

Operating Budget

OVERVIEW

The FY21 Budget totals \$3.61 billion and represents an increase of \$118.9 million or 3.4% over FY20. During this time of economic uncertainty, brought on by the coronavirus pandemic and the associated economic fallout, the FY21 budget continues the City's record of strong fiscal management. This FY21 budget maintains a well-resourced city government, which is prepared to respond to the needs of our residents.

Property Tax continues to drive revenue growth in FY21, as it accounts for the vast majority of revenue growth over FY20. While the City is expected to experience continued property tax growth in FY21, overall revenue growth is expected to be hampered by an expected decrease in other local receipts such as Excises and Permits, which will be affected by the global pandemic and economic downturn. Net State Aid (state aid net of assessments) is budgeted to decrease by \$20.4 million as continued increases in state assessments for charter school tuition outpace stagnant budgeted state revenue.

On the expenditure side, the FY21 budget reflects an increase of \$118.9 million or 3.4% over the FY20 budget. Of this year's growth, 82% is dedicated to education, including Boston Public Schools (BPS) and Charter School Tuition Assessment. 11% of the FY21 growth is dedicated to Public Health, while all other city services, such as Police, Fire, and Public Works, will see reductions that represent 17.7% in negative growth from FY20.

This Operating Budget section lays out the FY21 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.

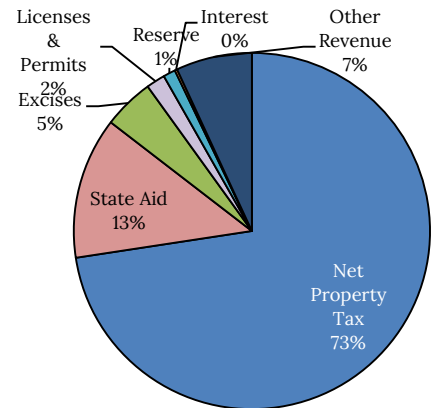


Figure 1 – FY21 Estimated Revenue

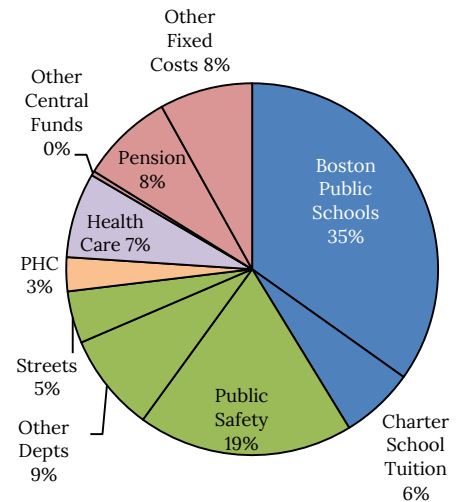


Figure 2 – FY21 Estimated Expenditures

BUDGET SUMMARY

| | FY18 Actual | FY19 Actual | FY20 Budget | FY21 Budget |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| REVENUES (1) | | | | |
| Property Tax | 2,222.60 | 2,354.14 | 2,508.77 | 2,636.49 |
| Property Tax Overlay | (30.60) | (33.26) | (47.32) | (14.00) |
| Excises | 223.24 | 236.51 | 204.54 | 166.54 |
| Fines | 63.55 | 74.11 | 69.34 | 66.11 |
| Interest On Investments | 15.39 | 30.41 | 15.00 | 8.00 |
| Payments in Lieu of Taxes | 52.70 | 54.05 | 48.98 | 49.28 |
| Urban Redev Chapter 121A | 72.47 | 54.41 | 31.05 | 30.70 |
| Department Revenue | 68.32 | 72.40 | 62.10 | 63.24 |
| Licenses & Permits | 74.56 | 82.60 | 64.05 | 61.96 |
| Penalties & Interest | 11.38 | 11.42 | 8.00 | 9.00 |
| Available Funds | 0.00 | 0.00 | 24.85 | 30.95 |
| State Aid | 439.71 | 434.36 | 464.20 | 464.20 |
| Total Recurring Revenue | 3,213.29 | 3,371.15 | 3,453.54 | 3,572.46 |
| Budgetary Fund Balance | 0.00 | 0.00 | 40.00 | 40.00 |
| Surplus Property Fund | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Revenues | 3,213.29 | 3,371.15 | 3,493.54 | 3,612.46 |
| EXPENDITURES | | | | |
| City Appropriations (2) | 1,291.59 | 1,364.99 | 1,409.43 | 1,388.34 |
| Boston Public Health Commission (2) | 79.56 | 87.97 | 93.41 | 106.47 |
| Boston School Department (2) | 1,093.29 | 1,126.68 | 1,178.56 | 1,258.63 |
| Reserve for Collective Bargaining | 15.50 | 2.51 | 5.65 | 3.00 |
| Other Post Employment Benefits | 40.00 | 40.00 | 40.00 | 40.00 |
| Total Appropriations | 2,519.94 | 2,622.14 | 2,727.05 | 2,796.45 |
| Pensions | 233.30 | 263.08 | 265.60 | 292.09 |
| Debt Service | 170.91 | 177.28 | 186.45 | 189.13 |
| Charter School Tuition | 173.35 | 185.03 | 214.57 | 231.96 |
| MBTA | 85.81 | 88.21 | 90.67 | 93.35 |
| Other State Assessments | 4.92 | 5.51 | 5.36 | 5.65 |
| Suffolk County Sheriff Dept | 3.87 | 3.87 | 3.85 | 3.85 |
| Reserve | 0.00 | 3.41 | 0.00 | 0.00 |
| Total Fixed Costs | 672.16 | 726.39 | 766.49 | 816.02 |
| Total Expenditures | 3,192.10 | 3,348.53 | 3,493.54 | 3,612.46 |
| Surplus (Deficit) | 21.19 | 22.61 | 0.00 | 0.00 |

(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 FY21 appropriations to maintain a balanced budget. Selected FY21 budgeted City revenues compare with FY20 budgeted revenues as follows: the net property tax levy increases \$161.0 million or 6.5%; excises decrease \$38.0 million or 18.6%; interest on investments decrease \$7.0 million or 46.7%; miscellaneous department revenues increase by \$1.1 million or 1.8%; state aid remains flat.

On the expenditure side of the budget, total appropriations increase by \$97.9 million or 3.2% and fixed costs increase by \$66 million or 8.6%. Selected FY21 budgeted appropriations compare with FY20 budgeted appropriations as follows: City appropriations increase \$1.4 million or 0.1%; the Boston Public Health Commission (PHC) increases by \$9.1 million or 9.7%; and the School Department (BPS) increases \$80.1 million or 6.8%. In addition, a collective bargaining reserve has been set aside at \$3 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. Within City Appropriations, actual City Departments are increasing by \$3.2 million or 0.3% over FY20. Most union contracts expire at the end of FY20 or shortly thereafter and as a result departmental personnel increases are limited in the FY21 budget. City Appropriations also consist of 11 central appropriations, including a large appropriation for Health Insurance totaling \$219.6 million, which has a modest decrease of -0.8% over FY20.

FY21 budgeted fixed costs are growing by \$66.0 million over FY20. Pensions are a key driver with an increase of \$26.5 million or 10.0%. Debt Service is also growing with a \$19.2 million or 10.3% increase. The MBTA state assessment is increasing by 3.0%.

REVENUE

The City's recurring revenue budget can be divided to three categories: Property Tax, State Aid and Other Local Receipts (including excise taxes, fines, etc.). Over the past two decades, the City's revenue structure has shifted significantly towards a growing reliance on property tax. 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 FY20 the net property tax levy (levy less a reserve for abatements) totals \$2.46 billion, providing 71.3% of recurring revenue. In FY21, the net property tax levy is estimated to total \$2.62 billion and to increase to 73.4% of budgeted recurring 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 experienced unprecedented new growth property tax revenue in FY17 through FY20. New growth is budgeted at \$65.0 million in FY21.

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.

State aid has been reduced substantially over the course of the last two recessions. Since FY02, net state aid (defined as state aid revenues less state assessments) to the City has been reduced by \$295.1 million or 68.9%. In FY21, net state aid is budgeted to decline by \$20.4 million or 13.3% compared to FY20, based on the FY21 Governor’s Budget for assessments and the FY20 State Aid budget.

In November 2019, the state passed the Student Opportunity Act, which represents a fundamental change in trajectory of State funding for Boston’s schools and students. This bill, when fully implemented, will ensure that Boston benefits from the changes to the Foundation Budget through additional Chapter 70 aid and a full reimbursement for charter school tuition. However, as of June 30th 2020, the state did not pass their FY21 budget.

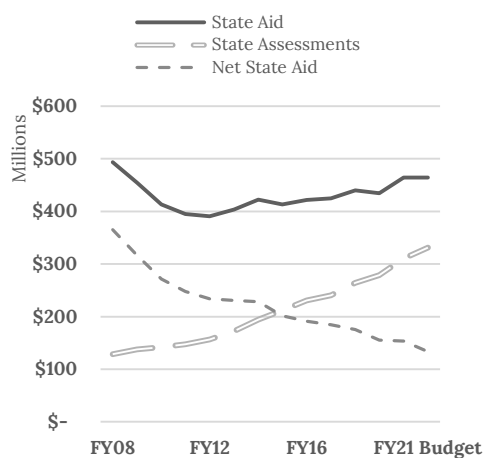


Figure 3 - State Aid, State Assessments and Net State Aid, FY08-FY21

Local Receipts

13.6% of the City’s budgeted recurring revenue in FY21 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 uses analytical trending of

historical collections, as well as analyzing economic data and assumptions.

The FY20 Budget includes \$527.9 million in Local Receipt revenue, and the FY21 budget decreases to \$485.8 million. This decrease is based on the expected effects of the coronavirus pandemic and anticipated economic downturn.

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 FY21 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. FY21 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;
- and School Department, the City appropriation for the Boston Public Schools (BPS).

Appropriations are also presented by expenditure category across the three subgroups. (Figure 6)

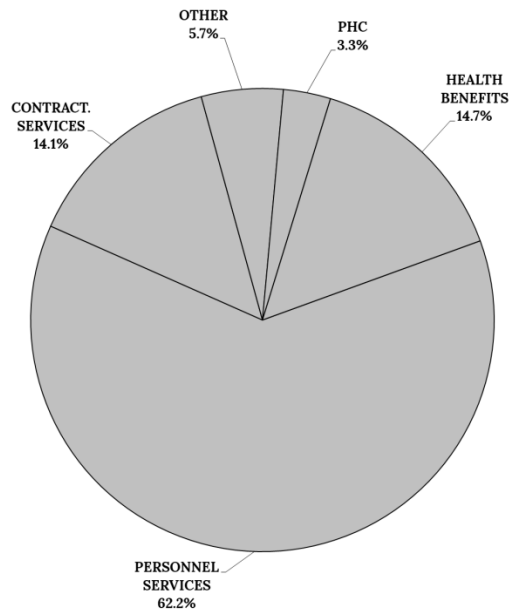


Figure 4 - FY21 Appropriations by Category

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. With these concerns in mind, the Walsh Administration and the City's Public Employee Committee (PEC) have signed a new five year agreement for FY21-FY25. The new agreement will continue to provide over 30,000 active and retired employees with quality healthcare coverage while saving the City of Boston \$59.7 million over five years.

