

**LAW DEPARTMENT
FISCAL YEAR 2026 BUDGET TESTIMONY
MAY 6, 2025**

INTRODUCTION

Good afternoon, President Johnson and Members of City Council. I am Renee Garcia, City Solicitor, joined today by the members of my Executive Team. I am pleased to provide testimony on the Law Department's Fiscal Year 2026 Operating Budget proposal.

DEPARTMENT MISSION & PLANS

Mission: The Law Department acts as general counsel for the entire City government and provides legal advice to all City officials, employees, departments, agencies, boards, and commissions concerning any matter related to the exercise of their official powers within the scope of their employment. Among other responsibilities, the Law Department represents the City and its employees in all litigation matters; negotiates, drafts, and approves City contracts and real estate leases; civilly prosecutes individuals for code, health, and tax violations and collects unpaid taxes, fines, and other debts; provides counsel to the City on a wide range of regulatory law, privacy law, and compliance matters; represents the City in social services matters, including child welfare and health matters; and prepares and advises on legislative matters, including legislation introduced in City Council. The Law Department is excellently situated to support Mayor Parker's vision for a safer, cleaner, greener Philadelphia with access to economic opportunity for all through its work with client departments.

Plans for Fiscal Year 2026:

Our Law Department employs over 400 attorneys and professional staff who have dedicated their professional careers to serving the City in which they reside and love. I, along with the entire team of the Law Department, have the esteemed honor and pleasure of and applying innovative legal strategy on behalf of our City clients to achieve legal and equitable solutions to some of the most complex challenges facing Philadelphia.

With continued investment in the current and future legal operations of the Law Department, our team can continue the important work to help our clients strengthen the social, economic, and environmental resilience of the City. As this City Council knows, the Law Department's work touches every part of the lives of this City's residents. Advising the development of implementation of contracts that provide essential services; supporting the execution of real estate transactions that allow public parks and playgrounds to be built; initiating litigation to improve quality of life and reduce gun violence; and protecting our most vulnerable children and ensuring they have room to grow, thrive, and be the future of Philadelphia --- these are just a sample of the municipal responsibilities that fall under the purview of the Law Department. On a daily basis, our attorneys and professional staff support operating departments with arising legal needs, working to ensure that the City can continue to operate efficiently and equitably to serve our residents.

Our plans for FY26 include:

LAW DEPARTMENT

Workplace Inclusion: The Law Department is developing a high-performing, agile leadership pipeline by providing comprehensive learning, mentorship, and growth opportunities for current and future leaders at all levels. This will allow Law to establish a formal succession planning framework that identifies high-potential employees, provides targeted development opportunities, and prepares employees for key leadership roles within the organization to ensure seamless transitions and sustained business growth. To this end, Law has implemented mandatory training for supervisors in emotional intelligence and implicit bias, provided emotional wellbeing sessions and resources, and hosted quarterly events geared towards increasing inclusivity, support, and collaboration within the Department. The Law Department encourages employee participation in local bar associations, including diverse bar associations. At events in the legal community, staff serve as representatives to raise awareness of the Department's work, its culture, and opportunities for employment, aiding in the recruitment of diverse talent by speaking to students and prospective employees at diverse organizations and schools. Finally, the Inclusive Language Guide was recently updated to provide enhanced guidance on the use of inclusive language in our legal work with the goal of fostering an equitable workplace and achieving equitable outcomes.

Public Policy Litigation: Law continues to lead efforts to initiate litigation focused on addressing systemic issues affecting our City and promoting Mayor Parker's vision for a safer, cleaner, greener Philadelphia with economic opportunity for all, including enforcement against short dumpers who pollute our communities, litigation to combat gun violence and the sale of illegal firearms, efforts to establish permanency for children interacting with the welfare system, and numerous legal efforts to reduce and remediate the harms of widespread opioid addiction. Over the next five years, we will continue to identify opportunities to further the City's environmental protection initiatives and combat systemic public nuisances or harmful, legally-suspect policies of the state or federal government which threaten public welfare, health, or safety of our most vulnerable residents.

Risk Mitigation: Law will continue exploring the use of risk-reduction strategies through increased counseling of clients, analysis of data, and employing after-action reviews of high-exposure matters in our Civil Rights, Labor and Employment, Affirmative and Special Litigation and Tort Litigation Units. In FY25, the Law Department formally built a Compliance Unit, which focuses on advising client departments on the shifting dynamics in federal, state, and local laws, specifically in the areas of children and family welfare, public safety, and ADA accessibility. Our primary goal for the Compliance Unit is to prevent legal issues before they arise.

