

**OFFICE OF INNOVATION AND TECHNOLOGY
FISCAL YEAR 2020 BUDGET TESTIMONY
APRIL 16, 2019**

INTRODUCTION

Good afternoon, President Clarke and Members of City Council. I am Mark Wheeler, Chief Information officer. Joining me today are Sandra Carter, Chief Operating Officer, and Chris Donato, Chief Financial Officer. I am pleased to provide testimony on the Office of Innovation and Technology's Fiscal Year 2020 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission:

The Office of Innovation and Technology (OIT) provides technology to help City of Philadelphia employees do their work better and more effectively and efficiently, as well as to enable the various City agencies to better serve the public. OIT also oversees most major technology projects for the City. The Office provides information technology (IT) services to City employees so they can communicate with each other and with the public; manages the bulk of the City's technology assets, including computers, printers, scanners, and more; delivers services which automate and simplify business processes and workflow, and provide easy-to-use business intelligence tools; monitors and updates security to keep information safe; finds new ways to use technology to modernize how City government operates; and offers digital design guidance and technical support for the City's website.

Plans for Fiscal Year 2020:

In FY20, OIT remains committed to identifying the most effective approach for delivering technology throughout the City, improving the value of the technology assets, ensuring data security, planning for continuing operations in the event of disruption of IT and telecommunication services, and supporting our customers in engaging process and organization change management steps to ensure the most effective adoption of new technology solutions. OIT will manage a complement of four service areas to further its mission and support the goals of the administration.

1. Improve Customer Service and Satisfaction
 - Ensure consistency of communication and responsiveness across all services.
 - Increase clarity and timing of communications on support inquiries, projects, and technology changes with customers.
 - Initiate work on an enterprise customer relations management solution to enable customer-first approach across government services.
2. Elevate IT Governance: Policies and Support Models
 - Develop and reinforce standards for IT architecture, data integration and data modeling to reduce complexity and over-customization of IT solutions.
 - Apply agile practices to software development, solution procurement and delivery.
 - Adopt change management and human-centered design practices across projects.
3. Reinforce IT Security
 - Evaluate security components and protocols for improvement.
 - Develop identity management solutions to streamline city staff access to IT resources.
 - Expand education and training to prepare staff for changing security threats.
4. Increase OIT's Community Engagement and Collaboration

Office of Innovation and Technology

- Launch the SmartCityPHL Pitch + Pilot program to coordinate City participation in selection and evaluation of smart city technology for pilot projects.
- Release an IT Strategic Plan to provide OIT, City partners and the public with roadmap of future technology initiatives.
- Continue to engage communities and civic-oriented organizations on use of City's open data and Phila.gov analysis tools.

I thank you for the opportunity to brief Council on the work of the Office of Innovation and Technology and am happy to respond to your questions.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of November 2018): All OIT Staff (including OIT-funded and department-funded positions)				
	Total	Minority	White	Female
Number of Full-Time Staff	402	241	161	139
Number of Exempt Staff	279	154	125	102
Number of Executive Staff (deputy level and above)	8	1	7	1
Average Salary, Full-Time Staff	\$74,706	\$70,231	\$81,405	\$73,962
Average Salary, Exempt Staff	\$77,788	\$72,816	\$83,914	\$76,641
Average Salary, Executive Staff	\$148,989	\$160,000	\$114,028	\$160,000
Median Salary, Full-Time Staff	\$73,964	\$69,000	\$77,250	\$72,100
Median Salary, Exempt Staff	\$75,190	\$71,585	\$77,250	\$74,065
Median Salary, Executive Staff	\$147,115	\$160,000	\$147,115	\$160,000

