OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER
FISCAL YEAR 2023 BUDGET TESTIMONY
APRIL 20, 2022

INTRODUCTION

Good Afternoon, President Clarke and Members of City Council. I am Stephanie Tipton, the Chief Administrative Officer for the City of Philadelphia. Joining me today are members of my executive team, including, Libby Peters, Chief of Staff, DeWayne Gordon, First Deputy Chief Administrative Officer, Liana Dragoman, Director of Strategic Design, Melissa Andre, Executive Director of the Office of Administrative Review ("OAR"), and Tracey Bryant, Deputy Director for Talent Management. I am pleased to provide testimony on the Office of the Chief Administrative Officer's Fiscal Year 2023 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Office of the Chief Administrative Officer (CAO) works with City departments to transform service delivery, provide people-centered solutions, and strengthen administrative functions to better serve Philadelphia residents and employees. The CAO oversees six City departments and offices: the Office of Innovation and Technology (OIT), Records, Procurement, the Office of Administrative Review (OAR), PHL Service Design Studio (SDS), and Human Resources and Talent (HR&T).

Plans for Fiscal Year 2023:

The Office of the CAO has established Four Pillars to guide our work. Within each pillar, the CAO is pursing the following strategic goals for FY23:

- Pillar 1: Build a culture of trust, respect, and operational excellence in City government.
    - Expand Knowledge Transfer and Quality Assurance programs to support departments with improved management, impact, and efficiency.
    - Offer regular Diversity, Equity, and Inclusion (DEI) trainings, including leadership development and recruitment info sessions for hiring managers to equip them with resources to reach more diverse populations.
    - Design a comprehensive program to build leadership skills in our supervisors and managers with a focus on building an environment of inclusion and respect.
    - Relaunch the Mayor's Internship Program, providing up to 50 students with intensive work and learning experience over the summer months.
    - Continue to advocate for and advance workplace policies that support all employees.
- Pillar 2: Use both qualitative and quantitative data to drive decision-making.
    - Apply recommendations made in the Discover Benefits Antipoverty (DBA) Action Plan to expand access to benefits for vulnerable populations.
    - Work with Office of Innovation and Technology to improve the City's digital forms, including standardizing, collecting, and sharing data across the enterprise.
- Pillar 3: Deliver transformational projects with measurable and equitable outcomes.
    - Build out the Equitable Community Engagement Toolkit with the Office of Civic Engagement and Volunteer Service, City practitioners, and residents.

- o Provide ongoing technical assistance to two cohorts of diverse Operations Transformation Fund (OTF) projects and support their efforts to make City services measurably more efficient and equitable.
  - o Offer service design consulting, capacity building, and evaluation to support key Mayoral priorities and initiatives focused on diversity, equity, and inclusion.
- Pillar 4: Leave the City better than before by strengthening administrative functions across departments.
  - o Hire, onboard and mobilize the 45-member Optimizing Procurement and Logistics (OPAL) project team. Begin the common design phase moving towards the common build phase.
  - o Create pilot programs within the Bureau of Administrative Review and the Tax Review Board to leverage current and new systems, improve customer service, and ensure accessible and timely hearings.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Please refer to attached FY23 Budget Hearing Summary Charts in section 1: Staff Demographics Summary, section 2; Employment Levels, section 3: Financial Summary by Class, section 6: Participation Rate and Goal.

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2023 General Fund budget totals $14,647,948, an increase of $6,911,863. This increase is primarily due to the Operations Transformation Fund, a $10 million fund that is spread across two fiscal years (FY22 and FY23) to fund the upfront costs of transformational projects across City departments. Approximately $3.1 million is expected to be spent in FY22, the first year of this initiative. The remainder will be spent in FY23. In addition, the CAO received $280,000 to re-establish the Mayor's Internship Program and $275,000 for diversity, equity, and inclusion leadership development.

The proposed budget includes:

- $6,238,627 in Class 100, a $1,632,947 increase over FY22. This funding is primarily due to the Operations Transformation Fund, and $280,000 is to pay interns through the Mayor's Internship Program.
- $6,327,056 in Class 200, a $2,747,716 increase over FY22. This funding is primarily due to the Operations Transformation Fund, and $275,000 is to fund diversity, equity, and inclusion leadership development.
- $2,082,265 in Class 300/400, a $1,531,200 increase over FY22. This funding is primarily due to the Operations Transformation Fund.

