COUNCIL OF THE CITY OF PHILADELPHIA

CONTINUED PUBLIC HEARING

COMMITTEE OF THE WHOLE

- - -

Room 696, City Hall
Philadelphia, Pennsylvania
Tuesday, March 18, 2003
10:10 a.m.

- - -

Bill Number 030008, amending Section 19-2604 of the Philadelphia Code, relating to tax rates, credits, and alternative tax computations for the Business Privilege Tax, by reducing certain tax rates, all under certain terms and conditions.

Bill Number 030010, amending Section 19-1301 of the Philadelphia Code, entitled Real Estate Taxes by Restating the Rates of Taxes in Tabular Form.

Bill Number 030073, an Ordinance amending Section 19-1502 of the Philadelphia Code, Entitled Imposition of Tax by Providing for Reductions in the Rate of Wage and Net Profits Tax, under certain terms and conditions.

PRESENT:

COUNCIL PRESIDENT ANNA C. VERNA,
COUNCILWOMAN JANNIE BLACKWELL
COUNCILWOMAN MARIAN B. TASCO
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN FRANK. J. DiCICCO
COUNCILMAN FRANK RIZZO
COUNCILMAN JAMES KENNEY

PRESENT (CONTINUED):

COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN ANGEL ORTIZ
COUNCILMAN DAVID COHEN
COUNCILMAN RICHARD T. MARIANO
COUNCILWOMAN DONNA REED-MILLER
COUNCILMAN DARRELL L. CLARKE
COUNCILWOMAN BLONDELL REYNOLDS BROWN

- - -

COUNCIL PRESIDENT VERNA: Good morning, everyone. I would ask Mr. McPherson to please read the Bill Numbers and the title of the Bills.

MR. McPHERSON: Bill Number 030008, amending Section 19-2604 of the Philadelphia Code, relating to tax rates, credits, and alternative tax computations for the Business Privilege Tax, by reducing certain tax rates, all under certain terms and conditions.

Bill Number 030010, amending Section 19-1301 of the Philadelphia Code, entitled Real Estate Taxes by Restating the Rates of Taxes in Tabular Form.

Bill Number 030073, an Ordinance amending Section 19-1502 of the Philadelphia Code, Entitled Imposition of Tax by Providing for Reductions in the Rate of Wage and Net Profits Tax, under certain terms and conditions.

COUNCIL PRESIDENT VERNA: As I look out in the audience, I would assume that most people here would like to testify on Bill 030073. Am I correct?

AUDIENCE: (Nods of heads in the affirmative.)
COUNCIL PRESIDENT VERNA: Okay. Do we have anyone from the Administration here to testify on this Bill?
I'm sorry. I am just informed that Mr. Levy has a very important commitment, and he would like to be heard first. Mr. Levy.
MR. LEVY: Good morning, Councilwoman Verna. Thank you very much for that courtesy.
I do apologize to my friends from the City. I didn't mean to displace their testimony. But my name is Paul Levy. I'm here as the Executive Director of Central Philadelphia Development Corporation.
And I want to very briefly testify in support of the spirit and the direction of this Bill because I think it is part of a very important movement and attempt to shift some of the burden to support City services away from a over dependence on the wage and earnings tax and to try to shift it more to the real estate tax.
I have not prepared text testimony

but simply a series of charts which I'll very quickly refer to and keep my remarks very, very short.

I think all of us who are interested in tax reform are focused on one central issue which is in the last 30 years we have lost almost a quarter of the jobs in the City.

And clearly, our goal with any type of tax reform is to, again, regain jobs in the City, regain employment for our residents.

I think what I'd like to do is jump ahead in my prepared text or the prepared images to Page 5. Because I think what we have done is working with the Board of Revision of Taxes put together some information that I think will be very helpful in understanding the context for this Bill.

The map on Page 5 at the top shows the origin of real estate taxes as they are collected in the City. And what you see is that while Center City is only 3 percent of the land area, it is the setting for 43 percent of all jobs in the City and 28 percent of all real estate taxes.

Center City is also the only place in the City where commercial and industrial real estate taxes have a greater volume than residential, and I think that's the key point that I want to address.

If you look throughout the rest of the City, in virtually every other portion of the City, we are dependent on the residential sector for real estate taxes.

And there is really in many ways an insufficient source of commercial, industrial and retail. And to me, one of the great purposes of this Bill is that I think -- I firmly believe, as many people do, if you cut the Wage Tax you will produce job growth within the City.

And that if you can produce job growth, not only will you employ people, you will increase the demand for commercial office space, for industrial space, and retail space.

And therefore, you have a strong opportunity to increase the commercial and industrial sector as the source of real estate taxes.

If you go to Page 10 in the

presentation I put together, I think this to me is the most compelling information we were able to derive working with the Board of Revision of Taxes.

If you look back in 1984, for all real estate taxes collected in the city, 27 percent came from the commercial and industrial sector, and 55 percent came from the residential sector.

As we went through the great boom and expansion in office development in the downtown in the late '80s, you'll see that the commercial industrial sector grew to 32 percent, and we were less dependent on the residential sector that fell to 51 percent.

That seems to me to be exactly the direction we want to be going as a City in which our commercial and industrial property is paying a greater share and our residential portion is paying a lesser share.

But if you look at where we are in 2002, we are exactly right back to where we were in 1984, in which we are -- again, the residential sector is producing a greater burden, and the

commercial industrial sector is producing a lesser burden.

If you reflect back to the political crisis or the community crisis we had with rising inflation and assessments in Center City and Mt. Airy and other portions of the City, I think you can argue that happened, frankly, because we were overly dependent on the residential sector and a few areas. And we had more than half of the properties in Center City see a dramatic increase.

If we were growing jobs in the commercial and industrial sector, we could place a greater burden on that sector and less on the residential sector.

So I would simply conclude by two things. If you look at the chart on the top of Page 12, unlike virtually any other American city, we are overly dependent on the wage and earnings tax to support local government.

I in no way quarrel with people's concern that if we cut the Wage Tax we're going to lose revenues in the City. That's a serious challenge. But it is such a challenge for us, because we're getting 56 percent of locally

generated revenue from that source.

Bottom line, if we can continue to move in the direction that Councilman Mariano's Bill suggests, that by reducing the Wage Tax, we can increase jobs in the City; by increasing jobs in the City, we can increase the demand for commercial and industrial real estate.

We can increase the volume of revenues that come into the City from the commercial and industrial sector on the real estate side, and reduce the burden we are placing on residents.

So in support of the direction and intent of this Bill, I think this Bill could also be looked at in the context of general Citywide and Statewide tax reform, again, as we try to reduce the burden that we place on residents, reduce the burden we place on wage and income, and put that more on the commercial and industrial side.

Thank you very much for this opportunity.

COUNCIL PRESIDENT VERNA: Thank you, Mr. Levy.

The Chair recognizes Councilman Mariano.

COUNCILMAN MARIANO: Thank you, Madam President.

Mr. Levy, thank you for coming and thank you for your testimony.

And you pretty much answered most of my questions. But one question that I need to ask you is, by reducing the resident -- Wage Tax for residents based on increased revenue, do you think that we will make our efforts to attract residents into the neighborhoods that your organization is marketing? I know you're marketing a certain sector.

MR. LEVY: Yes.

COUNCILMAN MARIANO: And with the increased people... We did a bill a couple years ago, making it easier for people to convert some of these office spaces into residential. That all helps, doesn't it?

MR. LEVY: Yeah, it helps. I mean, The ten-year tax abatements helped dramatically, in terms of making the numbers work for apartments and the houses.

To the extent that you were reducing the resident burden of the Wage Tax, you continue to make the City more competitive.

We have extraordinarily affordable housing in the City. And to the extent that we reduce the penalties for living in the City, we're going to grow population and jobs.

COUNCILMAN MARIANO: Let me ask you this: And this is a more of a metaphysical question. And I'm looking at Mr. Schwartz when I say that. He's into metaphysics. You're more of a hands-on guy. Do you like that?

There's naysayers that would say that we can't at this time decrease any Wage Tax, any property taxes.

But there has to be a point, at least in my opinion, where if we don't start doing it no matter how little, it sends a signal that we're really not interested in doing the things that you testified for.

MR. LEVY: No. I think, I mean, we didn't go through them. But we have had substantial growth in office jobs in this region. But those office jobs are all locating out in Bala

Cynwyd, Conshohocken and Wayne.

Between 1994 and 2000, the Pennsylvania suburbs built the equivalent of 12 Liberty Place towers. They turned them on their side, they put them out along strip centers, but they built 10 to 12 Liberty Place towers.

If we built those in Center City, there would have been 48,000 more jobs. There would have been at least 25,000 people in Philadelphia neighborhoods who held those jobs.

So I think there is no doubt reducing taxes costs revenue to the City. I don't quarrel with that.

I think we need to figure out a transition strategy. I think we need to figure out a strategy to shift some of the burden to other taxes. To the extent that there's a healthy discussion on Statewide tax reform, that helps.

But I think there is no doubt -- I don't think anyone disagrees -- our tax burden makes us non-competitive.

Where the debate is is by how much can we lower it? How quickly will we get jobs? And how much will that cost us in City services?

That's the real challenge we all face.
But the bottom line is, we have lost 26 percent of our private sector jobs since 1970. And in the '90s Boston, Washington and New York City all added jobs. We did not. I think we are all committed to seeing us add jobs.
COUNCILMAN MARIANO: Thank you. I have no more questions, Council President.
COUNCIL PRESIDENT VERNA: Thank you.
Are there any other questions or comments from Members of the Committee of Mr. Levy?
(No response.)
COUNCIL PRESIDENT VERNA: Mr. Levy, thank you very much.
MR. LEVY: You're welcome. And again, I thank you.
COUNCIL PRESIDENT VERNA: You always, always give us very informative information. And I thank you.
MR. LEVY: Thank you. I appreciate it. I just want to thank my colleagues for deferring as well.
COUNCIL PRESIDENT VERNA: Thank you.

MR. LEVY: Thank you very much.
COUNCIL PRESIDENT VERNA: I understand there are a panel of witnesses that would like to come up.
Brett Mandell, from the Office of the City Controller, the Greater Philadelphia Chamber of Commerce; and Reverend Bruce Edwards, Urban Leadership Council.
Mr. Mandell, kindly identify yourself for the record and proceed with your testimony.
MR. MANDELL: Good morning, Madam President.
My name is Brett Mandell from the City Controller's Office. I offer apologies from the City Controller. He is in Florida dealing with a personal matter.
COUNCIL PRESIDENT VERNA: Excuse me. Do we have copies of your testimony?
MR. MANDELL: You should have copies of my testimony. I have additional copies here, if you'd like.
COUNCIL PRESIDENT VERNA: Okay. Thank you. We have them. Does everybody have a

copy? I assume they do. Okay.

MR. MANDELL: I'll just read highlights of the testimony, then.

I come before you today to offer testimony on Bill 030073 which provides for City Wage Tax reductions when City real estate tax collections exceed current growth projections.

I applaud Councilman Mariano and all of City Council for focusing attention on this worthy idea.

We do not need to review the notion that the Wage Tax places Philadelphia at a competitive disadvantage. But I will try to briefly provide some new perspective on that well-established fact.

Any comparison of tax rates or tax burdens shows that the Philadelphia Wage Tax increases the tax burden of City residents and employers beyond that of nearly all U.S. cities or surrounding suburban locations.

With a high personal income tax that both increases personnel expenses for companies trying to attract talent and erodes employees take-home pay, Philadelphia discourages firms and

families from locating within City limits.

Looking at other major U.S. cities, it is evident that the mix of local and government taxes in Philadelphia is much different.

While most other large U.S. cities collect locally-generated tax income from property taxes, and a significant portion from general sales taxes, Philadelphia generates most of its revenue from taxes on personal income.

This over reliance on the Wage Tax is harmful to the city in a number of ways. First, unlike a tax on property which tends to be more stable, collections from a tax on wages will increase substantially during an economic expansion and then decrease during an economic contraction.

Additionally, the Wage Tax is troubled due to the significant cost it adds for employees, employers, or both. This cost is compounded when it is presented as a competitive choice.

One of the recommendations in my November 2001 Tax Structure Analysis Report called on the City to significantly reduce the Resident

Wage Tax and increase the City real estate tax accordingly to create a budget neutral shift.

Bill 73 takes that concept and creates a reasonable modification to reduce Wage Tax burden in a more measured way, without actually increasing another tax.

Under the provisions of the legislation, the City would use any growth in City real estate tax collections above and beyond budgeted projections to reduce the City Wage Taxes.

A reduced reliance on taxes on wages and an increased reliance on taxes on property makes economic sense.

First is, we know all too well in Philadelphia, if we tax jobs and tax people, they can avoid the tax by leaving the City.

Property does not leave the city. And if we do our jobs, and make Philadelphia a preferred place to live, work and visit, that property will increase in value and generate the additional taxes necessary to provide services demanded by the citizenry.

Additionally, reducing reliance on

the taxes on wages by increasing reliance on taxes on property underscores the maxim that the three most important factors when considering person and property are location, location, location.

If we reduce the burden of Wage Tax, we make Philadelphia a more attractive location for businesses and residents which would further increase the value of City property.

As a brief digression, I wish to add that I support a tactical amendment to clarify how we treat calendar year 2002 collections, compared with calendar year 2003 collections, in the formula I used to determine future Wage Tax revenues.

Because we have shifted millage to increase the amount of real estate tax collections going to the School District, we must include language in the legislation to take that millage shift into account to ensure that we are comparing 2002 to 2003 as apples to apples.

Similarly, I support additional language that would clarify how to apply it to prior year Wage Tax rates in the formula when those rates have changed in the middle of that

prior year.

Before I conclude, I must offer one word of caution, as we move forward with this legislation. As we all saw during discussions concerning this past summer's assessment increases, we need systematic change to create a real estate taxation system that is equitable, sure, and easily understood.

In recent years Philadelphia has made strides to address the general undervaluation of properties and disparities among tax bills, and has for the first time made some real estate data available on the City's web site.

Still, we have more to do. As I advocated in the Tax Structure Analysis Report, the City should seek to remedy the unfairness that has developed in the real estate taxation system through a full Citywide real estate reassessment or increased efforts to equalize all Philadelphia properties, so that similar properties have similar City-determined market values and equal real estate tax bills.

Bill 73 makes a great deal of economic and common sense and can help reduce the

City's reliance on the Wage Tax, as it reduces taxes for City residents. This is an excellent step towards a tax structure that could improve the City's competitiveness that should be complemented with additional changes to the way we tax property.

By reducing the Wage Tax and appropriately valuing property and shifting taxes from buildings to land, we can create a fair system that retains firms and families in Philadelphia and encourages economic development across the City.

Attached to the testimony I have included an analysis of the implications of Bill 73 that was requested by Council Mariano that would compare how Wage Tax rates would change under various growth scenarios. And I'm happy to answer any questions.

COUNCIL PRESIDENT VERNA: Thank you very much.

Supposing we hear from the three witnesses and then we could ask questions.

MR. MAHONEY: Good morning, President Verna.

COUNCIL PRESIDENT VERNA: Good morning.

MR. MAHONEY: And Members of the Committee of the Whole.

I am Joe Mahoney, Senior Vice President for External Affairs of the Greater Philadelphia Chamber of Commerce.

I come before you today in support of City Council Bill 030073 which amends Section 19-1502 of the Philadelphia Code, entitled "Imposition of Tax by Providing for Reductions in the Rate of Wage and Net Profits Tax, under certain terms and conditions."

For many years, the greater Philadelphia Chamber of Commerce has been an advocate for tax reform in the City of Philadelphia.

This advocacy has been based on the notion that the City will continue to lose jobs and population if its tax policies are not competitive with those of its neighboring counties.

Unfortunately, those dire predictions have come true. Since 1970,

Philadelphia has lost more than 200,000 jobs and seen more than 400,000 residents leave.

You may recall the results of the survey of the Chamber conducted as part of our Wage Tax campaign last spring. Almost 90 percent of the respondents say that taxes is the primary deterrent to a better business climate in Philadelphia.

However, the most troublesome portion of that survey revealed that 62 percent, or 117 of the 189 companies surveyed, have considered moving their business outside the City.

Those 117 companies represent 11,789 employees. 3,850 of them are City residents. If these companies left Philadelphia, for every job lost there is a potential to also lose one City resident.

The Chamber pledged back in the Spring of 2002 to do all that we could to continue to reduce the much-dreaded Wage Tax, and we stand by that commitment today.

I would be remiss if I did not stop here to thank you all again for your support last year by recognizing that the continual incremental

reduction of the Wage Tax was the right way to go, thereby passing City Council Bill 92 unanimously.

Bill 73 appears to be a physically responsible approach to reduce the tax burden for Philadelphians, in that it would use -- it would only use those property tax revenues over and above those anticipated in the City Budget to offset a portion of the Wage Tax.

I need only refer to several recently prepared reports, like those by the Pennsylvania Economy League, Bob Inman from the Wharton School, and the Flight or Fight Report prepared by the Metropolitan Philadelphia Policy Center, and our very own City Controller's report on tax structure analysis to confirm the need to reduce and/or restructure the City burden, the tax burden in the City, and do it now or be prepared for flight.

We as the Chamber see it as our primary responsibility to the business people of this region to make Philadelphia more competitive and business friendly.

Certainly, with the recent merger of Greater Philadelphia First and the Chamber of

Commerce, we speak with a stronger united voice.
Passage of City Council Bill 73 sends the right message. It sends a positive message that helps us accomplish our mission for the business community, and to our responsibility to the residents of the City of Philadelphia.
Thank you very much.
COUNCIL PRESIDENT VERNA: You're welcome.
Reverend Edwards.
REV. EDWARDS: Good morning, Madam President. Good morning to the Honorable Members of this Legislative Body that governs our great City.
I'm here today to support Bill Number 030073 as is amending the Section 19-1502 of the Philadelphia Code that is entitled, "Imposition of Tax." And I'm here to support the reductions in the rate of Wage Tax and profits tax under certain terms and conditions.
As you all may recall, last year the Urban Leadership Council joined with the Greater Philadelphia Chamber of Commerce, the City Controller's Office, the Pennsylvania Economy

League, and others, to advocate for the continuation of gradual Wage Tax reductions for the citizens of our City and those who work here who reside in the region.

During that struggle many people, many people questioned me as to why would a grass roots organization be involved in an issue that was of a business nature.

Our response to those questions then and our response again today is simple: Real significant tax reform is fundamental to revitalizing the great City that we love, and it directly impacts everyone who works and lives within its borders.

As Mr. Mahoney has stated, and what we all know is the truth, continuing population decline and job loss is directly impacted by the high tax rates that exist in our City, making us less competitive in our own region and nationally. And since we declare that we want to be an international City, I would dare say it makes us less competitive worldwide.

If the statistics are to be believed, Philadelphia continues, one of only one

other City, continues to lose some 1,000 residents per month. Not only draining our talent pool, but directly affecting the City's income.

Such knowledge removes the argument for a continuation of the way that our City has dealt with the issues of taxation.

Your unanimous vote to pass Bill 92 and the subsequent voter-approved creation of the Tax Reform Commission, and the continuing work of the City Controller's Office, relative to such great initiatives as the Land Value Tax are all positive signs that the matter of reforming this City's tax structure is a part of a vision to begin to regrow Philadelphia, as opposed to simply managing our City's decline.

The U.L.C. is proud of its friendship and association with the Greater Philadelphia Chamber of Commerce and the business community, because we see the mutual benefit of cooperation relative to issues that not only affect the bottom line of a business entity but hits at the pocketbooks and the purses of every working man and woman in this City.

So we support the passage of this

Bill that would use property tax revenues that are in excess of those projected to be collected in the City Budget to offset a portion of Wage Tax payments.

Perhaps again, this may be equal -- may grow out to be another small amount of money that actually remains in the pockets of our citizens, but it is still another step in the right direction.

We fully realize that there are so many important issues that you are dealing with, yet the issue of tax reform and/or restructuring must be fundamental as you look toward a future relative to neighborhood revitalization, job growth and retention, the reformation of our public school system, and all of the other matters that are so important to the sound governance of our City.

Real neighborhood transformation must equal the transformation of the people's lives, as well as the building of new houses and the like.

Thus, I conclude by saying, reducing taxes adds value to the lives of the citizens who

work in the City and who live in our neighborhoods, and is an attraction to those who might be considering becoming Philadelphians.

Thank you very much.

COUNCIL PRESIDENT VERNA: Welcome, Reverend.

At this time, the Chair recognizes Councilman Mariano.

COUNCILMAN MARIANO: Thank you, Madam President.

My first question is for Mr. Mandell. Mr. Mandell, based on the analysis done by the Controller's Office, and based on the projections in the current five-year plan, and the projections in previous five-year plans, do you believe the City can afford this Bill without sacrificing services or creating a deficit situation?

MR. MANDELL: Yes, I do. Assuming the City continues to do fair and accurate reassessments moving forward, the growth of real estate taxes should be captured which should provide for the total plan on a cash-flow basis with enough money to cover the wage tax offsets.

And then of course, we believe that something good will happen as we continue to reduce our Wage Tax that should further growth.

COUNCILMAN MARIANO: And also, I have two more questions for you. Will this bill continue to feed growth in both Wage Tax revenues and real estate tax revenues, in your opinion?

MR. MANDELL: I actually think that's one of the more inspired aspects about the Bill, is that it would say that we are going to reduce the tax burden that should fuel property tax value expansion. And as long as we capture that by reassessing it fairly and accurately, that should then fuel more growth. That should then fuel more property value expansion.

COUNCILMAN MARIANO: To people out there that are watching this, that probably, like myself, don't totally understand the stuff that you and the Controller understand, as far as numbers, and... In a nutshell, if the Wage Tax is reduced and the property tax is capped and reduced, that's going to make people want to do more and invest more, and live here, right? I mean --

MR. MANDELL: We're all trying --
COUNCILMAN MARIANO: That's our guess.
MR. MANDELL: We're all trying to make this place a place where people want to be. And then, if people want to be here, then obviously you know what happens in your neighborhoods when more people want to be there. The property values go up, people are willing to pay more for homes, and more to be in neighborhoods.
And then, it's only fair that the City captures a portion of that as taxes.
COUNCILMAN MARIANO: Thank you. This is my last one for you, and then I have a couple for Mr. Mahoney.
If the Real Estate Tax Cap Legislation were to been enacted, would this Bill still cause a reduction in Residential Wage Tax, as we project?
MR. MANDELL: Assuming you put in a tax of 4 or 10 percent, it might make it more difficult to hit the extra growth.
For example, Center City growth this

past year, I know my house in fact was increased with an assessment of a lot more than that 10 percent.

It could make it a little bit more difficult to capture this, but the mechanism of the Bill would still be sound. And we still should, assuming, again, we do fair and accurate reassessments, manage to fuel further Wage Tax reductions.

COUNCILMAN MARIANO: Thank you, Mr. Mandell, and thank the Controller.

MR. MANDELL: Thank you.

COUNCILMAN MARIANO: Mr. Mahoney, do you agree that it is important for the City when it recognizes increased revenue to use those revenues to reduce wage and business taxes?

MR. MAHONEY: We do, Councilman. You know, we've always been a proponent of growth. And one of the hindering factors that we have seen, you know, in attracting employees and, you know, and also growing residential, you know, population, has been the tax structure.

You know, we hear that from employers all the time. And I can tell you that

some of our own experience with our own employees at the Chamber has been, you know, some young employees who very much want to live in Philadelphia, because Philadelphia is a great place for young people to live.

Some of them have moved to suburban locations because of -- because of the Wage Tax, even though, given their preference, you know, they would prefer to be in town or in Manayunk.

COUNCILMAN MARIANO: Let me ask you this one. What is the Chamber's position in regards to Council being asked to send legislation to the Tax Reform Commission prior to us taking actions on such tax reductions?

MR. MAHONEY: We testified last year that while we supported the Tax Reform Commission and their job to look at a long-term overall tax reduction strategy for the City, we felt that the Tax Reform Commission should not be held up as kind of an excuse to continue reducing the burden of taxes, you know, on both residents and businesses prior to their report coming out.

So we don't have a problem, if you're moving in this direction, Councilman, to

reduce tax rates to do that prior to the report of the Tax Reform Commission.

COUNCILMAN MARIANO: Thank you. I have no other questions. Thank you.

COUNCIL PRESIDENT VERNA: Thank you. Are there any other questions or comments from Members of the Committee?

(No response.)

COUNCIL PRESIDENT VERNA: Gentlemen, thank you very much.

Mr. Schwartz, are you here to testify on this bill?

MR. SCHWARTZ: No.

COUNCIL PRESIDENT VERNA: You're just here as an observer?

MR. SCHWARTZ: Yes.

COUNCIL PRESIDENT VERNA: Very well. Is there anyone else that would like to testify on this Bill?

(No response.)

COUNCIL PRESIDENT VERNA: Okay. At this time I think we ought to hear from the Administration and what their position is.

MS. KAMMERDEINER: Good morning,

President Verna, and Members of City Council.

I'm Nancy Kammerdeiner, Revenue Commissioner. With me this morning is Rob Dubow, Budget Director.

I'm pleased to be here today to present testimony regarding Bill 030073. This Ordinance would amend Section 19-1502 of the Philadelphia Code to provide for Wage Tax rate reductions based on increases in real estate tax revenue.

Last year this Council approved and Mayor Street signed an Ordinance that established procedures for the determination of Wage Tax reductions for future years. These procedures were followed for the first time this year.

On February 27, 2003, I wrote to Mayor Street and Council President Verna to advise them that the growth in Wage Tax receipts for calendar year 2002 over 2001 had been just sixty-one one-thousandths of a percent.

As a result, the Wage Tax rates for July 1, 2003, were set at 4.4625 percent for residents. That includes the one-and-a-half percent FICA tax; and 3.8801 percent for

non-residents.

These new rates are on the City's web site. Payroll services have been notified. All registered taxpayers -- that includes both employers and the individuals who pay directly -- will receive letters of notification within the month. And as required in the legislation that set up this procedure, ads will be placed in at least two newspapers of general circulation before April 15th.

The Ordinance before you today would amend this procedure by adding another factor to the determination of the Resident Wage Tax rate for the following fiscal year.

Any growth in real estate tax revenue in excess of two percent would result in an equivalent decrease in Wage Tax revenue the following fiscal year.

We do not believe this legislation would provide meaningful relief for residential property owners who have received substantial increases in their real estate assessments.

Since it provides Wage Tax reductions for all resident wage taxpayers, as it

must, under the Uniformity Clause of the Pennsylvania Constitution, it dilutes the impact on those who receive large property tax increases, and it has no effect at all on those with pension or Social Security income that's not subject to the Wage Tax.

The written testimony that you have provides a hypothetical on how this might occur with someone who has a $50,000 income and/or a property with a $50,000 assessment.

This Bill would provide only minimal reductions in Wage Tax for taxpayers, that the City would incur a substantial cost at a time when we're facing substantial financial challenges.

It is estimated that over the life of the five-year plan, this Bill would cost the City at least $40 million.

In addition, the Administration believes that the Tax Reform Plan the Rendell Administration will be proposing on March 25, 2003, will include the potential for substantial reductions in the City's taxes.

We would like to work with City Council to advocate those reductions. To give us

the opportunity to do that, we request that you hold Bill Number 030073 in Committee at this time.

Thank you. We'll be happy to take any questions.

COUNCIL PRESIDENT VERNA: Thank you very much.

Mr. Dubow, are you going to also testify?

MR. DUBOW: No.

COUNCIL PRESIDENT VERNA: Okay.

Thank you. The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair. I apologize for the delay.

Good morning, Miss Kammerdeiner and good morning, Mr. Dubow.

MR. DUBOW: Good morning.

MS. KAMMERDEINER: Good morning.

COUNCILMAN NUTTER: Let me move my breakfast. I had a couple questions, both related to 030073 and 030008. Let me try to understand a couple things here.

Miss Kammerdeiner, in your testimony on Page 2, you talked about the taxpayer earning

$50,000. The reduction would equal just $27.

Now, you know, at a certain level, whatever the reduction is, it is what it is, as they say. But generally, some people like actually holding onto their money as opposed to just turning it over to the government.

And so, whatever reduction people can get, I think we should just, you know, kind of recognize the reduction for what it is, and not, you know, try to, you know, either minimize or, you know, almost trivialize the reduction.

I mean, I think in a certain way that would also leave you with the impression that the sponsor or cosponsors of the Bill are trying to be reasonable, but also trying to give, you know, some amount of relief.

If you don't have much money... You know, something beats nothing every day.

MS. KAMMERDEINER: I think the point we were trying to make there was really that this Bill would not provide substantial relief to someone who had received a substantial increase in their real estate tax bill.

We were looking at that, in terms of

the comparison between the increase they would suffer on the one hand and the relief they would get on the other.

And if you were looking at this legislation as a way to provide some additional tax relief for someone who had had a large assessment increase, what we were saying is this Bill wouldn't provide that sort of thing.

COUNCILMAN NUTTER: Well, if I can add --

MS. KAMMERDEINER: It might have other objectives, but it wouldn't meet that one.

COUNCILMAN NUTTER: It wouldn't be what?

MS. KAMMERDEINER: It might have other objectives, but it would not meet the objective of providing relief for someone who had had a large increase in real estate taxes.

COUNCILMAN NUTTER: Well, but, if -- You know, I mean, unfortunately, you've kind of opened a particular door.

I mean, if the government was that concerned about trying to provide tax relief to people who had received excessive increases in

their real estate assessment, then the Administration would have supported a 10 percent cap bill.

I mean, you can't have it all the way around the block where, you know, each measure comes along, they have merit in their own right.

This Bill is now in front of us. And the argument against it is, well, it doesn't provide a significant amount of relief on the property tax side, if that's the objective.

When you had an opportunity to do something about significant relief on the property tax side, the Administration was against that also.

I mean, where do the taxpayers -- Where are they to go, if not to us, to seek relief and... You know, this is a variation on the, you know, the person kills their parents and now they're pleading on the bar of the Court complaining that they're an orphan.

MR. DUBOW: Rob Dubow, Budget Director. Our belief is that the proposals coming forth from the State next week, actually one week from today, will allow us to provide substantial

relief to taxpayers here.

COUNCILMAN NUTTER: That was the other question I was going to mention to you, because Miss Kammerdeiner says that in the testimony. I'm trying to find it. First page or second page?

MR. DUBOW: Second, I think.

MS. KAMMERDEINER: At the very end of the testimony, with reference to the --

COUNCILMAN NUTTER: Yes, toward the tail end. Right. Will include potential for substantial reductions in the City's taxes.

Now, I understand you might not have all the specifics of what the Governor's plan is, but I mean, you're not trying to give the impression that it's going to give reductions in the Wage Tax. I mean, the Governor's not proposing to reduce the Wage Tax, is he?

MR. DUBOW: Yes. Our understanding is that when that proposal comes forth, it will give the City the flexibility to reduce its Wage Tax.

COUNCILMAN NUTTER: Well, let me talk to you about an idea that I had actually

shared with the Governor a little while ago, and I'd like to get your reaction to it.

I had a conversation with the Governor a while ago about his proposed plan to provide property tax relief as a part of one of the four items that the Governor's trying to get done between now and June: Property tax relief, increased funding for schools, dealing with this $2 billion deficit, and medical malpractice. Those are four things, at least as I understand, that are major elements of the game plan for the Governor in the next few months.

And one of the things I talked to him about was the idea of looking at what the actual tax relief would be to the City of Philadelphia, based on whatever the particulars are of his proposal to provide property tax relief.

And that in the context of, at least my belief, that the City is in a fairly decent position, actually, to manage our property tax situation here.

And I'm not saying we don't have a property tax problem. We do. But I also believe

that the counties around us, and many other counties throughout Pennsylvania, who have actually been increasing their property tax rates, which we have not, for the last 11 years, that the property tax issue in Philadelphia is different than the property tax issue in most other counties across the Commonwealth.

Because they've been increasing their property tax rates to pay for schools. We've had our own little situation where we don't increase the property tax rate.

We allow the assessments to go up. We don't adjust our rates, like other places do. And the City and the School District have been benefiting from what I will call the windfall effect of increased property tax assessments, no change in rate.

And so, the City and the school District continue to get additional revenues above and beyond what they budgeted when they passed their respective budgets in the Spring.

And that if we took the Governor's proposal for property tax relief, whatever that formula is, applied it to Philadelphia, and

figured out how much money the City would actually realize from the Governor's proposal for property tax relief, and took that exact dollar amount and simultaneously reduced the Resident and Non-resident Wage Tax rates by the same amount of money, we could in fact have Wage Tax reductions and a source of funding to cover the gap that would result from reducing those Wage Tax rates.

Now, that has been a discussion with the Governor for some time. And I'd be interested in your perspective on that.

MR. DUBOW: We firmly support that approach. We've also had discussions with the Governor's Office where we said that we support that approach. We've talked to State Legislators and told them we support that approach. So, we completely agree.

COUNCILMAN NUTTER: Mr. Dubow, I'm stunned.

MR. DUBOW: That's exactly what we wanted to happen.

COUNCILMAN NUTTER: We've been in budget hearings together for about eight, nine years. I've have never heard such a positive

affirmation. And as a result, I expect now that proposal will probably go down in flames.
MR. DUBOW: Unfortunately, if we agree, I'm sure that's what will happen. But that's exactly --
COUNCILMAN NUTTER: Right. Right. It's probably being torn up as we speak.
MR. DUBOW: That's exactly what we wanted to have happen. And we want to work with Council to make sure that happens. I mean, that's the way we think the tax reform should work for Philadelphia.
COUNCILMAN NUTTER: I understand. But at the same time, you should understand that because --
MR. DUBOW: Can't we just stop on agreeing with something? Share this special moment?
COUNCILMAN NUTTER: It was a very special moment. I enjoyed it for all five seconds. Now we're back in the hearing.
MR. DUBOW: I was trying to stretch it out for more than five seconds.
COUNCILMAN NUTTER: I understand

that. Not today.

One of the reasons that I co-sponsored this Bill with Councilman Mariano is because this idea in the Bill was somewhat similar to the idea that we just had our discussion and agreement on.

And so, I think conceptually here, this Bill at the moment represents as close as possible the particular concept that we're talking about, and that was the reason why I agreed to co-sponsor the Bill.

Because I want to further the idea that if there is a, quote, unquote, new revenue source designated for one particular tax, that we should be able to open the discussion and have a legitimate discussion about directing the tax savings that we would get from one source to help us in another area that... For us the Wage Tax in Philadelphia, I believe, is comparable in being onerous to the property tax in most other counties in the Commonwealth of Pennsylvania.

And if we had the flexibility to make the shift and either demonstrated our commitment up front by passing legislation, or if

there were a state statute that required that we'd pass certain legislation in order to even receive the anticipated tax relief from the Governor's property tax reform proposal, that that would be the way to go.

But that we do have a Bill in front of us that is somewhat similar, and we want to keep moving, I think that concept, in the right direction.

MR. DUBOW: I think there are a few distinctions between this Bill and what statewide tax reform would do if it allowed us to use a new source of money to reduce the Wage Tax.

One, by using the base it does, this Bill actually takes some money that we had counted on in the plan away from us. There's the first year of growth that we would lose. So, that would cost us revenue.

Second, while the statewide tax reform would not result in any increase in property tax, this Bill would. We'd wind up, people would be paying more property tax.

COUNCILMAN NUTTER: Why do you say that?

MR. DUBOW: Well, because for this Bill to kick in, you have to have an average increase of over two percent in the property tax.
COUNCILMAN NUTTER: Right.
MR. DUBOW: So, people would be paying more property tax. For you to get this reduction, someone would have to pay more property tax.
COUNCILMAN NUTTER: People do pay more property tax just about every year.
MR. DUBOW: But I'm giving you the distinction between this and what the Governor's proposal would do.
COUNCILMAN NUTTER: I understand.
MR. DUBOW: That wouldn't result in any increase in anything else in our taxes. It wouldn't deprive us of any revenue we're already counting on in the plan. And the other thing, too, it would let us reduce both the resident and non-resident tax.
COUNCILMAN NUTTER: I understand that.
MR. DUBOW: Those are the differences between the approach on the statewide

tax reform and this Bill.

COUNCILMAN NUTTER: Well, I hear what you're saying.

Let me move to 030008 for a second. I'm looking at the Bill, and I'm looking at the testimony that Miss Kammerdeiner sent up for that particular Bill.

There's a schedule starting in Fiscal '95 going through '08 of the gross receipts rate and what the change from year to year is, as well as the total BVT reduction.

I see in the Bill on Page 2 the reduction from '03 to '04 going from 2.30 mills to 2.10, which matches up with the chart.

What I do not see and cannot seem to read anywhere is, there appears to be a change in Section 3 of the Bill on Page 3 for the manufacture, wholesaler and retailer rates for 2004 and thereafter.

But I don't see any reference to that in the testimony, nor do I see a chart that goes with that. And if you could explain that, I'd appreciate it.

MS. KAMMERDEINER: I believe in the

testimony the only reference would be to the alternative rates. And I'm not even sure that that was referenced directly. That's in the title of the Bill.

There are alternative rates for manufacturers, wholesalers and retailers. That's a part of the basic BPT legislation, the enabling legislation from the State, and has been there all along for the City.

And we do concurrent reductions in those alternative rates, along with the standard rate that the vast majority of taxpayers would utilize.

COUNCILMAN NUTTER: But I think what I'm asking you, Miss Kammerdeiner is, where do these new rates come from and are they referenced anywhere in your testimony?

MS. KAMMERDEINER: They're in the same percentage of decline as the rates for the average or general BPT payer, and it's not referenced directly.

COUNCILMAN NUTTER: So, these rates will automatically change.

MS. KAMMERDEINER: They're changing

constantly.
COUNCILMAN NUTTER: This is the kind of formula once you change one, you have to make a change in the others?
MS. KAMMERDEINER: Correct.
COUNCILMAN NUTTER: Okay.
MS. KAMMERDEINER: And they are changed in the same proportion each year.
And as you can see from the legislation, we've been doing this each year in tandem with the main BPT change.
COUNCILMAN NUTTER: Right.
MS. KAMMERDEINER: The projections, in terms of the impact, are incorporated directly in with the entire tax. They're not separated out.
COUNCILMAN NUTTER: Okay. Let me ask this question: Last year when we were having our wonderful conversation about taxes in the spring...
MS. KAMMERDEINER: Mm-hmm.
COUNCILMAN NUTTER: ...the gross receipts rate schedule that is in your testimony starting in '04, going through '08, .21, .19, .175

and the rest, are those the rates that were proposed last year as a part of the aggressive reduction schedule?

MS. KAMMERDEINER: Yes, they are.

COUNCILMAN NUTTER: Okay. And let me make sure that I'm understanding for the record. According to the five-year plan, what is the projected City deficit?

MR. DUBOW: There is no deficit in the plan. The plan is balanced. You mean before we started doing the plan?

COUNCILMAN NUTTER: Yes.

MR. DUBOW: Okay. I just wanted to make it clear. $834 million.

COUNCILMAN NUTTER: You know... Never mind. And you were doing so well. $834 million projected deficit in the five-year plan. Is that the answer?

MR. DUBOW: Before we took any action to try to erase it, yes.

COUNCILMAN NUTTER: Before you took any action.

MR. DUBOW: Yes.

COUNCILMAN NUTTER: Okay. And

notwithstanding that, the Administration is presenting to us today a Bill to reduce the gross receipts tax rate; is that correct?

MR. DUBOW: That's correct.

COUNCILMAN NUTTER: Okay. And so even at this time of anticipated or potential deficits, based on a five-year plan and the proposed actions of the five-year plan, because I know according to the plan everything is balanced and things are peachy keen.

But if we don't do those things, you have an $834 million deficit. And notwithstanding that, the Administration today is proposing to put forward a Bill to reduce taxes.

MR. DUBOW: Yes. And we did it as part of a plan that showed itself balanced at the end. We didn't do it in isolation. We showed it as part of a larger plan.

COUNCILMAN NUTTER: Very good.

What I'd like to propose, Mr. Dubow is, and Miss Kammerdeiner, is similar to -- I think my memory is telling me that it was Bill 020092. I think that was the Wage Tax bill last year?

MR. DUBOW: I have a vague memory.
COUNCILMAN NUTTER: Vague. Yeah. I think you came to that hearing.
Similar to that legislation, which actually now is the reason I think you don't have to bring us a Wage Tax bill this year and you won't have to bring one for the next four years, because we now have legislatively and by statute directed a schedule of reductions.
What I would like to propose in the course of this hearing is to incorporate that same idea into this Bill and establish a schedule of guaranteed tax reductions on the gross receipts tax side, utilizing the schedule in Miss Kammerdeiner's testimony that has 2004, 2005, 2006, 2007, 2008, taking the gross receipts tax rate from .21 down to the .15 in the testimony.
And I would like to amend this Bill or propose amending this Bill 030008 in that section where we list 2004 and continue that schedule, going all the way down to 2008 with the .15.
In that way, we would have not only a guaranteed tax reduction, as the Council put

forward last year on the Wage Tax rate, but we would also have guaranteed tax reduction on the gross receipts tax rate, so that taxpayers and business people could see and would know with certainty what the rates were going to be over the next few years, which I think has been helpful on the Wage Tax side, because people now know what the rate is going to be. There's no mystery. There's no hoping.