The FY21 budget includes \$410 million for all health benefit-related costs for the City's employees and retirees, comprising 11.4% 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 \$368 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 \$368 million in FY21, an increase of \$236 million or 180%. Over the same period, all other City costs increased 110%. 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 FY21, health care costs

increased at an average of 3.7% per year, contained by PEC agreement savings.



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. As a result of this reform, 73% of retirees and spouses are now enrolled in Medicare plans, compared to just 37% prior to the legislation. 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 \$21.3 million in the FY21 budget, has increased an average of 6% 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.

| Health Care Costs (\$ Mil) | | | |
|---|-------------------|------------------|-----------------|
| Health, Life, Dental, Medicare Tax | | | |
| Fiscal Year | Total Cost | \$ Change | % Change |
| FY08 | \$270.6 | \$20.9 | 8.4% |
| FY09 | \$278.8 | \$8.1 | 3.0% |
| FY10 | \$296.1 | \$17.3 | 6.2% |
| FY11 | \$308.0 | \$11.9 | 4.0% |
| 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 | \$312.2 | \$15.7 | 5.3% |
| FY17 | \$328.1 | \$15.9 | 5.1% |
| FY18 | \$350.3 | \$22.2 | 6.8% |
| FY19 | \$355.6 | \$5.3 | 1.5% |
| FY20* | \$368.4 | \$12.7 | 3.6% |
| FY21* | \$368.0 | -\$0.3 | -0.1% |

*Budget Estimates

Table 2

| Number Healthplan Subscribers Feb 2021 | | | |
|---|---------------|----------------|---------------|
| Healthplan | Active | Retiree | Total |
| Indemnity | 855 | 803 | 1,658 |
| HMO | 14,558 | 2,378 | 16,936 |
| Medicare | - | 11,449 | 11,449 |
| Total | 15,413 | 14,630 | 30,043 |

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), in making 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. The City's share of total costs for its most popular non-Medicare health plan was reduced from approximately 82% in FY11 to 77% in FY21. This is still higher than the estimated 66% employer share for a state employee enrolled in the Group Insurance Commission (GIC). In FY21, the City's total annual health care costs are estimated to be about \$31 million lower than they would have been if not for these changes.

The City and the PEC's new agreement, effective FY21 - 25, 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 limited network plan consisting of lower-cost, high-quality providers, small deductibles for HMO and PPO plans, and new co-payments for hospitalization and advanced imaging. The agreement also increases the share of the premiums paid by employees and retirees, and current co-payments charges.

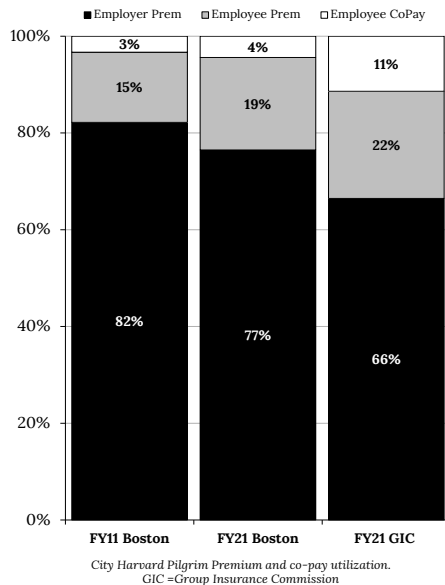


Figure 6 - FY20 Healthcare Cost Sharing

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 have progressively moved to self-insurance since FY13. In FY21, roughly 96% of total claims costs are now self-insured, for an estimated annual City savings of \$13.7 million, vs. insured premiums.

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 \$84 million per year for all plans, net of rebates. The City and PEC have worked to replace the City's Medicare prescription drug plans with PDP's for prescription drugs. The FY21-25 agreement also includes a lower cost Medicare prescription drug plan ("PDP") will be included in the Harvard Pilgrim Medicare Enhance plan, with City savings estimated at \$3.9M million annually.

Cost Effective Provider Networks

The Massachusetts Health Policy Commission has reported that medical providers in Boston's academic medical centers may charge up to 18% more than those in physician-led provider groups, for the same quality care. Sharing this cost savings with members can encourage use of these lower cost providers. The City and PEC are making a significant step in this direction by adding a limited network plan, effective July 1, 2021. Enrollees in this plan will only have access to lower cost, quality providers, but will pay lower premiums and out of pocket costs.

Expanded wellness and disease management programs

The City, through the new PEC agreement, will annually contribute \$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 will be 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 \$2.13 billion, as of the most recent independent actuarial valuation on June 30, 2019. 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, 2020, the Fund had a balance of \$683.0 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 Walsh 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 \$226.9 million in FY21, as shown in Table 4. \$195.6 million (86%) of this amount 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 FY21 allocation by the City to the Trust, and an additional \$2.25 million deposit by the BPHC into the Trust.

FY21 Annual Actuarially Determined Contribution (ADC) for OPEB Liability

| | | | |
|------------------------------------|-----------------|-------------|--|
| Total ADC | \$226.9 | | |
| Projected Benefit Payments by City | \$153.3 | | |
| Contribution to OPEB Trust | \$42.3 | %ADC | |
| Total FY21 Payments | \$195.6 | 86% | |
| Difference | (\$31.3) | | |

\$ in millions

Table 3

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 FY21, department energy budgets total \$50.8 million with electricity costs making up 56% of the budget, natural gas costs making up 28% of the budget and gasoline/diesel comprising 10% of the

budget. The remaining 6% 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.

Over the past nine years, the City has achieved operational savings through the conversion of street lights to newer fixtures using Light Emitting Diode ("LED") technology. The street light retrofits that the City has completed to date have permanently reduced the City's electricity consumption by 37.4 million kilowatt hours (kWh) per year. As a result, about \$6 million of electricity expenses were avoided in the FY21 operating budget.

In FY21, 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 Audit ("IGA") of the City's facilities portfolio to identify projects with significant utility savings potential. The City selected projects based on the IGA analysis and has begun to implement the program's first phase guided by an Energy Management Service Agreement ("EMSA") that provides long-term financial guarantees on the net

savings for such projects. The City will finance 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 EEMS has also facilitated the identification of energy efficiency projects and billing errors that have saved the City \$1.3 million in utility expenses.

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 \$26 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 FY21 Budget Summary have increased by 2.5% from the current FY20 appropriations.

Boston Public Schools with a \$1.259 billion appropriation is increasing by \$80.1 million over the FY20 appropriation. Boston's total investment in education, including BPS and the City's Charter School Assessment, is growing by \$97 million (7.0%) over FY20.

City Services such as Police, Fire, Public Works, Housing, and other central funds

are projected to decline by a total of \$21.1 million (-1.5%). The Police Department budget is down by \$10 million overall with the reallocation of \$12 million of its overtime budget to equity and inclusion investments across many City departments and the Public Health Commission. The Treasury Department appropriation shows a decline of \$15 million due to a one-time FY20 investment in pre-kindergarten (K1) through the Quality Pre-K Fund. On-going costs of new K1 seats are in the School Department's FY21 budget. The appropriation for the Housing Cabinet is growing by \$8.5 million or 41.4% with the significant investments in the mayor's 5-year housing commitment and effort to address homelessness needs in the City. This appropriation also includes a \$2 million reallocation to address systemic problems related to racial disparities in housing and housing development. The vast majority of unions have contracts that will expire at the end of FY20 or shortly after, so departmental wage growth is limited, while outstanding contracts are reserved for centrally. Funding for unsettled City, PHC and BPS union contracts are centralized in a \$3 million collective bargaining reserve.

The Public Health Commission (PHC) budget is growing by \$13.1 million (14.0%) in FY21. This increase includes key investments to implement the Racism as a Public Health Crisis executive order and to expand the capacity of trauma teams and violence prevention programs. Unlike other city departments, the PHC budget contains health insurance and pension and the EMS union has contracted wage increases in FY21.

In order to balance the budget given the economic impacts of COVID-19, the City reduced the final FY21 adopted budget by \$35 million from the original recommended budget in April. The FY21 budget also continues and expands upon a number of savings initiatives launched under Mayor Walsh's Administration.

- The City will save \$16.5 million from delaying the annual bond sale from Spring 2020 to Fall 2020. Given market uncertainty this spring and summer, the timing should achieve a better deal on bond issuance.
- Boston will realize \$8.6 million in avoided health care costs in FY21, \$4.7 million related to FY21 changes in the new PEC agreement and \$3.9 million from the new prescription drug plan.
- The City instituted a 6-month controlled hiring process which will save \$4.1 million by filling only mission critical vacancies.
- An additional \$5 million in savings is from central reserves and funds, including the snow removal appropriation which was revised based on a 5 year average.
- Across city departments, the City identified \$5.2 million in various non-personnel account savings. Departments also reduced discretionary travel budgets to be able to repurpose an additional \$363,000.
- In conjunction with BPS, the City identified \$1.1 million in savings at BPS central office through efforts to reduce the number of educators in suitable professional capacity assignments.
- Continuing the practice of proactive review, the City eliminated long-term vacant positions from the budget in FY21 for \$753,000 in savings.
- Renew Boston Trust energy savings will amount to \$627,000 in FY21. And debt service refinancing in FY20 resulted in \$550,000 in costs avoided.

It is only through continued tightening within City departments that the City will be able to afford targeted investments after reserving for costs associated with collective bargaining, being assessed for its increasing charter school costs, funding its

pension obligations, and paying its debt service.