STAFFING LEVELS

The department is requesting 92 budgeted positions for FY23, an increase of 15 positions over FY22. Fourteen of these new positions are attributed to Operations Transformation Fund projects. The other is for the Director of Professional Development, a key position that is moving out of the Mayor's Office of Diversity, Equity and Inclusion and into the Human Resources & Talent division of CAO. Of the 92 budgeted positions for FY23, 28 are for Operations Transformation Fund projects.

NEW HIRES

Please refer to attached FY23 Budget Hearing Summary Charts in section 8: New Hires Information.

PERFORMANCE, CHALLENGES, AND INITIATIVES

Strategic Direction and Transformation

Performance Measure	FY21 Year-End	FY22 Target	FY23 Target
Time to hire new, exempt employees (days)	101	90	90
Percentage of new hires who go through onboarding process	78.3%	75.0%	75.0%

Program FY23 Strategic Goals

Administration

Provide ongoing technical assistance to two cohorts of diverse Operations Transformation Fund (OTF) projects, supporting their efforts to make City services measurably more efficient and equitable. Technical assistance will focus on timely implementation and long-term sustainability—such as hiring and procurement, inclusive engagement, and change management—and foster learning and collaboration across departments.

- Working with multiple departments across the enterprise to transfer knowledge, information, and collateral from retiring staff, as well as helping departments set up succession plans and to optimize their use of online document management software.
- Work with different departments in creating their own quality assurance program by setting up the program and supporting them on an on-going basis.
- Hire and onboard OPAL Team members and perform knowledge transfer, if appropriate. Mobilize team for common design and build.
  - Contract and solicit service orders for implementation consultants and owner's representative. Onboard and mobilize consulting project team for common design. During the common design phase, a fit/gap analysis will be performed to identify functionality gaps and determine the appropriate approach. Future state business process, application configuration, interface, report, data conversion, workflow, and security design documents will serve as the basis for the OPAL team's configuration and development efforts. These detailed common design requirements will be confirmed by stakeholders and used by the OPAL team as the baseline blueprint during the common build phase.
  - Finalize the requirements definition and design documentation and begin the common design.
- Apply the suggestions and recommendations made in the Action Plan as developed by PHL Service Design Studio.
  - Identify the role in which CAO can support City departments in service delivery of City-administered benefits programs.
  - Of the three DBA projects proposed in PHL Action Plan, decide what role and which project is most feasible and adds greatest public value.

HR & Talent

- Hosting diversity, equity, and inclusion (DEI) recruitment info sessions for hiring managers to equip managers with DEI resources and demonstrate usage to reach more diverse populations for exempt positions.
- Hire a Director of Professional Development to support the City's efforts in DEI. This position will coordinate and deliver development programs focused on building competencies in employees and leadership throughout the organization that drive a culture of diversity, equity, and inclusion supporting employee performance and service delivery.

PHL Service Design Studio

- Continue to provide service design consulting, capacity building, and evaluation to support key Mayoral priorities and initiatives that focus on diversity, equity, and inclusion. Some examples include:
  - Building out the Equitable Community Engagement Toolkit with the Office of Civic Engagement and Volunteer Service, City practitioners, and residents with the support of the Operational Transformation Fund.
  - Working with disenfranchised voters and the City Commissioners on a project to improve the voter experience.
  - Supporting an Operations Transformation Fund project with the Office of Innovation and Technology that improves the City's digital forms.

Office of Administrative Review (OAR)

Performance Measure	FY21 Year-End	FY22 Target	FY23 Target
Tax Review Board: Median time between petition filed date and hearing date (months)	4	3	3
Office of Administrative Review: Median time between request for review and hearing for Code Violations/Red Light Camera Tickets (weeks)	4	4	4
Code Unit: Median time between violation issued date and first notice for handwritten Code Violation Notices (CVNs) (weeks)	6	6	6
Board of Administrative Adjudication: Average monthly hearing determinations mailed	6,432	7,000	5,500

