

# Operating Budget

## OVERVIEW

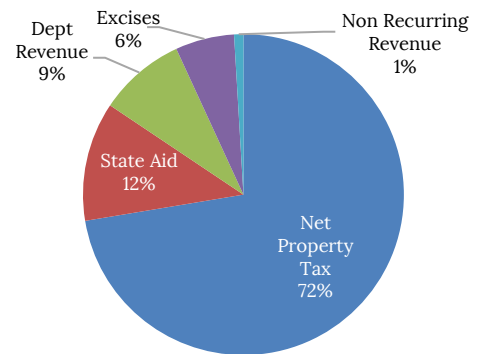
The FY24 Budget totals \$4.28 billion and represents an increase of \$276.9 million or 6.9% over FY23. This budget sets a foundation for our future, connects our communities, and delivers on the details of city services across our neighborhoods. Through sound fiscal management, this budget is a roadmap for investing critical resources to build a more connected city for everyone.

Property Tax continues to drive revenue growth in FY24, accounting for the majority of revenue growth over FY23. The City is expected to experience continued property tax growth in FY24, as well as a measured but substantial increase in Local Receipts, particularly Excise taxes. Net State Aid (state aid net of assessments) is budgeted to decrease by \$12.9 million with the increased cost of public charter school tuition assessments outpacing state aid revenue growth. In FY24 Non-Recurring Revenue will see the phase-out of revenue replacement funding provided by the American Rescue Plan Act (ARPA). The FY23 budget included \$40 million in funds to replace revenues lost during the COVID-19 pandemic.

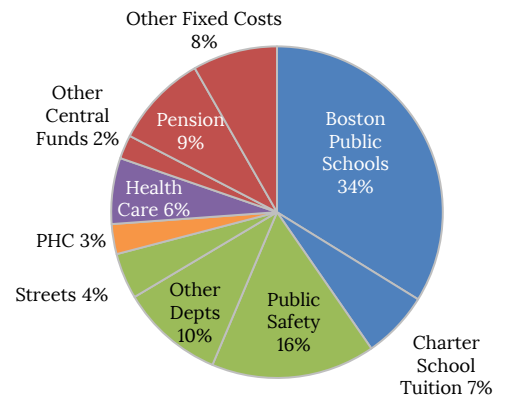
On the expenditure side, the FY24 budget reflects an increase of \$276.9 million or 6.9% over FY23. Of this year's growth, 30% is dedicated to education, including Boston Public Schools (BPS) and Charter School Tuition Assessment. 29% of the growth is for inflationary growth of departmental expenses and strategic investments in priority areas. 25% of the FY22 growth is dedicated to the Fixed Costs of Pension and Debt Service. Finally, the last component

of spending growth at 16% supports a collective bargaining reserve for unsettled union contracts in City Departments, Boston Public Schools and the Boston Public Health Commission. The collective bargaining reserve is an investment in the City's workforce where high quality city services are delivered.

This Operating Budget section lays out the FY24 budget and discusses trends in each category of the budget summary table (Table 1) on the following pages. An overview of the City's revenues is followed by a detailed explanation of appropriations and personnel trends and a review of major externally funded services. An all-funds budget is also presented.



**Figure 1 – FY24 Estimated Revenue**



**Figure 2 – FY24 Estimated Expenditures**

## BUDGET SUMMARY

	<b>FY21 Actual</b>	<b>FY22 Actual</b>	<b>FY23 Budget</b>	<b>FY24 Budget</b>
<b>REVENUES (1)</b>				
Property Tax	2,680.0	2,827.0	2,993.1	3,128.0
Property Tax Overlay	(3.7)	(33.2)	(29.8)	(30.0)
Excises	94.9	191.6	151.3	253.9
Fines	52.2	61.8	54.2	60.0
Interest On Investments	3.6	4.4	3.0	27.3
Payments in Lieu of Taxes	63.1	56.6	51.1	52.7
Urban Redev Chapter 121A	47.0	54.3	25.4	36.6
Department Revenue	67.5	83.6	61.3	77.2
Licenses & Permits	67.3	84.0	64.9	79.6
Penalties & Interest	10.3	12.8	8.9	10.0
Available Funds	20.0	0.0	31.0	31.0
State Aid	468.8	470.0	508.7	513.8
<b>Total Recurring Revenue</b>	<b>3,571.1</b>	<b>3,812.9</b>	<b>3,923.0</b>	<b>4,239.9</b>
Budgetary Fund Balance	40.0	0.0	40.0	40.0
American Rescue Plan	0.0	55.0	40.0	0.0
<b>Total Revenues</b>	<b>3,611.1</b>	<b>3,867.9</b>	<b>4,003.0</b>	<b>4,279.9</b>
<b>EXPENDITURES</b>				
City Appropriations (2)	1,390.2	1,494.3	1,493.1	1,561.3
Boston Public Health Commission (2)	106.5	114.8	119.4	129.9
Boston School Department (2)	1,260.5	1,294.7	1,379.5	1,445.7
Reserve for Collective Bargaining	14.0	52.0	31.9	76.2
Other Post-Employment Benefits	40.0	40.0	40.0	40.0
<b>Total Appropriations</b>	<b>2,811.1</b>	<b>2,995.8</b>	<b>3,063.8</b>	<b>3,253.2</b>
Pensions	292.1	323.7	353.9	390.6
Debt Service	172.3	184.3	216.0	248.3
Charter School Tuition	217.7	229.8	264.5	280.4
MBTA	93.3	94.1	93.6	95.3
Other State Assessments	5.3	5.7	6.3	6.7
Suffolk County Sheriff Dept	3.8	2.9	2.9	2.9
Reserve	0.0	2.3	2.1	2.5
<b>Total Fixed Costs</b>	<b>784.6</b>	<b>842.8</b>	<b>939.1</b>	<b>1,026.8</b>
<b>Total Expenditures</b>	<b>3,595.7</b>	<b>3,838.6</b>	<b>4,003.0</b>	<b>4,279.9</b>
<b>Surplus (Deficit)</b>	<b>15.3</b>	<b>29.3</b>	<b>0.0</b>	<b>0.0</b>

- (1) All revenues displayed are part of the City's general fund that support expenditures displayed in the bottom half of the table.  
 (2) See General Fund Appropriations by Cabinet & Department table for breakdown by cabinet and functional unit.  
 Numbers may not add.

**Table 1**

The City's projected revenues provide the basis for planning FY24 appropriations to maintain a balanced budget. Selected FY24 budgeted City revenues compare with FY23 projected revenues as follows: the net property tax levy increases \$134.7 million or 4.5%; excises increase \$102.6 million or 67.8%; licenses and permits increase \$17.2 million or 28.0%; miscellaneous department revenue increases by \$14.7 million or 22.6%; and state aid increases by \$5.1 million, or 1.0%.

On the expenditure side of the budget, total appropriations increase by \$189.3 million or 6.2% and fixed costs increase by \$87.6 million or 9.3%. Selected FY24 budgeted appropriations compare with FY23 projections as follows: City appropriations increase \$68.3 million or 4.6%; the Boston Public Health Commission (PHC) increases by \$10.5 million or 8.8%; and the School Department (BPS) increases \$66.3 million or 4.8%. In addition, a collective bargaining reserve has been set aside at \$76.2 million; when the outstanding collective bargaining agreements are negotiated, these reserves will be used to cover those increased costs in City departments, PHC and BPS. City Appropriations also consist of 11 central appropriations, including a large appropriation for Health Insurance totaling \$222.3 million, which is an increase of 2.3% over FY23.

FY24 budgeted fixed costs are growing by \$87.6 million over FY23. Charter School Tuition assessment is expected to increase by \$15.9 million or 6.0%. Pensions, a key driver, will increase by \$36.7 million or 10.4%. Debt Service is also growing with a \$32.4 million or 15% increase.

## **THE GENERAL FUND**

The City's entire \$4.28 billion budget is funded through the general fund. All revenues discussed below are deposited into the City's general fund pursuant to

state law and are reflected on a fiscal year basis July 1 through June 30.

## **REVENUE**

The City's revenue budget can be divided into five categories: Property Tax, State Aid, Departmental, Excise and Non-Recurring revenue. Over the past two decades, the City's revenue structure has shifted significantly towards a growing reliance on property tax, while State Aid has decreased as a share of the budget. In addition, the COVID-19 pandemic and the resulting economic recession dealt a severe setback to Departmental and Excise revenue. In FY24 these revenues are budgeted to return to pre-pandemic levels. A more detailed discussion of City revenues is provided in the *Revenue Estimates and Analysis* chapter of this volume.

### **Property Tax Levy**

The property tax levy has always been the City's largest and most dependable source of revenue. In FY23 the net property tax levy (levy less a reserve for abatements) totals \$2.96 billion, providing 74.0% of the City's revenue. In FY24, the net property tax levy is estimated to total \$3.10 billion and account for 72.4% of budgeted revenues.

In Massachusetts, Proposition 2 ½ constrains the amount of property tax revenue the City can raise each year from its existing tax base. In each year since FY85, the City has increased its levy by the 2.5% allowable under the limits set forth in Proposition 2 ½.

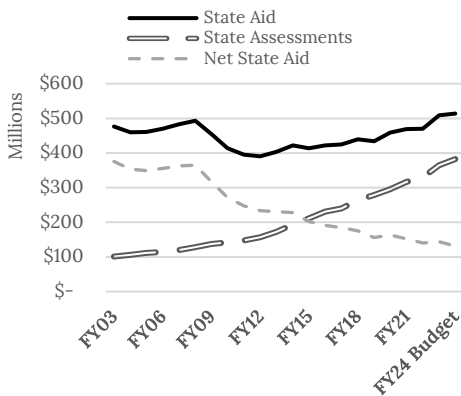
During these same years, the levy has also been positively impacted by taxable new value, or "new growth," that is excluded from the levy limit. Due in part to efforts to attract business development to Boston and grow its housing stock, Boston has experienced unprecedented new growth property tax revenue from FY17 through FY23. New growth is budgeted at \$60.0 million in FY24, roughly 30% below the new

growth average from the recent boom. The City is conservatively budgeting new growth due to economic uncertainty related to price inflation and high interest rates.

### State Aid

The primary sources of aid from the State to municipalities are education aid and unrestricted general government aid. The Commonwealth also distributes aid for libraries and provides some other reimbursements to municipalities.

Total state aid has experienced little growth over the past two decades. Since its peak in FY08, net state aid (defined as state aid revenues less state assessments) to the City has been reduced by \$233.7 million or 64.0%. In FY24, net state aid is budgeted to decrease by \$12.9 million, or -9.0%, compared to FY23, based on the status of the FY24 State Budget at the time the City’s budget was finalized. This growth is attributable to a \$15.9 million increase in the Charter Tuition Assessment, or 6.0%. The City’s two largest state aid sources, Chapter 70 Education aid and Unrestricted General Government aid, are budgeted to increase by \$6.1 million, or 1.3% from FY23.



**Figure 3 - State Aid, State Assessments and Net State Aid (in millions), FY03-FY24**

### Local Receipts

A combined 14.6% of the City’s budgeted revenue in FY24 is comprised of excise

taxes, fines, payments-in-lieu-of-taxes, Chapter 121A payments, investment income, departmental revenue, licenses and permits, penalties and interest, and available funds. To forecast these receipts, the City analyzes trends in historical collections and incorporates available economic data into its assumptions.

The FY23 revenue budget includes \$451.0 million in Local Receipt revenue, and the FY24 budget increases to \$628.1 million. This \$177.1 million increase is mostly driven by the sharp recovery in excise taxes and assumes continued, albeit more gradual, increases in licenses, permits, and other departmental revenue.

### American Rescue Plan Act

Unlike the two previous fiscal years, the City will not be budgeting State and Local Fiscal Recovery Funds (SLFRF) aid from the American Rescue Plan Act (ARPA) in FY24 for revenue replacement. Given the strong recovery in local receipts, the need for SLFRF aid has greatly diminished. However, Local Receipts still remain vulnerable to economic uncertainty. The City will be closely monitoring these accounts in the wake of current economic and geopolitical challenges.

### Budgetary Fund Balance

Fund Balance can be appropriated for use during the fiscal year. Budgetary fund balance, more commonly referred to as “free cash”, is described as the portion of available reserves, generated to a considerable degree by annual operating surpluses, which the City can responsibly appropriate for spending. The FY24 Budget uses \$40 million in budgetary fund balance to fund the appropriation for other post-employment benefits (OPEB).

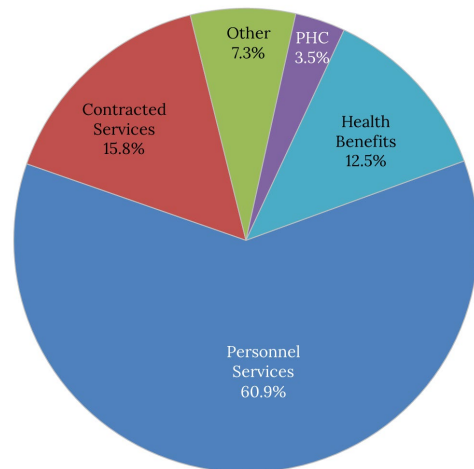
See the *Financial Management* section of Volume I for more detail on this revenue source.

## EXPENDITURES

Expenditures are broken down into two primary groups: (1) appropriations directly related to departmental services and (2) fixed and mandated costs. FY24 appropriations are subdivided into three subgroups as follows:

- City Appropriations, which includes all operating department appropriations, centrally budgeted costs such as health insurance and Medicare, a risk retention reserve and a set-aside for tax title and annual audit expenses;
- Boston Public Health Commission (PHC), the City appropriation for the quasi-independent authority and successor to the Department of Health and Hospitals;
- School Department, the City appropriation for the Boston Public Schools (BPS).

Appropriations are also presented by expenditure category across the three subgroups listed above (Figure 3).



**Figure 4 - FY24 Appropriations by Category**

Personnel Services include salaries, overtime, unemployment compensation and workers' compensation, and collective bargaining reserves for estimated wage

increases for union employees whose agreements are not settled.

The Health Benefits category includes the cost of health, dental and life insurance for City, BPS and PHC employees and retirees, employer Medicare payroll taxes, and the appropriation for Other Post-Employment Benefits (OPEB).

The Contractual Services category includes expenditures for communications, repairs and service to buildings, equipment and vehicles, transportation, trash collection and disposal, as well as outside legal, advertising, and printing expenses.

Included in the "Other" category are supplies and materials such as gasoline, uniform allowances, office supplies, workers' compensation medical expenses, medical indemnification in the Fire and Police Departments, legal liabilities, and aid to veterans. Also included in the "Other" category are appropriations for equipment, vehicles, a risk retention reserve, the Housing Trust Fund, tax title, and funding for the City's outside audit.

## Health Benefits

Health benefit costs comprise a significant portion of the City budget and are a critical benefit for City employees and retirees.

In 2020, the City of Boston conducted an RFP for its non-Medicare health insurance plans. On July 1, 2021, the City transitioned from two HMO plans to one standard HMO plan and one value HMO plan, with the standard HMO plan under a new provider. As a result of the RFP process, \$12 million in savings were realized in FY22, due to lower administrative fees and anticipated medical claims and prescription drug savings.

