Chapter 5 Economic Development and Technology

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Department of Employment Services

Goals and Trends

The overarching goal for economic development in the District of Columbia (District) is as follows:

Strengthening the District's economy by sustaining its core industries, attracting new and diverse industries, accommodating future job growth, fostering the success of small businesses, revitalizing neighborhood commercial centers, improving resident job skills, and helping a greater number of District residents find and keep jobs in the Washington regional economy.

Economic development is about more than simply increasing the number of businesses, and supporting the District's financial wellbeing. It is also about fostering good quality jobs with higher wages and preparing residents to fill those jobs. The District's prosperity is at the core of a strong regional economy that provides employment opportunities for working parents, young adults, veterans, and other citizens. Economic development strategies are also critical to improving the quality of life in our neighborhoods, and bringing shopping, restaurants, and basic services to underserved communities.

In recent years, the District has confronted significant challenges that limited its ability to meet the needs of all residents. These trends include job decline, high unemployment and poverty rates, fiscal insolvency, and the loss of spending power to the suburbs. Economic indicators also pointed to growing disparities within the city's borders, with ever-increasing affluence in the northwest and burgeoning development downtown, while areas east of the Anacostia River remained particularly disadvantaged. Though there have been positive changes on many fronts since 2000, the historic east-west divide in the city have only deepened.

In 1950, the District accounted for nearly 75 percent of the metropolitan area's employment. In 2010, it accounted for 24 percent. While these statistics appear startling, the real story is the growth of the regional economy, rather than the decline of the District's. From 1990 to 2010, total non-farm payroll employment in the metro area increased by 31.7 percent (from 2,250,100 to 2,964,100), while the District's employment increased by 3.6 percent from (686,000 to 710,900).

The District of Columbia offers a stark paradox in its economy: the city has a robust and resilient job market and enjoys some of the highest wages in the nation, yet at the same time the city has persistently high unemployment that is significantly higher than the regional average. The high unemployment in turn has contributed to high levels of poverty among households, families, and children in the District

Fortunately, some of the negative trends are showing signs of reversal. Between 2002 and 2010, the District captured a larger share of regional employment growth than it did in the 1980s and 1990s. It is positioned at the center of a regional economy that is strong and growing. Total employment in the metropolitan area was just below 3 million in 2010, the highest of any region in the country with a comparably-sized central city. The past few years have brought massive transformation and revitalization to District neighborhoods, with upscale condominiums, restaurants, and retail establishments that have drawn wealthier residents. Areas once crime-ridden and shunned, such as the Shaw, LeDroit and

Columbia Heights communities, and the U Street, NW corridor, have become thriving cultural districts. Formerly blighted neighborhoods east of the Anacostia River are also undergoing face lifts with the coming of the new Washington National's baseball park and a planned waterfront cultural district. In addition, the population of the District has reversed its downward trend, and showed a growth of 5.2 percent between Census 2000 (572,059 people) and Census 2010 (601,723 people).

In the decade between 2008 and 2018, the District is projected to add more than 82,858 jobs. The challenge for the city is how to connect more District residents to these jobs. Successfully meeting this challenge will require a multi-pronged approach to improving the entire workforce development system, including the educational system, vocational training community, community college and institutions of higher learning, employers, social service and civic organizations, and the regional transportation network, to support job accessibility.

Defining Our Economy -Now and in the Future

In 2010, private-sector employment made up 65 percent of the total with an employment of over 461,400 workers. The federal government alone employed over 209,000 individuals, representing 29.4 percent of total nonfarm employment in the District, compared to 2.3 percent in the nation. Private sector employment was concentrated in four major industry sectors: professional and business services, educational and health services, other services except public administration, and leisure and hospitality – which comprised more than half the total nonfarm employment (See Table 5.1). Economic development strategies must include ways to sustain these industries and attract new businesses and jobs.

Diversifying the economic base can also help the District fare better during economic downturns. The District's nonfarm payrolls were not as affected by the brutal 2007-2009 recession that saw the national nonfarm payroll shrink by almost 5 percent (a loss of over 6.7 million jobs). On the contrary, the District is among the few states that saw nonfarm payrolls increase during the recession. The District's total nonfarm payrolls, boosted by the federal government and education and health services, increased by 1.1 percent by creating over 7,900 jobs between 2007 and 2009. In 2010, the District created an additional 9,200 jobs, which shows the resiliency in the District's job market.

	(Annual A	verage Em	ployees in 7	Fhousands)				
(Calendar Year)	2002	2003	2004	2005	2006	2007	2008	2009	2010
District of Columbia									
Federal Government	192.4	192.4	192.5	193.8	192.8	190.8	193.8	200.2	209.2
District Government***	34.4	33.4	33.9	35.3	35.4	36.3	41.0	40.1	36.5
Local Government**	4.9	4.8	4.9	4.6	4.8	3.9	3.8	3.8	3.8
Mining, Logging & Construction	3.1	2.5	2.4	2.1	1.8	1.7	13.0	11.6	10.5
Manufacturing	12.4	12.9	12.4	12.6	12.5	12.7	1.6	1.4	1.3
Service Producing	648.8	650.1	659.4	667.5	673.4	679.4	689.4	688.7	699.1
Trade, Transportation, Warehousing & Utilities	27.9	28	27.9	27.8	27.9	27.7	27.9	26.8	27.1
Information	25.4	24.5	23.8	22.6	22.2	21.9	20.9	19.1	18.6
Financial Activities	30.8	30.8	30.6	30.2	29.4	29.2	28.2	26.9	26.6
Professional & Business Services	139.1	141.7	143.9	148.4	152.1	152.8	152.4	147.6	148.7
Educational & Health Services	89.6	88.6	92.2	92.2	93.9	98.5	102.0	105.0	108.4
Leisure & Hospitality	48.2	49.6	50.9	53.7	54.2	55.5	57.8	58.2	59.4
Other Services, Except Public Administration	56.1	56.3	58.8	59	60.7	62.8	65.3	64.8	64.6
Total Non-Farm	664.2	665.5	674.2	682.2	687.6	693.8	703.9	701.7	710.9
(Calendar Year)	2002	2003	2004	2005	2006	2007	2008	2009	2010
Washington Suburban Areas (Excluding DC)									
Federal Government	140.7	143.8	147.5	147.1	149.4	151	154.8	161.1	169.7
Other Government	228.4	242.1	244.3	251.3	258.1	265	266.4	269.7	268.5
Mining, Logging & Construction	160.3	165.6	174.9	184.5	189.7	172	159.4	137.0	129.4
Manufacturing	59.7	54.3	53.7	52.8	51.2	61	59.3	54.0	51.2
Service Producing	1,843.60	1,899.10	1,952.10	1,997.90	2,038.30	2,064	2,080.6	2,060.1	2,072.6
Trade, Transportation, Warehousing & Utilities	359.8	364	371.7	378.7	376.8	377	370.0	350.8	351.1
Information	89.9	85.1	82.2	77.2	74.7	72	70.1	63.9	60.1
Financial Activities	120.2	125.1	126.8	130.2	132.1	130	126.1	121.2	120.1
Professional & Business Services	420.9	445.2	472.1	498	512.4	522	529.4	526.5	533.0
Educational & Health Services	205.5	205.4	210.7	216.9	223.6	230	236.6	244.3	249.4
Leisure & Hospitality	177.5	183.3	190.2	191.5	195.2	199	204.0	199.9	200.1
Other Services, Except Public Administration	101.3	105	106.7	106.9	116	118	119.4	118.9	116.7
Total Non-Farm	2,063.70	2,119.00	2.180.70	2,235.20	2,279.30	2,296	2,299,2	2.251.1	2,253.2

* Data is compiled from statistics produced by the District of Columbia's Current Employment Statistics (CES) program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. CES is a monthly survey of non-farm business establishments used to collect non-farm payroll employment, worker hours and payroll, by industry and area. Data is benchmarked to QCEW and excludes agricultural, proprietors, self-employed, unpaid family workers, and private household workers. The data is not comparable to previously published data due to reclassification of industries based on the North American Industry Classification System (NAICS).

** Principally consists of Washington Area Metropolitan Transit Authority

*** Annual average of all District government employment, including summer youth and seasonal workers

Table 5.2 shows District private business employment, the number of establishments, and average annual pay from the Quarterly Covered Employment and Wages (QCEW) program. In 2010, total private-sector employment was 447,934 representing a 16 percent increase from 2004. Private-sector employment accounted for 65 percent of total employment in the District in 2010, similar to the ratio in 2004. Private businesses, numbering 34,373, generated over \$55.6 billion in total wages in 2010 – up from \$13.4 billion in 2004. In 2010, employment in services totaled 436,077, which represents more than 97 percent of total private-sector employment in the District. The service-sector payroll totaled over \$34.4 billion in 2010. Within that sector, professional and business service is the largest industry, with more than 143,000 workers, which represents 32 percent of private sector employment and an average annual pay of \$97,322. Between 2004 and 2010, leisure and hospitality had the highest employment growth, increasing from 50,896 to 59,592 which represent a 17.1 percent, while manufacturing declined the most with a 47.6 percent decrease in employment from 2,429 to 1,272.

