

**MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY
FISCAL YEAR 2016 BUDGET TESTIMONY
APRIL 7, 2015**

EXECUTIVE SUMMARY

DEPARTMENT MISSION AND FUNCTION

Mission: To align the city's efforts to lift individuals and communities out of poverty and increase opportunities for low-income individuals and families. As Philadelphia's Community Action Agency, the Mayor's Office of Community Empowerment & Opportunity is well positioned to be a catalyst and serve as the supportive infrastructure to the city's cross-sector efforts to fight poverty.

Description of Major Services: CEO is focused on implementing Shared Prosperity Philadelphia, the City's plan to fight poverty. The plan addresses five key areas: Job Creation and Job Training; Benefits Access; Early Learning; Housing; and Economic Security. In addition to coordinating efforts across these goal areas, CEO funds services to over 36,000 residents through Financial Empowerment Centers, BenePhilly Centers, the West Philadelphia Promise Zone, Meals and More, job training and other programs. Through CEO's efforts, Philadelphia residents are able to develop critical job skills and find work; utilize all the public benefits for which they are eligible; connect to meals and services in a safe and dignified setting; reduce health hazards in their home; reduce debt and increase savings, and much more.

PROPOSED BUDGET HIGHLIGHTS/FUNDING REQUEST

Budget Highlights: Although the Mayor's Office of Community Empowerment & Opportunity (CEO) was created in January 2013, it assumed the budget that was formerly allocated to the Mayor's Office of Community Services. CEO's budget consists primarily of grant funding, which has doubled to \$12.7 million as of the FY15 Current Projection. Of that amount \$7 million is passed through to another agency, as required by the Pennsylvania Department of Human Services. In FY15, CEO was appropriated General Funds for the Reducing Hunger Initiative which was transferred from the Office of Supportive Housing as well as the Childcare Facility Fund which was transferred from the Office of Housing and Community Development. CEO was successful in leading the City's effort for a portion of West Philadelphia to be designated a "Promise Zone" (described in the Accomplishments & Initiatives section below). As a result of this designation, Philadelphia will receive benefits to support this area through technical assistance from federal agencies, preference for future federal funding opportunities, and tax incentives (pending approval from Congress), that will include credits for hiring local residents.

| Fund | Class | FY14 Actual | FY15 Current Projection | FY16 Proposed Budget | FY16-FY15 Change | FY16-FY15 Percent Change |
|---------|-----------|-------------|-------------------------|----------------------|------------------|--------------------------|
| General | 100 | 0 | 0 | 0 | 0 | 0.0% |
| | 200 | 0 | 605,000 | 605,000 | 0 | 0.0% |
| | Total | 0 | 605,000 | 605,000 | 0 | 0.0% |
| | Positions | 0 | 0 | 0 | 0 | 0.0% |
| Other* | 100 | 2,442,183 | 2,240,514 | 2,800,644 | 560,130 | 25.0% |
| | 200 | 9,582,562 | 10,460,497 | 13,075,621 | 2,615,124 | 25.0% |
| | 300/400 | 176,998 | 38,500 | 48,125 | 9,625 | 25.0% |
| | Total | 12,201,744 | 12,739,511 | 15,924,390 | 3,184,879 | 25.0% |
| | Positions | 33 | 37 | 37 | 0 | 0.0% |
| All | 100 | 2,442,183 | 2,240,514 | 2,800,644 | 560,130 | 25.0% |
| | 200 | 9,582,562 | 11,065,497 | 13,680,621 | 2,615,124 | 23.6% |
| | 300/400 | 176,998 | 38,500 | 48,125 | 9,625 | 25.0% |
| | Total | 12,201,744 | 13,344,511 | 16,529,390 | 3,184,879 | 23.9% |
| | Positions | 33 | 37 | 37 | 0 | 0.0% |

* Other Funds includes: County Liquid Fuels Tax Fund, Special Gasoline Tax Fund, Healthchoices Behavioral Health Fund, Hotel Room Rental Tax Fund, Grants Revenue Fund, Community Development Fund, Car Rental Tax Fund, Housing Trust Fund, Water Fund, Water Residual Fund, Aviation Fund, and Acute Care Hospital Assessment Fund.

