



Mayor Parker's One Philly 2.0 Budget: FY26 Proposed Operating & Capital Budgets, FY26-30 Proposed Five Year Plan, and Recommended FY26-31 Capital Program

March 13, 2025



City of
Philadelphia



Mayor Parker's second budget proposes **\$3.77 billion in new, targeted investments** directed towards making Philadelphia the safest, cleanest, and greenest big city in the nation, with access to economic opportunity for all

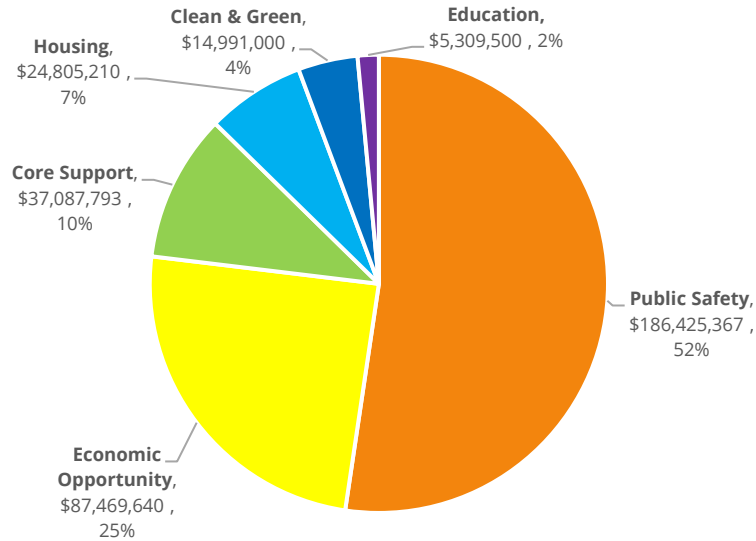
This budget proposal includes **bold, targeted investments in each of Mayor Parker's top priority areas, including housing, the City workforce, tax reform, wellness,** and more.

The Proposed FY26-30 Five Year Plan and Recommended FY26-31 Capital Program add:

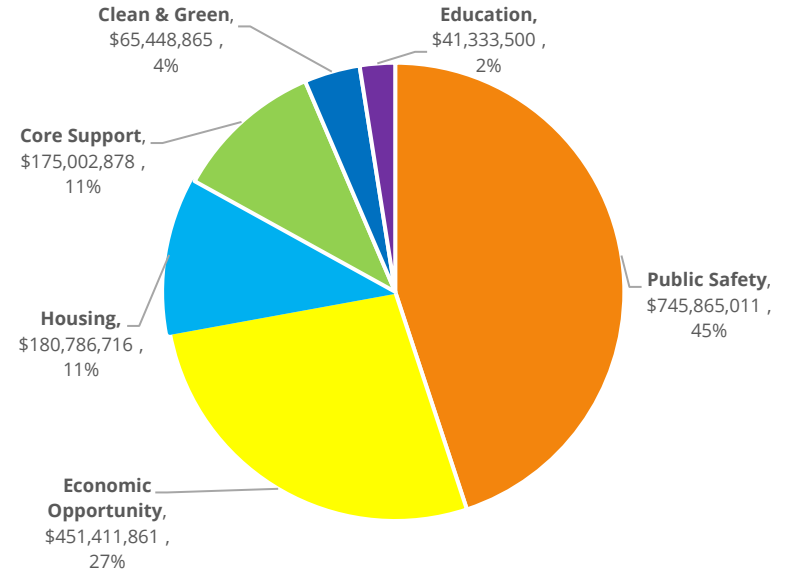
- **\$2.30 billion in new operating investments** through FY30, including debt service on **\$800 million in new borrowing** to support Mayor Parker's Housing Opportunities Made Easy (H.O.M.E) initiative, **multi-year collective bargaining agreements, unprecedented tax reform, wellness,** and more
- **\$1.47 billion in capital investments** over six years

New operating investments, by priority area

FY26 Proposed Budget (Operating)



Proposed Five Year Plan (Operating)

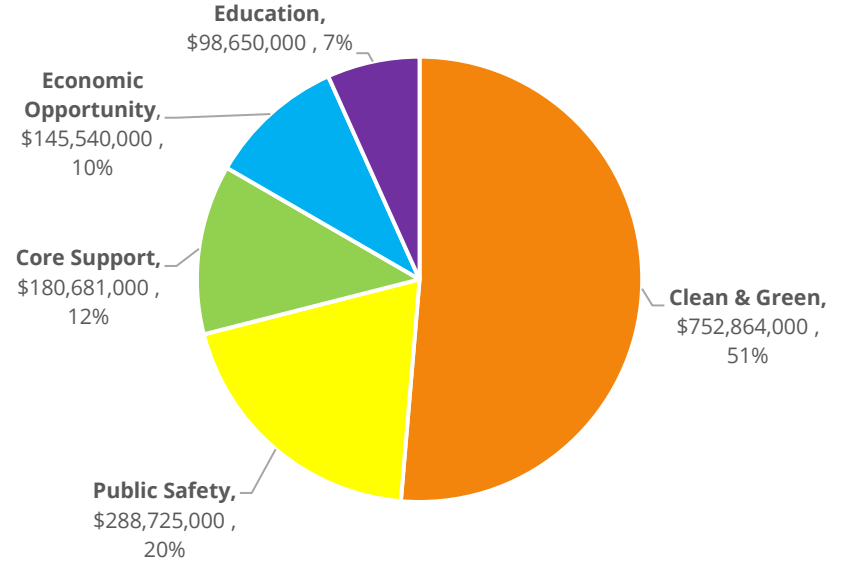
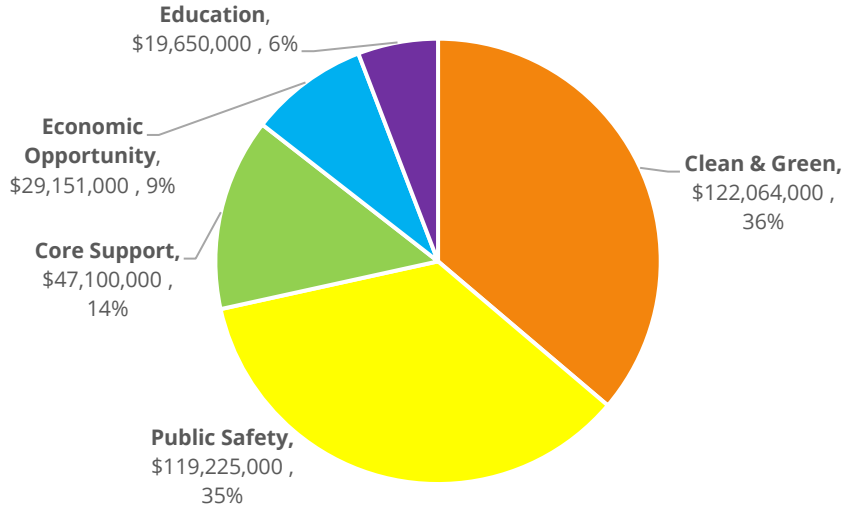


Note: the Labor Reserve (\$550M) and Federal Funding Reserve (\$95M) are omitted from these pie charts.

