



III.

**OPERATING
BUDGET**

Operating Budget

OVERVIEW

The FY26 budget includes \$4.8 billion in spending, a year-over-year increase of \$96 million or 2% over FY25; however, adjusted for one-time Housing Accelerator Program appropriation in FY25 the year-over year increase is \$206 million or 4.4%. Through responsible budgeting, this budget delivers basic City services, preserves City assets, provides for public safety and security, and responds to concerns about climate and the City's affordability. This budget is a responsive approach to enacting continuous service enhancements and process improvements to deliver excellent City services more effectively.

Similar to past years, Property tax continues to drive a majority of revenue growth over the previous year. In FY26, the City expects to experience further property tax growth, as well as a measured increase in local receipts (see Figure 1). Net state aid (gross state aid revenue less assessments) is budgeted to decrease by \$7.1 million, with the increased cost of public charter school tuition assessments outpacing state aid revenue growth.

Of this year's \$206 million adjusted growth, 26.4% is dedicated to education, including Boston Public Schools (BPS) and charter school tuition assessment (see Figure 2). Twenty-three percent of the adjusted growth is attributed to departmental expenses including the Public Health Commission and central appropriations. The departmental increases are related to employer costs for agreed upon employee wages and benefits, and increases to multi-year contracts. Forty-one percent of the FY26 adjusted growth is dedicated to the fixed costs of pension and debt service and state assessments exclusive of charter school assessment. Finally, the last component of adjusted growth, at 9.6%, is in the reserve for collective bargaining.

This section lays out the FY26 budget and discusses trends in each category of the budget summary table (Table 1). 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.

The City's projected revenues provide the basis for planning FY26 appropriations to maintain a balanced budget. Selected FY26 budgeted City revenues compare with FY25 projected revenues as follows: the net property tax levy increases by \$142.9 million or 4.3%; interest on investments decreases by \$7.1 million or -8.2%, excises increase by \$38.4 million or 14.1%; licenses and permits increase by \$3.7 million or 5.1%; and miscellaneous department revenue increases by \$5.8 million or 7%.

Figure 1: FY26 Estimated Revenue

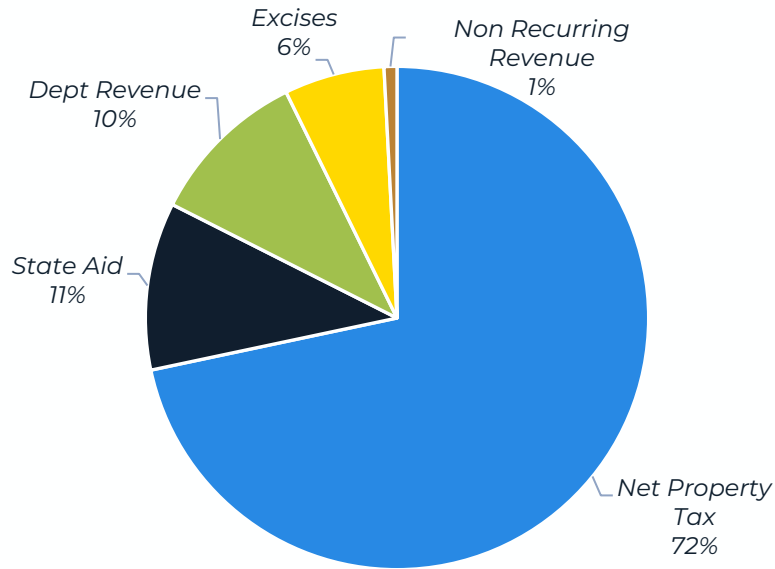


Figure 1: FY26 Estimated Expenditures

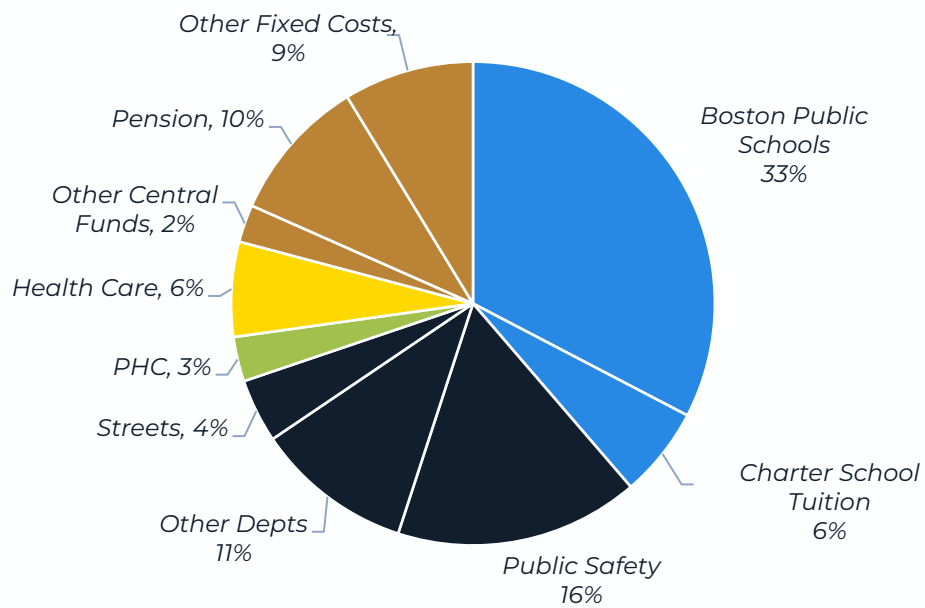


Table 1: Budget Summary*(in thousands of dollars)*

	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Budget
REVENUES (1)				
Property Tax	2,998.9	3,188.9	3,358.0	3,501.9
Property Tax Overlay	-29.8	-52	-33	-34
Excises	281.3	314	273.1	311.5
Fines	60.6	60.3	59	63.8
Payments in Lieu of Taxes	56.4	57.6	55	58.2
Intergovernmental Revenue	0	0	42.4	46.1
Interest On Investments	88.3	162.7	86.7	79.6
Urban Redev Chapter 121A	62.7	45.3	37.8	42.2
Department Revenue	88.4	93.4	83.3	89.1
Licenses & Permits	99.4	81.5	73.9	77.6
Penalties & Interest	12	14.4	9.1	10.3
Available Funds	0	0	31	31
State Aid	494	503	516.1	520.9
Total Recurring Revenue	4,212.20	4,469.00	4,592.20	4,798.30
 Budgetary Fund Balance	 0	 0	 150	 40
American Rescue Plan	40	0	0	0
Total Revenues	4,252.20	4,469.00	4,742.20	4,838.30
 EXPENDITURES				
City Appropriations (2)	1,539.90	1,720.80	1,858.6	1,787.4
Boston Public Health Commission (2)	120.8	131.6	140.2	145.1
Boston School Department (2)	1,379.50	1,445.80	1,568.3	1,580.10
Reserve for Collective Bargaining	40	4.6	48.6	102.7
Other Post-Employment Benefits	40	40	40	40
Total Appropriations	3,120.20	3,342.80	3,655.7	3,655.30
 Pensions	 381.9	 422.6	 422.5	 467.7
Debt Service	198.4	239.4	273.4	310.3
Charter School Tuition	251.8	265.5	283	291.9
MBTA	93.6	95.3	97.3	100.4
Other State Assessments	6.6	7.2	7.4	7.5
Suffolk County Sheriff Dept	2.9	2.9	2.9	2.9
Reserve	4.3	5.5	0	2.4
Total Fixed Costs	939.5	1038.4	1,086.6	1,183.00
Total Expenditures	4,059.70	4,381.10	4,742.20	4,838.30
Surplus (Deficit)	192.6	87.9	0	0

(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.

On the expenditure side of the budget, total adjusted appropriations decrease by \$400 thousand or -.01% and fixed costs increase by \$96.4 million or 8.1%. Selected FY26 budgeted appropriations compare with FY25 projections as follows: adjusted city appropriations decrease

by \$71.2 million -4%, the Boston Public Health Commission (BPHC) increases by \$4.9 million or 3.7%; and the School Department (BPS) increases \$11.8 million or 0.74%. In addition, a collective bargaining reserve at \$102.7 million has been set aside. When outstanding collective bargaining agreements are negotiated, these reserves will be used to cover those increased costs in City departments, BPHC and BPS. City appropriations also consist of 11 central appropriations, including a large one for health insurance totaling \$251 million, which is an increase of 7.4% over FY25.

FY26 budgeted fixed costs are growing by \$96.4 million over FY25. Charter school tuition assessment is expected to increase by \$8.9 million or 3%. Pensions, a key driver, will increase by \$45.2 million or 9.7%. Debt service is also growing with a \$36.9 million, or 11.9%, increase.

THE GENERAL FUND

The City's entire \$4.8 billion budget is funded through the general fund. All revenues discussed below are deposited into the City's general fund pursuant to state law and are reflected on a fiscal year basis July 1- June 30.

REVENUE

The City's revenue budget can be divided into five categories: property tax, state aid, departmental, excise, and non-recurring revenue. Over the past two decades, the City's revenue structure has shifted significantly towards property tax, while state aid has decreased as a share of the budget. Departmental and excise revenues that were significantly impacted by the COVID-19 pandemic have recovered and represent another 16% of the budget. Finally, 1% of the budget is derived from non-recurring revenues which cover a portion of other post-employment benefits (OPEB). 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. The net property tax levy (levy less a reserve for abatements) in FY25 is estimated to total \$3.32 billion and accounts for 70.1% of budgeted revenues. In FY26 the net property tax levy totals \$3.47 billion, providing 71.7% of the City's revenue.

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

An exception to the 2.5% property tax levy limit is the dynamic of value added called "new growth." New construction, renovations, or other increases to property value not attributed to market value changes that make up new growth increase the tax levy above the 2.5% limit. Due in part to efforts to attract business development to Boston and grow its housing stock, Boston

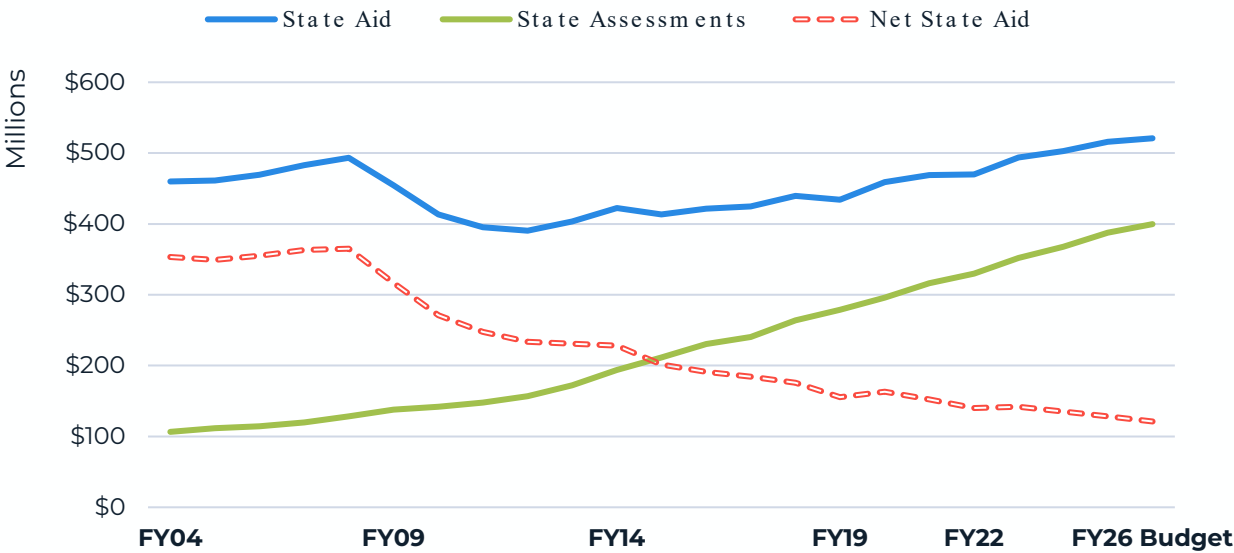
has experienced unprecedented new growth. Between FY17 and FY25 new growth added \$820 million to the property tax levy. New growth is budgeted at \$60 million in FY26, roughly 31% below the new growth average over the past 10 years. The City is budgeting new growth conservatively due to economic uncertainty related to price inflation and high interest rates.

State Aid

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

Total state aid has experienced little growth over the past two decades (see Figure 3). Since its peak in FY08, net state aid (defined as state aid revenues less than state assessments) to the City has been reduced by \$243.9 million or 77%. Based on the status of the proposed FY26 state budget at the time the City’s recommended budget was finalized, net state aid is budgeted to decrease by \$7.1 million, or -5.6%, compared to FY25. This decline is attributable to a \$8.8 million, or 3.1%, increase in the charter tuition assessment and a \$5.5 million reduction in the charter tuition reimbursement, -12.8%. The City’s two largest state aid sources, Chapter 70 Education aid and UGGA are budgeted to increase by \$9.5 million, or 2.0% from FY25.

