

**DEPARTMENT OF LABOR
FISCAL YEAR 2024 BUDGET TESTIMONY
MARCH 28, 2023**

INTRODUCTION

Good afternoon, President Clarke and Members of City Council. I am Basil Merenda, Director of Labor. Joining me today are Manny Citron, Chief of Staff, Monica Marchetti-Brock, First Deputy, Candace Chewning, Deputy for Worker Protection, and Perritti DiVirgilio, Deputy for Labor Standards. I am pleased to provide testimony on the Department of Labor's Fiscal Year 2024 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; creates, implements and administers City policies and practices necessary to achieve equal employment opportunity (EEO) in the workplace and compliance with anti-discrimination policies and laws; and administers and enforces the City's worker protection laws. As the City's main point-of-contact for the labor community, among other functions, 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; develops and conducts training; investigates complaints of discrimination, harassment and retaliation; ensures that employers with City contracts pay prevailing wages; and resolves minimum-wage waiver requests.

Plans for Fiscal Year 2024:

The Department of Labor will continue to identify gaps in training and development for City employees, continuing the momentum of working towards a positive workplace culture that offers support at all levels and creates or modifies policies that encourage respect, trust, empathy and support. Additionally, we will review grievances, complaints, and arbitrations over the last contract term to strategize high priority items and modifications that need to be addressed in the upcoming contract negotiations for all municipal unions.

For our externally focused work we will continue to increase the visibility and awareness of the Department and the laws it enforces among low wage workers and serve as a resource for all workers in Philadelphia. Our Office of Worker Protections will begin enforcement of the City's new Transit Benefits law which requires all employers with 50 or more employees to provide transit benefits to their staff. Additionally, we will be collaborating with the Law Department to increase the Office's ability to obtain relief for workers.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2022)					
	Total	Minority	White	Female	Non-Binary
Number of Full-Time Staff	34	19	15	17	1
Number of Exempt Staff	14	5	9	7	1
Number of Executive Staff (deputy level and above)	8	3	5	4	0
Average Salary, Full-Time Staff	\$82,090	\$71,348	\$89,609	\$80,945	\$53,500
Average Salary, Exempt Staff	\$102,536	\$97,543	\$105,310	\$100,153	\$53,500
Average Salary, Executive Staff	\$136,260	\$120,750	\$145,566	\$134,663	0
Median Salary, Full-Time Staff	\$64,294	\$64,039	\$70,536	\$62,457	\$53,500
Median Salary, Exempt Staff	\$107,620	\$105,000	\$105,000	\$105,000	\$53,500
Median Salary, Executive Staff	\$121,695	\$120,750	\$122,640	\$128,625	0

Employment Levels (as of December 2022)		
	Budgeted	Filled
Number of Full-Time Positions	44	34
Number of Part-Time Positions	2	2
Number of Exempt Positions	14	14
Number of Executive Positions (deputy level and above)	8	8
Average Salary of All Full-Time Positions	\$79,247	\$82,090
Median Salary of All Full-Time Positions	\$68,102	\$64,294

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General Fund Financial Summary by Class						
	FY22 Original Appropriations	FY22 Actual Obligations	FY23 Original Appropriations	FY23 Estimated Obligations	FY24 Proposed Appropriations	Difference: FY24-FY23
Class 100 - Employee Compensation	\$2,939,422	\$2,246,006	\$3,460,299	\$3,472,095	\$3,447,865	(\$24,230)
Class 200 - Purchase of Services	\$352,817	\$443,984	\$519,617	\$729,617	\$497,319	(\$232,298)
Class 300/400 - Materials, Supplies & Equipment	\$21,420	\$10,048	\$24,420	\$24,420	\$21,420	(\$3,000)
	\$3,313,659	\$2,700,038	\$4,004,336	\$4,226,132	\$3,966,604	(\$259,528)

Contract Summary: N/A

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY22	FY23	FY24 Projected
M/W/DSBE Contract Participation Goal	35%	35%	35%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request

The proposed Fiscal Year 2024 General Fund budget totals \$3,966,604, a decrease of \$259,528 over Fiscal Year 2023 estimated obligation levels. This decrease is primarily due to \$125,000 transfer of Ombudsman funding to the CAO, a \$267,000 decrease of Interest Arbitration funding provided in FY23 and removal of a one-time increase in class 100 for civil service transition. The Interest Arbitration funding is being decreased as these were funds that were rolled over from previous fiscal years in order to complete the 2021 Contract negotiations.

The proposed budget includes:

- \$3,447,865 in Class 100, a \$24,230 decrease from FY23. This funding will transfer the Ombudsman position from Labor to CAO, remove the civil service transition – one time increase, and transfer an Executive Assistant position from the Mayor’s Office to Labor. The remaining Class 100 funding will fund existing staff and operations.
- \$497,319 in Class 200, an overall \$232,298 decrease from FY23. This is due to a \$267,000 decrease in Interest Arbitration funding that was for FY23 only, an increase of \$10,000 related to wrap-around services for BIL-related hiring, and an inflation increase of \$24,702. Our remaining Class 200 funding will continue to fund language access related to community outreach and worker protection operations, interest arbitrations, negotiations with the City’s collective bargaining units, seminars and trainings for staff, and community grants through the Philadelphia City Fund.
- \$21,420 in Class 300/400, a \$3,000 decrease from FY23. This funding will be used for standard office supplies and equipment.

