

**OFFICE OF INNOVATION AND TECHNOLOGY
FISCAL YEAR 2026 BUDGET TESTIMONY
APRIL 1, 2025**

INTRODUCTION

Good Morning, President Johnson and Members of City Council. I am Melissa Scott, Chief Information Officer. Joining me today are Nadine Dodge, Chief Enterprise Officer, Steve Robertson, Chief of Staff, and Chris Donato, Chief Financial Officer. I am pleased to provide testimony on the Office of Innovation and Technology's Fiscal Year 2026 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Office of Innovation and Technology (OIT) is more than a technology provider; the Department's partners, collaborators, and innovators are working hand-in-hand with OIT's customers and the community. By listening and empathizing with the unique needs and challenges of City departments and residents, the Department fosters genuine connections and co-creates strategies and solutions that address their most pressing technology priorities.

Guided by the Mayor's vision of a safer, cleaner, and greener Philadelphia with access to economic opportunity for all, OIT empowers City employees to work smarter and more efficiently, delivering seamless and intuitive digital services that enhance the lives of all Philadelphians. Through a commitment to shared learning and public-private partnerships, the Department leverages cutting-edge technologies, forward-thinking innovations, and best practices to increase accessibility, resilience, and quality of life across the city.

OIT is a master of digital transformation, adept at navigating complexity, and champions outcome-driven innovation. OIT leads Philadelphia's Digital Equity initiatives, providing services that automate and simplify business processes, ensure governance on IT architecture, and deliver excellence in multimedia design, geographic information system (GIS), data analytics, and software development. As stewards of Citywide information technology and cybersecurity, the Department oversees major technology projects and safeguards the City's technology assets to create a united, thriving city: One Philly.

Plans for Fiscal Year 2026:

Phila.gov

- In FY25, OIT modernized the phila.gov landing page to be contemporary and dynamic, however the Office of Innovation and Technology is expanding improvements beyond the landing page. Through re-platforming, OIT will augment login.phila.gov for secure resident Single Sign-On (SSO), advance mobile development, and comply with new accessibility standards commencing in April 2026. This guarantees high-quality, secure, and accessible digital services for Philadelphia residents.

Mobile Applications

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- By investing in an in-house mobile app team, OIT will leverage technology to create a responsive and effective governance model that meets the demands of modern society.
- Mobile apps will help City departments streamline government services by consolidating information and making it readily accessible. Features such as real-time updates allow citizens to stay informed about important announcements and changes in services. This immediacy not only saves time but also reduces frustration associated with bureaucratic processes. Additionally, personalized information delivered through these apps can cater to individual needs, thereby enhancing user experience.

Digital Equity Initiatives

Power Up Tour – Distribute Computers to Philadelphia Residents

- During FY25 and FY26, OIT will be distributing 500 computers throughout the city, 50 in each council district. This marks a significant step towards bridging the digital divide within the community. OIT aims to enhance accessibility to digital tools that are crucial for academic success and skill development. This initiative empowers marginalized groups by providing them with the necessary resources to thrive in an increasingly digital world.

High-Speed Broadband expansion in 183 Recreation Sites

- Through the renewal of the Verizon franchise agreement, OIT will deliver high-speed internet connectivity to 183 recreation facilities from FY25 through FY26, helping to address the digital divide in the city of Philadelphia. Currently, 50 of 183 sites now have high-speed internet, and all 183 will be completed by the end of FY26, in accordance with the terms of the franchise agreement. This renovation signifies a substantial transition as OIT enables future technology advancements that will benefit all Philadelphia residents.

New Technical Citywide Training

- In October 2024, OIT launched a Citywide technical pilot training. Due to high demand, the Office hired a full-time staff member to facilitate a Citywide Microsoft 365 Skill-BUILDER Series. In FY25 and FY26, OIT will introduce a new comprehensive training program designed to empower City of Philadelphia employees with the skills needed to maximize their productivity and efficiency using Microsoft Office 365. This initiative offers targeted training on key applications, including Word, Excel, Outlook, PowerPoint, Teams, and SharePoint, through a structured three-tiered approach: Beginner, Intermediate, and Advanced levels. Microsoft Skill Builder Series training directly contributes to employees' ability to use technology more effectively in their roles.

