

**City Council Committee of the Whole**  
**Five Year Plan Testimony**  
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**March 28, 2023**

Good morning, Council President Clarke and members of City Council. My name is Christina Pastrana Hernandez, Chief of Staff to Mayor Kenney, and I am honored to testify in support of the Mayor's Proposed Five-Year Plan, his last for his term as Mayor, along with all the supporting budget and revenue bills that were introduced on March 2, 2023. Joining me today are Finance Director Rob Dubow, and Cabinet members and Department heads from across the Administration.

As the Kenney Administration enters its final year, the Mayor is optimistic about Philadelphia's bright future and remains committed to the urgent work still left to do to ensure every Philadelphian can reach their potential. The FY24-28 Plan builds on the progress of the past seven years and the lessons learned from some of the greatest challenges our city has ever faced, including a global pandemic, a nationwide reckoning on racial injustice, and a crisis of gun violence that has brought tragedy home to too many families. This Five-Year Plan renews our commitment to becoming a more resilient and equitable city, driven by the Mayor's key priorities:

- Quality education for all
- A safer and more just Philadelphia
- Thriving neighborhoods
- Inclusive growth and economic opportunity

To deliver on this vision, the City continued to expand efforts to embed racial equity in all practices and decisions about the budget and to incorporate more diverse community voices. The City held 26 community engagement sessions with 445 community members, with materials in five languages. Participants ranged from residents, to business leaders, non-profits, arts and cultural organizations, as well as City employees, and they shared their thoughts, concerns, and ideas about City spending.

After several years of significant financial uncertainty, and despite the continued effects of higher inflation and the continued possibility of economic recession in the short term, the FY24-28 Plan charts a course to relative fiscal stability, building some financial cushion to help weather future disruptions while making the investments needed to ensure Philadelphia can return to and continue on the growth trajectory we saw prior to the pandemic. The City also continues to be buoyed by critical federal investments, including the \$1.4 billion in State and Local Fiscal Relief Funds provided by President Biden's American Rescue Plan—which provided a lifeline among pandemic budget shortfalls—and the funds flowing from the Bipartisan Infrastructure Law, which are enabling historic and transformative investments in the city's roads, bridges, transit, water infrastructure, and broadband access and supporting Philadelphia's workers and businesses, especially those who have been locked out of opportunity for too long.

Today, Philadelphia's poverty rate is at a 15-year low, and the Kenney Administration has reduced wage and business taxes to their lowest levels in decades. We celebrate this progress while knowing that too many in our city are still left behind. The commitments and priorities in this Five-Year Plan are aimed at ensuring the City delivers on its promise to create quality schools in every neighborhood, provide justice and safety for all, build thriving neighborhoods with world-class community spaces, and generate inclusive growth and economic opportunity well into the future.

### **Quality Education for All**

The FY24-28 Five Year Plan reflects the Mayor's deep belief in the importance of investing in future generations and building a strong foundation for the city's young people.

This Plan makes significant investments in PHLpreK, a transformative program started during the Kenney Administration and funded by the Philadelphia Beverage Tax. It will create 950 new seats in FY24 for a total of 5,250 seats, to provide children and families with free and high-quality early learning services that have already served over 15,000 children. PHLpreK will also receive \$4.4 million in FY24 and \$22 million over the Five-Year Plan to provide supports to participating children experiencing various forms of direct and vicarious trauma.

Mayor Kenney is building on the historic commitments to public education that he has made over his two terms by investing nearly \$1.4 billion over the life of the FY24-28 Five Year Plan in the School District of Philadelphia, in addition to local tax revenues that support the District. FY24 includes a \$282 million contribution to the School District of Philadelphia. This represents a 171 percent increase from FY16 when the Mayor came into office. The Plan also includes \$2.2 million over five years in additional supports for the 20 City-supported Community Schools that serve a wide range of needs for students, families, and communities.

In ongoing pursuit of accessible and affordable community college, the FY24 Budget supports the continuation the Octavius Catto Scholarship at the Community College of Philadelphia (CCP). Since its start in FY21, over 1,400 Catto Scholars have received tuition-free enrollment. The City's investment for the Catto Scholarship is projected at \$11.7 million in FY24 and \$58.5 million over the life of the Five-Year Plan. Combined, the City proposes investing a total of more than \$225 million in CCP over the next five years to further the accessibility, affordability, and attractiveness of CCP as a post-secondary institution of choice and a gateway to economic opportunity for Philadelphia's students. Since the beginning of the Kenney Administration, support for CCP has increased by roughly 70 percent.