Staff Demographics Summary (as of December 2014)

| | Total | Minority | White | Female |
|----------------------------------|-----------|-----------|-----------|-----------|
| Full-Time Staff | 31 | 27 | 4 | 22 |
| Executive Staff | 3 | 1 | 2 | 2 |
| Average Salary - Executive Staff | \$115,748 | \$106,605 | \$120,319 | \$120,319 |
| Median Salary - Executive Staff | \$106,605 | \$106,605 | \$120,319 | \$120,319 |

Employment Levels (as of December 2014)

| | Budgeted | Filled |
|---------------------|----------|--------|
| Full-Time Positions | 34 | 31 |
| Part-Time Positions | 2 | 1 |
| Executive Positions | 3 | 3 |

Contracts Summary (*as of December 2014)

| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15* |
|---------------------------|-----------|----------|-----------|----------|----------|-----------|
| Total amount of contracts | \$110,705 | \$19,533 | \$201,505 | \$60,000 | \$72,045 | \$130,643 |
| Total amount to M/W/DBE | \$29,750 | \$0 | \$112,000 | \$10,000 | \$50,000 | \$71,072 |
| Participation Rate | 27% | 0% | 56% | 17% | 69% | 54% |

PERFORMANCE, CHALLENGES AND INITIATIVES

DEPARTMENT PERFORMANCE (OPERATIONS)

CEO works with hundreds of organizations across the city to collectively address poverty and uses a variety of performance metrics to measure progress and impact. Since the launch of Shared Prosperity Philadelphia in July 2013, the Administration's plan to fight poverty, 19 of the original 23 targets have advanced due to collective efforts across the city. CEO's performance metrics are tracked annually and these metrics will continue to inform CEO's work and strategies in the year ahead. Among these indicators, the employment total within Philadelphia has increased by 0.6% since FY13, and the local unemployment rate improved to within 2.6% of the national rate as of August 2014. The number of seats available to low income individuals for literacy training increased by 18.3% or 704 additional seats from FY13 (3,843) to FY14 (4,457). Additionally, the number of pregnant women and parents of young children receiving early childhood resources increased 4.0% from 13,491 in FY13 to 14,032 in FY14. The number of people who secured safe and affordable permanent housing increased by 4.1% since FY13, up to 42,694 in FY14. More information on the progress towards these and other goals can be found at the Shared Prosperity website (www.sharedprosperityphila.org).

DEPARTMENT CHALLENGES

CEO's funding comes primarily from the Community Services Block Grant (CSBG). These funds are limited to serving individuals who are 125% or below the federal poverty line. This makes it more difficult to serve the hundreds of thousands of residents in need of assistance that are above that line. CEO looks to find additional funding sources to help blend funds to serve a broader spectrum of residents who need services.

CEO is focused on sustaining and expanding successful programs and need to identify funding for these projects. As CEO tests new approaches to achieving its goals, CEO looks to scale those efforts. Two good examples are the BenePhilly and Financial Empowerment Centers. In the last year, CEO has seen significant success with the six BenePhilly Centers, which have connected over 6,000 residents to public benefits in the last eight months. The twelve Financial Empowerment Centers provide one-on-one financial counseling and have helped residents reduce debt by \$5.1 million. CEO looks to grow these successful programs and CEO is working with local, state and federal as well as philanthropic partners seeking additional funding to support these efforts.