PROPOSED BUDGET OVERVIEW & OTHER BUDGET DRIVERS

General Fund Financial Summary by Class						
	FY24 Original Appropriations	FY24 Actual Obligations	FY25 Original Appropriations	FY25 Estimated Obligations	FY26 Proposed Appropriations	Difference: FY26 Proposed-FY25 Estimated
Class 100 - Employee Compensation	\$33,474,871	\$32,603,550	\$33,623,852	\$35,148,001	\$36,016,457	\$868,456
Class 200 - Purchase of Services	\$82,262,633	\$67,109,601	\$83,994,872	\$83,994,872	\$93,917,811	\$9,922,939
Class 300/400 - Materials, Supplies & Equipment	\$12,533,822	\$6,103,864	\$17,843,522	\$21,243,255	\$30,132,248	\$8,888,993
Class 500 - Contributions	\$0	\$2,721	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$606,451	\$0	(\$606,451)
TOTAL	\$128,271,326	\$105,819,736	\$135,462,246	\$140,992,579	\$160,066,516	\$19,073,937

Contracts Summary (Professional Services only)						
	FY22	FY23	FY24	FY25	FY25 YTD (Q1 & Q2)	FY26 Projected
Total amount of contracts	\$30,061,957	\$42,966,736	\$31,663,300	\$56,687,949	\$27,397,804	\$34,040,202
Total amount to M/W/DSBE	\$16,786,125	\$14,483,426	\$9,018,277	\$14,288,803	\$7,438,396	\$10,081,618
Participation Rate	56%	34%	28%	25%	27%	30%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY24	FY25	FY26 Projected
M/W/DSBE Contract Participation Goal	35%	25%	30%

Proposed Funding Request:

The proposed Fiscal Year 2026 General Fund budget totals \$160,066,516, an increase of \$19,073,937 over Fiscal Year 2025 estimated obligation levels. This increase is primarily due to expanding cybersecurity capabilities, upgrading the public safety 800 MHz system, along with the implementation of the 911 computer-aided dispatch (CAD) and call handling systems. In addition, this increase reflects operating needs to support ongoing capital-funded projects including OPAL, Revenue's PRISM development, and the City's network infrastructure, in addition to public safety projects such as the new Preliminary Arraignment System (PARS) and the Fire Department's Personnel Accountability and Records Management Systems. Further, this funding increase supports the deployment of IT equipment for the Streets Department. Other increases reflect four (4) new positions dedicated to supporting the IT operations for the Department of Prisons, two (2) new positions to support 911 administration, and six (6) new positions to replace work previously performed by contractors associated with the PHLConnectED program. Nonrecurring funds from FY25 include the one-time purchase of equipment related to special events in 2026.

The proposed budget includes:

- \$36,016,457 in Class 100, an \$868,456 increase over FY25. This funding supports payroll costs for OIT's employees, who promote OIT's major objectives of implementing, managing, and servicing information technology infrastructure that enables efficient and cost-effective application solutions for City departments, along with improving efficiency and value of City information technology initiatives by providing best practices through ongoing oversight, support activities, project management control, and strategic planning.
- \$93,917,811 in Class 200, a \$9,922,939 increase from FY25. This funding will support ongoing enterprise-wide IT operations: infrastructure, network, cybersecurity, digital productivity platforms, mobile devices and telecommunications, software engineering, software licensing, databases and geodata platforms, Channel 64/GovTVPHL, and compliance and auditing of IT controls. These funds also provide the necessary operational support for capital-funded business applications and infrastructure projects. This funding will also maintain the City's emergency 911 operations, including the maintenance of the 800MHz public safety radio system. Funding also supports the PHLConnectED digital equity initiative.
- \$30,132,248 in Class 300/400, an \$8,888,993 increase from FY25. This funding will provide various telecommunications equipment and networking fiber, PC/laptop refresh, mobile data computers for the Police and Fire Departments, along with CAD and other emergency 911-related hardware, including the replacement of 800MHz radios in support of public safety field operations and an upgrade of radio system infrastructure.

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STAFFING LEVELS

The Department is requesting 439 General Fund budgeted positions for FY26, an increase of 18 positions over FY25. The increase is attributable to nine (9) positions added to the Enterprise Services and Digital Solutions unit, seven (7) positions added to Unified Communications division, and two (2) positions added for 911 Administration.

Across all funds, the Department is requesting 604 positions for FY26, an increase of 24 positions over FY25.

Employment Levels (as of November 2024)			
	FY25 Budgeted	Filled as of November 2024	FY26 Proposed
Number of Full-Time Positions	580	468	604
Number of Exempt Positions	478	380	479
Number of Executive Positions (deputy level and above)		15	
Average Salary of All Full-Time Positions		\$90,835	
Median Salary of All Full-Time Positions		\$88,485	

NEW HIRES

New Hires (from 7/1/2024 to November 2024)						
	Total Number of New Hires	Spanish	Arabic	French	Mandarin	Cambodian
Black or African American	14			1		
Asian	7			1	1	1
Hispanic or Latino	3	1				
White	9		1			
Other	2	1				
Total	35	2	1	2	1	1

Detail for new hires since November 2024, if applicable:

	Total Number of New Hires	Spanish
Hispanic or Latino	1	1
White	2	
Total	3	1

PROGRAM BASED BUDGETING:

Program Name: Enterprise Services and Digital Solutions

Program Number: 11

FY26 Proposed General Fund: \$35,454,544

Program Description: This program oversees the City’s IT infrastructure in a 24-hour data center and houses the technical support center (accessible by email or phone) for various end-user needs, incidents, and requests related to account management, desktop management, desktop software, and end-user device management. This program also includes all infrastructure, platforms, software engineering, and guides for OIT, the administration of human resources, financial resources, professional development, and performance management.

