

**MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY
FISCAL YEAR 2015 BUDGET TESTIMONY
MARCH 31, 2014**

EXECUTIVE SUMMARY

DEPARTMENT MISSION AND FUNCTION

Our city's poverty rate stands at 26.9%, and includes 39% of our children, 27% of our working age adults, and 17% of our seniors. This means that about 440,000 Philadelphians live below the federal poverty line, including 135,000 youth under the age of 18. If you are African-American, Hispanic, disabled, or living in a female-headed household, the likelihood of your living in poverty is almost twice as great – over 40%.

The Mayor recognized that the scale of poverty in Philadelphia requires collective action of an equal scale. There is no single cause of poverty, and no single strategy that can assist all of those living in poverty. A myriad of City agencies and nonprofits working in silos could hope only to have isolated impact on a particular issue or segment of the population affected by poverty. Truly effective solutions require coordinated, large-scale social change. That is why, in January 2013, he launched the Mayor's Office of Community Empowerment and Opportunity (CEO). CEO's mission is to:

Align the city's efforts to lift individuals and communities out of poverty and increase opportunities for low income individuals and families.

As Philadelphia's Community Action Agency, CEO is well-positioned to be a catalyst and serve as the supportive infrastructure to the city's cross-sector efforts to fight poverty.

In July 2013, CEO released Shared Prosperity Philadelphia, our plan to fight poverty. Persistent poverty is one of the biggest threats to our city's future prosperity. Shared Prosperity is the first step in creating and implementing a comprehensive strategy to address poverty in Philadelphia. It lays out goals in five key areas: Job Creation and Workforce Development; Access to Public Benefits and Vital Services; Early Childhood Learning; Housing; and Economic Security.

PROPOSED BUDGET HIGHLIGHTS/FUNDING REQUEST

The Mayor's Office of Community Empowerment and Opportunity requests a FY15 appropriation of \$16,810,561 from the Grants Revenue Fund. We are not requesting any funding from the General Fund.

Grantor Name	Program Name	Amount of Appropriation
PA Dept. of Comm. & Econ Dev. (DCED)	Community Services Block Grant	\$7,019,247
PA Dept. of Public Welfare (DPW)	Work Ready Program	\$9,432,543
Bloomberg Philanthropies/Living Cities	Cities for Financial Empowerment	\$243,750
PA Dept. of Public Welfare (DPW)	Human Services Development Fund	\$115,022
Total Grant Revenue		\$16,810,562

In FY14, estimated spending will be \$2,355,179 in class 100, \$11,472,264 in class 200, \$83,929 in class 300/400 for a total of \$13,911,372. For FY15, we request \$2,785,226 in class 100, \$13,924,299 in class 200, \$101,037 in

class 300/400, for a total of \$16,810,562. This level of appropriation is a 25% increase over the FY14 award from each funding source. This increase will support CEO's efforts to apply for new grant funded opportunities to implement Shared Prosperity Philadelphia and the West Philadelphia Promise Zone.

CEO is funded by four grant sources. Three of the grant sources are public: Community Services Block Grant through the Pennsylvania Department of Community and Economic Development (DCED); Work Ready through the Pennsylvania Department of Public Welfare (DPW); and Human Services Development Fund through DPW. CEO uses these resources to fund non-profit organizations and City partners to provide services designed to support Shared Prosperity Philadelphia and its five strategies to fight poverty.

Last year, CEO received its first grant from a private source - Bloomberg Philanthropies and Living Cities - to support its Financial Empowerment Centers. This January, we were thrilled to be designated as one of the first five Promise Zones by the White House. While this designation does not carry any grant funds with it, it provides a "leg up" on future federal funding opportunities.

**MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY (CEO)
BUDGET SUMMARY AND OTHER BUDGET DRIVERS**

Financial Summary by Class - Grant Fund

	Fiscal 2013 Actual Obligations	Fiscal 2014 Original Appropriations	Fiscal 2014 Estimated Obligations	Fiscal 2015 Proposed Appropriations	Difference FY14 - FY15
Class 100 - Employee Compensation	\$3,036,326	\$4,043,680	\$2,355,179	\$2,785,226	\$430,047
Class 200 - Purchase of Services	\$2,041,841	\$4,559,728	\$11,472,264	\$13,924,299	\$2,452,035
Class 300 - Materials and Supplies	\$53,357	\$53,125	\$39,850	\$45,938	\$6,088
Class 400 - Equipment	\$0	\$34,000	\$44,079	\$55,099	\$11,020
Class 500 - Contributions	\$0	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0
TOTAL	\$5,131,524	\$8,690,533	\$13,911,372	\$16,810,562	\$2,899,190