General Fund Appropriations by Cabinet & Department

| Cabinet | Department | FY 18 Expenditure | FY 19 Expenditure | FY20 Appropriation | FY21 Appropriation | 21 vs 20 |
|------------------------------------|---|----------------------|----------------------|-----------------------|-----------------------|-------------------|
| Mayor's Office | Mayor's Office | 4,178,112 | 4,556,277 | 5,331,414 | 5,380,619 | 49,205 |
| | Election Department | 3,905,877 | 4,205,689 | 5,524,196 | 5,262,101 | -262,095 |
| | Intergovernmental Relations | 1,197,436 | 1,291,712 | 1,580,011 | 1,388,348 | -191,662 |
| | Human Rights Commission | | | | 500,746 | 500,746 |
| | Law Department | 6,503,424 | 6,479,021 | 8,377,366 | 8,186,099 | -191,267 |
| | Women's Advancement | 242,700 | 257,236 | 346,188 | 462,817 | 116,629 |
| | Total | 16,027,548 | 16,789,935 | 21,159,175 | 21,180,730 | 21,555 |
| Operations | Property Management Department | 17,927,980 | 19,616,267 | 18,795,900 | 17,160,405 | -1,635,495 |
| | Public Facilities Department | 5,449,174 | 6,554,871 | 7,169,689 | 7,060,474 | -109,215 |
| | Inspectional Services Department | 18,566,595 | 19,170,451 | 18,940,155 | 20,908,524 | 1,968,369 |
| Total | 41,943,748 | 45,341,589 | 44,905,744 | 45,129,403 | 223,659 | |
| Civic Engagement | Neighborhood Services | 3,061,883 | 3,044,743 | 3,718,338 | 4,137,589 | 419,252 |
| Total | 3,061,883 | 3,044,743 | 3,718,338 | 4,137,589 | 419,252 | |
| Arts & Culture | Office of Arts & Culture | 1,347,105 | 1,307,975 | 2,051,666 | 2,238,752 | 187,086 |
| | Library Department | 35,758,490 | 38,663,859 | 40,534,902 | 41,386,509 | 851,607 |
| | Total | 37,105,595 | 39,971,834 | 42,586,568 | 43,625,262 | 1,038,693 |
| Economic Development | Office of Economic Development | 2,339,130 | 3,506,339 | 3,446,210 | 5,403,600 | 1,957,390 |
| | Consumer Affairs & Licensing | 1,151,755 | 1,222,148 | 1,353,513 | 1,486,453 | 132,940 |
| | Office of Tourism | 1,134,559 | 1,333,810 | 1,545,852 | 1,651,972 | 106,120 |
| Total | 4,625,444 | 6,062,297 | 6,345,574 | 8,542,025 | 2,196,451 | |
| Education | Boston Public Schools | 1,093,289,520 | 1,126,676,079 | 1,178,564,205 | 1,258,633,065 | 80,068,860 |
| | Total | 1,093,289,520 | 1,126,676,079 | 1,178,564,205 | 1,258,633,065 | 80,068,860 |
| Environment, Energy & Open Space | Environment Department | 2,470,122 | 4,779,367 | 3,197,886 | 3,197,563 | -323 |
| | Parks & Recreation Department | 26,322,942 | 25,988,602 | 26,666,627 | 27,135,110 | 468,483 |
| | Total | 28,793,064 | 30,767,969 | 29,864,513 | 30,332,673 | 468,160 |
| Administration & Finance | Administration & Finance | 1,205,918 | 757,337 | 1,737,927 | 1,272,150 | -465,776 |
| | Assessing Department | 7,190,085 | 7,150,524 | 7,746,306 | 7,718,365 | -27,940 |
| | Auditing Department | 2,680,026 | 2,735,310 | 2,947,260 | 2,828,293 | -118,967 |
| | Budget Management | 2,811,863 | 2,702,651 | 3,541,745 | 3,270,971 | -270,774 |
| | Execution of Courts | 19,513,268 | 18,233,939 | 5,000,000 | 5,000,000 | 0 |
| | Health Insurance | 210,986,298 | 212,029,308 | 221,381,299 | 216,096,323 | -5,284,976 |
| | Human Resources | 4,251,960 | 4,694,941 | 5,849,713 | 5,970,600 | 120,888 |
| | Medicare | 9,815,432 | 10,673,357 | 11,200,000 | 11,200,000 | 0 |
| | Office of Labor Relations | 1,250,130 | 1,122,845 | 1,465,905 | 1,459,896 | -6,010 |
| | Pensions & Annuities - City | 3,636,293 | 3,699,484 | 4,100,000 | 3,900,000 | -200,000 |
| | Pensions & Annuities - County | 30,129 | 13,147 | 100,000 | 0 | -100,000 |
| | Procurement | 1,658,911 | 1,736,215 | 1,888,611 | 1,859,992 | -28,619 |
| | Registry Division | 957,564 | 1,116,384 | 1,109,488 | 1,086,639 | -22,849 |
| | Treasury Department | 5,216,098 | 20,169,845 | 19,800,186 | 4,576,638 | -15,223,548 |
| | Unemployment Compensation | 0 | 0 | 350,000 | 350,000 | 0 |
| | Workers' Compensation Fund | 1,385,668 | 1,618,544 | 2,200,000 | 2,000,000 | -200,000 |
| Total | 272,589,642 | 288,453,828 | 290,418,439 | 268,589,868 | -21,828,571 | |
| Health & Human Services | Office of Health & Human Services | 0 | 0 | 0 | 2,405,798 | 2,405,798 |
| | Boston Center for Youth & Families | 29,151,768 | 27,468,082 | 29,605,788 | 29,051,676 | -554,112 |
| | Commission For Persons W/Disabilities | 428,128 | 400,491 | 487,540 | 510,616 | 23,076 |
| | Age Strong | 3,568,631 | 3,723,852 | 3,965,665 | 4,446,097 | 480,432 |
| | Fair Housing & Equity | 258,664 | 290,704 | 318,366 | 317,514 | -852 |
| | Office of Immigrant Advancement | 443,901 | 411,934 | 627,767 | 1,125,549 | 497,782 |
| | Public Health Commission | 79,563,339 | 87,967,402 | 93,405,428 | 106,473,529 | 13,068,101 |
| | Boston VETS | 3,233,627 | 2,937,051 | 4,705,679 | 4,612,875 | -92,804 |
| | Youth Engagement & Employment | 6,336,200 | 6,091,124 | 6,990,580 | 7,818,028 | 827,448 |
| Total | 122,984,259 | 129,290,640 | 140,106,814 | 156,761,682 | 16,654,868 | |
| Housing & Neighborhood Development | Neighborhood Development | 13,685,668 | 14,203,732 | 20,577,614 | 29,088,350 | 8,510,736 |
| | Total | 13,685,668 | 14,203,732 | 20,577,614 | 29,088,350 | 8,510,736 |
| Information & Technology | Department of Innovation and Technology | 33,816,198 | 39,059,083 | 34,360,307 | 35,022,259 | 661,952 |
| | Total | 33,816,198 | 39,059,083 | 34,360,307 | 35,022,259 | 661,952 |
| Public Safety | Emergency Management | 650,751 | 684,252 | 885,163 | 985,440 | 100,277 |
| | Fire Department | 233,419,618 | 259,809,035 | 271,616,063 | 271,548,665 | -67,398 |
| | Police Department | 399,924,488 | 416,762,368 | 414,306,878 | 404,182,026 | -10,124,853 |
| Total | 633,994,857 | 677,255,656 | 686,808,104 | 676,716,130 | -10,091,974 | |
| Streets | Central Fleet Management | 2,829,169 | 2,993,212 | 3,110,484 | 3,012,586 | -97,898 |
| | Office of Streets | 1,798,367 | 2,131,409 | 2,217,107 | 2,053,526 | -163,581 |
| | Public Works Department | 82,963,493 | 85,363,039 | 100,267,573 | 98,909,662 | -1,357,911 |
| | Snow Removal | 28,168,776 | 22,762,894 | 24,788,144 | 21,067,583 | -3,720,560 |
| | Transportation Department | 35,559,546 | 38,038,731 | 39,276,378 | 38,748,112 | -528,266 |
| Total | 151,319,351 | 151,289,285 | 169,659,686 | 163,791,469 | -5,868,217 | |
| Non-Mayoral Departments | City Clerk | 1,234,257 | 1,233,660 | 1,346,251 | 1,392,267 | 46,017 |
| | City Council | 5,248,445 | 5,442,471 | 5,721,300 | 5,736,400 | 15,100 |
| | Finance Commission | 271,026 | 276,453 | 294,446 | 299,784 | 5,338 |
| Total | 6,753,728 | 6,952,584 | 7,361,996 | 7,428,451 | 66,455 | |
| Table 4 | Grand Total | 2,459,990,506 | 2,575,159,253 | 2,676,437,077 | 2,748,978,956 | 72,541,878 |

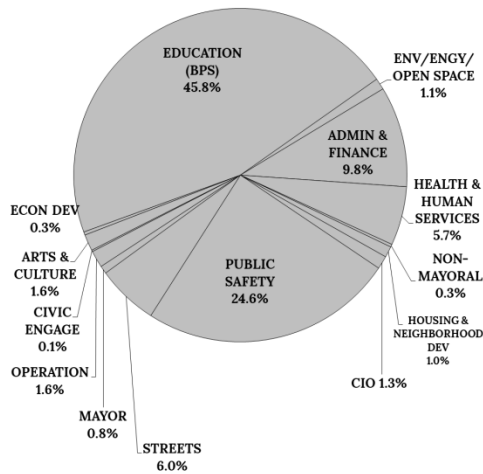


Figure 7 - FY21 Appropriations by Cabinet

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 FY21 some programs have transferred between departments. Details of these changes are described below in each of the following cabinet sections.

Mayor's Office

The FY21 budget for the Mayor's Office Cabinet is fairly level with 0.1 % over the FY20 appropriation. The cabinet contains the Mayor's Office, the Election Department, Intergovernmental Relations, Human Rights Commission, the Law Department, and the Office of Women's Advancement.

The Mayor's Office's budget will increase by 0.9% in FY21. The budget includes investments in violence prevention and pre-release services and engagement.

Women's Advancement's budget will increase by 33.7% in FY21. The City recognizes that the rising cost of childcare creates a significant barrier for women to work and consequently increases gender pay inequality and, in FY20, began a grant program for childcare entrepreneurs. The FY21 budget invests \$97,500 to continue and expand the grant program by increasing the number of grantees.

The Election Department's budget will decrease by 4.7% in FY21 with one less election than in FY20.

The Human Rights Commission was restarted as a separate department in FY20. The FY21 budget represents the ramp up costs to begin staffing the office with investigators and support staff.

Intergovernmental Relation's budget will decrease by 12.1% in FY21 due to the removal of one time FY20 Census investments and savings from the 6 month hiring slowdown.

The Law Department's budget will decrease by 2.3%. Budgeted savings from the controlled hiring process offset a staffing increase for the Fire Legal Advisor unit and additional appointments to the Community Ombudsman Panel that reviews appeals made with the Boston Police over internal investigation cases.

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

Operations

The budget for the Operations Cabinet is increasing by 0.5%, largely due to a new after-hours inspection accounting process in the Inspectional Services Department.

The Public Facilities' FY21 budget will decrease by 1.5% due to the controlled hiring process.

The Property Management Department's budget will decrease by 8.7% primarily due to an adjustment made to security billing with other departments.

The Inspectional Services Department's budget will increase by 10.4% mainly due to a new after-hours inspection accounting process. In FY21, Inspectional Services also plans to increase the capacity of its Health and Zoning Board of Appeals (ZBA) teams. In an effort to respond to increasing demands for health inspections, the department will add two new health inspectors. Additionally, the department will add ZBA administrative staff in line with the Mayor's executive order.

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

Civic Engagement

The FY21 budget for the Civic Engagement Cabinet will increase by 11.3%. The Cabinet contains the Office of Neighborhood Services, which is home to the City's neighborhood liaisons, Boston 311, and City Hall To Go. Investments in the Cabinet include increased funding and capacity for the Language and Communication Access program, which works with City departments to provide interpretation, translation, and assistive technology.

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

Arts & Culture

In FY21, funding for the Arts and Culture Cabinet will increase by \$1.0 million, or 2.4%. The increase is largely driven by investments made in the Boston Public Library, including the addition of librarians and custodians at branch libraries. The FY21 budget also maintains the City's long-term commitment to the arts.

The Mayor's Office of Arts and Culture will increase by 9.1%. The department will add a Director of Programs to ensure that the following investments are well managed.

In FY21, the City will invest in continuing key grant-making programs for individual artists, such as the Opportunity Fund,

which offers small grants to support artists in activities that help them share their work with the public, teach others, continue their professional development, and hone their skills. The City will also continue the Boston Artist-in-Residence (AIR) program, which enables artists to work on projects that help reframe social conversations, and explore the ways they can use art and media to improve and bolster City initiatives.

The Boston Public Library (BPL) will see a 2.1% increase in FY21. BPL will add a librarian to the East Boston branch to meet robust community demand at that location. A new librarian will also be added to the Roxbury branch to help staff new program spaces and to address an anticipated surge of patronage following the branch's reopening after renovations. BPL will also deploy six new custodians so that at least one senior building custodian is assigned to each branch library, resulting in cleaner and more inviting facilities.