FY26 Strategic Goals:

- Access to Economic Opportunity: A partnership between OIT and the Commerce Department to pilot an AI chatbot represents a significant advancement in facilitating business navigation for entrepreneurs in Philadelphia. This initiative aims to streamline the process through which business owners and prospective entrepreneurs can access vital information, thereby enhancing their ability to make informed decisions. By implementing a standardized AI-driven platform, the City enhances the work of the Commerce Department's Business Navigators, enabling improved service to constituents by ensuring they receive consistent and accurate responses.

FY26 Performance Measures:

Measure	FY24 Actual	FY25 Target	FY26 Target
Percent of tickets resolved within service level agreement (SLA) terms	79%	85%	85%

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Program Name: Unified Communications

Program Number: 12

FY26 Proposed General Fund: \$37,083,786

Program Description: This program manages and maintains the City’s communications services, which include telephone; voicemail; mobile devices; videography; video surveillance; audio, cable, and television connectivity services; and equipment, including all network services and operations.

FY26 Strategic Goals:

- OIT will continue to repair and maintain the PVSSP (Philadelphia Video Surveillance System Program) by installing 360-degree cameras as part of the City’s Safe Play Zone initiative. The Department will ensure all cameras remain fully operational to minimize downtime and enhance public safety.
- OIT will conduct a comprehensive review of desktop phone usage across all departments and explore how the City might transition to a more virtual alternative, streamlining communication systems while reducing hardware costs and contributing to the City's sustainability efforts by minimizing electronic waste.

FY26 Performance Measures:

Measure	FY24 Actual	FY25 Target	FY26 Target
Uptime for video camera (VSS) coverage/network	98%	95%	95%
Voice over Internet Protocol (VoIP)-enabled uptime ¹	100%	100%	100%
Percent of time telecom incident tickets/issues are resolved within service level agreement (SLA)	65%	80%	80%

¹This measures service reliability.

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Program Name: Departmental Services and Solutions

Program Number: 13

FY26 Proposed General Fund: \$45,903,952

Program Description: This program oversees a portfolio of over 200 applications, including email and desktop Microsoft Office suites, that automate and simplify business processes and workflows, server storage, and computer operations. Staff also provide City departments and offices with self-service platforms for business productivity, collaboration, analysis, and GIS, as well as data analytics and transformation platforms.

FY26 Strategic Goals:

- Fire Department IT Modernization: OIT will complete the implementation of the Fire Department's new Personnel Accountability Solution, providing enhanced visibility and accountability of Fire personnel on scene and continuing multi-year infrastructure upgrades at all Fire stations.
- Police Pedestrian/Vehicle Investigation Replacement: OIT will collaborate with the Police Department (PPD) to evaluate, select, and contract for a robust field-level reporting tool to replace the existing Pedestrian/Vehicle Investigation application.

FY26 Performance Measures:

Measure	FY24 Actual	FY25 Target	FY26 Target
Percentage of all application-related tickets/issues resolved within service level agreement (SLA)	83%	85%	85%

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Program Name: Emergency 911 Administration

Program Number: 14

FY26 Proposed General Fund: \$41,624,234

Program Description: This program administers the City's E-911 technology and its peripheral equipment, which enables the Police and Fire Departments to receive and prioritize emergency requests from across the city.

FY26 Strategic Goals:

- Public Safety 800Mhz Radio System Upgrade: In August 2024, OIT finalized a \$27 million contract amendment with a service provider to upgrade the radio system to a fiber broadband backhaul, which will allow public safety agencies to enable many of the Next Generation (NG) 911 capabilities available in the radio system. The scope of work includes remediation of coverage issues in the Chestnut Hill/Roxborough sections of the city and the buildout of additional channels to allow for more radio users. Chestnut Hill/Roxborough remediation will be completed by October 2025.
- Public Safety 800 MHz Portable Radio Refresh: OIT purchased \$5 million of portable radios, which will be used to continue the refresh of Police and Fire field radios. This refresh will continue with funding that will be available in FY26 and will continue thereafter.

FY26 Performance Measures:

Measure	FY24 Actual	FY25 Target	FY26 Target
Computer-Aided Dispatch (CAD) uptime availability	100%	100%	100%
Percentage of time radio system is not busy ¹	100%	100%	100%

¹System busies prevent calls from going through to the dispatch center.