From the 2008 – 2018 District of Columbia Industry Projections prepared by DOES Office of Labor Market Research and Information, the city is expected to grow at 1.01 percent annually and create 82,858 jobs over the decade.

Table 5.2. Private	e Business F	Employm	ent and P	ay in The	District of	Columbia	1	
	2004	2005	2006	2007	2008	2009	2010	Percent Change 2004-2010
TOTAL PRIVATE INDUSTRY								
Number of Firms	29,542	30,321	31,510	33,162	33,592	33,766	34,373	16.4%
Employment	429,194	435,760	440,337	448,888	452,839	446,353	447,934	4.4%
Average Annual Pay	\$59,176	\$61,572	\$65,423	\$69,114	\$71,253	\$70,987	\$73,055	23.5%
Goods-Producing								
Number of Firms	1,083	1,052	1,049	1,164	1,216	1,174	1,205	11.3%
Employment	14,797	14,738	14,328	14,319	14,537	12,992	11,857	-19.9%
Average Annual Pay	\$52,936	\$52,542	\$55,501	\$56,789	\$58,299	\$59,024	\$63,613	20.2%
Natural Resources, Mining & Construction								
Number of Firms	791	806	829	953	1,023	1,007	1,040	31.5%
Employment	12,368	10,846	12,573	12,633	12,927	11,585	10,585	-14.4%
Average Annual Pay	\$48,687	\$46,474	\$52,329	\$54,225	\$55,933	\$56,375	\$61,199	25.7%
Construction								
Number of Firms	783	801	828	953	1,023	1,007	1,040	32.8%
Employment	12,339	10,846	12,573	12,633	12,927	11,585	10,585	-14.2%
Average Annual Pay	\$48,464	\$46,474	\$58,815	\$58,733	\$55,933	\$56,375	\$61,199	26.3%

Table 5.2. cont Priva	te Busine	ess Empl	oyment ai	nd Pay in	The Distri	ct of Colu	nbia	
		_	•	·				Percent Change
Manufacturing	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2004-2010</u>
Number of Firms	292	247	221	211	193	167	166	-43.2%
Employment	2,429	2,105	1,754	1,686	1,610	1,407	1,272	-47.6%
Average Annual Pay	\$74,412	\$75,822	\$78,232	\$75,997	\$77,292	\$80,841	\$83,696	12.5%
Service-Producing								
Number of Firms	28,391	29,269	30,461	31,998	32,375	32,592	33,168	16.8%
Employment	412,987	421,022	426,010	434,569	438,302	433,362	436,077	5.6%
Average Annual Pay	\$59,605	\$61,889	\$65,757	\$69,520	\$71,682	\$71,346	\$73,312	23.0%
Trade, Transportation & Utilities								
Number of Firms	2,680	2,747	2,801	3,172	3,367	3,222	3,110	16.0%
Employment	27,594	27,415	27,623	27,791	27,933	26,865	27,154	-1.6%
Average Annual Pay	\$40,924	\$42,781	\$44,352	\$46,923	\$48,469	\$48,076	\$47,904	17.1%
Information								
Number of Firms	1,030	932	909	919	931	894	881	-14.5%
Employment	23,861	22,435	22,217	21,917	20,656	19,097	18,493	-22.5%
Average Annual Pay	\$84,448	\$90,225	\$91,674	\$97,220	\$104,070	\$102,758	\$103,194	22.2%
Financial Activities								
Number of Firms	1,894	1,909	1,955	2,087	2,159	2,086	2,041	7.8%
Employment	27,166	26,959	26,952	27,124	26,113	24,819	24,462	-10.0%
Average Annual Pay	\$89,804	\$91,306	\$102,103	\$110,357	\$106,104	\$96,767	\$105,110	17.0%
Professional & Business Services								
Number of Firms	7,778	7,899	8,126	9,078	9,735	9,679	9,949	27.9%
Employment	137,014	141,709	143,909	146,722	148,233	142,665	143,221	4.5%
Average Annual Pay	\$74,672	\$78,134	\$83,897	\$89,807	\$93,420	\$94,265	\$97,322	30.3%
Education and Health Services								
Number of Firms	2,346	2,338	2,357	2,484	2,518	2,489	2,547	8.6%
Employment	86,553	86,501	86,669	90,463	91,698	94,913	96,601	11.6%
Average Annual Pay	\$45,344	\$46,347	\$48,878	\$50,491	\$53,326	\$54,292	\$55,789	23.0%

Table 5.2. cont Priv	ate Busine	ess Emplo	oyment ar	nd Pay in '	The Distri	ct of Colur	nbia	
								Percent Change
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2004-2010</u>
Leisure and Hospitality								
Number of Firms	2,072	2,108	2,141	2,309	2,415	2,439	2,531	22.2%
Employment	50,896	53,691	54,073	54,968	57,663	57,814	59,592	17.1%
Average Annual Pay	\$26,520	\$28,366	\$29,599	\$30,434	\$31,565	\$31,757	\$32,412	22.2%
Other Services, Except Public Administration								
Number of Firms	7,457	7,632	7,833	8,620	8,885	8,877	9,169	23.0%
Employment	55,188	55,571	56,428	59,337	61,756	61,561	61,765	11.9%
Average Annual Pay	\$58,032	\$61,449	\$63,576	\$66,456	\$69,343	\$71,527	\$73,940	27.4%

Note: Data is compiled from statistics produced by the District of Columbia's Quarterly Covered Employment and Wages (QCEW) program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. Quarterly covered employment and wages are based on unemployment insurance tax reports of employees subject to unemployment insurance laws. The data is not comparable to previous published data due to reclassification of industries based on the North American Industry Classification System (NAICS).

Source: DC Department of Employment Services, Office of Labor Market Research and Information

Civilian Labor Force

The civilian labor force is defined as non-institutionalized residents, aged 16 years or older, who are able and looking for work. The size of the labor force fluctuates according to the extent to that people enter the workforce, cannot find work, opt to attend school, choose not to work, become permanently disabled and retire. In 2010, the District's civilian labor force comprised of 334,000 persons, representing a 7.4 percent increase (or 23,000 persons) from 2004 (Table 5.3).

The ranks of employment encompass all civilians who worked as paid employees during a specified week or who were self-employed, and all who were temporarily absent from jobs or businesses because of personal reasons, including illness, inclement weather, vacation or labor disputes. An average of 301,000 District residents were employed during 2010, an increase of 13,000 workers from 2004.

Unemployment totals include all persons who were unemployed during a specific week, but were able and available for work and looking for jobs. Workers waiting to return to work after layoffs and those waiting to report to a new job within 30 days are also counted among the unemployed. Discouraged workers are people who desire to work but do not think that they can find a job. Discouraged job seekers are not counted among the unemployed, nor are they counted in the civilian labor force. An average of 33,000 District residents were unemployed in 2010, an increase of 10,000 residents. An increase of 13,000 employed and 10,000 unemployed, resulted in an increase of 23,000 civilian labor force between 2004 and 2010.

The unemployment rate is calculated as a percent of the unemployed residents to total civilian labor force. In 2010, unemployed residents averaged 33,000 persons, or 9.9 percent, up 1.4 percentage point from 2004.

Table 5.3. Em	ployment And Un	employment	In The Dist	rict Of Colu	mbia*						
Annual Averages (In Thousands)											
<u>2004</u> 2005 2006 2007 2008 2009 2010											
Labor Force	311	318	321	327	335	332	334				
Employed	288	297	303	309	313	300	301				
Unemployed	23	21	18	18	22	32	33				
Unemployment Rate	7.50%	6.50%	5.80%	5.50%	6.5%	9.6%	9.9%				
Youth Unemployment Rate**	30.1	21.5	28.5	29.5	33.5	49.3	49.8				
* Civilian labor force is derived from the U.S. Census Bureau, Ca	urrent Population Survey.										
** The youth unemployment rate is the sum of youths, ages 16 to	19 years, who are actively l	ooking for work, di	vided by the numb	er of youths in the l	abor force.						
Source: D. C. Department of Employment Services, Office of La											

Labor Force Participation and Unemployment Rates by Demographic Groups

Labor force participation rates (LFPRs) measure the number of citizens employed or looking for employment as a percent of the civilian non-institutional population 16 years and older. LFPR data help to identify the degree of attachment to the labor force for segments of the population and may provide an indication of the potential existence of discouraged workers, or workers that have dropped out of the labor force. In 2010 the LFPR in the District was 68.9 percent: male participation rate was 74.1 percent, higher than female participation rate at 64.4 percent. White males had the highest participation rate at 85.1 percent; African American females had the lowest participation rate at 52.7 percent; and African Americans had the highest unemployment rate at 17.2 percent and lowest overall participation among racial categories at 56.8 percent. In 2010, of the total 342,000 District's civilian labor force, 53 percent were White; 42 percent were African Americans, and 11 percent were Latinos. In addition, females made up the largest share and White males accounted for the largest percent of persons in the labor force at 51 percent, respectively.