Staff Demographics Summary (as of November 2018): OIT-Funded Staff Only				
	Total	Minority	White	Female
Number of Full-Time Staff	379	230	149	129
Number of Exempt Staff	279	154	125	102
Number of Executive Staff (deputy level and above)	8	1	7	1
Average Salary, Full-Time Staff	\$77,714	\$67,446	\$79,923	\$70,991
Average Salary, Exempt Staff	\$76,119	\$70,225	\$83,727	\$74,226
Average Salary, Executive Staff	\$148,989	\$160,000	\$114,028	\$160,000
Median Salary, Full-Time Staff	\$71,500	\$68,000	\$67,475	\$73,130
Median Salary, Exempt Staff	\$71,548	\$71,500	\$71,597	\$73,645
Median Salary, Executive Staff	\$147,115	\$160,000	\$147,115	\$160,000

Employment Levels (as of November 2018): All OIT Staff (including OIT-funded and department-funded positions)		
	Budgeted in FY19	Filled as of the Increment Run (11/18)
Number of Full-Time Positions	442	402
Number of Exempt Positions	315	279
Number of Executive Positions (deputy level and above)	8	8
Average Salary of All Full-Time Positions	\$70,461	\$74,706
Median Salary of All Full-Time Positions	\$70,000	\$73,964

Employment Levels (as of November 2018): OIT-funded Staff Only		
	Budgeted in FY19	Filled as of the Increment Run (11/18)
Number of Full-Time Positions	413	379
Number of Exempt Positions	286	279
Number of Executive Positions (deputy level and above)	8	8
Average Salary of All Full-Time Positions	\$70,178	\$77,714
Median Salary of All Full-Time Positions	\$70,000	\$71,500

General Fund Financial Summary by Class						
	FY18 Original Appropriations	FY18 Actual Obligations	FY19 Original Appropriations	FY19 Estimated Obligations	FY20 Proposed Appropriations	Difference: FY20-FY19
Class 100 - Employee Compensation	\$21,019,003	\$20,852,810	\$20,817,723	\$21,522,025	\$23,878,695	\$2,356,670
Class 200 - Purchase of Services	\$53,127,957	\$48,945,951	\$66,105,313	\$66,505,313	\$68,785,906	\$2,280,593
Class 300/400 - Materials, Supplies & Equipment	\$9,590,548	\$6,472,444	\$13,948,899	\$13,948,899	\$19,469,024	\$5,520,125
Class 500 - Contributions	\$0	\$75,000	\$0	\$0	\$0	\$0
	\$83,737,508	\$76,346,205	\$100,871,935	\$101,976,237	\$112,133,625	\$10,157,388

Office of Innovation and Technology

Contracts Summary (Professional Services only)						
	FY14	FY15	FY16	FY17	FY18	FY19 YTD (Q1 & Q2)
Total amount of contracts	\$34,655,040	\$19,015,288	\$26,858,936	\$20,494,249	\$31,352,788	\$2,559,596
Total amount to M/W/DSBE	\$6,988,347	\$4,732,056	\$7,051,856	\$5,047,780	\$16,796,430	\$1,160,269
Participation Rate	20%	25%	26%	25%	54%	45%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY18	FY19	FY20
M/W/DSBE Contract Participation Goal	25%	25%	25%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2020 General Fund budget totals \$112,133,625 an increase of \$10,157,388 over Fiscal Year 2019 estimated obligation levels. This increase is primarily due to the following: transfer of capital funded staff positions to the operating budget; mobile data computers (MDCs) for Police; the planned regional EsiNet project; and general fund appropriations for E-911 support.

The proposed budget includes:

- \$23,878,695 in Class 100, an increase of \$2,356,670 over FY19 for staff moving from capital to operating budgets, staff transfers to OIT, additional E-911 staff, and increases for DC33 and DC47 contracts.
- \$68,785,906 in Class 200, an increase of \$2,280,593 over FY19. This funding will support ongoing capital projects in addition to supporting planning efforts on new capital projects. The funds also provide for ongoing centralized services and support of City IT infrastructure, data center, help desk, IT network (internet/intranet/WAN and devices), Channel 64/65, telecommunications, system software and maintenance, software development framework (best practices guidelines), and training. This funding will also maintain the City's Emergency 911 System.
- \$19,469,024 in Class 300/400, an increase of \$5,520,125 over FY19. This increase will support the regional emergency services IP network (EsiNet) project to deliver redundant, fiber optic routed E-911 messaging to replace existing copper wire communications and other E-911 and public safety equipment.