New capital investments, by priority area

FY26 Proposed Budget (Capital)

Recommended Program (Capital)



Note: Housing borrowings are not included in the capital program.



Major investments in the Proposed Plan

Housing: \$166M in debt service over five years to support two \$400M borrowings (\$800M) total, part of Mayor Parker's Housing Opportunities Made Easy (H.O.M.E.) initiative, + \$11M over five years for 32 new positions and consultant support in Planning and Development to support implementation

Investing in Our City Workforce: \$550M set aside in the Labor Reserve for collective bargaining agreements over the life of the Proposed Plan

Tax Reform: \$210M in targeted investments in tax reform as part of an historic and unprecedented plan to eliminate the Gross Receipts portion of the Business Income and Receipts Tax (BIRT) and reduce the Net Income rate of the BIRT to less than half of its current rate by FY39, seven years after the pension fund reaches full funding + resumption of Wage Tax reductions starting in FY26. This plan is being codified via legislation.



Major investments in the Proposed Plan, continued

Wellness: \$216 million in operating funds from FY26 through FY30 for the wellness ecosystem (via General Fund + opioid settlement funds) + an added \$75 million capital investment in Riverview facilities through FY26, bringing the total capital investment through FY26 up to \$175 million

2026: additional targeted investments in 2026 preparedness, bringing the City's total General Fund investment in 2026 special events to \$100M (+ another \$500M investment via the Airport)

Workforce: \$10M for workforce development initiatives + consolidation of workforce initiatives under the City College for Municipal Employment (CCME) under the Chief Administrative Officer (moving 3 positions and adding 5 more)

Extended Day, Extended Year expansion: expanding from 25 to 40 schools (30 School District-operated and 10 Charter-operated), adding 5,000+ new slots for a total of 12,000+ slots in the EDEY program.



Fiscal context

As the City closed out FY24 with a relatively high fund balance, **Philadelphia's finances remain stable but face heightened risks.**

- External pressures, including inflation, a tight labor market, revenue volatility, and federal and economic uncertainties, present a **more uncertain fiscal outlook than the City has faced in recent years.**
- Additionally, with all American Rescue Plan Act (ARPA) funds required to be obligated by the end of 2024, 2025 marks the first year since the pandemic without this federal support that provided a crucial lifeline during and after the pandemic, allowing the City to avoid devastating cuts to services.

The City's persistent high poverty rate means that Philadelphia confronts **both high service demand and a relatively weak tax base with which to support those services.** That is exacerbated by Philadelphia's status as both a city and a county, which means that unlike other cities that are parts of larger counties, it cannot share its costs with a larger jurisdiction.



Fiscal context, continued

One of the most immediate risks to the City's financial position is the **uncertain future of federal funding**. In FY24, the City received \$2.8 billion in federal grants, supporting a range of critical programs and services. Ongoing policy changes, however, create uncertainty around the timing and continuation of federal funding. **Any reduction in federal support could have significant budgetary implications, requiring difficult choices about service levels and investment priorities.**

Additionally, the **City's tax base is also vulnerable to federal actions**. Education, medical institutions, and government employment accounted for over \$1 billion in wage tax collections in FY24 (nearly 45%) of all wage tax revenue.

Reductions in federal employment in Philadelphia, along with potential cuts to research funding, could lead to job losses in these key sectors, further impacting City revenues.



Fiscal health

In addition to making bold, targeted investments, this Plan **sets the City and future mayors up for long-term fiscal health**, maintaining positive fund balances and setting aside funds in the Budget Stabilization Reserve Fund and in a \$95M federal funding reserve while navigating the challenges of the expiration of ARPA funding after calendar year 2024, federal uncertainty, and a legacy pension obligation bond balloon payment in the penultimate year of the Plan (an \$80M spike in FY29, \$230M total).

The Proposed Plan **ensures that the Fund Balance + Reserves total in each year is at least within the 6-8% internal target**. This is an improvement over the FY25-29 PICA-Approved Plan.

The Plan also **continues the City's multi-year commitment to pension reform**.

- In FY33, according to the Pension Board's actuary's projections, the Pension Fund will reach 100% funding. That means that we will no longer be paying off an unfunded liability and our pension payments will drop by at least \$430 million per year, enabling other investments.
- This timeline for paying off the unfunded pension liability informed our long-term tax reform proposal.

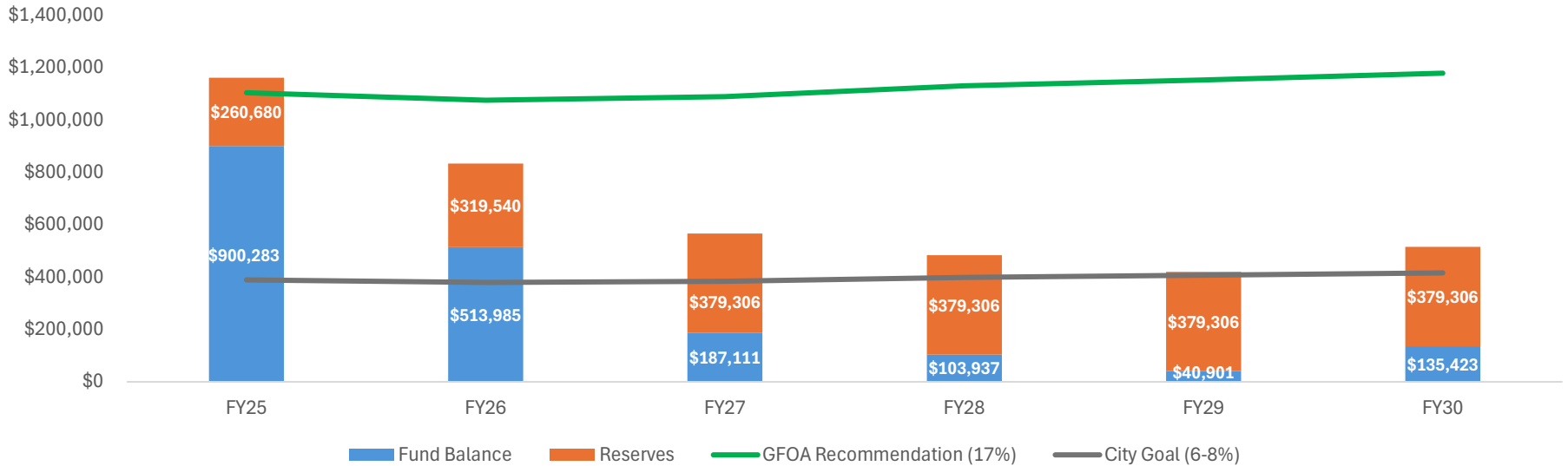
Fund balance and reserves in the Proposed Plan

