

**DEPARTMENT OF LABOR
FISCAL YEAR 2022 BUDGET TESTIMONY
MAY 3RD, 2021**

INTRODUCTION

Good Morning, President Clarke and Members of City Council. I am Richard Lazer, Deputy Mayor for Labor. Joining me today are Monica Marchetti-Brock, First Deputy, Manny Citron, Chief of Staff, Amanda Shimko, Director of Worker Protection, Perritti DiVirgilio, Director of Labor Standards, and Jillian Lieb, Administrative Officer.

I am pleased to provide testimony on Department of Labor's Fiscal Year 2022 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Philadelphia Department of Labor (DOL) builds partnerships between management and the labor organizations representing City employees and non-City employees. As the City's main point-of-contact for the labor community, the Department: handles negotiations between City unions and City management; responds to unfair labor practice charges filed against the City; represents the City in union disputes; manages the City's Employee Relations and Equal Employment Opportunity (EEO) functions; makes sure that employers with City contracts pay prevailing wages; resolves minimum-wage waiver requests; administers and enforces the City's worker protection laws.

Plans for Fiscal Year 2022:

In FY22 the Department of Labor will continue its mission to support workers across Philadelphia. The Office of Worker Protection is leading enforcement several new ordinances aimed at protecting the rights of workers impacted by Covid-19. Additionally, we are the lead for the Domestic Workers Task Force.

On the Labor Policy and Compliance side of the department, we will hire two Assistant City Solicitors to build-out the operational capacity of the Office of Worker Protection and Office of Labor Standards. The Office of Worker Protection in particular has seen a very high volume of worker complaints in the current fiscal year and is on track to meet or exceed the FY 20 numbers, despite Covid-19. We anticipate that this growth trajectory will continue to increase in response to continued community outreach that the office engages in. With an in-house lawyer the Office of Worker Protection will begin taking on larger worker protection cases and begin seeking fines / penalties as allowed for in the City's worker protection ordinances.

The Office of Labor Standards has returned to its pre-covid workload in terms of prevailing wage projects under continual review. The office manages prevailing wage enforcement and the support of an in-house lawyer will allow us to further strengthen enforcement processes related to workforce diversity, including fully implementing a regulatory schedule that seeks fines / penalties for non-compliance.

The Labor & Employee Relations Unit will be able to fully staff our Employee Relations office in FY22. This will allow us to fill positions which we had left vacant as part of Covid-19 cost containment. With the additional staff, EEO will be better able to respond to equal employment complaints arising from all city departments, including Philadelphia Police Department (PPD). By centralizing the investigation process the department will ensure that there is consistency in how EEO complaints are reviewed and decided across all city departments.

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2022 General Fund budget totals \$3,313,659, an INCREASE of \$564,555 over Fiscal Year 2021 estimated obligation levels. This INCREASE is primarily due to an increase in Class 100 and Class 200 funds.

The proposed budget includes:

- \$2,939,422 in Class 100, a \$543,955 INCREASE OVER FY21. This funding will be used to hire two Assistant City Solicitors, add one existing employee from DPP payroll to Labor payroll, fully staff the EEO Office with three additional employees, and make salary adjustments as Department staff transition into civil service job categories.
- \$352,817 in Class 200, a \$76,600 INCREASE OVER FY21. This funding will be used to support communications and language access related to our outreach to low/non-English speaking communities, support operation of the Domestic Worker Task Force, including language access and translation services, support operations of the Board of Labor Standards, including court reporters and official documents, and funding for contract negotiations and arbitrations.
- \$21,420 in Class 300/400, a \$56,000 DECREASE FROM FY21. This funding was removed from proposed build-out of office space. We will revisit in a future fiscal year if needed.
- \$0 in Class 500, LEVEL WITH FY21.
- \$0 in Class 600, LEVEL WITH FY21.
- \$0 in Class 800, LEVEL WITH FY21.
- \$0 in Class 900, LEVEL WITH FY21.

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STAFFING LEVELS

The department is requesting 38 budgeted positions for FY22, an increase of 3 positions over FY21.

The INCREASE is attributed to two new Assistant City Solicitors to support operations in Labor Policy and Compliance, and one existing employee transferred from the from Department of Public Property (DPP) payroll to the Department of Labor payroll.