And that we should certainly give that same stability and comfort level to our business community, so that they know over the next five years what the rates are going to be.

MS. KAMMERDEINER: Have to determine how that formula will work. We'll have to work together on that, if that is something that becomes the --

COUNCILMAN NUTTER: I don't understand.

MS. KAMMERDEINER: -- interest or will of the Council.

COUNCILMAN NUTTER: I don't understand what you mean by see how the formula would work. You gave us a formula.

MS. KAMMERDEINER: Not directly. You mean to establish the rates altogether. Because the Bill that exists on Wage Tax that you were referencing has calculations within it to get to a rate, and it's not a fixed rate in the future years. There are options within those rates, depending upon the growth in Wage Tax.

COUNCILMAN NUTTER: Commissioner, I think you're talking about the accelerated changes. We have guaranteed Wage Tax reductions in Bill 92, based on --

MS. KAMMERDEINER: That could --

COUNCILMAN NUTTER: I'm sorry.

MS. KAMMERDEINER: That could go higher if they --

COUNCILMAN NUTTER: Oh, absolutely.

MS. KAMMERDEINER: Okay.

COUNCILMAN NUTTER: Right.

MS. KAMMERDEINER: But you're talking about just putting each of the future years --

COUNCILMAN NUTTER: Just incorporate these rates.

MS. KAMMERDEINER: Okay. I

misunderstood.
COUNCILMAN NUTTER: If we decide at a later point in time we want to have an accelerated schedule, that's, you know, another topic for another day.
But if the accelerated never happens, people know that from now through '07 there will be Wage Tax reductions because of the incremental schedule, which was incorporating what had traditionally been in the five-year plan anyway.
MS. KAMMERDEINER: Right. I misunderstood what you were suggesting.
COUNCILMAN NUTTER: Okay. Now, based on our earlier discussion, you would also have to calculate, which I think you don't have a schedule for -- you'd also have to calculate the manufacturers, wholesalers and retailer rate?
MS. KAMMERDEINER: That's correct.
COUNCILMAN NUTTER: Okay.
MS. KAMMERDEINER: We would have to calculate those and add them to the chart, if indeed you were going to --
COUNCILMAN NUTTER: Right.

MS. KAMMERDEINER: -- have some rate certains for future years.
COUNCILMAN NUTTER: Because the one triggers the other.
MS. KAMMERDEINER: Correct.
COUNCILMAN NUTTER: Right. And in the Bill, '08, there would be no change to Section 2, which just has a rate at 1998 and thereafter, which is the 4.60, the 2.3. Do you see what I'm talking about?
MS. KAMMERDEINER: Yes. That's correct.
COUNCILMAN NUTTER: This discussion wouldn't affect that at all.
MS. KAMMERDEINER: That's correct.
COUNCILMAN NUTTER: Right. So, could you prepare for us a schedule for manufacturers, wholesalers and retailers that would take us from 2004 to 2008, based on the similar changes -- percentage changes that are going on with the gross receipts tax rate?
MS. KAMMERDEINER: Yes, we can.
COUNCILMAN NUTTER: Okay. Thank you very much.

No further questions, Madam Chair.
COUNCIL PRESIDENT VERNA: Thank you.
The Chair recognizes Councilman Mariano.
COUNCILMAN MARIANO: Thank you, Madam President.
Mr. Dubow, the current five-year plan has increased tax revenue and non-tax revenue collections of over $100 million. Is that true?
MR. DUBOW: Yes, that's true.
COUNCILMAN MARIANO: Okay. If that's true, and you said it is, why would this Bill 030073 be unaffordable?
MR. DUBOW: Because those increases are already assumed in the plan. So, the plan is balanced based on the assumption that we get more revenue than we had built into earlier plans.
This would take away revenue that's included in the plan, and there's no added revenue that makes up for it. So, $100 million you're talking about is already built into our base.
COUNCILMAN MARIANO: What if there's any future revenue that's put in the plan, maybe, to straighten the situation up with the State, and

there's some more revenue that they should be giving us anyhow?

What if we stopped paying for the courts and the State picks up their burden of the courts?

What if they come in and take away another agency, like they did the Parking Authority and the Convention Center? I mean, we don't project that into it either.

MR. DUBOW: We actually say, in the plan that if the State came in and took over the courts, that we could use that money to reduce the Wage Tax. And I think we put in a rate of 4.11 percent.

I mean, on the other hand, we also don't have in the plan things like, what happens if we have to increase our pension fund contribution, because we assume a nine percent earnings rate on our pension fund.

To the extent that we miss that, and it looks like there's a decent chance we'll miss that this year, we have to put in more money. So there are a whole series of risks to the plan.

Or, for example, if Fire Arbitration

comes out to cost more than we expect it to or Police and Fire Arbitration Interval four costs us more. We don't have contingencies built in for that kind of increase.

COUNCILMAN MARIANO: Let me ask you: If there's concerns over the holes in the five-year plan last year, when last year, just weeks after we approved the '02 plan, the Administration began spending millions each month for Operation Safe Streets, which I supported, which I think is a great thing, and it was used in my District.

But I mean, we all know when the money crunchers or your number crunchers, I mean, sit down and do this stuff, you're moving things around and it works good for what works to get the Budget in at the time.

I mean, I got the same glasses as Councilman Nutter. I'm trying to read the same things he does. I'm trying to figure it out just in detail as he does.

And I'm not going to argue with you about this. But this is just a small thing to show the people that we care and that we're

trying. We understand. We understand how it is to go to a job every day, maybe in a factory or somewhere, and see $80 in City Wax taxes, you know.

If it's reduced a little and it goes on top of -- and it's in conjunction and it's triggered by a reduction in their property taxes, you know -- I mean, I do understand your concern, but I just don't go for it, because we seem to find things when we need them, when we need them for big important things.

MR. DUBOW: Let me say a couple of things. I mean, let me be clear. The Administration agrees that we need to reduce the Wage Tax.

COUNCILMAN MARIANO: Mm-hmm.

MR. DUBOW: We have Wage Tax reductions in our five-year plan, going all the way through '08.

We think the best way at this time to advocate for those reductions is to support statewide reform that we'll be hearing about in a week.

COUNCILMAN MARIANO: Or we could

have signed the cap bills when they were there, too.

MR. DUBOW: I mean, that bill, we understand, is going to give us a substantial amount of relief and will, I mean, provide a strong indication that, you know, we're going to be giving tax relief to people in Philadelphia.

COUNCILMAN MARIANO: All right. The current five-year plan calls for real estate tax revenue growth of slightly over two percent for the life of the plan.

Can you provide for us the level of growth as a percentage for each year covered by the plan? The current five-year plan calls for real estate tax revenue growth of slightly over two percent.

MR. DUBOW: I'm not sure what the question was.

COUNCILMAN MARIANO: The current five-year plan...

MR. DUBOW: Right.

COUNCILMAN MARIANO: ...calls for real estate tax revenue growth of slightly over two percent. I mean, it's your projections.

MR. DUBOW: Right.
COUNCILMAN MARIANO: For the life of the plan.
MR. DUBOW: Yeah.
COUNCILMAN MARIANO: Can you provide for us the level of growth as a percentage for each year covered by the plan?
MR. DUBOW: Isn't that what you just said?
COUNCILMAN MARIANO: Yeah.
MR. DUBOW: You want the exact percent?
COUNCILMAN MARIANO: Mm-hmm.
MR. DUBOW: I actually -- I can --
COUNCILMAN MARIANO: You're averaging it, you know.
MR. DUBOW: Yeah. I can give you that. I can give you that.
COUNCILMAN MARIANO: Can you get us that?
MR. DUBOW: Yeah, I can give you that.
COUNCILMAN MARIANO: Here's my big question: Are you familiar -- maybe the

Commissioner is familiar with the transition -- the Street Administration's transition team's report on tax policy.

MR. DUBOW: Yes.

COUNCILMAN MARIANO: Well, that plan calls for aggressive and creative options to reduce wage taxes.

Further, are you familiar with option set three of the transition reports that calls for reduction in wage taxes in a fashion similar to those achieved by this Bill?

Listen, I know I'm the smartest guy here, you know. But I didn't figure this all out. And you thought we were throwing that stuff away. We weren't. We were reading it.

You're the smartest? Okay? I mean, this comes right from the transition team report, the general idea here. I didn't eat my Cocoa Puffs and just think of this one day.

And Nutter didn't help me with this. So, Rob, I mean, come on.

MR. DUBOW: I mean, again, just to go back to what I'm saying, we all agree, the Wage Tax should be reduced.

COUNCILMAN MARIANO: Mm-hmm.
MR. DUBOW: But we also need to do it in a way, you know, that keeps our plan balanced.
And one of the things that Paul Levy said when he was here is that when we look at Wage Tax reduction, there are consequences. And one of the things he said we have to look at is the impact on services.
I mean, and that's what we've been saying all along. If we want to reduce Wage Taxes, and we want to do it by ourselves, there are going to be implications to it.
COUNCILMAN MARIANO: Okay. Fair enough. Thank you.
I have no further questions, Council President.
COUNCIL PRESIDENT VERNA: Thank you.
The Chair recognizes Councilwoman Brown. Is Councilwoman Brown in the room?
COUNCILWOMAN BROWN: Thank you, Madam President. My concern was addressed by Councilman Nutter. Thank you.
COUNCIL PRESIDENT VERNA: Thank you.

I was distracted. The Chair recognizes Councilman Clarke.

COUNCILMAN CLARKE: Thank you. Thank you, Madam President. Good morning.

COUNCIL PRESIDENT VERNA: Good morning.

COUNCILMAN CLARKE: I want to ask you a couple of basic questions. Why do we do a five-year plan?

MR. DUBOW: Five-year plan is actually required under the PICA Act.

COUNCILMAN CLARKE: And we traditionally do it... We do a tax bill for the Fiscal Year.

MR. DUBOW: Right.

COUNCILMAN CLARKE: The income in the Fiscal Year, and project certain revenues and expenditures for the following four years.

MR. DUBOW: Right. And the reason that PICA Act requires a five-year plan is to make sure that if there are items that we want to include in the plan, that it's over five years.

I mean, it's often easy to fix one year in a budget to make it look like you're

balanced. But the PICA Act was designed to make sure that we had a longer term balance.

COUNCILMAN CLARKE: All right.

And then there are other certain realities of a five-year plan that sometimes you need to adjust the five-year plan based on the revenues or expenditures or uncertainties associated with the larger economy, the State, the Federal government.

So therefore, it may not be prudent to lock yourself into a particular, either a reduction or an expenditure program that we could not achieve realistically in the third or fourth year.

MR. DUBOW: That's right. There are always a series of risks in the plan, like you said, like what's going on with the economy. We mentioned the pension fund before, where things can get you, know, much worse than they appear to be at the present.

COUNCILMAN CLARKE: And unfortunately, the likelihood that our economy may worsen, I guess what is it? I guess it's not 48 hours now. Whatever the time line that was set by

our President.
MR. DUBOW: Right. Probably down to about 35.
COUNCILMAN CLARKE: Right. Probably 35 hours. There could be potentially a worsening of the national economy as a result of an impending war.
There could also be, assuming that Mr. Rendell, the Governor, can't restructure his Budget that was passed in record time by the legislature, and its impact on the City, that my understanding, it could be upwards of $100 million.
MR. DUBOW: That's correct.
COUNCILMAN CLARKE: Then the projections in the current five-year plan may have to be readjusted, because we didn't anticipate that reduction of $100 million.
MR. DUBOW: That's right. If the State budget passes as is, the plan will definitely have to be adjusted.
COUNCILMAN CLARKE: So if we lock ourselves into a mandated, either reduction or expenditure program over the next five years, it

would be that much more difficult to respond to the impact of either the State's potential reduction in $100 million or what possibly may happen as a result of the country going to war.

MR. DUBOW: That's correct.

COUNCILMAN CLARKE: Is that correct?

MR. DUBOW: Yes.

COUNCILMAN CLARKE: Okay. All right. I just wanted to get some fundamental issues out there. Thank you. Thank you, Madam President.

COUNCIL PRESIDENT VERNA: The Chair recognizes... Councilman Nutter is next but he's not in his seat.

The Chair recognizes Councilman DiCicco.

COUNCILMAN DiCICCO: Thank you, Madam President, and good morning.

MS. KAMMERDEINER: Good morning.

COUNCILMAN DiCICCO: We may have discussed this in the past, and I apologize if we're asking you to repeat it.

Earlier, Mr. Dubow, in your testimony, you project that in the five-year plan,

at the end of the five-year, I assume, which would be 2008?
MR. DUBOW: Yeah. If you're talking about the $40 million projection?
COUNCILMAN DiCICCO: The $834 million.
MR. DUBOW: Yes. That was accumulated deficit at the end of --
COUNCILMAN DiCICCO: Accumulated deficit.
In 2000, when we did the five-year plan, the year 2000, what were your projections for that five-year plan, which would obviously bring us to 2005?
MR. DUBOW: I think when we put that plan together, again, it was balanced at the end. I don't know what the exact number was.
COUNCILMAN DiCICCO: But it was balanced, right?
MR. DUBOW: Oh, yeah.
COUNCILMAN DiCICCO: And we started that year with an approximately $600 million surplus?
MR. DUBOW: No. The highest our

surplus ever got was $295 million.
COUNCILMAN DiCICCO: So $300 million surplus?
MR. DUBOW: (Nods head in the affirmative.)
COUNCILMAN DiCICCO: So, if we take the $300 million, and your projections are right for the new five-year plan, or the current five-year plan, we will be -- it's about a $1.1, almost $1.2 billion turnaround.
MR. DUBOW: It would have been.
COUNCILMAN DiCICCO: The $300 million surplus, and you add in the $800 million projected deficit, that's a $1.1, $1.2 billion turnaround.
MR. DUBOW: Let me just make clear that the plan as presented to Council does not include an $834 million deficit. It includes a series of actions to avoid that, so that at the end being balanced is about $14 million.
COUNCILMAN DiCICCO: Why then do we -- Why do we even bring up the $834 million deficit? I'm --
MR. DUBOW: We didn't bring it up

today. Councilman Nutter did.
We have it in the plan to say this is where we started; here are things we're doing to get rid of it. But today we didn't mention it at all, just to be clear.
COUNCILMAN DiCICCO: Well, it came out in testimony.
MR. DUBOW: It was a question. What Council Nutter said is, if you were projecting an $834 million deficit when you started the plan, why do you include tax reductions?
And our response is, we included tax reductions as part of the comprehensive plan that showed our getting to a balance at the end.
COUNCILMAN DiCICCO: What is the reason for our current fiscal situation of the expenditure of the $300 million surplus?
MR. DUBOW: There are a whole variety of things that happened. The largest things that have happened to turn around what was a growing fund balance to a decreasing fund balance or one -- Well, it's really what's happened with the economy.
We went from seeing wage tax

increases that got as high as five percent to last year where it was under...
MS. KAMMERDEINER: It was .061 percent wage taxes --
COUNCILMAN DiCICCO: Kind of neutral.
MS. KAMMERDEINER: It was virtually flat.
COUNCILMAN DiCICCO: Flat.
MR. DUBOW: So, we used to get, if we got a five percent increase --
COUNCILMAN DiCICCO: But -- It was flat.
MR. DUBOW: Yeah, but here's what's changed. So that would, you know, five percent down to basically zero percent on a $1.3 billion tax has a substantial impact on your bottom line.
And the other big change that the economy has brought around is our -- Charlie is looking at me like that was insane.
COUNCILMAN DiCICCO: I'm a little confused about how we have a flat, as far as the Wage Tax concern. It was flat. There was no decrease. For all intents and purposes we'll say,

assume there was no increase. Why does that have an impact on the Budget?
MS. KAMMERDEINER: The plan had projected an increase, and so you were expecting to have an increase.
COUNCILMAN DiCICCO: No, but you have a $300 million surplus. That wasn't projected, was it? That was actual; was it not?
MR. DUBOW: Yeah. But if you have zero percent growth in the Wage Tax and at the same time you have health and medical benefits going up 12 percent --
COUNCILMAN DiCICCO: That's what I'm getting at.
MR. DUBOW: -- you have pension fund costs that are going through the roof, you have negotiated an arbitrated award wage increases that are going up three percent, and you don't have your main revenue source growing to support that, you wind up losing money each year.
COUNCILMAN DiCICCO: So those health benefits, pension increase benefits or contributions are the main purpose or the main reason why?

MR. DUBOW: Those are the biggest. I mean, there are other things.
COUNCILMAN DiCICCO: What portion of the $300 million would you say that cut into that $300 million?
MR. DUBOW: We actually looked at it -- When we were looking at what they did, we were looking at how we got to, you know, the $800 million problem.
And there was a chart that showed that between the pension increase, the health benefits increase, and the increase in our prison health contract, it was about a $700 million hit, just those three items over the five years.
COUNCILMAN DiCICCO: Over five years.
MR. DUBOW: Yeah.
COUNCILMAN DiCICCO: Maybe I'm missing this because I'm not familiar with it. But I just still can't figure out where the $300 million... Is it all because of the increases that you just spoke about that wiped out the $300 million?
MR. DUBOW: Those were a big part.

I mean, we can give you a chart that can show you $300 million, and then, you know, things that increased. And we can --

COUNCILMAN DiCICCO: I'd like you to supply that to the Chair.

MR. DUBOW: Yeah. So we can...

COUNCILMAN DiCICCO: No further questions, Madam President.

COUNCIL PRESIDENT VERNA: Councilman Nutter, I believe your light was on. Do you have any questions?

COUNCILMAN NUTTER: Yes, I did have one question.

Mr. Dubow and Ms. Kammerdeiner, with regard to real estate taxes -- and I'm sure we'll have more of this discussion next week. But we've had a lot of discussion here today, naturally, about property taxes and wage taxes, and the like.

During last year's hearings on property taxes, which have spilled into a discussion this year, explain to me why in the budgeting process, for instance, the City anticipated and we approved a budget for the current fiscal year that I believe anticipated

generating $321 million in real estate taxes for the City, and I think it was $443.6 million in real estate revenues for the School District. Is that approximately right?

MR. DUBOW: That's -- The $321 million in '03 was the current portion, so that's accurate.

COUNCILMAN NUTTER: Right. I mean, we approved that in the '03 Budget.

MR. DUBOW: Yes.

COUNCILMAN NUTTER: Right. Why is it, unlike in some other municipalities either in Pennsylvania or across the country, this whole issue and discussion about the -- And you may have another term for it, but I have referred to it as the windfall, this annual phenomenon of you put forward a budget in January, as the Mayor's required to.

You make your best estimate, based on the past, and however -- whatever other tools and mechanism and models that you might utilize for the future.

We approve the Budget in the Spring. The assessments come out in the Summer. And

invariably, I believe, over the last 30 years, pretty much the assessment number has -- the total value of the assessments has been greater than the anticipated budgeted amount. Is that fairly accurate?

MR. DUBOW: Well, I think there have been years where it goes the other way, too, but I'm not sure --

COUNCILMAN NUTTER: The overwhelming majority --

MR. DUBOW: I'm not sure it makes a difference for your point.

COUNCILMAN NUTTER: Why is it that in Philadelphia, as compared to some other places, we don't adjust the tax rate to match what the approved budget amount was, as opposed to allowing what amounts to a back door, unauthorized tax increase on our citizens by having the assessment process drive the total amount of tax revenue?

Invariably the amount of tax revenue is in excess of what we told the voters -- I'm sorry -- what we told the citizens that we were approving when we passed the Budget in the Spring, and subsequently you have assessment shock in the

Summer.
Why is it that the rates don't match what we actually told the citizens of the City that we were approving and authorizing in the Budget?
MR. DUBOW: By the dollar amounts, you mean.
COUNCILMAN NUTTER: The dollar amounts.
MR. DUBOW: I'll answer from a budgeting perspective first, which is that the Budget has, you know, a whole host of things that -- Nothing in the Budget will wind up coming exactly where we budgeted. Things come in higher; things come in lower.
COUNCILMAN NUTTER: I understand.
MR. DUBOW: If we take actions to eliminate all the things where it comes in higher, we're only going to be left with things that come in lower, and we'll have deficits.
And I know that's what you're proposing, but that's kind of...
COUNCILMAN NUTTER: Right.
MR. DUBOW: ...the simple

explanation for why, just from a Budget perspective, we wouldn't immediately take it away if --

COUNCILMAN NUTTER: You wouldn't what?

MR. DUBOW: We would immediately give back the revenue if it came in higher than the projection, because there will be other things inevitably come in lower --

COUNCILMAN NUTTER: I understand that. Well, what do they do in other --

MR. DUBOW: -- and we'll need something to off-

COUNCILMAN NUTTER: Go ahead.

MR. DUBOW: -- -set that.

From a tax policy perspective -- And, you know, I -- I don't -- I wasn't here when, you know, this system was created. But I assume that the idea was that your value is going up, so you are -- your wealth is increasing, and that's the increase in tax.

But maybe Nancy can --

COUNCILMAN NUTTER: And so, I know you didn't create the system. I mean, that's a

flawed concept.
MR. DUBOW: Maybe Nancy can --
COUNCILMAN NUTTER: The increase in value of your house has nothing to do with the increase potentially to your, quote, unquote, wealth. I mean, this is wealth on paper, if you were deciding to buy -- to sell your house. Has nothing to do with how much money you have in your pocket.
MR. DUBOW: Well, it's an increase in the value of your property.
COUNCILMAN NUTTER: What can I do with it? I can borrow more money against it but I can't pay the tax bill.
MS. KAMMERDEINER: The assessment process and the taxation process we use for real estate is based on and really comes directly from State law.
And though I can't detail for you the differences between what we're required to do in a County of the First Class and the other counties in Pennsylvania, I know there are differences in the way we are required to assess.
COUNCILMAN NUTTER: I understand

that. That's on the assessment side.
MS. KAMMERDEINER: But basically that's where the difference comes in. The other counties tend to leave their assessment static, and they use their rate to change the revenue amount up or down on an annual basis.
And the Council or other body in that jurisdiction, because it could be a School District, it could be another taxing district, uses that countywide declared assessment value.
I believe under the assessment provisions for a County of the First Class, we must do it annually.
COUNCILMAN NUTTER: Right.
MS. KAMMERDEINER: And then it would be the choice of this Council, and with the approval of the Mayor, to change the way the rate would be handled.
Those are two separate actions. One is required under State law for the assessment practice, and the other is the rate at which we tax using that assessed value.
COUNCILMAN NUTTER: I understand that. But the rate is a major factor in what the

bottom line is on the person's bill.

MS. KAMMERDEINER: But we do establish or have the opportunity to establish that each year for the ensuing year. You've done that by changing the millage from the City to the School District.

But basically, this Council does have the opportunity each year during the Budget process to establish the rate for the coming fiscal -- or actually, in the course of the tax, the coming calendar year.

COUNCILMAN NUTTER: Right.

MS. KAMMERDEINER: Because the taxes are calendar year based, as opposed to fiscal.

COUNCILMAN NUTTER: For the record, when was the last time Council changed the tax rates? And what direction did that rate change -- In which direction did that rate change go?

MS. KAMMERDEINER: I don't have the history on real estate tax with me. But other than the millage shifts between City and School District, it's probably been about eight years since there was a change. And then I believe it was an upward millage change. I think it was an

increase.
COUNCILMAN NUTTER: I'm sorry?
MS. KAMMERDEINER: I believe it was an increase the last time.
COUNCILMAN NUTTER: Right.
MS. KAMMERDEINER: But it was a number of years ago, other than the millage shift.
COUNCILMAN NUTTER: Actually, it was 1991.
Okay. Thank you. We'll have more discussion about that.
But it is true that in other municipalities, both in Pennsylvania and in other locales, the tax rate is changed as a function of the total assessment amount, as compared to the municipality's budgeted amount. And they adjust the rate such that the amount that is generated is equal to what was passed.
In which case, in our situation over the past few years, it would mean the rate would go down, which would result in less of an increase for many taxpayers.
MS. KAMMERDEINER: I believe they set those rates based on their anticipated revenue

from the assessed value that's there. They're still doing it on a future basis. They're not going back and changing it midstream during the course of the tax year.

COUNCILMAN NUTTER: I understand.

MS. KAMMERDEINER: They're establishing the rate at the beginning of the year for that ensuing tax year.

COUNCILMAN NUTTER: Right.

MS. KAMMERDEINER: Which is in essence what you're doing each time that you look at the rates. It's just that historically in the last decade the Council and the Administration have chosen to leave the rates at the same level.

COUNCILMAN NUTTER: Right. Well, that gives you the opportunity to just blame everything on the BRT and have no responsibility for it. You don't have to respond.

Thank you, Madam Chair.

And you weren't going to, were you?

MS. KAMMERDEINER: No, I wasn't.

COUNCILMAN NUTTER: You are very smart.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome. Are there any other questions or comments from Members of the Committee from our witnesses?
(No response.)
COUNCIL PRESIDENT VERNA: Okay. Seeing none, the Committee will stand in recess.
MR. DUBOW: We have two other Bills that Ms. Kammerdeiner has testimony on.
MS. KAMMERDEINER: 08 and 10. I know there were some questions raised about 08, but we didn't actually provide that. Written testimony has been provided, and if that's sufficient, that's fine from my perspective.
COUNCIL PRESIDENT VERNA: All right. We have the written testimony. If you just want to...
COUNCILMAN NUTTER: Can I take advantage of the Chair being tied up and just ask one question?
MR. DUBOW: No.
(Laughter.)
MR. DUBOW: Oh, you weren't asking me?

COUNCILMAN NUTTER: No.
Unfortunately, the decision on that question is on this side (Indicating) of the table.
MR. DUBOW: I thought it was worth a try.
COUNCILMAN NUTTER: Yeah. No; it was a good opportunity for you.
Two quick questions. One, the schedule that I discussed regarding Bill 030008 for gross receipts rate as well as the manufacturers, wholesalers, retailers. When could we expect to receive a document on that?
MS. KAMMERDEINER: That should not take us long to calculate. I would say possibly even tomorrow.
COUNCILMAN NUTTER: Tomorrow.
And let me ask this question. With regard to establishing a schedule in the law, given that the schedule was put out last year and it's being proposed again this year as a part of the five-year plan, what is the Administration's position on putting forward a schedule, laying out with certainty what the gross receipts tax rate will be?

MS. KAMMERDEINER: I think we'd have to take another look at that. Having it here as a goal, but without certainty on it is one thing. Whether that's something we would be comfortable ascribing to in legislation is something I think we need to ask ourselves and take a look at before agreeing.

COUNCILMAN NUTTER: Well, but you're committed to this, right? I mean, you're going to --

MS. KAMMERDEINER: This is the intention. But there will be an evaluation of where we are, both with the economy and other factors next year, and there could be changes if it's not in the law.

COUNCILMAN NUTTER: Miss Kammerdeiner, I mean, your testimony makes the case, it seems to me, for doing this.

Is there anything that you would anticipate within reason that that would happen that would cause you to change your mind about this particular statement in your testimony?

Empirical research by Robert Inman of the Wharton School of Business indicates that

accelerated reductions in the Gross Receipts Tax could act as a job creation program, stimulating the Philadelphia economy, and providing tax revenue gains that may help to offset the short-term revenue effects of the tax rate reductions.

Is there anything in that statement that you don't agree with?

MS. KAMMERDEINER: No. And what I'm --

COUNCILMAN NUTTER: Is there anything that could happen that would cause that to be wrong?

MS. KAMMERDEINER: What I'm saying is, it's likely that we would support it in law. But we weren't looking at it from that standpoint when it was established for the plan.

And you asked the question would we be willing to have it there. I would like to take a look at it and consult with others in the Administration to ensure that that is something that we wouldn't have a problem with in the law.

COUNCILMAN NUTTER: Well, do you have any reason to think that if you came back to

us next year you wouldn't propose the Gross Receipts Tax rate to be at .19 as a reduction from .21?

MS. KAMMERDEINER: Not at the moment, but a year from now the situation could have changed as a result of changes in the economy or otherwise, in terms of our requirements for expenditures.

COUNCILMAN NUTTER: Well, you're saying --

MS. KAMMERDEINER: Today I think that looks like a good thing.

COUNCILMAN NUTTER: -- that in the next year things will be so great that we won't need to do it?

MS. KAMMERDEINER: It may be so great that we can do a larger change. That's something that I can't predict right now, and this is -- this is not --

COUNCILMAN NUTTER: I mean, my hair may come back and I'll open a barbershop; but, I mean, that's not likely. So, I mean, what are we talking about here?

MS. KAMMERDEINER: I was just

suggesting that I would like to be able to verify with others that we have no objection to that for it being in the legislation, as opposed to being in the plan.

COUNCILMAN NUTTER: Okay. Lastly, I mean, Miss Kammerdeiner, let me remind you that this accelerated schedule was proposed last year as the reason that... Not only the reasons were job growth, it was the best thing to do, and it was part of the reason as it was proposed why we should -- I mean, it was so good last year, not only should we do it, but we should stop the Wage Tax reductions and do this because of its potential impact on the City of Philadelphia. How can you possibly back away from this idea now? It is astounding to me.

MS. KAMMERDEINER: I'm not backing away from the idea. What I'm saying is that because we now have the Wage Tax reductions that were not part of the plan at the time it was suggested last year, we will need to look at it each year to be sure that it still is the appropriate rate.

COUNCILMAN NUTTER: But we adopted

this also as a part of the five-year plan. I mean, we send this to PICA. We say to the world, this is what we're anticipating doing. Pass our plan, based on these numbers. These numbers have been incorporated into the plan.

I mean, short of it being law, with the resolution of going to PICA, I mean, it is the most affirmative statement by the government that this is what we plan to do.

I don't understand the reluctance now to say to the taxpayers and the business people: We are going to do this. We want to give you tax certainty. We want to provide a stable tax environment. And you will know now for the next four on the Wage Tax, and the next five on the Gross Receipts Tax, this is what's going to happen in this City.

Why wouldn't we want to provide that level of comfort, security, and commitment to the taxpayers and business owners in this City?

MR. DUBOW: By the time we get back to you with the other calculations, we'll get you an answer. I mean, it sounds like a reasonable idea. We just want to consult with people before

we sign off.
COUNCILMAN NUTTER: Okay. I appreciate it. Thank you.
Thank you, Madam Chair.
COUNCIL PRESIDENT VERNA: All right. All right. We do have copies of your testimony on Bills 030010 and 030008.
We could give the entire copy to the stenographer, who will transcribe them. Are there any questions from Members of the Committee on either one of the two bills before us?
(No response.)
COUNCIL PRESIDENT VERNA: Is there anything that the Administration would like to add?
MS. KAMMERDEINER: I believe the testimony covered everything from our end.
COUNCIL PRESIDENT VERNA: Fine. Thank you.
Okay. The Committee of the Whole will recess the public hearing.
(Brief recess.)
We are now back into our Public Hearing of the Committee of the Whole. We will

recess until 1:30 today when we will have public testimony. Thank you all very much. We will have public testimony at 1:30 today.

(Recess at 11:30 a.m., to reconvene at 1:30 p.m.)

(Reconvening at 1:45 p.m.)

COUNCIL PRESIDENT VERNA: This is the continued Public Hearing of the Committee of the Whole. And this afternoon and this evening we will be having public testimony.

Our first witnesses today are Edna Williams and Pastor Charles Lenar. Are they here?

(No response.)

COUNCIL PRESIDENT VERNA: Peggy Amsterdam. Are they outside?

I'm sorry. You are?

MS. AMSTERDAM: Peggy Amsterdam.

COUNCIL PRESIDENT VERNA: Okay. And is Nancy Goldenberg with you?

MS. AMSTERDAM: Yes.

COUNCIL PRESIDENT VERNA: Good afternoon. I apologize for the inconvenience, but as many of you may or may not know, in April we had a flooding in our Chambers, and we've had to

use this courtroom.

And as I said, it's not as convenient. And I'm sorry the people have to be standing, and we do have people in the anteroom. But I think with everybody's patience we will survive this.

All right, Miss Amsterdam, please identify yourself for the record and proceed with your testimony.

MS. AMSTERDAM: Good afternoon, Councilwoman Verna and Members of City Council. My name is Peggy Amsterdam, and I'm the President of the Greater Philadelphia Cultural Alliance.

We are a regional arts and cultural advocacy organization. Thank you all very much for the opportunity to testify today in support of an increase to the Philadelphia Cultural Fund.

As you can see, I have with me today several members of the arts and culture community, who are supported by grant awards from this fund.

And after I speak, you will hear from Nancy Goldenberg about the history of the Cultural Fund and of its impact on the grantees in the City.

But I'm here to share some information about the organizations supported by the Fund and their commitment to Philadelphia's neighborhoods.

The Philadelphia Cultural fund is a very important source of general operating support that allows organizations to carry out projects advancing and complementing their service oriented missions.

Without resources to address basic operating expenses, cutbacks are necessary in programming that revitalizes neighborhoods, increases tourism, and provides safe and enriching after-school activities for our children; and our community suffers as a result.

Several of the representatives we have with us today have made great sacrifices to be here, and many others are working in the City right now who couldn't attend at this moment.

Coming out even for an hour sometimes places undue burden upon these providers of City services. And budgets are very tight right now, as you all know, and many arts and cultural organizations have had to make

sacrifices, adjustments that would include layoffs and limiting services. And these adjustments are not in line with our City's desire to attract and retain businesses and residents.

Philadelphia arts and cultural organizations make this City a popular tourist destination, as well as an attractive place to set up businesses, receive an education, seek employment, and establish a place of residency.

Our arts and culture amenities provide us with a competitive advantage. Investing more in our cultural assets increases the impact of neighborhood revitalization programs and local economies.

Arts and culture organizations have a great impact on communities. They foster cross-cultural connections, stimulate population growth, and create a community where every person, regardless of his or her social, ethnic, or economic background, can contribute as an equal and succeed.

It has been found by Mark Sterns, Professor of Social Welfare at the University of Pennsylvania that disadvantaged neighborhoods with

high cultural participation were four times more likely than average to have lower rates of truancy and juvenile delinquency among their youth.

He also found that during the 1990s, neighborhoods that had high levels of cultural participation were more than three times as likely to experience population growth as areas with low participation. That participation is made possible by the Culture Fund support of the City's arts and cultural organizations.

Supporting an increase to the Cultural Fund, then, is critical to the continued success of our neighborhoods, our economy, and our City.

On behalf of all of the cultural representatives here today and many more who could not join us, I thank Council for its past support and ask that you continue this commitment by establishing the fund's continued growth in the City's five-year plan to reach $5 million in the next five years.

I understand that Councilwoman Blondell Reynolds Brown is currently preparing a budget amendment for an increase to the Fund's

FY '04 appropriation.

So I would like to thank the Councilwoman, along with the Board Members of the Cultural Fund who sit on City Council, Councilmen Rizzo, Cohen and Ortiz, and the Administration and all of the Members of City Council for their support of this important initiative.

Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you. Miss Goldenberg.

MS. GOLDENBERG: Good afternoon. My name is Nancy Goldenberg, and I have the honor of serving as President of the Philadelphia Cultural Fund, the non-profit corporation established by City Council in 1991, for the purpose of providing funding to arts and cultural organizations within the City of Philadelphia. Joining me is Anne Edmunds, Director of the Philadelphia Cultural Fund.

In January our Board unanimously voted to endorse the long-range financial goal for the fund of reaching five million in five years, a recommendation based upon research on comparable cities and upon recommendations of the Arts and

Culture Policy and Planning Transition Committee of 2000.

We currently receive $1.75 million in City funding. And while we are extremely appreciative of the City's tremendous support over the past decade, financial and otherwise, in order to achieve our goal, and indeed, to remain competitive with other cities, our appropriation must grow.

I am here to respectfully ask your consideration of an increase to the Cultural Fund in FY '04.

In many ways, we are a victim of our own success. In ten years the number of grants we have awarded to Philadelphia's arts and cultural organizations has increased from 136 to 214 or 57 percent.

Last year alone, the number of grant awards increased by eight percent, yet the fund's level of appropriation remained flat.

As a result, several organizations witnessed a decrease in the amount of their grant, despite the fact that they received high marks from their peers.

This decline is particularly difficult for the smaller community based organizations that rely on hard to get general operating dollars to literally keep the lights on.

To prevent further slippage among existing grantees, while allowing for an anticipated growth in the number of applicants, we estimate a needed budget increase of $250,000 just to stay even.

It's worth taking a look at the big picture. According to the United States Urban Art Federation, the eight largest cities in the country, excluding New York City, spend on average $3.87 of municipal dollars per person on arts funding.

Philadelphia invests only $1.38 per person. While Philadelphia awards the largest number of grants among the six largest cities with similar programs, our pool of dollars, again, is only $1.75 million, compared to an average of $4.3 million. Additionally, the size of our grants is only 27 percent of the average grant size of these cities.

We must remember that supporting

arts and culture can be a successful strategy for growing our overall economy. Philadelphia region's non-profit cultural sector directly employs 5500 full and part-time workers, supports an estimated $564 million in spending, and generates more than $16 million in State and local taxes.

One grantee recently reported that they used their cultural fund grant to employ, quote, more Philadelphia based rather than out of state artists for our work with schools.

Just think how arts and culture impacts the tourist industry. Ask yourself how could our tourism industry possibly flourish without the breadth of cultural experiences offered by institutions like the Academy of Natural Sciences or Freedom Theater or Flamenco Ole.

And you may ask what the effect of the Cultural Fund is on property values in the City. A recent report, prepared for us by the Social Impact of the Arts Project at the University of Pennsylvania indicates that Philadelphia neighborhoods with a Cultural Fund

applicant present saw their property values increase nearly twice as fast as other neighborhoods between 1995 and 2000.

Property values rose by just under $8,000 during the late 1990s in neighborhoods without a Cultural Fund applicant and nearly $18,000 in neighborhoods with a Cultural Fund plant.

Just think what life would be like in our neighborhoods without the hundreds of arts and cultural organizations.

Taller Puertorriqueno supported 25,000 residents in North Philadelphia. Samuel Fleisher Memorial, over 40,000 City residents.

ARTREACH brings to the arts audience by distributing over 170,000 donated discount tickets from 125 cultural organizations.

Needless to say, the Philadelphia Culture Fund is helping to keep our children and youth off streets and engaged in positive activities. It's revitalizing commercial corridors, increasing property values, bringing families and neighborhoods together in ways that lift spirits and establish good will.

It's creating connections between otherwise disparate communities, who are finding common ground, often for the first time.

Our Board consists of 18 extraordinarily committed people, including 10 members of the community, 4 members appointed by the Mayor, and 5 Members of this City Council.

I wish to thank particularly our Council representatives, Councilwoman Blondell Reynolds Brown, Councilman Ortiz, Councilman Cohen, and Councilman Rizzo, for their leadership on behalf of the Cultural Fund and their support for growing our budget.

And I'd like to thank our grantees, many of whom are here today. They frequently point to the Cultural Fund for providing a stable source of unrestricted funds and providing the legitimacy that helps leverage additional dollars.

I appreciate your time today and your consideration of our request. And any of us would be happy to answer any questions that you have.

COUNCIL PRESIDENT VERNA: Thank you. Miss Edmunds, are you testifying?

MS. EDMUNDS: No, I'm not. I'm sorry.
COUNCIL PRESIDENT VERNA: Thank you. The Chair at this time recognizes Councilwoman Brown.
COUNCILWOMAN BROWN: Thank you, Madam President. Good afternoon, ladies. Thank you for your testimony.
Let me just put on the record, as I mentioned a couple of weeks ago, that I am absolutely committed to working with both my colleagues who sit on the Cultural Fund Board, namely Councilman Rizzo, Councilman Ortiz, and Councilman David Cohen, but other Members of City Council, too, who care very much about arts and culture, and to work with the Administration for us to come up with a number that does two things: Address the cost of living increase that hasn't happened for the past eight years; but more importantly, brings the Cultural Fund back to at least the FY '02 numbers, where we are no longer because of the increase in the number of our organizations that we're funding.
So, my hope is that we can back into

a number that is, as I said, both reasonable and responsible, given where we are with the City's budget.

And my colleague, Councilman David Cohen, will speak more eloquently on why none of us believe that that's enough. But given where we are, we have to work collectively to come up with something that's responsible.

Speak to us, if you could, about how an opportunity exists for NTI and what that means, but more importantly, how we can look at artists' housing and vacant lots, and the like, and how we can use artists to bring back to life vacant land and that kind of thing, using the NTI as the opportunity to do that.

MS. GOLDENBERG: Well, I think any opportunity to enliven the City and enrich the City with art is certainly worth the investment.

