# OFFICE OF PROPERTY ASSESSMENT
# FISCAL YEAR 2022 BUDGET TESTIMONY
# MAY 4, 2021

## INTRODUCTION

Good Morning, President Clarke and Members of City Council. I am James Aros Jr., Chief Assessment Officer. Joining me today is Maria Holmes, Administrative Services Director. I am pleased to provide testimony on the Office of Property Assessment's Fiscal Year 2022 Operating Budget.

## DEPARTMENT MISSION & PLANS

**Mission**: The Office of Property Assessment (OPA) is responsible for determining the value of all real property in Philadelphia and is dedicated to doing so in a fair, accurate, and understandable way. OPA's primary goal, through ongoing assessments, is to improve the accuracy and uniformity of all property values and to instill confidence in Philadelphia taxpayers regarding the fairness of the property tax system, as well as the competency and professionalism of Philadelphia's assessment office.

**Plans for Fiscal Year 2022**:

FY22 will be the next fiscal year in which OPA will be conducting a comprehensive reassessment of all real property in the city. The new assessments will be certified in the spring of 2022 and will be effective for Tax Year 2023. As a result, the vast majority of properties in the city will see their Tax Year 2021 market value carried forward to Tax Year 2022. In preparation for the Tax Year 2023 reassessment, OPA will hire an independent third-party vendor to conduct a full audit of the department during the reassessment process. The goal of the audit is to ensure that OPA is meeting industry standards by evaluating the processes and procedures used in the reassessment, provide real-time feedback on improvements that can be made while conducting the reassessment, and review the organizational structure and staffing levels in the new CAMA environment.

The new CAMA system went live in February 2020, and all existing OPA and BRT operations are performed in the new system. The Tax Year 2023 reassessment will be the first comprehensive reassessment that utilizes the new CAMA system. The system, along with extensive process modifications, will lead to increased efficiency for the entire property assessment process. Training and support for the new CAMA system will continue to be offered for staff in FY22. These trainings will primarily focus on new functionality, including an enhanced customer service portal, a mobile data collection app, and any changes to the system that are included in updated versions of the software.

OPA will continue to work to maintain a staffing complement in accordance with industry recommendations and fill vacancies for evaluators and clerical staff with qualified applicants at both the entry and experienced levels as needed. OPA will look to resume professional training opportunities for employees, such as building a Supervisor training program that develops and sharpens supervisory soft skills.

In FY22, OPA intends to complete the work of implementing key process and procedure changes that were suggested by industry expert Robert Gloudemans, as well as recommendations made by an external audit commissioned by City Council. These recommendations include a review of all classifications and condition codes for residential and non-residential properties, as well as collecting and examining the reliability and consistency of construction grades for all properties in the city.

## BUDGET SUMMARY & OTHER BUDGET DRIVERS

*Please refer to attached FY22 Budget Hearing Summary Charts in section 1: Staff Demographics Summary, section 2; Employment Levels, section 3: Financial Summary by Class, section 6: Participation Rate and Goal.*

**PROPOSED BUDGET OVERVIEW**

**Proposed Funding Request**:

The proposed Fiscal Year 2022 General Fund budget totals $16,783,833, an increase of $682,540 over Fiscal Year 2021 estimated obligation levels. This increase is primarily due to an increase in Class 100 funding to support the achievement of a full staffing level of 223.

The proposed budget includes:

- $14,395,213 in Class 100, an increase of $966,814 from FY21. This funding will support the achievement of the full staffing level of 223.
- $2,026,020 in Class 200, a decrease of $284,274 from FY21. This funding will primarily cover expenditures for consulting work to assist with the Tax Year 2023 reassessment and data collection.
- $362,000 in Class 300/400, which is level with FY21. This funding will primarily cover expenditures associated with printing and mailing notices to taxpayers, as well as the cost of maintaining and replacing current office equipment and furniture.

**STAFFING LEVELS**

The department is requesting 223 budgeted positions for FY22, an increase of 3 positions from FY21. The increase is attributed to adding additional Evaluation staff.

