

**MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY
FISCAL YEAR 2018 BUDGET TESTIMONY
MAY 2, 2017**

INTRODUCTION

Good Afternoon, President Clarke and Members of City Council. I am Mitchell Little, Executive Director of the Mayor's Office of Community Empowerment and Opportunity. I am pleased to provide testimony on CEO's Fiscal Year 2018 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Mayor's Office of Community Empowerment and Opportunity (CEO) provides leadership that strengthens and coordinates the City's anti-poverty efforts on behalf of its most vulnerable citizens and communities. CEO is organized around the five goals of Shared Prosperity Philadelphia, the City's plan to fight poverty:

- Focus workforce development and job creation efforts on disconnected youth and adults with barriers to employment.
- Expand access to public benefits and essential services.
- Ensure children enter school prepared to learn.
- Increase housing security and affordability.
- Strengthen economic security and asset-building.

Plans for Fiscal Year 2018: CEO's mission is to align the City's efforts to fight poverty. Our office consists of two main functions: First, as Philadelphia's Community Action Agency, CEO allocates Community Services Block Grant (CSBG) and Temporary Aid for Needy Families (TANF) dollars to fund services to over 41,000 residents annually, through efforts including the Financial Empowerment Centers, BenePhilly Centers, the West Philadelphia Promise Zone, Meals and More, and job training through WorkReady. We also fund services through our sister agencies in the Health and Human Services Cabinet to increase housing security and healthy housing, and to other City agencies that expand services to seniors and promote community engagement. Through CEO's efforts, Philadelphia residents develop critical job skills and find work; utilize all the public benefits for which they are eligible; connect to nutritious meals and other services in safe and dignified settings; reduce hazards in their homes; reduce debt and increase savings and credit, and much more.

Second, and equally important, CEO also leads the implementation of *Shared Prosperity Philadelphia*, the City's plan to fight poverty. *Shared Prosperity* includes strategies that alleviate poverty's most immediate effects, provide pathways out of poverty, and prevent the inter-generational transfer of poverty. The plan is centered on five key areas: Job Creation and Job Training; Access to Benefits and Essential Services; Early Learning; Housing Security; and Economic Security. Through each of these strategies, CEO coordinates and aligns the work of more than 100 service providers, City agencies, academics, and philanthropies to promote an approach that is trauma-informed, evidence-driven, and community-based.

Both functions — our role as both a funder and as a convener — are critical to the City's efforts to fight poverty. Through supporting strategic direct interventions in the communities of greatest need and by coordinating the anti-poverty community around shared goals, efforts, and metrics, we are working to expand equity, inclusion, and opportunity to every corner of Philadelphia.

Before I discuss our office's plans for the year ahead, I would be remiss not to mention briefly the Trump Administration's proposed budget blueprint. President Trump's proposal attempts to undermine our efforts by eliminating CSBG, LIHEAP, CNCS, HOME Partnership Program, Choice Neighborhoods, and other critical antipoverty and social safety net programs. As the City's antipoverty agency, we are funded almost entirely by CSBG dollars — another reason we are taking the proposed budget blueprint so very seriously.

With all that said, our work continues. Here's what we have accomplished in the past year, and where we are headed in the one to come:

