



Mayor's Office of Communications

CITY OF PHILADELPHIA

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Mayor Kenney Delivers Fourth Budget Address

PHILADELPHIA - Mayor Jim Kenney today delivered his fourth annual budget address to City Council.

Remarks as prepared

Thank you, Council President Clarke and members of City Council for inviting me to speak today. It's always great to be back in this chamber.

I want to give a special mention to my friends Blondell Reynolds Brown and Bill Greenlee who I've had the pleasure of calling colleagues, and who I will continue to call on for advice as they move on soon to the next phase of their lives.

I know they'll still be working hard through the end of the year, but can we give them a round of applause for their years of service and selfless devotion to the City of Philadelphia?

Philadelphia, as you know, has been glowing in the national spotlight of late: another post season run by the Eagles, an impressive young Flyers team, and a Sixers team that is the talk of the NBA.

And of course, in the past week, a baseball superstar who could have gone anywhere ... chose Philadelphia – not just to play here but to make it his home, to raise his family.

Welcome to Philly, Bryce Harper. And we're pleased to see your first move is to go Trout fishing.

It feels like just yesterday, when I stood here in 2016, and proposed our Administration's first budget and five year plan.

I'm proud of what we've achieved so far on vital issues like education, public safety, growing jobs, and increasing equity in our neighborhoods.

Today, I present the Fiscal Year 2020 Budget and the Five Year Plan that will help us achieve even more.

Before I do, though, I ask you to indulge me for a few minutes. Time travel with me to 2024... and let's ask ourselves a simple question.

What can we — the City of Philadelphia — be in five years?

Join me in imagining what our city has the potential to look like...feel like...and offer to our residents, workers, and visitors five years from now.

When I think about our future — as I often do — the first thing that comes to mind will not surprise you.

It's the foundation of what makes any small town or large city great — a high performing public school system.

In 2024, every five-year-old starts their first day of kindergarten ready to learn, because they participated in quality pre-K.

Every child has the opportunity to attend a great public school in their own neighborhood. Whether it's District-run, charter, magnet, CTE, or special admit, parents and caregivers know their children are receiving a world class education in a safe, nurturing learning environment.

Our schools have the necessary resources to ensure students read on grade level by the time they enter fourth grade and then graduate on time — ready for college and careers.

In 2024, more schools have been modernized to create spaces for play, creativity and learning. And they are thriving school communities, offering enriching after school programs and engaging residents of all ages.

Our schools attract diverse educators because our teachers and administrators are supported, trained, and paid fairly.

In 2024, Philadelphia has a strong and growing economy — with lower unemployment, increased job opportunities, a higher median income, and fewer Philadelphians living in poverty.

We've attracted and retained small businesses and large corporations alike. These companies chose to relocate, stay, and grow here because of all that our talent, research universities, location, affordability, and rich quality of life have to offer their employees and companies.

We have a skilled workforce that's qualified for these new family-sustaining jobs in growing industries.

And in 2024, more college grads choose to stay in the region because Philadelphia is where they can build a successful career, set down roots, and one day raise a family.

Our thriving tourism industry continues to set records, and Philadelphia remains a destination for large-scale events, day trips, and everything in between.

Our investments in transportation and infrastructure have paid off; evidenced by streets that are in good repair, roadways that are less congested, and public transportation that connects Philadelphians from all corners of our city to economic opportunities.

In 2024, our treasured neighborhood parks, recreation centers, and libraries are well-maintained. Residents benefit from quality programs and events year-round.

And as neighborhoods are developing, longtime residents share in their community's success

because we've invested in housing affordability.

We've expanded opportunities for minority, women and disabled-owned enterprises who are doing more business with the City than ever — so that the companies that receive City contracts truly mirror what Philadelphia looks like.

In 2024, Philadelphians feel safe because our city is safe.

Our overall crime rates are at the lowest they've been in nearly half a century, and we continue to experience a decline in violent crime.

Vacant properties that once attracted crime and contributed to blight have been redeveloped and support thriving communities.

In 2024, Vision Zero has successfully reduced traffic fatalities — and drivers, bikers, and pedestrians respectfully share our roads.

