

**MAYOR'S OFFICE OF EDUCATION
FISCAL YEAR 2019 BUDGET TESTIMONY
MARCH 28, 2018**

INTRODUCTION

Good Morning, President Clarke and Members of City Council. I am Otis Hackney, Chief Education Officer. Joining me today are Julie Beamon, Director of PHLpreK, and Susan Gobreski, Director of Community Schools. I am pleased to provide testimony on the Mayor's Office of Education's Fiscal Year 2019 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Mayor's Office of Education (MOE) provides leadership to improve education in the City of Philadelphia. To achieve this mission, MOE creates policies and programs to: expand access to quality pre-kindergarten (pre-K) for Philadelphia families; support the creation of community schools, designed to strengthen local schools by removing barriers to student success; facilitate collaboration and partnership among many stakeholders in order to strengthen the local education landscape; and advance key educational policy.

MOE accomplishes this work through the following programs:

Policy, Programs, and Public Engagement (PPPE): This program collaborates with diverse external stakeholders to develop policy and programs that are dedicated to strengthening local schools and supporting educational initiatives across the city. PPPE advocates at all levels of government for both increased education funding for pre-K to 12th grade and the fair and equitable distribution of educational resources. This advocacy is key to the sustainability of MOE's two key initiatives, PHLpreK and Community Schools. PPPE also connects constituents to citywide educational programs and resources, monitors MOE's budgets and contract compliance, and supports the Administration in the transition of the School Reform Commission to a local, mayor-appointed Board of Education.

PHLpreK: The Administration is committed to providing free, quality pre-K for up to 5,500 three- and four-year-olds annually by FY23. Before implementation of PHLpreK, more than 17,000 children in the city between the ages of three and four did not have access to quality pre-K programs, and the overarching goal of this program is to make quality early childhood education affordable and accessible for Philadelphia's families.

Community Schools: Mayor Kenney is committed to creating 20 community schools in Philadelphia by FY23. Community schools are traditional District-run schools where there is a strategic, coordinated plan that aligns services from the City and community service providers. These services are aligned to address the broader set of needs that children have, such as health, social/emotional needs and expanded learning opportunities. Community schools also strengthen neighborhoods by improving access to programs, services, and supports for the children and families of Philadelphia. This effort is a collaboration between the City and the School District of Philadelphia.

Plans for Fiscal Year 2019: The Philadelphia Beverage Tax (PBT) was implemented in 2017 to fund several key initiatives of the Kenney Administration, including PHLpreK and Community Schools. Using funds made possible by the tax, PHLpreK plans to increase the number of locally-funded pre-K seats in neighborhoods that lack access to affordable, quality options to 5,500 seats in FY23. The expansion,

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however, will depend on the outcome of the litigation surrounding the PBT, which funds the program. While litigation is ongoing, full expansion of the program will not be possible and MOE will hold the number of seats steady at 2,000. If the litigation is resolved in the City's favor, MOE will begin to expand the program, with 3,000 seats in FY20, 4,000 seats in FY21, 5,000 seats in FY22, and 5,500 seats in FY23.

During FY19, MOE will continue to contract with Philadelphia Health Management Corporation (PHMC), and partner with Urban Affairs Coalition (UAC), the School District of Philadelphia and District 1199C Training and Upgrading Fund to deliver quality pre-K to 2,000 students at approximately 86 sites throughout the city. 81% of these students are in households at or below 200% of the Federal Poverty Level, which equated to \$40,840 for a family of three in 2017.

To ensure that there are enough qualified, early childhood education professionals available to meet the workforce demand created by PHLpreK, MOE will connect current and prospective PHLpreK teachers and staff to scholarships, apprenticeships, and other continuing education opportunities. MOE will deliver technical assistance and capacity-building supports to PHLpreK providers, including but not limited to: instructional coaching; curricula training; classroom supplies; and small business coaching. To date, 22 PHLpreK "Growth" providers have earned a Keystone STAR 3 quality designation because of PHLpreK investment. MOE will continue to support the remaining 17 "Growth" providers who are striving for STAR 3 status. Finally, committed to continuous improvement, MOE will continue a three-year program evaluation conducted by the National Institute for Early Education Research.

For the Community Schools initiative, expansion will also continue over the FY19-23 Plan, with 20 Community Schools in place by FY23. While litigation is ongoing, full expansion of the program will not be possible and the City will hold the number of community schools at 12. If the litigation is resolved in the City's favor, MOE will expand the program, with 14 community schools in FY20, 16 community schools in FY21, 18 community schools in FY22, and 20 community schools in FY23.