**Figure 2: State Aid, State Assessments and Net State Aid (in millions),
FY04-FY26**



Local Receipts

A combined 16.7% of the City’s budgeted revenue in FY26 is comprised of excise taxes, fines, payments in lieu of taxes, Chapter 121A payments, investment income, intergovernmental revenue, departmental revenue, licenses and permits, penalties and interest, and available funds.

To forecast these receipts, the City analyzes trends in historical collections and incorporates available economic data into its assumptions.

The FY26 revenue budget includes \$809.4 million in local receipt revenue, an increase of \$58.2 million from FY25, or 7.8%. This increase is mostly driven by the strong performance of in rooms occupancy, meals, and motor vehicle excises.

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 the portion of available reserves, which the City can responsibly appropriate for spending. It is generated to a considerable degree by annual operating surpluses. The FY26 budget uses \$40 million in budgetary fund balance to fund the appropriation for OPEB. See the “Financial Management” chapter 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. FY26 appropriations are subdivided into three subgroups as follows:

- City appropriations: 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
- BPHC: The City appropriation for the quasi-independent authority and successor to the Department of Health and Hospitals
- School Department: The City appropriation for BPS.

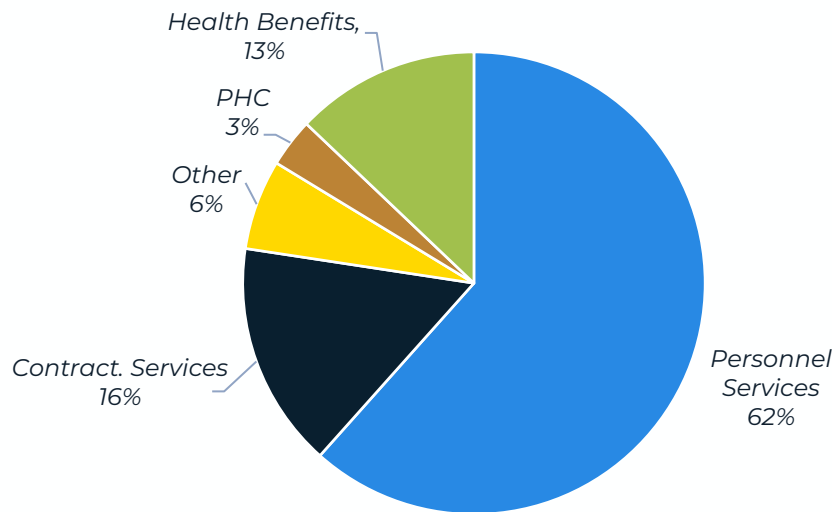
Appropriations are also presented by expenditure category across the three subgroups already listed (see Figure 4).

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 BPHC employees and retirees, employer Medicare payroll taxes, and the appropriation for OPEB.

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

Figure 3: FY26 Appropriations by Category



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 this 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 constitute a significant portion of the City’s budget and are a critical benefit for City employees and retirees.

The City’s Public Employee Committee (PEC) agreement provides over 30,000 active and retired employees with quality healthcare coverage. In 2020, the City of Boston conducted a request for proposal (RFP) for its non-Medicare health insurance plans. At the start of FY21, the City transitioned from two health maintenance organization (HMO) plans to one standard HMO plan and one value HMO plan, with the standard HMO plan under a new provider. This plan structure with lowered administrative fees and costs associated with medical claims and prescription drugs will be in place through the end of FY27 per the current PEC agreement.

The FY26 budget includes \$483 million for all health benefits-related costs for the City’s employees and retirees, comprising 10% of total City expenditures – compared to 7.8% in 2001. \$40 million of these costs are for future OPEB liabilities, which are discussed in more detail in the following section. The remaining \$443 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 \$443 million in FY26, an increase of \$290 million or 232%. Over the same period, all other City costs increased 181%. Figure 5 shows three distinct periods of annual cost increases. Steep increases averaged 9% per

year from FY01 to FY11. Between FY12 and 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- FY24, health care costs increased at an average of 3% per year. There was a large increase to the health benefits budget in FY25, when health benefits for the Boston Planning and Development Agency (BPDA) employees were included with the rest of the City.

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

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



Medicare

Municipal health care reform legislation, passed by the state legislature in 2011, provided municipalities more freedom in health plan design. It also mandated that all Medicare-eligible municipal retirees enroll in Medicare Part B and a City sponsored Medicare supplement plan. As a direct result of the legislation, approximately 5,500 additional City retirees and their spouses enrolled in Medicare supplement plans. Benefits for these plans are comparable to non-Medicare plans but costs are lower due to Medicare reimbursements.

City 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 \$27.9 million in the FY26 budget, has increased an average of 7% annually since FY01. This growth is due to increases in total payroll and the increasing percentage of total employees hired after March 1986 who have retired.

Table 2: Number of Health Plan Subscribers September 2025

Health Plan	Active	Retiree	Total
Indemnity	1,072	651	1,723
HMO	15,224	2,296	17,520
Medicare	-	11,904	11,904
Total	16,296	14,851	31,147

City - Union Partnership

In FY12, assisted by 2011 Municipal Health Care Reform, the City adopted Massachusetts General Law Chapter 32B, Section.19 and began working closely with its 36 unions, as represented through the PEC, to make health care changes. Through the terms of the City and PEC's three agreements, City employees and retirees are now paying a higher share of total health care costs through increased premium share, and higher out-of-pocket costs for co-pays and deductibles

The City and the PEC's FY21-FY25 agreement reduced costs by approximately \$31.5 million over that five-year span compared to previous years' plan structures. These changes included a value network plan consisting of lower-cost, high-quality providers; small deductibles for PPO and standard HMO plans; and new co-payments for hospitalization and advanced imaging. The agreement also increased current co-payment charges and the share of the premiums paid by employees and retirees. An agreement signed in November 2024 between the City and PEC continues the FY21-FY25 plans structure through the end of FY27.

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

Self-insurance

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

More cost effective prescription drug management

The City and the PEC continue to explore more cost effective management of the City's prescription benefits, which total roughly \$116 million per year for all plans, net of rebates. The City and PEC have worked to replace the City's existing Medicare prescription drug coverage with lower cost prescription drug plans (PDPs).

Table 3: Health Care Costs (\$ Mil) Health, Life, Dental, Medicare Tax

Fiscal Year	Total Cost	\$ Change	% Change
FY12	293.34	-25.52	-0.08
FY13	304.43	11.10	0.04
FY14	296.50	-7.94	-0.03

FY15	313.19	16.69	0.06
FY16	329.19	16.00	0.05
FY17	351.39	22.20	0.07
FY18	357.31	5.92	0.02
FY19	358.95	1.64	0.00
FY20	367.32	8.37	0.02
FY21	356.61	-10.71	-0.03
FY22	367.81	11.20	0.03
FY23	368.17	0.36	0.00
FY25*	403.61	35.44	0.10
FY26*	443.60	39.99	0.10

**Budget estimates*

Cost effective provider networks

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

Expanded wellness and disease management programs

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

OPEB

Similar to pensions, employees earn post-employment health care and life insurance benefits over their years of active service, with those benefits being received during retirement. The City, including the BPHC, had an unfunded liability for these benefits of \$2.68 billion, as of the most recent independent actuarial valuation on June 30, 2023. 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 making voluntary annual allocations to fund the liability. Annual allocations are retained in an irrevocable trust fund, authorized through the City’s acceptance of MGL Chapter 32B Section 20. As of June 30, 2024, the fund had a balance of \$1.17 billion.

As in previous years, the FY25 budget dedicates \$40 million toward reducing the City’s unfunded OPEB liability. Such a fiscally responsible action is critical to the administration’s prudent financial management policies, which have contributed to Boston’s Aaa/AAA bond rating.

The annual actuarially determined contribution (ADC) for the City to significantly reduce its OPEB liability over a 30-year period is projected at \$290.7 million in FY26, as shown in Table 4.

Table 4: FY26 Annual Actuarially Determined Contribution (ADC) for OPEB Liability

Total ADC		\$290.7	
Projected Benefit Payments by City	\$165.3		
Contribution to OPEB Trust	\$42.3		% ADC
Total FY25 Payments	\$207.6		71.4%
Difference		(\$83.1)	

\$ in millions

Of this amount, \$207.6 million (71.4%) will be funded through a combination of pay-as-you-go benefit payments for current retirees (included in the health care costs discussed in previous section), a \$40 million FY26 allocation by the City to the trust, and an additional \$2.25 million deposit by the BPHC into the trust.

As of March 2025, the City is on a schedule that targets reducing its pension liability by 2028. The City then plans to redirect 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 FY26, department energy budgets total \$62 million, with electricity costs making up 52% of the budget, natural gas costs making up 25%, and gasoline/diesel composing 10%. The remaining 13% of the budget funds water and sewer, steam, and heating oil.

The chief climate officer and chief financial officer are charged with making decisions regarding the City's procurement, use, and conservation of energy. In addition, the chief climate officer 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 several years, the City has made a concerted effort to upgrade and improve our building energy systems. These improvements have included insulation and weatherization, energy efficient lighting and fixtures, and deep energy retrofits that move from fossil fuel systems into electrified systems. Taken together, these investments have resulted in lower utility costs and a cleaner building environment for City staff and constituents.

Much of this work had taken place through the Renew Boston Trust (RBT) initiative, a multiyear, multi-phased capital program to deliver energy improvements to all facilities across the City's portfolio. This initiative was financed with City bond proceeds and financed as part of the five-year Capital Plan. Leveraging the procurement strategy from MGL Chapter 25A, the City contracted with an energy service company (ESCO) to conduct an energy audit of the facility portfolio and deliver scheduled improvements.

Currently, the City is in a transition point with its investment strategy for these projects. Renew Boston Trust is completing its final phase, 3c, with a deep energy electrification project at the Otis School and a first-of-its-kind geothermal heat pump system at the JFK Elementary School. In July 2023, Mayor Wu signed an executive order mandating that all upgraded, improved, or repaired energy systems be converted into fossil fuel free systems. This EO has driven continued decarbonization and energy efficiency efforts at buildings across the city, and has made the premise of RBT standard in all capital projects going forward.

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 388 buildings and other fixed assets, and its vehicle fleet, and is used by the City to meet its public reporting obligation under the Building Energy Reporting and Disclosure Ordinance.

The City's electricity requirements have been met by third-party commodity supply contractors since March 2005. To date, the amounts the City has paid to its third-party electricity suppliers have been less than the amounts it would have paid if it had continued to accept default electric service from its local distribution company, Eversource. Costs avoided since FY15 exceed \$50 million.

Appropriations

The adjusted combined appropriations for City Departments, the BPHC and the School Department (BPS), and non-departmental appropriations as shown in the FY26 budget summary have increased by 1.6% from FY25 (see Table 5).

The FY26 operating budget for Boston Public Schools (BPS) currently displays an increase of \$11.8 million, but will increase when collective bargaining budget increases approved late in FY25 is added to FY26 BPS budget.

Boston's total investment in education includes both the BPS appropriation and the City's charter school assessment totaling \$292 million which is growing by \$9 million over FY25.

City services such as police, fire, public works, housing, and other central funds are projected to increase on an adjusted basis by a total of \$39 million.

The FY26 budget includes responsive budgetary growth in People Operations Cabinet to provide health benefits to its employees as a committed and responsible employer acknowledging the increased cost of health care particularly impacted by the growth in the cost of medications. The People Operations Cabinet will grow by \$20 million or 7.4%.

The Streets Cabinet to provide more responsive residential trash removal that meets the needs of its residents and continues other services to promote accessibility and mobility. The Streets Cabinet will grow by \$11.7 million or 6%.

The Information and Technology Cabinet responsible for technology support for many of the most critical operational and service delivery systems including its financial and human capital central systems that help support and manage city day-to-day operations along with the enterprise constituent-facing systems that support the primary constituent relationship management system that is the backbone of the 311 constituent response along with enterprise technology systems that provide for permitting and licensing operations that touch residents and businesses in Boston. The Information and Technology Cabinet budget will grow by \$4.3 million or 7.9%.

