

**OFFICE OF PROPERTY ASSESSMENT
FISCAL YEAR 2026 BUDGET TESTIMONY
MARCH 26, 2025**

INTRODUCTION

Good morning, President Johnson and Members of City Council. I am James Aros Jr., Chief Assessment Officer. Joining me today are Monica Williams, Deputy Chief Assessment Officer; Maria Holmes, Administrative Services Director; Drew Aldinger, Chief Deputy City Solicitor; and other members of our senior staff. I am pleased to provide testimony on the Office of Property Assessment's Fiscal Year 2026 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Office of Property Assessment (OPA) is responsible for determining the value of all real property in Philadelphia and is dedicated to doing so in a fair, accurate, and understandable manner. OPA's primary goal, through ongoing revaluations, is to improve the accuracy and uniformity of all property values and to instill confidence in Philadelphia taxpayers regarding the fairness of the property tax system, as well as the competency and professionalism of Philadelphia's assessment office and helping ensure Philadelphia has a City government that residents can see, touch, and feel.

Plans for Fiscal Year 2026:

For Tax Year 2025 (TY25), OPA completed a revaluation of the entire city. As part of the TY25 revaluation process, OPA retained an outside firm to evaluate how the TY25 revaluation of properties in Philadelphia measured against industry standards for key mass appraisal statistics. Specifically, the TY25 revaluation was evaluated using the Coefficient of Dispersion (COD), which measures the uniformity of assessments, the Price Related Differential (PRD), which measures equity in high versus low valued properties, and Median Ratio, which measures how closely assessments compare to actual sale prices. The independent report on the TY25 revaluation of properties in Philadelphia found that OPA continues to meet industry standards for each of these mass appraisal statistics, and that OPA's performance improved in each of these key metrics from the TY23 revaluation. OPA is working on outstanding TY25 appeals and First Level Review (FLR) applications. OPA received approximately 20,000 FLR requests for TY25 and is in the process of reviewing and deciding these requests. OPA is actively working to close out FLRs as efficiently and accurately as possible. Due to the time needed to review these FLRs, OPA will not be doing a revaluation for TY26. Considering the patterns from the last two citywide revaluations and the volume of FLR applications submitted after each, OPA anticipates that citywide revaluations will occur every other year, barring any unforeseen circumstances which may prevent OPA from conducting it every two years.

In April 2024, Mayor Parker announced a partnership among the OPA, Community Legal Services, Reinvestment Fund, and the Center for Economic Policy Analysis to create the Philadelphia Residential Property Assessment Task Force. The Task Force has met several times over the past few months to discuss issues around the fairness of assessments in Philadelphia. The Task Force will continue this dialogue as it meets in the coming months before issuing recommendations later this year.

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For Fiscal Year 2026, OPA will continue implementing the recommendations of the TY23 International Association of Assessing Officers (IAAO) audit and will work towards implementing recommendations issued by the Philadelphia Residential Property Assessment Task Force once available. OPA will work towards achieving the IAAO's Certificate of Excellence in Assessment Administration (CEAA). The CEAA is awarded to jurisdictions that successfully integrate best assessment practices in the workplace. The IAAO audit provides OPA with a roadmap towards achieving this designation and includes recommendations for internal business processes and data quality initiatives. OPA has implemented several of the audit's recommendations, including the development of a regular cycle for property inspections in accordance with industry standards, and the development of a central repository for training and policy documents that is accessible to the entire staff.

For Fiscal Year 2026, OPA will continue to maintain a staffing complement in accordance with industry recommendations and fill vacancies for evaluators and clerical staff with qualified applicants at both the entry and experienced levels, as needed, and will work to fill current and pending vacancies in senior staff positions caused by attrition in the Department. As part of this effort, OPA will continue to work with OHR to increase the size of and ensure diversity in OPA's candidate pool for evaluation positions and will work with OHR on recruitment for specialized positions. OPA will continue to increase the number of training and professional development opportunities for employees to ensure that the Department can develop future leaders in the industry.