In addition to the FY21 general fund budget, BPL has support from a variety of external funds. These crucial resources, including the Commonwealth of Massachusetts and Affiliates of the Public Library, support a variety of initiatives.

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

Economic Development

The Economic Development Cabinet includes the Office of Economic Development, Consumer Affairs & Licensing, and the Office of Tourism. Overall, the Cabinet will see a 3.6% increase in FY21.

The Office of Economic Development's (OED) FY21 budget will decrease 1.2% from its FY20 appropriation. The decrease is largely due to reductions to discretionary spending. However, the city also made FY21 investments in the new Diversity and Equity Procurement team and continued to add

operational enhancements to the Boston Residents Jobs Policy (BRJP) team. The department will also benefit from a \$1 million appropriation from the Boston Cannabis Equity Fund to a grant to support the development of equity applicants for this emerging industry.

The Office of Tourism will increase by 6.9%, mainly due to relocating longstanding events that have traditionally been held on City Hall Plaza. The three main free events that are held on plaza, which is scheduled to be under renovation, will be relocated to comparable event spaces.

The Consumer Affairs and Licensing Board will increase by 12% with the creation of the new Boston Cannabis Board. This investment will support the costs of operating the board including expenses related to conducting siting and approval of recreational cannabis stores and future license violation hearings.

For additional budget detail on the Economic Development Cabinet see Volume II.

Education

In his 2020 State of the City speech, Mayor Walsh announced a historic commitment of \$100 million over three years for direct classroom funding in the Boston Public Schools over and above standard cost increases. In FY21 alone, \$36 million in funding for new investments will be added to the BPS budget, with another \$44 million in cost increases for operations, including implementation of the BTU contract. This single-year increase of \$80 million will bring the total increase in the BPS budget since Mayor Walsh took office to over \$320 million.

Funding directed to schools will increase to \$809 million. Combined with another \$317 million in school services budgeted centrally - such as transportation, special education, and facilities - total spending in

schools will reach nearly \$1.13 billion, representing 89% of the BPS budget.

Of the \$36 million in new FY21 investments, 100% will be spent in schools and over half will be devoted to providing intensive, targeted support and resources to 33 “transformation” schools identified by the State as needing greater support to boost their performance. As a whole, the FY21 investments are aligned with Superintendent Cassellius’s strategic vision for the district and promote quality by strengthening students, teachers, academic content, and the relationships between these elements.

Investments to create a strong foundation for student success and outreach to connect families to resources total \$9 million. This includes an investment of \$5.6 million to hire social workers to provide a coordinated, multi-tiered system of supports to meet the needs of students and their families, needs made more acute by the COVID-19 crisis. An additional \$2.5 million will fund the hiring of family liaisons who reflect the languages and cultures of communities and who will help families navigate BPS functions like registration, as well as facilitate access to community resources for housing, food, and counseling. These investments will primarily be directed to the group of transformation schools but will also extend to certain other schools that have particular needs in the relevant areas.

BPS’s talented educators will benefit from \$12 million in investments to increase teachers’ skills through coaching and professional development. In the transformation schools, \$4.6 million in funding will connect teachers with instructional facilitators to provide feedback, lesson planning, and instructional strategies for getting the most out of curriculum materials. Teachers will benefit from the support of these instructional facilitators as they confront the challenge of delivering online instruction. Other

investments in this category will further enhance collective teacher efficacy and foster professional learning.

A third set of investments consists of \$15 million to raise the bar on student learning with high-quality learning materials, resources, and improved learning environments. As the COVID-19 crisis has demonstrated, technology is an essential educational tool. In FY21, \$4 million will fund the purchase of technology, such as laptops, to support teaching and learning. With an investment of \$2.8 million, students in select schools will receive an additional “special” class each week in art, music, science, or physical education. While students explore these engaging topics, classroom teachers will meet with their peers for coaching and planning time, guided by instructional facilitators. BPS will also hire 25 new custodians with \$1.5 million in new funding to keep buildings clean and safe.

The FY21 budget will also build on prior year investments in Universal Pre-K and special education, where roughly 150 positions are expected to be added to advance the district’s inclusion rollout and address autism-related needs. At \$290 million in FY21, the special education budget accounts for approximately 23% of the overall BPS budget.

For additional budget detail on the Education Cabinet, see Volume II.

Environment, Energy & Open Space

The Environment, Energy and Open Space Cabinet, which includes the Environment Department and the Parks and Recreation Department, will increase by 1.6% in FY21. The cabinet is making targeted investments to ensure access to high-quality open spaces for all Bostonians and to implement the City’s Climate Action Plan.

In FY21, the Environment Department’s budget will remain level as it offsets new investments with the 6 month hiring

slowdown. To scale up the work and address the growing complexity of the Climate Action Plan, the department will add a new Deputy Director of Policy and Programs. To support the implementation of the City’s Zero Waste Plan, the department will add a dedicated project manager and increase funding for outreach. The department will also add a project manager and contract funds to implement the new Local Wetlands Ordinance, which gives the City greater authority to protect Boston’s wetlands.

The Parks and Recreation Department budget will increase by 1.8%, as investments that will improve Boston’s open spaces and increase community resilience are balanced with savings from controlled hiring and a conservative utilities projection. In order to ensure a high level of excellence in maintaining parks in all parts of Boston, the department will create a new second shift of maintenance staff based in Franklin Park. This critical investment will allow the department to be more responsive to maintenance needs in the evenings and weekends across all of Boston. In FY21, the Parks and Recreation Department will invest in its capacity to maintain trees throughout the city by increasing maintenance contract funds for street trees and urban wilds and also adding two new staff.

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

Administration & Finance

The Administration & Finance (A&F) Cabinet contains the majority of the central departments responsible for the City’s administrative functions. Boston has been recognized for its strong financial policies and practices and sound management of both its human and financial capital. The cabinet has a -7.5% decrease in FY21, driven by the movement of a one-time FY20 investment of \$15 million in universal pre-K

funding out of the Treasury Department, revised health insurance projections, and the controlled hiring process.

The A&F cabinet has budgeted resources in FY21 to pursue revenue maximization and to implement the Mayor's executive order on equitable procurement, which works to ensure the full participation of all enterprises in City spending, focusing on small and local minority-, woman-, and veteran-owned businesses.

In FY21, the A&F cabinet will continue a citywide review of collections to better optimize the City's non-tax revenues. The City will also continue to work to maximize federal health insurance reimbursements and revenue recovery efforts.

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

Health & Human Services

Overall, the FY21 appropriation for the Health & Human Services Cabinet will increase by 16.7 million or 11.9%.

Approximately a third of that increase is from the reallocation of a portion of the police overtime budget to equity and inclusion investments. The cabinet's work to promote the health and well-being of the City's residents, particularly its most vulnerable, is essential to creating a thriving, healthy, and innovative Boston.

The Office of Health and Human Services (HHS), formerly housed in Boston Centers for Youth and Families (BCYF), is now a separate department and will also be home to the Office of Food Access. The department's budget includes \$1 million for a grant program, which is a key part of a targeted violence prevention strategy with investments totaling \$1.5 million across various city departments. This initiative pursues the goal of zero homicides in the City of Boston.

Additionally, the Office of Food Access will increase staff capacity and expand the

Boston Double Up Program to additional stores in East Boston, Roxbury, Mattapan, and Dorchester.

Boston Centers for Youth and Families' (BCYF) FY21 budget will decrease by 1.9% overall from FY20 after the creation of a new department for the Office of Health and Human Services. The FY21 budget includes a \$100,000 investment in the department's violence prevention efforts which will pilot a pre-employment and job readiness training program to develop career pathways for SOAR participants.

The department's budget also continues to provide grants to local nonprofits supporting after-school youth activities, sports, and academic study programs. Additionally BCYF runs both winter and summer Camp Joy programs with structured enriching activities for children and young adults with special needs. This program includes group games, swimming, adaptive sports, arts and crafts, and field trips. It connects participants and their families to new opportunities and valuable community resources as well as provides door to door transportation.

The Age Strong Commission's budget is growing by 12.1% in FY21. Age Strong has a FY21 investment to increase the financial security of older Bostonians. The new funds will allow the Commission to expand multimedia advertising and outreach efforts to reach a diversifying aging population as well as assist with critical benefits enrollment and retention. The Commission is also adding a clinical social worker and other programming to help meet the increased demand for services due to COVID-19.

The Fair Housing & Equity budget has decreased by 0.3% due to a small reduction in discretionary spending. Fair Housing & Equity remains committed to exceeding the current Housing and Urban Development (HUD) case management directives and delivering on its mission of eliminating

discrimination and ensuring fair and equal access to housing and public services.

The Mayor's Office for Immigrant Advancement (MOIA) budget is increasing by 79.3% over FY20. This increase is the result of strategic investments to increase awareness around City Hall resources available to immigrants across all of our neighborhoods and to further support both the City's Annual Citizenship Day event, which connects Boston residents with free U.S. citizenship applications, and the Greater Boston Immigrant Defense Fund. This Fund allows for free legal representation for those involved in immigration and asylum cases while also carrying out informative Know Your Rights programming across Boston. MOIA is also adding a dedicated Constituent Services Coordinator to help respond to the demand for services and an Economic Integration Specialist to focus local hiring inequities.

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 FY21, BPHC's appropriation will increase by 14.0%, with investments targeting important areas of the City's public health system as they carry out their critical work on COVID-19, implement the Racism as a Public Health Crisis executive order, and support Emergency Medical Services (EMS) and substance use disorder services. Unlike most City departments, BPHC's appropriation includes health insurance,

pension and other post-employment benefits (OPEB).

The FY21 budget includes resources for violence prevention capacity building to sustain the Division of Violence Prevention and the Neighborhood Trauma Team Network, while also receiving funding from the larger HHS targeted violence prevention strategy to provide technical assistance and training. FY21 funding will also ensure BPHC maintains the annual resident health survey as well as the critical neighborhood-level data that comes with it.

EMS's FY21 budget includes a targeted investment to ensure that in addition to annual ambulance replacements, essential equipment like AEDs, radios, LifePak15s, and Body Armor will be put on scheduled replacement plans so EMTs and those doing life-saving work in the field have access to the tools and equipment they need.

The Office of Recovery Services will see an investment to study the implementation of a low-threshold respite housing facility targeting the city's on-street population struggling with homelessness and substance use disorder.

The FY21 budget for the Boston Office of Veterans Engagement, Transition, and Services (Boston VETS) has a modest decrease of 2%. In FY21, Boston VETS plans to engage and serve hundreds of veterans through their outreach programs which include decorating Hero Squares, providing financial assistance to veterans, and organizing volunteers to thank Boston veterans. Additionally Boston VETS seeks to broaden their reach amongst all veterans throughout the City.

The budget for Youth Engagement and Employment will increase by 11.8% in FY21. Funding will continue to support a successful partnership with community-based organizations and, when combined with anticipated state funds, will provide an estimated 3,330 summer jobs. The

Department will also work year round to support youth through the Mayor's Youth Council and provide for 500 school-year jobs.