**NEW HIRES**

*Please refer to attached FY22 Budget Hearing Summary Charts in section 8: New Hires Information.*

**PERFORMANCE, CHALLENGES, AND INITIATIVES**

**Evaluation**

| Measure | FY20 ACTUAL | FY21 TARGET | FY22 TARGET |
|---|---|---|---|
| Coefficient of Dispersion[1] | 0.12 | ≤ 0.15 | ≤ 0.15 |
| Overall single-family price-related differential[2] | 1.01 | > .98 & < 1.03 | > .98 & < 1.03 |

[1]*The Coefficient of Dispersion (COD) is considered the most reliable, and therefore is the most frequently used, measure of assessment uniformity in ratio studies. It is based on an average absolute deviation, but expresses it as a percentage and provides a more objective measure of uniformity that is independent of the level of appraisal. A COD of less than 0.15 is considered to be very good for a jurisdiction with the number of parcels and the heterogeneity of housing stock that exists in Philadelphia. In general, low CODs are associated with a more uniform level of assessment.*

[2]*This measures assessment progressivity or regressivity. Assessments are considered progressive if high-value properties are relatively over-appraised, and regressive if high-value properties are under-appraised relative to low-value properties. While no differential (a PRD of 1) is considered perfect, PRDs tend to have an upward bias due in part to assessment time lags. A PRD between .98 and 1.03 is considered ideal.*

**Program FY22 Strategic Goals**

•       Continue to implement remaining recommendations from internal audits.

•       Complete the implementation of the CAMA system.

•       Maintain an acceptable variance for mass appraisals as identified in the performance measures.

**Administration**

| Measure | FY20 ACTUAL | FY21 TARGET | FY22 TARGET |
|---|---|---|---|
| Percent of budgeted positions that are filled | 76.9% | 90% | 90% |

**Program FY22 Strategic Goals**

•   Continue to fill vacancies in both the evaluation and clerical classes. Filling vacancies in this class improves OPA's ability to produce timely and accurate assessments.

•   Evaluate current job tasks as they relate to the CAMA system and the increase in remote work.

**OTHER BUDGETARY IMPACTS**

**Federal and State (Where Applicable)**

N/A.

**CONTRACTING EXPERIENCE**

*Please refer to attached FY22 Budget Hearing Summary Charts in section 4: Contracts Summary.*

**EMPLOYEE DATA**

*Please refer to attached FY22 Budget Hearing Summary Charts in section 7: Staff Demographics.*

**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.**

   **OPA Language Access Coordinator:** Salima Cunningham

   **Date of last department training:** May 2nd, 2018

   **Link to Language Access Plan:** 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.**

   All frontline staff have been trained on how to provide language access services.

   Please refer to FY22 Budget Hearing Summary Charts section 8: New Hire Information/Language Access.

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.**

   OPA uses the language line for interpretation services to ensure constituents receive professional translation services. During 2020, OPA received two requests for language interpretation services.

   | Language | # of Calls |
   |----------|------------|
   | Mandarin | 1 |
   | Spanish | 1 |

   OPA's third-party call center received 90 calls in 2020 that required language access services. Those requests were:

   | Language | # of Calls |
   |----------|------------|
   | Mandarin | 34 |
   | Spanish | 44 |
   | Cantonese | 5 |
   | Russian | 1 |
   | Vietnamese | 2 |
   | Burmese | 3 |
   | Haitian Creole | 1 |

On the OPA website, constituents can request to view the site in over 30 languages.

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

OPA developed an in-house refresher training class while the normal language access training was paused during the pandemic. OPA will schedule the normal language access training once those classes resume.

## CLIMATE CHANGE

1. **How has climate change affected your department's provision of services?**
   Climate change has not yet affected the OPA's provision of services.

2. **How might worsening climate change increase costs and demands for your department?**
   Climate change that causes extreme weather conditions would limit the OPA's ability to have employees work in the field, which could impede the OPA's ability to collect the most recent data on properties throughout the city. Severe weather events that cause extensive property damage in the city could increase the need for in-person property inspections and the number of Catastrophic Loss applications submitted to the OPA.

