



City of Philadelphia Recovery Plan

**State and Local Fiscal Recovery
Funds**

2025 Report

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Plan

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General Overview

Executive Summary

Mayor Cherelle L. Parker, Philadelphia's 100th Mayor has a bold vision for the city's future: **to make Philadelphia the safest, cleanest, and greenest big city in America, with access to economic opportunity for all**. Her historic administration aims to achieve this goal through targeted investments in five priority pillars:

- Public Safety
- Clean and Green
- Economic Opportunity
- Housing
- Education

Mayor Parker's Fiscal Year (FY) 2026 Budget and FY26-30 Five-Year Plan reflect targeted investments in these priority areas against a backdrop of navigating the end of the State and Local Fiscal Recovery Funds (SLFRF) funding coupled with the City's legacy challenges, including high service demands, a relatively weak tax base, and low reserves. These challenges are exacerbated by Philadelphia's status as both a city and a county: unlike other cities that are part of a larger county, Philadelphia cannot share its costs with a larger jurisdiction.

The COVID-19 pandemic resulted in significant revenue losses and higher costs for service provision due to changes in work patterns, inflation, a tight labor market, and other challenges. The SLFRF program allowed Philadelphia to address most of the significant, unexpected budget gaps caused by the pandemic – and to implement responsive programs to address the pandemic-related needs of residents and businesses. Through the SLFRF, the City received roughly \$1.4 billion, which was spent by the end of calendar year 2024, midway through FY25, as required.

Despite the challenges posed by the end of the SLFRF funding in mid-FY25, the Parker Administration remains dedicated to ensuring long-term fiscal stability while continuing to make targeted investments in the Mayor's vision for Philadelphia.

SLFRF provided critical support for Philadelphia, not only as a crucial step in combating the pandemic and helping the City to recover but also in charting a course for the City's fiscal health. Essential resources were provided to safeguard lives, maintain the health and housing of Philadelphia's residents, and bolster support for the local economy. Furthermore, the funds addressed the urgent need for direct and adaptable assistance, enabling the City to mitigate certain budget and service reductions in Fiscal Year 2022 and thereafter. This prevented further detrimental cuts that could have destabilized the workforce, endangered the well-being of residents throughout the region, and hindered the Mayor's ability to pursue targeted investments in support of her vision for the city.

Uses of Funds

The City of Philadelphia FY25 Budget reflected Mayor Parker's commitment to making Philadelphia the safest, cleanest, greenest big city in America, with access to economic

opportunity for all. The budget was centered around significant investments and new ways of doing business for Philadelphia residents in the five central areas mentioned above. At the same time, the City is committed to long-term fiscal health as the budget maintained positive fund balances throughout its Five-Year Plan.

These investments build on the fiscal stability afforded to the City via its American Rescue Plan Act (ARPA) allocation. Coming out of the pandemic, ARPA provided direct and flexible support via the SLFRF. Due to Philadelphia's status as both a city and a county, the City received \$1,087,606,822 as a city allocation and \$307,685,862 as a county allocation, for a total of \$1.395 billion in SLFRF dollars. These funds were being used as revenue replacement (EC 6) as the City faced a \$1.5 billion funding gap over five years due to the fiscal impacts of the pandemic.

Prior to the pandemic, Philadelphia's fiscal health improved over multiple years as the City achieved steady fund balance increases and made its first Budget Stabilization Reserve deposit of \$34.3 million in FY20. However, due to the increased costs and revenue loss from the pandemic, the City faced a budget shortfall of \$750 million in FY21, primarily driven by a tax revenue loss of \$635 million (85 percent of the shortfall). The City Charter requires a balanced budget for each year of the Five-Year Plan and does not allow changes to tax rates after the July 1 start of the fiscal year, meaning the City could not have avoided layoffs and deep service cuts during the onset of the pandemic if not for the federal aid provided by the SLFRF allocation.

The City of Philadelphia closed out FY25 with an estimated fund balance of \$914.5 million, which is 14.2% of budgeted revenues. This meets the City's internal goal to achieve a fund balance of at least 6-8% but is below the Government Finance Officers Association (GFOA)-recommended 17 percent. The City's internal target, which is lower than the GFOA recommendation, reflects that the City has immediate needs that must be addressed through service delivery to enable fiscal stability in the future. The estimated FY25 fund balance remains positive, in part due to prior years' support from SLFRF funding, which allowed the City to make crucial investments in City services and avoid painful budget balancing actions.

The City learned during the Great Recession that cuts to local government services not only take many years to recover from but also slow down regional economic recovery and impact residents' quality of life. Those lessons informed the City's approach in deploying the SLFRF funds – using the critical resources to continue to provide core services while avoiding layoffs and deep service cuts that would have endangered lives and jeopardized the City's ability to serve as a driver of economic recovery for residents and the region.

While the SLFRF relief of nearly \$1.4 billion did not fully replace the reduction in revenues resulting from the pandemic, it has allowed the City to make new investments to restore some of the cuts made due to pandemic-related revenue loss and avoid having to make more painful cuts or consider tax increases. It also helps the City continue to invest in public safety, clean and green initiatives, economic opportunity, housing, and education.

