each Main Street, and a \$70,000 enhancement for Shaw Main Street to purchase and electric vehicle. DSLB is in the process of executing an agreement with the grantee of the Ward 8 Community Investment Fund so that disbursements of loans and grants can be made to businesses located in Ward 8. The agency has executed agreements and disbursed funds for the previously mentioned program enhancements.

55. Please describe any steps the agency took in Fiscal Years 2023 and 2024, to date, to improve the transparency of agency operations.

Response: As reported in the previous two years' responses, one major step that agency is taking to increase transparency is through its progress towards completion of the District Enterprise System (DES), DSLBD continues to identify and implement new ways to increase the level of transparency and overall visibility both businesses and the District have into local contracts and procurements, particularly as it relates to CBE participation. The DES is a capital project that was envisioned and created to promote ease of doing business in the District for CBEs, prime contractors, and other local businesses as well as to promote streamlined cross-agency communication.

56. Please identify all electronic databases maintained by your agency, including the following:

- a. A detailed description of the information tracked within each system;
- b. The age of the system and any discussion of substantial upgrades that have been made or are planned to the system; and
- c. Whether the public can be granted access to all or part of each system.

Response: See attachment *Q56 – IT Systems*.

57. Please provide a detailed description of any new technology acquired in Fiscal Years 2023 and 2024, to date, including the cost, where it is used, and what it does. Please explain if there have been any issues with implementation.

Response: The agency has not acquired any new technology in FY23 and FY24, to date.

58. How many in-person training programs took place in Fiscal Years 2023 and 2024, to date?

Response: Following the onset of the pandemic, the agency shifted to virtual trainings, adhering to the public health guidance at the time. Some trainings have remained virtual as a way to offer convenient access to clients, however, the agency has hosted the following in-person training sessions:

- Provide weekly technical assistance for businesses
- Hosted the We Aspire Information Session
- Hosted multiple Kiva Crowdfunding information sessions for Businesses
- Hosted the CBE Go Green Financial Presentation Workshop

- Hosted three clinic sessions:
 - Clinic Session #1- Power Purchase Agreements
 - Clinic Session #2- Carbon Abatement Programs and Renewable Energy
 - Clinic Session #3- Green Financing
- Provided training on how to navigate the OCP Transparency Portal
- Hosted a lunch event for businesses explaining the NIGP Codes
- Hosted a class teaching businesses about the Class B Licensing process
- Hosted group trainings focused on proposal development, project management, contract management and self-assessment.

59. What training deficiencies, if any, did the agency identify during Fiscal Years 2023 and 2024, to date?

Response: The Department has not identified any deficiencies in FY23 and FY24, to date. The agency has been able to provide high-quality trainings both in-person and virtually for its clients.

AGENCY PROGRAMS

60. **Please provide a detailed description of the Small Business Capital Access Fund, including any loans that were provided in Fiscal Years 2023 and 2024, to date. What are the agency’s criteria for approval of the loan? What was the total number of loans granted in Fiscal Years 2023 and 2024, to date, and what is the remaining balance in Fiscal Year 2023?**

Response:

The Department’s Small Business Capital Access Fund are local funds that recur annually which are part of the District Capitalized Program. The FY23 balance was \$633,000. In FY23, 105 loans were granted totaling \$365,314.00. The breakdown is as follows:

- 2 Kiva loans totaling \$14,000.00
- 7 District Capitalized Micro-lines of credit pilot totaling \$65,000.00.
- 96 loans supported by the District Capitalized Loan-Loss Reserve, totaling \$286,314.00

Below are the criteria for each financing product:

District Capitalized Micro-Line of Credit Pilot

DSLBD Core Requirements – Must be a for profit entity, headquartered in DC with active, appropriate incorporation and licensing.

Life Asset Core Requirements – Must have a credit score of 600 or higher from two of the three credit agencies; business bank statements for three months and tax filing for the last two years.

For the pilot-specific requirements to meet program objectives and strategically use the funds during the short period, applicants must meet the following criteria:

- DC resident business owner
- Eligible Business Types – CBE certified, Made in DC certified, or service provider in one of four target industries (cleaning, childcare, landscaping, and sustainability)
- Small Business based on an annual net revenue less than \$50,000
- Allowable Uses of Funds – Bridge cash-flow gap between contract awards and payments; Manufacture products to vend or fulfill a purchase order; secure staff, equipment and supplies to meet customer demand; or build-out or upgrade commercial space or vending truck/stand

District Capitalized Loan Loss Reserve for Life Asset Loans

Life Asset Term Loan Eligibility

- Use the loan for the purpose of starting or growing a business
- Form or join a self-selected Group of 5 (minimum 3 to get started) entrepreneurs
- Each group member receives her/his own loan
- A group member is not responsible to pay off someone else's loan. However, if someone in the group is in default, no one else in the Group can get a new loan
- Commit to pay back the loan according to an approved schedule

Credit Building Loan Eligibility

- Use the loan for the purpose of starting or growing a business
- Commit to pay back the loan according to an approved schedule

Auto Loan Eligibility

- Use of the loan for the purpose of a vehicle for your business
- Commit to pay back the loan according to an approved schedule
- Live or have a registered business in DC or Maryland (not yet available in Virginia)
- Vehicle age is maximum 5 years old
- Must submit two years of most recent tax returns in addition to standard documents

Kiva Loans

- **DSLBD Core Requirements** – For-profit entity, headquartered in DC with active, appropriate incorporation and licensing. DC-residents, who are in the process of licensing their business, may apply if they provide their IRS-issued EIN letter, demonstrate they are a current DC resident, and demonstrate that their near-term plan includes licensing their business in DC.

- **Kiva US Requirements** – Business Proof (e.g., DC business license certificate or IRS-issued EIN letter). Pitch photos. Complete application with accurate financial and personal information. Additionally, if application is for a loan of \$6000 or more: Business Bank Statement (required) and Proof of Revenue (highly recommended).
- **DC Kiva Hub Requirements** – Business Plan (one-page/lean canvas is fine); Repayment plan statement (how applicant will pay loan while waiting for Kiva-supported expenses to generate revenue); and Attend Info Session and meet with DC Kiva Hub Capital Access Manager.

61. Please provide an update of the District Capitalized Program. What is the status of the agency’s plan to expand this program in Fiscal Year 2023 and in Q1 Fiscal Year 2024?

Response: In FY23, 105 businesses received \$365,314 of District Capitalized Program-supported capital. These are micro-lines of credit, crowdfunded loans, and loans supported by loan-loss reserves. DSLBD operated the DC Business Expo: Resources for Financial Success event in partnership with the Department of Insurance, Securities and Banking and DC Public Libraries to engage over 300 businesses to participate in direct technical assistance and workshops with over 40 providers and lenders to support access to capital.

The key FY23 District Capitalized initiatives that DSBLD will expand in FY24 include:

- **Passport to Funding Readiness:** This is a cohesive approach to building DC businesses’ capacity to find, apply, obtain, and effectively leverage capital (financing and revenue), and strengthen the pipeline of funding-ready applicants referred to funders. The District Capitalized Passport comprises an interactive checklist tool outlines lender-recommended steps to become to become funding-ready, and companion consultations with lenders and other experts. In FY23, over 200 businesses utilized the interactive tool, and met with over 25 partners and lenders for one-on-one guidance.
- **Micro-line of Credit Pilot:** In collaboration with Life Asset, this will help DC businesses explore lines of credit as flexible financing options, obtain affordable lines of credit less than \$10,000 for contract bridge financing, and encourage more lenders to consider offering micro-lines of credit.
- **District Capitalized Hub:** DSLBD anticipates receiving a \$793,268 State Small Business Credit Initiative (SSBCI) Technical Assistance Grant from the Department of Treasury. Through the District Capitalized Hub, DSLBD will:
 - Provide financial advisory and other technical assistance to mitigate barriers affecting DC businesses’ equitable access to capital (financing and revenue generation) with a focus on serving very small and socially and economically disadvantaged individual (SEDI) entrepreneurs.

- Create a cloud-based system to engage and onboard clients, utilize the Passport tools to guide their journey to reach their financing goal; and track of technical assistance provision and its impact on accessing capital.