Additionally, YEE will see an investment of \$75,000 as part of the larger HHS targeted violence prevention strategy to place gang involved or proven risk young people in employment opportunities throughout the year in collaboration with public safety officials and SOAR Boston.

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

Housing and Neighborhood Development

The FY21 budget for the Housing and Neighborhood Development Cabinet will increase by 41.4%, reflecting significant investments through the Department of Neighborhood Development (DND) to implement the Mayor's five-year, \$500 million housing funding commitment and address chronic, youth, and family homelessness needs in the City.

The FY21 budget increases Boston's annual general fund investment in housing to \$22.8 million, including a \$2 million reallocation to address systemic problems related to racial disparities in housing and housing development through investments such as pilot homeownership programs for minority and immigrant homebuyers and outreach to support the Affirmatively Furthering Fair Housing plan. Combining these general fund dollars with federal grants, state grants, and developer fees allows the City to leverage a wide variety of sources to invest in the creation and preservation of affordable housing citywide, a key to reaching targets outlined in Mayor Walsh's Housing a Changing City: Boston 2030.

In his 2020 State of the City address, Mayor Walsh pledged to dedicate \$500 million over the next five years to create thousands of homes across Boston affordable to

households with low and middle incomes. The FY21 budget includes new operating investments to create affordable homeownership opportunities, preserve and generate affordable rental opportunities, and advance structural change.

To support homeownership, the City will invest \$1.4 million in enhanced down payment assistance for first-time homebuyers, thereby doubling existing resources for down payment assistance. With this investment, the City can provide larger loans to more homebuyers. The FY21 budget also includes \$1 million to increase funding for the ONE Plus Boston Mortgage program, which provides homebuyers with a discounted interest rate on their mortgage. These programs will work in tandem to make homeownership more affordable and accessible for families across the City.

The operating budget includes an array of investments to support renters. In FY21, the City will kick start its first City-funded rental voucher program with a \$2.5 million investment. The voucher program will subsidize the rents of those with most need through providing hundreds of vouchers over five years. In addition, DND will use \$350,000 to maintain expiring-use income-restricted units through extending affordability and rehabbing properties. To help households preserve their tenancy or secure new housing, the FY21 budget also includes \$250,000 to increase tenancy preservation flexible financial assistance, which will enable the City to assist approximately 100 more households and specifically target households with greater financial need. Moreover, with \$135,000 in the FY21 budget, DND will expand the successful Housing Court navigator program, which connects tenants in Housing Court to resources and legal assistance. This investment will add an additional navigator and increase the number of days they are stationed in court.

Because infrastructure investments are key to supporting affordable housing development, the FY21 operating budget includes a \$400,000 investment to address the resources gap for small, local minority- and women-owned business enterprises (MWBEs) that develop affordable housing. These funds will provide MWBE developers with coaching and financial assistance during predevelopment and the construction process.

To continue moving the needle on chronic, family, and youth homelessness, the FY21 budget includes \$1.8 million in new investments. Coupled with \$1.2 million in federal grant funding, a \$1 million investment in rapid rehousing will assist approximately 200 youth and young adults with move-in costs, rental assistance, housing search, and case management as they move from homelessness to housing. To enable shelters to provide initial resource assessments for more guests, the budget includes \$550,000 to expand front door triage, providing 8 additional case managers, direct assistance for homeless individuals, and programmatic support. A \$155,000 investment in FY21 will expand street homeless outreach to reach approximately 100 more individuals who are not currently in shelter. The FY21 budget also funds a new Advisor on Family Homelessness, who will facilitate coordination between existing programs and services offered by the City, the Commonwealth, and external organizations to ensure that more homeless families are able to receive the help they need.

The FY21 budget projects that DND will have \$87 million in external funds available from federal and state grants, as well as revenue from certain developer fees. Although proposed federal budget cuts raise questions about future levels of funding for the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs, which provide funding for a variety of neighborhood

development activities, this budget assumes that DND will continue to receive these recurring federal entitlement grants, as well as competitive grants such as the Continuum of Care (CoC) program. The City will advocate that these critical programs are maintained in the federal budget.

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

Information & Technology

The Department of Innovation and Technology (DoIT) will see a 1.9% increase over its FY20 appropriation. The FY21 budget continues to modernize cyber security and better protect the City's IT infrastructure. To accomplish this, DoIT has invested in new licensing agreements and partnerships to stay at the forefront of technology.

DoIT continues to invest in City technology. In FY21, the department will ensure a timely refresh plan for City IT equipment by replacing 800 computers. Additionally, the City's financial system and its HR system need key upgrades. To ensure adequate staffing for these systems, DoIT will increase capacity to its Enterprise systems teams. Lastly, to further DoIT's ongoing efforts to increase efficiency, DoIT will reduce contractor spending in FY21.

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

Public Safety

The Public Safety Cabinet, which includes the Police Department, the Fire Department, and the Office of Emergency Management, is decreasing by 1.5%, primarily due to the reallocation of 20% of the Police Department's overtime budget to equity and inclusion efforts in various city departments. The budget supports FY21 wage increases from collective bargaining agreements in the Fire Department, an increase to the FY21 Police recruit classes,

an investment in the Forensic Unit, and critical safety and wellness investments for the Fire Department.

The Police Department will increase the sworn police force by 25 officers with the addition of a second recruit class in FY21. The FY21 budget continues to include investments in the Forensic Units including the additional equipment, supplies, and staff for the Crime Lab and additional staff for the Latent Prints unit. The Community Engagement Bureau will expand its efforts in coordination with HHS's targeted violence prevention investment. The Police Department will also continue efforts to reduce overtime hours where possible.

Building on the continued success of recruiting a diverse police cadet class in FY19 and FY20, the FY21 budget adds another cadet class in spring 2021. This addition of 20 cadets continues to provide a stable pipeline of diverse young people for future police officer classes. The budget also includes funding for a Superior Officers promotional exam to be held in FY21. The department will continue to focus on technological improvements: the on-going implementation of body worn camera program will include a rollout of additional mobile devices and security will be upgraded at Headquarters.

The Fire Department budget will remain fairly level in FY21, with FY21 wage increases from previously negotiated collective bargaining agreements offset by a reduction in budgeted overtime. The Mayor's priority of firefighter health and safety is reflected in the continuing industrial cleaning program for firehouses, along with additional funds for firehouse environmental cleaning. The FY21 operating budget also includes investments in facilities improvements, health and wellness training, and a new fire cadet program of 20 cadets to start in spring of 2021. Also included in the budget is funding to replace a brush truck, which aids in response to woodland fires and flood

rescue. Similar to the Police Department, the Fire Department continues efforts to aggressively manage overtime.

The Office of Emergency Management budget represents an increase of 11.3%. The increase primarily reflects an investment in staffing capacity as well as the creation of a position to organize volunteers as part of an emergency response.

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

Streets

The FY21 Streets Cabinet budget, which includes the Department of Public Works and the Boston Transportation Department, decreased by 3.5% over the FY20 appropriation. Complemented by historic increases to the capital plan, this budget reflects both cost-saving measures and innovative new investments that expand high-quality basic city services to keep our streets clean, safe and accessible for all users.

The Public Works Department FY21 budget will decrease by 1.4% over FY20, due to savings from the hiring slowdown and conservative utilities projections. Building on the launch of the City's Zero Waste Plan, Public Works will subsidize the collection of residential food compost for hundreds of Boston residents as part of a new pilot program. The department will also double the number of Project Oscar compost bins by adding five new compost sites across the City. To support these Zero Waste programs, Public Works will increase funding for resident education campaigns and hire a staff member to help manage Zero Waste policies and programs. To support capital construction, Public Works will hire three civil engineers and administrative staff that will help with bridge construction and an expansion of the Pedestrian Ramp Reconstruction program.

The Boston Transportation Department (BTD) FY21 budget will decrease by 1.3% over FY20, with savings from the hiring delay and anticipated reductions in certain contracted services due to COVID-19. As part of the City's Climate Action Plan, this budget includes zero-emission vehicles in BTD and other departments in order to replace existing gas- and diesel-powered vehicles. BTD will continue making progress on the priorities and projects identified in Go Boston 2030, including a new Safety Intervention Program for Neighborhood Streets, a pilot that will help evaluate and develop quick responses to all resident 311 safety requests. BTD will also expand the City's bikeshare network to more locations, re-launch the Youth Cycling Program for BPS students and launch a pilot to subsidize BlueBike memberships to several Main Street districts in order to expand access to active transportation options.

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

Reserve for Collective Bargaining

The FY21 collective bargaining reserve, a \$3 million reserve for City departments, Boston Public Schools, and the Public Health Commission, contains funding for the two collective bargaining agreements that are still outstanding through FY20 and for new contracts in FY21. Most union contracts will expire at the end of FY20 or shortly thereafter. The City has reserved a limited amount for successor agreements. Salary increases in these agreements will have a direct impact on dollars available in FY21 and in the upcoming years.

FIXED COSTS

Fixed costs make up a growing portion of the City's Budget. The City has very little control over the fixed costs growth, largely driven by the Charter School Tuition Assessment, which is directly deducted from Boston's state aid, and the City's

Pension schedule, which requires a 10.0% increase in FY21 to address generations of underfunding.

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 \$26.5 million or 10.0% increase in FY21.

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 106 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, 2020. The current pension schedule assumes a long term rate of return of 7.05%. The City's pension liability is currently 75.6% 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.

Debt Service

The Debt Service budget supports borrowing to finance the City's capital plan. In FY21 Debt Service is budgeted at \$205.6 million, which is a \$19.1 million or 10.3% increase over the previous year.

The City benefits from its strong financial policies and practices and has triple A bond ratings from Moody's and Standard and Poor's. Strong bond ratings are an assessment of the City's long-term financial stability and lower the cost of borrowing. As the City borrows more over ten years to support investments in its schools, debt service is projected to increase as well.

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 \$331.0 million by the Commonwealth in FY21.