Kensington is no longer known as the “epicenter of the opioid crisis.” Instead, the nation is learning from the Philadelphia Resilience Project about how we collectively fought and conquered the epidemic that claimed the lives of over twelve hundred people at its peak in 2017.

Far fewer people experience homelessness because residents have access to a broader continuum of housing resources and a range of affordable housing options.

In 2024, after dramatically and safely reducing our prison population and recidivism through criminal justice reforms, we have become a national model for building a more fair, equitable and just society.

And we're investing funds once spent on incarceration into other services that everyone can enjoy — like cleaner and smoother streets, great public spaces, education, job training, and other core services that improve our quality of life.

In this Philadelphia of 2024, our government is more efficient and effective. We've earned the trust of taxpayers because we are smart and responsible with their money.

Our fiscal situation is strong, with a healthier pension fund and impressive bond ratings that minimize our borrowing costs.

Smart tax reforms, coupled with improved tax collections and expanded payment relief programs, have benefitted taxpayers who face legitimate hardships while also contributing to our overall fiscal health.

Antiquated internal systems are long gone. And new tech-based tools streamline processes, resulting in increased efficiency and better services for our residents.

I could keep going and going — if there is one thing Philadelphia is not short on, it is goals and aspirations.

But the truth is, everything I just described, this grand, five-year vision, is attainable — if we continue to work together, as we've done over the last three years.

It's why we've already made significant progress on creating great schools in every neighborhood.

The Plan includes \$1.2 billion in general fund contributions to the School District. That's over \$700 million more than would have gone to the District without the commitment we made last year.

Let me repeat that — the City is providing 1.2 Billion dollars, over seven hundred million dollars in new funding, to ensure the School District continues its positive momentum and never again is forced to make devastating cuts that put our children's futures in jeopardy.

We did this because these are all of our kids, no one else's, and it's incumbent upon us to do what's right by them so they can reach their full potential.

This past year brought a major milestone: we returned our schools to local control for the first time in nearly two decades by establishing a locally appointed Board of Education.

Our new School Board, under the amazing leadership of President Joyce Wilkerson, is making great strides.

The Board established committees that focus on important issues like student achievement, finance and facilities, and parent and community engagement. They appointed student board representatives. And they are establishing a Parent and Community Advisory Committee because, as Councilmembers Reynolds Brown and Gym have often said, representation matters.

These additional voices ensure that the most important stakeholders — our students and parents — have their voices heard.

These actions and the hard work of Superintendent Hite and the District's employees are already paying off.

Moody's Investor Services assigned an Investment Grade rating for the School District for the first time since 1977. Now the District's outlook is "stable" as a result of new revenues and strong District management, an upgrade that can save the District millions in future borrowing.

And last month, the District celebrated three consecutive years of improvement among both District-led and charter schools citywide. More students have strong reading skills and are graduating on time. More classrooms are modernized, and the District is investing more than a billion dollars in capital improvements.

In addition, all schools now have counselors and nurses, and all elementary schools have instrumental music and art classes, as Councilmember Blackwell has long fought for.

Schools are expanding computer science education, so our kids are trained for technology-based jobs as Councilmember Domb has urged. And they're investing in literacy and math coaches for our hardworking teachers.

I'd like to acknowledge Superintendent Dr. William Hite for his leadership and commitment to our students' success. Since he launched the District's Action Plan four years ago, we have twice as many high-performing schools and 50% fewer lower performing schools.

I think that deserves a round of applause.

Dr. Hite, the City is proud to work alongside you and your team on many shared priorities every day. A positive result of local control has been increased collaboration between the District and our Administration.

One example of this is how we've been piloting new forms of behavioral health supports in 21 schools, and we are initiating a broader process to redesign behavioral health services in all schools.

Another is the Community Schools initiative, which was championed by Council President Clarke. Our 12 Community Schools offer programs and services for thousands of Philadelphians, including students, families and residents.

Whether it's after school programs, food pantries, adult education classes, or job training, we're meeting people where they are — at their neighborhood school — to provide services that they need.

We plan to designate five more Community Schools this coming school year, and three more by Fiscal Year 21, bringing our total to 20. This timeline helps us increase after school activities and summer jobs for students within our Community Schools.