62. Please explain the goals and objectives of the Made in DC Program. Specifically, provide the Committee with:

- a. What are the goals for the success and growth of this program that are different from the last Fiscal Year especially considering the pandemic and how is success being measured?
- b. How long does it take for applicants to apply and certify for the program? For Fiscal Years 2022, 2023 and 2024 to date, how many have applied each year?
- c. Last year, the agency reported that it was working to “overcome brand confusion,” build strategic partnerships, and “ramp up outreach and engagement.” Please discuss whether the agency met these goals and the steps it took to accomplish them.
- d. With the challenge of the pandemic before us, how did the agency fair in promoting the program and recruiting businesses to enroll?
- e. How many businesses signed up in Fiscal Years 2023 and 2024, to date to be a part of the Made in DC program?
- f. How many FTEs do you currently have dedicated to this program? How many are needed for this program to be successful?
- g. What innovative ideas has DSLBD created or come together with small businesses to help better coordinate this program especially under the current public health emergency?

Response (a): The primary focus for the success and expansion of the Made in DC program, considering the impacts of the pandemic, involves adopting innovative strategies that foster resilience and adaptability. The agency is keen on maximizing engagement, and strategically partnering with local makers to elevate their visibility in the market. These initiatives will position the program as an influential catalyst for economic resurgence within the local makers landscape.

Response (b): The application for the Made in DC Program is a two-step process. The first step is for applicants to answer preliminary questions that determine eligibility. Based on the answers, applicants receive an invitation to the second phase in the process, which is to provide complete business details and necessary attachments providing eligibility requirements. Once the completed application is received, it takes 3-5 business days to receive an updated application status or approval.

Below are the number of applicants per fiscal year:

- FY2022 -14
- FY2023 - 22
- FY2024 - 2

Response (c): The agency, for several years now, has been very intentional about educating local businesses, entrepreneurs, and relevant stakeholders about the difference between “Made in DC” and “Shop Made in DC”. Interested parties have a clear understanding that Made in DC is a District government managed program that provides access to technical assistance, workshops, training, and networking opportunities that are facilitated by DSLBD. Comparatively, Shop Made in DC is run by a business operator and not affiliated with the government.

Response (d): The agency has promoted the program and recruited businesses primarily through its social media platforms, which have nearly 50,000 followers combined. With these accounts, we highlight certified businesses in the Made In DC program and the products they sell, which participants found incredibly helpful to sustaining and growing their businesses.

Response (e): In FY23, there were 22 participants and in FY24, to date, there are two participants.

Response (f): There is one FTE dedicated to this program.

Response (g): DSLBD launched a Pull Up & Pitch program, which is a promotion and micro pitch event for entrepreneurs wanting to showcase their products and services. Participants went through holiday market readiness training and had the opportunity to pitch for between \$500 and \$1500 in the events that were held in September 2023.

63. Please provide an update on the Aspire to Entrepreneurship Program, including:

- a. The number of local businesses created by the program in Fiscal Years 2022, 2023, and 2024, to date;**
- b. A description of the types of businesses created by the program; and**
- c. The resources devoted by this agency to the program.**

Response (a): A total of 31 businesses completed Aspire Pitch in 2023. The agency is currently accepting applications for the program, and we anticipate supporting 20 businesses with more intensive business development training and technical assistance.

Response (b): Businesses range across several industries and stages, and included but were not limited to cosmetology, mobile bartending, consulting and translation services, transportation, education, cleaning, swim instruction, food, cleaning, retail, and the creative arts and woodworking.

Response (c): DSLBD maintains a dedicated Aspire Project Manager and piloted Aspire Connections with over a dozen staff across the agency participating in network building activities in FY23. A Project Manager will oversee both the Aspire and Dream Program, with additional access to capital support from the Access to Capital

Project Manager and overall program and technical assistance support from a project coordinator.

64. Please explain any new development on how the agency uses the APEX Program, formerly known as Procurement Technical Assistance Program, to enhance business counseling and technical assistance to assist small businesses in obtaining local, state, and federal government contracts. Please also include an analysis of the agency resources devoted to this program.

a. Please describe how APEX advances the Department’s mission to support local and certified business enterprises (“CBEs”).

b. How many CBEs or SBEs interacted with the APEX program in Fiscal Years 2022, 2023, and 2024, to date?

Response (a): The APEX Accelerators program plays a critical role in the Department’s efforts to identify and support a wide range of businesses entering and participating in the defense supply-chain. The program provides education and training to ensure that all businesses, including our CBEs, become capable of participating in federal, state, and local government contracts.

Response (b):

- FY 22 - 415 CBE DC APEX Accelerator clients
- FY 23 - 467 CBE DC APEX Accelerator clients
- FY 24, to date - 139 CBE DC APEX Accelerator clients

65. Please provide an overview of DSLBD’s efforts to assist with the retention of small and local businesses. Are there any new retention initiatives envisioned for this year?

Response: The Department has been very intentional about its programing and initiatives to retain and provide necessary support for District businesses, particularly with economic challenges impacting them. The agency continues to implement initiatives such as access to capital, technical assistance, capacity building programs, and networking opportunities to strengthen the ecosystem. DSLBD is proud to have recently launched *Business to Business*, which is a service provider grant offering business development courses, cohort management, and program marketing across several Department programs like *Aspire to Entrepreneurship* and *Dream Pitch*. The agency will continue to evaluate the need for business resources and identify ways it can help close the gap.

66. Please provide an update on the District Enterprise System (“DES”) and if there are any issues and if they have been fully resolved. Also, please discuss the following:

a. Whether any new funding was allocated to developing or upgrading the system in Fiscal Years 2022, 2023, and 2024, to date;

b. The number of FTEs devoted to managing and maintaining the system; and

c. The output and deliverables for Fiscal Years 2022, 2023, and 2024, to date.

Response (a): There were funds allocated for the following years:

- 2022 - \$720,000
- 2023- \$874,000
- 2024- \$1,400,000

Response (b): The DES is maintained by DSLBD's IT Specialist and additional support is provided by OCTO.

Response (c): *Please see attachment Q66 – DES Deliverables*

67. The Committee previously allocated up to \$2.25 million to DSLBD and DMPED to fund the Equity Impact Enterprise Establishment Act in the BSA, as well as an additional \$750,000 to support the Disparity Study. Please provide a status report on this funding.

Response: Out of these funds, DSLBD was allocated \$120,000 to fully integrate the new Equity Impact Enterprise designation into the DES created as part of the Act. This update was completed in Q2 FY21. Also, the Department is a member of an interagency working group as part of the Administration's effort to assess the Disparity study's recommendations, its expected impact, and feasibility.

BUSINESS ENTERPRISE CERTIFICATION AND RECERTIFICATION

68. The agency has reported a consistent drop in CBE applications since Fiscal Year 2021. What is the total number of CBE applications received in Fiscal Years 2021, 2022, 2023, and 2024, to date?

Response: In FY21, DSLBD received 311 CBE applications. In FY22, DSLBD received 259 CBE applications. In FY23 DSLBD received 283 CBE applications. As of January 11, 2024 DSLBD has received 16 CBE applications.

69. Please describe any changes you have made in the last Fiscal Year or anticipate making to the certification process to ensure that the process and applications trend in the right direction.

a. Please discuss the steps the agency will be taking to inform the public of these changes.

Response: In FY23, the Certification division continued to work to improve performance as it relates to the processing of applications submitted to the Department. Internally, the division continued to implement staff training to assist new and existing team members with understanding the application process and program requirements. The division will continue this staff training in FY24. In addition, the division continued its partnership with the Department of Licensing and Consumer Protection (DLCP) to facilitate monthly webinars on the CBE program and provide technical assistance to potential applicants through one-on-one appointments on the second and fourth Thursday of every month. The division also participated in DSLBD's

SmallBizAssist initiative where on the third Wednesday of each month the division is available to meet with businesses in person at the Martin Luther King, Jr. library. The division also made a few enhancements in FY23 to the District Enterprise System (DES) based on law changes and feedback received from the business community. DSLBD anticipates making additional changes in FY24 to help with the ease of processing applications submitted to the Department.

Response (a): DSLBD has and will continue to inform the public of any efforts, upgrades, and changes via standard communications channels, such as: email, our website, public events, and working group meetings with CBE firms.

70. What innovative ways are you working across the District and with other agencies to support CBEs?

Response: In FY24, the agency launched the CBE All Things Green Grant. CBE Green is a DSLBD initiative that was created to promote and support the involvement of CBEs in the expanding green and environmentally sustainable energy and buildings market. In partnership with DC's Department of Energy and the Environment (DOEE), DSLBD is supporting CBEs through additional training opportunities to prepare them for procurement opportunities offered by DOEE, DCSEU and beyond. This initiative in partnership with DOEE began in FY22 and continues to build momentum for the betterment of the District's CBEs in the green marketplace, to date.

