

**OFFICE OF SUSTAINABILITY
FISCAL YEAR 2023 BUDGET TESTIMONY**

INTRODUCTION

Good morning, President Clarke and Members of City Council. I am Christine Knapp, Director of the Office of Sustainability. I am pleased to provide testimony on the Office of Sustainability's Fiscal Year 2023 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Office of Sustainability (OOS) works with partners around the city to improve quality of life in all Philadelphia neighborhoods, reduce the city's carbon emissions, and prepare Philadelphia for a hotter and wetter future.

Plans for Fiscal Year 2023:

This year, the Office of Sustainability's (OOS) Greenworks program will continue to reduce citywide greenhouse gas emissions from buildings consistent with the Mayor's goal of achieving carbon neutrality by 2050. We will conduct the first compliance period for the Building Energy Performance Program (BEPP) and explore opportunities to ensure local, minority-owned businesses are benefitting from economic opportunities created through BEPP. We will advance policies and programs that support the City's zero waste goal by 2035 by reducing the creation of waste and creating circularity or reuse for waste materials. We will hire and onboard a permanent Food Policy Advisory Council (FPAC) Manager, creating a more just and equitable food system by improving FPAC operations to center the voices of those most impacted by the food system in advising the City on food policy. We will advance OOS's commitment to racial justice both through internal policies and practices and through thoughtful equitable community engagement practices. As climate change is an issue of racial and social justice, disproportionately impacting people of color and lower income residents, the voices and experiences of those who face environmental burdens should be centered in OOS's policy and program development.

The OOS Energy Office will ensure the City purchases energy at an affordable rate; continue to monitor electricity, natural gas, and vehicle fuel supply; and minimize price volatility while increasing renewable energy procurement. We will work with the Department of Public Property, the Philadelphia Water Department, and the Philadelphia International Airport to bring 25 percent of required City buildings into compliance with the Building Energy Performance Program. We will work in partnership with the Department of Streets, the Office of Innovation and Technology, and the Philadelphia Energy Authority to design and convert the City's more than 100,000 streetlights to LEDs through an energy performance contract project which will save the City money and ensure streetlight outages are addressed in a more equitable fashion than relying on residential calls to 311.

The OOS Climate Resilience Program will develop and implement a community-driven, whole-of-government action in the Eastwick neighborhood that demonstrates the ability to address climate inequities experienced by specific communities as part of a broader framework for rectifying historic and current social, economic, and environmental injustice. We will lay the groundwork for the strategic direction and launch of the Philadelphia Panel on Climate Science and Research which will develop and deploy actionable climate risk information to guide City of Philadelphia planning and operational processes. And we will support the Environmental Justice Advisory Commission in completing a strategic planning process to set strategic priorities and develop an operational model aligned with its current vision.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Please refer to attached FY23 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 2023 General Fund budget totals \$1,317,482, a decrease of \$220,477 over Fiscal Year 2022 estimated obligation levels. This decrease is primarily due to the reduction of FY22 funding designated for the Environmental Justice Commission.

The proposed budget includes:

- \$870,116 in Class 100, A \$47,123 INCREASE OVER FY22. This funding will support approved FY22 Exempt staff salary increases and the addition of a Building Program Monitoring Program Manager position.
- \$271,366 in Class 200, A \$267,600 DECREASE FROM FY22.
- \$1,000 in Class 300/400, LEVEL WITH FY22. This funding will be used to purchase standard office materials, supplies, and equipment.
- \$175,000 in Class 800, LEVEL WITH FY22. This funding will support Greenworks Sustainability Fund project investments in city-owned buildings to reduce energy use or support other sustainability outcomes.

OFFICE OF SUSTAINABILITY

STAFFING LEVELS

The department is requesting 15 budgeted positions for FY23, an increase of 1 position over FY22.

The INCREASE is attributed to the addition of a Building Program Monitoring Program Manager position.

NEW HIRES

Please refer to attached FY23 Budget Hearing Summary Charts in section 8: New Hires Information.

PERFORMANCE, CHALLENGES, AND INITIATIVES

GREENWORKS

Performance Measure	FY21 Year End	FY22 Target	FY23 Target
Number of people who engaged with OOS during the reporting period ¹	Prior Year Data is not available	Set baseline	36,000
Percentage of total buildings in compliance with energy and benchmarking law	88.0%	88.0%	88.0%
Number of people who engaged with Food Policy Advisory Council (FPAC) during the reporting period ²	4,299	4,000	4,450

¹Revised measure for FY23 and therefore prior year data is not available. Measure includes social media followers, newsletter subscribers and people reached through events.

