

**OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER
FISCAL YEAR 2024 BUDGET TESTIMONY
APRIL 12TH, 2023**

INTRODUCTION

Good Morning, 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: Aviva Tevah, 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 2024 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 2024:

The Office of the CAO has established three Strategic Pillars to guide our work. Within each pillar, the CAO is pursuing the following goals in FY24:

Pillar 1 - Human Capital: Building a culture of trust, respect, and operational excellence in City government.

- Implement the SEPTA Key Advantage pilot program to provide free public transportation to City employees.
- Develop resources and capacity to continually enhance recruitment and hiring for the exempt workforce.
- Complete our work with a consultant to assess, consolidate, and improve professional development training and delivery with a focus on diversity, equity, and inclusion. The outcome of this engagement will be a turn-key, “train-the-trainer” program for the City.
- Building on the success of our Employee Protections Project, creating an Office of the Ombudsperson. The Ombudsperson will provide another resource to employees who may need support from a confidential, impartial party on workplace issues. The Ombudsperson will facilitate a healthy, open, and equitable workplace for all.
- Implement a robust employee engagement tool to assess our employee onboarding processes, annual engagement along areas such as equity and inclusion, and exit interviews.

We will also continue to work with City Council to implement the recommendations put forward by Council’s Special Committee on the Recruitment & Retention of Municipal Workers. We have

appreciated the opportunity to collaborate with the Special Committee on initiatives to attract and retain City employees.

Pillar 2 - Transformational Project Delivery: Delivering innovative projects with measurable and equitable outcomes.

- Complete implementation of the Equitable Community Engagement Toolkit, which is a city-wide program housed in the Office of Civic Engagement and Volunteer Service and includes equity-centered community engagement guidance (on the Phila.gov website), a training program, a consulting offering, and a 250-member cross-agency community of practice.
- Carry forward the lessons of the Operations Transformation Fund by building out technical assistance and ongoing project management support to improve project delivery city-wide, including increasing transparency around the status of City initiatives utilizing an online, digital dashboard.
- Bring to scale the use of productivity tools to digitize and expedite rote processes across City departments.
- Reorganize the Service Design Studio into three practice areas (Research & Evaluation, Service Design & Delivery, and Community Co-Design) to better support departments in their service improvement efforts through in-depth project work and capacity-building opportunities.
- Streamline the eligibility criteria and application process for City-administered benefit programs, with a goal of developing the Unified Benefits Application digital common application.

Pillar 3 - Administrative Functions: Leaving the City better than we found it by strengthening administrative functions.

- The OPAL project will accomplish the following in FY24: complete negotiations and award the contract(s) for implementation; award design work scope of services ; onboard and begin design in preparation for the first phase of implementation; hire and onboard the remaining OPAL team members; continue to infuse the project with diverse employee stakeholder engagement and regularly communicate on the project; engage with vendors throughout the project; award an Owner’s Representative scope of service to include an impartial vendor perspective that will help the City navigate this complex project; continue with data conversion efforts and make final decisions on business process changes.
- Launch a new online portal for vendors to submit workforce demographic disclosures in an efficient, secure way. As part of this process, the Office will consolidate and streamline disclosure requirements to remove redundancies.
- Implement a new, results-driven template for professional services RFPs. The redesigned template will be much easier for departments and potential vendors to use and understand. The expected outcome will be an improved experience for all stakeholders as well as higher quality services that deliver measurable results.
- Expand use of Vendor Payment Portal to all City vendors.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2022)				
	Total	Minority	White	Female
Number of Full-Time Staff	63	48	15	45
Number of Exempt Staff	46	33	13	33
Number of Executive Staff (deputy level and above)	6	2	4	4
Average Salary, Full-Time Staff	\$70,939	\$63,097	\$96,035	\$70,544
Average Salary, Exempt Staff	\$80,185	\$71,477	\$102,228	\$79,193
Average Salary, Executive Staff	\$157,437	\$160,100	\$156,106	\$160,356
Median Salary, Full-Time Staff	\$57,693	\$52,985	\$77,438	\$57,693
Median Salary, Exempt Staff	\$66,104	\$62,700	\$95,000	\$64,284
Median Salary, Executive Staff	\$154,937	\$160,100	\$146,437	\$154,937