STAFFING LEVELS

The department is requesting 442 All-Funds positions for FY20, an increase of 29 positions over FY19 levels. This increase is due to a shift of 16 previously capital-funded positions to the operating budget, 3 positions transferred from the Chief Administrator’s Office to the OIT operating budget, and 10 new positions total hired for Water (1), Aviation (5) and E-911 (4) operations.

NEW HIRES

New Hires (from 7/1/2018 to 11/25/18)	
	Total Number of New Hires
Black or African American	4
White	5
Total	9

One of the nine new hires speaks Spanish.

Since the increment run, OIT has hired 30 new employees: 10 identify as Black or African American; 3 identify as Asian; 4 identify as Hispanic or Latino; and 13 identify as White. Of the 30, four speak other languages: one speaks Malayalam and Tamil; one speaks Malayalam; one speaks Gujarati and Hindi; and one speaks Russian.

PERFORMANCE, CHALLENGES, AND INITIATIVES**911 ADMINISTRATION PROGRAM**

FY20 Strategic Goals				
<ul style="list-style-type: none"> Ensure the sustainability of emergency services systems. 				
FY20 Performance Measures				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Computer-Aided Dispatch (CAD) uptime availability ¹	99.999%	99.999%	99.999%	99.999%
Percentage of time radio system is not busy, thus preventing calls from going through to the dispatch center (aka "system busies") ²	0.001%	0.001%	0.001%	0.001%

¹ Availability numbers are excluded when there is scheduled maintenance and downtime. Every CAD vendor requires CAD to be available 99.95% of the time. There are no real Association of Public Safety Communications Officials or 911 standards; however, every CAD vendor installs systems that will have a reliability factor of 99.95%.

² Availability numbers are excluded when there is scheduled maintenance and downtime. The National Emergency Number Association (NENA), a national association that focuses solely on 911 policy, technology, operations, and education issues, requires radio availability for transmitting to not have more than 1% of the transmissions unable to get through. OIT currently exceeds this number every year due to the robust redundancy and number of channels it has.

DEPARTMENTAL SERVICES PROGRAM

FY20 Strategic Goals				
<ul style="list-style-type: none"> Modernize key services and business applications to better enable departments to improve service delivery. 				
FY20 Performance Measures				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Percentage of all application-related tickets/issues resolved within SLA	75.1%	80.3%	75.0%	75.0%

ENTERPRISE SUPPORT SERVICES PROGRAM

FY20 Strategic Goals				
<ul style="list-style-type: none"> Streamline technology and improve the City's security posture to provide high quality IT infrastructure. Cultivate a diverse and talented workforce. Elevate IT governance throughout the City. Improve customer service and satisfaction. 				
FY20 Performance Measures				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Network availability percentage	99.98%	99.97%	99.98%	99.98%
Percent of tickets resolved within SLA terms	76.5%	80.1%	76.0%	76.0%

UNIFIED COMMUNICATIONS PROGRAM

FY20 Strategic Goals				
<ul style="list-style-type: none"> Provide more agile telephone services, improving abilities for City staff to communicate via mobile solutions. 				
FY20 Performance Measures				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Uptime for video camera (VSS) coverage/network ¹	87%	94%	95%	95%
VoIP enabled uptime -- initially focus on the five (5) major Center City buildings ^{1,2}	99.8%	95%	100%	100%
Time to resolve telecom incident tickets/issues within SLA	89.1%	91.0%	85.0%	85.0%

¹ Availability numbers are excluded when there is scheduled maintenance and downtime