Table 5.4. Employment S		vilian N Race &		itional Populati	on By Sex,	Age,						
Hispanic Origin, 2010 Annual Averages (in 000's)												
		(Civilian La	bor Force								
	Civilian	Part	icipation		Unemploy	yment						
Race and Sex	Population	Rate	Number	Employment	Number	Rate						
Total Pop 16+	497	68.9	342	311	31	9.2						
Men	229	74.1	170	153	16	9.7						
Women	268	64.4	173	158	15	8.6						
White	222	81.7	181	175	6	3.3						
Men	110	85.1	94	91	3	3.2						
Women	112	78.3	87	84	3	3.4						
African American	253	56.8	143	119	25	17.2						
Men	109	62.1	68	54	13	19.6						
Women	144	52.7	76	64	11	15.1						
Hispanic or Latino Ethnicity	49	76.1	37	34	3	8.4						
Men	27	80.6	21	19	2	9.7						
Women	22	70.3	16	15	1	6.4						
Source: U.S. Census Bureau, Current Pop	ulation Survey											

In terms of age groups, generally the groups with the least number of years of experience in the labor market have the highest unemployment rates and those with the most number of years have the lowest unemployment rates (Table 5.5). In 2010, the District had lower unemployment rates in age groups between 25 years and 44 years, and age groups above 55 years; the age group 16-19 year-olds had the highest unemployment rate at 49.8 percent, almost double the U.S. rate of 25.9. The lowest unemployment rates were for the age group 65+ years with an unemployment rate of 6.2 percent in the District compared to the U.S. rate of 6.7 percent in 2010.

Table 5.5. Er	nployment St	atus of t	he Civilian	Non-Institutio	nal Populat	ion By Se	ex & Age Group
		20	10 Annual	Averages (in 0	00's)		
		Civilian Labor Force					
	Civilian	Parti	cipation		Unemple	oyment	U.S.
Age Group	Population	Rate	Number	Employment	Number	Rate	Unemployment Rate
16-19 years	24	22.2	6	3	3	49.8	25.9
20-24 years	50	67.2	34	28	5	16.5	15.5
25-34 years	128	87.7	112	105	9	7.7	10.1
35-44 years	86	87.4	75	69	6	7.2	8.1
45-54 years	75	80.5	60	54	6	9.4	7.7
55-64 years	61	63.8	39	36	2	6.5	7.1
65 years and over	74	23.4	17	16	1	6.2	6.7
Source: U.S. Census Bure	eau, Current Populatio	n Survey					

Stabilizing and Diversifying Our Economic Base

The District can do more to leverage the strengths of its economy and the region's skilled and highly educated labor force. It already has an enviable mix of assets that includes being the nation's capital, a concentration of high-performing industries, top-notch colleges and universities, amenity-rich neighborhoods, and a transportation system that links the entire metropolitan region. To increase its competitiveness within the regional economy, the District will need to further diversify its economy in sectors that have growth potential and/or are underperforming.

Several industries that do not appear in Table 5.6 may become more important to the District's economy in the future. For example, the District has a burgeoning "knowledge" sector comprised of universities, think tanks, broadcasting, publishing, Internet media, and data processing firms. The city is already outperforming the region in many of these industries and it should do more to enhance their competitiveness in the future. The city might explore the feasibility of adding financial incentives, tax benefits or other supportive programs to encourage expansion and increase resident hiring among these businesses.

The District is also a center of international business. The foreign missions and offices of global economic organizations such as the World Bank Group and the International Monetary Fund (IMF) represent a major economic sector in their own right with a cumulative direct economic impact in the region of over a billion dollars, and much more in terms of contracting. More importantly, the concentration of missions and institutions makes the District a unique place to conduct business for companies engaging in international investment or transactions.

Tables 5.6 and 5.7 provide an indication of where the District's economy may be headed. Between 2008 and 2018, computer systems design and related services exceed all other sectors of the economy in both the amount and rate of growth. Elementary and secondary schools, legal services, management, scientific, and technical and consulting services are expected to lead in job creation over the decade.

The top 15 industries listed in Table 5.7 represent more than half of the job growth expected in the city during the 10-year period between 2008 and 2018. Some of the gains reflect continued growth of core industries like professional and business services, universities, leisure and hospitality, and non-profits.

	Table 5.6. High Growth Industries, District of Columbia,	2008 - 2018	(numbers in	thousands)					
		Total	Jobs	Employment Change					
NAICS	Sector / Industry	2008	2018	Net	APGR*				
Five 4-digit industries with greatest employment growth									
541500	Computer Systems Design & Related Services	17,770	28,978	11,208	5.0%				
541100	Legal Services	35,621	43,341	7,720	2.0%				
611300	Colleges, Universities, & Professional Schools	34,900	39,169	4,269	1.2%				
561300	Employment Services	17,174	20,444	3,270	1.8%				
561700	Services to Buildings & Dwellings	15,753	18,623	2,870	1.7%				

Source: Department of Employment Services Office of Labor Market Research and Information in cooperation with the Virginia Employment Commission, the Maryland Department of Labor, Licensing and Regulation, the West Virginia Bureau of Employment Programs and the U.S. Bureau of Labor Statistics.

*APGR = Annualized Percent Growth Rate

Tab	ole 5.7. Top 15 Projected High Growth Industries, District of Col	umbia, 2008 – 2018
NAICS	Industry Title	Employment Growth
541500	Computer Systems Design & Related Services	11,208
541100	Legal Services	7,720
813000	Religious, Grants making, Civic, Professional, & Similar Org	5,130
611300	Colleges, Universities, & Professional Schools	4,269
561300	Employment Services	3,270
561700	Services to Buildings & Dwellings	2,870
624000	Social Assistance	2,741
722000	Food Services & Drinking Places	2,717
541600	Management, Scientific, & Technical Consulting Services	2,713
561600	Investigation & Security Services	2,136
611100	Elementary & Secondary Schools	1,967
541300	Architectural, Engineering, & Related Services	1,635
622000	Hospitals	1,491
621100	Offices of Physicians	1,353
621400	Outpatient Care Centers	1,338

Source: District of Columbia Department of Employment Services: District of Columbia Employment Projections by Industry and Occupation, 2008 – 2018.

The District continues to benefit from the "green economy" in project year 2009 (PY 2009). Some expansion of green jobs occurred in accordance with the American Reinvestment and Recovery Act (ARRA) that provided infrastructure funding for adopting environmental technologies and helping green industries to expand. For example, the ARRA calls for retrofitting all federal buildings to meet modern efficiency standards and provides financial assistance and funds for job training. The District government also took steps to expand local green initiatives. These efforts were in addition to normal building activities and suggest noticeable expansion of jobs.

Sustaining Federal Presence

Although the number of federal jobs has declined over the years, the federal government remains a significant factor in the city's economic development agenda. Not only does the federal government buffer the District's economy from cyclical boom and bust cycles, it generates significant private employment. The federal government employed 193,400 workers in the District in 2008, and federal activities currently account for almost 40 percent of the region's economic output. It represents one in every 2.7 jobs in the District. Supporting this presence is vital to maintaining the District's central position in the metropolitan economy.

Decentralization of federal jobs has been a concern since the 1950s. The combination of interstate highways, suburbanization of the workforce, lack of available land, and national security issues resulted in the relocation of many federal offices to Maryland and Virginia over the past 60 years. While the government continues to have a strong presence in the District, its "60/40 rule⁹" regarding federal employment has functioned more as a guiding policy than a strict mandate. Looking forward, the District should intensify its efforts to persuade the federal government to keep federal jobs within the city.

Increasing Access to Employment

At the heart of an economic development agenda for the District is the need to provide quality jobs and wages for District residents. A "quality" job offers stable employment with opportunities to advance. By improving the District's educational system and job readiness programs, more residents may participate in the workforce and the benefits of a stronger and more diverse economy can be more widely realized. According to DOES employment projections, 48 percent of the jobs to be created by 2016 will require a bachelor's degree or better. District residents must be equipped with the education needed for these jobs so they can fully participate and benefit from economic growth.

In addition, the city's need to improve career development, job training, and job placement is clear. The District's unemployment rate has been several percentage points above the region's, and often twice as high. Since 2000, the District has seen the peculiar trend of job growth coupled with rising unemployment. Comprehensive action is needed on multiple fronts to address the issue of long-term unemployment. Continued efforts are needed to improve education, job training, and job readiness so that residents are equipped with the education and skills necessary to enter and remain in jobs that provide sufficient wages.

Job readiness requires more than just reading, writing, and arithmetic skills; it also requires essential life skills "Soft skills" training, such as problem-solving, interacting with others, behaving responsibly, and organizing time effectively, are also essential for empowering and preparing District residents for workplace success.

⁹ "60/40 rule" defined: In 1968, a new policy, known as the "60/40", was adapted in the Federal Elements of the Comprehensive Plan that stated 60 percent of the Federal jobs in the region should be located in the District of Columbia. Therefore, the Federal government's important role in the economy of the District of Columbia and the Washington region has been officially recognized in Federal policies for almost four decades. The 60/40 Rule has never had the force of law, however, and the Congress has overridden it on occasion with regard to the location of Federal facilities in the region. As a result, the long-term pattern of decentralization of Federal jobs out of the District has continued since the Rule was adapted in 1968. [Source: Office Market Study, Washington, DC, Volume 1, September 19, 2005]

There is also a need to recognize that many of the job opportunities available to District residents are located outside the city. In fact, nine out of 10 of the new jobs created in metropolitan Washington during the next 20 years will be in the suburbs. Many of these jobs will be service, repair, sales and clerical positions suitable for entry-level employees or employees without advanced degrees. Thus, an important part of improving access to employment is improving access to the region's job centers.