As you know, the Cultural Fund's mission is to provide general operating support for arts and culture groups, so we wouldn't find individual artists per se. But we certainly support any type of activities that would increase art throughout the City and give opportunities for

artists, whether it's living or creating art.
COUNCILWOMAN BROWN: So you would see NTI as an opportunity.
You make the clear distinction that we cannot fund individual artists.
MS. GOLDENBERG: The Fund can't, no.
COUNCILWOMAN BROWN: The Fund can't.
MS. GOLDENBERG: But maybe Peggy can speak to a broader vision for arts.
MS. AMSTERDAM: Well, I was just going to speak as far as the NTI that you mentioned. I think there definitely is a place for artists and for arts organizations to work in collaboration with community development, community centers of all types.
I believe that having the arts as part of the community is very important, so I do see a definite role there.
The Culture Fund, specifically due to its mission is for general operating support for the arts and cultural institutions specifically, at least as I understand it. So that those very needed -- and especially in these times, more than ever -- just the funds to stay

afloat, to keep the doors open, to be able to provide the services that they're providing is really important as well, equally.

COUNCILWOMAN BROWN: Okay. And I'm reminded by my staff that we expect to do the budget amendment, again, working with my colleagues on City Council. So we should put that on the record. Thank you very much. Thank you for your testimony.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilwoman Tasco.

COUNCILMAN TASCO: Good afternoon. I just wanted to ask you... You all are doing a good job. It's a fun Board to be a part of. I was on the initial Board.

We, when I was on the Board, had some discussion about how we fund small neighborhood cultural groups, for instance, the local dance group or the arts program at the rec center.

Is that something that you have

considered lately doing? Or have you funded any of those groups? Or just what do they do for funding?

MS. GOLDENBERG: I'll let Anne answer that.

MS. EDMUNDS: Over the past three years --

COUNCILWOMAN TASCO: You'll have to pull the mike to you. We have old ears.

MS. EDMUNDS: Anne Edmunds. I'm the manager of the Philadelphia Cultural Fund.

Over the past three years, the Cultural Fund's Board and I have been reaching out in neighborhoods that do not have arts and Cultural programming.

And what we have found is, the smaller organization -- many of these smaller organizations, particularly those that aren't connected to some of the social service organizations, they were not receiving funding in the early years.

So that we have analyzed those particular organizations and we have made provisions. The grants are very small, but we

have made provisions, and we are currently in a planning process with our planning committee and we will be analyzing this -- you know, this topic further.

COUNCILWOMAN TASCO: Do you have a pool of money set aside just for those small groups who don't meet the criteria of the larger organizations?

MS. EDMUNDS: We don't have a pool of money set aside. But this year for Fiscal 2003 $100,000 supported small, very small organizations. We did provide at least $100,000 for those very small organizations.

COUNCILWOMAN TASCO: Okay.

MS. EDMUNDS: So that's a great deal better than in the past.

COUNCILWOMAN TASCO: Thank you very much.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Welcome. The Chair recognizes Councilman Cohen.

COUNCILMAN COHEN: Thank you, Madam President. I wanted to congratulate. I don't have a statement, but after waiting a dozen years,

that's why I have to keep running for office, because it takes the government a long time to do the right thing, particularly the government of the City of Philadelphia.

Back more than a dozen years ago, we used to have a line item called the line item 500. That line item was for arts and culture, particularly for the very small community-based groups.

It had grown to about seven and a half million dollars a year. And arts and culture at the community level was really prospering. It reached into every community. It was too much for the new Mayor, who at that time was Mayor Rendell.

He had the vision of the Kimmell Center. He had no time, maybe because there were no campaign contributors in the local community. So he only had time for the big projects. And he engineered the destruction of class 500.

And for the last dozen years I've been waiting and hoping for a reemergence of the strength of the arts and culture community, because in a very serious way you're the heart of Philadelphia.

Philadelphia is meaningful only to the extent it gives support to arts and culture, for the business reasons, and for the reasons that the art and culture speak about a City. They tell us the real life, the vibrancy that exists. And I like what you're doing. You're beginning to come back.

I am a little distressed by the last answer that only approximately $100,000 -- Maybe my hearing piece was not working. Maybe the figure should have been higher.

But we used to contribute at least $2 to $3 million a year to the small local community. Sometime the arts groups were two or three people. But that's how arts and culture emerge in the community. And that ought to be the basis of support.

Let the rich people in Philadelphia support the Kimmell Center. They get enough in tax breaks. So they actually save money by making their contributions to the major cultural organizations. But what we need in Philadelphia is a healthy, a vibrant life of arts and culture in this City.

I think your goal of $5 million in five years is commendable. If I had my way, I'd be for it this year. I'd like to see about $4 million added this one year so that you begin to move really in a way that counts.

The NTI program needs art and culture if it's to succeed. What's the point of cleaning streets, getting rid of cars, and having empty deserted neighborhoods?

You've got to have a real life in the community. And you can't have a real life unless you have arts and culture supporting the life and telling the people about the kind of life people live in the neighborhood. That's what builds community participation and the political local life of the City and gives people a stake in the City.

What you're doing is extremely important. I commend you in coming forward this far. And now I'm hoping, and I'm hoping that whatever bill is being offered, it's not nearly enough.

And if you make enough noise and keep making the noise and make it loud and don't

worry about doing it just in an orderly way, because if you want attention you've got to attract attention.

If you don't have confidence enough to be disorderly sometimes, you're going to be treated like the bad student in a classroom. You'll get punished and you'll get maybe reward of a single apple.

But if you act out how important you really feel this issue is, I think the road to success is going to come much quicker than you think, and we're going to restore a commitment by the people of Philadelphia to the Arts and Cultural Fund.

Congratulations. The amount that you ought to raise this year -- In my judgment you ought not to raise it by a measly low $200,000. God, it doesn't even begin to be above one-hundredth of what the lawyers and the Pension Fund case made, as reported yesterday.

(Applause.)

COUNCILMAN COHEN: Why are we so modest, $200,000? You know, the City of Philadelphia Budget, the real budget, isn't what

we talk about, a General Fund Budget. We talk about a General Fund Budget when we don't want people to know what the real Budget of the City is.

But the City's a giant corporation, which spends money that comes from taxpayers. But sometimes it comes through the Federal, sometimes through the State Government, as well as through the local government. And it's the business of a minimum of $5 billion a year. What's $200,000 in a budget of $5 billion a year?

My feeling is that this $200,000 ought to, at least this one year, to be changed to a million dollars. And I intend to form an amendment to try to produce that result. With your full participation, I think we can achieve it.

Let's not talk about being responsible at a time when we learn that the City Administration was loaded with these SUV cars. Please notice, City Council didn't have any.

Thacher Longstreth was reported in the press as getting one, but he got it through the Mayor's Office, not through City Council.

Because we really are conscious of the need for money, and we want to use the money for the good purposes, not the SUVs, but for arts and culture

So, good luck; and keep pressing as hard as you can because I think you're on the road to victory on this issue. Thank you very much.

(Applause and cheers.)

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Kenney.

COUNCILMAN KENNEY: Thank you, Madam President.

First I'd like to thank the panel who are sitting here today. As an original Member of the Cultural Fund when it was first established a number of years ago, worked very closely with the people at the table and many of the people in the room.

And the thing that I'm the most proud of, when it comes to what the Cultural Fund has been able to accomplish, is that all the grants are awarded and continue to be awarded on merit.

You remember the days when Council was dealing with Class 500 and other things that

brought some embarrassment to the Chamber.

The thing that was the most important, I think, in this Cultural Fund operation is that all of the panels that are put together are headed and sat and represented by professionals in the particular disciplines they are judging.

There's no political influence. There's no favor that I, Council Member, can call up and say: "Do me a favor; take care of this group." They have to go before the panels. They have to perform, show what they're doing, live up to a certain standard. And the panels, their own peers decide who gets the money and how much.

We even have an appeal process. When people are not happy with the amount of money they receive, they can go back in and appeal directly to the Board.

This is perhaps, in the City of Philadelphia, the only truly merit selection process that exists for the award of money. And I'm very proud that it never changed from the time we first started till today. And I commend the Board Members from Council who are here today

sitting currently on the Board, that none of this has ever changed, that no one, whether they've gotten a grant or have not gotten a grant or not gotten as much as they thought, ever felt that they were treated in a politically biased way. It was all about the merit of the program and the merit of the arts and entertainment value that that group brings to the City.

So, I echo Councilman Cohen's words in that regard, that it is truly a program that helps benefits arts in the neighborhood communities. It deals with the orchestra and the ballet and the other big arts groups, but it also deals with Painted Bride and the Fabric Workshop and the Point Breeze Arts and Cultural Center and all the other opportunities in the neighborhood.

The one thing that's important for the audience to understand as Councilman Cohen said earlier, this is not rocket science. You need nine votes to amend the Budget, to include $650,000, $750,000, $1 million.

Whatever the members of Council decide that they want to increase the Cultural Fund Budget to, we have the ability and the

authority and the ability to vote to do it. Don't make any mistake. Don't, you know, think that there's some magic formula or some magic potion to this.

Nine Members of Council voting together, on an amendment to this Budget, can put $650,000 or $1 million or whatever it is we decide we would like to do, back into or additional to the Cultural Fund.

And I'm willing to make that pledge today that I will vote for whatever the Members of Council as a group, as a whole, a majority of them decide. If it's $650,000, I'll commit my vote today to $650,000. If it's a million, I'll commit my vote today to an amendment to this Budget to make it a million dollars.

But I also think it's important that Council stand up and do what's right. In this regard, Councilman Cohen is right: There is money available. This is a pittance, compared to what other monies get spent in this City.

And I am willing to pledge my vote today to $650,000, which was originally requested, or to a higher number, if that's what the Members

of Council deem appropriate.

The Budget then goes on to the Mayor's Office, and it's not in our hands any longer, but we will have done our job in reinforcing the act that neighborhood arts and culture is important in this City.

I've always remembered the story, and I tell it a lot: When we talked about the discussion of building stadiums, which I supported and I think something that the City needs and the region needs. But if you think about it, the Cezanne Exhibit in Philadelphia generated more tax dollars and more income than the Flyers, Sixers, Phillies and Eagles put together for that entire season.

One art exhibit of Cezanne that appeared, I think, in London, Berlin, and Philadelphia, brought more tax ratables, tax generated revenue to this City than the four sports teams combined. So I think that's a message that people should not forget.

And again, I will reiterate my pledge to my vote to a $650,000 increase or more if eight other Members of Council decide that

that's appropriate.
And I thank you for coming in and expressing your views. Thank you.
COUNCIL PRESIDENT VERNA: Thank you.
(Applause.)
COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Ortiz.
COUNCILMAN ORTIZ: Thank you, Madam Chair.
I agree with both of my colleagues, in terms of what they have said about money.
And we have to remember that a few years ago what was then the Cultural Fund which was the 500 area of the Budget was around $5 to $6 million.
When we created the Cultural Fund because of a few of the problems that Councilman Kenney spoke about, we really cut it down and underfunded it.
And I think that the reality of it is that arts brings revenue and stabilizes neighborhoods.
You look at the Taller Puertorriqueno, you look at Ambler, you look at

two institutions that have gone into a neighborhood that has all sorts of names and sobriquets, and they represent the soul, the heart of the barrios.

And they have stabilized that neighborhood and brought in other art galleries that are now establishing themselves, other restaurants that now are establishing themselves around that area.

You take up Point Breeze, for example, and the same thing happened. It was a little nook of a thing when it was -- when it was -- when it started. And through the funding of the City, it has grown to be one of the major art institutions that we have in the City.

The other day at the Board meeting we talked about Manyunk and that small little grouping of people. And all they needed was $2,000. And we reviewed that. And $2,000 to a group like this can make a huge difference, in terms of what they bring to that neighborhood.

We underfund the Cultural Fund. The results of money that we invest in the Cultural Fund are immeasurable. And I believe that we are

going to discuss this very heavily, and we are going to -- we are going to increase the Cultural Fund by a great deal of money, maybe not $5 million, but we're going to -- we're going to make some significant change in the funding. And we're committed to that in this budget.

(Applause.)

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

President Goldenberg, welcome back to City Council, in a slightly different capacity. I appreciate your testimony.

I wanted to know from... I have the testimony from Miss Amsterdam, and then I have this other document that's entitled The Philadelphia Cultural Fund.

And it's an analysis and it's a fact sheet, although it does not indicate who developed this. Is this from the City Rep's Office?

MS. GOLDENBERG: It was developed by the Cultural Fund staff.

COUNCILMAN NUTTER: Okay. What I

wanted to know was, on Page 2 of that document, the eight-City... I just want to make sure I'm keeping track of the cities. You have the document handy?

MS. GOLDENBERG: Yes.

COUNCILMAN NUTTER: Under the section it talks about comparable cities, you talk about the eight largest cities in the United States, and then it's not including New York. And of the ten largest cities, what's the other City that's not...

MS. GOLDENBERG: Chicago and Los Angeles are not in there. Chicago and Los Angeles.

COUNCILMAN NUTTER: Are not... Well, that would...

MS. GOLDENBERG: The number -- the cities -- There's a footnote at the bottom that the cities include L.A., Chicago, Houston, Philadelphia, Phoenix, San Diego, Dallas, and San Antonio.

COUNCILMAN NUTTER: Okay. All right. So the two cities that are not in there are actually New York and Detroit, right?

MS. GOLDENBERG: New York.
COUNCILMAN NUTTER: New York. And we're also are not doing anything with regard to Detroit.
MS. GOLDENBERG: That's correct.
COUNCILMAN NUTTER: Right? Okay. And could you develop for us... These statistics are, I think, quite compelling and important.
The next paragraph you talk about the six largest cities that have similar grant-making programs to Philadelphia.
Could you develop for us a chart that would show all of those other cities? You make specific reference to San Diego, and what they provide in terms of grant dollars. But I'd like to see all the cities in rank order and the amount...
MS. GOLDENBERG: Sure.
COUNCILMAN NUTTER: ...that they provide.
And your document says that we rank, again, second to last at $1.75 million. Who is actually last?
MS. GOLDENBERG: I believe that's

Phoenix.
COUNCILMAN NUTTER: Do you know what the amount is?
MS. GOLDENBERG: Offhand, I don't. But I can get that for you.
COUNCILMAN NUTTER: Okay. All right. I'd like to see how Philadelphia actually ranks against those other cities on a dollar for dollar basis; and then secondly, for the moment with regard to whatever the request is -- and I know that in your testimony you talk about $250,000, and there have been, I think, important and serious statements with regard to additional amounts.
What I'd like to know from you is, could you provide to the Council, say, a bit of a five-year funding plan, where you would like to be five years from now?
I mean, we know we're at the one seven five. You're asking for another two fifty. I mean, let's assume for the moment at a minimum you get the two fifty. So now we're at two.
I'd like to see where you want to be five years from now, see how that ranks against

the other seven cities, and see if we can reach some level of, at a minimum informal, if not preferably a formal agreement, that over the next five years there will be... you can anticipate "X" amount of dollar increase based on your five-year plan.

And then -- I mean, we're going to love having you back every year. But I think you need to know with some amount of certainty under the circumstances what the future is going to bring.

Obviously, if we're able to do more in any of those years, I'm sure you'll be appreciative. But at a minimum you'd know from year to year what your founding was going to be, and you could do your fund raising based on that, and you can go out and promote the fund and the activities and the like, knowing that there was a bit of a guarantee of a source of funding from the City that had increases built in.

MS. GOLDENBERG: That is exactly what our goal is. I stated earlier that the Board voted as its goal to be at $5 million in five years. That is our goal that's based upon

research we've done, and it's based upon the Transition Team's report from 2000.

We are currently in the process, through our long-range planning committee, of developing the road map exactly what you are suggesting we do, because we do like to come back every year, and we intend to, we hope to be able to come back knowing what expectations are, both from this Body and you should know what our expectations are as well. So that's --

COUNCILMAN NUTTER: So you're really looking at --

MS. GOLDENBERG: -- exactly what we're trying to do.

COUNCILMAN NUTTER: And on that kind of schedule you're looking at about a $600,000 a year increase?

MS. GOLDENBERG: Yes.

COUNCILMAN NUTTER: Again, I mean, we take the two fifty. You're at two. You want to get to five. You got three. Five years.

MS. GOLDENBERG: All right.

COUNCILMAN NUTTER: Okay. All right. Well, I mean we should certainly try to, I

think, push you along that path.

And as I said, it appears that the two fifty is not much of a question. And based on some of the comments made, if there is an opportunity to have a higher number in the context of everything else we're looking at, but given the importance of the work, the seriousness with which I believe this City takes art and culture, and certainly the hard work that you're putting out, I think we should be able to do something in a rather positive fashion. I appreciate the testimony.

MS. GOLDENBERG: Thank you.

COUNCILMAN NUTTER: Thank you. Thank you, Madam Chair.

ACTING COUNCIL PRESIDENT TASCO: The Chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: Thank you, Madam Chair.

I'm proud to say that I serve as Vice President of the Cultural Fund. And it's been one of the, I think, the highlights of my time in Council, to see so many good things done and so many people truly appreciate the work.

And I would hope that we're not going to be shortsighted, and continue to increase this Budget so we can do many more good things.

It amazes me when I became a Board Member, and then the Vice President, to see all the good work that is accomplished with such limited funds. Can you imagine what we could do with more?

I think what I see here today is, you're on your way to nine votes. I've been counting, and it looks like that we can obviously do something here to be helpful.

But again, just personally, my involvement with the Cultural Fund has been a very, very rewarding experience for me.

And thank you, all of you, that make this work. Thank you.

ACTING COUNCIL PRESIDENT TASCO: thank you very much. Are there any other questions from any other Members of the Council?

(No response.)

ACTING COUNCIL PRESIDENT TASCO: There being none, we thank you for your presence today. We will alert the other individuals here

to testify. We will limit the testimony to five minutes. We have numerous groups to testify, and so we're going to limit it to five minutes.
Thank you.
ACTING COUNCIL PRESIDENT TASCO: Good afternoon. Would you please identify for the record your names, identify yourself for the record.
MS. BORNFRIEND: Good afternoon. My name is Lauren Bornfriend, and I'm the Executive Director of Friends of Philadelphia Parks. And I'm joined here today by Doris Waltney, who is the President of Carol Park Neighbors, as well as a Board Member of Friends of Philadelphia Parks and a Member of the Pennsylvania Horticultural Society Council, and by James L. Brown, IV, who is a Board Member of Friends of Philadelphia Parks, as well as Executive Director of the Parkside Historic Preservation Corporation.
COUNCIL PRESIDENT VERNA: Will you be able to summarize your testimony?
MS. BORNFRIEND: It's fairly short, if I can...
COUNCIL PRESIDENT VERNA: All right.

MS. BORNFRIEND: We are here to testify on behalf of the Fairmount Park Commission and the Philadelphia Department of Recreation.

As you know, these agencies are responsible for more than 9,000 extraordinary acres of parkland in the City of Philadelphia.

Friends of Philadelphia Parks is a non-profit organization that advocates, builds coalitions and educates the public, in order to achieve superior systems of parks and open space for Philadelphia.

Our mission grew out of the principle that healthy, vibrant parks engender economic vitality, tourism, community development and reinvestment, education and well-being in an often challenging urban environment.

We thank Members of City Council and Mayor Street for supporting the initiative to undergo a strategic planning process for Philadelphia's parks and for your understanding of the importance of stakeholder, expert, and citizen participation in this process.

Friends of Philadelphia Parks and park constituents are eager and ready to take part

and hope to be utilized as the planning process moves forward.

At this time of increasing budget constraints in the City, it is more important than ever for the City to invest in the ability of our park agencies to operate effectively.

For that reason, Friends of Philadelphia Parks and citizens from communities across the City are asking City Council to support three low-cost, affordable, and effective priorities that will provide big returns by strengthening and building the potential of our park systems, our neighborhoods, and our City.

These priorities are funding of seasonal maintenance attendants or SMAs in Department of Recreation parks, increases in their hourly wages, hours worked per week, and numbers of positions funded, for a cost increase of $230,000.

Number two is the guaranteed funding for Phase II of the strategic plan for Fairmount Park, for a cost of $340,000.

And the third is the hiring of a grant researcher and writer for Fairmount Park,

for a cost of $75,000.

Philadelphia cannot afford to decrease the budget for our parks. Our City will not be served by decreasing funding for one essential park service or program in order to increase the funding of another.

We must together address the issues of leadership, capacity building, accountability, performance standards, organizational structure, governance, and sustainable revenue sources for our parks.

Fairmount Park has gone from a staff of 637 people in 1970 to 217 employees in the year 2002.

According to the Trust for Public Land, the City of Minneapolis spends $164 per resident for its parks. Chicago spends $131. And Philadelphia spends $50. Fairmount Park spends only $13 of that $50.

Designed acres are those park lands that are intensively managed, in contrast to natural lands that are minimally maintained.

In Fairmount Park, 15.7 designed acres are maintained per employee, as opposed to

3.5 acres in Miami, 4.6 acres in Los Angeles, and 9 acres in New York City.

These comparisons do not reflect well on Philadelphia's commitment to invest in park maintenance.

Citizens and non-profits have stepped up to do our part in support of Philadelphia's parks.

They are more than 125 park friends groups in the neighborhoods of Philadelphia. Philadelphia Greens Park Revitalization Project is in the tenth year of its partnership with the Department of Recreation and the 50 park friends groups that have participated in this program.

Friends of the Wissahickon has just hired a full-time Director.

The Fairmount Park Conservancy is raising capital funds and has begun projects such as the restoration of the boxer's trail.

In 2002, citizen volunteers worked $185,000 in Philadelphia's parks. And that is a conservative estimate.

At the rate of $16.54 per hour, established by the non-profit organization

independent sector, that is $3,059,000 worth of sweat equity contributed by park constituents to recreation in Fairmount Parks.

This profound contribution made by citizens cannot by itself turn things around, nor should it. That will require the support and collaboration of City Government.

We ask City Council to embrace the priorities and investments made by your constituents in their parks and communities. We ask you to step up and partner with us to build and protect our future, and to establish Philadelphia as a First Class City.

The preservation of open space is not a non-essential cost or burden. Rather, it is a privilege, and an investment in economic vitality, safety, health, quality of life, and so much more. Thank you.

ACTING COUNCIL PRESIDENT TASCO: Thank you very much.

Are there any questions from Members of Council?

We had Fairmount Park in here for their testimony. There was extensive discussion

about the issues that you have raised, so I think your testimony is supportive of what we already heard. Thank you.

MS. BORNFRIEND: Thank you very much, Madam Chair.

ACTING COUNCIL PRESIDENT TASCO: Yes.

MS. WALTNEY: Doris Waltney, Carrol Park Neighbors.

ACTING COUNCIL PRESIDENT TASCO: All right. You'll summarize your testimony.

MS. WALTNEY: It's very short.

ACTING COUNCIL PRESIDENT TASCO: That's what she said.

MS. WALTNEY: No one here needs to be reminded that these are difficult days for America and the world.

Still, we all have a duty to ourselves and one another to hold fast to those things that make us human and offer a modicum of civility to our daily lives, as we struggle to survive in an atmosphere of uncertainty and doubt.

To many of us, the neighborhood park provides a clean and peaceful oasis in which to

gather our thoughts or read the newspaper or enjoy lunch alone, with companions, or the laughter of children who bear their own unique burdens, fill the air.

Philadelphia is blessed with an abundance of parks and open space. Phase I of the Strategic Plan for Philadelphia Parks has begun.

With Philadelphia Green working with the Fairmount Park Commission parks, as well as the Department of Recreation parks, and the Friends of Philadelphia Parks organizing and educating the public to advocate on behalf of our parks, the blueprint for the success of all of our parks is being written.

Phase II of the Strategic Plan is yet to be funded. A grant research writer for the Fairmount Park Commission is a necessary component of this year's budget, as is the request for increased wages for the Department of Recreation seasonal maintenance attendants.

Carrol Park is a Department of Recreation park. And we are heavily dependent, like other Recreation Department parks, on the SMAs.

When you walk into City Hall, you walk down immaculate corridors. Somebody is cleaning these corridors. You would not shop at a supermarket where you walked over decaying produce and with the smell of soul milk assaulting your nostrils, pick up a loaf of broad from a shelf where you could write your name in the dust. Somebody cleans the supermarket.

You would not sit in your doctor's waiting room and tolerate overflowing trash cans, newspapers and magazines strewn over the chairs, with cigarette butts ground into the carpet. Somebody cleans your doctor's waiting room.

In the neighborhood park, that somebody is the seasonal maintenance attendant, the SMA. We are asking that the SMA hourly rage be raised from $6 an hour to $8, that the hours worked each week be increased from 25 to 35, that the number of SMA positions be increased from 34 to 50.

These requests will cost, as Lauren said, $230,000, which to us is not an unreasonable sum. It is not as though we were asking funds for custom made park benches, with individualized cup

holders and down filled back pillows.

Somehow doesn't it seem that the City can always find the funding for the creature comforts built into other high profile public projects?

Keeping the park clean is dirty, hard work. The park volunteers and the SMAs work together to keep our parks clean. A clean park is perceived to be a safe park. And it is not a thankless task that we perform.

The people who visit our parks are grateful for the clean environment in which to recreate. They appreciate the children's playground equipment.

And in Carrol Park, they appreciate the exercise track and the exercise equipment. And they shake their heads as they reminisce about the bad old days when the park was the scourge of the neighborhood.

It is impossible for senior citizens and working people with family obligations to keep these parks clean without an assigned SMA.

In Carrol Park, over $300,000 in public and private funding has been spent on

capital improvements. The story is the same in the other reclaimed parks around the City.

Is it not reasonable to expect that park maintenance should be the number one priority now? Without the park volunteers, and the SMAs, these parks would be a burden to their former jungle status in six months' time.

Doesn't it make sense to assure now that these parks will be cared for and attended to well into the future?

Not too long ago a park volunteer's entreaty to a very clever City Councilman was answered with this retort: Trees don't vote.

No, very clever City Councilman, trees don't vote. The people who plant and water the trees, who pick up the trash, who mentor the troubled ten-year-olds, who book the musicians, who guide a handicapped person to a bench in the shade of a tree do vote. Thank you.

ACTING COUNCIL PRESIDENT TASCO: Thank you very much for your testimony.

(Applause.)

ACTING COUNCIL PRESIDENT TASCO: Do you have something to say Mr. Broman? Could you

summarize it, if the points are pretty much the same?
MR. BROMAN: Yes, I can do that. Both of my colleagues have pretty much said all that need to be said. The only thing I would ask the City to do is to be very considerate of making investments in Fairmount Park.
It's a huge asset that we are not taking advantage of in the way that we could. It also would be very advantageous to the neighborhoods that border the park because that's where some of your greatest attitudes and greatest investments will take place. Thank you.
ACTING COUNCIL PRESIDENT TASCO: Thank you very much. We appreciate your testimony.
(Applause.)
ACTING COUNCIL PRESIDENT TASCO: Okay. Thank you.
Next we have Michelle Yanoff, Philadelphia Citizens for Children and Youth.
Good afternoon. You've seen the list, and you see the room.
MS. YANOFF: We're going to be

quick.
ACTING COUNCIL PRESIDENT TASCO: Please be. You're preaching to the choir.
MS. YANOFF: I hope so. I want to hear a good song.
I'm Michelle Yanoff. I'm Executive Director of PCCY, the regions outside of government child advocacy organization. Thank you for the opportunity to testify.
Before getting into our request for change, we do want to express support for the continuing investment in public schools in this budget, the expansion of youth development opportunities, the expansion of child welfare prevention, family support programs, and to a degree library programs. These investments will help children and families as the City grows and the City grows stronger.
They are moving us away from crisis and really toward improving the daily lives of residents.
I'm here to speak about several other issues, however.
My colleagues will speak about the

importance of the health and safety fund, and I will leave that to them, following your lead, Madam Chair.

But I do want to turn to health issues. We want to express commendations here and concerns. The City made major strides last year because of your insistence, City Council, that we really begin to attack and decrease the problem of lead and lead poisoning in children's lives. That investment saved the lives of current and future children.

Instead of causing 40 homes to be cleaned last year, because of the City's commitment, more than 400 homes were cleaned last year. The City's reinvigorated commitment to reduce the danger of lead also resulted in a very successful lead core program, where compliance is occurring at record rates. We are taking giant strides.

But there is nothing -- Repeat. There is nothing in this budget that makes real what the pledge was last year, that the level of support would be sustained.

We believe that the Health

Commissioner is committed to finding the money, and with luck he will. But we don't believe that we should depend on luck to save the lives and minds of our kids to protect our children and to prepare our future work force.

The budget should show the community, as well as potential funders, that the City's commitment is real and serious, and will not be achieved by being taken from other critical health needs.

As the Health Commissioner testified last year, there are three facets to deal with an actual intervention to clean up the lead in our homes and in our children's lives.

The first is the backlog, which while smaller, still has more than 900 homes in it.

The second is keeping current, which requires the City to at least be able to continue the work it has been doing and to clean up the four to five hundred homes of children who are found each year to having just been poisoned.

And the last is prevention from ever being harmed in the first place.

Since we're an old City, there's a lot of work to be done.

In the last year, the Health Department made significant strides in each of those areas. Nurses were sent into the homes of families whose houses were on the backlog.

Families were taught how to minimize the lead exposure. And the department undertook cleaning and dehazarding of hundreds of homes.

Additionally, the City was successful in achieving compliance, as we said, through the lead core process.

Finally, the City undertook a prevention effort in which the homes of pregnant women who were part of a home visiting program, were tested for the presence of lead.

The idea here was to determine whether some of these homes could be made safer by a superclean or other -- or something else, before the babies were harmed.

Of the 127 homes that the nurses visited, almost 60 percent had high lead levels, and the City was able to treat, to make it safer for more than half of those already.

Think of it. This City was able to protect babies from ever getting lead poisoned. And they would have been exposed to it. We have that proof.

That was a major achievement. It should be copied. It should be replicated today. There are about 10,000 babies born every year in the high lead areas in Philadelphia. This prevention program offers the hope of protecting thousands of them from permanent injury.

We urge the City to find the money in its budget this year to continue the commitment to clean up the 500 homes to keep current, and to use grant monies to sustain and expand a broad effort to stop the damage before it starts.

This City can and must continue the impact of its work on saving families from the devastating effects of lead poisoning. The budget should reflect the commitment.

As we said in earlier reports, the savings in economic, as well as human terms, will be enormous. We urge you to do what you can to add $1.5 million to this year's budget to continue the excellent work that has been begun. And we

urge that the funding not come from other critical sources.

As you know, with the State Budget looking the way it does, the health clinics, for example, are even more critical for many in our community than ever before.

We also want to urge the City to increase its support of drug and alcohol treatment programs for teens. There are too few programs that are available for them in this City.

We want to express our appreciation to this Council for its support thus far in causing to be opening a new program in West Philadelphia and South Philadelphia.

Earlier this year Councilwoman Tasco held hearings on infant mortality. The hearings brought out the poor access to health care in many parts of our community.

We urge Council not to increase -- We urge the Council to increase health outreach and access for women in sections of Philadelphia that are not currently served.

As the Country, State and City struggle with many uncertainties caused by the

downturn of the economy and threats of war, we can and must do what we can to protect the children and families in the community.

We urge you to invest in them, in their health, their child care, their education, their families, and their community. It's the most certain and right thing you can do.

My colleagues will now talk about the health and safety fund. Sharon.

MS. WARD: Thanks. We'll be very brief. Thank you. My name is Sharon Ward. I'm the Director of Child Care Policy for Philadelphia Citizens for Children and Youth. We are the advocacy partner for the Child Care Matters Quality Initiative.

With me today are Gail Washington, who is the Director of the Eastwick Helping Hands Learning Centers, and Paula Jackson who is a certified pediatric nurse practitioner and a child care health consultant.

We're here today, actually, to say thank you to Council for all of your great advocacy on behalf of children and child care in the City.

And we're here to ask you to support Mayor Street's proposed $5 million expansion of the Health and Safety Fund for children.

In Philadelphia 60 percent of children under the age of six have a single parent or both parents in the work force.

About 48,000 children will spend the majority of their time in one of the City's 550 child care centers or 830 family day care homes.

Parents depend on safe, high quality child care in order to work. The time that children spend in child care can be enriching and educational, supporting and nurturing the learning that goes on at home.

The first obligation of child care programs, though, is to keep children safe. The City of Philadelphia and the State inspect child care programs to ensure that standards are met and that minimal levels of safety are achieved.

However, many child care programs really are unable to meet basic licensing standards and operating facilities that put young children at risk.

Young children are prone to injury

and often fall victim to communicable disease, and which you all know. Both of these are preventable.

In 1999, the City of Philadelphia established the Child Care Health and Safety Fund. A little over three years it served about 335 families in center-based programs and close to 9,000 children; made them safer in their facilities.

The demand is much greater than the need. This year we had $300,000 allocated for the find, which was a doubling of the fund last year. And we greatly improved it. Still, it's about a third of the requests were able to be funded this past year.

There are three things that are happening that are going to increase demand on child care programs. One of them is new, uniform construction code regulations that are coming down from the state, that Philadelphia will have to adopt by the end of the year.

They put very strict new standards on programs that serve infants and toddlers. And the costs are absolutely astronomical for child

care programs.

We did a study of child care sites two years ago. And about a third of them were not in compliance with fire safety regulations for infants and toddlers. What this means is that if there's a fire, even if you have a rolling crib for the babies, which is what most child care programs have, you can't get them either through the doors, you can't get them down the stairs, you get can't them out the door with the crib. So we really have to do something about that.

The Mayor announced an expansion of the fund. And this will provide an ongoing support for child care health and safety and help us to meet some of these new demands.

PCCY supports this needed capital expansion fund, but we'd like to ask Council to work with the Mayor on two very important issues in order to meet the needs of young children.

The first is, we'd like to see the bulk of the funds used for grants rather than loans. As you'll hear from Gail, child care programs basically operate still on bake sales in order to raise money to improve their facilities.

They don't have the money to pay back loans. The average size of a child care program is about 46 children. And they just don't have enough money to do that.

They're not good loan credits and... or not good loan risks, and they operate on a shoe string.

Secondly, we would like to see at least 50 percent of the fund going to young children. I think wisely, this new health and safety fund is going to be invested in part in youth development facilities, to help them meet state licensing requirements so that those facilities can draw down subsidy dollars, and parents can send their children to high-quality, school-age programs and get subsidy to do so.

But we'd like to see 50 percent of the funding go to the young children because these are the kids that can't get out of the burning buildings.

When they are in unsafe facilities, they trip, they fall, they fall off playground equipment, they run out in front of cars. We really need to -- The best prevention for that is

a safe facility.
So let me turn it over to Gail Washington, who can talk a little bit -- was a recipient of a health and safety fund award last year, can talk a little bit about what it's like.
ACTING COUNCIL PRESIDENT TASCO: Miss Washington, we have a room full of people to testify. Would you please be brief?
MS. WASHINGTON: Briefer than what you heard already?
ACTING COUNCIL PRESIDENT TASCO: And people are in the hall waiting to come in also.
MS. WASHINGTON: No problem.
ACTING COUNCIL PRESIDENT TASCO: So we have a long list.
MS. WASHINGTON: Thank you.
ACTING COUNCIL PRESIDENT TASCO: And we hear you and we sympathize with you, and we want you to testify. But we have a room full of people awaiting also. Thank you.
MS. WASHINGTON: I thank you for the opportunity to share just some thoughts, but I come to you on behalf of children and thousands of

children and their parents who leave them in facilities that they would like or believe that are healthy and safe for their children.

Health and safety issues are synonymous with love. When one thinks of a child receiving love, we clarify it with feeling safe and having good health.

Well, centers and child care homes also love these children. And we would like for them to be safe and healthy.

I ask that you do the right thing, and I already know you will, and support funding for health and safety grants for child care centers.

It is because of your support our center has a playground with protective surfacing, and a fenced-in area. Thank you. We have proper storage that keeps our equipment and our children safe. We have floor mats, new furniture so we can stop taping up the old, just to name a few.

We could have risked the lives of children while selling enough cookies at a bake sale to accomplish this, but you made it possible. Lip service is good but action is better. And I

thank you and God bless.

ACTING COUNCIL PRESIDENT TASCO: Thank you very much.

Would you put the mike close to your mouth, please, so that we can hear you.

MS. JACKSON: Hello. Thank you for the opportunity to speak to you this afternoon. My name is Paula Jackson. I'm a pediatric nurse practitioner and a child care health and safety consultant for Philadelphia Child Care Resources and the Pennsylvania Academy -- American Academy of Pediatrics.

What I do is go out to child care centers throughout the City and make health and safety assessments. I provide technical assistance and training to child care providers, and try to link them with the appropriate resources.

Some of the things that I see when I go out to child care centers or some of the observable hazards are equipment that is inappropriate for the children that are there, inappropriate and unsafe equipment.

I see leaking ceilings, flaking

paint, lack of appropriate fire and safety systems, inadequate heating systems. I still see space heaters in some child care centers.

I see unsafe outdoor play equipment. And in some areas... they're not -- they do not have the funding to adjust their outdoor play area so that it can accommodate children.

In some child care centers there is -- additionally, there is no security plan, no special care plan for children who have special needs, such as asthmatic children, or children who have food allergies and other disabilities.

These hazards are so severe and make these child care homes and centers so substandard that I would challenge -- it would be a challenge for you or anyone in this room to feel comfortable and safe leaving our child at these sites.

I ask for your continued support and ask your support to increase the health and safety funding. As my colleague said earlier, the $300,000, we thank you for it. But it's only about a third of what we really need to make our child care centers safe and healthy.

ACTING COUNCIL PRESIDENT TASCO:

Thank you very much for your testimony.

MS. JACKSON: Thank you.

ACTING COUNCIL PRESIDENT TASCO: Thank you.

We're going to now call on the Honorable Pam Demby, Friends of the Free Library. Judge Demby.

JUDGE DEMBY: Good afternoon.

ACTING COUNCIL PRESIDENT TASCO: Good afternoon, Your honor.

JUDGE DEMBY: Thank you for the opportunity to be here. It's nice to see old friends.

I am not going to read my testimony because I know that all of you know how to do that very well.

What I am going to do, since you're all old friends who were raised in the same day I was, I'm going to say something that your mother said. Do you know how lucky you are?

Remember when she said that, you were either expected to eat something really nasty or wear a piece of clothing that you would rather die than put on your body.

I'm changing that. Do you know how lucky you are? What you have in every single neighborhood of this City is a branch of the Free Library that's identified as your institution. It's not a Federal thing. It's not a State institution. It's seen as a City institution.

And those branches, thanks to the terrific support you've given, have been renovated, they are safe, they have computers, they have books in them.

And that's where your voters, your constituents, our citizens, go, child and adult, toss learn to read, to learn how to find a job, to research anything in this wide world that they want to, to learn how to use computers and then to have access to those computers.

Keep in mind that the Free Library is the largest provider of public access computers in the City.

They have access to the fabulous collections that you know all about, everything from the automobile library, to the arts collection and the music collection.

They have the opportunity that is

very scare in urban living, to have a quiet peaceful place to read or to think.

And finally, they have a place to send their children, to be safe, and to learn, and to have fun.

Keep in mind again that the Free Library provides the largest single source of after-care for our after-school care for the children in this City. And that's seen as your doing, your project, your funding.

You have done a terrific job, and I'm here to thank you for what you have done, and just to point out to you that right now at the Free Library they are living in absolute terror.

The proposed State Budget cuts of $4.7 million are going to mean the following things: They're going to mean the equivalent of closing 7 branches. And we'll get that spread out somehow. But that's the equivalent of closing 7 of those 55 branches that are seen as your contribution to the community.

It's going to mean $1.4 million lost in the budget for buying books. That's 77,000 books. And 15,000 of those are children's books.

And it's going to mean a $1.35 million cut in services and contracts. And that's going to mean shutting down half of those public access computers.

Again, this is your institution. It's so closely identified by your constituents with you. We know that you will do the right thing.

I won't take up any more of your time because I know you have a long, long list of folks to hear from.

But terrific to see you all. And thank you.

ACTING COUNCIL PRESIDENT TASCO: Thank you.

Does the young lady next to you have any testimony? No?

JUDGE DEMBY: No. Our testimony is written, and you have it in front of you, but thank you.

ACTING COUNCIL PRESIDENT TASCO: Okay. Thank you. Testimony is presented to the Council Members, and they do read it. And it is made a part of the record. So, it's on record.

Thank you so much for taking time to come to testify.

Thank you for your support of the Free Library. And we certainly are concerned about the Governor's Budget, and the impact it will have not only on the Free Library but every service that we receive from the State.

And certainly, if it pursues, we'll have to be a how we meet the short gap.

Thank you.

JUDGE DEMBY: Thank you again.

ACTING COUNCIL PRESIDENT TASCO: Thank you very much.

We have Miss Jane Borgerhoff, Center City Crime Victim Services and other Class 250 Victim Services agencies.