- **Benefits Access:** CEO administers the BenePhilly program, which helps families and individuals complete and submit applications for more than 20 public benefits, such as Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), and the Low Income Heating Assistance Program (LIHEAP). Program participants can access the program through three channels: the BenePhilly hotline for over-the-phone assistance; the eight BenePhilly centers across the City; and the BenePhilly Mobile Unit, which provides pop-up, targeted benefits enrollment assistance in underserved areas. Last month, the Mobile Unit's summer tour began, and staff will be partnering with community-based non-profits and the Mayor's Office of Education's Community Schools initiative in the months ahead. In calendar year 2016, BenePhilly screened 14,713 Philadelphia residents for benefits and completed 5,287 enrollments, yielding over \$9.3 million in benefits for program participants. In FY18, CEO will explore additional partnerships with partner agencies, including the Philadelphia Department of Prisons, Community Health Centers, and other organizations in order to improve efficiency and expand benefits access to underserved populations across the city. CEO also supports the Campaign for Working Families, which provides free tax preparation and filing services for income-eligible families and facilitates enrollment in the Earned Income Tax Credit (EITC). In the 2015 tax year, CWF completed filings for 3,200 CSBG eligible households, or 4,243 individuals, receiving \$5.8M in federal and \$270K in state tax returns. Of those 3,200 families, 1,711 families were eligible for EITC and received \$3.3M in returns.
- **Workforce Development:** CEO pilots and funds job training and support programs that target the hardest-to-place job seekers, such as those lacking a high school diploma, people with criminal records, and English language learners. These programs support CEO's anti-poverty mission by directing resources toward people who face the greatest barriers in the job market and are most likely to experience long-term unemployment and deep poverty. BenePhilly assists with SSI and SSDI enrollment, and some of our co-located BenePhilly Centers and Financial Empowerment Centers provide expungement services as well. *Shared Prosperity Philadelphia* included a performance target of creating at least 100 new subsidized employment opportunities with support and job training each calendar year. Contributing programs have included Center for Employment Opportunities (CEO) and Power Corps PHL, which provided 149 job seekers — many of whom are justice-involved — with assistance in FY16. Over the next five years, CEO will continue to expand these efforts by partnering to introduce new bridge programs that connect job seekers to high quality job training programs, educational and occupational supports for employment in growing industries, and other wrap-around services. CEO represents the Managing Director's Office on the Workforce Steering Committee. As a part of those efforts, CEO contributes support and leadership to plans to transition 200 seasonal city jobs to permanent jobs and is working to ensure pathways into city government are transparent and attainable to those most vulnerable.

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- **Early Learning:** High-quality early learning is a proven strategy to help families out of poverty. It prepares children to succeed in school and later in life while supporting parents' workforce participation and engagement in their children's growth and development. As part of *Shared Prosperity Philadelphia*, CEO launched *A Running Start Philadelphia: for every child, birth to five*, a comprehensive plan to increase the number of children who start school ready to succeed as a result of their early learning experiences. The plan aligns public, private and non-profit agencies around four major goals and 16 strategies. Goals include:
 - increasing families' access to high-quality early learning opportunities;
 - expanding the supply of such opportunities, especially in the city's lowest-income neighborhoods;
 - strengthening the early childhood workforce through professional development and improved compensation; and
 - aligning the systems that serve children from birth to five and K-12 to maximize gains made in early childhood.

In 2016, CEO established the groundwork for the City's historic investment in pre-K by creating and helping to staff a citywide Commission on Universal Pre-K. A grant to the Child Care Facilities Fund helped 42 small child care providers, including some that are home-based, maintain or improve their Keystone STARS quality ratings. CEO developed a public information campaign that was used to launch the City's pre-K program and trained more than 200 parents, caregivers and community activists in how to find great child care. This effort will continue as CEO works with local, state and federal funders and early childhood stakeholders to streamline families' access to publicly-funded care and maximize the use of all existing resources through a one-stop enrollment system. The one-stop system will be the first of its kind in the country, and will greatly simplify access to child care and early learning programs for the City's low-income families. All of these efforts are designed to ensure Philadelphia is maximizing the use of all federal, state and local resources for early childhood, and in building a continuum of support for the City's most vulnerable children and families from birth to pre-K and elementary school.

- **Housing Security:** CEO is committed to supporting the housing needs of the city's most vulnerable households. This includes very low-income homeowners, who find it difficult to maintain an ever-aging housing stock that often requires repairs in excess of market value, and extremely low-income renter households, who face extraordinary challenges in accessing safe, decent housing that is both affordable and available. In calendar year 2016, CEO funded OHS's Homeless Prevention and Assistance Program, which helped 717 renter households—that's 1,921 individuals—avoid eviction. CEO also provided funding to the Department of Public Health's Lead Poisoning Prevention Program and Healthy Homes, Healthy Kids Program for lead remediation in 272 housing units, housing 565 children. These programs support the mission of CEO by addressing some of the sub-standard housing conditions that extremely low-income families often experience, thereby improving housing quality and supporting housing stability. CEO has established a working group of key partners that plans to use data to better identify individuals and families at-risk for eviction, and pilot new approaches to prevention.
- **Economic Security:** Financial insecurity is both a cause and an effect of poverty. Philadelphians need a spectrum of income supports, money management services, and asset-building opportunities to secure their financial futures. CEO is working with partner agencies to ensure that residents have access to