Other Budgetary Impacts

Federal and State (Where Applicable)

The City receives funds annually from the Pennsylvania Emergency Management Agency (PEMA). PEMA funds are apportioned to all counties based on a set funding formula that includes a population-basis and an average of the last five years of a Public Safety Answering Point's 911 expenses (PSAP); Philadelphia is a single PSAP. The City receives over \$38 million per year, and these funds are used solely to support E-911 technology and telecommunication operations for Fire and Police. Pennsylvania Act 12 requires that the PEMA funding formula be reviewed every two years. Should the funding formula change and potentially reduce annual funding to Philadelphia, operations and planned expenditures to support E-911 operations for both Police and Fire Departments would be negatively impacted, including maintenance and planned upgrades of and enhancements to supportive systems and digital solutions.

National Telecommunication and Information Administration (NTIA) Digital Equity Competitive Grant

Grant Proposal Name: Philly Digital Empowerment Network

Total Federal Request: \$ 11,997,946.01 (recommended for award)

Estimated Total Number of Individuals Served over Four Years with Direct Services: 40,458

Project Description:

The Office of Innovation and Technology, in collaboration with Philadelphia Parks and Recreation (PPR), the Free Library of Philadelphia (FLP), Mayor's Office of Education, and 16 non-profit partners, will form the Philly Digital Empowerment Network and will scale a highly adaptable and sustainable ecosystem to provide digital inclusion services across Philadelphia. The project's overarching goals are to: 1) increase access to the internet and devices; 2) provide digital skills programming at an array of locations where residents already frequent; and, 3) sustainably invest in community resources and the digital equity ecosystem.

Key Activities Include:

1. **Expand digital navigation** to reach 4,720 individuals. Digital Navigators in Philadelphia serve as case managers that provide one-on-one assistance to individuals with accessing and using technology.
2. **Provide digital skills training** for 17,012 individuals, with a focus on reaching key populations – seniors, low-income youth, people with disabilities, racial and ethnic minorities, and individuals with language barriers or limited literacy – through group workshops or classes.
3. **Build a volunteer training, recruitment, and placement System** scaled across the city with 400 Digital Coaches to increase capacity for digital skills training at partner locations, recreation centers, and libraries.

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4. **Expand device access** by upgrading 10 recreation centers to become E-Sports and Digital Access Centers, creating four device kiosks at library branches, and distributing laptops to 2,526 low-income residents for use in their home.
5. **Pilot a new emergency internet subsidy** program to keep households connected during a financial crisis and prevent 3,300 subscription-vulnerable households from becoming disconnected.

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY25											
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	Waiver for Living Wage Compliance?
Unitary (43 vendors)	IT Staff Augmentation	\$65,000,000	4/9/2019	6/1/2020	MBE: 20% - 25%	54%	\$35,100,000	62%	\$40,300,000	Yes - 7/43	No
					WBE: 20% - 25%	8%	\$5,200,000				
					DSBE: BGFE	0%	\$0				
Fast Enterprises, LLC	Integrated Tax System Implementation/ Support	\$39,308,578	12/19/2018	8/1/2020	MBE: 6% - 9%	4%	\$1,572,343	7%	\$2,751,600	No	No
					WBE: 4% - 7%	3%	\$1,179,257				
					DSBE: BGFE	0%	\$0				
Accenture, LLP	OPAL/ERP DW Implementation	\$33,063,593	3/8/2022	5/1/2023	MBE: 9% - 14%	8%	\$2,645,087	8%	\$2,645,087	No	No
					WBE: 4% - 9%	0%	\$0				
					DSBE: BGFE	0%	\$0				
Unitary (31 vendors)	Planning & Solution	\$22,000,000	6/16/2017	1/1/2018	MBE: 20% - 25%	4%	\$880,000	6%	\$1,320,000	Yes - 7/31	No
					WBE: 20% - 25%	2%	\$440,000				
					DSBE: BGFE	0%	\$0				
Cellco dba Verizon Wireless	Public Safety MDS Svcs	\$19,250,000	2/15/2018	1/1/2019	MBE: 12% - 16%	7%	\$1,347,500	7%	\$1,347,500	No	No
					WBE: 8% - 12%	0%	\$0				
					DSBE: BGFE	0%	\$0				

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Non-Profit Vendor Demographics		
Community College of Philadelphia	Minority %	Female %
Workforce	47.60%	56.30%
Executive	Not available	Not available
Board	60.00%	46.70%
Temple University	Minority %	Female %
Workforce	42.37%	53.00%
Executive	Not available	Not available
Board	N/A	25.00%
United Way of Greater Philadelphia	Minority %	Female %
Workforce	43.18%	61.38%
Executive	Not available	Not available
Board	35.48%	42.00%