Legislation Details (With Text)

File #:	210358 **Version:** 0	**Name:**	
Type:	COMMUNICATION	**Status:**	PLACED ON FILE
File created:	4/15/2021	**In control:**	CITY COUNCIL
On agenda:		**Final action:**	

Title: Mayor Kenney Sixth Budget Address to City Council

Strictly embargoed for delivery

Mayor Kenney delivered his sixth budget address to City Council on April 15, 2021. This is the text of his speech as prepared:

Thank you, Council President Clarke and members of City Council, for inviting me to speak today.

As surreal as it is to be joining you virtually - and not in Council Chambers - I am pleased to present our sixth proposed Five Year Financial Plan, covering Fiscal Years 2022-2026.

Unlike the previous five, this Plan comes in the wake of what many consider the most challenging year in Philadelphia's history.

The combination of a global pandemic, a tumultuous presidential election, a worsening gun violence epidemic, and long overdue demands for racial justice, have tested the resolve and resilience of every single Philadelphian.

We've experienced a great deal of loss. We lost loved ones, many lost their jobs, and others lost businesses they worked years to build.

But I, for one, have never lost hope - hope for our City's ability to rebound, hope for our capacity to overcome, and hope for an eventual return to all that makes Philadelphia great.

I base this optimism on the strength and dedication I witnessed from the thousands of first responders and City of Philadelphia employees over the last year.

- We fed students and residents at hundreds of meal sites;
- We distributed PPE to frontline and essential workers;
- We kept residents from losing their homes;
- We opened our parks for record use of safe recreation;
- We supported local businesses with a focus on equity;
- We saved lives by following the science and working from home;
- And, along with many partners, we have administered a million doses of vaccine at over 250 sites citywide.

I am incredibly proud that throughout the pandemic, our workforce responded with the tenacity and grace of true public servants, working incredibly hard to meet the changing needs of our residents.

This Plan builds on all of these efforts so that Philadelphians in every neighborhood can benefit from a strong, inclusive recovery.

Over the next five years, we will move Philadelphia forward by:
- Providing core services that people depend on,
- Accelerating inclusive, economic growth,
- Maintaining the City's long-term fiscal health,

- And reducing racial disparities.

As you can imagine, a significant part of our Five Year Plan is dependent on the estimated 1.4 billion dollars in Coronavirus Local Fiscal Recovery Funds we're slated to receive from the Biden Administration's American Rescue Plan.

This one-time federal relief will help ease the effects of projected revenue declines from business closures and changes to workplace occupancy that were necessary to slow the spread of the virus.

To date, we have received over $800 million dollars in federal, state and local recovery funding to assist with new costs arising from the pandemic.

And in addition to the $1.4 Billion, we're anticipating that we will receive over $100 million more in targeted support through the American Rescue Plan, the only funding source that can be used to help with the revenue losses that we have sustained as a result of the pandemic.

The American Rescue Plan will help fill a gap this fiscal year, and our projected budget deficit resulting from the pandemic for the first four years of the Plan.

Equally important, it allows us to act on the harsh lessons from this crisis. For example, we know now more than ever, that we must plan for future disruptions and build a resilient fund balance.

This Plan puts us on that path.

And while $1.4 billion sounds like - and is - substantial, it by no means fully meets our long-term and recurring needs.

The actual need over five years is well over $1.5 billion in order to: restore core services to pre-pandemic levels; have funds for ongoing pandemic response; meet new service needs and priorities; and set us up for ongoing fiscal stability.

The American Rescue Plan funds will certainly have a positive impact on jumpstarting Philadelphia's economy. But I think we can agree that it's not enough to simply recover…we need to rebuild equitably while ensuring growth that benefits all.

Every industry has felt the brunt of the pandemic and far too many of our businesses are still struggling to survive.

So it's time to safely reopen, support business growth, and create economic security for all Philadelphians.

I'm proud to report that this Plan proposes no tax or fee increases. In fact, we'll help businesses - and residents - by providing tax relief.

We'll enact Wage Tax reductions to the lowest level in 50 years, and achieve the biggest Wage Tax rate cut in more than a decade, with a deeper cut than was even included in the pre-pandemic plan for Fiscal Year 22. This cut will help jumpstart our economy and provide relief to workers.

We'll also restore previously planned reductions to business tax rates and the Parking Tax rate will return to pre-pandemic levels.

I understand that people may want us to tax wealthy corporations, or wealthy individuals, but as we're all aware, because of the Uniformity clause of the Pennsylvania Constitution we're required to have the same tax rate for our small businesses as our largest corporations, and the same wage tax rate for our essential workers and the highest earning workers.

We must continue to work together to lobby Harrisburg for changes, while continuing to improve what's within our control to support local business.

powered by Legistar™

To help our commercial corridors, we will provide 300 thousand dollars in increased funding for storefront improvement and security grants and 450 thousand dollars for the PHL Taking Care of Business Corridor Cleaning Program. This follows a 10 million dollar investment last year for services in FY21 and FY22.

This initiative, championed by Councilmember Parker, helps keep neighborhood corridors attractive places, while providing accessible job opportunities.

We'll also continue to find ways to make it easier to do business with the City by improving operations, investing in staff for a Business Response Team, and helping get more minority businesses certified so they can compete for City and other contracts.