To meet the District's academic goals, we developed the citywide Out-of-School Time Initiative, which provides safe spaces and quality programming for kids. Next month, DHS will ask for proposals for OST programs that align with the District's goals around early literacy and career readiness.

And we plan to invest a million dollars to further this work and to leverage the \$4.4 million dollars that the William Penn and Knight Foundations have invested in building a quality OST system.

To improve the career-readiness of our students and to respond to the needs of local employers, we also plan to create a new joint Office of Career Connected Education with the District. This will increase career exposure and job opportunities for our students and create a more seamless experience for employers to engage with the District.

This Budget proposes resources to enable the start-up of this Office, and to match funds that Dr. Hite will also be allocating in his budget that will also include placing an additional ten career counsellors in high schools who will support our students' career readiness.

To increase the amount of quality summer jobs available for our high schoolers, we plan to invest an additional one million dollars per year. And to expand dual enrollment programs that give students the chance to earn college credits while they're still in high school, we plan to increase support for our Community College by \$1.3 million a year, bringing the total to nearly \$34 million.

This funding increase will also enable the college to continue important programs like Power Up Your Business, a neighborhood-based approach championed by Councilmember Parker to support small business-owners.

And for our youngest learners, we'll grow PHLpreK to serve three thousand three hundred three- and four-year-olds next year, and five thousand five hundred kids by 2023. We all know that participation in quality pre-K helps our kids gain skills that last a lifetime, but it also helps their parents return to the workforce. And it helps our PHLpreK providers, most of which are minority or women-owned small

businesses, improve the quality of their programs and pay their teaching staff higher wages.

While education has always been our Administration's top priority, this budget also ensures that economic growth is inclusive and benefits ALL Philadelphians.

Thanks to the leadership of Councilmember Squilla, we are taking an important step to ensuring our own workforce earns a living wage by gradually raising the minimum wage of City workers and contractors to \$15 an hour. This budget includes over \$14 million to account for these increases over the next five years.

We'll also start compensating our summer interns in the Mayor's Internship Program because we know that too often, unpaid internships can undermine diversity and inclusion by shutting out people from underrepresented communities.

The plan adds almost five million dollars for workforce development initiatives that help prepare our residents for family-sustaining jobs. These include:

The City as Model Employer initiative that hires individuals who face barriers to employment and helps our government build a more diverse and talented workforce;

The Mural Arts' Guild program, which gives youth and adults who have been engaged with the justice system the opportunity to give back to their communities while developing professional skills and earning a wage;

And the Greater Philadelphia Technology Industry Partnership led by the Office of Workforce Development working in partnership with more than 15 employers to develop a comprehensive approach for connecting Philadelphians to the tech industry. This is one of three Industry Partnerships launched or expanded, with Philadelphia Works and partners, this year.

We're also working to launch a transparent data system that tracks workforce development metrics and progress across a common set of measures.

To better support the small businesses that employ a large portion of our city's labor force — we're expanding supports on commercial corridors and grants for CDCs.

This is the kind of support for our business community that has long been championed by Councilmember Oh.

Plus, more resources will be dedicated to our ongoing business attraction work, including the Philadelphia Global Identity Project — an effort to elevate Philadelphia's international presence and develop shared marketing messages and materials for the city to attract business, capital and talent.

All of this is being bolstered by a 3.75 million dollar increase to Commerce's budget over five years.

The complaint I hear most often from our residents — and I'm certain you hear it as well — is about the condition of our streets.

Our constituents will be pleased to hear that our Administration is committed to improving Philadelphia's roadways. Over this six-year capital program, more than \$200 million will be invested in reconstruction and resurfacing of City streets, allowing the Streets Department to repave 131 miles

of streets annually by Fiscal Year 23.

This is the largest single investment in the capital program, accounting for almost one-fifth of the total capital program and will enable residents and visitors to notice a dramatic improvement in the quality of our streets.

We'll also continue implementing CONNECT, the strategic transportation plan that we unveiled this past year.

CONNECT makes clear: If we are to thrive as a city, we must take steps to ensure that growth benefits the lives and daily experiences of all of our residents — especially those who have been historically under served, and who live in neighborhoods that have been disconnected from jobs and opportunities.

