



# **CITY OF PHILADELPHIA PERFORMANCE: MEASUREMENT, REPORTING, AND ACCOUNTABILITY**

## **STAFF REPORT**

**FEBRUARY 2016**

# PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

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## Executive Summary

While the City discloses substantial information about public spending, its reporting about key performance measures is limited. Since performance represents the benefit side of the public ledger -- while spending represents the cost side -- adequate discussion of performance and quantitative performance measures are needed to facilitate public discussion about whether citizens are receiving adequate value for their tax dollars. In addition, disclosure of appropriate performance metrics should assist City officials and program managers in focusing management attention on ways to improve performance.

In this report, PICA reviews performance disclosure practices for 21 City agencies. These agencies were chosen to be representative of the largest City agencies and those with missions that are particularly significant. The focus of the review is on two questions. First, do agencies present clearly articulated goals and objectives in public documents? Second, do agencies report performance measures that align with their stated goals and objectives, and capture the most important aspects of their performance? Clearly stated goals are essential since they provide the standard for performance evaluation. Quantitative performance measures aligned with stated goals are also crucial, since they are necessary to evaluate trends, and the extent to which agencies are meeting stated objectives. Some of the highlights of the review are as follows:

*Commerce.* Despite the importance of job creation, the City does not publish a strategic plan with clearly stated objectives for its lead economic development agency, the Department of Commerce. Similarly, the Department's performance measures in the *Five-Year Financial Plan* do not include outcome measures such as total payroll employment, or jobs attracted or retained as a result of City programs.

*Fire.* In 2012, PICA commissioned a comprehensive study of the efficiency and effectiveness of the Fire Department. The Department has made a number of changes to its service delivery model since that time, but remains challenged to meet service demands. Response times for emergency medical services are below standards recommended by the National Fire Protection Association. A new strategic plan for the Department was released in December 2015. However, since the plan was released at the end of the prior administration, it remains to be seen whether it will be adopted by the Kenney Administration.

*First Judicial District of Pennsylvania.* The First Judicial District does not issue a report including many standard performance metrics for trial courts that have been recommended by the National Center for State Courts.

*Human Services.* The Department of Human Services has transformed its operations in response to sweeping recommendations made by the Child Welfare Review Panel in 2007. However, DHS has not yet implemented the Panel's recommendation to develop a report card presenting data on performance outcomes.

*Innovation and Technology.* The Philadelphia Code requires that the City develop an enterprise-wide strategic plan for information technology. To date, this requirement has not been met. The Office of Innovation and Technology should develop and routinely update such a plan to guide the City's investments in technology.

*Police.* The Philadelphia Police Department needs to publish more detailed performance measures that capture both outcomes and measures relating to operations. Crime outcomes should be reported by type of offense. Measures of service levels and operational indicators -- response times, police shootings, officer misconduct, and complaints -- should also be published to ensure accountability for processes as well as crime reduction.

*Prisons.* The Department of Prisons plays a crucial role in the City's criminal justice system. Efforts to reduce recidivism and help ex-offenders integrate into society are crucial. Prisons needs an updated strategic plan. In addition, performance metrics for the City's reentry programs need to be published.

*Property Assessment.* The Office of Property Assessment completed a historic city-wide property reassessment in 2014. To date, however, OPA has not complied with Philadelphia Code section 2-305, which requires annual publication of assessment ratio studies that include quantitative measures of assessment uniformity and equity for the city as a whole and for particular neighborhoods.

*Revenue.* The Department of Revenue needs to develop an agency-wide strategic plan to address its many challenges. In addition, it should begin publishing performance measures on enforcement activities and outcomes, and estimates of the amount of revenue not received due to non-filing, underreporting, and non-payment. These estimates should guide departmental enforcement strategies.

*Sheriff.* The Office of the Sheriff should begin to provide operating budget detail to the Office of Budget and Program Evaluation and publish detailed information relating to foreclosure sales to ensure financial accountability for this crucial function.

*Supportive Housing.* The most recent strategic plan for the Office of Supportive Housing was issued in 2005. This plan should be updated to ensure accountability for results.

In addition to these agency-level reviews, the report also makes five broad recommendations to improve performance accountability City-wide. They are as follows.

- All agencies should develop a concise statement of mission, goals, and objectives.
- Agencies should develop and report performance measures aligned with these goals and objectives, and these measures should capture both service levels and outcomes.
- The City should issue an annual performance report that summarizes performance of all City agencies during each fiscal year. For each agency, the report should include a mission statement, description of services, statement of goals, performance indicators, and resources utilized.
- The City should begin to publish an annual executive budget that includes, for each agency, a discussion of proposed spending and performance, and focuses on the impact of new initiatives or funding changes on performance.
- The *Five-Year Financial Plan* should evolve into a more strategic document focusing on long-term financial issues.

## Administrative Changes under the Kenney Administration

The recommendations and findings contained in this report are based on information available to PICA staff as of December 2015, the final month of the Nutter Administration. Officials of the Kenney Administration have reviewed the report and concur on the accuracy of its data and findings. The report is proffered as a tool to help the new Administration as it moves forward to establish and implement procedures to promote transparency, accountability and efficiency throughout the many departments and agencies of the City.

In his inaugural address, Mayor Jim Kenney set the tone and direction for his Administration when he said:

...[T]he vision that will guide my administration is that City government should first and foremost deliver efficient, effective services to all Philadelphians...That may sound like a ‘back to basics’ approach. But, in reality, it is as large and as difficult a goal as has ever been announced on this stage. Providing efficient and effective services means that our government has to be ethical and open with taxpayers about the work they pay us to do.

Demonstrating his commitment to ethics and integrity in government, Mayor Kenney established on his first day the post of Chief Administrative Officer, a position responsible for oversight of internal support agencies such as the Office of Innovation and Technology, Procurement Department, Office of Fleet Management, and Department of Public Property. Through the combined efforts of the Chief Administrative Officer, Managing Director, Finance Director, and Budget Director, performance management of City agencies will be coordinated.

Beginning in FY18, the Kenney Administration is committed to implementing a program-based budget process, which is expected to integrate smart budget choices based on critical performance analysis and assessments. This commitment to program-based budgeting suggests that a high priority will be given to performance management and evaluation standards in the Kenney Administration.

Future PICA reports will analyze the new processes for managing and evaluating performance, and assess the City’s progress toward realizing the PICA Act’s goal of “increased managerial accountability.”

# Introduction

Since its inception in 1991, the Pennsylvania Intergovernmental Cooperation Authority (PICA) has focused its oversight on the City's annual budget and *Five-Year Financial Plan* process. PICA is statutorily required to annually consider the City's *Five-Year Financial Plan* and certify that it projects balanced budgets based on reasonable assumptions. Accordingly, the Authority's primary focus has been the City's fiscal solvency.

At the same time, the PICA Board and staff have many times over the past 25 years expressed the view that management processes remain essential to the City's financial health. PICA staff reports have

often discussed the importance of management practices such as strategic planning and performance measurement. Essentially, the view of staff and the board has been that sound management can drive improvements in program efficiency and effectiveness. In turn, more efficient and effective programs can improve the City's economic condition, which is the foundation of its long-term financial health.

With a view to expanding PICA's emphasis on management, over the past two years, as part of the *Five-Year Financial Plan* review process, PICA staff asked City agencies to provide information about strategic planning, performance measures, productivity initiatives, and their relationship to the *Five-Year Financial Plan* projections. This information has helped staff develop a clearer sense of agency officials' sense of their own mission, how they measure performance, and how performance information is used by management. This report is the result of our discussions with City agency officials and review of the information they supplied.

Based on these discussions, we conclude that public reporting of agency performance is particularly important to create greater incentives for performance on the part of officials and employees. We also think that improved performance reporting would help foster a stronger culture of performance and public accountability within Philadelphia government. Accordingly, this PICA staff report focuses on the City's current performance reporting, both for individual agencies and the City as a whole.

Section I focuses on performance reporting for the City as an entity. We consider various City publications that report information on finances and performance, including the *Five-Year Financial Plan*, budget documents, and budget testimony provided to City Council. The focus is on the following questions: Is performance information communicated in a way that is useful to elected officials and the public? Is the reported information adequate to promote accountability, facilitate oversight and deliberation, and create incentives for performance? Is performance measurement and analysis integrated into budget documents to allow elected officials to understand the relationship between budget decisions and valued outcomes?

<b>PICA Act Section 102 (b) Purpose and Legislative Intent</b>
It is the intent of the General Assembly to:...  foster sound financial planning and budgetary practices that will address the underlying problems which result in.... deficits for cities of the first class... which city shall be charged with the responsibility to exercise efficient and accountable fiscal practices, such as: (A) increased managerial accountability; (B) consolidation or elimination of inefficient city programs...

Section II focuses on the performance of individual City agencies. For 21 agencies, we ask: How clearly has the agency defined its mission? Has its mission been translated into concrete goals and objectives? Is the achievement of these goals and objectives measured and reported? For each agency, the report includes recommendations on how the its public reporting of goals and performance could be improved.

We intend this report to be the first annual PICA report on the performance of City government. Future reports may cover other topics within the field of performance management. We anticipate also that future reports will continue to address City performance reporting, and include an expanded discussion of what that reporting reveals.

# SECTION I

## PERFORMANCE REPORTING FOR THE CITY AS AN ENTITY

## Performance Reporting for the City as an Entity

In a review of the various meanings of public accountability, Bovens, Schillemans, and Goodin (2014) describe accountability as both a “virtue” and a “mechanism.” In the former, broader sense, accountability “comes close to ‘responsiveness,’ ‘a sense of responsibility,’ or a willingness to act in a transparent, fair, compliant, and equitable way...” In the latter, more common use of the word, accountability is seen as “an institutional relation or arrangement in which an agent can be held to account by another agent or institution...” (7-8).

In government, formal mechanisms of accountability often involve executive branch officials providing accounts of individual and agency actions to external institutions such as legislative bodies, oversight entities, or the public. The effectiveness of these processes depends heavily on the quality of public information that is available to support their claims.

For the City of Philadelphia, accountability mechanisms include City Council hearings, oversight by State and federal government agencies and the courts, and reports to stakeholders including business groups and residential associations. In many cases, special oversight bodies have been established in response to perceived problems. Examples include the Community Oversight Board which has provided oversight for the Department of Human Services, and the Building Safety Advisory Board which oversees reforms at the Department of Licenses and Inspections. In every case, the effectiveness of these accountability mechanisms depends on the quality of the information available to support assertions of the official who is providing an account.

The subject matter of government accountability, according to Behn (2001), may be considered to fall into three broad categories: finances, fairness, and performance. In the public sector generally, there has historically been greater emphasis on accountability for finances and fairness than on accountability for performance. The City’s public documents reflect this general tendency. The City provides substantial annual disclosure about its finances in three annual reports: the *Comprehensive Annual Financial Report*, *Supplemental Report of Revenues and Obligations*, and the *Annual Report of Bonded Indebtedness*. The City also provides financial information in official statements that support bond issuance. However, reporting on performance is less well-developed.

There has been a general movement among reformers to enhance reporting about performance by public entities. This is reflected in recommendations made by the Government Finance Officers Association and the International City Management Association on performance measurement. The Government Accounting Standards Board has also issued guidance on service efforts and accomplishments reporting. To date, however, these standards are not binding.<sup>1</sup>

The City has made progress in enhancing its reporting on performance in recent years. It is the goal of this report to assess the state of performance reporting by the City as an entity and by individual City agencies. In addition, the report recommends ways in which performance reporting can be enhanced.

