

**OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY
REVISED FISCAL YEAR 2021 BUDGET TESTIMONY**

The revised FY21 Budget and FY21-25 Plan focuses on providing core services and targeting reductions to areas with the least impact on vulnerable populations and areas where others can fund or deliver services.

DEPARTMENT FUNDING LEVELS

General Fund Financial Summary by Class					
	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Original Proposed Appropriations	FY21 Revised Proposed Appropriations	\$ Difference Original to Revised Proposed
Class 100 - Employee Compensation	\$90,000	\$90,000	\$90,000	\$45,000	(\$45,000)
	\$90,000	\$90,000	\$90,000	\$90,000	(\$45,000)

GENERAL FUND FULL-TIME POSITIONS

General Fund Full-Time Positions					
	FY20 Adopted Budget	November 2019 Increment Run	FY21 Original Proposed Budget	FY21 Revised Proposed Budget	Difference Original to Revised Proposed
Full-Time Positions	0	0	0	0	0

**OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY
FISCAL YEAR 2021 BUDGET TESTIMONY**

This testimony was prepared by CEO prior to the onset of COVID-19 and its impact on City government operations. It reflects the revised proposed FY21 budget and the department's new operational plan. Additional post COVID-19 responses from the Commission are listed in the next section.

DEPARTMENT MISSION & PLANS

Mission: The Office of Community Empowerment and Opportunity (CEO) provides leadership on issues of economic justice by advancing racial equity and inclusive growth to ensure that all Philadelphians might share in the City's prosperous future by advocating, collaborating, and investing in programs, procedures, and systems that provide proven solutions to improve mobility out of poverty and promote greater economic mobility.

Plans for Fiscal Year 2021: CEO manages over \$15 million in federal and state grants in conjunction with the City of Philadelphia's general funding. In 2019, CEO released a new strategic framework to guide its activities, programs, and investments over the next five years. FY21 efforts seek to build on the strategies and philosophies included in that framework which outlines the following:

- Successful implementation of the priorities outlined in the Strategic Framework necessary to meet the challenges and demands of the most impoverished population in the city of Philadelphia.
- Continue contribution to citywide initiatives and policy development where CEO has unique experience, data, and perspective.
- Align funding efforts that ensure model programs function in accordance with the mission and provider partners and community members are thoughtfully trained to support their capacity to address racial equity and promote economic mobility out of poverty.
- Offer training to provider partners and community members to support their capacity to address economic mobility and equity issues.
- Develop key performance metrics to evaluate equity goals for the agency.

As Philadelphia's Community Action Agency, CEO allocates Community Services Block Grant (CSBG), Work Ready and other dollars that support model programs and services, which improve mobility out of poverty. Last year alone, CEO served over 22,500 low-income Philadelphians, with a focus on initiatives that addressed job creation and workforce development, college and career readiness, benefits access, financial empowerment, housing security, and other similar priorities.

- Job Creation and Workforce Development: The Center for Employment Opportunities connects individuals with recent criminal convictions to career pathways and financial stability. In 2019, 98 participants obtained transitional employment opportunities.
- First Step Staffing (FSS): FFS offers employment opportunities to individuals transitioning out of homelessness, including veterans, returning citizens and others facing barriers to employment. In 2019, FSS placed over 1,400 individuals in one or more part-time and full-time positions.
- College and Career Readiness: The Promise Corps program provides teams of AmeriCorps College and Career Readiness Coaches to four high schools in the West Philadelphia Promise

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Zone. During the 2018-2019 school year, roughly 80% of students matriculated into their next grade level on time, with 91% of Promise Corps seniors graduating with a post-secondary plan.