MR. SERVONE: Good afternoon, Madam President. I'm Frank Servone, Director of the Support Center for Child Advocates in Philadelphia.

With me is Miss Jennie Borgerhoff of Center City Crime Victim Services and Miss Phyllis Gibson, from West Southwest Victim Services.

I will be testifying very briefly,

if I can possibly get comfortable in this chair. And my colleagues will be available for your questions. And we will be brief.

We're good. The City needs us. Don't touch our money.

(Laughter.)

MR. SERVONE: We come to you frugal and responsible. We spend the City's money and our donors money well.

We are the 12 neighborhood and City-wide victim services agencies. We serve your constituents. We serve the people of Philadelphia.

They come to us because they've been victimized, they need accompaniment, they need advocacy, they need lawyers for children, they need friends for the elderly, they've been shot, they've been robbed, they've been left alone.

They come to us in droves. They come to us in record numbers. All of our case loads are either stable or higher than they were last year.

All of our costs are up because everybody's costs are up. We ask you this year

simply to maintain last year's level of funding, $640,600. We understand the pressures the City and State are under. Like we said, we share those concerns. We share those pressures.

We thank you for your participation. Many of you work with our organizations as Board Members, as supporters, as friends of our legislation, as co-advocates in the Legislature in Harrisburg. We know that you are friends of victims. We know you are friends of our wonderful organizations.

Our volunteers come forward with a similar diligence and commitment to the work. Each of us works with volunteers. In that way, we're a product of the City and its goodness.

We're here today hat in hand, like all the rest today, like we always are. We ask you only to restore the funding that we've had in the past year.

We will continue to work with the Department of Human Services, the Department of Health, the District Attorney's Office, and the Police Department, and each of your constituent services, to respond to the needs of this

community.
We are your victim service program.
We are your program. We aim to do your good work.
Thank you.
ACTING COUNCIL PRESIDENT TASCO: Did you say you were cut?
MR. SERVONE: No, no.
ACTING COUNCIL PRESIDENT TASCO: Or did you say restore?
MR. SERVONE: I'm sorry.
ACTING COUNCIL PRESIDENT TASCO: Maintain.
MR. SERVONE: Maintain.
ACTING COUNCIL PRESIDENT TASCO: Okay. Thank you.
MR. SERVONE: Maintain. Keep it there. Same number. Equanimity. You got it.
ACTING COUNCIL PRESIDENT TASCO: Okay. Any other comments?
Thank you. Some of us have been your clients also, having been victims. Thank you.
MR. SERVONE: We are well aware. You could be assured victimization touches...

ACTING COUNCIL PRESIDENT TASCO: Everybody.
MR. SERVONE: Every class of people. Every neighborhood of this community, they all come to us. Child abuse is everywhere, elder abuse is everywhere. And we see it. We take your calls. We take the calls of this community. We want to continue to be able to do so.
ACTING COUNCIL PRESIDENT TASCO: Thank you. Thank you for your good work.
MR. SERVONE: Thank you.
ACTING COUNCIL PRESIDENT TASCO: Appreciate it.
MR. SERVONE: And if I may, I'll hand in our full statement to the Sergeant of Arms and enter it in the record.
COUNCIL PRESIDENT VERNA: Yes. Would you give it to the gentleman right here. He'll give it to us.
MR. SERVONE: Thank you.
ACTING COUNCIL PRESIDENT TASCO: Jimmy Shrode, Disabled in Action.
MR. SHRODE: Thank you for allowing me a chance to speak. My name is Jimmy Shrode,

and I'm the President of Disabled in Action. And we represent people with disabilities in the Philadelphia area.

The reason I'm here today is to talk about the Mayor's Budget, and how it addresses housing for people with disabilities.

We're in a huge housing crisis right now. According to statistics that came out from the Census for 2000, the City of Philadelphia is the disabled capital of the United States.

25 percent of the population of the City of Philadelphia has people with disabilities living in it. There are over 375,000 people with disabilities in the Philadelphia area and 154,000 though of them have mobility impairments.

The problem is that we do not have enough housing for people with physical disabilities, who need accessible, integrated and affordable housing.

Our people make less than $6,000 a year and they often cannot afford the rents of most fair market value properties that are out there.

There's a long waiting list for

P.H.A. housing. And P.H.A. housing has been facing a lot of budget cuts.

Our population is also very concerned with the fact that there is a proposed seven-year cap on Section 8, which would destabilize people with disabilities and leave them utterly homeless, with nowhere to go except a nursing home or other such institution.

We need to address the housing problem that people with disabilities have now. A lot of times we get lumped into the special needs category under OHCD's consolidated plan process.

Forced to fight with and alongside senior citizens, people with A.I.D.S., homeless people, drug and alcohol, and other special needs populations.

And while we're fighting for what little crumbs they are, people with disabilities have nowhere to live in the City of Philadelphia. So, we need to address this problem now, instead of wait until it grows worse.

The biggest problem that we're really facing is the fact that a lot of the housing that's proposed under the NTI Budget is

not going to be affordable for people with disabilities, and they will not be able to access this housing at all.

So we're asking that the City please look realistically at this problem and please build accessible places for people with disabilities to live so that they can afford to live there as well. Thank you very much.

ACTING COUNCIL PRESIDENT TASCO: Thank you very much.

(Applause.)

ACTING COUNCIL PRESIDENT TASCO: I suggest that you come back and present testimony. And we'd appreciate it very much if you would provide written testimony. And you should come back when we discuss NTI and certainly the Community Development Block Grant Budget, because that's where your issues would fall. And then we need to hear your comments again about the competition for funds.

MR. SHRODE: Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you. Chair recognizes Councilman Cohen. I'm sorry, Councilman Cohen.

COUNCILMAN COHEN: Thank you, Madam Chair. If you wait for the City to find a solution, you're going to wait forever and apparently never find one.

What we need is help from you. There are people in City Council, and I believe them to be a majority of the City Council, that would be prepared to do something if we knew what to do.

If you and the attorneys that have represented you, and people in the community could work together and present, in accordance with the Chair's recommendation at the next hearing, present a specific plan. It doesn't have to be perfect. No plan is ever perfect. If it's perfect, it will only cause a lot of suspicion. So you don't worry about making it perfect.

But give us a plan, a road map as to what the City can do within the City's powers. And then we'll be prepared to fight for a specific program.

You're absolutely right, because the powers that be, which mean most of the people who got the tax cuts that Bush has ordained from

Washington don't care at all about people with disabilities or the other poor folks that you're in competition with for the crumbs you talk about. You're absolutely right on every part of that story.

Get us a program that's meaningful that doesn't put you in competition with everybody else or tell us how we can avoid that competitive thing, because the other people also need help. And we're going to fight for you.

But help us find the answer. We don't know what the answer is. Most of the money for disabilities seems to come from the Federal Government.

But I don't think it has to. I think we in the City have our own obligation to do that. And we ought to be providing some more money.

I think it's an absolute disgrace that people with disabilities with the low income you talk about have to worry about where they're going to be sleeping and worry about the facilities they have.

So we, Council, are ready if only

you can help us find a specific program that works somewhere in some part of the country. You know, your people who are working in the field day-to-day I'm sure have some very specific ideas. We will be prepared to support them. You've put forth a great case. Thank you for coming here today.

MR. SHRODE: Thank you very much, Councilman Cohen.

I just wanted to say that we've been working with the Philadelphia Affordable Housing Coalition, of which Disabled in Action is a member of.

And we have been talking with Councilman Mariano, and did meet with Blackwell today, to talk about what we can do in their Districts.

And we're also suggesting that we also go looking to PHFA, which is the Pennsylvania Housing Financing Association, and to find out what money that they can give us, too.

COUNCILMAN COHEN: Well, get together a program. But don't depend on any one or two Council Members. Come to the whole body.

MR. SHRODE: Oh, we will. We're coming to everybody.
COUNCILMAN COHEN: Remember, Council is itself is kind of split. The Republicans in effect control City Council because the Democrats seem to be split seven to seven.
So the three Republicans are important. You want to lobby everybody. You have 16 Members, unless you want to go down to Naples, Florida and lobby Councilman Longstreth.
But other than that, you have 16 people who are attending hearings. Lobby them all. You've got a wonderful cause. Fight for it. And don't worry about being polite in the way in which you approach the issue.
If I were you, I'd be awful mad at the way government has treated me. And you ought to let Council Members know you're awfully mad. And don't worry about being courteous or not courteous.
You've got a story to tell. Tell it. Government has a responsibility to meet. Make Government meet that responsibility. And you folks can do it.

If only you really participate, participate in the election. Vote. Register to vote. Have community meetings. Have meetings of the disabled. Come to campaign meetings.

And if a candidate doesn't say what you think he ought to say, boo him. And if he or she says the right thing, applaud him.

But make yourself felt. This Government belongs to you. The way this City operates, if you let the elected politicians run the City and the rich people run the City, they're going to think only about themselves.

You've got to make all of us who are elected to office feel our responsibility and make us respond to that responsibility.

(Applause.)

COUNCILMAN COHEN: And that's what we're asking from you. Thank you.

MR. SHRODE: Thank you.

ACTING COUNCIL PRESIDENT TASCO: You have good advice from Councilman Cohen. And I support him in his comments.

And I do think having a written plan for us is much better than... The advocacy is

good, but having a plan that you can promote is even better. It's what you need.

MR. SHRODE: Okay. Thank you.

ACTING COUNCIL PRESIDENT TASCO: Thank you.

Next we have Eric Von Schmidterling, library resources. Not here.

Leslie Benoliel, Philadelphia Development Partnership.

MS. BENOLIEL: Good afternoon, Madam Chair and Honorable City Council Members. My name is Leslie Benoliel, and I'm the Executive Director of the Philadelphia Development Partnership. PDP.

With me here today is Patricia Gippel, owner of Patty & Safula's African Cuisine. She's one of our clients.

PDP's a non-profit organization that provides training, business counseling, technical assistance, peer support, and networking opportunities to small and micro businesses, and the self-employed in the Philadelphia region.

I am pleased to be here once again.

ACTING COUNCIL PRESIDENT TASCO: Would you pull the mike up to your mouth? You

speak softly and we have old ears.

MS. BENOLIEL: I know, and I've been told that before.

ACTING COUNCIL PRESIDENT TASCO: Yes. Thank you.

MS. BENOLIEL: I'm pleased to be here once again before City Council to advance a cause that has received increasing support from City Council as an important community economic development strategy, micro enterprise development.

The hearings sponsored by Councilman Goode and the Economic Development Committee, City Council, last November shed light on the plight of small neighborhood businesses and their challenges in accessing capital from banks.

We hope that as Council obtains more information on the specifics of small business lending from banks, that this information will provide more of a factual basis for policy and funding allocations by government.

I am also here today to encourage your approval for the economic development strategy detailed in the City of Philadelphia's

five-year plan.

One of the five priorities outlined in this plan, under the direction of the Commerce Department, is to stimulate neighborhood economic activity, through the support of initiatives that attract and maintain small businesses and encourage entrepreneurship.

This includes micro enterprises that are the focus of PDP's loans and services. Support for small businesses and entrepreneurs is especially critical at this time because of the pressures that can continue to besiege low income and other disenfranchised residents in our communities, especially during this prolonged uncertain economy.

Unemployment and underemployment continue to plague many people. Generating income through self employment or running one's own business has not only become a desirable option for people, it is become a financial imperative, especially for folks that are the most vulnerable, such as folks laid off from their jobs, others having recently immigrated to this country, others suffering from long-term illnesses and

disabilities, and others coming out of prisons.
PDP's programs are designed specifically for micro enterprises and self-employed individuals. Our clients are very small businesses that are shunned by formal banking industry and are too small and inexperienced to qualify for loans and services offered by other City supported small business support programs.
These low income entrepreneurs are either by choice or by necessity pursuing self generated income producing activities to sustain themselves and their families, often in addition to holding down a job and sometimes two.
Generally these business owners cannot access mainstream financial services, due to poor credit histories, limited business experience, and lack of collateral.
Aside from PDP, they have very few other options to access credit and support. And often they resort to the subprime lenders, or what we call the predatory lenders.
Most of these folks work in isolation without the benefit of professional

technical assistance and the business to business networks, struggling to make ends meet for their families. And for many, self-employment is their only and often best means to use their skills and enhance their family's quality of life, enabling them to supplement their household income in times of need or to generate a livelihood that is consistent with their faith, family lifestyle, and other personal constraints.

All right. As I alluded to earlier, joining me today is Patricia Giple. Miss Giple in many ways is very typical of the type of entrepreneur with whom PDP works. Miss Giple an immigrant from Africa. She's a single parent of two children. And she's currently unemployed.

She came to PDP two years ago for help to start up a catering business. At the time she was working full-time at a major hotel chain and was devoting at least 30 hours per week in her new business.

Now unemployed, she relies heavily on her business to support herself and her family. Miss Giple currently participates in PDP's pure lending program through which she received two

small seed grants of $500 and $200, and she used those monies to purchase some cooking equipment and supplies.

She's also received some marketing assistance from one of our business specialists who helped her develop a marketing brochure, which I bring to you today, to help her attract new customers.

It hasn't been easy for Miss Giple. She continues to struggle. But without her business, her situation would have been much worse.

The Commerce Department has been extremely supportive of our programs, and for that we are very appreciative.

With support from Commerce, PDP's capital fund and operations, hundreds of entrepreneurs, many who have similar situations to Miss Giple's here, have benefited from the loans and business services provided by PDP.

The Commerce Department also realizes that PDP's loans and services are an addition and complimentary to those of the Philadelphia Commercial Development Corporation,

the Women's Business Development Center, and the other neighborhood small business development organizations.

By supporting PDP, the Commerce Department offers services to a full range of business in the City, from the startup, low income home-based entrepreneur, to the neighborhood grocer, to the multinational corporation.

Bar none, PDP operates the largest, most comprehensive business development program serving micro enterprises in the region. We've disbursed over 90 loans, provided training and business services to more than 500 Philadelphia based entrepreneurs in the past four years.

We serve businesses at the earliest, most critical stages of their development, and nurture them with our hands-on intensive support, to the point where they then can access other financing and business support programs.

Our integrated array of services wraps around the needs of our clients to take them from idea to start-up, from start-up to growth.

Studies have shown, and our own experience has validated, that entrepreneurs that

receive business assistance enjoy higher rates of business survival. In short, micro enterprise development works.

Now, there are thousands of self-employed people in micro enterprises operating in the City today, and this number continues to grow.

Micro enterprises exist in all of your Council Districts, providing much needed goods and services to your neighborhoods. We see them every day. They take care of our children. They clean our homes. They cater our special events, paint our houses, repair our cars.

They are the life blood of our neighborhood economies and especially in our low income communities. They provide needed goods and services. They circulate dollars in the community. They employ local residents and family members, and many are actively involved in their communities.

They have the drive and determination to make their businesses successful, and in doing so, they increase household income, build assets, and improve the quality of life for

themselves, their families, and their communities. The City must continue to support them.

PDP applauds this Administration for recognizing in its plan that small neighborhood businesses play an equally important role in our City's economy. It is a well-known fact that small businesses generate more jobs than large corporations.

Furthermore, they provide economic opportunities for our most vulnerable and hard to employ citizens, those with language barriers, disabilities, lack of skills, poor education, and prison records.

The plan rightfully points out that attracting and maintaining small businesses requires investment from both the private and public sectors.

It requires investment in the physical infrastructure, as well as investment in the businesses and the business owners themselves, in the form of business education, technical assistance and loans.

And that's where PDP fits in. I urge you, Honorable Council Members, to approve

this plan, a plan that recognizes and provides critical support to this increasingly vital segment of our City's economy, our neighborhood entrepreneurs.

Thank you very much for your time, your attention, and your support.

COUNCIL PRESIDENT VERNA: Thank you. The Chair recognizes Councilman Goode.

COUNCILMAN GOODE: Thank you, Madam President.

Good afternoon, Miss Benoliel.

MS. BENOLIEL: Good afternoon.

COUNCILMAN GOODE: Thank you for your testimony and for the great work that your organization is doing, in terms of micro enterprise development.

You should know the Commerce Department did testify last week, and I asked Mr. Carato about his commitment to micro enterprise development, specifically to your organization.

He absolutely reaffirmed that commitment, the current funding level. I asked him if he was aware of any additional requests,

which he said he was not. So I would ask that you forward any additional funding requests to him and copy City Council on that.

I also raised with him the issue that particularly within a sluggish economy he should view micro enterprise development and self-employment and possibly consider the use of Work Force Development Funds.

And I further iterated to him that because of the Mayor's commitment recently to economic development for ex-offenders and his proposed use of Work Force Development Funds for economic development for ex-offenders, that he absolutely consider PDP as a prime recipient of those funds to help toward eliminating prison recidivism.

So, I thank you for your testimony.

MS. BENOLIEL: Thank you.

COUNCILMAN GOODE: The commitment has been reaffirmed. If there's additional funds necessary, please detail those funding needs and please consider working on Work Force Development Funds as an alternative as well.

MS. BENOLIEL: I will indeed. Thank

you very much, Councilman.
COUNCILMAN GOODE: Thank you.
COUNCIL PRESIDENT VERNA: Thank you. Any other questions or comments from Members of the Committee? Thank you all very much. Thank you.
I believe we have someone here to testify on the Mental Health Aging Advocacy and also Haddington Multi Services for Older Adults.
(Applause.)
COUNCIL PRESIDENT VERNA: Good afternoon and welcome.
MS. BLACK: Good afternoon.
COUNCIL PRESIDENT VERNA: Good afternoon.
MS. BLACK: My name is Geneva Arlene Black. I am the Executive Director of Haddington Multi Services for Older Adults, Incorporated.
I would like to take this opportunity to thank those few of you City Council people who are here to hear our testimony.
COUNCIL PRESIDENT VERNA: Many of the Council Members are in their office, and they could hear the testimony. Thank you.

MS. BLACK: Okay. Thank you.

My quest here today is to appeal to you to please include funds in the City Budget for the mental health and aging, especially in the West Philadelphia area.

For the last few years we have been collaborating with several agencies who provide service to the elderly, inclusive of Mental Health Association of Southeastern Pennsylvania, in an effort to resolve the funding situation in the City, to no avail.

The target population are those who are 60 years and older, those who are at risk of mental health or have existing mental health problems. With services that are presently being provided to address physical health, such as senior services, congregate meals, et cetera. There is a clear picture that the percentage of senior citizens are living longer.

There is an urgent need to access service for mental illness, and I repeat in the West Philadelphia area. This is a case scenario: Mr. D. was a 69-year-old man, West Philadelphia home-bound senior, a veteran of foreign wars, who

lived alone and had no family.

Mr. D. was a dual diagnosed paranoid schizophrenic, delusional, and addicted to alcohol. Mr. D. hallucinated and believed the social worker was an F.B.I. agent. He put cigarettes out on his wooden table and floors, also kept piles of dead roaches in the refrigerator, surviving in an extremely filthy environment.

Before cuts in service to West Philadelphia, Mr. D. was treated by Intercommunity Action, Incorporated. Improvement was noted with counseling and medication.

When funding for mental health service for home-bound seniors were redistributed to improve service delivery in other areas of the City, the decline was devastating.

Mr. D. was found deceased in his home, again, a statistic. But who cares? He had no family, no friends, no medication, and no counseling. But we cared.

This is only one death that I have alluded to today. But there are other such cases that have occurred since cuts in service.

I would hate to think that because there is not enough funds in the City Budget to address the need of mental health and aging in West Philadelphia, that such incidents can reoccur over and over again.

Please in your decision let your conscience be your guide. Thank you.

(Applause.)

MS. GARDINER: Madam President, ladies and gentlemen, good afternoon. My, it's been quite some time since I sat here. And I'm happy to see old friends, and I'm pleased to make some new ones.

You know what? I heard Councilperson Marian Tasco tell one of the speakers that they were preaching to the converted.

I wish I was. I wish I had the ability to raise the passion of City Council as successfully as the old folks did. Seemingly they had you all mesmerized. I wish I had that ability. But I haven't.

I only have what I have. I'm an old person. I'm 73. I'm a person who's had a mental

illness since she was 10. And I survived.
But I'm getting older, and I'm getting tired. And I don't know who here will carry my banner when the good Lord calls me. I don't hear anybody crying out for us. I don't. I don't hear anybody crying out for seniors, whether they are mentally ill or chronically sane. I don't hear it.
You all have forgotten us. You have forgotten us. Don't you know you have a day coming? And I wouldn't wish mental illness on anybody. In Philadelphia alone, there are 39,000 people with mental illness, old people; and we're not being treated fairly.
As the sister just stated, the troubles that they're having in West Philadelphia, it's really all over the City. West Philadelphia is hit pretty hard. We are not getting our just due.
I have worked for about 60 years. I've had babies. I've had divorces. I've worked through mental illness. I've worked through alcoholism, on and on and on, ad pucous. And I'm still here. I'm a survivor. But as I said

previously, I'm getting tired.

Now, when I grow up, I want to be like Mr. Cohen over there. His steps are not as strong as they were, but his voice is. And he speaks out. And I really appreciate your comments. Even though they weren't for old folk, I appreciate them.

You also spoke about -- told a young man from the disability community to have a plan. Well, we have a plan.

Oh, by the way my name is Mikmah Gardiner.

We have a plan, the Mental Health Association, Southeastern Pennsylvania. We have a plan to help alleviate some of these miseries that old folks are suffering who need mental health care. We have a plan. Tom Volkert will tell you about the plan.

For those of you who stayed, I thank you very kindly. I know that other people can hear us, but you need to see us. And I appreciate, once again, those of you who stayed to hear us out. Thank you.

(Applause.)

COUNCIL PRESIDENT VERNA: Is the Health Commissioner either in this room or in the anteroom, or do we have someone that can address this issue?

I know that reading the newspaper, and it would indicate that there are going to be cuts in the State Budget.

But I don't know that City Council, when you said that we don't do anything for the elderly, I don't know that to be 100 percent true. Is the Health Commissioner here? Do we have someone here that would be able to address this issue?

Okay. Mr. Dubow.

MR. VOLKERT: Let me just interrupt, ma'am.

COUNCIL PRESIDENT VERNA: Yes.

MR. VOLKERT: I can address it.

I'm from the Mental Health Association. My name's Tom Volkert. Specifically what we're talking about is mental health services for older adults, particularly for home-bound people.

Currently we have a few small

programs, but they serve essentially only half the City. If the folks here were home-bound, only half of you would be receiving services because these isolated small programs only reach certain parts.

West Philadelphia does not have outreach services to older adults. Southwest Philadelphia, South Philadelphia has some at senior centers, but not in people's homes.

So, it's specific programs. We're entering a new age when Philadelphia's again number one. It's number one in terms of the top 40 cities in the country. It has the highest percentage of older adults.

One in every six citizens in Philadelphia is an older adult. And yet, these services only serve half of the City. So we have a plan. We actually have worked out a plan that was based on another plan submitted to the Federal Government, asking for $350,000.

And what this would do would provide access to services for home-bound older adults with mental health needs. And at the same time it would integrate, which is a really important part,

because we have different systems: The aging system, the mental health system, and the health system. And oftentimes these systems don't talk to each other. So, somebody enters the aging system and has a mental health problem, and there is no communication to the mental health system.

And what we propose is that an integrated system would only cost $350,000, compared to some of these other programs. I think it's a deal. But it would serve all the people.

It would also serve people currently for which there is no mental health services. The Asian community has no older adult services. The Latino community has very few services that serve older adults that speak Spanish.

So we're proposing -- Now certainly, the mental health system -- the Philadelphia Corporation on Aging have to improve their cooperation and their funding. But this is our program.

COUNCIL PRESIDENT VERNA: Thank you. Mr. Dubow. Is Mr. Dubow in the room? I would like you to get this gentleman's telephone number, be in touch with him, along with the Health

Commissioner, and see how we could be of assistance.

And if you have something in writing for a plan, I would like you to share it with Mr. Dubow before you leave. I noticed you had a piece of paper. You said we have a plan, and apparently have it in writing. So if you would share that with Mr. Dubow, I would appreciate it. Thank you.

MR. VOLKERT: I would just like to add, ma'am, that Councilwoman Tasco and Councilwoman Blondell Reynolds Brown were bringing up a resolution on Thursday to have a public hearing on the mental health needs of older adults. And we appreciate them taking that initiative and hope to speak further at that time.

COUNCIL PRESIDENT VERNA: Thank you. But do not leave until you see Mr. Dubow. He's right here. Thank you. To your right.

MR. VOLKERT: Thank you.

COUNCIL PRESIDENT VERNA: Thank you very much.

(Applause.)

COUNCIL PRESIDENT VERNA: Thank you.

COUNCIL PRESIDENT VERNA: Oh, I'm sorry. I'm sorry. Please stay where you are. Councilwoman Brown.

COUNCILWOMAN BROWN: Thank you, Madam President. I would simply echo what you've already stated, that we do want -- We've heard your appeal, through the good work of Corbett Banks and Geneva Black.

We do want to do more. And the hearings provide us an opportunity to more broadly discuss the issue so that we can hopefully augment the plan you already have in place.

But also, it gives us an opportunity to hear the plan. I mean, you point out the fact that a number of departments are not talking to each other. That in and of itself points to the need to have hearings to talk through how we can fix that particular one problem that you've raised.

So we'll look forward to the hearings as an opportunity to raise it on the radar screen, and to your point raise the volume of it on the radar screen so that we can do better as a City with the elderly community.

Thank you very much for your testimony.

(Applause.)

MS. BLACK: And I would just like to echo the facts to Councilperson Tasco and Reynolds for supporting us in our efforts.

As you know, the reason why I am so really involved in this situation is because we have an inhome service program with Haddington Multiservice, and we service all of the North and West Philadelphia. And our case load is always about 1,000 to 1500. So it's a very important issue to us. Thank you.

COUNCIL PRESIDENT VERNA: Thank you. The Chair recognizes Councilman Cohen.

COUNCILMAN COHEN: I just wanted to assure Geneva Black that she was a young person and not really an older adult. You can't go by chronological number of years. And we applaud you and those at the table for your continued efforts.

There was a time when the United States seemed to be getting civilized, but that time ended about 20 or 30 years ago when they developed the idea that each of us must fend for

ourselves, and when we stopped giving much care to people who are old or people who had mental health problems.

What we need is a real resurgence of activity in the communities. Begin talking about what government's responsibilities are, and we can get back to the time when people had rights.

Certainly the way senior citizens and mental health people are treated today, imagine people with all kinds of hallucinations getting no service, no care. It's sinful.

Imagine over 40 million Americans without any kind of health care. How do we ever permit that to continue? Why aren't the people up in arms about that? And that's the mood we've got to get into. You have a right. Begin calling for your rights. Don't let anybody in government take away those rights from you.

And so, we salute you for your continuing activities. But please expand those activities in the community. Get everybody talking about how government is failing its responsibilities, and ultimately we'll begin getting government to assume those

responsibilities and begin representing the people in the community. That's what we need. And we're depending on you to help us achieve that.

Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you.

(Applause.)

COUNCIL PRESIDENT VERNA: Thank you.

The /Chair recognizes Councilwoman Tasco.

COUNCILWOMAN TASCO: Thank you. I'd just like to say to my friend Miss Gardiner, we hear your passion in your voice, and we miss your advocacy here in City Council.

And we respond to -- Councilman Cohen said we respond to the people who come forth with their plight and with their issues for us to do something about it. Doesn't mean that we don't care. But you pay attention to the person who's in your face with their issue.

So we appreciate your coming back and staying in the venue and promoting and fighting for the rights of senior citizens and people in general with mental health problems.

I'd just like to ask the Director,

does your funding come through CBH? And we need to -- We may not discuss that here, but that would be the issue we would discuss during the hearings.

But we need to know in this Budget what we need to do because the hearings will be after this Budget process, so we need to hear from you, in terms of what you need from us in this Budget.

MR. VOLKERT: Sure. CBH does provide funding in the sense of being reimbursing programs that exist.

The problem is that there hasn't been a real outreach or aggressive effort to reach... Many of these senior citizens are home-bound and they may not hear about the programs.

There needs to be a real plan of education, of efforts to reach out to older adults in their homes. The Office of Mental Health provides funding for these programs.

Philadelphia Corporation for Aging provides funding, but it's all very minimal. And there are certain areas that funding needs to be blended and combined, in order to make it more

effective and improve the outreach and care management. And those... We really need to elaborate much more. But our plan spells out what that would all look like.

COUNCILWOMAN TASCO: Okay. Thank you very much. We do hope that when you come to us with your plan, that it is City-wide.

While I have the greatest respect and utmost for my friend Geneva Black -- we've been around many, many years -- and concern for the people in West Philadelphia, we have people all over the City, including my District, with the same problems. So we have to look at this from a City-wide perspective.

MR. VOLKERT: Correct.

COUNCILWOMAN TASCO: Thank you.

MR. VOLKERT: Our concern is that the money would be taken from one area and giving it to West Philadelphia. And that can't happen.

COUNCILWOMAN TASCO: Well, we have to talk about it. As you said, we have to talk about what the problems are, and then what we can do to make it equitable across the board because you don't want to pit one senior citizen group in

the City against another.
MR. VOLKERT: Precisely.
COUNCILWOMAN TASCO: Thank you.
COUNCIL PRESIDENT VERNA: Thank you.
The Chair recognizes Councilman Ortiz.
COUNCILMAN ORTIZ: Geneva and Hikmah go back a long, long ways. One airplane that George Bush buys would probably take care of a lot of the stuff.
MS. GARDINER: Absolutely.
COUNCILMAN ORTIZ: Or one aircraft carrier, or those things.
But we have hearings on the 20 percent discount that PGW wants to eliminate, which affects the older adults in this City.
And we have hearings on the 20th down in South Philly, and I'd like to let you know, just so that you can participate in that.
MS. GARDINER: When is it?
COUNCILMAN ORTIZ: 20th. Thursday. Yeah, Thursday. Okay. So we want you to participate in that.
MS. GARDINER: I'll be there.
COUNCIL PRESIDENT VERNA: Thank you.

Any other questions from Members of the Committee? Thank you so very much.

MS. GARDINER: Thank you.

MS. BLACK: Thank you.

(Applause.)

COUNCIL PRESIDENT VERNA: Who are our next witnesses, Mr. McPherson?

MR. McPHERSON: They will be Linda Evans, Barry George, John Braxton, and the people with the Faculty Federation of the Community Conference, CCP.

COUNCIL PRESIDENT VERNA: Good afternoon. Thank you for your patience. Please identify yourself for the record and proceed with your testimony.

MS. EVANS: Thank you, Councilwoman. Good afternoon, Philadelphia City Council Members. My name is Linda Evans, and I'm a member of the Faculty Federation at Community College of Philadelphia.

To thy own self be true. And I must be true to myself today in my opening remarks in first acknowledging God, who's the source of my inspiration.

First I must also rest in his Word in which he says trust in the Lord with all thy heart, all thy mind, all thy soul and lean not unto your own understanding, but in all your ways acknowledge him and he shall direct thy path. Today I'm asking Him to direct my comments, the selection of words, and the message that I have to bring forth here today. And I also ask Him to soften your hearts, Philadelphia City Council Members, so that you will hear our message here today.

More than two weeks ago, I was demonstrating out at University of Penn because the graduate students out there are trying to unionize. I left the University of Penn, and I came down here to Philadelphia City Council, for the express purpose of informing all of you about our issue.

And what is our issue? Pro rata pay for part-time faculty at Community College of Philadelphia, also known as equal pay for equal work for part-time faculty at Community College of Philadelphia. And I've also described it as equal compensation for part-time faculty at Community

College of Philadelphia.

I also want to thank Him. I want that to thank God for what he's already done and for what I know he will do.

When I came down here two weeks ago, I visited all of your offices. And I hand-delivered a pack of information regarding our issue of the abuse and the exploitation of part-time faculty at Community College of Philadelphia.

Not only did I hand-deliver information, but I also spoke with your legislative staff, and in some cases I spoke with you about our issue.

And I want to acknowledge right away the kindness of Councilman Dave Cohen's aide, Tim Kearney, Tim right over there. Right from the very start he has been there guiding and listening every step of the way.

Not only did I hand-deliver the information; I also was interviewed by Arlene Edmunds of the Philadelphia New Observer. I also was interviewed by Lynn Washington of the Philadelphia Tribune. I also appeared on Reggie

Bryant's In Pursuit of Truth.

Following Philadelphia City Council, I also appeared on the Pat Iding and Janet Rider's program Neighbor to Neighbor. I also was demonstrating down at Broad and Patterson. Fair treatment for part-time teachers as well as fair treatment for minority contractors.

And as well as today, I'll also be having a small segment on Tam and Henry's program, again, to talk about the exploitation and the abuse of part-time faculty at Community College of Philadelphia.

All of these activities were geared for what purpose? To inform all of you, to get your attention, to get you ready for Tuesday, March the 11th at 2:30 p.m., when all of you were here when the administrative staff of Community College of Philadelphia sat before you.

And before that date, 24 hours before that day, I also delivered questions, questions to all of you. I provided you with the information. I had the media coverage. I also delivered the questions.

And you came prepared last Tuesday.

And before I talk about the questions, I want to thank all of you. I want to thank God for making you be here.

Council Cohen, I want to salute you for being our champion last Tuesday. Also, you were aided by Councilwoman Tasco. You were also aided by Councilwoman Brown. You were also aided by Councilwoman Blackwell. You were also aided by Councilman Mariano and President Verna. Thank you.

And you were aided in the questions. And what were the questions we were asking that you asked? How many part-timers are at Community College of Philadelphia? What's the difference between part-time faculty and full-time faculty at Community College of Philadelphia?

What are the reasons for hiring so many part-time faculty at Community College of Philadelphia? And what is the remedy for correcting this abusive system that has an adverse impact on the faculty and the students? Those are the questions that we were being asked last week.

And I want to take a second and let's just -- Let's just remember what it is that

we heard last Tuesday, March the 11th, at 2:30 p.m.

And what it is that we heard, we heard that Community College of Philadelphia is not a good example or role model to this City. We heard that the leadership at Community College of Philadelphia does not send the right message to -- the right message to the City.

And we also heard that the leadership at Community College of Philadelphia does not expect part-time faculty to fully participate in the teaching experience.

And we also were informed about the numbers. We know there are 800 out of 1200 part-timers at Community College of Philadelphia. That's two-thirds. Two out of every three faculty members at Community College of Philadelphia are part-timers.

Students are more likely to have a part-time teacher than a full-time teacher at Community College of Philadelphia. Okay. That's what we remember what we heard last Tuesday, March 11, at 2:30.

And I have to thank God again

because those of you who were here, if you remember the out -- The hour was getting late and the S.E.P.T.A. hearings were going on.

And it didn't seem like Community College would come before you. But David Cohen informed me he would ask Councilwoman Verna if he could suspend the S.E.P.T.A. hearings and bring Community College before you. Thank you. Thank you, God, for working through Councilman Cohen.

And we left here that Tuesday, March the 11th a little pumped up but not too pumped up because we don't have the money in the bank.

So I left here that Tuesday, and then I came back the following week and I started again visiting all of your offices, speaking with your legislative staff, and with some of you.

And Councilwoman Blackwell informed me: Oh, Linda, everyone embraces the principle of equal pay for equal work, pro rata salaries for part-time faculty.

But as a Councilman's aide advised me, who will support the remedy? The remedy. And what is the remedy? We are here to ask you to amend the Budget specifically earmarked for

part-time faculty at Community College of Philadelphia.

Yes, as a Councilman's aide said to me, who will support the remedy? And as I was speaking briefly with Councilman Cohen last week and Tim, Councilman Cohen says to me, who will support the amendment?

As I visited Councilman Kenney's office his aide says to me, who will support the amendment? Right. And so I say to you, Councilwoman Verna, will you support an amendment?

COUNCIL PRESIDENT VERNA: This is a question and answer part. Just give the testimony, please. The hour is really running late.

MS. EVANS: Thank you.

COUNCIL PRESIDENT VERNA: And we want to give you the courtesy of listening to you and helping you if we can.

MS. EVANS: Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

MS. EVANS: Thank you.

I just wanted to pose questions to all of you. Earlier I heard Councilman Kenney

say, I need nine votes. And as I've already said to you, Councilman Cohen said to me, who will support it?

So that's why I'm going around asking. Who will support our amendment? So, in closing my comments, I want to thank God for what I know he's already done, because in preparing for this, we were talking yesterday about the key word of convincing and persuading you.

And when I prayed about it, there are no words that I have that I can convince you of it.

I've brought my colleagues here, part-time and full-time faculty, who will offer a personal testimony about what it means to be part-time faculty, about the adverse impact on the faculty, on the students. That's why they're here today.

But I'm a woman of faith, if you haven't already gathered that. And I knew when I came here today I would have to acknowledge that. And I'm going to thank Him in advance, because I walk by faith, and I believe we are going to get an amendment.

And thank you. Oh, and by the way, John Braxton and I -- John, will you please stand? That's the President of our local. John and I are going to be in Councilman Cohen's office tomorrow. And we're going to be ironing out the nuts and bolts, hopefully with Stan Shapiro, putting together the budget amendment. We have a plan. I'm walking in faith. We are going forward on this. Thank you.

COUNCIL PRESIDENT VERNA: Very well.

(Applause.)

MR. BRODERICK: Good afternoon. My name is Professor William Broderick, and I am now an adjunct professor at Community College, with the hopes of eventually becoming full-time.

I could not possibly live on the salary that I'm getting at Community College. Last year when I did my income taxes there were seven different jobs. This semester I'm teaching at Horizon House, Philadelphia Community College, was working on the Essay Committee, and also Manor College.

So, when I received my second degree, both of which were from the University of

Pennsylvania, I would assume that I would have been full-time a lot faster.

There doesn't seem to be any set dates. Some people might get full-time tenure track after five years, after eight, or after twenty. So, as long as I know that there is a specific goal, specific time spent in the trenches, then that is what I'm looking for.

Will I ever get full-time? Is there any policy for full-time? Or is it more economically beneficial to keep hiring part-timers until they burn out?

When my students say that I've inspired them and they want to be a teacher, the first thing I say is, do you have a family? Because if you have a family, you could not possibly be an adjunct professor at Community College of Philadelphia. And I have to leave now because I have another class to teach. Thank you for your time.

COUNCIL PRESIDENT VERNA: Thank you very much.

Good afternoon. Please identify yourself for the record.

MR. GEORGE: Good afternoon, Members of Council. My name is Barry George. I teach English part-time at Community College of Philadelphia.

What I'd like to talk about for a few minutes is the topic of who it is that are teaching at Community College of Philadelphia part-time? In other words, what courses do these part-time instructors -- do we part-time instructors teach?

Because there is a misconception going around that part-time instructors at a college are usually people who have full-time jobs on the outside and they teach a course, perhaps a semester, to bring their outside expertise into the classroom, the lawyer who teaches a course in criminal justice, the C.P.A. who teaches accounting.

And perhaps there was a time when this was the -- the prototypical part-time instructor. And perhaps there are a few such part-time instructors at Community College of Philadelphia today.

But the vast majority of us teach

core curricula. And what I mean by that are the math courses, the English composition courses, the introductory social sciences, the introductory humanities courses.

So we are, along with full-time faculty, teaching the core curriculum. And the reason that we are hired to do that is not because of outside expertise but because administrators over the years have found a way to save money, which is to create part-time jobs and pay people only limited benefits and, I would argue, in the aggregate short-change our students and cheat the people who are teaching there.

I would like to offer myself and my own experience in the English Department as one example. In the English Department at Community College of Philadelphia, we have 175 part-time instructors, 175. It's a big department. There are also 116 full-timers.

But that's a tremendous number of people. And again, they are not people who are bringing extra expertise. They are people who are teaching our students, our 17-year-olds up into our 60-plus, year-olds, our first generation

college students, our developmental college students, our ESL college students, who need extra work before they can take the college curriculum, people returning to college. Perhaps they've had families, perhaps they've been working and they want to upgrade their skills.

We are usually the first people that -- Our courses are the first contact they have with the system. If they don't have a positive experience with us, many of them do not continue. Many of them do not get off on the right foot.

So, my point is simply this: I love teaching at Community College of Philadelphia. I find it very challenging to teach the students that we have, for the reasons that I've given. I think we do an excellent job over there overall.

I thank the Council for the generous appropriation it has already made. But the practice of grossly underpaying part-time instructors, undermines that system and increasingly, I believe, creates a system where we're not giving our students, our citizens, our future work force the quality of education that

they could receive. And we are also not fairly treating the people that we entrust to teach them. Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you. Sir, would you identify yourself for the record and proceed with your testimony.

MR. KEISER: Thank you, Members of Council. My name is Richard Keiser. I am a full-time tenured faculty member at the Community College of Philadelphia.

But I am here today because earlier in my life I spent 13 years as a part-time person. After that 13 years I was an academic gypsy, teaching at three different colleges, universities, in order to make a living.

