

**PHILADELPHIA DEPARTMENT OF LABOR
FISCAL YEAR 2023 BUDGET TESTIMONY
WEDNESDAY, APRIL 6TH, 2022**

INTRODUCTION

Good afternoon, President Clarke and Members of City Council. I am Rich Lazer, Deputy Mayor for Labor. Joining me today are Monica Marchetti-Brock, First Deputy, Manny Citron, Chief of Staff, Candace Chewning, Deputy for Worker Protection, and Perritti DiVirgilio, Director of Labor Standards. I am pleased to provide testimony on the Philadelphia Department of Labor's Fiscal Year 2023 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Philadelphia Department of Labor (DOL) builds partnerships between management and the labor organizations representing City employees and non-City employees; creates, implements and administers City policies and practices necessary to achieve equal employment opportunity (EEO) in the workplace and compliance with anti-discrimination policies and laws; and administers and enforces the City's worker protection laws.

As the City's main point-of-contact for the labor community, among other functions, the Department: handles negotiations between City unions and City management; responds to unfair labor practice charges filed against the City; represents the City in union disputes; develops and conducts training; investigates complaints of discrimination, harassment and retaliation; ensures employers with City contracts pay prevailing wages; and resolves minimum-wage waiver requests.

Plans for Fiscal Year 2023:

The Department of Labor will continue to improve EEO protection and anti-harassment policy awareness, including maintaining a more robust training inventory focused on supporting conflict resolution, communication, and proactive employee relations practices. For our externally focused work we will continue to increase the visibility and awareness of the Department and the laws it enforces among low wage workers and serve as a resource for all workers in Philadelphia. Our Office of Worker Protections aims to increase restitution collected on behalf of workers and continue with virtual and in-person outreach events. Our Office of Labor Standards continue working on its strategic goal of improving contractor education on the reporting process, increasing timely submission of certified payrolls, and increasing contractor education regarding workforce diversity goals.

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 \$3,901,308, an INCREASE of \$482,814 over Fiscal Year 2022 estimated obligation levels. This INCREASE is primarily due to reinstatement of funding that was temporarily cut due to the pandemic, pay rate and step increases for civil service employees, and salary changes related to transitioning exempt positions into new civil service roles.

The proposed budget includes:

- \$3,414,271 in Class 100, a \$530,014 INCREASE OVER FY22. This funding will go towards pay rate and step increases for civil service employees, and salary changes related to transitioning exempt positions into new civil service roles. Additionally new funding has been provided to hire five new employees. Additional information is in the Staffing Level section of the Testimony.
- \$462,617 in Class 200, a \$50,200 DECREASE OVER FY22. This change is due to the removal of future funding for covid vaccination exemption and appeals in FY 23, and to changes in labor negotiations contract fees. Remaining funding will go towards arbitration fees for interest arbitration and grievance arbitration, trainings and seminars for the Employee and Labor Relations Unit, and language access and court reporting services related to the Office of Worker Protection and Board of Labor Standards, transfer of printer costs to Labor from OIT, community engagement grants to support the work of the Office of Worker Protection, and contracting with a third-party training provider to provide wrap-around services for workforce trainees.
- \$22,820 (class 300) and \$1600 (class 400) in Class 300/400, a \$3,000 INCREASE OVER FY22. This funding will go towards general office materials and supplies, subscriptions to reporting services for arbitration caselaw, and new supplies and equipment for new hires.
- \$0 in Class 500.
- \$0 in Class 600.
- \$0 in Class 800.
- \$0 in Class 900.

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STAFFING LEVELS

The department is requesting 44 budgeted positions for FY23, an increase of 5 positions over from FY22.

The INCREASE is attributed three additional positions for the Office of Worker Protection including two Assistant City Solicitors and one Compliance Investigator. One Workforce Development Director to support hiring and apprenticeships related to IJA projects, and one Ombudsman to serve as an additional resource for dispute resolution within the City's workforce.

NEW HIRES

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

PERFORMANCE, CHALLENGES, AND INITIATIVES

Labor and Employee Relations

Performance Measure	FY21 Year-End	FY22 Target	FY23 Target
Number of employees trained by the Office of Labor Relations and the Employee Relations Unit	8,556	7,500	7,500

Program FY23 Strategic Goals

- Facilitate the implementation and monitor the progress of the new Police Termination Arbitration Board that will hear all grievances regarding terminations of uniformed police employees.
- Meet or exceed FY23 target of 7,500 employees trained in EEO.
- Launch a citywide EEO protections education campaign to include leveraging social media, citywide publications and broadcasts.
- Establish Ombudsman Office to better address discrimination and harassment and build a culture of dignity and respect for all employees.

Labor Policy and Compliance

Performance Measure	FY21 Year-End	FY22 Target	FY23 Target
Percent of prevailing wage projects with compliance issues	3.4%	<5.0 %	<5.0 %
Number of paid sick leave and wage theft complaints submitted and investigated	283	275	250
Number of paid sick leave and wage theft inquiries received and responded to	820	775	900

Program FY23 Strategic Goals

- In FY23, the Office of Labor Standards will continue working on its strategic goal of improving contractor education on the reporting process, increasing timely submission of certified payrolls, and increasing contractor education regarding workforce diversity goals.
- The Office of Worker Protections aims to increase restitution collected on behalf of workers and continuing with virtual and in-person outreach events.

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.

