



City of Boston, Massachusetts
Office of the Mayor
MICHELLE WU

May 18, 2026

TO THE CITY COUNCIL

Dear Councilors:

I transmit herewith for your approval an Order authorizing the City of Boston to appropriate the amount of twenty-two million, eight hundred forty-five thousand, six hundred seventy-two dollars (\$22,845,672) for purposes of funding Boston Public Schools to meet operating expenses of the fiscal period commencing July 1, 2025, and ending June 30, 2026. This appropriation request was approved by the Boston School Committee on May 6, 2026, and is intended to cover projected deficits in health insurance (\$18,087,750) and utility spending (\$4,757,922).

Over the course of FY26, BPS has been managing projected cost overruns in a number of areas, including historically high health care premiums, yellow bus transportation, and student food services. In November 2025, the district paused Central Office hiring, stipends, and contracts; and in December 2025 expanded to district-wide controls. Through these spending controls and active management, the projected deficit has decreased by approximately \$20 million.

Current projections for the remaining FY26 budget deficit are primarily due to health insurance and utility costs, both of which have seen unusual and unexpected cost growth this year. The administration has taken proactive steps to manage these areas of spending in our proposed FY27 budget and beyond to ensure that BPS can continue to invest in core academic priorities—even amid a challenging budgetary environment.

The expenditures related to this appropriation are one-time in nature and non-recurring costs of the City, and therefore are appropriate to be funded with non-recurring revenue. As such, unrestricted prior-year budgetary fund balance, or free cash, will be used as the source of funding for this request. The City's free cash has been certified by the Director of Accounts at the Massachusetts Department of Revenue and is now available for appropriation. I respectfully request your favorable action on this order.

Sincerely,


Michelle Wu
Mayor of Boston

CITY OF BOSTON
IN CITY COUNCIL

AN ORDER AUTHORIZING TWENTY-TWO MILLION, EIGHT HUNDRED FORTY-FIVE THOUSAND, SIX HUNDRED SEVENTY TWO DOLLARS (\$22,845,672) BE APPROPRIATED FOR BOSTON PUBLIC SCHOOLS.

ORDERED: That in addition to the appropriations heretofore made, to meet the current operating expenses of the fiscal period commencing July 1, 2025, and ending June 30, 2026, the sum of twenty-two million, eight hundred forty-five thousand, six hundred seventy-two dollars (\$22,845,672) be, and the same hereby is appropriated as follows, said sum to be met from available funds on hand as certified by the Director of Accounts pursuant to Section 23 of Chapter 59 of the General Laws:

101-Boston Public Schools \$22,845,672

**I HEREBY CERTIFY
THE FORGOING, IF PASSED IN
THE ABOVE FORM, WILL BE IN
ACCORDANCE WITH LAW. 5/18**
BY  **MICHAEL FIRESTONE**
CORPORATION COUNSEL KAT