

**City Council Committee of the Whole**  
**Five Year Plan Testimony**  
**Tiffany W. Thurman, Chief of Staff**  
**Sinceré Harris and Vanessa Garrett Harley, Chief Deputy Mayors**  
**March 25, 2025**

Good morning, Council President Johnson and members of City Council. My name is Tiffany Thurman, Chief of Staff to Mayor Parker, and I am honored to testify in support of the Mayor's Proposed FY26-30 Five Year Plan, along with the supporting budget and revenue bills introduced on March 13, 2025.

Joining me today are my colleagues, Chief Deputy Mayors Sinceré Harris and Vanessa Garrett Harley, Finance Director Rob Dubow, Budget Director Sabrina Maynard, Cabinet members, and leaders from across the Administration.

The Proposed FY26-30 Five Year Plan builds on the historic investments we made in the FY25 "One Philly" budget to pursue our shared vision to make Philadelphia the safest, cleanest, greenest big city in the nation, with access to economic opportunity for all. The investments enabled the Parker Administration to launch multiple major initiatives, each of which is having an on-the-ground impact that residents and businesses can see, touch, and feel.

Mayor Parker's **Proposed FY26 Budget** includes **\$367.6 million in new operating investments**, along with **\$337.2 million in capital investments**. Across the **Five Year Plan**, this includes **\$1.76 billion in new operating investments**, while the **Recommended FY26-31 Capital Program** includes **\$1.47 billion** over the six-year program period. These investments will allow us to build further momentum behind key initiatives underway while elevating five critical priorities around housing, fair and fiscally responsible multi-year contracts for City workers, tax reform and job creation, the wellness ecosystem, and preparing for special events in 2026.

At the same time, the Administration remains committed to maintaining the City's fiscal stability – a charge that takes on greater focus in an uncertain federal and economic environment. This budget and Plan respond to and prepare for significant challenges facing the Administration in both the near and long-term:

- The **end of one-time funds** from the American Rescue Plan Act (ARPA) in FY25 with a **new federal administration** bringing potentially significant regulatory and funding changes;
- **New contracts with the municipal unions** that could add substantial costs in wages and benefits over the course of the Plan;
- High legacy and fixed costs, including debt service and pensions, with a **legacy Pension Obligation Bond balloon payment** due in FY29; and

- The combination of significant **service demands and a relatively weak tax base** that accompanies being a coterminous city/county with a high and persistent poverty rate.

Considering these challenges and other potential risks, the Mayor's Proposed Five-Year Plan **maintains positive fund balances** that are at least within the City's goal of 6 to 8 percent of revenues in reserves when combined with funds in the **Budget Stabilization Reserve and the federal funding reserve**. The FY26 budget sets aside additional funds for the Budget Stabilization Reserve, which is scheduled to reach more than \$280 million by the end of the Proposed Plan.

Advancing critical initiatives for Philadelphians while navigating the aforementioned conditions will require close collaboration with this City Council and our partners in the state and federal government, as well as organized labor, the civic and business community, and neighborhood and community leaders. Only as One Philly, A City United, will we be successful.

## HOUSING

The Parker Administration is committed to growing the housing supply and, in particular, to ensuring that every Philadelphian can access quality, affordable, safe, and healthy homes. Housing is foundational to residents' quality of life, enabling access to economic opportunity and wealth-building while sustaining vibrant communities.

As Mayor Parker laid out in yesterday's Housing Address, prior approaches to housing – the standard operating procedure – will not suffice to meet the urgent need. This is why the Housing Opportunities Made Easy (H.O.M.E.) Initiative aims to create or preserve 30,000 units of new and existing housing. This ambitious, multiphase initiative targets an array of housing needs and will supercharge existing, effective programs like Basic Systems Repair and Restore, Repair, Renew, while creating new ones to address unmet needs.