STAFFING LEVELS

The department is requesting 44 budgeted positions for FY24, level with FY23.

NEW HIRES




New Hires (from 7/1/2022 to December 2022)		
	Total Number of New Hires	Spanish
Black or African American	2	
Hispanic or Latino	2	1
White	2	
Total	6	1

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Detail for new hires since December 2022, if applicable:		
	Total Number of New Hires	Mandarin
Asian	1	1
White	2	

PERFORMANCE, CHALLENGES, AND INITIATIVES


LABOR AND EMPLOYEE RELATIONS

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Number of employees trained by the Office of Labor Relations and the Employee Relations Unit	7,500	5,000	5,000	

- In FY24, Office of Labor and Employee Relations will be tasked with reviewing grievances, complaints and arbitrations over the last contract term to determine trends and modifications that need to be addressed in the upcoming contract negotiations for all municipal unions. The OLR also will conduct a tour of all City departments to strategize high priority items that ultimately will be transitioned to the next administration to negotiate.
- The ERU will strategize with departments yielding a high level of complaints over the last two years to identify, develop and implement additional training programs to standardize the departmental handling of complaints and employee relation matters citywide.

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Percent of prevailing wage projects with compliance issues	4.2%	<5.0%	<5.0%	
Number of paid sick leave and wage theft complaints submitted and investigated	237	250	300	

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Number of paid sick leave and wage theft inquiries received and responded to	1,105	900	1,000	
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FY24 Strategic Goals

- In FY24, OLS will continue working on its strategic goal of improving contractor education on the reporting process, increasing timely submission of certified payrolls, and increasing contractor education regarding workforce diversity goals.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

Labor has funding to provide wrap-around services for BIL-related hiring. We are working with OTIS (Office of Transportation and Infrastructure Services) to develop a spending plan for these funds once the Infrastructure Workforce Manager position is hired.

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CONTRACTING EXPERIENCE

N/A

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EMPLOYEE DATA

Staff Demographics (as of December 2022)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	5	7	<i>Total</i>	0	1
<i>% of Total</i>	15%	21%	<i>% of Total</i>	0%	13%
<i>Average Salary</i>	\$71,072	\$73,196	<i>Average Salary</i>	\$0	\$136,500
<i>Median Salary</i>	\$64,549	\$56,879	<i>Median Salary</i>	\$0	\$136,500
	White	White		White	White
<i>Total</i>	8	6	<i>Total</i>	4	1
<i>% of Total</i>	24%	18%	<i>% of Total</i>	50%	13%
<i>Average Salary</i>	\$101,172	\$87,285	<i>Average Salary</i>	\$137,921	\$176,400
<i>Median Salary</i>	\$100,008	\$70,536	<i>Median Salary</i>	\$121,265	\$176,400
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	1	3	<i>Total</i>	0	1
<i>% of Total</i>	3%	9%	<i>% of Total</i>	0%	13%
<i>Average Salary</i>	\$64,039	\$78,327	<i>Average Salary</i>	\$0	\$120,750
<i>Median Salary</i>	\$64,039	\$57,271	<i>Median Salary</i>	\$0	\$120,750
	Asian	Asian		Asian	Asian
<i>Total</i>	2	1	<i>Total</i>	0	1
<i>% of Total</i>	6%	3%	<i>% of Total</i>	0%	13%
<i>Average Salary</i>	\$77,879	\$105,000	<i>Average Salary</i>	\$0	\$105,000
<i>Median Salary</i>	\$66,772	\$105,000	<i>Median Salary</i>	\$0	\$105,000

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	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>	2	4	<i>Total</i>	0	2
<i>% of Total</i>	6%	12%	<i>% of Total</i>	0%	25%
<i>Average Salary</i>	\$57,398	\$84,547	<i>Average Salary</i>	\$0	\$112,875
<i>Median Salary</i>	\$57,398	\$81,136	<i>Median Salary</i>	\$0	\$112,875
	Male	Female		Male	Female
<i>Total</i>	16	17	<i>Total</i>	4	4
<i>% of Total</i>	48%	52%	<i>% of Total</i>	50%	50%
<i>Average Salary</i>	\$85,211	\$80,945	<i>Average Salary</i>	\$137,858	\$134,663
<i>Median Salary</i>	\$71,025	\$62,457	<i>Median Salary</i>	\$121,265	\$128,625
Detail for non-binary employees, if applicable:					
1 EMPLOYEE NON-BINARY EMPLOYEE SALARY OF \$53,500					

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.**

Yessenia.Gutierrez is Labor’s lanaguage access coordinator. July 23, 2022 was the last training date, and the [PDOL language access plan is here](#).

- 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

1 Mandarin/English

1 English

Existing Staff

1 Spanish/ English

1 Spanish/English

2 Mandarin/English

1 French/English

- 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.**

Spanish- 18 by staff, 30 total

Mandarin- 2 by staff, 10 total

Vietnamese- 6 total

Russian- 2

French-2

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Arabic-4
Haitian Creole- 2
Burmese-1
Hindi-1
Indonesian-1
Kannada-1
Khmer- 1
Korean-1
Lao-1
Brazilian Portugese-2
Nepali-1
Pashto-1
Urdu-1

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

The Philadelphia Department of Labor participated in the application process for the Certified Welcoming City status for the City of Philadelphia which included promoting PDOL programming and language access, expanded language access for complaint process to include Spanish, and hired bilingual staff.

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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.