71. **What level of support is your agency providing to ensure that resources and contracts are making it to CBEs?**

Response: DSLBD is very thoughtful about identifying ways to ensure CBE participation through the waiver request process and continues to inform agencies about CBE requirements through regular training sessions. Also, the agency holds regular check-in meetings with District agencies, ensuring compliance with the CBE law. Lastly, DSLBD's APEX Accelerator and Business Opportunities divisions are committed to ensuring that CBEs are best positioned to pursue opportunities with the District and federal governments through one-on-one counseling, training sessions, grants, and technical assistance.

72. **How are you growing the capacity of CBEs?**

Response: Every division, particularly the Business Opportunities and APEX Accelerator teams, works collaboratively to ensure that CBEs have the necessary capacity to compete for government contracts. These divisions typically hold individual-based sessions and group networking opportunities, encouraging cross collaboration and idea-sharing among the CBE community.

73. **Currently, nonprofit organizations are not eligible to become CBEs. What is the Department's stance on this? Are there obstacles to a nonprofit becoming a CBE outside of eligibility requirements?**

a. **Secondly non-profits are not subject to subcontracting requirements when they receive a government contract . What is the Department's stance on**

this? Are there obstacles to a nonprofit meeting this requirement outside of Code requirements?

Response: The Department understands that there exists inherent differences between entities organized for profit and those organized not for profit – differences that were clearly contemplated when the CBE law, explicitly excluding non-profits, was enacted by Council. As the agency responsible for the implementation of the District’s CBE Program, DSLBD has previously expressed concerns including the negative impacts on CBEs – while non-profits may pay payroll taxes in the District, they do not pay the additional property taxes, business income taxes, franchise taxes, contract stadium taxes, and etcetera that CBEs pay as for-profit entities. Additional considerations may include the potential harmful impacts on the District’s tax base (e.g., the retention of CBEs in the District), the great fiscal impact to the District, the disruptive impact on ongoing agency operations, and the bill’s misalignment with the clear intent and spirit of the CBE law which is to stimulate the economic development in the District’s for-profit business sector.

74. How have you expanded the agency’s online services over the past Fiscal Year? Specifically, describe how DES’s progress has helped to improve the certification process. Please note whether:

- a. The changes in DES have improved the number of applications the agency processes;**
- b. The division is making final determinations (approving or denying) faster; and**
- c. The agency has received feedback or other tangible evidence on how the DES has improved outcomes.**

Response: The District Enterprise System (DES) continues to provide a shorter, more streamlined, application for both new applicants and existing CBEs by reducing the application process from sixteen (16) steps to eight (8) steps and the recertification process from nine (9) steps to two (2) steps. In addition, businesses with no material changes (since the last approved application) may continue to receive their certification number instantly, preventing potential gaps in certification status. Lastly, the DES continues to allow businesses to conveniently make general changes to their CBE profile, such as: business email address, business description, and business contact information. While the customer experience has been streamlined, the pace of processing is tied to staffing, applications received, and workload management.

75. Please provide the committee with a chart depicting the number of business enterprises certified in each CBE category for the past three Fiscal Years. Please also note how many have sought to self-certify as a disadvantaged business enterprise and were denied. If any were denied, please explain why.

- a. Pursuant to DC Official Code 2-218.33 (b), a business enterprise affiliated with another business enterprise through common ownership, management, or control can also be eligible for certification if certain conditions are met. How many such DBEs affiliated with another business enterprise actually received designation as a DBE?**

b. Please provide a list of all DBEs. Where possible, please provide a breakdown by ward, race, and gender (understanding that this information would only represent those who have chosen to self-certify by race and gender).

Response: *Please see attachment Q75b– List of DBEs*

Response: The self-recertification process allows businesses with no material change in address, ownership, or eligibility to attest to no change and receive their CBE number immediately. A request for the Disadvantaged Business Enterprise (DBE) subcategory is tied to the Local Business Enterprise (LBE) category that is required for certification as a CBE and any subcategory. The DBE subcategory is vetted by the certification division during the application process for CBE certification, recertification or a request to update an active CBE certificate via a Change Request application. The DBE subcategory is not granted via self-certification. The removal or denial of the DBE subcategory during an application review process is currently not tracked. Each request for the DBE category within an application submitted to DSLBD is evaluated independently and is part of the overall evaluation of whether a business meets the local requirements of the CBE program.

Response: Below is the chart depicting the number of business enterprises certified in each CBE category for the past three Fiscal Years:

CBE Certificate Designation	Approved CBE Applications FY21-23
Local Business Enterprise	2,057
Small Business Enterprise	1,914
Development Enterprise Zone	1,189
Resident Owned Business	1,164
Disadvantaged Business Enterprise	1,020
Equity Impact Enterprise	641
Longtime Resident Business	145
Veteran Owned Business	113
Local Manufacturing Business Enterprise	7

76. How many applications for business enterprise certifications were received in Fiscal Years 2023 and 2024, to date? How many re-certifications?

Response: In FY23, 583 applications were received. 283 of these applications were CBE, 185 were Change Request (requests to update CBE record) applications and 115 were Full-Recert (recertifications reporting material changes) applications. This number does not include the 260 businesses that completed the self-recertification

process, as these are not applications, but affidavits received reporting no material change by the business. In FY24, as of January 11, 2024, the Department has received 46 applications. This number includes 16 CBE applications, 17 Change Request (requests to update CBE record) and 13 Full-Recert applications that were submitted to report a material change to DSLBD. In FY24, businesses have completed 104 self-recertifications as of January 11, 2024.

77. What is the current number of certification specialists on staff?

Response: As of January 11, 2024, there are two (2) Business Certification Specialists on staff. The division currently has six (6) team members. One Program Manager, two Business Certification Specialist, two Analysts and one (1) Administrative Support Specialist. The division will be hiring two (2) Business Certification Specialists to fill vacancies with the division to bring the total number of staff to eight (8) team members.

78. What is the average monthly rate of applications reviewed by certification specialists?

Response: In FY23, the certification division processed 83% of applications in 30 business days or less and 94% in 45 business days or less.

79. How many CBE applications are processed by a certification specialist in Fiscal Years 2023 and 2024, respectively?

Response: In FY23, 449 applications were processed by the certification division. This total includes 183 CBE applications (initial certification), 155 Change Request applications and 111 Full-Recert applications (recertifications reporting material changes). In FY24, as of January 16, 2024, the Certification division has processed 56 CBE applications. As of this date, the division has processed 109 applications in total, this number includes the CBE applications and 33 Change Request and 20 Full-Recertification applications.

80. How many certifications were revoked in Fiscal Years 2023 and 2024, to date, and for what reasons?

Response: In FY23, no businesses were revoked by DSLBD. In FY24, no CBE's have been revoked, to date. In FY24, as of January 16, 2024, the Certification division has processed 56 CBE applications. As of this date, the division has processed 109 applications in total, this number includes the CBE applications and 33 Change Request and 20 Full-Recertification applications.

81. For Fiscal Years 2022, 2023, and 2024, to date, what was the average wait time for processing business enterprise certification applications, and what was the number and percentage of CBE certifications that were processed within the average wait time? What was the average wait time for re-certification applications? Has the DES helped reduce these numbers?

a. What has the agency done to reduce the wait time?

Response: In FY22, the Certification division processed 472 applications (CBE - 169, Full-Recertification -149, Change Request - 154). Eighty-four (84) percent of applications were processed in 30 business days or less and Ninety-five (95) percent were processed in 45 business days or less. In FY23, the Certification division processed 449 applications (CBE - 183, Full-Recertification - 111, Change Request - 155). Eighty-three (83) percent of applications were processed in 30 business days or less and ninety-four (94) percent were processed in 45 business days or less. In FY24, to date, the division has processed 109 applications. Of this amount, seventy-eight (78) percent of applications have been processed in 30 business days or less and ninety-one (91) percent were processed in 45 business days or less. The release of the DES on April 30, 2018, streamlined the customer experience and how certification specialists navigate applications. The system continues to help with the processing timelines of applications. It is important to note, the pace of application processing, however, is tied to staffing, the submission of applications and workload management, not how the system was built. Additionally, the team has added an additional specialist and an administrative assistant to improve our processing times.

82. For certification and re-certification applications found deficient, what is the average time before an applicant receives official notice of the agency's determination?

