

**MAYOR'S OFFICE
FISCAL YEAR 2018 BUDGET TESTIMONY
APRIL 4, 2017**

INTRODUCTION

Good Morning, President Clarke and Members of City Council. I am Jane Slusser, Chief of Staff to Mayor James Kenney. Joining me today are other members of the Mayor's Office. I am pleased to provide testimony on the Mayor's Office's Fiscal Year 2018 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Mayor's Office sets the goals and priorities for the Administration, oversees all departments and agencies that fall under the executive branch, and provides leadership and coordination to achieve the Administration's goals and priorities. The Office includes the Mayor's personal staff as well as multiple offices focused on key priorities of the Administration.

Plans for Fiscal Year 2018:

Office of the Chief of Staff / Executive Office

The Office of the Chief of Staff and the Executive Office will continue to provide leadership to all departments reporting to the Mayor to maintain focus on the Mayor's priorities of 1) Improving educational opportunities and outcomes for all of Philadelphia's children; 2) Improving economic opportunities for all Philadelphians; 3) Developing a diverse workforce that looks like Philadelphia and treating that workforce with respect; 4) Improving public safety for all Philadelphians while treating residents with respect and dignity; and 5) Operating government efficiently, effectively and always with integrity.

Office of Communications & Digital

The Office of Communications is responsible for facilitating press access to the administration as well as ensuring Philadelphians have the information they need from their city government. The Office's goals for FY18 include ensuring media reports accurately reflect city services and information; residents continue to receive information from the city in a timely and full manner; increasing outreach to ethnic, neighborhood and niche publications; and continuing access from mainstream press to the Administration. This year, the Office of Communications seeks to increase national television coverage of the City of Philadelphia.

As social media continues to become an increasingly important medium, the Office's focus on enhancing and improving the city's digital communications will continue. In FY18, the city will improve our coordinated policy for website, citywide and external email, and social media which will allow for rapid response, monitoring, and systematic dissemination of information for citizens via social media.

Office of Diversity and Inclusion

This office works to advance the Mayor's commitment to ensuring that the services provided and dollars expended by local government are a strong and vibrant model of fairness among the diverse groups that make up the neighborhoods of Philadelphia. In FY18, the Office will seek to promote diversity and inclusion across city government. It will analyze the city's workforce and produce an annual report outlining the diversity of the city workforce, develop strategies to close disparities among different races, between genders, and wherever barriers for employee success might exist. The Office will produce regular reports for department heads and Cabinet members, and meet quarterly with all city department/office heads

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and evaluate their participation in the Mayor's program to increase opportunities for racial and ethnic minorities. With the support of a Training Coordinator, the Office will build on our training program this year adding additional inclusion trainings to departmental leadership.

In addition to the overall work of the Office of Diversity and Inclusion, the department will use two of its divisions, the Office of LGBT Affairs and the Mayor's Commission on People with Disabilities, to reach a better understanding of how the city government can better reflect and serve those communities. The Office will develop a program that expands the city's services to people with disabilities that is consistent with the Americans with Disabilities Act. Additionally, the Office will host monthly meetings with the Mayor's Commission on People with Disabilities and Commission of LGBT Affairs and assure that meetings have strategically based outcomes.

Under Executive Order 03-12, as amended, the Deputy Commerce Director for the Office of Economic Opportunity reports to the Commerce Director and the Chief Diversity & Inclusion Officer. This collaborative oversight, which occurs regularly, has better enabled OEO to strategically refine its goals and consider alternative means of addressing them.

Finally, the Office of Diversity & Inclusion is playing a lead role in drafting a racial equity plan. Philadelphia is the recipient of a racial equity grant designed to assist government to determine which of its programs and policies, subconscious or conscious, have resulted in a racially inequitable impact upon communities of color. Following verification, by using a racial equity tool, governmental leaders together with an invested community have the challenge of adjusting or altering existing programs so that more equitable results occur. To date, we have trained well over 200 people and have undertaken three initiatives on how to build a more equitable government. The long-term goal is to shine a racial equity lens on most government programs. The Office is excited that we have the opportunity to lead this effort and look forward to working with all departments of government in the coming year.

