

1

2

COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING AND PUBLIC MEETING
BEFORE COUNCIL COMMITTEE ON RULES

3

4

- - -
Room 400, City Hall
Philadelphia, Pennsylvania
Monday, December 11, 2000
10:35 a.m.
- - -

5

6

7

BILL 000543 - an ordinance amending Section 17-104
of the Philadelphia Code entitled prerequisites to
the execution of City contracts to add a new
subsection requiring businesses receiving financial
assistance from the City and City-related agencies
to contribute to a fund for Philadelphia's Children,
the proceeds from which shall be made available to
pay for new and expanded program initiatives for
Philadelphia children, all under certain terms and
conditions.

12

13

14 PRESENT:

15

COUNCILMAN JAMES F. KENNEY, Vice Chair
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN DAVID COHEN
COUNCILMAN FRANK DICICCO
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN BRIAN J. O'NEILL
COUNCILWOMAN MARIAN B. TASCO

16

17

18

19

- - -

20

21

22

23

VINCENT VARALLO ASSOCIATES, INC.
Registered Professional Reporters
Eleven Penn Center, Suite 600
Philadelphia, PA 19103
(215) 561-2220

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

	PAGE
BILL 000543	
SHELLY YANOFF, PCCY	3, 24
JANICE DAVIS, Finance Director	8
CHERYL OAKMAN, Youth Development	18

1 12/11/00 - RULES - BILL 000543

2 P R O C E E D I N G S

3 COUNCILMAN KENNEY: Good morning,
4 ladies and gentlemen. This is a continued
5 hearing of the Council Committee on Rules
6 accepting testimony on Bill 000543.

7 Councilmember Tasco, do you have a
8 copy of the bill?

9 COUNCILWOMAN TASCO: Yes, yes.

10 COUNCILMAN KENNEY: I'm sorry. Bill
11 No. 000543 is an ordinance amending Section
12 17-104 of the Philadelphia Code entitled
13 prerequisites to the execution of City contracts
14 to add a new subsection requiring businesses
15 receiving financial assistance from the City and
16 City-related agencies to contribute to a fund for
17 Philadelphia's Children, the proceeds from which
18 shall be made available to pay for new and
19 expanded program initiatives for Philadelphia
20 children, all under certain terms and conditions.

21 Miss Yanoff, you're first on the
22 witness list.

23 (Witness comes forward.)

24 COUNCILMAN KENNEY: Good morning.

25 MS. YANOFF: Good morning. At the

1 12/11/00 - RULES - BILL 000543

2 last hearing, we had begun to testify and so I
3 will cut my testimony short. I just want to --
4 I'm Shelly Yanoff, Executive Director of PCCY,
5 the regions child's advocacy organization. Thank
6 you again for holding the hearing and for
7 providing the testimony to -- the occasion to
8 testify about the need for our children and
9 families to have more support and the need for
10 all of us to seek creative ways to assuring that
11 support since the City faces always a lot of
12 demands on its dollars.

13 When we last spoke, we talked about
14 the experience of Little Rock where they raised
15 the sales tax to strengthen their families,
16 raised their children's achievement, and
17 significantly lowered youth crime rates. We
18 talked about Pinellas County in Florida and now
19 six other counties in Florida that have created
20 special taxing districts which generate more than
21 \$63 million in county dollars for youth annually.
22 In Seattle a family and education levy similar to
23 San Francisco's initiative was pass in 1990 and
24 again renewed in 1997 to support programs which
25 support children and families.

1 12/11/00 - RULES - BILL 000543

2 Again, the programs that these funds
3 support are over and above the normal City budget
4 allocation. They support early child
5 development, school-based student and family
6 services, student health services, and
7 out-of-time programs for youth.

8 Oakland, California, has a Kids First
9 Initiative requiring the City to set aside a 2.5
10 percent of unrestricted revenue to a children's
11 fund for direct support. Washington, DC is
12 looking at doing this. There are many cities all
13 over the country that are recognizing that they
14 have got to get more money for kids before crisis
15 to avoid crisis and to keep families and children
16 in their cities, which brings us to this bill and
17 the Philadelphia story.

