

MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY (CEO)
FISCAL YEAR 2017 BUDGET TESTIMONY
April 5, 2016

INTRODUCTION

Good morning, President Clarke and Members of City Council. I am Mitchell Little, Executive Director of the Mayor's Office of Community Empowerment and Opportunity. I am pleased to provide testimony on the Mayor's Office of Community Empowerment and Opportunity's Fiscal Year 2017 operating budget.

DEPARTMENT MISSION/PLANS

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.

Plans for Fiscal Year 2017: CEO is focused on implementing Shared Prosperity Philadelphia, the City's plan to fight poverty. The plan is centered on five key areas: Job Creation and Job Training; Benefits Access; Early Learning; Housing Security; and Economic Security. In addition to coordinating efforts across these goal areas, CEO funds services to over 41,000 residents, through efforts including the Financial Empowerment Centers, BenePhilly Centers, the West Philadelphia Promise Zone, Meals and More, and many others. 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 safe and dignified settings; reduce hazards in their homes; reduce debt and increase savings, and much more.

Over the next year, CEO will play a key role in coordinating activities with government and non-profit partners to combat poverty and buffer its effects. These efforts and our priorities are outlined below.

- **Job Creation and Workforce Development:** CEO pilots and funds job training and support programs that target the hardest to place job seekers, such as those lacking a high school diploma, people with criminal records, and English language learners. These programs support CEO's anti-poverty mission by directing resources toward people who face the greatest barriers in the job market and are most likely to experience long term unemployment and deep poverty.

Shared Prosperity Philadelphia included a performance target of creating at least 100 new subsidized employment opportunities with support and job training each calendar year. Contributing programs have included JOIN (Job Investment Opportunity Network), Center for Employment Opportunities (CEO), Future Track and Power Corps PHL. More than 230 job seekers received assistance through these programs in 2014. Over the next five years, CEO will continue to expand these efforts by partnering to introduce new

bridge programs that connect job seekers to high quality job training programs, educational and occupational supports for employment in growing industries, and other wrap around services.

- **Benefits Access:** CEO supports programs that help families and individuals complete and submit applications for over 20 public benefits such as Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), and the Low Income Heating Assistance Program (LIHEAP). This work is driven in part by the BenePhilly Centers, which provide in-person and telephonic support to get enrolled. Since opening in 2014, the BenePhilly Centers have submitted 15,600 applications resulting in over 7,000 confirmed enrollments. This effort has kept over \$12 million in the pockets of low-income Philadelphians. In FY 2017, CEO will explore new ways to integrate key public benefits. It will also work to continue the reach of the BenePhilly Center initiative by providing training and technical assistance to organizations currently supporting benefits access throughout the city. Though these efforts, CEO looks to increase the participation rate for SNAP from 73% in FY 2015 to 75% in FY 2017.
- **Vital Services:** CEO also supports the Philadelphia Food Access Collaborative, which builds effective, partnership-based solutions to address the challenges of reducing hunger in Philadelphia and to better serve the needs of vulnerable individuals who seek emergency congregant meals by strengthening connections to key social services. Its vision is to ensure every Philadelphian can find a nutritious meal in an environment that respects their dignity. Since its launch in 2013, the Meals and More Program has served 26,631 emergency meals (an average of 590 meals per week) and trained 445 volunteers to support meal providers in healthy meal preparation, first aid and capacity building. In the next year, CEO will grow the number of new emergency meals in Philadelphia through fundraising and technical assistance, and strengthen social services at meal sites through partnerships with physical health, behavioral health and benefits access programs and schools.
- **Housing Security:** CEO is committed to supporting the housing needs of the city's most vulnerable households. This includes very low-income homeowners, who find it difficult to maintain an ever-aging housing stock that often requires repairs in excess of market value, and extremely low-income renter households, who face extraordinary challenges accessing safe, decent housing that is both affordable and available. In FY 2015, CEO provided \$251,994 in CSBG funding to support the Office of Supportive Housing's Emergency Assistance and Response Unit (EARU), which helped prevent homelessness for 637 families by providing emergency assistance to cover a rental or mortgage arrearage. CEO also provided \$109,289 in CSBG funding to support the Department of Public Health's Childhood Lead Poisoning Prevention Program and Healthy Homes, Healthy Kids Program, which reduced health and safety hazards for 438 very low-income children in 167 homes. These programs support the mission of CEO by addressing some of the sub-standard housing conditions that extremely low-income families often experience, thereby improving housing quality and supporting housing stability. CEO has established a working group of key

partners that plans to use data to better identify individuals and families at-risk for eviction, and pilot new approaches to prevention.