I want to make three brief points here today. First of all, it is sometimes said that part-time faculty are not as well qualified as full-time. I've heard this during that 13-year period.

My own credentials are that I attended public schools in Philadelphia, going to Central High School; received my bachelors degree from the University of Pennsylvania.

I have a masters degree from Arcadia University. And I won a fellowship to study at Oxford, where I received my doctorate.

Second point I want to make is that as a part-timer at the Community College of Philadelphia, when I began I was paid less than a third of what full-time faculty were paid per course, even excluding the fringe benefit issue.

It was a very exciting place to teach from the very beginning. It was a very rewarding place to teach. But I served on the same committees as full-time faculty members, taught the same courses, developed the same curricula, and yet was paid less than one third with no benefits.

And here I want to acknowledge Councilman Cohen, whose wife Florence was teaching part-time there at the very same time in our Behavioral Sciences Department. And so, he knows first-hand what the dimension of part-time/full-time is.

A third point I want to make is that during that same 13-year period, I taught part-time at West Chester University, part of our

state system of higher education, of course.
At West Chester, I received pro rata pay with the full timers. As an assistant professor, I taught two courses a term. The full-time assistant professors taught eight courses a year.
For each course I taught, I received one-eighth of what a full-time assistant professor made. And the fringe benefits there were and still are pro rata.
The system of pro rata pay and benefits can work. And we look forward to seeing that at the Community College of Philadelphia.
MR. KIMMELMAN: Good afternoon. My name is Mark Kimmelman. I'm a part-time instructor at Community College of Philadelphia.
And I wanted to indicate to you ladies and gentlemen I have been at Community College of Philadelphia and other institutions of higher learning for the last 14 years.
I myself do not particularly expect to be made full-time. I have tried. But the system is a peculiar one. I don't expect City Council to fully identify or understand what it

must be like to teach, although I understand some of you do do this, to teach at Community College of Philadelphia.

What I would like to emphasize to you today -- and I do believe you understand this and know this. But I think you need to hear it, perhaps, from some of us who do the work, that Community College of Philadelphia is by far the largest higher education entry point for minority and working class students in Pennsylvania.

It is essential to the lifeblood, the economic lifeblood of the City. I don't see it mentioned often enough, as far as I'm concerned, in the newspapers.

I don't see the amazing things that we do mentioned often enough. And my perception is that an awful lot of people simply don't know that we're there.

The fact is is that, yes, 60 percent, give or take, of the faculty is part-time, and we would very much like to be rewarded accordingly to the work that we do.

But it is also important for you to understand and for all of us to understand that

the work that we do is very, very important to the City.

We teach math. We teach English. If we don't do our jobs well, the students that we teach will not succeed -- because it is their first entry point -- will not succeed in the careers that many of them have staked out for themselves.

And I have taught people over the last 14 years who have come directly from prison. I have taught students who are 17 and 18 years old, coming right from Philadelphia public schools, as well as students who are 60 years old and want to do it again and want to find out what it's like. It's wonderful to do that. It's a very rewarding thing to do, and I believe very important for our City.

So from my point of view, I would like to ask you to consider, number one, how important CCP is. It's unique. It's huge. It's a major institution of higher learning. And it is a point at which many, many, many of our students from our public schools enter into the field of higher education.

Part-time faculty help that happen. They help that happen, in fact, to a great degree, much greater than would be indicated by our salaries.

So, very briefly, what could you do for us? You could help us, if you care to, to indicate to the administration of the College and to the Commonwealth of Pennsylvania that it is important that part-time faculty be rewarded according to the work that they do, which is exactly the same work that full-time faculty do. And if this Council chooses to do that, perhaps the legislature in Harrisburg will listen to us as well. I thank you.

COUNCIL PRESIDENT VERNA: Which percentage of the faculty is part-time?

MR. KIMMELMAN: I'm sorry?

COUNCIL PRESIDENT VERNA: What percentage of the faculty is part-time?

MR. BRAXTON: There are approximately -- In any given semester, there are approximately seven to eight hundred part-time faculty and approximately four hundred full-time faculty. So it's about two-thirds part-time.

COUNCIL PRESIDENT VERNA: And when you say "part-time," is that two days a week? Is it three days a week? Can you give us some indication as to what is considered part-time?

MR. KIMMELMAN: Part-time faculty are actually defined by our union as faculty members who teach less than nine credit hours per semester.

A typical college course, with a few exceptions in a few departments, is three credits. So, part-time faculty, whether it's four days a week or three days a week or two days a week, depending -- or evening or weekends, can only teach, if you're an English teacher, for example, like myself, two courses because we're limited to less than nine.

So you're asking a question that's very difficult to answer simply, because part-time faculty are all over the place. We are numerous. And the College is huge, with all of its regional centers and all of its neighborhood sites. We do the work.

And many of use teach in odd hours because we have other things that we must do to

make a living. So, we might teach Saturday morning. We might teach Friday evening, when full-time faculty don't have to do that. We are willing to do it. Many of us are happy to do it because we like doing what we do.

COUNCIL PRESIDENT VERNA: Thank you. The Chair recognizes Councilman Clarke.

COUNCILMAN CLARKE: Thank you, Madam Chair. Good afternoon.

Actually, the Council President just asked part of my question. The other part, the full-time faculty members, I'm assuming, are represented by a union.

MR. KIMMELMAN: We're all represented by a union. Yes.

COUNCILMAN CLARKE: Everybody's represented by a union?

MR. KIMMELMAN: Yes.

COUNCILMAN CLARKE: Is it the same union?

MR. KIMMELMAN: The same union.

COUNCILMAN CLARKE: During the collective bargaining agreement discussions with the University, does that come up? Because I know

in a lot of unions, the whole issue about the work force to some degree is dealt with in collective bargaining discussions.

And I'm wondering, is that part of those discussions?

MR. BRAXTON: Perhaps I could respond to that. My name is John Braxton. I'm the Co-President of the Faculty Federation.

And what we have there are three separate bargaining units, so there are three separate contracts, all represented by the same union.

So we have the full-time faculty, the part-time faculty, and what we call the classified employees, which is essentially everybody else from janitors to computer programmers.

And so, there's lots of discussion about, you know, essentially how to divvy up the budget among the employees.

And this last round, all three bargaining units were united in trying to move the part-time faculty closer to what we call parity pay or pro rata pay.

So we've made some strides in that over the years. But one of the major problems is there simply isn't enough money to be able to really close that gap.

One of the things that we did in the current contract when we were negotiating it is we negotiated a clause which says that if there is money that's allocated, for example, by the City or by the State that is specifically earmarked for part-time salary raises, then there's a reopener in the contract, an agreement to reopen the contract, around part-time wages, part-time salaries, so that should Council decide to appropriate more money, then we would be able to go back to the college and say: Okay, let's negotiate about how that's divided among the various part-time faculty.

COUNCILMAN CLARKE: Well, my understanding is that there's a projected increase in this year's budget for Community College.

MR. BRAXTON: Yes.

COUNCILMAN CLARKE: Does that then trigger a renegotiation of the existing contract?

MR. BRAXTON: No. We appreciate

that proposed increase very much, but that money is not earmarked for part-time salaries, and therefore it would not trigger the reopener. It would take a rider.

COUNCILMAN CLARKE: Who determines where that increase in budget goes, the College or...

MR. BRAXTON: If --

COUNCILMAN CLARKE: I'm assuming we give the money -- I'm assuming we don't line item the expenditures. I mean, I'm assuming --

MR. BRAXTON: Right.

COUNCILMAN CLARKE: -- that we just increase the budget. The College then determines how that budget is distributed. Is that...

MR. BRAXTON: Yes, I think that's correct. And what I think it would take -- My understanding is limited about Council procedures, but I understand it's possible for Council to pass a rider that would specify that it hopes or -- I'm not sure mandates is maybe too strong a term -- but that it recommends that certain additional monies could be used specifically for in this case part-time salaries. So I think if Council did

that, that in fact would trigger the reopener.
COUNCILMAN CLARKE: So you're asking us now to designate the increase in funds to a specific category of employee?
MR. BRAXTON: What we would actually like are two things. One is, the $400,000 extra is certainly appreciated, because we recognize that so many places are holding steady or being cut.
COUNCILMAN CLARKE: Correct.
MR. BRAXTON: It would actually -- To close the gap would actually require a much larger sum of money, approximately... To totally close it would probably cost something like another seven and a half million dollars. That's an indication of how many part-timers there are and how underpaid they are.
We certainly wouldn't expect the City to close that gap on its own, because under the original charter for Community College, the understanding is the City pays a third, the State pays a third, and a third comes from tuition.
COUNCILMAN CLARKE: Right.
MR. BRAXTON: So we would hope for

additional money. And I'll just wrap it up.
COUNCILMAN CLARKE: I'm trying to get a clearer understanding of the issue. And I was not at the last public hearing because I had some other obligations.
MR. BRAXTON: Right. I understand.
COUNCILMAN CLARKE: Is it my understanding that the University, the College has these substantial amount of part-time workers because of the ability to have a lower paid work force, therefore reduce its budget?
MR. BRAXTON: Yes.
COUNCILMAN CLARKE: Is that a part of the issue?
MR. BRAXTON: That's the main reason for part-timers, yes.
COUNCILMAN CLARKE: But you also say that if there's some additions in funding -- and I may need you to clarify that -- above the baseline budget, which I believe we're doing, that you can then enter into some renegotiations as it relates to the part-time employees?
MR. BRAXTON: If that money is stated by Council to be earmarked for part-time

salaries, that would trigger a reopener in part-time salaries. If there is --

COUNCILMAN CLARKE: That's not what you said when you first made that statement.

MR. BRAXTON: That's what I intended to say. If I wasn't clear, I'm sorry. But the fact is that right now, if the additional $400,000 is in fact approved, without any earmarking, then the College can do whatever it wants with that money.

And the College President testified last week that their intention is not to use it for part-time salary increase.

COUNCILMAN CLARKE: So, let me ask you a question. What impact -- If somehow, and I don't think we traditionally get involved to that degree. If there was -- for some reason Council decided that they wanted that money to be targeted for a particular class of employee, how would it then affect the operation of the College, in terms of their ability to deal with other aspects of the college?

MR. BRAXTON: If the money --

COUNCILMAN CLARKE: The full-time

employees, the other operating expenses associated with the College?
MR. BRAXTON: If the money were earmarked for part-time salaries, how would it impact?
COUNCILMAN CLARKE: Yes.
MR. BRAXTON: Let me make clear first of all, what we would hope is that Council would actually increase the amount of money. So we're really asking for two things.
One is to increase it beyond the $400,000.
COUNCILMAN CLARKE: And targeted.
MR. BRAXTON: I'm sorry?
COUNCILMAN CLARKE: And targeted.
MR. BRAXTON: Yes.
And to earmark at least the increase above the $400,000 for part-time salaries.
The College certainly has need for increased funding, aside from increases in part-time salaries because of course all of the costs of the College from last year went up.
So the $400,000 I think is needed by the College for a whole variety of things. And

we're not trying to argue that the College should not have that money for those other things.

What we are here to say is that we think that there's a fairness issue here that is necessary to have more money in order to treat part-time faculty in a fair way.

COUNCILMAN CLARKE: All right. I mean, I'm hearing what you're saying. I'm just -- You know, and it's a little more clearer to me now. But it seems like there are kind of two issues on the table, one, the issue with respect to the union agreement, since you are a unionized work force, as it relates to the university -- the College, and the number of part-time and full-time employees and other ancillary employees, because I understand that that is, to some degree, where a lot of that is determined, as you indicated earlier.

MR. BRAXTON: Yes.

COUNCILMAN CLARKE: But the other issue is an increase in funding to the College, period; and in addition to that, a designation of a portion of that increase to go for part-time employees.

MR. BRAXTON: Correct. And we'd be very glad to sit down with you and talk with you individually, if you'd like to do more of that.
COUNCILMAN CLARKE: All right. Earlier on the discussion, actually in the last hearing, it was my understanding that --
MR. BRODERICK: Councilman, in case it helps clarify your question, in the collective bargaining agreements, which were just concluded last year, the full-time faculty -- I was a member of the full-time faculty bargaining team -- took a somewhat lower raise than the raise of Community College professors at adjacent community colleges so that the part-time faculty could get a larger raise. We had three and a half percent raise. Montco had 4.1.
COUNCILMAN CLARKE: And the part-time?
MR. BRODERICK: Part-time raises were 5.25 at the very top.
COUNCILMAN CLARKE: More so.
MR. BRODERICK: They were higher by seniority.
COUNCILMAN CLARKE: Okay. All

right. I have a clearer sense of it. all right. Thank you.
Thank you, Madam President.
COUNCIL PRESIDENT VERNA: Welcome. The Chair recognizes Councilman Ortiz.
COUNCILMAN ORTIZ: I think the question is quite simple, isn't it? It's a matter of equity.
MS. EVANS: Thank you.
COUNCILMAN ORTIZ: Yes. I think it's very simple. You get a day's pay for a day's work.
MS. EVANS: Thank you.
COUNCILMAN ORTIZ: It comes down to that.
MS. EVANS: Thank you.
COUNCILMAN ORTIZ: If you perform and you teach three classes, if you were not doing the same kind of work as a full-time professor, you would not be teaching those three classes. It is a matter of just equity. That's all it is.
I mean, it's not... You don't have... This is not rocket science.
MS. EVANS: Thank you.

COUNCILMAN ORTIZ: People should be paid an equitable salary, and an equitable salary means a salary that is equal to those that are performing the same type of task.

MS. EVANS: Thank you.

COUNCILMAN ORTIZ : F you drive a truck, you should get the same pay that other people similarly situated driving trucks get paid. If they get paid $12 an hour, you should get paid $12 an hour.

It doesn't matter whether they work a twelve-hour shift and you work a six-hour shift. For that six-hour shift the hourly pay should be the same. You're doing the same task, with the same level of skills, with the same level of proficiency.

And if you were not doing that, you would not be called back to teach; is that right?

MS. EVANS: You're right.

MR. BRODERICK: Yes.

COUNCILMAN ORTIZ: As a matter of equity. It's just a matter of us saying to Community College, you got to treat all of your workers that perform the same duties, the same

tasks, in an equitable and similar manner.
And I think I got this -- I think it's a very simple type of labor, labor law issue that -- And many universities today, Penn included, Temple included, seem to go to the part-time workers in order to -- to achieve lower salaries, and so on.
But once you've been in there -- and I agree seniority works and... How long have you been teaching, John?
MR. BRAXTON: Approximately 20 years.
COUNCILMAN ORTIZ: 20 years. That's quite a long time.
How long you been teaching?
MR. KEISER: I've been teaching 27, and 13 of that 27 was as a part-timer.
COUNCILMAN ORTIZ: How long have you been teaching?
MR. GEORGE: 14.
COUNCILMAN ORTIZ: How long have you been teaching?
MS. EVANS: Over 16.
COUNCILMAN ORTIZ: It's a matter of

certain situations require certain means to be able to bring people to an equitable level of salaries, and so on.

The universities have for too long, ever since I was a graduate student -- I did graduate work. I got -- You know, I used to do the professor's work, and the professor got the money and I got nothing.

So, it's a matter of just equity. And I mean, we've got to look into it as a body and as a Council.

MR. BRAXTON: Thank you.

COUNCILMAN ORTIZ: I promise you we will.

MR. BRAXTON: Appreciate that very much.

COUNCIL PRESIDENT VERNA: Councilman Clark, did you want to be recognized?

COUNCILMAN CLARKE: Thank you. I just wanted to follow up to Councilman Ortiz's statement.

I don't believe it's just a matter of equity. I believe what we're being asked to do is increase the budget also. So, you know, I just

want to be clear. That's why I asked the extensive questions. It's not simply us telling the university that you should treat the part-timers on an equitable basis with the full-timers, which I'm sure most Council Members are more than willing to do.

But there's also some additional requests for some additional funding above and beyond the increase of funding that's being put before us. So it's not just simply a matter of equity. I just wanted to clarify that. That's why I asked those questions. Thank you.

MR. BRAXTON: I would just say to that, yes, you're right. Equity costs money.

COUNCILMAN CLARKE: Exactly.

MR. BRAXTON: And the College does not have the money to provide that equity without additional monies coming in from both the State and the City.

COUNCILMAN CLARKE: Right. Correct.

COUNCIL PRESIDENT VERNA: Do you have any indication as to how much that would cost?

MR. BRAXTON: Approximately... I

think to fully close the gap would cost about seven and a half million dollars. And as I was saying earlier, we would not expect the City to do the full share of that.

COUNCIL PRESIDENT VERNA: Mm-hmm.

MR. BRAXTON: But if the City could come up with some portion of that, that would take us a big step in the right direction.

COUNCIL PRESIDENT VERNA: Fine. Thank you very much.

The Chair recognizes Councilman Cohen.

COUNCILMAN COHEN: I suspect, to put it in the vernacular, you're asking City Council to put the money where the mouth is. Is that it?

MR. BRAXTON: Sounds good.

COUNCILMAN COHEN: Well, I hope you're successful. It's always difficult, and you would have a difficult way to compel the Community College to apply the money. But I think you'd know how to do that. The right amount of pressure would do it. And it would be easy for us to support it.

So the important question is the money. And I assume that you would be willing to see that that was shared in thirds also, between the City, the State --

MR. BRAXTON: Yes.

COUNCILMAN COHEN: -- and the tuition. So that what you're basically asking us is not to close the entire gap but merely for one-third of $7 million, which only amounts to two and a third million and is not an enormous fortune and a budget of many, many billions more than what we admit it is, because of the other monies that we get from Federal and State sources and that the City expends.

I don't know that we could do it all at one time, but I think in all fairness we ought to be ready to show that we mean business and put at least some substantial money behind the mouth, And this year, and follow it up with the next year to complete it.

And your solution seems to me to be a relatively simple thing, considering the size of the City Budget.

MR. BRAXTON: Thank you. We

appreciate that.

COUNCILMAN COHEN: And we're going to be trying to do that. Whether we're successful or not... In fairness, the City Council -- You know, all of the requests I've heard today are fair requests. And I think everybody agrees.

The City has so many needs. And that's the box we find ourselves in. But if we're really concerned about education, the City of Philadelphia; if we're concerned about having a work force, it seems to me that this priority need is a very top priority need. And we're going to try to give it that consideration and give it that kind of support. Thank you.

MR. BRAXTON: Thank you.

COUNCIL PRESIDENT VERNA: Thank you, Councilman. Thank you also very much. We appreciate your coming in. Thank you.

MR. BRAXTON: If I could, I had just two points I'd like to make to wrap up. And then my Co-President, Karen Scrimmerhorn, would also like to make a few comments. And I'll be very brief.

COUNCIL PRESIDENT VERNA: Please.

MR. BRAXTON: But I think it will help. Because actually, what I said so far was in response to questions and didn't get to make the two key points I wanted to make.

There are two basic justifications that are used for hiring so many part-timers in community colleges.

One is that part-timers bring in special expertise. And so there's -- you know, for example, the idea that perhaps you bring in a surgeon who comes in and talks to and does a course for nursing students, that perhaps nobody on the nursing faculty full-time would be able to do; and they don't need a full-timer to teach those courses. So they bring in this outside expert.

And that -- I just want to make clear that if there's anybody like that at CCP, I haven't met him yet. The people -- The part-timers that are there teaching at CCP -- I teach biology. And I teach the core courses. So I'm not there bringing in some kind of expertise that the full-time faculty don't have.

I'm there because I'm cheap. And in

fact, in my own particular situation, I actually teach full-time some of the time, but because of the budget restrictions, I never know for more than one semester whether I'm going to be full-time next semester or part-time next semester. And when I bounce back to part-time, my salary gets cut drastically.

Now, I still have the same expertise developed over 20 years of teaching, so that doesn't change. I still have the same degree that I earned quite some time ago, so that doesn't change.

So, what changes? The other rationale that's given for having so many part-timers that you heard last week from the President of the College, is part-timers don't have to do office hours. Well, I want to ask a question -- And that's true. There's no requirement that part-timers do office hours.

But what happens when I bounce back from a full-time load, where I am required to keep office hours -- and I'm glad to do it -- to being part-time status?

Then I have a choice to make. I can

either cheat myself and give office hours that I'm not paid to give, which in fact is the choice that I do make. But that's in fact one choice that part-timers are given.

Or part-timers can take the other choice and they can cheat the students. Because certainly a student who takes a course deserves to have just as much access to his teacher -- his or her teacher, whether the teacher is full-time or part-time.

And the overwhelming majority of part-timers, in fact, make the choice of cheating themselves. They put in the extra office hours. They're not paid for it. And they give the service to the students.

But the fact of the matter is that there's no justification for not paying part-timers for office hours. We really do the same work. We're not paid to just show up for class, the way the President testified last week.

We're paid to do the same work for our class. When a student takes a class they don't say: Gee, is this a full-time teacher or a part-time teacher? Am I going to, you know, get a

third of the value of this course or am I going to get the full value of this course?

No. They expect to get the full value whether it's a part-timer or a full-timer. So, we do put the same amount of work in, and should be expected to put the same amount of work in for course as a full-timer, but we ought to be paid in that pro rata fashion.

And that's why you see our signs and our buttons that say: Parity pay, to close that disparity gap.

I thank you very much for your attention.

COUNCIL PRESIDENT VERNA: Thank you.

(Applause.)

MS. SCRIMMERHORN: My name is Karen Scrimmerhorn. I'm Co-President of the Faculty Federation at Community College of Philadelphia which represents, as we have heard, three -- I'll start over.

My name is Karen Scrimmerhorn. I'm Co-President of the Faculty Federation at Community College of Philadelphia, which as you've heard, represents three bargaining units,

full-time faculty, part-time, and visiting lecture faculty, and our classified employee support staff.

I am a member of the English Department. I am a full-time faculty member in English. I was hired in 1967, and therefore I have been at the college for almost 35 years.

I'd like to give you a slightly different perspective on this whole issue of part-time labor at the College.

Since I have worked at the College so long, I have actually seen the situation deteriorate since 1967 when I was hired.

Back then, when before the union teachers earned, let's say, six or seven thousand dollars a year, the amount per course for a part-timer was just about pro rata, $750 a credit.

And in fact, what has happened since then is that the funding from the City and the State -- and this is a nationwide problem -- has gone down so much that you see a situation now where we have about 400 full-time faculty who are earning decent salaries, and you have over 800 who are being paid at basically 40 percent per class

of what full-time teachers are being paid.
But I want to talk about this from the viewpoint of education now, and not so much having to do with the salary. I want you to understand what effect this situation has on the education the students receive.
When you have over 800 people whose major concern is their job security -- You've heard John say he's not sure whether he's going to be hired as a part-timer or a full-timer next semester. And in some cases people aren't sure whether they're going to be hired at all.
And they're worried about putting together an income, to pay their bills, so they're working at two or three, perhaps four different colleges, what kind of situation does this create for our students?
First of all, these teachers do not have tenure, so they don't have protections, the same protections that full-time teachers do, with respect to bringing up controversial subjects, controversial topics.
They may feel that in the classroom discussions they cannot bring up all of the

different aspects of the topic that they might otherwise bring up.

That's a whole different -- That's a whole area we could go on and on about, but I'll move on to my next topic which is also serious.

Because the teachers usually have to work at more than one place, they have to leave campus, and they can't be part of what we call the academic committee process.

They can't be so much a part of the academic decision making as full-time faculty. And as a result, their students suffer. Because I think you could make a pretty good argument that unless your teacher is part of the process of setting curriculum, developing curriculum, what is going to be taught, how does one class fit in with the next class, that you're teaching in circumstances that make it very difficult for you to be a good teacher.

And many part-time faculty, by the din of much extra work and much extra hours, overcome a lot of these difficulties. But the situation, the circumstances that are set up make it very difficult.

And just to give you one more example, because you're not full-time, you don't know so much about how the College works. So you can't advise your students. You can't be very -- as knowledgeable, perhaps, as a full-timer when it comes to advising students as to what class they should take next semester, how they can get around internal roadblocks at the College that students face.

I just want the City Council to be aware of some of these educational conditions under which the part-time faculty work, because the City Council is supporting this kind of educational circumstance, when it and the State underfund the Community College of Philadelphia so drastically.

MS. SAVARD: Hello. My name is --

COUNCIL PRESIDENT VERNA: It's on. Just put it closer to you. It's on.

MS. SAVARD: My name is Mildred Savard, and I'm part-time at Community College. I apologize for being a little late. I was running from another place.

I just want to briefly say, I have

been there since 1984, since I began graduate school. I have put my blood, sweat and tears into Community College of Philadelphia.

I have helped to develop courses. I have done many, many things. And it hurts me deeply to hear my President say part-timers just come and teach a class and then leave.

I have been there longer than he has been. I have been there longer than many of the full-timers. And because the History Department is small and there is a need for more full-timers but they refuse to do it, it is a matter of justice and dignity.

And I'm a professional. I am as dedicated and as educated as most of the faculty and yet I can't pay my bills, I'm a month behind in my rent, I run all over Philadelphia to other institutions.

And I care deeply about my students, but I'm only one person, and I can only give so much. And it's a case of my own dignity and the need of my students and the concern that the institution has that it's okay for our students to have all these part-timers who at their best can't

do the same, and they do not seem to be concerned.
And I just want you to know that it is an issue of quality of education. It is an issue for me, one of your citizens who has a right to a fair wage, who has a right to a dignity of a job that she deeply cares about, instead of seeing the person who's in charge of you see you as a thing who shows up, teaches a class, and then leaves. Thank you.
(Applause.)
COUNCIL PRESIDENT VERNA: Thank you. Thank you all so very much for testifying. I assure you we will be looking into this issue very closely. Thank you.
Our next witness is?
MR. McPHERSON: Sue Sierra.
COUNCIL PRESIDENT VERNA: Sue Sierra. Is Sue here?
And immediately after Ms. Sierra will be James Gatchley. Is Mr. Gatchley here?
(No response.)
COUNCIL PRESIDENT VERNA: Thank you.
Good afternoon. Kindly identify yourself for the record and proceed with your

testimony.

MS. SIERRA: Good afternoon, Madam President and Members of Council. My name is Susan Sierra. I am the policy coordinator for the Philadelphia Association of Community Development Corporations.

And I want to thank you for giving me the time to testify, and for your patience in listening to the testimony that's come before you today, including my own.

PACDC represents over 80 community development corporations in neighborhoods all over the City. We have accumulated an impressive record of building more than 4,000 units of housing. We have cleaned and greened over 1,000 vacant lots. And we have developed over 2 million square feet of commercial and facility space over the last ten years. We are really dedicated to doing work of revitalizing neighborhoods all over our City.

Most of the programs which affect Philadelphia CDCs and the work that they do are funded through the Community Development Block Grant and other Federal, State and private sector

funding sources.

I'm here today, though, to ask Council to focus on one of the programs that supports neighborhood economic development that comes out of the City's General Fund, and to ask Council to consider increasing the funds for the Economic Stimulus Program, particularly those funds targeted at neighborhood economic development.

The economic stimulus line item in the budget really represents the City's commitment to economic growth.

As I'm sure Members of this Council are aware, this Budget item has been cut repeatedly over the past few years. A few years ago the Economic Stimulus Program was funded at $25 million.

Three years ago it was reduced to $5 million. Last year it was cut by an additional five percent and this year it's been proposed for additional cuts.

Since economic stimulus overall is leveraged over three to one by outside funds, these cuts are troublesome. I particularly want

to speak to one of the most productive uses of Economic Stimulus Funds, which is neighborhood economic development programs and support for community development corporations.

Currently neighborhood economic development projects supported by economic stimulus dollars include the City's Neighborhood Festival and Marketing Program, support for facade improvements for small businesses, and grants to CDCs to do small business development and other neighborhood economic development efforts.

CDCs around the City, including Universal Companies, Mt. Airy USA, Greater Germantown Housing Development Corporation, Frankford CDC, and the Partnership CDC, have benefited from this program and have used Economic Stimulus Funds for economic development and housing projects in their neighborhoods.

Overall, as I've said, Economic Stimulus Program Funds spent by the City have been leveraged at a rate of over three to one. And funding specifically targeted at neighborhood economic development has had even greater leverage return for the City.

The neighborhood economic development funds helps CDCs to promote their neighborhoods, to create jobs, and to rebuild their communities.

This year, as I'm sure every Member of this Council is aware, the City's housing and neighborhood economic development programs are facing a $10.2 million reduction, due to the cut in the City's Community Development Block Grant entitlement, to reduce program income and other factors.

In spite of troubled budget times, Council has in the past reached deep and has been extremely creative in finding funds to support economic development.

And I particularly here want to single out the work that Councilman Goode has done, particularly with the Economic Development Tax Credit Program for CDCs. I want to thank him for introducing it, and all the Members of this Council for supporting it.

Council has been creative. I would contend that still more funds are needed to promote economic development in our neighborhoods.

And I would urge Council to continue to support neighborhood economic development, particularly by using General Funds resources and committing General Fund resources to support the Economic Stimulus Program, CDC economic development, and economic development activities in our neighborhoods.

Thank you very much. I am happy to take any questions.

ACTING COUNCIL PRESIDENT TASCO: Thank you very much. Any questions?

(No response.)

ACTING COUNCIL PRESIDENT TASCO: Thank you very much for your testimony. James Gatchley.

COUNCILMAN COHEN: Question.

ACTING COUNCIL PRESIDENT TASCO: Miss Sierra, I believe there's a question from Councilman Cohen. Councilman, would you speak into the mike.

COUNCILMAN COHEN: Thank you, Madam Chair.

One major problem that we've had in most communities, not quite all of them, in the

City, has been the lack of shopping centers, you know, the local Thriftways, Penn Fruits. All those are things of history in most areas of the City.

Tell me, is there anything that the Community Development Corporation can do? Can they participate in funding a shopping development and would the usual advantage given the Community Development Corporations, as far as Federal funding, be applicable in such a development?

We have been trying at Broad and Olney, where for 50 years there were shopping centers, and then Thriftway closed about five years ago.

None of the commercial shopping -- The big centers have shown no interest. They have artificial requirements like it's not quite a mile and a half away from the closest place.

I have suspicions that it may be that they're worried about the... about the composition of the neighborhood having changed. And they're dead wrong about the ability of the community to sustain a market.

It's got a great ability, but

nonetheless, I think because they think of it as West Oak Lane and primarily Caucasian, they're disturbed by the change in population which has occurred, and they've been fleeing from that area. And we don't understand why they're doing it.

So we're trying to get a community development corporation to kind of take a hand and responsibility. Do CDCs do that? Or is that something not in their forte?

I raise it because you raised how important economic stimulus funding is and economic development.

Would there be a role for community development corporation in the development of a local business like that?

MS. SIERRA: Absolutely, Councilman. And you pointed out, you know, a problem that I'm sure we all know affects a lot of neighborhoods around the City.

A number of CDCs have worked to bring supermarkets back to their neighborhoods. For example, the Association of Puertorriquenos on Marcha has a beautiful supermarket

COUNCILMAN COHEN: Where is that?

MS. SIERRA: It's in North Philadelphia, about seven or eight blocks east of the Temple campus, probably about 6th and Cecil B. Moore. It's absolutely a wonderful supermarket.

I also think many neighborhoods will support supermarkets, but unfortunately the market does not recognize that.

So there is a need for initial funds and for seed money to bring in a supermarket to support that venture before it becomes profitable. And that's precisely why I'm here today, to testify about the importance of funds for a neighborhood economic development.

COUNCILMAN COHEN: Because I have a lot of concern about the City's economic development corporation, the PIDC.

Seems to me... Seems to me that unless the final recipients are capable of advancing campaign contributions, they have very little chance of being accepted by the City.

We've been fighting for years for some real support by PIDC. Doesn't seem to me that we're getting it.

And so I think the push could be

stirred, if a CDC would come in and actively promote it. And that's the reason I raised the question.

Is there anything you can do? The site is Broad and Stenton.

MS. SIERRA: Well, Councilman, I would be happy to meet with you or your staff to talk about that more in depth, particularly since there are a number of CDCs that are working in that part of the City who might be interested and able to bring resources to bear on that problem.

COUNCILMAN COHEN: That would be helpful, because I think stimulating small business is a way to economic development in the neighborhoods, getting real businesses in the neighborhoods.

MS. SIERRA: I could agree with you more, Councilman.

COUNCILMAN COHEN: Getting them back again, like the shoe stores. Getting people to spend money in the neighborhood is very important. And I'd rather see them do that than go into other neighborhoods or feel that they have to go outside the City to shop.

Thank you very much.
MS. SIERRA: Thank you.
ACTING COUNCIL PRESIDENT TASCO: Thank you very much.
Councilman Ortiz.
COUNCILMAN ORTIZ: We seem to have a great desire in this City for big box development, such as Wal-Marts. And we have a Wal-Mart down -- that I think are detrimental to the type of development that we're talking about, because I think they dry up small retailers. And now we're considering one up in Port Richmond somewhere.
What is -- What's your opinion about -- Because they don't -- They say they're big job producers, but they produce minimum labor employment and very much employment of people that really have no rights whatsoever, vis-a-vis the owners of these giant boxes, the Wal-Mart Company.
MS. SIERRA: Well, there's been a -- not only my own but other testimony also today about the importance of small business to the City's economic future.
And those are -- That's precisely the work that the CDCs that are a part of our

association are doing, working to help small businesses to get grants to improve their facades and fix up the outsides of their buildings, running small business development centers to help local entrepreneurs to start new small businesses.

And both of those programs are programs that are supported by the economic stimulus line item which, again, is why I'm raising the importance of the program.

COUNCILMAN ORTIZ: I know.

MS. SIERRA: But I agree with you that -- and the other testimony that has been given that really the future of economic growth in our City is supporting locally based small businesses that hopefully will grow and continue to turn the economy of the City around.

COUNCILMAN ORTIZ: I don't think we have any disagreement there. Thank you.

MS. SIERRA: Thank you.

ACTING COUNCIL PRESIDENT TASCO: Thank you very much.

MS. SIERRA: Thank you.

ACTING COUNCIL PRESIDENT TASCO: Mr. James Gatchley, Fairmount Park.

(No response.)
ACTING COUNCIL PRESIDENT TASCO: Danielle Redden. Doug Norman. Norbert Baine, Community Access Coalition.
Thank you very much. We have a five-minute time limit on this testimony, so if you could -- Do you have written testimony? Do you have prepared testimony?
MS. REDDEN: Yeah, yeah.
ACTING COUNCIL PRESIDENT TASCO: Could you please give it to us?
MS. REDDEN: Okay.
ACTING COUNCIL PRESIDENT TASCO: It will go to all the Council Members.
Do you have copies?
MS. REDDEN: Well, I'll go into that. Yes, I do.
ACTING COUNCIL PRESIDENT TASCO: All right.
MS. REDDEN: Thank you. My name is Danielle Redden. And I'm a member of the Philadelphia Community Access Coalition.
What we're doing is, we're working to establish public access cable television in

Philadelphia.

And we were going to show a video today. It's right here. We especially prepared it for this hearing. However, we were told that there's no TV and VCR available.

What this video was going to explain is exactly what public access cable television is because there seems to be some confusion, even though we've been working really hard for almost six years now in trying to explain what it is. And very briefly --

ACTING COUNCIL PRESIDENT TASCO: You mean there's confusion on the part of the Council Members?

MS. REDDEN: Yes. Yes.

ACTING COUNCIL PRESIDENT TASCO: All right.

MS. REDDEN: As to what it is. And so this is what this video was going to show. And we hope --

COUNCIL PRESIDENT VERNA: Well, I would suggest that those Council Members who are confused, you show it to them because we are not confused...

MS. REDDEN: Well...
ACTING COUNCIL PRESIDENT TASCO: Those of us who are in here.
MS. REDDEN: I -- I --
ACTING COUNCIL PRESIDENT TASCO: So those who may have just come on Council, and there are some who may not have had the discussion with you about public access, you might do well to show it to them individually. And some of us do have VCRs in our offices or maybe they could borrow it and take it home and look at it and bring it back. So it may be an education for some of the newer members.
MS. REDDEN: Yes. Because we do have -- We have copies here that are available. And thank you.
Really briefly, public access in Philadelphia would be five channels on cable television that would be set aside for community use.
And also, in addition to those five channels, would also be media -- community media technology centers where residents and people who work in Philadelphia, and also community

organizations, non-profits, labor unions, and churches could learn how to make their own programs, learn to use the digital technologies to make those programs that then would be aired on those five channels. And that would all be for free.

A lot of those folks who testified here today would be the kinds of organizations and people who would utilize this system.

I am here on behalf of a coalition. And this coalition represents over 70 organizations, and organizations in Philadelphia, and hundreds of individuals.

The coalition represents a broad spectrum of interests, including civics groups, business and technology, arts and culture institutions, labor unions, religious organizations, educators, and families.

Some of our members include the Black United Fund, Creative Access, the Newspaper guilds, The Northern Liberties Neighborhood Association, Time of Deliverance Television Ministry, The Coalition of Labor Union Women, and the Philadelphia Chapters of The League of Women

Voters, the NAACP, and The National Organization For Women.

What I'm going to go briefly into is some of the facts and history of public access in Philadelphia. Philadelphia is the largest City in the country without access.

Public access exists in over 2,000 communities across the country. Washington, D.C. has it. New York, Boston has it. Pittsburgh, Denver, Seattle, Chicago, Los Angeles, Honolulu, Minneapolis, Houston, Atlanta. And the list goes on and on and on. They all have it, and Philadelphia does not.

However, it was not supposed to be this way. In 1983 City Council in Philadelphia passed an Ordinance, Bill 1963, to set up a non-profit corporation that would oversee the public access facilities, including the City-wide neighborhood facilities, and those five non-commercial channels for public use.

Soon after this Ordinance was passed, the City signed franchise agreements with the cable companies that operated here, in which provisions were set aside to pay for the costs of

this public access system.

Out of these franchise fees that were to come from the cable companies were $1.8 million for startup funds, $900,000 for equipment replacement, and $500,000 every year for operating costs. These franchise agreements were signed back in 1984 and then were resigned again in 1998.

So where is all this money? As far as we know, the cable companies, mainly now Comcast and Urban Cable Works, which is owned by Time-Warner, never released those startup funds, that $1.8 million.

And as far as the operating costs are concerned, the City Council has not set aside those funds for public access -- they're not going into an escrow account -- but has been allowing these funds to flow into the City's General Budget and just be spent.

The City Council and the Mayor here for the past 20 years have ignored your own legislation and have misappropriated over $10 million that have come from cable subscribers' cable bills, that were supposed to pay for public access.

You have allowed Comcast to use those five channels that were supposed to be for community use. This channel space has fast become one of the most valuable commodities in our society.

Comcast has been using them free of charge. And as we know, Comcast is now the largest cable company in the world and does not need these kind of handouts from the City of Philadelphia.

So that's a little bit about the past and the present. And I want to really talk about the future. As a coalition, we recognize the budget limits of the City, and we're not here asking for handouts.

We're here asking for what was promised to us 20 years ago. And we also want to communicate to us that we see this public access system as being extremely valuable, an inexpensive tool, for helping City Council and the Mayor achieve many of your own goals.

An established public access system in Philadelphia could be used by the City, by non-profit agencies, community groups and

government agencies to do outreach to communities, to publicize events and programs.

Public access can play a vital role in supporting public education and in strengthening communities. It is very much like a resource, such as the public library system or the public park system. And this is how it is seen in all the other cities where it exists.

The other testifiers who are here today are going to go into a little bit more detail about the different opportunities that public access can provide.

(Applause.)

COUNCIL PRESIDENT VERNA: Before you proceed, sir, again, we're going to ask for a five-minute limitation, please. We're really running way behind schedule.

Thank you.

MR. BAINE: I agree. Test: One, two. Yes, we are going way over time.

My name is Norbert Baine. And about 20 years ago, I was in Atlanta, Georgia, where one of the first public access systems actually operated in a major metropolitan area, and I was

the Director of the Children's Television Consortium there.

Many of the schools and private organizations and groups came to the public access studios. Eventually we had five access studios, as well. There was this first access studio, and that was the source of the programming that was made available to the City of Atlanta.

Mayor Andrew Young was very interested at that time in using public access as a vehicle for cultural development. And we had jazz festivals, and so forth.

I hope that at some point in the near future that this is a direction the City of Philadelphia will take, inasmuch as there are students who are trying to get into the area that they have an interest in, that being television production.

They are a work force that is looking for employment already, before they graduate from high school. And they can actually help to make some of the programs.

The people who came here today to testify probably would have been filling up the

waiting rooms outside of the access studios to try to get programs produced that would be seen by their constituents throughout the City.

With me is someone from Drexel University who has programming going on, one of the few access operations that's actually happening here in the City of Philadelphia right now.

COUNCIL PRESIDENT VERNA: Thank you. Please identify yourself for the record.

MR. McCULLOUGH: My name is George McCullough. I'm here on behalf of the Philadelphia Community Access Coalition. And I'll be real brief.