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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	\$16,021,562	\$13,645,565	\$16,021,562	\$16,815,931	\$16,618,749	(\$197,182)
Class 200 - Purchase of Services	\$1,926,020	\$1,613,162	\$1,926,020	\$1,926,020	\$2,986,020	\$1,060,000
Class 300/400 - Materials, Supplies & Equipment	\$362,600	\$138,679	\$362,600	\$362,600	\$362,600	\$0
	\$18,310,182	\$15,397,406	\$18,310,182	\$19,104,551	\$19,967,369	\$862,818

Contracts Summary (Professional Services only)						
	FY22	FY23	FY24	FY25	FY25 YTD (Q1 & Q2)	FY26 Projected
Total amount of contracts	\$1,085,900	\$1,451,761	\$1,266,000	\$1,847,142	\$721,900	\$1,560,400
Total amount to M/W/DSBE	\$582,556	\$521,000	\$615,533	\$631,747	\$126,900	\$546,140
Participation Rate	54%	36%	49%	35%	18% ¹	35%

¹Participation rate expected to increase in the second half of FY25.

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%	35%	35%

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Proposed Funding Request:

The proposed Fiscal Year 2026 General Fund budget totals \$19,967,369, an increase of \$862,818 over Fiscal Year 2025 estimated obligation levels. This increase is primarily due to OPA's plan to implement customer relationship management (CRM) software that would allow taxpayers to submit and obtain documents and applications on demand, including Notices of Valuation, First Level Review forms, and abatement documents.

The Fiscal Year 2026 proposed budget includes:

- \$16,618,749 in Class 100, a \$197,182 decrease from FY25. This funding will support achievement of the Department's full staffing level of 226 full-time employees. The \$197,182 decrease is a result of bonus payments made in FY25 that will not recur in FY26.
- \$2,986,020 in Class 200, a \$1,060,000 increase from FY25. This funding will primarily cover expenditures on professional services related to assessments and a third-party call center. Proposed additional funding in FY26 will cover expenditures associated with the implementation of a customer relationship management software and staff training and education.
- \$362,600 in Class 300/400, level with FY25. This funding will cover expenditures associated with printing and mailing notices to taxpayers, as well as the cost to maintain and replace current office equipment and furniture.

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STAFFING LEVELS

The Department is requesting 226 budgeted positions for FY26, level with FY25.

Employment Levels (as of November 2024)			
	FY25 Budgeted	Filled as of November 2024	FY26 Proposed
Number of Full-Time Positions	226	186	226
Number of Exempt Positions	14	13	14
Number of Executive Positions (deputy level and above)		8	
Average Salary of All Full-Time Positions		\$76,496	
Median Salary of All Full-Time Positions		\$78,279	

NEW HIRES

New Hires (from 7/1/2024 to November 2024)		
	Total Number of New Hires	English
Black or African American	4	4
White	8	8
Total	12	12

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PROGRAM BASED BUDGETING:

Program Name: Evaluation

Program Number: 01

FY26 Proposed General Fund: \$18,969,196

Program Description: This program is responsible for ongoing, timely, fair, and accurate assessments of the residential, commercial, industrial, institutional, and governmental properties in Philadelphia.

FY26 Strategic Goals:

- OPA will maintain compliance with industry standards for uniformity, appraisal level, and equity while improving current performance.
- OPA will complete the review of FLR applications filed for the Tax Year 2025 revaluation and FLRs filed for Tax Year 2026. As part of the revaluation process, OPA will continue implementing recommendations from the International Association of Assessing Officers (IAAO) audit and will work towards implementing recommendations issued by the Philadelphia Residential Property Assessment Task Force once available. OPA will continue working toward achieving the IAAO's Certificate of Excellence in Assessment Administration (CEAA). The IAAO audit was conducted in 2022 at the request of OPA to ensure that OPA follows best practices and procedures for the assessment industry. More information on the CEAA is available here: <https://www.iaao.org/designations/ceaa/>.