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 \$3.8 million in FY21. 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, 2019 is \$38.6 million; with this balance Boston has met its reserve 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

| | | 1118 | 1119 | 1120 | 1121 | Projected |
|---|--|-----------------|-----------------|-----------------|-----------------|--------------|
| | | FTE | FTE | FTE | Projected | Inc (Dec) |
| Office of the Mayor | Mayor's Office | 44.1 | 44.6 | 51.0 | 51.0 | - |
| | Election Department | 28.6 | 29.0 | 28.0 | 28.0 | - |
| | Intergovernmental Relations | 9.0 | 9.0 | 10.0 | 10.0 | - |
| | Law Department | 54.0 | 52.0 | 57.0 | 57.0 | - |
| | Human Rights Commission | - | - | - | 4.0 | 4.0 |
| | Women's Advancement | 3.0 | 4.0 | 4.0 | 4.0 | - |
| | Total | 138.7 | 138.6 | 150.0 | 154.0 | 4.0 |
| Operations | Inspectional Services | 217.0 | 218.0 | 208.0 | 213.0 | 5.0 |
| | Property Management | 134.0 | 132.0 | 126.5 | 126.5 | - |
| | Public Facilities Department | 59.0 | 60.0 | 60.0 | 60.0 | - |
| | Total | 410.0 | 410.0 | 394.5 | 399.5 | 5.0 |
| Civic Engagement | Neighborhood Services | 48.0 | 45.0 | 48.0 | 49.0 | 1.0 |
| | Total | 48.0 | 45.0 | 48.0 | 49.0 | 1.0 |
| Arts & Culture | Office of Arts & Culture | 12.0 | 10.0 | 15.0 | 16.0 | 1.0 |
| | Library Department | 386.6 | 384.0 | 381.9 | 389.4 | 7.5 |
| | Total | 398.6 | 394.0 | 396.9 | 405.4 | 8.5 |
| Economic Development | Office of Economic Development | 22.0 | 26.0 | 25.0 | 26.0 | 1.0 |
| | Consumer Affairs & Licensing | 14.0 | 15.0 | 15.0 | 20.0 | 5.0 |
| | Office of Tourism | 10.0 | 10.0 | 11.0 | 11.0 | - |
| | Total | 46.0 | 51.0 | 51.0 | 57.0 | 6.0 |
| Education | School Department | 9,005.2 | 9,248.6 | 9,302.9 | 9,582.0 | 279.1 |
| | Total | 9,005.2 | 9,248.6 | 9,302.9 | 9,582.0 | 279.1 |
| Environment, Energy & Open Space | Environment | 25.0 | 26.0 | 27.0 | 29.0 | 2.0 |
| | Parks and Recreation | 217.0 | 213.0 | 227.0 | 233.0 | 6.0 |
| | Total | 242.0 | 239.0 | 254.0 | 262.0 | 8.0 |
| Administration & Finance | Administration & Finance | 7.0 | 5.0 | 6.0 | 7.0 | 1.0 |
| | Assessing Department | 82.0 | 77.0 | 70.0 | 70.0 | - |
| | Auditing Department | 32.0 | 33.0 | 32.0 | 32.0 | - |
| | Budget Management | 21.7 | 21.7 | 22.7 | 22.7 | - |
| | Human Resources | 45.8 | 45.8 | 46.0 | 46.0 | - |
| | Labor Relations | 10.0 | 8.0 | 9.0 | 9.0 | - |
| | Purchasing Division | 20.0 | 21.0 | 21.0 | 21.0 | - |
| | Registry Division | 17.0 | 19.0 | 18.0 | 18.0 | - |
| Treasury Department | 50.0 | 46.0 | 49.0 | 49.0 | - | |
| | Total | 285.5 | 276.5 | 273.7 | 274.7 | 1.0 |
| Health & Human Services | Office of Health and Human Services | - | - | - | 12.0 | 12.0 |
| | Boston Center for Youth & Families | 364.4 | 369.0 | 359.5 | 348.5 | (11.0) |
| | Commission for Persons with Disabilities | 7.0 | 6.0 | 7.0 | 7.0 | - |
| | Age Strong Commission | 42.7 | 48.5 | 48.4 | 52.4 | 4.0 |
| | Fair Housing & Equity | 7.0 | 7.0 | 7.0 | 7.0 | - |
| | Office of Immigrant Advancement | 5.0 | 4.0 | 5.0 | 7.0 | 2.0 |
| | Public Health Commission | 844.8 | 832.4 | 846.9 | 850.9 | 4.0 |
| | Boston VETS | 15.0 | 12.0 | 14.0 | 14.0 | - |
| Youth Engagement & Employment | 5.0 | 7.0 | 9.0 | 9.0 | - | |
| | Total | 1,290.9 | 1,285.9 | 1,296.8 | 1,307.8 | 11.0 |
| Housing & Neighborhood Development | Neighborhood Development | 38.3 | 37.0 | 39.7 | 40.7 | 1.0 |
| | Total | 38.3 | 37.0 | 39.7 | 40.7 | 1.0 |
| Information & Technology | Dept of Innovation & Technology | 133.6 | 131.6 | 127.0 | 127.0 | - |
| | Total | 133.6 | 131.6 | 127.0 | 127.0 | - |
| Public Safety | Emergency Management | 1.5 | 1.5 | 3.8 | 4.8 | 1.0 |
| | Fire Department | 1,610.3 | 1,611.5 | 1,618.5 | 1,618.5 | - |
| | Police Department | 2,830.1 | 2,862.6 | 2,895.7 | 2,898.7 | 3.0 |
| | Total | 4,441.9 | 4,475.6 | 4,518.0 | 4,522.0 | 4.0 |
| Streets | Office of Streets | 19.0 | 22.0 | 24.0 | 24.0 | - |
| | Central Fleet Management | 43.0 | 44.0 | 42.0 | 42.0 | - |
| | Public Works Department | 319.0 | 313.0 | 316.0 | 318.0 | 2.0 |
| | Transportation | 377.9 | 363.5 | 365.5 | 365.5 | - |
| | Total | 758.9 | 742.5 | 747.5 | 749.5 | 2.0 |
| Non-Mayoral | City Clerk | 15.0 | 13.0 | 14.0 | 14.0 | - |
| | City Council | 77.2 | 80.2 | 75.6 | 75.6 | - |
| | Finance Commission | 4.0 | 4.0 | 4.0 | 4.0 | - |
| | Total | 96.2 | 97.2 | 93.6 | 93.6 | - |
| | Grand Total | 17,333.8 | 17,572.5 | 17,693.6 | 18,024.2 | 330.6 |

Table 5

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 FY21 are estimates based on the personnel funding levels contained in the FY21 budgets.

FY19-FY20 FTE Changes

The total net increase in FTEs from January 1, 2019 to January 1, 2020 was 121.1. The majority of the growth was in priority area of Education. The City's Position Review Committee continued to review all proposed job postings for vacant positions. All hiring was scrutinized and only critical positions were approved. About 9 long-term positions were eliminated in the FY20 budget.

The School Department increased by 54.3 FTEs. In keeping with the commitment to having a fulltime nurse in every school, nurses have increased by 19.4, with additional nurse hires planned. Bilingual teachers are up 40.6 and ABA specialists have increased by 19.3. These increases are offset decreases in aide positions.

Public Safety FTEs increased by 42.4 from Jan 1, 2019 to Jan 1, 2020. This is mostly due to Police Department class and retirement timing, as the FY20 recruit class of 135 started in December, followed by record retirements later in January. The Fire Department is up 7 FTEs due to delay of the FY20 class until the spring.

The Streets Cabinet increased by 5 FTEs. While Public Works is up 3 due to aggressive filling of vacancies, several multi-modal transit maintenance positions are yet to be filled. BTD is up 2, with a new PEO class coming on after this January snapshot.

The Mayor's Office Cabinet increased by 11 FTEs. This is driven by the Law Department filling several vacant attorney positions.

The Mayor's office is also up by 6.4 due in part to the transfer of the Mayor's Office of Racial Equity and Resiliency from the Public Health Commission. The Elections Department is down 1 due to attrition.

The Operations Cabinet had a decrease of 15.5 FTEs. This is driven by the FY20 transfer of 19 Animal Control positions from ISD to the Parks Department. ISD has also been aggressive in filling vacancies, resulting in a year to year decline of only 10 FTEs. Property Management is down 5.5 positions due to attrition.

The Civic Engagement Cabinet increased by 3 FTEs. The Language Access program added a position and several neighborhood liaison positions were filled. The Arts & Culture Cabinet increased by 2.9 FTEs. While the Library had several vacancies in the facilities department, the Office of Arts and Culture is now fully staffed. The Economic Development Cabinet remained level with 2019. Economic Development decreased by 1, which was offset by an increase of 1 in the Office of Tourism.

The Environment, Energy and Open Space Cabinet increased by 15 from January 2019 to January 2020. The Parks Department increased by 14 reflecting the transfer of the Animal Control program. Environment increased by 1 with the addition of an Archaeology Lab Manager.

The Health & Human Services Cabinet shows a net increase of 10.9 FTEs. This is driven by the Public Health Commission, which increased by 14.5, due to the timing of an EMT class. The Boston Centers for Youth and Families decrease of 9.5 FTEs is a result of SOAR program vacancies. Both Boston VETS and Youth Engagement and Employment increased by 2 with the filling of vacancies.

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

FY21 Projected FTE Changes

The City projects a net increase in FTE levels of 330.6 from January 1, 2020 to January 1, 2021. The vast majority of the growth is targeted in the priority area of education.

The City will continue to review the need for hiring into all vacant positions in FY21. Only critical positions will be approved to post and hire. Departments eliminated 16 long-term vacant positions in the current budget process.

The School Department represents the greatest portion of the projected growth with an expected increase of 279.1 filled FTEs from January 2020 to January 2021. This position growth is a key part of the transformative investment in the district that will result in new services, programs and resources in all schools districtwide. The department is adding new teachers in art, music and physical education in addition to the continued trend of increasing numbers of special education and bilingual teachers. Instructional coaches will also be hired to support teachers. Additionally paraprofessional positions will rise with the expansion of inclusion classrooms and the commitment to having a fulltime position in every K2 classroom. Other new positions include social workers and family liaisons, which will be especially important as they help provide social-emotional support and assistance to families in the midst of the COVID crisis.

The Mayor's Office Cabinet has a projected increase of 4 FTEs. The newly reactivated Human Rights Commission accounts for all the growth. Two existing positions, including the Executive Director, will transfer from the Boston Centers for Youth and Families. The department is expected to add two additional staff to support the work of the commission.

The Operations Cabinet is anticipated to increase by 5 FTEs in the Inspectional

Services Department. Three of the positions will increase the administrative capacity of the Zoning Board of Appeals in line with the Mayor's executive order. The department is also adding two health inspectors in response to increasing demands for health inspections. The Civic Engagement Cabinet will improve the capacity of the Language Access program in the Office of Neighborhood Services.

The Arts and Culture Cabinet will grow by 8 FTEs. The Office of Arts and Culture will hire a new Director of Programs to support the strategic implementation of the *Boston Creates* cultural plan. The Library is adding librarians for the revitalized East Boston and Roxbury branches. The department will also hire 6 custodians to improve cleanliness in the branches.

The Economic Development Cabinet is expected to grow by 6 positions. The Office of Economic Development will increase operational capacity by adding 3 positions to support the equitable procurement and supplier diversity initiative. That increase is offset by the transfer of 2 existing positions to the new Cannabis Fund. Consumer Affairs and Licensing is building the capacity of the Boston Cannabis Fund with 4 board members and a staff position.

The Environment, Energy and Open Space Cabinet will grow by 8 FTEs as environment and climate issues remain important priorities. The Environment Department plans to hire a climate and wetlands resiliency position and a project manager for its zero waste program. Parks and Recreation will grow the Urban Wilds and Urban Forestry programs and add second shift maintenance staff based in Franklin Park. The Administration & Finance Cabinet projects an increase of 1 FTE with an equitable procurement administration position in the Office of Administration and Finance.

The Health and Human Services Cabinet will increase by 11 FTEs. The Office of Health and Human Services will no longer be housed in Boston Centers for Youth and Families and 11 existing positions will transfer into the separate department. The new Office will include the Food Access program, which will add a Strategic Communications Director. The Age Strong Commission plans to add three advocacy representatives to support benefits enrollment as part of a financial security initiative and a new clinical social worker to support the work of the entire department. Immigrant Advancement will enhance its services with the addition of a dedicated Constituent Services Coordinator and an Economic Integration Specialist position. The Public Health Commission will hire project staff to support the work on the Racism as a Public Health Crisis executive order. The Commission is also preserving a violence prevention position which is coming off an expiring grant.