Workforce Initiatives

Minimum Wage in the District of Columbia

DOES ensures the compliance of District employers with the *District of Columbia Minimum Wage Act*, the *Wage Payment and Wage Collection Law*, the *Wage Garnishment Act*, the *Enhanced Professional Security Act*, the *Living Wage Act*, and the *Accrued Sick and Safe Leave Act*. These laws impose work place standards by which employers must abide and provide wage protection for the worker. Additionally, the agency has responsibility for establishing reasonable allowance levels for work related situations or special conditions usually associated with employer-employee relationships, such as, travel, uniforms, meals and lodging. As a result of payroll audits conducted for compliance, DOES recovers hundreds of thousands of dollars yearly in unpaid wages and redistributes these funds to underpaid employees.

The *DC Minimum Wage Revision Act of 1992* sets the minimum wage at \$1 above the federal minimum wage. Currently, the District's minimum wage is \$8.25 per hour. Private sector employers are required to pay all wages earned at least twice during each calendar month, on regular paydays designated in advance with no more than 10 working days elapsing between the end of the pay period and the regular payday. When employees are discharged, the employer must pay all wages earned on the working day following discharge, and in the instance of an employee who resigns, within seven days or the next regular payday, whichever is earlier. Employers are required to provide paid leave to their employees for instances of illnesses and domestic abuse.

Employees who serve in a "bona fide executive, administrative or professional" capacity are exempt from the provisions of the District's wage laws.

Compensation for On-the-Job Injuries

The Workers' Compensation Program, authorized under the *Workers' Compensation Act of 1979*, DC Law 3-77, provides for the monitoring of compensation payments and medical benefits to private-sector employees. DOES began processing all new injuries reported on July 26, 1982. Prior to that date, private-sector workers' compensation was administered by the U.S. Department of Labor under the Longshore and Harbor Workers' Compensation Act. Under an agreement between the Labor Department and the District government, DOES assumed responsibility on August 1, 1988, for 2,800 pending Longshore workers' cases.

DOES administers a Special Fund, established by DC Law 3-77 as amended, which is used to limit employers' liability for payment of compensation and medical expenses in instances when an employee receives an injury that, combined with a previous injury or physical impairment, causes a substantially greater disability or death. The Special Fund is also used to make compensation and medical expense payments in instances when an employer's insolvency or other circumstances preclude payments to injured workers. On March 6, 1991, DC Law 8-198 was enacted, which limited employer's liability only to indemnity payments for permanent total disability and death cases. The Workers' Compensation Amendment Act of 1998, DC Law 12-229, which was effective April 16, 1999, provides that consideration for Special Fund second injury relief be given only to injuries occurring on or before April 16, 1999. Default cases are unaffected by the amendments. In FY 2008, 11 new cases were accepted for Special Fund relief benefits and a total of \$5,302,515 was expended (Table 5.8).

(Fiscal Year)	2002	<u>2003</u>	<u>2004</u>	<u>2005</u>	2006	2007	<u>2008</u>
Reported Injuries	10,372	11,263	10,128	10,165	12,161	10,323	10,297
Special Fund Cases Accepted	10	5	4	3	3	9	11
Special Fund Expenditures	\$2,275,165	\$6,206,496	\$4,982,534	\$3,678,019	\$2,939,078	\$3,571,619	\$5,302,515

Table 5.8. Private-Sector Workers' Compensation Program

Source: DC Department of Employment Services

Occupational Safety and Health (Private Sector)

The Department of Employment Services administers the private-sector Occupational Safety and Health (OSH) Program. The program provides on-site consultation services to private-sector employers in the District of Columbia. OSH assists private-sector employers to identify and correct hazards and establish and maintain a safety and health management program that ensures, to the maximum extent possible, a safe and healthful work environment. In fiscal year 2008, there were 246 private sector consultations. Of those, 146 were for initial visits; 42 for training and assistance; and 58 for serious danger follow-up visits.

Unemployment Insurance

DOES administers the District's Unemployment Insurance (UI) program, which provides weekly benefits to workers who are unemployed without fault and who are able, available and actively seeking work. These benefits are financed either by quarterly payroll taxes from private-employers doing business in the District or by quarterly reimbursements made by self-insured employers such as the District and federal governments and non-profit employers. No deductions are taken from a worker's paycheck.

The maximum duration of benefits is 26 weeks. The first week of eligibility is a waiting period; no benefits are payable for this week.

Table 5.9 shows selected unemployment statistics.

	Tuble ell'i bleetted e nempioginient insurance statistics												
(Calendar Year)	2002	2003	2004	2005	2006	2007	2008						
New Claims	23,608	21,386	19,358	15,495	27,896	28,389	36,833						
Weeks Compensated	478,911	431,107	344,859	478,911	312,330	323,980	493,709						
Average Weekly Benefit Amount	\$261	\$255	\$257	\$261	\$292	\$286	\$290						
Average No. of New Recipients Weekly	466	414	346	466	311	326	407						
Number of Benefits Exhausted	13,563	18,151	10,302	13,563	8,839	9,057	10,360						
Average Weeks Paid	21.5	20.5	20.5	19.5	19.3	19.1	23.3						
Number of Appeal Decisions****	4,044	3,760	3,906	2,322	2,952	2,642	2,564						

*Source: U.S. Department of Labor's *UI Data Summary*. Data includes activity under the regular UI Program that is funded by the District of Columbia. Data does not include activity under the federally funded programs for ex-civilian employees of the federal government and ex-military personnel.

****Figures through 2004 include both first level and second level appeals conducted by DOES. For 2005 responsibility for first level appeals passed by statute to the Office of Administrative Hearings (OAH) and second level appeals were abolished.

The District Unemployment Fund

Payroll taxes are collected from employers on a quarterly basis to finance the payment of unemployment insurance benefits to workers who are unemployed without fault and are able, available and actively looking for work. DOES deposits these taxes in the District Unemployment Fund at the U.S. Treasury. Also deposited in this fund are reimbursable payments for benefits paid to former employees from non-profit employers who elect to be self-insured as well as reimbursable payments from the District and federal government.

Table 5.10. Status of the District Unemployment Fund (In Million)

(In Willions)								
(Fiscal Year)	<u>2002</u>	2003	2004	2005	<u>2006</u>	2007	2008	
Revenue	\$99,319	\$104,038	\$105,413	\$109,720	\$112,132	\$126,071	\$145,221	
Outlays*	\$138,748	\$111,314	\$92,410	\$81,321	\$85,327	\$90,462	\$133,718	
Fund Balance	\$298,855	\$297,544	\$321,625	\$359,906	\$364,664	\$400,275	\$411,777	

*Outlays include benefits paid under the regular Unemployment Insurance Program. It does not include federally funded benefits paid to ex-civilian federal employees and exmilitary personnel

Source: U.S. Department of Labor's UI Data Summary

Mayor's Summer Youth Employment Program

The Mayor's Summer Youth Employment Program - administered by DOES -provides District youth with work experience and academic enrichment opportunities. Youth who are 14 to 21 years of age at the program's start date are eligible to participate.

In FY 2008, the locally funded summer program registered 21,447 youth and developed work opportunities at various community- and faith-based organizations, as well as District and federal government agencies (Table 5.11). In addition, through contracted service providers, youth participated in academic-enrichment activities. For the 10-week program, participants who are 14 and 15 years of age were allowed to work a maximum of 20 hours a week, and those 16 to 21 years of age were able to work a maximum of 30 hours per week, earning a subsidized training wage.

Table 5.11. Summer Youth Employment Registrants and Placements

(Fiscal Year)	2002	2003	2004	2005	<u>2006</u>	2007	2008
Registrants	9,036	8,969	9,374	13,271	12,991	15,004	21,447
Employed	6,544	5,494	7,337	10,775	10,718	12,729	18,733
% of Registrants Reporting to Assignment	72.4	61.3	78.3	81.2	82.5	84.8	87.3

Source: D. C. Department of Employment Services

Senior Services Employment Program

The Senior Community Service Employment Program (SCSEP) fosters and promotes part-time paid training opportunities in community services assignments for unemployed District residents ages 55 and older with poor employment prospects. SCSEP provides opportunities to obtain meaningful unsubsidized employment in the private industry or the public sector. The program also fosters individual economic self-sufficiency. During this period, the program had 225 District residents enrolled and 125 actively participated in community service assignments. Thirteen seniors were placed in permanent unsubsidized positions; 87 enrollees were on the waiting list.

Table 5.12. Enrollment in Senior Program

(Program Year)*	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
	190	197	131	116	201	225

* Program year is July 1 to June 30

Source: D. C. Department of Employment Services

Workforce Investment Act Adult and Youth Services

The Workforce Investment Act (WIA) was enacted in August 1998 and repealed the Job Training Partnership Act (JTPA) on July 1, 2000, and replaced it with Title 1 of Workforce Investment Act Systems. WIA programs are intended to increase occupational skills attainment by participants and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance productivity and competitiveness. In the District, WIA authorizes job training and other intensive employment assistance to adults and youths.