Office of the Chief Integrity Officer

The Office of the Chief Integrity Officer – which has jurisdiction over departments, offices and agencies within the Executive Branch – upholds the public's trust by ensuring that the city operates with fairness and integrity, uncompromised by conflicts of interest, political affiliation, favoritism, or other unfair considerations. Its responsibilities include protecting the integrity of city operations, preventing potential wrongdoing by identifying and monitoring compliance risk, giving advice and support to city employees, providing oversight and support to city departments, educating and coordinating training with City agencies, and ensuring transparency.

In FY18, the Chief Integrity Officer will be focused on ensuring that all taxpayer dollars are spent smartly. The Chief Integrity Officer plans to work with other partners in the administration to ensure accountability for three of the Kenney administration's signature initiatives funded by the Philadelphia Beverage Tax: Rebuild, pre-K and Community Schools. The Office will continue to provide regular guidance and advice to city employees in the Executive Branch, vendors and the public on various ethics-related matters. The Office will focus on the following goals for FY18: increasing participation of city Employees in its annual Integrity Week programming (November 2017) and ensuring 100% participation by all senior administration employees in required annual ethics trainings and in timely filings of financial disclosure statements.

Office of Policy, Legislation and Intergovernmental Affairs

The Office of Policy, Legislation and Intergovernmental Affairs' mission is to maintain the Mayor's overall priorities, ensure the policy and legislative priorities of the Mayor are organized, well-researched, and implemented either through legislative or administrative action, and the City maintains positive relationships with local, state and federal partners. The Office will work with the Mayor to set legislative and policy priorities, and work towards their implementation. Additionally, the Office will partner with City Council to better coordinate the legislative process and help assure that important issues are given the support necessary to pass effective legislation and implement best practices.

In FY18, the Office will oversee Mayor Kenney's major priorities and ensure that departments are on track for reaching the Mayor's six month and yearly goals. Over the next five years, this office will continue to find ways to support the Mayor's initiatives with City Council. The Office will work to ensure that the City maintains positive relationships with state and federal partners through bi-monthly calls with the Governor's Office and other policy and legislative offices in both the Commonwealth and Federal governments.

Office of Public Engagement

The Office of Public Engagement (OPE) serves as an effective conduit between the community and city government by connecting residents to resources across government so all communities can thrive. The OPE is an integral part of making the two-way street with city government and the community a tangible part of the road to prosperity for all Philadelphians, regardless of their zip code. The OPE oversees several of the Mayor's offices and commissions, including the Youth Commission, Office of Black Male Engagement (which includes President Obama's My Brother's Keeper Initiative and oversees the Mayor's Commission on African American Males), the Millennial Advisory Board, and the Philadelphia Commission for Women. In FY18, the Office will assure that each board and commission has a monthly meeting and posts public meeting minutes, and will produce annual reports from all boards and commissions under the Office of Public Engagement. This year, we will restructure the Youth Commission as the Office of Youth Engagement to reflect its expanded role of continuing to oversee the Youth Commission, to have oversight of the new Millennial Advisory Committee, and to build a more robust Fun Safe Philly Summer program. The Office of Black Male Engagement will work to solidify the leadership structure (Milestones 1-6) of My Brother's Keeper Philly and create a data dashboard to provide the public with a snapshot of how men and boys of color in the city of Philadelphia fare in challenge areas identified by our MBK Philly milestones. The Women's Commission will annually produce the State of Women and Girls in Philadelphia Report.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2016)				
	Total	Minority	White	Female
Number of Full-Time Staff	41	24	17	23
Number of Civil Service-Exempt Staff	41	24	17	23
Number of Executive Staff (deputy level and above)	19	9	10	10
Average Salary, Full-Time Staff	\$82,959	\$68,909	\$102,794	\$84,543
Average Salary, Civil Service-Exempt Staff	\$82,959	\$68,909	\$102,794	\$84,543
Average Salary, Executive Staff	\$114,863	\$96,811	\$131,111	\$115,900
Median Salary, Full-Time Staff	\$80,000	\$64,150	\$95,000	\$82,800
Median Salary, Civil Service-Exempt Staff	\$80,000	\$64,150	\$95,000	\$82,800
Median Salary, Executive Staff	\$100,000	\$90,000	\$131,925	\$100,000