Neighborhood Development in the Housing Cabinet will grow with the addition of an Advisor on Family Homelessness to facilitate coordination of existing programs and services in the city. The Department of Innovation and Technology in the Information & Technology Cabinet will remain stable in FY21.

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. Fire Department staffing is projected to remain stable in FY21. The goal of the department is to have enough firefighters in the suppression force to cover the minimum manning level of 262 and to reduce overtime. While the Police Department is projected to increase the sworn force by 25 officers with a second recruit class in the spring of 2021, that change is not reflected in the projections for January. The department is also adding 3 criminalist positions to improve efficiency in the

Forensics Unit. The Office of Emergency Management plans to hire a Volunteer Resources Manager to assist with emergency response.

The Streets Cabinet is projected to increase by 2 FTEs. The Public Works Department is adding 2 positions as part of its pedestrian ramp acceleration efforts.

| External Funds | FY19 Expenditure | FY20 Estimated | FY21 Estimated |
|-----------------------------|-------------------------|-----------------------|-----------------------|
| Boston Public Schools | 142,250,128 | 157,252,042 | 148,658,750 |
| Office of Budget Management | 0 | 24,203,649 | 106,647,710 |
| Neighborhood Development | 78,471,560 | 87,172,822 | 87,824,749 |
| Public Health Commission | 46,515,679 | 43,764,815 | 45,847,893 |
| Treasury Department | 35,263,395 | 25,512,151 | 26,300,000 |
| Emergency Management | 10,986,817 | 12,860,691 | 16,686,045 |
| Police Department | 7,519,394 | 10,088,175 | 9,082,732 |
| Library Department | 9,471,770 | 9,420,455 | 9,847,532 |
| Age Strong | 7,181,393 | 6,704,203 | 7,636,307 |
| Other | 31,658,051 | 29,624,376 | 30,216,710 |
| Table 6 | Total | 369,318,187 | 406,603,379 |
| | | 488,748,427 | |

External Funds

The City's \$3.61 billion operating budget is supplemented by approximately \$488.7 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.

Twenty-six departments and agencies expect to receive federal, state or other forms of external funding in FY21. Over 94% of the City's external funds are found in nine of those twenty-six departments. These eight departments are Boston Public Schools, Neighborhood Development, Public Health Commission, Treasury Department, Emergency Management, Police, Library, and the Age Strong Commission. Other departments that also have significant grant funding are the Office of Economic Development and the Fire 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 Department of Neighborhood Development (DND), and the Elderly Commission have been the traditional recipients of recurring entitlement grants provided by the federal government.

Although proposed federal budget cuts open questions about future levels of funding for Community Development Block Grant (CDBG) and HOME Investment Partnership, this budget assumes that DND will continue to receive these recurring federal entitlement grants, which provide funding for a variety of neighborhood development activities. The City will advocate that these critical programs are maintained in the federal budget. Other sources of federal funding received by the City are used to address diverse needs and/or creative approaches for homeland security, community policing and housing support for the homeless.

CARES- Coronavirus Relief Fund & FEMA

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act,

is a \$2.2 trillion economic stimulus bill passed by the 116th U.S. Congress and signed into law by the President on March 27, 2020 in response to the economic fallout of the COVID-19 pandemic in the United States. The CARES Act is a broad-based economic stimulus bill, but the City of Boston is a direct recipient from a \$150 billion program called the Coronavirus Relief Fund (CRF) specifically for states, tribal governments and units of local government paid in advance by the United States Treasury. Boston with a population in excess of 500,000 was eligible for a direct payment totaling \$120.8 million. These funds were approved in the Boston City Council on May 6, 2020. The three caveats for CARE-CRF funds are:

- 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 30, 2020

In addition to CARES CRF funding, the City Council approved a \$10 million order to accept emergency response funding for the COVID-19 emergency from the Federal Emergency Management Agency (FEMA) provide through the Commonwealth of Massachusetts.

Both CARES-CRF and FEMA 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 2017. The City uses this revenue to fund initiatives consistent with

CPA guidelines: affordable housing, historic preservation, open space and public recreation.

Boston has collected a total of \$39.1 million in fiscal years 2018 and 2019, which was matched with \$3.6 million from the state through the CPA Trust Fund. The city expects to collect \$25.5 million in revenue in FY20 and \$26.3 million in FY21.

Since 2018, the first year of allocations, Boston's 9-member Community Preservation Committee, comprised of Boston residents, recommended 131 projects totaling \$47.6 million in all three CPA categories.

FY21 All Funds Budget

The all funds table consolidates the projected FY21 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 FY21 budget document.

All Funds Budgets - FY21

| Cabinet | Department | General Fund Budget | External Funds Budget | Capital Budget | Total All Funds Budget |
|------------------------------------|---|----------------------|-----------------------|--------------------|------------------------|
| Mayor's Office | Mayor's Office | 5,380,619 | 615,319 | 34,750 | 6,030,688 |
| | Election Department | 5,262,101 | | | 5,262,101 |
| | Human Rights Commission | 1,388,348 | | | |
| | Intergovernmental Relations | 500,746 | | | 500,746 |
| | Law Department | 8,186,099 | 500,000 | | 8,686,099 |
| | Women's Advancement | 462,817 | | | 462,817 |
| | Total | 21,180,730 | 1,115,319 | 34,750 | 20,942,450 |
| Operations | Property Management Department | 17,160,405 | | 20,025,000 | 37,185,405 |
| | Public Facilities Department | 7,060,474 | | | 7,060,474 |
| | Inspectional Services Department | 20,908,524 | 151,223 | | 21,059,747 |
| | Total | 45,129,403 | 151,223 | 20,025,000 | 65,305,626 |
| Civic Engagement | Neighborhood Services | 4,137,589 | 70,000 | | 4,207,589 |
| | Total | 4,137,589 | 70,000 | - | 4,207,589 |
| Arts & Culture | Office of Arts & Culture | 2,238,752 | 600,412 | 530,000 | 3,369,164 |
| | Library Department | 41,386,509 | 9,847,532 | 29,045,000 | 80,279,042 |
| | Total | 43,625,262 | 10,447,944 | 29,575,000 | 83,648,206 |
| Economic Development | Office of Economic Development | 5,403,600 | 5,772,364 | | 11,175,964 |
| | Boston Planning and Development Agency | | | 1,665,130 | 1,665,130 |
| | Consumer Affairs & Licensing | 1,486,453 | 64,557 | | 1,551,010 |
| | Office of Tourism | 1,651,972 | 150,000 | | 1,801,972 |
| | Total | 8,542,025 | 5,986,921 | 1,665,130 | 16,194,076 |
| Education | Boston Public Schools | 1,258,633,065 | 148,658,750 | 132,946,554 | 1,540,238,369 |
| | Total | 1,258,633,065 | 148,658,750 | 132,946,554 | 1,540,238,369 |
| Environment, Energy & Open Space | Environment Department | 3,197,563 | 2,384,787 | 8,975,678 | 14,558,028 |
| | Parks & Recreation Department | 27,135,110 | 6,212,532 | 36,475,848 | 69,823,490 |
| | Total | 30,332,673 | 8,597,319 | 45,451,526 | 84,381,518 |
| Administration & Finance | Administration & Finance | 1,272,150 | | | 1,272,150 |
| | Assessing Department | 7,718,365 | | | 7,718,365 |
| | Auditing Department | 2,828,293 | 218,394 | | 3,046,687 |
| | Budget Management | 3,270,971 | 106,647,710 | | 109,918,681 |
| | Execution of Courts | 5,000,000 | | | 5,000,000 |
| | Health Insurance | 216,096,323 | | | 216,096,323 |
| | Human Resources | 5,970,600 | | | 5,970,600 |
| | Medicare | 11,200,000 | | | 11,200,000 |
| | Office of Labor Relations | 1,459,896 | | | 1,459,896 |
| | Pensions & Annuities - City | 3,900,000 | | | 3,900,000 |
| | Procurement | 1,859,992 | | | 1,859,992 |
| | Registry Division | 1,086,639 | | | 1,086,639 |
| | Treasury Department | 4,576,638 | 26,300,000 | | 30,876,638 |
| | Unemployment Compensation | 350,000 | | | 350,000 |
| | Workers' Compensation Fund | 2,000,000 | | | 2,000,000 |
| | Total | 268,589,868 | 133,166,104 | - | 401,755,972 |
| Health & Human Services | Office of Health and Human Services | 2,405,798 | - | | 2,405,798 |
| | Boston Center for Youth & Families | 29,051,676 | 1,168,014 | 15,700,000 | 45,919,690 |
| | Commission For Persons W/Disabilities | 510,616 | | | 510,616 |
| | Age Strong | 4,446,097 | 7,636,307 | | 12,082,404 |
| | Fair Housing & Equity | 317,514 | 737,846 | | 1,055,360 |
| | Office of Immigrant Advancement | 1,125,549 | 241,000 | | 1,366,549 |
| | Public Health Commission | 106,473,529 | 45,847,893 | 18,642,381 | 170,963,803 |
| | Boston VETS | 4,612,875 | | | 4,612,875 |
| | Youth Engagement & Employment | 7,818,028 | 1,000,000 | | 8,818,028 |
| | Total | 156,761,682 | 56,631,060 | 34,342,381 | 247,735,123 |
| Housing & Neighborhood Development | Neighborhood Development | 29,088,350 | 87,824,749 | 11,500,000 | 128,413,099 |
| | Total | 29,088,350 | 87,824,749 | 11,500,000 | 128,413,099 |
| Information & Technology | Department of Innovation and Technology | 35,022,259 | 5,313,426 | 19,437,450 | 59,773,135 |
| | Total | 35,022,259 | 5,313,426 | 19,437,450 | 59,773,135 |
| Public Safety | Emergency Management | 985,440 | 16,686,045 | 100,000 | 17,771,484 |
| | Fire Department | 271,548,665 | 3,847,212 | 31,078,600 | 306,474,477 |
| | Police Department | 404,182,026 | 9,082,732 | 22,376,371 | 435,641,129 |
| | Total | 676,716,130 | 29,615,988 | 53,554,971 | 759,887,090 |
| Streets | Central Fleet Management | 3,012,586 | | | 3,012,586 |
| | Office of Streets | 2,053,526 | | | 2,053,526 |
| | Public Works Department | 98,909,662 | 70,000 | 61,322,632 | 160,302,294 |
| | Snow Removal | 21,067,583 | | | 21,067,583 |
| | Transportation Department | 38,748,112 | 1,099,625 | 37,462,197 | 77,309,934 |
| | Total | 163,791,469 | 1,169,625 | 98,784,829 | 263,745,923 |
| Non-Mayoral Departments | City Clerk | 1,392,267 | | | 1,392,267 |
| | City Council | 5,736,400 | | | 5,736,400 |
| | Finance Commission | 299,784 | | | 299,784 |
| | Total | 7,428,451 | - | - | 7,428,451 |
| Table 7 | Grand Total | 2,748,978,956 | 488,748,427 | 447,317,591 | 3,683,656,625 |

Performance Management

Boston's performance management efforts, driven in partnership between the Citywide Analytics Team and the Office of Budget Management, strive to ensure that the City delivered the most effective and efficient services possible.

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 inception, CityScore has prompted key process improvements, increased data-driven decision-making at all levels of city government, and informed the budget process.