The COVID-19 pandemic exposed the critical importance of digital access and highlighted the inequities that persist in who can fully participate in an increasingly digital world. In 2020, the City created the PHLConnectED program to address this challenge. The FY24-28 Five-Year Plan invests \$8.3 million which paired with new federal resources through the Infrastructure Law will continue to address barriers to access and affordability of broadband internet and digital devices and provide digital navigation services, as laid out in the City's 5-year Digital Equity Plan.

### **Safe and Just Philadelphia**

As the City continues to grapple with shooting and homicide rates that are significantly higher than they were in the years preceding the COVID-19 pandemic, the Mayor recognizes that there is no more urgent task than putting every effort toward preventing these tragic deaths that are devastating families and traumatizing communities every day.

Increasing community safety, reducing gun violence, and supporting residents and neighborhoods disproportionately impacted by gun violence and incarceration are top priorities for the Mayor, and this plan continues historic levels of investment in anti-violence programming and provides additional investments in the continued implementation of the Roadmap for Safer Communities, the City's Violence Prevention Plan. The full set of violence prevention investments—including long term investments in education totaling \$208 million in the FY23 Budget and those same categories of investment grow with intensity and intentionality in FY24. In addition, recognizing that it will take all of us in a citywide effort to tackle this challenge for good, the City looks forward to continued partnership with the Civic Coalition to Save Lives to expand ongoing efforts to work with the most at-risk individuals to reduce shootings.

While preventing violence is not a job for police alone, the FY24-28 Five Year Plan makes strategic investments to strengthen the Police Department's ability to address violent crime. The Plan invests \$14.7 million over five years in the Office of Forensic Science. This funding will be paired with a recently awarded \$25 million state grant, improving PPD's ability to process forensic evidence and develop investigative leads in support of solving crimes. This includes 14 positions that were previously held by sworn personnel but will now be filled by civilians as a result of a recent arbitration ruling, which will further assist Police operations by freeing up officers to focus on patrol and investigative activities. These investments also complement the \$50 million in funding being provided in the capital budget to build a new state-of-the-art forensic lab. Together these investments will help Police continue to build on last year's improvements to its homicide clearance rate, which increased from 42 percent in 2021 to 47 percent in 2022.

In addition, the Plan includes \$1.8 million in FY24 and \$9.2 million over five years to support the Police Department's analytical programs in service of Operation Pinpoint, the Department's strategy to focus resources and efforts on the people and places most likely to experience violent crime. It also includes \$1 million over five years to improve the Police Department's ability to equitably recruit and hire a diverse pool of qualified candidates that better represent the communities that PPD serves.

In FY24 and throughout the Five-Year Plan, the City will also increase investment in other partners who are critical to the functioning of an equitable, efficient, and accountable criminal justice system. The Plan invests an additional \$5 million per year and \$25 million over five years in the District Attorney's Office to sustain its critical work on investigations and prosecutions. The Plan also invests \$5 million per year and \$25 million over five years in the Defender Association of Philadelphia to provide high quality legal services and better meet the needs of vulnerable Philadelphians involved in the criminal justice system.

The Budget includes funds to further strengthen the City's evidence-based anti-violence programs. For example, it adds \$1.4 million over five years to provide new stipends for participants in the

Group Violence Intervention (GVI) strategy, which a recent evaluation found significantly reduced group-member involved shootings. In addition, the Plan invests over \$700,000 to provide trauma supports to front-line staffers in anti-violence programs at City-funded community-based organizations.

This Plan also makes investments in our juvenile justice system, including \$1.9 million over five years to support the new Juvenile Assessment Center's efforts to reduce trauma and increase diversion opportunities for youth in the arrest process, and \$1 million per year to increase staffing at the Philadelphia Juvenile Justices Services Center (PJJSC), to support the safety and success of youth during and after their time at the PJJSC.

Finally, Mayor Kenney recognizes that criminal justice fees and debt can act as a barrier to economic opportunity and keep people unnecessarily entangled in the criminal justice system. The FY24 budget will take steps to reform criminal justice fees, which fall most heavily on low-income people and people of color. The Plan will also establish a \$5 million fund in FY24 to clear criminal justice-related debts that currently prevent Philadelphians from being able to access employment and other opportunities.

