

**OFFICE OF SUSTAINABILITY
FISCAL YEAR 2027 BUDGET TESTIMONY**

INTRODUCTION

Good morning, Council President Johnson and Members of City Council. I am Elizabeth H. Lankenau, Director, Office of Sustainability. I am pleased to provide testimony on the Department of Sustainability's Fiscal Year 2027 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Office of Sustainability (OOS) works with partners around the city to further the Mayor's Clean and Green agenda in all Philadelphia neighborhoods through advancing Environmental Justice, reducing the city's carbon emissions, and preparing Philadelphia for a hotter and wetter future.

Plans for Fiscal Year 2027:

- **Climate resilience planning:** OOS will provide risk information and resources to City staff to ensure climate resilience is embedded in existing plans, programs, and services, and will advance community-level resilience through meaningful involvement in planning processes, place-based initiatives, and policy updates.
- **Environmental Justice data and resources:** OOS will improve access to community and environmental health data, information, and resources to implement projects that materially and sustainably change conditions and increase community resilience and build the capacity of community organizations to advance community health, safety, and quality-of-life initiatives.
- **Advance climate goals:** OOS will accelerate Philadelphia's equitable clean energy transition through strategic planning, data-driven research, local policy development, regional policy advocacy, and strengthened partnerships across the city's energy ecosystem.
- **Clean workforce development:** In partnership with the City College for Municipal Employment (CCME), OOS will catalyze Philadelphia's clean energy economy, creating and expanding access to high-quality jobs and family-sustaining careers in the energy sector and ensuring all Philadelphians can benefit from and participate in the economic opportunities of the clean energy transition.
- **Clean energy procurement:** OOS will implement and continue to explore innovative opportunities for clean, resilient, efficient, and reliable energy.
- **Support of Clean and Green agenda:** Through policy, communications, and fundraising, OOS will continue to strengthen Department-wide functions to advance OOS programs aligned with the Mayor's Clean and Green agenda while maximizing benefits to residents.

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	\$1,487,029	\$1,668,099	\$2,053,333	\$2,083,258	\$2,163,233	\$79,975
Class 200 - Purchase of Services	\$786,984	\$774,766	\$1,024,484	\$1,024,484	\$927,984	(\$96,500)
Class 300/400 - Materials, Supplies & Equipment	\$1,000	\$1,000	\$2,500	\$2,500	\$2,500	\$0
Class 800 - Payment to Other Funds	\$175,000	\$175,000	\$175,000	\$175,000	\$0	(\$175,000)
	\$2,450,013	\$2,618,865	\$3,255,317	\$3,285,242	\$3,093,717	(\$191,525)

Contracts Summary (Professional Services only)						
	FY23	FY24	FY25	FY26	FY26 YTD (Q1 & Q2)	FY27 Projected
Total amount of contracts	\$1,081,000	\$1,393,000	\$851,766	\$828,563	\$652,145	\$831,474
Total amount to S/LBE	N/A	N/A	\$119,908	\$119,908	\$78,000	\$119,908
Total amount to M/W/DSBE	\$45,000	\$244,000	\$0	\$270,000	\$135,000	
S/LBE Participation Rate	N/A	N/A	14%	14%	12%	14%
M/W/DSBE Participation Rate	4%	18%	0%	33%	21%	

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 \$3,093,717, a decrease of \$191,525 from Fiscal Year 2026 estimated obligation levels. This decrease is primarily due to one-time funding in FY26 for consulting support.

The proposed budget includes:

- \$2,163,233 in Class 100, a \$79,975 increase over FY26 estimated obligations. This funding will support planned salary increases for existing positions and the addition of one new position over FY26.
- \$927,984 in Class 200, a \$96,500 decrease from FY26 estimated obligations. This funding will support professional service contracts, with the net decrease representing one-time FY26 funding.
- \$2,500 in Class 300/400, level with FY26. This funding will support office supplies and equipment.
- \$0 in Class 800, a \$175,000 decrease over FY26. This funding was reallocated to support Class 100, 200, and 300/400 requests.

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STAFFING LEVELS

The department is requesting 31 budgeted positions across all funds for FY27, an increase of two positions (one funded via the General Fund and one grant-funded) over FY26.

The increase is attributed to support for citywide building energy programs and one grant-funded positions.

Employment Levels (as of November 2025)			
	FY26 Budgeted	Filled as of November 2025	FY27 Proposed
Number of Full-Time Positions	29	26	31
Number of Exempt Positions	29	26	31
Number of Executive Positions (deputy level and above)		7	
Average Salary of All Full-Time Positions		\$95,060	
Median Salary of All Full-Time Positions		\$87,010	

NEW HIRES

New Hires (from November 2025 to April 2026)	
	Total Number of New Hires
Black or African American	1
Hispanic or Latino	1
Total	2

**The department had no new hires between 7/1/2025 and 11/23/2025.*

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	0.0%	(\$150,834)	12.0%	6.9%	(\$155,656)	6.3%

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

OOS has a \$1.3 million U.S. Department of Energy: Energy Efficiency and Conservation Block Grant (EECBG) that will be used to advance energy conservation projects and education.