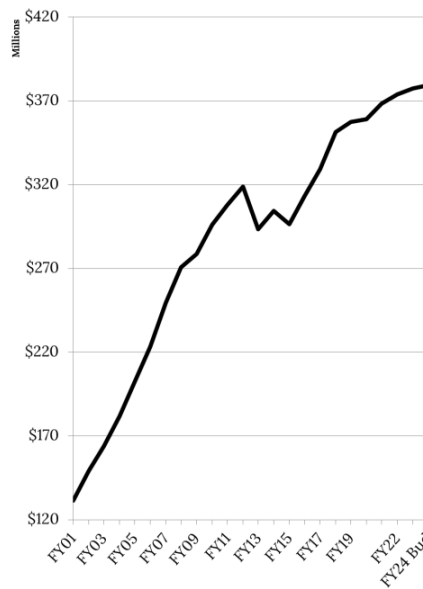
The City continues to benefit from health care cost reforms achieved in the FY21-25 Public Employee Committee (PEC) agreement, which continues to provide over 30,000 active and retired employees with quality healthcare coverage while

saving the City \$59.7 million over five years. Based on savings included in this agreement, the City will realize up to \$14.9 million in new avoided health care costs in FY23.

The FY24 budget includes \$422 million for all health benefits-related costs for the City's employees and retirees, comprising 9.9% of total City expenditures – compared to 7.8% in 2001. \$42.25 million of these costs are for future OPEB liabilities, which are discussed in more detail in the following section. The remaining \$379 million of these costs are for current health, dental and life premiums, and employer Medicare payroll taxes.

As shown in Figure 5, these costs grew from \$132 million in FY01 to \$379 million in FY24, an increase of \$248 million or 188%. Over the same period, all other City costs increased 152%. Figure 5 shows three distinct periods of annual cost increases. Steep increases averaged 9% per year from FY01 – FY11. Between FY12 – FY15, costs decreased on an average of 1% per year due to multiple factors, including state health reform legislation, cooperative efforts by the City and its unions to reduce both the City's share of costs and total costs, and lower nationwide health care cost trends. For FY16 through FY24, health care costs increased at an average of 3% per year, contained by PEC agreement savings.

In collaboration with the PEC, in FY24 the City has added chiropractic services to non-Medicare health plan benefits. This includes BCBS PPO, BCBS Standard HMO, and Mass General Brigham Value HMO (formerly Allways Value HMO).



**Figure 5 - Health Care Costs (\$ Mil)**  
**Health, Dental, Life Premiums and Medicare Tax**

**Medicare**

Municipal health care reform legislation, passed by the State legislature in 2011, provided municipalities more freedom in health plan design. It also mandated that all Medicare-eligible municipal retirees enroll in Medicare Part B and a City sponsored Medicare supplement plan. As a direct result of the legislation, approximately 5,500 additional City retirees and their spouses enrolled in Medicare supplement plans. Benefits for these plans are comparable to non-Medicare plans but costs are lower due to Medicare reimbursements. City savings from this mandate, beginning in FY13, have totaled approximately \$20 million annually – a major contributor to the total cost decrease in FY13.

City retirees and their beneficiaries are eligible for Medicare through payment of Medicare payroll taxes during their working career. Medicare taxes are paid for all City employees who were hired after March 1986. The City's share of 50% Medicare taxes, totaling \$24.6 million in the FY24

budget, has increased an average of 7% annually since FY01. This growth is due to increases in total payroll and also the increasing percentage of total employees hired after March 1986 who have retired.

**Number of Health Plan Subscribers Feb 2023**

Health Plan	Active	Retiree	Total
Indemnity	875	729	1,604
HMO	14,255	2,240	16,495
Medicare	-	11,719	11,719
<b>Total</b>	<b>15,130</b>	<b>14,688</b>	<b>29,818</b>

**Table 2**

**City - Union Partnership**

In FY12, assisted by 2011 Municipal Health Care Reform, the City adopted MGL Chapter 32B S.19 and began working closely with its thirty-six unions, as represented through the Public Employee Committee (PEC), to make health care changes. Through the terms of the City and PEC's three agreements, City employees and retirees are now paying a higher share of total health care costs through increased premium share, as well as higher out-of-pocket costs for co-pays and deductibles.

**Health Care Costs (\$ Mil)  
Health, Life, Dental, Medicare Tax**

Fiscal Year	Total Cost	\$ Change	% Change
FY12	\$318.9	\$10.9	3.5%
FY13	\$293.3	-\$25.5	-8.0%
FY14	\$304.4	\$11.1	3.8%
FY15	\$296.5	-\$7.9	-2.6%
FY16	\$313.2	\$16.7	5.6%
FY17	\$329.2	\$16.0	5.1%
FY18	\$351.4	\$22.2	6.7%
FY19	\$357.3	\$5.9	1.7%
FY20	\$358.9	\$1.6	0.5%
FY21	\$368.5	\$9.5	2.7%
FY22	\$376.0	\$7.5	2.0%
FY23*	\$377.6	\$1.6	0.4%
FY24*	\$379.4	\$1.9	0.5%

\*Budget estimates

**Table 3**

The City and the PEC's FY21-25 agreement is projected to reduce costs by approximately \$59.7 million over five years. With changes occurring over the course of five years, the City and the PEC have agreed to a number of cost-saving plan changes. These changes include a new value network plan (introduced in FY22) consisting of lower-cost, high-quality providers; small deductibles for PPO and standard HMO plans; and new co-payments for hospitalization and advanced imaging. The agreement also increases current co-payment charges and the share of the premiums paid by employees and retirees.

The City and PEC have also pursued changes to the management of health care claims costs, which have reduced total costs - for both the City and the members:

*Self-insurance*

Funding of health care costs has progressively moved to self-insurance since FY13.

*More cost effective prescription drug management*

The City and the PEC continue to explore more cost effective management of the City's prescription benefits, which total roughly \$77 million per year for all plans, net of rebates. The City and PEC have worked to replace the City's existing Medicare prescription drug coverage with lower cost prescription drug plans (PDPs).

*Cost effective provider networks*

In FY22, the City and PEC made a significant step to encourage cost savings for both members and the City by introducing a value HMO plan, effective July 1, 2021. The Mass General Brigham Health Plan (formerly AllWays Health Partners value network) is focused on high quality, high performance, lower-cost providers, and enrollees will pay lower premiums and out-of-pocket costs.

*Expanded wellness and disease management programs*

The City, through the PEC agreement, annually contributes \$150,000 toward wellness programs, managed through a subcommittee of the PEC. Recent wellness initiatives have included employee wellness fairs and the establishment of a citywide digital platform through which City employees, retirees, and their dependents can access information about fitness and nutrition programs, and participate in wellness challenges. Also, new disease management initiatives are being explored and implemented through each respective carrier to assist members in managing chronic diseases such as diabetes.

**Other Post-Employment Benefits (OPEB)**

Similar to pensions, employees earn post-employment health care and life insurance benefits (OPEB) over their years of active service, with those benefits being received during retirement. The City, including the Boston Public Health Commission (BPHC), had an unfunded liability for these benefits of \$2.19 billion, as of the most recent independent actuarial valuation on June 30, 2021. The size of this liability is largely influenced by changes to retiree health benefits, the City’s annual additional contribution to fund the liability, and the discount rate assumed.

While the City is required by law to make an annual contribution toward reducing its unfunded pension liability, there is no such requirement for retiree health and life insurance benefits. In FY08, the City followed new Governmental Accounting Standards Board (GASB) requirements to identify and disclose this estimated liability, and also began voluntary annual allocations to fund the liability. Annual allocations are retained in an irrevocable Trust Fund, authorized through the City’s acceptance of M.G.L. Chapter 32B section 20. As of June

30, 2023, the Fund had a balance of \$981.8 million.

As in previous years, this budget dedicates \$40 million toward reducing the City’s long term other post-employment benefits (OPEB) liability. These fiscally responsible actions are critical to the Administration’s prudent financial management policies, which have contributed to Boston’s triple A bond rating.

The annual Actuarially Determined Contribution (ADC) for the City to significantly reduce the OPEB liability over a 30 year period is projected at \$231.7 million in FY24, as shown in Table 4. Of this amount, \$191.2 million (82.5%) will be funded through a combination of pay-as-you-go benefit payments for current retirees (included in health care costs discussed in previous section), a \$40 million FY24 allocation by the City to the Trust, and an additional \$2.25 million deposit by the BPHC into the Trust.

**FY24 Annual Actuarially Determined Contribution (ADC) for OPEB Liability**

<b>Total ADC</b>		<b>\$231.7</b>	
Projected Benefit Payments by City	\$148.9		
Contribution to OPEB Trust	\$42.3	<b>%ADC</b>	
<b>Total FY24 Payments</b>	<b>\$191.2</b>	<b>82.5%</b>	
<b>Difference</b>		<b>(\$40.5)</b>	

*\$ in millions*

**Table 4**

The City is currently on a schedule that targets reducing its pension liability by 2027 and then plans on redirecting some portion of its annual pension contribution to further reduce the OPEB liability. However, this schedule is illustrative only of the currently expected funding schedule, and actual circumstances will likely vary from current assumptions.

**Energy Management**

In FY24, department energy budgets total \$68 million with electricity costs making up



53% of the budget, natural gas costs making up 27% of the budget and gasoline/diesel comprising 10% of the budget. The remaining 10% of the budget funds water and sewer, steam, and heating oil.

The Chief of Environment, Energy and Open Space and Chief Financial Officer are charged with making decisions regarding the City's procurement, use, and conservation of energy. In addition, the Chief of Environment, Energy and Open Space monitors the City's progress in meeting the greenhouse gas reduction goals required by the City's Climate Action Plan. The Municipal Energy Unit housed within the Environment, Energy and Open Space Cabinet works with City departments and the Office of Budget Management to develop design standards and implement measures that enhance the energy efficiency of the City's new construction and capital improvement projects.

In FY24, the City will continue implementing improvements that result in utility cost savings for City facilities, under the "Renew Boston Trust" initiative. This is not a trust in the traditional sense, but a program to bundle municipal utility cost savings projects. Efforts began with selection of an Energy Service Company ("ESCO") and their subsequent Investment Grade Audits ("IGA") of the City's facilities portfolio to identify projects with significant utility savings potential. The City selects projects based on the IGA analysis and the improvements are implemented through an Energy Management Service Agreement ("EMSA") by the ESCO. The EMSA provides long-term financial guarantees on the net savings for such projects. The second phase of construction work is nearing completion and Phase 3 construction of energy saving improvements is expected to begin in FY24. The City finances this program with general obligation bonds with debt service costs expected to be offset by the long-term energy savings guaranteed by the ESCO.

To improve the tracking and control of energy use, the City has re-procured services to support an Enterprise Energy Management System ("EEMS"). The current EEMS enables the City to monitor and report on the energy consumed by its 300+ buildings and other fixed assets, and its vehicle fleet, and is used by the City to meet its public reporting obligation under the Building Energy Reporting and Disclosure Ordinance.

The City's electricity requirements have been met by third-party commodity supply contractors since March 2005. To date, the amounts the City has paid to its third-party electricity suppliers have been less than the amounts it would have paid if it had continued to accept default electric service from its local distribution company, Eversource. Avoided costs since FY15 total approximately \$47 million.

## **Appropriations**

The combined appropriations for City Departments, the Public Health Commission (PHC) and the School Department (BPS), and non-departmental appropriations as shown in the FY23 Budget Summary have increased by 6.2% from FY23.

Boston Public Schools, with a \$1.45 billion appropriation, is increasing by \$66.3 million over FY23. Boston's total investment in education, including BPS and the City's Charter School Assessment, is growing by \$82 million over FY23.

City Services such as Police, Fire, Public Works, Housing, and other central funds are projected to increase by a total of \$68 million. The FY24 budget includes transformative investments in economic opportunity, mobility and climate change. The appropriation for the Housing Cabinet is growing by \$4.6 million or 10.3% with significant investments in housing and homelessness efforts to prevent displacement and expand housing

opportunities for families of every income in neighborhoods across the city. Wage growth as a result of 50% of city (non-BPS) unions that have been settled is represented in departmental appropriations. Funding for unsettled City, PHC and BPS union contracts are centralized in an \$81 million collective bargaining reserve.

The Public Health Commission (PHC) budget is growing by \$7.2 million (6.1%) in FY24. This increase includes key investments in staffing functions, including 10 EMS positions, as well as central administrative functions. There will also be a \$3.3 million investment in keeping low threshold sites open through FY24.

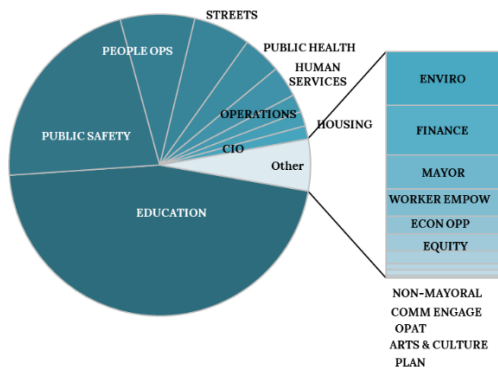
The FY24 budget also continues and expands upon a number of cost savings initiatives.

- Boston will realize \$14.9 million in avoided health care costs in FY23, related to FY24 changes per the PEC agreement.
- Renew Boston Trust energy conservation savings will amount to \$1.4M in FY24.
- Continuing the practice of proactive review, the City eliminated long-term vacant positions from the budget in FY24 for \$1,300,000 in savings.

Continued tightening within City departments enables the City to afford targeted investments after reserving for costs associated with collective bargaining, funding its pension obligations, and paying its debt service.

