

**OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER
FISCAL YEAR 2025 BUDGET TESTIMONY
APRIL 2, 2024**

INTRODUCTION

Good morning, President Johnson and Members of City Council. I am Camille Duchaussee, Chief Administrative Officer. Joining me today from CAO are members of my senior leadership team. I am pleased to provide testimony on the Office of the Chief Administrative Officer's Fiscal Year 2025 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission:

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 in pursuit of the Mayor's vision to make Philadelphia the safest, cleanest, and greenest big city in the nation with economic opportunity for everyone and to have a City government that residents can see, touch, and feel.

Plans for Fiscal Year 2025:

In FY25, CAO will continue to advance our mission through three strategic pillars of work: investing in the City's workforce, driving technical work to transform city services, and strengthening the City's administrative functions.

Some of the key aspects of the CAO are the establishment of strategic direction, driving organizational effectiveness, development and innovation, coordinating enterprise administrative functions, particularly in regard to the City of Philadelphia workforce infrastructure and resident service delivery, and implementing citywide policy and operational practices. Overall, the CAO is critical in the effective functioning of the City's government and its ability to be responsive to its workforce and residents.

Some examples of our employee-focused initiatives include:

- Administration of the Office of the Employee Ombudsperson, which provides confidential, independent and impartial assistance, voluntary dispute resolution and problem-solving methods to City employees;

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

- Scaled implementation of the employee survey tool to understand employee experience and empower leadership to create action plans that foster a more inclusive workforce, enhance employee well-being, and improve retention;
- Partner with the Office of Human Resources to examine, adjust and modernize recruitment and hiring services, pursuant to EO 3-2024, which removes barriers to city employment, including providing internal support for departments, consistent with E.O. 3-2024, analyzing and enhancing qualification and application processes to create expanded pathways to employment consideration and opportunity.

Through our portfolio of transformative technical assistance, we will:

- Partner with the Mayor's Office of Policy Planning and Delivery, the Managing Director's Office, and the Office of Innovation & Technology to drive the implementation of Executive Order 02-24 to make City services more visible, responsive, and effective through a coordinated service improvement process.

To strengthen the City's administrative functions, CAO will:

- Continue to expand Digital Workflow Transformation, a program that develops online applications to improve current administrative functions with tools to streamline backend processes.
- Continue to sponsor the OPAL Project to maintain the project budget and schedule to ensure that it remains on track; successfully complete the Business Process Alignment and Architect Service Orders; conduct iterative design, configuration, and confirmation workshops; and create test scenarios (unit test cases). OPAL will also continue to hire for the project team and engage a change management strategy throughout the project.

In addition, CAO oversees the Office of Administrative Review, which administers administrative hearings where constituents can dispute fines, bills, and violations issued by the City. In FY25, OAR will hire additional staff to increase OAR's ability to provide timely hearings for speed camera and red-light camera programs, in response to eight new red light camera intersections administered by the PPA, and new state legislation authorizing the possible opening of new corridors and/or school zones. OAR will also Renovate the Tax Review Board Main Hearing Room to enable simultaneous in-person and virtual hearings. Since 2020, hearings have been virtual-only, and an integrated space where full Board hearings can be held both virtually and in-person will better accommodate petitioners and Board members, encourage fewer continuances, and be aligned with OAR's mission of providing fair, accessible hearings to residents.

PROPOSED BUDGET OVERVIEW

General Fund Financial Summary by Class						
	FY23 Original Appropriations	FY23 Actual Obligations	FY24 Original Appropriations	FY24 Estimated Obligations	FY25 Proposed Appropriations	Difference: FY25-FY24
Class 100 - Employee Compensation	\$6,368,435	\$6,108,879	\$5,749,903	\$6,044,903	\$6,093,903	\$49,000
Class 200 - Purchase of Services	\$6,427,056	\$6,812,559	\$12,306,088	\$12,626,948	\$11,115,698	(\$1,511,250)
Class 300/400 - Materials, Supplies & Equipment	\$2,082,265	\$823,981	\$364,968	\$364,968	\$34,533	(\$330,435)
Total	\$14,877,756	\$13,745,419	\$18,420,959	\$19,036,819	\$17,244,134	(\$1,792,685)

Proposed Funding Request:

The proposed Fiscal Year 2025 General Fund budget totals \$17,244,134, a decrease of \$1,792,685 over Fiscal Year 2024 estimated obligation levels. This decrease is due primarily to non-recurring FY24 Operations Transformation Fund (OTF) spending, which does not continue in FY25.

The proposed budget includes:

- \$6,093,903 in Class 100, a \$49,000 increase over FY24. This reflects OTF funding in FY24 that does not recur in FY25, plus an increase due to the cost of three additional positions for the Bureau of Administrative Adjudication, offset slightly by a decrease due to OTF funding in FY24 that does not recur in FY25.
- \$11,115,698 in Class 200, a \$1,511,250 decrease from FY24. This reflects OTF funding in FY24 that does not recur in FY25.
- \$34,533 in Class 300/400, a \$330,435 decrease from FY24. This reflects OTF funding in FY24 that does not recur in FY25.

STAFFING LEVELS

The department is requesting 82 budgeted positions for FY25, an increase of 3 positions over FY24.

The increase is attributed to 3 new hearing officer positions for the Office of Administrative Review, to enhance OAR’s ability to provide timely hearings for speed camera and red-light camera programs, in response to eight new red light camera intersections administered by the PPA and new state legislation authorizing the possible opening of new corridors and/or school zones.