This major transportation investment includes traffic safety improvements that are a part of Vision Zero; ADA ramp reconstruction; traffic control and signal modernization; restoring historic streets; Roosevelt Boulevard improvements, a high-quality bicycle network, and much more.

To further promote traffic safety, we created — for the first time in our City's history — Neighborhood Slow Zones. Slow Zones are clearly marked sections of residential streets where speed limits will be posted at 20 miles-per-hour and traffic calming tools like speed cushions are installed.

This leads me to another one of our major neighborhood revitalization projects — Rebuild.

Through Rebuild, we are making a historic investment of hundreds of millions of dollars to restore our recreation centers, playgrounds, and libraries that have been neglected for decades.

The capital program continues the multi-year \$48 million pledge as well as the three borrowings made possible by the Philadelphia Beverage Tax to complete everything from small projects like fixing leaking roofs and replacing boilers to multi-million dollar renovations.

These investments will revitalize our community facilities, so residents no longer have to put up with the conditions they've dealt with for decades.

Since the Pennsylvania Supreme Court upheld the beverage tax in July, we've been full steam ahead with Rebuild. We completed the first borrowing, celebrated our first groundbreaking and are launching new projects across the city.

And we remain committed to our diverse hiring goals, championed by Councilmember Parker, so people of color can benefit from the construction work made possible by Rebuild.

While Rebuild supports capital improvements for recreation centers and libraries, I'm committed to their operations, as well. We plan to increase support for the Free Library, so ALL of our neighborhood libraries can provide six-day service.

Another area where we worked together toward a shared goal was on maintaining housing affordability. As a result, we're dedicating \$80 million to the Housing Trust Fund over six years to implement the City's first comprehensive Housing Action Plan.

Through this plan, made possible because of Councilmember Sanchez' leadership, we'll be able to

provide greater protections for our most vulnerable residents and preserve affordable housing. We will help families buy their first home, homeowners avoid foreclosure, and renters avoid eviction.

Housing stability is critical to maintaining a high quality of life, but so is investing in our health. Thanks to Councilmember Bass' advocacy, the City has taken action to improve health outcomes for all Philadelphians.

We'll continue this momentum by making new investments in programs through the Department of Public Health to prevent asthma in children, address our city's obesity epidemic, and promote healthy neighborhoods. We will expand support for families with new babies and improve walkability and the safety of low-income housing.

And we will open a new City Health Center to better serve residents of North and Northeast Philadelphia, a shared priority of Councilmembers O'Neill and Taubenberger.

Improving public safety is another key aspect of building a strong future for Philadelphia.

Police Commissioner Richard Ross has done a stellar job of instituting many police reforms that have not only benefited the force, but also the public it serves.

But I know he agrees with me when I say there's no way we create a safe and just city without addressing the intractable issue of gun violence that still plagues our city. It cuts lives short, destroys families, and sows fear in law-abiding residents.

And as Councilmembers Johnson and Jones know too well, gun violence disproportionately impacts men and boys of color.

They — along with Council President Darrell Clarke — have been speaking this truth for far too long: we cannot police our way out of this problem, and there is no magic solution that can solve it.

Recognizing that this is unacceptable, and we need to take a new approach, our Office of Violence Prevention recently released the Philadelphia Roadmap to Safer Communities, the City's first comprehensive, city-wide anti-violence strategy in over a decade.

The Roadmap focuses on prevention, intervention, enforcement, and reentry. By taking a public health approach to gun violence, we have developed strategies to address the underlying factors that contribute to the violence in our communities.

We plan to invest over \$30 million over the Five Year Plan to implement this Roadmap. And we'll build on our Administration's successful criminal justice reforms by improving reentry programs and establishing the Office of Reentry Partnerships in the Managing Director's Office.

This Office will support successful reintegration of formerly incarcerated individuals to thrive in their communities.