18 The bill before you is modest in
19 scope. It does not urge a tax, as do some of the
20 others. It does not require a levy on property,
21 as does some of the others. It does not require
22 a sales tax. It doesn't even levy a charge or a
23 fee on traditional businesses that deal with the
24 City. It does not anticipate tens of millions of
25 dollars in a set-aside funds from the City

1 12/11/00 - RULES - BILL 000543

2 budget. It does not require any major change in
3 the business procedures of the company or
4 corporation. What it does do is say to those
5 businesses which receive a substantial benefit
6 from the City, a grant, a loan, a waiver, an
7 abatement of taxes, a TIF, a benefit which is
8 worth more than a hundred thousand dollars, it
9 says the those nonprofit businesses, "Give a
10 little bit of your benefit to the children and
11 families of this City." You think of it, take a
12 gift and you take the gift and give the kids and
13 families some of wrapping.

14 The bill requires that those
15 businesses that collective receive millions of
16 dollars in benefits give 1 percent of the value
17 of the benefit to a fund which would directly
18 support Philadelphia's children. It's
19 conservatively estimated that that would generate
20 at least \$3.5 million annually to improve the
21 quality of life for all of families in this City.

22 We urge you to consider connecting
23 youth development and economic development as we
24 together work toward making this city a better
25 places for businesses to choose and for families

1 12/11/00 - RULES - BILL 000543

2 to choose to move to and to stay here.

3 Study after study tells us that
4 improved schools and community programs that
5 support youth in non-school time are strongly
6 desired by families. Here's a way without a tax
7 to help families come and stay here.

8 The bill envisions a separate fund,
9 which is in other places builds in a local budget
10 but is not an integral part of it. The funds are
11 additional. They supplement the regular City,
12 State, and Federal appropriations; they do not
13 supplant them.

14 About 50 years ago the Art
15 Development Linkage Fund was begun here. Then,
16 as now, many argued that it would in fact
17 discourage development. Your predecessors took
18 the step that greatly enriched the quality of
19 life in this City. Contrary to some predictions,
20 most would agree it's been good for business,
21 good for tourism, and good for residents. It's
22 now time to take another linkage step. Investing
23 in children and youth has been good for the
24 children, families, and businesses of other
25 cities; it will be good for us, too.

1 12/11/00 - RULES - BILL 000543

2 We urge you to enact this bill and to
3 continue to fight for the funds to support
4 children and families. As we said last time,
5 there are always reasons people can find for
6 government not to do something, but we urge you
7 to understand and act on the imperative to do
8 something today.

9 Thank you.

10 COUNCILMAN KENNEY: Thank you for
11 your testimony.

12 Are there any questions for this
13 witness?

14 (No questions.)

15 COUNCILMAN KENNEY: Thank you very
16 much.

17 The Finance Director, please.

18 (Witness comes forward.)

19 MS. DAVIS: Good morning.

20 COUNCILMAN KENNEY: Good morning.

21 Please identify yourself for the record.

22 MS. DAVIS: My name is Janice Davis,
23 I'm the Director of Finance for the City of
24 Philadelphia. I'm here today to testify
25 regarding Bill No. 000543.

1 12/11/00 - RULES - BILL 000543

2 On November 13, 2000, I appeared
3 before you regarding the same bill to emphasize
4 that while the Administration supports the spirit
5 and intent of this bill, the Administration could
6 not support the bill because it is too broad in
7 scope and it's too vague in how it could
8 potentially be applied, especially with regard to
9 the 1 percent formula and some of the items that
10 would be considered financial assistance.

11 I would like to note that this
12 remains the Administration's position. The
13 Administration does not support the idea of
14 linking economic development with the funding of
15 social programs.

16 At the previous hearing the committee
17 asked that the Administration develop creative
18 funding alternatives for the children's program.
19 It is important for me to stress to the members
20 of the committee that the Street Administration
21 is unconditionally committed to increasing
22 funding towards programs that benefit the
23 children and families of Philadelphia. Later
24 this week, the Mayor will be unveiling the first
25 annual children's budget, a comprehensive

1 12/11/00 - RULES - BILL 000543

2 examination of how the public sector invests in
3 the City's children. The children's budget
4 together with the children's report card released
5 earlier this year by the Administration will
6 allow the Administration to begin to better
7 evaluate how public dollars are being spent and
8 determine how effective those dollars are at
9 improving the lives of children. The children's
10 budget is the first step towards one of the
11 Administration's primary goals, evaluating the
12 City's budget across the board to ensure that
13 every potential source of funding is put towards
14 Philadelphia's most precious resource, its
15 children.