**Table 5 - General Fund Appropriations by Cabinet & Department**

Cabinet	Department	FY21 Actual	FY22 Actual	FY23 Budget	FY24 Budget	24 vs 23
Mayor's Office	Mayor's Office	5,424,565	4,807,551	6,148,111	6,528,424	380,313
	Election Department	4,785,510	5,951,265	6,856,694	7,778,073	921,378
	Intergovernmental Relations	1,282,520	1,169,840	1,550,366	1,240,353	(310,014)
	Law Department	7,502,954	8,227,159	9,788,910	10,571,560	782,650
	<b>Total</b>	<b>18,995,549</b>	<b>20,155,815</b>	<b>24,344,081</b>	<b>26,118,410</b>	<b>1,774,328</b>
Equity & Inclusion	Office of Equity	-	3,290,069	1,370,674	2,557,172	1,186,498
	Office of Diversity	-	254,220	-	-	-
	Office of Resiliency & Racial Equity	-	1,740,456	1,126,881	-	(1,126,881)
	Office of Language & Communications Access	-	716,583	1,878,666	1,997,187	118,521
	Human Right Commission	194,828	370,250	631,046	624,395	(6,651)
	Office for Immigrant Advancement	1,121,164	1,691,888	3,109,355	3,322,811	213,456
	Women's Advancement	466,354	749,208	475,785	682,084	206,299
	Black Male Advancement	-	-	1,803,768	1,804,455	687
	Fair Housing & Equity	192,010	500,901	533,246	485,278	(47,968)
	LGBTQ+ Advancement	-	-	545,000	732,539	187,539
Commission For Persons W/Disabilities	484,881	511,743	688,083	778,406	90,323	
<b>Total</b>	<b>2,459,237</b>	<b>9,825,320</b>	<b>12,162,505</b>	<b>12,984,327</b>	<b>821,822</b>	
Office of Police Accountability & Transparency (OPAT)	Office of Police Accountability & Transparency	0	717,743	1,488,543	1,452,986	(35,557)
	<b>Total</b>	<b>-</b>	<b>717,743</b>	<b>1,488,543</b>	<b>1,452,986</b>	<b>(35,557)</b>
Operations	Property Management Department	19,369,963	23,960,220	20,389,490	26,087,343	,697,853
	Public Facilities Department	7,162,959	7,843,000	8,837,766	10,064,920	1,227,153
	Inspectional Services Department	19,899,371	21,661,770	22,935,075	23,154,811	219,736
	<b>Total</b>	<b>46,432,293</b>	<b>53,464,989</b>	<b>52,162,332</b>	<b>9,307,074</b>	<b>7,344,742</b>
Community Engagement	Neighborhood Services	4,020,542	4,221,961	4,658,837	4,604,595	(54,242)
	<b>Total</b>	<b>4,020,542</b>	<b>4,221,961</b>	<b>4,658,837</b>	<b>4,604,595</b>	<b>(54,242)</b>
Arts & Culture	Office of Arts & Culture	2,099,448	3,495,273	4,077,753	4,530,093	448,678
	<b>Total</b>	<b>2,099,448</b>	<b>3,495,273</b>	<b>4,077,753</b>	<b>4,530,093</b>	<b>448,678</b>
Economic Opportunity & Inclusion	Office of Economic Opportunity & Inclusion	3,853,923	3,874,924	5,987,080	6,581,415	594,335
	Consumer Affairs & Licensing	1,518,462	1,651,421	1,815,855	1,956,010	140,155
	Supplier Diversity	-	-	-	2,902,192	2,902,192
	Office of Tourism	894,768	2,032,211	1,581,953	1,799,102	217,149
	<b>Total</b>	<b>6,267,152</b>	<b>7,558,556</b>	<b>9,384,888</b>	<b>13,238,718</b>	<b>3,853,830</b>
Worker Empowerment	Labor Compliance and Worker Protections	-	-	3,505,175	2,861,114	(644,061)
	Youth Employment and Opportunity	7,159,622	11,212,682	17,714,930	18,037,045	322,115
	<b>Total</b>	<b>7,159,622</b>	<b>11,212,682</b>	<b>21,220,105</b>	<b>20,898,159</b>	<b>(321,946)</b>
Education	Boston Public Schools	1,260,465,246	1,294,706,181	1,379,456,890	1,445,729,446	66,272,556
	<b>Total</b>	<b>1,260,465,246</b>	<b>1,294,706,181</b>	<b>1,379,456,890</b>	<b>1,445,729,446</b>	<b>66,272,556</b>
Environment, Energy & Open Space	Environment Department	3,137,681	4,769,151	3,806,589	4,233,857	427,268
	Parks & Recreation Department	28,106,886	34,366,364	31,285,104	34,114,008	2,828,904
	Office of Historic Preservation	-	-	1,296,332	1,445,680	149,348
	Office of Food Justice	-	-	1,358,360	1,371,433	13,073
	<b>Total</b>	<b>31,244,566</b>	<b>39,135,515</b>	<b>37,746,385</b>	<b>41,164,978</b>	<b>3,418,593</b>
Finance	Office of Finance	3,687,808	2,390,174	2,648,553	1,685,875	(962,678)
	Assessing Department	7,347,193	7,280,561	8,283,326	8,471,223	187,897
	Auditing Department	3,132,301	3,045,163	3,275,482	3,697,096	421,613
	Budget Management	2,833,402	2,830,719	3,359,699	3,498,640	138,941
	Office of Participatory Budgeting	-	-	2,000,000	2,000,000	-
	Execution of Courts	5,790,678	34,508,737	5,000,000	5,000,000	-
	Pensions & Annuities	3,429,223	3,330,307	3,900,000	4,005,000	105,000
	Procurement	2,052,998	2,237,763	2,559,251	3,726,002	1,166,751
	Treasury Department	5,310,310	5,157,485	5,169,484	5,651,489	482,006
	<b>Total</b>	<b>33,583,913</b>	<b>60,780,909</b>	<b>36,195,795</b>	<b>37,735,325</b>	<b>1,539,530</b>
People Operations	Office of People Operations	-	-	796,108	1,004,498	208,390
	Health Insurance	210,900,841	205,206,596	217,310,394	222,353,329	5,042,935
	Human Resources	6,855,304	6,183,238	8,027,111	8,360,255	333,143
	Medicare	10,542,664	10,890,572	12,635,794	12,635,797	3
	Office of Labor Relations	1,297,602	1,324,297	1,961,167	1,936,932	(24,235)
	Registry Division	1,084,374	1,081,873	1,274,502	1,388,314	113,812
	Unemployment Compensation	528,212	190,162	350,000	350,000	-
	Workers' Compensation Fund	1,839,774	1,484,880	2,000,000	2,000,000	-
	<b>Total</b>	<b>233,048,772</b>	<b>226,361,618</b>	<b>244,355,076</b>	<b>250,029,125</b>	<b>5,674,049</b>
	Human Services	Office of Human Services	2,435,484	3,876,415	6,086,320	13,352,311
Boston Center for Youth & Families		26,904,860	26,063,363	30,439,080	30,035,066	(404,014)
Age Strong		3,883,952	4,223,185	6,045,810	7,941,771	1,895,961
Library Department		39,841,323	40,924,252	44,585,549	48,379,337	3,793,588
Boston VETS		2,607,979	2,556,199	4,716,761	4,793,180	76,419
<b>Total</b>		<b>75,673,598</b>	<b>77,643,414</b>	<b>91,873,320</b>	<b>104,501,466</b>	<b>12,628,146</b>
Public Health	Public Health Commission	106,473,529	114,802,081	119,404,218	129,907,346	10,503,128
	<b>Total</b>	<b>106,473,529</b>	<b>114,802,081</b>	<b>119,404,218</b>	<b>129,907,346</b>	<b>10,503,128</b>
Housing	Mayor's Office of Housing	29,053,967	35,288,102	44,644,154	49,423,074	4,778,920
	<b>Total</b>	<b>29,053,967</b>	<b>35,288,102</b>	<b>44,644,154</b>	<b>49,423,074</b>	<b>4,778,920</b>
Information & Technology	Department of Innovation and Technology	41,223,732	46,599,732	42,887,967	44,529,524	1,641,557
	<b>Total</b>	<b>41,223,732</b>	<b>46,599,732</b>	<b>42,887,967</b>	<b>44,529,524</b>	<b>1,641,557</b>
Public Safety	Emergency Management	1,006,506	1,135,764	1,287,566	1,467,134	179,568
	Fire Department	268,959,926	289,513,752	276,902,588	278,067,084	1,164,496
	Police Department	422,917,499	420,411,576	395,907,804	404,973,193	9,065,389
<b>Total</b>	<b>692,883,931</b>	<b>711,061,092</b>	<b>674,097,958</b>	<b>684,507,410</b>	<b>10,409,452</b>	
Planning	Planning & Design	-	-	-	451,126	451,126
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>451,126</b>	<b>451,126</b>
Streets	Central Fleet Management	3,446,544	3,885,034	3,323,080	3,355,792	32,713
	Office of Streets	1,926,757	1,803,859	2,601,091	3,678,018	1,076,927
	Public Works Department	94,152,632	98,993,474	105,955,548	116,202,144	10,246,597
	Snow & Winter Management	18,702,453	28,517,489	23,530,814	23,747,308	216,494
	Transportation Department	37,336,336	40,854,200	42,094,528	44,356,428	2,261,901
	<b>Total</b>	<b>155,564,722</b>	<b>174,054,056</b>	<b>177,505,060</b>	<b>191,339,691</b>	<b>13,834,631</b>
Non-Mayoral Departments	City Clerk	1,364,820	1,442,138	1,783,775	1,647,149	(136,626)
	City Council	5,588,427	5,973,337	7,688,900	8,062,041	373,141
	Finance Commission	293,490	305,120	320,641	325,736	5,095
	<b>Total</b>	<b>7,246,737</b>	<b>7,720,594</b>	<b>9,793,316</b>	<b>10,034,926</b>	<b>241,610</b>
<b>Grand Total</b>	<b>2,753,896,557</b>	<b>2,898,805,634</b>	<b>2,987,459,184</b>	<b>3,132,487,799</b>	<b>145,028,616</b>	



**Figure 6 - FY24 Appropriations by Cabinet**

The departmental appropriations are shown in the General Fund Appropriation by Cabinet table.

Departmental appropriations can also be viewed by cabinet, to better reflect the overall policy priorities and trends by service area.

In FY24 some programs have transferred between departments. Details of these changes are described below in each of the following cabinet sections.

**Mayor’s Office**

The FY24 budget for the Mayor’s Office Cabinet has grown 7.3% from FY23. The cabinet contains the Mayor’s Office, the Election Department, Intergovernmental Relations, and the Law Department. The Election Department’s budget will increase by 13.4% in FY24 due to the third election in the fiscal year (the Presidential primary in spring 2024). The Mayor’s Office Budget will increase by 6.2%, reflecting updated salary grids as well as a \$50 thousand contribution to the citywide Youth Sports Investment to support ways to increase access to youth sports. The Law Department budget increased by 8%, partly due to new policy and procurement positions. Intergovernmental Relations will decrease 20%, reflecting the elimination of a federal lobby consultant and associated costs.

These functions were shifted to internal resources in FY24.

For additional budget detail on the Mayor’s Office Cabinet see Volume II.

**Equity & Inclusion**

The Equity & Inclusion Cabinet’s budget totals \$12.9 million. The Office of Equity provides administrative and policy direction to the departments making up the cabinet. Headed by the Chief of Equity, this department will increase by \$86.6% or \$1.2M as it absorbed the Office of Resiliency and Racial Equity, which was a separate appropriation in FY23. The Office of Equity will continue to provide direction and support for citywide equity initiatives.

After several years of aggressive growth, Language and Communication Access (LCA) will have a 6.3% increase over FY23. The FY24 budget will fully stand-up a program for in-house translators and focus on centralizing resources to better serve departments and citywide LCA goals. Additional equipment for community meetings will be purchase. The Human Rights Commission will see a slight decrease of 1.1% due to staff turnover.

The FY24 budget of the Mayor’s Office for Immigrant Advancement (MOIA) is increasing by 6.9% or \$213 thousand. FY24 will see a shift of existing resources away from legal defense and into short- and long-term planning for migrant arrivals. Additional funding was added to support the immediate needs of newly arriving migrants. Funds will also focus on increasing immigrant engagement in the participatory processes for the BPS Green New Deal and the BPDA Urban Design process. The department will also continue to focus on immigrant economic empowerment.

Women’s Advancement’s budget will increase by 43.4% or \$206 thousand as a

result of adding programmatic staff in FY23. It will also receive an investment of \$100k to support menstrual and maternal health efforts. The Office of Fair Housing's FY24 budget will decrease by 9% as the result of COVID response programs ending.

This cabinet also contains the Offices of Black Male Advancement and LGBTQ+ Advancement, both of which were created in FY23 as part of Mayor Wu's goal of amplifying voices not previously heard by city government. The Office of Black Male Advancement will add funding for administrative support. The Office of LGBTQ+ Advancement will increase by 34.4% or \$187 thousand; they added staff in FY23.

The Commission for Persons with Disabilities will see its FY24 budget increase by 13.1%. After two years of recruiting, the department is shifting a still vacant in house ASL translator position to a Training Specialist. The department is also adding funding to support additional ASL interpretation for board meetings and other public events.

For additional budget detail on the Equity & Inclusion Cabinet see Volume II.

### **Office of Police Accountability & Transparency (OPAT)**

The Office of Police Accountability & Transparency (OPAT) Cabinet is decreasing by 2.4% or \$36 thousand. The department continues to support the Civilian Review Board and the Internal Affairs Oversight Panel, as well as examination of BIPOC Boston Police Department (BPD) data, and a range of internships. The decrease is due to a right sizing of Board stipends as compared to actual expenses.

The Office will support lasting, generational change by rooting out impropriety and ensuring the type of enhanced oversight that leads to greater community trust. The

purpose of OPAT is to provide a single point of entry for individuals with concerns or complaints related to the BPD and its officers and sworn personnel.

For additional budget detail on the OPAT Cabinet see Volume II.

### **Operations**

In FY23 the budget for the Operations Cabinet is increasing by 13.7%, with the addition of 21 positions, as well as investments in basic maintenance in Property Management to maintain city property.

The Public Facilities' FY24 budget will increase by 13.9%, or \$1.2 million. This is partly due to the full funding of FY23 investment positions, as well as 2 new FY24 positions to support Green New Deal projects and an additional 5 positions to support capital projects generally.

The Property Management Department's budget will increase by 27.9%, or \$5.6 million. In FY24 they will take on the building maintenance for the Strand Theater, the Boston Transportation Department facilities and the Boston Centers for Youth and Family. \$500 thousand in maintenance funding and 3 positions will shift from BCYF to Property Management; they will also add an additional 6 positions dedicated to building maintenance. Two new capital project managers, a preventative maintenance manager and a project coordinator will support ongoing and future building projects. The department will also add a Lease Manager position to provide oversight for the city as both a landlord and a tenant. An additional \$350 thousand in supplies and contracts and an additional tradesperson position will round out this holistic investment to facility maintenance.

The Inspectional Services Department's (ISD) budget will increase by 1% or \$219

thousand. Two additional wire electrical inspectors will support the Building Division; an administrative support position for the Rental Registration program will drive citywide housing goals.

For additional budget detail on the Operations Cabinet see Volume II.

### **Community Engagement**

The FY24 budget for the Community Engagement Cabinet will decrease by 1.2% or \$54 thousand, as a result of staff turnover. The Community Engagement Cabinet contains the Office of Neighborhood Services, which is home to the City's neighborhood liaisons, Boston 311, and the Office of Civic Organizing. The FY24 budget will house a piece of the citywide Youth Sport Investment, providing much needed sports equipment to youth leagues. The department will add an additional 311 position to monitor inbound and outbound service requests and email responses to assess department performance. In FY24 the department will also receive funding for community place-making, a civic engagement summit, professional engagement training and faith based civic organizing programming. An administrative position will be added to the department's finance team.

For additional budget detail on the Community Engagement Cabinet see Volume II.

### **Arts & Culture**

In FY24, funding for the Arts and Culture Cabinet will increase by 11.1% or \$452 thousand. The FY24 budget maintains a \$1 million FY23 investment in an art training program. The mural crew will shift from the Parks Department to the Office Arts and Culture, to provide greater direction in line with city goals. The department will also add two positions to provide concierge

permitting services to help support small artistic events in the city.

For additional budget detail on the Arts & Culture Cabinet see Volume II.

### **Economic Opportunity and Inclusion**

The Economic Opportunity and Inclusion Cabinet includes the Office of Economic Opportunity and Inclusion, the Department of Supplier Diversity, Consumer Affairs & Licensing, and the Office of Tourism. Overall, the Cabinet will see an increase of 41% or \$3.8 million in FY24.

The Office of Economic Opportunity and Inclusion's (OEOI) FY24 budget will increase by 9.9% or \$594 thousand from its FY23 appropriation, driven by the transformative investments in business support. Administrative support in the form of a building lease will be provided to move the department into a publicly accessible location, and a Business Strategy position will be added. The department will also expand services for small business funding, providing support to businesses in areas not covered by CDBG grants. Additionally, the department continues to manage the Boston Cannabis Equity Fund, which supports the development of equity applicants for the emerging cannabis industry.