Program FY23 Strategic Goals

- Creating pilot programs within the BAA and TRB to leverage and improve current systems. Specifically, in the BAA, incorporate cross training by duplicating TRB's "in person" remote hearings with on-site video-hearings for petitioners. Also, working with Water Revenue to use online document management software to transfer documents including petitions, continuances and decision letters securely and efficiently.
- With impending retirements of long-tenured employees, continue to work with CAO's Strategic Direction and Transformation team to conduct extensive knowledge transfers and process mapping.
- Implementing a cross-training program between hearing officers in the TRB and BAA – in Red Light and Speed Camera programs.
- Implementation of OAR's professional services contract for the Code Unit's code violation management system.
- Continuation of providing accessible and timely hearings across all hearing types through targeted scheduling, advance notice and various options to attend hearings.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

N/A

CONTRACTING EXPERIENCE

Please refer to attached FY23 Budget Hearing Summary Charts in section 4: Contracts Summary.

EMPLOYEE DATA

Please refer to attached FY23 Budget Hearing Summary Charts in section 7: Staff Demographics.

LANGUAGE ACCESS

1. **Provide the name of your language access coordinator, the date of your last department training, and a link to the posting of your language access plan.**

   Our department received a language access training in May of 2018. Libby Peters is the current language access coordinator. The language access plan for CAO and OAR can be found HERE.

2. **Breakdown new hires and existing staff by race and language. Breakdown how many front-line personnel are trained to provide language access services.**

   There are currently a total of eight multilingual employees in CAO, three of whom were hired July 1, 2021 or later. The Office of Administrative Review has three multilingual staff speaking a total of two different languages: Spanish, Haitian Creole. OAR also has two front-line employees trained specifically to provide language access. For hearings, OAR uses official translators. The Service Design Studio (SDS) has five designers that speak a total of seven different languages: Mandarin, Cantonese, Spanish, Hindi, Gujarati, Malayalam, French, and Marathi. The Strategic Transformation team has one Spanish speaker.

3. **How many requests for language access services did your department receive in the past year? How many language access services were delivered by staff? Breakdown language access services provided, by language, including but not limited to the language line, translation of public notices and documents, website language services, and advertisement/publication services.**

   The Bureau of Administrative Adjudication (BAA) and the Tax Review Board (TRB) under the Office of Administrative Review use the Language Access Line frequently. Use of the City's language line is centrally tracked through the Mayor's Office of Immigrant Affairs (OIA). In addition, CAO through the Service Design Studio (SDS) integrates language access into project partner deliverables. Additionally, the SDS is getting all the content of Equitable Community Engagement Toolkit translated into Spanish and Mandarin. Translation services will be offered for all monthly public meetings. SDS will also engage community members who speak top languages to participate in usability testing sessions for the OIT Forms projects. SDS will get all recruitment and researcher materials translated, have a translator present in sessions, and work with a translator to make sure the data they gathered makes sense. In the past, SDS used these services for the Equitable Community Engagement Toolkit co-design with community groups and members. They have also used these services for their work with the Zoning Board of Adjustments.

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

   The CAO has integrated language access into our project work through the participatory design process as well as by supporting and advancing language accessibility via projects funded through the Operations Transformation Fund. This includes the Translations Services Expansion by the Office of Immigrant Affairs and OIT, which will improve the translated content on the City's website and standardize the number of translated pages for consistency, accuracy, and availability of translations for multilingual residents. As a member of the cohort of OTF projects, OIA is building relationships with other departments in the cohort to increase language access capacity, and OTF funds are also directly supporting language access needs for at least three other projects.

CLIMATE CHANGE

1. **How has climate change affected your department's provision of services?**

Extreme weather is likely already discouraging residents who need to come in person to access services offered at the Bureau of Administrative Adjudication and Office of Administrative Review. However, warmer temperatures create conditions where more code violation notices are likely to be issued, as increases in many violations occur in the warm months. These factors can increase the demand for our services and put a strain our resources. Although increased virtual service offerings can mitigate this, those with barriers to physically access services are likely to also have barriers digital access. Throughout the COVID-19 pandemic, our office has implemented additional digital service offerings for the public to ensure continued access to hearings, for example.

2. **How might worsening climate change increase costs and demands for your department?**

There is a potential for extreme temperatures to overwhelm internal climate control capacity in our office buildings and put pressure on infrastructure like SEPTA or electric grids might also make it difficult for employees to come in and complete their work. Continued demands for new technology solutions might increase as departments look to enhance service offerings remotely. There is also risk exposure to our vendor companies, including those in different geographic locations that may be higher risk, that that increases the risk of their services and/or supply chain being disrupted.