Employment Levels (as of December 2016)		
	Budgeted	Filled
Number of Full-Time Positions	44	41
Number of Part-Time Positions	0	0
Number of Civil-Service Exempt Positions	44	41
Number of Executive Positions	19	19
Average Salary of All Full-Time Positions	\$79,496	\$82,959
Median Salary of All Full-Time Positions	\$75,000	\$80,000

General Fund Financial Summary by Class						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	\$3,941,124	\$3,960,415	\$3,742,849	\$3,790,958	\$3,735,550	(\$55,408)
Class 200 - Purchase of Services	\$1,040,336	\$950,822	\$464,046	\$503,680	\$703,046	\$199,366
Class 300 - Materials and Supplies	\$47,774	\$33,284	\$51,854	\$51,854	\$53,154	\$1,300
Class 400 - Equipment	\$2,391	\$0	\$2,391	\$2,391	\$2,391	\$0
Class 500 - Contributions	\$382,076	\$382,076	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0	\$0
	\$5,413,701	\$5,326,597	\$4,261,140	\$4,348,883	\$4,494,141	\$145,258

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Professional Services Contracts Summary						
	FY12	FY13	FY14	FY15	FY16	FY17 YTD (Q1 & Q2)
Total amount of contracts	\$426,290	\$386,000	\$728,983	\$534,652	\$756,064	\$95,859
Total amount to M/W/DSBE	\$100,000	\$100,000	\$291,560	\$240,415	\$278,000	\$12,000
Participation Rate	23%	26%	40%	45%	37%	13%

Several contracts were transferred to other departments in FY17, reducing the overall contract amount as well as our participation rate for the year. While the participation rate for the first half of FY17 is low, the Mayor’s Office remains committed to seeking qualified M/W/DSBE vendors for future contracting opportunities. As it stands right now, the only contracts in the Mayor’s Office are for state and federal lobbying services, and the OEO directory includes very few M/W/DSBE firms that offer these services. Because the Mayor’s Office is committed to meeting the participation goals set by the City, we have been working with OEO to find firms who meet the qualifications and ensuring they become registered with the Office of Economic Opportunity.

M/W/DSBE Contract Participation Goal			
	FY16	FY17	FY18
M/W/DSBE Contract Participation Goal	40%	25%	25%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2018 General Fund budget totals \$4,494,141, an increase of \$145,258 over Fiscal Year 2017 estimated obligation levels. This increase is primarily due to the commission of an ADA Study as well as additional funding for Federal Lobbying services.

The proposed budget includes:

- \$3,735,550 in Class 100, a \$55,408 decrease over FY17. This funding will indicate the transfer of some positions over to the Mayor's Office of Labor and Mayor's Office of Education. This funding will also allow us to hire additional staff in the Office of Diversity & Inclusion, including a Training Coordinator and a Disability Constituent Services Coordinator, as well as an additional Coordinator in the Office of Public Engagement.
- \$703,046 in Class 200, a \$199,366 increase over FY17. This funding reflects money for an ADA Accessibility Study, Language Access and Interpreter Services, and additional funding for state & federal lobbyists.
- \$53,154 in Class 300, a \$1,300 increase over FY17. This funding printing, office supplies and materials and reflects a transfer of some funds from MDO to accompany movement of all Commission on Disabilities funds to Mayor's Office.
- \$2,391 in Class 400, which is the same amount as funded in FY17. This funding will cover the cost of our office equipment.

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STAFFING LEVELS

The department is requesting 45 budgeted positions for FY18, with 2 positions moving to the Mayor's Office of Labor, and 3 new positions proposed, for a net increase of one position.