ACCOMPLISHMENTS & INITIATIVES

Launch of Shared Prosperity Philadelphia: In July 2013, CEO released Shared Prosperity Philadelphia,¹ the City's plan to fight poverty. Persistent poverty is one of the biggest threats to the city's future prosperity. It costs the City tax revenue while increasing the already high demand for City services. Worst of all, poverty deprives thousands of citizens from realizing their true potential. Shared Prosperity is the first step in creating and implementing a comprehensive strategy to address poverty in Philadelphia and lays out goals in five key areas:

- Job Creation and Workforce Development – Focus job creation and workforce development efforts on adults facing the greatest barriers to employment;
- Public Benefits – Expand access to public benefits (such as food stamps and health insurance) and essential services;
- Early Childhood Learning – Ensure that children enter school prepared to learn and expand opportunities for year-round learning;
- Housing – Increase housing security and affordability, focusing on homelessness prevention;
- Economic Security – Strengthen economic security and asset building.

In November 2015, CEO released the Shared Prosperity 2014 Progress Report² to measure the collective impact and accomplishments across each of the five action areas outlined in the original plan. The update also identifies priorities for 2015 and 2016, including initiatives related to job training and financial empowerment, BenePhilly Centers, and early learning.

¹ [2013 Shared Prosperity Philadelphia Plan](http://sharedprosperityphila.org/wp-content/uploads/2013/07/SharedProsperityPhilaPlan-2013.pdf) (<http://sharedprosperityphila.org/wp-content/uploads/2013/07/SharedProsperityPhilaPlan-2013.pdf>)

² [2014 Shared Prosperity Progress Report](http://sharedprosperityphila.org/wp-content/uploads/2014/11/SharedProsperityAR-Final2.pdf) (<http://sharedprosperityphila.org/wp-content/uploads/2014/11/SharedProsperityAR-Final2.pdf>)

Promise Zone Designation: In cooperation with the Mayor's Office of Grants, CEO led a successful effort to become one of only three cities to receive a federal Promise Zone designation in January 2014. The Obama Administration created the Promise Zone initiative to address the challenges of deep and persistent poverty, and through this designation, Philadelphia will be able to accelerate the revitalization of a portion of West Philadelphia. The target area of the West Philadelphia Promise Zone is roughly two square miles – bounded by the Schuylkill River to the east, Girard Avenue to the north, 48th Street to the west and Sansom Street to the south. It includes 35,315 residents with an overall poverty rate of 50.8%, nearly double the city's rate of 26.3%. The Promise Zone designation offers preferences on federal funding and other resources for 10 years. Philadelphia will also receive technical assistance from federal agencies, and preference for future federal funding opportunities. The designation also strives to bring more employers and businesses to West Philadelphia, through tax incentives (pending approval from Congress) that will include credits for hiring local residents. CEO helped raise \$30 million in new resources for this area and created a collaborative with 105 participating organizations.

Reducing Hunger in Philadelphia: CEO launched the Philadelphia Food Access Collaborative in 2013. The goal of the Collaborative is to improve the health and stabilize the lives of meal guests, and reduce hunger in Philadelphia. It does this by building effective, partnership-based solutions to address the challenges of reducing hunger in Philadelphia and better serving the needs of vulnerable individuals who seek emergency congregant meals by strengthening connections to key social services. The work of the Collaborative is focused on three key activities:

- Increasing the number of meals available in a safe and dignified setting until current needs are addressed;
- Improving connections to social and health services for meal guests;
- Improving the health and nutrition of meals served.

The Collaborative is comprised of a diverse group of stakeholders. They include representatives from emergency food providers, social services and behavioral health organizations, community members, City government, emergency meal guests and philanthropic organizations. In 2014, 22 new meal times were added to emergency meal providers' schedules, including 10 meals that are directly supported by funding through CEO.

Financial Empowerment Centers: In March 2013, CEO launched six Financial Empowerment Centers (FECs) throughout the city. That number has since increased to twelve (12) centers citywide. These centers offer free, one-on-one financial counseling targeted towards low-income residents. Since March 2013, counselors at the FECs have helped thousands reduce their debt by more than \$4.5 million, and helped 400 people save an average of \$1,400 each. By the end of 2015, CEO expects to have served 9,000 clients and helped to reduce debt by \$6 million.