²This measure includes unique individual attendance at FPAC meetings, newsletter subscribers, and social media followers.

Program FY23 Strategic Goals

- Reduce citywide greenhouse gas emissions from buildings consistent with Mayor’s goal of achieving carbon neutrality by 2050 by conducting the first compliance period for the Building Energy Performance Program (BEPP) and exploring opportunities to ensure local, minority-owned businesses are benefitting from economic opportunities created through BEPP.
- Advance policies and programs that support the City’s zero waste goal by 2035 by reducing the creation of waste and creating circularity or reuse for waste materials.
- Hiring and onboarding a permanent FPAC Manager, creating a more just and equitable food system by improving FPAC operations to center the voices of those most impacted by the food system in advising the City on food policy, and elevating food as City strategic initiative, including improving collaboration among City departments around land access and ownership, food supply chain analysis, workforce and economic development opportunities, and food security and public benefits.
- Advance OOS’s commitment to racial justice both through internal policies and practices and through thoughtful equitable community engagement practices. As climate change is an issue of racial and social justice, disproportionately impacting people of color and lower income residents, the voices and experiences of those who face environmental burdens should be centered in OOS’s policy and program development.

ENERGY OFFICE

Performance Measure	FY21 Year End	FY22 Target	FY23 Target
City of Philadelphia facility energy consumption, including General, Aviation and Water Funds (Million British Thermal Units)	3.64	3.79	3.69
City of Philadelphia facility energy cost including General, Aviation and Water Funds (\$ Million) ¹	\$56.87	\$59.22	\$58.10
Percentage of General Fund square footage participating in energy management practices supported by Municipal Energy Master Plan	48.0%	58.0%	58.0%
Greenhouse Gas Emissions (GHG) for General Fund (Metric Ton of Carbon Dioxide equivalent MTCO ₂ e)	123,127	121,629	120,132

¹ OOS estimates increased costs for FY22 due to changes in natural gas rates for several City accounts due to failing infrastructure. Additionally, the war in Ukraine has also been causing other energy price increases. With this in mind, OOS will continue to monitor costs and if needed adjust FY23 target.

Program FY23 Strategic Goals

- Ensure the City purchases energy at an affordable rate; continue to monitor electricity, natural gas, and vehicle fuel supply; and minimize price volatility while increasing renewable energy procurement.
- Work with the Department of Public Property, the Philadelphia Water Department, and the Philadelphia International Airport to bring 25 percent of required City buildings into compliance with the Building Energy Performance Program (BEPP), which requires non-residential buildings over 50,000 square feet to either achieve a high performance building standard or to perform a tune-up on the building every five years.
- Work in partnership with the Department of Streets, the Office of Innovation and Technology, and the Philadelphia Energy Authority to design and convert the City’s more than 100,000 streetlights to LEDs as a part of a large energy performance contract project. Not only will this have a large cost savings to the City, but it will also help ensure streetlight outages are addressed in a more equitable fashion than relying on residential calls to 311.

CLIMATE RESILIENCE

Performance Measure ¹	FY21 Year End	FY22 Target	FY23 Target
Number of municipal projects that embed climate resilience-building activities that reduce identified vulnerabilities	Prior Year Data is not available	Set baseline	2
Total funding made available to address inequities that climate impacts exacerbate and build capacity for community resilience	Prior Year Data is not available	Set baseline	\$75,000
Number of place-based initiatives that increase adaptive capacity and/or reduce exposure risk to climate impact through collaborative partnerships and community-based management	Prior Year Data is not available	Set baseline	2

¹Climate Resilience performance measures are new and therefore prior year data is not available.

Program FY23 Strategic Goals

- Develop and implement a community-driven, whole-of-government action in the Eastwick neighborhood that demonstrates the ability to address climate inequities experienced by specific communities as part of a broader framework for rectifying historic and current social, economic, and environmental injustice.
- Lay the groundwork for the strategic direction and launch of the Philadelphia Panel on Climate Science and Research which will develop and deploy actionable climate risk information to guide City of Philadelphia planning and operational processes.
- Support the Environmental Justice Advisory Commission in completing a strategic planning process to set strategic priorities and develop an operational model aligned with its current vision.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

The federal Infrastructure Investment and Jobs Act is creating new opportunities to invest in climate resiliency and mitigation. We will be supporting the City's efforts to include climate considerations into infrastructure applications and will seek out opportunities for funding that can support OOS's mission.