Response: DSLBD continues to address any deficiencies that are found during the processing of an application within the DES to assist in reducing the wait time for businesses seeking certification. A notable feature of the DES is that businesses can continue to work within the same application submitted to the Department when deficiencies are identified. In the old CBE Business Online System, DSLBD would close deficient applications and require a business to resubmit a new application. This affected the wait time metric for processing applications. In FY23, ninety-three (93%), 449 applications, were reviewed upon submission to DSLBD within 10 business days or less.

83. Please provide an analysis of the complaints received in Fiscal Years 2022, 2023, and 2024, to date, regarding the certification process. Please include:

- a. The number and percentages by certification and re-certification;**
- b. A description of the most common complaints;**
- c. A description of the actions taken to address and reduce these common incidences; and**
- d. A description of the process areas that remain the most problematic for clients.**

Response: For the certification division, complaints would come in the form of an appeal related to a decision made on a submitted application. All appeals related to the certification process are filed with the Office of Administrative Hearings (OAH) which in turn determines if an evidentiary hearing is necessary, and, if so, schedules a hearing in accordance with OAH policies. The Department has not received formal complaints regarding the certification process, but rather comments related to the ease of the application process and user friendliness. Concerns that have been brought to the attention of the Department are primarily involving system access for returning CBE

firms. The Department has updated its website, providing step-by-step guidance on how to access the system as well as points of contacts such as DES support team (des.support@dc.gov) to assist with technical issues while CBE program concerns are sent to cbe.info@dc.gov.

84. **Pursuant to DC Official Code 2-218.65, the DC Auditor may conduct random audits of the certification division. Were there any new audits performed in Fiscal Years 2022, 2023, and 2024, to date?**

Response: No ODCA audits were performed in FY22, FY23 or FY24, to date.

85. **In Fiscal Year 2020, the agency reported that the District Capitalized Program, Mentor Protégé Program, and bonding program were established to encourage Joint Ventures in the District. How many new Joint Ventures have been formed as a result of these programs? How many Joint Ventures have been awarded contracts for Fiscal Years 2022, 2023, and 2024, to date?**

Response: DSLBD's District Capitalized and bonding programs offer support to small businesses seeking growth and capacity building for participation in DSLBD's joint venture program. Access to capital, bonding capacity, and project insurance are crucial for CBEs in government contracting. Our programs serve as valuable tools without imposing a mandatory joint venture formation. Notably, the Mentor-Protégé Program, currently operational at DGS, stands as a testament to DSLBD's initiative. We take pride in spearheading this effort, laying a robust foundation for the program's success and will continue to support DGS to ensure long-term success.

86. **How many site visits has the Certification division conducted in Fiscal Years 2023 and 2024, to date?**

- a. **How many site visits led to the agency revoking or terminating businesses' certifications due to fraudulently claiming to be a local business enterprise?**
- b. **Please list the name of the businesses and the fines, fees, or penalties that were imposed on the business.**

General Response: The division conducted 106 virtual site visits in FY23. In FY24, to date, the division has conducted 21 virtual site visits.

Response (a): A site visit is a condition precedent to obtaining certification as part of the application process; therefore, any business that fails a visit, due to the failure to meet local requirements, is not granted certification. In FY23, four (4) CBE applications were denied certification as a result of site visits and the review of a CBE application submitted to determine eligibility as an LBE. In FY24, as of to date, three (3) applications have been denied certification because of site visits and/or the review of application documents to determine eligibility as an LBE.

Response (b): *Please see response to question 105.*

PROTESTS AND APPEALS

87. **Please describe the process for handling client protests and appeals in response to adverse determinations made by the agency of an application for certification or recertification.**

Response: DSLBD does not process protests/appeals. All protests/appeals related to the certification process are filed with the Office of Administrative Hearings (OAH) which in turn determines if an evidentiary hearing is necessary, and, if so, schedules a hearing in accordance with OAH policies. The OAH process is detailed in all denial and revocation notices to the business community.

88. **How many protests and appeals were processed by the agency for Fiscal Years 2023 and 2024, to date?**

Response: DSLBD does not process protests/appeals. All protests/appeals related to the certification process are filed with the Office of Administrative Hearings (OAH) which in turn determines if an evidentiary hearing is necessary, and, if so, schedules a hearing in accordance with OAH.

89. **What were the most common protests/appeals handled by the agency in Fiscal Years 2022, 2023, and 2024, to date?**

Response: Common protests and appeals are related to the denial of an application for certification or revocation of a CBE certificate.

90. **How many agency decisions appealed to the Office of Administrative Hearings were overturned?**

Response: No denial or revocation decisions were overturned in FY23 or FY24, to date.

ENFORCEMENT AND COMPLIANCE

Monitoring and Inspections

91. Please provide the Committee with a copy of the Compliance Division's Standard Operating Procedures and discuss the last time this was updated.

Response: *Please see attachment Q91 – Compliance SOPs*

92. Please describe any changes you have made or anticipate making to the monitoring process since last Fiscal Year and include the efforts you have taken to inform the public and stakeholder community of these changes.

Response:

Below is a list of anticipated and recent modifications to the agency's monitoring process:

- **Updating Training Materials:** The agency is in the process of updating the Compliance and Enforcement training materials to ensure they reflect the implementation of the Standard Operating Procedures (SOP) and the District Integrated Financial System (DIFS).
- **Q&A Document:** The Compliance and Enforcement Division developed a Frequently Asked Questions document, which was shared with District agencies. This document is designed to provide clarity and guidance on compliance related inquiries.
- **Training Sessions:** The agency conducted a total of 18 training sessions, reaching out to 90 District agencies. These sessions took place from June 27 to August 1, 2023, and were designed to educate and inform agencies about compliance procedures.
- **Monthly Meetings with OCP:** The Compliance and Enforcement Division maintains regular monthly meetings with the Office of Contracting and Procurement to discuss the monitoring process and the enforcement of the CBE Act. These meetings are essential for effective coordination and alignment.
- **Contractor/Primes Engagement:** The agency frequently holds meetings with contractors and primes to review Small Business Enterprise expenditures and quarterly reports. This ongoing dialogue ensures transparency and adherence to compliance standards.
- **Spot Checks on CBE Certification:** As part of the compliance efforts, the agency conducts spot checks on Certified Business Enterprises with certifications set to expire within the current fiscal year. These checks help ensure ongoing compliance.

93. **How many total FTEs are currently in the Compliance division? What was the total number last year? Please provide a breakdown of how and which FTEs cover agency spend, PPDs, waivers, equity and participation, conduct spot checks, are assigned to enforcement and other compliance functions.**

Response: There are 12 FTEs currently in the Compliance & Enforcement Division. Please see the staff breakdown for each unit of the division:

- Agency Spend – 5 FTEs
- PPDs – 3 FTEs
- Investigations– 3 FTEs

94. **What online upgrades have you made to your compliance monitoring system over the past Fiscal Year? What new online upgrades are being considered for Fiscal Year 2023?**

Response: The agency has developed the PPD Compliance portion of the DES system. The first release included the setup of the project plan and the subcontracting plans.

The second release included the quarterly reports and vendor verifications. The division also worked on contract matters, such as adding the notification on waivers for contract periods getting ready to end so that the new waiver request for the next option period can be entered into the system.

95. What changes have you made to increase the performance of District government agencies, developers, and general contractors who have failed to comply with small and certified business enterprise utilization requirements?
- a. Has the agency conducted any analyses to determine their effectiveness in enhancing performance compliance?
 - b. Have changes been implemented for the Fiscal Years 2023 and 2024, to date?

Response: DSLBD continues to collaborate with agencies to ensure compliance with CBE law provisions. Year over year achievements in record-breaking SBE spend, as highlighted in the annual Green Book, is one way to demonstrate agencies' increased performance through such cross-agency collaboration. Further, the Compliance division will levy penalties against prime contractors who fail to use reasonable efforts to achieve CBE subcontracting requirements. Lastly, as the agency continues to make upgrades to the DES system, streamlining and identifying these issues has become easier, making the process more efficient and allowing the procuring authorities and the Department to hold all stakeholders accountable to the CBE Act.

96. **How does the agency coordinate with other District agencies to keep abreast of CBE compliance matters and performance? Please explain.**

Response: The Compliance and Enforcement Division conducts District-wide mandatory trainings between the third and fourth quarter of each fiscal year to provide CBE Compliance Officers and other relevant personnel with the Department's reporting requirements, training on any software or systems used by the Department for monitoring agencies' SBE spend, an anticipated schedule for the fiscal year noting reporting deadlines, and other relevant information.