Since the Mayor signed [Executive Order 3-2025](#) on February 19, 2025, the Department of Planning and Development has worked with 25 other City departments while convening dozens cross-sector stakeholders to assist with planning and implementation. Intergovernmental and cross-sector collaboration is a core tenet in this Administration and will be instrumental in reaching the 30,000 housing units to the benefit of both homeowners and renters.

As part of the overall financing strategy for the H.O.M.E. Initiative, this Proposed Five Year Plan includes **two \$400 million borrowings, for a total of \$800 million** that is projected to add **\$33 million in debt service in FY26** and a total **\$263 million over the life of the Proposed Plan**.

## CITY WORKFORCE

The municipal workforce is essential to making City government run. Mayor Parker has directed her senior leadership to make every effort to recruit, train, and retain the public servants across City government who deliver core programs and services for Philadelphians. Chief Administrative Officer Camille Duchaussee and Chief Human Resource Officer Candi Jones are working closely with departments to address several of the issues contributing to vacancy rates.

While these internal efforts continue, an immediate priority for Mayor Parker is to negotiate fair, fiscally responsible, multiyear contracts with the City's municipal unions — the Fraternal Order of Police Lodge #5, International Association of Firefighters Local 22, and AFCSME District Councils 33 and 47.

The Five Year Plan includes a **\$550 million labor reserve** as the Administration continues to work through negotiations to arrive at fair contracts for City employees while maintaining the City's fiscal stability. This is the largest labor reserve in the City's history.

## TAX REFORM

To jumpstart business growth and job creation, the Administration is proposing unprecedented investments in the City's economy through proposed tax reform. This is a key priority to increasing access to economic opportunity for all Philadelphians by attracting and growing businesses that will create jobs with family-sustaining wages. Boosting the city's competitiveness in today's economy through tax investments is a major lever to growing the economic pie and putting more Philadelphians on a path to self-sufficiency.

The key to this historic opportunity is the strong financial footing Philadelphia has gained over the past 30 years. Successive mayoral administrations have worked in partnership with City Council, municipal unions, state legislators, and other stakeholders to strengthen the Pension Fund. Thanks to this long-term commitment, the Pension Board's actuary projects that annual costs to the General Fund will decline by at least **\$430 million per year in FY33**.

With these dramatic savings on the horizon, the Administration is especially grateful to Council President Kenyatta Johnson, this Council, and the numerous other stakeholders and subject matter experts who contributed to the Tax Reform Commission. With the insights and recommendations offered by the Commission, the Administration has put forward the following proposal:

- **Decreasing the Gross Receipts portion** of the **Business Income and Receipts Tax (BIRT)** from 1.415 mills in FY25 to 1.38 mills by FY30; and codifying further

reductions to **eliminate the Gross Receipts portion of BIRT by FY39**, seven years after the pension fund reaches full funding.

- **Decreasing the Net Income portion of BIRT** from 5.81 percent in FY25 to 5.5 percent by FY30; and codifying further reductions to the **Net Income portion of the BIRT to 2.8 percent**, less than half its current rate, by FY39.
- Decreasing the resident portion of the **Wage Tax** from 3.75 to 3.7 percent by FY30 with a parallel reduction in the non-resident portion of the Wage Tax from 3.44 to 3.39 percent by FY30.

The combined amount **through FY30 of these investments is \$210 million**, split roughly evenly between the two: **\$110 million for Wage Tax** and **\$100 million for BIRT**. These tax investments are unprecedented but also on a scale and timeline the City can afford in order to create more and better job opportunities for Philadelphians.

## WELLNESS ECOSYSTEM

With \$100 million in capital funding approved by City Council in FY25, the Administration worked swiftly to begin building out a citywide wellness ecosystem to provide comprehensive care, treatment, and housing stability for vulnerable Philadelphians. This investment made possible the new Riverview Wellness Village, where individuals with histories of substance use disorder and mental health challenges can access the services and support needed for a successful recovery journey.