3. **How does your department intend to mitigate and adapt to climate change?**

CAO, with the Operational Transformation Fund, and its continuing focus on diversity, equity, and inclusion, will continue to work to increase our operational resilience to adapt to climate change or other emergencies/disasters. Through the Operational Transformation Fund, we may have the opportunity to scale up projects that will allow us to work differently, create new and better systems, and engage with and serve our residents better.

The COVID-19 pandemic has shown how important it is for the City to maintain its administrative operations in the face of a natural disaster. Moving to cloud-based software for operations makes it easier for employees to continue business processes remotely. Expanding and improving the services we offer to residents online (such as hearing appeals) and improving accessibility of our services to the public will allow us to maintain these services in times of crisis. Further, through flexible work policies and the provisioning of City devices, like laptops, cell phones, and personal hotspots, more employees will have the ability to continue their work remotely in instances where physically coming into an office is impacted by climate emergencies – like what we experienced this summer with Hurricane Ida.

1. Staff Demographics Summary

Staff Demographics Summary (as of December 2021)				
	Total	Minority	White	Female
Number of Full-Time Staff	58	45	13	44
Number of Exempt Staff	45	33	12	35
Number of Executive Staff (deputy level and above)	6	2	4	4
Average Salary, Full-Time Staff	$68,957	$61,370	$95,220	$69,069
Average Salary, Exempt Staff	$76,380	$68,707	$97,481	$75,529
Average Salary, Executive Staff	$147,960	$146,500	$148,690	$150,115
Median Salary, Full-Time Staff	$57,000	$55,208	$77,900	$58,500
Median Salary, Exempt Staff	$60,227	$60,000	$86,450	$60,000
Median Salary, Executive Staff	$141,500	$146,500	$140,000	$141,500

2. Employment Levels

Employment Levels (as of December 2021)		
	Budgeted	Filled
Number of Full-Time Positions	77	58
Number of Part-Time Positions	0	0
Number of Exempt Positions	62	45
Number of Executive Positions (deputy level and above)	6	6
Average Salary of All Full-Time Positions	$67,315	$68,957
Median Salary of All Full-Time Positions	$60,015	$57,000

3. Financial Summary by Class

Some departments may also want to provide financial summary tables for other funds, such as the Grants Fund.
Departments should delete any budget lines that have $0 in every year (i.e. if a department has no Class 500 appropriations, actuals, or proposed appropriations, the Class 500 row should be deleted).

General Fund Financial Summary by Class						
	FY21 Original Appropriations	FY21 Actual Obligations	FY22 Original Appropriations	FY22 Estimated Obligations	FY23 Proposed Appropriations	Difference: FY23-FY22
Class 100 - Employee Compensation	$4,256,565	$4,005,063	$5,062,173	$4,605,680	$6,238,627	$1,632,947
Class 200 - Purchase of Services	$2,050,549	$1,798,410	$3,865,698	$2,579,340	$6,327,056	$3,747,716
Class 300/400 - Materials, Supplies & Equipment	$26,665	$19,003	$2,016,665	$551,065	$2,082,265	$1,531,200
	$6,333,779	$5,822,476	$10,944,536	$7,736,085	$14,647,948	$6,911,863

4. Contracts Summary

This table focuses on large professional services contracts with for-profit vendors.

"Large" is defined as meaning that an RFP was required.

Departments should focus on contracts that have been conformed to date.

Any departments that have large contracts with non-profit providers are encouraged to provide board makeup information in the optional "Non-Profit Vendor Demographics" table below.