97. **Please describe the amount of outreach to private firms with CBE requirements within the past Fiscal Year. What is the frequency of tracking CBE compliance? How do you provide support – in identifying CBE firms beyond simply referring entities to the database.**

Response: Upon being notified of their involvement in PPD projects, DSLBD actively engages developers. The agency regularly carries out compliance checks and monitoring procedures for the firms, ensuring adherence to the CBE Act on a regular basis. Also, the Compliance and Enforcement division partners with the Business Opportunities division, where a joint outreach event is organized which is tailored to small businesses where meaningful connections are made.

98. Pursuant to DC Official Code § 2-218.41, how many agencies does the agency monitor? How many achieved their SBE Goal for Fiscal Years 2022 and 2023 respectively? Please identify which agencies did not meet their spending goal and what actions were taken against those who failed to meet their goals.

- a. Of the agencies that met their spend goals in Fiscal Years 2022 and 2023, what was the total dollar amount not spent with SBEs that should have been spent with them?
- b. By contrast, what was the total spend for CBEs in Fiscal Years 2022 and 2023. Please especially highlight CBEs that are not also designated as SBEs.
- c. Please provide a list showing the total spend for firms that are SBEs and DBEs, ROBs, LRBs, VOBs, and LMBEs.

Response: The Department monitors 90 agencies. Eight (8) agencies did not meet their goal in FY22. Please note that FY23 numbers will not be available until the CAFR closes. The agency will provide those numbers once they are available.

Response (a): \$12,550,855.40 is the total number not spent with SBEs in FY22. The FY23 numbers will be available once the CAFR closes.

Response (b)-(c):

FY22 Spend by CBE Designation	Amount
Local Business Enterprise	\$1,710,946,273
Small Business Enterprise	\$1,184,000,495
Development Enterprise Zone	\$1,025,634,128
Resident-Owned Business	\$619,604,370
Disadvantaged Business Enterprise	\$609,234,237
Longtime Resident Business	\$544,142,574
Equity Impact Enterprise	\$328,477,275
Local Manufacturing Business Enterprise	\$105,280,907
Veteran-Owned Business Enterprise	\$39,073,656

FY23 Preliminary Spend by CBE Designation	Amount
Local Business Enterprise	\$1,755,979,378
Small Business Enterprise	\$1,190,567,582
Equity Impact Enterprise	\$327,884,482
Disadvantaged Business Enterprise	\$600,121,370
Local Manufacturing Business Enterprise	\$93,950,125
Longtime Resident Business	\$550,142,386
Resident-Owned Business	\$688,685,764
Veteran-Owned Business Enterprise	\$36,407,880
Development Enterprise Zone	\$1,084,890,309

99. DC Official Code § 2-218.42 also allows the Department to establish a set-aside program for SBEs and a set-aside program for CBEs. Please describe what these programs look like and what the outcomes have been.

Response: The agency strongly champions the involvement of small and local businesses whenever there's service capacity and opportunities for any solicitation. As DSLBD collaborates with procuring agencies and gathers the necessary evidence, there are more opportunities to implement the set-aside program. However, the final decision on participation in the set-aside can only be done collaboratively with procuring partners.

100. **The law (D.C. Official Code § 2-218.47) also allows the for the establishment of procedures to ensure that solicitations are subdivided and unbundled and that smaller contracts are created to the extent feasible and fiscally prudent. Are there any instances in Fiscal Years 2023 and 2024, to date where a solicitation was subdivided and unbundled and awarded to a smaller contractor as a result of DSLBD's effort? Please discuss the general attitude or disposition of the procuring agency when going through this process.**

Response: While DSLBD does not have procurement authority, the agency consistently engages with other District agencies to explore opportunities that support the local business community. This includes advocating for the inclusion of small businesses whenever they can provide some or all of the necessary services in a solicitation. Additionally, DSLBD regularly partners with procuring agencies to identify opportunities for maximizing CBE participation within the waiver process and rejects waivers in areas where CBEs have the capability to deliver. Procuring agencies have shown openness to the concept of breaking down contracts when market capacity is evident and operational services remain largely unchanged.

WAIVERS

101. Please describe the exception process and include the following:
- a. The total number of exceptions requested in Fiscal Years 2023 and 2024, to date;
 - b. The number of exceptions granted in Fiscal Years 2023 and 2024, to date and the basis for DSLBD's approval;
 - c. The total number of exceptions denied in Fiscal Years 2023 and 2024, to date, including the reasons for denial; and
 - d. The top agencies with the most exception requests in Fiscal Years 2023 and 2024, to date.

Response: The Special Exemptions process involves an automated system used by agencies to seek the exclusion of specific budget items from being factored into the determination of SBE Goals. These are typically items that cannot be contracted or fall outside the scope of services and capabilities of CBEs. Exemptions are usually handled during the annual goal-setting phase and quarterly after the OCFO transmits budget adnts.

Responses (a)-(d): The answers are provided in the chart on the page below:

Total Number of Special Exceptions Submitted	
FY2023	2,562
FY2024	2,374
Total Number of Special Exceptions Approved	
FY2023	2,049
FY2024	1,941
Total Number of Special Exceptions Denied	
FY2023	135
FY2024	96
Top Agencies with the Most Special Exception Requests in FY23 and FY24	
Agency	Special Exceptions
Department of Energy and Environment	461
Department of Health Care Finance	431
Department of Health	321
Homeland Security and Emergency Management Agency	233
Department of Human Services	169
District Department of Transportation	153
Office of the Chief Financial Officer	134
Office of the Attorney General for the District of Columbia	131
Fire and Emergency Medical Services Department	123
District of Columbia Retirement Board	115
Total	2,271

102. **What types of businesses/services (NAICS codes) are most waivers for (please provide a breakdown by percentage for NAICS codes for Fiscal Years 2022, and 2023 waivers)? What specific programs, policies, resources have you dedicated to building capacity within the CBE community to meet these requests such that waivers are no longer needed?**

Response: In recent years, DSLBD has concentrated on enhancing CBE capabilities and aiding agencies in discovering CBEs capable of providing the required services.

The Business Opportunities division actively identifies CBE skillsets, facilitating their alignment with suitable solicitations. The agency's matchmaking sessions have received enthusiastic responses from participants. These initiatives have significantly contributed to an unprecedented spending record with small business enterprises in the District.

Response: *Please see attachment Q102 – Approved Waivers by NIGP Codes*

103. **Concerning waiver requests from contracting entities, how many of such requests did DSLBD receive to waive SBE/CBE utilization requirements in Fiscal Years 2023 and 2024, to date? Please break the number down by the following categories and note the requesting agency:**

- a. Purchases of goods and services by District government agencies;
- b. CBE utilization on government-assisted projects, and
- c. CBE utilization on equity participation projects.
- d. How many waiver requests were approved? Please provide a justification for each waiver;
- e. How many waiver requests were denied? Please explain; and
- f. What is the average turnaround time for approving/denying a waiver request from a contracting entity?

Response (a)-(d): *Please see attachments Q103 – Approved Waivers, and Q103 Denied Waivers.*

Number of Waivers Approved and Denied	2023	2024 to date
Approved	233	28
Denied	7	

Response (f):

Average Turnaround Time in Days Processing Approved and Denied Waivers	2023	2024 to date
Approved	17	18
Denied	18	

104. In Fiscal Years 2022, 2023, and 2024, to date, please list specific instances when the agency has recommended to other contracting agencies to suspend, debar, levy fines or other penalties against a contractor, developer or small or certified business enterprise found not in compliance with certified business program requirements. Include in your listing the following:

- a. The name of the contractor/developer/CBE entity involved;
- b. Project name;
- c. Contract identification;
- d. A description of the infraction; and
- e. A description of the agency's recommendation.

Response: *Please see attachment Q104– CBE Revocation List*

105. In Fiscal Years 2022, 2023, and 2024, to date, please list specific instances when the Department has levied fines or other penalties within the Department’s authority under the CBE Act against a contractor, developer or mall or certified business enterprise found not in compliance with certified business program requirements. Include in your listing the following:
- a. The name of the contractor/developer/CBE entity involved;
 - b. Project name;
 - c. Contract identification;
 - d. A description of the infraction; and
 - e. A description of the agency’s recommendation.