PERFORMANCE, CHALLENGES, AND INITIATIVES




Labor and Employee Relations

Measure	 FY20 ACTUAL	 FY21 TARGET	 FY22 TARGET
Number of employees trained by the Office of Labor Relations and the Employee Relations Unit	15,416	7,500	7,500

Program FY22 Strategic Goals

Negotiate successor agreements with the City’s municipal bargaining units, whose current agreements are set to expire on June 30, 2021.

Labor Policy and Compliance

Measure	 FY20 ACTUAL	 FY21 TARGET	 FY22 TARGET
Percent of prevailing wage projects with compliance issues	2.9%	< 6.0%	< 6.0%
Number of worker protection ordinance complaints submitted and investigated	145	145	145
Number of worker protection ordinance inquiries received and responded to	574	575	575

Program FY22 Strategic Goals

In FY22, the Office of Labor Standards has a strategic goal of improving contractor education on the reporting process, increasing timely submission of certified payrolls, and reducing minor submission errors on the part of contractors by holding training and update / policy meetings with all contractors with each Division (Water, Airport, Streets, Public Property, PIDC and Service). The Office of Worker Protections plans on conducting 48 outreach events, collecting fines, continuing development of a strategic enforcement outreach program, continued roll out of a portable benefits system, and increasing the number of complaints filed in FY22.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

The Department of Labor is not currently funded through Federal or State funding and does not foresee any budgetary impacts due to changes in such funding streams. The department did submit one federal earmark request, which if funded, will allow us to launch a pilot program for community outreach in partnership with Philadelphia Works.

LANGUAGE ACCESS

1. Provide the name of your language access coordinator, the date of your last department training, and a link to the posting of your language access plan.

Language Access Coordinator: Candace Chewning

Date of most recent departmental training: December 1, 2020

Language Access Plan: Philadelphia Department of Labor <https://www.phila.gov/documents/language-access-plans/>

2. Breakdown new hires and existing staff by race and language. Breakdown how many front-line personnel are trained to provide language access services.

New hires July 1 to Dec 2020	
Race	Language
Asian	Vietnamese
Other	N/A
White	Russian and Spanish
New Hires after Dec 2020	
Asian	Korean
Existing staff that speak another language:	
Hispanic/Latino	Spanish
Asian	Mandarin
White	French
Hispanic/Latino	Spanish

3. How many requests for language access services did your department receive in the past year? How many language access services were delivered by staff? Breakdown language access services provided, by language, including but not limited to the language line, translation of public notices and documents, website language services, and advertisement/publication services.

Total services: 127

Total in house: 17

Documents/materials: 85

French- 10

Swahili, 2

Arabic, 8

Simplified Chinese, 10

Korean, 4

Lao, 2

Vietnamese, 8

Hindi, 2

Indonesian, 4

Spanish, 10

Haitian Creole, 2

Brazilian Portuguese, 2

Burmese, 3

Hakha 2

Chin, 2

Karen, 2

Nepali, 2

Khmer, 4

Russian 6

Events/Interpretations: 28

Spanish 10

Vietnamese 11

Haitian Creole 1

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Khmer 1

Mandarin 4

French 1

Telephonic: 14

Spanish 10

Vietnamese 3

Urdu 1

Website document pages added:

Spanish

Simplified Chinese

Vietnamese

Russian

French

Arabic

Burmese

Haitian Creole

Indonesian

Khmer

Korean

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

As part of our mission to ensure that Philadelphians have access to their protected rights, the Department of Labor has hosted multilingual training and outreach events for community organizations, religious organizations, workers and employers. The goal of these events were to raise awareness and educate partners, workers and employers on worker protection laws in Philadelphia such as Wage Theft Protection, Paid Sick Leave, Fair Workweek, Just Cause for Parking Workers, and the Domestic Workers Bill of Rights, and Public Health Emergency Leave. As we begin to exit from Covid lockdown, we anticipate hosting additional relevant educational events such as right-to-recall protections.