The FY26 budget also included multiple cost-saving initiatives:

- Continuing the practice of proactive review, the City eliminated 47 long-term vacant positions from the budget in FY26 for \$2.5 million in savings. Departments will also convert other remaining long term vacant positions for new roles, using existing resources to meet new needs.
- This budget also increases salary savings in personnel budgets generally where appropriate, and reduces discretionary non-personnel spending for things like employee travel, food for community meetings, and miscellaneous supplies and materials

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

Table 5: General Fund Appropriations by Cabinet & Department

CABINET	DEPARTMENT	FY 23 ACTUAL	FY24 BUDGET	FY25 BUDGET	FY26 BUDGET	26 VS 25
Mayor's Office	Mayor's Office	7,594,740	6,179,639	6,849,400	6,799,439	(49,961)
	Intergovernmental Relations	1,103,368	1,041,671	1,321,602	1,250,987	(70,615)
	Law Department	9,746,270	10,318,934	11,152,414	10,792,503	(359,912)
	TOTAL	18,444,378	17,540,245	19,323,416	18,842,929	(480,487)
Equity & Inclusion	Office of Equity	880,785	2,415,409	3,290,579	3,725,869	435,290
	Office of Resiliency & Racial Equity	895,688	-	-	-	-
	Office of Language & Communications Access	1,748,148	2,177,508	2,169,498	2,160,042	(9,456)
	Human Rights Commission	274,906	117,772	464,879	391,622	(73,257)
	Office for Immigrant Advancement	2,954,224	2,840,152	3,689,550	4,200,316	510,766
	Women's Advancement	354,687	526,961	742,925	643,544	(99,381)
	Black Male Advancement	1,397,077	1,762,721	2,126,249	2,119,031	(7,218)
	Fair Housing & Equity	404,952	390,619	767,000	452,805	(314,196)
	LGBTQIA2S+ Advancement	477,165	721,220	782,203	920,702	138,499
	Commission For Persons W/Disabilities	632,585	795,957	893,403	916,047	22,644
	TOTAL	10,020,218	11,748,319	14,926,287	15,529,977	603,691
Office of Police Accountability & Transparency (OPAT)	OPAT	1,133,744	1,082,488	1,481,276	1,472,015	(9,262)
	TOTAL	1,133,744	1,082,488	1,481,276	1,472,015	(9,262)
Operations	Property Management Department	22,129,557	25,953,279	28,703,815	27,707,722	(996,092)
	Public Facilities Department	8,606,552	9,886,632	10,873,471	11,229,935	356,464
	Inspectional Services Department	21,825,566	21,749,774	24,322,444	24,896,174	573,729
	TOTAL	52,561,675	57,589,685	63,899,729	63,833,831	(65,899)
Community Engagement	Neighborhood Services	4,260,967	5,195,137	5,529,847	5,800,809	270,962
	TOTAL	4,260,967	5,195,137	5,529,847	5,800,809	270,962
Arts & Culture	Office of Arts & Culture	3,522,626	3,685,311	4,521,712	4,611,840	90,128
	TOTAL	3,522,626	3,685,311	4,521,712	4,611,840	90,128

Economic Opportunity & Inclusion	Office of Economic Opportunity & Inclusion	5,263,993	6,441,810	7,135,058	7,492,111	357,053
	Consumer Affairs & Licensing	1,784,281	1,678,148	2,012,986	2,189,573	176,587
	Supplier Diversity	-	1,112,901	2,355,387	2,445,088	89,701
	Office of Tourism	1,093,248	1,722,031	1,902,466	2,642,754	740,288
	TOTAL	8,141,522	10,954,890	13,405,897	14,769,526	1,363,629
Worker Empowerment	Labor Compliance and Worker Protections	1,941,823	2,807,139	1,966,795	1,911,715	(55,080)
	Office of Workforce Development	-	-	7,525,543	6,903,874	(621,669)
	Youth Employment and Opportunity	17,165,369	23,573,989	22,630,310	23,365,216	734,906
		19,107,192	26,381,129	32,122,648	32,180,805	58,157
Education	Boston Public Schools	1,379,456,422	1,445,846,054	1,568,263,664	1,580,061,477	11,797,813
	TOTAL	1,379,456,422	1,445,846,054	1,568,263,664	1,580,061,477	11,797,813
Environment, Energy & Open Space	Environment Department	6,641,459	3,804,144	5,150,484	5,526,586	376,102
	Parks & Recreation Department	35,390,371	35,846,551	35,664,420	37,093,652	1,429,232
	Office of Historic Preservation	1,252,698	1,421,500	1,538,983	1,575,024	36,041
	Office of Food Justice	1,003,206	1,271,977	1,396,037	1,426,602	30,565
	TOTAL	44,287,734	42,344,172	43,749,924	45,621,864	1,871,940
Finance	Office of Finance	1,587,996	1,261,778	1,613,544	1,520,180	(93,365)
	Assessing Department	7,465,711	7,303,774	8,399,831	8,502,234	102,403
	Auditing Department	3,449,411	3,573,531	3,998,784	4,052,974	54,190
	Budget Management	2,750,879	3,142,635	3,664,436	3,712,085	47,649
	Office of Participatory Budgeting	2,000,000	1,951,111	2,132,323	2,134,250	1,927
	Execution of Courts	32,026,150	24,103,105	2,000,000	-	(2,000,000)
	Pensions & Annuities - City	5,572,230	4,684,589	4,005,000	4,700,000	695,000
	Procurement	2,470,041	3,006,657	3,841,003	4,098,931	257,927
	Treasury Department	5,562,880	6,254,745	5,867,663	6,133,721	266,058
	TOTAL	62,885,300	55,281,925	35,522,584	34,854,375	(668,210)
People Operations	Office of People Operations	469,918	957,378	1,228,000	1,331,229	103,230
	Election Department	5,737,619	6,406,515	7,200,490	7,355,168	154,677
	Health Insurance	212,933,685	211,913,349	234,083,420	251,307,372	17,223,952
	Human Resources	6,698,481	7,855,870	9,526,720	10,766,584	1,239,864
	Medicare	12,192,696	12,869,774	14,603,637	15,325,000	721,363

	Office of Labor Relations	1,452,753	1,443,477	1,971,023	1,985,756	14,733
	Registry Division	1,196,575	1,410,437	1,647,239	2,257,180	609,941
	Unemployment Compensation	207,403	92,788	350,000	350,000	-
	Workers' Compensation Fund	1,916,156	1,498,235	2,000,000	2,000,000	-
	TOTAL	242,805,286	244,447,822	272,610,529	292,678,288	20,067,759
Human Services	Office of Human Services	5,534,639	12,639,111	10,130,356	9,881,274	(249,082)
	Boston Center for Youth & Families	26,575,448	26,015,759	30,870,901	30,556,055	(314,846)
	Age Strong	6,519,547	7,875,761	8,084,972	8,451,479	366,508
	Library Department	43,961,571	46,884,987	50,630,650	49,485,897	(1,144,753)
	Boston VETS	2,463,383	2,724,897	4,847,129	4,947,213	100,083
	TOTAL	85,054,589	96,140,515	104,564,008	103,321,918	(1,242,090)
Public Health	Public Health Commission	120,801,597	131,564,694	140,204,584	145,073,120	4,868,536
	TOTAL	120,801,597	131,564,694	140,204,584	145,073,120	4,868,536
Housing	Mayor's Office of Housing	43,718,622	54,328,014	57,209,359	54,468,982	(2,740,376)
	Housing Accelerator Program	-	-	110,000,000	-	(110,000,000)
	TOTAL	43,718,622	54,328,014	167,209,359	54,468,982	(112,740,376)
Information & Technology	Department of Innovation and Technology	47,465,806	56,834,981	53,821,477	58,081,166	4,259,689
	TOTAL	47,465,806	56,834,981	53,821,477	58,081,166	4,259,689
Public Safety	Emergency Management	1,191,890	1,362,350	1,672,773	1,644,602	(28,172)
	Fire Department	280,621,483	320,770,351	306,752,517	310,600,768	3,848,251
	Police Department	422,132,054	511,461,238	475,152,432	477,344,876	2,192,443
	TOTAL	703,945,426	833,593,939	783,577,723	789,590,245	6,012,523
Streets	Central Fleet Management	3,531,871	3,476,918	3,361,395	3,347,889	(13,506)
	Office of Streets	2,135,977	3,782,710	4,574,542	4,744,101	169,559
	Public Works Department	106,228,290	112,594,291	118,331,528	130,501,771	12,170,242
	Snow & Winter Management	22,993,107	22,497,732	22,468,938	22,676,037	207,099
	Transportation Department	42,780,422	46,582,488	44,710,763	43,865,831	(844,931)
	TOTAL	177,669,667	188,934,138	193,447,166	205,135,629	11,688,463
Planning	Planning Department	-	588,739	32,679,279	29,990,019	(2,689,260)
	TOTAL	-	588,739	32,679,279	29,990,019	(2,689,260)

Non-Mayoral Departments	City Clerk	1,457,658	1,447,309	1,746,522	1,663,530	(82,992)
	City Council	7,078,972	7,676,732	8,466,080	8,864,121	398,041
	Finance Commission	312,613	321,166	531,582	635,661	104,078
	TOTAL	8,849,243	9,445,206	10,744,184	11,163,312	419,128
GRAND TOTAL		3,034,132,015	3,293,527,402	3,561,,605,295	3,507,082,128	(54,523,168)

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 FY26 some programs have transferred between departments. Details of these changes are described below in each of the following cabinet sections.

Mayor's Office

The FY26 budget for the Mayor's Office Cabinet has decreased by 2.5%, or \$480,000 from FY25. The cabinet contains the Mayor's Office, Intergovernmental Relations, and the Law Department. The Mayor's Office budget will decrease by 0.7% as two positions move from the Mayor's Office to DoIT and Planning. The Law Department budget will also decrease by 3.2%, reflecting the move of the Public Records group to the Registry Department, as well as a negative city council amendment to the contractual services line. The Intergovernmental Relations budget will decrease by 5.3%, with a negative city council amendment offsetting non-union general wages increases and expanded federal relations support. The Election Department budget will move in FY26 to the People Operations Cabinet, to be placed under the direction of the Public Records Commissioner.

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

Equity and Inclusion

The FY26 budget for the Equity & Inclusion Cabinet totals \$15.3 million, comprising the Black Male Advancement, Disabilities Commission, Fair Housing & Equity, Human Rights Commission (HRC), LGBTQIA2S+ Advancement, Immigrant Advancement, Language and Communications Access, and Women's Advancement departments. In addition, the Office of Equity provides administrative and policy direction to the departments in the cabinet. Headed by the Chief of Equity, this department's budget will increase by 13.2%, or \$435,000, driven by the consolidation of four positions from other Equity Cabinet departments. Both Fair Housing and Women's Advancement will transfer positions to the Equity Department to support administrative functions, while the Human Rights Commission will transfer two positions to the Equity Managers program. The Office of Equity will continue to provide direction and support for Citywide equity and inclusion initiatives.

After several years of significant growth, the Language and Communication Access (LCA) budget will be roughly flat with FY25. The FY26 budget will focus on centralizing resources to better

serve departments and meet Citywide LCA goals. The Human Rights Commission budget will see a decrease of 15.8% due to positions shifting into the Office of Equity.

The Mayor's Office for Immigrant Advancement (MOIA) budget is increasing by 13.8%, or \$511,000, as a result of continued English for Speakers of Other Languages (ESOL) funding as well as additional funding for legal support programs. In FY26, MOIA will continue to focus on migrant response, providing direct support to newly arrived migrants, as well as legal services for those in need. The budget for Women's Advancement will decrease by 13.4%, primarily due to a communications position shifting to the Office of Equity. The department will continue to support menstrual equity and healthy birth outcomes. The Office of Fair Housing & Equity budget will decrease by 41%, or \$314,000. This is driven by the shift of the Access to Counsel funding to the Mayor's Office of Housing as well as the shifting of an administrative position to the Office of Equity to support human resources functions.

The offices of Black Male Advancement and LGBTQIA2S+ Advancement were created in FY23 to support Mayor Wu's goal of amplifying underrepresented voices in City government. The Black Male Advancement budget will remain roughly level with FY25, reflecting a fully staffed office and the continuation of a citywide equity study. The department will also add a small amount of funding for stipends for Commissioners. The Office of LGBTQIA2S+ Advancement budget will increase by 17.7%, or \$138,000, due to general wage increases and additional capacity for advocacy and visibility within the city. Its budget will include funding to build on a successful FY24 pilot program that provides grants to help individuals obtain gender-affirming documents.

The Disabilities Commission will have its FY26 budget increase by 2.5%, driven by general wage increases. The budget includes support for its annual Americans with Disabilities Act Day celebration as well as core functions of reducing architectural, procedural, attitudinal, and communication barriers, and promoting equity in housing, education, employment, transportation, and civic activities. For additional budget detail on the Equity & Inclusion Cabinet, see Volume II.

Office of Police Accountability & Transparency (OPAT)

The Office of Police Accountability & Transparency (OPAT) Cabinet budget is decreasing slightly, by .6%, or \$9,000. The department continues to support the Civilian Review Board and the Internal Affairs Oversight Panel, a range of internships, as well as examination of the data on BIPOC Boston Police Officers to further understand what inequalities exist for BIPOC officers along with needed reforms. The decrease is due to staffing turnover and vacancies filled at lower steps. For additional budget detail on the OPAT Cabinet, see Volume II.