Staff Demographics Summary*

	Total	Minority	White	Female
Full-Time Staff	33	85%	15%	70%
Executive Staff	3	33%	67%	67%
Average Salary - Executive Staff	\$111,833	\$103,000	\$116,250	\$116,250
Median Salary - Executive Staff	\$116,000	\$103,000	\$116,000	\$116,000

Employment Levels*

	Budgeted	Approved	Filled
Full-Time Positions	37	37	33
Part-Time Positions	2	2	0
Executive Positions	3	3	3

Contracts Summary*

	FY09	FY10	FY11	FY12	FY13	FY14*
Total amount of contracts	\$	\$	\$	\$	\$	\$
Total amount to M/W/DBE	\$	\$	\$	\$	\$	\$
Participation Rate	%	%	%	%	%	%

*As of December 2013

NOTE: CEO did not enter into any contracts with for-profits that met the \$250,000 threshold

MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY PERFORMANCE, CHALLENGES AND INITIATIVES

DEPARTMENT PERFORMANCE (OPERATIONS)

During the last year, CEO shifted its operating model. In the past, CEO's predecessor, the Mayor's Office of Community Services, served as both a funder and a direct services provider. It had little planning capacity. As CEO, we have shifted away from providing direct services and are building our capacity to plan and evaluate, contract out high quality services, collect data, and evaluate the impact of our expenditures. We have established a policy and planning unit including five (5) staff, and have transitioned four (4) staff members into new roles to support the contracting and monitoring functions. We are implementing changes to contracting processes to improve contract management and fine-tuning provisions to increase service quality and efficiency. Deliverables, performance measures and outcomes are tailored to the purpose of each contract and the goals of the program it supports. CEO expects the same performance out of its grantees that the federal government expects from our agency. As part of this effort over the last year, CEO also began to implement a competitive process for all new grant opportunities to support the Shared Prosperity Philadelphia plan.

DEPARTMENT CHALLENGES

One challenge that we are addressing is the need to continuously work to break down silos in order to provide the most effective services to fight poverty. We are pleased to be working in collaboration with a host of City departments and non-profit organizations in place-based efforts in the West Philadelphia Promise Zone, the 22nd Police District, and in Eastern North Philadelphia, the site of a CHOICE Neighborhoods application. These place-based efforts provide the opportunity to learn how to work collaboratively and integrate services in areas of high need. As CEO now supports activities in six City agencies, all aligned to implement Shared Prosperity strategies, we have learned that continuous communication is key to insuring that we are working together as effectively as possible. These agencies include the Department of Parks and Recreation, the Department of Public Health, the Office of Supportive Housing, PhillyRising in the Managing Director's Office, the Mayor's Office of Reintegration Services, and Town Watch Integrated Services.

One remaining challenge, arising from the requirements of the Community Services Block Grant our primary funding source, is our inability to serve individuals whose incomes are above 125% of the poverty level. We are seeking new grant sources that will address this issue.

STAFFING LEVELS

CEO is committed to supporting the Administration's goal of 30% minority, women, and disabled-owned business (M/W/DSBE) participation in City contracting. In FY14, our participation goal was 35%. Through the 2nd quarter of FY14, CEO issued three (3) for-profit contracts. The average participation rate from FY09 through FY13 was 39.7%. CEO's FY15 Participation goal is 35%.

CEO has a staff of thirty-three (33), of whom six are bi-lingual, and four are Spanish-speaking. One bi-lingual staff member speaks Bengali; another speaks Arabic and French. 85% of the staff are minorities or foreign-born. Five of these staff members are employed at the West Oak Lane Senior Citizens Center. Over the last fiscal year, we have hired four new staff members, three of who are African American, and one of who is White.

The roster of CEO staff last year was 69. This significant change in staff count resulted from two events. The Pennsylvania Department of Public Welfare determined that the WorkReady program should be passed

through to a non-profit organization, rather than being directly staffed by CEO. This resulted in a lay-off of 24 staff members, although we were able to hire six of those back into other positions. Thirteen (13) staff members were transferred to other City agencies to carry out direct services and better align our efforts.

