

Mayor Kenney's sixth 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 FY23-27 Plan focuses on providing core services, maintaining the City's long-term fiscal health, reducing racial disparities, and advancing equitable outcomes for all Philadelphians.

## FY23 STATS

- ▲ **\$5.51B** GENERAL FUND REVENUES
- ▲ **\$5.61B** GENERAL FUND EXPENDITURES
- ▲ **\$152.8M** GENERAL FUND BALANCE = 2.98% OF REVENUES
- ▲ **\$181M** IN NEW TAX-SUPPORTED BORROWING FOR CAPITAL PROJECTS

## NEW INVESTMENTS FOR AN EQUITABLE RECOVERY:

The Kenney Administration is committed to ensuring an equitable recovery from the pandemic. That commitment is demonstrated by the following investments:

- ▲ **CLEAN AND SAFE COMMUNITIES** including street sweeping & commercial corridor cleaning, road paving, storefront improvement & security grants, funding for demolitions, and new increased funding for anti-violence programs.
- ▲ **EDUCATION** including expanded PHLpreK, Community Schools, and Out-of-School Time programs, and increased funding for the School District of Philadelphia and Community College of Philadelphia.
- ▲ **TAX RELIEF** There are no tax rate increases in the budget proposal. If property tax assessments are higher than expected, we will explore tax relief and reform.
- ▲ **ECONOMIC AND WORKFORCE DEVELOPMENT** Including \$2M for the Rapid Employment & Development Initiative (READI) Pilot, a violence intervention workforce model, and \$3M for Workforce Development.

Those investments would not have been possible without the \$1.4 billion in American Rescue Plan (ARP) relief funds that the City is receiving to compensate for revenues lost during the pandemic. That federal funding, which helped eliminate a projected \$1.5 billion gap, meant that the City did not have to make more painful cuts or increase tax rates. With those funds, the City can continue to provide core services and pandemic responses avoid layoffs, build back up a small fund balance to help with future disruptions, and make strategic investments, as described above to help lift Philadelphians out of poverty.

## FY23 NEW AND EXPANDED INVESTMENTS



**\$184M**  
TO REDUCE AND PREVENT  
VIOLENCE



**\$389M**  
INVESTMENT IN EDUCATION  
FOR PHLPREK, COMMUNITY  
SCHOOLS, THE SCHOOL  
DISTRICT, CCP, THE OCTAVIUS  
CATTO SCHOLARSHIP AND  
ADULT EDUCATION.  
*THIS FUNDING IS IN ADDITION TO  
THE LOCAL TAX DOLLARS THAT GO  
DIRECTLY TO THE SCHOOL DISTRICT.*



**\$20M**  
IN OPERATIONAL SUPPORT TO  
ENSURE THE CITY CAN APPLY,  
RECEIVE, AND IMPLEMENT  
PROJECTS FUNDED BY THE  
INFRASTRUCTURE INVESTMENT  
JOBS ACT (IIJA) AND  
**\$60M**  
FOR LOCAL CAPITAL MATCHING  
GRANTS

## FY23 REVENUES: WHERE THE MONEY COMES FROM

**\$5.511 BILLION**

FY23 General Fund: Proposed Local Tax Revenues		
	(IN MILLIONS)	(% OF REVENUES)
Wage and Net Profits	1,682	30.5%
PICA City Account	561	10.2%
Real Estate Tax (City Share)	760	13.8%
BIRT	611	11.1%
Real Estate Transfer Tax	300	5.4%
Sales Tax	278	5.0%
Beverage Tax	78	1.4%
Other Taxes	135	2.4%
Local Non-Tax Revenues	373	6.8%
Local Agencies	65	1.2%
Other City Funds	401	7.3%
State Aid	231	1.4%
Federal Aid	36	0.7%
<b>Total</b>	<b>5,511</b>	<b>100%</b>

### REVENUE HIGHLIGHTS

- ▲ \$335M in America Rescue Plan Relief. Fills projected budget gap and supports service restorations and new investments.
- ▲ No tax rate increases
- ▲ Lowest Wage Tax Rate in decades

## FY23 OBLIGATIONS: WHERE THE MONEY GOES

**\$5.612 BILLION**

FY23 General Fund: Proposed Local Tax Expenditures		
	(IN MILLIONS)	(% OF SPENDING)
Payroll	2,040	36.4%
Other Employee Benefits	761	13.6%
Pension	843	15.0%
Contractual Services	1,167	20.8%
Debt Service	194	3.5%
Contributions & Indemnities	386	6.9%
Materials, Supplies, & Equipment	124	2.2%
Payments to Other Funds	63	1.1%
Provision for Labor Obligations	11	0.2%
Recession/Pandemic Reserve	20	0.4%
<b>Total</b>	<b>5,612</b>	<b>100%</b>

### SPENDING HIGHLIGHTS

- ▲ \$12.3M new spending for homeless services
- ▲ \$24.8M for the Housing Trust Fund
- ▲ \$9.8M increase to achieve stable five-day service at all City library locations
- ▲ \$5.6M increase for Parks and Recreation