Response:

- KMPG LLP –Noncompliance with the 35% subcontracting requirement; DSLBD recommended and issued a fine, along with a Corrective Action Plan.
- Elys Gameboard Technologies – Noncompliance with quarterly sports wagering reporting requirements; DSLBD recommended and issued a fine.

106. How many Public-Private Development (“PPD”) projects closed between Fiscal Years 2023 and 2024, to date? For each project that has been closed please provide the Committee with the following:
- a. Which projects did not meet the 35% subcontracting requirements?
 - b. Which projects that did not meet the 35% subcontracting requirement are current beneficiaries of government dollars?

Response: There were 19 projects that closed between fiscal years 2023 and 2024, to date.

Response (a)-(b): *Please see attachment Q106 – Closed PPD Projects*

107. Please provide a list of all currently monitored PPDs. Please note whether each project has received and recorded a subcontracting plan on file, what is the 35% subcontracting goal, who the developer is, if the agency has already had its annually required meeting with the developer, and amount spent towards the subcontracting goal. Please provide the subcontracting plan for each currently monitored project.

Response: *Please see attachment Q107 – All PPD Projects*

108. Please provide the Committee with a detailing of all DMPED, DGS, and DHCD development and construction projects with CBE requirements actively monitored by DSLBD. For each project, please identify the participating CBEs, the spend goal, the percent of goal met to date, and any actions taken with agencies and/or private entities if goals are unmet.

Response: Please see attachment Q108 – Development & Construction Projects

109. Are all contracts of more than \$250,000 currently being tracked through the DES? If not, please describe the status in tracking these contracts, the delay in attaining this goal, and the progress that has been achieved since the last Fiscal Year. If all these contracts are being tracked, please describe the process from the point of receiving a contract to input and any other analysis that may take place.

Response: In FY22, DSLBD completed the Contracts module in the DES, one of the most comprehensive developments of the system to date. As a result, the agency can now digitalize quarterly reports, vendor verification forms, and subcontracting plans; automate most report review processes; facilitate greater transparency among contracting officers, program teams, prime contractors, and subcontractors; and encourage interagency collaboration when adjusting subcontracting plans. And this past January, we officially monitored the first contract in the DES system, which means greater effectiveness and efficiency in our compliance and enforcement efforts.

110. In 2021, the agency reported that it had established a “Compliance Oversight Working Group” that consist of PPDs and procurement related entities.

- a. Please list the entities that participate in the Working Group and the title of the individuals that represent the entities.
- b. Please provide the number of times the Working Group was able to meet in Fiscal Years 2023 and 2024, to date.
- c. Please discuss various achievements the group has accomplished since it was established.

Response (a): When the working group was established and met in 2019, it consisted of the following members:

Participating Agencies	Titles of Participants
DSLBD	Deputy Director of Compliance and Enforcement; Manager of Compliance and Enforcement; Compliance Specialist; IT Manager; General Counsel; and Manager of Business Opportunities
DOES	First Source Manager and Program Analyst
DMPED	Community Development Manager; and Project Manager
DHCD	Housing Compliance Officer
DGS	Chief Procurement Officer; Compliance Officer; and Contract Specialist
DCHFA	Senior Director of Community and Partnership Development

OCA	Deputy Performance Director; Senior Applied Research Analyst; and Performance and Data Analyst
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Response (b) - (c): At the time, these meetings helped ensure that all projects had been identified and that all agencies are proactively working together to resolve issues that arise. Also, these meetings also helped to enhance our interagency coordination and to clarify changes in policies as they occur. Following the issuance of Mayoral Order 2021-013 which established clear, interagency notification procedures and timelines as it relates to active contracts, the group no longer meets regularly; however, consistent communication remains as any issues arise as it relates to CBE law compliance.

111. How many spot checks has the Compliance division conducted in Fiscal Years 2022, 2023, and 2024, to date? Of these spot checks:

- a. How many were physical visits?**
- b. How many revealed fraudulent activity or information that the registration of a particular CBE needed updating?**

Response: In FY22, there were 1336 spot checks; FY23 had 485 spot checks; and in FY24, to date, the agency has had 176 spot checks. There were 53 physical visits in FY23 and no physical visits, to date, for FY24. There were no physical visits in FY22. The Committee should note that these spot checks are virtual, and any in-person visits indicates that the Department did not receive a response from the business. Businesses have until September to respond to the agency’s compliance inquiry. Also, there were no activities in FY22, FY23, and FY24, to date, that revealed fraudulent activities or information that would change a CBE’s registration status.

DC MAIN STREETS AND CLEAN TEAMS

112. Main Streets are an important support for our commercial corridors. Please share with the Committee how the agency is fostering retail investment in long standing Main Street neighborhoods? Additionally, how is the agency ensuring that the Main Streets are staying relevant to long standing and new businesses in their corridor?

Response: DC Main Streets provide critical support to retail businesses across the District, serving approximately 4,000 brick and mortar businesses. DSLBD provides flexibility within the DC Main Streets grant program so that the specific needs of retail businesses can be met, including expanding ways that sub-award dollars can be utilized. DC Main Streets can use those dollars to support businesses that are opening in the DC Main Street corridor or to expand retail offerings to include a new product line to increase revenue. Last year, DSLBD awarded relief grants to businesses within and outside DC Main Street corridors to help defray costs of operating through the Robust Retail Citywide Grant Program. This grant is purposely designed to be a low

barrier to entry for busy business owners who may not have the bandwidth or resources to spend time on a complex grant application.

113. **Please provide detailed grant distributions for main streets for each end user and identify CBE, SBE, DBE and ward for all grants as well as contracts for each Main Street. Please provide the data for Fiscal Years 2022, 2023, and 2024, to date.**

Response: *Please see attachment Q113 – Detailed Grant Distribution.* The Committee should be advised that the FY24 numbers will not be available until the fiscal year closes as that is when total spending will be reported.

114. **Please describe specific roles the DC Main Streets have played to support hiring and entrepreneurship for District residents including returning citizens for last Fiscal Year specifically.**

Response: While Main Streets primarily focus on neighborhood revitalization and supporting local businesses, they contribute to employment and entrepreneurship opportunities for District residents through the supports they provide for the businesses located within the boundaries of the Main Street. By fostering a vibrant local economy, Main Streets' initiatives create an environment where businesses thrive, leading to increased job opportunities for all residents, including those from historically marginalized communities. Additionally, the Clean Teams, while not a primary focus, hire a number of returning citizens, giving them the opportunity to provide for themselves and their families, leading to a more robust economy for the District.

115. **Please discuss how the agency interacted with each neighborhood's Main Street organizations, stakeholders, and residents in Fiscal Years 2023 and 2024, to date.**

- a. **For each Main Street, please note how they have revitalized their corridor, how many jobs they have created (between Fiscal Years 2023 and 2024, to date, how many new businesses have been created, and how many businesses have closed.**
- b. **For each Main Street, please also note how each has met or exceeded their financial and community goals. Please provide the following:**
 - A. **The number of grants disbursed and who was the grantee (recipient);**
 - B. **Total number of contracts or MOUs the Main Street has executed and how many subcontractors are CBEs or SBEs.**
 - C. **Where applicable, please provide a list of all subcontractors utilized by Main Streets between Fiscal Years 2022, 2023, and 2024, to date.**

Response: DSLBD holds bi-monthly meetings with DC Main Streets to share information and resources. The agency is in constant communication with DC Main Streets and regularly holds corridor walks to visit the grantee and businesses. In FY23, the entire agency visited businesses to inform businesses within and outside of DC Main Streets on available grant programs for businesses. In FY24, to date,

DSLBD had two corridor walks to ensure businesses are aware of agency resources and potential funding opportunities. There are several additional corridor walks being planned for the year.

Response (a): *Please see attachment Q115a – Jobs, New Businesses, & Closed Businesses. Please be advised that the FY24 numbers will not be available until FY24 is closed out.*

Response: (bA): *Please see attachment Q115bA – List of all Subgrants. The Committee should be advised that the FY24 numbers will not be available until the end of FY24.*

Response (bB): MOUs or contracts that Main Streets enter with other entities fall outside the scope of the agency’s purview and the executed grant agreement.