I just want everybody here tonight to take a few minutes to think about the path that our President is about to take us on, and to think about, as we're building democracies on the other side of the world, that in the past few months peace groups all across this country have been denied their messages on television, even though they've been willing to pay for them.

And that is an example of why public access is so important. And I think in these

times everybody's voice and everybody having equal say is extremely important. And I urge you to support public access. Thank you.

ACTING COUNCIL PRESIDENT TASCO: Thank you.

MS. REDDEN: Really briefly, before I move on to the last testifier. Like I said, I do have this videotape here that I would like to make available to those who are interested in seeing it because we weren't able to show it today.

And I would also ask that with the budget proposal that Council stop spending the money that was supposed to be set aside for public access, that this actually go into an escrow fund, in the hope that this will be a system that will be set up in the very near future here in Philadelphia, and so that that money stop being misappropriated and go into a fund, and then would pay for the public access once it was set up.

COUNCIL PRESIDENT VERNA: Thank you.

MR. STEIN: In conclusion, I am Jonathan Stein. I'm General Counsel at Community Legal Services.

And Community Legal Services has joined in supporting the coalition just this past year, because we've seen that this is a resource that the City really has been missing out of in an enormous way.

This videotape that was prepared -- it's about ten -- ten minutes, that would in 10 minutes give you a short story of how public access works in Chicago, in Portland, in Baltimore, and just show what a boon it is if every non-profit organization in Philadelphia could have their own program if they wanted it.

Social service groups could give messages that the City of Philadelphia as a government is trying to do every day, but could through self-produced programming, you know, do it better.

This is a tool for community development and empowerment of communities, where communities can have a voice, where they don't have a very strong voice right now.

There's a place here for job training and job creation. Without the City spending one penny, by implementing public access,

Comcast is committed legally to build capital facilities for video production.

So the City already will have a gift by an ordinance that's already passed City Council to have production facilities that will allow community people throughout the City, everyone from a little league team in a block, to a church, to a social service group, to every United Way agency to have a voice.

And so, we'd like to ask City Council to take a step. And the step, Council President, other Councilmen, we ask is right now we have an ordinance that's already passed. It requires two signatures, your own, Council President Verna, for Council and the Mayor.

And we would ask at least on the City Council half that you take the first step to sign essentially the articles of incorporation that would allow this non-profit corporation to go under way, and then ask the Mayor to join you.

We think this is a win-win situation for everyone. It's a shame that, you know, the City has waited 15, 20 years to do this and had 2,000 other cities around the country show us the

way.
But I think there's still time to do this. I know Mr. James was here from -- As the Public Property Commissioner, he visited the D.C. operation just a few months ago.
We know it works in the rest of the country, and we'd love to see this happen here. So we invite Council to revisit this issue, to step forward to sign these articles, and in fact to say to the City that, you know, you no longer will allow the City to essentially spend this money that should be going for public access.
So thank you for this opportunity.
COUNCIL PRESIDENT VERNA: Thank you, Mr. Stein.
The Chair recognizes Councilman Cohen.
(Applause.)
COUNCILMAN COHEN: Of the many sins of omission that the government of the City of Philadelphia has been guilty of when it's come to public interest issues, this is probably one of the very worst.
City Council made a mistake. And I

was parted of City Council then. And that was 18 years ago. And you can see I'm still a very young man, so I was just in my youth then and didn't understand what it was when the Administration innocently gave us a contract which said the five percent fee that Comcast could pay should go into the City's General Fund so the money will be available for public access, as soon as, you know, the final details are worked out.

No Mayor since that bill was enacted has treated that five percent as having anything to do with public access. Every Mayor grabbed hold of it and said, that's my money and public access will take money out of my ability to control it.

And so every Mayor has wrongfully treated the whole issue. And we were naive in City Council to believe in the good will of whoever was the Mayor.

I think it's long overview, that it's time to correct that situation. It ought to be corrected. And everybody ought to be very mad about it.

Philadelphia, you know, is backward

in many, many ways still. I don't know what accounts for it. I can't understand how we -- Philadelphia was -- The nation was born here. We brag about our great freedoms where liberty was supposed to have been created, as a beacon to the whole world, permitted itself to do so many undemocratic things, like prosecuting the demonstrators to the Republican Convention, all of whose cases were ultimately thrown out, with very few exceptions, or like denying the people of the City public access.

So I think if the community is ready, it's going to take a lot of work, because Comcast seems to have a strong hold on the City of Philadelphia.

And I have to tell you they had it before David L. Cohen joined their staff. And David L. Cohen, you all know, same name as mine except he's richer than I am, because he has a middle initial L. separating our names.

David L. Cohen is now probably the second person in command at Comcast. He was Mayor Rendell's Chief Assistant for many, many years, still probably is. And he will hold on tight.

There is apparently a sweetheart agreement. As much as I've been able to divine, is there seems to be a sweetheart agreement between Comcast and the City in which Comcast says innocently when you raise that -- Oh, whenever the City of Philadelphia is ready to move, we're going to carry out our terms of the agreement, but the City has never asked us to move. And after all, we're not moving.

And then you talk to the City and get an entirely different kind of story. The use by Comcast of these extra stations without payment is wrong in itself, but it's a crime or a wrongdoing that's little, compared to the denial to Philadelphians of the right that they have to public access.

If the community is ready, I think we in Council ought to be ready to right the wrong.

This is a Mayoral election year. This ought to be a major part of the campaign for Mayor. Let the candidates, whoever they turn out to be and whoever they represent, let them answer to the public for this and let's get some action

here in the City Council.

I know you have a lot of friends in City Council. But Comcast has, too. Comcast has one advantage over the public, and that is, the public doesn't do much by way of campaign contributions, if you look in the newspapers. But Comcast does.

And the law firm that David L. Cohen headed for years certainly did. I think they contributed many hundreds of thousands of dollars to the City's funds.

So, in a sense the battle may be unequal. But I think we've got to wage it. I think we've got to give Comcast the opportunity to be honest and to carry out its program.

You know, one part of the sweetheart deal was when a recent 15-year extension was executed, many years in advance of determination of the old contract, the dollar amounts used to determine what Comcast responsibility would be for providing capital funds to service, to set up a working public access station was not changed. So the dollar amount is the same that it was 15 or 20 years ago when the contract was entered into.

So that the City took good care of Comcast. The City made sure that if public pressure compelled the City to act at some time, the amount of money that Comcast would have to pay would be approximately a half to a third of what they had originally agreed to in actual dollar value. We've got to change that, too, and bring justice to that contract.

I think you have a big job to do. I think that what Mr. Stein asked to be done ought to be done, but there aren't enough Council Members today here to make it worthwhile.

But I think we ought to try to arrange a showing for all City Council Members and their staffs of that ten-minute viewing, and I would urge upon the Council President consideration of how we could arrange to do it, although I wouldn't see much reason for doing it at this stage.

But if you begin your campaign, I know there are a number of Council Members that are itching to get into this campaign. And in the interests of justice, I think it ought to be done.

You know, we're being denied so

much, Madam President. We have two newspapers with the same ownership. They hide. The quality of the newspapers has gone way down since we eliminated competition in the City of Philadelphia.

The Knight-Ridder chain can look innocent of their involvement in predatory lending by limiting the cash... the big advertisement for cash to one newspaper, so that I've attacking the Daily News for continuing to have advertising on predatory loans.

I was wrong. I should have attacked the whole Knight-Ridder chain, because the Inquirer states pure, while the Daily News with the readership that's thought to involve more of lower income people in Philadelphia, the very people that predatory loans abuse carries huge ads so the Knight-Ridder chain is making lots of money out of predatory lending. And they ought not to be let free.

So I'm just saying, fight for public access. It's time the people of Philadelphia were no longer denied. And if you get a lot of fireworks going, get a lot of community meetings

talking about it, write letters to the editors, talk to your neighbors, I think we can yet have a campaign.

This is your opportunity. Nine weeks from today is the Mayoral election. Let all the candidates sweat, because they have to answer for why Philadelphia lacks public access.

COUNCIL PRESIDENT VERNA: Thank you, Councilman. Thank you.

(Applause.)

COUNCIL PRESIDENT VERNA: Thank you so much.

Our next witness is Deborah Cobb. Is Miss Cobb here?

Deborah, I'm going to ask you to wait a moment. The stenographer wanted a two-minute recess.

Do we have a copy of your testimony?

MS. COBB: No, ma'am.

And I was going to say, Council, first I want to thank God. And I realize it's been a long day for everyone.

I love all the City Council Members. I've been coming here five years. And you work

very hard, all of you, and you're very concerned about the citizens. And I'm also concerned about everything that's said here today.

I still have the energy, because of my fight, to stay however long, but I'm also willing with consideration to Council and the other citizens here, to come back at another time. It is not because -- What do you suggest?

COUNCIL PRESIDENT VERNA: It would have to be today.

MS. COBB: Okay. Then I need to wait. I just need -- I have one page and a half to just read some facts.

COUNCIL PRESIDENT VERNA: Fine, if you don't mind.

MS. COBB: I had the opportunity March 11th to be here but I did not have my written statement, and it needs to be read. It needs to be spoken. There was some facts left out.

COUNCIL PRESIDENT VERNA: Fine. We'll just wait for the stenographer.

MS. COBB: Yes, ma'am.

COUNCIL PRESIDENT VERNA: Thank you.

MS. COBB: Council, I also have a letter -- excuse me -- from the Congressman, Congressman Robert A. Brady. I just wanted to leave it with staff. It was a letter that was on my behalf.

COUNCIL PRESIDENT VERNA: Do you have copies --

MS. COBB: Yes.

COUNCIL PRESIDENT VERNA: -- for all Members --

MS. COBB: Yes.

COUNCIL PRESIDENT VERNA: -- of City Council?

MS. COBB: Yes.

COUNCIL PRESIDENT VERNA: If you'll give them to the Sergeant-at-Arms, he will deliver them.

MS. COBB: Thank you.

COUNCIL PRESIDENT VERNA: Immediately after Ms. Cobb's testimony, we will hear from Jim Helman, Mr. Williams and Miss Russell.

All right, Deborah, please identify yourself for the record and proceed with your

testimony.

MS. COBB: Yes. I first would like to thank God. My name is Deborah Cobb. I'm a native Philadelphian, a taxpayer, a registered voter, a homeowner. I'm also a non-traditional student in the parallel curriculum. Just a moment. I am also a volunteer at Pennsylvania Prison Society, the Martin Luther King Nonviolence Association, the Free Library of Philadelphia, and the American Red Cross.

I am here today to address a policy that I've fought since 1999, with Community College of Philadelphia's English Department.

I have been badly abused by racial discrimination at the school, and I need to bring it to public light, not only to help myself.

The statistics need to be... The statistics need to be received, showing -- It will show an excess amount of excess amount of African Americans repeating English two, three and four times.

I am the underprivileged, the disadvantaged, and the disenfranchised, the working poor.

Many students have dropped out or transferred to other colleges. More keep coming without reading the school grading policy.

The statistics will show the access of African Americans repeating English two, three and four times.

Now that I have fought and suffered three years from the abuse of the English Department, they have changed the policy, stating they may... may... may not give three credits towards graduation for two college level English courses.

I have been fighting to get the English Department to properly grade, with an A, B, C, D or F. Who decided not to give three credits?

African American students are repeating English two, three and four times, even though their work is excellent.

The Civil Rights Act in Brown vs. Board of Education promises students and myself the right to a fair education. I am still suffering, but I demand a fair education. It is my human and Constitutional right. Please help

me.
The tragic saga began on March 1, 1999, at 3:00 to 4:00 p.m. in Community College, after I almost physically collapsed in the hallway of the school.
The reason for me going to the school that afternoon was because I kept getting letters stating I have poor scholarship, and my financial aid was once again cut off, or the other letters I was... that I would receive, that I was on academic probation, even though I had not missed any assignments or class.
In the fall of 1998, I acquired a successful semester with good attendance and class performance, as well as my written assignments. I have all my work. It will stand in Federal Court. I have located local, State and Federal government and will continue.
I notice that my instructor, Catherine Picollo, for 098 and 108 English had not given me three credits for my college level English 108 section. And I also had a MP grade that was not the school grading policy.
I did have three credits and a P for

passing for 098. I also had biased comments on my paper from Instructor Picollo, after I had written a paper on DHS medicating children and criticized the judge.

The Instructor Picollo wrote that I should pick my audience better. I was helped -- In the hallway I was helped up by two staff members.

A third person that looked on came over, and I explained that something was wrong with my records and my transcripts. I told them about the letters. I had my school work and the disturbing and accurate letters with me.

A white male, who said his name was Dr. John Howell, said that he was The chairman of the English Department. He walked me to his office and said, "Have a seat."

I thanked him. I told him my name and showed him my work. He barely glanced at it.

And then he said, "Deborah, why don't you take a trade? People have successful lives without a college education."

I said, "Dr. Howell, I have intellectual properties, and I will do just fine.

I do not want to stop going to college."
He asked where I grew up and some things about my parents.
And I spoke of my recovery.
Dr. Howell said he would check into the matter.
A year and three months went by, and I continued to receive financial cutoff letters and the probation letter, even though I was doing well in school.
I finally went to the Acting Assistant Vice President, Dr. Cecil Talliafaro, a very compassionate African American man, who walked with me to the Act 1 Student Office.
And after telling a staff member the problem, the staff member typed my name and Social Security Number on the computer, and we were all shocked at the printout results. What was shown to me were my transcripts which had 10 F's and six withdrawals.
COUNCIL PRESIDENT VERNA: Deborah, Deborah.
MS. COBB: Yes.
COUNCIL PRESIDENT VERNA: Start to

conclude, please.
MS. COBB: Okay. The point is...
The point is, what I've discovered was almost a can of worms. And the statistics, if they can be gotten, I would like to help work on them.
It's not fair to the students. I... Council, I end up experience gatekeeping activities that were of a racial discriminative nature.
What I will do is put in written testimony and deliver it to Council. I do plan -- I -- I -- It's been three years.
A Congressman wrote the school, and after that I was penalized.
COUNCIL PRESIDENT VERNA: Yes. Did Congressman Brady ever get a response --
MS. COBB: Yes, we did.
COUNCIL PRESIDENT VERNA: -- to his letter of February 1st?
MS. COBB: What happened after... In February of 2000 when Congressman Brady wrote the school in support of the evidence that I sent to him, the English Department immediately changed the grades to a D and an F.

That does not reflect the accuracy of my work. I was not notified until July, when I had to go back to Congressman Brady's office and I was -- something was faxed to his office. And within that week I also received a certified letter.

I also -- I would have retaken the courses had I not passed, so I have evidence of a lot of written struggle that's almost three -- that will stand in Court.

I realize that the time is winding down. And I appreciate the opportunity. And I did not mean to take so long.

This has been a very painful experience for me. And I'm not only fighting for me. I went to another institution. But I have a right to a fair education.

The people that were there to help me, they end up handling me. And they -- A black crayon was drawn through my name, meaning symbolically that I was blackballed out of the school.

Thirty years ago I maybe could have worked my way up on a job or so, but to be told by

a English Department Chairman to go take a trade, I could have a successful life at a college -- without a college education, at a college that is there for the poor, that is there -- It's been a stepping stone.

I'm not saying Community College is not a good school. I'm not saying that it does not have good teachers.

I am saying that there are some problems there that must be addressed, that cannot continue.

Also, they need to be mindful of violence in the workplace. I will continue to act in a civil, obedient manner. And I'm a mature adult.

But at some point, with heartbreak and pain -- I've walked to school and ate peanut butter sandwiches. I should not have been treated this way.

COUNCIL PRESIDENT VERNA: Deborah, Deborah, please.

MS. COBB: Yes, ma'am. Thank you very much for the opportunity to speak.

COUNCIL PRESIDENT VERNA: Thank you.

MS. COBB: Thank you.
COUNCIL PRESIDENT VERNA: Thank you very much.
MS. COBB: Thank you. I will put in writing what other evidence I have.
COUNCIL PRESIDENT VERNA: Thank you.
Our next witnesses will be Jim Helman, Mr. Williams, and Mr. McCrea. Also, Irene Russell.
Do you have written testimony?
MS. WILLIAMS: Yes.
COUNCIL PRESIDENT VERNA: I'll have copies for Members.
And if you feel that you would like to summarize your testimony, we will give your written testimony to the stenographer and it will be transcribed in full.
Thank you. Please identify yourself for the record.
MS. WILLIAMS: My name is Neysa Williams. Good afternoon.
COUNCIL PRESIDENT VERNA: Neysa, we can't hear you.
MS. WILLIAMS: Good afternoon,

President Verna and members of City Council.

My name is Neysa Williams. I am a resident of Grays Ferry. I'm a member of the Committee of Concerned Citizens and a President of Vare Recreation Center Advisory Council.

I came here today to testify for funding for the Department of Recreation. Public recreation is important for our community and for our City.

Public recreation provides a positive alternative for our children and the youth who are faced with temptation from the streets every day.

In Grays Ferry, organized recreation is often the only activity where our children can learn teamwork and discipline, where our children can develop their talents and learn to express themselves, where our children can find a home away from home and can interact with other children of their age and with adults who have their best interests in mind.

The Department of Recreation has made a very serious impact on the Grays Ferry community. In years past, when our community was

racked with racial problems, the Department was offering services.

Today, while the racial problems of the past are being replaced with other concerns, the Department is still there and is still offering services.

The Department has learned to develop with the changing times in Grays Ferry. The Department learned that because they have a professional staff that understands and interacts with our community.

At one time organized basketball was nowhere to be found. Today the opportunity for basketball leagues are common.

At one time culture programs was nowhere to be found. Today there is drama programs, dance programs, art programs, and other activities that are still of value for our cultural heritage.

At one time our recreation facilities were open only to a few. Today our facility welcomes everyone, allow a variety of permitted activities, have public Advisory Council meetings with proper elections and provide public

financial reports that anyone can review at any time.

It will be a mistake to sell the Department of Recreation short. It would be a mistake to allow recreation programs to be privatized.

It would be a mistake to not properly fund the Department. It would be a mistake to allow this important City service to deteriorate.

An annotation in the Philadelphia Home Rule Charter describes public recreation as important. "...to the welfare of the people of the City."

That is as true today as it was when it was written some 50 years ago. Grays Ferry wants public recreation in our community. We want it because it is a vital City service.

Frankly, I can't imagine Grays Ferry without our recreation facilities and the programs that they offer. I hope that day never comes when I must try.

Thank you.

COUNCIL PRESIDENT VERNA: Neysa,

you're saying without our recreation facilities plural. You don't just mean their recreation center, I'm sure.

MS. WILLIAMS: We need all of our recreation centers.

COUNCIL PRESIDENT VERNA: Okay. I just wanted that to be reflected --

MS. WILLIAMS: Yes.

COUNCIL PRESIDENT VERNA: -- in the notes of testimony.

Who's testifying next?

MS. RUSSELL: Good afternoon, Council President Verna.

COUNCIL PRESIDENT VERNA: Good afternoon.

MS. RUSSELL: Council Members, community leaders and citizens who care about recreation throughout Philadelphia.

My name is Irene Russell, President of the Friends of Stinger Square Park, and a member of the Stinger Square Advisory Council.

I am here today to appeal to Members of the Council to take special care in deciding the outcome of funding recreation in Philadelphia

this year and in years to come.

First I would like to highlight the difference recreation funding has made in Stinger Square Park. Stinger Square is located at 32nd and Reed Streets in Grays Ferry area of the City.

Our park was once one of the least cared for in our area. People had ceased to come there and blight was creeping in.

Since 2000 we have become a model for other parks to follow. With the assistance of the Department of Recreation and other agencies, we have turned our park into an urban oasis, with programs and activities in all segments this community can participate in.

Funding has made it possible to staff our park with people who care about our community and are creating a safe haven for young and old alike to come for social interaction, as well as recreation and special events all summer long.

Our pool is now touted as the number one pool in our District, with no incidents or injuries for three years in a row.

Our camp is also outstanding and has

also held the number one position, providing a safe and beautiful environment where parents can bring their children for a real summer camp experience.

Recreation funding has opened the door for to us seek other means of assistance, as people see the work we are doing and want to help us to maintain a high level of service to our community.

Recreation funding has been instrumental in enhancing the quality of programs available throughout the Grays Ferry area.

This, along with input from other agencies such as Mural Arts, Philadelphia Green and the Horticultural Society, has made monumental changes in Grays Ferry.

No longer is there a dividing line between races in this community. And Grays Ferry recreation is one of the key reasons why.

No longer is there a stigma attached to our community, and recreation is one of the reasons why.

No longer is there a feeling of disenfranchisement among the people in Grays

Ferry, and recreation is one of the reasons why.

Why? Because uplifting and enhancing recreation in communities gives people not only a place but a voice to come together and pull together, to enrich every other aspect of the their communities.

So when you consider funding recreation, not only in Grays Ferry but throughout the City, consider this: Recreation saves lives. It gives people an opportunity to earn a living while being of service to their community.

It saves children from not having anywhere to go or anything to do, and keeps them from endangering themselves or getting into trouble.

It enriches the community by having vital hubs of activity for a community to be a part of. Also, it strengthens a community by bringing people from all segments together and fosters a sense of neighborhood and closeness within that community.

So, ladies and gentlemen, when the question is posed: Is it worth it to continue recreation funding and even to increase recreation

funding, the Friends of Stinger Square and the Grays Ferry community asks you to respond with a resounding yes.

Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

Mr. Helman.

MR. HELMAN: Well, I was going to say good afternoon, but now I'll make it good evening, Members of City Council.

My name is Jim Helman. I'm a resident of Grays Ferry. I'm a member of the Committee of Concerned Citizens, and I'm Treasurer of Vare Recreation Center at 26th and Morris Streets.

The Philadelphia Department of Recreation is in trouble. Our Department is in trouble. The trouble stems from the fact that the Street Administration has some sort of strange vendetta against the Department of Recreation.

Now, I haven't reached that conclusion easily, and I don't make that statement lightly. I have carefully weighed the evidence that supports my conclusion. And try as I might, I cannot interpret the evidence in any other way.

Let's examine some of that evidence. One, the Street Administration has given some $30 million of taxpayers' money to Safe and Sound, to fund family centers, beacon programs, and after-school programs, by private organizations throughout the City. $30 million is 63 percent of the entire Department of Recreation annual budget.

The funding was given to Safe and Sound through something called The Child Investment Strategy. Safe and Sound gets to decide who receives funding and how much funding is made available.

Nobody really knows how those decisions are made or who gets what funding. And this can raise some serious questions. For example, $355,000 of taxpayers' money was awarded to an organization called Education Works.

The funding is to be used for a beacon program at Auden Reid High School. The problem is, there is no Beacon Program at Auden Reid High School. So, who is Education Works and where is $355,000 of our money?

Another example many is the Harrison School in North Philly. Temple Center for

Intergenerational Learning received $776,525 of taxpayers' money for a family center. The family center concludes an after-school program.

An organization called REDI. That's R-E-D-I, was awarded $355,000 for a beacon program. Guess where? That's right, the Harrison School. That's over $1,100,000 for private programs in one school on one block in one neighborhood.

At the same time the Street Administration is talking about a formula to close public recreation facilities for lack of funding.

There is something seriously wrong with this scenario. First of all, unlike the Department of Recreation, the Children's Investment Strategy, Safe and Sound, or any of their family centers, beacon programs, or after-school programs have no public accountability.

Unlike the Department of Recreation, there is no advisory council system in place that gives a voice to the people on what happens in our communities.

Anyone who wants to can create a

program, apply for funding, and do their thing, without regard to the taxpayers.

I don't get to vote for Alba Martinez or Naomi Goobernick, or the members of the so-called Children's Commission, or any of the other people who get to throw around $30 million of taxpayers' money.

Unlike the Department of Recreation, Safe and Sound has no professional staff in our communities who are well-placed to determine local needs.

Unlike the Department, there is no interaction between a government service and the people they serve. There are only nameless, faceless people who decide what is going to happen in our communities, who is going to do what, and how much taxpayers' money they are going to get to spend.

No Department of Recreation program anywhere in the City is eligible for any of the $30 million Safe and Sound gets to distribute.

It's as if the Street Administration wants to create some sort of competition between public and private recreation. Why does it have

to be that way?

The AGAP Community Outreach Services gets $91,500 for an after-school program that serves 50 children.

At my facility we struggle to come up with $24,000 for an entire year's funding for five basketball leagues for three different age groups, a gymnastics program, a tumbling program, an after-school program, a drama program, four different dance programs, Girl Scouts, an art program, three different summer camps, and more, that serve hundreds of children.

Are our programs worth any less than any of the private programs? Are the children we serve any less entitled to funding support than the children who are enrolled in private programs?

Why does the Street Administration insist on treating the children we serve as second class recreation citizens?

Why do organizations that serve the children and youth of our City have to compete? Why can't all the programs be funded fairly and equally? Who on earth is responsible for this situation?

The $30 million is earmarked especially for children considered to be at risk. Children at risk certainly deserve our attention and support.

But there are thousands and thousands of children and youth in Philadelphia who are not at risk.

There are children and youth who are not truant, who do well in school, who have strong family support, and who have not visited our juvenile justice system. These children also deserve our attention and support.

They frequently get that support, along with the children who are at risk, at our public recreation facilities, facilities that the Street Administration is allowing to deteriorate, while throwing $30 million at private programs.

By committing most of this funding for children at risk, while forcing the Department of Recreation to struggle for funding seems to me that we are choosing between categories of children. Why do we have to do that?

What kind of an Administration would create something that causes us to choose between

children?

In the current and last two fiscal years the Street Administration has taken back some $3.5 million from the Department of Recreation's budget after the budget was passed by City Council.

Although this may be legal for the Mayor to do, it certainly smacks of sneakiness, even underhandedness. The public gets no voice on what amounts to a budget reduction. The Mayor simply says what he wants and sets his bean counters to the task of getting it done.

If City Council passed a Department budget today, there would be no guarantee that the Department would actually get to use the money appropriated.

Last December Mayor Street told a reporter almost gleefully that recreation facilities and pools will have to close. The Mayor didn't say which pools or which facilities.

During Commissioner Richard's testimony before this Body, it was stated that a formula will be in place sometime next year to decide on facility closings, conveniently after

the November election.
In the meantime, the public is left to wonder whether their facility will be included. This is arrogance, pure and simple, and a blatant disregard for the public served by the Department of Recreation.
The Department has requested $150,000 to fund infrastructure repairs for their facilities. With 157 or so facilities, that averages just $955 per facility, $955.
Compare that to the $183.4 million of funding for Philadelphia prisons. Compare that to the whopping $652.3 million of funding for the Department of Human Services or even the estimated $24.4 million of City business given to campaign contributors from the last Mayoral election. $955. What a joke. Mouth is getting dry.
In his Budget Address, Mayor Street asked for $25 million to refit our schools, to offer the same programs already offered at our public recreation facilities.
Mark my words. The day will come when Mayor Street points to a school and describes what is offered, and then points to a nearby

public recreation facility and asks: Why do we need both?

The Mayor will then close the recreation facility, turn the property over to some developer, and call it neighborhood transformation.

COUNCIL PRESIDENT VERNA: Okay.

MR. HELMAN: There is more. There is much more, but in the interests of brevity, and because I'm hungry, we will move on to examine our options.

We could try to convince the Street Administration to concentrate at least as much on right thinking as they are on right sizing.

That probably won't be productive because everyone knows by now that all knowledge in Philadelphia is concentrated on the second floor of City Hall. Anyone who is not in that charmed circle simply doesn't know what they're talking about.

We could somehow try to get a grip on the bean counter mentality that permeates the Street Administration on the public recreation. That probably won't work either. Bean counters,

by definition, don't think much about people.
They think about figures. And they use those figures to advance whatever agenda the Mayor chooses to advance at any given moment.
There is a third option. We can have a Department of Recreation in Philadelphia. We can have a Department that continues to serve our communities, as they have done for the last 50 years, long before anyone ever heard of investment strategies or Safe and Sound.
We can have a Department that we can all be proud of. We can have our recreation facilities. They can be properly funded and properly maintained and properly staffed.
It requires dedicated and inspired leadership. Given their track record, that leadership is not likely to come from the Street Administration.
It is, after all, the Street Administration that in just three short years has turned our Department into a struggling, underfunded, unappreciated, and demoralized City agency.
But you know what? Despite all of

that, the Department continues to strive to deliver more bang for the taxpayers' buck than any other City service.

That is a testament to the Department's dedicated professional staff and our volunteers, who understand the value of public recreation to our communities and to our City. Thank you.

COUNCIL PRESIDENT VERNA: Thank you. Mr. Helman, did I understand you to say that at Auden Reid a Beacon school is being -- a Beacon Program is being funded but is not there?

MR. HELMAN: To the tune of $355,000, President Verna.

COUNCIL PRESIDENT VERNA: All right. Mr. Dubow, can you approach the witness table and give us some explanation as to what's going on, please.

While we're waiting for Mr. Dubow, I certainly want to thank each and every one of you, not only for your interest in the community, but more importantly, for your interest in the children. I think you've done a fabulous job.

And I know that I said this before.

I have the greatest respect for the employees in the Recreation Department. I've known them all for a number of years, and they do outstanding work and are very, very responsive. And I'm very, very proud of just about all of them.

Mr. Dubow, come on. We're all tired, hungry. And the court stenographer needs a break.

MR. DUBOW: Hi. Rob Dubow, the Budget Director.

As I understand it, that's an award that's just been made. The program hasn't been started up, but it will be starting up within the next several months.

COUNCIL PRESIDENT VERNA: Mr. Helman.

MR. HELMAN: That award was actually made some time ago to something called Education Works. It has just been made again to an entirely different organization, same amount, $355,000, which is now supposed to start in December.

But the award was actually made some time ago. And as you know, President Verna, I'm fairly familiar with what happens in Grays Ferry,

some people would say too familiar with what happens in Grays Ferry. And I'm telling you, there is no program of any kind at Auden Reid High School.

COUNCIL PRESIDENT VERNA: Well, whatever happened to the monies? Well, who can address this issue? Who has any knowledge of this issue? Please come forward.

MR. DUBOW: I think we'll have to get back to you with the details on that.

COUNCIL PRESIDENT VERNA: I want it in writing, please.

MR. DUBOW: Okay.

COUNCIL PRESIDENT VERNA: Thank you. Yes, you're next.

MR. McCRAE: Thank you. I'll make mine brief. I'll be home in less than four minutes; how about that?

COUNCIL PRESIDENT VERNA: Great.

MR. McCRAE: Will that work for you?

COUNCIL PRESIDENT VERNA: That's fine.

MR. McCRAE: All right. For those who don't know, I represent the three individuals

here, as well as 180 volunteer organizations across the City of Philadelphia.

I'm Mike McCrae. I'm President of the Philadelphia Recreation Advisory Council. For the third year in a row I bring disturbing news to these hearings, news that should be no surprise to those who have been listening, raising some difficult questions to those in position to change things, and who have been silent and done nothing.

It's hard to imagine the fortunes of the Recreation Department have changed so drastically in such a short period of time, and I think due in large part to funding reductions and a general lack of support from the Street Administration.

For the past three fiscal years the Department -- Sorry. Can't even read this. Here we go. ...fiscal years, the General Fund obligation for the Recreation Department has been reduced by $750,000, $500,000, and $2.2 million respectively, for a total reduction of $3.5 million. That amounts to almost 10 percent of the $37 million total obligation.

To make matters worse, these

reductions were all completed months after the Operating Budget had been debated and passed by this Body.

In our mind we see this as a cowardly act, being done out of the spotlight and with no opportunity for public debate.

Now on, the surface you may not see any noticeable changes, but on the front lines we feel those changes each and every day.

As Advisory Council, it's our responsibility to ensure that the services offered at each local facility meet the growing needs of the community.

Its dedication of the current staff and volunteers to find additional resources is what keeps every facility afloat.

And the weight of this awesome tasks rests squarely on their shoulders. And under the circumstances we feel they do a very good job.

While we understand the importance of delivering these vital services to every community, we cannot help but feel as though we're being taken for granted, not by the Recreation Department, but by the Street Administration.

We work very hard to build on the partnership that exists between us and the Recreation Department. However, the Street Administration has gone out of its way to try and minimize our contribution and impact on these services.

We don't mind doing our part, but we also don't appreciate being taken advantage of. Children's Investment Strategy was created three years ago, in part to administer a pool of over $30 million to fund after-school and other youth programs.

Many of our facilities already provide these services that were outlined in the RFP created just for this funding. However, even though as non-profits we supplement every after-school program, we are specifically excluded from even applying for this funding because we partner with the Recreation Department in delivery of this service.

Not only were we specifically excluded from applying, the private non-profit organizations that received this funding have set up in and next to many facilities where our

current programs have operated for years, in essence competing for the same children who are already being served, rather than creating new opportunities for those children who are not being served.

When it comes to youth services, competition in this way means that the children are the ultimate losers.

Because these programs receive three times the funding that we do to provide the same service, the Street Administration has created a playing field that's nowhere near level.

Now, the most disturbing aspect of it all -- and Mr. Helman also alluded to this, too, is that these programs are not accountable to the communities they serve, only to Safe and Sound.

Safe and Sound is also not accountable to taxpayers and citizens of Philadelphia, only to the Mayor.

As non-profits, we must be accountable, not only own individual communities, but to the City as well. And the City Charter does not allow to us exist without it.

When you put all these circumstances together, it's clear to us that these programs are created ultimately to replace and privatize existing programs, effectively reducing our numbers and therefore making it easier to close some facilities, as the Mayor so gleefully promised he would several months ago.

To move on, several of us were present on March 3rd when Fairmount Park and Department of Recreation presented their testimony. There were some very important points raised that we feel need to be followed up on.

Concerning after school, the new TANIF funding is not -- I repeat not -- a supplement to our existing budget, as it was referred to several times in the hearings.

Every dollar received through TANIF constitutes a replacement of General Fund dollars that have been already budgeted for something else, having nothing to do with recreation. It is not -- I repeat not -- a supplement. And that point needs to be made extremely clear.

Also discussed was a transfer of existing facilities from Fairmount Park to the

Recreation Department. This has been talked about for a long time and it makes sense. However, it also needs to be done right.

When we became involved in this about six weeks ago, there appeared to be no particular transition plan and funding was woefully inadequate.

Currently there appears to be an attempt to organize a transition plan, and the funding has improved, at least on paper.

While Council Members asked many appropriate questions, the answers need to be followed up, and a final plan needs to be reviewed by this Body and funded accordingly.

Now, to put all this in perspective, however, our bottom line has always been and continues to be providing those necessary services to our community.

Even with our existing shortfall the Department of Recreation continues to offer and deliver a vast array of services to every community across the City that costs less than $2 a day per person.

Now, I might be slightly biased, but

I don't believe there's anywhere in this City's budget where the taxpayer gets a better value for the dollar than right here.

We feel that in a city this size, it should not be acceptable to turn any child away, simply because you don't have the resources to accommodate them. That has always been and will always be our line in the sand.

In conclusion, just like the Wizard of Oz, we need to pay attention to the man behind the curtain and wish that he finds the brains to care about the issues, the heart to feel the urgency of the situation, and the courage to do something about it.

While it's true there is no place like home, I just hope we don't get there too late. Thank you.

COUNCIL PRESIDENT VERNA: Thank you very much.

(Applause.)

COUNCIL PRESIDENT VERNA: Thank you. Councilman Cohen.

COUNCILMAN COHEN: Would you return to the stand for a moment.

COUNCIL PRESIDENT VERNA: Just a moment, please. Councilman Cohen.
COUNCILMAN COHEN: Thank you, Madam President.
MR. McCREA: Sorry. I'm getting hungry, too.
COUNCILMAN COHEN: Could you, without repeating everything...
MR. McCREA: Sure.
COUNCILMAN COHEN: ...just very briefly outline the purposes. You were reading a little too fast for my hearing aids, and they were running behind. What was the theme? I agree with your final conclusion.
MR. McCREA: Well, part of it was about the funding that Children's Investment Strategy gets that we weren't qualified for.
COUNCILMAN COHEN: Slow down a little.
MR. McCREA: Sorry. The Children's Investment Strategy gets $30 million that they're giving for after-school programs and other youth programs.
COUNCILMAN COHEN: Yes.

MR. McCREA: We were specifically excluded from even applying for that money because we are in part a partner with the Department of Recreation in our programs, because we are not totally private, because we operate in facilities and we -- and there's funding for teachers and whatnot from the Department of Recreation for those services.

And a lot of them actually operate in or across the street or right next to facilities that we already operate the same programs out of.

And basically it's creating a competition, instead of creating more spots for more kids so you can serve more kids, it's basically privatized the whole thing, to a point where they're competing for the same kids that we're already serving.

So it's not actually increasing it as much as the number of kids that they're served, other than just the dollars are being used to basically serve the same kids.

COUNCILMAN COHEN: How does privatization work in this case?

MR. McCREA: These are 501C3 non-profit organizations that are allowed to apply for this money to set up new programs in schools, beacon programs, some of them; some of them just after school. And the beacon programs, for instance, operate in a school. They offer pretty much the same things that we do in an aid facility.

They would offer -- The gum would be open for them. They'd have other kinds of sports things. They'd also have tutoring and all kinds of other activities in the building itself.

Now, most of our aid facilities do that already. And in some cases, we operate in the school for seven or eight years, say, in Mars, for example, that we operate the pool, the gym, and an after-school program there.

They brought in a beacon program for $355,000 in the same school that we're already doing that in. So it doesn't make sense to, you know, to bring in a private program to do the same thing that we're doing exactly in the same building. To me it just doesn't make sense, Councilman Cohen.

COUNCILMAN COHEN: Sounds to me that you're right. We do have a very high regard for the Recreation Department.
MR. McCREA: I appreciate that.
COUNCILMAN COHEN: And we are very concerned about efforts to privatize. For some reason or other the City Administration for a number of years has seemed to be ready to wage war on its own employees, instead of appreciating the fine work they do.
And we're determined to reverse that. So we applaud you for being here.
MR. McCREA: I appreciate that.
(Applause.)
COUNCILMAN COHEN: I'm glad to see you're fighting for your rights.
MR. McCREA: I appreciate that. And I think the thing is, it's not that we object to these programs. But if they're going to create more programs, it should be created, and we feel, and it says so in the RFP itself, they should be created to serve more children, not compete for the same ones we have. It doesn't make sense to me.

COUNCILMAN COHEN: Absolutely.
MR. McCREA: And it doesn't make sense to me. Thank you.
COUNCILMAN COHEN: Well, I will tell you that I feel that it's wrong to close any recreation facility. I don't know of a single one anywhere in the City that's surplus or not used properly.
If anything, I think we need more at a time of declining employment. In times of economic depressions or recessions, I think you need more services to the community, rather than less.
And I think the City is headed and the Mayor is heeded in the wrong direction, when he tries to shut down on services to the people in the community. Long live the Recreation Department and its employees.
MR. McCREA: I appreciate it. And also, I think if we were allowed to apply for some of that funding, I think we could make very good use of that money.
I think we already do make good use of the little money that we have, but with that

kind of funding we could increase the services and the number of kids that we serve at some of our aid facilities.

COUNCILMAN COHEN: The City has been very stingy in its treatment of the Recreation Department. You're absolutely right.

(Applause.)

MR. McCREA: I have to agree with you.

(Applause.)

COUNCILMAN COHEN: And your determination that more money should go to recreation.

MR. McCREA: Thank you, Councilman. I appreciate that.

COUNCIL PRESIDENT VERNA: Thank you. Thank you, Councilman.

Any other comments or questions?

(No response.)

COUNCIL PRESIDENT VERNA: Thank you. At this time at the request of the stenographer we're going to take a half hour recess. I'm sure his fingers must be very sore at this point in time and his legs must be numb. So we'll take a

half hour recess. Thank you
(Brief recess.)
COUNCIL PRESIDENT VERNA: Good evening. We're now in session again.
Our next witness is Jacob Gray. Good evening. Thank you for your patience. Please identify yourself and proceed with your testimony.
MR. GRAY: Good evening. Thank you, President. My name is Jacob Gray. And I'm the Director of the Equity Project, which is a national non-profit, dedicated to ensuring every American gets a fair share. And I want to introduce Lance Haver, who's going to describe some of what we brought for you.
MR. HABER: Good evening, Madam President. The worker-owners of the companies that were here earlier this afternoon and weren't able to stay for this evening's session, these are products that we make from worker owned companies. And we've brought you some samples over there.
The basil is grown right here in Philadelphia. This is a non-toxic citrus-based cleanser that's made by a worker-owned company.

And we brought samples for all of the Members of Council so you can see the benefit of a worker-owned business.

COUNCIL PRESIDENT VERNA: All right. Thank you.

MR. GRAY: I also wanted to acknowledge we -- earlier today we had worker-owners from Laser Labs which is an eyeglass manufacturer in the City, and their CEO.