We're committed to closing the opportunity gap experienced by minority-, immigrant-, and women-owned businesses that have been disproportionately impacted by COVID-19.

For instance, we'll increase opportunities for entrepreneurs by:

- engaging minority-, women-, and disabled-owned businesses in significant business with the City;
- investing in technical assistance and capacity building to help businesses grow;
- actively advancing public and private sector procurement reform; and by
- establishing an Entrepreneurship Industry Partnership.

And to increase opportunities for small business, the City - thanks to the leadership of Councilmember Green - streamlined the application process for small contracts. The Local Business Procurement Initiative raised the threshold requiring formal bids for City contracts from $34,000 to $75,000 - and to $100,000 for local businesses. This will make it faster and easier for small businesses to compete for contracts.

While we focus on business, we cannot forget our workforce. We include 3 million dollars to the Office of Workforce Development; 2 million dollars for a Transitional Jobs Program; 150,000 dollars for the Color Me Back Same Day Pay program, almost 1.5 million dollars in adult education programs; and 170,000 dollars for digital equity initiatives.

Together these investments in our Black and Brown entrepreneurs and workforce better position Philadelphia to be more adaptable and agile to the future of work. It will help us stay ahead and reap the benefits from rapid changes in technology, e-commerce, remote work and automation, which have been accelerated by the pandemic.

Additionally, in the Capital program, we've earmarked 20 million dollars toward economic development projects like the I-95 Cap, Schuylkill River Development Corporation's Christian to Crescent, and East Market and Neighborhood Commercial Center improvement projects.

Fortunately, the American Rescue Plan is not just helping relieve pressure on the City budget-it will do the same on household budgets and bring federally funded benefits to more than a million Philadelphians.

The stimulus payments, the expansion of Earned Income Tax Credit, and the expanded child tax credit will provide critical cash support to Philadelphians who need it. We estimate that together the EITC and child tax credit will help move more than 75,000 Philadelphians out of poverty this year, and could cut the rate of children in deep poverty in Philadelphia this year by half.

But to make the promise of these new benefits a reality, Philadelphians will have to take action and file tax returns, even if they have not done so in prior years or do not owe any taxes, so we are committed to connecting Philadelphians with the tax refunds they are entitled to.

And we will be urging Congress to make these one year changes permanent, so that our families get out, and stay out of poverty for good.

Over the last few years we have worked to reverse old practices of balancing our budget based on fines and fees that mostly impact those who can least afford to pay.

So, I'm also pleased to continue our elimination of the fines and fees that disproportionately burden Black and Brown Philadelphians.

With our partners, we've eliminated bail fees, library fines, and now we will eliminate fees that burden families with individuals incarcerated in our prisons.

These investments - and more - aim to spur economic recovery and growth, reduce poverty, and create inclusive and thriving neighborhoods…. as we've been working to do over the last five years.

These investments also complement the ones that we've made with Recovery grants we received, which are allowing us to invest over 170 million dollars to help people afford to stay in their homes, and another 140 million dollars to support nonprofits and small businesses impacted by the pandemic.

We'll work hard to keep even more residents from losing their homes by investing hundreds of millions of dollars over five years for home repairs, rental assistance, eviction and mortgage diversion, support for people experiencing homelessness, and affordable housing development.

I am proud that Philadelphia is a national model receiving well deserved attention for our work on housing and eviction, and creating a rental assistance infrastructure ready to serve thousands of residents in need.

I know this is a shared priority of Council President Clarke who launched the Neighborhood Preservation Initiative last year with the same mission.

And because Councilmembers Brooks, Gauthier, and Gym came together with a bold package of legislation, the Emergency Housing Protection Act stabilized rents, created an eviction diversion program, and ensured that Philadelphians were able to stay in their homes during an uncertain time.

I'm pleased to also increase funding for the arts by $1.35 million dollars, including doubling the Cultural Fund. Not only is the arts community part of the fabric that makes our city great, but we also view the creative economy as a core sector for recovery - one whose reinvestment will pay dividends in the future.

I'm pleased to continue investments in our shared public spaces including $2.9 million to restore five-day service, after-school programs and other services at our libraries…. and $6.9 million dollars to restore recreation programs and reopen pools.

Summer 2021 will be exciting and enriching, full of opportunities for learning and fun for youth of all ages. We have our School District Partnership for summer academic and enrichment camps, Playstreets, Parks & Rec summer camps, City Out-of-School Time summer camps in the community, as well as summer WorkReady for older youth.

We know that these types of activities are lifelines for our kids, and believe that keeping children and youth engaged in dynamic summer experiences will help keep them safe and reduce community violence.

We also will dedicate another 10 million dollars in Fiscal Year 22 - and 50 million over the six-year Capital Program - to the FDR Park Master Plan, which will support building and site improvements for this transformational project that's near and dear to Councilmember Johnson and myself.

We know what the Lakes meant to us as kids, and what it has meant to residents during the pandemic, and we want to continue this legacy for our children.

The Capital program includes a historic 317 million dollars over six years in street paving, reconstruction, and ADA curb ramps. With 132 million in FY22, this is the largest single-year investment in the City's history, and will help workers, residents, and visitors access their destinations

reliably and safely, something I know is important to Councilmember Thomas.