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quality financial education and services at every stage of life. Now in its fourth year, the Financial Empowerment Center (FEC) program provides free, one-on-one financial counseling to approximately 3,500 clients annually — helping clients achieve their financial goals, such as increasing their savings and credit, and decreasing their debt. In the year ahead, in addition to our Financial Empowerment Center and EITC VITA (Volunteer Income Tax Assistance) programs, we are piloting a credit-building loan program in partnership with FINANTA and the Paschalville Branch of the Free Library of Philadelphia, as well as a Family Savings Account program in partnership with FINANTA and the Pennsylvania Department of Community and Economic Development.

- Essential Services: CEO also supports the Philadelphia Food Access Collaborative, which builds effective, partnership-based solutions to address the challenges of reducing food insecurity in Philadelphia and to better serve the needs of vulnerable individuals who seek congregant meals. Last year, the Meals and More program supported 10 meal sites to help guests connect to the resources they need to help stabilize their lives. Meals and More Participants received 28,803 meals; 20,274 non-meal services, such as benefits screening and legal counseling; and 1,778 referrals to resources, such as drug treatment programs and employment services. Our Food Access team also administers the ID Philly program, which provides free photo identification to 1,032 low-income Philadelphians—a resource that is in incredibly high demand given how essential photo identification is when starting a job, finding a home, and getting medical treatment. Through cross-collaboration within the Health and Human Services Cabinet and a partnership with the Office of Homeless Services, the ID Philly program has doubled in size this year, and we are working closely with community providers to get this essential government document into the hands of those who need it most.
- The West Philadelphia Promise Zone initiative, housed in CEO, has convened and aligned cross-sector stakeholders to connect residents to high quality education, well-paying jobs, affordable housing, health services, and safe, economically healthy places to live. Since its inception in 2013, Promise Zone partners have leveraged the initiative's preference points to garner approximately \$35 million for local efforts. Additionally, this past year the US Department of Education awarded the Promise Neighborhoods designation and grant to the Promise Zone, providing \$30 million over five years to serve students at seven West Philadelphia Schools. CEO has also launched a college and career readiness program, called Promise Corps. This program serves roughly 1,000 students at four West Philadelphia high schools.

CEO's budget consists primarily of grant funding in the amount of \$16,081,101 and General Fund dollars in the amount of \$2,525,318. In FY17, CEO appropriated General Funds for the Reducing Hunger Initiative, which was transferred from the Office of Homeless Services. CEO acts as a backbone organization in partnership with hundreds of organizations in the "Promise Zone." As a result of this designation, we have been able to provide mini-grants in the amount of \$20,000 to civics and community organizations do our work effectively does not come without its challenges, and a lack of diverse funding streams is our biggest obstacle. Our funding comes primarily from the Community Services Block Grant (CSBG), which as I mentioned, President Trump's budget blueprint proposes eliminating. With these already-vulnerable CSBG funds, we are limited to serving individuals who are 125% or below the poverty line, or \$30,750 for a family of four (4).

In partnership with all of you, we are confident that our work will continue to strengthen and expand opportunity for our city's residents. Thank you, and I would be happy to answer any questions at this time.

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BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2016)				
	Total	Minority	White	Female
Number of Full-Time Staff	36	28	8	23
Number of Civil-Service Exempt Staff	36	28	8	23
Number of Executive Staff (deputy level and above)	3	2	1	1
Average Salary, Full-Time Staff	\$56,409	\$54,116	\$64,438	\$53,291
Average Salary, Civil-Service Exempt Staff	\$56,409	\$54,116	\$64,438	\$53,291
Average Salary, Executive Staff	\$110,000	\$117,500	\$95,000	\$105,000
Median Salary, Full-Time Staff	\$50,198	\$46,239	\$61,500	\$48,645
Median Salary, Civil-Service Exempt Staff	\$50,198	\$46,239	\$61,500	\$48,645
Median Salary, Executive Staff	\$105,000	\$117,500	\$95,000	\$105,000

Employment Levels (as of December 2016)		
	Budgeted	Filled
Number of Full-Time Positions	43	36
Number of Part-Time Positions	1	1
Number of Civil-Service Exempt Positions	43	36
Number of Executive Positions	3	3
Average Salary of All Full-Time Positions	\$56,002	\$56,409
Median Salary of All Full-Time Positions	\$48,645	\$50,198

Note: Staff Demographics Summary and Employment Levels table are All Funds.