The increase is attributed to the hiring of a Disability Constituent Services Coordinator, Diversity & Inclusion Training Coordinator, and Public Engagement Coordinator.

NEW HIRES

New Hires				
	Total Number	English	French	Wolof
Black or African American	5	5	1	1
Asian	0	0	0	0
Hispanic or Latino	0	0	0	0
White	2	2	0	0
Other	0	0	0	0
Total	7	7	1	1

PERFORMANCE, CHALLENGES, AND INITIATIVES

FY18 Performance Measures: Mayor, Chief of Staff, Executive Offices				
Measure	FY16 Actual	FY17 YTD	FY17 Estimate	FY18 Target
Percent of performance reviews completed *	N/A		100%	100%
Number of senior leadership meetings	11	7	12	12
Average response time to scheduling requests (days) **	N/A			14

* This is a new measure. Performance reviews will take place in the second half of FY17.

** This is a new measure for FY18. The department will begin tracking data on July 1, 2017.

FY18 Performance Measures: Communication and Digital				
Measure	FY16 Actual	FY17 YTD	FY17 Estimate	FY18 Target
Percent of social media managers in compliance with reporting metrics *	N/A	40%	60%	80%
Percent of inquires responded to within two-week timeframe**	N/A			80%
Average response time to constituent inquiries (days) **	N/A			14

*New measure for FY17. No data from FY16. Compliance is defined as reporting metrics on a monthly basis to the digital director.

** New measure for FY18. No data from FY17.

FY18 Performance Measures: Public Engagement				
Measure	FY16 Actual	FY17 YTD	FY17 Estimate	FY18 Target
Percent of annual reports published *	N/A	20%	100%	100%
Percent of entities that met meeting goals **	100%	100%	100%	100%
Percent of meeting minutes posted within target timeframe ***	100%	33%	100%	100%

* No annual reports were published in FY16.

** Currently, there are approximately 7-8 boards and commissions that each have monthly or bi-monthly public meeting requirements.

*** The target timeframe is one week.

FY18 Performance Measures: Policy, Legislation, and Intergovernmental Affairs				
Measure	FY16 Actual	FY17 YTD	FY17 Estimate	FY18 Target
Number of departments in compliance with submitting testimony *	N/A			75%
Number of external partnerships **	N/A	7	8	16

*New measure for FY18.

**New measure for FY17.

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FY18 Performance Measures: Diversity and Inclusion				
Measure	FY16 Actual	FY17 YTD	FY17 Estimate	FY18 Target
Number of RFPs issued for the development of a strategic plan to increase accessibility to city services *	N/A			1
Number of monthly meetings convened by the Mayor's Commission on People with Disabilities	2	4	9	12
Regular meetings convened by the Commission of LGBT Affairs **	N/A			TBD
Percent of departmental leaders trained ***	N/A			50%
Percent of departments who submitted quarterly workforce reports to the Office of Diversity and Inclusion ****	N/A			100%
Number of annual reports released *****	N/A	1	1	1

* Measure will be tracked starting in FY18. The goal is to issue one RFP in FY18.

** "Regular" will be defined by the newly appointed Director of LGBT Affairs, who will start employment on 3/6/17. Measure will be tracked starting in FY18.

*** The goal is to have 50% of departmental leaders trained by FY18, and 100% trained by FY19. Measure will be tracked starting in FY18.

**** Measure will be tracked starting in FY18.

***** The goal is to issue one report each year.

FY18 Performance Measures: Chief Integrity Officer				
Measure	FY16 Actual	FY17 YTD	FY17 Estimate	FY18 Target
Response time to gift-related questions (days)	2	3	2	1
Number of employees who participate in Integrity Week*	108	190	190	210
Number of employees who complete financial disclosures on time **	78%	N/A	90%	90%
Number of employees participating in ethics survey ***	0	809	809	N/A

* Integrity Week takes place during the month of November.