The Office of Tourism will increase by 13.7% from its FY23 appropriation, due primarily to a new Deputy Director position added in FY23. The Consumer Affairs and Licensing Board will increase by 7.7% or \$140 thousand as the result of needing to fund two additional Cannabis Board members.

In FY24, the Department of Supplier and Workforce Diversity will split into the department of Supplier Diversity and the department of Labor Compliance and Worker Protection (LCWP). The latter department will be housed in the new Worker Empowerment Cabinet. Due to

historical appropriations, Supplier Diversity was created as a new appropriation, with the FY23 funds shifting to be reflected in the new LCWP department. In FY24, Supplier Diversity will have a \$2.9 million appropriation, which aims to ensure that minority-owned and/or women-owned business enterprises (MWBE) are certified as such, and supported through the procurement process. Personnel investments to the department will enable the city to reach more business through outreach, and speed up certification time.

For additional budget detail on the Economic Opportunity and Inclusion Cabinet see Volume II.

### **Worker Empowerment**

FY24 will see the creation of a new Cabinet, consisting of the new Department of Labor Compliance and Worker Protections and the department of Youth Employment and Opportunity (which was formally named Youth Employment and Engagement and lived in the Human Services Cabinet.) The cabinet is charged with advancing the well-being of all working Bostonians in both the public and private sectors.

The Department of Labor Compliance and Worker Protections (LCWP) is showing a decrease from FY23 of 18.4%, or \$644 thousand; in FY23, the appropriation also included the funding for Supplier Diversity, which remained in the OEI cabinet. LCWP will regulate, oversee and improve workplace conditions and health for workers. It will expand economic opportunity for workers through access to quality jobs, skills training and career pipelines. An investment in worker safety will ensure that construction workers in the city are protected. The department also reviews developer and contractor compliance with the Boston Residents Jobs Policy (BRJP).

Youth Employment and Opportunity will have a budget increase of 1.8% or \$322 thousand. This budget will fund 6,000 summer jobs, with a shift in funding to provide more support for community-based organizations. The department will also work year-round to provide for at least 1,500 school-year jobs. FY24 will also add consulting resources to identify paths to improve the hiring process for youth.

For additional budget detail on the Worker Empowerment Cabinet see Volume II.

### **Education**

At \$1.45 billion, the FY24 operating budget is the largest in the history of the Boston Public Schools, increasing by 4.8% over the FY23 appropriation. FY24 represents a critical budget for BPS as it launches multi-year efforts to become a more inclusive and high-performing district while planning ahead for the end of pandemic-related federal relief funding in FY25. In the latter case, the City has committed \$14.5 million to moving strategically aligned positions and salaries funded with federal relief dollars onto the operating budget to ensure their sustainability.

Funding directed to schools will increase to \$905 million. Combined with another \$382 million in school services budgeted centrally - such as transportation, special education, and facilities - total spending in schools will reach nearly \$1.3 billion, almost 90% of the BPS budget.

\$26 million in FY24 investments are guided by six priority areas: Inclusive Education; Multilingual & Multicultural Programs and Services; Equitable Literacy; Social Work, Restorative Justice, and Mental Health Supports; High Schools & Alternative Education; and Family & Community Engagement. Collectively, these operating investments aim to create learning environments where all students have a sense of belonging, feel valued, supported,

and empowered to reach their full potential.

A series of investments in recent years added social workers, counselors, and family liaisons, among other critical support positions, to school communities. With these supports in place, the FY24 budget takes on long-standing challenges in areas such as inclusive education and multilingual learning that will require the adoption of new educational practices and the development of Multi-Tiered Systems of Support to identify the need for interventions and deliver them in a timely manner.

In addition to the operating investments, BPS is allocating significant federal relief funding towards its academic priorities in FY24 and is shifting \$24.5 million to help schools with declining enrollments from the general fund to this funding source. For more information, see the Education section in Volume I.

### **Environment, Energy & Open Space**

The Environment, Energy and Open Space Cabinet, which includes the Environment Department, the Parks and Recreation Department, and the Offices of Historic Preservation and Food Justice, will increase by 9.1%, or \$3.4 million, in FY24. The cabinet is making targeted investments to ensure access to high-quality open spaces for all Bostonians, implementing the City's Climate Action Plan and Boston's Building Emissions Reduction and Disclosure Ordinance 2.0 (BERDO) and advancing Boston's Green New Deal.

In FY24, the Environment Department's budget will increase by 11.2%. A one-time FY23 investment of \$500 thousand in the Equitable Emissions Fund was offset by new investments in cabinet support. FY24 will also see additional BERDO positions added to the team as well as fund measurement and verification services to Renew Boston

Trust. A Health Inspector position that focused on noise pollution will be transferred to the Public Health Commission.

The Parks and Recreation Department budget will increase by 9%, or \$2.8 million in FY24. This budget will focus on both maintenance improvements as well as citywide recreation planning. For park maintenance, the department will add 3 Senior Project Managers to provide support for capital projects. It will add funding for turf maintenance as well as an on call plumbing contract to support the maintenance of park water features. The FY24 budget will add \$3.6M in vehicle replacement funding, enough to replace 18% of the department's fleet. The city's mural crew will be transferred from the Parks Department to the Mayor's Office of Arts and Culture. Finally, this budget will fund a position to oversee open space master planning as well as a position and funding to do a landscape analysis of the youth sports space availability within Parks properties.

The Office of Food Justice has an FY24 budget of \$1.37 million, which is a 1% increase over FY23. In their second year as a new department, they focused on maintaining core programs, such as Boston Eats, a program that feeds children over the summer as well as funding for a program that matches EBT payments at Farmers Markets, to essentially double the amount available. They will also shift existing grant funding to focus on creating community leaders to support a variety of food access programs in their neighborhoods.

The Office of Historic Preservation will grow by 11.5% or \$150 thousand in FY23. Including the City's Archaeology Department, this office will ensure the preservation of historic buildings and sites around the city. The FY24 budget increased due to salary changes.



For additional budget detail on the Environment, Energy & Open Space Cabinet see Volume II.

## **Finance**

The Finance Cabinet contains the Auditing, Assessing, Budget, Participatory Budgeting, Procurement, and Treasury Departments, as well as other central appropriations. The FY24 Finance Cabinet Budget includes select strategic investments in equitable procurement as well as a Green New Deal grant FTE. The cabinet has a 4.3% increase, or \$1.5 million, in FY24. This increase is primarily driven by a shift in how the city handles bottled water procurement; shifting that expense from individual departments into the Procurement Department. The City will continue to work to maximize federal health insurance reimbursements and revenue recovery efforts.

The Office of Finance will see a decrease of 36.3%, due to a shift of the Office of Contract Services from the Office of Finance to the Procurement Department. The Office of Finance will also add a position to support Green New Deal grant funding.

The Auditing Department will increase by 12.9%, reflecting an increase in staffing the payroll unit. The Assessing, Budgeting and Treasury departments will all see minor increases due to staffing shifts.

In June 2021, the Mayor approved a proposed amendment to the City of Boston Charter that intended to strike a more equal balance of budgetary powers between the Mayor and the City Council and also included a provision concerning the implementation of Participatory Budgeting. The charter amendment was included on the municipal ballot in November 2021, and approved. The amendment requires the city to pass an ordinance creating the Office of Participatory Budgeting by the start of the

FY24 Fiscal Year. By February of 2023, an ordinance was passed and the FY24 budget includes \$2 million to fund staff and begin programming efforts prior to the required start date. The Participatory Budgeting appropriation will support the City's efforts to incorporate participatory budgeting practices, with the goals of being more democratic, inclusive, and transparent. The appropriation will fund efforts to include all residents, with a focus on those residents historically disconnected from the budgeting process.

The Procurement Department will see a 45.6% increase, or \$1.1M. This is driven by two factors; first, the shift of the Office of Contract Services from the Office of Finance, and second the shift of bottled water procurement from individual departments into the Procurement Department. The Office of Contract Services will continue to support departments with finding, cultivating and supporting diverse businesses.

For additional budget detail on the Finance Cabinet see Volume II.

## **People Operations**

The People Operations FY24 Cabinet includes the Human Resources, Labor Relations and Registry Departments. Formed to create an organization that is healthy, responsive, and human-centered, the cabinet's FY24 budget includes targeted investments focused on improving internal and external employee processes.

This cabinet, which consists of approximately 150 employees, supports the work of the 18,000 employees in the city of Boston, as well as maintains the records for all Births, Deaths, and Marriages for the City of Boston. Its budget will increase by 2.3% or \$5.6 million, driven by investments in Health Insurance.

The Office of People Operations will increase by 26.2% due to the addition of a Labor Relations advisory position. The Human Resources department will see targeted investments that support recruitment, job classification and professional development. The department will also add an employee to focus on employee health and wellness. The Registry Department will increase by 8.9% by adding staff capacity.

For additional budget detail on the People Operations Cabinet see Volume II.

### **Human Services**

The FY23 appropriation for the Human Services Cabinet will increase by \$12.6 million or 13.7%. The majority of that increase is a reflection of the expansion of the Human Services cabinet. The cabinet works to promote the health and well-being of the City's residents, particularly its most vulnerable.

The Office of Human Services expanded in FY24 to now include the Office of Community Safety, the Office of Early Childhood, the Office of Returning Citizens, Office of Youth Engagement & Advancement and the Coordinated Response team, as well as the Human Services Office to provide administrative support and policy oversight. The department's budget will increase by 119.4% driven by the shift of several programs from other areas into the department, as well as a \$4M investment in quality prekindergarten, which will add around 350 additional 3 and 4 year old seats. For our littlest Bostonians, an investment in the Childcare Entrepreneur Fund will ensure that childcare providers have the support they need. The department's budget includes \$1.5 million for the Youth Development Fund, a grant program which is a key part of a targeted violence prevention strategy with the goal of zero

homicides in the City of Boston. Also included is a \$2 million investment in the Office of Returning Citizens to fund case management staff and support dedicated to people returning from incarceration. The department will receive \$1.2 million dedicated to community safety at the Boston Housing Authority, and will receive \$324 thousand to support the citywide Youth Sports investment.

Boston Centers for Youth and Families' (BCYF) FY24 budget will decrease by 1.3% or \$404 thousand. The reduction is driven by the sun-setting of the SOAR program. In FY24 there is a \$500 thousand investment to support youth swim lessons citywide. BCYF's budget will also decrease due to the shift of facilities staff and building maintenance funding to Property Management. Additionally, BCYF runs both winter and summer Camp Joy programs with structured enriching activities for children and young adults with special needs.

The Age Strong Commission's budget will increase by 31.4% in FY24. Investments in Age Strong for FY24 include an expanded focus on senior community-oriented programming, including \$500 thousand in Age Strong combined with \$403 thousand in BCYF funds that will support programming in BCYF centers. Funding for a Senior Center Space Study will ensure that the enhanced programming will have room to grow. The department will also receive an investment to explore ways to support senior care workers, focusing on the human beings that care for our loved ones.

The Boston Public Library (BPL) budget will see an 8.5% increase or \$3.7 million in FY24. While a portion of this increase is due to rising utility employee wage costs, the department will also see investments in priority areas. BPL's budget includes funding for staff to expand Saturday hours

to 5PM at library branches. Four branches will also see expanded weekday hours. The department will also expand their multi-lingual patron services, adding capacity to ESOL classes.

In addition to the FY24 general fund budget, BPL has support from external funding sources. These crucial resources, including the Commonwealth of Massachusetts and Affiliates of the Public Library, support a variety of initiatives.

The FY24 budget for the Boston Office of Veterans Engagement, Transition, and Services (Boston VETS) will show a 1.6% increase, despite a reduction in the need for services under state Chapter 115 due to a drop in veteran population.

For additional budget detail on the Health & Human Services Cabinet see Volume III.

### **Public Health**

The Boston Public Health Commission (BPHC) serves as the City's health department and provides emergency medical services (EMS); infectious disease surveillance; substance abuse prevention and treatment programs; community health programming; shelter, food, and advocacy for homeless individuals; and home and school-based health services for children and families. In FY24, BPHC's appropriation will increase by 8.8%, or \$10.5 million. Unlike most City departments, BPHC's appropriation includes health insurance, pension and other post-employment benefits (OPEB).

FY24 will add \$3.3 million to the department to continue funding critical low threshold sites for individuals experiencing substance use disorder and providing support and resources to those in need. An investment in enhanced trauma response will increase resources to existing trauma response programs to better support residents. An investment in a Men's Health

Initiative will focus on providing outreach and care.

With the goal of maintaining response times, EMS will add five new EMTs to cover staffing shortages caused by longer call times. As a result of the COVID-19 pandemic, additional safety measures need to be taken to protect first responders; as a result, calls can take longer. The department will also add 5 administrative positions. BPHC as a whole will also add administrative capacity, shoring up critical functions in Finance, Human Resources, etc.

For additional budget detail on the Health & Human Services Cabinet see Volume III.

### **Housing**

The FY24 budget for the Housing Cabinet will increase by 10.7% or \$4.7 million. The Wu administration committed at least \$380.4 million in funding across the Operating, Capital and ARPA budgets between FY23 and FY25 to increase affordable housing availability, improve housing conditions in existing units, and bolster supportive services for individuals facing housing instability and homelessness, amongst other goals.

In FY24, the Mayor's Office of Housing will expand the budget for the City-funded rental voucher program with \$2 million in additional funding, bringing total funding for the program to \$11.7 million. This program will subsidize the rents of those with the most need by providing hundreds of vouchers over five years. The goal is for tenants to pay no more than 30% of their income to rent. The city will also expand the current Accessory Dwelling Unit program, to include structures outside the main building envelope. Currently, only areas inside a current home (basements, attics) can be an ADU. This investment will expand the program to include

outbuildings, such as garages or carriage houses.

The Mayor's Office of Housing conducts various programs to reduce the numbers of chronic, family, and youth homelessness. A \$1 million investment will offer flexible financial assistance and rental relief for residents facing housing instability. This funding will allow a pandemic era grant program to continue running through FY24. \$500 thousand will be added to the Emergency Housing program, for residents impacted by events like water main breaks or fires that make their homes unsuited for habitation on a temporary basis.

The FY24 budget will continue to support GrowBoston, which aims to convert open space to food-producing green space and offer communities technical assistance, will see its first operating investment of \$800 thousand.

Furthermore, the FY24 budget projects that the Mayor's Office of Housing will have \$111 million in external funds available from federal and state grants, as well as revenue from certain developer fees.

For additional budget detail on the Housing Cabinet see Volume III.

### **Information & Technology**

The Department of Innovation and Technology (DoIT) will see a 3.8% or \$1.6 million increase over its FY23 appropriation. The COVID-19 pandemic has underscored how critical access to the internet is for enabling households to engage with the economic, social, and civic life of their communities. In FY24, DoIT will focus on the big picture areas of technology, with investments in constituent services and governance structures.

The FY24 budget will meet the needs of constituents by adding five positions and

funding to support critical capital projects. The upgrade of the 311 system will ensure that constituent needs are met promptly and easily. FY24 also starts a multi-year push to centralize IT governance citywide. The department is working to ensure that duplicate technologies are eliminated, that software isn't purchased when a business process change is needed and that citywide IT leaders are up to speed on citywide technology issues.

The FY24 budget continues to fund remote work equipment and technology, with an investment to ensure the tools that keep remote work working are well supported.

For additional budget detail on the Information & Technology Cabinet, see Volume III.

### **Public Safety**

Overall, the Public Safety Cabinet, which includes the Police Department, the Fire Department, and the Office of Emergency Management, will increase by 1.5% or \$10.4 million from FY24. The FY24 budget supports cadets in both Police and Fire. The Police program cadet will be in its 9th year since being restarted, while the Fire Department will welcome its second class of cadets in FY24.

The Police Department (BPD) will increase by 2.3%, or \$9 million. The budget funds a recruit class to replace projected attrition. The department will continue its efforts to reduce overtime hours and in FY24 will continue with efforts to return to duty officers that are on injured leave. This budget continues to include funding for Boston Emergency Services Team (BEST) clinicians who will be available to help police officers better serve their community. In FY24, the department will expand their efforts to meet communities where they are, by holding listening sessions. BPD will also seek CALEA accreditation, a designation that is only

given to departments that have enforce a well-rounded set of standard operating procedures.

Building on the continued success of recruiting a diverse police cadet class in FY16 through FY23, the FY23 budget increases the number of cadets from 60 to 90. This addition to the cadets will continue to provide a stable pipeline of diverse young people for future police officer classes. Finally, the department will add \$582 thousand to Youth Connect program that places social workers in police precincts and can connect youth to services the moment they become known to police.

The Fire Department budget will increase by 0.4% in FY24, which is primarily due a newly required lease payment for the Special Operations team. That team had been hosted on land owned by an educational organization that can no longer support the department. There is also a \$500 thousand investment to update the telephone system at Fire Headquarters. The FY24 operating budget continues previous investments in facilities improvements, health and wellness training. FY24 will also fund the second year of the Fire Cadet program which will mirror the Police Cadet program.

The Office of Emergency Management budget represents an increase of 13.9%. This increase is driven by the addition of a Logistics Coordinator position, to support coordination efforts during emergency situations.

For additional budget detail on the Public Safety Cabinet see Volume III.

### **Streets**

The FY24 Streets Cabinet budget, which includes the Public Works Department and the Boston Transportation Department, increased by 7.8% over the FY23

appropriation. This budget reflects a series of investments that aim to shift how our streets are designed and maintained. It will continue the expansion of high-quality basic city services to keep our streets clean, safe, and accessible for all users.

The Public Works Department (PWD) FY23 budget will increase by 9.7% or \$10.2 million over FY23, primarily driven by projected increases in the waste removal contracts. The city remains committed to diverting its waste stream by maintaining existing recycling contracts, despite a projected increase in the per ton cost of recycling. Similarly, the city has dedicated \$200 thousand to small MWBE construction contractors, in order to support the growth of small businesses.

The Boston Transportation Department's (BTD) FY24 budget will increase by 5.4% over FY23, with a focus on the Future of Transportation by improving all mobility methods used to get around the city. After seeing the success of making Bluebikes free during the orange line shutdown, BTD is committing \$550 thousand to promote a Boston Pass which gives up to 10,000 BPL library card holders in undersubscribed areas of the City a \$5 pass to use Blue Bikes all year to change modes of transportation. This complements a capital investment in adding ebikes to the Blue Bikes Fleet. In FY24 the department will also add new funding to promote safer streets. Dedicating \$560k thousand in operating personnel to Safety Surge, this program will support that capital plan's goals to redesign 15 to 20 intersections a year and place speed humps over 30-50 miles of streets in 10 neighborhoods. The FY24 budget will expand the successful Open Streets Programs, adding Open Streets in 2 additional locations. During Open Streets, pedestrians, vendors and non-profits take over the street, building community connections among residents. The department will also add funds to maintain

and store the parklets during the winter. Parklets take over parking spaces during the warmer months and provide a respite for residents to enjoy the city.

The Office of Streets is the central administrative arm of the cabinet. Its budget will increase by 41.4%, driven by a \$640 thousand investment in Green Infrastructure. The Green Infrastructure team will lead cabinet wise efforts to rethink how streets are designed and maintained. With a strict focus on climate resilience, the FY24 budget will add two staff positions to lead community outreach and design efforts. Central Fleet Maintenance is increasing by 1%, continuing their efforts to add electric vehicles and chargers to the city's fleet.

For additional budget detail on the Streets Cabinet see Volume III.

### **Planning**

The Planning Cabinet consists of the BPDA and the newly formed department of City Planning and Design. This department has a budget of \$451 thousand, representing staff to support the new Boston Planning Advisory Council. The Council will meet for the purpose of increasing coordination among departments that engage in citywide and neighborhood planning.

### **Non-Mayoral**

The Non-Mayoral Cabinet includes the City Clerk, the Finance Commission and the City Council. This Cabinet's budget increases by 2.5%; driven by an increase in the City Council budget of \$4.9 million or 4.9%. This consists of investments in staff.

For additional budget detail on the Non-Mayoral Cabinet see Volume III.

### **Reserve for Collective Bargaining**

The FY23 collective bargaining reserve, a \$81 million reserve for City departments, Boston Public Schools, and the Public Health Commission, contains funding for unsettled union contracts.

### **FIXED COSTS**

Fixed costs continue to make up a growing portion of the City's Budget. The City is required to budget for fixed costs and its growth, largely driven by the City's Pension schedule, which requires a 10.4% increase in FY24 to ensure funding consistent with the current pension schedule; debt service; and the Charter School Tuition Assessment, which is directly deducted from Boston's state aid. Total fixed costs are budgeted to increase \$87.6 million, or 9.3% over the amount budgeted in FY23.

### **Pensions**

Boston's Pension budget is based on the current pension schedule approved by Boston's Retirement Board. The City's Pension schedule requires a \$36.7 million or 10.4% increase in FY24.

The City of Boston participates in a contributory defined benefit retirement system that is administered by the Boston Retirement System (BRS). BRS is one of 104 public pension systems governed by Massachusetts General Law Chapter 32. Boston's current pension schedule is based on an actuarial asset valuation as of January 1, 2022. The current pension schedule assumes a long term rate of return of 6.9%. The City's pension liability is currently 82.4% funded and is on track to reduce the unfunded liability to zero by 2027, thirteen years prior to the legally required funding date of 2040. The current Cost of Living Adjustment (COLA) base (the amount the annual COLA increase is applied to) is \$15,000. In the spring of 2022 BRS approved a 3% COLA increase effective July 1, 2022. This COLA increase was later adjusted to 5% with Governor and City Council approval. The total impact of the

COLA adjustment is estimated to add \$26.6 million to pension's unfunded liability.

### **Debt Service**

The Debt Service budget supports borrowing to finance the City's capital plan. In FY24 Debt Service is budgeted at \$248.3 million, which is a \$32.4 million or 15.0% increase over the previous year.

The City benefits from its strong financial policies and practices and has Aaa/AAA credit ratings from Moody's and Standard and Poor's. Strong credit ratings are an assessment of the City's long-term financial stability and lower the cost of borrowing.

For further detail see the *Capital Planning* and *Financial Management* chapters of this volume.

### **State Assessments**

Accompanying the local aid distributions on the State's Cherry Sheet are charges to the City from the Commonwealth. These include items such as charter school tuition and MBTA service. The City expects to be assessed \$382.4 million by the Commonwealth in FY24.

For further detail see the *Revenue Estimates & Analysis* chapter of this volume.

### **Suffolk County**

The Suffolk County budget is a fixed cost mandated by state legislation, budgeted at \$2.9 million in FY24. State legislation

converted all existing and future Suffolk County Sheriff employees to state employees effective January 1, 2010. The State charges the City for Suffolk County through an assessment based on the residual unfunded pension liability for former Sherriff employees who retired prior to January 1, 2010. Once the unfunded pension liability is fully extinguished, the budget for Suffolk County will no longer be necessary.

### **Reserve**

The Reserve budget is a fixed cost stipulated by state law and requires the City of Boston to maintain a reserve of 2.5% of the prior year appropriations, not including the School department, on its balance sheet. The reserve's balance as of June 30, 2022 is \$40.9 million. In FY24 the City is budgeting an additional \$2.5 million contribution to this reserve to meet its funding requirements. The reserve can be used to provide for extraordinary and unforeseen expenditures and the Mayor may make drafts or transfers against this fund with City Council approval after June first of each fiscal year. Since the establishment of this reserve, the City has yet to make any drafts or transfers from the reserve.

Personnel Summary		1/1/21	1/1/22	1/1/23	1/1/24	Projected
		FTE	FTE	FTE	Projected	Inc/(Dec)
<b>Office of the Mayor</b>	Mayor's Office	51.0	45.7	56.6	56.6	-
	Election Department	28.0	30.0	29.0	29.0	-
	Intergovernmental Relations	9.0	6.0	9.0	10.0	1.0
	Law Department	57.0	50.0	60.6	62.6	2.0
	<b>Total</b>	<b>145.0</b>	<b>131.7</b>	<b>155.2</b>	<b>158.2</b>	<b>3.0</b>
<b>Equity &amp; Inclusion</b>	Office of Equity	-	22.0	8.0	14.0	6.0
	Office of Diversity	-	3.0	-	-	-
	Office of Resiliency & Racial Equity	-	3.0	-	-	-
	Language & Communications Access	-	3.0	11.0	12.0	1.0
	Human Rights Commission	2.0	5.0	3.0	5.0	2.0
	Office of Immigrant Advancement	8.0	10.0	9.0	11.0	2.0
	Women's Advancement	4.0	3.0	3.0	4.0	1.0
	Black Male Advancement	-	-	4.0	8.0	4.0
	Fair Housing & Equity	7.0	8.0	8.4	8.4	-
	LGBTQ+ Advancement	-	-	3.0	5.0	2.0
Commission for Persons with Disabilities	7.0	6.0	8.0	9.0	1.0	
	<b>Total</b>	<b>28.0</b>	<b>63.0</b>	<b>57.4</b>	<b>76.4</b>	<b>19.0</b>
<b>Office of Police Accountability &amp; Transparency (OPAT)</b>	OPAT	-	5.0	22.4	22.4	-
	<b>Total</b>	<b>-</b>	<b>5.0</b>	<b>22.4</b>	<b>22.4</b>	<b>-</b>
<b>Operations</b>	Inspectional Services	211.0	216.0	211.0	212.0	1.0
	Property Management	121.5	129.0	136.0	152.0	16.0
	Public Facilities Department	63.0	69.0	76.0	80.0	4.0
	<b>Total</b>	<b>395.5</b>	<b>414.0</b>	<b>423.0</b>	<b>444.0</b>	<b>21.0</b>
<b>Community Engagement</b>	Neighborhood Services	56.0	55.0	59.0	61.0	2.0
	<b>Total</b>	<b>56.0</b>	<b>55.0</b>	<b>59.0</b>	<b>61.0</b>	<b>2.0</b>
<b>Arts &amp; Culture</b>	Office of Arts & Culture	13.0	15.0	19.0	23.0	4.0
	<b>Total</b>	<b>13.0</b>	<b>15.0</b>	<b>19.0</b>	<b>23.0</b>	<b>4.0</b>
<b>Economic Opportunity &amp; Inclusion</b>	Office of Economic Opportunity & Inclusion	24.4	10.5	21.2	22.2	1.0
	Consumer Affairs & Licensing	18.2	21.2	22.2	22.2	-
	Office of Tourism	10.0	9.0	8.0	10.0	2.0
	Supplier Diversity	-	-	19.0	20.0	1.0
	<b>Total</b>	<b>52.6</b>	<b>40.7</b>	<b>70.4</b>	<b>74.4</b>	<b>4.0</b>
<b>Worker Empowerment</b>	Labor Compliance and Workforce Protection				13.0	13.0
	Youth Employment and Opportunity	9.0	7.0	6.7	7.7	1.0
	<b>Total</b>	<b>62.6</b>	<b>49.7</b>	<b>6.7</b>	<b>20.7</b>	<b>14.0</b>
<b>Education</b>	School Department	9,527.8	9,559.1	9,624.1	9,764.3	140.2
	<b>Total</b>	<b>9,527.8</b>	<b>9,559.1</b>	<b>9,624.1</b>	<b>9,764.3</b>	<b>140.2</b>
<b>Environment, Energy &amp; Open Space</b>	Environment	29.0	28.0	21.0	26.0	5.0
	Parks and Recreation	230.0	226.0	231.0	234.0	3.0
	Office of Historic Preservation			10.0	11.0	1.0
	Office of Food Justice			3.0	6.0	3.0
	<b>Total</b>	<b>259.0</b>	<b>254.0</b>	<b>265.0</b>	<b>277.0</b>	<b>12.0</b>

Table 6



<b>Personnel Summary (cont.)</b>		1/1/21	1/1/22	1/1/23	1/1/24	Projected
		FTE	FTE	FTE	Projected	Inc/(Dec)
<b>Finance Cabinet</b>	Office of Finance	5.0	4.0	5.0	4.0	(1.0)
	Assessing Department	78.0	73.0	71.0	71.0	-
	Auditing Department	29.0	28.0	29.0	29.0	-
	Budget Management	23.7	19.7	22.0	22.0	-
	Office of Participatory Budgeting	-	-	-	2.0	2.0
	Procurement	19.0	21.0	22.0	28.0	6.0
	Treasury Department	49.0	44.0	46.0	46.0	-
	<b>Total</b>	<b>203.7</b>	<b>189.7</b>	<b>195.0</b>	<b>202.0</b>	<b>7.0</b>
<b>People Operations</b>	Office of People Operations			4.0	5.0	1.0
	Human Resources	46.0	53.0	57.0	59.0	2.0
	Labor Relations	9.0	8.0	10.0	10.0	-
	Registry Division	18.0	18.0	17.0	20.0	3.0
	<b>Total</b>	<b>73.0</b>	<b>79.0</b>	<b>88.0</b>	<b>94.0</b>	<b>6.0</b>
<b>Human Services</b>	Human Services	11.0	11.0	18.0	33.0	15.0
	Boston Center for Youth & Families	351.7	321.5	295.5	267.5	(28.0)
	Age Strong Commission	47.8	41.1	52.0	59.8	7.8
	Library Department	381.6	369.6	385.9	396.4	10.5
	Boston VETS	12.0	12.0	13.0	13.0	-
	<b>Total</b>	<b>813.1</b>	<b>762.2</b>	<b>764.4</b>	<b>769.7</b>	<b>5.3</b>
<b>Public Health</b>	Public Health Commission	871.7	857.4	824.1	843.1	19.0
	<b>Total</b>	<b>871.7</b>	<b>857.4</b>	<b>824.1</b>	<b>843.1</b>	<b>19.0</b>
<b>Housing</b>	Mayor's Office of Housing	42.4	40.1	46.7	53.8	7.1
	<b>Total</b>	<b>42.4</b>	<b>40.1</b>	<b>46.7</b>	<b>53.8</b>	<b>7.1</b>
<b>Information &amp; Technology</b>	Dept of Innovation & Technology	123.0	120.0	123.0	130.0	7.0
	<b>Total</b>	<b>123.0</b>	<b>120.0</b>	<b>123.0</b>	<b>130.0</b>	<b>7.0</b>
<b>Public Safety</b>	Emergency Management	4.1	5.2	3.8	5.9	2.1
	Fire Department	1,616.5	1,604.5	1,625.6	1,647.0	21.4
	Police Department	2,839.7	2,759.4	2,657.4	2,766.0	108.6
	<b>Total</b>	<b>4,460.3</b>	<b>4,369.1</b>	<b>4,286.8</b>	<b>4,418.9</b>	<b>132.1</b>
<b>Streets</b>	Office of Streets	20.0	16.0	20.0	25.0	5.0
	Central Fleet Management	43.0	40.0	38.0	38.0	-
	Public Works Department	305.8	291.0	270.0	280.0	10.0
	Transportation	359.0	334.0	303.0	349.0	46.0
	<b>Total</b>	<b>727.8</b>	<b>681.0</b>	<b>631.0</b>	<b>692.0</b>	<b>61.0</b>
<b>Planning</b>	City Planning and Design				3.0	3.0
	<b>Total</b>				<b>3.0</b>	<b>3.0</b>
<b>Non-Mayoral</b>	City Clerk	15.0	15.0	14.0	14.0	-
	City Council	83.2	60.9	80.6	83.2	2.6
	Finance Commission	3.0	3.0	3.0	4.0	1.0
	<b>Total</b>	<b>101.2</b>	<b>78.9</b>	<b>97.6</b>	<b>101.2</b>	<b>3.6</b>
<b>Grand Total</b>		<b>17,893.1</b>	<b>17,714.9</b>	<b>17,758.8</b>	<b>18,229.1</b>	<b>470.3</b>

**Table 6**

## Personnel Changes

The Personnel Summary table shows a four-year comparison of city-funded and filled full-time equivalent (FTE) positions. This includes both permanent and emergency employees. The projected FTE numbers used for FY24 are estimates based on the personnel funding levels contained in the FY23 budgets.

### FY22 - FY23 FTE Change

The total net increase in FTEs from January 1, 2022 to January 1, 2023 was 43.9. While Education staffing grew by 65 FTEs, this growth was largely offset at the citywide level by declines in other large departments. The City's Position Review Committee continued to review all proposed job postings for vacant positions, balancing the capacity needs of departments with concern for budgetary and organizational impacts. Attrition and retirements, which have peaked in recent years in several departments, remained high. Additionally, 14 long-term vacant positions were eliminated in the FY23 budget.

The School Department increased by 65.0 FTEs. General Education Teachers were down 76.9 FTEs from Jan 1, 2022, driven by attrition. However, Specialist Teachers were up 31.6 and the picture for classroom support positions was mixed, with Itinerant Pupil Support (+25.6) and Special Education Aides (-65.1) moving in opposite directions. Two notable growth areas were Librarians and Guidance positions, up 22.5 and 26, respectively, which resulted from significant FY23 investments in library access and counseling in high schools.

Public Safety FTEs decreased by 82.3 from Jan 1, 2022 to Jan 1, 2023. The Police Department declined by 100.2 FTEs; driven by attrition and a delay of a fall class to the spring. The Fire Department saw an

increase of 21 FTEs due to an increase in the spring 2022 class intended to promote diverse recruiting and the addition of a Delta car to respond to the opioid crisis.

The Streets Cabinet decreased by 50 FTEs. Transportation was down 31 since Jan 1, 2021s, paced by vacancies among Parking Enforcement Officers. Public Works was down 21, with certain technical positions proving difficult to fill. Meanwhile, the Office of Streets was up 4, providing more capacity in the cabinet's policymaking division.

The Equity and Inclusion Cabinet has decline by nearly 6 FTEs from January 2022 to January 2023. However, this was largely driven by the transfer of 20 Supplier & Workforce Diversity positions out of the Office of Equity and into the Economic Opportunity & Inclusion cabinet. The Office of Equity was only down 14 due to the absorption of Diversity and Resilience & Racial Equity positions. Elsewhere in the cabinet the Office of Language & Communications Access grew by 8 with the addition of new translators and language access specialists. Two new departments, Black Male Advancement and LGBTQ+ Advancement, had staffed up with 7 FTEs between them as of January 2023.

The Office of Police Accountability and Transparency (OPAT), created in FY22 to oversee police reform, continued to staff up, adding 17.6 FTEs over January 2022, including board members.

The Operations Cabinet as a whole increased by 9 FTEs. Property Management and Public Facilities each had an increase of 7 FTEs, driven by proactive hiring of security positions and investments in project managers. Inspectional Services experienced a drop of 5 FTEs in the same period due to vacancies.

The Community Engagement Cabinet increased by 4 due to call taker hires. The Arts & Culture Cabinet increased by 4 FTEs of its own, as investment positions were filled.

The Economic Opportunity and Inclusion Cabinet decreased by 29.7, with the bulk of that (+19) coming from the transfer of Supplier & Workforce Diversity. The Office of Economic Opportunity and Inclusion added 10 FTEs, including small business program positions. Consumer Affairs and Licensing and the Office of Tourism were roughly flat.

The Environment, Energy and Open Space Cabinet increased by a net of 11 from January 2022 to January 2023. The Office of Historic Preservation (+10) separated from the Environment Department (-7) and added new investment positions. The Office of Food Justice (+3) joined the cabinet from its prior home in Human Services, and Parks and Recreation increased by 5, with the potential for more hiring due to investments in Urban Forestry capacity.

The Human Services Cabinet shows a net decrease of 9 FTEs. This is driven by the addition of 16.3 FTEs in the Library Department and 10.9 FTEs in Age Strong as those departments approached their pre-pandemic staffing baselines. On the other hand, Boston Centers for Youth and Families decreased 26 positions due to hiring challenges in aquatics and the discontinuation of an outreach program. The Office of Human Services added 7 positions, with the addition of Office of Returning Citizens and Early Childhood positions offsetting the transfer out of the Office of Food Justice.

The Public Health Commission's decrease of 33.3 is spread over multiple bureaus, with notable vacancies in Emergency Medical Services and Resources & Referral.

The Finance and People Operations cabinets increased by 5.3 and 9 FTEs respectively, with the latter reflecting, in part, the creation of the Office of People Operations (+4) and hires in Human Resources (+4) to further the City's workforce goals.

Housing grew by 6.6 FTEs from January 2022 to January 2023 largely through the shifting of salary from a federal grant to the operating budget in order to free up grant resources for the pursuit of housing goals.

The Non-Mayoral cabinet is up by 18.7, driven by City Council staffing up.

Other cabinets had minor changes that are reflective of regular attrition and hiring patterns.

#### **FY24 Projected FTE Changes**

The City projects a net increase in FTE levels of 470.3 from January 1, 2023 to January 1, 2024. The vast majority of the growth is targeted in the priority areas of education, public safety, mobility, and equity.

The City continues to monitor all hiring and reviews all requests to post new and existing positions within the context of administration priorities. Departments eliminated 24 long-term vacant positions in the current budget process.

The School Department again represents the greatest portion of the projected growth, with an expected increase of 140.2 filled FTEs from January 2023 to January 2024. Roughly half of those represent positions currently filled on ESSER; as ESSER funding sunsets, critical functions will move to the Operating fund. Special Education teachers and aides will grow in number as an investment in inclusive practices is rolled out. Bilingual teachers and aides, student support coordinators, and reading interventionists are also key

parts of the district's hiring plan and should increase accordingly.

The Public Safety Cabinet is expected to grow by an additional 132.1 FTEs in January 2024. Historically, the number of Public Safety employees on the payroll as of January 1 of any year has fluctuated with the timing of retirements and new classes. Class timing is at play in the FY24 increase, as the increase of 108.6 in the Police Department is due to the timing of the 2023 police class, which was delayed until April of 2023. The Fire Department's projected increase of 21.4 is due to the new cadet class. A class of 32 will start in the spring of 2023 with a goal of mirroring the successful BPD program and increasing firefighter diversity. Overall, the goal of the department is to have enough firefighters in the suppression force to cover the minimum staffing levels and to reduce overtime. The Office of Emergency Management will grow by 1 by adding a Logistics Coordinator.

The Equity & Inclusion Cabinet is projected to have 75 FTEs, showing a projected increase of 18. The Office of Equity is increasing by 6; 3 of which will be new Equity Officers. These positions will be funded and report to the Office of Equity, but sit in other department to infuse equity principles into the daily work of those departments. Language and Communications Access is adding 1 FTE, adding finance capacity. Human Rights will add two FTEs by filling vacancies, including the Director position; Immigrant Advancement will also increase by 2, adding a Policy Advisor and a Program Manager to focus on newly arrived migrants. Women's Advancement will increase by 1 and LGBTQ+ will increase by 2, adding programmatic support staff. Commission for Persons with Disabilities will add a Training Specialist position, and Black Male Advancement continues to fill out their staff by adding a range of positions to support programs and events.

The Office of Police Accountability & Transparency is expected to have 22.4 FTEs as of Jan 1, 2024, remaining flat with FY23.

The Operations Cabinet is anticipated to increase by 21 FTEs; reflecting the administration's priority of shoring up core infrastructure. Property Management will increase by 16 positions; including 3 from BCYF as responsibility for BCYF building maintenance moves to Property Management. The department will also add a lease manager, a manager for 1010 Mass Ave, additional capital project managers, and assorted building maintenance staff. ISD will add support for the rental registration program as well as electrical inspectors. Public Facilities is projected to be up by 4, as the department hires new project managers to support Green New Deal projects in the capital plan.

The Community Engagement Cabinet will increase by 2 as the department adds a Quality Assurance position for 311 as well as an additional administrative position. The Arts and Culture Cabinet will grow by 4 FTEs. Two event concierge positions will be added to support people who want to put on small public events. Two additional positions also reflect the movement of the Mural Crew from Parks to Arts & Culture.

The Economic Opportunity and Inclusion Cabinet will grow by 4 from Jan. 2023 to Jan. 2024. The Office of Economic Opportunity and Inclusion will add a Business Strategy Manager. Consumer Affairs will remain flat and Office of Tourism will grow by 2, filling vacancies in the director and A&F positions. Supplier Diversity will separate from the old Supplier and Workforce Diversity; the latter will move into the new Worker Empowerment Cabinet. However, an investment in staff will keep the headcount almost level, with an increase due to filling vacancies.

Worker Empowerment is a new cabinet in FY24. Consisting of the Office of Youth Employment and Opportunity (OYEO) and Labor Compliance and Workforce Protection, it will focus on empowering all workers in the City of Boston. It is projected to have 20 FTEs in Jan 2024. OYEO shifted from the Human Services Cabinet and will increase by 1 FTE as a result of filling a vacant position. The Office of Labor Compliance and Workforce Protection is projected to have 13 FTEs; 11 moved from the BRJP unit (formerly in the OEOI cabinet) and 2 new Deputy Chief positions will be added.

The Environment, Energy and Open Space Cabinet will grow by 12 FTEs. The Environment Department is increasing by 5; 4 BERDO positions, a Cabinet wide Communications position and an executive assistant, offset by 1 FTE with the Noise inspector moving to BPHC. The Office of Food Justice will increase by 3 FTEs, as they fill vacancies in their second full year as an independent department. This Office will support year round food access to all Bostonians. The Office of Historic Preservation will have 11 FTEs, increasing by 1 as they fill the final Commemoration Commission position. Parks and Recreation will decrease by the two Mural Crew positions moving to Arts and Culture, but will also add 5 new positions: 3 Senior Project Managers to support capital projects, and 1 position each to work on Green Space and Youth Sports planning.

The Finance Cabinet projects an increase of 7 FTEs including driven by the Contract Services Unit. This group was in the Office of Finance in FY23, and will move into Procurement in F24, adding 6 FTEs by January 2024. The New Office of Participatory Budgeting will add two FTEs, a Director and support position early in the fiscal year. The People Operations Cabinet will include 94 FTEs in January 2024, up by 6 over FY23. Registry will

increase by 3, adding critical managerial and support positions. Human Resources will also add staff to support recruitment, investigations and health and wellness.

The Human Services Cabinet will increase by 5 FTE; however, this masks significant movement within the cabinet. Boston Public Library will be adding 10.3 FTEs, driven by an investment to ensure longer Saturday and week day hours at most branches. Boston Centers for Youth and family will decrease by 28 FTEs, reflecting the sun setting of the SOAR program. BCYF will also shift 3 Facilities positions to Property Management as part of the centralizing of building maintenance. The Office Human Services will increase by 15, 6 of which will be for the new Office of Youth Engagement and Advancement (OYEA). The Department will also add positions in Office of Returning Citizens, Community Safety, and Early Childhood, the latter for Youth Sports. Age Strong will increase by 7 positions to support expanded senior oriented programming in BCYF Community Centers.

The Boston Public Health Commission will increase by 19 FTEs; driven by priority investments. 10 EMS positions will be added to maintain response times. 2 trauma response positions will ensure that residents experiencing trauma will be appropriately supported at any time of day. BPHC will also add the Noise Inspector position from Environment, as well as 6 positions to increase administrative capacity in central offices.

The Mayor's Office of Housing in the Housing Cabinet will increase by 7.1, primarily driven by 5 FTEs moved off of the CDBG grant to allow for more direct program spending. An additional FTE will support the Accessory Dwelling Unit program as it transitions from just supporting in-dwelling units to adding out buildings to the program. The Technology and Innovation Cabinet will increase by 7 FTEs. The Department of Innovation and

Technology will add positions to support the 311 upgrade, directly impacting constituent services. They will also add relationship management positions to begin the work of aligning citywide technology groups.

The Streets Cabinet is projected to increase by 51 FTEs. This is driven by the Transportation Department (BTD), with an increase of 46 as a result of filling long vacant Parking Enforcement positions. Due to the pandemic, changing regulations and staffing shortages, the department hasn't filled a PEO class in 3

years. BTD will also add 5 planning and engineering positions to support Safety Surge, the capital program focused on slowing traffic on neighborhood streets. Public Works is projected to grow by 10 positions as they fill critical vacancies. The Office of Streets will add 5 position, including 2 for Finance and 2 for Green Infrastructure. The Green Infrastructure team will add trees and vegetated elements into capital project that otherwise would have been solely impervious pavement.

<b>External Funds</b>	<b>FY22 Expenditure</b>	<b>FY23 Estimated</b>	<b>FY24 Estimated</b>
Boston Public Schools	219,012,369	371,590,760	388,626,317
Budget Management	108,892,087	154,673,372	138,001,334
Mayor's Office of Housing	124,543,782	115,360,153	144,410,723
Public Health Commission	55,979,020	57,559,249	68,176,785
Treasury Department	27,789,747	40,285,279	38,483,632
Emergency Management	9,464,713	11,708,160	11,772,895
Fire Department	3,144,185	9,958,765	9,821,502
Police Department	10,054,609	7,221,420	9,365,710
Age Strong	12,295,152	9,875,754	10,193,513
Library Department	13,409,585	9,787,241	10,197,972
Other	21,009,586	28,724,084	36,369,029
<b>Total</b>	<b>605,594,835</b>	<b>816,744,237</b>	<b>865,419,412</b>

**Table 7**

**External Funds**

The City's \$4.28 billion operating budget is supplemented by approximately \$865 million in external funds. These funds consist mainly of federal, state, and private funding earmarked for specific purposes. Education, housing, economic development, public health and public safety are some of the largest areas for which these funds are targeted.

Thirty-one departments and agencies expect to receive federal, state or other forms of external funding in FY24. Roughly 96% of the City's external funds are found in ten of those thirty-one departments. These ten departments are Boston Public Schools, Office of Housing, Public Health Commission, Treasury Department, Budget Management, Emergency Management, Age Strong Commission, Police Department, Fire Department, and

the Library Department. Descriptions and amounts of grants by department can be found in Volumes II and III.