² During the first half of FY19, there were four Network outages, impacting the rate. OIT continues to migrate users to the citywide VOIP telephone system including the Caller ID feature which is a cloud solution. These systems and services are new, include software reliant components and experience an occasional outage as we continue to migrate. The goal once the City is fully migrated to VOIP is to strive for 100% services availability through network services and vendor backhaul support.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

The City receives funds annually from the Pennsylvania Emergency Management Agency (PEMA). PEMA funds are apportioned to all counties based on a set funding formula that includes a population basis and an average of the last five years of a PSAP-Public Safety Answering Point's 911 expenses (Philadelphia is a single PSAP). The City receives over \$30 million per year and these funds are used solely to support E-911 technology and telecommunication operations for Fire and Police. PA Act 12 requires that the PEMA funding formula be reviewed every two years. The current formula continues to be under review by a 911 Funding Committee, which is evaluating potential changes to take into account new variables. Should the funding formula change, and potentially reduce the annual funding to Philadelphia, operations and planned expenditures to support the for E-911 operations for both Police and Fire departments would be negatively impacted, including the planned consolidation of Computer Aided Dispatching (CAD) on to a single technology platform shared by both departments.

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts with For-Profit Vendors											
Top Five Largest Contracts over \$34,000 for FY19											
Vendor Name	Brief Description of 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	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Is This a Local Business? (principal place of business located within City limits) [yes / no]	Does the Vendor Have a Waiver for Living Wage Compliance? [yes / no]
Unitary	IT Staff Augmentation	\$5,000,000	3/25/2015	11/1/2018	MBE: 20% - 35%	20%	\$1,002,595	48%	\$2,375,700	Yes - 2 out of 23	No
					WBE: 20% - 35%	27%	\$1,373,105				
					DSBE: 0%	0%	\$0				
Computer Projects of Illinois	Computer Criminal History Project	\$2,728,500	3/3/2017	9/4/2018	MBE: 10% - 15%	0%	\$0	11%	\$286,493	No	No
					WBE: 10% - 15%	11%	\$286,493				
					DSBE: 0%	0%	\$0				
Unitary	Planning and Solution Architect	\$2,000,000	6/6/2017	1/1/2019	MBE: 20% - 25%	4%	\$79,000	4%	\$79,000	Yes - 7 out of 31	No
					WBE: 20% - 25%	0%	\$0				
					DSBE: 0%	0%	\$0				
Cellco dba Verizon Wireless	Public Safety MDS Services	\$2,000,000	2/18/2018	1/1/2019	MBE: 12% - 16%	4%	\$85,000	4%	\$85,000	No	No
					WBE: 8% - 12%	0%	\$0				
					DSBE: 0%	0%	\$0				
Azavea	Stormwater Billing Support	\$900,000	4/12/2016	7/1/2018	MBE: 5% - 10%	3%	\$25,920	6%	\$52,110	Yes	No
					WBE: 8% - 12%	3%	\$26,190				
					DSBE: 0%	0%	\$0				