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	\$0	\$90,000	\$90,000	\$90,000	\$295,000	\$205,000
Class 200 - Purchase of Services	\$605,000	\$835,000	\$2,435,318	\$2,435,318	\$1,445,000	(\$990,318)
Class 300 - Materials and Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Class 400 - Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Class 500 - Contributions	\$0	\$13,500	\$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
	\$605,000	\$938,500	\$2,525,318	\$2,525,318	\$1,740,000	(\$785,318)

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Grants Revenue 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	\$2,800,644	\$1,983,556	\$3,102,912	\$2,405,135	\$3,126,677	\$721,542
Class 200 - Purchase of Services	\$13,075,621	\$9,943,324	\$12,979,913	\$11,104,783	\$16,486,379	\$5,381,596
Class 300 - Materials and Supplies	\$13,125	\$26,862	\$17,522	\$10,969	\$14,260	\$3,291
Class 400 - Equipment	\$35,000	\$55,189	\$40,943	\$38,618	\$50,203	\$11,585
Class 500 - Contributions	\$0	\$0	\$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
	\$15,924,390	\$12,008,932	\$16,141,290	\$13,559,505	\$19,677,519	\$6,118,014

Professional Services Contracts Summary						
	FY12	FY13	FY14	FY15	FY16	FY17 YTD (Q1 & Q2)
Total amount of contracts	\$201,505	\$60,000	\$72,045	\$130,643	\$140,319	\$92,881
Total amount to M/W/DSBE	\$112,000	\$10,000	\$50,000	\$71,072	\$64,000	\$52,298
Participation Rate	56%	17%	69%	54%	46%	56%

M/W/DSBE Contract Participation Goal			
	FY16	FY17	FY18
M/W/DSBE Contract Participation Goal	50%	50%	51%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2018 General Fund budget totals \$1.74 million, a decrease of \$785,318 over Fiscal Year 2017 estimated obligation levels.

The proposed budget includes:

- \$295,000 in Class 100, a \$205,000 increase over FY17. This funding will be used to hire an Assistant Director of Workforce Strategies and a PowerCorpsPHL Project Manager.
- \$1.445 million in Class 200, a \$990,318 decrease over FY17.

STAFFING LEVELS

The department is requesting three General Funded positions for FY18, an increase of two positions (\$205,000 in additional funding) over FY17.

The increase is attributed to two new staff positions — an Assistant Director of Workforce Strategies and a PowerCorpsPHL Project Manager.

The department is requesting 43 Grant Funded positions for FY18, a decrease of one position from FY17. The decrease resulted from a grant-funded position ending at the end of the grant.

NEW HIRES

New Hires (from December 2016 to present)	
	Total Number of New Hires
African America/Black	2
White	2
CEO	4

PERFORMANCE, CHALLENGES, AND INITIATIVES

FY18 Performance Measures				
Measure	FY16 Actual	FY17 YTD	FY17 Estimate	FY18 Target
Total subsidized employment opportunities created [<i>Job Creation & Workforce Development</i>]	149	79	200	200
Total applications submitted * [<i>Benefit Access</i>]	12,016	4,708	9,000	9,000
Total confirmed enrollments * [<i>Benefit Access</i>]	5,701	1,365	4,400	4,400
Meals provided across all meal sites (per week) ** [<i>Emergency Meals</i>]	589	400	400	400
Number of people with credit score raised by at least 35 points [<i>Economic Security</i>]	N/A	59	120	120
Connected to asset-building vehicles *** [<i>Economic Security</i>]	N/A	32	50	50
Received free tax preparation and filing services [<i>Economic Security</i>]	3,200	3,200	3,200	3,200
Obtained Earned Income Tax Credit [<i>Economic Security</i>]	1,711	1,967	1,970	1,500
OHS EARU households assisted [<i>Housing Security</i>]	594	392	600	400
PDPH CLPP and Healthy Homes Healthy Kids – households assisted [<i>Housing Security</i>]	272	119	250	250

*Targets are based on contractual goals. In FY16, the provider exceeded the target outcomes.