Advancing Strategic Priorities

Like many American cities, Philadelphia faces persistent disparities in health, economic

opportunity, and quality of life that affect neighborhoods across the city. With clear focus and the right strategy, City government can be a leader in ensuring that core services— such as public safety, clean and green spaces, access to economic opportunity, and high-quality infrastructure— are delivered effectively and reach every resident.

To this effect, City departments are asked each year to demonstrate how their budget requests support Philadelphia’s strategic priorities— especially related to the pillars of public safety, clean and green, economic opportunity, housing, and education.

Budget requests are reviewed by Finance and the Mayor’s Office to assess whether proposals are aligned with the City’s goals, are feasible to implement, and offer strong return on investment in terms of service outcomes.

Community Engagement

Mayor Parker’s first and second budgets were informed by the countless residents, community leaders, business owners, faith leaders, and other stakeholders with whom she spoke on the campaign trail; the 550+ committed volunteers who served across 13 policy subcommittees during her transition; community members who took part in City-led engagement sessions last fall; and the front-line City employees she has seen up close and in action since taking office. The Mayor also holds Town Hall meetings across the city each spring to increase transparency and enhance community engagement in the City of Philadelphia’s budget process. This input informed decisions for the City’s financial planning process as it navigated the end of SLFRF funding.

Throughout the pandemic, the City prioritized efforts to gather feedback about community needs. The City developed an engagement toolkit for use across City departments and service areas and conducted surveys to inform how the City delivered relief provided through the CARES Act and other recovery programs, such as small business grants and rental assistance.

The American Rescue Plan and SLFRF have enabled the City of Philadelphia to make investments to ensure the long-term safety, health, and well-being of Philadelphia residents. Because SLFRF replaced revenue lost due to the COVID-19 pandemic and enabled the provision of services supported by the City budget, efforts to capture feedback from a wide range of audiences about the budget process and priorities represents the best pathway for stakeholders to have input into the use of these funds.

The vision for Philadelphia’s future is that of a safer, cleaner, greener city with access to economic opportunity for all residents, while maintaining the City’s long-term fiscal health.

Labor Practices

N/A (no funds used for EC 5 - infrastructure)

Use of Evidence

The City of Philadelphia went through an administration change in January 2024 as Mayor Cherelle L. Parker was sworn into office. With the new administration, organizational changes included the creation of two offices within the Mayor’s Office whose purview includes making evidence-based decisions, conducting policy research and development, and driving service delivery improvement: the Office of Policy Planning and Delivery (OPPD) and the Office of

Philly Stat 360.

The Mayor's Office of Policy Planning and Delivery (OPPD) is charged with planning and coordinating the implementation of policy initiatives that support Mayor Parker's top priorities, as determined by the Mayor and her cabinet. OPPD pursues two core functions: (1) policy research and development; and (2) intensive delivery support for a select set of high-priority initiatives. OPPD is intended to ensure that policy goals translate to tangible results for residents and communities – consistent with the Mayor's vision of government that residents can "see, touch, and feel."

Philly Stat 360 works to create synergy among City departments. Philly Stat 360 collaborates with departments to use timely and accurate data to make evidence-based decisions; establish goals and benchmarks; evaluate performance measures and identify areas for improvement; and increase community satisfaction with City services. The program also developed an accountability and management model that will allow for the rapid deployment of City operational resources by using effective tactics and strategies that are routinely analyzed and reassessed for effectiveness.

Performance Report

Table of Expenses by Expenditure Category

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
1	Expenditure Category: Public Health		
2	Expenditure Category: Negative Economic Impacts		
3	Expenditure Category: Services to Disproportionately Impacted Communities		
4	Expenditure Category: Premium Pay		
5	Expenditure Category: Infrastructure		
6	Expenditure Category: Revenue Replacement		
6.1	Provision of Government Services	\$1,395,292,684	\$419,472,684
7	Administrative and Other		

Project Inventory

Project 1: Revenue Replacement for Provision of Government Services

Funding amount: \$419,472,684 in this reporting period

Project Expenditure Category: 6.1 – Revenue Replacement: Provision of Government Services

Project overview: SLFRF funds were used to replace revenue lost due to the COVID-19 pandemic that otherwise would have paid for activities supported by the City's General Fund. This allowed the City to allocate General Fund dollars for other priority areas that drive the Mayor's vision to make Philadelphia the safest, cleanest, and greenest big city in America, with access to economic opportunity for all. General Fund investments in FY25 were used to support the provision of public safety, clean and green initiatives, and economic opportunity, such as violence prevention programs, the City's Community Life Improvement Program

(CLIP) to “clean and green” spaces in the city, increased funding to the Community College of Philadelphia, and support for small businesses through the Office of Economic Opportunity. The City also rolled out a new, citywide residential cleaning program and significantly expanded PHL Taking Care of Business (PHL TCB), a commercial corridor cleaning initiative, among other initiatives. Additionally, the City launched Mayor Parker’s Housing Opportunities Made Easy (H.O.M.E.) Initiative, a transformative \$2 billion plan to build, preserve, and restore 30,000 units of housing for Philadelphians.