We had the CEO of Urban Works, which is a janitorial firm in the City. We have the CEO right here of Phoenix Foods, and we had all the employees here; City Sort, which is a mailing facility; Sun and Earth. The CEO is right here. And we had about seven of their employees here. They're all worker-owners. And Robert Fishman, who's the Director of RHD, Resources for Human Development, was also here earlier.

The Equity Project is sponsored by Resources for Human Development. If you're not aware, RHD is a one hundred million dollar non-profit headquartered here in Philadelphia.

RHD has invested in worker-owned companies and has created about 250 jobs in the

City. The Equity Project is an outgrowth of those efforts.

Lance Haver here is our Board Chair and Philadelphia is our pilot region.

I am here to urge the City to use its Budget to fight poverty by encouraging the growth of a different kind of business. That's a business that shares profits and ownership with all its employees.

Let me begin by mixing my metaphors. When we were talking about poverty, it's better to teach a man to fish than to give a man a fish, right?

The Equity Project is concerned with a different question. We say, who owns the boat? Because a fisherman may eat for a lifetime, but what about saving to buy a house?

A rising tide may lift all boats. But that only works if you own a boat. Worker ownership isn't about everyone being the captain or even everyone being the first mate.

It's about the fisherman who owns just a little bit of his boat so that when the boat rises the fisherman comes up with it.

Now, I timed myself. This takes three minutes. I'll skip through and be respectful of our time. You know the facts about wealth and poverty in the City better than I do, so I won't bore you with all the statistics.

Fact is Philadelphia lost 68,000 people in the last year. Median income has shrink from $32,000 to $30,000. And we have 38,000 more people living in poverty in the City. We all know this from the five-year plan.

But the rest of the year isn't -- The rest of the country, that is, isn't doing much better. Let me show you right here what I mean.

I can't show everybody out there, but the median annual compensation over the last 30 years for average -- the average American really hasn't gone very far at all.

In 1970 the average American made about $32,000. In 1999 the average American makes about $35,000. That's the average American household.

So, back in 1970 I think some of us remember things weren't so great. Now they're not that much better.

However, if you take the top 100 CEOs of American corporations, back in 1970 they were averaging about $1.5 million in compensation, but today they're averaging $35 million in compensation.

So that goes from, you know, being able to afford maybe a little sailboat to being able to afford a gigantic yacht, like this.

Now, there's nothing wrong with wealth, and I'm not arguing against wealth. However, if the average American had kept up, just in terms of percentage growth, to the top 100 CEOs, the average American household would be making about $1 million a year.

So how does this happen? How come with the rising tide only the yachts are rising? Well, it is the answer -- one answer -- there are many. But one important answer is the rest of us don't even own part of the boat. We're still splashing around in the water trying to grab a lifesaver.

So, how can worker-owned businesses help?

COUNCILMAN ORTIZ: Now they're

trying to take the lifesaver away.

MR. GRAY: Good point. Let me talk how worker-owned businesses can help.

Phoenix Foods produced the basil. I hope everybody will grab some. They're in the boxes in the corner on the way out. It keeps in your refrigerator -- Actually, don't put it in your refrigerator. Keeps on your shelf for about two weeks.

Phoenix Foods is a fish and basil farm located in West Philadelphia Empowerment Zone. Every employee there gets paid a living wage, about $8.50 an hour.

Every employee gets a share of the profits, and every employee is an owner. Together they own about a third of the company.

Sun and Earth made these non-toxic cleaners, right here in the buckets. There's a bucket for every member of Council also. I hope you'll get them. They offer ownership and profits to all their employees as well.

These are not hobby businesses. These are real businesses. Sun and Earth will produce about two and a half million bottles of

cleaner this year and run about $8 million in sales.

So, no business is perfect. But at these companies, entry level employees win because they get living wages and they get to earn profit-sharing and ownership.

The company wins because worker-owned companies actually often outperform their standard traditional competitors.

And the City wins because taxes and jobs and wealth are generated and remain local.

So, just suspend your disbelief, those of you who are here, and imagine, if you will, 500 companies, worker-owned companies like Phoenix Foods, and Sun and Earth here in the City.

Imagine that they employ 20,000 people. Imagine what our schools would look like, with a tax base to support them, or what our children could achieve if 20,000 more parents could afford quality child care.

Imagine what the streets and houses would look like if 20,000 more people had the money to buy that market rate housing that we're building.

This is no fairy tale that I'm spinning for you. Thirty years ago a small change in the tax code, the Federal Tax Code, rewarded owners who sold their businesses to their employees when they retired. That's called the Aesop Legislation.

As a result, today there are 1.5 million workers nationwide who own their companies, just like at Phoenix Foods and Sun and Earth.

So what I want to urge the City to do is to lead the nation with a new agenda that benefits ordinary people, working people.

Encourage business that share ownership. As one example, give them favorable bidding on services that are contracted out.

You can also provide tax credits, perhaps cut the City Business Tax on businesses that share ownership. You can make that tax be commensurate with how much ownership is shared, so that if you share 90 percent of ownership, you pay 90 percent less Business Tax.

Carve out parts of the loan funds that already exist at PIDC and other places.

Invest two percent, just a small slice of our public investment funds, in worker-owned companies.

Now, these are ways to encourage new businesses. There are not an enormous number of worker-owned companies in this City right now. We're not talking about ways -- I'm cognizant of the fact the City doesn't have a lot of extra money to go throwing around tax cuts.

These are ways to encourage the growth of a new kind of business that shares wealth, spreads around ownership, shores up our democracy, and keeps -- builds -- rebuilds a middle class tax base, and builds decent working-class jobs.

With these and other changes, the City can help Philadelphians come up out of that water we were talking about and onto a boat that they own. Who knows? We might be known as the Equity City.

Thank you for your time.

COUNCIL PRESIDENT VERNA: Thank you very much. Are there any questions or comments from Members of the Committee?

(No response.)
COUNCIL PRESIDENT VERNA: Thank you again.
Our next witness is Carol Hemmingway. Is Carol Hemingway here?
JOE: She wasn't able to be here.
COUNCIL PRESIDENT VERNA: Are you going to testify on her behalf?
JOE: Briefly.
COUNCIL PRESIDENT VERNA: Please approach the table. Thank you.
JOE: My name is Joe. I work for ACORN, the community organization.
Unfortunately we weren't able to bring members with us tonight, including Miss Hemingway, to talk about the state of home repair in the City or lack thereof, and a lot of the home repairs needed, which I'm sure everyone is very much aware of, given the housing stock in the neighborhoods of Philadelphia is so old, many of the houses being over a century old.
So basically we're here to comment on the Targeted Basic Systems Repair Program that's being used as a part of the Neighborhood

Transformation Initiative to really bolster, you know, the ability of the City to respond to home repair needs.

It's a really tremendous program. Unfortunately, at the moment, only $400 million -- $4 million over the next two years is going to be going towards Targeted Basic Systems Repair, which should cover about 250 households.

Obviously, there's a lot more work that needs to be done. I have information here for any Council people who are interested in looking it over, detailing the, you know, the budget for Neighborhood Transformation Initiative and specifically the Targeted Basic Systems Repair.

COUNCIL PRESIDENT VERNA: Do you have 17 copies there?

JOE: I do.

COUNCIL PRESIDENT VERNA: Oh, fine. We'll have it distributed.

JOE: I appreciate that.

COUNCIL PRESIDENT VERNA: And we'll also give a copy to the stenographer.

JOE: Yes. I appreciate that.

And... Yeah. And so, basically, our members would like to offer out to all of the Council people to please work with ACORN members and the other members of the communities, to bolster these funds, really make this into a program that has the ability to prevent blight, rather than just dealing slowly with the blight that already exists, and truly make this a program that could change the face of rowhouse Philadelphia. And I'm sorry that Miss Hemingway was unable to attend tonight. Thank you.

COUNCIL PRESIDENT VERNA: Welcome.

Now, I think we'll be having hearings on CDBG and NTI later. I think it's very imperative that you come in at that time or have Carol come in at that time. So that I think that's when it should be addressed.

JOE: Okay.

COUNCIL PRESIDENT VERNA: Thank you. Oh, I'm sorry. Councilman Cohen.

COUNCILMAN COHEN: I'll hold my questions.

COUNCIL PRESIDENT VERNA: Thank you. Is Al Williams here? Al Williams? PHA

construction training.
(No response.)
COUNCIL PRESIDENT VERNA: Do we have someone here from the Pennsylvania Council of Children, Youth and Family Services?
MR. PREHEIM: Good evening.
COUNCIL PRESIDENT VERNA: Please identify yourself for the record.
MR. PREHEIM: Good evening, Madam President and Members of City Council. I am Lauren Preheim.
I'm the Executive Director of Presbyterian Children's Village. And I'm here this evening representing the Pennsylvania Council of Children, Youth and Family Services.
The Pennsylvania Council of Children, Youth and Family Services a statewide membership organization that supports the work of private, not for profit agencies.
Our mission is to improve the quality of life for Pennsylvania's children, youth and families who are at risk, by supporting and promoting an accessible delivery system within our communities.

The diversity of our membership has increased in recent years, as have the services provided and the complexity of the children and families served.

We are here this evening to offer support for the Philadelphia Department of Human Services fiscal year 2004 operating budget as presented by Commissioner Alba Martinez.

Under her leadership, the Department has undertaken numerous initiatives to protect and support at-risk children and families.

Through innovative, research-based, outcome-driven programming, the Philadelphia Department of Human Services has become a model for service improvement, not only in the Commonwealth, but also nationally.

The efforts of Commissioner Martinez to make the Department more responsive and accountable for Philadelphia's children and families are commendable.

We urge City Council to support the Department's Fiscal Year '04 Budget so that these critical efforts to improve services continue.

The Pennsylvania Council of Children, Youth and Family Services has more than 100 member agencies statewide, and over one half are based in the southeast region.

Our members serve non-adjudicated, dependent and delinquent children and youth and their families, through a broad spectrum of programs, including in-home services, foster and kinship care, treatment and medical foster care, mother-baby foster care, adoption, independent living, emergency shelter care, group home, institutional care, and residential treatment care.

Our member agencies also deliver services aimed at averting the involvement of children and families with the child welfare and juvenile justice systems.

These community-based prevention programs include home visiting, day treatment, after school, school based, case management, and truancy prevention programs.

Many members also have strong behavioral health and educational programs incorporated into their array of services and

supports.
Over 70 of our member agencies contract with the Department to deliver these services. Approximately 82 percent of the Department's budget is allocated for purchased services.
In conjunction with the Department, our member agencies also have undertaken extensive efforts to ensure that the Department generates Federal and State reimbursements through TANIF, and Title 4E, by completing necessary documentation to maximize these resources.
These efforts by private providers will contribute to 92.82 percent of the Department's funding requests being offset by Federal and State dollars.
A positive and productive partnership has developed between the private provider community and DHS, under the leadership of Commissioner Martinez.
Council member agencies have worked closely with DHS staff on a number of committees, including those focusing on continuing practice improvement and treatment foster care, the

adoption task force, the multi-disciplinary team review, and the Philadelphia Outcome Measurement Project.

Additionally, this past year providers worked intensively with Department staff in preparing for the Federal Child and Family Service Review.

This monitoring vehicle for the $325 million Federal received by Pennsylvania was completed in August 2002.

A highly detailed report, setting off the Department's strengths and areas needing improvement followed the review.

We are pleased to be viewed as two partners in creating systemic changes that will promote the goals of permanency, well-being and safety for children.

While Philadelphia exceeded designated outcome measures in some areas, the Federal Review identified the Philadelphia did not achieve substantial conformity with benchmarks established for the achievement of permanency.

We have and will continue to support attainment of higher rates of permanency for

children in DHS custody.

Over the past several years, providers have significantly increased their efforts to secure safe and permanent homes for children.

Our efforts are reflected in the data that Commissioner Martinez presented to Council in her March 4, 2003 testimony. She noted that the number of children who returned home within 12 months of placement has increased steadily, from 48.5 percent or 916 children in the reporting period ending September 30, 2000, to 60.8 percent or 1,044 children in the reporting period ended September 30, 2002.

It should be noted that even prior to the Federal Review, the Department had initiated reforms to address permanency outcomes for children.

Work to modify the contractual requirements for the delivery of family foster care services began over a year ago.

During the last 18 months, Pennsylvania Council member agencies have met regularly with the Department staff to plan and

implement a performance based contracting model for the delivery of general foster family care.

While there have been times when the development of this model has been marked with areas of disagreement, it has been one that has been inclusive of private providers.

Under performance based contracting DHS has developed structured contracts with providers which includes specific permanency expectations.

Providers will have three permanency options available to meet these expectations. The three options are: Reunification, adoption, and subsidized permanent legal custodianship.

Providers that meet or exceed expectations will receive financial benefits, while agencies falling short of their contractual obligations will be subject to financial disincentives.

While providers wholeheartedly support the goals of achieving higher rates of permanency, performance based contracting places tremendous financial risks on the financial sector, risks that cannot be mitigated solely

through our efforts.

In order to achieve permanency goals for children, providers must be able to access appropriate and adequate resources for families. These include behavioral health and substance abuse services, as well as affordable housing.

The recent cuts in State funding for drug and alcohol programs will adversely impact efforts to reunify children with parents who have drug and alcohol problems.

Such factors which are critical to achieving permanency for children are beyond the control of private agencies and raise concerns for them about performance based contracting.

The Department has undertaken initiative to locate permanent homes for children. And we applaud their efforts to increase the number of adoptions through community outreach efforts, such as Publishing Philly Kids, Connection, and the building of a post-permanency peer support network.

Additionally, the Department has undertaken extensive efforts to ensure that children for whom reunification and adoption have

been ruled out have access to the third permanency option, subsidized permanent legal custodianship.

These efforts are part of the Department's larger efforts to improve communication with the public, including the development of Philly SOS, which is a web-based searchable, community resource data base, and the launching of a parenting awareness campaign, which will provide parents with information about appropriate programs and resources.

The Department now has 14 publications to inform Philadelphia families about DHS related services.

We urge City Council to support the Department's efforts to share information about its resources with consumers, as well as the broader community.

The Department has also increased its efforts to work with other community partners through an unprecedented number of collaborations with public and private agencies.

And the Pennsylvania Council commends the Department's effort to strengthen its partnership with the behavioral health system.

This partnership has been evidenced by the deployment of staff from community behavioral health to the Department's Central Referral Unit.

DHS and CBH staff work in tandem to ensure that children entering care are referred to the most appropriate level of care to meet their behavioral health needs.

Additionally, CBH staff now is stationed at Family Court to make sure families entering the system can access services as quickly as possible.

In January 2003 the Department, in collaboration with private providers and the behavioral health system, implemented a new treatment foster care model.

This model combines traditional foster care with specific mental health interventions.

The Department anticipates that many of the 311 dependent and delinquent children now placed out of state will be able to return to Pennsylvania because of the availability of enhanced services.

Private providers are responsible for the delivery of this critical service, again, demonstrating a willingness to take additional risks to support positive outcomes for children, youth and families.

Currently the Department has allocated $60 million to support prevention efforts.

In the coming fiscal year the Department's plan to intensify and expand -- the Department plans to intensify and expand its prevention services.

We endorse the Department's plans for the use of additional TANIF funding to enhance the nurse family partnership, to increase the number of women in substance abuse treatment who receive supportive services, to provide parenting education to parents of school-age children, to deliver short-term case management to youth referred by Truancy Court, to expand the truancy prevention services, and to create two new family centers.

In particular, we applaud the Department's creation of the Achieving

Independence Center which functions as a one-stop resource center for youth transitioning to independence.

We also commend the Department's plans to enhance services to older youth transitioning from placement. The need for expanded and enhanced services has become increasingly critical as the number of adolescents in care continues to grow.

Currently, 47.8 percent, almost 50 percent of the youth in care are adolescents. Private providers have been acutely aware of the growing proportion of older youth and on their case loads, as they struggle to achieve permanency for those youth, or in the alternate, to prepare them for independence.

Private providers, through their contractual relationships with DHS, are responsible for the delivery of most of the direct services available to Philadelphia's children and families.

It is clear that in order for the Department to be responsive to the children's and family's needs, it depends on the service capacity

which has been developed within the private sector.

To ensure that this capacity remains available, the private sector must be adequately reimbursed for the services as provided.

In the Fiscal Year 2004 Budget, the Commission has proposed a two percent increase for purchased services.

In her testimony before this Body she stated, quote, that the cost of living allowance, two percent is used to adjust payments to reality, that inflation is constantly occurring, end of quote.

In Fiscal Year 2003 providers received a two percent increase for some purchased services. Class 290 services, those which are dependent delinquent per diem services, received an increase, while Class 250 program services, truancy prevention, crisis nursery programs, did not.

We appreciate the Commissioner's efforts to adjust service rates across the board to reflect at least a minimal cost of living increase.

This has not always been the Department's practice in years of past without rate increases in certain service areas, leaving programs woefully underfunded and compromised.

Even with the two percent increases, providers are still far from being fully reimbursed for the costs of providing contracted services.

A review of rates for contracted services completed last year reveals that reimbursement deficits ranged from 6 to 50 percent, when comparing DHS contract rates to the actual cost of providing services.

Most troubling is the reality that mandated services remain underfunded. In the last year alone, providers have experienced astronomical increases in their operating and liability insurance costs, health insurance costs, and transportation costs.

We are in the process of completing a new rate analysis and will be happy to share the results with you when it is completed.

Historically, providers have generated and used private dollars to supplement

public funding for services, including those services for which there are clear public mandates.

As private dollars become more scare, many providers have closed or are considering closing programs. This is particularly true for in-home service programs.

Ultimately, the rich array of services currently available to Philadelphia's children and families will be diluted, as providers can no longer afford to operate at deficit levels and sustain continuing losses.

The Commissioner's efforts to assist providers in meeting these costs must be supported.

In conclusion, we strongly urge City Council to support the Philadelphia Department of Human Services Operating Budget for the Fiscal Year 2004.

The Department continues to set an ambitious agenda, aimed at protecting and supporting our most vulnerable residents. We urge City Council to provide the necessary founding to enhance and expand these critical services.

Thank you.
COUNCIL PRESIDENT VERNA: Thank you. Mr. Preheim. Are there any questions from Members of the Committee?
Chair recognizes Councilman Cohen.
COUNCILMAN COHEN: Sir, it's very gratifying to hear the laudatory remarks that your agency makes about the City. It's the first such report I think I've heard in many a year, which raises again the opposite question as to how has your agency benefited or the agencies that you represent benefited from Commissioner Martinez's stewardship of the Department over her predecessor?
Has there been a marked difference in the way in which your agency has been successful in obtaining for its provider members dollars for your various services? Or is it a continuation of previously good services?
I'm just very interested in it, because I've never heard such a laudatory report by an agency of existing City Department, and I'm excited.
I have a very high regard for

Commissioner Martinez. But it seems as if your agency feels that this Department is the best of all possible Departments and that the Commissioner makes a difference.

And so I'd be derelict if I didn't raise questions to what the interest of your agency is in the City's Department.

MR. PREHEIM: I think it's best for me to respond to that at several different levels.

COUNCILMAN COHEN: Okay.

MR. PREHEIM: First of all, I would say that the laudatory comments that are being made about the Commissioner and about --

COUNCILMAN COHEN: They happen to parallel my own individual beliefs about the Commissioner.

MR. PREHEIM: Those comments about her and about her Department reflect our belief that the reforms that she is attempting to secure for children and families in Philadelphia are necessary and important.

COUNCILMAN COHEN: Could you be specific. What are those?

MR. PREHEIM: I think the most

important ones are to achieve permanency for children that are in placement services, either through reunification with their families, adoption, or through permanent legal subsidized custodianship.

COUNCILMAN COHEN: Hasn't every predecessor Commissioner attempted to do the same?

MR. PREHEIM: That's right. But currently there are, I think, enhanced efforts to do so.

I would call the current environment, in which there's really been a partnership here with the public and the private sector working together, to create what is referred to as a culture of permanency where we all work together in a way that we've never done before, to secure permanencies that are more effective, that are achieved in a more timely manner than has been the case in the past.

And we support her efforts in doing so, and think that that is probably one of the most important reform activities that she has promoted during her tenure as Commissioner.

COUNCILMAN COHEN: Could you be

specific as to how has she done that? What has she advocated or what changes has she made?
MR. PREHEIM: Well, during my testimony I referred to a process that we've been working on for the past 18 months. And that's called performance based contracting.
Performance based contracting is a new way of doing business between the City and private agencies. And it creates both incentives and disincentives for the private agencies.
Those incentives are tied directly to benchmarks that private agencies must achieve, in the area of permanency outcomes.
And private agencies that achieve those benchmarks will be rewarded. Private agencies that do not achieve those benchmarks, that is, do not reach the number of reunifications, adoptions, or moving children into permanent legal custodianship arrangements, will receive financial disincentives.
And in my testimony I mentioned that there are significant risks for the private sector in moving in this direction.
COUNCILMAN COHEN: How has the --

MR. PREHEIM: However, we are prepared to assume those risks, for two reasons: One, because we think that it's really in the best interests of children and families that we obtain the permanencies, either reunification, adoption, or legal custodianship; and secondly, because there are financial incentives available to those agencies that are successful in attaining those permanency outcomes.

COUNCILMAN COHEN: Did the agencies you represent, were they successful?

MR. PREHEIM: That process has only begun. It began on March 1st. And it is too early to tell.

In my testimony I also indicated that one of the concerns the private agencies have is that achieving permanency for children and families sometimes extends beyond our own ability to do so. That is, there are external factors that impact on the ability of an agency to secure permanency for a child in a family.

One needs to have affordable housing. One needs to have access to good quality mental health services. There has to be

cooperation at all levels in the court system.
So that it isn't just the relationship between the private sector and DHS that is at stake here. I think one of the exciting things about the development of performance based contracting is that Commissioner Martinez and her staff have worked to also address some of the external barriers that have impeded reunification, or adoption, or legal custodianship occurring in a timely way.
So there are a number of different reasons why we applaud her efforts, but that's one example that I would present to you.
COUNCILMAN COHEN: Well, Madam President, I would suggest we not pursue this further. I find it very exciting.
And I would like to suggest that at some future time, a briefing be arranged, because if so, then Commissioner Martinez certainly deserves many, many plaudits because government tends to be stuck in the mud sometimes and never gets out of it.
And many of us had great hopes for Commissioner Martinez. This is the first time

I've heard in detail the fine contribution she's made.

And we'd like to know more about it, and see whether the same formula she's applied in her Department can be applied elsewhere in government.

So I thank you very much for your answers, and am very pleased to get this warm response from you, with respect to the functioning of a City agency, particularly since it refers to the most vulnerable of all of our people and the most important. That's the youngsters.

So thank you very much.

MR. PREHEIM: Thank you.

COUNCIL PRESIDENT VERNA: Thank you very much. Are there any other questions?

(No response.)

COUNCIL PRESIDENT VERNA: Thank you again, Mr. Preheim.

Emily Bertram. Is Emily Bertram here?

(No response.)

COUNCIL PRESIDENT VERNA: How about Ann Lavitt Brubacher?

MS. HOSTETTLER: They were here.
COUNCIL PRESIDENT VERNA: Did she leave testimony?
MS. HOSTETTLER: We're testifying on behalf of the same thing.
COUNCIL PRESIDENT VERNA: All right. Would you please approach the witness table.
MR. HOSTETTLER: Is it possible we can all come?
COUNCIL PRESIDENT VERNA: If we what?
MS. HOSTETTLER: Could can we approach together?
COUNCIL PRESIDENT VERNA: Yes.
Are you Christine Knapp, by any chance? Okay. So this is the group that we had on for 6 o'clock. Okay.
MS. HOSTETTLER: Thank you, Madam President. My name is Nicole Hostettler. I'm a registered voter in Frank DiCicco's District.
I would like to briefly -- make my comments very brief for the time -- for all that are here interested in recycling.
Between the hours of 8:00 and 5:00 I

am a City Planner. I do many projects for the City. And I would like to ask each and every one of you to not disregard the importance of recycling as a quality of life factor for retaining the urban renaissance that we have experienced in the 1990s.

And I'd like to pass along -- I'd like to read a statement from another member of our organization that was here earlier that could not stay. And it's very brief.

When you speak, could you mention that there is a woman in Olney who recycles practically everything. She's left this bag full of recyclable materials.

Recycling takes little time, effort, protects the environment, and prevents waste. Please keep funding the recycling effort. Signed, Diane Olsick.

And now I pass my comments along to Christine Knapp, my colleague.

MS. KNAPP: Good evening.

COUNCIL PRESIDENT VERNA: Good evening.

MS. KNAPP: My name is Christine

Knapp. I am program organizer for Clean Water Action, a grass roots environmental action, representing 5,000 members in Philadelphia.

Clean Water Action has been active in promoting recycling in the City for over a decade, sitting on both the Mayor's Recycling Advisory Council and helping co-found the Recycling Alliance of Philadelphia, which represents over 30 community and civic associations, environmental groups, and local businesses.

I'm here today on behalf of the Recycling Alliance of Philadelphia and the thousands of other recyclers, who have asked me to come here today and please show their support for recycling in the City.

Two years ago the Recycling Office issued a three-year blueprint plan. You might recognize it. This plan was widely supported by recycling advocates, environmental groups, and commercial recyclers alike.

However, few of the goals set forth by this plan have been enacted. The City has, indeed, launched an extensive recycling marketing

and advertising campaign. And I applaud their efforts for that.

Yet no plans to expand weekly recycling to Sanitation Areas 2B in South Philadelphia and 6A in Northeast Philadelphia have come to fruition. The blueprint also planned to expand weekly recycling City wide by Fiscal Year 2004. But we have not seen any movement towards that goal as well.

The blueprint also planned to add more materials to curb side collection. The plan outlined a move to include plastics, corrugated cardboard, and yard waste. This plan has also fallen by the wayside.

Since this blueprint was the last piece of planning issued by the Streets Department, we should expect that this would be the time line that we would be following at this point. However, it's become obvious that the Streets Department is not following this plan.

The Recycling Alliance of Philadelphia has made repeated unsuccessful attempts to meet with the Streets Department representatives who can give us new plans.

While the Recycling Alliance used to be included in policy discussions and informed of changes ahead of time, we are no longer able to get access to information about recycling goals, plans, and other recycling information.

Even good news, such as the switch to same day as trash day was not released to the Mayor's Advisory Committee or to the Recycling Alliance of Philadelphia before the change was made.

Since our goals of our organization is to promote recycling, one would think that the Streets Department would take advantage of having a large advocacy group such as ourselves to distribute information to, yet we are not informed of changes before they happen.

I stand here today to ask this Body to put pressure on the Streets Department to give your constituents what they have asked us for, more effective recycling.

I hold right here 3,000 signatures on petitions of people who want City-wide weekly recycling and more materials in their curb side collection.

Each dot on this map (Indicating) represents 10 to 15 signatures -- 15?

UNIDENTIFIED VOICE: Five.

MS. KNAPP: Five petitions. Five signatures? Okay. Five signatures for each dot. And you can see that we have them represented in every District in every neighborhood of the City.

There's another 300 to 400 signatures that were never entered into this map. So, you can see how extensive the support for recycling stretches throughout the City.

There are thousands more who I have met with and spoken with who have expressed the same sentiment. These residents live in every part of the City in every District, and they all want the same thing, a better recycling program that protects our environment, saves tax dollars, and adds to the quality of life in Philadelphia.

Thank you.

MS. HUDSON: Good evening. My name is Christie Hudson, and I'm a resident of West Philadelphia, at 58th and Baltimore, District Number 4.

After living in several metropolitan

areas, I've been very frustrated with Philadelphia's recycling program or lack thereof, both residential and commercial.

Filthadelphia is definitely behind other cities in its recycling efforts. And the last thing we need to be doing is cutting funding. If anything, generous funds should be allocated to improve the system.

Commercially, I work downtown in an office building, and was very disappointed to find that our building was not recycling correctly, as required by law.

And residential, it's no surprise that Philadelphia has a serious litter problem, especially in poverty-stricken areas. I can't count the number of recyclables that I see on the street every day that should legally be in a recycling bin.

It's both disturbing and depressing to have to shuffle through garbage on my way to work, especially when it's items that could have been easily recycled.

In order for recycling to become a habit for all residents of Philadelphia, I see

there are three steps that could be taken.
One, education about the recycling program, how it helps the environment, community pride, and energy efficiency needs to be repeatedly introduced to the City.
Secondly, like other cities, Philadelphia needs to make recycling simple and accessible, by providing public recycling bins for all homes and street corners, and by putting plastics and recyclable matter.
Thirdly, Philadelphia has a great opportunity to reestablish goals in the areas of litter reduction and recycling improvement, not only for our community, but as a leader for the country.
We show support for our urban environment with beautiful murals and parks, that we are ready to hypocritically cut funding for our recycling program that already needs much improvements.
Thank you for your time.
COUNCIL PRESIDENT VERNA: Thank you.
MS. FEASER: Good evening. My name is Rebecca Feaser. I am a resident of Mt. Airy.

It's a pleasure to be here.

I hoped to be here earlier and to bring my daughter along, because she's quite a supporter of recycling. And instead, I brought her testimony.

I'm speaking to the need for us to model for our children recycling. What she said is: Recycling is good. Please don't stop. Me and my mom go to recycle every recycling day.

And what it says here is: Keep the world clean for all of us, with a drawing of a bunny and a fawn. Please support recycling.

I see recycling as a very simple matter. We teach our children to clean up after themselves.

My daughter's in pre-school. And she and her friends sing a song at the end of the day as they pick up their toys and put away trash.

Clean up; clean up; everybody do your share. And on that level, we want to be modeling. Not just saying the words, but doing, putting into action.

I do realize that recycling represents something that's much more difficult.

It's using resources: Money, time. But when I think about keeping the world clean for the next generation, I think it's a very worthy effort.

Thank you.

MR. PIERSON: My name is Bob Pierson. I'm on the Recycling Alliance Steering Committee. I'm a member, original member, of the Recycling Advisory Committee of the Mayor's. And I'm also Coordinator for the City's Neighborhood Based Partnership Recycling Program.

When my younger daughter was in third grade, she won a prize in a science fair for a project measured how much of our household trash was potentially recyclable.

And since that time, a number of programs have come into play so that a lot of what we saw was recyclable is -- actually can be recycled. And she measured that 75 percent could be.

And it didn't occur to me until a couple years ago to actually measure it again. And so for three months I measured what was going out the back door and what was being recycled and what wasn't.

And I came to a very surprising result, that 88 percent of the material that goes out our back door is recycled. 12 percent goes into the trash can.

Many weeks it was less than 10 pounds that I was putting out on the curb for the collection crews to pick up as trash. And the rest of it went into the recycling programs that the City has.

Now, it takes a zealot in a household to make that conversion. But once it's in place, it's very easy. New habits take hold and you don't think about it any more.

Now, this next comment is in the category if we had some ham, we could have some ham and eggs, if we had some eggs.

If every Philadelphia household only set out 10 ponds of trash a week instead of the City wide average of over 50 pounds, and recycle the other 40 pounds, the City would save a cool $25 million, simply in the landfill costs.

The City would also save on trash collection costs. With only 10 pounds a week of trash per household and with no ordor-forming food

waste in it, because that would go to composting, the City could run the trash routes once a month, instead of every week.

The money saved on landfill costs and local trash collection can be applied to improving the recycling service, and more frequent and reliable collections and targeting more materials.

Instead of recycling less than 50,000 tons a year, the City could offer over half a million tons of recyclables as raw material to area industries and scrap yards and be in much better position to negotiate a good price on its recyclables.

Now today, the $25 million savings and other improvements to the City's recycling program seem as impossible a dream as a 75 percent recycling when my daughter did her first measurement 15 years ago.

What we and a small minority of other families do, though, is no big deal; just a change of several household habits, and a back yard compost bin, and you immediately get a high recycling rate.

The other thing -- My other comment -- And the other point is to -- is a recommendation to the Streets Department and to the City to improve the inter agency and intra agency cooperation around recycling.

The recycling office staff shouldn't develop a plan to further recycling through inter agency action. That's part of the blueprint that Christine spoke about.

But it takes more staff to do this. And that means more budget, and getting qualified people in there that can do that can leapfrog us into the next level of recycling.

Right now we're doing about... my guess is about six or seven percent, maybe seven or eight percent. But we need to go far beyond that to achieve these savings that are possible out there.

Because it's in the trash stream and we just have to figure out a way to get it back to the industries where it came from.

Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you. Mr. Dubow, I think a statement was made during

this testimony that funding was cut for recycling.
I don't believe that to be true, but I would like you to confirm that, please.
MS. KNAPP: Actually, I believe the statement was made that a cut was being considered or had been considered.
COUNCIL PRESIDENT VERNA: I don't think that it was ever talked about, to be honest with you, to the best of my knowledge.
Mr. Dubow.
MR. DUBOW: There was no funding reduction for recycling in this year's Budget.
COUNCIL PRESIDENT VERNA: And there was never any talk about cutting the funding for recycling.
MR. DUBOW: We didn't propose that at all.
COUNCILMAN RIZZO: Point of information.
COUNCIL PRESIDENT VERNA: Chair recognizes Councilman Rizzo.
COUNCILMAN RIZZO: Could you, without going to the Budget book, could you just comment: Is there any increase?

MR. DUBOW: No.
COUNCIL PRESIDENT VERNA: No.
COUNCILMAN RIZZO: So it's the same.
MS. KNAPP: It's the same.
COUNCILMAN RIZZO: So you obviously can't move a program forward with a status quo budget.
MR. DUBOW: You can't expand a status quo budget.
COUNCILMAN RIZZO: I thought our goal for recycling was to expand and do more.
MR. DUBOW: Well, there were changes. I mean, David can talk about it more. We made changes in '03 that actually improved the program, if you want to talk about that.
COUNCILMAN RIZZO: In other words, you're doing more with the same amount of money because of management improvements or technology? Would you take the table and explain?
MR. ROBINSON: Sure. I'm David Robinson, Recycling Coordinator, Councilman Rizzo.
Let me first thank my friends and colleagues here for raising some of the key issues that we want to get to in the long run. And those

are, I think, long-term goals.
But let me just state on what we've done right now, to respond to your question, Councilman. This blueprint that was referenced here was actually an internal document that was not officially presented, although I did present many of the Council people with a version of it, that indicated some very basic goals.
And I'd like to state just for the record that we have hit some of these goals. In this document we mention that we wanted to design and implement a multimedia marketing campaign, because education is critical for recycling.
We have done that. And I think many of you may have seen the commercials, the bus wraps, all the other elements that we've used to raise the attention level of recycling in the City.
We've increased the enforcement presence of our sidewalk education enforcement personnel.
This based on research which told us that in 90 percent of the respondents who were in the focus groups, on what would make

non-recyclists recycle, 90 percent of them indicated that if there were a legitimate enforcement presence, they would recycle.

Moving forward with that, we increased our presence with sweep officers.

Making service more convenient. We have done that by making service same day as trash every other week.

Now, we certainly would as a Department like to move toward weekly service, but there are expenses related to that that we haven't yet overcome.

Add materials and increase the number of materials collected. Until we're able to increase the amount of households we serve, it is fiscally unwise to try and add more materials because the markets simply aren't there for it.

One of the tasks that I see ahead of me is to improve the service without increasing cost. And I think that is an important government -- an important way to approach a service like recycling.

Forge partnerships with both our alliance partners, as well as our corporate

allies.

As we know, budgets are tight. And we want to -- we have forged alliances with Smurfit Stone, with Blue Mountain Recycling, to the point where we are receiving... We will receive this fiscal year up to $850,000 in revenue, which is the highest number the City has ever seen since 1995, which was a spike year. With numbers like that, we're very encouraged for the future.

We also want to seek expansion opportunities, which I think Christine mentioned as well. These things, though, also require market.

So, bottom line, though, Councilman, we are up 26 percent in our tonnage since last year, although we've not increased our staff. In fact, I'm down three people from when I started two years ago.

We are still not only moving forward, but we're making strides so much so that we're being called by New York City to testify and be a technical assistant to them. Liverpool, London; Cincinnati; and most of the cities on the

East Coast.

So not only are we doing well, we are actually being looked at as one of the leading programs, in terms of changing and turning a program around on the Eastern Seaboard.

COUNCIL PRESIDENT VERNA: Thank you.

COUNCILMAN RIZZO: Madam President, first of all, let me apologize to the panel. I think I was out of order asking --

MS. KNAPP: That's quite all right.

COUNCILMAN RIZZO: But I didn't think you'd mind.

MS. KNAPP: No, not at all.

MR. ROBINSON: No; we're friends.

COUNCILMAN RIZZO: What interests me, though, you said something that --

COUNCIL PRESIDENT VERNA: Councilman, you had a point of order.

COUNCILMAN RIZZO: Okay. I'll wait for my turn.

COUNCIL PRESIDENT VERNA: All right. Would you put your light on, please, so we can recognize you when it's your turn.

The Chair recognizes Councilman

Clarke.

COUNCILMAN CLARKE: Thank you, Madam Chair. Good evening. I want to ask some operational questions. And actually, you just answered a couple that we're recycling now on trash days, because I know at one point in time we were kind of all over the place, and people weren't sure what day was when, what week was when. And you've answered that.

One of the other issues -- and I don't know if you've investigated that -- Philadelphia's a City of different neighborhoods, different cultures, different types of people, different socioeconomics.

Have you realistically looked at the possibility of having different strategies and different neighborhoods, in terms of recycling?

I can recall -- And well, I'm going to say I was told as a kid that there was actually a time when you can take the bottle back to the store and you could get the five cents -- I forget exactly -- and they still do this in some parts, I know in New England, I think that they still have some sort of a reimbursement program.

And I was wondering, are we looking at some sort of creative ways and different areas where we're not getting the responses that we'd like to get.

I understand representing a District that has all types of different communities. And in some areas there's very, very minimal participation. And then in some areas there's very strong participation.

I'm just wondering if we try to figure out, you know, regionally or geographically, to approach this in different ways in different areas.

MR. ROBINSON? We have, in fact, Councilman. We have done extensive studies on why certain communities recycle at higher levels than other communities, and what kind of systems we need to put in place to improve the numbers and improve the participation in those communities that aren't doing it in sort of a traditional way.

And what we found, and this is fairly well known in the industry, is that there are, in fact, things called buy-back centers that seem to work better in areas where people are a

little more economically challenged.
There are things like incentive programs where you voucher. So, in other words, if we bought -- family brought material to a particular center, they would receive a voucher for perhaps food, for something of value in return for the raw material that they give to the center.
And we have investigated that. And we are hopefully going to be able to put something together to make sense that we can share with you.
COUNCILMAN CLARKE: Yeah. And I see on occasion in some areas you have a truck that's fully staffed, I'm assuming. I don't know what Sanitation or the Department of Sanitation workers or Streets Department workers --
MR. ROBINSON: Right.
COUNCILMAN CLARKE: -- make a day, based on the amount of materials that they pick up. I'm inclined to believe in some areas on that route those workers make far more than what we're getting, in terms of the materials in those particular communities.
Wouldn't it make more sense to just simply invest in some sort of a reimbursement

program, that probably would be half of what we're paying for the employees in the vehicles, and increase our ability to get this recycling program going on in certain communities. So that's why I kind of brought it up. But I just -- Just in seeing it, sometimes it just makes no sense when you got a truck that has one can on a block, and you got three people on a truck. I mean, it just doesn't make a lot of sense to me.

MR. ROBINSON: I agree. The simpler we can make it, the better. And we're looking at ways to make the service apply to the community. And in those areas where we have three-man crews that aren't picking up much material, that doesn't make any sense.

And Commissioner Tollson and I have begun to look at ways to change that system around.

Bob Pierson down at the end here, he and I went out this weekend, in fact, and looked at the sites where we have volunteer programs. And what I want to do is increase the level and the number of the volunteer programs in those areas that can support that.

In those areas that a voucher or buy-back system works, we're going to try and institute those as well. But it takes time because you have to find the right kind of volunteers. You have to adjust the system. We obviously have unions that are interested in this process. We want to make sure that we work with them on this.

COUNCILMAN CLARKE: Yes.

MR. ROBINSON: So we are thinking that way. But it's just a matter of, you know, kind of step by step walking forward.

COUNCILMAN CLARKE: Okay. Could you keep us apprised of your progress on that, please?

MR. ROBINSON: Absolutely.

COUNCILMAN CLARKE: Thank you.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: Thank you. The Chair recognizes Councilman Cohen.

COUNCILMAN COHEN: Thank you, Madam President.

About 20 years ago when I believe I was the author of the Recycling Bill, we learned that there was a real culture in the Streets

Department that hated recycling.

I don't know why, whether they saw it as just a new-fangled idea that ought to be fought, or whether they were worried that it was going to take away the trash collector. We're not sure what it was, but there was a built-in opposition to recycling.

The talk took many shapes, like it was too expensive. Getting rid of trash was cheaper. When Mayor Goode came in and he wanted a trash to steam plant, he needed trash.

He didn't want anything recycled because he needed trash for the proposed trash to steam plant.