Finally, to foster clean and safe communities, we'll invest 62 million dollars over five years to expand mechanical street sweeping, with a focus on Black and Brown communities that are often hit the hardest by illegal dumping.

And yes, like I mentioned during last year's budget address before the pandemic struck, we will be asking residents to move their cars to sweep out streets.

We know now more than ever that creating a thriving city truly depends on the health of all communities.

We must work to eliminate health disparities and safeguard residents from threats that cause disease and injury. Therefore, we're investing 250 thousand dollars to build on existing efforts to produce a plan to improve racial equity in health outcomes.

This includes preventing chronic health conditions like diabetes and heart disease that disproportionately affect people of color. We have to ensure all children and families have access to nutritious foods, decreased use of addictive and toxic products, and access to safe, green spaces.

We'll also invest 1 million dollars for air management to improve air pollution oversight. Air pollution, like that emitted by boilers and generators, contributes to health problems like heart disease, asthma, lung disease, and respiratory tract infections. The concern is greatest among adults with other health problems, children, and the elderly and results in significant racial disparities.

Because our fight against COVID-19 is far from over, the Plan sets aside 50 million dollars for COVID containment, as part of a 75 million dollar Reopening and Recession Reserve. This is in addition to over 220 million in targeted grant funding we received to support our public health response to the pandemic, and in addition to the over 60 million dollars that we are projecting to receive from the American Rescue Plan for vaccine activities and testing for the School District.

We must continue to provide our Department of Public Health, Office of Emergency Management, and other agencies with the resources required to effectively combat COVID-19. To date, we have deployed over 140 million dollars to the public health and safety response to purchase PPE, establish a surge medical hospital, distribute meals to vulnerable populations across the City, stand up hotels where people can safely quarantine and isolate, improve the safety of our shelter system, and much more.

And we must continue to prioritize addressing mental health, including concerns exacerbated by the pandemic, through a system of care in which professional treatment, along with family, individual, and other resources, allow people to manage their own conditions and build self-resilience.

In fact, across all the funds we administer, investments in the Department of Behavioral Health and Intellectual disAbility Services are more than $1.6 Billion dollars in Philadelphia - more than double the Police Department's Budget.

We also make a strong commitment to fighting the opioid crisis.

Significant progress has been made in saving lives by reducing overdose deaths, but since March of last year, COVID-19 has prompted an increase in fatal drug overdoses, particularly in Black and Brown communities.

The supply chains for help and support have been broken, drug-related violence has soared.

Equally important, this past year demonstrated a vital need to center racial and social equity in our opioid response.

So the Plan allocates 400,000 dollars for opioid treatment, and 500,000 dollars for the Opioid Response Unit, our multi-departmental effort to address the opioid epidemic.

And later this month, the Opioid Response Unit will unveil its new Action Plan, an overview of both how far Philadelphia has come and how far we still must go in the fight against Opioid Use Disorder.

I am incredibly proud of the work being done, but these are just the first steps of many. Our efforts will not end until once again there is a healthy population, and safe and thriving communities, untainted by the scourge of opioids.

While containing the pandemic is among our most pressing priorities, we know that in some ways it pales in comparison to our other longstanding public health crisis - gun violence.

In 2020, Philadelphia lost 402 people to gun violence - the most gun related homicides in 30 years. With more than 140 people killed since the start of the year, 2021 is on track to be the worst year on record. Solutions must expand to match the scale of the problem.

As a result, a total of $18.7 million of additional funding in FY22 on anti-violence efforts for a total of $35.5 million of investment. Over the life of the FY22-FY26 Five Year plan, this is an additional investment of $70 million.

This includes new investments such as:

- 1.3 million to expand proven violence interruption programs like Community Crisis Intervention Programs and Group Violence Intervention
- $2 million in the transitional jobs programs I mentioned earlier
- $500,000 for expansion of Targeted Community Investment Grants for violence prevention programs run by our community partners, and
- $1.35 million for community improvements including graffiti cleanup, vacant lot remediation, clean & seal efforts, and improved lighting and visibility in key neighborhoods.

We must stem the tide of gun violence while also addressing the systemic racism in policing that impacts Black and Brown Philadelphians.

We've heard from the public and leaders in our communities that we must reimagine our approach to policing to create the safety all Philadelphians have a right to.

To improve police response to people calling 911 in behavioral health crisis, the Plan funds a $6 million dollar investment for improvements to the process of triaging 911 calls and expansion of the pilot co-responder teams.

Another $7.2 million expansion of behavioral health mobile crisis units and a crisis hotline will improve how emergency mental health services are delivered in crisis situations.

Working with you all, and especially with the leadership of Councilmember Jones, we are launching a new 1.9 million Citizen Police Oversight Commission to restore public confidence, to review residents' complaints, and to create better police community interactions.

The Plan also allocates 750,000 dollars for expanded training for the Police Department so our officers have the tools and skills to make good decisions when put in difficult situations.

And another $400,000 dollars is earmarked for its Early Intervention System, a critical piece of the Department's reform plan which uses technology to help identify and reward positive officer behaviors as well as intervene before an officer is in a situation that warrants formal redirection.

To ensure the Philadelphia Police Department has the tools they need to solve crimes, we'll commit 2 million dollars for upgrades in the Office of Forensic Science.

