

Office of the Chief Administrative Officer
FISCAL YEAR 2017 BUDGET TESTIMONY
April 20, 2016

INTRODUCTION

Good morning, President Clarke and Members of City Council. I am Rebecca Rhyhart, Chief Administrative Officer. I am pleased to provide testimony on the Office of the Chief Administrative Officer Fiscal Year 2017 operating budget.

DEPARTMENT MISSION/PLANS

Mission:

The Office of the Chief Administrative Officer (“CAO”) is a newly created office responsible for improving the way the City allocates resources, acquires goods and services, and the way it hires, develops and compensates employees. The CAO has an emphasis on improving efficiency and effectiveness across the government and ensuring accountability in the performance of government departments through implementation of citywide performance management.

Plans for Fiscal Year 2017:

The CAO’s office will supervise and coordinate the operations of the Department of Public Property, Department of Records, Procurement Department, Office of Fleet Management, Office of Innovation and Technology, Office of Administrative Review, Contracting Unit and the Bureau of Administrative Adjudication as well as coordinate the operations of the Office of Human Resources. The CAO’s office is overseeing several initiatives that will modernize processes and will bring about a more efficient government.

In FY17, some of the initiatives are:

- Review, streamline, and refine current performance measures and integrate them into a central reporting system.
- Conduct an annual citizen survey to improve the alignment of City service delivery with customer and community needs.

Re-design, test, and roll-out new, internal performance management process – *PerformancePhilly* (to replace PhillyStat) - focused on collaborative problem-solving and sharing best practices. *PerformancePhilly* will be significantly different from *PhillyStat* in that it will be an internal, solution-focused, and collaborative process designed to strengthen the performance and effectiveness of City services. It will not be just about showing and discussing data, it will not be televised, and the session itself will not be the end result of the data collection and discussion. *PerformancePhilly* will be focused on utilizing relevant data to *track* progress toward departmental or program goals, *solve* complex issues, and *share* best practices in performance measurement and management. There will be a new and needed focus on providing timely support to departments and programs in taking the necessary steps toward improving performance. (A separate set of strategies and tools will be employed to publicly share performance data [such as a website in the near future]).

- Procurement reform and modernization through a new electronic e-Procurement system
- Evaluate issue of slow speed of capital projects and implement change
- Records Department to begin move towards electronic document retention for city departments
- OIT to increase open data, support innovation and focus on core systems
- Establish employee recruitment function in Human Resources & Talent to assist all departments
- Establish training function within Human Resources & Talent which will develop a city wide training strategy that incorporates classroom, eLearning and blended platforms

**Office of the Chief Administrative Officer
BUDGET SUMMARY AND OTHER BUDGET DRIVERS**

CAO has shown employee data in two ways.

This first set of staff data only includes CAO central, Performance Management and Human Resources and Talent.

Staff Demographics Summary (as of April 2016)

	Total	Minority	White	Female
Full-Time Staff	10	3	7	9
Executive Staff	5	2	3	5
Average Salary - Full-Time Staff	\$102,850	\$117,667	\$96,500	\$107,611
Average Salary - Executive Staff	\$143,000	\$139,000	\$145,667	\$143,000
Median Salary - Full-Time Staff	\$93,500	\$130,000	\$75,000	\$112,000
Median Salary - Executive Staff	\$148,000	\$139,000	\$150,000	\$148,000

Employment Levels (as of April 2016)

	Budgeted	Approved	Filled
Full-Time Positions	12	12	10
Part-Time Positions	0	0	0
Executive Positions	5	5	5
Overall Average Salary	\$100,665	\$100,665	\$102,850
Overall Median Salary	\$88,641	\$88,641	\$93,500

The second set of staff data includes all functions budgeted within CAO for the proposed FY2017 budget including those show above as well as Contracting Unit, Office of Administrative Review and the Bureau of Administrative Adjudication. If all the above units were part of CAO (as of April 2016) the data would display as follows for our office.