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<sup>1</sup> Moore’s (2013) concept of a “public value account” is a useful way to think about the types of performance information that could be reported. He argues that just as the value created by a business can be measured as its financial bottom line, the value created by a public agency can be measured as the excess of the value it creates over the costs it imposes on society. Agencies create value by achieving publicly-valued outcomes, satisfying clients, and distributing benefits and burdens in a fair manner. This value is balanced against the financial costs of operating the agency and the social costs of using public authority.

The overall goal is to ensure that public information on performance is sufficiently rich to allow for the various accountability mechanisms that exist to function more effectively. More robust public dialogue about performance should in the long run enhance performance and help agencies provide valued services at reduced cost.

The remainder of this section focuses on ways in which performance reporting for the City as a whole can be improved. It first describes the City's existing publications that provide performance information. Next, recent progress in improving performance reporting is discussed, along with some of the important gaps that remain. The section concludes with recommendations relating to City-wide performance reports.

### Existing Performance Information

The following City documents are the primary sources of information on performance:

*Budget Documents.* The annual budget documents include the *Operating Budget in Brief*, the two-volume *Operating Budget*, and the *Capital Program*. The *Operating Budget in Brief* provides an overview of revenue and expenditures in each operating fund, but no performance information. The *Operating Budget* provides line-item detail on expenditures for each City agency and each agency division, and a detailed breakdown of positions by type for each agency. The document also provides a statement of mission and objectives for each agency and division. The six-year *Capital Program* provides sources and uses of capital funding for capital projects for each agency, with descriptions of each project.

*Five-Year Financial Plan.* The *Five-Year Financial Plan* provides the most detail on performance for the City as an entity and for individual agencies. The Plan includes a statement of City-wide goals, a discussion of demographics and the economy, revenue projections, discussion of labor costs, and the capital budget. For each of the City's major goals, it provides a discussion of performance indicators and spending trends. For each agency, it provides a statement of mission, spending and personnel levels, a description of major services, a discussion of performance indicators, and a narrative discussion of accomplishments and initiatives.

*Agency Budget Testimony.* Agency budget testimony documents provided to City Council supplement the *Five-Year Financial Plan* with additional narrative and quantitative information about staffing, contracts, and federal and state grant funding.

*Agency Strategic Plans.* Periodically, agencies issue public strategic plans. These typically include statements of mission, goals, and strategies.

*Entity-Wide Strategic Plans.* The City also periodically issues strategic plans focused on particular issues, such as the *Greenworks* plan for environmental sustainability, the *Shared Prosperity* plan focused on reducing poverty, and *Citywide Vision: Philadelphia 2035*, a comprehensive land-use plan.

*Annual Reports.* Some agencies issue annual reports that include financial and performance information.

City Agencies by Major Function	
Function	Agencies
<i>Public Safety</i>	Police Department Fire Department
<i>Judicial and Corrections</i>	First Judicial District Prisons Department District Attorney's Office Register of Wills Office of the Sheriff
<i>Health and Human Services</i>	Department of Human Services Office of Supportive Housing Department of Public Health Department of Behavioral Health Office of Housing and Community Development Commission on Human Relations Office of Community Empowerment and Opportunity Youth Commission
<i>Economic Development and Regulation</i>	Department of Commerce Department of Licenses and Inspections City Planning Commission Historical Commission Zoning Board of Adjustment Office of Sustainability Board of Building Standards Board of Licenses and Inspections Review
<i>Culture and Recreation</i>	Free Library Department of Parks and Recreation Office of Arts and Culture Mural Arts Program Philadelphia History Museum
<i>Infrastructure and Sanitation</i>	Department of Streets Water Department Office of Transportation and Utilities
<i>Central Services</i>	Department of Public Property Office of Innovation and Technology Office of Fleet Management
<i>Governance and Administration</i>	Office of the Mayor City Council Office of the City Controller Managing Director's Office Office of the Director of Finance Board of Ethics Board of Revision of Taxes Office of the City Commissioners City Treasurer's Office Civil Service Commission Office of the Inspector General Office of Labor Relations Law Department Human Resources Department Procurement Department Office of Property Assessment Department of Records Department of Revenue

## Recent Progress and Continuing Gaps

The quality of the information in the City's financial and performance documents has improved in recent years. The *Five-Year Financial Plan* now presents spending for all operating funds and performance measures for each agency. Its narrative focuses on performance measures as well as qualitative descriptions of accomplishments and ongoing initiatives. Agency budget testimony documents are more structured than in the past. A number of agencies have recently issued strategic plans. Recent entity-wide plans, *Greenworks* and *Shared Prosperity*, provide a road map to guide various departments toward broad goals.

These are positive developments. Still, additional work is needed to improve the quality and the organization of information provided to decision-makers and citizens regarding finances and performance. There are three areas where additional development is needed.

*Mission and Goals.* Documents that clarify agency missions and goals are critical. Whether in a strategic plan or some other document, each agency should clearly state its primary goals. Determining public sector goals is not a simple matter. Many agencies face important trade-offs

between goals, and clarifying which goals are most important and how trade-offs are to be resolved is a critical management function. Past performance problems at some City agencies have been due in part to a lack of clarity about how to strike a balance between competing values.

*Performance Measures.* Performance measures also need development. Measures of both service levels and outcomes are needed for many agencies. These measures should align with agency goals. They should also capture each of the most important dimensions by which agency performance is judged. For example, the performance of the Philadelphia Police Department is evaluated in multiple ways, but two of the most critical indicators of performance are crime rates and the protection of citizen constitutional rights. Crime reduction is a critical outcome, but the process by which crime is reduced matters as well. The Department needs to develop measures of processes as well as outcomes to ensure that its operations reflect an appropriate balance between different goals.

*Organization.* Information on goals, performance, and finances needs to be well-organized. Budget documents should show financial and performance information in an integrated manner. Budget decisions involve an effort to balance costs and benefits -- the costs of a program against the value it produces -- and a budget document should facilitate this type of thinking. At the same time, a full assessment of agency-level performance may require more information than can be presented in a budget document. For this reason, the City may need to develop a separate entity-wide report focused on performance, with discussion of goals, services, and performance for each agency.

## Recommendations

The recommendations below are general recommendations about the City's financial and performance documents. The following sections of the report include recommendations specific to particular agencies.

**Recommendation 1: Agency Statements of Mission, Goals and Objectives.** Every City agency should develop a concise statement of mission, goals, and objectives, either in a strategic plan, or in some other document. This statement should be specific enough to guide development of performance measures.

**Recommendation 2: Agency Performance Measures.** Agencies should develop and report performance measures that capture both service levels and social outcomes they seek to produce. These measures should align with official statements of goals and objectives. They should be regularly reported. And they should capture all the most important of each agency's services and each dimension of value that they seek to produce. Where appropriate, measures should also reflect service delivery processes, including the level of service, distributional fairness, the satisfaction of clients who are directly impacted by agency operations, and the satisfaction of citizens with overall agency performance.

**Recommendation 3: Annual City Performance Report.** The City should issue an annual performance report that captures relevant dimensions of performance of all City agencies. For each City agency, it should include a description of the agency's mission, services, goals, performance measures, and resources. The performance measures should include measures of service levels, social outcomes, and customer service. Resource measures should include full operating costs, including allocated indirect costs, and filled positions. Performance and resource measures should be for the most recent three fiscal years to facilitate trend analysis. The section for each agency should include

a narrative assessment of performance. The report should be issued annually and cover fiscal year periods, to align with the City's financial reporting process. An appropriate model for this report could be the *New York City Mayor's Management Report*.

**Recommendation 4: City Operating Budget Document.** The City budget document should be redesigned so that it facilitates thinking about the relationship between costs and performance at the agency level. It should include past trends and budget year projections of cost and performance indicators. It should also highlight the anticipated performance impacts of changes in allocations resulting from new initiatives or funding changes.

**Recommendation 5: Five-Year Financial Plan.** The *Five-Year Financial Plan* should focus on long-term financial issues. It should continue to include multi-year financial projections that are consistent with the operating budget. It should also include narrative discussion of long-term strategic issues that affect City finances. Much of the current agency-level discussion of spending and performance should be included in the operating budget document, rather than the *Five-Year Financial Plan*.

### Performance Reporting by Agencies

The remainder of this report presents an assessment of current performance reporting for 21 City agencies.<sup>2</sup> Each section includes a table with financial and performance data covering the period from FY10 to FY14. Financial data include obligations in the General Fund and in all operating funds. Personnel data include filled full-time positions in the General Fund and all operating funds. Performance measures include indicators of service levels and outcomes. These measures were provided by the City Office of Budget and Program Evaluation.

Each section discusses the extent to which the agency's goals have been stated in a public document, either in a recent strategic plan or in some other document. Currently reported performance measures are discussed as well, focusing on the extent to which they align with the agency's mission and goals and cover the full range of services the agency provides and outcomes it seeks to promote. Each section concludes with recommendations that focus on ways in which performance reporting for the agency could be improved.

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<sup>2</sup> These agencies were chosen to include the most significant agencies in terms of General Fund spending and a number of other agencies with missions that are pertinent to City finances. In future reports, PICA plans to expand the number of agencies reviewed.

## SECTION II

# PERFORMANCE REPORTING BY CITY AGENCIES

# Commerce

The Department of Commerce (DoC) promotes economic development through multiple initiatives, including facilitation of opportunities for business growth and encouraging the increased use of the port and airports. DoC administers the city's two municipally-owned airports, Philadelphia International Airport, and Northeast Philadelphia Airport.

## Mission Statement Department of Commerce

To make Philadelphia a global city where businesses choose to start, stay and grow.

Source: City of Philadelphia, *Five Year Financial Plan*.

*Goals.* The City has made considerable progress in addressing economic development issues in recent years, including many public policy and regulatory issues that impact development. Major achievements have included zoning code reform, a comprehensive land use plan, business tax reform, and waterfront planning and development. DoC has also created initiatives to support start-up firms, increase the city's international profile, and ease regulatory compliance. The number and variety of initiatives is considerable. For this reason, coordination and accountability would be enhanced through a public planning document that outlines DoC's basic economic development goals, strategies, and metrics that can be used to assess performance.

### Department of Commerce Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)<sup>1</sup></i>					
General Fund	4	4	4	5	5
All Funds	172	189	192	185	201
<i>Filled Full-Time Positions<sup>1</sup></i>					
General Fund	31	29	24	28	34
All Funds	760	760	755	811	811
<i>Service Levels</i>					
New business contacts	1,253	2,418	2,011	1,874	1,605
Office of Business Services cases	240	729	801	562	1,059
Minority/women/disabled business participation (%)	23.0	25.0	28.0	28.0	29.1
Hotel rooms (000)	10.6	10.6	11.0	11.2	11.4
Enplaned passengers (000,000)	15.20	15.61	15.34	15.22	15.32
<i>Outcomes</i>					
Payroll employment (000) (average monthly)	652.3	660.9	659.6	664.6	667.3
Median household income (\$)	34,400	34,207	35,386	36,836	39,043
Unemployment rate (%) (average monthly)	10.4	10.5	10.9	10.9	9.3

#### Notes

<sup>1</sup> Includes Office of the City Representative.