During FY19, Community Schools will continue to operationalize site-specific plans for each community school. We will expand services and programming that address the targeted needs of each community and continue to strengthen family and community engagement to increase program participation. Through collaboration with other City departments, the School District, and community partners, Community Schools will implement strategies to support the entire system of community schools. For example, the Office of Adult Education is working in each Community School to provide Adult Basic Education, GED preparation and English as a Second Language classes, and this partnership is on track to grow next year. We also work extensively with the Department of Public Health to assess access to health services in schools, and to connect families to health insurance, and to asthma, vision, and dental care. We are collaborating on a pilot in the Health Enterprise Zone where community health connectors work with Community School Coordinators and the school nurse to improve access to health resources for families. We are also collaborating with the City's Out-of-School Time initiative and Philadelphia Parks and Recreation to increase after-school programming and summer work opportunities for youth. Community Schools also contracted with a research firm to conduct a process and impact evaluation. The consultant will evaluate the quality of community school implementation, measure interim outcomes including participation and satisfaction with services, and create the foundation for tracking longer-term impact.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2017)				
	Total	Minority	White	Female
Number of Full-Time Staff	32	22	10	22
Number of Exempt Staff	32	22	10	22
Number of Executive Staff (deputy level and above)	4	2	2	3
Average Salary, Full-Time Staff	\$67,078	\$66,045	\$69,350	\$66,977
Average Salary, Exempt Staff	\$67,078	\$66,045	\$69,350	\$66,977
Average Salary, Executive Staff	\$116,250	\$132,500	\$100,000	\$105,000
Median Salary, Full-Time Staff	\$60,000	\$60,000	\$65,000	\$60,500
Median Salary, Exempt Staff	\$60,000	\$60,000	\$65,000	\$60,500
Median Salary, Executive Staff	\$115,000	\$115,000	\$115,000	\$115,000

Employment Levels (as of December 2017)		
	Budgeted	Filled
Number of Full-Time Positions	36	32
Number of Exempt Positions	36	32
Number of Executive Positions (deputy level and above)	4	4
Average Salary of All Full-Time Positions	\$72,002	\$67,078
Median Salary of All Full-Time Positions	\$60,000	\$60,000

General Fund Financial Summary by Class						
	FY17 Original Appropriations	FY17 Actual Obligations	FY18 Original Appropriations	FY18 Estimated Obligations	FY19 Proposed Appropriations	Difference: FY19-FY18
Class 100 - Employee Compensation	\$1,704,925	\$1,933,963	\$2,679,927	\$2,592,084	\$2,592,084	\$0
Class 200 - Purchase of Services	\$25,115,000	\$11,924,801	\$39,407,000	\$20,454,045	\$21,711,818	\$1,257,773
Class 300/400 - Materials, Supplies & Equipment	\$400,000	\$17,602	\$364,750	\$45,550	\$45,550	\$0
Class 500 - Contributions	\$250,000	\$0	\$100,000	\$100,000	\$100,000	\$0
	\$27,469,925	\$13,876,366	\$42,551,677	\$23,191,679	\$24,449,452	\$1,257,773

Contracts Summary (Professional Services only)			
	FY16 ¹	FY17	FY18 YTD (Q1 & Q2)
Total amount of contracts	N/A	\$11,051,601	\$4,317,179
Total amount to M/W/DSBE	N/A	\$2,700	\$4,619
Participation Rate ²	N/A	0.02%	0.11%

¹ The Mayor's Office of Education was created as a department in FY17. Prior to that, it was part of the Mayor's Office.

² The FY18 contract amount is for contracts with non-profit entities, which are not eligible for M/W/DSBE participation. The board demographics of these entities are included on page 8 of this testimony. Out of 86 PHLpreK programs, 50 are minority- or women-owned for-profit businesses. MOE is currently working with the Office of Economic Opportunity to help these PHLpreK providers apply for the Minority/Women/Disabled Enterprise (M/W/DSBE) certification.

Currently, MOE works with OEO on a contract-by-contract basis and does not have a department-wide M/W/DSBE goal.

