

Class 100 Fact Sheet – Personal Services

What's Class 100?

Class 100 is the City of Philadelphia's budget classification for personal services. It covers compensation in the form of wages, salaries, and benefits for people employed directly by the City. This includes unionized, exempt, part-time, seasonal, and non-represented employees. Sanitation workers, engineers, human resources professionals, accountants, firefighters, program directors, and all compensation for municipal employees comes out of this part of the City's budget.

Employee compensation has many components. In addition to typical earnings, employees also receive compensation through overtime pay, holiday pay, paid sick leave, medical insurance, pensions, life insurance, tool allowances, and more. Since most of the activities of Philadelphia government are performed by its employees, Class 100 is the largest of all budget classes.

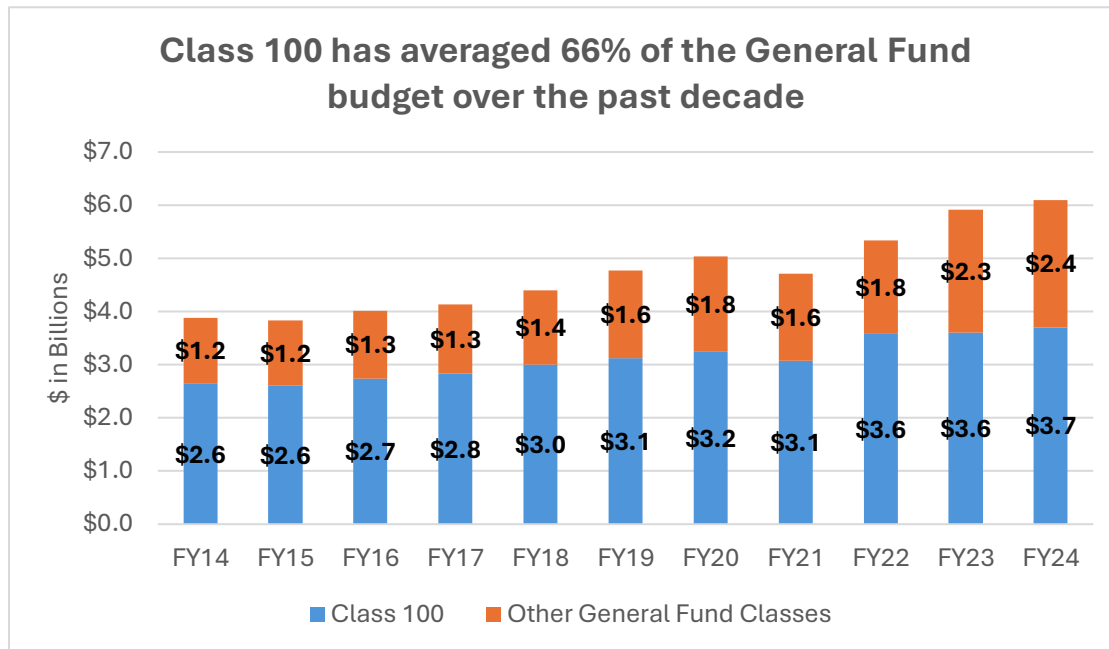


What's a Class?

The City organizes its budget into distinct categories, or classes, for grouping similar expenditures. There are nine classes, running from Class 100 (Personal Services) to Class 900 (Reserves and Advances). A concise, helpful breakdown of each budget class can be found in [PICA's Staff Report on the FY25-29 Five-Year Plan](#) (page 48).

These classes are important because the annual budget passed by City Council appropriates money by department, fund, and class. Departments must align spending with the allocation for each class, in addition to the total departmental budget set by the Mayor and Council. A department cannot choose, for example, to spend funds intended for employee salaries and benefits (Class 100) on new office chairs (Class 300/400).

Changes in Class 100 (FY14-FY24)



In FY24, Class 100 was \$3.7 billion of the \$6.1 billion of General Fund dollars spent. While Class 100 is the largest of the General Fund classes, its share has decreased as other classes have grown and the City has struggled in recent years to fill positions. In FY14, Class 100 represented 68 percent of the General Fund budget; in FY24, it was 60.7 percent. Despite its share of the General Fund declining over the past decade, Class 100 has grown in dollars, increasing by 40 percent, or \$1.1 billion, up from \$2.6 billion in FY14. Part of this increase is explained by workforce expansion from FY14-FY20, when over 1,400 City employees were added, a 6.7% increase. Since the COVID-19 pandemic, however, the workforce decreased and, in FY24, was at its lowest in this decade-long period, 0.6% below FY14 levels. While much of the FY24 workforce level is attributable to the shift of 656 employees from the General Fund to the Transportation Fund, FY24 had the highest vacancy rate of any fiscal year over this period, at 17.2 percent, well above the average vacancy rate from FY14-24 at 8.6 percent.