Staff Demographics Summary (as of April 2016)

	Total	Minority	White	Female
Full-Time Staff	45	28	17	32
Executive Staff	9	3	6	7
Average Salary - Full-Time Staff	\$60,803	\$49,236	\$75,419	\$62,271
Average Salary - Executive Staff	\$129,195	\$127,120	\$130,233	\$131,640
Median Salary - Full-Time Staff	\$45,088	\$41,640	\$59,174	\$45,088
Median Salary - Executive Staff	\$130,000	\$130,000	\$131,057	\$130,000

Employment Levels (as of April 2016)

	Budgeted	Approved	Filled
Full-Time Positions	49	49	45
Part-Time Positions	4	4	3
Executive Positions	9	9	9
Overall Average Salary	\$60,671	\$60,671	\$60,803
Overall Median Salary	\$45,088	\$45,088	\$45,088

Financial Summary by Class - General Fund

	Fiscal 2015 Actual Obligations	Fiscal 2016 Original Appropriations	Fiscal 2016 Estimated Obligations	Fiscal 2017 Proposed Appropriations	Difference FY17-FY16
Class 100 - Employee Compensation	\$	\$	\$0	\$3,092,731	\$3,092,731
Class 200 - Purchase of Services	\$	\$	\$0	\$1,521,049	\$1,521,049
Class 300 - Materials and Supplies	\$	\$	\$0	\$14,665	\$14,665
Class 400 - Equipment	\$	\$	\$0	\$1,000	\$1,000
Class 500 - Contributions	\$	\$	\$0	\$0	\$0
Class 700 - Debt Service	\$	\$	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$	\$	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$	\$	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$4,629,445	\$4,629,445

Since this is a new department; we currently do not have any FY2016 contracts.

However, if we included all functions as proposed in the FY2017 budget, the largest contract, which is approx. \$1.3 million of the \$1.5 million budgeted in class 200, has a goal of 20%-25% M/W/DBE participation. This contract achieves 20% of MBE participation.

CAO will work with the Office of Economic Opportunity for setting M/W/DBE participation goals in upcoming contracts within our office.

**Office of the Chief Administrative Officer
PROPOSED BUDGET OVERVIEW**

PROPOSED FUNDING REQUEST

The proposed Fiscal Year 2017 general fund budget totals \$4,629,445 and is budgeted for in three divisions: (1) Administration which includes Performance Management, the Contracting Unit and the BAA; (2) the Office of Administrative Review; and (3) Human Resources and Talent. The FY17 budget is a 100% increase over FY16 estimated obligations since this office will have its first budget in FY17. Funding has been transferred from Finance in the amount of \$3.2 million and from MDO in the amount of \$1.0 million. Total new general fund dollars proposed in the FY2017 budget is \$432,000.

The proposed budget includes:

- \$3,092,731 in Class 100. This funding will support salaries for all CAO staff. To create the Office of the CAO under the new organization structure, \$1.0 million of Class 100 funds were transferred from the Managing Director’s Office budget to the CAO’s budget, and \$1.85 million of Class 100 funds were transferred from Finance related to the movement of the Contracting, Office of Administrative Review (OAR) and the Bureau of Administrative Adjudication (BAA) to the CAO’s budget. The net new general funding in the proposed Class 100 budget is \$244,000.
- \$1,521,049 in Class 200. This funding will support the everyday functions of the CAO through various contracts for professional services such as stenographer, hearing masters, citizen survey consultants, maintenance and repair services, HR learning system and seminars. \$1.34 million of Class 200 funds were transferred from Finance related to contracts currently held by OAR. The net new funding request is \$180,000.
- \$14,665 in Class 300. This funding will be used to purchase materials and supplies for the CAO. \$7,665 was transferred from Finance related to costs currently incurred by the OAR. The net new cost is \$7,000.
- \$1,000 in Class 400. This funding will be used for office equipment needed for the CAO.