Operations

In FY26, the budget for the Operations Cabinet is decreasing by .1%. It consists of the Inspectional Services, Property Management, and Public Facilities departments. The cabinet will continue to support Citywide building maintenance and capital construction projects. The Public Facilities budget will increase by 3.3%, or \$356,000, due to general wage increases, the

restoration of a city council cut to the personnel line in FY25 and the reclassification of several key positions.

The Property Management budget will decrease by 3.5%, or \$996,000. This reduction is due to the removal of one-time FY25 investments in office renovations and the resurfacing of BCYF gym floors, as well as negative city council amendments to contractual services and supplies/materials. After several years of significant investment in citywide maintenance funds and positions, Property Management, which is tasked with the care, custody, and control of some of the City's largest buildings, is well funded in FY26 to care for and maintain city assets. The Inspectional Services budget will increase by 2.4%, or \$574,000. This is the result of general wage increases, funding to support a classification and compensation review of department-wide positions, as well as additional funding for pest control services.

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

Community Engagement

The Community Engagement Cabinet contains the Office of Neighborhood Services, which is home to the City's neighborhood liaisons, Boston 311, and the Office of Civic Organizing. The FY26 budget for the Community Engagement Cabinet will increase by 4.9%, or \$271,000, primarily as the result of position reclassifications and general wage increases. The cabinet reorganized and partially unionized in FY24, with four new Deputy Director positions added and the 311 call takers joining AFSCME.

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

Arts & Culture

In FY26, funding for the Arts & Culture Cabinet will increase by 2.0%, or \$90,000, as a result of increased utility rates at the Strand Theater. The FY26 budget maintains a \$500,000 grant program for non-profit arts organizations as well as \$300,000 in matching city funding to support the successful Boston Family Days program. For additional budget detail on the Arts & Culture Cabinet, see Volume II.

Economic Opportunity and Inclusion

The Economic Opportunity and Inclusion Cabinet includes the Office of Economic Opportunity and Inclusion, the Department of Supplier Diversity, Consumer Affairs & Licensing, and the Office of Tourism. Overall, the cabinet will see an increase of approximately \$1.4 million, or 10.2%.

The FY26 budgetary increase in the Office of Tourism is driving the overall cabinet increase with a departmental increase of \$740,000, or 38.9%. The Tourism increase is not a new budget item; it simply reflects the transfer of the Open Streets Programming and funding from the Boston Transportation Department to the Office of Tourism. After several successful years of growing the program, it was decided that Tourism was a better fit for the ongoing program. The Office of Consumer Affairs and Licensing budget will increase by 8.8% and the Department of Supplier Diversity budget will increase by 3.8% from its FY25 budgets, due primarily to non-union general

wage increases and position reclassifications. Supplier Diversity will continue to ensure that minority- and/or women-owned business enterprises (MWBE) are certified as such and supported through the procurement process.

The Office of Economic Opportunity and Inclusion (OEOI) budget will increase by 5.0%, or \$357,000, from its FY25 appropriation, driven by additional funding for storefront revitalization programming. OEOI will lead a citywide economic development study to stimulate an economy that is vibrant, equitable, sustainable centered on people to build opportunities for generational wealth while also continuing to implement business strategy programs, events, and technical assistance. OEOI will continue the Accessory Dwelling Unit (ADU) certification program to support contractors, helping meet the City's goals of adding ADUs. For additional budget detail on the Economic Opportunity and Inclusion Cabinet, see Volume II.

Worker Empowerment

In FY26, the Worker Empowerment Cabinet will consist of the Department of Labor Compliance and Worker Protections, the Department of Youth Employment and Opportunity, and the Office of Workforce Development. The latter is part of a shift from the Boston Planning and Development Agency (BPDA) that took place in FY25. This cabinet is charged with advancing the wellbeing of all working Bostonians in the public and private sectors.

The Department of Labor Compliance and Worker Protections (LCWP) budget will see a decrease of 2.8%, or \$55,000. This is primarily due to temporary work that ended in FY25. LCWP regulates, oversees, and improves workplace conditions and health for workers, as well as reviewing developer and contractor compliance with the Boston Residents Jobs Policy.

Youth Employment and Opportunity will have a budget increase of 3.2%, or \$735,000. After years of successive increases, the FY26 budget successfully balances the BPS Jobs Guarantee with a responsible funding level. The FY26 budget will create 6,000 city-funded summer jobs for young adults ages 14 to 24. Additionally the city-funded youth jobs will be matched by 4,000 externally funded youth jobs to reach an overall goal of 10,000 youth jobs in FY26. The department will also provide for over 1,500 school-year youth jobs at city agencies and through community-based organization grant agreements.

The Office of Workforce Development (OWD) will have an operating budget of \$6.9 million, a decrease of 8.3%. This is the result of correcting assumptions about grant chargebacks that were overstated in FY25. OWD will be supported by an external funds budget of \$28 million. The new department, resulting from a shift in funding and functions from the BPDA to the City, helps low-income individuals find job training and employment opportunities, while also promoting lifelong literacy and educational pathways. OWD also focuses on creating competitive workforce development policies and initiatives that set Boston's youth and adults on career paths toward economic security. For additional budget detail on the Worker Empowerment Cabinet, see Volume II.

Education

The FY26 operating budget for Boston Public Schools (BPS) currently displays an increase of \$11.8 million, but will increase when collective bargaining budget increases approved late in FY25 is added to FY26 BPS budget, this funding will go into schools and classrooms to bridge gaps in opportunity and achievement and will build a foundation for the district's future. The FY26 BPS budget prioritizes meeting the complex and varied needs of students with a focus on three budget priorities championed by the Boston School Committee: Accelerating Academic Performance, Ensuring Access for All Students, and Consistency in High-Quality Learning Opportunities

Funding directed to schools will increase to \$961 million. Combined with another \$441 million in school services budgeted centrally – such as transportation, special education, and facilities – total spending in schools will reach nearly \$1.40 billion, almost 89% of the BPS budget.

\$43 million in FY26 investments, funded in part through savings in the Central Office, fall into several categories: Inclusive Practices (\$10 million), Bilingual Educations (\$4 million), Program and School Expansions (\$5 million), New Classrooms (\$6 million), Other Positions in Schools (\$6M), Reserve for Future School Needs (\$5M), Curriculum Materials (\$1M), and Welcome Services and BPS Helpline (\$1M). In sum, these investments will promote inclusive practices, expand support for the highest need students, and sustain progress in areas such as equitable literacy and instructional coaching. For more information, see the Education section in Volume I.

Environment, Energy & Open Space

The Environment, Energy, & Open Space Cabinet budget – which includes the Environment Department, the Parks and Recreation Department, and the Offices of Historic Preservation and Food Justice – will increase by 4.3%, or \$1.9 million, in FY26. The cabinet is charged with ensuring access to high-quality open spaces for all Bostonians, implementing the City's Climate Action Plan and the Building Emissions Reduction and Disclosure Ordinance (BERDO) 2.0 and advancing Boston's Green New Deal.

In FY26, the Environment Department budget will increase by 7.3%, or \$376,000. A transfer of a position from the Office of Streets as well as support for the Boston Energy Savers program contribute to the increase. The FY26 budget also outlines the Office of Climate Resilience, an office dedicated to ensuring Boston is prepared for the future impacts of climate change.

The Parks and Recreation Department budget will increase by 4.0%, or \$1.4 million, in FY26. The increase is primarily due to general wage increases, a reclassification effort for the Laborer/Motor Equipment Operator job family of positions and contractual increases to park maintenance contracts, and an increase to supplies for the Park Rangers unit. This budget will continue to fund prior year efforts to maintain Franklin Park, to continue quality park care citywide, and to support tree canopy growth and maintenance.

The Office of Food Justice budget will increase by \$31,000, or 2.2%, due primarily to general wage increases. The department will continue to maintain core programs such as Boston Eats, a

program that provides youth meals over the summer, and the Farmers Market Coupon Program that expands access to healthier food options.

The Office of Historic Preservation budget will grow by 2.3%, or \$36,000, in FY26, due to general wage increases. The office will continue to ensure the preservation of historic buildings and sites around the city and will lead an effort to celebrate the 250th anniversary of the independence of the United States in 1776 and the Boston-centric events that led up to this historic event. These events will also be supported by sponsors and philanthropic partners.

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

Finance

The Finance Cabinet contains the Auditing, Assessing, Budget Management, Participatory Budgeting, Procurement, and Treasury departments, as well as other central appropriations. The cabinet will see a decrease of 1.9%, or \$668,000 in FY26. This decrease is primarily driven by a negative city council amendment that eliminated the Execution of Courts appropriation; a central city appropriation that pays for judgements and settlements.

The Finance Cabinet is charged to maintain the financial health of the City through effective central fiscal management. The cabinet's goals include:

- Leveraging the City's strong financial position to sustainably and equitably invest in City needs and priorities, while maintaining a top bond rating.
- Formalizing long-range financial planning and reporting.
- Modernizing and improving current systems and business processes to ensure organizational resiliency and deliver transparent, high-quality service to internal and external customers.

The Office of Finance, the central administrative and policy arm of the cabinet, will see a decrease of 5.8%, or \$93,000, due to a negative city council amendment in contractual services. The Auditing Department budget will increase by 1.4%, or \$54,000, and the Assessing Department will increase by 1.2%, or \$102,000, both due to general wage increases offset by negative city council amendments to personnel services. The Procurement Department budget will grow by 6.7%, or \$258,000, driven by efforts to increase staffing in procurement support positions, offset by a negative city council amendment in personnel services. Treasury's budget will grow by 4.5%, or \$266,000, due to general wage increases as well as position reclassifications. Budget Management's budget will increase by 1.3%, or \$48,000, driven by general wage increases offset by a negative city council amendment in personnel services. Budget Management will continue to support effective budget development and oversight that is key to the credit agency evaluators and continue to work to maximize federal school-based Medicaid reimbursements and other revenue maximization efforts.

The Office of Participatory Budgeting was created via ordinance after Boston voters approved a charter amendment on the November 2021 municipal ballot. In FY25, the department held its

inaugural round of participatory budgeting, awarding \$2M in funding that was voted on by Bostonians. The funding was directed to areas ranging from housing to rodent control to access to fresh foods. The budget will remain essentially flat in FY26, reflecting the desire to continue the successful program. For additional budget detail on the Finance Cabinet, see Volume II.

People Operations

The People Operations Cabinet includes the Election (moved from Mayor's Cabinet in FY26), Human Resources, Labor Relations, and Registry departments. With the goal of fostering an organization that is healthy, responsive, and human-centered, the cabinet's FY26 budget includes support to improve internal operations and expand opportunities for employees' professional growth.

This cabinet, which consists of approximately 180 employees, supports the work of the 18,000 employees in the City of Boston, maintains the records for all births, deaths, and marriages for the City, ensures compliance with public records laws and runs fair and honest elections. The cabinet also includes central employee benefit appropriations for health benefits. The cabinet budget is growing by 7.4% largely driven by its responsibility to provide City employees' health insurance and the employer component of Medicare. The health insurance marketplace is seeing significant increases in health insurance premiums related to the increased cost for medications provided by health insurance.

The Office of People Operations budget will increase by 8.4%, or \$103,000, as a result of general wage increases and Employee Resource Group (ERG) funding moving from the Office of Equity to People Operations. ERGs support employee growth and development and are more appropriately housed in People Operations. The Human Resources budget will increase by 13.0%, or \$1.2 million, as a result of shifting all MBTA benefits from departmental allocations to Human Resources. While budget neutral citywide, the budget for MBTA benefits shows up as a significant increase in the department. The Registry Division budget will increase by 37%, or \$609,000. The primary driver is the shift of the Public Records unit from the Law Department into the Registry Division, where it will be overseen by the Commissioner of Public Records.

In FY26, the Election Department will be moved from the Mayor's Cabinet into People Operations to provide more direct support. The Election Department budget will increase by 2.1%, or \$155,000, reflecting the increased costs due to early and mail-in voting as well as needing to print ballots for municipal elections.

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

Human Services

The Human Services Cabinet consists of the Age Strong Commission, Boston Centers for Youth & Families, Boston VETS, the Boston Public Library, and the Office of Human Services. The cabinet's FY26 budget will decrease by \$1.2 million, or 1.2%. There are two primary drivers -- the removal of one-time building repair funds from the Boston Public Library and the transfer of funding for trauma impacted families from the Office of Human Services to the Boston Public

Health Commission. The cabinet is centered on people and works to promote the health and wellbeing of the City's residents, particularly its most vulnerable.