# MAYOR KENNEY'S COMMITMENTS



## SAFER AND MORE JUST PHILADELPHIA

*Investments to offer better opportunities, social services, and quality of life services for individuals and communities highly at-risk, to provide swift and predictable law enforcement consequences for those engaged in violence who do not want help, and to always work with authentic community engagement to increase long-term resilience.*

- ▲ **\$12M** increase in funds for the Community Expansion Grant program, for a FY23 total of **\$22M** to expand violence prevention initiatives
- ▲ **\$2M** to expand Community Crisis Intervention Programs (CCIP) and Group Violence Intervention (GVI) programs for a total of **\$10.3M** in FY23
- ▲ **\$1.5M** new spending for the vacant lot maintenance and stabilization program
- ▲ **\$515,000** for upgrades to the forensic science office upgrades



## HEALTH EQUITY FOR ALL

*Investments to build a thriving city that ensures the health of all communities, eliminates disparities, and safeguards residents from threats that cause disease and injury.*

- ▲ **\$12.3M** new spending for homeless services
- ▲ **\$5.1M** to support an increase of supportive services in Kensington
- ▲ **\$462,000** to expand the Home Lead Remediation program



## DIVERSE, INCLUSIVE, EFFICIENT, AND EFFECTIVE GOVERNMENT

- ▲ **\$275,000** new spending for racial equity training
- ▲ **\$224,000** in new funding to drive diversity in recruitment
- ▲ **\$100,000** to launch the Philadelphia Voices survey project to equitably capture input from residents



## QUALITY EDUCATION FOR ALL

*Investments that prioritize the quality education of children, youth, and adults to support a more rapid and equitable recovery, and to break the intergenerational cycle of poverty.*

- ▲ **\$14M** increase over last year and **\$104M** increase since the beginning of the Administration for a total of **\$269.9M** in funding for the School District of Philadelphia in FY23
- ▲ **\$2M** in new spending for a total of **\$50M** in funding for the Community College of Philadelphia in FY23. Funding for CPP has increased nearly **\$20M** since the beginning of the Administration.
- ▲ **300 new slots** in PHLpreK for a total of 4,300 slots in FY23 and **3 new Community Schools** for a total of 20.



## INCLUSIVE ECONOMY AND THRIVING NEIGHBORHOODS

*Investments that support a dynamic, diverse economy that provides opportunities to all its residents and neighborhoods.*

- ▲ **\$9.8M** increase in funds to achieve stable five-day service at all City library locations
- ▲ **\$2M** in new spending to combat illegal dumping
- ▲ **\$750,000** for a Citywide Youth Sports Plan
- ▲ **\$175,000** in additional spending for the Color Me Back Same Day Pay program and Restorative Justice at Mural Arts

*Investments to ensure financial stability, accelerate greater efficiency and modernization of services and access in the wake of the global pandemic, further diversify its workforce and contracts, and adopt a racial equity lens across City policies and services.*

# FISCAL YEAR 2023-2028 CAPITAL PROGRAM

In Fiscal Year 2023, the City of Philadelphia will allocate \$181M 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. Additionally, \$60 million in previously authorized funds will be reallocated for local matches needed to draw down federal funds from the Infrastructure Investment and Jobs Act.

Leveraging the new \$181 million, the City will authorize spending of up to \$3.84B on Capital projects using funds from prior years, federal, state, self-sustaining enterprise funds (aka the Water Department and Airport), and other sources in FY23. Over six years, the City will allocate \$1B in new borrowing as part of \$10.99B in total spending to maintain and modernize existing infrastructure and develop new facilities.

## AT A GLANCE: FY23 INVESTMENT HIGHLIGHTS



**\$27M**

STREET RESURFACING  
AND RECONSTRUCTION  
AND ADA RAMPS



**\$20M**

FDR PARK  
to support the construction of the  
Welcome Center, playground con-  
struction and design costs.



**\$16M**

NEW ACCOUNTING  
AND PROCUREMENT  
SYSTEM



**\$16M**

PENN'S LANDING  
(I-95 CAP PROJECT)



**\$14M**

VEHICLES (SUCH AS TRASH  
COMPACTORS AND FIRE  
ENGINES)

## KEY PROJECTS

- ▲ **FDR PARK:** The City, through the Department of Parks and Recreation, will dedicate \$20 million in FY23 to the Franklin Delano Roosevelt Park Master Plan Improvements which will support building and site improvements for this transformational project. This investment signals the City's commitment to making FDR Park a safe and usable space for the diverse surrounding communities, accessible for all who visit, and climate resilient it for future generations.
- ▲ **PAVING:** As in past years, the largest investment in the Six-Year Program, \$173 million, will support road reconstruction and resurfacing, including installation of ADA ramps.
- ▲ **FREE LIBRARY:** \$2.5 million is budgeted in FY23 for the Free Library to make improvements to the central and branch libraries around the city. \$1 million of this funding is dedicated to the Rebuild program.