



Budget Office

CITY OF PHILADELPHIA

- Contained Labor Costs. The City has negotiated one-year labor contracts with its four unions (FOP, DC47, DC33, and IAFF). The City and Union leadership cooperated to quickly negotiate these contracts with modest increases to ensure Philadelphia's workforce would be on the job and compensated for the increased risk frontline employees now face. Additionally, current conditions are not conducive to full contract negotiations. The City utilized the original FY21 Labor Reserve of \$40 million to cover the costs of the new contracts. The FY21 Budget also incorporates increases for non-represented civil servants at the same rate (2%) as the contract with DC47.
- Restructuring Pension Debt. The City will restructure its pension obligation debt to postpone General Fund debt service into future years, reducing the FY21 General Fund payment by \$74 million, but increasing payments in future years of the Plan.

Targeted Cost Saving Initiatives

- Public Safety
 - To address fiscal challenges and issues with equity in law enforcement, the Philadelphia Police Department's budget was reduced by \$33 million. This reduction includes shifting \$14 million funding for some activities, including crossing guards, outside the Police Department. The remaining \$19 million reduction will leave funding at the FY20 level for the Police Department. Implicit bias training, anti-racism training, and the continued roll-out of body worn cameras will occur. The Department will reduce overtime expenses (partially enabled by the expectation that the City will host fewer large special events in the coming year, as well as a reduction in court overtime). The adopted version of the budget also included funding inside and outside of the Police Department to improve equity in policing, including funding for a dedicated Deputy Inspector General, a Police Oversight Commission and an Equity Manager within the Police Department.
 - The Philadelphia Fire Department will maintain the FY20 funding level, and thus will not pursue expansions funded in the original FY21 budget, like a dedicated HazMat unit.
 - Anti-Violence efforts led by the Managing Director's Office will be restructured, focusing on programs with proven results in Philadelphia, like the Community Crisis Intervention Program and launching evidence-based initiatives like Group Violence Intervention. Planned blight remediation to support anti-violence efforts will not occur, along with a reduction in funding for demolitions.
 - The Philadelphia Department of Prisons will reduce spending, to reflect the significantly reduced prison population (a 19% reduction in the in-facility