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*; Service Levels: Office of Budget and Program Evaluation; Payroll employment, Bureau of Labor Statistics; Median household income, US Census Bureau, American Community Survey, one-year estimates; Unemployment rate, Bureau of Labor Statistics, Local Area Unemployment Statistics.

*Performance Measures.* DoC reports a limited number of program activity measures in the *Five-Year Financial Plan*. Some key measures of outcomes -- such as total Philadelphia payroll employment, or the number of jobs attracted or retained as a result of economic development programs -- are not shown in the *Five-Year Financial Plan*. Various outcome measures are included in the 2014 *Annual Report on Jobs and Economic Development*.

### **Recommendations**

- DoC's various programs should be coordinated through a public strategic plan with goals, strategies, and performance metrics. The plan should clarify the role of DoC and the Philadelphia Industrial Development Corporation in promoting economic development. It should be informed by existing planning documents, such as *Citywide Vision: Philadelphia 2035*, the city's comprehensive land use plan, the strategic plan for the Office of Economic Opportunity, and other plans addressing specific issues such as waterfront development and manufacturing growth.
- DoC should publish performance measures that reflect the full range of its programmatic outputs and core economic development outcomes. These measures should be aligned with its strategic plan and consistent with measures reported in the *Annual Report on Jobs and Economic Development*.

# Finance

The Director of Finance oversees fiscal management and policy for the City as a whole and supervises the divisions of the Office of the Director of Finance (ODF), which include: the Office of Budget and Program Evaluation, the Accounting Bureau, the Risk Management Division, the Office of Administrative Review, the Bureau of Administrative Adjudication, the Contracting Legislation Unit, and the Office of Grants.<sup>1</sup>

**Goals.** The goals of each ODF unit are as follows:

**Accounting Bureau.** Issue *Comprehensive Annual Financial Report* that meets GFOA standards, efficiently process payroll and vendor payments.

<sup>1</sup> Under the Kenney Administration, supervision of the Office of Administrative Review and the Bureau of Administrative Adjudication was transferred from the Director of Finance to the Chief Administrative Officer.

**Mission Statement**  
**Office of the Director of Finance**

The Office of the Director of Finance is charged with overseeing the City’s financial, accounting and budgetary functions, including establishing fiscal policy guidelines, overseeing the City’s budget and financial management programs, and recording and accounting all City financial activities.

Source: *Five-Year Financial and Strategic Plan for Fiscal Years 2016-2020*, City of Philadelphia.

## Office of the Director of Finance Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	14	16	15	17	19
All Funds	18	19	18	20	22
<i>Filled Full-Time Positions</i>					
General Fund	141	140	156	163	170
All Funds	145	143	159	163	170
<i>Service Levels</i>					
Office of Administrative Review					
Call center average response time (minutes:seconds)	na	7:40	4:00	1:56	2:43
Contracting					
Average time to fully execute contract from RFP origination (agency-drafted contracts) (days)	na	103	110	114	110
Contracts fully executed by start date (%)	n1	5.0	5.0	3.4	7.3
Risk Management					
Agencies with formal safety and health goals (%)	na	76.0	81.0	82.0	89.3
<i>Outcomes</i>					
Contracting					
Average responses to professional services contract opportunities	na	6	5	4	6
Risk Management					
Employee injuries	na	3,872	3,152	2,908	3,112

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*, Service Levels and Outcomes: Office of Budget and Program Evaluation.

**Office of Budget and Program Evaluation.** Maintain balanced budgets, monitor revenue and expenditures, streamline the budget process through automation, implement program based budgeting for the operating budget and return-on-investment analysis for capital budget projects, and publish budget documents that meet Government Finance Officers Association (GFOA) standards.

**Risk Management Division.** Improve worker safety, reduce costs related to injuries and property damage, and efficiently handle disability claims.

**Contracting Legislation Unit.** Increase competition for professional services contracts, educate potential vendors, improve the efficiency of the contracting process, and promote transparency about professional services contract recipients and expenditures.

**Office of Administrative Review.** Efficiently issue code violation notices related to certain sections of the Philadelphia Code, rapidly schedule appeal hearings, efficiently adjudicate taxpayer appeals, promote transparency with respect to decisions of the Tax Review Board.

**Bureau of Administrative Adjudication.** Efficiently handle parking ticket appeals.

With respect to the City's overall financial condition, ODF's strategic goals are contained in various financial policy statements issued by ODF sub-units and related agencies such as the City Treasurer's Office (CTO). For example, CTO has issued policies on debt management, investments, and swaps. Policy statements related to debt, fund balance, the budget process and budget policy are contained in the *Five-Year Financial Plan*. ODF should continue to adopt policy statements addressing issues that impact the City's finances.<sup>2</sup> Where appropriate, these statements should include quantitative indicators that can be used to set targets and measure progress.

*Performance Measures.* The *Five-Year Financial Plan* includes 11 performance measures for ODF. These measures relate to the operations of the Office of Administrative Review, the Contract Legislation Unit, and the Risk Management Division. Measures for the other organizations within ODF should be developed and published as well.

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<sup>2</sup> The Government Finance Officers Association (GFOA) recommends that governments adopt policies addressing reserves, grants, debt, investment, economic development, financial reporting, risk management, internal control, procurement, long-term financial planning, budgeting, and capital. See GFOA Best Practice, Adopting Financial Policies. Chicago: Government Finance Officers Association, 2015.

### Recommendations

- ODF should clarify performance goals and measures for each unit it directly supervises. These goals and measures should be published.
- ODF should adopt financial policies addressing the full range of topics that impact the City's financial condition, including those topics recommended by the Government Finance Officers Association. The policies should include quantitative indicators that can be used to measure progress. Progress toward meeting these targets should be publicly reported.

# Fire

The Philadelphia Fire Department (PFD) seeks to efficiently prevent and suppress fires and to respond to medical emergencies with on-site treatment and transportation to hospitals.

*Goals.* In 2012, PICA released *An Efficiency and Effectiveness Study of the Philadelphia Fire Department*. The study included a comprehensive review of PFD operations with recommendations to improve organizational structure and management processes. Following the release of the PICA study, PFD made changes to its operations and service delivery model, including: increased EMS and Fire Communications Center staffing; implementation of a priority dispatch system; and technology to enhance response analysis and deployment decisions.

In 2015, PFD issued its *Risk Reduction Strategic Plan for Creating a Safety Focused Community in Philadelphia*. The plan includes a mission and vision statement and 16 objectives with associated action

## Mission Statement Fire Department

To serve the public by providing comprehensive all hazard prevention, risk reduction and emergency response and to ensure the health and safety of our members.

Source: *Risk Reduction Strategic Plan for Creating a Safety Focused Community in Philadelphia*, Philadelphia Fire Department, 2015.

### Fire Department Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	190	198	196	200	248
All Funds	196	205	203	209	263
<i>Filled Full-Time Positions</i>					
General Fund	2,187	2,146	2,072	2,125	2,053
All Funds	2,256	2,218	2,144	2,202	2,249
<i>Service Levels</i>					
Fire incidents (000)	47.5	47.2	46.9	45.0	48.8
Emergency medical services (EMS) incidents (000)	222.9	227.1	229.8	232.5	239.4
EMS response within 9 minutes (%)	73.9	68.5	68.0	66.0	64.0
Average fire response time (minutes:seconds)	4:46	4:57	4:57	4:54	4:57
Average EMS response time (minutes:seconds)	7:17	7:46	7:48	8:02	8:22
<i>Outcomes</i>					
Structural fires <sup>1</sup>	na	3,041	3,108	2,882	3,019
Fire deaths	32	41	24	25	23
Civilian fire injuries	221	210	157	186	169

#### Note

<sup>1</sup> Data shown are based on National Fire Incident Reporting System standards, which the Department adopted beginning in FY11. Comparable data are not available prior to FY11.

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*, Service Levels and Outcomes: Office of Budget and Program Evaluation.

steps and performance measures. Some of the plan's major objectives and action steps are as follows:

**Make Philadelphia the safest and healthiest city.** Standardize safety messages; train personnel to National Fire Protection Association (NFPA) standards for fire and life safety educators; distribute smoke detectors to target groups; and reduce use of 911 system for non-emergency calls.

**Increase EMS response capacity.** Hire and train 200 emergency medical technicians; establish metrics to identify training needs; improve billing documentation training; create new partnerships with healthcare community and insurers; and develop a plan to reduce non-emergency transports.

**Improve strategic management.** Assess all units regarding data collection and software; develop a technology plan for data collection; develop performance measures; identify technology that will support data-driven decisions.

**Reduce injury and illness of personnel.** Education to emphasize health, safety, and injury prevention; identify and reduce hazards; increase driver training; and ensure protective equipment meets NFPA standards.

**Improve economic efficiencies.** Conduct work flow analysis of administrative and field activities; improve data collection and work flow mapping; and conduct needs assessment for capital assets.

**Increase organizational diversity.** Enhance recruitment; encourage diverse individuals to seek advancement in PFD; increase educational and community outreach; increase personnel competency in working with diverse communities; and increase employee awareness of the benefits of a diverse workforce.

*Performance Measures.* The *Five-Year Financial Plan* includes the following performance measures: EMS incidents; percent of EMS responses within 9 minutes; average response time for EMS and fire incidents; structural fires; fire deaths; and civilian fire-related injuries.

### Recommendations

- Since FY01, the number of fire incidents has decreased substantially, while the number of EMS incidents has increased. PFD has made changes to align its service capacity with workload, but remains challenged to address the growing demand for EMS services. In FY15, 68.5 percent of EMS calls received a response within 9 minutes, well below the NFPA standard. The 2015 PFD strategic plan includes objectives and action steps to address this problem. The Kenney Administration should consider adopting this plan.
- If the new Administration adopts the 2015 strategic plan, PFD should report performance measures that align with its goals. These measures should include outcomes such fire-related deaths and injuries and structure fires. Fire and EMS response times – average response time and percent of responses within NFPA standards – are also important service level measures.
- PFD should consider reporting performance measures suggested in the PICA report that align with its 2015 strategic plan. For instance, two measures recommended in the report – duty-related deaths, and costs associated with injuries resulting in permanent or temporary disability – align with the strategic plan's goal of reducing personnel injury and illness.

# First Judicial District

The First Judicial District of Pennsylvania (FJD), Philadelphia’s trial court system, is composed of the Court of Common Pleas and Municipal Court. Its mission is to adjudicate cases within each court’s jurisdiction in an expedient, fair, and administratively consistent manner.

*Goals.* FJD does describe various initiatives in budget testimony presented to City Council, and in various documents available from its website.

There is no summary of initiatives and accomplishments in the *Five-Year Financial Plan* narrative.

*Performance Measures.* Performance indicators are available in various annual reports for divisions of the FJD courts which are posted to the FJD website. Publications of the Administrative Office of Pennsylvania Courts also include statistics on FJD caseload and case processing. There is no consolidated presentation of FJD performance measures. Further, many standard measures of court performance that have been identified by the National Center for State Courts are not currently published by FJD.

**Mission Statement**  
**First Judicial District of Pennsylvania**

To ensure fair, timely and accessible justice to citizens and litigants in the City and County of Philadelphia.

Source: *Five-Year Financial and Strategic Plan for Fiscal Years 2016-2020*, City of Philadelphia.

