FY23 RECOMMENDED BUDGET OVERVIEW

Office of Budget Management
April 25, 2022
BUDGET ENGAGEMENT
BOSTON, LET’S BUDGET TOGETHER

Want to help inform how Boston’s annual budget resources are allocated?

To participate, you can fill out our survey, call 311, attend our Budget Listening Tour (below), or visit boston.gov/budget to learn more.

SURVEY:
bit.ly/3myT0Lg

MAYOR’S BUDGET LISTENING TOUR

Learn about the budget process and share your thoughts at one of the virtual sessions below. Register at boston.gov/budget.

**Tuesday, February 15, 6 - 7 p.m. | Districts 5, 6, 8**
Interpretation will be provided in Cantonese, Haitian Creole, Mandarin, and Spanish.

**Saturday, February 19, 1 - 2 p.m. | Districts 1, 3, 4**
Interpretation will be provided in Cape Verdean Creole, Haitian Creole, Spanish, and Vietnamese.

**Wednesday, February 23, 6 - 7 p.m. | Districts 2, 7, 9**
Interpretation will be provided in Cantonese, Cape Verdean Creole, Haitian Creole, Mandarin, and Spanish.

**Friday, February 25, 10 - 11 a.m. | Councilors-At-Large**
Translation and/or interpretation services can be requested upon registration. CART will be provided on February 15, 19, and 23.
BUDGET ENGAGEMENT PILOT

For the first time, the Mayor, in partnership with the City Council, embarked on a listening tour and survey to gather public input before submitting the Recommended Budget.

- Over 1,000 participants gave feedback:
  - 559 participants in the digital multilingual survey in 12 languages
  - Almost 500 participants across four virtual listening sessions organized by Council District, with interpretation available
- We also received feedback from neighborhood and community groups.
- Through the engagement process, we learned that Boston residents:
  - Want to know how the City allocates resources by priority area
  - Want their voices to be heard in the budget process in a variety of ways
  - Prioritize a wide range of areas, from housing, to schools, to transportation, and more
BUDGET ENGAGEMENT DEMOGRAPHICS

- **Survey:** 559 respondents as of March 4th (528 in English)
  - 1 in 5 respondents were from Jamaica Plain, and another 1 in 5 were from Dorchester or West Roxbury.
  - 59.3% of respondents who chose to identify race selected White, 12.4% as Hispanic or Latinx, 11.6% as Black or African American, and 6.2% as Asian.
  - Generally good distribution of ages, but under 18 was underrepresented (6.3%).
- **Listening sessions:** 499 total participants (*demographic data was not collected*)
  - Districts 5, 6, 8 - 145
  - Districts 1, 3, 4 - 66
  - Districts 2, 7, 9 - 106
  - Citywide - 182

Future OBM engagement initiatives will begin earlier in the process to allow for greater outreach to historically underrepresented communities, in partnership with ONS.
OPERATING BUDGET
Weathering the economic effects of the pandemic, the City’s finances have remained in a strong position, with **AAA credit ratings** for the 8th straight year.

Resilient local economy, anchored by a **stable revenue source** in property taxes.

Management-based fiscal responsibility and commitment to running an **effective and efficient city government**.

The Fiscal Year 2023 Budget builds on that track record and makes **critical, targeted investments in Boston’s future**.
FY23 OPERATING BUDGET - $3.987B TOTAL

- Public Education: $1,603 (40.2%)
- Public Safety: $581 (16.9%)
- City Departments: $538 (13.5%)
- Transportation: $257 (6.5%)
- Health Insurance: $676 (14.6%)
- Fixed Costs: $257 (6.5%)
- CB Reserve: $581 (14.6%)
FY23 OPERATING BUDGET GROWTH - $216M

$71.0 million to support *fair wages and retention of City employees*

$44.2 million increase for *transformative departmental investments*

$40.1 million increase to *support the Boston Public Schools*

$60.2 million in fixed cost growth to *maintain financial stability and support the City’s capital plan*
OBM’s work is guided by our equity mission statement:

- **OBM’s working definition of equity is for every resident, regardless of background, to be and feel empowered to thrive in Boston.** OBM works to ensure that investments are consistent with the Mayor's equity priorities. We recognize that equitable levels of investment require an iterative process of constant evaluation of citywide needs, the needs of highly vulnerable or historically excluded groups, and resident requests and desires. While we apply the same quality of analysis to every request, OBM strives to address historic uneven levels of investment and aims to bring all services to all neighborhoods to the same high level.

- The Equity & Inclusion Cabinet was closely involved in decision-making throughout the budget process.

- Discussions with departments about budget proposals included how investments support equity goals.
GENERAL FUND REVENUE
FY23 REVENUE HIGHLIGHTS

- The FY23 General Fund revenue budget totals $3.99 billion
- The $216 million, or 5.7%, projected growth in FY23 over the FY22 budget would be the highest since the pre-pandemic period
- This growth is largely driven by property taxes, the City’s largest and most stable source of revenue
- State Aid is up in FY23 but Net State Aid is essentially flat
- Local Revenue, the combination of Excises and Departmental Revenue, is expected to grow as the local economy continues to recover
- However, Local Revenue was so deeply impacted by COVID-19 that it will still be well short of pre-pandemic levels in FY23, with federal relief funding helping to bridge the gap
GENERAL FUND REVENUE