STAFFING LEVELS

Staffing Levels for the Proposed FY2017 Budget (as of April 2016)

	Positions	Class 100 Amounts
Budgeted	49	3,042,313
Approved	49	3,042,313
Filled*	45	2,805,598

FY16 Full Time New Hires
As of April 2016

Total	Minority	White	Female
5	40%	60%	80%

Office of the Chief Administrative Officer
PERFORMANCE, CHALLENGES AND INITIATIVES

DEPARTMENT PERFORMANCE (OPERATIONS)

Performance Measures (Office of Administrative Review)	FY15 Actual	FY16 YTD	FY17 Target
Number of requests made for an online “hearing” for CVNs and False Alarm Violations (<i>without an in-person hearing</i>)	2,000	1,000	Approx. 2,000 – 2,500
Number of Code Violation Notices processed by OAR	111,000	53,887	N/A*
Number of False Alarm Violation notices processed by OAR	65,000	33,000	N/A*

Performance Measures (Contracts Legislation Unit)	FY15 Actual	FY16 YTD	FY17 Target
Average number of vendors responding to professional services contract opportunities	5	5	8
Number of days to fully execute a contract from RFP origination (for contracts drafted by Departments)	108	99	90
Number of days to fully execute a contract from RFP origination (for contracts drafted by Law Dept.)	128	135	90
Percent (%) of contracts fully executed by contract start date	4.5%	2.5%	50%

Goals (Performance Management)	FY17 Target	FY21 Target	Goals
Review and refine performance measures for City departments	Indicators for 50 departments/agencies/offices are reviewed and refined/updated.	50 departments/agencies/offices regularly report measures aligned with programs and Mayor’s goals.	Review and refine performance measures for City departments
Conduct an annual citizen survey to improve the alignment of City service delivery with customer and community needs	First survey, October – December 2016	Ongoing annual survey and reporting mechanisms in place	Conduct an annual citizen survey to improve the alignment of City service delivery with customer and community needs
Re-design and roll-out new, internal performance management and problem-solving process (to replace PhillyStat)	5 departments	50 departments/agencies/offices	Re-design and roll-out new, internal performance management and problem-solving process (to replace PhillyStat)
Design and roll-out web-based performance dashboard for Philadelphia city government	5 major city-wide indicators	15-20 major city-wide indicators	Design and roll-out web-based performance dashboard for Philadelphia city government

*Code Violation Notices and Number of False Alarm Violations processed by OAR do not lend themselves to targets. Numbers processed depend on the violations issued by the issuing departments and the ones that residents decide to appeal. The numbers reported are utilized to illustrate volume from year to year. OAR will be working closely with the office of Performance Management in FY17 to identify and utilize additional performance measures more oriented toward outcomes, such as processing times and responsiveness to customers.

Office of the Chief Administrative Officer
OTHER BUDGETARY IMPACTS
Office of the Chief Administrative Officer

FEDERAL AND STATE (WHERE APPLICABLE)

- NOT APPLICABLE

Office of the Chief Administrative Officer- CONTRACTING EXPERIENCE

Since this is a new department; we currently do not have any FY2016 contracts.

However, if we included all functions as proposed in the FY2017 budget, the largest contract, which is approx. \$1.3 million of the \$1.5 million budgeted in class 200 has a goal of 20%-25% M/W/DBE participation; in which, the contract achieves 20% of MBE participation.

CAO will work with the Office of Economic Opportunity for setting M/W/DBE participation goals in upcoming contracts within our office.

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % and \$ Value Participation - All DSBEs	Local Business	Living Wage Compliant ?
XEROX State & Local Solutions	Administer & collect code violation & alarm fees.	\$1,412,500	12/15/12	1/1/14	MBE: 20-25%	20%	\$282,500		Yes	Yes
					WBE: 20-25%	0%	\$0	20%		
					DSBE: Best efforts	0%	\$0	\$282,500		

Staff Demographics (as of April 2016)

This first set of staff data only includes CAO central, Performance Management and Human Resources and Talent.