Employment Levels (as of December 2022)		
	Budgeted	Filled
Number of Full-Time Positions	70	63
Number of Part-Time Positions	1	1
Number of Exempt Positions	51	46

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Number of Executive Positions (deputy level and above)	5	6
Average Salary of All Full-Time Positions	\$73,606	\$70,939
Median Salary of All Full-Time Positions	\$65,000	\$57,693

General Fund Financial Summary by Class						
	FY22 Original Appropriations	FY22 Actual Obligations	FY23 Original Appropriations	FY23 Estimated Obligations	FY24 Proposed Appropriations	Difference: FY24-FY23
Class 100 - Employee Compensation	\$5,062,173	\$4,457,677	\$6,368,435	\$6,154,055	\$5,241,920	(\$912,135)
Class 200 - Purchase of Services	\$3,865,698	\$2,351,889	\$6,427,056	\$7,868,331	\$11,532,563	\$3,664,232
Class 300/400 - Materials, Supplies & Equipment	\$2,016,665	\$352,885	\$2,082,265	\$947,442	\$256,925	(\$690,517)
	\$10,944,536	\$7,162,451	\$14,877,756	\$14,969,828	\$17,031,408	\$2,061,580

Contracts Summary (Professional Services only)						
	FY20	FY21	FY22	FY23	FY23 YTD (Q1 & Q2)	FY24 Projected
Total amount of contracts	\$2,357,400	\$2,698,000	\$2,308,000	\$3,027,500	\$2,753,500	\$2,150,000
Total amount to M/W/DSBE	\$813,600	\$779,600	\$803,006	\$1,215,000	\$941,000	\$774,000

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Participation Rate	35%	29%	35%	40%	34%	36%
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Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY22	FY23	FY24 Projected
M/W/DSBE Contract Participation Goal	25%	36%	36%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2024 General Fund budget totals \$17,031,408, an increase of \$2,061,580 over Fiscal Year 2023 estimated obligation levels. This increase is primarily due to the SEPTA Key Advantage Program, at \$9 million in FY24. Simultaneously, the CAO budget is decreasing to reflect the completion of the Operations Transformation Fund.

The proposed budget includes:

- \$5,241,920 in Class 100, a \$912,135 decrease from FY23. This funding will maintain current CAO operations and support the new Office of the Ombudsperson.
- \$11,532,563 in Class 200, a \$3,664,232 increase over FY23. This funding will support the new SEPTA Key Program, in addition to existing CAO functions.
- \$256,925 in Class 300/400, a \$690,517 decrease from FY23. This funding will be used by the few Operations Transformation Fund projects that will be completed in early FY24.

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STAFFING LEVELS







The department is requesting 70 budgeted positions for FY24, a decrease of 11 positions from FY23. The decrease is attributed to the completion of the Operations Transformation Fund.

NEW HIRES

New Hires (from 7/1/2021 to December 2022)		
	Total Number of New Hires	English
Asian	1	1
White	1	1
Other	1	1
Total	3	3

PERFORMANCE, CHALLENGES, AND INITIATIVES

STRATEGIC DIRECTION AND TRANSFORMATION

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Time to hire new, exempt employees (days)	94	90	90	
Percentage of new hires who go through onboarding process	91.3%	75.0%	90.0%	

FY24 STRATEGIC GOALS

Within the Three Pillars, CAO will continue to focus on delivering projects with measurable and equitable outcomes:

Pillar 1 - Human Capital:

- Complete work with a consultant to assess, consolidate, and improve professional development training and delivery with a focus on diversity, equity, and inclusion. The outcome of this engagement will be a turn-key, “train-the-trainer” program for the City.
- Building on the success of the Employee Protections Project, creating an Office of the Ombudsperson. The Ombudsperson will provide another resource to employees who may need support from a confidential, impartial party on workplace issues. The Ombudsperson will facilitate a healthy, open, and equitable workplace for all.
- As part of its ongoing efforts to make the City of Philadelphia an employer of choice, the City will join other large employers in the region by joining the SEPTA Key Advantage Program, proving free transit to all City employees as part of a two-year pilot program. The program aims to support City employee recruitment and retention efforts, support SEPTA’s efforts to improve safety and maintain quality transit services, and further the City’s commitment to sustainability.