16 In addition to examining the City's
17 budget for every potential funding opportunity,
18 the Administration is also exploring other
19 creative and unconventional avenues for
20 increasing the amount of funding available for
21 children's programs. While any additional
22 funding is welcome, the goal for any new strategy
23 would be to ensure that it is or would become a
24 steady stream of revenue. One of the more
25 promising idea that has been suggested for a

1 12/11/00 - RULES - BILL 000543

2 potential avenue for funding of the children's
3 program is the development of an affinity card.
4 The members of the committee may be familiar with
5 the concept of an affinity card. It is a credit
6 card wherein a percentage of the profit goes
7 towards a designated program.

8 Typically, there are two different
9 kinds of affinity cards: Those where a
10 percentage goes towards a charitable function,
11 and those where the user gains something of
12 value, such as airline miles or bonus points with
13 a specific retailer. Certain charities have used
14 the concept of an affinity card to great success.
15 The World Wild Life Foundation has raised
16 significant funding for its organization through
17 such a card. The idea of using an affinity card
18 to raise funding for children's programs holds
19 great potential.

20 Another idea developed as a result of
21 discussions after the last hearing on this bill
22 is the idea of adding a check box to income tax
23 forms filed in Philadelphia similar to the check
24 box found on Federal Income Tax Forms the
25 individual filing the form would have the

1 12/11/00 - RULES - BILL 000543

2 voluntarily option of having an additional sum go
3 towards a fund to benefit children's programs.
4 Notably, this idea does not reach the goal of
5 creating a steady stream of income. The funds
6 generated by this potential program would rely
7 upon the generosity of individuals; however, I do
8 not think that this idea should be abandoned
9 simply because it does not achieve that goal.
10 Any potential source of revenue for children's
11 programs should be per sued.

12 In addition to new ideas such as
13 affinity cards and tax form check boxes, the
14 Administration is pursuing more traditional
15 avenues for generating funding for children's
16 programs. For example, in the past year the
17 Administration has been able to dedicate
18 approximately \$500,000 to after-school
19 programming by using already-available TANF
20 funds. TANF funds are dollars that are
21 apportioned by the federal government and then
22 matched by the Commonwealth. After-school and
23 other children's programming was given an
24 additional boost by a new commitment of General
25 Fund resources. The Administration is working to

1 12/11/00 - RULES - BILL 000543

2 develop similar techniques for gaining funding
3 for additional children's programs.

4 Further, as members of this committee
5 are aware, following the initiative launch by
6 Councilwoman Blondell Reynolds-Brown, the
7 Administration recently obtained commitments from
8 both the Phillies and the Eagles to establish a
9 Children's Fund in relation to the construction
10 of the new stadiums. This commitment will result
11 in an additional \$60 million being directed
12 towards Philadelphia's children.

13 It is important to remember that one
14 of the first acts of Mayor Street when he took
15 office was to declare the year 2000 as "The Year
16 of the Child." The Mayor and his administration
17 have worked tirelessly to evaluate where
18 Philadelphia currently stands in providing for
19 its children so that we can move forward in
20 leveraging every possible opportunity to fund
21 children's program.

22 I commend City Council for joining in
23 the battle to help Philadelphia's children. I
24 hope the suggestions I have presented to this
25 committee today have been helpful in your

1 12/11/00 - RULES - BILL 000543

2 consideration of creative alternative funding for
3 children's programs.

4 Thank you for the opportunity to
5 appear before this committee today.

6 COUNCILMAN KENNEY: Thank you very
7 much for your testimony.

8 In your written statement in your
9 testimony, you said the Administration does not
10 support the idea of linking economic development
11 with the funding of social programs. How would
12 you characterize the \$60 million Children's Fund
13 as it relates to this large economic development
14 project?

15 MS. DAVIS: That is a program that is
16 large enough to be able to support that kind of
17 contribution without adding an additional burden
18 to the project.