EMPLOYEE DATA

Staff Demographics (as of November 2018) - All OIT Staff (including OIT-funded and department-funded positions)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	89	70	<i>Total</i>	0	1
<i>% of Total</i>	22%	17%	<i>% of Total</i>	0%	13%
<i>Average Salary</i>	\$68,267	\$68,481	<i>Average Salary</i>		\$160,000
<i>Median Salary</i>	\$64,727	\$61,800	<i>Median Salary</i>		\$160,000
	White	White		White	White
<i>Total</i>	120	41	<i>Total</i>	7	0
<i>% of Total</i>	30%	10%	<i>% of Total</i>	88%	0%
<i>Average Salary</i>	\$82,854	\$77,165	<i>Average Salary</i>	\$148,028	N/A
<i>Median Salary</i>	\$78,830	\$75,190	<i>Median Salary</i>	\$147,115	N/A
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	16	4	<i>Total</i>	0	0
<i>% of Total</i>	4%	1%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$66,467	\$80,030	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$75,889	\$76,630	<i>Median Salary</i>	N/A	N/A
	Asian	Asian		Asian	Asian
<i>Total</i>	33	19	<i>Total</i>	0	0
<i>% of Total</i>	8%	5%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$69,946	\$82,978	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$72,100	\$84,296	<i>Median Salary</i>	N/A	N/A
	Other	Other		Other	Other
<i>Total</i>	5	5	<i>Total</i>	0	0
<i>% of Total</i>	1%	1%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$77,856	\$79,776	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$77,830	\$78,830	<i>Median Salary</i>	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	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
	Male	Female		Male	Female
<i>Total</i>	263	139	<i>Total</i>	7	1
<i>% of Total</i>	65%	35%	<i>% of Total</i>	88%	13%
<i>Average Salary</i>	\$75,100	\$73,962	<i>Average Salary</i>	\$148,028	\$160,000
<i>Median Salary</i>	\$74,167	\$72,100	<i>Median Salary</i>	\$147,115	\$160,000

Office of Innovation and Technology

Staff Demographics (as of November 2018) - OIT Funded Only					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	87	63	<i>Total</i>	0	1
<i>% of Total</i>	23%	17%	<i>% of Total</i>	0%	13%
<i>Average Salary</i>	\$67,652	\$67,777	<i>Average Salary</i>		\$160,000
<i>Median Salary</i>	\$61,800	\$61,167	<i>Median Salary</i>		\$160,000
	White	White		White	White
<i>Total</i>	107	38	<i>Total</i>	7	0
<i>% of Total</i>	29%	10%	<i>% of Total</i>	88%	0%
<i>Average Salary</i>	\$83,414	\$76,969	<i>Average Salary</i>	\$148,028	N/A
<i>Median Salary</i>	\$79,030	\$74,160	<i>Median Salary</i>	\$147,115	N/A
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	16	3	<i>Total</i>	0	0
<i>% of Total</i>	4%	1%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$66,467	\$65,507	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$75,889	\$43,260	<i>Median Salary</i>	N/A	N/A
	Asian	Asian		Asian	Asian
<i>Total</i>	30	18	<i>Total</i>	0	0
<i>% of Total</i>	8%	5%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$69,240	\$83,697	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$72,319	\$85,923	<i>Median Salary</i>	N/A	N/A
	Other	Other		Other	Other
<i>Total</i>	5	5	<i>Total</i>	0	0
<i>% of Total</i>	1%	1%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$77,856	\$79,776	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$78,830	\$78,830	<i>Median Salary</i>	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	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
	Male	Female		Male	Female
<i>Total</i>	245	129	<i>Total</i>	7	1
<i>% of Total</i>	66%	34%	<i>% of Total</i>	88%	13%
<i>Average Salary</i>	\$74,861	\$70,991	<i>Average Salary</i>	\$148,028	\$160,000
<i>Median Salary</i>	\$74,160	\$73,130	<i>Median Salary</i>	\$147,115	\$160,000

LANGUAGE ACCESS

1. Has your leadership received language access training?

Yes, in May 2018.

2. Do you currently have a language access coordinator?

OIT does have a designated language access coordinator (HR Director, Connie Lilly-Pearson), but due to very limited interaction with the public, OIT largely follows the overarching Chief Administrative Office's (CAO) Language Access Plan for language services, as needed.

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

OIT has adopted the overarching plan of the CAO. This plan is available online: <https://www.phila.gov/documents/language-access-plans/>

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

OIT was awarded the Amazon Web Services We Power Tech award for the Philly's Global Voices project. The award's in-kind technical services will be used in 2019 to pilot an AI voice-powered platform that will enable two-way multi-lingual translation in real time for E911 services. The goal is for the City to better serve and understand its residents by enhancing the experience between government employees and the communities that we serve.