## Recommendations

- In addition to the performance measures required by the Administrative Office of the Pennsylvania Courts, FJD should develop and annually publish performance measures of its own. The measures should address the various aspects of court performance that have been identified by the National Center for State Courts (NCSC). The recommended NCSC measures include the following dimensions of performance: access and fairness, clearance rates, time to disposition, age of active pending caseload, trial date certainty, reliability and integrity of case files, collection of penalties, effective use of jurors, employee satisfaction, and cost per case.
- FJD should provide narrative to the Office of Budget and Program Evaluation that reflects its ongoing initiatives and past accomplishments, for incorporation into the *Five-Year Financial Plan*.

## First Judicial District Spending and Personnel<sup>1</sup>

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)<sup>2</sup></i>					
General Fund	112	115	117	111	109
All Funds	139	144	143	136	134
<i>Filled Full-Time Positions</i>					
General Fund	1,862	1,869	1,957	1,909	1,866
All Funds	2,410	2,372	2,460	2,360	2,331

Notes:

<sup>1</sup> Includes Clerk of Quarter Sessions in FY10. This agency was merged into the First Judicial District beginning in FY11.

<sup>2</sup> Trends were impacted by the transfer of \$8.8 million in legal fees from the First Judicial District budget to the Managing Director’s Office budget beginning in FY13.

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*.

## Free Library

The Free Library of Philadelphia (FLP) includes a Central Library and 56 branches, including three larger regional libraries and the Library for the Blind and Physically Handicapped.

*Goals.* The FLP's current strategic plan covers the period from 2012 to 2017. The plan includes the following action steps:

- **Aspire to be a World-Class Institution.** FLP should aspire to be world class in terms of its programs, staff, leadership, and operations.
- **Strive for Increased Private Support.** Because public support has declined, private support must be increased to allow FLP to improve facilities, increase staffing, and ensure that collections meet the needs of citizens.
- **Ask Customers to Pay for Some Services.** FLP should expand user fees to provide additional financial support. Nominal fees for basic services can increase the perceived values of programs and thereby encourage their use. Higher fees for premium services can allow for program expansion.
- **Reach a Balanced Physical and Virtual Presence.** Technological change creates new opportunities for FLP to achieve its mission through electronic resources. At the same time, physical facilities will remain community anchors and their potential value should be realized.
- **Make New Technology Available.** Technology will become a major aid to literacy in society, and FLP's technology must remain current to serve the public at the level they expect.
- **Organize Labor Around Specialized Areas.** Staff needs to become more specialized in areas

### Mission Statement Free Library of Philadelphia

The Free Library of Philadelphia advances literacy, guides learning, and inspires curiosity.

Source: *Free Library of Philadelphia Strategic Plan, 2012-2017.*

### Free Library of Philadelphia Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	33	33	33	34	36
All Funds	44	43	43	42	44
<i>Filled Full-Time Positions</i>					
General Fund	602	619	608	609	609
All Funds	678	682	671	631	629
<i>Service Levels</i>					
Circulation of materials (000,000)	6.48	7.21	7.50	6.58	6.50
Visits (000,000)					
Physical	5.55	6.10	6.02	5.85	5.66
Website	5.76	6.13	6.89	7.30	8.19
Hours open (000)	92.9	100.0	97.8	95.8	99.8

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*, Service Levels: Office of Budget and Program Evaluation.

related to operations, programming, technology, and audiences. This will increase the ability of FLP to respond to changing needs.

- **Adopt an Aggressive Entrepreneurial Mindset.** Staff should adopt an entrepreneurial mindset to test different programs and approaches and find new ways of meeting the needs of the public.
- **Pursue Community Engagement.** Initiate collaborative relationships with other organizations that share interests in a more vibrant and educated city.
- **Focus on Five Target Populations.** Focus services on five target groups: job seekers, entrepreneurs, new Americans, children under five, and people with disabilities. These groups have the greatest needs and FLP has particular expertise in serving them. Increase awareness of FLP services among these target groups through marketing and partnerships.

The *Five-Year Financial Plan* discusses other strategic initiatives. They include: programs to expand the number of library cards among children; the Read by 4th! early literacy program; a decentralized organizational model which will create eight clusters of libraries; culinary literacy classes; a partnership with the School District of Philadelphia to pair kindergarten and first grade classes at ten schools with local libraries for intensive programming targeted at increasing literacy; and the 21st Century Libraries Initiative, which will eventually renovate all 52 neighborhood libraries to meet unique service needs of their community.

*Performance Measures.* The *Five-Year Financial Plan* includes the following performance measures: circulation of materials, physical visits, visits to the FLP website, hours open, and computer use. The *Plan* does not report measures related to some of the goals of the strategic plan, such as: private support; user fee revenue; staff training in specialized areas; and services provided to target populations. Further, there are no performance measures that align with the initiatives discussed in the *Five-Year Financial Plan* narrative.

### Recommendations

- FLP has produced a thoughtful strategic plan with ambitious goals. The Library is implementing initiatives to advance the goals of the plan, including initiatives to better serve target populations, promote literacy, improve operational efficiency, and upgrade facilities. FLP should report more fine-grained performance measures that reflect its strategic objectives and specific initiatives. The FLP performance measures in the *Five-Year Financial Plan* should align with the goals of the Library's strategic plan.
- FLP service level measures should include services by type, program sessions, program attendance, and library card holders. Scheduled hours of service should be reported by facility category.
- The Library should report outcome measures related to its mission of promoting literacy, particularly for those groups that have received targeted services.

# Housing and Community Development

The Office of Housing and Community Development (OHCD) develops housing policy and oversees its implementation across City government.

*Goals.* The goals of OHCD are described in the annual *Consolidated Plan* (ConPlan) filed with the U. S. Department of Housing and Urban Development (HUD) as part of the City’s application for federal housing funds. The ConPlan for FY16 identified four strategic objectives: prevent homelessness; increase affordable housing options; eliminate blight and support neighborhood planning; and create jobs by attracting and retaining businesses.

OHCD produces a strategic plan once every five years that includes output targets for various programs. The most recent strategic plan covers the period FY13-FY17 and was included in the FY13 ConPlan. The agency reports on progress in implementing the strategic plan in its annual *Consolidated Annual Performance and Evaluation Report* (CAPER).

The ConPlan and CAPER provide substantial detail about OHCD objectives, programs, funding, and program outputs. However, measures of outcomes are limited. For instance, the reports do not indicate

**Mission Statement**  
**Office of Housing and Community Development**

To develop comprehensive strategies and programs for creating viable urban neighborhoods through the coordination of programs for housing assistance and affordable housing development, economic development and site improvements, including vacant land management and community planning.

Source: Five-Year Financial and Strategic Plan for Fiscal Years 2016-2020, Presented to City Council, March 5, 2015, p. 162.

## Office of Housing and Community Development Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	3	2	4	3	4
All Funds	163	142	159	115	113
<i>Filled Full-Time Positions</i>					
General Fund	0	0	0	0	0
All Funds	74	72	72	58	56
<i>Service Levels</i>					
Mortgage foreclosures diverted <sup>1</sup>	1,700	1,647	1,423	1,754	1,232
Owner occupied homes repaired (000s) <sup>2</sup>	9.0	8.2	7.1	5.4	5.7
Lots greened and cleaned (000s)	0.7	8.4	8.5	9.2	8.8
Clients receiving counseling (000s)	13.9	12.9	11.8	12.5	12.4
Home-buyer grants awarded	558	307	200	221	179

**Notes:**

<sup>1</sup> The decline in FY14 reflected a decline in foreclosure filings.

<sup>2</sup> Includes units repaired through the Basic System Repair Program, Weatherization, and Heater Hotline.

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*, Performance Measures: Office of Budget and Program Evaluation.

the extent to which programs increase the overall level of affordable housing, and reduce the number of households with excessive housing cost burdens. The ConPlan reports the percent of renters and homeowners that are cost burdened, but does not provide trends in these indicators over time, or clarify the impact of OHCD programs on this outcome.

In addition, the HUD reports do not directly address cost-effectiveness. Many OHCD programs are designed to promote similar objectives such as housing stability and affordability. The relative cost effectiveness of the different approaches should be addressed.

OHCD also funds community and economic development programs, such as programs to maintain vacant land, provide assistance to small businesses, and support improvements in neighborhood commercial corridors. However, the relation between these programs and the City's broad economic development strategy is not clear.

*Performance Measures.* The performance measures in the *Five-Year Financial Plan* are limited to service levels for a small subset of programs. These indicators should be expanded to include a broader range of OHCD activities. OHCD should also report outcome measures. One such measure would be the number of affordable units for homeowners and renters, irrespective of the agency or program that provides financial support. Such data are available through the annual Comprehensive Housing Affordability Strategy (CHAS) data reported to HUD. The CHAS data include the percent of households who face high housing costs and who live in substandard or overcrowded housing.

#### **Recommendations**

- In its reports to HUD, OHCD should make an effort to clarify the impact of its programs on key outcomes measures, including measures of the overall number households with excessive housing costs or substandard housing. The percentage and number of city households with high housing costs and substandard housing are key outcome measures that should be reported, along with estimates of the impact of various City housing programs on these measures.
- The City should also report cost-effectiveness indicators for housing programs to indicate the relative efficiency of differing approaches to addressing housing problems, such as new construction, rehabilitation, or repair.
- City housing policies should be guided by a strategic plan that takes into account the activities of City housing agencies, the Philadelphia Housing Authority (PHA) and the Pennsylvania Housing Finance Agency (PHFA). The new Department of Planning and Development, which oversee OHCD and PHA, could be charged with responsibility for preparing such a plan.

# Human Resources

The Office of Human Resources (OHR) administers the civil service system, processes personnel transactions for certain City departments, provides strategic human resources services to City agencies, and manages the City-administered health benefits program.

**Goals.** The OHR strategic plan covers the period from FY14 to FY16, and was most recently updated in April 2015. The plan identifies ten operational priorities and key performance indicators for nine of the priorities. The plan provides background on agency operations and responsibilities, performance trends, accomplishments, and strategic issues. The plan's operational priorities include:

**Mission Statement**  
**Office of Human Resources**

To effectively attract, select, develop and retain a qualified and effective workforce that supports the goals of the City.

Source: *FY2014-2016 Strategic Plan*, Office of Human Resources, updated April 2015.

**Human Capital.** Three operational priorities focus on human capital, emphasizing training and succession planning.

**Customer Service.** Another priority is to meet the expectations of OHR's client agencies. An internal customer survey is planned to measure perceptions of the quality of OHR services.

**Integrated Systems.** The OnePhilly project is an integrated information technology system that will modernize the City's workforce management systems, including payroll, time and attendance,

## Office of Human Resources Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	4	5	5	5	5
All Funds	5	5	5	5	5
<i>Filled Full-Time Positions</i>					
General Fund	53	73	80	78	79
All Funds	53	73	80	78	79
<i>Service Levels</i>					
Tests held on target date (%)	na	30	79	88	94
Lists established by target date (%)	24	25	54	85	94
Average time between close of job announcement and list establishment (days)	106	162	87	58	57
Employees with current evaluations (%)					
Shared services agencies	na	87	86	75	72
Citywide	na	56	66	60	57

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*; Performance Measures: Office of Budget and Program Evaluation.

benefits, and pension administration.

**Efficient Transactions.** Another priority is the efficiency and accuracy of processing routine personnel transactions. OHR administers these transactions for eight client departments through a shared services model. The plan suggests that replicating this model for all City agencies would result in significant savings. The model has resulted in efficiencies in other large organizations.