Additionally, if Pennsylvania successfully joins the Regional Greenhouse Gas Initiative (RGGI), the City should expect to receive proceeds from the program that can be invested in programs that improve air quality. OOS will track this process and convene City agencies to consider how funding can support local priorities. The state has taken the final step to join RGGI. The main uncertainty is when PA will be ready to participate in the first auction from which proceeds are derived. Current timeline is projecting early as the fall. However, there are also two lawsuits trying to block the state from joining, and OOS will continue to track this process.

OFFICE OF SUSTAINABILITY

CONTRACTING EXPERIENCE

Please refer to attached FY23 Budget Hearing Summary Charts in section 4: Contracts Summary.

EMPLOYEE DATA

Please refer to attached FY23 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.**

Language Access Coordinator: Christine Knapp

Date of Last Departmental Training: July 2021

Link to Office of Sustainability Language Access Plan:

<https://www.phila.gov/media/20220215190352/Office-of-Sustainability-Language-Access-Plan-2022.pdf>

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

Please see the charts provided in the previous section of the testimony document for a breakdown of new hire and existing staff race and language demographics. The Office of Sustainability does not have any front-line personnel staff.

- 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.**

The Office of Sustainability did not receive any direct requests for language access services over the past year. The Office of Sustainability works closely with the MDO's Office of Immigrant Affairs as it relates to requests for language access.

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

We've updated our Language Access Plan, and we've expanded the number of documents that we are translating, including the Climate Action Playbook, the Plastic Bag Ban promotional materials, the Environmental Justice Commission applications and press release, and food waste education campaign materials.

CLIMATE CHANGE

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

Climate change is the priority work of the Office of Sustainability, and the increasing threat that climate change poses to the City has pushed us to require additional services, such as technical consulting. In recognizing that climate change will disproportionately impact low wealth communities and communities of color, we have expanded our environmental justice work and efforts to push resources to environmentally burdened communities.

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

We anticipate climate change will increase costs for our office, as we expand both our work to mitigate carbon emissions by scaling up policies and programs that cut emissions from buildings (including municipal facilities), transportation and waste, and expand work to protect our residents and our infrastructure from the hotter and wetter climate.

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

We plan to work with other City agencies to implement the Greenworks sustainability framework and the City’s Climate Action Playbook, which outlines strategies for both climate mitigation and climate resiliency.

1. Staff Demographics Summary

Staff Demographics Summary (as of December 2021)				
	Total	Minority	White	Female
Number of Full-Time Staff	13	7	6	11
Number of Exempt Staff	13	7	6	11
Number of Executive Staff (deputy level and above)	3	1	2	1
Average Salary, Full-Time Staff	\$78,299	\$73,429	\$83,982	\$73,127
Average Salary, Exempt Staff	\$78,299	\$73,429	\$83,982	\$73,127
Average Salary, Executive Staff	\$113,664	\$121,000	\$109,996	\$127,492
Median Salary, Full-Time Staff	\$77,000	\$62,500	\$79,450	\$65,000
Median Salary, Exempt Staff	\$77,000	\$62,500	\$79,450	\$65,000
Median Salary, Executive Staff	\$121,000	\$121,000	\$109,996	\$127,492

2. Employment Levels

Employment Levels (as of December 2021)		
	Budgeted	Filled
Number of Full-Time Positions	15	13
Number of Part-Time Positions	1	1
Number of Exempt Positions	15	13
Number of Executive Positions (deputy level and above)	3	3
Average Salary of All Full-Time Positions	\$78,659	\$78,299
Median Salary of All Full-Time Positions	\$77,000	\$77,000

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						
	FY21 Original Appropriations	FY21 Actual Obligations	FY22 Original Appropriations	FY22 Estimated Obligations	FY23 Proposed Appropriations	Difference: FY23-FY22
Class 100 - Employee Compensation	\$603,814	\$484,422	\$722,621	\$822,993	\$870,116	\$47,123
Class 200 - Purchase of Services	\$423,366	\$422,478	\$675,966	\$538,966	\$271,366	(\$267,600)
Class 300/400 - Materials, Supplies & Equipment	\$1,000	\$0	\$1,000	\$1,000	\$1,000	\$0
Class 800 - Payment to Other Funds	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$0
	\$1,203,180	\$1,081,900	\$1,574,587	\$1,537,959	\$1,317,482	(\$220,477)

