

Mayor Kenney's fifth budget supports Health Equity for All, Quality Education for All, A Safer and More Just Philadelphia, Inclusive Growth and Thriving Neighborhoods, and Diverse, Inclusive, Efficient, and Effective Government. The FY22-26 Plan focuses on providing core services, maintaining the City's long-term fiscal health, reducing racial disparities, and advancing equitable outcomes for all Philadelphians. The America Rescue Plan (ARP) includes \$1.4B in federal relief funding for Philadelphia to sustain the City's response and recovery of core services. The ARP has helped the City avoid making catastrophic budget balancing actions and to make crucial investments. Still, the COVID-19 pandemic has left the City with considerable structural challenges that will have lasting impacts on the City's budget.

FY22 STATS

- ▲ **\$5.218B** GENERAL FUND REVENUES
- ▲ **\$5.180B** GENERAL FUND EXPENDITURES
- ▲ **\$109.2M** GENERAL FUND BALANCE = 2.1% OF REVENUES
- ▲ **\$270M** IN NEW TAX-SUPPORTED BORROWING FOR CAPITAL PROJECTS; LARGEST IN AT LEAST 20 YEARS
- ▲ BIGGEST WAGE TAX RATE CUT SINCE 2009

ECONOMIC RECOVERY:

The FY22 Budget includes \$575M in ARP funds as revenues, which will have a positive impact on restarting Philadelphia's economy. \$32M of ARP funds will be spent in FY21 with remaining funds to be spent by December of 2024. In addition to these funds, Philadelphia will receive dedicated funds for vaccinations, housing, homeless services and other needs, plus direct relief to individuals, businesses, and other government entities like the School District and SEPTA.

NEW INVESTMENTS FOR AN EQUITABLE RECOVERY:

- ▲ **CLEAN AND SAFE COMMUNITIES** including street sweeping & commercial corridor cleaning, road paving, storefront improvement & security grants, restored funding for demolitions, and new funding for anti-violence programs.
- ▲ **EDUCATION** including expanded PHLpreK, Community Schools, and Out-of-School Time(OST) programs, and continued funding for the School District of Philadelphia and Community College of Philadelphia.
- ▲ **TAX RELIEF** including accelerated Wage Tax rate reductions, restoration of Business Income and Receipts Tax (BIRT) rate reductions, and funding for Earned Income Tax Credit (EITC) outreach.
- ▲ **ECONOMIC AND WORKFORCE DEVELOPMENT** including \$2.9M to restore the Office of Workforce Development, \$2M for a Transitional Jobs Program, increased Economic Stimulus Program funds, and new Building Inspectors and customer support for eEclipse to enhance the quality of life in the City.

FY22 NEW AND EXPANDED INVESTMENTS



\$132M
STREET PAVING AND
ADA CURB RAMPS
*THE LARGEST SINGLE YEAR
INVESTMENT IN PAVING IN
THE CITY'S HISTORY!*



\$13.2M
911 CO-RESPONDER
AND MOBILE UNITS
FOR IMPROVED
HEALTH CRISIS
RESPONSE



\$18.7M
NEW FUNDING FOR
ANTI-VIOLENCE
PROGRAMS



\$1.4M
IN NEW FUNDING FOR
THE ARTS, INCLUDING
DOUBLING THE
CULTURAL FUND



\$250K
FOR A ROADMAP TO
RACIAL EQUITY IN
HEALTH OUTCOMES

FY22 REVENUES: WHERE THE MONEY COMES FROM

\$5.218 BILLION

FY22 General Fund: Proposed Local Tax Revenues		
	(IN MILLIONS)	(% OF REVENUES)
Wage and Net Profits	1,510	28.1%
PICA City Account	491	9.4%
Real Estate Tax (City Share)	693	13.3%
BIRT	516	9.9%
Real Estate Transfer tax	295	5.7%
Sales Tax	216	4.1%
Beverage Tax	73	1.4%
Other Taxes	72	1.4%
Local Non-Tax Revenues	377	7.2%
Local Agencies	66	1.3%
Other City Funds	641	12.3%
State Aid	227	4.4%
Federal Aid	41	0.8%
Total	5,218	100%

REVENUE HIGHLIGHTS

- ▲ \$575M in America Rescue Plan Relief. Fills projected budget gap and supports service restorations and new investments
- ▲ No tax or fee increases
- ▲ Lowest Wage Tax rate since 1971
- ▲ Restores BIRT and Parking Tax rates to the level planned for FY22 prior to the pandemic