**The City's alternate meal site has not opened in FY17. At the same time, CEO's convening of partners via the Food Access Collaborative has helped to create a more coordinated and effective emergency food network throughout Philadelphia that has added 4,692 additional weekly emergency meals from 2013 to 2016.

***Reduced goals due to end of grant funding for this project.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

President Trump's proposed budget eliminates the Community Services Block Grant, which provides support to move Philadelphians out of poverty. CSBG dollars are dedicated to families with incomes less than 125% of the Federal Poverty Level, and cover essential programs that include benefits enrollment, emergency meal provision, and workforce development.

The proposed budget also eliminates the Low Income Home Energy Assistance Program (LIHEAP), which last year helped elderly and low-income Philadelphians pay their heating and electricity bills; reduces funding to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which provides for supplemental foods and health care referrals for low-income pregnant and postpartum women and their infant children who are found to be at nutritional risk; and eliminates the Corporation for National and Community Service, which supports AmeriCorps, Senior Corps, the Social Innovation Fund, PowerCorpsPHL and the Foster Grandparent Program — vital programs that assist countless disconnected youth and seniors. The HOME Investment Partnerships Program and the Choice Neighborhoods program, both of which support Philadelphia communities, are also eliminated in the budget proposal, as well as the Neighborhood Reinvestment Corporation, which supports the city's pre-K facilities.

CONTRACTING EXPERIENCE

All of CEO's large contracts are with non-profit entities.

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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>	6	15	1	1
<i>% of Total</i>	17%	42%	33%	33%
<i>Average Salary</i>	\$67,226	\$51,881	\$130,000	\$105,000
<i>Median Salary</i>	\$64,888	\$45,033	\$130,000	\$105,000
	White	White	White	White
<i>Total</i>	3	5	1	0
<i>% of Total</i>	8%	14%	33%	0%
<i>Average Salary</i>	\$72,000	\$59,900	\$95,000	\$0
<i>Median Salary</i>	\$81,000	\$60,000	\$95,000	\$0
	Hispanic	Hispanic	Hispanic	Hispanic
<i>Total</i>	1	3	0	0
<i>% of Total</i>	3%	8%	0%	0%
<i>Average Salary</i>	\$43,988	\$49,325	\$0	\$0
<i>Median Salary</i>	\$43,988	\$46,575	\$0	\$0
	Asian	Asian	Asian	Asian
<i>Total</i>	3	0	0	0
<i>% of Total</i>	8%	0%	0%	0%
<i>Average Salary</i>	\$47,233	\$0	\$0	\$0
<i>Median Salary</i>	\$45,902	\$0	\$0	\$0
	Other	Other	Other	Other
<i>Total</i>	0	0	0	0
<i>% of Total</i>	0%	0%	0%	0%
<i>Average Salary</i>	\$0	\$0	\$0	\$0
<i>Median Salary</i>	\$0	\$0	\$0	\$0
	Bilingual	Bilingual	Bilingual	Bilingual
<i>Total</i>	6	2	1	0
<i>% of Total</i>	17%	6%	33%	0%
<i>Average Salary</i>	\$60,281	\$43,988	\$95,000	\$0
<i>Median Salary</i>	\$52,951	\$43,988	\$95,000	\$0
	Male	Female	Male	Female
<i>Total</i>	13	23	2	1
<i>% of Total</i>	36%	64%	67%	33%
<i>Average Salary</i>	\$61,926	\$53,291	\$112,500	\$105,000
<i>Median Salary</i>	\$60,000	\$48,645	\$112,500	\$105,000

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NUMBER OF BILINGUAL EMPLOYEES

Number of Bilingual Employees							
	Arabic	Bengali	French	Hindi	Malayalam	Spanish	Tamil
Total - All Divisions	1	1	2	1	1	3	1
Total - # of Bilingual Employees	8						
Total - # of Languages Spoken	7						