

## OFFICE OF COMMUNITY EMPOWERMENT AND OPPORTUNITY FISCAL YEAR 2026 BUDGET TESTIMONY

### INTRODUCTION

Good Afternoon, President Johnson and Members of City Council. I am Orlando Rendon, Executive Director of the Office of Community Empowerment and Opportunity (CEO). I am pleased to provide testimony on CEO's Fiscal Year 2026 Operating Budget.

### DEPARTMENT MISSION & PLANS

**Mission:** The Office of Community Empowerment and Opportunity (CEO) supports the economic growth of Philadelphia by providing leadership on issues of economic justice and advancing equity and inclusive growth to ensure that all Philadelphians can share in the city's prosperous future. CEO carries out its mission by connecting residents to critical City resources and supports, funding and piloting new programs, developing a citywide Community Needs Assessment every three years, engaging in advocacy, supporting policy research and analysis, and convening local, state, and national stakeholders in support of the Mayor's goals to unlock economic opportunity for all, ensure vibrant and equitable communities, and help build intergenerational wealth, with particular focus in underserved and under-resourced communities. All of CEO programs are designed to deliver on the Mayor's promise of a government Philadelphians can see, touch, and feel through its extensive community-based work.

### Plans for Fiscal Year 2026:

In FY26, CEO looks to provide tangible opportunities to advance the vision of the Parker Administration, as it connects residents to resources and programs in Philadelphia that improve their social determinants of health, create pathways to economic mobility, and serve as a connection between residents and local government, through:

**Increasing community engagement efforts to create a City government residents can see, touch, and feel:** CEO will continue to expand trauma-informed community engagement to connect families and individuals to resources and serve as a connector between communities and City government. CEO will work on expanding existing and new partnerships to connect residents to critical resources from other City offices, such as Water Department shutoff prevention and assistance programs, Medical Assistance enrollment, and overdose prevention materials, CEO will continue to engage with residents via door-knocking, phone banking, and text messaging, and will seek to work with more City offices in this effort. CEO will also continue to serve as a connection point for residents seeking opportunities to positively impact our communities through service. The SERVE Philadelphia Volunteers in Service to America (VISTA) program and Community Resource Corps, managed by CEO, provide service and volunteer opportunities for individuals and organizations, and connect that service to identified community needs.

**Providing programs and advocating for policies that create opportunities for economic mobility:** CEO funds and supports programs such as BenePhilly, Financial Empowerment Centers, Reentry Housing counseling, outreach and free tax preparation assistance to help people claim the Child Tax Credit (CTC) and Earned Income Tax Credit (EITC), workforce programs such as WorkReady (serving Extended Temporary Assistance for Needy Families (ETANF) participants), First Step Staffing, and CEO Works. CEO is also looking forward to building on its work serving as the

central agency for the City's Same Day Work & Pay programs, which provide accessible and immediate work opportunities for people facing significant barriers to employment and economic stability. In FY26, CEO will also release its municipal financial empowerment blueprint as part of the CityStart initiative, a grant-funded model that will identify strategies and opportunities for the City to support wealth-building and wealth equity in historically disadvantaged communities. In partnership with Philadelphia's incredible network of community-based organizations, CEO's programmatic work and investments provide direct services to residents. The data-driven programs inform CEO's advocacy efforts to promote policies that advance greater economic mobility for Philadelphians.

**Advancing equity and equitable community engagement:** CEO is committed to ensuring that engagement with Philadelphia's culturally and linguistically diverse communities amplifies residents voices, seeks to dismantle barriers to equitable access to resources, and builds lasting relationship with communities throughout the City. In FY26, CEO will continue to grow the educational training forums and communication strategies that include the Equitable Engagement Collaborative for city staff, the Civic Engagement Academy, for residents, and the Equitable Community Engagement Toolkit with guides for equity practitioners inside and outside government. All forums, consulting services available to departments and communities of practice recognize that resident's input and disaggregated demographic data is critical to developing effective service programs that improve community outcomes. Equity and civic engagement tools are developed with residents to grow community connectedness, social capital and communal wellbeing. CEO will also continue efforts to identify and dispel assumed and harmful narratives about poverty and advance policies and programs that support residents' goals toward stability, wealth preservation, and economic mobility, for all Philadelphians.