- **Benefits Access:** The BenePhilly Initiative helps individuals and families access over 20 public benefits. These include SNAP, TANF, Medicaid, Social Security benefits, LIHEAP, the Homestead Exemption, and others. In 2019, BenePhilly staff completed over 6,223 applications for public benefits, with 3,501 successful enrollments. The average dollar value of benefits accessed per household was \$3,015.
- **Housing Security:** CEO's Housing Security Working Group is leading the implementation efforts for the Mayor's Task Force on Eviction Prevention and Response recommendations. CEO also provided direct assistance for eviction prevention by funding the Office of Homeless Services Emergency Assistance and Response Unit, for families facing eviction. In 2019, 449 evictions were prevented through this program.
- **Lead and Healthy Homes:** CEO continues to provide funding for the Department of Public Health's Lead and Healthy Homes Program, which provides services to reduce health and safety hazards in homes with children who test positive for elevated blood lead levels. In 2019, the program treated hazards in over 200 homes, assisting over 500 children.
- **Financial Empowerment:** Over 12.5% of all Philadelphians are unbanked and lack access to basic financial services. Through a partnership with Clarifi, CEO operates Financial Empowerment Centers across the city, where individuals receive high quality one-one-one financial counseling. In 2019, over 1,000 participants received counseling services. 175 participants maintained a budget for over 90 days, 167 increased their savings, and 80 increased their credit scores by at least 35 points.

Going forward, CEO will continue its defined efforts functioning as a funder and using its resources to lead, support, pilot, and scale promising programs that advance the larger goals of our strategic framework.

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The tables in pages (4 through 11) below were prepared by CEO prior to the onset of COVID-19 and its impact on City government operations. They are based on the original FY21 budget proposal.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2019)				
	Total	Minority	White	Female
Number of Full-Time Staff	24	22	2	15
Number of -Exempt Staff	24	22	2	15
Number of Executive Staff (deputy level and above)	2	2	0	1
Average Salary, Full-Time Staff	\$66,624	\$65,300	\$81,194	\$62,756
Average Salary, Exempt Staff	\$66,624	\$65,300	\$81,194	\$62,756
Average Salary, Executive Staff	\$124,450	\$124,450	N/A	\$115,000
Median Salary, Full-Time Staff	\$60,075	\$58,350	\$81,194	\$57,098
Median Salary, Exempt Staff	\$60,075	\$58,350	\$81,194	\$57,098
Median Salary, Executive Staff	\$124,450	\$124,450	N/A	\$115,000

Employment Levels (as of December 2019)		
	Budgeted	Filled
Number of Full-Time Positions	34	24
Number of Part-Time Positions	1	1
Number of Exempt Positions	34	24
Number of Executive Positions (deputy level and above)	2	2
Average Salary of All Full-Time Positions	\$58,350	\$60,075
Median Salary of All Full-Time Positions	\$63,829	\$66,624

General Fund Financial Summary by Class						
	FY19 Original Appropriations	FY19 Actual Obligations	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Proposed Appropriations	Difference: FY21-FY20
Class 100 - Employee Compensation	\$230,000	\$90,000	\$90,000	\$90,000	\$90,000	\$0
Class 200 - Purchase of Services	\$1,445,000	-\$1,750	N/A	N/A	N/A	\$0
	\$1,675,000	\$88,250	\$90,000	\$90,000	\$90,000	\$0

Grant Fund Financial Summary by Class						
	FY19 Original Appropriations	FY19 Actual Obligations	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Proposed Appropriations	Difference: FY21-FY20
Class 100 - Employee Compensation	\$2,828,464	\$1,595,104	\$3,113,655	\$2,523,303	\$3,280,293	\$756,990
Class 200 - Purchase of Services	\$17,024,303	\$3,761,299	\$15,477,033	\$12,561,021	\$16,329,328	\$3,768,307
Class 300/400 - Materials, Supplies & Equipment	\$70,540	\$62,288	\$65,172	\$59,986	\$77,982	\$17,996
	\$19,923,307	\$5,418,691	\$18,655,860	\$15,144,310	\$19,687,603	\$4,543,293

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Contracts Summary (Professional Services only)						
	FY17	FY18	FY19	FY20	FY21	FY20 YTD (Q1 & Q2)
Total amount of contracts	\$114,455	\$271,788	\$185,489	\$206,300	195,000	\$158,300
Total amount to M/W/DSBE	\$49,798	\$140,000	\$54,250	\$72,300	78,000	\$24,300
Participation Rate	44%	52%	29%	35%	40%	15%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY19	FY20	FY21
M/W/DSBE Contract Participation Goal	50%	50%	50%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2021 **General Fund** budget totals \$90,000, is no change and \$0 over Fiscal Year 2020 estimated obligation levels.