FY22 OBLIGATIONS: WHERE THE MONEY GOES

\$5.180 BILLION

FY22 General Fund: Proposed Local Tax Expenditures		
	(IN MILLIONS)	(% OF SPENDING)
Payroll	1,882	36.3%
Other Employee Benefits	660	12.7%
Pension	775	15.0%
Contractual Services	1,043	20.1%
Debt Service	193	3.7%
Contributions & Indemnities	364	7.0%
Materials, Supplies, & Equipment	115	2.2%
Payments to Other Funds	49	0.9%
Payment to Budget Stabilization Fund	0	0.0%
Provision for Labor Obligations	25	0.5%
Recession/Pandemic Reserve	75	1.4%
Total	5,180	100%

SPENDING HIGHLIGHTS¹

- ▲ \$18.7M to expand anti-violence efforts
- ▲ \$12.9M for homeless services
- ▲ \$391.5M investment in education including PHLpreK, Community Schools, the School District, Community College of Philadelphia, Adult Literacy, Work Ready, and Out-of-School Time
- ▲ \$2.9M for workforce development

¹ Spending initiatives in the FY22 budget are complemented by additional support through federal relief funding.

MAYOR KENNEY'S COMMITMENTS



SAFER AND MORE JUST PHILADELPHIA

- ▲ **\$2M** in Transitional Jobs Program to remove barriers to employment
- ▲ **\$1.3M** to expand Community Crisis Intervention Programs (CCIP) and Group Violence Intervention (GVI) programs
- ▲ **\$1.3M** to expand violence prevention initiatives, such as targeted neighborhood investments and events



QUALITY EDUCATION FOR ALL

- ▲ **\$255.9M** in funding for the School District of Philadelphia
- ▲ **\$48.1M** for the Community College of Philadelphia
- ▲ **700 new slots** in PHLpreK for a total of 4,000 slots in FY22
- ▲ **\$25.8M** for Out of School Time (OST) programming



HEALTH EQUITY FOR ALL

- ▲ **\$7.2M** for Mobile Crisis Units to provide emergency mental health services 24 hours a day/7 days a week
- ▲ Continue efforts for COVID-19 prevention, testing, treatment, and vaccination



INCLUSIVE ECONOMY AND THRIVING NEIGHBORHOODS

- ▲ **\$1.9M** to restore five-day service at City library locations
- ▲ **\$4.7M** to restore rec centers hours and reopen all pools citywide
- ▲ **\$1.4M** in new funding for the arts, including doubling the cultural fund



DIVERSE, INCLUSIVE, EFFICIENT, AND EFFECTIVE GOVERNMENT

- ▲ **\$5M** for the Operations Transformation Fund to redesign City operations and services to efficiently serve businesses and residents.
- ▲ **\$170,000** for digital equity initiatives
- ▲ **\$54,000** for racial equity training
- ▲ Up to **5%** budget cuts to back office functions

FISCAL YEAR 2022-2027 CAPITAL PROGRAM

In Fiscal Year 2022, the City of Philadelphia will allocate \$270M to make improvements to community facilities (like parks and libraries), other public buildings (like offices and fire stations), major tools needed to deliver City services (like IT systems and trash trucks), and major infrastructure investments (to include the largest single year investment in paving in the City's history).

The FY22 Capital Budget has the largest amount for a Capital budget in at least 20 years! Included in this \$270M, the City will authorize spending of up to \$3.25B on Capital projects using funds from prior years, federal, state, self-sustaining enterprise funds (aka the Water Department and Airport), and other sources. Over six years, the City will allocate \$1.1B as part of \$9.5B in total spending to maintain and modernize existing infrastructure and develop new facilities.

AT A GLANCE: FY22 INVESTMENT HIGHLIGHTS



\$20M
ECONOMIC
DEVELOPMENT
PROJECTS



\$10M
FDR PARK



\$132M
STREET PAVING AND
CURB RAMPS



\$31M
IT SYSTEMS



\$14M
CITY BUILDINGS

KEY PROJECTS

▲ **FDR PARK:** The City, through the Department of Parks and Recreation, will dedicate \$10M in FY22 and \$50 million over the six-year Capital Program to the Franklin Delano Roosevelt Park Master Plan Improvements, which will support building and site improvements for this transformation project.

▲ **PAVING:** Over the FY22-27 Capital Program, \$317 M is programmed for paving/reconstruction of streets and ADA ramps. This is the single largest investment in the FY22-FY27 Capital Program and will provide a boost in funding that helps workers, residents, and visitors to access their destinations reliably and safely.