Under the WIA adult program, customers receive services through a coordinated service delivery "One-Stop" system. This system is intended to provide a seamless network of programs and assistance to adult job seekers, workers, and employers.

Under the WIA youth program, young residents receive services such as tutoring and study skills training, alternative high school services and summer work opportunities. Services to youth are provided through grants to providers made on a competitive basis.

The District began capturing data on WIA services in PY 2000. From PY 2005 – 2007, the District served more than 6,302 customers through WIA programs.

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Workforce Investment Act Programs*	2002	<u>2003</u>	2004	2005	<u>2006</u>	<u>2007</u>
Adult	1,654	1,671	1,081	907	1,000	1,935
Dislocated Worker**	1,085	848	333	184	169	85
Youth	1,441	828	671	645	730	647

Table 5.13. Workforce Investment Act Programs

*Program year (PY) is July 1 to June 30 Note: Data for PY 2008 not available Source: DC Department of Employment Services

Transitional Employment Program

As part of the Way-to-Work Amendment Act of 2005, DOES established a large-scale transitional employment program targeted to chronically unemployed, hard-to-serve, adult, District residents living in "hot spots" and other areas of high unemployment, poverty, and crime. The District's initiative, the *Transitional Employment Program (TEP)*, is a multi-faceted project based on a broad partnership network. The District has established five fundamental goals for this project: prevent formerly incarcerated persons from re-offending, enhance public safety, redeploy and leverage existing resources, assist the offender to avoid crime, engage in pro-social community activities, meet family responsibilities, and ensure program job sustainability. TEP has maintained a similar program model to those of the Project Empowerment, Welfare-to-Work, Project Empowerment II, and Project Empowerment Plus programs.

Table 5.14. Transitional Employment Program

Fiscal Year	2006	2007	2008
Enrollments	633	564	748
Unsubsidized	268	343	343

Source: DC Department of Employment Services

Work Opportunity and Welfare-to-Work Tax Credits

DOES administers the federal Work Opportunity Tax Credit (WOTC) program. The WOTC program was created by the *Small Business Job Protection Act of* 1996. In 1997, the Welfare-to-Work Tax Credit (WtWTC) was created by the *Taxpayer Relief Act*. The two tax credits continued separately until December 2006 when the Tax *Relief and Health Care Act of 2006 (P.L. 109-432)*, was passed which amended certain target group definitions, introducing new provisions that streamlined the WOTC program by merging the WtWTC into the WOTC. On May 25, 2007, the *Small Business and Work Opportunity Tax Act of 2007 (P.L. 110-28)* extended the WOTC program through August 31, 2011. On February 17, 2009, the President signed ARRA into law which introduced two new target groups: Unemployed Veterans and Disconnected Youth.

The WOTC program helps individuals from certain groups who consistently experience barriers to employment. It is a two-tiered program based on how long an individual is employed. The actual amount of the tax credit depends on several factors, including the target group of the applicant and the amount of wages earned.

Under Tier 1 of the Two-Tier Retention Period, before claiming the tax credit, employers must retain the WOTC eligible worker for at least 120 hours but less than 400 hours to qualify for a credit of 25 percent of up to \$6,000 in wages for a maximum credit of \$1,500. Under Tier 2, employers must retain the WOTC eligible for at least 400 hours or more to qualify for a credit of 40 percent of up to \$6,000 in wages for a maximum credit of \$2,400. Summer youth hire wages are capped at \$3,000, the disabled veteran hire wages are capped at \$12,000, and the long-term TANF recipients' wages are capped at \$10,000. The credit is available for the employee's qualified second-year wages, also capped at \$10,000. The credit is 40% in the first year and 50% in the second year. This is calculated using the actual wages paid or incurred.

Table 5.15. Work Opportunity And Welfare-T0-Work Tax Credit									
Fiscal Year	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>		
Certifications Issued	1,214	925	1,442	1,174	562	1,926	2,009		
Source: D. C. Department of Employment Services									

In FY, DOES provided job seekers and employers with 1,339 certifications that verified their eligibility.

Apprenticeship Programs

Apprenticeship provides area youths and young adults with opportunities to start early career training. The apprenticeship system includes on-the job training as well as classroom instruction through which apprentices learn the skills of a trade. The Department of Labor has certified 850 apprentice able occupations. Apprentice occupations exist in many industries, such as construction, health care, automotive, information technology, aerospace and retail. Available registered apprenticeship trade areas in the District are primarily in the construction industry, which include electrician, carpenter, sheet metal worker, iron worker, steamfitter, plumbing and glaziers. Other available trades outside the construction industry include pharmacy technician, photo-lab technician, cosmetology, automobile technician, stationary engineer, childcare development specialist, and elevator/escalator repair. The length of the program varies, depending on the trade or craft, and requires between one and five years to complete. During the program, the employer pays the apprentice 40 to 50 percent of the starting journeyman wage in a particular trade. Upon completion of the program, apprentices receive a national completion certificate as a journey worker of the trade.

To qualify for apprenticeship programs, the applicant must be at least 18 years of age. Most programs require individuals to have a high school diploma or GED. DOES's Office of Apprenticeship offers pre-apprenticeship training to District residents with deficiencies to prepare them for registered apprenticeship programs. These pre-apprenticeship programs are provided in partnerships with registered apprenticeship sponsors. All completers of pre-apprenticeship training are guaranteed acceptance as registered apprentices. Funding for pre-apprenticeship training is based on available local funding.

The District is one of 27 State Apprenticeship Councils (SAC's) authorized by the Department of Labor to determine apprenticeship registration eligibility. The DC Apprenticeship Council was established on May 21, 1946, under Public Law 387 and is responsible for approval of apprenticeship standards, acts as second level of appeal for apprentices' complaints, deregisters apprenticeship programs not in compliance with apprenticeship regulations, and ensures that quality training is provided to apprentices. The council is comprised of 11 members appointed by the mayor: three representatives from employer organizations, three representatives from employee organizations, three public representatives who are not members of either employer or employee organizations and two representatives from government (the mayor and superintendent of schools or their delegates). Meetings are held on the last Thursday of every other month and are open to the public.

		Table 5.1	6. Apprentices	Program Act	ivities		
			IVE REGISTERE				
(Fiscal Year)	2002	2003	2004	2005	2006	2007	2008
Apprentices	3,183	3,521	3,711	4,300	4,939	5,083	4,910
Minorities	1,570	1,773	1,908	2,341	2,862	2,877	2,649
Females	146	145	154	194	287	196	172
District Residents	902	705	804	943	794	1,088	930
		APPRENTIC	ES REGISTERED	IN MAJOR PRO	GRAMS		
(Fiscal Year)	2002	2003	2004	2005	2006	2007	2008
Electrician	583	707	733	883	793	941	1,170
Carpenter	241	240	320	401	302	324	268
Steamfitter	360	426	458	529	525	560	683
Sheet Metal	258	271	318	297	136	289	339
Plumber	224	286	327	324	319	364	387
Iron Worker	175	146	170	164	236	312	347
		ENROL	LMENT IN PRE-	APPRENTICESHI	1		
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
	157	178	70	110	200	176	170

Department of Small and Local Business Development (DSLBD)

DSLBD Overview

The Department of Small and Local Business Development (DSLBD) is a full-service, cabinet level agency charged with stimulating and fostering economic growth and development of District-based business enterprises through programs, training, agency and public/private contract compliance, advocacy, and supportive legislation.

DSLBD works to stimulate and expand the local tax base of the District of Columbia, to increase the number of viable employment opportunities for District residents, and to extend the city's economic prosperity to local business owners, their employees, and the communities they serve. Through advocacy, business development programs, and technical assistance offerings, DSLBD shall seek to maximize opportunities for certified business enterprises to participate in the District's contracting and procurement process and economic development activities as well as Federal and private sector business opportunities that occur in the District.

DSLBD is comprised of the following four organizational divisions and a management team that work in conjunction to sustain and grow small and local businesses:

- Certification;
- Business Opportunities and Access to Capital;
- Training & Education; and
- Commercial Revitalization.

Certification

DSLBD's business certification division is responsible for reviewing, processing, approving, or denying applications for certification. The certification program registers a company into a DC agency database and labels it as a Certified Business Enterprise (CBE). CBE certification provides contracting preference for local businesses seeking contracting opportunities with DC Government. The District directs spending to these DC-based businesses that support and contribute to job creation and the city tax base, which in turn results in a much stronger local economy.

Goals and Objectives

To participate in the CBE program businesses must meet the Local Business Enterprise (LBE) criteria, which is defined as:

- The principal office being physically located in the District;
- Chief executive officer and highest level managerial employees maintaining their offices and performing their managerial functions in the District; and
- Meets one of the four criteria listed below:
 - 1. More than 50% of the assets, excluding bank accounts, are located in the District;
 - 2. More than 50% of the employees are residents of the District;
 - 3. The owners of more than 50% of the business enterprise are residents of the District; or
 - 4. More than 50% of the total sales or other revenues are derived from transactions in the District.