When, to the good fortune of the City of Philadelphia people, we defeated that idea, and saved the City a billion and a half dollars over the proposed life of the trash to steam plant, we opened the door to recycling in a real way.

And I think, Bob Pierson, I think you've been active almost all the time, maybe from day one of that, over many, many years.

The fact is that the culture remains

in the Street Department, despite Commissioner Tollson's efforts to move in a different direction.

But I do deplore the testimony he gave originally that the... apparently, the activists in recycling were having the same difficulty they had 20 years ago, in being pushed aside.

And I would like to hear of any difficulties, because the Streets Department is supposed to be totally open to the people of Philadelphia and their ideas.

Maybe Bob Pierson can tell us more about the Recycling Advisory Committee. And to the extent -- I know we'd had all kinds of difficulties with the City in the beginning. I hope it's surviving. I hope it's surviving. But recycling, the City has fought in every way.

One reason, many of us believe, that the City has never instituted regular weekly collections is that that would make it simple for people because then they wouldn't have to decide is this the week for recycling or isn't it the week for recycling.

Because the simplest thing in the world would be to have regular collections at the same time.

It took a long time before the Streets Department ever agreed to have recycling and trash collected on the same day, but then they confused it by saying every other week.

So when every household in the City you got to figure out is this the week or isn't it the week, so that oftentimes you just decide it's too much trouble to try to keep score. You got enough other problems at home to deal with.

So we'd like the Streets Department to be totally open. They ought to welcome participation, because the real education doesn't come from the very expensive but totally ineffective marketing tools that the City used in advertising recycling.

The strength of the recycling movement comes from citizen participation, from the activities of groups like your own, in the neighborhoods.

I know you've done all kinds of things, Bob, on recycling. People in the

community have got to advertise it. The great new news was the news we got at the Budget hearings for the Streets Department that for the first time recycling has shown it saves money.

The first time was in the, I think, the last quarter of last year where it was clear on black and white that recycling saves money.

So that the one major complaint they always said, oh, this is just a toy you're playing with, and it's too expensive to deal with has now been utterly disapproved, and the recycling activists have been found to have been right all along.

I would like to suggest, because what's happened in the country in the last 20 years is a diminution of the interest in all things good for the people.

You know, big business has spent its time convincing everybody the proper function of government is economic stimulation, period, and anything else is wasteful.

We don't even have enough money to put in the budget to clean up lead paint poisoning or to provide adequate education for kids.

I can keep on going and name hundreds of things there's no time for or no money for, because it's good for the people.

And unless you can show that you're going to help the business man by tax cuts or something like that, you know, government was thought to be doing improper things.

It's time to reverse that cycle again and bring back the important thing. Government ought to be working for the benefit of the ordinary people in the City, the people who live in the cities.

And in that, the recycling movement is extremely important. We you also regret the fact that the Streets Department has never done anything of significance to try to compel recycling by commercial companies.

They've let that all alone, because they didn't want to, you know, interrupt or disrupt in any way the thinking of businessmen.

So we've got to reverse that. And the way you do it is by an active community. I think community activity on behalf of recycling ought to take place all over the City and quickly,

because this is the time to move, now that you have in black and white that it pays to recycle.

On top of everything else, it's going to save the City money. And in this time when the City likes to talk about fiscal crisis, as it spends untold thousands of dollars for SUVs and doesn't worry about how much money lawyers get because they know it's going to come back to officials in the form of contributions, campaign contributions, it's time to refocus the work on good deeds by government, to provide services and do it economically.

And I applaud the recyclists for their activities, and take a lot of hope from the fact that I kind of note there seems to be revival of interest. And I think it's the best thing for everybody.

Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Ortiz.

COUNCILMAN ORTIZ: Thank you, Madam Chair.

You know, sometimes you grow

cynical, because you just sit here year after year, and they promise you certain things.

And we were promised those plans to be structured and done during the Wilson Administration.

COUNCILMAN COHEN: I don't know what he means, Wilson Administration.

COUNCILMAN ORTIZ: Wilson Goode Administration. Not that far back. I don't go. You go that far back; I don't.

During the Wilson Goode Administration. And we were supposed to really make recycling into a very profit-making enterprise.

And we began along those lines. Then some other priority came along, and recycling and the progress we're doing was put aside. And the effort was not maintained.

Then Ed Rendell came along and he -- the same thing. Different Street Commissioners would come in and say, Well, these are the goals that we have, and we're going to achieve them by so many years, and by this year we will have weekly recycling throughout the City in every

neighborhood, not just the wealthy ones, not just the upper middle class one. Not just in Mt. Airy and Chestnut Hill and other places, but in every neighborhood, North Philadelphia, the barrios, everywhere.

And now we come to the new Administration, and the same thing is happening. And we are getting again the promises that it's going to happen sometime.

And I expect that if we're here in the year 2010 -- and I won't be here but I know that Dave Cohen will be, that we will be hearing those same stories.

And we will have people like you up there saying, why doesn't -- why don't we do this, because it makes economic sense, it makes sense all around the place, because it cleans the neighborhood, it maintains -- it eliminates blight, and it does all of these things that really government should be doing.

And if we had really kept to our plans that we began in the '80s, I think we'd be probably a model across the United States right now. But I don't hold much hope that that will

happen. Hopefully it will, but I don't hold much hope that it will happen.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilwoman Black Well.

COUNCILWOMAN BLACKWELL: Thank you, Madam President.

We appreciate all that has been said today. In addition to that, we would like to say to Miss Christie Hudson, thank you for your testimony. But you are absolutely in my District, in the Third. Thank you.

COUNCIL PRESIDENT VERNA: The chair recognizes Councilman Rizzo.

COUNCILMAN RIZZO: It's my turn for real now.

When I asked you to please come up to the table to explain some issues, you said something that got my attention.

The recycling issue, when it started -- and forgive me for maybe not explaining this as clearly as I should, but it was to save the environment, to try to prevent the landfills, the landfill areas from being overcrowded. But

then I heard you say that it wasn't a good financial decision to include plastics.

Now, I go to Montgomery County, occasionally to New Jersey, and they do all these things, including plastics. The volume that we would produce out of the City, I think, would affect those smaller communities. But it seems as though they're driving the boat instead.

I just can't figure why we can't -- Part of the problem is I go to the shore for a weekend in the summer, and I put a plastic bottle in the recycling bin.

I come home to Philadelphia. At 11 o'clock I feel guilty. I run out and get the plastic because I'm still in the New Jersey mode because I put the plastic bottle in the recycling bin. And I go out and I put it in the trash.

Can we just level here for a minute?

MR. ROBINSON: Sure.

COUNCILMAN RIZZO: Why are we talking about... Because recycling to me isn't -- and I guess it should be. There should be some part of it about money.

It's about bigger things, because I

understand that the recycling programs throughout the country normally costs some of the new municipalities versus the revenue.

Why wouldn't we just try to do everything? And you tell me there's no market. How does Montgomery County sell plastic bottles and we can't?

MR. ROBINSON: Let me restate it. Perhaps I misstated it. There is a market for plastics. Fluctuates. But there is a market. There is. In fact, markets drive this industry.

And to respond to your question, Commissioner and myself, we desperately want to eventually include plastics. But with the current configuration of the types of trucks that we have, the size containers, just the way that the program was designed some time ago, if we included plastics, we'd have to spend a great deal more money in order to be able to handle the material, because I'm sure you're aware once the liquid or whatever is inside the plastic container is out, it weighs absolutely nothing.

And you need to get a great deal of it in order to be market ready. And if you put it

in a truck that doesn't have compaction, you fill your truck up very quickly, which means your trucks aren't that efficient on the street. And that's what I mean by the economics of it.

COUNCILMAN RIZZO: But think about it the other way. You get one of these big plastic 30, 60, whatever ounce bottle it is, and you put that in a truck. And what you're saying, that the trucks -- that little bucket would fill up real fast with a couple big soda bottles.

MR. ROBINSON: Sure.

COUNCILMAN RIZZO: So what you're telling me, because of the way we do our recycling, the small little blue bucket, that it's just not feasible at this time to include. Because the majority of my trash is plastic bottles.

MR. ROBINSON: Yeah.

COUNCILMAN RIZZO: And it just doesn't seem to make sense to overlook what in my opinion the majority of the milk carton -- You can't even throw a milk carton in that, the plastic milk can -- bottle? That goes in the trash, right?

MR. ROBINSON: Right.
COUNCILMAN RIZZO: So all the things that kind of take up room, you're suggesting that you don't recycle them because you just have no way to handle them.
MR. ROBINSON: Well, a little history for you here, Councilman. When the program was initiated back in...
COUNCILMAN RIZZO: '83, Councilman Cohen introduced the legislation.
MR. ROBINSON: Absolutely. Back in '83 glass was the predominant container in the country.
Since that time, plastic has become the more predominant container in the country. And there are a variety of different plastics that are out there. And it took some time for them to king of get to essentially two types.
And now that there are markets for those two types -- although there are seven types, there are two predominant ones in your kitchen and your bathroom.
Since that time, the program has not -- We kept those buckets out there. We still

have buckets out there that are 15 years old. We've continued to go the same direction, and now we're going to change the program in order to reflect the change in containers.

Bob and I worked together to increase the amount of the volunteer plastic collection programs. That's where we are now, in terms of getting to the plastics.

We're going to grow that part of the program. But we're also going to try make changes on the street so that we can respond to what you're saying. But that -- Obviously that means adjustments to the trucks, adjustments to the routes, and so on.

COUNCILMAN RIZZO: I'm glad you had an opportunity to explain it because as you sit back from a distance, it appears that you're just saying: Look, it's not cost effective.

But then when you explain and you start to think about the capacity of one bucket, then you go to the second bucket, and Councilman Nutter was jesting with me. He said, if he misses a week, he can hardly get the bucket to the curb.

(Laughter.)

COUNCILMAN RIZZO: So, I volunteered to help him.
(Laughter.)
COUNCILMAN RIZZO: But it makes more sense, once you sit back and listen carefully to the problems. But I would hope that, like you suggested, that you could resolve that and start to recycle those.
Councilman Cohen doesn't want to hear this ten years from now, he said.
MS. KNAPP: Could I add something to that as well?
COUNCILMAN RIZZO: Yes.
COUNCIL PRESIDENT VERNA: Your name, please.
MS. KNAPP: Oh. My name is Christine Knapp again. Sorry.
The concerns that I've heard so far are about plastics, about increasing education, not just, you know, with the commercials and the marking campaign, but locally; and adding more materials and increasing the service.
And all these things, we know why they can't be done. We're not here to say, you

know, why aren't these things being done. We understand that. We work with David. We understand why. It's because of economics.

But like Councilman Cohen said, we now have more proof that recycling is cost effective and it is cheaper than ever before. So this is a service that's actually saving the City money.

So when we talk about not cutting the Budget, we should probably use the term to increase the budget.

The more money you give them, the more education they're going to be able to do, the more service they're going to be able to provide, the more materials they're going to be able to pick up.

And that's what we're here for. This is Budget hearings. And we think the Recycling Office and the Streets Department deserves more budget to do more with their program and to expand the program that's actually saving the City money.

COUNCILMAN RIZZO: Is plastic the last thing that we need to bring in?

MR. ROBINSON: If I had my way, I'd like to get to all your leaves, all your corrugated cardboard, all the box board that comes out of the home, just about anything.

I think Bob mentioned it, that we can recycle -- I've heard 50 percent, but Bob says 88 percent.

We can do more. And we are working to get there. And what we need to do is just continue to have this dialogue with our colleagues, and to continue to share with Council how we're going to get there so it makes sense to you.

COUNCILMAN RIZZO: Great. Thank you. I'll yield to Councilman Cohen.

COUNCIL PRESIDENT VERNA: Councilman Cohen.

COUNCILMAN COHEN: Thank you, Madam President. What's the City percentage? The Last I heard was 70 percent. What is the percentage of collectibles?

MR. ROBINSON: The diversion rate is... The last figure I saw was 5.8. But that's because the amount of garbage that Philadelphians

produce has increased by about 15 percent.
COUNCILMAN COHEN: Well, if we're the bellwether and the star of the northeast, God help the northeast. Because my understanding was we have a terribly low rate in contrast to a number of cities that really specialize in recyclables.
And if we're the stars, it's only because other places may even be much worse. We don't know what causes them to be.
Because I don't think Philadelphia's record is anything we can be proud of. And I see no reason why Philadelphia's being honored by having delegations come to see how we fail in the recyclable things.
Bob Pierson, I'd like to hear your comments on this.
MR. PIERSON: Yes. I think he was speaking to the rate of increase, not the rate.
COUNCILMAN COHEN: How does Philadelphia really rate?
MR. PIERSON: Philadelphia has a large increase in rate of recycling, but it starts at a fairly low base, around six percent. And it

has increased that remarkably but it's still not above ten percent.

Some cities -- Before this happened, we were third to last, I think.

COUNCILMAN COHEN: Third last.

MR. PIERSON: Yes. And there are many cities that are up 30, 40, some even 50 percent.

COUNCILMAN COHEN: Let's develop a record that really deserves commendation and visitation from other cities. We all welcome that, and I'm sure the community would love it. But the community has got to do its job, because I don't think nicy glossy material that costs a million or a million and a half to produce and market can do one-tenth what the community can do when it gets behind this.

Thank you, Madam President.

COUNCIL PRESIDENT VERNA: You're welcome.

The Chair recognizes Councilwoman Miller.

COUNCILWOMAN MILLER: Thank you, Madam President.

I'd like to say, in looking at your chart, that it's no surprise to me that a lot of the petitions came from my District, because I've gotten numerous e-mails, so many -- and I'm really the worst person to e-mail because I don't open my e-mails every day.

So when I open them maybe once every other week, and I'll try to answer people back as many as I can or I'll forward them to my staff.

But I called the Streets Commissioner and said, are we doing cutbacks in recycling? Because I had not heard.

And tonight it was verified there are no cutbacks planned for the recycling program. I really don't know where the information came from and... But I do appreciate your interest. Appreciate you coming in. And I'm happy that you're very interested in recycling.

What we need to do is begin to work together, the residents and the City government, to educate people to recycle more. And I think that's one of the major problems.

When we first started the program, there were lots of buckets out, you know, years

back. And now when you ride through the streets, you don't see as many buckets out in areas.

But again, I just want to thank you for coming in. And I'm very happy that there no cutbacks in the recycling program.

So if you e-mailed me, I might get to you.

MS. KNAPP: I'm Christine Knapp again. I would just like to say, we were anticipating cuts. But we never heard an actual, you know, recognized fact that there would be cuts.

But we did hear the Mayor's Budget Address, in which he said a lot of City departments would be facing budget cuts. And we saw New York City cut their budget in their recycling program, and we saw a lot of other neighboring cities that were cutting back on their programs. And it looked like the trend in cities was to cut -- when you face budget crisis, that you cut back on that.

So we did a lot of outreach to prevent that. And maybe we had something to do with it; maybe not. But I'm sorry that, you know,

we were alarmist. We just didn't want what happened in New York to happen in Philadelphia. But I will let people know not to e-mail you, to write you a letter instead.

COUNCILWOMAN MILLER: All right. Thank you.

COUNCIL PRESIDENT VERNA: Thank you. Are there any other questions or comments from Members of the Committee?

MS. MUZZY: Good evening. I apologize. My name is Erin Muzzy. I'll keep my comments very brief. I'm a voter in, actually, Madam President Verna's District.

Most of my testimony has been gone over, but I do want to share just one note. This past week my downstairs neighbors put out my recycling for me. That was very nice.

It's not a recycling week. And they had put their recycling out when I explained, oops; no, no; wrong week, because I make that error, too.

They recycling in the trash rather than haul it back inside and store it for an additional week. and I know many neighbors that

do do that. So, weekly pickup would be a huge improvement. Thank you.

COUNCIL PRESIDENT VERNA: I agree. Weekly is the way to go.

Thank you all so very much. Thank you very much.

COUNCIL PRESIDENT VERNA: Linda Campbell.

(No response.)

COUNCIL PRESIDENT VERNA: Edna Williams. Is Edna Williams here?

(No response.)

COUNCIL PRESIDENT VERNA: Eric Von Schmidterling.

(No response.)

COUNCIL PRESIDENT VERNA: James Gatchley.

(No response.)

COUNCIL PRESIDENT VERNA: Al Williams.

(No response.)

COUNCIL PRESIDENT VERNA: Mary Ann Sewell, please approach the witness table. Good evening and welcome.

MS. SEWELL: Good evening, Madam Council President.

My name is Mary Ann Sewell. And I'm here with my husband Mark tonight to honor the Councilman who represents our District in Manyunk. His name is Michael Nutter.

COUNCIL PRESIDENT VERNA: Oh, my; how nice.

MS. SEWELL: I know it's probably no secret that Manyunk has undergone a lot of change in the last few decades. Used to just be a sleepy post-industrial town, lots of vacant homes and lots of vacant factories.

And now it's been discovered, and it's become gentrified almost. But the area that we live in is an area called The Blocks. It's a hot and dusty section at the bottom of Manyunk, where there's little relief in the summertime from the heat.

But the area directly in front of our neighborhood is a little patch of hillside called Germany Hill.

And Councilman Rizzo might recall that many years ago his father, Hizzonor,

initiated a process to make that dusty patch of hill part of Fairmount Park. And I'm sorry to say that he didn't live long enough to complete that.

But Councilman Nutter, through his great diligence and through the rest of Council's support, the bills for appropriations that he initiated has finally achieved what Hizzonor set out to do so many years ago.

And so, in January, when I was at my civic association meeting, and I heard that Councilman Nutter had finally acquired the last piece of land from private owners so that all the speculators and developers who were drooling over that piece of land for so many years didn't get their way.

The people got their way. The people got to save that piece of land through Councilman Nutter's efforts. And I'm so grateful to him, and I know that my neighbors are, too.

And so, I was inspired to write a poem for Councilman Nutter. And I'd like to deliver it publicly for him now, if you would indulge me.

COUNCIL PRESIDENT VERNA: Please do.

MS. SEWELL: For Michael Nutter, in thanks and gratitude:

At dawn today I leashed the hounds and bounded to the hill;
As I have done near 30 years in early morning chill;
Surveyed the meadow fast asleep where deer lay down at night;
In barren beauty waved the trees through hazy dawning light.
Golden stalks of flowers spent are stiff against the wind.
The frozen ground beneath me gives, along the paths that bend.
Weathered, stony rivulets.
Here, lemon pea once roamed.
Who felt the glow of brilliant sun where winter birds call home.
Sheltered from the muffled din of City life below.
Here God and nature safely rest.
For this I surely know:
This gift will last forever,
Never stolen from its space.

Could any man claim more than this?
That he has sealed it's fate?
Generations yet unborn will recognize it still;
Because this statesman cared enough to save our Germany Hill.
Thank you very much.
(Applause.)
MS. SEWELL: For those of you who don't know Germany Hill, my husband has been gracious enough to paint this picture of Germany Hill that we'd also like to present to Councilman Nutter.
(Applause.)
MS. SEWELL: Thank you very much.
COUNCILMAN NUTTER: Please stay, if you can.
Miss Sewell, Mr. Sewell, I've had some very interesting days here in City Council in my time, both as an elected official, and when I was here as staff, and as a volunteer.
You have done something very special. And I just wanted to say thank you very much for all of your efforts and support to make

sure that the Germany Hill acquisition took place.
You have also certainly made an impression and will leave very pleasant memories for all of us here in City Council.
And let me assure you that between my colleagues and various members of the City Administration, this evening will not be forgotten.
I will hear about this for a while.
MS. SEWELL: Well, I'm so glad you were here tonight, Councilman Nutter.
COUNCILMAN NUTTER: And I'd like to come over and get that.
But thank you from the bottom of my heart. I appreciate it.
(Applause.)
MS. SEWELL: Thank you, Councilman Nutter.
COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Rizzo.
COUNCILMAN RIZZO: Madam President, I think the Administration learned something tonight, how to deal with Councilman Nutter. They should be prepared, when they come here, with a

poem. Thank you.
COUNCIL PRESIDENT VERNA: That was very nice.
The Mural Arts Program is next. Good evening. Please identify yourself for the record and proceed with your testimony.
MR. STENZEL: How you doing? My name is Paris Stenzel. I work for the Recreation Department's Mural Arts Program. And I worked with Mural Arts since 1991, so I've seen it grow a lot. I've seen it expand.
I've seen it deal with... Right now we deal with, like, about 1500 children in all different communities. I don't think there's one community that I haven't been in that I haven't worked with kids.
We've expanded to work with the prison system. I've worked with homeless shelters. I've worked with MENA.
And it's been a rewarding experience for me, and it's been a rewarding experience for generations of kids.
And I'm just here to support the Mural Arts Program. And I just want to keep it

short. Thank you.
COUNCIL PRESIDENT VERNA: Thank you. Thank you.
Your name, please?
MR. MILLINGTON: Good evening. My name is Kenneth Millington. I live in the Fourth District.
COUNCIL PRESIDENT VERNA: You're going to have to pull the microphone closer. We can't hear you.
MR. MILLINGTON: Sorry. My name is Kenneth Millington. I live in the Fourth District. I want to say thank you, to begin with, by giving me this opportunity to speak in support of the Mural Arts Program.
Originally I'm from New York State, but I moved down here two and a half years ago specifically to work with the Mural Arts Program.
Since then I've been a muralist for a couple years. I've painted several large-scale murals for the City, and I've also had the opportunity for the last year-and-a-half to teach art classes at the program.
This is one of my students next to

me. And through this program, the students have the opportunity to design and paint murals on their own, which I supervise and help out. And they also create art gardens for various communities.

And in this setting is how I get to teach them. It's a very practical experience. I try and pass on what I've learned as an artist. And the students apply that to the project we're working on.

And besides these art skills, I think they learn a lot about teamwork, collaboration, communication skills, and self-discipline. All that, of course, is related to the project, but it also, I think, will be useful as a skill later on in life.

And I know this experience has enriched me as a teacher. It's made me improve to try and convey my knowledge to them more easily. But it's also given me a very rewarding opportunity to see the kids develop and gain confidence.

I think this is a very important opportunity that the Mural Arts Program offers

young people.

It wasn't available to me in upstate New York when I was growing up, but I see the students have that here.

The Mural Arts Program is also very important to me in the fact that it allows me to make a living as an artist, which is always very difficult. It provides me a lot of work doing murals and teaching.

But most importantly, it allows me to do work that has value to communities. I feel like I'm making a positive contribution to make things a little bit better in my way, that I can.

I've also had the opportunity to meet a lot of other artists and interact with them and discuss ideas. And that constantly causes me to improve.

And I know that the Mural Arts Program has played a part in my improvement. And from the experience doing my work and working with the kids, I'm even wanting to go back and further learn myself. I want to go back and get a master's degree in fine arts and just continue that and keep getting better.

And I think the Mural Arts Program is a very unique occurrence.

I have had the opportunity to travel abroad to a lot of other cities. And I've never encountered anything remotely similar to the Mural Arts Program. It's very rare to find a City that has a strong commitment to the arts, a successful program to create the work, and a talented pool of artists to execute it.

And it feels nice as an artist to be invited to try and do something positive for the community. And I would hope that the Mural Arts Program is a funding priority and continues to be that way for the City of Philadelphia.

COUNCIL PRESIDENT VERNA: We certainly thank you for all of the wonderful work you do.

MR. MILLINGTON: Thank you very itch.

COUNCIL PRESIDENT VERNA: Doesn't your student want to be recognized to say a few words?

MR. MILLINGTON: Yes, she does.

COUNCIL PRESIDENT VERNA: Please

identify yourself for the record.
MS. OLIPHANT: My name is Shagretta Oliphant. I'm 16 years old. I live in the City of Philadelphia, in the Fifth District.
Since the time I had been involved in the Mural Arts Program through Mural Core and our activities... The Mural Arts Program is very important to me because it is a way that I let out my feelings through my work and my projects.
I also like the Mural Arts Program because the projects are challenging. Through this process, it helps me to think more clearly. And I have also learned how to break bigger projects down into smaller projects.
I have also learned how to draw, use the grid system, and also create mosaics. I've learned how to mix colors and recognize their complementary colors.
I've also learned how to work well with others and just be my own individual self through this process. And that's it.
Thank you.
COUNCIL PRESIDENT VERNA: Thank you. Thank you very much.

Good evening.

MS. BURKETTE: Good evening. My name is Ruth Burkette. I'm here this evening as a mural arts advocate. We're an organization that supports the efforts of the Mural Arts Program.

And I tell you very clearly that you need to be proud of this program. This program has done so very, very much for neighborhoods that don't have many nice things to look at.

This program has done community organizing, has brought hope to communities that often don't meet amongst themselves, because when these artists come out, they come out and sit with community people and get from them their vision of what they'd like to see the drawing be.

And with them they come together and... and often take a very bad situation and turn it into a very good situation.

This is an essential program of the Department of Recreation. We invite you to come over to Akins House and see the wonderful art gallery that is on the walls all throughout the building.

It is a very wonderful thing to go

in there and to see artwork of children that is actually being able to be purchased from people there.

Not only does this program, which started out as an anti-graffiti program a long time ago, to get rid of graffiti.

And unfortunately, we're beginning to see a rise in the graffiti in our communities. And we need to step to that right away.

But now it is literally an arts program, which has produced a book, which produces each year a calendar which is sought after, not only by other states in this country, but also by other governments around the world.

Philadelphia has more murals than anywhere in the world. And that's spectacular. You ought to be proud of it.

You also need to know that this effort deserves your support financially. Let it not be locked out of being a part of being recognized as a significant part of quality of life here in Philadelphia.

COUNCIL PRESIDENT VERNA: Thank you very much.

The chair recognizes Councilman Ortiz.

COUNCILMAN ORTIZ: Ruth mentioned it. This program is probably one of the great legacies of the Wilson Goode Administration. And people don't remember, but it began as a program to get the taggers, the kids who were painting the subways and the streets.

And they were able... Timmy and those folks were able to get those kids into a program that has become this.

And it began with a bunch of kids who at midnight with their paint cans and their stuff would skulk around the City and tag walls and trains and buses.

And now it has become world renowned, in which we have artists coming from all over the world to participate in it.

But you know, the hard part of it were to get those kids who are out there doing all of that and turn them into artists. And they have done that. And I think Wilson Goode needs to be remembered for that.

MS. BURKETTE: Yeah. In fact, I

thought he lost his mind when that was one of the first programs that he started. But, yeah. We had people like Cornbread who wrote his name on the airplane.

And it's a valuable program. I mean, these young people are able to sell their paintings and discover very, very early ways of positively expressing themselves.

And that is very much related to an issue of anti-violence, which your Health Department may have a concern about. It is very much an issue of delinquency which the Department of Human Services may have a concern about.

It is very much an issue for the D.A.'s office whose Juvenile Aide Panels are there trying to stop a child from going into, you know, a life of crime.

So it is very, very important. And you really need to also acknowledge the very, very hard work of the staff there, as well Jane Golden right now is en route to Ireland on a fellowship.

She is really a treasure that this City needs to be very, very proud of. And we want the artists of the program to do their artsy kinds

of things to make this City the best as it can be; and that the program would have the kind of staff support that it needs to not only just do a good work but do it well in all respects.

Thank you so very, very much.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Nutter.

COUNCILMAN NUTTER: Thank you, Madam Chair.

A couple items. One, I, similar to Councilman Ortiz and some of the other comments that have been made, I have also been a long-term supporter of what was then the Philadelphia Anti-Graffiti Network and has now transformed itself into the Mural Arts Program, going back to its inception back in the early '80s.

This is one of the best programs that the City of Philadelphia has to offer, bar none, for anything that we do in this government.

It has transformed lives of young people. It has been looked at by governments and other institutions, not only across the country, but also across the world.

We have a tremendous staff and artists that work with the program, and certainly the Director, Jane Golden, and the work that she does. And I just want to say thank you for the work that you do.

I've had an opportunity to specifically, and I want to thank Paris directly and publicly, who my daughter has had an opportunity to work with him on a number of occasions at a variety of sites and learn directly from an artist.

She would learn nothing about art from me, since I know nothing about art, although I do appreciate the picture that I received tonight.

But it's the kind of program that I think some people are starting to understand better, that it's not just about art; it really is about people.

and Art becomes the mechanism, the vehicle, to access folks who are at a different stage in their lives, and have now had an opportunity to find something that makes some sense to them.

And all of us, you know, whether we're young, medium, or somewhat older, should have that wonderful opportunity to find that thing that we enjoy doing, that makes our lives that much better, but also transforms communities and neighborhoods.

And so, I just really want to say thank you to you. You have a lot of support right here in City Council for the Mural Arts Program.

Continue to do what you do. Continue to let us know how we can be supportive, not just here at Budget time, but the other 364 days of the year when you guys are out there doing work, high up on scaffolding, and taking blank walls which, you know, there's nothing wrong with a blank wall.

But when you're finished with it, it's a whole different story. You don't even remember what was there before. It's not just a building. It is, in fact, a piece of art out in the public area.

And it doesn't get much better than what you guys do. So I just really want to say thank you. I appreciate it.

MR. STENZEL: Thank you.
COUNCILMAN NUTTER: You're welcome.
COUNCIL PRESIDENT VERNA: Are there any other questions or comments from the Members of the Committee?
(No response.)
COUNCIL PRESIDENT VERNA: Thank you again. We appreciate all that you do.
Our next witness, Mr. McPherson.
MR. McPHERSON: Nicole Hostettler.
COUNCIL PRESIDENT VERNA: Is Nicole Hostettler here? No.
(No response.)
MR. McPHERSON: John Gallery.
COUNCIL PRESIDENT VERNA: Is John gallery here? No.
(No response.)
MR. McPHERSON: Barry Jiminez. That's it.
COUNCIL PRESIDENT VERNA: Okay. That completes our... Oh, is this one of the witnesses?
MS. JIMINEZ: Good evening.
COUNCIL PRESIDENT VERNA: Good

evening. Please identify yourself for the record and proceed with your testimony.

MS. JIMINEZ: My name is Faren Jiminez, and I serve as Executive Director of Mt. Airy, USA, which is a non-profit real estate development corporation in Northwest Philadelphia.

In addition, I serve as Treasurer of the Board of the Philadelphia Association of Community Development Corporations.

Whether one is in Harrisburg or in Philadelphia, the message is the same. Times are hard, and we need to tighten our belts.

The Governor is challenged by a looming deficit, as well as the Mayor in a recent address to business leadership predicted a similarly gloomy forecast for Philadelphia.

It is a fact that the City's CDBG allocation is declining which is a direct result of our diminishing population.

And it is also a fact that those households that remain, according to a recent study reported by the Inquirer, are earning less than those households that took flight to the suburbs.

Less people and less income translates into less revenue to support the good work of government. And certainly the message is loud and clear, that we must cut costs.

But Members of Council, it is important not just that we cut costs, but what we cut.

That we cut sends a message of fiscal responsibility, but what we cut signals our priorities. And if we are truly to transform our neighborhoods, if we are truly to attract private investment to Philadelphia's inner City, if we are truly to realize our dream of a stronger, more vibrant City, with strong commercial corridors, stable and attractive housing, and an increase in residents as well as visitors, we need to be ready to invest in those dreams.

In 2001 Manor USA broke ground on an 18,000 square foot office and retail complex called Phoebe Commons. The $3 million project, located along the Germantown Avenue commercial corridor, replaced a dilapidated building and former nuisance bar, and it brought to a long-blighted corridor and stretch of our Avenue a

new community asset, with jobs and services, including a new post office, bank and insurance office.

Two under-utilized properties nearby recently went on the market, boasting their proximity to our Phoebe Commons. Both sold quickly. One is slated for a violin shop and the other for an art supply store.

The City contributed less than ten percent of the cost of the Phoebe Commons project but is reaping the rewards with increased tax revenue, both from our project, and the increased private investment from the adjoining properties.

In less than five years, we estimate that the City's $250,000 investment should be fully recaptured.

Let me tell you that this project wasn't easy to piece together in a corridor where rents cannot sustain new construction debt, where credit tenants are challenged to woo, and where some might argues CDBG dollars are not permitted.

But no one -- I repeat, no one -- can argue that this project was not a win for the City of Philadelphia, a win that was possible only

through the availability of a flexible, inexpensive, and fast source of funds called Economic Stimulus.

Why should we support Economic Stimulus versus -- against CDBG funding? There are four reasons. First, CDBG funding... Economic Stimulus funding is much more flexible.

The next project proposed by Manor USA is a mixed-use project which combines ground floor retail with apartment dwellings on the upper floors.

If we were to use CDBG funding, we would find some challenges, because we're doing a mixed-use project which combines housing and commercial development. Economic Stimulus funds can be used for either category.

In addition, often for non-profit projects, as is true for for-profit projects, we may discover that we have an additional source of funding that comes in at a later date.

Economic Stimulus monies can be backdated, to be used and applied as a project is needed. CDBG funding can only be dated in the future, which creates financial constraints often

to a project and less flexibility.

The second reason Economic Stimulus is needed and needs to be increased is because it's an inexpensive source of funding.

With our last project, the Phoebe Commons Project, there was a period of time where we were expecting that we were going to need to be using CDBG dollars on the project.

As a result, we were instructed by the Commerce Department, in the event that we were going to be using CDBG dollars, to perform an archeological dig at the site.

Archeological digs are often required with CDBG funded projects on historic corridors. That added $25,000 to the project, $25,000 of which could have been reinvested in our neighborhood but instead had to go to, in essence, an unfunded mandate.

In addition, the reinvestment fund completed a study, which I believe is with the Administration, that shows that often the cost of money can add as much as $30 a square foot in unfunded mandates to the cost of housing construction.

Were Economic Stimulus funding available, instead of CDBG or other kind of restricted funding sources, we could save as much as $30 a square foot, which translates on the typical project, to as much as $40,000.

The other reason Economic Stimulus us more valuable than CDBG funding is that it's fast. On average, once one applies for CDBG funding, it can take 12 to 18 months from the time one initiates the process to when one actually gets a contract back in their hands.

And since, again, as I mentioned earlier, you cannot backdate CDBG funding, that means you are holding a project for 12 to 18 months until that date which that contract can commence.

In addition, the reason it takes so long for CDBG funding to be allocated is because it requires a host of signatures and oversight before it can finally be executed.

In stark contrast, Economic Stimulus can be... Economic Stimulus grants can be executed very quickly. I've had experiences where as quickly as a few weeks. And it only requires

four signatures.

Finally, the main reason that Economic Stimulus is needed greater and more important than CDBG is because it's worked. We've had experience of it in the past.

And as a matter of explanation, the way Economic Stimulus funding originally occurred was under the Rendell Administration, when he first got in office, is that he wanted to create a flexible source of funds.

So what he did is, he offset some of the general operating costs to the extent that they could be assigned to CDBG and swap the equal amount to create Economic Stimulus funds.

In 1991 that number was around $20 million. By the end of his Administration, that was $30 million. In 2000 that number that became available for Economic Stimulus was sliced to $5 million. Significant reduction.

In the Budget before you, the City allots just $4,750,000 towards Economic Stimulus, which is actually a reduction from the prior year.

That means that next year we can support no more than a dozen Phoebe Commons across

the City. And while to some that may sound like a lot, keep in mind that from 1991 through 1999, the available pool of Economic Stimulus funds could support more than 100 Phoebe Commons each year. Between $20 to $30 million was available annually.

So let's really talk about Neighborhood Transformation, by not only restoring but increasing the pool of funds available for Economic Stimulus. Next year let's build 100 Phoebe Commons.

COUNCIL PRESIDENT VERNA: Thank you very much.

Are there any questions or comments from Members of the Committee?

(No response.)

COUNCIL PRESIDENT VERNA: Thank you again. We appreciate your testimony.

That concludes our witness list. Is there anybody in the audience that would like to testify?

Please approach the witness table. Kindly identify yourself for the record, please.

MS. HARPER: My name is Sheila Harper. I am Board Chair for Public Health Center

Number 9.

And I just wanted to come to Council to mention a few things. First, I wanted to thank Councilwoman Tasco.

She has initiated a study of infant mortality up in the Northwest area. And I really am hopeful -- you know, thankful to her for that.

And in addition to that, the Health Department has initiated something called The Fetal Infant Mortality Rate. And they're starting their focus in Northwest Philadelphia. I think it's directly probably as a result of what Miss Tasco did. So I'd like to thank her for that.

One of the things that I would like to ask Council for, one of the problems is, there's really no funding for that.

So I would like you to consider because of the fact that we do at this point have one of the highest infant mortality rates in the area, if you could set aside a pot of money to support the Health Department in the fetal infant mortality rate project they're working on right now... So that's one thing that I'd like to talk about.

The second thing, we have a piece of X-ray equipment that has been sitting wherever for about the last year. It's a new piece of equipment.

We currently have an X-ray machine from Philadelphia General Hospital. And you know, that closed in 19 --

COUNCIL PRESIDENT VERNA: Philadelphia General Hospital?

MS. HARPER: Yeah. 1976. And it's probably older than that.

We have a brand new piece of equipment that's been sitting downtown, and it's waiting for whatever, electrical wiring plugs or something like that.

And it's been sitting around for about a year now. And we would like to... Whatever the process is. I know that there were some bids that were put out. But, you know, if they could just loosen up that money so we can get a piece of new X-ray equipment, I think it would help.

COUNCIL PRESIDENT VERNA: The piece of equipment is downtown somewhere?

MS. HARPER: Yeah. Wherever they store new equipment.
COUNCIL PRESIDENT VERNA: The Commissioner of Health is here. Do you know anything about it, Commissioner?
HEALTH COMMISSIONER: I'm going to find out.
COUNCIL PRESIDENT VERNA: Would you, please.
HEALTH COMMISSIONER: I will.
MS. HARPER: Thirdly, the tobacco monies that were put aside for the Adult Basic Health Insurance Program? Well, we maxed out 40,000 a couple of months ago.
They had put aside 40,000. They put aside funds for 40,000 people to be covered. Well, 40,000 was maxed out. That's all around the State. It was maxed out really quickly.
And I'm here -- I want to ask Council, because those funds -- I think it's $11.5 billion that's been coming, you know, down on the tobacco settlement funds?
We can go back each year to ask the State because they have to come up with a budget

yearly on those funds. Well, 40,000 isn't even enough for Philadelphia, much less for the whole population of Pennsylvania.

I would like Council to put forth something to the State to request specific funding of that tobacco money in the current State Budget -- I don't know exactly where that is -- but to ask for some of those funds to cover our uninsured.

Of course, I'm concerned about Public Health Center Number 9 because we have so many uninsured.

So, don't forget that we can ask every year. You know, I would have liked it if we could have gone in on ourselves -- you know, on our own, without having to go to the State to ask, but we do have a friend in Harrisburg now. So, I think we should go and ask.

And basically that's it. I wanted to get the X-ray machine.

And also, one final thing, mammogram. We have a ramp or we have a need for the ramp so that we can get the piece of mammogram equipment into the Health Center.

Currently we send people to Temple Hospital to get their mammograms.
For some people --
COUNCIL PRESIDENT VERNA: The Health Commissioner is diligently writing down everything you're saying, so I'm sure that he'll take care of that.
MS. HARPER: Okay.
COUNCIL PRESIDENT VERNA: He's certainly look into it.
Thank you so much.
MS. HARPER: Thank you.
COUNCIL PRESIDENT VERNA: Are there any questions or comments from Members of the Committee?
(No response.)
COUNCIL PRESIDENT VERNA: Thank you so much for testifying.
MS. HARPER: Thank you.
COUNCIL PRESIDENT VERNA: I believe we have another witness. Did you raise your hand? Would you please approach the witness table.
Good evening. Identify yourself for the record, please.

MS. BIRCH: I'm Leslie Birch. And I came here last year. I live in Art Museum Area; and, yes, I'm yet another person saying thanks for the Recycling Project.

It is amazing just to even be in my area, to deliver stuff near Northstar Bar and to see how many happy people you get to know from doing recycling. And of course it helps immensely or we'd all be sitting on top of our plastic cartons at this point.

And also, same with Rittenhouse Square. I witnessed that recently. It is a huge hoopla at Rittenhouse Square to see people taking their recycling.

So I thank you so much for having that. And please continue it. And if anything, give it a little more money. That's it.

Thank you.

COUNCIL PRESIDENT VERNA: Thanks a lot. Thank you.

Anyone else to testify?

(No response.)

COUNCIL PRESIDENT VERNA: Seeing no one, the Committee will stand in recess until

03/18/03 - Committee of the Whole
Monday, March the 24th at 9:30. Good evening, everyone, and thank you for your patience.
(Hearings continued to Monday, March 24, 2003, 9:30 a.m.)

CERTIFICATE

I HEREBY CERTIFY that the proceedings and evidence are contained fully and accurately in the stenographic notes taken by me upon the City Council Hearing taken on March 18, 2003, and that this is a true and correct transcript of same.

_____

DAVID A. DEIK, RPR and
Commissioner of Deeds

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/or supervision of the certifying reporter.)