**Health Benefits.** OHR administers the City-administered plan (CAP) health benefit program. In recent years, OHR has successfully limited the plan's cost growth through health and wellness programs, self-insurance, plan design changes, and other initiatives. OHR's strategic goal is to continue to manage CAP to meet a target budget.

**Civil Service Reforms.** OHR has made significant improvements to the civil service system, including greater administrative efficiency and reforms to the system so that it better serves the needs of the City. The strategic plan proposes further reforms, including relaxing the current limit on hiring through the "rule of two," and a broad band classification system that would more closely link promotions to performance.

*Performance Measures.* The *Five-Year Financial Plan* lists eight performance measures for OHR. Three relate to the percentage of employees with current performance evaluations. Five relate to civil service administration. The final measure is the total cost of the CAP health benefit plan. There are no reported measures that correspond to some of the major priorities in the strategic plan, including human capital, customer service, and the efficiency of personnel transactions.

#### Recommendations

- OHR has taken a significant step with the publication of a thoughtful strategic plan with a comprehensive set of performance indicators, and should continue to update this plan as appropriate.
- OHR should publish a broader range of performance measures that align with its strategic plan priorities. For instance, the strategic plan includes measures related to employee training, customer service, personnel transactions, compliance with equal opportunity and disability law, and enrollment in the CAP health benefits plan.

## Human Services

The Department of Human Services (DHS) provides services to prevent and address child abuse, neglect and delinquency. The Department seeks to ensure child safety, achieve permanency of placement, and promote the long-term well-being of children and families.

*Goals.* Over the past nine years, DHS has been engaged in a major reform effort. In response to a series of tragic deaths that indicated serious failures of the agency, Mayor John Street in 2006 appointed a panel, the Child Welfare Review Panel (CWRP), to investigate the agency. The CWRP's 2007 report, *Protecting Philadelphia's Children: The Call to Action*, recommended changes in the areas of mission and values, practice, accountability, and leadership.

Since that time, DHS has implemented many of the CWRP recommendations. The implementation process has been overseen by the Community Oversight Board (COB), an independent body appointed

### Mission Statement Department of Human Services

The Philadelphia Department of Human Services mission is to provide and promote safety, permanency, and well-being for children and youth at risk of abuse, neglect, and delinquency.

Source: *Department of Human Services 2010-2015 Strategic Plan.*

### Department of Human Services Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	563	544	104	91	100
All Funds	577	555	534	530	550
<i>Filled Full-Time Positions</i>					
General Fund	1,751	1,668	804	349	382
All Funds	1,803	1,716	1,634	1,549	1,564
<i>Service Levels</i>					
Dependent placements <sup>1</sup>	4,668	4,182	4,049	4,291	4,601
Delinquent placements <sup>1</sup>	1,651	1,413	1,198	1,092	878
Juvenile Justice Services Center population <sup>2</sup>	106	118	119	105	106
<i>Permanency discharges</i>					
Adoption	593	654	480	352	385
Other	1,684	1,476	1,153	877	836
Total	2,277	2,130	1,633	1,229	1,221
<i>Outcomes</i>					
General protective services reports	7,986	8,293	8,273	9,172	9,682
Child protective services reports	4,188	3,970	4,115	3,803	3,903

Notes:

<sup>1</sup> As of the last day of the fiscal year

<sup>2</sup> Average daily population

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*; Service Levels and Outcomes: Office of Budget and Program Evaluation.

by the Mayor. Periodic COB reports have described DHS progress in implementing the CWRP recommendations.

The most significant changes since 2007 have been in practice and service delivery. As part of the Improving Outcomes for Children (IOC) initiative, DHS has delegated ongoing case management to community-based agencies, while retaining responsibility for intake and initial assessment. This change is designed to locate responsibility for cases with a single case manager based in the community. Other IOC initiatives include a team decision-making model, regular face-to-face contact with families, ongoing assessment, and increased data gathering to support performance management.

*Performance Measures.* Select DHS performance data are reported in the *Five-Year Financial Plan*. More detailed data are provided in the most recent COB report. The report provides a discussion of outcome measures, focusing on the following: occurrence of repeat maltreatment within 18 months; time between incidents of child maltreatment; substantiated reports of maltreatment for children in DHS care; time between entering placement and discharge to permanency; percent of children discharged to permanency who reentered placement within 18 months; percent of sibling groups that remain intact in placement; distance between placement location and home; and percent of placements in congregate care.

#### **Recommendations**

- DHS is engaged in an historic system transformation based on the recommendations of the CWRP. This transformation includes an increased emphasis on measuring and reporting outcome data. One CWRP recommendation that has yet to be implemented is that the Department “develop an annual report card that measures and communicates its performance on outcomes of interest...” DHS should begin to publish such a report. It should include outcome measures related to its core goals of safety, permanency, and well-being. DHS should also publish process and output measures that indicate progress in implementing CWRP recommendations and other reforms.
- The current DHS strategic plan covers the period 2010 to 2015. While the Department has developed many new initiatives and is subject to close oversight by the COB, public accountability would be enhanced if the agency issued an updated strategic plan that clearly stated its goals and performance measures. The need for an updated strategic plan has been heightened as a result of state legislation enacted in 2014 in response to a 2012 report by the state Task Force on Child Protection. This legislation is likely to affect DHS workload and processes in multiple ways, and should be reflected in an updated strategic plan.

# Innovation and Technology

The Office of Innovation and Technology (OIT) promotes and manages the use of information and communication technology across City agencies. OIT provides technology services to client departments, assists in developing applications, manages technology infrastructure, and promotes an enterprise-wide perspective on the development of IT across City government.

*Goals.* OIT's current strategic plan covers the period FY14 to FY16. It was most recently updated in January 2015. The Plan lists four strategic priorities: employee engagement and development; service excellence; survivable and sustainable systems and applications; and secure IT infrastructure and operations. Within these priorities, the plan lists eight specific goals. Quantitative performance indicators have been established for each goal.

*Performance Measures.* The *Five-Year Financial Plan* lists six performance measures for OIT. These measures are appropriate, but do not capture some of the priorities of the strategic plan. For instance, the strategic plan states that human capital is a critical issue for OIT, but the *Five-Year Financial Plan* measures do not capture workforce issues. With respect to service excellence, the strategic plan states that issues reported by IT customers should be categorized as "requests," if they relate to new or enhanced service, or "issues," if they relate to problems with existing service. The *Five-Year Financial Plan* reports issues, but not requests. More details on customer service levels -- including measures of service timeliness -- would be appropriate. With respect to survivable and sustainable systems and applications, the *Five-Year Financial Plan* reports the number of modernization projects on track. However this

**Mission Statement**  
**Office of Innovation and Technology**

To manage the City's technology assets efficiently and effectively so that our clients advance opportunities to modernize City government and improve services to all Philadelphians.

Source: *FY2014-2016 Strategic Plan*, Office of Innovation and Technology, January 2015 Update.

## Office of Innovation and Technology Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	39	61	63	63	64
All Funds	62	121	111	112	111
<i>Filled Full-Time Positions</i>					
General Fund	174	258	255	255	259
All Funds	190	325	322	324	330
<i>Service Levels</i>					
Service requests (000s)	na	27.8	24.7	29.6	33.2
Percent of customer issues closed within period of service level agreement	na	81.8	76.5	84.6	72.9
<i>Outcomes</i>					
Gartner IT organization maturity score	na	na	2.0	2.4	3.1

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*, Performance Measures: Office of Budget and Program Evaluation.

measure refers to “priority” applications, which are only a subset of all applications that are currently being replaced or upgraded.

A major goal of OIT is to increase the organizational maturity of the City with respect to the use of information technology. This goal is measured in terms of the Gartner IT score, which is a composite of eight criteria: application organization, business intelligence and performance management, business process, CIO perspective, enterprise architecture, infrastructure and operations, IT sourcing, vendor management, program and portfolio management, business continuity and risk management, and information security and compliance. The City’s overall Gartner score was 3.1 in FY14. The goal is to achieve a score of 4.0 in FY16. The highest possible Gartner score is 5.0.

Over the long run, greater exploitation of the opportunities presented by technology will be critical in helping the City achieve many strategic goals. It will help City government become more customer friendly and efficient, reduce administrative costs, and improve services. It should also aid in promoting performance management, by making performance data more readily available. City-wide governance of IT policies and practices, and the leadership provided by the CIO and OIT will be critical in achieving these goals.

#### **Recommendations**

- The City should develop an enterprise-wide IT strategic plan, as required under Chapter 21-2500 of the Philadelphia Code. Such a document would help coordinate the City-wide approach to leveraging IT to promote efficiency, innovation, and coordination.
- OIT should report performance measures that relate to all goals in its strategic plan.
- If OIT continues to use the Gartner IT score as a measure of overall progress in utilizing IT, it should report its score for each component of the Gartner rating, and indicate its basis.

## Licenses and Inspections

The Department of Licenses and Inspections (L&I) is the primary agency responsible for code enforcement in the city. It enforces codes related to building, demolition, property maintenance, and the conduct of business activities. Specific activities include review of construction plans, issuing permits, conducting inspections, and referring violations to the Law Department and the court system.

**Goals.** The Department has been the subject of intense scrutiny following the tragic collapse in June 2013 of a Center City building undergoing demolition. The collapse left six dead and thirteen injured. In response to this tragedy, the Mayor established a Special Independent Advisory Commission (SIAC) to review L&I operations, organizational structure, staffing, training, budget, technology, and fine structure. The SIAC report, *Safety First and Foremost*, was issued in September 2014, and detailed a variety of problems with agency processes, funding, and management, and contained 37 recommendations. Also in response to the June 2013 building collapse, City Council convened a Special Investigative Committee on Demolition Practices, which issued a report in September 2013 containing 71 recommendations to improve demolition policy.

In response to the SIAC report, the City established a Building Safety Oversight Board responsible for overseeing its recommendations. The City also established an internal steering committee to craft

### Mission Statement

#### Department of Licenses and Inspections

To make Philadelphia the Nation's leader in building safety. The Department of Licenses and Inspections supports investment, growth, and development through education, code enforcement, and the delivery of outstanding customer service.

Source: *Five-Year Financial and Strategic Plan for Fiscal Years 2016-2020*, City of Philadelphia.

### Department of Licenses and Inspections Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	23	18	21	22	26
All Funds	24	33	27	38	29
<i>Filled Full-Time Positions</i>					
General Fund	305	290	298	292	296
All Funds	316	302	310	300	303
<i>Service Levels</i>					
Permits issued (000)					
Building	13.2	16.3	16.6	17.2	17.3
Plumbing	10.1	11.0	11.0	10.5	10.5
Electrical	6.9	8.0	7.8	7.9	7.6
Residential demolitions	479	567	543	521	522
<i>Outcomes</i>					
Imminently dangerous buildings	367	324	452	405	514

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*; Service Levels and Outcomes: Office of Budget and Program Evaluation.

an official response. This response was contained in the *Plan for a Safer City*, issued in January 2015. The *Plan* included specific strategies and actions related to vacant property management, safety, fire code enforcement, staffing, and other areas. The elements of the *Plan* with financial implications were incorporated into the City's FY16-FY20 *Five-Year Financial Plan*.

The SIAC recommendations and the *Plan for a Safer City* provide an ambitious agenda for the Department. A key element of implementation will be the creation of a robust process for monitoring reform initiatives, and developing performance measures that reflect the full range of Department activities and outcomes.

