

GOVERNMENT OF THE DISTRICT OF COLUMBIA



DEPARTMENT OF LICENSING AND CONSUMER PROTECTION

**Fiscal Year 2025
Budget Oversight Hearing**

**Testimony of
Tiffany Crowe
Director**

**Before the Committee on Public Works and Operations
Council of the District of Columbia
The Honorable Brianne Nadeau, Chairperson
1350 Pennsylvania Ave., N.W.
Room 123
Washington, D.C. 20004**

**Friday, April 26, 2024
12:00 p.m.**

Introduction

Good afternoon, Chairperson Nadeau, Councilmembers, and staff. I am Tiffany Crowe, Director of the Department of Licensing and Consumer Protection (DLCP). I am honored to testify before you today on behalf of Mayor Muriel Bowser to provide a high-level overview of her proposed Fiscal Year 2025 budget for DLCP. I will also highlight what we have accomplished thus far in FY 2024 by focusing on our strategic priorities, what we still hope to accomplish this fiscal year, and what is on the horizon in FY 2025.

I would like to start by thanking Mayor Bowser for her leadership throughout her historic three terms and trusting my experience and qualifications to lead DLCP as its first permanent director. Mayor Bowser, City Administrator Kevin Donahue, and Deputy Mayors Keith Anderson and Nina Albert have been very supportive of me in this role and of the agency. I also would like to thank you, Councilmember Nadeau, and your Council colleagues for being partners with DLCP as we serve District residents, businesses, and consumers.

And as always, I want to say thank you to the DLCP management team and staff. Your commitment to the agency's mission of protecting the economic interests of residents, businesses, and visitors of the District is greatly appreciated and does not go unnoticed. I would also like to thank the members of DLCP's nine boards and commissions for the work that they do in supporting the members of the professions they oversee. Finally, I would like to thank our customers, industry stakeholders, and the community for regularly providing the agency with feedback and suggestions to improve our processes, operations, and policies. Collectively, we all play a vital role in ensuring that we have a robust District economy.

Fiscal Year 2023 was one of discovery for DLCP, a brand-new agency. The FY 2024 budget reflected many lessons learned about what it would really take to run the new agency.

There is no doubt that the FY 2024 budget was an improvement upon the FY 2023 budget, but the FY 2025 financial forecast is daunting for us all. Where some see challenges, however, we see opportunities. Opportunities to be more collaborative, efficient, deliberate, and intentional in achieving the agency's mission.

DLCP supports Mayor Bowser's FY 2025 proposed budget, and is excited to work alongside the Mayor in achieving her goals of revitalizing and reimagining Downtown D.C. As the District agency charged with issuing business and professional occupational licenses, and maintaining consumer confidence in these businesses, DLCP plays a vital role in shaping the District's economy.

On April 3, 2024, Mayor Bowser presented her proposed FY 2025 Budget and Financial Plan to the Council of the District of Columbia as part of the District's annual budget process. Mayor Bowser's Fairshot: Strategic Investments and Shared Sacrifice budget builds upon her commitment to the District's small businesses and residents by investing in grants, job growth, public safety, and education. Despite reductions to the agency's budget from FY 2024 to FY 2025, my executive team and I have made strategic decisions concerning our operational and programmatic needs to ensure that services to our customers will remain at the high level they expect and deserve.

The agency's total FY 2025 proposed operating budget is \$38.7 million and 208 Full-time Equivalents (FTEs). The operating budget includes: \$13.4 million from local funds and \$25.3 million from Special Purpose Revenue (SPR). This represents an increase of 25.5% in local funding, which can be attributed to a one-time increase of \$2.5 million to support BEST Act implementation, and an increase of \$200,000 to support youth activities through the D.C.

Combat Sports Commission. The agency did, however, see a decrease of \$6.8 million, or 21.3%, of our SPR funding.

Since the District's recent revenue projections were revised downward and pandemic-related federal fund dollars have been discontinued, cuts needed to be made to account for the reduced funding. Specifically, four vacant positions were eliminated for the remainder of FY 2024 and six FTEs in FY 2025. The FTE positions included two Program Support Specialists for the Cashless Retailer Program, a Program Support Specialist for the Street Vendor Enforcement Program, and a Program Analyst for the Corporations Division. The agency also decreased funding for staff uniforms, board travel and training, and contractual services.

Notwithstanding these reductions, Mayor Bowser's proposed budget is sufficient to meet the agency's needs. We have heard the feedback from industry leaders about the trials they face when trying to open and sustain a business, and we are working with the Mayor and our sister agencies to do our part to reduce these burdens. We will remain steadfast in achieving our mission, creating economic opportunities for our employers - small and local businesses – eliminating barriers to obtaining a business or occupational license for marginalized groups, and ensuring compliance with the laws and regulations that protect consumers.