In addition, the business must be:

- Properly licensed under DC law
- Subject to DC taxes (income and franchise taxes), or
- Is the type of business identified in DC Official Code §47-1808.01 (1) through (5) and more than 50% of the business is owned by District residents

Site visits are conducted by the certification team within the Washington metropolitan area to verify that the firm meets the principal office definition and to verify business activities.

Within the CBE program, along with meeting the LBE definition, businesses may be certified in any of the following categories; however the maximum number of points that can be applied toward any contract award is 12 points:

Table 5.17. Business Certification Categories							
Category	Points	Percent Reduction					
Local Business Enterprise (LBE)	2	2%					
Small Business Enterprise (SBE)	3	3%					
Disadvantaged Business Enterprise (DBE)	2	2%					
Resident-Owned Business (ROB)	5	5%					
Enterprise Zone (DZE)	2	2%					
Longtime Resident Business (LRB)	10	10%					
Veteran-Owned Business (VOB)	2	2%					
Local Manufacturing Business	2	2%					

Within the CBE Certification Program, DSLBD also provides local business certifications for the following:

- Joint Venture Certification
- Street Vendor Certification

Business Opportunities and Access to Capital (BOAC)

BOAC's Mission

The Mission of BOAC is to promote and advocate for small and local businesses headquartered in the District of Columbia. We want to ensure that there is a high participation of Certified Business (CBE) in the procurement process within the following areas:

- Citywide contracting and subcontracting opportunities
- District Government Business Opportunities
- Public-Private Business Opportunities
- Federal Business Opportunities
- Neighboring Jurisdiction Business Opportunities

Additionally, we want to monitor business trends and identify potential markets that may present small and local businesses with new opportunities and an increased accessibility to capital. This will yield more services, goods and products and increase DC's overall tax base.

Business Opportunities (BO) supports District businesses as follows:

- Promote procurement opportunities from District agencies and the private sector;
- Maintain and grow District based businesses, especially CBEs providing the District with services, goods, and/or products;
- Connect CBEs to various contracting opportunities through CBE online, the DSLBD website with CBE agreements, seminars, workshops, phone calls and one-on-one counseling meetings;
- Advocate for CBE firms on public and private sector opportunities while assessing the CBEs overall company capacity that will allow for growth and economic development within the District; and
- Ensure CBEs are participating in projects that receive District funding and/or are built on District land.

Access to Capital:

BOAC helps bridge the gap between the CBEs and traditional financial institutions by educating them on the underwriting process for securing capital. We also create a platform for CBEs to use non-traditional sources of financing such as private equity, venture capital, factoring or other sources that will allow them to participate in District or private opportunities. BOAC current access to capital programs and service include:

- DSLBDs Micro-Loan Program;
- Access to Capital & Bonding Workshop;
- Traditional Financing Workshop
 - Banks and
 - Credit Unions;
- Non-Traditional Financing Workshop
 - CAPCOs;
 - Factoring;
 - Private Equity;
 - Venture Capital; and
- Banking Partnerships

Compliance Monitoring Program (CMP)

• CMP advocates for certified small business enterprises and CBE participation in contracting and procurement opportunities

As of FY 2010, CMP divides the information collected into two specific sectors as outlined below.

Public Sector

Annual Allocation Letters Operating Expense Checklists Quarterly Reports- Both Sectors

Private Sector

CBE Agreement Creation CBE Utilization Quarterly Reports CMP is mandated to monitor District government and Small & Local Businesses.

Set Aside Programs

- DC Official Code § 2-218.01 et seq. CBE Agreements (also known as Public-Private Development Projects Monitoring):
- 35% CBE Utilization on District Financed or Land Use Projects and
- 20% Development & Equity Participation.
 District Government Procurements (also known as Public Sector Monitoring)
- (Payments);
- 50% of each District government agency's;
- expendable budget; and
- Joint Venture Projects.

Training and Education

Enhanced Business Information Center (e-BIC) - Training

The Enhanced Business Information Center (e-BIC) provides DC small businesses and entrepreneurs with training, consulting, and cutting-edge computer software that help their businesses become successful. From start-up to third generation family business to high-tech corporations, the e-BIC provides one-stop technical assistance to businesses enabling them to compete more effectively in the domestic and global economies. e-BIC programs deliver up-to-date management advice, training and information to help business owners make sound decisions and to assist potential owners in getting started on the right foot; in one central location and through business-related agency and organizational partners in DC, the e-BIC provides access to the following small business resources:

- Monthly training courses
- Business Assessments
- Access to computers and software including Business Plan Pro and Marketing Plan Pro
- Access to private meeting/conference room
- Referrals to other small business resource providers in Washington DC

The e-BIC provides training courses in these areas:

- Financial forecasting;
- Market research;
- Niche Marketing;
- Social Media;
- Procurement assistance;
- Overall business assessment "The Business Health Checkup";
- Startup feasibility analysis;
- Business plan assessments/reviews;
- Strategic planning;
- Business start-up information;
- Corner store repositioning; and
- Retailers- location/permits/interior-exterior changes.

Commercial Revitalization

The Commercial Revitalization Division supports the revitalization of DC's neighborhood commercial districts and small business by (1) providing technical and funding assistance in targeted neighborhoods to retain DC businesses, design and improve storefronts and streetscapes, and promote DC's business neighborhood districts (special projects and services); and (2) building the capacity of neighborhood nonprofit organizations to assist businesses and coordinate sustainable community-driven revitalization efforts (DC main Streets Program).

DC Main Streets

Created in 2002, the DC Main Streets program fosters retail investment in DC by providing services and funding to help communities retain and recruit businesses, improve commercial properties and streetscapes, and attract consumers.

Through the DC Main Streets program, DSLBD provides comprehensive technical and financial assistance to build the capacity of neighborhood nonprofit organizations (i.e., DC Main Street organizations) to assist businesses and coordinate sustainable community-driven revitalization efforts in their neighborhoods. The local DC Main Street commercial district revitalization efforts are organized and led by local volunteers and community development professionals. DC Main Street program grant recipients are competitively selected.

DC Main Streets Program and the Main Street Model

The DC Main Streets is the citywide coordinating program authorized by the National Trust for Historic Preservation to administer a Main Street program in the District of Columbia. The Main Street Four Point Approach is a nationally proven model, which includes work in the following areas of:

- 1. Organization of commercial revitalization efforts (e.g., developing and sustaining financial and volunteer resources)
- 2. Promotion of neighborhood commercial district (e.g., branding campaigns and special events) and individual businesses operating therein;
- 3. Design affecting the physical environment of the commercial district (e.g., clean teams and streetscape improvements) and the appearance business storefronts and interiors; and,
- 4. Economic restructuring including business retention, recruitment, and expansion.

Current Local Main Streets

Organizations seeking to operate local Main Street programs in the District of Columbia must approved by DSLBD and, meet the National Main Street Program accreditation criteria.

The active DC Main Streets programs are:

- National Main Street Center
- Barracks Row Main Street
- Congress Heights Main Street
- Deanwood Heights Main Street
- Dupont Circle Main Street
- H Street Main Street
- North Capitol Main Street
- Shaw Main Street

Business Improvement Districts

Business Improvement Districts (BIDs) are commercial areas of the District of Columbia that collect a "self-tax" from property owners to provide services and programs to the entire BID. The Department of Small and Local Business Development's manages certification of BIDs, annual tax assessment projections, and the BID charter extension process.

Currently, there are eight established business improvement districts, which provide programs that address commercial District-wide issues, e.g., cleanliness, maintenance, safety, promotion, economic development, and other collective business issues in their coverage areas.

- Adams Morgan Partnership BID
- Capitol Hill BID
- Capitol Riverfront BID
- Downtown DC BID
- Georgetown BID
- Golden Triangle BID
- Mount Vernon Triangle BID
- NoMa BID

Who Oversees District of Columbia Contracts?

- Office of Contracting and Procurement (OCP)
- Office of the Chief Financial Officer (OCFO)
- Office of the Deputy Mayor for Planning and Economic Development (DMPED)
- DC Lottery and Charitable Games Control Board
- DC Public Schools (DCPS)
- Department of Mental Health (DMH)
- Office of Public Economic and Facilities Modernization (OPEFM)
- University of the District of Columbia (UDC)
- Washington Convention and Sports Authority (WCSA)
- DC Water
- Child and Family Services Administration (CFSA)
- DC Public Libraries (DCPL)
- Department of Disability Services

Office of the Chief Technology Officer (OCTO)

OCTO Overview

OCTO's mission is to leverage the power of technology to improve service delivery, drive innovation and bridge the digital divide to build a world-class city. OCTO is the central information technology (IT) and telecommunications agency for the District government. It develops, implements, and maintains the District's IT and telecommunications infrastructure; develops and implements major citywide applications; establishes and oversees IT enterprise architecture and website standards for the District; and develops District agencies on technology solutions to improve services to businesses, residents, and visitors in all areas of District government.

OCTO oversees approximately 235 square miles of fiber network, 29,000 PCs, 23,000 phone lines, 10,000 cellular devices, 1,600 aircards, 2 mainframes, 800 servers, and 300 switches and routers citywide, providing secure services, communications and an electronic operating environment for more than 75 agencies of the DC Government.