Male	Female	AA	White	Hispanic	Asian	Other Ethnicity	Foreign born	Bi-Lingual
10	23	23	5	4	1	0	3	6
30%	70%	70%	15%	12%	3%	0.00%	9%	18%

PAST INITIATIVES

In the past, CEO provided funding to key support programs, including:

- Job Training and Placement Services – Last year, CEO supported Work Ready and job training services for 1,472 individuals, which resulted in 177 people being placed in jobs.
- Free Tax Preparation – The Campaign for Working Families provides free tax preparation and financial education services to low income families. Last year, over 6,000 families received free tax preparation, resulting in more than \$10.6 million going to low income working families through state and federal refunds, and \$3.7 million through the Earned Income Tax Credit (EITC).
- Childhood Lead Poisoning Prevention – This program provides remediation of home lead hazards to ensure that children grow up in a safe and healthy home. In 2013, nearly 300 homes received lead remediation services and hundreds of additional families received education on lead hazards.
- Emergency Housing – Last year, over 2,700 homeless individuals received temporary emergency shelter and case management through the Office of Supportive Housing. An additional 113 families received emergency rental assistance.
- Senior Centers – CSBG funds the Parks and Recreation’s six (6) Older Adult centers that support independent living, recreation, nutrition, and social development of Philadelphia’s older residents. In 2013, over 4,000 seniors were provided with recreational and support services that promote healthy lifestyles and independent living.
- Literacy Supports –719 clients were enrolled in adult basic literacy programs to give them the skills they need to succeed in the workplace.

CURRENT INITIATIVES

Key Accomplishments

Launch of Shared Prosperity Philadelphia: In the past year, CEO released Shared Prosperity Philadelphia, our plan to fight poverty. Persistent poverty costs us tax revenue while increasing our already high demand for city services. Worst of all, it deprives thousands of our citizens from accessing their true potential. Shared Prosperity is the first step in creating and implementing a comprehensive strategy to address poverty in Philadelphia. It laid out goals in five key areas:

- Job Creation and Workforce Development – Focus job creation and workforce development efforts on adults with the greatest barriers to employment;
- Public Benefits – Expand access to public benefits (such as food stamps and health insurance) and essential services;
- Early Childhood Learning – Ensure that children enter school prepared to learn and expand opportunities for year-round learning;
- Housing – Increase housing security and affordability, focusing on homelessness prevention;
- Economic Security – Strengthen economic security and asset building.

As we work to implement Shared Prosperity, we know that success will mean nothing less than changed lives.

Reducing Consumer Debt: Over the last year, with our non-profit partner Clarifi, CEO opened six Financial Empowerment Centers (FECs) throughout the city. These centers offer free, one-on-one financial counseling targeted towards low-income residents. Since launching in March 2013, the FECs met with over 2,000 clients, and helped to reduce consumer debt by \$1.6 million. By the end of 2015, we expect to serve 9,000 clients, and help to reduce debt by \$6 million.

Selected as a Promise Zone: CEO recently led a successful effort to become one of only three cities selected to receive a Promise Zone designation. The Obama Administration created the Promise Zone initiative to address the challenges of areas of deep and persistent poverty. Today, the neighborhood you grow up in impacts your odds of graduating high school, whether you are likely to face chronic disease, and your lifelong economic opportunities. The goal of this effort is to ensure that everyone has equal access to opportunity, and that the place you are born does not determine your destiny.

The target area of the Promise Zone locally is roughly two square miles in West Philadelphia – bounded by the Schuylkill River to the east, Girard Avenue to the north, 48th Street to the west, and Sansom Street to the south. It includes 35,315 residents with an overall poverty rate of 50.78%, nearly double the city's rate of 26.9%.

Through this designation, Philadelphia will receive preference for future federal funding opportunities. This makes the city more competitive for grants that could transform this area, such as the \$30 million Promise Neighborhood grant to improve education. This will also bring more employers and businesses to West Philadelphia, thanks to tax incentives (pending approval from Congress), including credits for hiring new workers. Since the designation in January, we have been privileged to work collaboratively with Councilwoman Blackwell, a dozen City agencies, and over twenty non-profit and private sector groups to further the planning for revitalization of this community.

Metrics

Shared Prosperity Philadelphia has twenty-eight (28) key metrics across five goal areas to measure the efforts to combat poverty across the city. The list of metrics is attached in the “Other Relevant Data and Charts” section.