M/W/DSBE Participation on Large Professional Services Contracts

Top Five Largest Contracts, FY22

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	Total % Participation - All DSBEs	Total $ Value Participation - All DSBEs	Local Business (principal place of business located within City limits) [yes / no]	Waiver for Living Wage Compliance? [yes / no]
Conduent State and Local Solutions, Inc.	Code Unit violations systems and services	$1,398,000	2/1/2017	4/1/2018	MBE: 20-25%	20%	$279,600	20%	$349,500	no	no
					WBE: 10-15%	5%	$69,900				
					DSBE:	0%	$0				
Jane Hires Inc	On-call staffing services for senior or hard-to-fill positions	$500,000	5/14/2019	11/12/2019	MBE: BGFE	$0	0%	$0	$0	yes	no
					WBE: BGFE	$0					
					DSBE: BGFE	$0					
Career Concepts, Inc.	On-call staffing services for senior or hard-to-fill positions	$500,000	5/14/2019	11/12/2019	MBE: BGFE	0%	$0	100%	$500,000	yes	no
					WBE: BGFE	100%	$500,000				
					DSBE: BGFE	0%	$0				
Philadelphia Occupational Health P.C	Additional medical staff augmentation for the Medical Evaluation Unit.	$183,000	9/5/2018	1/1/2019	MBE: BGFE*	0%	$0	0%	$0	yes	no
					WBE: BGFE*	0%	$0				
					DSBE: BGFE*	0%	$0				
					MBE:	0%	$0	0%	$0		
					WBE:	0%	$0				
					DSBE:	0%	$0				

6. Participation Rate and Goal

The Contracts Summary table is for **professional services contracts only**.
The Contract Participation Goal table is for **all** contracts (Public Works, SS&E, and Professional Services, combined).

Contracts Summary (Professional Services only)						
	FY19	FY20	FY21	FY22	FY23	FY22 YTD (Q1 & Q2)
Total amount of contracts	$2,357,400	$2,357,400	$2,698,000	$2,308,000	$2,293,000	$2,308,000
Total amount to M/W/DSBE	$418,574	$813,600	$779,600	$803,006	$800,000	$803,006
Participation Rate	18%	35%	29%	35%	35%	35%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)		
	FY21	FY22	FY23
M/W/DSBE Contract Participation Goal	25%	25%	36%

7. Staff Demographics

Totals in this table should tie out to numbers in tables 1 and 2 above.
Biracial employees should be included under "Other."
The number of employees who identify as non-binary (i.e. employees who do not identify as either female or male) should be included in the text box below the table, along with salary detail.

Staff Demographics (as of December 2021)

	Full-Time Staff			Executive Staff	
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
Total	9	27	Total	1	1
% of Total	16%	47%	% of Total	17%	17%
Average Salary	$57,770	$61,342	Average Salary	$160,000	$133,000
Median Salary	$50,704	$50,704	Median Salary	$160,000	$133,000
	White	White		White	White
Total	4	9	Total	1	3
% of Total	7%	16%	% of Total	17%	50%
Average Salary	$90,751	$97,206	Average Salary	$127,300	$155,820
Median Salary	$92,500	$77,900	Median Salary	$127,300	$139,345
	Hispanic	Hispanic		Hispanic	Hispanic
Total	1	2	Total	0	0
% of Total	2%	3%	% of Total	0%	0%
Average Salary	$45,396	$60,114	Average Salary	N/A	N/A
Median Salary	$45,396	$60,114	Median Salary	N/A	N/A
	Asian	Asian		Asian	Asian
Total	0	5	Total	0	0
% of Total	0%	9%	% of Total	0%	0%
Average Salary	N/A	$79,862	Average Salary	N/A	N/A
Median Salary	N/A	$90,000	Median Salary	N/A	N/A
	Other	Other		Other	Other
Total	0	1	Total	0	0
% of Total	0%	2%	% of Total	0%	0%
Average Salary	N/A	$81,000	Average Salary	N/A	N/A
Median Salary	N/A	$81,000	Median Salary	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
Total	1	7	Total	0	1
% of Total	2%	12%	% of Total	0%	17%
Average Salary	$45,396	$88,061	Average Salary	N/A	$133,000
Median Salary	$45,396	$90,000	Median Salary	N/A	$133,000
	Male	Female		Male	Female
Total	14	44	Total	2	4
% of Total	24%	76%	% of Total	33%	67%
Average Salary	$68,605	$69,069	Average Salary	$143,650	$150,115
Median Salary	$52,956	$58,500	Median Salary	$143,650	$141,500

Detail for non-binary employees, if applicable:

8. New Hire Information

Date range is 7/1/21 to December 2021 increment run. Detail for any hires since then can be added in the text box below the table.

New Hires (from 7/1/2021 to December 2021)						
	Total Number of New Hires	[language 1]	[language 2]	[language 3]	[language 4]	[language 5]
Black or African American	2					
Asian						
Hispanic or Latino						
White	2					
Other						
Total	4	0	0	0	0	0

Detail for new hires since December 2021, if applicable: