

**OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER
FISCAL YEAR 2027 BUDGET TESTIMONY
MARCH 31, 2026**

INTRODUCTION

Good morning, Council President Johnson, members of City Council, and colleagues. I appear before you today to present the budget priorities and strategic direction of the Office of the Chief Administrative Officer (CAO) and Departments within the CAO Cluster, for the upcoming fiscal year. The FY27 Budget for the Office of the Chief Administrative Officer (CAO) is critical to fulfill the mission of the office to create and support conditions for City departments and workforce to deliver efficient, effective, and equitable City services while enhancing the quality of life for all residents and providing a government that residents can see, touch and feel.

Joining me today are Candi Jones, Chief Human Resource Officer, Melissa Scott, Chief Information Officer, Ronald Hovey, Procurement Commissioner, James Leonard, Records Commissioner, as well as Melissa Andre, Office of Administrative Review (OAR) Executive Director, Carol de Fries, City College for Municipal Employment (CCME) Executive Director, and Adrienne Moore, Office for People with Disabilities Executive Director.

DEPARTMENT MISSION & PLANS

Mission: The Office of the Chief Administrative Officer (CAO) creates and supports conditions for the City of Philadelphia’s departments and workforce to deliver efficient, effective, and equitable City services while enhancing quality of life for all residents, visitors, and communities. CAO fosters a culture of excellence, integrity, innovation, and ongoing improvement to transform service delivery, provide people-centered solutions to challenges impacting residents and employees, and strengthen administrative functions in pursuit of the Mayor’s vision to make Philadelphia the safest, cleanest, and greenest big city in the nation with access to economic opportunity for all.

Plans for Fiscal Year 2027

In the past year, we have realized service delivery and improvement by deploying digital workflow transformation solutions for several departments; streamlined the professional services contracting conformance process so vendors navigate fewer hurdles with clearer timelines, templates, and touchpoints; expanded upskilling and professional development through CCME and Office of Talent and Employee Success; and worked across departments to center accessibility, ensuring our digital services, facilities, and public communication are inclusive for people with disabilities.

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Additionally, our Departmental partners have helmed significant and impactful initiatives and business process improvements, including the Office of Innovation and Technology's (OIT) launch of a Citywide artificial intelligence (AI) policy and strategy, digital equity and literacy programs; the Office of Human Resources' (OHR) time to hire and vacancy reduction and creation of HR University; the Records Department's payment process modernization and establishment of a national first-of-its-kind deed fraud protection; and Procurement's responsiveness and partnership during several significant Citywide events.

I am proud of the work of the CAO and its partner departments. We welcome any questions you may have.

PROPOSED BUDGET OVERVIEW & OTHER BUDGET DRIVERS

General Fund Financial Summary by Class						
	FY25 Original Appropriations	FY25 Actual Obligations	FY26 Original Appropriations	FY26 Estimated Obligations	FY27 Proposed Appropriations	Difference: FY27 Proposed-FY26 Estimated
Class 100 - Employee Compensation	\$7,924,104	\$6,754,601	\$8,707,869	\$8,306,839	\$10,492,400	\$2,185,561
Class 200 - Purchase of Services	\$12,240,698	\$9,761,151	\$3,084,645	\$3,594,265	\$2,977,998	(\$616,267)
Class 300/400 - Materials, Supplies & Equipment	\$60,720	\$43,441	\$141,886	\$153,510	\$129,533	(\$23,977)
	\$20,225,522	\$16,559,193	\$11,934,400	\$12,054,614	\$13,599,931	\$1,545,317

Contracts Summary (Professional Services only)						
	FY23	FY24	FY25	FY26	FY26 YTD (Q1 & Q2)	FY27 Projected
Total amount of contracts	\$3,027,500	\$2,541,700	\$2,450,000	\$1,749,238	\$254,650	\$2,850,000
Total amount to S/LBE	N/A	N/A	N/A	N/A	N/A	N/A
Total amount to M/W/DSBE	\$1,215,000	\$1,026,740	\$882,000	\$793,000	\$254,650	
S/LBE Participation Rate	N/A	N/A	N/A	N/A	N/A	N/A
M/W/DSBE Participation Rate	40%	40%	36%	45%	100%	

**S/LBE not yet available as the City works to build the S/LBE registry and begin setting small and local business participation goals.*

Total S/LBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY25	FY26	FY27 Projected
S/LBE Contract Participation Goal	N/A	N/A	N/A

**S/LBE not yet available as the City works to build the S/LBE registry and begin setting small and local business participation goals.*

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Proposed Funding Request:

The proposed Fiscal Year 2027 General Fund budget totals \$13,599,931, an increase of \$1,545,317 over Fiscal Year 2026 estimated obligation levels. This increase is primarily due to the addition of new positions, detailed below.