Response (bC):

2023 Subcontractors	2022 Subcontractors
A.Carson Enterprises	3 Heads Creative LLC
Alexis Kayanan	5 Points Business Center
Alinea Promos LLC	Accurate Mailing Services, Inc.
Arismendi Professional Services LLC	Armstrong Custom Signs LLC.
AVE Real Estate and Property Maintenance	Art Jamz
Balloon Zoom LLC	Blank Inc.
Balloon Zoom LLC	Capital City Specialties
Brandgoat 84	Capital Community News
Capital Community News, Inc.	CFO Services Group
Cherie Lester Consulting	Cherie Lester Consulting
Creations by EME LLP (dba Events by EME)	Clean Decisions LLC.
DC Facades	Creations by EME
DC Sustainable Design Build	Creativecouch Designs
Designed Services	Danita Doleman
FedEx	DC Facades
Foundation Entertainment	F.S. Taylor & Associates, P.C.
General Glass Corporation	FEAV
Grounded Civics	Gelberg Signs
Heys Remodeling LLC	Global Print Master
John McCain	Go Global
Kay Pierson	Imagine Photography
MASHACK IRON	Jon Stover Associates
Mortell Industries, LLC	Megan Flynn Marketing

Megan Flynn Marketing LLC	KnB Fountain Square Concepts LLC
Moser Group LLC	Moncomm
Mosaic USA	New Columbia Solutions
New Color Sign	Pipkin Creative
Prive Demeure, Inc	Pro-Tax
Savvy Numbers, LLC	Quality Printers
Schwa Design Group	RY CPA
SEAS Community Partners	Schaefer-Friedman LLC T/A Logan
Squarefire	SEAS Community Partners
Streamline Success International	Taoti Creative
SyDar of DC LLC	The Business Vision & Development
The Boss Blueprint LLC	Washington Digital Media
Theresa Watts	XzoTech Sign & Display dba FASTSIGNS
TLS Security Management L.L.C	
Toucan Printing & Promotional Products, Inc.	
XzoTech Sign & Display dba FASTSIGNS	

116. **What oversight does the agency provide over Main Streets? Please note:**
- a. **Did you have specific goals for Main Streets to accomplish in Fiscal Years 2023, and 2024, to date? If so, please provide the Committee with a report outlining those goals and how they were or were not met.**
 - b. **What are the agency’s expectations of each Main Street’s outreach and support for businesses especially in the light of the current public health pandemic?**
 - c. **How is the agency challenging the Main Streets to meet and improve upon their individual mandates?**
 - d. **What criteria does DSLBD use to evaluate the effectiveness of the Main Streets programs each year? List those criteria and evaluation of the effectiveness of each of the Main Streets programs funded in Fiscal Year 2024.**

Response: DSLBD oversight includes reviewing expenditures of grant funds to ensure they are appropriate and germane to the Main Street grant. As the Main Street America coordinating program, the agency also ensures fidelity to the Main Street Approach around community transformation which include community design, strong organizational capacity, marketing and community storytelling, and economic vitality.

Response (a): Each Main Street sets their strategic goals and reports on their accomplishments during the grant closeout process. *Please see attachment Q116 – Main Street Goals* to view the detailed report for FY23. FY24 is not available yet, but the agency will provide it once it is ready.

Response (b): The agency expects that each Main Street grantee spend a minimum of 725 hours providing business support assistance each year to their corridor through in-store interactions, producing events that attract patrons to the corridor, and helping small business owners operate. Most Main Street programs far exceed this required minimum and, since many small businesses are place-based operators who cannot leave their store, the agency expects Main Street grantees to be District government’s partners on the ground in interfacing with District government agencies, in information sharing, educating on available resources, helping businesses come into compliance with District rules and regulations, and championing small business owners when opportunity to create positive change arises.

Response (c): The agency is challenging Main Streets, through the Main Street Approach, to adopt Transformation Strategies, a 3–5-year roadmap articulating a focused, deliberate path to strengthening the Main Street district’s economy. Transformation strategies will be adopted by the end of FY24.

Response (d): Each DC Main Street operates in its own unique context that is responsive to the needs of the corridor, stakeholders, and business environment. At the outset of the grant, the grantee sets strategic objectives for the fiscal year and DSLBD collects information on progress towards the strategic objectives during the closeout process. Throughout the year, DSLBD meets with grantees to monitor activities and ensure that activities are aligned with requirements in the grant agreement and with Main Street America’s performance criteria. Strategic Objectives are not meant to be achieved in one fiscal year and cover anything from goals for the organization to better support businesses on the corridor to improved stakeholder engagement, to filling retail space.

117. **What programs/employees do you have in place to assist start-ups?**

Response: The agency’s Inno.Ed division works to increase the capacity of the entrepreneurial ecosystem in the District by collaborating with other agencies to identify and develop small business owners. The division also has a number of programs and initiatives within its purview that are designed to remove barriers to entrepreneurship.

118. **What programs/employees do you have in place to assist current businesses?**

Response: There are five full-time employees on the Commercial Revitalization team, with an additional opening to be filled soon, that support Main Street and Clean Team grantees, and by extension businesses within the Main Street and Clean Team footprint. In addition, DSLBD holds weekly support meetings through Small Biz Assist – a program offering one-on-one meeting support for DC-based

businesses and entrepreneurs to connect with additional services in the District and to develop for-profit businesses staffed by various DSLBD divisions. Also, the Robust Retail Citywide grant is a relief program that allows any licensed retail business with Clean Hands to be entered into a lottery for a grant.

119. **Please provide the following for the DC Main Streets organizations:**
- a. **Changes in geographic area for each Main Street organization in Fiscal Years 2023 and 2024, to date;**
 - b. **Budgets for each Main Street organization;**
 - c. **A description of the economic activity (i.e. businesses and jobs) fostered by DC Main Streets organizations in Fiscal Years 2023 and 2024, to date;**
 - d. **An update on all newly created Main Streets; and**
 - e. **Identify all sources of funding for which Main Street organizations are eligible.**

Response (a): In FY23, the Tenleytown Main Street’s service area boundaries were expanded to Rodman Street, NW. This action was initiated by the Council and authorized in the FY23 Local Budget Support Act of 2022.

Response (b): *Please see attachment Q119b – Main Street Budgets.*

Response (c): *Please see response to question Q115a – Jobs, New Businesses, & Closed Businesses*

Response (d): There were no new Main Streets created in FY23.

Response(e): As independent, nonprofit organizations, all Main Streets organizations are free to seek any type of funding which would be open to any other nonprofit organization.

120. **Please provide an update on the DSLBD Commercial Clean Teams. Please include with the update:**
- a. **A list of the current clean teams;**
 - b. **The amount of grant funding allocated to each clean team; and**
 - c. **The grantee designated for each clean team.**

Response (a) - (c): *Please see attachment Q120 – Clean Teams & Budget*

121. **Please describe the process DSLBD engages in when a Main Street CBO steps down from the Main Street and how it ensures support for the corridor in between CBO’s.**
- a. **Please describe the selection process for applying for a Main Street Grant.**
 - b. **Please list all Main Streets and the corresponding CBO that runs each Main Street.**

Response: Once notified that an operator no longer wishes to serve as the DC Main Street grantee, DSLBD begins the process for soliciting applications for a DC Main Streets operator, following the District’s Citywide Manual and Sourcebook. Given that relinquishment can happen at any time and the notice provided to DSLBD

varies, given appropriate timing, DSLBD staff has visited corridors to provide information on how to connect with the agency directly to business on the affected corridors.

Response (a): DSLBD posts the Notice of Funding Availability to the DC Register with the approximate opening date of the grant competition. Also, the agency posts the Request for Applications to its website. The RFA contains all instructions, eligibility criteria, and requirements for the grant. After the grant application period closes, the application is reviewed to determine whether eligibility is met. Eligible applicants are scored by independent reviewers, and the award determinations are based on scores.

Response (b): *Please see attachment Q121 – Main Street Grantees*

CANNABIS

122. **As part of the FY22 budget, the Committee approved a \$300,000 transfer from the Alcoholic Beverage and Cannabis Administration (“ABCA”) to the Department to provide financial and technical assistance to social equity applicants in the medical cannabis industry. Please provide an update on how the Department has utilized this fund and any enhancements in FY 2023 and if applicable, FY 2024 to date.**

Response: In FY22, DSLBD provided grant funding to start the establishment of a lending facility capable of making loans to DC Cannabis entrepreneurs. This followed stakeholder engagement of over 500 DC interested cannabis entrepreneurs starting in October 2021, and market research to understand the key business development barriers for cannabis entrepreneurs. Access to capital stood out as the key barrier, with very few non-dilutive capital options available to the industry nationally and none that were identifiable in DC at the time. In FY23, prior to the passage of the Medical Cannabis Amendment Act, DSLBD continued funding to support the development of the Innov Loan Fund, the sub-entity of LEDC, as it worked through legal, regulatory, and other set-up necessary. The loan fund was soft launched with smaller lending amounts available in June 2023 shortly after the opening of the first new round of ABCA social equity applications for cultivation and manufacturing, received additional regulatory approvals for higher loan amounts in September of 2023, made one \$100,000 loan to a non-cannabis business (sports wagering), and began the pipeline of businesses into the lending process with at least four in underwriting by the final reporting of the grant. DSLBD funding fully established the entity, staffed the entity during the grant period, and established an initial loan loss reserve from which the entity can lend and seek to further fundraise for future lending.