3. **How does your department intend to mitigate and adapt to climate change?**
   As technology has improved, OPA has increased the frequency of desktop inspections utilizing arial and street level photography. These images are updated yearly and exceed the minimum resolution required by industry standards. This could minimize the need for field work in the future and mitigate the risk of losing time in the field due to weather. OPA will continue to monitor the real estate market to see if climate change is affecting the demand or price of certain types of housing or features, such as those with solar panels.

**1. Staff Demographics Summary**

| Staff Demographics Summary (as of December 2020) | | | | |
|---|---|---|---|---|
| | Total | Minority | White | Female |
| Number of Full-Time Staff | 180 | 97 | 83 | 104 |
| Number of Exempt Staff | 13 | 6 | 7 | 7 |
| Number of Executive Staff (deputy level and above) | 7 | 4 | 3 | 3 |
| Average Salary, Full-Time Staff | $ 66,248 | $ 63,211 | $69,410 | $63,086 |
| Average Salary, Exempt Staff | $96,935 | $90,451 | $102,493 | $82,332 |
| Average Salary, Executive Staff | $114,792 | $108,905 | $122,641 | $104,444 |
| Median Salary, Full-Time Staff | $68,619 | $66,912 | $68,619 | $68,619 |
| Median Salary, Exempt Staff | $111,287 | $89,831 | $111,287 | $80,752 |
| Median Salary, Executive Staff | $111,287 | $111,287 | $111,287 | $111,287 |

**2. Employment Levels**

| Employment Levels (as of December 2020) | | |
|---|---|---|
| | Budgeted | Filled |
| Number of Full-Time Positions | 206 | 180 |
| Number of Part-Time Positions | 0 | 0 |
| Number of Exempt Positions | 14 | 13 |
| Number of Executive Positions (deputy level and above) | 8 | 7 |
| Average Salary of All Full-Time Positions | $68,015 | $66,248 |
| Median Salary of All Full-Time Positions | $68,619 | $68,619 |

**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 | $14,127,682 | $13,142,246 | $12,918,061 | $13,428,399 | $14,395,213 | $966,814 |
| Class 200 - Purchase of Services | $2,403,126 | $1,396,124 | $2,420,632 | $2,310,294 | $2,026,020 | ($284,274) |
| Class 300/400 - Materials, Supplies & Equipment | $787,600 | $173,051 | $762,600 | $362,600 | $362,600 | $0 |
| | **$17,318,408** | **$14,711,421** | **$16,101,293** | **$16,101,293** | **$16,783,833** | **$682,540** |

**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]* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Tyler Technologies | Data Collection and Verification | $454,500 | 6/21/2019 | 5/1/2020 | MBE: 10-15% | 10% | $45,450 | 10% | $45,450 | | |
| | | | | | **WBE: 10-15%** | 0% | $0 | | | | |
| | | | | | DSBE: | 0% | $0 | | | Y | N |
| Linebarger Goggan Blair & Samson LLP | Reassassment Customer Service | $115,000 | 5/24/2016 | 7/1/2020 | MBE: 10-15% | 100% | $115,000 | 100% | $115,000 | | |
| | | | | | **WBE: 5-10%** | 0% | $0 | | | | |
| | | | | | DSBE: | 0% | $0 | | | Y | N |

**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 | $988,256 | $756,000 | $1,949,500 | $569,500 | $1,688,020 | $303,000 |
| Total amount to M/W/DSBE | $228,378 | $0 | $99,000 | $160,450 | $337,604 | $115,000 |
| Participation Rate | 23% | 0% | 5% | 28% | 20% | 38% |

| 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 | 0% | 0% | 20% |

*OPA has a contract with Linebarger which, in prior years, had a minority stakeholder. That minority stakeholder retired from Linebarger in FY18, causing a drop in the M/W/DSBE participation rate. This contract once again qualified for 100% participation in FY21 when Linebarger added a minority stakeholder.