This investment complements ongoing legislative advocacy the City has undertaken to support reform of criminal justice fees at the state level.

### **Thriving Neighborhoods**

The Kenney Administration seeks to build thriving neighborhoods and enhance quality of life for residents everywhere in Philadelphia.

The Plan includes additional investments in the Rebuild Initiative, which is delivering major improvements to parks, playgrounds, recreation centers, and libraries across the city. To date, 13 project sites have been completed, "first fix" improvements have been completed or are underway at another 38 sites, and construction is underway or about to begin at 19 sites. In 2023 alone, Rebuild is expected to break ground on over 20 full flagship projects and cut the ribbon on 15 full flagship projects – the most impactful year yet.

Rebuild is also a national model for inclusive infrastructure development with 45.5% of total hours worked to date by women and people of color and 65.4% of committed contract dollars awarded to diverse businesses. Rebuild has provided workforce development training for 70 Philadelphians, with 72% of active program graduates accepted into union apprenticeships or full-time work. Rebuild has also provided important business supports for 146 diverse businesses.

The FY24-28 Five Year Plan is also expanding investments to ensure these critical neighborhood assets are available when residents need them. Building on investments in the FY23 budget, this plan increases investment in the Free Library of Philadelphia by \$10.7 million in FY24 and by \$51.3 million over the Five-Year Plan to stabilize and expand service levels to six-day service at neighborhood library branches. The Plan also includes sustained funding for weekend hours at Parks and Recreation Centers; to date the Parks & Rec team has been able to create weekend hours

at 66 recreation centers, and we are on track to have all rec centers open on the weekend by the end of 2023.

Building thriving neighborhoods will require resources to increase housing stability for residents and meet the needs of those who are at risk of losing their housing or who are already experiencing homelessness. The FY24-28 Plan includes:

- \$3.7 million in FY24 and \$28.9 million over five years to expand the Right to Counsel Initiative citywide, which will guarantee legal representation to low-income tenants facing eviction proceedings in Philadelphia and will reduce displacement and improve housing stability for vulnerable renters; this builds on the first year of the program which has shown to increase rates of representation, avoided all default judgements and increased Judgment by Agreement (JBA) with reduced judgments, more time to move, and payment plans.
- \$1.3 million in FY24 and \$6.7 million over five years to provide 100 new supportive housing units for people who are chronically homeless, which have a 90% success rate in preventing a return to homelessness.
- \$595,000 in FY24 and \$3.16 million over five years to operate Sanctuary Village, the City's first tiny house community.
- \$446,000 in FY24 and \$2.37 million over five years to sustain the Kensington-focused Encampment Resolution Team, which makes daily contact with people experiencing homelessness and responds to neighborhood concerns.

To deliver cleaner streets in neighborhoods with the greatest need, FY24 will also see the expansion of the mechanical street sweeping program, with a projected increase of six additional neighborhoods served. This continues to build on the investments already made to the mechanical street sweeping program, which expanded from six to fourteen neighborhoods in FY23, and, by FY24, will reach a projected total of twenty neighborhoods. The FY24 budget will also invest \$1.8 million to deploy an additional illegal dumping crew, which together with the FY23 investment, creates a total of four new crews available to more quickly and strategically address illegal dumping.

The plan includes the second year of strategic investment to ensure Philadelphia can compete for and successfully deploy federal Bipartisan Infrastructure Law dollars to transform communities and build wealth and opportunity for Philadelphians. The FY24 Budget includes \$22M across twelve Departments to maximize this historic opportunity. This investment is already yielding results: to date the City has won more than \$136 million in federal funds from five new competitive BIL grants, in addition to \$450 million that is expected in surface transportation formula funds.

Equipping neighborhoods to thrive will also require preparing for climate change and for Philadelphia's warmer, wetter future. Communities of color in Philadelphia experience increased harm from adverse environmental impact due to legacy and ongoing systemic racism. The City established the Philadelphia Environmental Justice Advisory Commission to enable residents to participate as co-creators in developing and implementing interventions to address longstanding issues of environmental injustice. The FY24-28 Five Year Plan will resource this Commission with \$1 million over 5 years to fund its operations and provide direct funding to communities working to address harm from environmental injustice.