<i>Full-Time Staff</i>				<i>Executive Staff</i>			
		<i>Male</i>	<i>Female</i>			<i>Male</i>	<i>Female</i>
		<i>African-American</i>	<i>African-American</i>			<i>African-American</i>	<i>African-American</i>
<i>Total</i>		0	2	<i>Total</i>		0	1
<i>% of Total</i>		0.0%	20.0%	<i>% of Total</i>		0.0%	20.0%
<i>Average Salary</i>		N/A	\$111,500.00	<i>Average Salary</i>		N/A	\$148,000.0
<i>Median Salary</i>		N/A	\$111,500.00	<i>Median Salary</i>		N/A	\$148,000.0
		<i>White</i>	<i>White</i>			<i>White</i>	<i>White</i>
<i>Total</i>		1	6	<i>Total</i>		0	3
<i>% of Total</i>		10.0%	60.0%	<i>% of Total</i>		0.0%	60.0%
<i>Average Salary</i>		\$60,000.0	\$102,583.3	<i>Average Salary</i>		N/A	\$145,666.7
<i>Median Salary</i>		\$60,000.0	\$93,500.0	<i>Median Salary</i>		N/A	\$150,000.0
		<i>Hispanic</i>	<i>Hispanic</i>			<i>Hispanic</i>	<i>Hispanic</i>
<i>Total</i>		0	1	<i>Total</i>		0	1
<i>% of Total</i>		0.0%	10.0%	<i>% of Total</i>		0.0%	20.0%
<i>Average Salary</i>		N/A	\$ 130,000.0	<i>Average Salary</i>		N/A	\$130,000.0
<i>Median Salary</i>		N/A	\$ 130,000.0	<i>Median Salary</i>		N/A	\$130,000.0
		<i>Asian</i>	<i>Asian</i>			<i>Asian</i>	<i>Asian</i>
<i>Total</i>		0	0	<i>Total</i>		0	0
<i>% of Total</i>		0.0%	0.0%	<i>% of Total</i>		0.0%	0.0%
<i>Average Salary</i>		N/A	N/A	<i>Average Salary</i>		N/A	N/A
<i>Median Salary</i>		N/A	N/A	<i>Median Salary</i>		N/A	N/A
		<i>Other</i>	<i>Other</i>			<i>Other</i>	<i>Other</i>
<i>Total</i>		0	0	<i>Total</i>		0	0
<i>% of Total</i>		0.0%	0.0%	<i>% of Total</i>		0.0%	0.0%
<i>Average Salary</i>		N/A	N/A	<i>Average Salary</i>		N/A	N/A
<i>Median Salary</i>		N/A	N/A	<i>Median Salary</i>		N/A	N/A
		<i>Bi-lingual</i>	<i>Bi-lingual</i>			<i>Bi-lingual</i>	<i>Bi-lingual</i>
<i>Total</i>		0	1	<i>Total</i>		0	1
<i>% of Total</i>		0%	10.0%	<i>% of Total</i>		0%	20.0%
<i>Average Salary</i>		N/A	\$130,000.0	<i>Average Salary</i>		N/A	\$130,000.0
<i>Median Salary</i>		N/A	\$130,000.0	<i>Median Salary</i>		N/A	\$130,000.0
		<i>Male</i>	<i>Female</i>			<i>Male</i>	<i>Female</i>
<i>Total</i>		1	9	<i>Total</i>		0	5
<i>% of Total</i>		10.0%	90.0%	<i>% of Total</i>		0.0%	100.0%
<i>Average Salary</i>		\$60,000.0	\$107,611.1	<i>Average Salary</i>		N/A	\$143,000.0
<i>Median Salary</i>		\$60,000.0	\$112,000.0	<i>Median Salary</i>		N/A	\$148,000.0

Staff Demographics (as of April 2016)

The second set of staff data includes all functions budgeted within CAO for the proposed FY2017 budget including those show above as well as Contracting Unit, Office of Administrative Review and the Bureau of Administrative Adjudication. If all the above units were part of CAO (as of April 2016) the data would display as follows for our office.