Federal grants have historically provided funding for the key City priorities of education, community development, and services for seniors. Boston Public Schools, the Mayor's Office Housing, and the Age Strong Commission have been the traditional recipients of recurring entitlement grants provided by the federal government.

In response to the catastrophic impact of the COVID-19 pandemic, the federal government passed three unprecedented relief packages. These packages included:

#### **CARES-Coronavirus Relief Fund (CRF)**

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, is a \$2.2 trillion economic stimulus bill signed into law on March 27, 2020. CARES provided additional funding to Boston using existing federal funding formula grants to city departments including the Office of Housing and the Age Strong Commission plus to Boston Public Schools through the Elementary and Secondary School Emergency Relief (ESSER) program. Finally, the most significant CARES program provided directly to Boston was the Coronavirus Relief Fund (CRF), specifically targeted for local government. Boston was awarded \$120.8 million from CARES-CRF. Use of CARES-CRF funds was restricted to:

- Necessary expenditures incurred due to the public health emergency of COVID-19,
- Budgets costs not accounted for in most recent adopted budget, and
- Costs incurred March 1 thru December 31, 2021.

#### **FEMA**

In addition to CARES CRF funding created as an immediate response to the COVID-19 emergency, the City anticipates

reimbursement from the Federal Emergency Management Agency (FEMA) provide through the Commonwealth of Massachusetts for approximately \$16 million in COVID-19 emergency response spending. The COVID-19 federal emergency declaration ended in May of 2023, and the City's final reimbursements will be submitted and received in FY 24.

#### **Coronavirus Relief Bill**

The second stimulus bill, the Consolidated Appropriations Act of 2021, provided an additional \$900 billion in stimulus relief, extended the availability of CARES-CRF funding by one year and was signed into law on December 27, 2020. This second stimulus package provided a second round of Elementary and Secondary School Emergency Relief (ESSER II) funding to Boston Public Schools, and a brand new Emergency Rent Relief program awarded to the Mayor's Office of Housing.

#### **American Rescue Plan Act (ARPA) of 2021**

The American Rescue Plan Act (ARPA) of 2021 was a \$1.9 trillion stimulus bill providing hundreds of millions in federal funding to the City, the Boston Public Schools and other local organizations. The City of Boston will have access to the ARPA State and Local Fiscal Recovery Funds (SLFRF) and Boston Public Schools received substantial resources through an unprecedented third round of Elementary and Secondary School Emergency Relief (ESSER III) for use through fiscal year 2024.

Eligible uses of ARPA SLFRF funding include:

- Revenue replacement to strengthen support for vital public services and help retain jobs;
- Urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Assistance to small businesses, households, and hard-hit industries to support economic recovery;
- Addressing systemic public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations; and
- Investments in water, sewer and broadband infrastructure.

Boston's guiding principles for the use of ARPA funds include:

- Targeting once-in-a-generation opportunities for transformative investments.
- Jumpstarting solutions to long-term challenges and making some big bets on Boston, while recognizing that we have to tackle the ongoing COVID-19 pandemic at the same time.
- Focusing on cross-departmental ideas that address equity, climate justice, jobs, and health.
- Leveraging additional public and private resources and prioritize financial sustainability beyond ARPA.
- Incorporating public feedback from the Budget Listening Tour in winter 2022 and the Let's Go Better Campaign in Fall 2021.

In total, the City has received \$558.7 million in SLFRF funding; the City received \$212.1 million from the U.S. Treasury in May 2021 and a second payment of \$212.1 million in May 2022. In addition, the City

received \$134.5 million from the Commonwealth of Massachusetts. Under SLFRF, funds must be used for costs incurred on or after March 3, 2021 and funds must be expended by the end of 2026.

In partnership with the Boston City Council, the City has already appropriated \$551.7 million to continue the response to the COVID-19 pandemic and to help drive an equitable recovery for all Boston residents. \$7 million has been set aside in reserve for future use.

- \$362.2 million appropriated for Transformative Investments (July 2022)
- \$81.5 million appropriated for Emergency Relief Package (July 2021)
- \$55 million appropriated for FY22 Revenue Replacement (July 2021)
- \$40 million Revenue Replacement appropriated for FY23 (June 2022)
- \$8 million Fare Free Bus Expansion appropriated (Nov. 2021)
- \$5 million appropriated for Small Business Fund 2.0 Expansion (Jan. 2022)

The CARES-CRF, FEMA and ARPA budgets are reflected in the Office of Budget Management.

### **Community Preservation Act**

By adopting the Community Preservation Act (CPA) in November 2016, the City has created a Community Preservation Fund. This fund is not part of the City's general fund and is displayed as a special revenue external fund in this budget document. This fund is capitalized primarily by a one percent property tax-based surcharge on residential and business property tax bills that began in July 2019. The City uses this revenue to fund initiatives consistent with CPA guidelines: affordable housing, historic preservation, open space and public recreation.



Boston has collected \$23.3 million in FY21 and \$24.7 million in FY22, which was matched with \$6.2 million and \$10.1 million from the state through the CPA Trust Fund, respectively. The city expects to collect \$25.5 million in revenue in FY23 and \$27.0 million in FY24.

Since 2018, the first year of allocations, Boston's 9-member Community Preservation Committee, comprised of Boston residents, has appropriated \$157.6 million to 293 affordable housing, historic preservation, and open space & recreation projects citywide.

## **FY24 All Funds Budget**

The all-funds table consolidates the projected FY24 expenditures from the General Fund, Special Revenue Funds (primarily external grants) and the Capital Fund by department. More detail on the expenditures made from each of these funds is shown in Volumes II and III of the City of Boston's FY24 budget document.

All Funds Budgets - FY24

Cabinet	Department	General Fund Budget	External Funds Budget	Capital Budget	Total All Funds Budget
Mayor's Office	Mayor's Office	6,528,424	237,423	50,000	6,815,847
	Election Department	7,778,073			7,778,073
	Intergovernmental Relations	1,240,353			1,240,353
	Law Department	10,571,560	300,000		10,871,560
	<b>Total</b>	<b>26,118,410</b>	<b>537,423</b>	<b>50,000</b>	<b>26,705,832</b>
Equity & Inclusion	Office of Equity	2,557,172	170,000		2,727,172
	Office of Language & Communications Access	1,997,187			1,997,187
	Human Right Commission	624,395			624,395
	Office for Immigrant Advancement	3,322,811	330,276		3,653,088
	Women's Advancement	682,084			682,084
	Black Male Advancement	1,804,455			1,804,455
	Fair Housing & Equity	485,278	702,298		1,187,576
	LGBTQ+ Advancement	732,539			732,539
	Commission For Persons W/Disabilities	778,406			778,406
<b>Total</b>	<b>12,984,327</b>	<b>1,202,574</b>	<b>-</b>	<b>14,186,902</b>	
Office of Police Accountability & Transparency (OPAT)	Office of Police Accountability & Transparency	1,452,986			1,452,986
	<b>Total</b>	<b>1,452,986</b>	<b>-</b>	<b>-</b>	<b>1,452,986</b>
Operations	Property Management Department	26,087,343		105,300,000	131,387,343
	Public Facilities Department	10,064,920			10,064,920
	Inspectional Services Department	23,154,811	144,350		23,299,161
<b>Total</b>	<b>59,307,074</b>	<b>144,350</b>	<b>105,300,000</b>	<b>164,751,424</b>	
Community Engagement	Neighborhood Services	4,604,595	30,000		4,634,595
<b>Total</b>	<b>4,604,595</b>	<b>30,000</b>	<b>-</b>	<b>4,634,595</b>	
Arts & Culture	Office of Arts & Culture	4,530,093	6,002,523	1,600,000	12,132,616
<b>Total</b>	<b>4,530,093</b>	<b>6,002,523</b>	<b>1,600,000</b>	<b>12,132,616</b>	
Economic Opportunity & Inclusion	Office of Economic Opportunity & Inclusion	6,581,415	4,543,196		11,124,610
	Consumer Affairs & Licensing	1,956,010	78,595		2,034,605
	Supplier Diversity	2,902,192			2,902,192
	Office of Tourism	1,799,102	150,000		1,949,102
<b>Total</b>	<b>13,238,718</b>	<b>4,771,790</b>	<b>-</b>	<b>18,010,509</b>	
Worker Empowerment	Labor Compliance and Worker Protections	2,861,114			2,861,114
	Youth Employment and Opportunity	18,037,045	1,453,613		19,490,659
<b>Total</b>	<b>20,898,159</b>	<b>1,453,613</b>	<b>-</b>	<b>22,351,773</b>	
Education	Boston Public Schools	1,445,729,446	388,626,317	352,081,421	2,186,437,184
<b>Total</b>	<b>1,445,729,446</b>	<b>388,626,317</b>	<b>352,081,421</b>	<b>2,186,437,184</b>	
Environment, Energy & Open Space	Environment Department	4,233,857	2,067,588	18,751,120	25,052,565
	Parks & Recreation Department	34,114,008	11,565,650	57,782,986	103,462,644
	Office of Historic Preservation	1,445,680	137,981		1,583,661
	Office of Food Justice	1,371,433	350,000		1,721,433
<b>Total</b>	<b>41,164,978</b>	<b>14,121,219</b>	<b>76,534,106</b>	<b>131,820,303</b>	
Finance	Office of Finance	1,685,875			1,685,875
	Assessing Department	8,471,223			8,471,223
	Auditing Department	3,697,096	120,640		3,817,736
	Budget Management	3,498,640	138,001,334		141,499,974
	Office of Participatory Budgeting	2,000,000			2,000,000
	Execution of Courts	5,000,000			5,000,000
	Pensions & Annuities - City	4,005,000			4,005,000
	Procurement	3,726,002			3,726,002
	Treasury Department	5,651,489	38,483,633		44,135,122
<b>Total</b>	<b>37,735,325</b>	<b>176,605,607</b>	<b>-</b>	<b>214,340,932</b>	
People Operations	Office of People Operations	1,004,498			1,004,498
	Health Insurance	222,353,329			222,353,329
	Human Resources	8,360,254			8,360,254
	Medicare	12,635,797			12,635,797
	Office of Labor Relations	1,936,932			1,936,932
	Registry Division	1,388,314			1,388,314
	Unemployment Compensation	350,000			350,000
	Workers' Compensation Fund	2,000,000			2,000,000
<b>Total</b>	<b>250,029,125</b>	<b>-</b>	<b>-</b>	<b>250,029,125</b>	
Human Services	Office of Human Services	13,352,311	235,000		13,587,311
	Boston Center for Youth & Families	30,035,066	1,038,515	25,800,000	56,873,581
	Age Strong	7,941,771	10,193,512		18,135,283
	Library Department	48,379,137	10,197,972	11,522,448	70,099,557
	Boston VETS	4,793,180			4,793,180
<b>Total</b>	<b>104,501,466</b>	<b>21,664,999</b>	<b>37,332,448</b>	<b>163,488,913</b>	
Public Health	Public Health Commission	129,907,346	68,176,785	41,590,000	239,674,132
<b>Total</b>	<b>129,907,346</b>	<b>68,176,785</b>	<b>41,590,000</b>	<b>239,674,132</b>	
Housing	Mayor's Office of Housing	49,423,074	144,410,723	37,250,000	231,083,797
<b>Total</b>	<b>49,423,074</b>	<b>144,410,723</b>	<b>37,250,000</b>	<b>231,083,797</b>	
Information & Technology	Department of Innovation and Technology	44,529,524	5,331,382	20,811,976	70,672,882
<b>Total</b>	<b>44,529,524</b>	<b>5,331,382</b>	<b>20,811,976</b>	<b>70,672,882</b>	
Public Safety	Emergency Management	1,467,134	11,772,895		13,240,029
	Fire Department	278,067,084	9,821,502	42,250,000	330,138,586
	Police Department	404,973,193	9,365,710	16,594,665	430,933,568
<b>Total</b>	<b>684,507,410</b>	<b>30,960,107</b>	<b>58,844,665</b>	<b>774,312,182</b>	

<b>Cabinet</b>	<b>Department</b>	<b>General Fund Budget</b>	<b>External Funds Budget</b>	<b>Capital Budget</b>	<b>Total All Funds Budget</b>
Streets	Central Fleet Management	3,355,792			3,355,792
	Office of Streets	3,678,018			3,678,018
	Public Works Department	116,202,144	210,000	85,313,434	201,725,578
	Snow & Winter Management	23,747,308			23,747,308
	Transportation Department	44,356,428	1,170,000	52,569,264	98,095,692
	<b>Total</b>	<b>191,339,691</b>	<b>1,380,000</b>	<b>137,882,698</b>	<b>330,602,389</b>
Planning	Planning & Design	451,126			451,126
	Boston Planning and Development Agency	-		4,257,230	4,257,230
	<b>Total</b>	<b>451,126</b>	<b>-</b>	<b>4,257,230</b>	<b>4,708,356</b>
Non-Mayoral Departments	City Clerk	1,647,149			1,647,149
	City Council	8,062,041			8,062,041
	Finance Commission	325,736			325,736
	<b>Total</b>	<b>10,034,926</b>	<b>-</b>	<b>-</b>	<b>10,034,926</b>
<b>Grand Total</b>		<b>3,132,487,799</b>	<b>865,419,413</b>	<b>873,524,544</b>	<b>4,871,431,757</b>

**Table 8**

## Performance Management

Boston's performance management efforts, driven by the Citywide Data Analytics Team in the Department of Innovation and Technology, strive to ensure that the City delivers the most effective and efficient services possible. The Data Analytics team has focused on setting up visual displays of data, creating multiple dashboards in an attempt to create transparency around City government data and promote better use of existing data. Many of these live at Analyze Boston: <https://data.boston.gov/>

The Data Analytics team currently supports performance measures for 45 of 61 departmental appropriations. In FY24, the team will again be reviewing and renewing departmental measures. Their new framework is based on Mayor Wu's principles of *Getting City Hall out of City Hall*, *Getting the Big Things Done by Doing the Small Things Right*, and *Expanding the Possible*. This is a shift from previous efforts in 2018, 2020, and most recently December 2021 to review and automate all metrics.

## CityScore

Launched in 2016, CityScore is a nationally recognized tool designed to inform the Mayor, City managers, and the public about the performance of City government by aggregating key performance metrics.

CityScore's 22 metrics are monitored daily to get an understanding of the quality of life in Boston and the performance of City government. Since its inception, CityScore has prompted key process improvements, increased data-driven decision-making at all levels of city government, and informed the budget process.

## Focus on Priorities

The Mayor's FY24 budget priorities highlight the themes of *Family Friendly*, *Green & Growing*, *Healthy & Safe*, *Closing the Racial Wealth Gap*, and *Exceptional Constituent Services*. Equity has lived at the heart of every budget decision, with the vision of addressing the city's greatest challenges by investing in our greatest strengths. The performance measures listed below reflect the City's top priorities and the partnerships necessary to achieve these ambitious goals.