The Office of Human Services is a department that comprises the Office of Community Safety, the Office of Early Childhood, the Office of Returning Citizens, the Office of Youth Engagement & Advancement (OYEA), and the Coordinated Response team, and it provides administrative support and policy oversight for the Human Services Cabinet. The department's budget will decrease by 2.5%, driven by the shift of \$500,000 in funding for trauma impacted families from Human Services to the Boston Public Health Commission.

The Office of Human Services budget maintains the prior investment level of \$1.5 million for the Youth Development Fund, a grant program which is a key part of a targeted violence prevention strategy with the goal of zero homicides in the City of Boston. Also included is over \$2 million in the Office of Returning Citizens to fund case management staff and support dedicated to people returning from incarceration. Finally, the department budget includes \$160,000 for Youth Sports, shifted from other departments.

The Boston Centers for Youth and Families (BCYF) budget will decrease by 1.0%, or \$315,000, driven by negative city council amendments in personnel, supplies and equipment. The department's budget funds programming at 36 facilities, including swimming lessons, senior programming, child care and other family programming. The department now has its buildings maintained by Property Management, which will continue to receive maintenance funding. BCYF also runs both winter and summer Camp Joy programs, providing structured enrichment activities for children and young adults with special needs.

The Age Strong Commission budget will increase by 4.5% in FY26. Age Strong focuses on a variety of constituent services, including culturally appropriate food services, community programming, and housing support services. The department will continue to award up to \$500,000 in Community Connections grants. The FY26 budget for the Boston Veterans Engagement, Transition, and Services (Boston VETS) department budget will show a 2.1% increase, due to general wage increases.

The Boston Public Library (BPL) budget will decrease by 2.3%, or \$1.1 million, in FY26. This is because the City completed one-time building repairs that supported Central Library security upgrades, lighting improvements at the Archival Center, and HVAC equipment replacement at the North End and West Roxbury branches. This budget also does not yet include FY26 funding for AFSCME 1526, one of the final civilian unions remaining to settle; however, it does include FY25 funding for FY25 wages. In addition to its FY26 operating budget, BPL receives support from a range of crucial external funding sources, including the Commonwealth of Massachusetts and Affiliates of the Public Library. For additional budget detail on the Health & Human Services Cabinet, see Volume III.

Public Health

The Boston Public Health Commission (BPHC) serves as the City's health department and provides emergency medical services (EMS); infectious disease surveillance; substance abuse

prevention and treatment programs; community health programming; shelter, food, and advocacy for homeless individuals; and home- and school-based health services for children and families. In FY26, BPHC's appropriation will increase by 3.5%, or \$4.9 million. Unlike most City departments, BPHC's appropriation includes health insurance, pension, and other post-employment benefits (OPEB).

In FY26, BPHC will have \$4.9 million to continue funding critical low-threshold sites for individuals experiencing substance use disorder and support and resources for those in need. The FY26 budget also combats infant and maternal health disparities, expanding home visiting services for all Black birthing families in Boston. Necessary safety measures that protect first responders from COVID-19 have resulted in longer ambulance response times. To address this, the FY26 budget includes the 41 new EMTs added since FY23. For additional budget detail on the Health & Human Services Cabinet, see Volume III.

Housing

In FY25, Mayor Wu with the support of the City Council appropriated \$110 million to the historic Housing Accelerator Fund. This new program fund is intended to kickstart the production of housing by closing financing gaps for projects that have already been approved but have been unable to start construction. The Housing Accelerator Fund is supported by unrestricted prior-year budgetary fund balance, and the City's investment will be matched by the Commonwealth's Housing Momentum Fund. Adjusting for the one-time appropriation of the Housing Accelerator Program, the FY26 Housing Cabinet and the Mayor's Office of Housing (MOH) will decrease by 4.8%, or \$2.7 million. These record city-funded efforts across the operating, capital, and American Rescue Plan Act (ARPA) budgets between FY23 and FY26 will increase affordable housing availability, improve housing conditions in existing units, and bolster supportive services for individuals facing housing instability and homelessness, among other goals.

The decrease in the FY26 budget reflects the one-time expense of \$2 million in operating funds matched with \$3 million in American Rescue Plan funding in FY25 to seed the Housing Acquisition Fund. This seed funding started a dedicated housing acquisition program which includes a combination of funding sources, including City funds, private investment, and loans that supports the acquisition of occupied properties to preserve tenancies and create affordable housing. Acquisition is an extremely cost-effective tool that prevents displacement and creates long-term affordable housing opportunities for low- and moderate-income Bostonians. The fund would be financially supported by external partners and could act more quickly than the City to facilitate acquisitions in a competitive real estate market.

MOH runs various programs to reduce the numbers of chronic, family, and youth homelessness. Over \$13 million is given to the Boston Housing Authority to support vouchers for Boston families; while over \$2.6 million is available for Homeless Prevention and Emergency Housing. The Boston Home Center distributes more than \$8.8 million in programs ranging from decarbonization to down payment assistance. MOH will also continue an \$800,000 allocation to support GrowBoston, which aims to convert open space to food-producing green space and offer communities technical assistance.

The Mayor's Office of Housing is projected to receive \$150 million in external funding in FY26 from federal and state grants, as well as revenue from certain developer fees. For additional budget detail on the Housing Cabinet, see Volume III.

Information & Technology

The Department of Innovation and Technology (DoIT) will see a 7.9%, or \$4.3 million, increase over its FY25 budget. The FY26 budget continues to support the department's focus on the big picture areas of technology, including governance structures and constituent services. The FY26 increase is due to general wage increases as well as contractual increases to contracts that support the core functionality of government technology. To bolster community services, the department will add funding to support the permitting transformation project to ultimately improve the constituent experience through permitting and licensing engagements.

In FY26, DoIT's budget will support ongoing licensing needs for the 311 system upgrade, as well as ensuring that addresses and other street data points are accurately reflected in the software that Citywide teams use every day. Enabling access to accurate data for inspectors and sign repair employees is critical for both responding to constituent complaints and maintaining City infrastructure.

The FY26 budget continues to fund remote work equipment and technology, with ongoing investments to ensure the tools that keep remote work working are well supported. DoIT will also start the second year of a multi-year computer replacement plan for employees, centralizing device purchases for City departments.

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

Public Safety

Overall, the Public Safety Cabinet budget – which includes the Police Department, Fire Department, and Office of Emergency Management – will increase by .8%, or \$6 million, in FY26. The low cabinet budget increase reflects the lack of settled collective bargaining for all five sworn public safety unions; which is offset by the shift of 85 firefighters from the SAFER grant on to the operating budget. The budget supports cadets in both Police and Fire, as direct pathways for diverse local young people to join the forces reflect the residents of Boston. The Police Cadet program will be in its eleventh year since being restarted, while the Fire Department will welcome its fourth class of cadets in FY26.

The Boston Police Department (BPD) budget will increase by .5%, or \$2.2 million. The primary driver includes the addition of two new contracts to support the modernization of detail assignments. Detail work provides critical public safety support to construction projects and in FY26, assignments will be available through an app to a wider pool of trained employees. The FY26 budget funds a recruit class to replace projected attrition. The department will also continue to fund \$200,000 in support professional development for officers. Started in FY25, BPD will continue deploying its new community interaction teams that will work with residents and local businesses to identify safety concerns and address those concerns.

BPD will continue working to reduce overtime hours in FY26, including its successful efforts to return to duty officers who are on injured leave. This budget continues funding for Boston Emergency Services Team (BEST) clinicians who will be available to help police officers better serve their community. In FY26, BPD's budget will include \$705,000 (including four positions) to continue the process to seek CALEA accreditation, a designation that is only given to departments that have enforced a well-rounded set of standard operating procedures.

The Fire Department budget will increase by approximately \$3.8 million in FY26. The budget funds a marine engineer position, to maintain the fire boats that ensure fire safety on the harbor. The FY26 budget continues previous investments in facilities improvements and health and wellness training, continuing the industrial cleaning program in firehouses, while adapting it based on lessons learned in the past five years.

The Office of Emergency Management budget represents a decrease of 1.7%. This decrease is driven by changes to grant allocations as well as vacancies in the department. OEM continues to fund positions related to climate resilience as well as cyber security. They have access to \$11.7M in external funds related to national security programs. For additional budget detail on the Public Safety Cabinet, see Volume III.

Streets

The FY26 Streets Cabinet budget, which includes the Public Works Department, the Boston Transportation Department, and Central Fleet Maintenance, is increasing by \$11.7 million, or 6.0%, over the FY25 budget. This increase is driven almost entirely by an increase in trash collection contracts. The FY26 budget also contains a series of prior years' investments that aim to shift how our streets are designed and maintained. It will continue to expand high-quality basic city services to keep our streets clean, safe, and accessible for all users.

The Office of Streets is the central administrative arm of the cabinet. Its budget will increase by 3.7%, driven by general wage increases as well as a shift of Safety Surge positions from the Public Works Department to Streets. In FY26, the department will continue to fund a constituent services specialist to focus on 311 call responses. The Green Infrastructure team will lead cabinet-wide efforts to rethink how public ways can increase the absorption of storm water runoff. As a result of general wage increases, offset by the removal of a long-term vacant position, the Central Fleet Maintenance budget is decreasing by .40%, or \$14,000.

The Public Works Department (PWD) budget will increase by 10.7%, or \$12.7 million, over FY25, primarily driven by contractual increases in waste collection removal contracts. New trash collection contracts that provide additional contracted labor and require new, more reliable trucks, and new technology. Strengthened accountability terms such as continuous reporting on the status of staff and equipment will ensure quicker collection times and fewer missed collections. The City remains committed to diverting its waste stream by maintaining existing recycling contracts, despite a projected increase in the per-ton cost of recycling. The FY26 PWD budget also funds three mattress collection contracts, to respond to increased demand for

mattress pickup. The City continues to direct \$200,000 to small MWBE construction contractors, in order to support the growth of small businesses.

The Boston Transportation Department (BTD) FY26 budget will decrease by \$319,000, due mainly to the Open Streets Program moving to the Office of Tourism. That \$750,000 decrease is offset by general wage increases due to settled collective bargaining. BTD continues its focus on the future of transportation by improving all mobility methods used to get around the city. BTD will maintain funding to promote safer streets through the Safety Surge program, which funds personnel to support the capital plan's goals to redesign 15 to 20 intersections per year and place speed humps over 30 to 50 miles of streets in 10 neighborhoods. To support Citywide public events, BTD will fill the position added to the Special Events permits team in FY25. For additional budget detail on the Streets Cabinet, see Volume III.

Planning

The Planning Cabinet consists of the Boston Planning and Development Agency (BPDA) and the Planning Department. The decrease of \$2.7 million or 8.2% in FY26 reflects a more accurate accounting of which contracts will stay with the quasi BPDA entity and which will shift over to the Planning Department. This budget includes approximately 220 positions, along with non-personnel funding to support the planning functions of the city. The department's budget will also maintain staff added in FY24 to support the Boston Planning Advisory Council, which meets for the purpose of increasing coordination among departments that engage in citywide and neighborhood planning. For additional budget detail on the Planning Cabinet, see Volume III.

Non-Mayoral

The Non-Mayoral Cabinet is made up of the City Clerk, the City Council and the Finance Commission. Together, their budget will increase \$419,000 or 3.9%. Costs are primarily driven by an increase to the Boston City Council's budget of \$398,000, or 4.7%; due to increases in Council staff salary allocations. The remaining departments received increases due to steps and non-union general wage increases. For additional budget detail on the Non-Mayoral Cabinet, see Volume III.

Reserve for Collective Bargaining

The FY26 collective bargaining reserve, a \$102.7 million reserve for City departments, Boston Public Schools, and the Public Health Commission, contains funding for unsettled union contracts.

Fixed Costs

Fixed costs continue to make up a growing portion of the City's budget. The City is required to budget for fixed costs and their growth, largely driven by the City's Pension schedule, which requires a 10.7% increase in FY26 to ensure funding consistent with the current pension schedule; debt service; and the Charter School Tuition Assessment, which is directly deducted from Boston's state aid. Total fixed costs are budgeted to increase \$96.4 million, or 8.9% over the amount budgeted in FY25.

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 \$45.2 million or 10.7% increase in FY26.

The City of Boston participates in a contributory defined benefit retirement system administered by the Boston Retirement System (BRS). BRS is one of 104 public pension systems governed by MGL Chapter 32. For FY26, Boston's pension schedule is based on an actuarial asset valuation as of January 1, 2024. This pension schedule assumes a long-term rate of return of 6.9%. The City's pension liability is currently 85.9% funded and is on track to reduce the unfunded liability to zero by 2028, 12 years ahead of the legally required funding date of 2040. The current cost of living adjustment (COLA) base (the amount the annual COLA increase is applied to) is \$15,000. In the spring of 2022 BRS approved a 3% COLA increase effective July 1, 2022. This COLA increase was later adjusted to 5% with Governor and City Council approval. The total impact of the COLA adjustment is estimated to add \$26.6 million to pension's unfunded liability.