The proposed budget includes:

- \$10,492,400 in Class 100, a \$2,185,561 increase over FY26 estimated obligations. This funding will support the addition of 28 new positions, including City College for Municipal Employment (CCME) Fellows; a Digital Equity Manager in the Office for People with Disabilities (OPD); and positions to staff the Economic Mobility Cabinet.
- \$2,977,998 in Class 200, a \$616,267 decrease from FY26 estimated obligations. This decrease is attributable to one-time funding in FY26 to pay invoices from the prior fiscal year via an intradepartmental transfer. This funding will maintain support for contracted services across CAO's units.
- \$129,533 in Class 300/400, a \$23,977 decrease from FY26 estimated obligations. This decrease is attributable to one-time funding in FY26 to purchase materials to stand up the CCME program. This funding will maintain support for CAO's materials and supplies.

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STAFFING LEVELS

The department is requesting 134 budgeted positions for FY27, an increase of 28 positions over FY26.

The increase is attributable to the addition of CCME Fellows; an HR Manager; an additional employee to support Digital Workflow Automation; a Digital Equity Manager in OPD; and positions to staff an Economic Mobility Cabinet.

Employment Levels (as of November 2025)			
	FY26 Budgeted	Filled as of November 2025	FY27 Proposed
Number of Full-Time Positions	106	81	134
Number of Exempt Positions	89	67	117
Number of Executive Positions (deputy level and above)		11	
Average Salary of All Full-Time Positions		\$83,447	
Median Salary of All Full-Time Positions		\$73,800	

NEW HIRES

New Hires (from 7/1/2025 to November 2025)	
	Total Number of New Hires
Black or African American	2
Asian	1
Total	3

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Detail for new hires since November 2025, if applicable:	
	Total Number of New Hires
Black or African American	3
Asian	1
Total	4

VACANCY RATE AND ALLOWANCE

Vacancy Rate Summary (General Fund)						
	FY25 Actual Vacancy Rate	FY26 Budgeted Vacancy Allowance	FY26 Vacancy Rate	FY26 Budgeted Vacancy Allowance Rate	FY27 Budgeted Vacancy Allowance	FY27 Budgeted Vacancy Allowance Rate
Departmental Total	23.0%	(\$464,253)	23.6%	5.3%	(\$718,874)	6.7%

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

N/A

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY26											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE and SBE Participation Achieved	\$ Value of M/W/DSBE and SBE Participation	Total % Participation - All DSBES	Total \$ Value Participation - All DSBES	Local Business	Waiver for Living Wage Compliance?
Philadelphia City Fund	Fiduciary	\$956,238	Exempt	6/1/2022	MBE: BGFE	0%	\$0	0%	\$0	Yes	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	100%	\$956,238				
PRWT Services Inc	Code Unit Violations Data Services System	\$738,000	2/3/2025	7/1/2025	MBE: BGFE	100%	\$738,000	100%	\$738,000	Yes	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	100%	\$738,000				
Stanley Woods	OAR Hearing Master	\$25,000	Exempt	8/1/2025	MBE: BGFE	100%	\$25,000	100%	\$25,000	No	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	0%	\$0				
Trizen, LLC	On Site Training Program	\$30,000	3/31/2025	6/19/2025	MBE: BGFE	100%	\$30,000	100%	\$30,000	No	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	0%	\$0				

Non Profit Vendor Demographics not applicable

PROGRAM BASED BUDGETING:

Program Name: Administration, Innovation and Transformation (AIT)

Program Number: 04

FY27 Proposed General Fund: \$8,991,709

Program Description: The Administration, Innovation, and Transformation program consists of several program areas: Strategic Direction and Transformation (SD&T), the Office for People with Disabilities (OPD), Employee Engagement and Training, and the City College for Municipal Employment (CCME) and Workforce Development.

FY27 Strategic Goals:

- SD&T will provide collaborative services to departments, employees, and residents to improve programs and services, including opening and concluding eight new Better Services Projects, and accepting and delivering at least three digital workflow transformation projects.
- SD&T will expand its capacity by developing pathways for further integration with existing technologies, creating tutorial courses to help train and develop more responsible application use and internal development capacity, and encouraging collaboration between departments by creating multi-departmental applications.
- SD&T will provide infrastructure and support for City departments to design and test new projects and programs by launching a fall 2026 cycle of the Innovation Fund, a program partnership with the Philadelphia City Fund to provide seed funding to test creative ideas from City departments and their employees.
- OPD will increase community engagement, inclusion, and awareness in order to embed accessibility and Americans with Disabilities Act (ADA) compliance in resident services and Philadelphia public spaces. OPD will also create a disability community survey for residents. Getting periodic feedback from residents is an important part of OPD's work and will help inform future projects.
- CCME and Workforce Development will increase the scale of participants served by five percent over the FY26 total participants.
- CCME will continue to build a workforce system in City government that is more coordinated, innovative, and effective. The work aims to increase economic mobility, fill the talent needs of employers, and grow the economy.
- CCME will work closely with Commerce to build capacity and performance management for workforce development organizations and connect them to employers.