And while we will do everything we can alongside our criminal justice partners to reduce violence and hold violent offenders accountable, we must continue to call on the Pennsylvania legislature to let us meet Philadelphia's unique needs.

Until we address the availability and access to firearms, we will always be fighting an uphill battle. We need the ability to adopt proven gun policies that will save lives.

We know from firsthand experience how invaluable local control can be.

We saw it over the last year when it comes to our public education system. The City's close partnership and alignment with the School District during the pandemic are how we were able to step up to serve our students' most pressing needs over the last year.

Our historic investment in education is the right approach for the long term benefit of our city-our economic growth and recovery depend on it.

As in the past, we are investing in our future to improve the long-term outcomes of Philadelphians.

The Five Year Plan envisions a return of teachers and students to classrooms, with $1.38 billion in funding for the School District of Philadelphia over the plan. This is on top of the $1.3 billion that the District will receive through the American Rescue Plan.

And we'll invest a quarter of a BILLION dollars in the Community College of Philadelphia, with 54 million dedicated to the Octavius Catto Scholarship. This initiative will enable 5,000 first-time students to attend college tuition-free, and with the supports they need like food, books, and transportation stipends to successfully earn their degree.

I had the opportunity to meet some of our Catto Scholars earlier this year, and I cannot understate how inspiring they are.

Students like Chelsea Hammond of Holmesburg who previously struggled with addiction, is now on a path to becoming a paralegal. Or Darrel Claiborn of Germantown, aims to provide a better life for his two sons by earning his Associates Degree at CCP, then continuing his nursing studies at Temple University.

These are just two examples of how this transformational program will improve Philadelphians' lives.

On a macro level, we know that CCP is an economic driver for our city. Increasing the number of Philadelphians with two- and four-year-degrees is a key component of our inclusive growth strategy.

And we're even using the Catto Scholarship as a catalyst to advance our other equity and labor related goals.

For example, we'll work with CCP to implement a targeted recruitment plan for Black men, which are currently underrepresented in enrollment at the College. And we'll leverage the Scholarship to increase our City's teachers of color.

In partnership with our public schools and regional higher education institutions, we will create a seamless pipeline that will recruit, mentor, and retain emerging teachers of color to educate our kids.

In addition, PHLpreK will grow with 700 new slots and we'll add case management support to Community Schools.

We're committed to funding education from pre-K to college because it's the key to lifting Philadelphians out of poverty….It's the key to our long term growth…

And it's how we'll ultimately attract enterprise because we'll have the home grown talent ready for the future of work.

This Plan represents our vision to move Philadelphia forward, but we also had to make some tough choices in the spirit of fiscal stability.

But make no mistake, creating a diverse, efficient and effective government remains a priority.

We recognize the importance of modernizing service delivery so we're investing 5 million dollars for the Operations Transformation Fund to redesign City operations and services to efficiently serve businesses and residents.

And we'll invest in major tools needed to deliver City services including IT systems, trash trucks, and major infrastructure investments.

And across every investment in this Plan, we will target our dollars and our policy change to reverse the impacts of structural racism, and to make concrete improvements in the lives of Black and Brown Philadelphians-in their safety, their health, and their economic well-being.

Our Office of Diversity, Equity and Inclusion is helping departments complete racial equity assessment and action plans to reduce racial disparities across many indicators for success - education, criminal justice, jobs, housing, health, and more.

I'm proud that we can avoid layoffs in Fiscal Year 22, but we had to enact five percent budget cuts to most back office functions.

The Fiscal Year 2022 Budget represents $5.25 billion General Fund Revenues, and $5.17 billion in General Fund Expenditures.

This leaves us a General Fund Balance of 109 million dollars, which is two percent of Revenues, far below national standards of 17 percent or two months of spending. Cities with that level of fund balance didn't have to make the painful choices we did in the face of the pandemic, they had reserves to draw on. Philadelphia must build back toward fiscal resilience to be able to support and serve our residents through the next disruption, whatever it may be.

Yes, I've covered a lot today and there's even more in these budget documents.

In hundreds of pages of numbers, prose and charts, the operating budget, capital program and Five Year Plan serve as blueprints for the city's re-opening in the wake of the pandemic.

This framework also represents what we've heard from the community. This year, we established a multi-lingual online survey and held a dozen focus groups and meetings, which gave 13,000 people a way to share their recommendations on the City's revenue sources and spending decisions.

This is just a start; we will make improvements on this engagement process year-to-year, until it's truly representative and inclusive.

I look forward to further engagement through hearings and discussions with all City Council members as you fulfil your vital responsibility to debate and vote on the proposals in the coming weeks.

As you review, please know that this budget was created with one guiding vision: that Philadelphians in every neighborhood can - and must - benefit from what I believe will be a strong recovery.

Every neighborhood.

That vision is what guides me every single day. And it's what keeps me going.

It is a vision I wrote about last April in an Open Letter to all Philadelphians.

I looked ahead to a time when the pandemic would be past history.

And I predicted: "When that day comes, we will watch our children head off to school, play on the sidewalks, and even share snacks and hugs. And we'll know that when it mattered most we stepped up, we cared for one another, we did what was right, and we endured."
A year later, I have seen first-hand how we have stepped up…

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result	Tally
4/15/2021	0	CITY COUNCIL			

Mayor Kenney Sixth Budget Address to City Council

Strictly embargoed for delivery

Mayor Kenney delivered his sixth budget address to City Council on April 15, 2021. This is the text of his speech as prepared:

Thank you, Council President Clarke and members of City Council, for inviting me to speak today.