** FY17 YTD data not yet available; financial disclosures are due in May.

*** The Ethics Survey takes place during the month of November and is conducted biannually, so it will not take place in FY18.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

While state and federal funding changes will not directly impact the Mayor's Office, we are closely monitoring potential threats and will work with our lobbyists and other partners to advocate for the needs of the City of Philadelphia.

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CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY17											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation - All DSBES	Total % Participation - All DSBES	Total \$ Value Participation - All DSBES	Local Business (principal place of business located within City limits)	Waiver for Living Wage Compliance?
Holland & Knight	Federal Lobbying	\$100,000	6/6/2013	7/1/2016	MBE: Best Efforts	0%	\$0	0%	\$0	No	No
					WBE: Best Efforts	0%	\$0				
					DSBE: Best Efforts	0%	\$0				
Buchanan Ingersoll	State Lobbying	\$100,000	8/2/2016	2/1/2017	MBE: 20%	0%	\$0	25%	\$25,000	Yes	No
					WBE: 20%	25%	\$25,000				
					DSBE: 0%	0%	\$0				

EMPLOYEE DATA

Staff Demographics (as of December 2016)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	8	8	<i>Total</i>	4	2
<i>% of Total</i>	20%	20%	<i>% of Total</i>	21%	11%
<i>Average Salary</i>	\$66,603	\$71,350	<i>Average Salary</i>	\$98,750	\$82,500
<i>Median Salary</i>	\$57,500	\$77,500	<i>Median Salary</i>	\$85,000	\$82,500
	White	White		White	White
<i>Total</i>	9	8	<i>Total</i>	4	6
<i>% of Total</i>	22%	20%	<i>% of Total</i>	21%	32%
<i>Average Salary</i>	\$96,189	\$110,225	<i>Average Salary</i>	\$141,776	\$124,000
<i>Median Salary</i>	\$85,000	\$99,500	<i>Median Salary</i>	\$131,925	\$125,000
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	1	2	<i>Total</i>	1	0
<i>% of Total</i>	2%	5%	<i>% of Total</i>	5%	0%
<i>Average Salary</i>	\$58,300	\$50,000	<i>Average Salary</i>	\$58,300	\$0
<i>Median Salary</i>	\$58,300	\$50,000	<i>Median Salary</i>	\$58,300	\$0
	Asian	Asian		Asian	Asian
<i>Total</i>	0	4	<i>Total</i>	0	2
<i>% of Total</i>	0%	10%	<i>% of Total</i>	0%	11%
<i>Average Salary</i>	\$0	\$86,250	<i>Average Salary</i>	\$0	\$126,500
<i>Median Salary</i>	\$0	\$77,500	<i>Median Salary</i>	\$0	\$126,500
	Other	Other		Other	Other
<i>Total</i>	0	1	<i>Total</i>	0	0
<i>% of Total</i>	0%	2%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$0	\$46,900	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$0	\$46,900	<i>Median Salary</i>	\$0	\$0
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	4	3	<i>Total</i>	3	1
<i>% of Total</i>	10%	7%	<i>% of Total</i>	16%	5%
<i>Average Salary</i>	\$68,325	\$81,667	<i>Average Salary</i>	\$79,433	\$150,000
<i>Median Salary</i>	\$71,650	\$55,000	<i>Median Salary</i>	\$85,000	\$150,000
	Male	Female		Male	Female
<i>Total</i>	18	23	<i>Total</i>	9	10
<i>% of Total</i>	44%	56%	<i>% of Total</i>	47%	53%
<i>Average Salary</i>	\$80,935	\$84,543	<i>Average Salary</i>	\$113,728	\$116,200
<i>Median Salary</i>	\$75,000	\$82,800	<i>Median Salary</i>	\$95,000	\$101,500

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NUMBER OF BILINGUAL EMPLOYEES

Number of Bilingual Employees						
	Spanish	Bengali	French	Gujarati	Mandarin	Wolof
Mayor's Office	3	1	1	1	1	1
Total - All Divisions	3	1	1	1	1	1
Total - # of Bilingual Employees		7				
Total - # of Languages Spoken		8				