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?
SSM Group	Energy Consulting Services	\$1,500,000	5/15/2023	9/1/2023	MBE: 25%-30%	9%	\$135,000	18%	\$270,000	No	No
					WBE: 25%-30%	9%	\$135,000				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	0%	\$0				
Arcadis US, Inc	Eastwick Flood Resilience	\$650,000	10/3/2023	3/1/2024	MBE: 10%-15%	0%	\$0	14%	\$91,000	No	No
					WBE: 10%-15%	14%	\$91,000				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	0%	\$0				
Green Building United	Building Energy Programs	\$239,815	1/13/2025	5/1/2025	MBE: BGFE	0%	\$0	100%	\$239,815	Yes	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	100%	\$239,815				

Non-Profit Vendor Demographics		
Green Building United	Minority %	Female %
Workforce	27.00%	73.00%
Executive	40.00%	60.00%
Board	37.00%	63.00%

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PROGRAM BASED BUDGETING:

Program Name: Administration: Climate Resilience, Environmental Justice, and Policy & Strategic Initiatives Divisions

Program Number: 01

FY27 Proposed General Fund: \$1,960,617

Program Description: The Administration program sets strategic direction, coordinates performance management initiatives, and provides operational and financial management for the Office of Sustainability. It leads the City's effort to prepare Philadelphia for the unprecedented challenge of climate change, increasing resilience to extreme weather impacts, protecting residents, and improving their quality of life. Additionally, it advances practices that address environmental burdens and promote healthy, thriving communities.

FY27 Strategic Goals:

- **Climate Resilience:** OOS will provide risk information and resources to City staff to ensure climate resilience is embedded in existing plans, programs, and services, and will advance community-level resilience through meaningful involvement in planning processes, place-based initiatives, and policy updates.
- **Environmental Justice:** This program will improve access to community and environmental health data, information, and resources to implement projects that materially and sustainably change conditions and increase community resilience and build the capacity of community organizations to advance community health, safety, and quality-of-life initiatives.
- **Policy and Strategic Initiatives:** The Office will continue to strengthen Department-wide functions to advance OOS programs aligned with the Mayor's Clean and Green agenda while maximizing benefits to residents.

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FY27 Performance Measures:

Measure	FY25 Actual	FY26 Target	FY27 Target
Number of residents who digitally engage with OOS content (newsletter views and social media post views)	134,111	128,000	150,000
Total funding made available to: address environmental injustice; address inequities exacerbated by climate change; and build capacity for community resilience ¹	\$463,565	\$750,000	\$430,000
Number of residents and external stakeholders engaged with OOS through workshops, convenings, town halls, etc.	560	500	750
Number of unique engagements with City departments attending established OOS-led working groups, task forces, and interagency meetings ²	243	250	300

¹ The FY27 target is based on a shift to two-year grant terms for the Community Resilience & Environmental Justice Fund, with grants released in 2026 and 2028.

² The FY27 target reflects planned engagements with the Flood Risk Management Task Force, Clean Waters Task Force, and the Environmental Justice and Climate Resilience Committee.

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PROGRAM BASED BUDGETING:

Program Name: Division of Energy and Climate Solutions

Program Number: 02

FY27 Proposed General Fund: \$1,133,100

Program Description: The Division of Energy and Climate Solutions (DECS) supports Philadelphia’s transition to clean energy through innovative strategies, policies, and programs. DECS’s mission is to develop and implement plans, strategies, and policies that reduce carbon emissions citywide, improve municipal energy management, and foster healthier, more resilient, and affordable homes and buildings. DECS aims to build a robust clean energy economy that benefits every Philadelphian.

DECS leads by example, advancing the goals of the Municipal Energy Master Plan and Municipal Clean Fleet Plan. These roadmaps guide City operations in reducing energy use, incorporating renewable electricity, and mitigating climate change. Beyond municipal efforts, DECS shapes Citywide strategies to cut carbon pollution from buildings, improve energy affordability and resilience, grow a robust clean energy economy, and modernize energy infrastructure.

FY27 Strategic Goals:

- The Division will accelerate Philadelphia’s equitable clean energy transition through strategic planning, data-driven research, local policy development, regional policy advocacy, and strengthened partnerships across the city’s energy ecosystem.
- In partnership with the CCME, DECS will build, strengthen, and catalyze Philadelphia’s clean energy economy, creating and expanding access to high-quality jobs and family-sustaining careers in the energy sector and ensuring all Philadelphians can benefit from and participate in the economic opportunities of the clean energy transition.
- DECS will implement and continue to explore innovative opportunities for clean, resilient, efficient, and reliable energy.

FY27 Performance Measures:

Measure	FY25 Actual	FY26 Target	FY27 Target
City of Philadelphia facility energy consumption, including General, Aviation, and Water Funds (British Thermal Units, millions)	3.86	≤ 3.50	≤ 3.68
City of Philadelphia facility energy cost, including General, Aviation, and Water Funds (\$, millions)	\$80.83	≤ Current budget estimate	≤ Current budget estimate
Total compliance rate for citywide Building Energy Benchmarking (Ordinance §9-3402) and Building Energy Performance Programs (Ordinance §9-3404) ¹	60%	60%	71%
Total Greenhouse Gas Emissions (GHG) from General Fund facilities and street lighting (metric ton of carbon dioxide equivalent MTCO ₂ e)	112,057	≤ 122,477	≤ 116,876

¹ Compliance with these programs is required for both municipal and private buildings over 50,000 sq ft. The FY27 target reflects the implementation of efficiency and enforcement measures, which has improved results in FY26 to date.