To date, the Riverview Cottages on this campus provide 234 staffed beds with a maximum capacity of 336. Construction is also expected to begin in FY26 on a new building to further increase capacity. Once complete, the Riverview Wellness Village will be able to host approximately 640 residents, providing substantial new capacity and services — including medical care and clinical support, as well as education, workforce development, and other on-site programming.

The Proposed Five Year Plan commits **\$216 million in operating funds** for the wellness ecosystem from FY26 through FY30, most of which will operationalize the Riverview Wellness Village. The **Capital Program allocates additional funding** towards Riverview facilities, bringing the **total capital investments through FY26 up to \$175 million**.

## 2026 PREPARATIONS

With support from City Council and numerous other key stakeholders, preparations for special events scheduled this year and in 2026 have accelerated. The Semiquincentennial, Homecoming250, and FIFA World Cup are part of a series of high-profile events that will draw hundreds of thousands of visitors to the city and region.

Substantial public funding will position us to capitalize on a generational opportunity for our residents and businesses while elevating Philadelphia on the world stage. The City's overarching goal is to engage every corner of Philadelphia — creating economic opportunities and fostering a spirit of celebration with residents, small businesses, and commercial corridors in neighborhoods across the city.

To date, the City's General Fund has committed **nearly \$60 million** to preparations for these special events, including **\$28 million** for public safety; **\$16 million** for site preparations, technology, and various logistics for America250 and FIFA World Cup events; **\$6 million** for neighborhood programming and commercial corridors; and **\$5 million** for marketing and promotion conducted by the City and tourism partners.

Meanwhile, approximately **\$500 million** has been put to work at the Philadelphia International Airport for traveler waiting areas and restrooms, roadways and signage, SEPTA platforms, video surveillance, and other improvements to ensure a top-class guest experience.

This FY26 budget puts forward another **\$40 million** to ensure Philadelphia realizes the full potential and benefits of the special events in 2026, bringing **the total investment in 2026 special events to \$100 million**.

###

These major investments – in housing, labor, tax reform, wellness, and 2026 preparations – will help shape Philadelphia's future. At the same time, the Parker Administration is pressing forward on key initiatives and programs across its mainstay priority pillars – public safety, clean and green, economic opportunity, education, and core support.

## **PUBLIC SAFETY**

Going into its second year, the Parker Administration's all-of-government approach to make Philadelphia a safer city is working, with significant declines in both violent and property crime over the past year. But much more needs to be done. Using an overarching model of prevention, intervention, and enforcement – or P.I.E. – City officials, criminal justice stakeholders, community-based organizations, and other partners are pressing on all fronts to ensure every neighborhood is safe.

In Kensington, Police Commissioner Kevin Bethel, Chief Public Safety Director Adam Geer, Managing Director Adam Thiel, and their teams have collaborated on initial efforts that have yielded dramatic results. In 2024, homicides and shootings in the area dropped by more than 40 percent and fatal overdoses declined by nearly a third. As part of the work to reinforce these trends, the Kensington Community Revival Initiative will be implemented in partnership with healthcare organizations, community groups, local businesses, and residents to sustain long-term progress.

The Proposed Five Year Plan includes **\$745.9 million in operating funding** and the Recommended Capital Program includes **\$288.7 million in capital investments** for public safety. Several key investments include:

**Forensic Science Center:** The Mayor recently announced the location of a new Forensics Lab at 4101 Market which, combined with personnel and technology investments, will enhance the Police Department's ability to use forensic evidence to reduce gun violence, build public trust, and improve public safety. The Plan allocates an additional **\$67 million over five years** for the new facility.

**Body cameras:** The Administration intends to outfit all Philadelphia Police Department and Department of Prisons personnel with body cameras – protecting both the public and our public safety officers. The deployment of body-worn cameras for all Police officers is well underway and should be completed by the end of CY2025. The Plan allocates **\$4.5 million through FY30** for Prisons correctional officers to also utilize body-worn cameras.