BenePhilly: In July 2014, CEO launched community-based sites known as BenePhilly Centers to help eligible individuals access public benefits both in-person and over the phone. The Centers have helped more than 5,000 Philadelphia residents understand their benefits and complete 4,000 applications for benefits. In FY16, CEO will expand BenePhilly efforts with the addition of two new full-time sites, the mobile benefits access unit, referral sites, and capacity to address additional local benefits.

Citywide Early Learning Plan: CEO will release a Citywide Early Learning Plan in May 2015, designed to help ensure Philadelphia children enter school prepared to learn and succeed. This plan will target the approximately 108,000 Philadelphia children 5 years or younger and their parents, with a particular focus on the 63% of children who are at or below 200% of the poverty line. The three goals of the plan are: to build access to quality education, advance a strong birth to five system, and to engage families.

STAFFING

Staff Demographics (as of December 2014)

| <i>Full-Time Staff</i> | | | | <i>Executive Staff</i> | | | |
|------------------------|-------------------------|-------------------------|-------------------|-------------------------|-------------------------|-------------------|--|
| Male | | Female | | Male | | Female | |
| | African-American | African-American | | African-American | African-American | | |
| <i>Total</i> | 4 | 18 | <i>Total</i> | 1 | 0 | <i>Total</i> | |
| <i>% of Total</i> | 12.9% | 58.1% | <i>% of Total</i> | 33.3% | 0.0% | <i>% of Total</i> | |
| | White | White | | White | White | | |
| <i>Total</i> | 2 | 2 | <i>Total</i> | 0 | 2 | <i>Total</i> | |
| <i>% of Total</i> | 6.5% | 6.5% | <i>% of Total</i> | 0.0% | 66.7% | <i>% of Total</i> | |
| | Hispanic | Hispanic | | Hispanic | Hispanic | | |
| <i>Total</i> | 2 | 2 | <i>Total</i> | 0 | 0 | <i>Total</i> | |
| <i>% of Total</i> | 6.5% | 6.5% | <i>% of Total</i> | 0.0% | 0.0% | <i>% of Total</i> | |
| | Asian | Asian | | Asian | Asian | | |
| <i>Total</i> | 1 | 0 | <i>Total</i> | 0 | 0 | <i>Total</i> | |
| <i>% of Total</i> | 3.2% | 0.0% | <i>% of Total</i> | 0.0% | 0.0% | <i>% of Total</i> | |
| | Other | Other | | Other | Other | | |
| <i>Total</i> | 0 | 0 | <i>Total</i> | 0 | 0 | <i>Total</i> | |
| <i>% of Total</i> | 0.0% | 0.0% | <i>% of Total</i> | 0.0% | 0.0% | <i>% of Total</i> | |
| | Bi-lingual | Bi-lingual | | Bi-lingual | Bi-lingual | | |
| <i>Total</i> | 5 | 2 | <i>Total</i> | 0 | 0 | <i>Total</i> | |
| <i>% of Total</i> | 16.1% | 6.5% | <i>% of Total</i> | 0.0% | 0.0% | <i>% of Total</i> | |
| | Male | Female | | Male | Female | | |
| <i>Total</i> | 9 | 22 | <i>Total</i> | 1 | 2 | <i>Total</i> | |
| <i>% of Total</i> | 29.0% | 71.0% | <i>% of Total</i> | 33.3% | 66.7% | <i>% of Total</i> | |

CONTRACTING

CEO is committed to supporting the Administration’s goal of 30% minority, women, and disabled-owned business (M/W/DSBE) participation in City contracting. In FY15, CEO’s participation goal was set to 30%. In FY15, CEO issued ten (10) for-profit contracts. The average participation rate from FY10 through FY15 was 37%. CEO’s FY16 goal is 35%.