**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 |
| *Total* | 27 | 57 | *Total* | 1 | 3 |
| *% of Total* | 15% | 32% | *% of Total* | 14% | 43% |
| *Average Salary* | $65,220 | $60,283 | *Average Salary* | $122,289 | $104,444 |
| *Median Salary* | $68,619 | $68,619 | *Median Salary* | $122,289 | $111,287 |
| | White | White | | White | White |
| *Total* | 42 | 40 | *Total* | 3 | 0 |
| *% of Total* | 23% | 22% | *% of Total* | 43% | 0% |
| *Average Salary* | $73,319 | $66,245 | *Average Salary* | $122,641 | N/A |
| *Median Salary* | $68,619 | $68,619 | *Median Salary* | $111,287 | N/A |
| | Hispanic | Hispanic | | Hispanic | Hispanic |
| *Total* | 1 | 4 | *Total* | 0 | 0 |
| *% of Total* | 1% | 2% | *% of Total* | 0% | 0% |
| *Average Salary* | $68,619 | $73,521 | *Average Salary* | N/A | N/A |
| *Median Salary* | $68,619 | $72,521 | *Median Salary* | N/A | N/A |
| | Asian | Asian | | Asian | Asian |
| *Total* | 5 | 2 | *Total* | 0 | 0 |
| *% of Total* | 3% | 1% | *% of Total* | 0% | 0% |
| *Average Salary* | $73,697 | $62,898 | *Average Salary* | N/A | N/A |
| *Median Salary* | $76,422 | $62,898 | *Median Salary* | N/A | N/A |
| | Other | Other | | Other | Other |
| *Total* | 0 | 0 | *Total* | 0 | 0 |
| *% of Total* | 0% | 0% | *% of Total* | 0% | 0% |
| *Average Salary* | N/A | N/A | *Average Salary* | N/A | N/A |
| *Median Salary* | N/A | N/A | *Median Salary* | N/A | N/A |
| | Bilingual | Bilingual | | Bilingual | Bilingual |
| *Total* | 4 | 8 | *Total* | 0 | 0 |
| *% of Total* | 2% | 4% | *% of Total* | 0% | 0% |
| *Average Salary* | $76,624 | $66,219 | *Average Salary* | N/A | N/A |
| *Median Salary* | $76,422 | $68,619 | *Median Salary* | N/A | N/A |
| | Male | Female | | Male | Female |
| *Total* | 76 | 104 | *Total* | 4 | 3 |
| *% of Total* | 42% | 58% | *% of Total* | 57% | 43% |
| *Average Salary* | $70,435 | $63,086 | *Average Salary* | $122,533 | $104,443 |
| *Median Salary* | $68,619 | $68,619 | *Median Salary* | $116,788 | $111,287 |

**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 |
|---|---|
| Black or African American | 0 |
| Asian | 0 |
| Hispanic or Latino | 0 |
| White | 0 |
| Other | 0 |
| Total* | 0 |

*OPA had no new hires from 7/1/20 through the increment run in December

**New Hires since December 2020**

|  | Total Number of New Hires | Languages other than English |
|---|---|---|
| Black or African American | 4 | 0 |
| Asian | 0 | 0 |
| Hispanic or Latino | 0 | 0 |
| White | 3 | 0 |
| Other | 0 | 0 |
| Total | 7 | 0 |

**All Staff**

|  | Spanish | Hindi | Malayalam | Lithuanian | Nepali | Creole | Punjabi | Urdu | Gujarati | Russian | French | Sign Language |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Black or African American | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 1 |
| Asian | 0 | 3 | 2 | 0 | 1 | 0 | 1 | 1 | 1 | 0 | 0 | 0 |
| Hispanic or Latino | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| White | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 3 | 3 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |

**Frontline Staff***

|  | Languages other than English |
|---|---|
| Black or African American | 0 |
| Asian | 0 |
| Hispanic or Latino | 0 |
| White | 0 |
| Other | 0 |
| Total | 0 |

*Frontline staff use the language line in when language assistance is needed in interactions with the public. All frontline staff have been trained on how to provide language access services.