FY27 Performance Measures:

Measure	FY25 Actual	FY26 Target	FY27 Target
Number of new digital workflow automation requests completed ¹	13	14	10
Better Services PHL Program - Number of projects implemented/completed ²	0	2	8
Office for People with Disabilities: Time to complete grievances and accommodation requests (in business days)	2	2	2
Number of CCME participants	333	350	5% increase from FY26 Actual

¹ The FY27 target reflects the need to maintain existing projects in addition to launching new ones, resulting in fewer new projects being completed.

² In FY25, projects were newly launched, and staff members were still being added to support this measure.

PROGRAM BASED BUDGETING:

Program Name: Office of Administrative Review (OAR)

Program Number: 02

FY27 Proposed General Fund: \$4,608,222

Program Description: The Office of Administrative Review (OAR) administers administrative hearings where constituents can dispute fines, bills, and violations issued by the City. This program includes the Tax Review Board (TRB), where taxpayers may appeal decisions made by the Revenue and Water Departments concerning 1) tax and water debt liability and 2) eligibility for low-income assistance programs. OAR also works closely with the Philadelphia Parking Authority (PPA) on several programs, including OAR's Bureau of Administrative Adjudication (BAA), which administers hearings for parking ticket disputes and handles appeals for on-street residential parking for disabled persons, red-light camera, and speed camera enforcement violations. OAR also includes the Code Violation Unit (CVU), which annually processes and sends out notices for approximately 100,000 violations, such as sanitation and false alarm violations.

FY27 Strategic Goals:

- OAR will introduce virtual first-level hearings for parking violation disputes at BAA and train all staff accordingly.
- OAR will maintain 3–6-month hearing wait times for five of the six main TRB categories and focus on reducing wait time in one category, Licenses and Inspections (L&I), which lags behind the other five categories for timeliness. As of November 2025, TRB reduced the wait time for the L&I category from nine to six months by adding hearing sessions.
- OAR will continue to scale up the red-light and speed camera programs with hearing officers and virtual hearings sessions to manage the increased volume. OAR will also be working with PPA to streamline hearings for vehicles/plates that have been stolen, as long wait times after thefts leave citizens victimized twice.

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FY27 Performance Measures:

Measure	FY25 Actual	FY26 Target	FY27 Target
Tax Review Board: Median time between petition filed date and hearing date (months)	5	≤ 5	≤ 5
Bureau of Administrative Adjudication: Average number of days between receiving appeal to decision being made (first-level review, online submission and review)	176	≤ 180	≤ 180
Office of Administrative Review: Red Light Camera Violations - Time between request for appeal and in-person hearings (months)	6	≤ 5	≤ 5
Office of Administrative Review: Speed Camera Violations - Time between request for appeal and in-person hearings (months)	5	≤ 6	≤ 6
Office of Administrative Review: Code Violations - Time between request for appeal and in-person hearings (months)	4	≤ 4	≤ 4



PILLAR 1: **Workforce Development and Capacity Building**

Increase the City's potential for developing its own workforce while making Philadelphia a place of economic opportunity for residents.

909 Employees engaged in professional development training by the Office of Talent and Employee Success (OTES)

146 Employees participated in leadership development cohort programs facilitated by OTES, including Elevated Leadership Excellence (ELE), HR University, and the Mayor's Internship Program (MIP)

22,780 Employees participated in training programs on the Learning Management System (LMS)

30 Residents successfully completed a pathway program within the City College for Municipal Employment (CCME), 44 students enrolled for 2026

43 Employees participated in a career Upskilling program allowing them to promote to higher paying positions; to date, over 60% of completers in electronic and surveying programs promoted within 10 months of program completion with salary increases ranging from 8 - 29%

79% City Fleet and Department of Public Property CTE High School students participating in CCME career readiness program were hired by the City

PILLAR 2: Optimization, Innovation, and Transformation

Provide consulting, organizational support, and management to projects and programs that advance the City's infrastructure, operations, and services. Re-engineer City processes to increase efficiency, cost-effectiveness, and accessibility.

Better Services PHL:

171 City staff engaged

871 Philadelphia residents engaged

12 Projects impacting 27 City services

Digital Workflow Transformation:

13 City departments & offices using the optimization tool

30 Applications launched and in use

5 Applications in user-testing

9 Applications in development or upgrade

PILLAR 3: Administration, Operations, and Policy

Improve experiences for residents and City employees as they navigate operational and compliance processes.

2,700

Hearings a month conducted by the Office of Admin Review, Tax Review Board, and Bureau of Administrative Adjudication

2,298

Professional services contracts were conformed, about half of those being FY26 contracts.

CAO hosted **4 Quarterly meetings** with over **150 nonprofit organizations** in attendance – Nonprofit Advisory Council

21,536

Invoices submitted through the City's Vendor Pay Portal

92

Lactation Spaces Operating within City Departments for Staff

36

Lactation Spaces Operating within City Buildings Accessible to Residents