As part of the new Roadmap to Safer Communities, we will:

- Improve analytical capacity and technology to implement the Police Department's Operation PINPOINT strategy;

- Create an Injury Prevention Unit within Department of Public Health that's focused on gun violence prevention;
- Establish Neighborhood Resource Centers to provide those on probation with the supports they need to succeed. This effort wouldn't be possible without the partnership of the Courts and the leadership of Councilmember Jones;
- We'll build an infrastructure for synchronized "hot spot" activities that combines intelligence-based policing and supportive social services;
- Offer community targeted impact grants to provide more support to community based violence prevention programs serving individuals at a high risk of violence;
- Expand the City's Community Crisis Intervention Program to ensure teams are available in communities that experience high rates of gun violence;
- And enhance greening of vacant lots and sealing vacant homes in high risk neighborhoods.

We're committed to doing this right, so we'll be continuously evaluating our efforts. Like the Resilience Project, we'll assess what's working and what isn't, and we'll change course appropriately as needed.

To further improve public safety, this budget includes additional investments in our Police and Fire Departments, priorities urged by Councilmembers Henon and O'Neill.

These include 50 new police officers and more body worn cameras — enough for every officer by this coming fiscal year. Our capital budget calls for investments in police facilities including the Police Administration Building, building new facilities for the 22nd and 2nd Police Districts, with substantial renovation to the 15th Police District, and making necessary improvements to the Police Academy training facility.

This year, the Fire Department is expected to choose a site for a Logistics Hub, creating a central location for vehicle storage and training. Fire stations will be renovated, and new commercial laundry equipment will be installed.

Over the next five years, seven companies will re-open across the city. New apparatus will be procured to serve these new companies, as well as replace older equipment for engine, ladder and medic companies. These investments will help Commissioner Thiel and his team continue to improve response times, better protect property, help save lives and keep our firefighters safe.

This past year brought both progress and continued challenges as we battle the opioid crisis. While the Kensington section of the city has borne the brunt of it, we know that drug addiction, homelessness, and related issues are happening citywide and have drained public resources for years.

So, in October, we launched the Philadelphia Resilience Project, a new, coordinated response by over 35 City departments and agencies that is building off the important groundwork of the Mayor's Task Force to Combat the Opioid Epidemic.

The Resilience Project is focused on seven areas: Clearing major encampments; Improving public

safety; Reducing street homelessness; Reducing trash and litter; Reducing overdoses; Increasing access to treatment; and Increasing community response.

So far, we cleared the last of four large encampments humanely. In fact, more than half of the residents of the encampments accepted housing or services. We've also developed ways to prevent new encampments from forming.

Just as important is the safety of the residents of that community. We've worked with local schools and volunteers to create safe corridors for children walking to and from school. We've expanded the Police Assisted Diversion Program into the East Division, which provides those with minor drug and other offenses the opportunity to get help, rather than be arrested. We've also expanded housing options and improved access to treatment.

And to beautify the neighborhood, we've held four major cleanups spanning hundreds of blocks, removing 275 tons of trash and debris and more than 300 abandoned vehicles.

We installed needle dropboxes and launched a new program called the "Kensington Initiative for Needle Disposal," or KIND, that has removed over 3000 discarded needles from the streets while employing people who suffer with addiction.

We've distributed thousands of doses of Narcan to prevent overdoses and prevented the spread of infectious disease. We created a Community Advisory Committee and engaged civic associations, residents, and the business community to join us in this work.

We could not do it without the support and input of Councilmembers Sanchez and Squilla. No council districts have been more impacted and their partnership has been invaluable in this fight.

Because we know the Resilience Project is on the right track, this budget calls for \$7.6 million dollars this coming year, or \$36 million over five years, so we can achieve our long term goals.

For example, the Plan adds \$26 million over five years to the Office of Homeless Services' budget to provide the emergency, temporary and long-term housing needed to reduce the number of people who are unsheltered. Additional funding is dedicated to the Department of Public Health for a toxicologist at the Medical Examiner's office, and \$6.5 million over five years is provided to the Department of Behavioral Health and Intellectual disAbility Services for community outreach, recovery housing, and supports for expanded syringe exchanges.

The opioid crisis is not just a Kensington problem - it's a Philadelphia problem. The City and partners have taken action to stem the epidemic by educating the public, reducing opioid prescribing, improving access to treatment and holding opioid manufacturers and distributors accountable. It's my hope that I can stand before you in future years without needing to propose further investments — because we stemmed the tide of the underlying causes of these systemic issues.