Fund Balance and Reserves						
	Projected Year-End Fund Balance	Budget Stabilization Reserve Balance	Federal Funding Reserve	Total Reserves (FB+BSR+FFR)	Minimum City Goal (6% of revenues)	GFOA Recommendation (17% of revenues)
FY26	\$514M	\$225M	\$95M	\$834M	\$379M	\$1.056B
FY27	\$187M	\$284M	\$95M	\$566M	\$384M	\$1.069B
FY28	\$104M	\$284M	\$95M	\$483M	\$399M	\$1.110B
FY29	\$41M	\$284M	\$95M	\$420M	\$407M	\$1.132B
FY30	\$135M	\$284M	\$95M	\$515M	\$416M	\$1.157B

While the Plan remains balanced, the fund balance in the out years is low. Our internal target is to have a fund balance that is at least 6-8% of revenues. The Government Finance Officers Association (GFOA) recommends a 17% fund balance.

The City Charter requires contributions to the Budget Stabilization Reserve Fund (BSRF) when the fund balance is 3% of revenues or higher.

Fund balance and reserves in the Proposed Plan (000s)



Our internal target is to have a fund balance that is at least 6-8% of revenues. The Government Finance Officers Association (GFOA) recommends a 17% fund balance.

Balances above include the fund balance, Budget Stabilization Reserve, and the Federal Funding Reserve. There is a projected increase in FY30, following the POB payment in FY29.



Proposed Revenues and Tax Policy



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Revenue outlook

To project the impact of the national and local economy on the City's taxes, **the Budget Office relies on an external economic forecasting consultant**, S&P Global Market Intelligence, as well as information gathered from an annual conference held by the Pennsylvania Intergovernmental Cooperation Authority (PICA) at the Federal Reserve Bank of Philadelphia.

S&P forecasts that key sectors, including education, healthcare, and social services, are likely to continue driving job growth, but the **labor market remains tight**, which may limit further expansion. Additionally, while the commercial real estate market faces some challenges, S&P predicts that **major events in 2026 will bring a boost to tourism and economic activity** in the near future.



Tax and fee changes in this Proposed Plan

Tax/Fee	Proposed Change(s)
Business Income & Receipts Tax (BIRT)	<i>Reductions in both the gross receipts (GR) and net income (NI) portions of the BIRT (GR from 0.1415% in FY25 to 0.1380% in FY30 + eliminated within 7 years of the Pension Fund reaching 100% funded + NI from 5.81% in FY25 to 5.5% in FY30 + reduced by more than half to 2.8% within 7 years of full funding); sunset of the BIRT exemption (see upcoming slide).</i>
Wage Tax	<i>Resuming incremental Wage Tax reductions, starting in FY26, lowering the resident and non-resident portions of the Wage Tax to from 3.75% to 3.70% and 3.44% to 3.39%, respectively, by FY30. For the first time in 17 years, we are reducing both parts of the BIRT and the Wage in the same year.</i>
Real Estate Tax	<i>An additional increase to the percent of the Property Tax that goes to the School District from 56 percent to 56.5 percent starting in FY30 (+\$12M/year to the District, starting in FY30)</i>
Construction Impact Tax	<i>Repeal of the Construction Impact Tax, reducing construction costs as part of the H.O.M.E. initiative</i>
Real Estate Transfer Tax	<i>An increase from 3.278% to 3.578% starting in FY26 to partially offset the cost of new housing borrowings under the H.O.M.E. initiative (Philly First Home, Turn the Key, etc.)</i>



Tax and fee changes in this Proposed Plan, continued

Tax/Fee	Proposed Change(s)
Document Recording Fee	<i>A proposed \$3 increase to the Housing Trust Fund portion of the Fee to support \$300K/year in new tangled title investments as part of the H.O.M.E. initiative</i>
Parking Meter Rates (via the Philadelphia Parking Authority)	<i>\$1 increases to parking meter rates in Center City and Center City Fringe to support the School District</i>
Use & Occupancy Tax	<i>Sunset of the U&O exemption (see upcoming slide)</i>

Unprecedented tax reform

	Historic High: FY95	Current: FY25	FY26 Proposed	FY30 Proposed	Future Rate: FY39
BIRT: Gross receipts	3.250 mills	1.415 mills	1.410 mills	1.380 mills	0 mills
BIRT: Net income	6.50%	5.81%	5.71%	5.50%	2.80%

In addition to the BIRT reductions in the table above, the Proposed Plan resumes incremental Wage Tax reductions, starting in FY26, lowering the resident and non-resident portions of the Wage Tax to from 3.75% to 3.70% and 3.44% to 3.39%, respectively, by FY30.

All of the proposed rates would be included in legislation to give businesses predictability.