We've Focused our Efforts on Areas of Strategic Importance

When I joined DLCP as its Director, we established a draft strategic plan that set agency goals for the second year of the agency's existence. I first discussed these priorities at my confirmation hearing in November 2023, and in the past seven months, we've made progress on these four priorities using the budget allocated for FY 2024. Those priorities were to:

1. Focus on the needs of the DLCP workforce;
2. Reimagine our authority, tools, and partnerships;
3. Create stability and earn credibility with the public; and
4. Stimulate economic growth and innovation in the District.

Priority One: Focus on the Needs of the DLCP Workforce

In our first hearing, I joked that I was the CIO, the CAO, the PIO, and the COS. It took a few months, but we have been able to fill every executive position with some of the most talented folks in the city. Since October 2023, we have filled 33 positions, and reduced our vacancy rate by about seven percent. We are evaluating the best ways to stay lean while having enough flexibility to take on new responsibilities as they are added to our portfolio. We canceled a costly culture change contract, and instead, instituted frequent touchpoints with teams, and created more informal channels for staff to provide feedback to their managers, agency service providers, and me. We have also prioritized filling positions with qualified internal candidates looking for a change. Making sure the right people are in the right roles is a key tenant of our agency culture. This approach has boosted morale, increased motivation, and given employees a chance to see a future with DLCP.

By the end of FY24, we hope to have filled all open positions in our Compliance and Enforcement Division, as well as our Legal, Legislative, Communications, and IT teams. We are working to ensure that our performance management tools align with our modern, agile, results-focused approach to government operations by focusing on SMART goals more than any subjective measure of performance. In our Occupational and Professional Licensing Administration (OPLA), for instance, managers are evaluating the current functions, responsibilities, and skills of all team members to be sure we are reaching the needs of the

agency as we work to make board operations more transparent and accessible to the public in spite of reductions to our budget and SPR funds for these programs.

With the Mayor's proposed budget for FY 2025, we will be able to maintain our existing staffing levels, and will look for opportunities to cross-train existing employees, create flexible shift schedules, and work with the union to ensure fair and progressive compensation packages for staff.

Priority Two: Reimagine our Tools, Authority, and Partnerships

DLCP is a brand-new agency, but we were saddled with the existing, out-of-date regulations and policies of our predecessor the Department of Consumer and Regulatory Affairs (DCRA). A key priority for the team, even before my arrival, was the review and modernization of the Consumer Protection Procedures Act (CPPA). We have worked closely with the Office of the Attorney General (OAG) and Councilmember Pinto's office to update the Act to protect consumers while ensuring that businesses are not overburdened with unnecessary regulations. While DLCP has broad regulatory responsibility, our authority and enforcement tools were sorely lacking. We worked with our partners at the Office of the City Administrator, DMOI, DDOT, and DPW to expand our authority to allow DLCP to select vending site locations without additional red tape and to conduct towing activities without needing to use the authority vested in other agencies.

The Department has also worked closely with you, Councilmember Nadeau, to execute key elements of the Street Vendor Amendment Act of 2023. We have selected a Vending Zone Manager, worked with the Office of Tax and Revenue to clarify and communicate guidelines for amnesty, held community meetings, conducted daily walkthroughs – some with our sister

agencies DC Health, DPW, and DDOT – all in preparation for a strong compliance regime that supports a thriving vending community in Columbia Heights and across the city.

The Department has become a trusted partner to agencies across the District when there is compliance work to be done with area businesses. This can be seen in the work that predates me – such as flavored tobacco enforcement and gas-powered leaf blower compliance – and work that has been ramped up since October, related to illegal vending, unlicensed activity of a novel nature, elder abuse from contractors, and complaints against those holding or professing to hold occupational and professional licenses. We are supporting ABCA in their emerging cannabis enforcement work and have open lines of communication with DC Health about a variety of our shared interests.

We have doubled-down on our partnership with the Office of the Chief Technology Officer to build a center of excellence for government operations through streamlined processes and user-friendly technology designed to make customer experiences more seamless. One example of this is the Enterprise Business Portal. Since the Portal launched, it has seen nearly 20,000 unique visitors, with those numbers increasing each month as new functionality is added to make it easier to both understand and track licensing applications.

Our City Administrator has said that a good operation runs quietly in the background. Users shouldn't have to think very hard about how to use our tools, because we need the brain power of employers to be spent on running their businesses. With the budget allocated to the agency in FY 2024, we have been able to make progress on the Enterprise Business Portal, fix critical issues with our legacy portals for business, occupational, and professional licenses, and begin the procurement for our system for Corporate filing. We have done a fiscal impact analysis of the DLCP-specific items in the recommended CPPA amendments, and they are

generally budget neutral, so passage would allow us greater flexibility to do our important work and not impact our ability to continue to operate the agency.

We are hopeful that with the FY 2025 budget, we will be able to fully implement the replacements for our legacy systems that handle our basic business licenses and all occupational and professional licenses, as well as work with our sister agencies and the Council to implement a comprehensive citywide plan for vending that satisfies consumers, brick-and-mortar businesses, our federal partners, and the vending community at-large.