## Priority FY24 Performance Goals

Performance Measure	Responsible Department	FY23 Projected	FY24 Target
<b>Family Friendly</b>			
New Pre-K seats available	Schools	411	350
Participants in the Early Literacy Program	Boston Public Library	50,159	47,000
Library card daily usage	Boston Public Library	4,689,619	4,250,000
Average number of eBook holds	Boston Public Library	96,522	97,000
<b>Green and Growing</b>			
# of homeless Veterans placed in permanent housing	Office of Housing	165	170
# of low income housing units permitted (deed restricted and IDP)	Office of Housing	415	540
# of middle income housing units permitted (deed restricted and market)	Office of Housing	1,432	1,485
# of potential evictions averted	Office of Housing	574	850
<b>Exceptional Constituent Services</b>			
Average annual PCI rating of Boston's roads	Public Works	63	646
% of street light outages addressed on time	Public Works	59%	80%
# of Accessible Pedestrian Signals Installed	Transportation	34	35
% of pothole repair requests completed on time	Public Works	60%	85%
<b>Closing the Racial Wealth Gap</b>			
# of jobs created through Small Business assistance programs	Economic Opportunity and Inclusion	92	30
# of businesses expanded or relocated to Boston	Economic Opportunity and Inclusion	44	60
% of first time Boston Cultural Council organizational grant awardees	Arts & Culture	27%	25%
<b>Healthy &amp; Safe</b>			
EMS median response time for Priority 1 calls	Public Health Commission	7.4 Min	6.0 Min
Number of individuals who receive trauma-informed services	Public Health Commission	550	500
Companies trained in Back to Basics	Fire Department	228	228

**Table 9**

## MULTI-YEAR BUDGET PLAN

### Introduction

While the City must maintain an annual budget process by statute, a two-year projection provides a useful context for current decision making and future planning purposes.

With City costs rising faster than its revenue, the City is projecting budget shortfalls in FY25 and FY26. In projecting the City’s operating budget for FY25 and FY26, education cost growth, increasing annual pension schedule obligations, uncertain costs related to outstanding collective bargaining agreements and continued health insurance cost escalation continue to drive high rates of expenditure growth. The property tax levy is assumed to grow from its base by the allowable 2.5% and by new growth in the levy. In terms of state aid, continued pressure from rising state Charter Schools costs and relatively stagnant education aid, will likely lead to the resumption of the negative growth trend in net state aid.

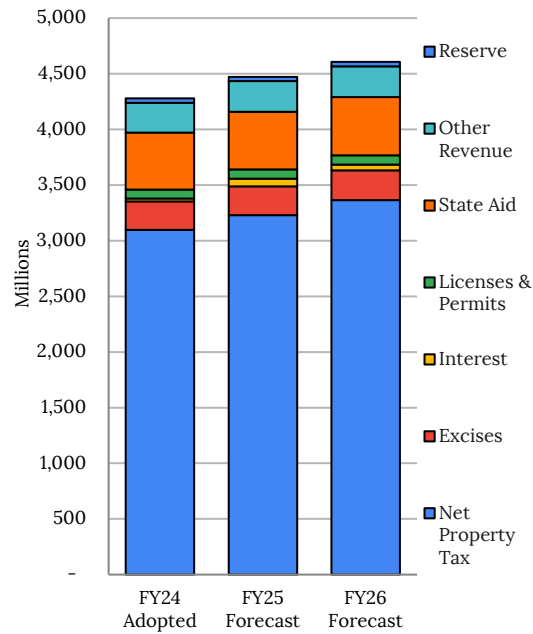
The next round of negotiations for FY21 and beyond has begun with six unions settling during the course of FY22 and twenty-three unions during FY23. The projected FY25 and FY26 collective bargaining reserves are intended to acknowledge some costs in this area but do not indicate an established wage pattern for successor contracts.

Another area of concern is the unfunded liability related to other post-employment benefits. The City currently provides post-employment health care and life insurance benefits to eligible retirees in accordance with state law and pays its share of the cost on a pay-as-you-go basis in the current year’s operating budget. This method of financing understates the full obligation to provide these benefits after retirement. The City, including the Boston Public Health Commission (BPHC), has an unfunded liability for these benefits of \$2.19 billion, as

of the most recent independent actuarial valuation on June 30, 2021. The FY24 budget authorizes another payment of \$40 million to the City’s OPEB Liability Trust Fund; the FY25 and FY26 projections also include \$40 million payments.

### Revenue Trends

The following chart displays the breakdown of revenue projected for FY25-FY26.



**Figure 71 – Multi-Year Revenue Forecast  
FY24 Budget, FY25 & FY26 Projected**

Major revenue trends include:

**Property Tax Levy:** The levy will grow by the allowable 2.5% increase, with new growth is projected to be slightly lower, \$55 million, in FY25 and in FY26 due to uncertainty regarding the course of development in the wake higher than average interest and commercial vacancy rates. The net property tax assumes an overlay reserve set at 1% of the total levy, \$33.0 million, in FY25 and \$34.0 million in FY26. This is in line with historical overlay levels. A net total increase in the levy of \$271 million is projected over the two years.

*State Aid:* Gross state aid is assumed to increase in both FY25 and FY26, by \$5.2 million in FY25 and an additional 3.1 million in FY26. The City is projecting that Unrestricted General Government Aid will grow by 1.5% in both FY25 and FY26. Chapter 70 education is also expected to grow slightly, by roughly 2.3% in FY25 and 1.5% in FY26. This growth is exclusively from minimum aid increases in the State funding formula at \$60 per pupil. Unlike Chapter 70 aid, charter aid is projected to decrease slightly in FY25 and FY26 due to a caps in the percentage of charter tuition charged to a school district. This cap will also slow the growth the Charter School Tuition Assessment charged to the school district. Since 2019, this assessment averaged 7.8% growth per year. For FY25 and FY26 growth in the Charter School Tuition Assessment is projected increase 5.7% and 5.6% respectively.

*Excises:* Excises are expected to increase modestly after the strong performance in 2022 and 2023. In FY25 and FY26 excises are projected to increase 2.5% annually due to continued strong demand and inflation adjustments in prices for flights, meals, an hotel rooms.

*Fines:* Fines are expected to remain flat as parking and moving violations slowly recover to pre-pandemic levels.

*Interest on Investments:* Interest income is expected to rise sharply by \$40.3 million in FY25 compared to the FY24 Adopted budget based on Federal Reserve interest rate policy and then decline slightly in FY26 assuming a cool down in inflation.

*Payments in Lieu of Taxes (PILOT):* PILOT revenue is projected to grow modestly in FY25 and FY26 by 2.5% annually. PILOT revenue grew during a five year ramp up of payments over FY12-FY17 and has been steady since that time. We expect the program to continue with support from the non-profit community.

*Miscellaneous Department Revenue:* In FY24 and FY25, the City projects increases in departmental revenue reflecting City departments operating near full capacity.

*Licenses and Permits:* Building permits are projected remain at pre-pandemic levels in FY25 and FY26 based strong residential demand and a steady pipeline of commercial projects.

*Budgetary Fund Balance:* For FY25 and FY26 the use of Budgetary Fund Balance for OPEB expenses is projected to be level at \$40 million.

*Federal Relief:* The City discontinued the use of ARPA funds for revenue replacement in FY24. As all remaining ARPA funds need to be obligated by December 2024, no additional revenue replacement funds are projected for FY25 and FY26.

These estimates are based on conservative revenue assumptions and are reflective of persistent uncertainty in the post-pandemic economy.

## **Expenditure Trends**

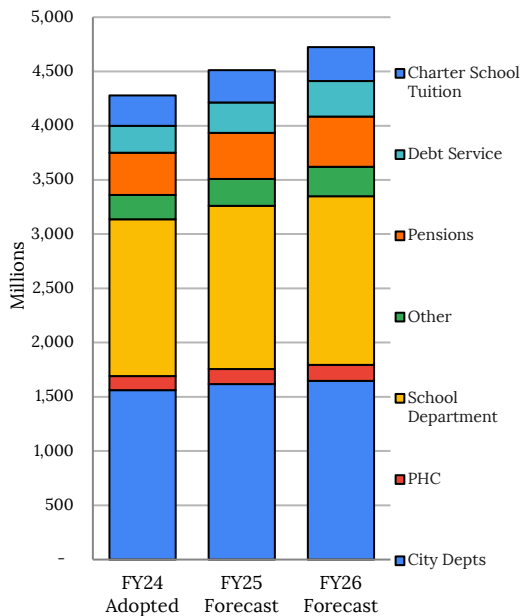
The expenditure chart displays the allocation of expenditures projected for FY25-FY26.

As the City examines projected expenditures for FY25 and FY26, expenditures are anticipated to grow at a faster rate than the City's revenue growth, leading to projected shortfalls for FY25 and FY26. Fixed costs alone are projected to grow significantly due to increases in debt service and charter school costs under the existing cap along with upward adjustments in the City's pension schedule. In addition, the City continues to project considerable appropriations growth due to rising employee-related costs.

*Appropriations:* Inflationary and other increases have been estimated in FY25 and FY26 for expenditures such as health insurance and other personnel cost growth. At the School Department, estimated

inflationary increases for health insurance and other personnel cost growth have been projected for FY25 and FY26.

Due primarily to the factors referred to above, appropriations are estimated to increase by a total of \$147 million or 4.5% in FY26 and cumulatively increase by \$254 million or 7.8% in FY26.



**Figure 8 - Expenditures  
FY24 Budget, FY25 & FY26 Projected**

**Fixed Costs:** In FY25 fixed costs are expected to increase by 8.3% and cumulatively increase by 18.5% in FY26. These increases can be attributed to several factors including: increasing debt service to support the capital, the continued expansion of charter schools, even under the existing cap and the resulting increase in the tuition assessment, scheduled pension cost increases.

Under these revenue and expenditure assumptions, the FY25 and FY26 budgets are currently projected to have shortfalls of approximately \$38.9 million and \$118 million. For the most part, the projections are based on current operations and the roll out of approved initiatives in FY25 and FY26. As the FY25 budget process goes

forward and projections are further refined, the City will be looking at ways to operate more efficiently within the confines of projected revenues.

Employee hiring must continue to be managed, as the bulk of the projected increase in appropriations is employee-related. New collective bargaining agreements will need to be affordable, given cost and revenue pressures outlined in this forecast. The City, in partnership with its unions, will continue to look at ways to mitigate the impacts of annual increases in the cost to provide health insurance to its employees and retirees. The City's policy regarding the use of its fund balance has been to limit the use of this source of revenue to offset certain fixed costs such as pension contributions and related post-retirement health benefits and/or to fund extraordinary and non-recurring events as determined and certified by the City Auditor. The projections shown here assume that budgetary fund balance will be used only to support the OPEB appropriations for FY25 and FY26.

**Planning a Balanced Budget**

Multi-year planning is useful because it allows for time to make adjustments to relieve the cost pressures on certain services. It also promotes cost-saving or new programming alternatives to improve the financial position projected in the out years, and helps monitoring changes in assumptions as new needs or innovations present themselves.

Much of the City's budget remains fairly stable during the year, but a variance of just 1% would equate to a \$40 million problem in the bottom line. Common areas of variance are snow removal, with year-to-year swings of millions of dollars; legal settlements, for which the City attempts to reserve for but may need to absorb on a pay-as-you-go basis; public safety overtime, particularly if a significant event



occurs (acts of terrorism, natural disasters or major public events, for example), and outside funding sources for essential needs that may suddenly be eliminated.

It is important to note that the City's fiscal controls are effective in reducing the chances of an unmanageable deficit. The City manages position vacancies through a committee comprised of the Chief Financial Officer, the Human Resources Director, and the City's Budget Director. In place for over a decade, the committee serves to strictly control and monitor all hiring. In addition, the City's financial and human resources information system (BAIS) provides levels of systematic controls that can be used to project and plan for personnel funding requirements. Similar BAIS systematic controls are in place to control non-personnel expenditures.

## **Conclusion**

This multi-year overview is provided as a guide to understand the impacts of the decisions presented in the budget, and to provide a framework for addressing future challenges and initiatives. Although it is not statutorily required, it is a useful tool in long-range planning and policy analysis.

From a budget planning and management standpoint, the parameters summarized here were built through an interactive forecast model. This approach allows for the development of multi-year scenarios based on various assumptions for City operations set within the financial constraints of the City's revenue and fixed cost budgets.

## MULTI-YEAR BUDGET SUMMARY

(Dollars in Millions)

	FY24 Adopted	FY25 Forecast	FY26 Forecast
<b>REVENUES</b>			
Property Tax	3,128.0	3,262.2	3,398.9
Property Tax Overlay	(30.0)	(33.0)	(34.0)
Excises	253.9	260.3	266.8
Fines	60.0	59.2	59.7
Interest On Investments	27.3	67.6	52.6
Payments in Lieu of Taxes	52.7	54.0	55.4
Urban Redev Chapter 121A	36.6	36.6	36.6
Department Revenue	77.2	82.0	83.2
Licenses & Permits	79.6	82.7	82.7
Penalties & Interest	10.0	11.3	11.3
Available Funds	31.0	31.0	31.0
State Aid	513.8	519.1	522.2
Total Recurring Revenue	4,239.9	4,432.9	4,566.2
Budgetary Fund Balance	40.00	40.0	40.0
American Rescue Plan Act (ARPA)	0.0	0.0	0.0
<b>Total Revenues</b>	<b>4,279.9</b>	<b>4,472.9</b>	<b>4,606.2</b>
<b>EXPENDITURES</b>			
City Appropriations	1,561.3	1,617.2	1,645.9
Public Health Commission	129.9	138.3	147.5
School Department	1,445.7	1,505.7	1,555.7
Reserve for Collective Bargaining City	76.2	99.0	118.3
Other Post Employment Benefits	40.00	40.0	40.0
Total Appropriations	3,253.2	3,400.2	3,507.5
Pensions	390.6	425.2	462.8
Debt Service	248.3	281.4	326.1
Charter School Tuition	280.4	297.3	313.9
MBTA	95.3	97.7	100.1
Other State Assessments	6.7	7.1	7.4
Suffolk County Sheriff Dept	2.9	2.9	2.9
Reserve	2.5	0.0	3.5
Total Fixed Costs	1,026.8	1,111.6	1,216.7
<b>Total Expenditures</b>	<b>4,279.9</b>	<b>4,511.8</b>	<b>4,724.2</b>
<b>Surplus (Deficit)</b>	<b>0.00</b>	<b>-38.9</b>	<b>-118.0</b>

Numbers may not add due to rounding

## **BUDGET DOCUMENT STRUCTURE**

The Operating Budget for FY24 and Five Year Capital Plan for FY24-28 are presented in three volumes. Volume I is an overview of the City's financial position and policy direction.

Volumes II and III, which are organized by cabinet, present the budget detail for each department's operating budget and capital projects. Please refer to the chapter on Budget Organization and Glossary in Volume I for an illustration of the City's organizational chart.

The City's budget is built at the program level for each department, which is the basis for budget planning. However, line item budget detail is only provided in this budget document at the department level. Program line item detail is available on the city's Open Data Portal:

<https://data.boston.gov/organization/office-of-budget-management>

In addition to program budgets, Volumes II and III provide a mission statement, key objectives, as well as past and promised performance levels for each departmental program. For those departments with capital projects, a project profile is provided for every capital project. The project profile includes authorization information as well as planned spending levels.

Definitions of the terms used throughout the budget document are presented in the glossary, which can be found in Volume I in the chapter titled Budget Organization and Glossary.

### **Technical Note**

The City of Boston's combined FY24 Budget and FY24-FY28 Capital Plan was published using Microsoft Word. Graphics were generated using Microsoft Excel. Oracle - Hyperion Planning and Microsoft Access were used for data management and analysis.