Employment Levels (as of December 2023)		
	FY25 Budgeted	Filled as of December 2023
Number of Full-Time Positions	82	68
Number of Part-Time Positions	1	1
Number of Exempt Positions	71	55
Number of Executive Positions (deputy level and above)	6	6
Average Salary of All Full-Time Positions	\$73,785	\$75,760
Median Salary of All Full-Time Positions	\$65,000	\$65,000

NEW HIRES

New Hires (from 7/1/2023 to December 2023)		
	Total Number of New Hires	French
White	1	
Other	2	1
Total	3	1

PROGRAM BASED BUDGETING:

Program Name: Strategic Direction and Transformation

Program Number: 65-04

FY25 Proposed General Fund: \$12,837,848

Program Description:

- **Administration:** Provides oversight for CAO divisions and departments and leads projects focused on process and policy improvement, innovation, and transformation.
- **Office of Talent & Employee Success (OTES):** Supports City departments through exempt hiring, talent management, professional development, and process and policy improvement.
- **PHL Service Design Studio (the Studio):** Partners with residents, front-line staff, and leaders to design accessible, equitable, and trauma-informed services that honor the diverse needs of Philadelphians.

FY25 Strategic Goals:

Pillar 1 - Human Capital:

- **Continue building out recruitment and hiring services for the City’s exempt workforce**, per EO 3-2024, which removes barriers to city employment, including providing internal support for departments, consistent with E.O. 3-2024, analyzing and enhancing qualification and application processes to create expanded pathways to employment consideration and opportunity. Intentionally focusing on and expanding workforce supports and services such as teambuilding, employee engagement, and new employee orientation programming. Meet the demand for organizational development team-building requests as a result of newly hired Organizational Development Specialist; and rebrand new hire services and new hire orientation engagement by creating Launch Phila Gov, a new hire orientation program.

Pillar 2 - Transformational Technical Assistance:

- **Service Delivery Initiative** – The new Service Delivery Initiative (SDI) will support implementation of Executive Order 2-2024, the Mayor’s commitment to making government services more visible, responsive, and effective. Through SDI, CAO will work with the Mayor's Office, OIT, and MDO to audit service delivery channels, develop a process for prioritizing City services that need improvement, implement service improvements with accelerated project delivery, and track and report on project status and outcomes. Funding for new staff positions will build out the capacity in CAO and OIT to implement the Service Delivery Initiative and offer intensive assistance to City departments. CAO will also manage funding to cover the upfront costs of the selected service delivery improvement projects.

Pillar 3 - Administrative Functions:

- CAO will continue Digital Workflow Transformation, a program that develops online applications to improve current administrative functions with tools to streamline backend processes. For example, an application built for the Office of Economic Opportunity has reduced the turnaround time for a step which departments must take to release RFPs from 4-6 weeks to 3-4 days. The CAO recently opened the Digital Workflow Transformation program to all City departments to use at no cost to the departments.
- **The OPAL Project** will maintain the project budget and schedule to ensure that it remains on track; successfully complete the Business Process Alignment and Architect Service Orders; conduct iterative design, configuration, and confirmation workshops; and create test scenarios (unit test cases). OPAL will also continue to hire for the project team and engage a change management strategy throughout the project.

FY25 Performance Measures:

Measure	FY23 Actual	FY4 Target	FY25 Target
Time to hire new, exempt employees (days)*	113	90	90

*This measure pertains to exempt employees. The FY24 expansion of the Office of Talent and Employee Success will enable closer collaboration with hiring managers for exempt positions. As a result, the data in the City’s exempt applicant tracking system will become more accurate, and CAO expects the median number of days to hire new exempt employees to decrease.

PROGRAM BASED BUDGETING:

Program Name: Office of Administrative Review

Program Number: 65-02

FY25 Proposed General Fund: \$4,406,286

Program Description:

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

OAR administers administrative hearings where constituents can dispute fines, bills, and violations issued by the City. This program includes the Tax Review Board (TRB), where taxpayers may appeal decisions made by the Revenue Department and Water Department concerning (i) tax and water debt liability and (ii) eligibility for low-income assistance programs. OAR also works closely with the Philadelphia Parking Authority (PPA) on several programs, including OAR’s Bureau of Administrative Adjudication (BAA), which administers hearings for parking ticket disputes and handles appeals for on-street residential parking for disabled persons, red-light camera, and speed camera enforcement violations. OAR also includes the Code Violation Unit (CVU), which annually processes and sends out notices for approximately 100,000 violations, such as sanitation and false alarm violations.

FY25 Strategic Goals:

- Hire additional staff to increase OAR’s ability to provide timely hearings for speed camera and red-light camera programs, in response to eight new red light camera intersections administered by the PPA, and new state legislation authorizing the possible opening of new corridors and/or school zones.
- Renovate the Tax Review Board Main Hearing Room to enable simultaneous in-person and virtual hearings. Since 2020, hearings have been virtual-only, and an integrated space where full Board hearings can be held both virtually and in-person will better accommodate petitioners and Board members, encourage fewer continuances, and be aligned with OAR’s mission of providing fair, accessible hearings to residents.

FY25 Performance Measures:

Measure	FY23 Actual	FY4 Target	FY25 Target
Tax Review Board: Median time between petition filed date and hearing date (months)	5	5	5
Board of Administrative Adjudication: Average time between receiving appeal to decision being made (1st level review, online submission and review)*	N/A	90	60

* This measure was created in FY24 to replace an old measure and better reflect the performance of the CAO.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable) - Not Applicable