*Performance Measures.* The *Five-Year Financial Plan* reports seven performance measures. Four relate to timeliness of service. Two indicators -- building, electrical and plumbing permits issued, and residential demolitions -- relate to service outputs. One measure -- imminently dangerous properties -- is an outcome measure.

### **Recommendations**

- The recommendations of the SIAC report and the report of the City Council Special Investigative Committee on Demolition Practices should be fully addressed by the City in future reform efforts.
- The Department should establish and report a broad array of performance measures that capture the agency's most important objectives and outcomes, including indicators relating to building safety and outcomes related to other provisions of the Philadelphia Code enforced by L&I.

# Parks and Recreation

Major services of the Department of Parks and Recreation (DPR) include preserving and enhancing existing green spaces, expanding the amount of green, public space available in the city, and providing sports and other recreation and outdoor activities. DPR offers year round camps, cultural activities, and targeted programming for older adults, the disabled, and other groups.

*Goals.* The following goals are described in the *Five-Year Financial Plan*: youth workforce development; greening and enhancing public spaces; Ben Franklin Parkway improvements; improvements to recreation facilities; out-of-school time activities; healthy eating; Bartram’s Mile and Schuylkill River Trail extension; Discovery Center; redesign of JFK Plaza; and improvements to Penn Treaty Park.

*Performance Measures.* The *Five-Year Financial Plan* includes five service level measures, including total program attendees and park visitors. The measures are not disaggregated by program type, and they are not linked to the agency’s goals and objectives as described in the *Five-Year Financial Plan*.

**Mission Statement**  
**Department of Parks and Recreation**

Promotes the well-being of the city, its citizens and visitors by offering beautiful natural landscapes and parks, high quality recreation centers and athletic programs, important historic resources and enriching cultural and environmental programs.

Source: *Five-Year Financial and Strategic Plan for Fiscal Years 2016-2020*, City of Philadelphia.

**Recommendation**

- DPR should develop performance indicators that align with its program goals as described in the *Five-Year Financial Plan*. Attendance measures should be broken out by type of facility and program.

## Department of Parks and Recreation Spending, Personnel, and Performance<sup>1</sup>

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	47	47	47	52	54
All Funds	54	57	56	61	63
<i>Filled Full-Time Positions</i>					
General Fund	590	590	574	568	600
All Funds	613	612	596	589	622
<i>Service Levels</i>					
Visits (000,000)	6.26	6.57	6.60	7.30	6.24
Unique program attendees (000)	279	272	289	263	244
Trees planted	8,685	18,328	20,282	26,015	18,313

Note

<sup>1</sup> The Department of Parks and Recreation was formed in 2009 as a result of the merger of the Department of Recreation and the Fairmount Park Commission. The budget for the two agencies was combined in FY11. Budget and personnel figures for FY10 include the Department of Recreation and Fairmount Park Commission. Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions: *Quarterly City Managers Report*; Performance Measures; Office of Budget and Program Evaluation.

# Police

The Philadelphia Police Department (PPD) is a public safety agency that engages in law enforcement, investigations, and the reduction of crime, while balancing those priorities with preserving constitutional rights within the community and prudent financial practices:

*Goals.* The *Five-Year Financial Plan* states that the goals of PPD include the following: prevent crime and criminal victimization; call offenders to account; enhance the sense of safety and security; use authority judiciously, fairly, and ethically; improve police and community relationships; and create a safe and healthy work environment and an exceptional team of employees.

## Mission Statement Police Department

To demonstrate excellence in policing by working in partnership with the community and others to fight and prevent crime, the fear of crime, and terrorism; enforce laws while safeguarding the constitutional rights of all people; provide quality service to all residents and visitors; and create a work environment in which the Philadelphia Police Department recruit, train and develop an exceptional team of employees.

Source: *Five-Year Financial and Strategic Plan for Fiscal Years 2016-2020*, City of Philadelphia

PPD issued its *Crime Fighting Strategy* in 2008. This plan was updated in 2011, with the publication of *Making Philadelphia a Safer City: 2011 Progress Report on the Crime Fighting Strategy and Five-Year Plan*. Both documents provide extensive qualitative descriptions about operational goals and strategies. However, the link between strategies and performance measures is limited. Clearly the emphasis of both plans is on reducing crime. Measures of other aspects of PPD operations are limited.

*Performance Measures.* The *Five-Year Financial Plan* reports the following: shooting victims, homicides, Part 1 violent crime, burglaries, homicide clearance rate, and other violent crime clearance rate.<sup>1</sup>

<sup>1</sup> Under the Uniform Crime Reporting program of the Federal Bureau of Investigation, part 1 violent offenses include murder and non negligent homicide, forcible rape, robbery, and aggravated assault.

### Police Department Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	542	551	569	585	607
All Funds	567	575	597	614	635
<i>Filled Full-Time Positions</i>					
General Fund	7,378	7,219	7,225	7,193	7,095
All Funds	7,546	7,384	7,390	7,357	7,260
<i>Outcomes</i>					
Homicides	305	318	350	263	246
Part 1 violent crime	17,740	18,446	18,224	17,384	16,533
Shooting victims	1,578	1,521	1,463	1,161	1,089
Homicide clearance rate (%)	72.2	67.9	64.0	73.0	56.5
Other violent crime clearance rate (%)	51.2	49.8	48.5	50.4	52.3

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*, Performance Measures: Office of Budget and Program Evaluation.

### **Recommendations**

- PPD's most recent strategic plan update, issued in 2011, provided an extensive discussion of goals and strategies, but did not link these strategies to performance measures in every case. In the future, there should be a closer link between PPD strategic plans and performance measures.
- Measures of crime outcomes are highly aggregated. The Department should begin reporting crime outcomes – including reported crime, arrests, and clearance rates – by type of offense.
- Performance measures relating to Department operations should be published, including such measures as response times, police shootings of civilians, officer misconduct, civilian complaints, and court complaints.
- In light of indemnities that have steadily increased in recent years, the Department should report indemnity costs and track and report initiatives related to training and field work that serve to reduce indemnity costs.

# Prisons

The Department of Prisons operates facilities housing sentenced inmates and prisoners awaiting trial in a manner consistent with applicable laws. The Department also provides programs to prepare sentenced inmates for reentry into society.

**Goals.** In 2008, the Department issued a strategic plan covering FY09 through FY13. The Plan has not been updated. It addresses four areas: overcrowding; recidivism; staff recruitment, retention, and morale; and technology.

## Mission Statement Department of Prisons

To provide a secure correctional environment that adequately detains persons accused or convicted of illegal acts; to provide programs, services, and supervision in a safe, lawful, clean, humane environment; and to prepare incarcerated persons for reentry into society.

Source: *Philadelphia Prisons System Strategic Plan, FY09-FY13, April 24, 2008.*

**Addressing overcrowding.** The plan recommended increased bed space, increased use of day reporting and alternatives to incarceration, transfer of certain sentenced inmates to state correctional institutions, and renovation and replacement of facilities.

**Recidivism.** The plan recommended standard treatment programs, comprehensive assessments of inmate needs, a standard discharge planning protocol, and assessing the impact of programs on recidivism.

### Department of Prisons Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	241	232	232	243	246
All Funds	242	234	233	243	246
<i>Filled Full-Time Positions</i>					
General Fund	2,254	2,166	2,144	2,248	2,268
All Funds	2,254	2,166	2,144	2,248	2,268
<i>Service Levels</i>					
Average daily census					
Sentenced	1,898	1,628	1,742	1,745	1,811
Non-sentenced	6,908	6,307	6,585	7,345	6,950
Total	8,806	7,935	8,327	9,090	8,761
Sentenced inmates participating in education or treatment programs (%)	75	77	75	73	74
<i>Outcomes</i>					
Re-incarceration rate (%)					
One year	40.4	39.5	40.0	41.6	40.3
Two year	51.5	51.6	51.9	51.6	50.5
Three year	57.4	57.7	57.9	58.1	na

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*; Performance Measures: Office of Budget and Program Evaluation.

**Staff recruitment, retention, and morale.** The plan recommended addressing use of unpaid sick leave, designing schedules to allow shorter tours of duty, providing educational assistance, and increasing correctional officer salaries to levels comparable to other cities.

**Technological innovations.** The plan recommended replacing the inmate records system, adopting electronic medical records, automated timekeeping, electronic records transfers between the courts and prisons, and replacing the two-way radio system.

Many of the plan's initiatives have been implemented. State prison reform legislation, Acts 81 through 84 of 2008, resulted in the transfer of some inmates to state institutions. The proportion of sentenced inmates participating in education and treatment programs increased to 73.8 percent in FY14. The Mayor's Office of Reintegration Services, now incorporated within the Department, has implemented initiatives to reduce recidivism and promote a successful reentry to society. Technology upgrades have also occurred. The Department remains challenged by the need to maintain older facilities.

*Performance Measures.* The *Five-Year Financial Plan* reports the prisons census, and the percentage of sentenced inmates participating in education or treatment programs. The *Plan* also presents recidivism over one-, two-, and three-year time frames. These measures are important, but additional measures would be helpful in evaluating performance. These could include measures relating to the issues identified in the 2008 strategic plan, including: overcrowding; inmate programs in relation to need; and staff recruitment and retention. Other outcome measures could include measures of positive outcomes such as the percentage of inmates employed after release, and their earnings levels.

#### Recommendations

- The Department does not have a current strategic plan. The last plan was written in 2008. This plan should be updated.
- Performance measures should be expanded to include a broader range of relevant service levels and outcomes.
- Recidivism rates that are currently reported measure only the rate of return to city correctional facilities. The Department should consider tracking recidivism to account for returns to any correctional institution, whether state or local.
- Reentry programs could have a long-run financial return for the City if they result in increased employment and earnings and reduced involvement with the criminal justice system. The Department should collect data on reentry program participant outcomes, such as employment, earnings, and recidivism. The data collected should be designed to determine which programs are working and assist policy-makers in deciding an appropriate level of investment of City funds in effective programs.

# Procurement

The Procurement Department administers the purchasing process for services, supplies, equipment, and construction. Under the City Charter, goods and services, with the exception of professional services, must be acquired through a competitive process.

**Goals.** The Department issued a strategic plan in 2013. The plan's five goals and actions associated with each goal are as follows:

**Put the People's Money to Work.** Pilot a reverse auction, revise contract terms and conditions, develop a fee and bond practices report, increase use of surplus disposal auction services, and automate procurement through a baseline eProcurement functionality.

**Improve Procurement Practices.** Develop a procurement manual and contract administration guide, automate processes, and optimize standard bid templates and terms and conditions.

**Organize Staff Resources to Improve Contract Portfolio.** Revise job descriptions to align with procurement best practices, establish a City-wide contract portfolio, and analyze the use of cooperative contracts.

## Mission Statement Procurement Department

Procurement works as a team to enable the City to plan, manage, obtain, and dispose of assets.

The primary focus is to obtain quality goods, services, construction, and concessions in an open, timely, and cost-effective manner by a competitive, fair and socially responsible process in accordance with the law.

Source: *Strategic Plan for the Procurement Department*, City of Philadelphia, September 6, 2013.

### Procurement Department Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	4	5	4	5	5
All Funds	5	5	5	5	5
<i>Filled Full-Time Positions</i>					
General Fund	46	45	45	45	47
All Funds	48	47	47	47	49
<i>Service Levels</i>					
Service, supplies and equipment contracts					
Average time from contract initiation to award (days)	na	105	122	124	113
Average responses per bid	na	2	3	3	3
Public works contracts					
Average time from contract initiation to award (days)	na	114	119	112	109
Average responses per bid	na	5	6	5	5

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*; Performance Measures: Office of Budget and Program Evaluation.