Employee Compensation by Department

Individual departments' budgets reflect the wages paid to their employees, while costs for benefits, like healthcare and pension, are all budgeted under the Office of the Director of Finance. As a result of this concentration, the Office of the Director of Finance's Class 100 expenditures account for around 45 percent of total General Fund Class 100 expenditures annually. Between FY14 and FY24, benefit costs rose almost \$470 million (39.3%). Class 100 increases in other departments are mostly attributable to increases in salaries or wages, because of staff expansion or higher compensation, and overtime pay. The increases since FY14 are largest in the Police (\$188 million) and Fire (\$149.5 million) Departments. Since FY14,

the Fire Department's workforce increased by 762 people whereas the Police Departments had 891 fewer employees at the end of FY24 compared to FY14, which reflects difficulty filling positions and shifts in where employees are assigned. In FY24, the average Class 100 cost per employee was \$122,517 in the Police Department and \$132,470 in Fire.

Departments with Highest Class 100 Increase (FY14-24) - \$ in millions						
Department	FY14 C100 Total	FY14 Full-Time Employees	FY24 C100 Total	FY24 Full-Time Employees	\$ Increase	% Increase
Finance	\$1,203.9	170	\$1,681.8	126	\$477.9	39.7%
Police	\$572.2	7,095	\$760.1	6,204	\$187.9	32.8%
Fire	\$223.4	2,053	\$372.9	2,815	\$149.5	66.9%
Public Health	\$43.4	659	\$66.3	730	\$22.8	52.6%
Managing Director's Office	\$15.7	279	\$36.7	475	\$21.0	134.0%
Parks & Recreation	\$41.0	600	\$61.0	680	\$20.0	48.9%
District Attorney's Office	\$30.2	464	\$49.9	563	\$19.7	65.0%
Free Library of Philadelphia	\$30.8	609	\$48.1	814	\$17.3	56.0%
Office of Innovation & Technology	\$17.5	259	\$32.6	369	\$15.1	86.5%
First Judicial District	\$90.9	1,866	\$104.8	1,707	\$13.9	15.3%
All Other Departments	\$375.6	6,937	\$487.6	6,382	\$112.0	29.8%
Citywide Total	\$2,644.7	20,991	\$3,701.8	20,865	\$1,057.1	40.0%

While most departments' Class 100 spending increased, a few decreased over this ten-year period. Most departmental decreases are attributable to the consolidation of departmental functions; for example, the City Planning Commission was moved under the Department of Planning and Development in FY18, and the functions of the Mayor's Office of Transportation and Utilities is now incorporated into the Managing Director's Office as the Office of Transportation and Infrastructure Systems. The largest decrease was in the Department of Prisons, whose full-time civilian pay decreased by \$10.6 million (eight percent) since FY14 due to staffing challenges since FY16 that accelerated with the COVID-19 pandemic.

Personal Services Increases

Class 100 Increases by Type of Personal Service (FY14-24) - \$ in millions				
Type	FY14 Total	FY24 Total	\$ Increase	% Increase
Pension Contributions	\$435.4	\$836.7	\$401.3	92.2%
Permanent Full-Time Civilian Salaries	\$573.1	\$819.1	\$245.9	42.9%
Permanent Full-Time Uniform Salaries	\$530.7	\$736.7	\$206.0	38.8%
Medical/Health Benefits	\$409.4	\$502.2	\$92.7	22.6%
Uniform Overtime Pay	\$83.2	\$167.6	\$84.4	101.5%
Worker's/Disability Compensation	\$56.0	\$90.0	\$34.0	60.6%
FICA Taxes	\$67.5	\$98.0	\$30.5	45.2%
Civilian Overtime Pay	\$68.3	\$96.2	\$27.9	40.8%
Uniform Injured on Duty Pay (Heart & Lung)	\$21.1	\$37.9	\$16.8	79.9%
All Other C100	\$400.0	\$317.5	-\$82.5	-20.6%
Total	\$2,644.7	\$3,701.8	\$1,057.1	40.0%