In FY24, with the loan fund established and operating and with the new licensing opportunities available under the expanded medical market, DSLBD has included Just Cannabis business funding in the new Business-to-Business (B2B) Service Providers Grant opportunity along with programming elements for the Aspire to Entrepreneurship and Dream Pitch programs. Under this, available funding is anticipated to be directed towards additional support for non-dilutive capital options

as well as a set of business class offerings that could include commercial real estate basics for cannabis entrepreneurs, basic business planning for cannabis entrepreneurs, and regulatory compliance for cannabis entrepreneurs. Under the B2B framework, DSLBD allows innovative proposals both for class types but also new and not anticipated programming. As such, service provider awards that will be granted for Just Cannabisbusiness under B2B may vary from third description pending final grant proposals received.

- 123. How much funding for the Just Cannabisbusiness program has been spent and in which Fiscal Years? What has the funding been spent on? Please provide a detailed update.**

Response: In FY22, \$300,000 was allocated to a loan loss reserve fund that the Latino Economic Development Center (LEDC) to seed the initial lending capital for the Innov Loan Fund. In FY23, \$178,000 was allocated to the Innov Loan Fund loan loss reserve, and \$98,413 was spent on legal fees, consulting fees, and other administration costs associated with the full establishment and licensure of the Innov Loan Fund. \$23,586 will be returned to the general fund by the grantee, funds that were allocated for additional legal and consulting fees to be used post-licensure, but licensure with the Department of Insurance, Securities, and Banking took longer than anticipated. No funds have been spent in FY2024, but \$150,000 is allocated for training and capital resource development under the Business-to-Business Service provider grant opportunity.

- 124. As part of the FY 2023 Budget Support Act, the Committee and Council established the Medical Cannabis Social Equity Fund. Please provide an update on how the Department plans to work with ABCA to administer this fund. How will the money set aside for the Just Cannabisbusiness program differ from the uses of the funds to be expended through the Social Equity Fund? Is there currently any funding allotted to the Medical Cannabis Social Equity Fund?**

Response: In September 2023, DSLBD and ABCA signed a memorandum of agreement to outline our working partnership as it relates to the Medical Cannabis Social Equity Fund (MCSEF). Under the MOA, ABCA will provide DSLBD with information about eligible applicants to the fund, which are social equity applicants and approved Medical Cannabis CBEs and include DSLBD in a quarterly status call to discuss trends. In addition, we have established a strong connection and working relationship to work through matters timely and effectively, often referring individuals to the other agency as appropriate.

There are currently no funds allocated to the Medical Cannabis Social Equity Fund. The Just Cannabisbusiness funding will be more directed towards training and technical assistance with some support around capital in FY24. As DSLBD has seen through trainings, surveys, events, and direct technical assistance as well as direct feedback from our grantees working with loan applicants, there is a high need for new entrants in the DC medical cannabis market to receive baseline business development support around business planning, operations, regulatory compliance, and real estate. As DSLBD has been aware and continued to track since October 2021, no traditional business development partners in DC's business ecosystem will accept medical

cannabis businesses as business development clients, creating a strong need for basic business development support not provided elsewhere.

125. **Please detail any early plans that the Department has to work with ABCA to provide equity, grants, and loans as required by the Medical Cannabis Amendment Act of 2022.**

Response: DSLBD worked with a grantee partner in FY22 and FY23 before the passage of the Medical Cannabis Amendment Act of 2022 to establish the Innov Loan Fund to provide loans to medical cannabis entrepreneurs and made introductions for loan fund staff to key staff at ABCA to support a pipeline of businesses interested in pursuing lending. The loan fund soft launched in June 2023 and received additional final licensure in September 2023.

Given the early stage of the lending facility and fund, loans to new cannabis entrepreneurs maximize at \$50,000 at this time. Following the opening of additional licensing in summer 2023, DSLBD further pursued other capital resources locating at least one non-dilutive crowdfunding option and at least one bank with offices in DC that would service cannabis entrepreneurs. DSLBD further supported the Innov Loan Fund in attending a cannabis banking conference in September 2023. As detailed above, DSLBD established an MOA with ABCA for the operation of the Medical Cannabis Social Equity Fund once funding becomes available in the fund and has otherwise established a working relationship with ABCA leadership and the cannabis licensing team, attending some outreach events together.

CO-OPERATIVE BUSINESSES

126. **In what ways is the Department supporting co-op businesses? Does the Department have feasible recommendations on expanding capacity for this?**

Response: The agency has been supportive of the cooperative ecosystem by being a strong partner for stakeholders looking to engage in employee ownership initiatives. In FY23, DSLB supported a networking and engagement opportunity focused on medical cannabis and cooperatives for small and local entrepreneurs. The agency sees the value in aiding cooperative property ownership, especially for businesses facing rising costs and rent, aiming to prevent displacement.

COMMITTEE RECOMMENDATIONS

127. **The Committee made the following policy recommendations to the agency in its Fiscal Year 2024 Budget Report. Please provide an update on how the agency has addressed the Committee's recommendations.**

- a. **The Department should use its full authority under the law to penalize agencies that failed to meet less than 80% of their SBE goals.**
- b. **The Department should conduct a study of the Main Street programs funding and budgets.**

- c. **The Department should use the Disparity Study and work with Minority and Women Owned Businesses on how to be better positioned to be awarded government contracts.**
- d. **The Department should ensure that funding across Clean Teams is equitable throughout the program.**

Response (a): In FY22, four (4) agencies out of the 90 monitored achieved less than 80% of their goal. This equates to 4.4% of agencies monitored. DSLBD understands that agency circumstances and budgets evolve and change throughout the fiscal year, so it is imperative that the Department continue to prioritize working in partnership with District agency directors, contracting officers, and CBE liaisons to understand what circumstances contributed to a failure to meet future goals. With that said, no agency that failed to meet their SBE spend goal in FY22 demonstrated a consistent inability to meet SBE goals over the last three fiscal years.

Response (b): DSLBD remains committed to conducting a comprehensive examination of the potential benefits and impacts of a tiered funding mechanism for Main Streets. Undertaking such a study necessitates additional resources, which the agency is happy to partner with the Council. The Department looks forward to collaborating closely to identify strategies for enhancing support to District businesses, fortifying city corridors, and fostering increased economic activity across the city.

Response (c): While under current law, DSLBD programming is race and gender neutral, we know that a number of programs are disproportionately utilized by minority and/or women businesses based on self-reporting. For example, the CBE Program provides preference points to certified local businesses submitting bids on contracts and procurements with the District. Since FY21, the District has spent over \$1B with enterprises certified through this program. Through voluntary self-identification, 65% of CBEs identify as a Minority Business Enterprise (“MBE”) and have taken advantage of, or are eligible to take advantage of, these local-based preferences as well as the CBE subcontracting requirements enforced by the agency’s Compliance Division. In addition, the agency’s Aspire Program removes barriers to entrepreneurship by providing direct support and technical assistance to returning citizens, a population disproportionately comprised of African Americans. This program is run by DSLBD’s Inno.ED division which focuses on fairness and inclusivity for individuals in all stages of the entrepreneurial lifecycle. In addition to ASPIRE, Inno.ED administers the Dream Grants Program. This program provides business development support to further the growth of microbusinesses in Wards 7 and 8. While the program is location-based, over 90 percent of residents in these two wards identify as Black or African American, according to the U.S. Census Bureau.

Response (d): While the Department does not determine Clean Team funding levels, the agency recognizes the role that the Council has in determining budgets, particularly with enhancements, where there are recurring, and one-time funding provided in various budget cycles. We remain committed to collaborating with our

legislative partners to ensure equitable distribution within the parameters set by enhancements during the budget process.