| Vendor | Service Provided | Amount of Contract | RFP Issue Date | Contract Start Date | Ranges in RFP | % of M/W/DBE Participation Achieved | \$ Value of M/W/DBE Participation | Total % and \$ Value Participation - All DSBEs | Living Wage Compliant ? |
|-----------------------------------|---|--------------------|--|---------------------|---------------|-------------------------------------|-----------------------------------|--|-------------------------|
| Bryant Associates Consulting, LLC | Staff development and training | \$1,500 | 6/2/14 | 8/1/14 | MBE: | 0% | \$0 | | Y |
| | | | | | WBE: | 0% | \$0 | 0% | |
| | | | | | DSBE: | 0% | \$0 | \$0 | |
| Jennifer Bogoni | Consulting - Collective Impact framework | \$11,220 | 8/15/14 | 10/1/14 | MBE: | 0% | \$0 | | Y |
| | | | | | WBE: | 100% | \$11,220 | 100% | |
| | | | | | DSBE: | 0% | \$0 | \$11,220 | |
| Kimberlee Davies | Consulting - Meals and More Initiative | \$3,000 | Internal Agency Selection Process - October 2014 | 11/24/14 | MBE: | 0% | \$0 | | Y |
| | | | | | WBE: | 100% | \$3,000 | 100% | |
| | | | | | DSBE: | 0% | \$0 | \$3,000 | |
| KM Investments, LLC | Printing of Shared Prosperity Progress Report | \$3,700 | 11/4/14 | 11/1/14 | MBE: | 0% | \$0 | | Y |
| | | | | | WBE: | 0% | \$0 | 0% | |
| | | | | | DSBE: | 0% | \$0 | \$0 | |
| Maskar Design, Inc. | Design services - Shared Prosperity website | \$32,000 | 7/8/14 | 9/1/14 | MBE: | 0% | \$0 | | Y |
| | | | | | WBE: | 0% | \$0 | 0% | |
| | | | | | DSBE: | 0% | \$0 | \$0 | |
| Sage Communication s Partners | Shared Prosperity communication s strategy | \$48,000 | 4/29/13 | 7/1/14 | MBE: | 0% | \$0 | | Y |
| | | | | | WBE: | 100% | \$48,000 | 100% | |
| | | | | | DSBE: | 0% | \$0 | \$48,000 | |
| School Readiness Consulting, LLC | Citywide early learning plan work | \$5,000 | 5/23/14 | 10/1/14 | MBE: | 0% | \$0 | | Y |
| | | | | | WBE: | 0% | \$0 | 0% | |
| | | | | | DSBE: | 0% | \$0 | \$0 | |
| Titan Outdoor LLC | Advertising - Financial Empow. Centers | \$14,571 | 5/20/14 | 7/1/14 | MBE: | 0% | \$0 | | Y |
| | | | | | WBE: | 0% | \$0 | 0% | |
| | | | | | DSBE: | 0% | \$0 | \$0 | |
| Titan Outdoor LLC | Vehicle wrap for BenePhilly mobile unit | \$2,800 | City Procurement | 7/1/14 | MBE: | 0% | \$0 | | Y |
| | | | | | WBE: | 0% | \$0 | 0% | |
| | | | | | DSBE: | 0% | \$0 | \$0 | |
| Yikes, Inc. | Website - Financial Empowerment Ctr | \$8,852 | 5/1/14 | 7/1/14 | MBE: | 0% | \$0 | | Y |
| | | | | | WBE: | 100% | \$8,852 | 100% | |
| | | | | | DSBE: | 0% | \$0 | \$8,852 | |

OTHER BUDGETARY IMPACTS

FEDERAL AND STATE (WHERE APPLICABLE)

CEO's primary grant sources are federal in nature, passed through the state. A change in the federal budget will impact CEO's budget.

OTHER

N/A