NEW INITIATIVES

Key Strategies and Goals through 2016

Launch six benefits access centers and increase awareness of public benefits – Establish neighborhood-based centers where low-income residents can receive assistance in being enrolled in public benefits, such as food stamps or Medicaid. CEO's Community Engagement Unit, operating out of two sites in North Philadelphia, one at 6th and Lehigh, and the second on North 22nd Street at Somerset, saw 1,759 households in the last calendar year. They provided vital assistance in helping customers complete applications for LIHEAP, property tax rebates, and other programs. Going forward, CEO is expanding its reach by supporting a broad network of Benefits Access Centers. This network will operate under the leadership of the Benefits Data Trust, an experienced City partner which has helped 28,000 senior households apply for SNAP, and use the technological expertise of Solutions for Progress, which has developed and maintains a web-based benefits screening tool “The Benefit Bank.” Beginning in May, six community-based organizations will operate as Benefits Access Centers, adding benefits access assistance to their existing range of services. The goal is to screen almost 5,500 households for benefits, with 2,400 successful applications. We intend to add additional

Benefits Access Centers after approximately six months. In addition, CEO has secured funding for a mobile Benefits Access Unit. We are purchasing and outfitting a van that will be able to travel around the city, bringing a mobile office to sites where people are already gathered. A team of CEO employees will staff this mobile unit, and will provide support to other sites. In conjunction with this effort, we will launch a citywide campaign to highlight the importance of utilizing these public benefits.

Increase financial empowerment – Serve 4,500 clients at Financial Empowerment Centers and reduce consumer debt by \$6 million. As of May, the FECs will expand to eight permanent sites operating at the Municipal Services Building, Congreso de Latinos Unidos, Community Legal Services North Central Office, People’s Emergency Center, Germantown Life Enrichment Center, ACHIEVEability, Catholic Social Services Northeast Family Service Center and United Communities as well as six incubator sites at the Enterprise Center, EntrepreneurWorks, Health Center Three, North City Congress, United Communities, and Women’s Opportunity Resource Center.

Develop a place-based approach to addressing systemic issues of poverty in Philadelphia’s Promise Zone – Attract new resources to West Philadelphia and create better alignment among partners to create solutions in six key areas: education, economic opportunity, public safety, housing, health and wellness, and community engagement. CEO is coordinating with other public and private agencies in two other place-based initiatives in North Philadelphia.

Identify a pilot site for providing meals and social services and increase overall access to emergency meals and vital services – Increase the number of emergency meals and key social services available in a safe and dignified setting by opening a new meal site with connections to social services. The Philadelphia Food Access Collaborative, which is convened and staffed by CEO, brings together meal providers, meal guests, neighborhood organizations, hunger advocates, government, philanthropy and other key stakeholders to find solutions to not just serve the line, but shorten the line. Five organizations were recently selected to serve 100 more meal guests each week. In the next year, we will provide grants to ten organizations total throughout Philadelphia to open new meal times.

Develop a citywide early learning plan – Develop a citywide plan to aid children in moving successfully from pre-kindergarten into elementary school, and ensure that every parent and child can access high quality childcare. We are seeking private funding for this planning process, and hope to begin its implementation this summer. We have reshaped the Mayor’s Early Learning Advisory Council (MELAC) so that it can serve as an advisory body to this work.

Develop strategies to increase training opportunities for people with barriers to employment – Identify existing training opportunities and sources of funding, and develop strategies to enable individuals with barriers to employment (such as limited English proficiency or a criminal background) to participate. We have committed funds to support two such programs as of March 2014. One of these will train low-income people for employment in medical settings and the other will train individuals for specific opportunities in anchor institutions in West Philadelphia.

OTHER BUDGETARY IMPACTS

FEDERAL AND STATE (WHERE APPLICABLE)

- Not applicable to CEO

APPENDIX (MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY)

CONTRACTING EXPERIENCE

M/W/DBE Participation on Large Contracts

FY14 Contracts

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBIEs	Living Wage Compliant?
Pearl Pressman Liberty Communications	Printing of the Shared Prosperity Executive Summary.	\$4,475	Internal Agency Selection Process	7/1/13	MBE:	0%	0	0%	N/A
					WBE:	0%	0	0%	0%
					DSBE:	0%	0	0%	\$0
Right Management, Inc.	Outplacement services for staff.	\$5,800	Internal Agency Selection Process	9/15/13	MBE:	0%	0	0%	N/A
					WBE:	0%	0	0%	0%
					DSBE:	0%	0	0%	\$0
Sage Communications Partners	Communications strategy for the City's anti-poverty plan, Shared Prosperity.	\$50,000	4/29/13	7/1/13	MBE:	0%	0	0%	Y
					WBE:	100%	\$50,000	100%	100%
					DSBE:	0%	0	0%	\$50,000
The Pearl Group at CRW Graphics	Printing of the Shared Prosperity Executive Summary.	\$3,525	Internal Agency Selection Process	1/8/14	MBE:	0%	0	0%	N/A
					WBE:	0%	0	0%	0%
					DSBE:	0%	0	0%	\$0
					MBE:	0%	0	0%	
					WBE:	0%	0	0%	
					DSBE:	0%	0	0%	