Consumer Protection: With the Consumer Protection Ordinance now signed into law, the Law Department is working to build its capacity for this work and is coordinating with the Mayor's Office to identify a partner agency and develop a process for accepting and reviewing consumer complaints and initiating the enforcement process. The Consumer Protection program will further the Mayor's goals for public safety and economic opportunity as enforcement will seek to remediate the direct harms caused to consumers and identify businesses that are taking advantage of residents and disrupting the local economy.

Wellness: As the City opened a first-of-its-kind care and recovery housing center, Riverview Wellness Village, and an innovative, treatment-led diversion program, the Neighborhood Wellness Court, the Law Department was intimately involved in getting them off the ground. Commercial Law Unit attorneys supported efforts to establish the Riverview Wellness Village to tackle a critical gap in Philadelphia's wellness ecosystem. In addition to the record-time construction and renovation of the Village, attorneys also assisted the Managing Director's Office (MDO) in negotiating

LAW DEPARTMENT

professional services contracts with providers to ensure the residents of the Riverview Wellness Village receive comprehensive care and recovery support. The Code & Public Nuisance Unit and Real Estate Development Unit assisted the Capital Projects Office in proper permitting and leasing structures for this complex and growing ecosystem. Our HIPAA & Privacy Unit and Health & Adult Services Unit coordinated with MDO and the Department of Behavioral Health and Intellectual disAbility Services (DBHIDS) on proper data sharing and compliance with the Mental Health and Procedures Act. Law's Litigation Group collaborated with the Office of Public Safety to ensure that Neighborhood Wellness Court protected constitutional rights while providing alternative treatment options for substance use disorder issues. We will continue to work alongside our operational clients to build the framework for the success of the Riverview Wellness Village and the Neighborhood Wellness Court, and to identify new opportunities to support comprehensive recovery for those impacted by opioid addiction.

Law's work is integral to ensuring a safer, cleaner, greener, and economically vibrant future for our City. In the past five years alone, the Law Department has recovered hundreds of millions of dollars in settlement funds, tax revenue, fines, and fees on behalf of the City, boosting the General Fund and enabling the City to apply these funds towards efforts to address safety and quality-of-life issues across Philadelphia.

This commitment to investing in Law's staff is crucial to our retention and our ability to attract and hire a diverse set of the best and brightest legal minds – which we need as we work together to solve some of the City's most complex challenges. As City Solicitor, I am requesting the following in the FY26 Budget as a necessary investment in our Law Department.

LAW DEPARTMENT

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	\$16,857,049	\$18,593,662	\$19,884,049	\$21,150,564	\$22,302,432	\$1,151,868
Class 200 - Purchase of Services	\$11,813,145	\$14,290,989	\$9,633,145	\$14,163,145	\$14,193,145	\$30,000
Class 300/400 - Materials, Supplies & Equipment	\$184,676	\$184,446	\$184,676	\$184,676	\$184,676	\$0
Class 500 - Contributions	\$0	\$19,500	\$0	\$0	\$0	\$0
	\$28,854,870	\$33,088,597	\$29,701,870	\$35,498,385	\$36,680,253	\$1,181,868

Contracts Summary (Professional Services only)						
	FY22	FY23	FY24	FY25	FY25 YTD (Q1 & Q2)	FY26 Projected
Total amount of contracts	\$8,955,013	\$9,345,749	\$13,416,609	\$6,021,000	\$6,021,000	\$10,000,000
Total amount to M/W/DSBE	\$6,124,442	\$7,067,449	\$10,165,258	\$3,927,500	\$3,927,500	\$7,000,000
Participation Rate	68%	76%	76%	65%	65%	70%

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	55%	70%	70%

LAW DEPARTMENT

Proposed Funding Request:

The proposed Fiscal Year 2026 General Fund budget totals \$36,680,253, an increase of \$1,181,868 over Fiscal Year 2025 estimated obligation levels. This increase is primarily due to the addition of positions in the Law Department's Civil Rights Unit, Code & Public Nuisance Litigation Unit, and Commercial Law Unit.

The proposed budget includes:

- \$22,302,432 in Class 100, a \$1,151,868 increase over FY25. This funding will provide for a total of 12 additional positions in the Civil Rights Unit, Code & Public Nuisance Litigation Unit, and Commercial Law Unit.
- \$14,193,145 in Class 200, a \$30,000 increase over FY25. This funding will support legal services, including outside counsel and other various litigation costs.
- \$184,676 in Class 300/400, level with FY25.