BIRT and U&O exemption sunset

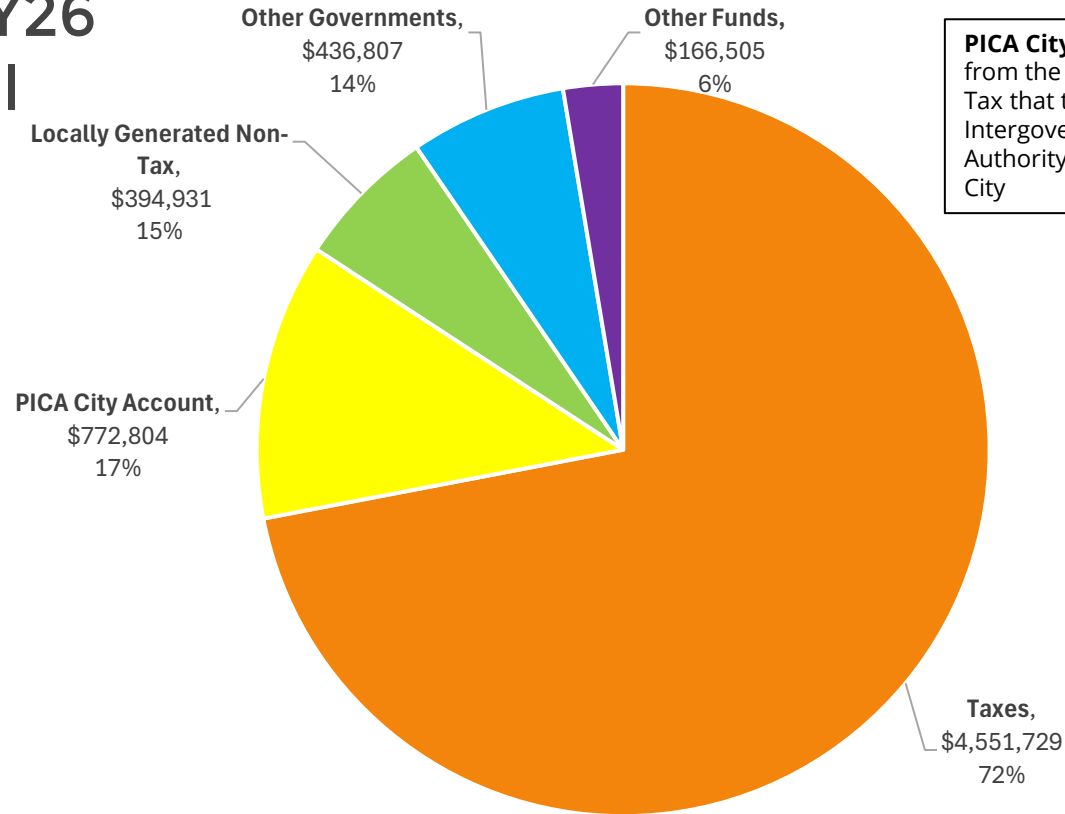
Unfortunately, legal constraints require that the City eliminate for Tax Year 2025 and forward the former exclusion from the BIRT tax base of a taxpayer's first \$100,000 in receipts and to eliminate the exclusion for the Use and Occupancy Tax.

To support this transition, the Proposed FY26-30 Year Plan includes \$30M/year and \$150M over five years in assistance to small businesses impacted by that change by investing in programs to jumpstart small business creation and growth in Philadelphia. The assistance will include technical support and expansion of existing grant programs, as well as capacity in Commerce.

Revenues in the Proposed Plan (in 000s)

	FY25	FY26	FY27	FY28	FY29	FY30
Taxes	\$4,370,450	\$4,551,729	\$4,728,268	\$4,892,921	\$5,036,756	\$5,154,075
Locally-Generated Non-Tax	\$457,941	\$394,931	\$379,183	\$429,758	\$389,327	\$392,911
Other Governments: non-PICA	\$432,583	\$436,807	\$426,896	\$418,784	\$419,921	\$421,083
Other Governments: PICA	\$745,100	\$772,804	\$803,566	\$834,657	\$864,908	\$894,448
Subtotal: Other Governments	\$1,177,683	\$1,209,611	\$1,230,462	\$1,253,441	\$1,284,829	\$1,315,531
Other Funds	\$484,966	\$166,505	\$65,548	\$70,533	\$66,799	\$67,382
Total	\$6,491,040	\$6,322,776	\$6,403,461	\$6,646,653	\$6,777,711	\$6,929,899

Proposed FY26 revenues, all sources (in 000s)



PICA City Account: Revenue from the portion of the Wage Tax that the Pennsylvania Intergovernmental Cooperation Authority (PICA) returns to the City

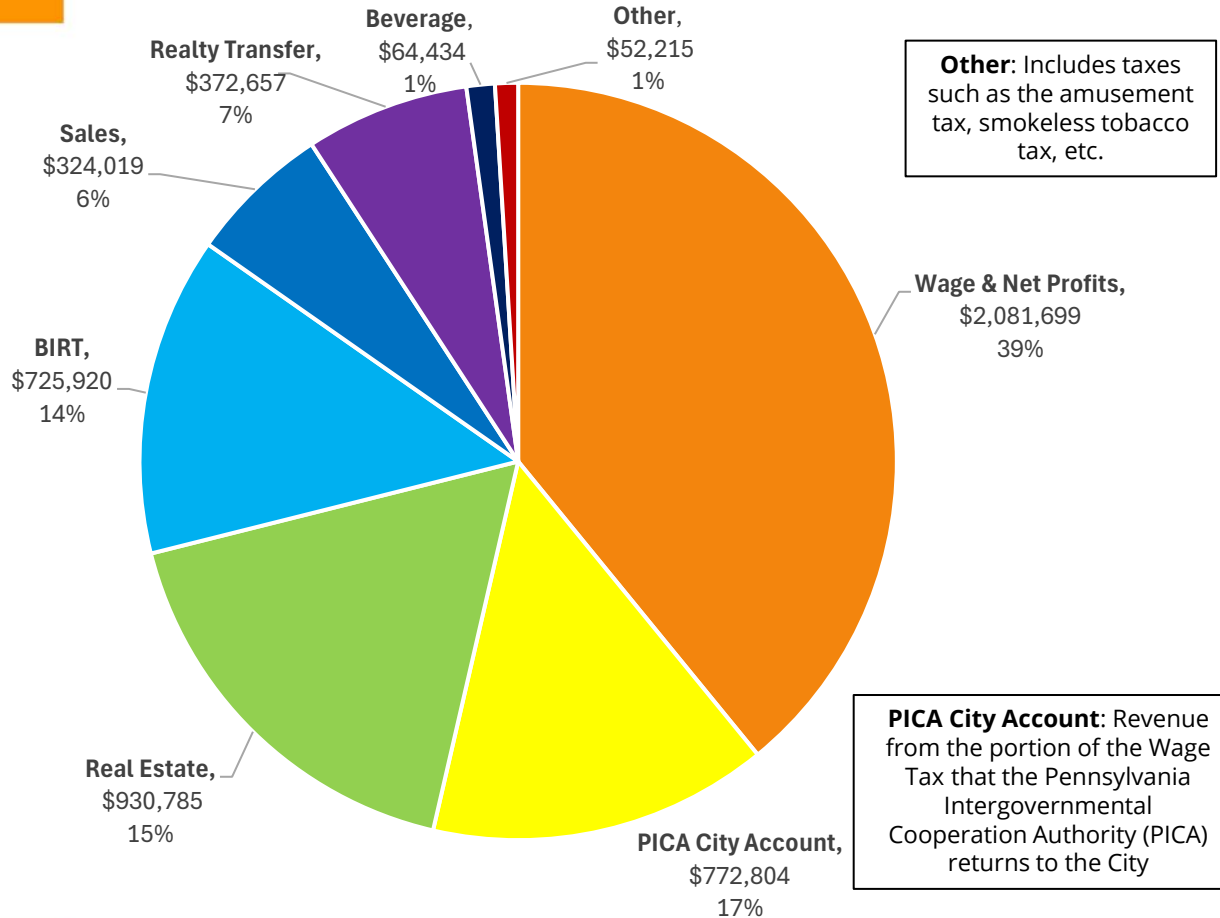
Tax revenues in the Proposed Plan (in 000s)