**Improve External Interaction Processes.** Implement electronic notification of bids to vendors, streamline the Office of Economic Opportunity process, and improve engagement with City departments.

**Train and Develop Employees.** Seek feedback from employees and stakeholders, improve employee performance evaluation, and provide training to employees in procurement best practices.

*Performance Measures.* The performance measures published in the *Five-Year Financial Plan* include measures of the speed of the contracting process and the average number of bids per contract. From FY13 to FY14, the reported average time from contract initiation to award decreased for contracts for services, supplies, and equipment, and for public works contracts.

The measures reported in the *Plan* are important, but there are other aspects of performance that could be reported. The National Institute of Government Purchasing recommends that procurement agencies track performance metrics for the following areas: cost savings or cost avoidance; supplier development; supplier performance; efficiency of internal processes; and professional development and employee retention.<sup>1</sup>

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<sup>1</sup> Standard on Performance Metrics, available from <[www.nigp.org](http://www.nigp.org)>.

#### **Recommendation**

- The Department should develop a broader range of performance measures, taking into account the types of metrics recommended by the National Institute of Government Purchasing. Further, the Department's reported performance metrics should align with the goals in its 2013 strategic plan. These goals include more efficient internal processes, greater automation, improved customer service, additional employee training, and lowering the cost of purchased goods and services.

# Property Assessment

The Office of Property Assessment (OPA) is responsible for determining assessed values for all real property in the city. OPA also administers tax relief programs, which include the residential homestead exemption, abatements for new construction and rehabilitation, and tax relief for long-term owner occupants and senior citizens. The Office administers an informal review process for property owners who wish to appeal their assessments.

## Mission Statement Office of Property Assessment

The Office of Property Assessment is responsible for determining the value of all real property in Philadelphia and is dedicated to doing so in a fair, accurate, and understandable way.

Source: *Five-Year Financial and Strategic Plan for Fiscal Years 2016-2020*, City of Philadelphia.

**Goals.** OPA was established under an amendment to the City Charter approved by voters in May 2010. Prior to that time, property assessment was administered by the Board of Revision of Taxes (BRT), an independent agency with members appointed by the judges of the Court of Common Pleas. Well documented problems with the accuracy of BRT assessments led to the creation of OPA, which is headed by a professional assessor appointed by the Mayor.

The creation of OPA represented an important change in governance and accountability. While the BRT had been appointed by judges, the director of OPA is appointed by the Mayor, with the advice and consent of City Council. Thus, OPA is directly accountable to local elected officials. This should increase the incentive for OPA to deliver on its mandate to accurately assess property.

In 2014, OPA implemented a city-wide revaluation of real property. This revaluation, referred to as the Actual Value Initiative (AVI), eliminated fractional assessments and has improved the accuracy of assessments city-wide. The City reports that the coefficient of dispersion for single family residential parcels declined from .275 in 2013 to .139 in 2014.

Along with AVI, OPA implemented a newly-authorized homestead exemption program, and the Long-Term Owner Occupant Program, which provides tax relief to homeowners facing significant tax increases as a result of AVI who have lived in their homes since at least 2003. OPA also created a new

### Office of Property Assessment Spending and Personnel

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)<sup>1</sup></i>					
General Fund	0	6	8	12	11
All Funds	0	6	8	12	11
<i>Filled Full-Time Positions</i>					
General Fund	0	132	157	173	179
All Funds	0	132	157	173	179

#### Notes

<sup>1</sup> OPA was created in May 2010 and did not incur obligations prior to FY11.

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*.

First Level Review process, which allows taxpayers to appeal their assessments directly to OPA. Taxpayers continue to have the option to file a formal appeal with the BRT.

Among the most significant strategic issues for OPA is instituting a system of annual reassessments, to ensure that the accuracy and equity of assessments is maintained. OPA is implementing a Computer Assisted Mass Appraisal system which will automate some assessment processes and bring OPA technology into line with leading assessment agencies.

*Performance Measures.* The *Five-Year Financial Plan* does not include performance indicators for OPA. While some performance information is mentioned in the text, OPA performance measures should be included in the *Plan* in the same manner as other agencies.

### **Recommendations**

- OPA should adopt a strategic plan that includes goals and strategies to address its challenges. This plan should be accompanied by performance indicators that align with its goals.
- OPA should comply with Section 2-305 of the Philadelphia Code, which requires the agency, prior to May 1 of each year, to publish “assessment ratio studies for different types of real property for the entire City...” The studies must be in a format similar to reports issued by the Government of the District of Columbia. The District’s reports provide neighborhood-level measures of the coefficient of dispersion, a measure of overall assessment uniformity, and the price-related differential, a measure of the relationship between assessment ratios for high-value and low-value properties.

## Public Health

The Department of Public Health (DPH) provides primary health care through eight district health centers, operates the Philadelphia Nursing Home, and administers programs targeted at maternal and child health and infectious diseases. DPH also enforces the City health code and promotes healthy behavior designed to reduce the incidence of preventable diseases.

*Goals.* DPH has increased its emphasis on strategic planning and performance in recent years. In part, these efforts reflect requirements of the Public Health Accreditation Board. In 2014, DPH published a *Community Health Assessment* and *Community Health Improvement Plan*. These documents provide extensive information on the status of public health in the city with respect to a variety of indicators.

In 2014, the Department also published a strategic plan covering the period 2014 through 2018. The plan lists four key strategic priorities: women’s and infant health; sexual health; chronic diseases related to

### Mission Statement Department of Public Health

Our mission is to protect and promote the health of all Philadelphians and to provide a safety net for the most vulnerable.

Source: *Strategic Plan: 2014-2018*, Philadelphia Department of Public Health, May 2014.

### Department of Public Health Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
Obligations (\$000,000)					
General Fund	111	109	108	109	110
All Funds	291	336	329	327	334
Filled Full-Time Positions					
General Fund	662	661	669	673	659
All Funds	875	885	893	842	828
Service Levels					
District health centers					
Total visits (000s)	350.7	339.0	348.5	341.3	310.3
Uninsured visits (% of total)	49.6	49.6	51.1	52.9	49.6
Inspection interval for food establishments in risk category 1 (months)	19	18	15	17	15
Homicides having final autopsy report completed within 60 days (%)	73.0	70.0	65.0	95.0	96.5
Children with complete immunizations (%) <sup>1</sup>	74	74	74	75	78
Outcomes					
Newly diagnosed HIV case reports	1,096	820	792	704	585

Notes:

<sup>1</sup> Age 19-35 months

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions: *Quarterly City Managers Report*; Performance Measures: Office of Budget and Program Evaluation.

tobacco and obesity; and environmental health. Under each priority, the plan lists goals and strategies. Key performance indicators focused on outcomes are provided under each goal. In January 2015, the Department provided a progress report, indicating activities to implement the plan during 2014.

*Performance Measures.* The *Five-Year Financial Plan* lists five performance indicators. These indicators are less comprehensive than those included in the strategic plan, *Community Health Assessment*, and *Community Health Improvement Plan*.

### Recommendations

- The 2014 DPH strategic plan emphasizes specific goals and strategies for four key program areas. In the future, the Department should consider broadening the plan to include other programs. As an example, the plan should also address programs to improve access to primary health care.
- According to the *Community Needs Assessment*, Philadelphia ranks relatively low compared to other large, urban counties with respect to many public health outcomes. Ongoing measurement and reporting of these outcomes is important to focus program efforts and gauge their effectiveness. The Department should regularly report measures that reflect both the full range of DPH program activities and important public health outcomes. The outcome measures should reflect those included in the *Community Health Assessment* and *Community Health Improvement Plan*.

# Public Property

**Mission.** The Department of Public Property (DPP) is an internal service agency responsible for maintaining and managing the construction of City facilities. It also manages the rental of space utilized by City agencies.

**Goals.** In January 2015, DPP issued a strategic plan covering FY14-FY16. The document provides substantial background about the responsibilities of the agency, its organization, and major challenges. It includes four strategic priorities and states nine operational goals. Under each goal it lists FY14 accomplishments, FY15 objectives, and key performance indicators. Most of these indicators were not measured prior to FY14. The plan provides a solid basis for performance accountability in the future, if it continues to be refined and updated.

The plan includes the following key operational goals: decrease the completion time and cost for capital projects; decrease spending on leased space; decrease capital spending on deferred maintenance; reduce the number of publicly-owned vacant properties; create a comprehensive plan for each City facility, including a five-year capital and operating spending plan; implement an asset management system; and reconfigure space in City-owned buildings.

**Performance Measures.** DPP reports five performance measures in the *Five-Year Financial Plan*: total leased property expense; square feet managed in leased property; substantially completed construction projects; Facilities Division work order volume; and percent of work orders completed within service level agreement time frame. Additional measures are needed to represent performance with respect to other goals in the strategic plan. Such measures could include: average length of time to completion

## Mission Statement Department of Public Property

To professionally manage the infrastructure supporting City government operations through the acquisition, disposition, lease, design, renovation and maintenance of City properties.

Source: FY2014-2016 Strategic Plan, Department of Public Property.

### Department of Public Property Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	101	105	103	107	125
All Funds	118	126	133	133	152
<i>Filled Full-Time Positions</i>					
General Fund	123	126	122	123	133
All Funds	123	126	122	123	133
<i>Service Levels</i>					
Lease space managed (square feet) (000,000)	1.31	1.43	1.43	1.44	1.43
Facilities Division work order volume (000)	4.9	6.7	9.0	10.1	13.3
Work orders completed within service level agreement (%)	na	na	na	84.0	91.2

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions: *Quarterly City Managers Report*; Performance Measures: Office of Budget and Program Evaluation.

for capital projects; capital spending on deferred maintenance; publicly-owned vacant properties; and number of City facilities with a completed comprehensive plan. In addition, DPP should consider reporting appropriate outcome measures. These could include measures of the state of repair of facilities and the efficiency of space utilization.

### **Recommendations**

- The Department's FY14-FY16 strategic plan articulates a broad range of strategic goals. DPP should develop measures that capture performance with respect to each of these goals.
- As described in the strategic plan, DPP should acquire an asset management system to track operating and capital costs, and determine necessary maintenance tasks, at each City facility. This system should enable prioritization of capital investment and preventive maintenance spending, and help ensure adequate preventive maintenance.

# Revenue

The Department of Revenue (DoR) is responsible for collecting taxes due to the City and School District of Philadelphia (SDP). It is also responsible for collecting City non-tax revenues, including Water Department user fees. The Department directly administers 15 City and SDP taxes, and receives revenue from two taxes administered by the state Department of Revenue on behalf of the City and SDP.

## Mission Statement Department of Revenue

To promptly collect a variety of revenue due to the City and tax revenue due to the School District of Philadelphia

Source: *Five-Year Financial and Strategic Plan for Fiscal Years 2016-2020*, City of Philadelphia.

*Goals.* DoR does not have a public strategic plan. Information on its strategic goals is available in the *Five-Year Financial Plan*. The goals emphasized in the *Plan* include: improvements in collection practices; information technology initiatives; and customer service improvements.