FY26 Performance Measures:

Measure	FY24 Actual	FY25 Target	FY26 Target
Coefficient of dispersion ¹	0.107	≤ 0.150	≤ 0.150
Overall single-family price-related differential ²	1.001	> .980 & < 1.030	> .980 & < 1.030
Median ratio (single family residences) ³	0.992	0.95.0-1.020	0.950-1.020

¹The Coefficient of Dispersion (COD) measures assessment uniformity by evaluating the consistency of property assessments relative to market value. It is based on average absolute deviation, expressed as a percentage, and provides an objective measure of uniformity that is independent of appraisal bias. A COD below 0.15 is considered excellent for a diverse housing market like Philadelphia's, with lower CODs indicating more uniform assessments.

²This measures assessment progressivity or regressivity—assessments are progressive if high-value properties are over-appraised and regressive if under-appraised. A PRD of 1 is ideal, though slight upward bias is common. A PRD between 0.98 and 1.03 is considered optimal.

³The median ratio compares OPA market values to actual sales, with 1.00 indicating perfect alignment. While the industry standard ranges from 0.90 to 1.10, OPA targets 0.95 to 1.02 for greater accuracy.

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Program Name: Administration

Program Number: 02

FY26 Proposed General Fund: \$998,173

Program Description: This program is responsible for providing administrative support for OPA. The support functions include human resources, budget, training, payroll, labor relations, fiscal management, procurement, and contract administration.

FY26 Strategic Goals:

- OPA will continue to fill vacancies in the evaluation and clerical classes.
- OPA will fill current and pending vacancies in senior staff positions caused by attrition.
- OPA will increase training and professional development opportunities for employees to ensure that the Department can develop future leaders in the industry.

FY26 Performance Measures:

Measure	FY23 Actual	FY24 Target	FY25 Target
Percent of budgeted positions filled	80%	85%	85%

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

OPA is collaborating with several other large jurisdictions across the United States in requesting access to data contained in the federal government's Uniform Appraisal Database (UAD). The UAD contains parcel-level data on property characteristics on millions of U.S. homes that were appraised for mortgages. Currently, most of this data is inaccessible to assessment offices. Access to this data would allow the OPA to verify existing data and potentially add additional data points that OPA did not have access to, such as whether or not a basement has been finished.

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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?
Linebarger Goggan Blair & Sampson	Reassessment Customer Services	\$440,000	3/11/2021	7/1/2021	MBE: 20-25%	100%	\$440,000	0%	\$440,000	Yes	No
					WBE: 20-25%	0%	\$0				
					DSBE: BGFE	0%	\$0				
Tyler Technologies	Computer and Information Services	\$454,500	6/21/2019	5/1/2020	MBE: 10-15%	6%	\$27,270	6%	\$27,270	No	No
					WBE: 10-15%	0%	\$0				
					DSBE: BGFE	0%	\$0				
Vanguard Direct Inc.	Mailing of Property Assessment Notices	\$325,000	11/9/2021	1/3/2022	MBE: 20-25%	0%	\$0	3%	\$9,750	Yes	No
					WBE: 20-25%	3%	\$9,750				
					DSBE: BGFE	0%	\$0				
Penn Center Advisors	Reassessment Consultant Services	\$180,000	8/21/2020	10/5/2020	MBE: BGFE	0%	\$0	0%	\$0	Yes	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
Vista Real Estate Solutions, LLC	Commercial Appraisal Consultant	\$126,900	9/22/2021	11/1/2021	MBE: 20-25%	100%	\$126,900	100%	\$126,900	Yes	No
					WBE: 20-25%	0%	\$0				
					DSBE: BGFE	0%	\$0				

The Office of Property Assessment has no non-profit vendor contracts at this time.