Pillar 2 - Transformational Project Delivery:









- Build out a Community Co-Design practice that will train community members to be neighborhood-level data collectors, so that they have meaningful pathways to contribute to the design of City policies, programs, and services.
- Scaling tools for productivity and operational excellence and implementing the digital transformation of rote processes.
- Fully implement the Equitable Community Engagement Toolkit, which is a city wide program housed in the Office of Civic Engagement and Volunteer Service and includes equity-centered community engagement guidance (housed on the Phila.gov website), a training program, a consulting offering, and a 250-member cross-agency community of practice.

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Pillar 3 - Administrative Functions:

- The OPAL project will accomplish the following in FY24: complete negotiations and award the contract(s) for implementation; award design work scope of services; onboard and begin design in preparation for the first phase of implementation; hire and onboard the remaining OPAL team members; continue to infuse the project with diverse employee stakeholder engagement and regularly communicate on the project; engage with vendors throughout the project; award an Owner’s Representative scope of service to include an impartial vendor perspective that will help the City navigate this complex project; continue with data conversion efforts and make final decisions on business process changes.
- Launch a new online portal for vendors to submit workforce demographic disclosures in an efficient, secure way. As part of this process, the Office will consolidate and streamline disclosure requirements to remove redundancies.
- Implement a new, results-driven template for professional services RFPs. The redesigned template will be much easier for departments and potential vendors to use and understand. The expected outcome will be an improved experience for all stakeholders as well as higher quality services that deliver measurable results.

OFFICE OF ADMINISTRATIVE REVIEW (OAR)

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Tax Review Board: Median time between petition filed date and hearing date (months)	3	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: Median time to decision (days)	Prior Year Data is Not Available ¹	N/A	12	

¹New Metric for FY’24; Date was not collected in FY’22

¹ New Metric for FY’24; Date was not collected in FY’22

FY24 STRATEGIC GOALS

- Successfully launching ARCS (Administrative Review Case System), the TRB’s internal case management system, while also training TRB staff and department representatives on the program’s operation.
- Focus on employee engagement and morale by creating employee flextime policies, improving hearing officer equity through pay increases, and implementing programs for cross training on Red Light and Speed Camera Enforcement programs.
- 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.
- Launch a Quality Assurance program in the Code Unit and BAA to standardize ticketing input and hearing procedures.
- Implementing OAR’s professional services contract for the Code Unit’s code violation management system.
- Continuing to provide accessible and timely hearings through targeted scheduling, advance notice and various options to attend hearings.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

N/A

CONTRACTING EXPERIENCE

Top Five Largest Contracts, FY23											
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	\$1,875,000	2/1/2017	4/1/2018	MBE: 20-25%	19%	\$363,188	20%	\$381,000	no	no
					WBE: 10-15%	1%	\$17,813				
					DSBE:	0%	\$0				
Jane Hires Inc	On-call staffing services for senior or hard-to-fill positions	\$100,000	5/14/2019	11/12/2019	MBE: BGFE	\$0	0%	\$0	\$0	yes	no
					WBE: BGFE	\$0	\$0				
					DSBE: BGFE	\$0	\$0				
Career Concepts, Inc.	On-call staffing services for senior	\$500,000	5/14/2019	11/12/2019	MBE: BGFE	0%	\$0	100%	\$500,000	yes	no