- **Economic Security:** Unemployment, unpredictable income, and lack of emergency savings all take a toll on families living in poverty. Vulnerable communities need a spectrum of income supports, money management services, and asset-building opportunities to secure their financial futures. CEO is working with multiple partner agencies to ensure that residents have access to quality financial education and services at every stage of life. CEO and Clarifi currently operate seven Financial Empowerment Centers (FECs) across the city, which provide free, one-on-one financial counseling to approximately 3,500 clients annually. CEO also supports the Campaign for Working Families, which provides free tax preparation and filing services for income-eligible families and gets them enrolled in the Earned Income Tax Credit (EITC). In the 2014 tax year, CWF completed more than 17,600 federal tax returns and helped nearly 5,000 filers qualify for the EITC, returning an additional \$8.7 million to working poor families in the city.

CEO is continuing to advance the Shared Prosperity Philadelphia anti-poverty strategy, which was launched in July 2013, and involves a collaboration of more than 185 public and private sector partner organizations. CEO tracks the performance of the Shared Prosperity plan through a series of key metrics and program targets outlined in the plan. The most recent progress report, released in November 2015, found that progress was made on 18 of the original 23 metrics. Approximately 8,800 jobs were added to the economy and the gap between the local and national unemployment rate declined from 2.7 to 1.8 percentage points. In FY 2015, the number of high quality adult literacy seats grew by 9.4%. The Financial Empowerment Centers helped more than 3,900 residents obtain financial goals, such as debt reduction, establishing a savings account and improving credit scores. By the end of calendar year 2015, CEO had opened seven (7) BenePhilly Centers, exceeding the original target by 57%. A new co-located BenePhilly & Financial Empowerment Center opened in February 2016. More information on the progress towards these and other goals can be found at the Shared Prosperity website (www.sharedprosperityphila.org).

CEO's budget consists primarily of grant funding, which has increased to \$16.1 million as of the FY17 Current Projection from \$15.9 million in FY16 Original Appropriations. In FY15, CEO 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 acts as a backbone organization in partnership with hundreds of organizations in the "Promise Zone". As a result of this designation, we have been able to provide mini-grants to civics and community organizations and provide college and career readiness to 1000 students in four high schools with the support of public and philanthropic awards.

To do our work effectively does not come without its challenges and a lack of diverse funding streams is our biggest obstacle. Our funding comes primarily from the Community Services Block Grant (CSBG). With these funds, we are limited to serving individuals who are 125% or below the poverty line. This makes it more difficult to serve the hundreds of thousands of residents in need of assistance that are above that line. General Fund also resources

help us to provide services to those whose income is in excess of 125% of poverty which is equivalent to \$30,312 for a family of four (4).

CEO is focused on sustaining and expanding successful programs. As we test new approaches to achieving our goals, we look to scale those efforts. A good example of this is our BenePhilly and Financial Empowerment Centers, which have seen significant success in the last year. We look to grow these programs over the coming years with support from local, state and federal as well as philanthropic partners.

**MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY (CEO)
BUDGET SUMMARY AND OTHER BUDGET DRIVERS**

Staff Demographics Summary (as of January 2016)

	Total	Minority	White	Female
Full-Time Staff	37	31	6	25
Executive Staff	3	1	2	2
Average Salary - FTS	\$55,581	\$50,591	\$81,361	\$55,031
Average Salary - ES	\$115,748	\$106,605	\$120,319	\$120,319
Median Salary - FTS	\$48,645	\$46,575	\$79,313	\$51,750
Median Salary - ES	\$106,605	\$106,605	\$120,319	\$120,319

Employment Levels (as of January 2016)

	Budgeted	Approved	Filled
Full-Time Positions	38	37	37
Part-Time Positions	1	1	1
Executive Positions	3	3	3
Overall Average Salary	\$55,480	\$55,581	\$55,581
Overall Median Salary	\$50,198	\$48,645	\$48,645

Financial Summary by Class - General Fund

	Fiscal 2015 Actual Obligations	Fiscal 2016 Original Appropriations	Fiscal 2016 Estimated Obligations	Fiscal 2017 Proposed Appropriations	Difference FY17-FY16
Class 100 - Employee Compensation	\$0	\$0	\$90,000	\$90,000	\$0
Class 200 - Purchase of Services	\$500,000	\$605,000	\$940,000	\$605,000	(\$335,000)
Class 300 - Materials and Supplies	\$0	\$0	\$0	\$0	\$0
Class 400 - Equipment	\$0	\$0	\$0	\$0	\$0
Class 500 - Contributions	\$0	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0
TOTAL	\$500,000	\$605,000	\$1,030,000	\$695,000	(\$335,000)