Debt Service

The Debt Service budget supports borrowing to finance the City's capital plan. In FY26 Debt Service is budgeted at \$310.3 million, which is a \$36.8 million or 13.5% increase over the previous year.

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

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

State Assessments

Accompanying the local aid distributions on the State's Cherry Sheet are charges to the City from the Commonwealth. These include items such as charter school tuition and MBTA service. The City expects to be assessed \$399.7 million by the Commonwealth in FY26. For further detail see the "Revenue Estimates & Analysis" chapter of this volume.

Suffolk County

The Suffolk County budget is a fixed cost mandated by state legislation, budgeted at \$2.9 million in FY26. 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 Sheriff employees who retired prior to January 1, 2010. Once the unfunded 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 requiring the City 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, 2024 is \$50.7 million. In FY26 the City is budgeting a \$2.4 million appropriation to the reserve. 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 not made any drafts or transfers from the reserve.

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 FY26 are estimates based on the personnel funding levels contained in the FY25 budgets

Table 6: Personnel Summary

CABINET	DEPARTMENT	1/1/23 FTE	1/1/24 FTE	1/1/25 FTE	1/1/26 PROJECTED	PROJECTED INC/(DEC)
Office of the Mayor	Mayor's Office	56.6	52.0	53.0	53.0	-
	Intergovernmental Relations	9.0	7.0	8.0	8.0	-
	Law Department	60.6	69.0	64.0	58.3	(5.7)
	TOTAL	126.2	128.0	125.0	119.3	(5.7)
Equity & Inclusion	Office of Equity	8.0	20.6	27.6	30.6	3.0
	Office of Language & Communications Access	11.0	12.0	11.0	11.0	-
	Human Rights Commission	3.0	-	-	1.0	1.0
	Office for Immigrant Advancement	9.0	8.0	13.0	13.0	-
	Women's Advancement	3.0	4.0	2.0	3.0	1.0
	Black Male Advancement	4.0	9.0	9.0	10.0	1.0
	Fair Housing & Equity	8.4	7.0	6.0	6.0	-
	LGBTQIA2S+ Advancement	3.0	3.0	5.0	5.0	-
	Commission For Persons W/Disabilities	8.0	9.0	9.0	9.0	-
	TOTAL	57.4	72.6	82.6	88.6	6.0
Office of Police Accountability & Transparency	OPAT	22.4	15.9	15.9	15.9	-
	TOTAL	22.4	15.9	15.9	15.9	-
CABINET	DEPARTMENT	1/1/23 FTE	1/1/24 FTE	1/1/25 FTE	1/1/26 PROJECTED	PROJECTED INC/(DEC)
Operations	Inspectional Services	211.0	216.0	214.0	214.0	-
	Property Management	136.0	154.0	168.0	168.0	-
	Public Facilities Department	76.0	79.0	82.0	82.0	-
	TOTAL	423.0	449.0	464.0	464.0	-
Community Engagement	Neighborhood Services	59.0	66.0	65.0	65.0	-

	TOTAL	59.0	66.0	65.0	65.0	-
		1/1/23	1/1/24	1/1/25	1/1/26	PROJECTED
CABINET	DEPARTMENT	FTE	FTE	FTE	PROJECTED	INC/(DEC)
Arts & Culture	Office of Arts & Culture	19.0	17.0	20.0	20.0	-
	TOTAL	19.0	17.0	20.0	20.0	-
Economic Opportunity & Inclusion	Office of Economic Opportunity & Inclusion	21.2	18.8	24.8	24.8	-
	Consumer Affairs & Licensing	22.2	19.0	23.7	23.7	-
	Office of Tourism	8.0	10.0	11.0	11.0	-
	Supplier Diversity	19.0	8.0	11.0	11.0	-
	TOTAL	70.4	55.8	70.5	70.5	-
Worker Empowerment	Labor Compliance and Workforce Protection		13.0	14.0	14.0	-
	Youth Employment and Opportunity	6.7	11.0	13.0	13.0	-
	Office of Workforce Development			24.6	24.6	-
	TOTAL	6.7	24.0	51.6	51.6	-
Education	School Department	9,624.1	10,049.7	10,608.6	10,690.7	82.1
	TOTAL	9,624.1	10,049.7	10,608.6	10,690.7	82.1
Environment, Energy & Open Space	Environment	21.0	26.7	27.0	27.0	-
	Parks and Recreation	231.0	236.0	226.0	226.0	-
	Office of Historic Preservation	10.0	14.0	13.0	13.0	-
	Office of Food Justice	3.0	5.0	6.0	6.0	-
	TOTAL	265.0	281.7	272.0	272.0	-
Finance Cabinet	Office of Finance	5.0	7.6	7.0	7.0	-
	Assessing Department	71.0	73.0	73.0	73.0	-
	Auditing Department	29.0	33.0	35.0	35.0	-
	Budget Management	22.0	24.0	25.0	25.0	-
	Office of Participatory Budgeting	-	2.0	3.0	3.0	-
	Procurement	22.0	23.5	34.0	34.0	-
	Treasury Department	46.0	49.0	49.0	49.0	-
	TOTAL	195.0	212.1	226.0	226.0	-
People Operations	Office of People Operations	4.0	6.0	8.0	8.0	-
	Election Department	29.0	29.0	31.0	31.0	-
	Human Resources	57.0	62.0	66.0	66.0	-
	Labor Relations	10.0	10.0	9.0	9.0	-
	Registry Division	17.0	21.0	21.0	27.3	6.3

TOTAL		117.0	128.0	135.0	141.3	6.3
		1/1/23	1/1/24	1/1/25	1/1/26	PROJECTED
CABINET	DEPARTMENT	FTE	FTE	FTE	PROJECTED	INC/(DEC)
Human Services	Human Services	18.0	32.0	37.0	37.0	-
	Boston Center for Youth & Families	295.5	284.1	280.4	280.4	-
	Age Strong Commission	52.0	49.6	61.8	61.8	-
	Library Department	385.9	415.1	419.0	419.0	-
	Boston VETS	13.0	14.0	13.0	13.0	-
	TOTAL	764.4	794.8	811.2	811.2	-
Public Health	Public Health Commission	824.1	862.5	935.8	935.8	-
TOTAL		824.1	862.5	935.8	935.8	-
Housing	Mayor's Office of Housing	46.7	58.5	61.5	61.5	-
TOTAL		46.7	58.5	61.5	61.5	-
Information & Technology	Dept of Innovation & Technology	123.0	123.0	145.0	145.0	-
TOTAL		123.0	123.0	145.0	145.0	-
Public Safety	Emergency Management	3.8	5.2	8.3	8.3	-
	Fire Department	1,625.6	1,672.6	1,620.6	1,673.6	53.0
	Police Department	2,657.4	2,652.0	2,705.9	2,761.0	55.1
TOTAL		4,286.8	4,329.8	4,334.8	4,442.9	108.1
Streets	Office of Streets	20.0	33.0	35.0	35.0	-
	Central Fleet Management	38.0	34.0	31.0	34.0	3.0
	Public Works Department	270.0	271.0	294.0	294.0	-
	Transportation	303.0	309.0	321.0	336.0	15.0
TOTAL		631.0	647.0	681.0	699.0	18.0
Planning	City Planning and Design		3.0	176.8	176.8	-
TOTAL			3.0	176.8	176.8	-
Non-Mayoral	City Clerk	14.0	13.0	14.0	14.0	-
	City Council	80.6	74.1	83.9	83.9	-
	Finance Commission	3.0	3.0	3.0	3.0	-
TOTAL		97.6	90.1	100.9	100.9	-
GRAND TOTAL		17,758.8	18,408.5	19,383.2	19,598.1	214.9

FY24-FY25 FTE Change

The total net increase in FTEs from January 1, 2024 to January 1, 2025 was 974.7. This growth is driven by Education and the newly added Planning Department. The City's Position Review

Committee continued to review all proposed job postings for vacant positions, balancing the capacity needs of departments with concern for budgetary and organizational impacts. Attrition and retirements, which peaked in recent years in several departments, have leveled out. Additionally, 17 long-term vacant positions were eliminated in the FY25 budget.

The School Department increased by 558.9 FTEs. Special Education Teachers were up by 263.6 and Special Education Aides were up 267.3, continuing the expansion of inclusive practices and the transition of ESSER-funded positions onto the operating budget.

Overall, Public Safety FTEs remained relatively flat from Jan 1, 2024 to Jan 1, 2025. The Police Department increased by 53 FTEs, with a slight majority of the increase being civilian hires. The Fire Department saw a decrease of 52 FTEs due attrition and class timing; the department will be adding a class in the Spring of 2025 that will close the year-over-year decrease. The Office of Emergency Management increased by 3.1 with the addition of a Climate Resiliency position and shifting other emergency preparedness planning and response staff from external funds to city-funded positions.

The Streets Cabinet increased by 34 FTEs, operationalizing a recruitment-focused investment received in a prior year. The Office of Streets was up 2, driven by the addition of a Green Infrastructure position and a constituent-experience focused position. Transportation was up 12 since Jan 1, 2024, due to filling of vacancies. Public Works was up 23 with most of the increase due to filling vacancies, though the department did receive some additional positions to support safer streets work. Central Fleet declined by 3, reflecting mechanic vacancies.

The Equity and Inclusion Cabinet increased by 10 FTEs from January 2024 to January 2025. The Office of Equity increased by 7, as their Cultural Liaison positions were created and filled. Elsewhere in the cabinet, Black Male Advancement, Housing Rights Commission, and the Commission for Persons with Disabilities stayed level. Office of Language & Communications Access, Women's Advancement, and Fair Housing & Equity had regular attrition and decreased by 1, 2, and 2, respectively. The Office of Immigrant Advancement increased by 7, filling outstanding vacancies during a leadership transition. The Office of LGBTQIA2S+ Advancement increased by 2, filling existing vacancies.

The Office of Police Accountability and Transparency (OPAT) remained level between January 1, 2024 and January 1, 2025.

The Operations Cabinet collectively increased by 15 FTEs. Property Management had an increase of 14 FTEs, driven by targeted hiring efforts to fill vacancies and newly created repair and management positions. Inspectional Services had natural attrition of 2 FTEs and Public Facilities grew by 3.

The Community Engagement Cabinet decreased by 1 FTE from January 2024 to January 2025. The Arts & Culture Cabinet increased by 3, as it completed updating job descriptions in partnership with Human Resources.

The Economic Opportunity and Inclusion Cabinet increased by 14.7 FTEs, filling previous investment positions and hiring existing vacancies. The Office of Economic Opportunity and Inclusion (+6), Consumer Affairs & Licensing (+4.7), Office of Tourism (+1), and Supplier Diversity (+3) all added staff on net.

The Environment, Energy and Open Space Cabinet decreased by 9.7 from January 2024 to January 2025. The Office of Historic Preservation and the Office of Food Justice increased by 1 each. Parks and Recreation decreased by 10 as it underwent a leadership transition. The Environment Department increased by 0.3 as a partial position moved from a grant to the city's operating budget.

The Human Services Cabinet shows an increase of 16 FTEs. This was driven by the addition of 12.2 FTEs in the Age Strong Commission, as they filled existing vacancies after working with the Human Resources team to review positions. Boston VETS decreased by 1. Library Department increased by 3.9. Boston Centers for Youth and Families declined in FTEs for a third consecutive year, falling by 3.7. BCYF continues to see challenges in hiring and will work with the People Operations cabinet on hiring and job description reviews. The Office of Human Services added 5 FTEs to support its Youth Engagement and Advancement and Early Childhood Offices.

The Public Health Commission's increase of 73.3 FTEs was driven by improved recruitment in Emergency Medical Services (+48) and hiring upticks in the Public Health Service Centers (+8.6 FTEs), Homeless Services (+7.4 FTEs) and Administration (10.6 FTEs) bureaus. The Commission also experienced natural attrition and hiring in other areas.

The Finance Cabinet increased by 13.9, with most departments increasing 1 to 2 positions, while the Procurement Department increased by 10, filling numerous remaining vacancies after an 11-position transfer in the FY24 budget. The People Operations Cabinet increased by 7 FTEs. People Operations grew by 2, adding operations-focused positions while Human Resources grew by 4, Elections grew by 2, Labor Relations had a decrease of 1 FTE, and Registry remained level.

Housing grew by 3 FTEs from January 2024 to January 2025 largely through the shifting of salaries from a federal grant to the operating budget in order to free up grant resources for the pursuit of housing goals.

The Department of Innovation and Technology (DoIT) added 22 FTEs in the reference period, a mix of filling vacancies, bringing capital contractors onto payroll, and hires into Constituent Services and Governance investment positions.