We also hear residents loud and clear about how clean this City is — OR ISN'T. This budget includes \$2.3 million next year, and \$11.7 million over the life of the plan, to implement street sweeping in more neighborhoods.

We'll launch a pilot program in six neighborhoods this spring that will test a combination of mechanical brooms and blowers. Next spring, we will continue to explore the program, and where possible ask residents to move their cars as we work to keep streets clean.

Many of the investments we are proposing come because the City ended last Fiscal Year with a strong fund balance. We are also being prudent — so we are proposing to deposit \$92 million of fund balance money by the end of the Plan into the Rainy Day fund in case of emergencies or an economic downturn.

We're seeing signs that we're turning the corner in the health of the Pension Fund. The Fund grew in the past year — meaning we saw more contributions than payouts.

More money went in than went out.

This is a result of our reforms, including increased contributions from city workers, the implementation of a new hybrid benefits plan that we negotiated in labor contracts, and contributing more than we're required under state law. We're doing our part in addition to asking our employees to do theirs.

We thank all our municipal unions — whose leaders are in the chamber today — for stepping up. Fixing the fund won't be easy, but we're headed in the right direction.

While the City's property assessment system has made great strides since AVI, we have heard the concerns that you've voiced and raised in your audit. Our Administration is committed to continually look for ways to improve and best reflect changes in the market. OPA is adopting a series of a dozen substantial recommendations that I'm convinced will ensure public confidence in the assessments.

Another way this budget invests in Philadelphians is empowering each of us to stand up and be counted. We will meet the state's mandate of having secure voting machines in place for the next presidential election. And as Councilmember Green has urged, we will make sure every Philadelphian is counted in Census 2020. To help all Philadelphians get an official ID, something we all need, we'll soon launch the PHL City IDs program.

These efforts to make government work better may sound boring to the average person, but I'm sure you'd agree with me that it's often the most rewarding part of our work.

You know, on a related note... This might actually come as a shock, but SOME people think that I don't really enjoy being mayor.

It probably has a little something to do with my overly-expressive face. You've heard the saying "wear your heart on your sleeve." Well, I've come to learn that I literally show my emotions on my face.

The truth is — I love my job. I'm just frustrated often by where we are, because I can see our tremendous potential.

I get frustrated by our persistent, intergenerational poverty. We know that at least a quarter of our residents are struggling to keep a roof over their heads and food on the table. It's simply unacceptable that our neighbors are unable to meet their basic needs.

But then I go on my weekly school visit which always makes me feel better. At Dobbins CTE High School, one of our Community Schools I hear about a job training program through Philly Works and Unite HERE that's preparing adults in the community for guaranteed union jobs, earning at least 15 dollars an hour.

I'm frustrated that, despite a relatively low unemployment rate and job growth that outpaces the national average, our median income actually dropped in 2017.

But then I think of international companies like WuXi AppTec that continue to invest in our city and bring more high-wage jobs here; and local leaders like La Colombe and Jefferson that have stepped up to pay all of their workers a living wage.

I also get frustrated when I read reports on drug overdoses or spikes in homelessness -- like we experienced last August.

But then I go to a Resilience Project cleanup with over a hundred volunteers working to revitalize their neighborhood. They remind me that Philadelphians ARE RESILIENT and together, we will overcome the opioid epidemic.

I'm frustrated when I meet with people who are dealing firsthand with the ravages of gun violence. Mothers burying their children. Kids growing up without a parent. Communities torn apart. It weighs on me heavily, like I know it does for all of you.

But then I get to go to a PHLpreK program and I'm reminded of how perfect our 3- and 4-year-old babies are. Everything we're doing to invest in their education will pay off for them, and I know they'll be more likely to make healthy choices as they get older.

You get my point. I'm often frustrated by the challenges we face, but it's not because the problems are too big to solve.

Frankly, it's just the opposite. We already have what we need to make Philadelphia a city that works for us all.

And I know that this Budget and Plan will help us achieve the 2024 vision that I described earlier. I look forward to continuing to work alongside you to make Philadelphia the shining example of what a diverse, inclusive and prosperous city can be.

Thank you.

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