DEPARTMENT EMPLOYEE DATA

Staff Demographics

Full-Time Staff

Executive Staff

	Male	Female	Male	Female
Total	10	23	1	2
% of Total	30%	70%	33%	67%
	African-American	African-American	African-American	African-American
Total	6	17	1	0
% of Total	18%	52%	33%	0%
	White	White	White	White
Total	1	4	0	2
% of Total	3%	12%	0%	67%
	Hispanic	Hispanic	Hispanic	Hispanic
Total	2	2	0	0
% of Total	6%	6%	0%	0%
	Asian	Asian	Asian	Asian
Total	1	0	0	0
% of Total	3%	0%	0%	0%
	Other	Other	Other	Other
Total	0	0	0	0
% of Total	0%	0%	0%	0%
	Bi-lingual	Bi-lingual	Bi-lingual	Bi-lingual
Total	4	2	0	0
% of Total	12%	6%	0%	0%

**MAYOR’S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY
(Other Relevant Data and Charts)**

I. Shared Prosperity Philadelphia: Key Metrics

<i>Metrics - Jobs and Training</i>
Increase the number of jobs in Philadelphia by 25,000 by the end of 2015.
Narrow the gap between the national and local unemployment rate.
Beginning next year, annually create 100 new subsidized employment opportunities with support and job training.
Grow the number of seats available to low-income people in high-quality, post-secondary educational and literacy training.
Hire 50 unemployed people through the First Source program every year.
<i>Metrics - Access to Benefits and Vital Services</i>
Requests for Proposals issued and four “outreach centers” in different areas of the city up and running.
Increase the percentage of low-income households receiving assistance.
Increase the number of emergency congregant meals available on daily basis by 2,000.
Increase the number of organizations offering information and referral to identification services.
<i>Metrics - Early Childhood Learning</i>
Double the number of Keystone STAR 3 and 4 programs, and serve twice the number of children in these programs.
Provide 25 percent more children with pre-literacy skills before kindergarten.
Increase the number of pregnant women and parents of young children receiving early childhood resources.
Expand the capacity of quality afterschool opportunities.
<i>Metrics - Housing</i>
Increase the number of people who receive assistance to prevent loss of home.
Increase the number of people who secure safe and affordable permanent housing.
Increase the number of people receiving housing counseling who also receive other needed services.
<i>Metrics - Financial Empowerment</i>
Increase the number of Philadelphians who opened or transitioned to a safe bank account.
Increase the number of Philadelphians who keep bank accounts open 6 months later.
Increase the number of Philadelphians who improved their credit score by at least 35 points.
Increase the number of Philadelphians who established credit.
Increased savings by at least 2% of income.
Increase the number of Philadelphians who established and maintained a regular saving habit.
Increase the number of Philadelphians who reduced debt by at least 10%.
Increase the number of financial institutions offering low- or no-cost banking.
Starting in Year 2, connecting 50 low-income individuals to individual development accounts.

II. MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY (CEO) OVERSIGHT BOARD MEMBERSHIP

Marcus Allen
Chief Executive Officer
Big Brothers Big Sisters Southeastern PA

Thurston Hyman
Housing Counselor
Philadelphia Unemployment Project

Leslie Benoliel
Executive Director
Entrepreneur Works

Wayne Jacobs
Chief Executive Officer
Ex-Offenders for Community Empowerment

Catherine Carr
Executive Director
Community Legal Services

Kelvin Jeremiah
Executive Director
Philadelphia Housing Authority

John Chin
Executive Director
Philadelphia Chinatown Development Corporation

Lucy Kerman
Vice Provost of University and Community Partnerships
Drexel University

Michael DiBerardinis
Deputy Mayor for Environmental and Community Resources
City of Philadelphia

Staci Moore
Board Co-Chair
Women's Community Revitalization Project (WCRP)

Mark Edwards
Chief Executive Officer
Philadelphia Works Inc.

Thoai Nguyen
Chief Executive Officer
Southeast Asian Mutual Assistance Associations Coalition (SEAMAAC)

Arthur Evans
Commissioner, Behavioral Health/Intellectual disAbility Services
City of Philadelphia

Maria D. Quinones-Sanchez
Philadelphia City Council, 7th District
City of Philadelphia

Maria Gonzalez
President
HACE

Donald Schwarz
Deputy Mayor for Health and Opportunity
City of Philadelphia

Patricia Hasson
Executive Director and President
Clarifi