Full-Time Staff				Executive Staff			
		Male	Female			Male	Female
		African-American				African-American	
<i>Total</i>		5	17	<i>Total</i>		1	1
<i>% of Total</i>		11.1%	37.8%	<i>% of Total</i>		11.1%	11.1%
<i>Average Salary</i>		\$51,966	\$47,114	<i>Average Salary</i>		\$103,360	\$148,000
<i>Median Salary</i>		\$45,088	\$38,192	<i>Median Salary</i>		\$103,360	\$148,000
		White				White	
<i>Total</i>		6	11	<i>Total</i>		1	5
<i>% of Total</i>		13.3%	24.4%	<i>% of Total</i>		11.1%	55.6%
<i>Average Salary</i>		\$69,815	\$85,333	<i>Average Salary</i>		\$137,914	\$128,696
<i>Median Salary</i>		\$59,174	\$75,000	<i>Median Salary</i>		\$137,914	\$124,200
		Hispanic				Hispanic	
<i>Total</i>		2	4	<i>Total</i>		0	1
<i>% of Total</i>		4.4%	8.9%	<i>% of Total</i>		0.0%	11.1%
<i>Average Salary</i>		\$32,381	\$63,266	<i>Average Salary</i>		N/A	\$130,000
<i>Median Salary</i>		\$32,381	\$45,088	<i>Median Salary</i>		N/A	\$130,000
		Asian				Asian	
<i>Total</i>		0	0	<i>Total</i>		0	0
<i>% of Total</i>		0.0%	0.0%	<i>% of Total</i>		0.0%	0.0%
<i>Average Salary</i>		N/A	N/A	<i>Average Salary</i>		N/A	N/A
<i>Median Salary</i>		N/A	N/A	<i>Median Salary</i>		N/A	N/A
		Other				Other	
<i>Total</i>		0	0	<i>Total</i>		0	0
<i>% of Total</i>		0.0%	0.0%	<i>% of Total</i>		0.0%	0.0%
<i>Average Salary</i>		N/A	N/A	<i>Average Salary</i>		N/A	N/A
<i>Median Salary</i>		N/A	N/A	<i>Median Salary</i>		N/A	N/A
		Bi-lingual				Bi-lingual	
<i>Total</i>		2	4	<i>Total</i>		0	1
<i>% of Total</i>		4.4%	8.9%	<i>% of Total</i>		0.0%	11.1%
<i>Average Salary</i>		\$32,381	\$63,266	<i>Average Salary</i>		N/A	\$130,000.0
<i>Median Salary</i>		\$32,381	\$45,088	<i>Median Salary</i>		N/A	\$130,000.0
		Male	Female			Male	Female
<i>Total</i>		13	32	<i>Total</i>		2	7
<i>% of Total</i>		28.9%	71.1%	<i>% of Total</i>		22.2%	77.8%
<i>Average Salary</i>		\$57,190.8	\$62,270.7	<i>Average Salary</i>		\$120,637	\$131,640
<i>Median Salary</i>		\$45,088.0	\$45,088.0	<i>Median Salary</i>		\$120,637	\$130,000

Office of the Chief Administrative Officer
 APPENDIX (Other Relevant Data and Charts)

This first set of bilingual employee data only includes CAO central, Performance Management and Human Resources and Talent.

Number of Bilingual Employees (as of April 2016)

	Spanish	French	Portuguese
Performance Management	1	1	1
Total - All Divisions	1	1	1
Total - # of Bilingual Employees		1	
Total - # of Languages Spoken		3	

This second set of bilingual employee data includes all functions budgeted within CAO for the proposed FY2017 budget including those show above as well as Contracting Unit, Office of Administrative Review and the Bureau of Administrative Adjudication. If all the above units were part of CAO (as of April 2016) the data would display as follows for our office.

Number of Bilingual Employees (as of April 2016)

	Spanish	French	Portuguese
Performance Management	1	1	1
OAR	3	0	0
BAA	2	0	0
Total - All Divisions	6	1	1
Total - # of Bilingual Employees		6	
Total - # of Languages Spoken		3	