As surreal as it is to be joining you virtually - and not in Council Chambers - I am pleased to present our sixth proposed Five Year Financial Plan, covering Fiscal Years 2022-2026.

Unlike the previous five, this Plan comes in the wake of what many consider the most challenging year in Philadelphia's history.

The combination of a global pandemic, a tumultuous presidential election, a worsening gun violence epidemic, and long overdue demands for racial justice, have tested the resolve and resilience of every single Philadelphian.

We've experienced a great deal of loss. We lost loved ones, many lost their jobs, and others lost businesses they worked years to build.

But I, for one, have never lost hope - hope for our City's ability to rebound, hope for our capacity to overcome, and hope for an eventual return to all that makes Philadelphia great.

I base this optimism on the strength and dedication I witnessed from the thousands of first responders and City of Philadelphia employees over the last year.

- We fed students and residents at hundreds of meal sites;
- We distributed PPE to frontline and essential workers;
- We kept residents from losing their homes;
- We opened our parks for record use of safe recreation;
- We supported local businesses with a focus on equity;
- We saved lives by following the science and working from home;
- And, along with many partners, we have administered a million doses of vaccine at over 250 sites citywide.

I am incredibly proud that throughout the pandemic, our workforce responded with the tenacity and grace of true public servants, working incredibly hard to meet the changing needs of our residents.

This Plan builds on all of these efforts so that Philadelphians in every neighborhood can benefit from a strong, inclusive recovery.

Over the next five years, we will move Philadelphia forward by:

- Providing core services that people depend on,
- Accelerating inclusive, economic growth,
- Maintaining the City's long-term fiscal health,
- And reducing racial disparities.

As you can imagine, a significant part of our Five Year Plan is dependent on the estimated 1.4 billion dollars in Coronavirus Local Fiscal Recovery Funds we're slated to receive from the Biden Administration's American Rescue Plan.

This one-time federal relief will help ease the effects of projected revenue declines from business closures and changes to workplace occupancy that were necessary to slow the spread of the virus.

To date, we have received over $800 million dollars in federal, state and local recovery funding to assist with new costs arising from the pandemic.

And in addition to the $1.4 Billion, we're anticipating that we will receive over $100 million more in targeted support through the American Rescue Plan, the only funding source that can be used to help with the revenue losses that we have sustained as a result of the pandemic.

The American Rescue Plan will help fill a gap this fiscal year, and our projected budget deficit resulting from the pandemic for the first four years of the Plan.

Equally important, it allows us to act on the harsh lessons from this crisis. For example, we know now more than ever, that we must plan for future disruptions and build a resilient fund balance.

This Plan puts us on that path.

And while $1.4 billion sounds like - and is - substantial, it by no means fully meets our long-term and recurring needs.

The actual need over five years is well over $1.5 billion in order to: restore core services to pre-pandemic levels; have funds for ongoing pandemic response; meet new service needs and priorities; and set us up for ongoing fiscal stability.

The American Rescue Plan funds will certainly have a positive impact on jumpstarting Philadelphia's economy. But I think we can agree that it's not enough to simply recover…we need to rebuild equitably while ensuring growth that benefits all.

Every industry has felt the brunt of the pandemic and far too many of our businesses are still struggling to survive.

So it's time to safely reopen, support business growth, and create economic security for all Philadelphians.

I'm proud to report that this Plan proposes no tax or fee increases. In fact, we'll help businesses - and residents - by providing tax relief.

We'll enact Wage Tax reductions to the lowest level in 50 years, and achieve the biggest Wage Tax rate cut in more than a decade, with a deeper cut than was even included in the pre-pandemic plan for Fiscal Year 22. This cut will help jumpstart our economy and provide relief to workers.

We'll also restore previously planned reductions to business tax rates and the Parking Tax rate will return to pre-pandemic levels.

I understand that people may want us to tax wealthy corporations, or wealthy individuals, but as we're all aware, because of the Uniformity clause of the Pennsylvania Constitution we're required to have the same tax rate for our small

businesses as our largest corporations, and the same wage tax rate for our essential workers and the highest earning workers.

We must continue to work together to lobby Harrisburg for changes, while continuing to improve what's within our control to support local business.

To help our commercial corridors, we will provide 300 thousand dollars in increased funding for storefront improvement and security grants and 450 thousand dollars for the PHL Taking Care of Business Corridor Cleaning Program. This follows a 10 million dollar investment last year for services in FY21 and FY22.

This initiative, championed by Councilmember Parker, helps keep neighborhood corridors attractive places, while providing accessible job opportunities.

We'll also continue to find ways to make it easier to do business with the City by improving operations, investing in staff for a Business Response Team, and helping get more minority businesses certified so they can compete for City and other contracts.

We're committed to closing the opportunity gap experienced by minority-, immigrant-, and women-owned businesses that have been disproportionately impacted by COVID-19.

For instance, we'll increase opportunities for entrepreneurs by:

- engaging minority-, women-, and disabled-owned businesses in significant business with the City;
- investing in technical assistance and capacity building to help businesses grow;
- actively advancing public and private sector procurement reform; and by
- establishing an Entrepreneurship Industry Partnership.