## 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	\$1,547,054	\$827,609	\$3,511,054	\$3,550,367	\$1,586,367	(\$1,964,000)
Class 200 - Purchase of Services	\$1,886,857	\$1,829,564	\$1,886,857	\$2,002,381	\$3,178,357	\$1,175,976
Class 300/400 - Materials, Supplies & Equipment	\$15,998	\$8,869	\$515,998	\$400,474	\$15,998	(\$384,476)
	<b>\$3,449,909</b>	<b>\$2,666,042</b>	<b>\$5,913,909</b>	<b>\$5,953,222</b>	<b>\$4,780,722</b>	<b>(\$1,172,500)</b>

Contracts Summary (Professional Services only)						
	FY22	FY23	FY24	FY25 Projected	FY25 YTD (Q1 & Q2)*	FY26 Projected**

Total amount of contracts	\$450,000	\$472,605	\$1,638,000	\$1,000,000	\$1,610,000	\$1,610,000
Total amount to M/W/DSBE	\$85,000	\$79,000	\$289,500	\$350,000	Not Available	\$240,000
Participation Rate	19%	17%	18%	35%	Not Available	15%

\*The current participation rate is not available. Due to technical issues, we are currently unable to track M/W/DSBE payments through OEO's compliance system as required for reporting. We anticipate closing FY25 with a participation rate of nine percent. Reporting will be updated when system issues are resolved.

\*\*The projected rate of 15% is based on average actual participation rates from the past three years (FY23-25). The Department's original goal for FY25 was set at 35 percent. However, we anticipate closing FY25 with a participation rate of nine percent.

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%	15%

\*The projected rate of 15% is based on average actual participation rates from the past three years (FY23-25). The department's original goal for FY25 was set at 35 percent. However, we anticipate closing FY25 with a participation rate of nine percent.

### Proposed Funding Request:

The proposed Fiscal Year 2026 General Fund budget totals \$4,780,722, a decrease of \$1,172,500 over Fiscal Year 2025 estimated obligation levels. This decrease is primarily due to removal of Neighborhood Community Action Centers from department.

The proposed budget includes:

- \$1,586,367 in Class 100, a \$1,964,000 decrease from FY25. This funding adjustment is due to the removal of the Neighborhood Community Action Centers from the department. The remaining funds will continue to support a portion of staff in CEO.
- \$3,178,357 in Class 200, a \$1,175,976 increase over FY25. This funding will primarily support centralizing the ongoing contract partnerships within Same Day Work and Pay and additional funding for outreach and text notifications.
- \$15,998 in Class 300/400, a \$384,476 decrease from FY25. This funding adjustment is due to the removal of the Neighborhood Community Action Centers from the department. The remaining funds will help support Same Day Work and Pay, EITC/CTC programming.

## STAFFING LEVELS

The Department is requesting 79 budgeted positions for FY26, a decrease of 35 positions over FY25 budgeted positions across all funds. The decrease is attributed to the movement of the Neighborhood Community Action Centers from CEO to a standalone department starting in FY26.

Employment Levels (as of November 2024)			
	FY25 Budgeted	Filled as of November 2024	FY26 Proposed
Number of Full-Time Positions	114	77	79
Number of Exempt Positions	114	77	79
Number of Executive Positions (deputy level and above)		7	
Average Salary of All Full-Time Positions		\$77,502	
Median Salary of All Full-Time Positions		\$74,169	

## NEW HIRES

New Hires (from 7/1/2024 to November 2024)	
	Total Number of New Hires
Black or African American	19
Hispanic or Latino	7
White	4
Total	30

Detail for new hires since November 2024, if applicable: Five (5) Black or African American, two (2) Asian, and one (1) White.

## PROGRAM BASED BUDGETING: CEO – COMMUNITY EMPOWERMENT & OPPORTUNITY

**Program Name:** Community Empowerment & Opportunity

**Program Number:** 08

**FY26 Proposed General Fund:** \$4,780,722

**Program Description:** CEO leverages Community Services Block Grant (CSBG) funds to advance its mission of promoting economic mobility, equity, and economic inclusion. As a key driver of economic justice, CEO collaborates with offices and departments throughout City government, along with trusted community partners and community-based organizations, to connect residents with vital resources that foster pathways out of poverty. Through focused outreach and place-based initiatives, CEO ensures that support reaches those who need it most. In addition to targeted community engagement, CEO uses insights gained from these interactions to shape programs and policies that address systemic barriers and the root causes of poverty. By blending community-driven action with systemic programming, CEO creates sustainable opportunities for economic resilience and empowerment across Philadelphia.

**FY26 Strategic Goals:**

- **Creating Economic Opportunity:** CEO will lead efforts to advance equity and inclusive growth, connecting more Philadelphians to vital resources by fostering partnerships with grassroots organizations like registered community organizations and community development corporations. Key focus areas include economic mobility, financial empowerment, workforce development, and wealth-building through programs that reduce debt, increase savings, and enable access to benefits and asset-building initiatives. CEO will also invest in place-based engagement to support communities via trusted messengers and canvassing efforts that connect residents to essential City resources, working in partnership with departments such as Revenue, Water, the Opioid Response Unit, and the Mayor’s Office of Neighborhood and Community Engagement.
- **Building Capacity for Equitable Engagement:** CEO will enhance awareness and capacity within City government to implement equitable engagement practices through training, consulting, and systems tools.
- **Coalition-Building and Collaboration:** CEO will strengthen coalitions to lead and coordinate economic mobility efforts among stakeholders, leveraging partnerships like the Housing Security Working Group and Consumer Protection Task Force. It will also pursue new opportunities for inter-agency and external alignment to advance programmatic and policy goals.
- **Same Day Work and Pay:** CEO will continue the Same Day Work and Pay program to provide opportunities for earning and connection for individuals with significant barriers to employment.
- **Outreach Support:** CEO will expand text message and outreach support for programs in CEO and the Neighborhood Community Action Centers.