Public Safety

Federal SLFRF funds have played a critical role in strengthening public safety in Philadelphia by supporting police payroll costs during a period of heightened public concern about crime and quality of life. These investments allowed the Philadelphia Police Department (PPD) to enhance investigative capacity and expand enforcement efforts across the city. As a result, the City has made measurable progress in reducing violent crime, disrupting illegal activity, and restoring public confidence in high-impact neighborhoods.

- Since the start of 2024, Philadelphia has seen significant declines in both fatal and non-fatal shootings. Homicides dropped by 37 percent in 2024 compared to 2023—the lowest level in a decade—while the City’s homicide clearance rate rose to 71 percent in 2024. The Shooting Investigations Group (SIG), now co-located with the Homicide Division, applied enhanced investigative techniques to non-fatal shootings as well, contributing to a 33 percent reduction in 2024. These improvements reflect a more coordinated, data-driven approach to solving crimes and holding perpetrators accountable.
- With enhanced staffing made possible through SLFRF support, the City launched and expanded targeted initiatives addressing persistent public safety challenges. In Kensington, increased police presence led to a 270 percent staffing boost and a 22 percent reduction in shooting victims in 2024. Citywide, law enforcement conducted over 130 car meet enforcement operations, disrupting illegal gatherings, recovering stolen vehicles, and making over 150 arrests related to illegal firearms, aggravated assaults, DUIs, and other offenses. These targeted interventions have helped restore order, reduce violent incidents, and respond directly to resident concerns.

Outputs: Criminal Investigations

Measure	Fiscal Year 2025 (July 1, 2024 – March 31, 2025)
Homicide clearance rate*	72.2%
Non-fatal shooting clearance rate	31.0%

Outputs: Patrol Operations

Measure	Fiscal Year 2025 (July 1, 2024 – March 31, 2025)
Number of homicides*	189
Count of commercial burglaries	778

*Both of these outputs have significantly improved compared to the same time period in Fiscal Year 2024. The number of homicides dropped from 268 in FY24 to 189 in FY25 and the homicide clearance rate rose from 63.7% in FY24 to 72.2% in FY25.

Clean and Green Initiatives

Mayor Parker created the new Office of Clean and Green Initiatives in 2024. This office is tasked with cleaning residential and commercial areas, and overseeing the removal of illegal dumping, abandoned cars, and graffiti throughout the city. The Office of Clean and Green Initiatives is committed to using data to prioritize where and how to best deliver services. The City launched its new Community Appearance Index (CAI), which captures work completed on persistent quality of life issues. Indicators include the number of streets cleaned, graffiti abated, abandoned vehicles removed, property violations, and potholes repaired. This data is weighed and aggregated by ZIP code to inform where quality-of-life issues are most prevalent.

- A 2018 study conducted by Dr. Eugenia South of the Northern Research Station of the US Department of Agriculture found that cleaning and greening of vacant lots in Philadelphia significantly reduced both public fear of crime, as well as actual crime, including gun violence, burglary, and nuisance offenses. The study additionally found that cleaning and greening of lots contributed to increased use of outdoor spaces and socializing by city residents. The study can be found [here](#).

Outputs: Vacant Lot Abatement

Measure	Fiscal Year 2025 (July 1, 2024 – March 31, 2025)
Vacant Lot Program: vacant lot abatements	14,034

Outputs: Graffiti Abatement

Measure	Fiscal Year 2025 (July 1, 2024 – March 31, 2025)
Properties and street fixtures cleaned	136,006
Graffiti removal tickets closed within service level agreement of seven days	95%

Outputs: Sanitation Education, Enforcement and Compliance

Measure	Fiscal Year 2025 (July 1, 2024 – March 31, 2025)
Number of citations issued	192,916
Number of contacts and warnings	60,958

Economic Opportunity

The Parker Administration is committed to supporting access to economic opportunity for all in Philadelphia. Investments in the city’s commercial corridors and support for small businesses are key to this vision. The City has established supports to give businesses chances to thrive and contribute to their communities and local economy. The City has also enhanced the reach and capacity of the City’s “Taking Care of Business” (TCB) program, which funds community-based nonprofits to clean and sweep sidewalks and remove litter on neighborhood commercial corridors. This program encourages cleaning organizations to hire neighborhood residents, including formerly incarcerated people, to work three to five days per week while earning at least \$16.35 per hour, which provides economic opportunity for residents throughout the city. Notably, employees do not need previous experience or a high school diploma.

Outputs: Economic Development

Measure	Fiscal Year 2025 <i>(July 1, 2024 – March 31, 2025)</i>
Number of job connections*	4,499

**"Job connections" include jobs created or retained in Philadelphia through a variety of City-supported initiatives, including: (1) business development efforts such as the Quality Jobs Program; (2) workforce development programs that connect job seekers to employment, including the Fair Chance Hiring Initiative and Workforce Solutions Grants; (3) neighborhood economic development activities supported by business grants and loan programs like the Neighborhood Funding Stream, NED/CORE grants, and InStore forgivable loan program; (4) PHL Taking Care of Business Corridor Ambassador positions; and (5) the Targeted Commercial Corridor Program (TCMP).*