And to increase opportunities for small business, the City - thanks to the leadership of Councilmember Green - streamlined the application process for small contracts. The Local Business Procurement Initiative raised the threshold requiring formal bids for City contracts from $34,000 to $75,000 - and to $100,000 for local businesses. This will make it faster and easier for small businesses to compete for contracts.

While we focus on business, we cannot forget our workforce. We include 3 million dollars to the Office of Workforce Development; 2 million dollars for a Transitional Jobs Program; 150,000 dollars for the Color Me Back Same Day Pay program, almost 1.5 million dollars in adult education programs; and 170,000 dollars for digital equity initiatives.

Together these investments in our Black and Brown entrepreneurs and workforce better position Philadelphia to be more adaptable and agile to the future of work. It will help us stay ahead and reap the benefits from rapid changes in technology, e-commerce, remote work and automation, which have been accelerated by the pandemic.

Additionally, in the Capital program, we've earmarked 20 million dollars toward economic development projects like the I-95 Cap, Schuylkill River Development Corporation's Christian to Crescent, and East Market and Neighborhood Commercial Center improvement projects.

Fortunately, the American Rescue Plan is not just helping relieve pressure on the City budget-it will do the same on household budgets and bring federally funded benefits to more than a million Philadelphians.

The stimulus payments, the expansion of Earned Income Tax Credit, and the expanded child tax credit will provide critical cash support to Philadelphians who need it. We estimate that together the EITC and child tax credit will help move more than 75,000 Philadelphians out of poverty this year, and could cut the rate of children in deep poverty in Philadelphia this year by half.

But to make the promise of these new benefits a reality, Philadelphians will have to take action and file tax returns, even if they have not done so in prior years or do not owe any taxes, so we are committed to connecting Philadelphians with the tax refunds they are entitled to.

And we will be urging Congress to make these one year changes permanent, so that our families get out, and stay out of poverty for good.

Over the last few years we have worked to reverse old practices of balancing our budget based on fines and fees that mostly impact those who can least afford to pay.

So, I'm also pleased to continue our elimination of the fines and fees that disproportionately burden Black and Brown Philadelphians.

With our partners, we've eliminated bail fees, library fines, and now we will eliminate fees that burden families with individuals incarcerated in our prisons.

These investments - and more - aim to spur economic recovery and growth, reduce poverty, and create inclusive and thriving neighborhoods…. as we've been working to do over the last five years.

These investments also complement the ones that we've made with Recovery grants we received, which are allowing us to invest over 170 million dollars to help people afford to stay in their homes, and another 140 million dollars to support nonprofits and small businesses impacted by the pandemic.

We'll work hard to keep even more residents from losing their homes by investing hundreds of millions of dollars over five years for home repairs, rental assistance, eviction and mortgage diversion, support for people experiencing homelessness, and affordable housing development.

I am proud that Philadelphia is a national model receiving well deserved attention for our work on housing and eviction, and creating a rental assistance infrastructure ready to serve thousands of residents in need.

I know this is a shared priority of Council President Clarke who launched the Neighborhood Preservation Initiative last year with the same mission.

And because Councilmembers Brooks, Gauthier, and Gym came together with a bold package of legislation, the Emergency Housing Protection Act stabilized rents, created an eviction diversion program, and ensured that Philadelphians were able to stay in their homes during an uncertain time.

I'm pleased to also increase funding for the arts by $1.35 million dollars, including doubling the Cultural Fund. Not only is the arts community part of the fabric that makes our city great, but we also view the creative economy as a core sector for recovery - one whose reinvestment will pay dividends in the future.

I'm pleased to continue investments in our shared public spaces including $2.9 million to restore five-day service, after-school programs and other services at our libraries…. and $6.9 million dollars to restore recreation programs and reopen pools.

Summer 2021 will be exciting and enriching, full of opportunities for learning and fun for youth of all ages. We have our School District Partnership for summer academic and enrichment camps, Playstreets, Parks & Rec summer camps, City Out-of-School Time summer camps in the community, as well as summer WorkReady for older youth.

We know that these types of activities are lifelines for our kids, and believe that keeping children and youth engaged in

dynamic summer experiences will help keep them safe and reduce community violence.

We also will dedicate another 10 million dollars in Fiscal Year 22 - and 50 million over the six-year Capital Program - to the FDR Park Master Plan, which will support building and site improvements for this transformational project that's near and dear to Councilmember Johnson and myself.

We know what the Lakes meant to us as kids, and what it has meant to residents during the pandemic, and we want to continue this legacy for our children.

The Capital program includes a historic 317 million dollars over six years in street paving, reconstruction, and ADA curb ramps. With 132 million in FY22, this is the largest single-year investment in the City's history, and will help workers, residents, and visitors access their destinations reliably and safely, something I know is important to Councilmember Thomas.

Finally, to foster clean and safe communities, we'll invest 62 million dollars over five years to expand mechanical street sweeping, with a focus on Black and Brown communities that are often hit the hardest by illegal dumping.

And yes, like I mentioned during last year's budget address before the pandemic struck, we will be asking residents to move their cars to sweep out streets.

We know now more than ever that creating a thriving city truly depends on the health of all communities.