The proposed budget includes:

- \$90,000 in Class 100, \$0 no change with FY20.

The proposed Fiscal Year 2021 **Grant Revenue Fund** budget totals \$19,687,603, an increase of \$4,543,293 over Fiscal Year 2020 estimated obligation levels. This increase is primarily due to anticipated increase in new and current grant funding.

The proposed budget includes:

- \$3,280,293 in Class 100, a \$756,990 increase over class 100 with FY20. This funding will be used towards the cost of Salaries and Fringe Benefits for the department's staffing.
- \$16,329,328 in Class 200, a \$3,768,307 increase over class 200 with FY20. This funding will be used to encumber funds towards Professional and Contractual Agreements.
- \$77,982 in Class 300/400, a \$17,996 increase over class 300/400 with FY20. This funding will be used towards the purchase of Consumable Supplies, Office and Computer Equipment.

STAFFING LEVELS

The department is requesting 0 budgeted positions for FY21 **General Fund**, no change in positions over Class 100 with FY20.

The department is requesting 34 budgeted positions for FY21 **Grant Revenue Fund**, no change in positions over Class 100 with FY20.

NEW HIRES

New Hires (from 7/1/2019 to December 2019)			
	Total Number of New Hires	Korean	Spanish
Black or African American	2		
Asian	1	1	
Hispanic or Latino	1		1
Total	4	1	1

Details for new hires since December 2019, if applicable: N/A

PERFORMANCE, CHALLENGES, AND INITIATIVES

COMMUNITY EMPOWERMENT & OPPORTUNITY

FY21 Strategic Goals				
<ul style="list-style-type: none"> • Successful implementation of the priorities outlined in the Strategic Framework. • Align program funding with the mission to promote racial equity. • Contribute to citywide initiative and policy development where CEO has experience, data, or perspective. • Research best practices and develop model programs or practices for promoting economic mobility out of poverty. • Offer training to provider partners and community members to support their capacity to address economic mobility and equity issues. • Develop performance metrics to evaluate equity goals for the agency. 				
FY21 Performance Measures				
Measure	FY19 Actual	FY20 YTD (Q1 + Q2)	FY20 Target	FY21 Target
Benefits Access: Number of households who enroll in benefits ¹	3,712	2,596	3,800	≥ 3,000
Benefits Access: Average dollar value of benefits accessed per household ²	\$2,448	\$3,015	\$2,500	\$2,500
Financial Empowerment: Number of individuals who received one-on-one financial counseling ³	318	1,019	325	≥ 440

¹ Target numbers are set based on anticipated contractual outcomes for CSBG eligible clients enrolled in the BenePhilly Initiative and Financial Empowerment Centers.

² Average dollar value of each federal, state, and local benefit per household per year. Target numbers are set based on anticipated contractual outcomes for CSBG eligible clients enrolled in the BenePhilly Initiative and Financial Empowerment Centers.

³ Financial Empowerment Centers (FECs) provide one-on-one financial counseling at no cost to the consumer. FEC counselors provide services such as credit repair, access to affordable and safe checking and savings accounts, home-ownership preparation, and retirement saving. Target numbers are set based on anticipated contractual outcomes for CSBG eligible clients enrolled in the BenePhilly Initiative and Financial Empowerment Centers.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

The impact to CEO if there is an increase in federal and/or state funding would result in the ability to allocate more financial resources to our community partners and providers for increase contractual deliverables. Any additional financial resources will inadvertently reach more poverty constituents and have a greater impact for them to achieve financial equity.

The impact to CEO if there is a decrease in federal and/or state funding would be the direct opposite of increased funding. Less financial resources may lessen services being provided to constituents but it may have a greater impact on our partners and providers in their attempt to coordinate less financial resources to maintain their level of efficient services for our constituents.