<table>
<thead>
<tr>
<th>Type</th>
<th>FY22</th>
<th>FY23</th>
<th>Change in FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
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<tr>
<td>Property Tax</td>
<td>2,790</td>
<td>2,944</td>
<td>154</td>
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<tr>
<td>State Aid</td>
<td>479</td>
<td>495</td>
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<tr>
<td>Departmental Revenue</td>
<td>292</td>
<td>310</td>
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<tr>
<td>Excises</td>
<td>115</td>
<td>157</td>
<td>42</td>
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<tr>
<td>Non-Recurring Revenue</td>
<td>95</td>
<td>80</td>
<td>-15</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>3,771</strong></td>
<td><strong>3,987</strong></td>
<td><strong>216</strong></td>
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PROPERTY TAX LEVY

- New Growth
- 2.5% Increment
- Base (Prior Year Levy)

Average FY22 Owner-Occupied Single Family Tax Bill

- Boston
- State

<table>
<thead>
<tr>
<th>Year</th>
<th>FY18 Actual</th>
<th>FY19 Actual</th>
<th>FY20 Actual</th>
<th>FY21 Actual</th>
<th>FY22 Budget</th>
<th>FY23 Budget</th>
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<tbody>
<tr>
<td>In Millions</td>
<td>$2,217</td>
<td>$2,350</td>
<td>$2,509</td>
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<td>$2,674</td>
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<td>$2,088</td>
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<td>$59</td>
<td>$59</td>
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</table>

Average FY22 Owner-Occupied Single Family Tax Bill:
- Boston: $4,690
- State: $6,724
LOCAL REVENUE & REVENUE REPLACEMENT

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Local Revenue</th>
<th>ARPA Revenue Replacement</th>
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<tbody>
<tr>
<td>FY19 Actual</td>
<td>$616</td>
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<tr>
<td>FY20 Actual</td>
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<td>FY21 Actual</td>
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<td>FY22 Budget</td>
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<td>$462</td>
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<tr>
<td>FY23 Budget</td>
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<td>$40</td>
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TRANSFORMATIVE INVESTMENTS

Amplifying All Voices
Advancing Climate Resilience & Open Space
Improving Mobility for All Bostonians

Expanding Housing & Supportive Services
Focusing on the Future
Promoting Economic Opportunity & Inclusion
Getting the Small Things Right

Strengthening Arts & Culture
Supporting Behavioral & Mental Health
Ensuring Thoughtful Public Safety & Emergency Response
OPERATING INVESTMENT HIGHLIGHTS

Advancing Climate Resilience & Open Space

- $865,000 in Environment Department investments to seed the Equitable Emissions Investment Fund and support climate resilience, renewable energy, and BERDO 2.0 implementation
- $703,000 to bolster the Urban Forestry Division and support ARPA and capital investments in Boston’s tree canopy
- $800,000 for GrowBoston, the new Office of Urban Agriculture
- $620,000 to expand Zero Waste Boston, including a curbside compost pilot program

Strengthening Arts & Culture

- $506,000 to preserve the historic Strand Theatre
- $464,000 to support programming for City Hall Plaza, including a Plaza Director
- 2 new Arts & Culture positions focused on community engagement and developer review
OPERATING INVESTMENT HIGHLIGHTS

Improving Mobility for All Bostonians

- 12 new planners and engineers in the Streets Cabinet to focus on active transportation, street safety, transit, and new mobility
- Staff architect in the Disabilities Commission and new PWD Highway Inspector to focus on accessibility
- Operating capacity supports ARPA and capital investments, such as Walkable Streets and bus lanes

Expanding Housing & Supportive Services

- $2.5 million to expand the City Voucher program
- $1.2 million for housing and case management services for individuals experiencing homelessness
- $644,000 to expand housing stability services
- Additional staff to support the three-year, $380 million commitment to housing and supportive services across operating, capital, and ARPA funding
OPERATING INVESTMENT HIGHLIGHTS

Amplifying All Voices

- New Offices for **Black Male and LGBTQ+ Advancement**
- $610,000 in additional City **Language Access** funding including in-house translators, as well as $2.6 million in BPS funding for translation and interpretation
- Over $1 million in Immigrant Advancement investments, including expanding the **Dreamers Fellowship** initiative
- $1 million increase for **Participatory Budgeting**

Promoting Economic Opportunity & Inclusion

- $1 million, coupled with ARPA funding, to reimagine **Boston’s Main Streets**
- $1 million investment to create a new **Legacy Business Fund**
- $500,000 for additional **youth summer jobs**, to support 6,000 total summer positions and 1,500 total school year positions
OPERATING INVESTMENT HIGHLIGHTS

Supporting Behavioral & Mental Health

- $666,000 in Public Health staffing to support ARPA investments in Behavioral & Mental Health, including sustained efforts at Mass & Cass and a new Chief of Behavioral Health
- Targeted Age Strong investment of $600,000 to address seniors’ mental health needs
- $250,000 to expand the Youth Development Fund

Ensuring Thoughtful Public Safety & Emergency Response

- 24 additional EMTs, including 4 for co-response
- $1.3 million for public health emergency preparedness
- $100,000 in OPAT investments for community mediation and Police BIPOC data review
- The first Fire cadet class and an increased Police cadet class, as well as additional Recruit classes to cover attrition and maintain appropriate staffing levels
OPERATING INVESTMENT HIGHLIGHTS

Focusing on the Future

- New **Office of Early Childhood** to lead ARPA-funded supports for **childcare centers** and the **early education workforce**
- Expanded K-8 **academic counseling**, high school **guidance counseling**, and school **library access**
- $3.8 million to implement **Mass Core** at all high schools

Getting the Small Things Right

- $4.8 million to invest in **high quality school facilities**
- **Expanded Public Facilities Department capacity** to accelerate implementation of the Capital Plan
- Additional capacity across departments to support transformation, from **311 call takers** to **small branch librarians**
- New **Office of Contract Services** to support departments by streamlining procurement processes
THANK YOU!