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	or hard-to-fill positions				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				
Grandinetta	Developing DEI Leadership program incl. Train the Trainer model	\$274,000	9/21/2022	1/12/2023	MBE:	36%	\$98,640	100%	\$274,000	no	no
					WBE:	100%	\$274,000				
					DSBE:	0%	\$0				

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EMPLOYEE DATA

Staff Demographics (as of December 2022)				
Full-Time Staff			Executive Staff	
	Male	Female		
	African-American	African-American	African-American	African-American
<i>Total</i>	11	26	<i>Total</i>	1
<i>% of Total</i>	17%	41%	<i>% of Total</i>	17%
<i>Average Salary</i>	\$63,296	\$59,825	<i>Average Salary</i>	\$165,200
<i>Median Salary</i>	\$47,000	\$51,609	<i>Median Salary</i>	\$165,200
	White	White		
<i>Total</i>	5	10	<i>Total</i>	1
<i>% of Total</i>	8%	16%	<i>% of Total</i>	17%
<i>Average Salary</i>	\$95,784	\$96,160	<i>Average Salary</i>	\$138,000
<i>Median Salary</i>	\$95,000	\$74,717	<i>Median Salary</i>	\$138,000
	Hispanic	Hispanic		
<i>Total</i>	1	3	<i>Total</i>	0
<i>% of Total</i>	2%	5%	<i>% of Total</i>	0%
<i>Average Salary</i>	\$49,515	\$56,633	<i>Average Salary</i>	N/A
<i>Median Salary</i>	\$49,515	\$62,700	<i>Median Salary</i>	N/A
	Asian	Asian		
<i>Total</i>	1	5	<i>Total</i>	0
<i>% of Total</i>	2%	9%	<i>% of Total</i>	0%
<i>Average Salary</i>	\$70,000	\$80,634	<i>Average Salary</i>	N/A
<i>Median Salary</i>	\$70,000	\$90,500	<i>Median Salary</i>	N/A

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	Other		Other			Other		Other	
<i>Total</i>	0	2			<i>Total</i>	0	0		
<i>% of Total</i>	0%	3%			<i>% of Total</i>	0%	0%		
<i>Average Salary</i>	N/A	\$85,200			<i>Average Salary</i>	N/A	N/A		
<i>Median Salary</i>	N/A	\$85,200			<i>Median Salary</i>	N/A	N/A		
	Bilingual		Bilingual			Bilingual		Bilingual	
<i>Total</i>	1	6			<i>Total</i>	0	1		
<i>% of Total</i>	2%	10%			<i>% of Total</i>	0%	2%		
<i>Average Salary</i>	\$49,515	\$84,316			<i>Average Salary</i>	N/A	\$155,000		
<i>Median Salary</i>	\$49,515	\$73,968			<i>Median Salary</i>	N/A	\$155,000		
	Male		Female			Male		Female	
<i>Total</i>	18	45			<i>Total</i>	2	4		
<i>% of Total</i>	29%	71%			<i>% of Total</i>	33%	67%		
<i>Average Salary</i>	\$71,927	\$70,554			<i>Average Salary</i>	\$151,600	\$160,356		
<i>Median Salary</i>	\$55,339	\$57,693			<i>Median Salary</i>	\$151,600	\$154,937		

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 language access coordinators are Kristen Ferraro for the Office of Administrative Review, and Katrina N. Lewis for the Office of the CAO. The language access plan for CAO and OAR can be found [HERE](#). CAO intends to coordinate a language access training for staff before the end of FY23.

- 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 six multilingual employees in CAO, none of whom were hired this fiscal year. The Office of Administrative Review has two multilingual staff speaking a total of two different languages: Spanish, and 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 three designers that speak a total of seven different languages: Mandarin, Cantonese, Spanish, Hindi, Gujarati, Malayalam, and French. 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. 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

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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. Other projects include the Digital Forms project by OIT, the Emergency Warning and Alert System Enhancement project by OEM, and the Equitable Community Engagement Toolkit.

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 on our resources. Although increased virtual service offerings can mitigate this, those with barriers to physically access services are likely to also have barriers to 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 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.

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.