**FY26 Performance Measures:**

Measure	CY23 Actual	CY24 Actual	CY25 Target
Benefits Access: Number of households that enroll in benefits <sup>1</sup>	1,348	1,509	1,000

Benefits Access: Total number of applications for benefits <sup>1, 2</sup>	N/A	5,950	3,750
Financial Empowerment: Number of individuals who received one-on-one financial counseling <sup>3</sup>	1,173	1,567	1,000
<b>Measure</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY26 Target</b>
Child Tax Credit: Number of returns filed by tax preparation partners	13,813	13,500	13,500
Child Tax Credit: Number of click-throughs on digital advertisements <sup>4</sup>	24,591	20,000	20,000
Child Tax Credit: Number of individuals reached through grassroots strategies	73,294	70,000	70,000
Same Day Work and Pay (SDWP): Total number of days worked by all SDWP program participants <sup>5</sup>	4,695	3,000	3,000
Community Resources Corps: Number of households protected from initial water shutoff <sup>6</sup>	2,893	2,200	2,200
Community Engagement: Number of medical supplies (naloxone doses and fentanyl test strips) distributed through door-to-door canvassing to prevent opioid-related deaths	16,584	30,000	30,000
Community Engagement: Number of face-to-face conversations between canvassers and residents to address the ongoing overdose epidemic in citywide overdose “hotspot” neighborhoods	6,200	8,000	8,000

<sup>1</sup> CEO's largest non-profit benefits partner closed midway through CY2024. As a result, CEO has modified its Targets for benefit applications and enrollments for CY2025 and beyond while it works to rebuild capacity.

<sup>2</sup> CY2023 data not available as measure was introduced in CY2024.

<sup>3</sup> Changes in provider-reported data make CY2023 and CY2024 figures not comparable to the CY2025 Target.

<sup>4</sup> In FY24, click-through rates doubled compared to the prior year, potentially due to the introduction of new video testimonials. However, this increase has not yet been replicated to determine whether it represents a reliable trend. A slightly lower target has been set in FY25 to account for the possibility that the FY24 increase was an anomaly.

<sup>5</sup> The FY25 and FY26 Targets are below the FY24 Actual due to one-time funding in FY24.

<sup>6</sup>The Philadelphia Water Department, in partnership with the City's Office of Integrated Data for Evidence and Action (IDEA), have expanded auto-enrollment efforts and reaffirmed their commitment to the Raise Your Hand Initiative, reducing the number of customers at risk of shutoff.

## **OTHER BUDGETARY IMPACTS**

### **Federal and State (Where Applicable)**

The Office of Community Empowerment & Opportunity (CEO) receives federal funding across a number of program areas, including BenePhilly, EITC/CTC, and Financial Empowerment Centers. Overall, 84 percent of CEO's FY25 funding is derived from federal funds.



## 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?
PeopleShare	Temporary Talent Acquisition	\$1,060,000	6/1/2023	7/1/2023	MBE: BGFE	0%	\$0	0%	\$0	YES	NO
					WBE:BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
AB&C Philadelphia LLC	Public Awareness Campaign	\$550,000	12/15/2023	5/1/2024	MBE: 10%	Not available	Not available	Not available	Not available	NO	NO
					WBE: 15%	Not available	Not available				
					DSBE: BGFE	Not available	Not available				

Note: Due to technical issues, we are currently unable to track M/W/DSBE payments through OEO's compliance system as required for reporting. Reporting will be updated when system issues are resolved.

Non-Profit Vendor Demographics		
JEVS Human Services	Minority %	Female %
Workforce	76%	69%
Executive	Not Available	Not Available
Board	19%	50%
Campaign for Working Families	Minority %	Female %
Workforce	71%	41%
Executive	Not Available	Not Available
Board	38%	50%
Clarifi	Minority %	Female %
Workforce	58%	67%
Executive	Not Available	Not Available
Board	28%	56%
First Step Staffing	Minority %	Female %
Workforce	78%	56%
Executive	Not Available	Not Available
Board	57%	43%
Impact Services	Minority %	Female %
Workforce	89%	63%
Executive	Not Available	Not Available
Board	50%	0%