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2019 General Fund budget totals \$24,449,452, an increase of \$1,257,773 over Fiscal Year 2018 estimated obligation levels. This increase is primarily due to expanding programs in the 12 existing Community Schools and increasing PHLpreK supports. While the Philadelphia Beverage Tax (“PBT”) litigation is ongoing, the City will not significantly increase funding for PHLpreK or Community School expansion, setting aside funds for expansion until the litigation is resolved in the City’s favor. Instead, the City will hold steady the number of PHLpreK seats at 2,000 and Community Schools at 12 (one of which is funded through a federal grant in the Promise Neighborhood.)

The proposed budget includes:

- \$2,592,084 in Class 100, level funding over FY18. This funding will continue to support 9 positions in Policy, Programs, and Public Engagement to support the work in the Mayor’s Office of Education, 5 positions in PHLpreK, and 22 general fund and 1 grant fund positions in Community Schools.
- \$21,711,818 in Class 200, a \$1,257,773 increase over FY18. This funding will fund 2,000 PHLpreK slots and 12 community schools. \$20M of this funding will be contracted directly to PHMC, the intermediary governing entity for Pre-K. PHMC manages the monies for enrollment, fiscal administrative supports, and other administrative costs. \$1.7M will be utilized for technical assistance to develop community schools across the city.
- \$43,050 in Class 300, level funding over FY18. This funding will support program implementation with needed office supplies.
- \$2,500 in Class 400, level funding over FY18. This funding will support program implementation with needed office equipment.
- \$100,000 in Class 500, level funding over FY18. This funding will cover gap services to support program expansion for community-based providers, expanded school building hours, and other supports that will ensure our communities have equitable access to services in their community school.

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STAFFING LEVELS

The department is requesting 36 budgeted positions for FY19, level funding with FY18.

NEW HIRES

New Hires (from 7/1/2017 to December 2017)	
	Total Number of New Hires
Black or African American	4
White	1
Total	5

PERFORMANCE, CHALLENGES, AND INITIATIVES

Policy, Programs, and Public Engagement (PPPE)

FY19 Strategic Goals				
<ul style="list-style-type: none"> Continue to support constituents in accessing educational resources and services. Support the smooth transition to a locally-appointed Board of Education. Expand outreach to high school seniors eligible to apply for the City of Philadelphia Scholarship. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Average response time for constituent requests and referrals to outside education services, where applicable (days)	3	2	3	2

PHLpreK

FY19 Strategic Goals				
<ul style="list-style-type: none"> Enroll 2,000 children in quality pre-K for the 2018-2019 school year. Work with PHLpreK providers to ensure they have the resources to achieve and maintain quality. Strengthen the PHLpreK workforce through increased participation in professional development, continuing education, and instructional coaching. 				
FY19 Performance Measures				
Measure ¹	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Number of children enrolled in PHLpreK	1,996	2,000	2,000	2,000
Number of teachers receiving career pathways and coaching supports ²	N/A	18	25	25
Number of PHLpreK providers that are STAR 3 and 4	61	69	69	86

¹ While PBT litigation is pending, additional funding for the expansion of programs supported by the tax, such as PHLpreK and Community Schools, is being held in a reserve.

² This is a new measure for FY18, so data is not available for FY17.

Community Schools

FY19 Strategic Goals				
<ul style="list-style-type: none"> Establish designated Community Schools as neighborhood anchors by expanding programs, services, and community engagement. Implement programs in schools that align to each community school's plan to address non-academic barriers to learning. 				
FY19 Performance Measures				
Measure ¹	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Milestone: Complete a needs assessment and strategic plan for each community school ²	9	N/A	12	12
Milestone: Implement three programs per school as identified by a community school's strategic plan ³	N/A		27 total programs implemented in 9 schools	36 total programs implemented in 12 schools

¹ While PBT litigation is pending, additional funding for the expansion of programs supported by the tax, such as PHLpreK and Community Schools, is being held in a reserve.

² This is an annual milestone measure.

³ This is an annual milestone measure. This is a new measure for FY18, so data is not available for FY17.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

A decrease in federal or state funds for Head Start, Head Start Supplemental or Pre-K Counts will reduce the number of children able to access quality pre-K in Philadelphia. Any increases or decreases in federal or state funds for quality pre-K would affect our projections. The Trump Administration's budget proposal includes significant budget reductions for Health and Human Services that could impact the availability of federally subsidized Head Start seats in Philadelphia.

In addition, the School District of Philadelphia faces a reduction of Title I, Title II, and Medicaid funding. While this would not impact funding for the Community Schools initiative, it could impact the programs and services currently offered at the schools, which could impact the priorities laid out in Community School Plans.