LAW DEPARTMENT

STAFFING LEVELS

The Department is requesting 238 budgeted General Fund positions for FY26, an increase of 12 positions over FY25.

The increase is attributed to the addition of positions in the Law Department's Civil Rights Unit, Code & Public Nuisance Litigation Unit, and Commercial Law Unit.

Employment Levels (as of November 2024) - ALL FUNDS			
	FY25 Budgeted	Filled as of November 2024	FY26 Proposed
Number of Full-Time Positions	277	282	295
Number of Exempt Positions	260	266	280
Number of Executive Positions (deputy level and above)		10	
Average Salary of All Full-Time Positions		\$96,460	
Median Salary of All Full-Time Positions		\$92,613	

NEW HIRES

New Hires (from 7/1/2024 to November 2024)				
	Total Number of New Hires	Spanish	Hindi	Punjabi
Black or African American	10			
Hispanic or Latino	1	1		
White	19	1		
Other	1	1	1	1
Total	31	3	1	1

LAW DEPARTMENT

PROGRAM BASED BUDGETING:

Program Name: Executive and Administrative Resources

Program Number: 1

FY26 Proposed General Fund: \$3,710,561

Program Description: This program includes the Executive Management Team and the City Solicitor, whose responsibilities include the supervision of senior management; development and maintenance of departmental policies; and provision of legal guidance to the Mayor's Administration, City Council, and all other City officials. This program also includes the Administrative Services Unit and staff persons who provide legal support for the Water Department and the Division of Aviation.

FY26 Strategic Goals:

- **Workforce Advancement & Succession Planning:** The Law Department will develop a high-performing, agile leadership pipeline by providing comprehensive learning, mentorship, and growth opportunities for current and future leaders at all levels. This will allow Law to establish a formal succession planning framework that identifies high-potential employees, provides targeted development opportunities, and prepares employees for key leadership roles within the organization to ensure seamless transitions and sustained business growth.
- **Executive Leadership Development:** The Law Department will design and implement an executive training program that strengthens key leadership competencies, enhances decision-making skills, and promotes strategic thinking, so executives are well-equipped to navigate complex business challenges and promote positive organizational outcomes. This will provide leaders with the skills, mindset, and emotional intelligence needed to drive organizational success, inspire teams, and navigate complex challenges in an evolving legal landscape.
- **Sustain and Continue to Build a Diverse and Inclusive Workforce:** Through a series of initiatives to ensure that all qualified talent has a fair and equal opportunity to be considered for, among others, employment, leadership positions, and high visibility assignments, the Law Department achieved a Mansfield 2.0 Plus Certification. The Law Department is an industry leader in Diversity, Equity, and Inclusion (DEI) through its implementation of DEI-focused professional development training; performance evaluations that incorporate DEI considerations; and initiatives aimed at recruiting, hiring, and retaining diverse talent to provide the most comprehensive work product for Law's clients. Law's Professional Development & Diversity team will continue to build programs that strengthen relationships between the Law Department and diverse institutions, refine Law's robust, internally developed training curriculum and hire an annual "class" of 10 to 12 attorneys who are recent graduates.

LAW DEPARTMENT

FY26 Performance Measures:

Measure	FY24 Actual	FY25 Target	FY26 Target
Historically underrepresented partner participation in Law contracts ¹	76%	65%	70%

¹Law Department legal services contracting, for the most part, proceeds by RFP and competitive bid, but sometimes requires that the Department issue exempt contracts to handle urgent, emergent, and complex matters. In both instances, Law makes every effort to locate diverse providers, but in some instances the firm that is best or uniquely suited to handle a particular case does not have diverse partners with the requisite subject matter experience. Law will continue to increase efforts to expand the pool of diverse attorneys receiving meaningful benefit from the Department's portfolio of work and is confident that the Department can achieve a goal of 70% participation.

LAW DEPARTMENT

Program Name: Corporate and Tax

Program Number: 2

FY26 Proposed General Fund: \$8,647,863

Program Description: This program includes the following units: Commercial Law, Real Estate & Development, Property Assessment, and Regulatory Law. Its responsibilities include negotiating technology-related services, telecommunications, and procurement contracts; drafting and providing guidance concerning municipal bond issues; drafting and negotiation for real estate transactions and economic development projects; representation in matters relating to highway, rail, and mass transportation; and providing advice and counsel to the City's various departments, boards, commissions, and agencies, including City Council. This program also includes the Tax and Revenue Unit, which handles tax litigation by initiating and prosecuting actions for collection of delinquent taxes owed to the City, in close coordination with the Department of Revenue.