The FY24 budget also includes \$836,000 and \$4.2 million over the Five-Year Plan for additional staffing for the Philadelphia City Planning Commission's work in collaboration with communities to promote, plan, preserve, and develop successful neighborhoods for all. This represents the largest increase in planning staff since the 2008 recession, recognizes the growth in development the City is seeing and will support the Commission's work on creating an updated Comprehensive Plan that builds trust with communities and reflects the values of the city's residents, with racial equity at its core.

### **Inclusive Growth and Economic Opportunity**

Philadelphia has emerged from the heart of the pandemic in a strong position to build a dynamic, thriving economy that benefits all residents.

This Five-Year Plan includes no tax rate increases, and continues Wage and Business Tax reductions in FY24, building on the success of the Inclusive Growth Coalition to make Philadelphia as competitive as possible. In this plan, the new rate for the resident wage tax, 3.765%, would be the lowest rate in more than 40 years and the BIRT rate, 5.83%, would be the lowest in 35 years.

A critical component of any strategy for inclusive growth is a safe, affordable, and efficient public transit system. The FY24 budget includes two major investments designed to ease the burden of transit costs on residents and get more riders on SEPTA's system, leading to more safety, more frequent and consistent service, and continued affordability for all riders while providing benefits to the environment and the local economy.

The Plan includes \$31 million per year for two years to pilot a new zero fare transit program for at least 25,000 Philadelphia residents near or below the poverty level that will provide access to trips anywhere on the SEPTA system. A 2019 study by The Pew Charitable Trust found that, relative to income, Philadelphians spend more on transit than residents of peer cities. Additionally, the City's 2016 community Needs Assessment found that 39% of residents in poverty cite transportation as the top barrier to their ability to get and keep a job. This investment will make it easier and more affordable for these low-income residents to get to work as well as access health, education, and recreation opportunities.

As part of its ongoing efforts to make the City of Philadelphia an employer of choice, the City will also invest \$9 million per year to join other large employers in the region as part of the SEPTA Key Advantage Program, providing free transit to all City employees through a two-year pilot program. The City's investment in transit passes for our workforce is an opportunity to provide a high-value benefit to current and prospective employees—at a time of high turnover rates and difficulty hiring in a competitive labor market—that also supports broader goals of sustainability, resiliency, and equity in Philadelphia.

Now is a critical time to make this kind of investment in our transit system. SEPTA has faced years of lowered ridership compared to pre-pandemic levels, and this kind of buy-in to the agency will help preserve its ability to provide affordable, quality service to all Philadelphians. Transit is essential – it connects residents to school, to work, and to critical services – and it supports a vibrant and accessible Philadelphia.

The FY24 budget will also encourage inclusive economic growth by continuing support for the Quality Jobs incentive program, which will provide grants to businesses based on the creation of new, quality jobs accessible to all Philadelphians. The Commerce Department will also provide grants through this program to companies operating in key target industries to drive the Philadelphia economy forward. For example, the City will continue to work with our partners at Philadelphia's Chambers of Commerce and across academia, banking, and government to maintain growth in the life science and gene and cell therapy sectors, where our region has become an international leader. FY24 will also see investment of \$1.1 million in continued partnership with the civic and private sectors to supercharge our ongoing efforts to grow wealth in Black and brown communities through diverse business opportunities stemming from the Bipartisan Infrastructure Law.

The Mayor believes that the residents serving their neighbors as City of Philadelphia employees are essential and treasured resource, and the City is making investments to create more equitable and efficient pathways into City employment. The City's Office of Human Resources is receiving an additional \$2 million in FY24 for their critical work to recruit and hire public servants, including making processes more equitable and reducing the time it takes to hire and onboard new employees, and to enhance the experience for applicants. In addition, the Plan allocates \$1.8 million per year for the Department of Public Health to better recruit and retain healthcare workers, who served the City heroically during the pandemic and who will continue to help build a healthy and thriving future for Philadelphia.

## **Conclusion**

Through the investments I've outlined, and others included in this plan, Philadelphia will work toward becoming a city where equal opportunities are open to all residents, race is not a determinant of success and diversity is elevated as one of Philadelphia's greatest assets. Thank you for the opportunity to testify today, and we look forward to working with all members of Council throughout this Budget process.

All of us here representing the Administration are available to answer any questions you may have, including on the Mayor's Office and Department of Labor budgets, for which we have submitted written testimony. Next, we will have testimony from Eleanor Sharpe on the proposed FY24 Capital Budget and FY24-29 Capital Program.