19 COUNCILMAN KENNEY: This bill, as I
20 understand it, is a percentage issue.

21 MS. DAVIS: 1 percent.

22 COUNCILMAN KENNEY: 1 percent or half
23 percent, whatever the percent is, it would be a
24 percentage of the overall project so it would be,
25 I guess, administered as fairly as the \$60

1 12/11/00 - RULES - BILL 000543

2 million as it relates to the construction of the
3 stadia. I guess my question is, why the linkage
4 on the stadia, why that's a good thing to do for
5 social programs, but any other linkage is not a
6 good thing?

7 MS. DAVIS: Because it was a definite
8 amount and it was a large enough program,
9 economic development program, to support it
10 without any difficulty.

11 COUNCILMAN KENNEY: Councilmember
12 Tasco.

13 COUNCILWOMAN TASC0: Thank you very
14 much.

15 I'd like to hear that again.
16 Difficulty to who?

17 MS. DAVIS: For the actual project.

18 COUNCILWOMAN TASC0: I understand if
19 we had requested a 1 percent of the Zaritsky
20 Garage at Broad and Spruce, that would have been
21 about \$65,000. Is that a burden on the project?

22 MS. DAVIS: In many of the projects,
23 the margins are so close that it would present a
24 burden to the project, especially where there's
25 funding of debt involved.

1 12/11/00 - RULES - BILL 000543

2 COUNCILWOMAN TASC0: Could you tell
3 me on this affinity card, how does that work and
4 who would administer it and how would it work?

5 MS. DAVIS: It's run by the credit
6 card companies. Based on the fact that you had
7 that card a certain percentage goes to the
8 receiving charity whenever the card is used, a
9 certain percentage of every purchase or every use
10 of the card is dedicated to that charity, in this
11 case, the Fund for Children Philadelphia's
12 Children.

13 COUNCILWOMAN TASC0: Have you all
14 determined on how -- I know this is on the
15 stadium -- how you're going to administer the
16 money from the stadium?

17 MS. DAVIS: That has to go to a
18 501(c.)(3) outside of the City, so there will be
19 no involvement in the City in determining how the
20 funds are utilized.

21 COUNCILWOMAN TASC0: When you all
22 listened to the testimony of San Francisco and
23 they came up with really great ideas for funding
24 a children's program, is there any reason why we
25 couldn't emulate some of their programs?

1 12/11/00 - RULES - BILL 000543

2 MS. DAVIS: I think the basic status
3 of their economy vis-a-vis ours is the largest
4 determinant. Philadelphia isn't -- doesn't enjoy
5 an economy that is quite as robust as that of San
6 Francisco.

7 COUNCILWOMAN TASCO: And so the
8 Administration doesn't have any interest in
9 supporting the program if it's linked to economic
10 development?

11 MS. DAVIS: We have supported the
12 million dollars per team per year through the
13 stadium. We're committed to finding other means
14 of supporting children's activities in the City.
15 We just don't feel that this bill accomplishes
16 that in a way that is most protective of what the
17 City's attempting to do from an economic
18 development standpoint.

19 COUNCILWOMAN TASCO: Thank you.

20 COUNCILMAN KENNEY: Thank you very
21 much.

22 Are there any other questions for
23 this witness?

24 (No further questions.)

25 COUNCILMAN KENNEY: Thank you very

1 12/11/00 - RULES - BILL 000543

2 much.

3 MS. DAVIS: Thank you.

4 COUNCILMAN KENNEY: There are three
5 letters of support which will be given to the
6 stenographer to be added to the record. First a
7 letter of support for the bill from District
8 Council 47, President, Mr. Thomas Cronin. From
9 Philadelphia Federation of Teachers, Vice
10 President Mr. Jerry Jordan, and there's also a
11 letter from the President of the 1199C Hospital
12 Workers and Health Care Employees, President
13 Henry Nicholas. And those three letters will be
14 added to the record.

15 Are there any other witnesses to
16 testify on this bill?

17 Yes, ma'am, please come forward.

18 (Witness comes forward.)