FY26 Strategic Goals:

- The Law Department will counsel the Water Department on the long-overdue renewal and negotiations of four Clean Water Act permits with state and federal agencies and support the increasing work of the Office of Sustainability and operating departments on climate resiliency and environmental justice issues.
- The Corporate & Tax Group will continue to provide support to the City in general and the Airport specifically in preparation for the various special events in 2026 by counseling on all contracts and legal requirements as terms are implemented.
- The Law Department will assist with the enrollment of low-income water customers in the Tiered Assistance Program (TAP) and increasing collections from customers that can afford to pay through multi-property litigation, sequestration, and Sheriff's Sale.
- The Corporate & Tax Group will seek to achieve a winning record in the defense of tax assessment appeals before the Board of Revision of Taxes for all properties with assessed values of \$1 million or higher. The Group prepares court filings on behalf of various boards and commissions to maximize the number of their respective decisions that are affirmed by the courts.

LAW DEPARTMENT

FY26 Performance Measures:

Measure	FY24 Actual	FY25 Target	FY26 Target
Average time for Law to draft contracts (days)	46	30	30
Amount of Water sequestration collections fiscal year over fiscal year ¹	\$9,286,973	\$10,215,670	10% increase over FY25

¹Water Sequestration Collections are the funds collected from delinquent landlords with water and sewer rent debt because the Law Department has either filed or threatened to file a court petition to appoint a Sequestrator.

LAW DEPARTMENT

Program Name: Compliance & Legislation

Program Number: 3

FY26 Proposed General Fund: \$1,089,551

Program Description: This program supports the Mayor’s Office, City Council, and all City agencies in drafting, reviewing, and formulating legislation. This program also conducts research and analysis regarding issues arising under the state or federal constitution, state preemption, and the Philadelphia Home Rule Charter, provides practical and legal advice on a variety of issues, and frequently drafts formal opinions for various City officials.

FY26 Strategic Goals:

- **E-Discovery Policies and Training:** The Compliance and Legislation Group will develop E-Discovery policies and procedures for the Law Department and train Law Department employees to ensure compliance with all legal obligations regarding the preservation and storage of information related to litigation. With the addition of an attorney to its E-Discovery Division, the Law Department aims to reduce reliance on outside vendors to ensure Law meets its legal obligations.
- **Advice:** The Compliance and Legislation Group will continue to provide high-quality legal and practical advice and counsel regarding operations and new initiatives of the Administration and City Council.
- **Maintain Right-to-Know (RTK) Responsiveness:** The RTK Unit has managed an ever-increasing load of time-sensitive right-to-know requests – including approximately 2,700 requests in calendar year 2024. In the coming year, the Unit is on schedule to transition to a new case and document management system, which will allow the Unit to track and coordinate RTK requests and responses and develop efficiencies in how the Unit coordinates RTK responses among various City operating departments.

FY26 Performance Measures:

Measure	FY24 Actual	FY25 Target	FY26 Target
Percentage of right-to-know requests that are appealed	10%	< 10%	< 10%

LAW DEPARTMENT

Program Name: Litigation

Program Number: 4

FY26 Proposed General Fund: \$22,135,956

Program Description: This program defends the City, its departments, employees, and elected officials in litigation regarding civil rights, property damage, personal injury, and commercial claims, in both state and federal courts. Attorneys also represent the City in all labor and employment litigation and work to enforce the City's health, building, zoning, fire, air management, and other regulatory codes. This program also contains the Affirmative and Special Litigation Unit, which files major multi-defendant, public policy-oriented lawsuits, and defends the City in other complex litigation.

FY26 Strategic Goals:

- **Supporting Clean and Green Initiatives:** The Proposed Budget includes an expansion of the Code Enforcement Unit, adding five positions to support departments in enforcing safety requirements and curtailing short dumping, nuisance properties, abatement, and other actions out of compliance with the City Code.
- **Affirmative Litigation:** Over the next five years, the Litigation Group will continue to identify opportunities to further the City's climate change initiatives and combat systemic public nuisances or harmful, legally suspect policies of other governments which threaten public welfare, health, or safety of its most vulnerable residents. The team has a goal of filing four to five large affirmative cases per year to both hold bad actors accountable and bring in needed funds to combat systemic harm.
- **Support Philadelphia Prisons:** The Law Department plans to continue litigation and compliance support of the Philadelphia Department of Prisons, as they work to bring the City into compliance with the terms of the April 2022 federal Settlement Agreement. The Law Department hopes for significant strides on this front as the City continues to attract and retain correctional officers, and as all the criminal justice stakeholders enhance their cooperation in service to the goal of reducing the number of individuals incarcerated on State Road.
- **Secure Consequential Contracts with Bargaining Units:** The Law Department plans to staunchly represent the City at the bargaining table this year, with the goal of achieving affordable multi-year contracts that meet the dual needs of supporting the workers of the City of Philadelphia while ensuring that management retains the flexibility needed to effectively oversee operations of the City.