Employee Benefits. Class 100 spending includes various types of personnel costs, including taxes withheld and remitted to other levels of government and pension contributions. Most of these costs have increased over the past ten years, and the largest increase was in the City's pension contributions for municipal employees, which increased by more than \$400 million (92 percent) over this period to meet and exceed minimum contribution requirements as part of the City's concerted efforts to [fully fund the pension system by FY33](#), which will allow costs to drop by hundreds of millions annually once achieved. These pension contributions account for 38 percent of overall Class 100 growth since FY14. Other employee benefits also had large Class 100 increases since FY14, including medical insurance (\$92.7 million increase, 22.6 percent), worker's compensation (\$34 million increase, 60.6 percent), and FICA taxes (\$30.5 million increase, 45.2 percent). These Class 100 benefit expenditures are administered by the Office of the Director of Finance.

Salaries and Wages. Employee salaries account for the second-highest category increase, with civilian salaries increasing by almost \$246 million (43 percent) and uniformed salaries (police officers and firefighters) increasing by \$206 million (38.8 percent) since FY14. Over the FY14-24 period, full-time pay increased at an average annual rate of 3.7 percent for civilian and 3.4 percent for uniformed employees, reflecting changes in the size of the workforce and individual salaries and wages.

In FY24, there were 12,814 civilian full-time employees in the General Fund and the average full-time salary cost per employee was \$63,919. Increases since FY14 in full-time civilian salaries have been highest in the following departments:

- Managing Director's Office (\$20.2 million)

- Public Health (\$19.6 million)
- District Attorney's Office (\$18.8 million)
- Free Library (\$17.6 million)
- Civilian employees in the Police Department (\$17.1 million)

Among uniformed employees, growth has been highest in Fire (\$113.9 million), which added 732 employees during this time, and Police (\$91.3 million). In FY24, there were 8,051 uniformed full-time General Fund employees and the average full-time salary cost (excluding overtime pay) per employee was \$91,509.

Overtime. Compensation for overtime increased over this period, in part because salaries have increased and overtime is paid proportionately to full-time salaries or wages but also because reliance on overtime has increased, in recent years due to staff vacancies and service expansions. In FY14, overtime costs represented 13.7 percent of full-time salaries; in FY24, overtime costs represented 17 percent of employee salaries, above the average of 14.4 percent of salaries over the FY14-24 period. Uniformed overtime increased by \$84.4 million (101.5 percent) and civilian overtime increased by \$27.9 million (40.8 percent). Uniformed overtime increases since FY14 are almost entirely attributable to Police (\$50.2 million) and Fire (\$34.3 million) while civilian overtime pay increases were highest in Human Services (\$5 million), Police (\$4.8 million), and Streets (\$3.9 million), and Prisons (\$3.2 million). Amid rising vacancy rates, overtime has served as a tool for maintaining operations and delivering services to residents, especially in critical, 24/7 operations that require staffing at all times.

Personal Services Decreases

A few types of personal service expenses decreased from FY14 to FY24. The most significant decrease was in the City's pension obligation bond (POB) payments, which decreased by \$90 million. This is dependent on the POB debt service schedule; for example, POB debt service was higher in FY14 to repay pension contributions that were deferred after the 2008 financial crisis with maturity dates in FY13 and FY14. Even though POB payments were lower in FY24, pensions costs will peak in FY29 when a POB balloon payment is due.

School crossing guard pay (\$10 million in FY24), also decreased from FY14 to FY24 after being moved to the Transportation Fund.

The Takeaway

Class 100, covering the costs of wages, salaries, and benefits for City employees, is consistently the largest category in the City's General Fund. Despite a significant increase over the past decade, Class 100's share of the fund has decreased slightly due to slower growth compared to other areas, particularly as planned spending doesn't occur due to difficulty filling positions. Most of this budget is concentrated in the Office of the Director of Finance, mainly due to employee benefits like pensions and medical insurance, which have seen substantial cost increases. Additionally, compensation increases across departments, most significantly in

Police and Fire, have contributed to the overall growth in Class 100 spending as the size of the workforce is at its smallest and the vacancy rate is at its highest point since FY14. Looking forward, the City's efforts to meet future pension obligation bond payments and staffing challenges across departments will continue to shape Class 100's trajectory.

About the Report

The graphics used in this publication were generated using ChatGPT's DALL-E feature. All AI-generated content and images were reviewed by PICA Staff prior to publication.