**Antiviolence grants:** The Office of Public Safety (OPS) continues to strengthen ties with more than 140 community-based organizations and funding anti-violence programs with **\$25 million for new grants in FY26** while OPS expands its capacity to provide technical and compliance support for grant recipients and to evaluate performance.

**Neighborhood Wellness Court:** In January 2025, OPS launched, in partnership with other government agencies and external stakeholders, a new Neighborhood Wellness Court pilot to offer fast-track diversion for people arrested for drug-related offenses. With **\$2.7 million in FY26**, the Wellness Court will open five days a week to administer judicial hearings along with warrant clearance, same-day medical and behavioral health assessments, social services, and treatment intake.

**Police Assisted Diversion (PAD):** Another **\$2.8 million in FY26** will support the existing Police Assisted Diversion (PAD) pilot program, which provided pre-booking diversion for drug-related offenses in over 1,000 cases last year.

**Vision Zero:** The Parker Administration is continuing its pledge to work towards eliminating traffic fatalities in Philadelphia. The Recommended Capital Program allocates **\$5 million in FY26 and \$30 million through FY31** for the two separate Vision Zero spending lines, while an additional **\$5 million** will be used for concrete barriers on Spruce and Pine Streets and a new line striping crew in the Streets Department.

## **CLEAN AND GREEN**

The Office of Clean and Green (OCG) under the leadership of Director Carlton Williams is continuing a multiagency campaign in collaboration with business leaders, nonprofit and community partners, and other stakeholders to make Philadelphia cleaner and greener.

Multiple programs are underway, many under the auspices of OCG, the Sanitation Department, the Department of Parks and Recreation, the Office of Sustainability, and other departments with a hand in implementing the Administration's Clean and Green agenda.

In total, the Proposed Plan proposes **\$65.4 million in new operating funding** and the Recommended Capital Program includes **\$752.9 million in capital investments** for clean and green initiatives. Several FY26-30 investments include:

**Office of Sustainability:** New funding for the Office of Sustainability, which has led multiple strategic projects to support shifts to renewable energy and prepare Philadelphia for a hotter and wetter future. Portions of this investment will support staffing projects related to Eastwick flood resilience.

**Planters and corridor beautification:** The Administration is committing a total **\$4.2 million** for the installation of planters along commercial corridors and other improvements that will both enliven and beautify the streets while improving traffic safety.

**Highway maintenance and beautification:** A **\$4.6 million** investment will support the Community Life Improvement Program (CLIP) and Mural Arts Philadelphia to provide work opportunities to clean and maintain highways. A new project by Mural Arts will also create murals on highway passes, underpasses, and neighborhood gateways as the city prepares for visitors from around the world in 2026.

**Street Repaving and ADA ramps:** The **FY26 Capital Budget** allocates **\$50 million** for street repaving and ADA ramp projects conducted by the Streets Department, with a total **\$500 million** for repaving over six years — the largest investment in the **FY26-31 Capital Program**.

## ECONOMIC OPPORTUNITY

The Parker Administration launched several initial strategies in 2024 to increase access to economic opportunity by making Philadelphia open for business, driving inclusive growth and job creation, and revitalizing commercial corridors. Many of these strategies, including PHL Open for Business and Philadelphia Taking Care of Business (PHL TCB), are expanding in 2025 with funding that is already allocated in the Five Year Plan.

Across the Plan, the investments in tax reform and job creation comprise the largest commitment to boost economic opportunity. This long-term strategy will be complemented by expanding workforce development anchored around the City College for Municipal Employment (CCME), a joint venture with the Community College of Philadelphia, School District of Philadelphia, and Philadelphia Works. Spurring business growth and attraction while building robust workforce training and pipelines will increase the number of residents with access to jobs with family-sustaining wages.



The Proposed Plan includes **\$451.4 million in operating investments** and the Recommended Capital Program includes **\$145.5 million in capital funding** over the six-year program for key strategies to increase economic opportunity.