19 COUNCILMAN KENNEY: Good morning.

20 MS. OAKMAN: Good morning, Council.

21 COUNCILMAN KENNEY: Please identify
22 yourself for the record.

23 MS. OAKMAN: Sure. My name is Dr.
24 Cheryl Oakman, and the director for the Center of
25 Youth Development, an initiative of the United

1 12/11/00 - RULES - BILL 000543

2 Way of Southeastern Pennsylvania. It gives me
3 pleasure to come before you again today to
4 discuss how important it is for the City of
5 Philadelphia to link economic development with
6 youth and family development in the creation of a
7 dedicated fund for children. Businesses of all
8 sizes that profit from City money exceeding
9 \$100,000 should be able to afford provide a mere
10 1 percent return to the community, and at the
11 same time, impact the negative quality of life
12 that affects us all. And we all have a
13 responsibility to contribute to the change.

14 Through my work of building the
15 capacity of after-school and youth development
16 programs, I can attest to a lot of gaps in
17 services. A designated permanent revenue stream
18 to ensure the availability of more and better
19 after-school and summer programs for
20 Philadelphia's children and youth is long past
21 due. The use of discretionary time for youth,
22 the non-school hours, after school, on weekends
23 and over the summers is connected to do how
24 children do in their lives. Youth development
25 activities create positive outcomes for kids,

1 12/11/00 - RULES - BILL 000543

2 such as school success and decrease behaviors such
3 as violence substance abuse and early sexual
4 activity.

5 As many as 60 to 80 percent of
6 Philadelphia youth between the ages of 10 and 14
7 are not using their free time constructively by
8 getting exposure to these highly beneficial
9 experiences. Most are unsupervised and just
10 hanging out with friends or watching television.
11 1300 youth and 300 parents surveyed in 22
12 low-income communities throughout Philadelphia
13 expressed that there were not enough affordable,
14 safe, high-quality programs in their
15 neighborhoods. Unless all of the neighborhoods
16 have programs for youth, we will not be able to
17 reap real savings and benefits.

18 While I applaud the City's efforts to
19 contribute to young people, it's not enough money
20 and we really need to ensure that there's a
21 steady stream of funds coming in beyond just the
22 Street Administration. Even in affluent
23 communities where people can afford to support
24 their own programs and a lot of programs exist,
25 the level of youth participation is often not

1 12/11/00 - RULES - BILL 000543

2 maximized.

3 We have learned in the youth
4 development field that children and youth do not
5 grow up by themselves. They require a web of
6 supportive adults and institutions that socialize
7 and enculturate (sic). It is due to a lack of
8 understanding about these issues that we have
9 seen bizarre incidents of youth violence in rural
10 and suburban affluent communities, such as
11 Columbine. Not only are good after-school and
12 youth development programs a sure means for
13 preventing juvenile crime, but they also help to
14 build the core competencies and assets young
15 people need to succeed in life.

16 Regardless of income, regardless of
17 risk environment, and regardless of whether or
18 not individual problem behaviors are being
19 displayed, all young people benefit from youth
20 development supports, opportunities, and
21 services.

22 About a month ago, you had an
23 opportunity to hear about some creative ways in
24 which other cities have added to a pool of
25 services available to children and youth, such as

1 12/11/00 - RULES - BILL 000543

2 San Francisco and Baltimore as well as New York,
3 Little Rock, Seattle, Oakland, Santa Crux, and
4 several counties throughout Florida. I strongly
5 urge you to support Bill 543 that could generate
6 approximately \$3 million a year in revenue to
7 contribute to a Philadelphia fund for children.
8 And I applaud all of you who support the bill.

9 Thank you.

10 COUNCILMAN KENNEY: Thank you very
11 much for your testimony.

12 (Applause.)

13 COUNCILMAN KENNEY: Are there any
14 questions for this witness?

15 (No questions.)

16 COUNCILMAN KENNEY: Thank you very
17 much.

18 Is there anyone else to testify on
19 the bill?

20 (No response.)

21 COUNCILMAN KENNEY: The Chair
22 recognizes Councilwoman Tasco for the purpose of
23 introducing amendments.

24 COUNCILWOMAN TASCO: Yes, I have an
25 amendment. There has been some concern raised by

1 12/11/00 - RULES - BILL 000543

2 the nonprofit community, particularly Office of
3 Housing and Community Development and how this
4 might impact on neighborhood development. So we
5 have offered this amendment which states under
6 17-104 (.8) Financial Assistance. Any assistance
7 provided for a profit business entity. That
8 would be added.