We must work to eliminate health disparities and safeguard residents from threats that cause disease and injury. Therefore, we're investing 250 thousand dollars to build on existing efforts to produce a plan to improve racial equity in health outcomes.

This includes preventing chronic health conditions like diabetes and heart disease that disproportionately affect people of color. We have to ensure all children and families have access to nutritious foods, decreased use of addictive and toxic products, and access to safe, green spaces.

We'll also invest 1 million dollars for air management to improve air pollution oversight. Air pollution, like that emitted by boilers and generators, contributes to health problems like heart disease, asthma, lung disease, and respiratory tract infections. The concern is greatest among adults with other health problems, children, and the elderly and results in significant racial disparities.

Because our fight against COVID-19 is far from over, the Plan sets aside 50 million dollars for COVID containment, as part of a 75 million dollar Reopening and Recession Reserve. This is in addition to over 220 million in targeted grant funding we received to support our public health response to the pandemic, and in addition to the over 60 million dollars that we are projecting to receive from the American Rescue Plan for vaccine activities and testing for the School District.

We must continue to provide our Department of Public Health, Office of Emergency Management, and other agencies with the resources required to effectively combat COVID-19. To date, we have deployed over 140 million dollars to the public health and safety response to purchase PPE, establish a surge medical hospital, distribute meals to vulnerable populations across the City, stand up hotels where people can safely quarantine and isolate, improve the safety of our shelter system, and much more.

And we must continue to prioritize addressing mental health, including concerns exacerbated by the pandemic, through a system of care in which professional treatment, along with family, individual, and other resources, allow people to manage their own conditions and build self-resilience.

In fact, across all the funds we administer, investments in the Department of Behavioral Health and Intellectual disAbility

Services are more than $1.6 Billion dollars in Philadelphia - more than double the Police Department's Budget.

We also make a strong commitment to fighting the opioid crisis.

Significant progress has been made in saving lives by reducing overdose deaths, but since March of last year, COVID-19 has prompted an increase in fatal drug overdoses, particularly in Black and Brown communities.

The supply chains for help and support have been broken, drug-related violence has soared.

Equally important, this past year demonstrated a vital need to center racial and social equity in our opioid response.

So the Plan allocates 400,000 dollars for opioid treatment, and 500,000 dollars for the Opioid Response Unit, our multi-departmental effort to address the opioid epidemic.

And later this month, the Opioid Response Unit will unveil its new Action Plan, an overview of both how far Philadelphia has come and how far we still must go in the fight against Opioid Use Disorder.

I am incredibly proud of the work being done, but these are just the first steps of many. Our efforts will not end until once again there is a healthy population, and safe and thriving communities, untainted by the scourge of opioids.

While containing the pandemic is among our most pressing priorities, we know that in some ways it pales in comparison to our other longstanding public health crisis - gun violence.

In 2020, Philadelphia lost 402 people to gun violence - the most gun related homicides in 30 years. With more than 140 people killed since the start of the year, 2021 is on track to be the worst year on record. Solutions must expand to match the scale of the problem.

As a result, a total of $18.7 million of additional funding in FY22 on anti-violence efforts for a total of $35.5 million of investment. Over the life of the FY22-FY26 Five Year plan, this is an additional investment of $70 million.

This includes new investments such as:

- 1.3 million to expand proven violence interruption programs like Community Crisis Intervention Programs and Group Violence Intervention
- $2 million in the transitional jobs programs I mentioned earlier
- $500,000 for expansion of Targeted Community Investment Grants for violence prevention programs run by our community partners, and
- $1.35 million for community improvements including graffiti cleanup, vacant lot remediation, clean & seal efforts, and improved lighting and visibility in key neighborhoods.

We must stem the tide of gun violence while also addressing the systemic racism in policing that impacts Black and Brown Philadelphians.

We've heard from the public and leaders in our communities that we must reimagine our approach to policing to create the safety all Philadelphians have a right to.

To improve police response to people calling 911 in behavioral health crisis, the Plan funds a $6 million dollar investment for improvements to the process of triaging 911 calls and expansion of the pilot co-responder teams.

Another $7.2 million expansion of behavioral health mobile crisis units and a crisis hotline will improve how emergency mental health services are delivered in crisis situations.

Working with you all, and especially with the leadership of Councilmember Jones, we are launching a new 1.9 million Citizen Police Oversight Commission to restore public confidence, to review residents' complaints, and to create better police community interactions.

The Plan also allocates 750,000 dollars for expanded training for the Police Department so our officers have the tools and skills to make good decisions when put in difficult situations.

And another $400,000 dollars is earmarked for its Early Intervention System, a critical piece of the Department's reform plan which uses technology to help identify and reward positive officer behaviors as well as intervene before an officer is in a situation that warrants formal redirection.

To ensure the Philadelphia Police Department has the tools they need to solve crimes, we'll commit 2 million dollars for upgrades in the Office of Forensic Science.

And while we will do everything we can alongside our criminal justice partners to reduce violence and hold violent offenders accountable, we must continue to call on the Pennsylvania legislature to let us meet Philadelphia's unique needs.

Until we address the availability and access to firearms, we will always be fighting an uphill battle. We need the ability to adopt proven gun policies that will save lives.

We know from firsthand experience how invaluable local control can be.