The Worker Empowerment Cabinet grew by 27 FTEs. The Office of Labor Compliance and Worker Protections grew by 2, filling existing vacancies. Youth Employment & Opportunity grew by 1. The other 24 FTEs of the increase belong to the Office of Workforce Development; they were shifted from the Boston Planning and Development Agency (BPDA) in FY25. The Planning Department also saw a large increase of 173.8 FTEs due to the transition of staff from the BPDA to the City's Operating Budget.

The Non-Mayoral cabinet increased by 10.8 FTEs, driven by City Council increasing staff by 9.8.

Other departments not mentioned specifically had minor changes that are reflective of regular attrition and hiring patterns.

FY26 Projected FTE Changes

The City projects a net increase in FTE levels of 214.9 from January 1, 2025 to January 1, 2026. There are two drivers of growth: the addition of 108 FTEs in the Public Safety Cabinet (due to timing of new classes) and the increase of 82 projected FTEs in Boston Public Schools as the multi-year investment in inclusive practices continues to roll out and positions shift off of ESSER grant funding. Overall, many cabinets are anticipated to remain level from January 2025 to January 2026; reflecting the implementation of three years of investments in positions to support city priorities.

The City continues to monitor all hiring and reviews all requests to post new and existing positions within the context of administration priorities. Departments eliminated 47 long-term vacant positions in the FY26 budget process.

The School Department shows an expected increase of 82.1 filled FTEs from January 2025 to January 2026. Special Education teachers will grow in number as the district's inclusion initiative rolls out to additional grades. FTEs associated with other BPS positions are generally projected to be flat; bilingual teacher and aide FTEs are expected to decline but this is due to recoding of positions rather than actual staffing reductions.

The Public Safety Cabinet is expected to increase by 108.1 FTEs from January 1, 2025 to January 1, 2026. 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. This timing issue will impact the Fire Department's FTEs, as a delayed FY25 class also delayed the training of an eligible cohort of cadets. In response, the Department will host two classes – in the Spring and Fall of 2025, getting them back on a regular schedule. Class timing is not at play in the FY26 increase of 55 for the Police Department; a spring 2025 class will be followed by a spring 2026 class. However, the department is trying to keep up with recent increases in attrition; to ensure that they can reach historical staffing levels. The Office of Emergency Management will remain level at 8.3 operating FTEs.

The Mayor's Cabinet will be reduced by 5.7 FTEs, driven by the shift of the Public Records Unit from the Law Department into the Registry Department. The Elections Department will also shift cabinets in FY26, moving from the Mayor's Cabinet to the People Operations Cabinet.

The Equity & Inclusion Cabinet is projected to have 88.6 FTEs, showing a projected increase of 6. The Office of Equity is increasing by 3; all of which are transfers from other Equity Cabinet departments. Women's Advancement, HRC and Fair Housing will all shift administrative positions in order to centralize Human Resources, Finance and Equity Manager functions. Human Rights will add 1 FTE by filling the Director role; Women's Advancement will also increase by 1 to fill a programmatic position, and Black Male Advancement will fill its single vacancy. The other departments are expected to remain level.

The Office of Police Accountability & Transparency is expected to remain level at 15.9 positions. Both the Community Engagement and Arts and Culture are also anticipated to maintain their current FTE counts of 65 and 20, respectively.

After three years of investments, the Operations Cabinet is expected to remain level from January 2025 to January 2026, at 464 FTEs. Overall, however, this is an increase of 43 FTEs from January 2023 to January 2026, reflecting the importance of caring for our city assets. Property Management drives this increase, as the department has filled critical building repair, management, and security functions. In line with modest budgetary growth in FY26, the Economic Opportunity and Inclusion, Worker Empowerment, and Environment and Open Space cabinets are not anticipated to add FTE's from January 2025 to January 2026. Similar to Operations, the latter two have seen significant personnel investments in the last three years and will be focused on implementing key policies.

The Finance Cabinet will also remain flat from January 2025 to January 2026. The People Operations Cabinet will increase by 6.3, with the shift of Public Records from the Law Department to the Registry Division. The shift of the Election Department from the Mayor's Cabinet to People Operations indicates a focus on operational improvements.

The Human Services Cabinet is projected to remain level from January 2025 to January 2026. The Age Strong Department's FTE count of 61.8 reflects their efforts to fill vacancies after a department-wide reorganization; those efforts put them closer to historical staffing numbers. Similarly, the Boston Public Library has intensely focused on hiring as their increase over January 2023 shows. The Boston Public Health Commission is anticipated to remain at their January 2025 FTE count of 935.8.

After years of investing in positions, both the Mayor's Office of Housing and the Department of Innovation and Technology will remain level. Housing's projected 61.5 FTEs will continue to focus on the critical functions of creating more housing and keeping Bostonians in their homes. DoIT will continue its focus on permitting transformation as well as maintaining and upgrading critical city functions (such as replacing the 311 Call Center's platform).

The Streets Cabinet is projected to increase by 18 FTEs. The Office of Streets will remain level; however Central Fleet Management will increase by 3 as vacancies are filled. The Transportation Department is projected to increase by 15, to 336 FTEs, as Parking Enforcement Officer classes are brought on in an effort to return to pre-pandemic staffing levels, increase public safety, and improve curb management. The Planning Department is projected to remain level at 176.8 positions. These positions are supported by revenue transfers from the BPDA and will perform a wide range of functions, from property management, human resources, and planning, to urban design, legal review, and other areas.

The Non-Mayoral Cabinet is anticipated to remain level at 100.9 FTEs.

External Funds

The City's \$4.8 billion operating budget is supplemented by approximately \$635 million in external funds. These funds consist mainly of federal, state, and private funding earmarked for specific purposes. Education, housing, economic development, public health and public safety are some of the largest areas for which these funds are targeted.

Thirty-one departments and agencies expect to make use of federal, state or other forms of external funding in FY26. Roughly 92% of the City's external funds are found in ten of those 31 departments. These ten departments are Boston Public Schools, Mayor's Office of Housing, Office of Budget Management, Public Health Commission, Treasury Department, Office of Workforce Development, Police Department, Age Strong, Library Department, and Emergency Management. Descriptions and amounts of grants by department can be found in Volumes II and III.

Federal grants have historically provided funding for the key City priorities of education, community development, and services for seniors. Boston Public Schools, the Mayor's Office Housing, and the Age Strong have been the traditional recipients of recurring entitlement grants provided by the federal government. Given shifting political and economic dynamics, the City will monitor these funding sources closely over the coming year.

Table 7: External Funds Summary, FY24-FY26

DEPARTMENT	FY24 EXPENDITURE	FY25 ESTIMATED	FY26 ESTIMATED
Boston Public Schools	332,230,416	265,246,471	159,369,267
Mayor's Office of Housing	128,414,624	147,634,664	150,386,927
Budget Management	100,997,535	150,000,001	91,756,141
Public Health Commission	68,604,960	66,460,013	68,646,443
Treasury Department	39,138,697	35,342,132	36,790,221
Workforce Development	0	28,244,477	31,214,137
Police Department	9,912,737	12,550,634	12,923,425
Age Strong	8,083,493	11,251,209	11,936,029
Library Department	16,554,177	12,130,776	11,905,068
Emergency Management	14,543,910	11,773,643	11,649,040
Other	39,633,419	46,981,085	48,028,211
TOTAL	758,113,968	787,615,105	634,588,524

American Rescue Plan Act (ARPA) of 2021

In response to the COVID-19 pandemic, the federal government passed three unprecedented relief packages in addition to FEMA reimbursement: The CARES-Coronavirus Relief Fund (CRF), Coronavirus Relief Bill, and the American Rescue Plan Act (ARPA) of 2021. As of the end of Fiscal Year 2024, the first two of those funding sources were fully expended, including hundreds of millions of dollars in Elementary and Secondary School Emergency Relief (ESSER) funds directed to the Boston Public Schools.

The American Rescue Plan Act (ARPA) of 2021 was a \$1.9 trillion stimulus bill providing hundreds of millions in federal funding to the City, the Boston Public Schools and other local organizations. While the BPS portion of this funding expired in FY25, the City of Boston will continue to have access to ARPA State and Local Fiscal Recovery Funds (SLFRF) in FY26.

Eligible uses of ARPA SLFRF funding include:

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

In total, the City received \$558.7 million in SLFRF funding; the City received \$212.1 million from the U.S. Treasury in May 2021 and a second payment of \$212.1 million in May 2022. In addition, the City received \$134.5 million from the Commonwealth of Massachusetts. Under SLFRF, funds must be used for costs incurred on or after March 3, 2021.

In partnership with the Boston City Council, the City appropriated the full \$558.7 million to continue the response to the COVID-19 pandemic and to help drive an equitable recovery for all Boston residents.

- \$362.2 million appropriated for Transformative Investments (July 2022)
- \$81.5 million appropriated for Emergency Relief Package (July 2021)
- \$55 million appropriated for FY22 Revenue Replacement (July 2021)
- \$40 million Revenue Replacement appropriated for FY23 (June 2022)
- \$8 million Fare Free Bus Expansion appropriated (November 2021)
- \$5 million appropriated for Small Business Fund 2.0 Expansion (January 2022)
- \$7 million appropriated for Housing and Small Business Initiatives (October 2024)

ARPA budgets for all departments are reflected in the Office of Budget Management. Funds were committed by the end of calendar year 2024 and must be expended by the end of calendar year 2026.

Community Preservation Act

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

Boston collected \$27.3 million in CPA surcharges and received \$9.4 matching funds in FY23. In FY24, the City collected \$30.2 million in CPA surcharges that was matched with \$5.5 in state funds. The city expects to collect \$28.0 million in surcharge revenue and \$5.0 million in state matching funds in FY25 and \$28.0 million in surcharge revenue and \$4.6 million in state matching funds in FY26.

Since 2018, the first year of allocations, Boston's 9-member Community Preservation Committee, comprised of Boston residents, has appropriated \$192 million to 346 affordable housing, historic preservation, and open space & recreation projects citywide.

FY26 All Funds Budget

The all-funds table consolidates the projected FY26 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 FY26 budget document.

Table 8: All Funds Budgets

CABINET	DEPARTMENT	General Fund Budget	External Funds Budget	Capital Budget	Total All Funds Budget
Mayor's Office	Mayor's Office	6,799,439	262,708		7,062,147
	Intergovernmental Relations	1,250,987			1,250,987
	Law Department	10,792,503	300,000		11,092,503
	Total	18,842,929	562,708	-	19,405,637
Equity & Inclusion	Office of Equity	3,725,869			3,725,869
	Office of Language & Communications Access	2,160,042			2,160,042
	Human Right Commission	391,622			391,622
	Office for Immigrant Advancement	4,200,316	200,000		4,331,316
	Women's Advancement	643,544			643,544
	Black Male Advancement	2,119,031			2,119,031
	Fair Housing & Equity	452,805	755,316		1,208,166
	LGBTQIA2S+ Advancement	920,702			920,702
	Commission For Persons W/Disabilities	916,047			916,047
	Total	15,529,977	955,315	-	16,416,338
Office of Police Accountability & Transparency (OPAT)	Office of Police Accountability & Transparency	1,472,015			1,472,015
	Total	1,472,015		-	1,472,015
Operations	Property Management Department	27,707,722		77,857,400	105,565,122

	Public Facilities Department	11,229,935			11,229,935
	Inspectional Services Department	24,896,174	85,700		24,981,874
	Total	63,833,831	85,700	77,857,400	141,776,931
Community Engagement	Neighborhood Services	5,800,809			5,800,809
	Total	5,800,809		-	5,800,809
Arts & Culture	Office of Arts & Culture	4,611,840	4,836,000	3,050,000	12,539,758
	Total	4,611,840	4,836,000	3,050,000	12,539,758
Economic Opportunity	Office of Economic Opportunity & Inclusion	7,492,111	4,670,122		12,162,233
& Inclusion	Consumer Affairs & Licensing	2,189,573	93,773		2,283,346
	Supplier Diversity	2,445,088			2,445,088
	Office of Tourism	2,642,754	150,000		2,792,754
	Total	14,769,526	4,913,895	-	19,683,421
		General Fund	External Funds	Capital	Total All Funds
CABINET	DEPARTMENT	Budget	Budget	Budget	Budget
Worker Empowerment	Labor Compliance and Worker Protections	1,911,715			1,911,715
	Youth Employment and Opportunity	23,365,216	1,090,873		24,210,902
	Office of Workforce Development	6,903,874	31,214,137		31,988,724
		32,180,805	32,305,010	-	58,111,341
Education	Boston Public Schools	1,580,061,477	159,369,267	212,438,964	1,951,869,708
	Total	1,580,061,477	159,369,267	212,438,964	1,951,869,708
Environment, Energy	Environment Department	5,526,586	7,281,550	3,125,000	16,919,785
& Open Space	Parks & Recreation Department	37,093,652	8,590,655	80,939,544	126,483,293
	Office of Historic Preservation	1,575,024	60,330		1,589,854
	Office of Food Justice	1,426,602			1,426,602
	Total	45,621,864	15,932,535	84,064,544	146,419,534
Finance	Office of Finance	1,520,180			1,520,180
	Assessing Department	8,502,234			8,502,234
	Auditing Department	4,052,974	120,640		4,173,614
	Budget Management	3,712,085	91,756,141		95,468,226
	Office of Participatory Budgeting	2,134,250			2,134,250
	Execution of Courts	-			-
	Pensions & Annuities - City	4,700,000			4,700,000
	Procurement	4,098,931	103,810		4,143,598