Agency Objectives and Initiatives

Below are the agency objectives for the current fiscal year and the major initiative to attain them:

Objective 1: Provide and maintain a ubiquitous, reliable, and secure computing environment for the government as well as residents, businesses, and visitors. **Initiatives:** a) Upgrade and maintain technology for DC Public Schools; b) Migrate from end-to-end paper processes to end-to-end digital processes; c) Complete DC.gov upgrade for residents, businesses and visitors to better access government services; d) Move one of the District's data centers within 65 miles from the District to ensure security and continuity of operation.

Objective 2: Lower the cost of government operations and enhance service through innovative technologies. **Initiatives:** a) Leverage consumer and open source technologies to transform government operations; b) Democratize access to government data by posting it online for easy, global access; c) Make it easier to conduct business online by automating permitting and licensing; d) Expand benefits and enrollment for DC One Card; e) Enable citizens to contact 911 via a variety of widely-used mobile technologies; and f) Develop full-time employees as well as establish and maintain a highly-effective workforce; g) Provide simple, global access to data and useful presentations to both internal government customers and the public; and h) Upgrade the District's Human Resources Management and Payroll System with new functionalities.

Objective 3: Ensure high quality service delivery of technology projects and enforce architectural standards. **Initiatives:** a) Deploy the new enterprise service management system District-wide to improve the current IT service management platform.

Objective 4: Bridge the digital divide and enable economic development. **Initiatives:** a) Expand number of wireless hotspots throughout the District; b) Relocate OCTO operations in high-tech campuses; and c) Provide bi-annual maps of broadband availability and adoption in the District leveraging American Recovery and Reinvestment Act (ARRA) funding.

Key Accomplishments

FY10

• Created new infrstructure and software implementation of Accela Automation version 7.01 to be used as a citywide platform for Permitting and Licensing applications.

- Created DCPS Lead DC application to hire principals.
- Enhanced Out of Boundary Lottery application so that parents were able to better identify schools outside their children's regular school boundaries who had available seats.
- Implemented the Asset Management module of DCPS Destiny software application.
- Provided IT support for the Mayor's FY10 Summer Youth Employment Program (SYEP).
- Developed DC Grants Made database to track District-wide grant spend down rates.
- Worked with various agencies including OAG to issue an RFP and evaluate vendor proposals for the FOIA Automation project
- Created DCPS Online Menu application to provide menus and nutritional information for all schools in DCPS so that parents/constituents can now access school menu and nutrional information online.
- Created DCPS School Scorecards to serve as a tool that will give parents, school staff, and the community helpful and comprehensive information about the performance of each DC public school.
- Made CBE Online legislative changes for DSLBD so that veteran-owned and local manufacturing firms can receive preference points when trying to become Certified Business Enterprises in the District.
- Implemented the Student Behavior Tracking process module of the CAASS software for DCPS.
- Established a framework for rolling out ACH transactions as an online payment option for OCFO.
- Used the IQ application to streamline internal business efforts in MPD's Office of the Chief.
- Established a data feed from IQ to feed the Customer Service section of the Citywide Data Warehouse TrackDC website.
- Released enhanced versions of the Web-based Children at Risk (WCHARI) application for DME/DCPS.
- PeopleSoft 9.0 Upgrade
- Provided a 99% uptime for PeopleSoft and PASS
- Upgraded Quality Center from version 9.0 to 10.0 and Load Runner from version 8.2 to 9.5
- Supported 17 agencies for testing covering 43 PeopleSoft, 11 PASS and 58 Web Applications releases
- Supported 13 agencies on SharePoint and Configuration Management
- Grew data sets to over 450 in Data Catalog http://data.dc.gov, a winning site of 2009 Innovations in American Government Award in Urban Policy by the Ash Center for Democratic Governance and Innovation at the John F. Kennedy School of Government, Harvard University. This is the first initiative in the country that makes virtually all current district government operational data available to the public in its raw form rather than in static, edited reports. Some of the data added in FY10 included data sets such as District Quarterly Payments To All Vendors by CBE Status for FY10, Police Complaint Examiner Decisions, Completed Construction Projects 2009, DCRA Vacant Property November 2009 Exempt From Registration Fee, Taxicab and limousine Owner/Operator information
- The total number of datasets downloaded using Data Catalog in FY10 is more than 1.9M, well exceeding the goal of 400,000 for the fiscal year
- The national recognized Citywide Data Warehouse has also worked closely with the National Association of State Chief Information Officers (NASCIO) to create national models and best practices for data catalogs based on the DC model
- At the request of the City Council, CityDW built and launched the public version of TrackDC http://track.dc.gov/ which is a dashboard that provides to the public an easy way to access an agency budget, personnel, spending, KPIs, news, agency profiles, agency data and more.
- The program added new features and data to the internal version of TrackDC https://trackdc.dc.gov/ in FY10. The version only available to approved agency users grants access to all of the data in the public version but also includes more features and data for internal use including: Stimulus Funds (amount awarded and expended), Mayor's Communication Unit Requests, action items, KPIs, Agency news and allows agencies to report issues, achievements and updates up to agency executives, OCA analysts and the CA.

- In FY10 we added new features to the ARRA Reporting application based on the new requirements from the federal government. Reporting.dc.gov provides access to the for Prime/Sub-recipients and Vendors to track and report expended ARRA funds and submit project resource names and expended hours
- Worked with the Child and Family Services (CFSA) and Department of Mental Health to create a reporting environment for each agency and supported those environments during the fiscal year.
- Awarded \$1.5 million in ARRA funds for Broadband Mapping and Planning. This money will be used to map broadband availability and promote broadband adoption.
- DC GIS utilization increased by 30% in FY 2009 to over two billion database calls (2,181,153,517 database calls).
- Published new more detailed and accurate topographic data for the District. This data more accurately maps flood plains, building heights, and generally aids planning/development decisions.
- Launched a retail site finder with the Washington DC Economic Development Partnership.
- Launched a "Green Map" with District Department Environment including many new environmental layers.
- Launched new trash day application with Department of Public Works. Residents put in their address and get back their trash collections day(s).
- In coordination with DRES and OPEFM, DC-Net provided relocation of users to the following new and renovated locations: Southwest Waterfront (2000 users), 1200 1st Street (1000 users), 4056 Minnesota Ave, NE (500 users), St. Elizabeths (700 users), 810 1st Street NE (500 users), Consolidated Forensic Lab (360 users)
- DC-Net infrastructure enhancements included call center solutions, LAN infrastructure upgrades, and Wi-Fi campus-wide deployments.
- Deployed call center solutions at OAG, DOES, DOH, DCRA, and PSC.
- University of the District of Columbia campus-wide Wi-Fi; 1 GB fiber connectivity at the Walter E Washington Convention Center, the Verizon Center, and area hotels and Wi-Fi coverage of Chinatown/Penn Quarter area in support of the Microsoft Conference; Wi-Fi coverage across the National Mall; Wi-Fi coverage at Eastern Market.
- In response to the need for affordable broadband in underserved areas of the city, the DC Community Access Network (DC-CAN) will deliver cost effective, value-added broadband services to community anchors—primarily in the city's economically distressed areas—and create points of interconnection and provide middle mile services for last mile service providers to deliver affordable broadband access to residents and businesses in these areas.
- Introduced unified messaging and WebEx web conferencing managed services on Unified Communications platform.
- In an unsolicited award, National Association of Telecommunications Officers and Advisors (NATOA) named DC-Net 2010 Community Broadband Fiber Network of the Year.
- Generate W2s out of PeopleSoft (2009 tax year will be the first year full W2 features utilized out of PeopleSoft)
- Optimized and serviced approximately 20,000 computers over the summer for DC Public Schools
- Deployed Internet Explorer (IE) 8 and Office 2007 to approximately 30,000 computers
- Achieved a 96% score on our KPI for resolution support within 4 hours
- Provided E-Rate oversight to DCPS to ensure the flow of disbursements to vendors and reimbursement to DCPS continues. Oversaw the deployment of 2240 Wireless Access Points and the structured wiring of 17 schools, filing for E-Rate benefits of more than \$5 million.
- Achieved 9.9% cost reduction, beating target OCTO KPI of 5% cost avoidance / reduction on addressable technology spending

FY11 to Date

- Migrated all applications managed/developed by OCTO Application Solutions out of OCTO Data Center 2.
- Architected and provided platform for FileNet 4.5
- Submitted broadband data to U.S. Department of Commerce and Federal Communications Commission
- Published wire line broadband adoption data by Census Tract.