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Since the start of Covid lockdown we have transitioned to electronic outreach events and web-based resources. To support immigrant and low/non-English speaking communities, we have provided real-time interpretation services at specific events. We have also created a video on understanding pandemic labor laws that is captioned in 10 Non-English languages. The Department of Labor participated in the City's first cash assistance program by providing translations for the program itself in addition to translated information regarding worker protection laws in 17 languages used by 14 community-based organizations across the city.

In total, we have hosted sixteen multilingual events, that were attended by over 270 participants.

The sixteen multilingual events were conducted in the following languages: Vietnamese, Mandarin Chinese, Haitian Creole, Khmer, Spanish, and French.

The Department of Labor provides translated resources for employers and employees in the most common languages in Philadelphia. We currently have documents available in eleven languages: Spanish, Simplified Chinese, Vietnamese, Russian, French, Arabic, Burmese, Haitian Creole, Indonesian, Khmer, and Korean, in addition to English.

Lastly, The Department of Labor uses the City's telephonic translation services for hotline callers to provide the public with language support for intake and enforcement of labor laws.

CLIMATE CHANGE

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

Climate change has not impacted our provision of services.

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

We are not aware of how climate change may increase costs or demands at this time.

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

At this time the Department of Labor does not have a specific mitigation plan for climate change. We will develop one if the need arises.

1. Staff Demographics Summary

Staff Demographics Summary (as of December 2020)				
	Total	Minority	White	Female
Number of Full-Time Staff	27	12	15	16
Number of Exempt Staff	27	12	15	16
Number of Executive Staff (deputy level and above)	7	1	6	3
Average Salary, Full-Time Staff	\$73,099	\$53,606	\$88,549	\$56,084
Average Salary, Exempt Staff	\$73,099	\$53,606	\$88,549	\$56,084
Average Salary, Executive Staff	\$122,240	\$105,546	\$125,434	\$123,697
Median Salary, Full-Time Staff	\$54,495	\$51,258	\$70,593	\$123,697
Median Salary, Exempt Staff	\$54,495	\$51,258	\$70,593	\$56,084
Median Salary, Executive Staff	\$105,546	\$105,546	\$106,271	\$105,546

2. Employment Levels

Employment Levels (as of December 2020)		
	Budgeted	Filled
Number of Full-Time Positions	35	27
Number of Part-Time Positions	0	0
Number of Exempt Positions	35	27
Number of Executive Positions (deputy level and above)	7	7
Average Salary of All Full-Time Positions	\$71,798	\$73,099
Median Salary of All Full-Time Positions	\$56,084	\$54,495

FY22 Budget Hearing Summary Charts - Department of Labor

3. Financial Summary by Class

Some departments may also want to provide financial summary tables for other funds, such as the Grants Fund. Departments should delete any budget lines that have \$0 in every year (i.e. if a department has no Class 500 appropriations, actuals, or proposed appropriations, the Class 500 row should be deleted).

General Fund Financial Summary by Class						
	FY20 Original Appropriations	FY20 Actual Obligations	FY21 Original Appropriations	FY21 Estimated Obligations	FY22 Proposed Appropriations	Difference: FY22-FY21
Class 100 - Employee Compensation	\$2,065,091	\$1,945,732	\$2,395,467	\$2,395,467	\$2,939,422	\$543,955
Class 200 - Purchase of Services	\$321,277	\$260,157	\$357,217	\$276,217	\$352,817	\$76,600
Class 300/400 - Materials, Supplies & Equipment	\$68,460	\$11,351	\$86,420	\$77,420	\$21,420	(\$56,000)
	\$2,454,828	\$2,217,240	\$2,839,104	\$2,749,104	\$3,313,659	\$564,555

FY22 Budget Hearing Summary Charts - Department of Labor

4. Contracts Summary

This table focuses on large professional services contracts with for-profit vendors.
 "Large" is defined as meaning that an RFP was required.
 Departments should focus on contracts that have been conformed to date.
 Any departments that have large contracts with non-profit providers are encouraged to provide board makeup information in the optional "Non-Profit Vendor Demographics" table below.