Financial Summary by Class - Grant Fund

	Fiscal 2015 Actual Obligations	Fiscal 2016 Original Appropriations	Fiscal 2016 Estimated Obligations	Fiscal 2017 Proposed Appropriations	Difference FY17-FY16
Class 100 - Employee Compensation	\$2,112,605	\$2,800,644	\$2,482,325	\$3,102,912	\$620,587
Class 200 - Purchase of Services	\$9,418,797	\$13,075,621	\$10,329,930	\$12,979,913	\$2,649,983
Class 300 - Materials and Supplies	\$55,378	\$13,125	\$14,018	\$17,522	\$3,504
Class 400 - Equipment	\$67,504	\$35,000	\$32,754	\$40,943	\$8,189
Class 500 - Contributions	\$0	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0
TOTAL	\$11,654,284	\$15,924,390	\$12,859,027	\$16,141,290	\$3,282,263

Contracts Summary (as of December 2015)

	FY11	FY12	FY13	FY14	FY15	FY16*
Total amount of contracts	\$19,533	\$201,505	\$60,000	\$72,045	\$130,643	\$126,867
Total amount to M/W/DBE	\$0	\$112,000	\$10,000	\$50,000	\$71,072	\$100,000
Participation Rate	0%	56%	17%	69%	54%	79%

* as of December 2015

**MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY (CEO)
PROPOSED BUDGET OVERVIEW**

PROPOSED FUNDING REQUEST

The proposed Fiscal Year 2017 general fund budget totals \$695,000, a decrease of \$335,000 over Fiscal Year 2016 estimated obligation levels. This change reflects a one-time funding increase for Fiscal Year 2016.

The proposed budget includes:

- \$90,000 in Class 100, level funding with FY16.
 - Funding used towards the cost of Salary and Wages. Funding is to support one (1) position.
- \$605,000 in Class 200, a \$335,000 decrease over FY16.
 - Funding used towards Contractual Agreement encumbrances. The \$335,000 funding decrease was used to support job training, benefits access and alternative meal site programs.
- \$0 in Class 300, level funding with FY16.
 - No funding in this class.
- \$0 in Class 400, level funding with FY16.
 - No funding in this class.

The proposed Fiscal Year 2017 grant fund budget totals \$16,141,290, an increase of \$3,282,263 over Fiscal Year 2016 estimated obligation levels. This increase is primarily due to an anticipated increase existing grant funding. The increased funding will also enable CEO to apply for new grants to support the Promise Zone, Food Access Collaborative and additional BenePhilly Centers.

The proposed budget includes:

- \$3,102,912 in Class 100, a \$620,587 increase over FY16.
 - Funding used towards the cost of Salary and Wages. The increase funding will allow CEO cover salaries and fringes to hire seven (7) additional staff.
- \$12,979,913 in Class 200, a \$2,649,983 increase over FY16.
 - Funding used towards Contractual Agreement encumbrances. Agreements are for benefits access, employment services, tax preparation and legal assistance for the low income population of the City of Philadelphia.
- \$17,522 in Class 300, a \$3,504 increase over FY16.
 - Funding used towards Consumable Supplies purchases. Types of purchases include office, program and computer supplies and printing cost.
- \$40,943 in Class 400, a \$8,189 increase over FY16.
 - Funding used towards Office and Computer Equipment purchases.

STAFFING LEVELS

GENERAL FUNDING

- There is one budgeted position, which is currently vacant.

GRANT FUNDING

- 38 positions were budgeted for FY16. Additional grant funding received during the fiscal year has increased the funded positions to 43. 37 positions are currently filled.
- See appendix for Bilingual Employees Chart

**MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY (CEO)
PERFORMANCE, CHALLENGES AND INITIATIVES**

DEPARTMENT PERFORMANCE (OPERATIONS)

Performance Measures				
Area	Program	FY15 Actual	FY16 YTD (as of 12/31/16)	FY17 Target
Job Creation & Workforce Development	Total Subsidized Employment Opportunities Created (min. 100)	231	285	360
Benefit Access	Total Applications Submitted	10,430	10,951	11,498
	Total confirmed enrollments	5,459	5,732	6,018
Emergency Meals	Meals Provided Across all Meal Sites (per week)	590 per week	590 per week	1000 per week
Economic Security	Raised credit score by at least 35 points	403	350	400*
	Connected to asset building vehicles	118	50	50*
Housing Security	OSH EARU Households Assisted	569	575	580
	PDPH CLPP and Healthy Homes Healthy Kids – Households Assisted	255	260	265

* Reduced goals due to end of grant funding for this project.

**MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY (CEO)
OTHER BUDGETARY IMPACTS**

FEDERAL AND STATE (WHERE APPLICABLE)

- An increase in grant funding would not only allow CEO to continue to scale our Financial Security and Benefit Access initiatives as outlined in Shared Prosperity but make new investments in Job Training and Housing Security.

MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY (CEO)- CONTRACTING EXPERIENCE

**M/W/DSBE Participation on Large Contracts
FY16 Contracts**

Vendor	Service Provided	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 % and \$ Value Participation - All DSBEs	Local Business	Living Wage Compliant?
Sage Communications Partners	Communications Strategy - Shared Prosperity	\$32,000	4/29/13	7/1/15	MBE: N/A	0%	\$0	100% \$32,000	Y	Y
					WBE: N/A	100%	\$32,000			
					DSBE: N/A	0%	\$0			
Christa Balka Consulting, LLC	Consultant Services - Early Learning	\$32,000	6/23/14	7/6/15	MBE: N/A	0%	\$0	100% \$32,000	Y	Y
					WBE: N/A	100%	\$32,000			
					DSBE: N/A	0%	\$0			
Maskar Design Inc.	Graphic Design - Shared Prosperity	\$32,000	5/7/15	9/8/15	MBE: N/A	0%	\$0	100% \$32,000	Y	Y
					WBE: N/A	100%	\$32,000			
					DSBE: N/A	0%	\$0			

M/W/DSBEs participation ranges are not established for Miscellaneous Purchase Orders.

MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY (CEO)- EMPLOYEE DATA

Staff Demographics (as of January 2016)

	<i>Full-Time Staff</i>		<i>Executive Staff</i>	
	Male	Female	Male	Female
	African-American	African-American	African-American	African-American
<i>Total</i>	6	19	<i>Total</i>	1
<i>% of Total</i>	16.2%	51.4%	<i>% of Total</i>	0
<i>Average Salary</i>	63,327	48,849	<i>Average Salary</i>	N/A
<i>Median Salary</i>	64,888	51,750	<i>Median Salary</i>	N/A
	White	White	White	White
<i>Total</i>	2	4	<i>Total</i>	0
<i>% of Total</i>	5.4%	10.8%	<i>% of Total</i>	2
<i>Average Salary</i>	64,250	89,916	<i>Average Salary</i>	N/A
<i>Median Salary</i>	64,250	89,269	<i>Median Salary</i>	120,319
	Hispanic	Hispanic	Hispanic	Hispanic
<i>Total</i>	2	2	<i>Total</i>	0
<i>% of Total</i>	5.4%	5.4%	<i>% of Total</i>	0
<i>Average Salary</i>	50,652	43,988	<i>Average Salary</i>	N/A
<i>Median Salary</i>	45,902	43,988	<i>Median Salary</i>	N/A
	Asian	Asian	Asian	Asian
<i>Total</i>	2	0	<i>Total</i>	0
<i>% of Total</i>	5.4%	0%	<i>% of Total</i>	0
<i>Average Salary</i>	40,850	N/A	<i>Average Salary</i>	N/A
<i>Median Salary</i>	40,850	N/A	<i>Median Salary</i>	N/A
	Other	Other	Other	Other
<i>Total</i>	0	0	<i>Total</i>	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0
<i>Average Salary</i>	N/A	N/A	<i>Average Salary</i>	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A
	Bi-lingual	Bi-lingual	Bi-lingual	Bi-lingual
<i>Total</i>	4	2	<i>Total</i>	0
<i>% of Total</i>	10.8%	5.4%	<i>% of Total</i>	0
<i>Average Salary</i>	51,672	43,988	<i>Average Salary</i>	N/A
<i>Median Salary</i>	44,945	43,988	<i>Median Salary</i>	N/A
	Male	Female	Male	Female
<i>Total</i>	12	25	<i>Total</i>	1
<i>% of Total</i>	32.4%	67.6%	<i>% of Total</i>	2
<i>Average Salary</i>	56,727	55,031	<i>Average Salary</i>	106,605
<i>Median Salary</i>	47,038	51,750	<i>Median Salary</i>	120,319

**MAYOR'S OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY (CEO)-
APPENDIX (Other Relevant Data and Charts)**

Number of Bilingual Employees (as of January 2016)

	Spanish	French	Arabic	Bangla/Bengoli
Employees	4	1	1	1
Total - All Divisions	4	1	1	1
Total - # of Bilingual Employees		7		
**Total - # of Languages Spoken		4		