The *Plan* also details recent accomplishments. DoR has increased real estate tax collections through early notification of delinquency and increased foreclosures. Enforcement for other taxes has been enhanced through revocation of Commercial Activity Licenses for delinquent taxpayers, and the use of court-appointed receivers for delinquent rental properties. These receivers collect rents use the revenue to pay taxes owed. Other accomplishments include: new cashiering and remittance systems; new electronic filing options; implementation of a data warehouse; and a new taxpayer phone system. DoR is also

### Department of Revenue Spending, Personnel, and Performance<sup>1</sup>

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	16	14	19	19	20
All Funds	41	28	44	50	56
<i>Filled Full-Time Positions</i>					
General Fund	250	248	286	282	290
All Funds	486	487	525	521	519
<i>Service Levels</i>					
Tax division					
Incoming calls (000)	247	179	234	214	249
Walk-in customers (000)	43	34	42	36	38
Walk-in average wait time (minutes)	31	17	34	14	8
Water revenue division					
Incoming calls (000)	306	275	304	533	553
Walk-in customers (000)	88	90	102	100	96
Walk-in average wait time (minutes)	12	12	9	15	16
<i>Outcomes</i>					
Value of audit assessments (\$000,000)	20	30	29	12	19

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions: *Quarterly City Managers Report*; Performance Measures: Office of Budget and Program Evaluation.

implementing a program to support residents in filing for the federal Earned Income Tax Credit.

*Performance Measures.* The *Five-Year Financial Plan* performance measures primarily relate to customer service. Two measures relate to the effectiveness of enforcement: the value of audit assessments and the percent of water bills paid within 30 days.

### **Recommendations**

- The effective and fair enforcement of the tax code is important to the financial health of the City and SDP. Because of the importance of DoR's mission, the Department should develop and publish a strategic plan that clearly expresses its goals and strategy.
- DoR should expand its performance measures to include the level and type of enforcement activities and their outcome. Enforcement outcome measures should include, for each major tax, delinquent accounts as a percentage of the total, amounts owed, and delinquent collections. DoR should also report key administrative data such as participation in various tax relief programs administered by the Department, and workload measures such as the number of audits conducted.
- Compliance – the percentage of taxes due that are actually paid – should also be estimated and reported for each tax. For the real estate tax, compliance can be readily calculated. For other taxes, compliance should be estimated through periodic tax gap studies. Such studies estimate the amount of revenue not received due to non-filing, underreporting, and non-payment.

# Sheriff

The Office of the Sheriff is responsible for providing court security, transporting prisoners, conducting foreclosure sales, serving warrants, and supervising First Judicial District warrant officers.

*Goals.* The Office of the Sheriff has not published a strategic plan. The *Five-Year Financial Plan* narrative includes a description of major services, but does not describe goals or initiatives.

In testimony to City Council in support of its FY16 budget request, the agency noted a number of accomplishments. They include: installation of a new data management system; faster transfer of deeds to property buyers; and adoption of new responsibilities to supervise the First Judicial District warrant unit.

*Performance Measures.* The *Five-Year Financial Plan* does not include measures of service levels or outcomes. In response to a PICA staff question, the Office indicated that it monitors the following service measures: revenue collected; prisoners transported; court incidents; warrants served; time from Sheriff sale to settlement; and time from settlement to deed delivery.

## Mission Statement Office of the Sheriff

To serve and protect the lives, property, and rights of all those in the City and County of Philadelphia.

Source: *Five-Year Financial and Strategic Plan for Fiscal Years 2016-2020*, City of Philadelphia

## Recommendations

- In recent years, there have been well-publicized problems relating to the Office of the Sheriff, particularly with respect to the administration of foreclosure sales. These problems might have been avoided or detected sooner with adequate performance reporting. Under the current Sheriff, the agency's performance seems to have improved, but reporting about goals, operations, and performance remains inadequate. As a first step, the Office should begin to provide the same level of reporting about costs and performance as other City agencies. It should provide operating budget detail for inclusion in the Mayor's *Operating Budget* and performance measures and a discussion of accomplishments and initiatives for the *Five-Year Financial Plan*. To improve accountability, the Office should also publish a strategic plan to clarify its services, goals, and performance metrics.

## Office of the Sheriff Spending and Personnel

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	16	14	15	15	18
All Funds	16	14	15	15	18
<i>Filled Full-Time Positions</i>					
General Fund	230	221	226	231	277
All Funds	230	221	226	231	277

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*.

# Streets

The Streets Department maintains Philadelphia’s streets, bridges, street lighting, traffic control devices, and snow removal in a way that is consistent with the safety of the public, needs of the handicapped, and fiscal constraints of its budget. The Department is also responsible for timely garbage and recycling collection.

## Mission Statement Department of Streets

To maintain the City’s vast network of streets and roadways in a cost-effective and efficient manner.

Source: City of Philadelphia, Five Year Financial Plan.

**Goals.** The Department’s strategic goals are outlined in the *Five-Year Financial Plan*. Some key initiatives include: a new traffic operations center; energy-efficient street lighting; and construction of ramps for the disabled as outlined by the Americans with Disabilities Act. The new traffic operations center will centralize traffic control throughout the city. The street lighting project is expected to be completed in 2025. The Department is also exploring alternative waste processing technologies that may be used in the future if they prove sustainable and cost effective. The alternative technologies include biological or chemical treatment or trash to energy projects.

**Performance Measures.** The performance measures included in the *Five-Year Financial Plan* primarily represent service levels related to solid waste collection. Only one measure -- average pothole response time -- relates to maintenance of the street infrastructure. The Department does maintain other measures related to infrastructure, including the number of city bridges maintained and reconstructed,

### Streets Department Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	135	131	124	119	138
All Funds	167	163	155	154	175
<i>Filled Full-Time Positions</i>					
General Fund	1,693	1,689	1,682	1,690	1,684
All Funds	1,693	1,689	1,682	1,690	1,684
<i>Service Levels</i>					
Solid waste processed (tons) (000) <sup>1</sup>	551.2	518.4	522.9	501.6	495.7
Waste recycled (tons) (000)	99.4	115.1	120.3	122.2	127.9
Recycling rate (%)	16.0	19.0	19.0	20.0	20.9
On-time trash collection (%) <sup>2</sup>	90.0	94.0	94.0	96.0	85.1
On-time recycling collection (%) <sup>2</sup>	94.0	96.0	97.0	97.0	93.3
Road resurfacing (lane-miles)	67	48	36	50	34

Notes:

<sup>1</sup> Does not include collections from City facilities, commercial buildings, and the Philadelphia Housing Authority.

<sup>2</sup> Percentage collected by 3:00 pm.

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*; Performance Measures: Office of Budget and Program Evaluation.

and the number of “intersection control and special traffic studies.”

*Performance Assessment.* On-time trash and recycling collections declined in FY14, due in part to limited availability of vehicles. This is expected to be corrected in FY16.

### **Recommendations**

- The Department should publish a strategic plan outlining goals and strategies, and associated performance measures relating to internal management, service levels, and outcomes.
- The Department should publish additional performance measures relating to roads, bridges, and associated infrastructure. They should include measures of maintenance activity and the condition of the infrastructure.
- The efficiency of the Department’s solid waste management function is critical. The Department should benchmark its costs against comparable municipalities to assess efficiency and determine whether there are viable options to reduce costs. The study should account for the full cost of the current service delivery model, including employee benefits and fleet maintenance.

# Supportive Housing

The Office of Supportive Housing (OSH) provides housing and supportive services to the homeless, and assistance to prevent homelessness. OSH manages emergency, transitional and permanent supportive housing projects, which are provided directly and through private organizations. It also provides street outreach to encourage persons to enter shelter.

**Mission Statement**  
**Office of Supportive Housing**

To help individuals and families move towards independent living and self-sufficiency in safe and stable housing.

Source: *Five-Year Financial and Strategic Plan for Fiscal Years 2016-2020*, p. 116.

*Goals.* The most recent OSH strategic plan is *Philadelphia’s Ten-Year Plan to End Homelessness: Creating Homes, Strengthening Communities, and Improving Systems*, published in 2005. The plan includes the following goals: increase the supply of affordable housing; implement homelessness prevention programs; expand street outreach; coordinate health and social services; engage private organizations to target problems related to homelessness; improve employment programs available to the homeless; ensure quality of shelter services; and help households make the transition from shelter to independent housing.

The *Ten-Year Plan* contains important strategic objectives. However, since the plan was issued there has been little comprehensive reporting on progress toward its goals.

*Performance Measures.* The *Five-Year Financial Plan* reports the following performance measures: households receiving financial assistance to prevent or end homelessness; new permanent supportive housing units; and transitional housing placements. While these are important output measures, they do

### Office of Supportive Housing Spending, Personnel, and Performance

	FY10	FY11	FY12	FY13	FY14
<i>Obligations (\$000,000)</i>					
General Fund	38	36	38	42	45
All Funds	76	81	74	71	75
<i>Filled Full-Time Positions</i>					
General Fund	124	116	147	145	154
All Funds	168	160	191	154	163
<i>Service Levels</i>					
Shelter population	3,590	3,620	3,293	3,238	3,642
Financial assistance provided					
Homelessness prevention	2,619	1,943	809	610	676
Ending homelessness	709	1,330	82	291	135
Transitional housing placements	487	510	558	539	509
New permanent supportive housing units <sup>1</sup>	88	120	179	180	59

Note:

<sup>1</sup> Excludes Philadelphia Housing Authority units

Source: Obligations: *Supplemental Report of Revenues and Obligations*; Positions, *Quarterly City Managers Report*; Performance Measures: Office of Budget and Program Evaluation.

not adequately capture progress toward achieving the goals in the strategic plan.

The US Department of Housing and Urban Development (HUD) has announced new standards for performance reporting that will apply to recipients of homeless program funding under the Continuum of Care program. These standards will require reporting of performance for the entire local system of homeless services and providers. The measures that will be required include measures of the length of homeless spells, recidivism to homelessness, the overall number of homeless families and individuals, and jobs and income growth for homeless persons.<sup>1</sup> Reporting on these measures will be a condition of receiving federal funds.

OSH should report a subset of the performance measures required by HUD in the *Five-Year Financial Plan* and other OSH publications. Helpful measures could include: total housing units available to the homeless by category; and total homeless persons, including the sheltered and the unsheltered. An annual count of homeless persons is available from the “point in time” census. This data is presented in the table above for the period 2011 to 2014.

OSH is currently focused on discharge planning for persons leaving hospitals, prisons, and mental health facilities. Another outcome measure would capture success at preventing these populations from entering the homeless system.

<sup>1</sup> System Performance Measures: An Introductory Guide to Understanding System-Level Performance Measurement. US Department of Housing and Urban Development, May 2015.

Philadelphia Homeless Population				
	2011	2012	2013	2014
Sheltered				
Emergency	3,637	3,324	3,238	3,642
Transitional	1,971	1,890	1,782	1,622
Safe Haven	66	66	99	113
Total	5,674	5,280	5,119	5,377
Unsheltered				
Total	506	500	526	361
Total	6,180	5,780	5,645	5,738

Source: Office of Supportive Housing, Continuum of Care Point in Time Summary.

### Recommendations

- OSH should update its strategic plan for addressing homelessness, and report regularly on its implementation and progress toward achieving quantitative goals. The plan should reflect an overall strategy for addressing homelessness, and take into account the role of OSH and other public and private agencies.
- OSH performance measures should include relevant measures of service levels and social outcomes. Measures of services should, as much as possible, capture the full array of services provided by OSH and other public and private providers. Measures of outcomes should include the point in time measure of the homeless population by housing status.

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