Priority Three: Create Stability and Earn Credibility with the Public

A key part of our job at DLCP right now is to let the public know who we are. When I first started at the agency, many of the people I encountered did not know the difference between our agency and the Department of Buildings. In FY23, as a brand-new agency, DLCP needed to build a strong public and social media presence, and build connections with the Council and Mayoral outreach teams. We revamped our Communications and Outreach functions in the fall and have focused on aligning with the Mayor's priorities for Downtown, District-wide economic development, and business-friendly processes and policies.

With this in mind, DLCP participated in 97 interactive events in the past six months - allowing the business community to get direct licensing help, ask questions, and provide feedback. This outreach has also given the agency the platform to share information about our resources, explain the changes made since the split, and introduce our team to the public. Events in collaboration with Greater Washington Black Chamber of Commerce, DC Chamber of Commerce, DSLBD, and DISB have allowed us to connect with the public, and including seasoned and budding entrepreneurs. To make sure that we provide relevant, accurate

information to businesses and consumers on a frequent basis, we have standardized our communications through our newsletters and other channels.

Our Outreach and Engagement team, also known as the Business Resource Center, has also been busy. Assigned by ward and areas of expertise, they are our eyes in the community, and actively work with the Main Streets, Business Improvement Districts, and local businesses directly when they have a question or concern for our agency (and others). We have worked to instill a one-government approach to our work, and it is common for DLCP to invite other agencies to our outreach events, and vice versa, so that employers have resources they need in one place. With our FY 2024 funds we have been able to create a recognizable brand and enhanced our agency culture, which is important during a period of transition, We have built an agency with camaraderie, identity, and pride. We have created educational materials and translated them for our diverse business community. We have participated in and provided educational materials at every major event for District business owners held in FY2024, and we will continue to do so for the remainder of the fiscal year.

In FY2025 we will provide many of our services digitally through an enhanced web presence and smaller, more personalized neighborhood-based pop-up sessions with businesses.

Priority Four: Stimulate Economic Growth and Innovation in the District

In addition to the Enterprise Business Portal project mentioned earlier, The DLCP technology team is working to improve the quality and availability of data regarding District businesses. We want to make the raw data available enhancing the District's commitment to open data and figure out ways for systemic improvements. For instance, in order to obtain most Basic Business Licenses, one must obtain a Certificate of Occupancy from DOB. We are doing

two things to address this – first, we are looking at which license types should not require a Certificate of Occupancy as a threshold matter. This includes web-based local businesses and “foreign” entities that do not operate a brick-and-mortar storefront in the District. Second, we created a simple application that allows users to select an approved use and then identify vacant properties already approved for that use. The tool is currently in testing, and we have shared it with a few of our internal and external partners to be sure it solves the problem we intended. This is just one example of the way we are thinking about our work – what are the problems, and what are efficient, effective, quick-turnaround ways to solve them.

A key component to stimulating economic growth is removing unnecessary legal barriers to obtaining business and professional licenses. Our meetings with stakeholders in these communities have helped DLCP develop our initial legislative agenda. While it is extensive, we are making progress.

In February 2024, the agency finalized the Practical Applications Real Estate Appraiser (PAREA) Notice of Final Rulemaking and is nearly finished with similar amendments on behalf of the Board of Architecture. Adjustments to these rules make it easier for persons seeking to obtain a professional license in the District of Columbia to fulfill these requirements. While these seem like small changes, they are monumental improvements for those seeking to obtain these licenses, particularly for persons from marginalized communities. DLCP will continue to work with our boards and commissions to address the barriers to entry into the professions within their purview, including seeking reciprocity for professional licensure. DLCP recognizes that for many business owners, obtaining a professional license is oftentimes the first step to owning a business. These legislative updates open the door to entrepreneurship for thousands and will stimulate the District’s economy in the process.

On the Horizon for DLCP (and a word about the BEST Act)

We are at the precipice of something great in the District of Columbia. The Mayor's economic plans for Downtown DC are electrifying, and DLCP stands ready to play our part in ensuring the economic vibrancy of our city. We are excited to work with Mayor Bowser, the Council, and our community partners to achieve this goal.

For DLCP, specifically, this means we are going to build on the promises we have made to consumers and the business industry. As you've heard, there is broad support for the Business and Entrepreneurship Support to Thrive Amendment Act of 2021 (the BEST Act). The Mayor's FY 2025 budget funds BEST Act implementation in FY25, and we intend to do just that. There are still questions about how to do this alongside the Enterprise Business Portal project with existing funding limitations, but we have been having these conversations at length with our partners at OCTO and the current portal development team to be sure the goals envisioned by the Act and the business community that supports it are clear.

We believe that the BEST Act is just the beginning. There is much more work to be done in support of consumers and entrepreneurs in the District. We are grateful for your support, and thank you for the time to testify today. I'm happy to answer any questions you may have.