	FY25	FY26	FY27	FY28	FY29	FY30
Wage and Earnings	\$1,954,900	\$2,049,378	\$2,132,655	\$2,213,796	\$2,288,855	\$2,352,478
Wage and Earnings: PICA	\$745,100	\$772,804	\$803,566	\$834,657	\$864,908	\$894,448
Real Estate	\$930,062	\$930,785	\$992,309	\$1,030,948	\$1,066,060	\$1,088,618
Business Income and Receipts	\$679,751	\$725,920	\$723,397	\$724,491	\$725,544	\$726,129
Realty Transfer	\$336,233	\$372,657	\$390,619	\$416,634	\$431,549	\$447,171
Sales	\$307,354	\$324,019	\$341,204	\$358,268	\$375,678	\$390,520
Philadelphia Beverage	\$65,749	\$64,434	\$63,764	\$63,171	\$62,223	\$61,252
Amusement	\$44,586	\$47,448	\$48,307	\$49,466	\$50,960	\$52,336
Net Profits	\$43,627	\$32,321	\$31,191	\$31,263	\$30,947	\$30,586
Other	\$3,977	\$4,253	\$4,305	\$4,364	\$4,417	\$4,459
Smokeless Tobacco	\$511	\$514	\$517	\$520	\$523	\$526
Construction Impact	\$3,700	\$0	\$0	\$0	\$0	\$0
Total	\$5,115,550	\$5,324,533	\$5,531,834	\$5,727,578	\$5,901,664	\$6,048,523

Proposed FY26 tax revenues, all sources (in 000s)

\$5.3 billion in FY26 (including PICA City Account)

Revenue from business taxes (Wage, PICA City Account, BIRT, and Net Profits) is over \$3.5 billion and makes up 67% of total revenue from taxes.





Proposed Investments

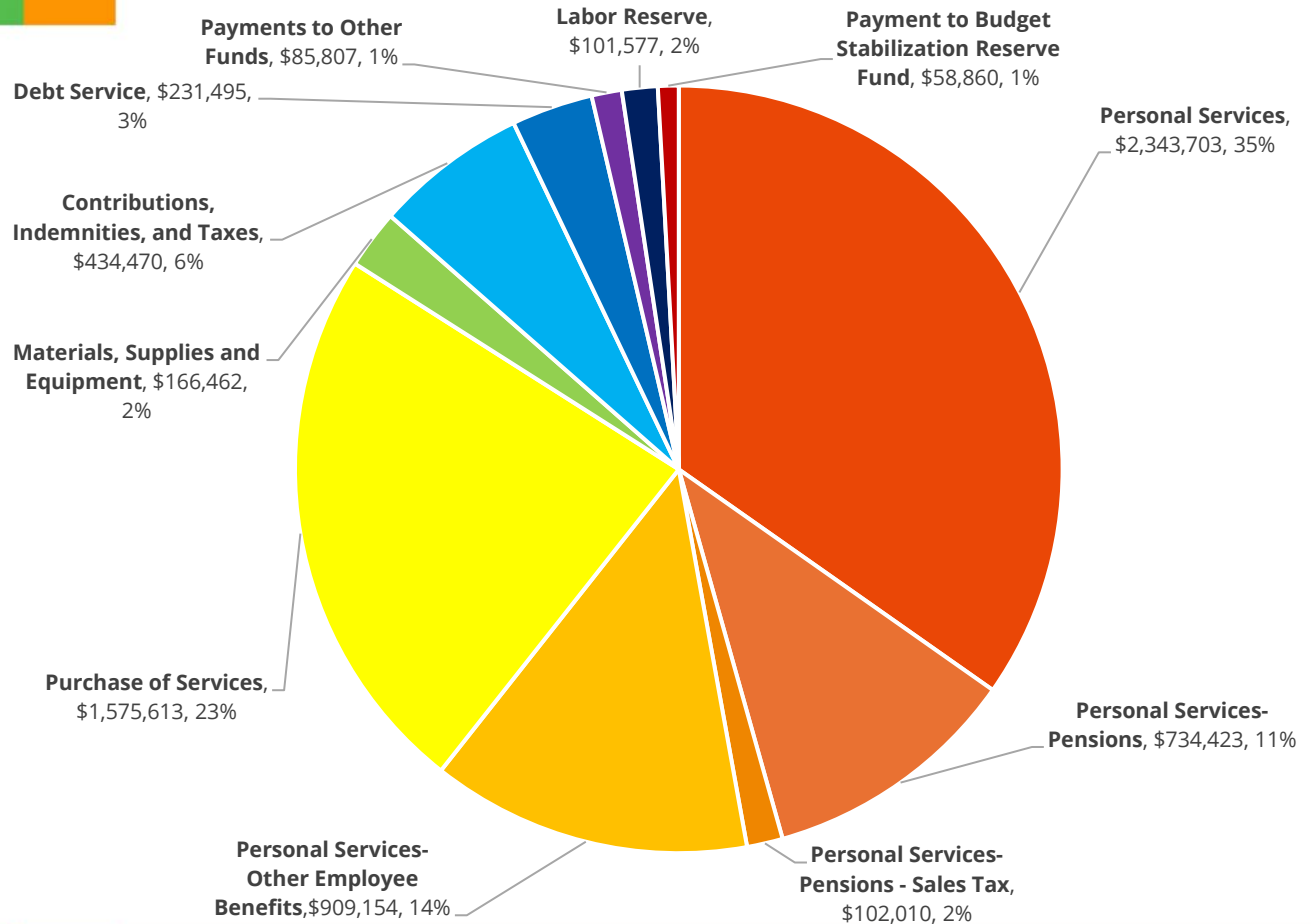


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Obligations in the Proposed Plan (in 000s)