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, FY22

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]
SSM Group	Energy Consultant	\$250,000	6/10/2019	9/1/2019	MBE: 25-30%	15%	\$37,500	30%	\$75,000	No	No
					WBE: 25-30%	15%	\$37,500				
					DSBE:	0%	\$0				
EnergyCAP	Maintenance and Hosting	\$80,000	5/29/2018	7/1/2018	MBE: 0%	0%	\$0	0%	\$0	No	No
					WBE: 0%	0%	\$0				
					DSBE:	0%	\$0				
Energy & Environmental Economics	PGW Study	\$213,525	10/21/2019	1/1/2021	MBE: 0%	17%	\$36,299	17%	\$36,299	No	No
					WBE: 0%	0%	\$0				
					DSBE:	0%	\$0				
Center for EcoTechnology	Food Waste Reduction	\$75,000	1/12/2021	3/21/2021	MBE: 0%	0%	\$0	0%	\$0	No	No
					WBE: 0%	0%	\$0				
					DSBE: 0%	0%	\$0				
Green Building United	Building Support	\$45,000	2/28/2021	4/26/2021	MBE: 0%	0%	\$0	0%	\$0	Yes	No
					WBE: 0%	0%	\$0				
					DSBE: 0%	0%	\$0				

Non-Profit Vendor Demographics: N/A

5. Performance Measures Table

The Budget Office will copy this table in from the Five Year Plan.

6. Participation Rate and Goal

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

Contracts Summary (Professional Services only)						
	FY19	FY20	FY21	FY22	FY23	FY22 YTD (Q1 & Q2)
Total amount of contracts	\$425,875	\$407,950	\$976,475	\$512,525	\$360,000	\$512,525
Total amount to M/W/DSBE	\$34,000	\$99,000	\$178,299	\$160,299	\$72,000	\$160,299
Participation Rate	8%	24%	18%	31%	20%	31%

FY23 participation rate is lower than FY22 because the contract for the PGW study is now complete, and therefore that participation will not be in the FY23 projection, resulting in a lower FY23 participation rate.

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY21	FY22	FY23
M/W/DSBE Contract Participation Goal	20%	20%	20%

FY23 Budget Hearing Summary Charts - Office of Sustainability

7. Staff Demographics

Totals in this table should tie out to numbers in tables 1 and 2 above.

Biracial employees should be included under "Other."

The number of employees who identify as non-binary (i.e. employees who do not identify as either female or male) should be included in the text box below the table, along with salary detail.

Staff Demographics (as of December 2021)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	1	2	<i>Total</i>	1	0
<i>% of Total</i>	8%	15%	<i>% of Total</i>	33%	0%
<i>Average Salary</i>	\$121,000	\$70,625	<i>Average Salary</i>	\$121,000	N/A
<i>Median Salary</i>	\$121,000	\$70,625	<i>Median Salary</i>	\$121,000	N/A
	White	White		White	White
<i>Total</i>	1	5	<i>Total</i>	1	1
<i>% of Total</i>	8%	38%	<i>% of Total</i>	33%	33%
<i>Average Salary</i>	\$92,500	\$82,278	<i>Average Salary</i>	\$92,500	\$127,492
<i>Median Salary</i>	\$92,500	\$77,000	<i>Median Salary</i>	\$92,500	\$127,492
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	0	1	<i>Total</i>	0	0
<i>% of Total</i>	0%	8%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	\$60,000	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	\$60,000	<i>Median Salary</i>	N/A	N/A
	Asian	Asian		Asian	Asian
<i>Total</i>	0	3	<i>Total</i>	0	0
<i>% of Total</i>	0%	23%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	\$63,917	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	\$62,500	<i>Median Salary</i>	N/A	N/A
	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>	N/A	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	0	2	<i>Total</i>	0	0
<i>% of Total</i>	0%	15%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	\$69,000	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	\$69,000	<i>Median Salary</i>	N/A	N/A
	Male	Female		Male	Female
<i>Total</i>	2	11	<i>Total</i>	2	1
<i>% of Total</i>	15%	85%	<i>% of Total</i>	67%	33%
<i>Average Salary</i>	\$106,750	\$73,127	<i>Average Salary</i>	\$106,750	\$127,492
<i>Median Salary</i>	\$106,750	\$65,000	<i>Median Salary</i>	\$106,750	\$127,492

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

8. New Hire Information

Date range is 7/1/21 to December 2021 increment run. Detail for any hires since then can be added in the text box below the table.

New Hires (from 7/1/2021 to December 2021)			
	Total Number of New Hires	Spanish	Hindi
Black or African American			
Asian	1		1
Hispanic or Latino	1	1	
White			
Other			
Total	2	1	1

Detail for new hires since December 2021, if applicable: N/A

New Hires (from 1/1/2022 to April 2022)	
	Total Number of New Hires
Black or African American	1
Asian	
Hispanic or Latino	
White	
Other	
Total	1