

May 19, 2020

The Honorable Darrell Clarke
City Council President
via email

Dear Council President Clarke,

This letter is in response to a question raised at the May 19, 2020 hearing before the Committee of the Whole on the Fiscal Year 2021 Proposed Budget for the Office of the Director of Finance. At this hearing, the following question was asked:

Council President Clarke: How much funding was kept for the anti-poverty commitment previously included in the original FY21 proposed budget?

The Administration has intentionally focused the FY21 proposed budget on keeping people safe, healthy and educated; especially for the most vulnerable which includes those living in poverty. In FY21, the City will spend about \$200 million on anti-poverty programs.

Poverty Program	(\$ in millions)
Keeping People in Their Homes	
<i>Basic Systems Repairs, etc.</i>	\$ 12.20
<i>Homelessness Prevention</i>	\$ 7.55
<i>Utility/Property Tax Relief for Low-Income Households</i>	
<i>OOPA</i>	\$ 86.00
<i>LOOP</i>	\$ 22.00
<i>Senior Tax Freeze</i>	\$ 6.00
<i>TAP</i>	\$ 1.59
Access to Childcare	
<i>PHLpreK</i>	\$ 37.00
CSBG	\$ 5.00
WorkReady	\$ 7.00
PEPP Eviction Prevention Program	\$ 0.50
Octavius Catto Scholarship NEW!	\$ 4.80
PHLRent Assist NEW!*	\$ 6.66
Total	\$ 196.3
*Another \$11.5M in COVID CDBG is being used for Rental Assistance in FY20	

In the original FY21 Budget, the Administration prioritized two new programs for addressing poverty: investing \$25 million in the *Octavius Catto Scholarship and PHL Rent Assist*. We have maintained both programs in the revised FY21 Budget, but had to make some changes and reductions, as we believe that they will directly help people move out of poverty or help alleviate its impacts. The Administration's new investment of \$11.5 million in each FY20 and FY21 for poverty spending is aligned with Council's Philadelphia Poverty Action Plan and includes:



Budget Office

CITY OF PHILADELPHIA

- An investment in Community College of Philadelphia (CCP) to increase its enrollment and retention, including the Octavius Catto Scholarship and investment in dual enrollment of \$4.8 million. Total funding for CCP is budgeted at \$44.1 million in FY21.
- An investment in Keeping Philadelphians in their Homes through a \$4.8 million rental assistance program (following a \$11.5M investment in FY20). This includes investing \$2.2M in General Fund dollars in a new PHL Rent Assist program for Foster Youth.

Therefore, funding for the following anti-poverty initiatives proposed, which are some, but not all of our anti-poverty initiatives, the Administration is proposing close to \$200 million:

This list undercounts spending, for example existing CDBG funding. The Administration remains committed to high-quality pre-K and will continue to fund the PHL PreK program so that Philadelphia's children continue to achieve quality educational outcomes. The program directly supports those living in poverty since 84% of families (applying for the 2019-2020 school year) reported that they were at 300% of the poverty level.

The Administration's priorities remain aligned with City Council's Poverty Plan by providing a social safety net, investing in education and upskilling the city's workforce, and keeping people in their homes. Philadelphia is putting significant resources towards anti-poverty initiatives even as we face unexpected levels of fiscal stress. We look forward to continuing to collaborate with Council on how to deploy our resources to maximize the impact on reducing poverty in Philadelphia.

Sincerely,
Marisa G. Waxman, AICP
Budget Director