	FY25	FY26	FY27	FY28	FY29	FY30
Personal Services	\$2,303,552	\$2,344,703	\$2,354,669	\$2,351,647	\$2,350,631	\$2,350,647
Personal Services: Pensions	\$719,281	\$734,423	\$730,659	\$729,302	\$788,927	\$596,703
Personal Services: Pensions, Sales Tax	\$98,468	\$102,010	\$110,602	\$119,134	\$127,839	\$135,260
Personal Services: Other Benefits	\$838,624	\$909,154	\$944,796	\$996,268	\$1,052,339	\$1,114,310
Sub-Total Employee Compensation	\$3,959,925	\$4,090,290	\$4,140,726	\$4,196,351	\$4,319,736	\$4,196,920
Purchase of Services	\$1,486,298	\$1,575,613	\$1,530,656	\$1,546,857	\$1,544,171	\$1,599,065
Materials, Supplies and Equipment	\$182,963	\$166,462	\$147,453	\$140,142	\$140,188	\$161,197
Contributions, Indemnities, and Taxes	\$472,900	\$434,470	\$417,094	\$417,094	\$417,094	\$417,094
Debt Service	\$230,417	\$231,495	\$278,252	\$279,346	\$268,329	\$282,430
Payments to Other Funds	\$110,113	\$85,807	\$88,311	\$82,960	\$83,152	\$86,757
Labor Reserve	\$0	\$101,577	\$104,577	\$104,577	\$106,577	\$131,412
Federal Reserve	\$95,000	\$0	\$0	\$0	\$0	\$0
Payment to Budget Stabilization Reserve Fund <i>(set via a formula in the Charter)</i>	\$58,291	\$58,860	\$59,766	\$0	\$0	\$0
Total	\$6,595,907	\$6,744,574	\$6,766,835	\$6,767,327	\$6,879,247	\$6,874,875

Proposed FY26 obligations (in 000s)



Personal Services (Salaries, Pensions, and Other Benefits) and the **Labor Reserve** total **\$4.2 billion** and make up **62%** of total proposed obligations



Recommended Capital Program (in 000s)

Department	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY26-31
Art Museum	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$12,000
Commerce	\$27,800	\$20,175	\$16,500	\$7,500	\$9,500	\$9,500	\$6,500	\$69,675
Finance	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$60,000
Fire	\$5,000	\$10,400	\$13,400	\$9,150	\$4,150	\$4,150	\$4,150	\$45,400
Fleet Services	\$15,000	\$28,155	\$31,100	\$31,700	\$31,700	\$31,700	\$31,700	\$186,055
Free Library	\$11,500	\$3,850	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$23,850
Health	\$1,710	\$2,325	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$9,825
Managing Director	\$110,740	\$77,419	\$11,100	\$11,100	\$11,100	\$1,100	\$1,100	\$112,919
Homeless Services	\$2,000	\$1,650	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$9,150
Innovation & Technology	\$10,696	\$32,395	\$12,098	\$13,833	\$19,000	\$19,000	\$19,000	\$115,326
Parks & Recreation	\$44,907	\$33,440	\$26,650	\$27,400	\$26,900	\$25,900	\$25,900	\$166,190
Police	\$2,500	\$6,000	\$2,500	\$2,500	\$2,500	\$6,000	\$7,500	\$27,000
Prisons	\$9,864	\$17,650	\$5,500	\$3,500	\$2,500	\$2,500	\$3,500	\$35,150
Public Property	\$13,525	\$13,450	\$4,750	\$4,750	\$6,250	\$5,750	\$5,750	\$40,700
Sanitation	\$7,140	\$4,000	\$1,000	\$1,000	\$500	\$500	\$500	\$7,500
Sustainability	\$1,500	\$1,405	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$8,405
Streets	\$41,150	\$61,900	\$75,450	\$74,900	\$76,550	\$80,500	\$80,150	\$449,450
Transit (SEPTA capital match)	\$7,440	\$8,976	\$9,787	\$10,959	\$12,516	\$16,559	\$17,068	\$75,865
Zoo	\$4,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$12,000
Total	\$328,472	\$337,190	\$232,235	\$220,692	\$225,566	\$225,559	\$225,218	\$1,466,460



Recommended FY26 Capital Budget (in 000s)

Department	FY26	Highlights
Art Museum	\$2,000	Building improvements to the Perelman Building
Commerce	\$20,175	Continue I95 CAP project, continue expansion of Schuylkill River Trail, phase 2 of the river water system replacement at the Navy Yard
Finance	\$10,000	ITEF (additional ITEF funds are found in Parks and Recreation)
Fire	\$10,400	Funding to complete Engine 57 renovation, start renovating the Fire Academy (Burn Building), and resources to support building improvements at various Fire facilities
Fleet Services	\$28,155	Funding to implement electric fueling infrastructure at three fueling stations and purchase core mission vehicles (15 Medic Units, 4 Pumpers, 2 Ladders, and 30 Compactors)
Free Library	\$3,850	Roof Renovations at Central and Andorra Library, structural renovations at Andorra and Haverford Library, HVAC design and replacement projects at various libraries, a facilities condition assessment for library facilities
Health	\$2,325	Boiler replacements at HC4 and HC5, HVAC improvements at HC6 and HC9, new additional and building improvements at the Strawberry Mansion Health Center
Managing Director	\$77,419	\$65 million to support the development of the Riverview Wellness Village, \$10 million of a multi-year \$50 million commitment to support the relocation of the African American Museum, \$1.82 million to support additional site preparation and safety improvements to Lemon Hill Park (in preparation of the FIFA Fanfest), \$300K for safety and exterior building improvements at the Animal Care & Control Team (ACCT) facility



Recommended FY26 Capital Budget, continued

Department	FY26	Highlights
Homeless Services	\$1,650	Replacing the interior doors at Woodstock, Gateway, and Stenton facilities; shower and bathroom replacement at Stenton; HVAC improvements at Stenton and Gateway; renovating the sleeping area at Gateway
Innovation & Technology	\$32,395	\$26.9 million to support developing and implementing a new enterprise resource management system
Parks & Recreation	\$33,440	Council ITEF, \$500K each for the Mann, Dell, and Please Touch Museum, funding to support playground and trail improvements at Lemon Hill Park in preparation of the FIFA FanFest, funding to support the Lawncrest Pool and Hillside Pool, \$7.2 million for building improvements at various recreation centers
Police	\$6,000	\$5 million to complete the North Central Public Safety Building (PD22)
Prisons	\$17,650	Funding to complete the roof renovation at Curran-Fromhold Correctional Facility, improvements to the Detention Center exterior envelope, funding to purchase and install security cameras throughout Prisons facilities
Public Property	\$13,450	\$3 million to complete the renovation of MSB Paine Plaza. \$8 million for safety and restoration improvements to the MSB façade, \$1 million for improvements to the City Hall West Portal
Sanitation	\$4,000	Funding to complete the Northwest Transfer Station renovation project
Sustainability	\$1,405	Funding to design and install electrical fueling infrastructure, purchase and install LED lighting at City facilities, and install building automation systems at City facilities
Streets	\$61,900	\$50 million for repaving and ADA ramp projects, \$5 million for Vision Zero related projects (across both VZ capital lines), \$3 million to match potential grants
Transit (SEPTA capital match)	\$8,976	Funding to support SEPTA improvements throughout the city. These funds are a match for the state and federal funding that SEPTA receives.
Zoo	\$2,000	Funding to support building improvements at various city-owned buildings at the Zoo
Total	\$337,190	