CONTRACTING EXPERIENCE

CEO does not have any large professional services contracts with for-profit vendors exceeding \$34,000.

Non-Profit Vendor Demographics		
Benefits Data Trust	Minority %	Female %
Workforce	53.00%	65.00%
Executive	50.00%	25.00%
Board	14.00%	29.00%
Campaign for Working Families	Minority %	Female %
Workforce	50.00%	38.00%
Executive	50.00%	38.00%
Board	43.00%	43.00%
First Step Staffing	Minority %	Female %
Workforce	73.00%	73.00%
Executive	33.00%	33.00%
Board	20.00%	20.00%
Community Legal Services	Minority %	Female %
Workforce	50.00%	69.00%
Executive	31.00%	85.00%
Board	53.00%	68.00%
Center for Employment Opportunities	Minority %	Female %
Workforce	85.00%	46.00%
Executive	63.00%	50.00%
Board	38.00%	62.00%

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EMPLOYEE DATA

Staff Demographics (as of December 2019)				
Full-Time Staff			Executive Staff	
	Male	Female	Male	Female
	African-American	African-American	African-American	African-American
<i>Total</i>	5	11	1	1
<i>% of Total</i>	21%	46%	50%	50%
<i>Average Salary</i>	\$81,659	\$63,880	\$133,900	\$115,000
<i>Median Salary</i>	\$72,491	\$57,098	\$133,900	\$115,000
	White	White	White	White
<i>Total</i>	1	1	0	0
<i>% of Total</i>	4%	4%	0%	0%
<i>Average Salary</i>	\$87,550	\$74,837	N/A	N/A
<i>Median Salary</i>	\$87,550	\$74,837	N/A	N/A
	Hispanic	Hispanic	Hispanic	Hispanic
<i>Total</i>	2	2	0	0
<i>% of Total</i>	8%	8%	0%	0%
<i>Average Salary</i>	\$50,000	\$49,411	N/A	N/A
<i>Median Salary</i>	\$50,000	\$49,411	N/A	N/A
	Asian	Asian	Asian	Asian
<i>Total</i>	1	1	0	0
<i>% of Total</i>	4%	4%	0%	0%
<i>Average Salary</i>	\$61,800	\$65,000	N/A	N/A
<i>Median Salary</i>	\$61,800	\$65,000	N/A	N/A
	Other	Other	Other	Other
<i>Total</i>	0	0	0	0
<i>% of Total</i>	0%	0%	0%	0%
<i>Average Salary</i>	N/A	N/A	N/A	N/A
<i>Median Salary</i>	N/A	N/A	N/A	N/A
	Bilingual	Bilingual	Bilingual	Bilingual
<i>Total</i>	3	4	0	0
<i>% of Total</i>	13%	17%	0%	0%
<i>Average Salary</i>	\$53,933	\$50,956	N/A	N/A
<i>Median Salary</i>	\$52,000	\$49,411	N/A	N/A
	Male	Female	Male	Female
<i>Total</i>	9	15	1	1
<i>% of Total</i>	38%	63%	50%	50%
<i>Average Salary</i>	\$73,072	\$62,756	\$133,900	\$115,000
<i>Median Salary</i>	\$66,306	\$57,098	\$133,900	\$115,000

LANGUAGE ACCESS

1. Has your leadership received language access training?

All city leadership was trained in 2016-2018. CEO will work with the Mayor's Office for Immigrant Affairs to train leadership and staff again in 2020.

2. Do you currently have a language access coordinator?

Yes.

3. Has your department written a language access plan and is it posted online?

Yes - <https://www.phila.gov/media/20170307162157/Final-Redacted-CEO.pdf>.

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

CEO has contracted with Globo Language Solutions to enhance our ability to reach our bilingual constituents in the community to provide benefits access and offer other departmental services.