- Upgraded Snow Vehicle Tracking system for DDOT and DPW.
- Published upgraded 911 map with OUC.
- Initiation of service to community anchors on DC-CAN and construction of the core ring. Ongoing planning of BTOP funded project dedicated to bringing information availability to underserved areas of DC with the primary focus being wards 5, 7, and 8. This project has identified 291 sites for connectivity to DC-Net's fiber optic platform that fall into the categories of education, public safety, health care, public housing, and community anchor locations.
- Development of public/private partnerships with last mile ISPs spurring broadband adoption in underserved wards.
- Development of health, public safety, and federal government cloud service offerings leveraging new OCTO data center.
- Deployed Phase 1 of VOIP Solution at The Office of Personnel Management (OPM) for scalable, converged voice architecture that provides high availability, collaboration, presence, corporate directory and mobility.
- Continued Tier 2/3 Support for 34,000 PeopleSoft users
- Performed system changes implemented in support of DCHR Classification and Compensation reform project.
- Further developed proposed testing criteria for 4G technology in DC test bed as part of partnership with NIST; drafted and submitted request to FCC for flexibility to partner with electric utilities to support sustainable business model for 4G public safety network; held round of briefings with all six states in FEMA Region III to begin planning process for regional network.
- Finalized arrangement with DRES/PSD to consolidate and maintain credentialing operations; completed development of new security laminate; completed move of DC One Card system to new data center.
- Improved the timely submission reports for federal grants.
- Held the second DC Community Broadband Summit event to energize and coordinate the digital inclusion community; neared design completion for public education campaign to raise awareness of the digital divide issue and resources in the District.

FY12 Initiatives

- Continue Data Center migration support
- Stabilize PeopleSoft application and migrate team from a project-based environment to an operational environment, complete integration with e-Business Suite (EBS)
- Complete DCHA project in keeping with federally mandated guidelines.
- Help ensure 99.95% uptime for all OCTO-supported applications
- Add data to the Track.DC.gov government transparency application as directed by stakeholders
- Add data and features to the internal version of TrackDC (a dashboard providing access to Budget, Personnel, Spending, CapStat action items, KPIs, Agency news and allows agencies to report issues, achievements and updates up to agency executives, OCA analysts and the CA.)
- Data Catalog: Add new data as directed by stakeholders
- Maintain and support: Applications: TrackDC, CapStat Mapping, Data Catalog, Digital Public Square, reporting environments, applications and dashboards as mentioned above.
- Maintain and support: Data feeds to all data sets including but not limited to: Computer Aided Dispatch (CAD) 911, OCP: Purchase Orders, MPD: Crime Incidents, MPD: Juvenile Arrests and Charges, 311 Service Requests, DCRA: Building Permits, DDOT: Construction Projects, OTR: Registered Property, OTR: Registered Vacant Property, PeopleSoft, OCP: Purchase Cards, PASS, DCGIS Data sets, DDOT Public Space Permits, Circulator data.
- Engineer, furnish and install all required voice, data, video, wirless and ancillary IP requirements to 12-15 complete or partial DCPS site renovations.
- On programmed basis, continue to replace labor intensive, high maintenance ISDN technology with either VoIP or digital platform connectivity.
- Working with last mile providers, establish overall connectivity to residential and commercial customers contracting access services to last mile partners.
- Complete CCTV/Shotspotter backhauling initiative to ensure high bandwidth access to critical MPD public safety information/crime detection requirements.

- Continue essential upgrade program associated with replacement of critical wide area network legacy core equipment no longer supported by manufacturer from a hardware or software perspective. Timely refresh of key platform components negates opportunity for catastrophic outages or service interruptions impacting all District agencies, 911 call center and radio dispatch operations, and daily transfer of key governmental information.
- Ongoing implementation of Broadband Technology Opportunity Programs (BTOP) funded sites dedicated to bringing information availability to underserved areas of DC with the primary focus being wards 8, 7 and 5. This project has identified 291 sites for connectivity to DC-Net's fiber optic platform that fall into the categories of education, public safety, health care, public housing, and community anchor locations.
- Continue to pursue and manage digital divide activities, including provision of micro-grants to community non-profits and support for public education, computer training, and low-cost broadband access to under-served communities.
- Begin small-scale deployment of 4G public safety wireless broadband network in the District.
- Ramp up deployment of smart card IDs among DC employees/contractors and the public, as well as associated applications such as digital signature and secure sign-on.

Program Descriptions

OCTO has three major divisions: *Enterprise Systems* provides an integrated technology culture to select and develop information technologies that enable and support critical citywide, cross-cutting agency business processes, functions, and activities. *Technology Services* provides management, business consulting services, and business application support to agencies so that they can effectively develop and maintain new IT applications and improve service delivery through effective integration of technology solutions. *Data Center Operations and Maintenance* provides application hosting services to District agencies so that agencies can focus on their core business and mission while running applications and storing and accessing data in a secure, stable, reliable, and cost-effective environment.

Enterprise Systems contains the following 13 programs:

- E-Government provides support for the dc.gov portal website (and its associated portal tools), which is accessed by hundreds of thousands of District residents, businesses and visitors; maintains a large number of mission critical citywide and agency applications; provides project management expertise to agencies without that core competency;
- DC Geographic Information System (GIS) provides over 500 regular DC government users in public safety, economic development and other publicfacing service agencies with data, systems, customer service (training and support), planning and coordination to improve the quality and lower the cost of services provided by the DC Government through the efficient application of geospatial technology;
- WAN/LAN (Wide Area Network/Local Area Networks) provides primary data communication foundation for the entire DC Government and supports the local network elements and connectivity at the remote agency locations, agency headquarters and at the core network located within each of the two District data centers;
- **Telecommunications** provides and manages a portfolio of approved vendors and contract vehicles, which allows the District Government to purchase telecommunications products and services in compliance with procurement guidelines, and works with agencies to manage all telecommunications inventories, (i.e., cellular devices, pagers, landlines, data circuits);
- DC Network Operations Center (NOC) provides 24x7x365 monitoring for critical network components that support the citywide network infrastructure for District Government agencies and DCPS, and enables agencies to use essential enterprise services such as SOAR, PASS, PeopleSoft, Citywide Messaging and access to internet services;
- Wireless/NCRIP (National Capital Region Interoperability Program) provides and supports the deployment of wireless infrastructure for use by DC Government employees and the public to achieve increased mobile, wireless connectivity;

- Information Security provides and deploys an effective information security architecture that mitigates the technical vulnerabilities within the DC Wide Area Network (WAN), serving 118 agencies, and provides a secure network environment for 153 DCPS schools and administrative sites;
- Web Operations provides and hosts the Service Request Center and maintains 24x7 critical applications;
- E-mail provides collaborative email services for all DC Government agencies, except for UDC, DCOZ and the DC Council;
- Capital Infrastructure Development provides and manages the technical infrastructure platform for District-wide Enterprise Resource Planning (ERP) systems (PeopleSoft, PASS, SeeBeyond), provides various software testing/configuration management tools and supports software testing/ change management services for agencies;
- ERP Systems provides composed of the Procurement Automated Support System (PASS) and PeopleSoft payroll and HR management system. OCTO supports the mission of the Office of Contracts & Procurement to maintain and enhance PASS as it supports all District agencies and DCPS. OCTO supports the mission of the Department of Human Resources to maintain and enhance PeopleSoft as it supports the over 30,000 District employees and over 8,000 DCPS employees; and
- Citywide Data Warehouse provides and democratizes government data by providing a centralized access point for enterprise-wide data and works with the Office of the City Administrator, the DCStat program, and District agencies to supply both data and business intelligence tools.
- DMV Application Services (DAS) team supports the system needs for the Washington, DC Department of Motor Vehicles (DMV). Destiny is the core business application that the DMV relies on for day-to-day operations. The Destiny application enables the following services for District residents:
 - Driver Licensing and ID Card Generation and Management
 - Vehicle Registration and Titling
 - Vehicle Inspection
 - Dealer and Taxi Administration
 - Driver Improvement and Adjudication Services
- DC One Card ID is an initiative designed to maximize government efficiency by offering a consolidated picture-identification credential that provides access to many DC government facilities and programs—such as libraries, recreation centers, and DC government buildings—and serves as a student ID. This single identification card has strong privacy and duplication protection, and any DC Government Agency can adopt its use in lieu of issuing its own unique card.

Technology Services contains the following two programs:

- Agency Technology Projects provides the Portfolio Management, Project Management and Enterprise Contracts functions. The Portfolio Management function oversees District technology projects. The Project Management function provides a consistent, robust suite of methodology and process standardization (estimation, schedule and financial management tools) designed to improve the quality and consistency of project management. Enterprise Contracts reviews District-wide technology contracts for cost avoidance opportunities; and
- Business Process Re-engineering provides TechStat and OCTO Labs. TechStat, modeled after the CapStat program, looks at OCTO's internal functions and IT functions in other agencies to improve processes, identify efficiencies and hold staff accountable for performance. OCTO Labs pilots and launches innovative solutions within OCTO, like Google Apps, Apps for Democracy, DC's Wikipedia, Procurement Contract Wiki Site, and many more.

Data Center Operations and Maintenance contains the following two programs:

- Data Center Operations & Maintenance provides reliable, secure, and efficient computing environments with sufficient resource capacity to satisfy the information processing requirements of the agencies served by OCTO's two data centers and sustains the premises, mainframe hardware, and mainframe software that support many of the applications used by MPD, DMV, DOES, OCFO, and UDC to provide critical DC Government services; and
- Data Center-Server Operations provides responsible for the enterprise back-ups, maintenance, and management for District-wide enterprise services, including PASS, PeopleSoft, and dc.gov and its associated sites, and supporting critical agencies, such as DDOT, DOH, DPW, FEMS, OPRS, and UCC.