LAW DEPARTMENT

FY26 Performance Measures:

Measure	FY24 Actual	FY25 Target	FY26 Target
Percentage of cases resolved without payment	46%	45%	45%
Settlement cost compared to initial demand	61%	60%	60%
Cases filed	2,628	3,250	3,250

LAW DEPARTMENT

Program Name: Social Services

Program Number: 5

FY26 Proposed General Fund: \$1,096,322

Program Description: This program includes the Child Welfare Unit (CWU), which represents the Department of Human Services (DHS) in dependency, termination of parental rights, guardianship, and administrative appeal hearings; and the Health and Adult Services Unit (HAS), which supports the missions of the Department of Public Health (DPH), the Department of Behavioral Health and Intellectual disAbility Services (DBHIDS), and the Office of Homeless Services (OHS).

FY26 Strategic Goals:

- The CWU will reduce the number of children in DHS custody by continuing to increase the number of permanencies through reunification of children with their parents, adoption, or other forms of custodianship. The CWU Unit will continue this work while implementing the recommendations of the anti-racism initiative workgroups, including new approaches for expunging abuse reports, improving case gatekeeping, and integrating Child Welfare-specific recommendations into the Law Department's inclusive language guide.
- Through advocacy and partnership with DHS and juvenile justice stakeholders, the CWU will continue the work to reduce the census of youth detained at the Philadelphia Juvenile Justice Services Center (PJJSC). The CWU will also work closely with the Compliance Unit to assist DHS in reviewing and revising policies and procedures at the PJJSC to promote safety of the youth and staff at the facility.
- Lead exposure can interfere with a child's brain development, leading to cognitive impairments, learning disabilities, reduced IQ, and attention problems. HAS will work with the First Judicial District to reform the process by which the Unit files lead paint code violation cases to reduce backlog and promote the efficiency of court proceedings, mitigating the risks to and increasing safety for affected children.

FY26 Performance Measures:

Measure	FY24 Actual	FY25 Target	FY26 Target
Average caseload per lawyer	101	≤ 100	≤ 100
Dollar amount of judgments secured from lead court proceedings fiscal year over fiscal year (in thousands)	\$76,000	\$83,600	\$91,960

LAW DEPARTMENT

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

Partnering with the Budget Office, the Law Department is collaborating with all City departments receiving federal funding to address funding issues as they arise and plan for long-term compliance under the new federal administration.

LAW DEPARTMENT

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?
Pietragallo Gordon Alfano Bosick & Raspanti, LLP	Legal Services	\$800,000	10/21/2022	1/1/2024	MBE: 15-20%	50%	\$400,000	100%	\$800,000	YES	NO
					WBE: 10-15%	50%	\$400,000				
					DSBE: BGFE	0%	\$0				
Dilworth Paxson LLP	Legal Services	\$800,000	1/29/2021	5/17/2024	MBE: 12-20%	33%	\$264,000	66%	\$528,000	YES	NO
					WBE: 10-15%	33%	\$264,000				
					DSBE: BGFE	0%	\$0				
Marshall Dennehey Warner Coleman & Goggin	Legal Services	\$700,000	10/17/2022	1/1/2025	MBE: 15-20%	50%	\$350,000	100%	\$700,000	YES	NO
					WBE: 10-15%	50%	\$350,000				
					DSBE: BGFE	0%	\$0				
Nathan & Kamionski LLP	Legal Services	\$700,000	10/17/2022	2/1/2025	MBE: 15-20%	100%	\$700,000	100%	\$700,000	NO	NO
					WBE: 10-15%	0%	\$0				
					DSBE: BGFE	0%	\$0				
West Publishing Corporation dba West Group	Computer and Information Services - Case Management System	\$672,852	11/22/2022	1/1/2024	MBE: 15-20%	0%	\$0	0%	\$0	NO	NO
					WBE: 10-15%	0%	\$0				
					DSBE: BGFE	0%	\$0				

Non-Profit Vendor Demographics not applicable.