**Workforce development:** The City College for Municipal Employment opened for class in October 2024 to offer pathways for new recruits into City jobs and opportunities for current employees to up-skill. The budget invests **\$10 million in FY26** for workforce development as all of the City's workforce initiatives are consolidated under CCME and the Office of the Chief Administrative Officer.

**Jumpstart Business Program:** The Plan provides **\$30 million per year** for a Jumpstart Business Program to provide grants and technical assistance to businesses, with a special focus on those that will be impacted by the sunset of an exemption to the Business Income and Receipts Tax — a step the Administration is taking due to legal constraints.

**Same Day Work and Pay:** The Plan adds **\$6 million** to sustain the Same Day Work and Pay (SDWP) program administered by the Office of Community Empowerment and Opportunity in partnership with Mural Arts, CLIP, and the Philadelphia Horticultural Society, which is also receiving **\$8.5 million** over the Plan for year-round lot cleaning.

**Market East:** The Administration is putting forward \$750,000 for a Market East planning study to determine the future of the corridor. The Administration will be leveraging the work from the previous Arena proposal for this planning process and anticipated arena development in South Philadelphia, including the public feedback received last year and policies to ensure economic opportunities for local firms and residents.

**SEPTA:** The Plan provides **\$716 million in operating support** to SEPTA in FY26 through FY30, plus another **\$76 million in capital support** over six years. The FY26 amount meets the City's match for the Commonwealth's contribution in the Governor's proposed budget.

## EDUCATION

The Proposed Five Year Plan includes new investments for the School District of Philadelphia and to expand the signature Extended Day/Extended Year initiative – commitments that are central to Mayor Parker's goal to build a world-class k-12 school system.

Similar to other priority areas, a new standard of close and intensive collaboration between the Parker Administration, the School District, and charter schools will be needed to achieve big changes from the status quo.

The Proposed FY26-30 Plan includes **\$41.3 million in new operating investments over five years** for education-related initiatives, programs and needs.



**School District support:** The City will increase its annual contribution to the School District by another **\$12 million in FY30** by shifting the portion of Real Estate Tax going to schools from 56 to 56.5 percent. This is on top of the roughly \$24 million per year generated by the FY25 millage shift that moved the District portion of the Real Estate Tax from 55 to 56 percent. The Administration is also proposing a \$1 parking rate increase in Center City (not including University City) estimated to generate \$4 million in new annual revenue, for the District.

**Extended Day/Extended Year: \$10.9 million** in additional funding to expand the Extended Day/Extended Year initiative from **25 to 40 schools** (30 District-operated and 10 Charter-operated) for the 2025-26 school year, providing a total 12,000+ program slots before and after school, during winter and spring breaks, and throughout the summer.

**Community College of Philadelphia: \$15 million over five years** for the Community College of Philadelphia (CCP) to support its workforce, bringing the City's annual contribution to CCP up to \$54 million, with **\$270 million to CCP over the Plan**.

## CORE SUPPORT

The Parker Administration continues to strengthen the critical support functions – from human resources to contracting to technology – that are essential for departments to efficiently and effectively deliver services for residents and businesses.

While the Better Services PHL and PHL Open for Business initiatives are advancing projects to improve service delivery, [Philly Stat 360](#) is driving departmental performance by tracking scores of metrics and key indicators. Philly Stat 360's public dashboard set a new standard for transparency and will continue to expand in the next year.

To bring services directly into communities, the Administration set up seven new Neighborhood Community Action Centers and is on track to open four more by next month, covering all 10 Council Districts. Each of these "Mini-Town Halls" is designed and staffed to assist residents with any inquiry or service need, including assistance connecting to state or federal programs.

The FY26 Proposed Budget allocates **\$37.1 million** and **\$175 million over the life of the Proposed Five Year Plan** to bolster projects that reinforce the Administration's capacity to implement initiatives and improve service delivery to follow through on the Mayor's commitment to build visible and accessible government that Philadelphians can see, touch, and feel.