H.O.M.E. Initiative: the Housing Plan for 30,000 Units

Mayor Cherrille L. Parker's Housing Opportunities Made Easy (H.O.M.E.) Plan recognizes housing is the key to ensuring our city is the most competitive, quality place for our people of today and tomorrow. This plan, a key element of ensuring that there is economic opportunity for all, makes access to affordable, attainable, quality, safe, healthy, and resilient housing a top priority. The goals of the plan will focus on:

- **Production:** developing a variety of housing types and options across every income band, in every neighborhood
- **Preservation:** tackling critical repairs and maintenance needs for an aging housing stock
- **Stabilization:** prioritizing housing stability and homelessness prevention measures, including rental assistance and eviction diversion.
- **Incentives:** promoting homeownership opportunities to foster thriving communities and generational wealth
- **Making the City work better for the people:** providing a high level of customer service to all residents.



H.O.M.E. Initiative: Goals Framing

- Goals are focused on unit-level intervention.
- The previous 2018 Housing Action Plan counted both unit and person-based interventions towards its goals each year; while those programs continue, this plan will focus on housing units.
- The city's market is generally taking care of "market rate" demand (120% AMI+) – the City can therefore focus efforts on spurring development and preservation for units below this level.
- The bulk of unmet demand in the city is in areas with incomes around 30-60% AMI; because 60% AMI is about 100% of city income, this category encompasses the typical Philadelphia household.



Investments in housing

Mayor Parker's H.O.M.E Initiative: \$166M in debt service over five years to support two \$400M borrowings (\$800M) total, part of Mayor Parker's comprehensive Housing Opportunities Made Easy (H.O.M.E.) initiative, + \$11M over five years for 32 new positions and consultant support in Planning and Development to support implementation. Debt service costs will be partially offset by the proposed increase to the Real Estate Transfer Tax, starting in FY26.

Expanded L+I and legal capacity: an additional Clean & Seal crew (\$1.8M over 5 years) + 5 additional code enforcement attorneys (\$500K/year)

Expanded tangled title investment: \$300K per year in new tangled title investments, funded by a \$3 increase to the Document Recording Fee



Investments in our City workforce

Unprecedented Labor Reserve: \$550M set aside in the Labor Reserve for collective bargaining agreements over the life of the Proposed Plan + \$1M in FY25 for interest arbitration costs

Human Resources: \$5M/year for SEPTA benefits for employees; and \$5.7M over five years for strategic HR investments (branding, LinkedIn enterprise subscription, “HR University” for City HR professionals, additional Psychologist capacity at the MEU, and a driver for the hiring bus)

Public safety workforce investments: \$225K to purchase lactation pods for the Fire Department; \$350K/year for Police recruitment; and \$1.3M to modernize Police uniforms; approval to hire a licensed mental health professional at Police

Finance (Risk Management): adding a new Employee Disability Compliance Specialist



History of Labor Reserves in prior Plans vs. the FY26-30 Proposed Plan

History of Labor Reserves in Preparation for Multiyear Collective Bargaining Agreements

	FY14-18 Adopted	FY18-22 Adopted	FY22-26 Adopted	FY25-29 Adopted	FY26-30 Proposed
Year 1	\$85M	\$20M	\$25M	\$47M	\$102M
Year 2	\$35M	\$30M	\$35M	\$58M	\$105M
Year 3	\$30M	\$40M	\$40M	\$82M	\$105M
Year 4	\$29M	\$50M	\$50M	\$105M	\$107M
Year 5	\$29M	\$60M	\$50M	\$128M	\$131M
Five Year Total	\$207M	\$200M	\$200M	\$420M	\$550M



Investments in the Wellness Ecosystem

Wellness Ecosystem: \$216 million in operating funds after FY25 for the wellness ecosystem (via General Fund + opioid settlement funds) + an added \$65 million capital investment in Riverview facilities through FY26, bringing the total capital investment through FY26 up to \$175 million

Wellness pilot programs: \$2.8M in FY26 to pilot Police Assisted Diversion expansion at B + Lehigh; \$2.7M in FY26 to pilot an expansion of Wellness Court to 5 days per week + \$1M/year to the Defender to support Wellness Court

Additional new opioid-related investments (via opioid funds): \$500K/year for outreach to address overdose disparities; \$855K each in FY26 and FY27 for wound care; \$4.3M/year for Medication Assisted Treatment (MAT) at the Prisons; \$2.8M/year to continue 175 homeless services beds



Other investments in Public Safety

- **Forensics Lab:** an added \$67M over the Plan for the Forensics Lab
- **Police:** \$400K over the Plan to purchase new electric police bikes; approval to hire 10 new Project Managers and 4 new Data/Analytics positions
- **Fire:** \$2.5M over the Plan to upgrade medic units to a higher service level; \$300K FEMA Assistance to Firefighters grant match; \$1.4M for new technology costs, including for ID machines, drones, bar scanners, and mobile devices
- **Prisons:** \$300K/year in OIT to increase Prisons IT staff; \$4.5M/year for the Facility Maintenance contract; \$750K/year for the Philadelphia Prison Violence Prevention Program; \$4.9M over 5 years to outfit Correctional Officers with body-worn cameras (front-loaded with \$2M to purchase cameras in FY25); \$2.3M to complete the slider (lock replacement) project at the Detention Center; \$927K each in FY26 and FY27 for MIS needs; \$1M for air conditioning at the Detention Center; \$100K in FY25 for updates to the Training Academy



Other investments in Public Safety, continued

- **Office of Public Safety:** \$25M in FY26 for antiviolence grants; \$740K/year in victim relocation funding; \$600K/year for funeral expense assistance
- **Vision Zero:** \$5M in FY26 and \$30M through FY31 for the two Vision Zero lines in the capital budget, plus \$5 million for concrete barriers on Spruce and Pine Streets and a new line striping crew in the Streets Department (\$5.5M over 5 years)
- **Managing Director's Office:** \$4.6M over five years to ACCT for contracted increases, insurance, supplies, and vet staff; \$500K/year to support the Domestic Violence Hotline; \$437K/year to continue to Supervised Child Visitation Program; \$500K/year to add additional capacity to the Capital Program Office for capital projects
- **Human Services:** \$7M/year for Needs-Based Budget match (pending state allocation letter later this spring)