Priority FY21 Performance Goals

The Mayor's FY21 budget priorities highlight the vision to create an environment that promotes equity, builds community, and helps fulfill Boston's great promise. The performance measures listed below reflect the City's top priorities and the partnerships necessary to achieve these ambitious goals.

Priority FY21 Performance Goals

| Performance Measure | Responsible Department | FY20 Projected | FY21 Target |
|--|--------------------------|----------------|-------------|
| Education | | | |
| New K1 seats available | Schools | 79 | 106 |
| Participants in the Early Literacy Program | Boston Public Library | 48,505 | 30,000 |
| Housing | | | |
| # of homeless Veterans placed in permanent housing | Neighborhood Development | 219 | 200 |
| # of low income housing units permitted (deed restricted and IDP) | Neighborhood Development | 207 | 533 |
| # of middle income housing units permitted (deed restricted and market) | Neighborhood Development | 1,460 | 1,542 |
| # of potential evictions averted | Neighborhood Development | 663 | 850 |
| Mobility | | | |
| Average annual PCI rating of Boston's roads | Public Works | 65.2 | 66 |
| % of street light outages addressed on time | Public Works | 64% | 80% |
| % of crosswalks in good repair | Transportation | 70% | 85% |
| Average personnel hours on a hokey route (hand cleaning streets/sidewalks) | Public Works | 2,198 | 3,500 |
| Prosperity & Equity | | | |
| # of MWBE companies with City of Boston contracts | Economic Development | 187 | 80 |
| # of employees in companies newly signing Boston's 100% Talent Compact | Women's Advancement | 3,514 | 3,000 |
| Arts, Culture, and Creativity | | | |
| % of first time Boston Cultural Council organizational grant awardees | Arts & Culture | 39% | 27% |
| Library card daily usage | Boston Public Library | 3,450,149 | 3,300,000 |
| Average number of eBook holds | Boston Public Library | 82,300 | 81,500 |
| Health & Safety | | | |
| EMS median response time for Priority 1 calls | Public Health Commission | 6.0 Min | 6.0 Min |
| # of individuals placed in recovery services | Public Health Commission | 11,106 | 13,000 |
| Firefighters attending resiliency, health, and safety symposiums | Fire Department | 3,000 | 900 |

Table 8

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 FY22 and FY23. In projecting the City's operating budget for FY22 and FY23, 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 combined with underfunding of the Charter School Tuition Reimbursement obligation and stagnant education aid, will likely lead to the continuation of the negative growth trend in net state aid.

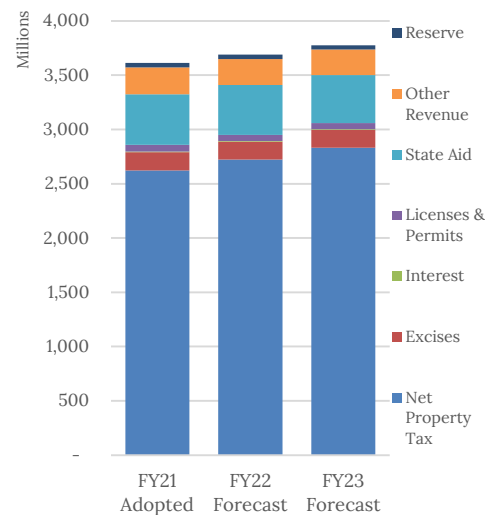
Starting in FY21 almost all City collective bargaining contracts expired and the few unions with contracts settled through FY21 will expire by FY22. While the next round of negotiations for FY21 and beyond has begun, no key contract terms or wage patterns have been established. The projected FY22 and FY23 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 \$2.13 billion, as of the most recent independent actuarial valuation on June 30, 2019. The FY21 budget authorizes another payment of \$40 million to the City's OPEB Liability Trust Fund; the FY22 and FY23 projections also include \$40 million payments.

Revenue Trends

The following chart displays the breakdown of revenue projected for FY22-FY23.



**Figure 8 - Recurring Revenue
FY21 Budget, FY22 & FY23 Projected**

Major revenue trends include:

Property Tax Levy: The levy will grow by the allowable 2.5% increase, and new growth is projected to decrease in FY22 and FY23 due to the long term effects of the COVID-19 pandemic and global recession. The net property tax assumes an overlay reserve set at \$20 million. A net total increase in the levy of over \$208 million is projected over the two years.

State Aid: Gross state aid is assumed to decrease slightly in FY22 and more significantly in FY23, decreasing by 1.3% in

FY22 and 4.7% in FY23. The City is projecting that Unrestricted General Government Aid and Chapter 70 education will stay flat in FY22 and FY23. The City is projecting that the Charter School Tuition Reimbursement will again be underfunded by the State. Roll out of the Student Opportunity Act was delayed for FY21. The Act included structured implementation of full funding of charter school reimbursement. The underfunding has created an unsustainable funding challenge that the City projects will continue in FY22 and FY23. Underfunding of Charter School Reimbursement will be accompanied by a significant increase in the Charter School Tuition Assessment and thus represents a substantial decrease in total resources available for appropriations

Excises: Excises are expected to stay flat in FY22 as well as FY23, due to the long term effects of the COVID-19 pandemic and global recession.

Fines: Fines are expected to marginally increase given improvements made in enforcement.

Interest on Investments: Interest income is expected to decrease in FY22 and FY23 compared to the FY21 Adopted budget, based on the Federal Reserve's low likelihood of increasing interest rates.

Payments in Lieu of Taxes (PILOT): PILOT revenue is projected to remain fairly flat in FY22 and FY23, consistent with the trends from the five year ramp up of PILOT payments, which ended in FY16. We expect the program to continue with support from the non-profit community.

Miscellaneous Department Revenue: In FY22 and FY23, the City estimates decreases in federal health insurance reimbursements as well as Parking Facilities revenue.

Licenses and Permits: Building permits are projected to decrease in FY22 and FY23 due to unpredictable development

environment, especially during and after a recession.

Budgetary Fund Balance: For FY22 and FY23 the use of Budgetary Fund Balance for OPEB expenses is projected to be level at \$40 million.

These estimates are based on conservative revenue assumptions reflecting the unknown long term effects of the pandemic and the length and strength of the global recession.

Expenditure Trends

The expenditure chart displays the allocation of expenditures projected for FY22-FY23.

As the City examines projected expenditures for FY22 and FY23, expenditures are anticipated to grow at a faster rate than the City's revenue growth, leading to projected shortfalls for FY22 and FY23. Fixed costs alone are projected to grow significantly due to increases in charter school costs under the existing cap and 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 FY22 and FY23 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, student transportation services, and the cost of food and nutrition services have been projected for FY22 and FY23.

Due primarily to the factors referred to above, appropriations are estimated to increase by a total of \$64.7 million or 2.3% in FY22 and cumulatively increase by \$128.4 million or 4.6% in FY23.

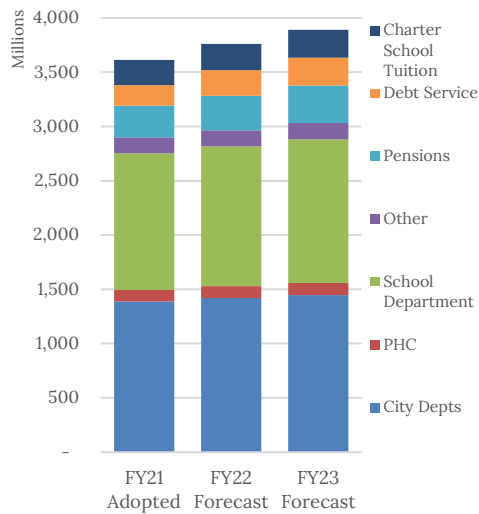


Figure 9 - Expenditures
FY21 Budget, FY22 & FY23 Projected

Fixed Costs: In FY22, fixed costs are expected to increase by 10.3% and cumulatively increase by 18.2% in FY23. These increases can be attributed to several factors including: the continued expansion of charter schools, even under the existing cap and the resulting increase in the tuition assessment, scheduled pension cost increases, and increased borrowing.

Under these revenue and expenditure assumptions, the FY22 and FY23 budgets are currently projected to have shortfalls of approximately \$73 million and \$114 million. For the most part, the projections are based on current operations and the roll out of approved initiatives in FY22 and FY23. As the FY22 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. The City will be monitoring external funding sources very closely, prioritizing service areas and reviewing policy decisions and options that could result from external funding losses. Boston Public Schools and the Department of Neighborhood Development are two departments dependent on federal external funds for the provision of essential services. In the event of grant losses in those

departments, major policy decisions and/or tradeoffs will have to be made to continue to provide existing services.

Employee hiring must continue to be controlled, 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 FY22 and FY23.

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 \$36 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)

| | FY21 Adopted | FY22 Forecast | FY23 Forecast |
|--|-----------------|-----------------|-----------------|
| REVENUES | | | |
| Property Tax | 2,636.49 | 2,742.40 | 2,850.96 |
| Property Tax Overlay | (14.00) | (20.00) | (20.00) |
| Excises | 166.54 | 166.54 | 166.54 |
| Fines | 66.11 | 66.58 | 66.78 |
| Interest On Investments | 8.00 | 5.00 | 5.00 |
| Payments in Lieu of Taxes | 49.28 | 49.66 | 50.04 |
| Urban Redev Chapter 121A | 30.70 | 26.70 | 22.70 |
| Department Revenue | 63.24 | 57.43 | 60.08 |
| Licenses & Permits | 61.96 | 56.04 | 55.94 |
| Penalties & Interest | 9.00 | 9.00 | 9.00 |
| Available Funds | 30.95 | 30.95 | 25.95 |
| State Aid | 464.20 | 458.18 | 442.55 |
| Total Recurring Revenue | 3,572.46 | 3,648.47 | 3,735.53 |
| Budgetary Fund Balance | 40.00 | 40.00 | 40.00 |
| Total Revenues | 3,612.46 | 3,688.47 | 3,775.53 |
| EXPENDITURES | | | |
| City Appropriations | 1,388.34 | 1,418.60 | 1,447.70 |
| Public Health Commission | 106.47 | 108.95 | 111.50 |
| School Department | 1,258.63 | 1,290.63 | 1,322.63 |
| Reserve for Collective Bargaining City | 3.00 | 3.00 | 3.00 |
| Other Post Employment Benefits | 40.00 | 40.00 | 40.00 |
| Total Appropriations | 2,796.45 | 2,861.18 | 2,924.83 |
| Pensions | 292.09 | 317.94 | 346.08 |
| Debt Service | 189.13 | 234.44 | 256.00 |
| Charter School Tuition | 231.96 | 243.56 | 255.73 |
| MBTA | 93.35 | 95.68 | 98.07 |
| Other State Assessments | 5.65 | 5.72 | 5.82 |
| Suffolk County Sheriff Dept | 3.85 | 2.90 | 2.90 |
| Reserve | - | - | - |
| Total Fixed Costs | 816.02 | 900.23 | 964.60 |
| Total Expenditures | 3,612.46 | 3,761.42 | 3,889.43 |
| Surplus (Deficit) | 0.00 | -72.94 | -113.90 |

Numbers may not add due to rounding

Table 9

BUDGET DOCUMENT STRUCTURE

The Operating Budget for FY21 and Five Year Capital Plan for FY21-25 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 upon request.

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 FY21 Budget and FY21-FY25 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.