CLIMATE CHANGE

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

As a single factor, it's effects informs thoughtful and targeted strategies. The Fourth National Climate Assessment reports that climate change will hit low-income communities the hardest as it takes a toll on the United States. Already recognizing that climate change is taking place, CEO has had to adjust our behaviors, systems, and infrastructure in response to already growing service needs and other impacts climate change has on the well-being of vulnerable communities. In urban areas such as Philadelphia, the poor live in neighborhoods with the greatest exposure to climate and extreme weather events, the report says. This includes living near sites with high pollution smog, litter, and in housing developments without access to sufficient insulation or air conditioning.

In Philadelphia low-income communities have higher rates of serious health consequences associated with conditions such as heart and lung disease, heat stroke and asthma attributed to climate change. In urban Philadelphia, approximately one out of five children have asthma, leaving them especially vulnerable. We've already created a strong partnership with the Department of Public Health's Lead and Healthy Homes Program, and expect to see an increase in services to reduce health and safety hazards in homes of low income children in Philadelphia.

We would also expect that lack of health insurance among the poor will also intensify the risks of illnesses caused by climate change, leading to an increase in the need for communications and services from our BenePhilly Initiative, which connects families to essential benefits and information.

Poor communities spend a greater portion of their income on basic necessities. Climate change ultimately impacts the quality agriculture, the availability of clean water, and energy production. This will lead to higher prices for basic necessities such as groceries, water and energy for Philadelphia communities who already have difficulty managing their money. CEO will continue to respond expecting to serve additional clients through our Financial Empowerment Centers, already helping families to earn, keep and grow their finances.

Research shows a set of compelling connections between warm weather and crime rates, especially in the winter. Warmer winters set the stage for more violent crimes like assault and robbery, likely because warmer weather creates more opportunities for interactions between people. CEO expects an increase in the need for social intervention services that help to reduce crime. Helping to mitigate this impact, programs and services offered by CEO and its partners help families meet basic needs such as employment, housing, financial education, health services, and access to benefits, which are all cost-effective ways to reduce crime rates.

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

As outlined above, climate change will increase CEO's need to respond at a greater pace to narrow the gap of inequity associated with needs and services for low-income communities – which ultimately leads to increased costs as we increase staff and services strategically in response.

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

CEO is uniquely positioned to inform, partner, and meet the immediate needs of customers impacted by climate change. Our strategic model includes continuous innovation to scale-up necessary to meet the needs of the communities. By helping to inform the roadmap, increasing advocacy through research and analysis, increasing service hours, funding and introducing variables of service delivery through partnership with larger agencies to meet the increased demand are just a few of our goals already articulated in our Strategic Framework necessary to help the city meet various climate commitments, as outlined above.

REVISED PLANS FOR FISCAL YEAR 2021

1. With the revised budget for FY21, what will your department accomplish in FY21?

With the revised FY21 budget, and in response to the COVID-19 pandemic, the Office of Community Empowerment and Opportunity (CEO) will continue its efforts to keep low-income families connected to critical services. It is almost always the case that when disasters strike, families living in poverty end up being affected disproportionately. A lack of resources limit both these families' ability to prepare for emergencies and their ability to recover. As the novel coronavirus spreads across the country, we can expect that low-income Americans will be hit especially hard.

With a fifty percent (50%) budget reduction, CEO still intends to accomplish its FY21 Strategic Goals as outlined below:

- Successful implementation of the priorities outlined in the Strategic Framework.
- Align funding that ensures programs function in accordance with the mission to promote racial equity.
- Contribute to citywide initiative and policy development where CEO has experience, data or perspective.
- Research best practices and develop model programs or practices for promoting economic mobility out of poverty.
- Offer training to provider partners and community members to support their capacity to address economic mobility and equity issues.
- Develop performance metrics to evaluate equity goals for the agency.

2. With the revised budget for FY21, what existing programs or services will be reduced or eliminated?

CEO does not anticipate a reduction or elimination of existing programs or services.

3. With the revised budget for FY21, what planned, new services or programs will not happen?

The revised FY21 CEO budget will not impact any planned or new services for the fiscal year.

REVISED PERFORMANCE MEASURES

The Department did not update their performance measures as part of the revised budget process. Original performance measures are listed below.

COMMUNITY EMPOWERMENT & OPPORTUNITY

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