Other investments in Public Safety, continued

- **Public Health:** \$3.4M over five years to backfill expiring antiviolence grants; \$100K/year increase to the indigent burials line (under Finance)
- **Homeless Services:** \$1.3M for enhanced Code Blue operations + \$1.25M/year for 21st-century wage requirements (to be kept in a reserve maintained by Finance until needed); \$412K/year for expiring class 100 support at the Philadelphia Nursing Home
- **Behavioral Health:** transition mental health evaluations from the Court to DBHIDS (\$1.8M/year)
- **Fleet Services:** \$7.4M/year for increased vehicle maintenance costs (\$4M/year for parts; \$2.3M for fuel; \$1.1M for contracted repair)
- **Law:** \$500K/year to expand the Civil Rights Unit (+5 attorneys)



Investments in 2026 Special Events

Through early March 2025, the City's General Fund has committed to nearly \$60M in 2026 special event investments as well as half a billion dollars in Airport investments to prepare Philadelphia International Airport to welcome guests in 2026. The FY26 Proposed Budget includes additional investments in advance of 2026 **bringing the City's total General Fund investment in 2026 special events to \$100M**. Highlights include:

- **Beautification:** \$750K for CLIP + \$790K for Mural Arts in FY26 and FY27 for highway beautification; \$250K for tree pruning and \$500K for supplies for Parks & Recreation; \$500K for Clean & Green supplies
- **Lemon Hill preparedness:** additional funding under OTIS and Parks & Recreation (capital) + \$250K for network connectivity via OIT on top of existing Lemon Hill commitments
- **City Representative/Office of Special Events:** \$1.5M over 2 years for vehicle rentals, portable restroom rentals, increased travel expenses, and communications support
- **Behavioral Health:** \$500K in FY26 and FY27 for increased outreach
- **Additional investments in partners:** \$16M in additional investments in partners, above the FY25 transfer ordinance allocation
- **Additional public Safety equipment:** Fire gear (\$600K); Police supplies (\$500K); \$750K for OEM; \$2.5M for Mutual Aid
- **Other:** 2 "mobile stages" at \$500K each



Investments in Education and Workforce

Education

- **Extended Day, Extended Year expansion:** expanding from 25 to 40 schools (30 School District-operated and 10 Charter-operated), adding 5,000+ new slots for a total of 12,000+ slots in the EDEY program.
- **Community College of Philadelphia:** \$15 million over five years for the Community College of Philadelphia to support its workforce
- \$1.1M for the forthcoming **Sadie Alexander statue**

Workforce

- \$10M for workforce development initiatives + **consolidation of workforce initiatives under the City College for Municipal Employment (CCME)** under the Chief Administrative Officer (moving 3 positions and adding 5 more)



Investments in Clean & Green

- **Commerce:** \$1.5M/year to DRWC to maintain land under I-95
- **District Attorney:** \$500K/year, \$2.5M over five years for Clean and Green Task Force support
- **Managing Director's Office:** \$2.7M over 5 years to purchase new planters and maintain them
- **Parks & Recreation:** additional funding for turf and landscape maintenance (\$1M/year) + for chlorine (\$250K/year) + for supplies (trash bags, supplies, safety equipment, \$160K/year) due to continued inflation; \$130K to address short-dumping; \$500K in new youth sports funding (including YMCA camp) in FY26
- **Sanitation:** \$750K/year for Clean & Green Initiatives; \$326K in FY26 for a trash and recycling cart container pilot
- **Sustainability:** \$75K/year for an Environmental Justice position; \$200K in FY26 for Eastwick Flood Resilience Strategy planning support; and \$175K in FY26 for Clean Water Act Compliance planning
- **Mural Arts:** \$210K/year in operating support to Mural Arts
- **Philadelphia Energy Authority:** \$250K/year in additional operating support
- **Philadelphia Horticultural Society:** \$1.7M/year, \$8.5M over five years to sustain year-round cleaning of vacant lots
- **SEPTA:** \$716M in operating support to SEPTA in FY26 through FY30 + \$76M in capital support from FY26 through FY31



Additional investments in access to economic opportunity for all


In addition to the **unprecedented tax reform investments** outlined in earlier slides, the Proposed Plan includes the following:

- **Creative Philadelphia:** \$250K in FY26 and \$50K from FY27 on for nighttime economy programming
- **Commerce:** \$30M/year, \$150M over five years for the new Jumpstart Business Program; \$500K in FY26 for unanticipated analysis projects; \$150K for an Incentive Study
- **Managing Director's Office:** \$450K/year, \$2.25M over five years for legal counsel for immigrants (via CLS and PAIFUP)



Investments in technology and a government you can see, touch and feel

- **Chief Administrative Officer:** \$289K/year to sustain technology tools, including Quickbase, Envisio, Qualtrics, and the Learning Management System
- **Community Empowerment & Opportunity:** \$82K/year for texting and outreach tools
- **District Attorney:** \$463K/year for Evidence.com subscription costs
- **Free Library:** \$365K for upgrades to the radio system over FY26 and FY27; \$125K over five years for upgrades to the mass notification system
- **Licenses & Inspections:** data updates to ECLIPSE (to be funded by savings)
- **Managing Director's Office:** \$383K over five years to update the 311 mobile application
- **Neighborhood Community Action Centers:** \$1.12M over five years to support community events
- **Innovation & Technology:** \$46M over five years for operating costs related to City capital projects, including OPAL, PRISM, and other implementations; \$12.8M over five years for new cyber security investments; and \$1.1M for PC refresh
- **Office of Property Assessment:** \$1M in FY26 to implement a Customer Relationship Management (CRM) tool
- **Parks & Recreation:** \$450K over five years for dedicated IT support



Investments in departmental fiscal and administrative capacity

- **Behavioral Health:** \$120K/year, \$600K over five years for 2 new procurement positions
- **Public Health:** \$120K/year, \$600K over five years for 2 new procurement positions
- **Licenses & Inspections:** \$112K/year, \$560K over five years for an additional Administrative Services Director position
- **Law:** \$150K/year, \$750K over five years for 2 new positions in the central Contracts Unit
- **Homeless Services:** \$350K/year, \$1.8M over five years for 5 new fiscal and procurement positions
- **Public Safety:** \$372K/year, \$1.9M over five years for 5 new administrative positions