We saw it over the last year when it comes to our public education system. The City's close partnership and alignment with the School District during the pandemic are how we were able to step up to serve our students' most pressing needs over the last year.

Our historic investment in education is the right approach for the long term benefit of our city-our economic growth and recovery depend on it.

As in the past, we are investing in our future to improve the long-term outcomes of Philadelphians.

The Five Year Plan envisions a return of teachers and students to classrooms, with $1.38 billion in funding for the School District of Philadelphia over the plan. This is on top of the $1.3 billion that the District will receive through the American Rescue Plan.

And we'll invest a quarter of a BILLION dollars in the Community College of Philadelphia, with 54 million dedicated to the Octavius Catto Scholarship. This initiative will enable 5,000 first-time students to attend college tuition-free, and with the supports they need like food, books, and transportation stipends to successfully earn their degree.

I had the opportunity to meet some of our Catto Scholars earlier this year, and I cannot understate how inspiring they are.

Students like Chelsea Hammond of Holmesburg who previously struggled with addiction, is now on a path to becoming a paralegal. Or Darrel Claiborn of Germantown, aims to provide a better life for his two sons by earning his Associates Degree at CCP, then continuing his nursing studies at Temple University.

These are just two examples of how this transformational program will improve Philadelphians' lives.

On a macro level, we know that CCP is an economic driver for our city. Increasing the number of Philadelphians with two

- and four-year-degrees is a key component of our inclusive growth strategy.

And we're even using the Catto Scholarship as a catalyst to advance our other equity and labor related goals.

For example, we'll work with CCP to implement a targeted recruitment plan for Black men, which are currently underrepresented in enrollment at the College. And we'll leverage the Scholarship to increase our City's teachers of color.

In partnership with our public schools and regional higher education institutions, we will create a seamless pipeline that will recruit, mentor, and retain emerging teachers of color to educate our kids.

In addition, PHLpreK will grow with 700 new slots and we'll add case management support to Community Schools.

We're committed to funding education from pre-K to college because it's the key to lifting Philadelphians out of poverty….It's the key to our long term growth…

And it's how we'll ultimately attract enterprise because we'll have the home grown talent ready for the future of work.

This Plan represents our vision to move Philadelphia forward, but we also had to make some tough choices in the spirit of fiscal stability.

But make no mistake, creating a diverse, efficient and effective government remains a priority.

We recognize the importance of modernizing service delivery so we're investing 5 million dollars for the Operations Transformation Fund to redesign City operations and services to efficiently serve businesses and residents.

And we'll invest in major tools needed to deliver City services including IT systems, trash trucks, and major infrastructure investments.

And across every investment in this Plan, we will target our dollars and our policy change to reverse the impacts of structural racism, and to make concrete improvements in the lives of Black and Brown Philadelphians-in their safety, their health, and their economic well-being.

Our Office of Diversity, Equity and Inclusion is helping departments complete racial equity assessment and action plans to reduce racial disparities across many indicators for success - education, criminal justice, jobs, housing, health, and more.

I'm proud that we can avoid layoffs in Fiscal Year 22, but we had to enact five percent budget cuts to most back office functions.

The Fiscal Year 2022 Budget represents $5.25 billion General Fund Revenues, and $5.17 billion in General Fund Expenditures.

This leaves us a General Fund Balance of 109 million dollars, which is two percent of Revenues, far below national standards of 17 percent or two months of spending. Cities with that level of fund balance didn't have to make the painful choices we did in the face of the pandemic, they had reserves to draw on. Philadelphia must build back toward fiscal resilience to be able to support and serve our residents through the next disruption, whatever it may be.

Yes, I've covered a lot today and there's even more in these budget documents.

In hundreds of pages of numbers, prose and charts, the operating budget, capital program and Five Year Plan serve as

blueprints for the city's re-opening in the wake of the pandemic.

This framework also represents what we've heard from the community. This year, we established a multi-lingual online survey and held a dozen focus groups and meetings, which gave 13,000 people a way to share their recommendations on the City's revenue sources and spending decisions.

This is just a start; we will make improvements on this engagement process year-to-year, until it's truly representative and inclusive.

I look forward to further engagement through hearings and discussions with all City Council members as you fulfil your vital responsibility to debate and vote on the proposals in the coming weeks.

As you review, please know that this budget was created with one guiding vision: that Philadelphians in every neighborhood can - and must - benefit from what I believe will be a strong recovery.

Every neighborhood.

That vision is what guides me every single day. And it's what keeps me going.

It is a vision I wrote about last April in an Open Letter to all Philadelphians.

I looked ahead to a time when the pandemic would be past history.

And I predicted: "When that day comes, we will watch our children head off to school, play on the sidewalks, and even share snacks and hugs. And we'll know that when it mattered most we stepped up, we cared for one another, we did what was right, and we endured."
A year later, I have seen first-hand how we have stepped up…

Of course, we are not there yet.

Restrictions remain in place, masks are still part of everyday life, there are many yet to be vaccinated, and residents are still - tragically - succumbing to the virus.

But I see that day on the horizon, and I am more confident than ever that with your continued hard work and dedication, we will get there soon.

From crowded festivals on South Street and concerts at the Dell…

That vision - soon enough - will become reality.

And all of this - all of what we knew and loved before the virus arrived - will be ours once again.

Thank you and God bless.