9 COUNCILMAN KENNEY: Is that it?

10 COUNCILWOMAN TASC0: Just a minute.

11 COUNCILMAN KENNEY: It seems that
12 there's additional --

13 COUNCILWOMAN TASC0: There's another
14 one.

15 COUNCILMAN KENNEY: Triple i.

16 COUNCILWOMAN TASC0: Under that,
17 triple i is a technical amendment which states,
18 Guarantees of loan for purposes listed, take out
19 the A, add subsection 17-104 (a)(.8)(i).

20 COUNCILMAN KENNEY: Thank you very
21 much. A copy will be provided to the
22 stenographer for the record.

23 If there's no one else to testify --
24 I'm sorry, come on.

25 (Witness comes forward.)

1 12/11/00 - RULES - BILL 000543

2 MS. YANOFF: Thank you.

3 COUNCILMAN KENNEY: Please identify
4 yourself for the record.

5 MS. YANOFF: I'm Shelly Yanoff from
6 PCCY. Thank you very much for the opportunity.

7 We thought at the end of the last
8 session that we would have an opportunity to hear
9 the Administration's position and then respond so
10 I particularly want to thank you for this
11 opportunity.

12 This bill is not about charity. It
13 is about mandating support for kids and families
14 in the same way that we do other issues when we
15 pass laws. So as much as we all want more
16 charity, and we do want charity, what this bill
17 is trying to do is to say is the City provides
18 benefits by law, it should also provide something
19 for kids. And I hope that we can together get to
20 the point where the ordinance is passed that is
21 clear that we're not -- that kids need and
22 families need as much support as possible and we
23 need to together work that through in an
24 ordinance fashion rather than -- and we certainly
25 support continued charity, but rather than just

1 12/11/00 - RULES - PUBLIC MEETING

2 charity.

3 Thank you.

4 COUNCILMAN KENNEY: Thank you very

5 much.

6 Can you give us a moment, please?

7 (Break taken.)

8 - - -

9 (Proceedings resume.)

10 COUNCILMAN KENNEY: Thank you very

11 much. That will conclude the business of the

12 committee hearing.

13 - - -

14 COUNCILMAN KENNEY: The Chair

15 recognizes Councilmember Cohen for a motion to

16 approve the amendments to Bill No. 000543.

17 COUNCILMAN COHEN: I move that the

18 amendments all be approved.

19 COUNCILMAN KENNEY: Is there a

20 second?

21 (Duly seconded.)

22 COUNCILMAN KENNEY: It's been moved

23 and seconded.

24 All in favor, aye?

25 Are there any opposed?

1 12/11/00 - RULES - PUBLIC MEETING

2 The ayes have it. The amendment is
3 adopted. Bill No. 000543 will be amended
4 accordingly.

5 The Chair recognizes Councilmember
6 Cohen for a motion on the amended Bill 000543.

7 COUNCILMAN COHEN: I move that the
8 bill, as amended, be reported out favorably with
9 a favorable recommendation.

10 COUNCILMAN KENNEY: Is there a
11 second?

12 (Duly seconded.)

13 COUNCILMAN KENNEY: It's been moved
14 and seconded.

15 All in favor?

16 Any opposed?

17 COUNCILMAN O'NEILL: Nay.

18 COUNCILMAN KENNEY: Let the record
19 reflect that Councilmember O'Neill votes no.

20 The motion passes. Bill No. 000543,
21 as amended, will be reported out of this
22 committee with a favorable recommendation.

23 Thank you very much for your
24 attendance today.

25 (Adjourned at 11:00 a.m.)

1 C E R T I F I C A T E

2

3

4 I HEREBY CERTIFY that the foregoing
5 proceedings of the Council of the City of
6 Philadelphia of Monday, December 11, 2000, were
7 reported fully and accurately by me, and that this
8 is a correct transcript of same.

9

10

11

12 RE: COUNCIL COMMITTEE ON RULES

13 BILL NO. 000543

14

15

16

17

18

19

20 _____,

21 JOSEPHINE CARDILLO,

22 Registered Professional Reporter

23

24

25