

**CITIZEN'S GUIDE  
TO  
THE PHILADELPHIA BUDGET**  
Fourth Edition

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**WHAT'S COVERED IN  
THE CITIZENS' GUIDE**

The *Citizens' Guide* is intended to give a short, non-technical introduction to the Philadelphia budget process, and serve as a directory to the city budget documents. Our aim is to help citizens to become better informed so that they can knowledgeably and confidently participate in the budget process.

Budgets are documents that conform to technical legal and accounting standards. In addition, the writing and designing of budgets is the work of finance specialists, who tend to use a technical vocabulary. To help overcome the semantic barriers to a general reader's understanding of the budget, the *Citizens' Guide* defines the most important terms and concepts that are used. The *Citizens' Guide* also explains the format of the budget, how to read the summaries and detail sheets, and where to find information. *Terms defined in the glossary appear in italics in the text.*

After that, the whole inches-thick set of three ordinances and four volumes of information will become less of a mystery, and more of a . . . challenge.

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***WHY THE BUDGET IS  
YOUR BUSINESS***

As citizens and taxpayers, we have the right to participate in decisions about how city dollars are spent. The Philadelphia budget is the city's legal spending plan for our tax dollars. The budget indicates a set of priorities for spending. It is important that citizens understand what those priorities are, and to inform their elected officials if they agree or disagree. The budget process in Philadelphia gives citizens an opportunity to be present at all hearings on the budget, and to testify before the City Council themselves. A better understanding of the budget allows the citizen to ask relevant questions and provide meaningful input into the process.

# WHAT'S IN THE PHILADELPHIA CITY BUDGET

## *What are budgets?*

*Budgets* are financial plans. A budget shows both the amount of money that may be spent and the sources of funding to pay for proposed spending. Philadelphia's budgets are legal documents, enacted as local law by action of the City Council and the Mayor. The legal document of the Operating Budget is fairly short--an ordinance that comprises about 45 pages of the City Council *Appendix to the Journal* (contains the full text of some legislation, and documents that are supplementary to legislation). The Capital Budget is some 70 pages, and the Capital Program is 200 pages.

As required by 1991 legislation (discussed later), the city also prepares a five-year financial plan. This document has over 300 pages.

For informational purposes only, the city also provides three thick volumes of information, one an overview of the budget with detail on revenues, and two for expenditures. (A stack of the volumes measures 4 and 1/2 inches, and weighs in at over 10 pounds.) Using these volumes, the reader can trace personnel costs from the smallest level of detail--pay for individual positions--up through the cost of labor for an entire division, department, and finally, city-wide.

The budget documents also show the reader spending by governmental unit (e.g., the Streets Department) and by type of expense (e.g., Personal Services). The budget also permits the reader to compare three year's worth of financial data--last year's actuals, this year's estimates, and the request for the next year. PEL considers the Philadelphia budget detail to be admirably systematic and in many ways superior to the budgets of other large municipalities because the presentation is so much more complete.

By studying the budget documents in detail, readers can judge for themselves how the pieces of the pie have been divided. Priorities and how they have changed over time can be traced by dollar and labor force share.

***What city services and functions are included in the budget?***

The main branches of the city government are the legislative (City Council), executive (Mayor and administration), and judicial (Municipal and Common Pleas Courts). The city budget tells how much each may spend.

Philadelphia has a mayor-council form of government. The voters elect the Mayor and the 17 members of the legislative body, the City Council. The executive branch is headed by the Mayor, who appoints four principal cabinet members: the managing director, director of finance, city representative, and city solicitor. In turn, they appoint the heads of 14 departments. Several city agencies are headed by boards or commissions. An example is the Fairmount Park Commission. A number of other offices are headed by persons directly elected by the voters. Examples are the City Controller and the Sheriff. In addition, local courts and related agencies, while technically part of the state government, are included in the city budget. In all, there are some 55 different agencies in the Philadelphia city budget.

***What the city budget does not include***

Philadelphia has two major government units with taxing power: the City and the School District. They have separate budgets. Some governmental functions are also performed by *authorities*, such as the Parking Authority, Housing Authority, and Redevelopment Authority. Like the School District, Philadelphia's authorities adopt their own budgets. Authority budgets, however, do not include tax revenues, since authorities do not have taxing power. Authorities may also be involved in financing some city construction projects, as discussed later in the section on debt limits. (Information on the finances of the school district and some of the authorities is included in the city's financial report, which comes out about six months after the end of the city fiscal year.)