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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.**

Language Access Coordinator: Candace Chewning

Date of most recent departmental training: December 1, 2020

Language Access Plan: [Philadelphia Department of Labor](#)

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

Please see the Employee Data tables for staff demographics. Languages spoken are as follows:

New Hires

1 Mandarin

1 Spanish

1 Yoruba

Existing Staff

1 French

1 Mandarin

3 Spanish

Frontline staff have been trained on using the City’s language access services. Additionally frontline staff will personally translate in cases where they are able to.

- 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.

Telephonic- 29- 24 by staff

24 Spanish

1 Arabic

4 Mandarin

8 Interpretations - 6 performed by staff

6 Spanish

1 Indonesian

1 Mandarin

13 Translations – 2 performed by staff

1 Bangla

2 Arabic

2 Simplified Chinese

2 Vietnamese

2 Haitian Creole

2 Khmer

2 Russian

2 Spanish

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

The Department of Labor has participated in OIA language access vendor RFP process, updated our language access plan, and hired bilingual employees.

CLIMATE CHANGE

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

Climate change has not impacted our provision of services.

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

Department of Labor is not aware of how climate change may increase costs or demands at this time.

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

At this time the Mayor’s Office of Labor does not have a specific mitigation plan for climate change. DOL will develop one if the need arises.

1. Staff Demographics Summary

Staff Demographics Summary (as of December 2021)				
	Total	Minority	White	Female
Number of Full-Time Staff	25	10	15	14
Number of Exempt Staff	16	2	14	7
Number of Executive Staff (deputy level and above)	8	1	7	4
Average Salary, Full-Time Staff	\$81,749	\$66,982	\$92,321	\$80,469
Average Salary, Exempt Staff	\$94,843	\$73,709	\$104,449	\$85,769
Average Salary, Executive Staff	\$130,748	\$130,000	\$130,854	\$131,250
Median Salary, Full-Time Staff	\$62,000	\$56,674	\$71,375	\$66,653
Median Salary, Exempt Staff	\$91,250	\$62,000	\$105,000	\$71,341
Median Salary, Executive Staff	\$123,400	\$130,000	\$116,800	\$130,000

2. Employment Levels

Employment Levels (as of December 2021)		
	Budgeted	Filled
Number of Full-Time Positions	39	25
Number of Part-Time Positions	1	1
Number of Exempt Positions	13	12
Number of Executive Positions (deputy level and above)	8	8
Average Salary of All Full-Time Positions	\$75,228	\$81,749
Median Salary of All Full-Time Positions	\$58,412	\$62,000

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	\$2,395,467	\$1,991,712	\$2,939,422	\$2,884,257	\$3,414,271	\$530,014
Class 200 - Purchase of Services	\$357,217	\$320,420	\$352,817	\$512,817	\$462,617	(\$50,200)
Class 300/400 - Materials, Supplies & Equipment	\$86,420	\$65,619	\$21,420	\$21,420	\$24,420	\$3,000
	\$2,839,104	\$2,377,751	\$3,313,659	\$3,418,494	\$3,901,308	\$482,814

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]
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*Department of Labor did not have any large professional services contracts in FY22.

Non-Profit Vendor Demographics

N/A

5. Performance Measures Table

Please refer to the FY23 Budget Testimony narrative for Performance Measure data.

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	\$0	\$34,000	\$17,000	\$0	\$0	\$0
Total amount to M/W/DSBE	\$0	\$34,000	\$17,000	\$0	\$0	\$0
Participation Rate	0%	100%	100%	0%	0%	0%

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	35%	35%	35%

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
<i>Total</i>		3	4	0	1
<i>% of Total</i>		12%	16%	0%	13%
<i>Average Salary</i>		\$54,770	\$72,415	\$0	\$130,000
<i>Median Salary</i>		\$53,993	\$56,829	\$0	\$130,000
		White	White	White	White
<i>Total</i>		7	8	3	3
<i>% of Total</i>		28%	32%	38%	38%
<i>Average Salary</i>		\$99,541	\$86,004	\$130,245	\$131,250
<i>Median Salary</i>		\$105,000	\$65,691	\$115,490	\$130,000
		Hispanic	Hispanic	Hispanic	Hispanic
<i>Total</i>		0	1	0	0
<i>% of Total</i>		0%	4%	0%	0%
<i>Average Salary</i>		\$0	\$71,375	\$0	\$0
<i>Median Salary</i>		\$0	\$71,375	\$0	\$0
		Asian	Asian	Asian	Asian
<i>Total</i>		1	1	0	0
<i>% of Total</i>		4%	4%	0%	0%
<i>Average Salary</i>		\$56,074	\$77,500	\$0	\$0
<i>Median Salary</i>		\$56,074	\$77,500	\$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>		1	3	0	0
<i>% of Total</i>		4%	12%	0%	0%
<i>Average Salary</i>		\$52,215	\$74,438	\$0	\$0
<i>Median Salary</i>		\$52,215	\$74,438	\$0	\$0
		Male	Female	Male	Female
<i>Total</i>		11	14	4	4
<i>% of Total</i>		44%	56%	50%	50%
<i>Average Salary</i>		\$83,379	\$80,469	\$130,245	\$131,250
<i>Median Salary</i>		\$57,274	\$66,653	\$115,490	\$130,000

Detail for non-binary employees, if applicable: N/A

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	Mandarin
Black or African American		
Asian	1	1
Hispanic or Latino		
White		
Other		
Total	1	1

Detail for new hires since December 2021, if applicable: N/A