M/W/DSBE Participation on Large Professional Services Contracts

Top Five Largest Contracts, FY21

Vendor Name	Service Provided	Dollar 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 % Participation - All DSBES	Total \$ Value Participation - All DSBES	Local Business (principal place of business located within City limits) [yes / no]	Waiver for Living Wage Compliance ? [yes / no]
Mitchell & Titus	Audit Contract in connection w/ City's 21 Century Minimum Wage	\$12,000	10/25/2019	7/1/2020	MBE:	100%	\$12,000	100%	\$12,000	no	no
					WBE:	0%	\$0				
					DSBE:	0%	\$0				

Non-Profit Vendor Demographics: N/A

5. Performance Measures Table

Please refer to the FY22 Budget Testimony narrative for Performance Measure data.

6. Participation Rate and Goal

The Contract Participation Goal table is for **all** contracts (Public Works, SS&E, and Professional Services, combined).

Contracts Summary (Professional Services only)						
	FY18	FY19	FY20	FY21	FY22	FY21 YTD (Q1 & Q2)
Total amount of contracts	\$0	\$0	\$34,000	\$12,000	\$0	\$6,000
Total amount to M/W/DSBE	\$0	\$0	\$34,000	\$12,000	\$0	\$6,000
Participation Rate	N/A	N/A	100%	100%	N/A	100%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY20	FY21	FY22
M/W/DSBE Contract Participation Goal	35%	35%	35%

FY22 Budget Hearing Summary Charts - Department of Labor

7. Staff Demographics

Biracial employees should be included under "Other."

Staff Demographics (as of December 2020)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	3	3	<i>Total</i>	0	1
<i>% of Total</i>	11%	11%	<i>% of Total</i>	0%	14%
<i>Average Salary</i>	\$54,495	\$66,143	<i>Average Salary</i>	\$0	\$105,546
<i>Median Salary</i>	\$53,045	\$48,015	<i>Median Salary</i>	\$0	\$105,546
	White	White		White	White
<i>Total</i>	7	8	<i>Total</i>	4	2
<i>% of Total</i>	26%	30%	<i>% of Total</i>	57%	29%
<i>Average Salary</i>	\$92,830	\$79,297	<i>Average Salary</i>	\$120,624	\$132,798
<i>Median Salary</i>	\$97,045	\$70,593	<i>Median Salary</i>	\$104,851	\$132,798
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	0	3	<i>Total</i>	0	0
<i>% of Total</i>	0%	11%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$0	\$55,293	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$0	\$49,500	<i>Median Salary</i>	\$0	\$0
	Asian	Asian		Asian	Asian
<i>Total</i>	1	2	<i>Total</i>	0	0
<i>% of Total</i>	4%	7%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$48,500	\$58,660	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$48,500	\$58,660	<i>Median Salary</i>	\$0	\$0
	Other	Other		Other	Other
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$0	\$0	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$0	\$0	<i>Median Salary</i>	\$0	\$0
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	1	4	<i>Total</i>	0	0
<i>% of Total</i>	4%	15%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$49,500	\$55,620	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$49,500	\$50,000	<i>Median Salary</i>	\$0	\$0
	Male	Female		Male	Female
<i>Total</i>	11	16	<i>Total</i>	4	3
<i>% of Total</i>	41%	59%	<i>% of Total</i>	57%	43%
<i>Average Salary</i>	\$78,070	\$69,682	<i>Average Salary</i>	\$120,624	\$123,697
<i>Median Salary</i>	\$54,495	\$56,084	<i>Median Salary</i>	\$104,851	\$105,546

Detail for non-binary employees, if applicable: N/A

8. New Hire Information/Language Access

Date range is 7/1/20 to December 2020 increment run. Detail for any hires since then can be added in the text box below the table.

New Hires (from 7/1/2020 to December 2020)

	Total Number of New Hires	Vietnamese	Russian	Spanish	Arabic	Turkish
Black or African American	0	0	0	0	0	0
Asian	1	1	0	0	0	0
Hispanic or Latino	0	0	0	0	0	0
White	1	0	1	1	0	0
Other	1	0	0	1	1	1
Total	3	1	1	2	1	1

Detail for new hires since December 2020, if applicable: N/A

All Staff

	Korean	[language 2]	[language 3]	[language 4]	[language 5]
Black or African American	0	0	0	0	0
Asian	1	0	0	0	0
Hispanic or Latino	0	0	0	0	0
White	0	0	0	0	0
Other	0	0	0	0	0
Total	1	0	0	0	0

Frontline Staff: N/A