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CONTRACTING EXPERIENCE

MOE does not have any contracts with for-profit providers.

Non-Profit Vendor Demographics		
Philadelphia Health Management Corporation (PHMC)	Minority %	Female %
Workforce	68.00%	77.00%
Executive	50.00%	76.00%
Board	50.00%	35.00%
Urban Affairs Coalition (UAC)	Minority %	Female %
Workforce	93.79%	51.98%
Executive	85.00%	50.00%
Board	60.00%	40.00%
Research for Action	Minority %	Female %
Workforce	23.00%	73.00%
Executive	33.00%	100.00%
Board	45.00%	55.00%

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EMPLOYEE DATA

Staff Demographics (as of December 2017)				
Full-Time Staff			Executive Staff	
	Male	Female	Male	Female
	African-American	African-American	African-American	African-American
<i>Total</i>	6	13	<i>Total</i>	1
<i>% of Total</i>	19%	41%	<i>% of Total</i>	25%
<i>Average Salary</i>	\$74,167	\$63,462	<i>Average Salary</i>	\$150,000
<i>Median Salary</i>	\$60,000	\$60,000	<i>Median Salary</i>	\$0
	White	White	White	White
<i>Total</i>	2	8	<i>Total</i>	0
<i>% of Total</i>	6%	25%	<i>% of Total</i>	0%
<i>Average Salary</i>	\$50,000	\$74,187	<i>Average Salary</i>	N/A
<i>Median Salary</i>	\$0	\$65,500	<i>Median Salary</i>	N/A
	Hispanic	Hispanic	Hispanic	Hispanic
<i>Total</i>	2	1	<i>Total</i>	0
<i>% of Total</i>	6%	3%	<i>% of Total</i>	0%
<i>Average Salary</i>	\$64,000	\$55,000	<i>Average Salary</i>	N/A
<i>Median Salary</i>	\$0	\$0	<i>Median Salary</i>	N/A
	Asian	Asian	Asian	Asian
<i>Total</i>	0	0	<i>Total</i>	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%
<i>Average Salary</i>	N/A	N/A	<i>Average Salary</i>	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A
	Other	Other	Other	Other
<i>Total</i>	0	0	<i>Total</i>	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%
<i>Average Salary</i>	N/A	N/A	<i>Average Salary</i>	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A
	Bilingual	Bilingual	Bilingual	Bilingual
<i>Total</i>	2	1	<i>Total</i>	0
<i>% of Total</i>	6%	3%	<i>% of Total</i>	0%
<i>Average Salary</i>	\$57,500	\$58,000	<i>Average Salary</i>	N/A
<i>Median Salary</i>	\$0	\$0	<i>Median Salary</i>	N/A
	Male	Female	Male	Female
<i>Total</i>	10	22	<i>Total</i>	1
<i>% of Total</i>	31%	69%	<i>% of Total</i>	25%
<i>Average Salary</i>	\$67,300	\$66,977	<i>Average Salary</i>	\$150,000
<i>Median Salary</i>	\$60,000	\$60,500	<i>Median Salary</i>	\$115,000

LANGUAGE ACCESS

1) *Has your leadership received language access training?*

Yes, MOE's leadership and staff participated in a training session most recently on December 5, 2017.

2) *Do you currently have a language access coordinator?*

Yes, we have a language access coordinator, Tionna Miller, who convenes an internal language access committee.

3) *Has your department written a language access plan and is it posted online?*

Yes; it is posted online at <https://beta.phila.gov/documents/language-access-plans/>.

4) *Explain what your department has done to improve language access services over the past year.*

Over the past year, MOE's language access committee has conducted meetings every other month to review the department's language access plan and update it as needed. All staff persons were briefed on the plan which included how to utilize the City's new translation and interpretation services vendor GLOBO. We utilize translation and interpretation services to help families enroll in PHLpreK by translating promotional materials into nine languages based on the languages spoken by the families enrolled in PHLpreK and using the telephone translation service to assist families in selecting a PHLpreK provider. For our work with community schools, we translated the needs assessment questionnaires from English into six different languages based on the home languages of the students enrolled in the community schools. We continue to partner with PHLpreK providers that serve diverse constituencies, and approximately one quarter of our programs have bilingual staff and curricula. We also ensure that public forms, like a citywide survey on education, are published from English into the top five home languages of students enrolled in the School District of Philadelphia.