	Treasury Department	6,133,721	36,790,221		42,923,942
	Total	34,854,375	128,770,811	-	163,566,044
People Operations	Office of People Operations	1,331,229			1,331,229
	Election Department	7,355,168			7,355,168
	Health Insurance	251,307,372			251,307,372
	Human Resources	10,766,584			10,766,584
	Medicare	15,325,000			15,325,000
	Office of Labor Relations	1,985,756			1,985,756
	Registry Division	2,257,180			2,257,180
	Unemployment Compensation	350,000			350,000
	Workers' Compensation Fund	2,000,000			2,000,000
	Total	292,678,288	-	-	292,678,288
Human Services	Office of Human Services	9,881,274	911,766		10,793,040
	Boston Center for Youth & Families	30,556,055	972,800	56,210,000	87,738,855
		General Fund	External Funds	Capital	Total All Funds
CABINET	DEPARTMENT	Budget	Budget	Budget	Budget
Human Services	Age Strong	8,451,479	11,936,028		19,796,800
	Library Department	49,485,897	11,905,068	40,365,879	101,756,844
	Boston VETS	4,947,213			4,947,213
	Total	103,321,918	25,725,662	96,575,879	225,032,752
Public Health	Public Health Commission	145,073,120	68,646,443	22,457,977	236,177,540
	Total	145,073,120	68,646,443	22,457,977	236,177,540
Housing	Mayor's Office of Housing	54,468,982	150,386,927	30,200,000	234,827,982
	Total	54,468,982	150,386,927	30,200,000	234,827,982
Information & Technology	Department of Innovation and Technology	58,081,166	9,002,062	10,633,226	77,716,454
	Total	58,081,166	9,002,062	10,633,226	77,716,454
Public Safety	Emergency Management	1,644,602	11,649,040		13,430,826
	Fire Department	310,600,768	3,097,853	22,491,081	336,189,702
	Police Department	477,344,876	12,907,040	12,536,515	501,261,175
	Total	789,590,245	27,653,935	35,027,596	850,881,702
Streets	Central Fleet Management	3,347,889			3,347,889
	Office of Streets	4,744,101			4,744,101
	Public Works Department	130,501,771	110,000	130,843,904	261,455,675
	Snow & Winter Management	22,676,037			22,676,037
	Transportation Department	43,865,831	5,332,252	46,570,811	95,768,894

		Total	205,135,629	5,442,252	177,414,715	387,992,596
			General Fund	External Funds	Capital	Total All Funds
CABINET	DEPARTMENT	Budget	Budget	Budget	Budget	Budget
Planning	Planning Department	29,990,019				29,990,019
	Boston Planning and Development Agency	-			9,580,000	9,580,000
	Total	29,990,019	-		9,580,000	39,570,019
Non-Mayoral Departments	City Clerk	1,663,530				1,663,530
	City Council	8,864,121				8,864,121
	Finance Commission	635,661				635,661
	Total	11,163,312	-		-	11,163,312
	Grand Total	3,507,082,128	\$634,588,524	759,300,301		4,893,102,182

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 FY27 and FY28. In projecting the City's operating budget for FY27 and FY28, education cost growth, increasing annual pension schedule obligations, costs related to outstanding collective bargaining agreements and continued health insurance cost escalation continue to drive high rates of expenditure growth. The property tax levy is assumed to grow from its base by the allowable 2.5% and by new growth in the levy. In terms of state aid, continued pressure from rising state Charter Schools costs and relatively stagnant education aid will likely continue the negative growth trend in net state aid.

The projected FY27 and FY28 collective bargaining reserves have been forecasted to acknowledge this expenditure growth but do not indicate an established wage pattern for successor contracts.

Revenue Trends

Major revenue trends include the following:

Net Property Tax (Gross Property Tax minus Reserve for Tax Abatements) is expected to grow by \$136 million in FY27 and \$139 million in FY28. This growth is a combination of two factors: The allowable 2.5% tax levy increase mandated by state law and an estimated \$50 million in new property tax revenue each year in FY27 and FY28.

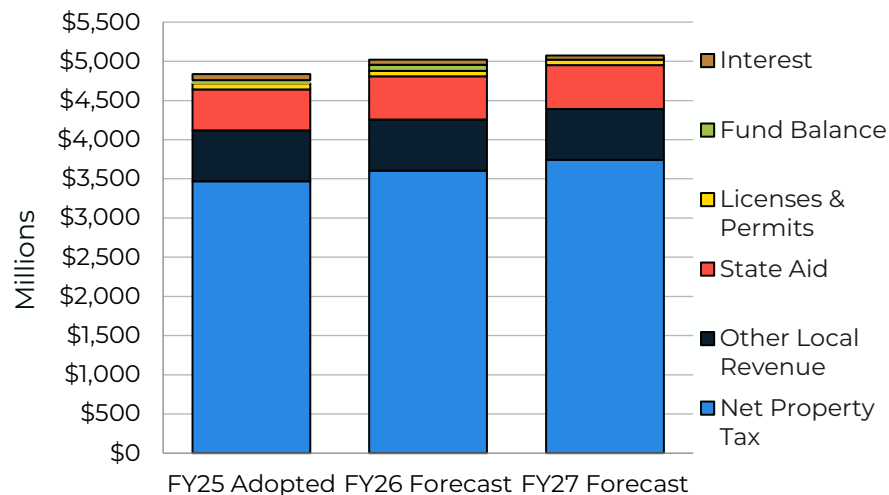
Following several years of significant revenue surpluses due to sustained high interest rates, revenue from *Interest on Investments* is projected to decline as the Federal Reserve Bank lowers interest rates as anticipated, resulting in a decrease of \$15.2 million for FY27 and \$12.8 million for FY28.

In FY27 the *Fund Balance* utilization is projected to double to \$80 million to cover a significant year-over-year increase in Pension appropriation requirements as the City approaches full funding in FY28. This projected use of fund balance is consistent with the City's policy to use fund balance for one-time fixed costs including pension liability payments. In FY28, due to a projected reduction in pension contributions as a result of meeting full-funding obligations, the City will pivot its financial strategy, reducing fund balance utilization to \$0 as the City shifts to funding the budget entirely with recurring revenue and redirects resources toward the OPEB liability.

Net State Aid (Gross State Aid minus State Assessments) is projected to continue its trend as a decreasing source of revenue for the City. This decline is directly correlated with increases to the School Department budget, which in turn causes local charter school tuition rates to rise.

The following chart displays the breakdown of revenue projected for FY26–FY27.

Figure 6: Multi-Year Revenue Forecast FY26 Budget, FY27 & FY28 Projected



Expenditure Trends

Another significant cost pressure is the unfunded liability related to other post-employment benefits (OPEB). 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 \$2.68 billion, as of the most recent independent actuarial valuation on June 30, 2023. The FY26 budget authorizes a payment of \$40 million to the City's OPEB Liability Trust Fund; the FY27 projection also includes a \$40 million payment and in FY28 the OPEB payment is projected to increase to \$100 million as the City begins full funding of its pension liability.

Major expenditure trends include the following:

The School Department's FY27 expenditure growth is projected to be \$72.3 million over the FY26 adjusted appropriation after an anticipated \$56 million budget supplemental for settled collective bargaining costs is applied to the FY26 budget. The projected FY28 budget growth of \$34.1 million is less than FY27 since FY28 does not currently include the costs for a successor collective bargaining agreement for the teacher's union. An estimate of the cost of all unsettled union contracts is included in the central collective bargaining reserve. The School Department continues to see higher costs to serve a higher needs student population and growing costs for student transportation and food and nutrition services.

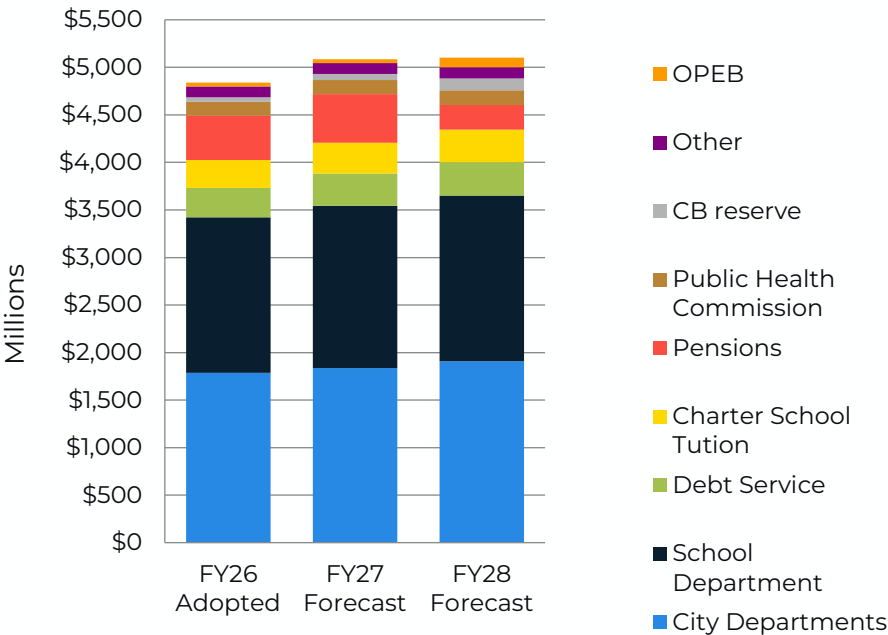
The budgets for City Departments are projected to grow by \$49.3 million in FY27 and \$71 million in FY28. Budgetary cost increases are tied to settled union wage increases, projected increases

for health benefits, and known contractual growth items related to waste removal and public way curb management among others.

Central appropriations like the collective bargaining reserve and OPEB will be in transition In the FY27 to FY28 timeframe. Large union contracts like the teacher's union are scheduled to expire in FY27 and the associated costs of potential new contracts in FY28 will be held in a central collective bargaining reserve. Additionally, as noted in the revenue trends section, the City is projected to transition appropriations for long-term liabilities from pension to OPEB as the pension liability approaches full funding.

The expenditure chart displays the allocation of expenditures projected for FY27-FY28.

Figure 7: Expenditures FY26 Budget, FY27 & FY28 Projected



Employee hiring must continue to be managed, as the bulk of the projected increase in appropriations is employee-related. New collective bargaining agreements will need to be affordable, given cost and revenue pressures outlined in this forecast. The City, in partnership with its unions, will continue to look at ways to mitigate the impacts of annual increases in the cost to provide health insurance to its employees and retirees.

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 with 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 \$48 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 composed of the Chief Financial Officer, the Human Resources Director, and the City's Budget Director. In place for over two decades, 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.

Table 9: Multi-Year Budget Summary*
(in thousands of dollars)

	FY26	FY27 Projection	FY28 Projection
REVENUES			
Property Tax	3,501.9	3,639.9	3,780.9
Property Tax Overlay	-34.0	-36.0	-38.0
Excises	311.5	312.2	314.4
Fines	63.8	65.1	65.0
Interest On Investments	79.6	64.4	51.6
Payments in Lieu of Taxes	58.2	61.7	62.9
Urban Redev Chapter 121A	42.2	39.2	39.2
Department Revenue	89.1	84.8	78.2
Licenses & Permits	77.6	68.4	70.3
Penalties & Interest	10.3	10.8	10.9
Intergovernmental Transfers	46.1	47.2	47.6
Available Funds	31.0	31.0	31.0
State Aid	520.9	551.7	560.0
Total Recurring Revenue	4,798.3	4,940.3	5,074.0
Approp. Fund Balance	40.0	80.0	0.0
Total Revenues	4,838.3	5,020.3	5,074.0
EXPENDITURES			
City Appropriations	1,787.4	1,836.7	1,907.5
Public Health Commission	145.1	148.9	153.0
School Department**	1,636.0	1,708.3	1,742.4
Reserve for Collective Bargaining	46.8	65.6	127.1
City			
OPEB	40.0	40.0	100.0
Total Appropriations	3,655.3	3,799.4	4,030.0
Pensions	467.7	509.1	259.6
Debt Service	310.3	338.9	352.5
Charter School Tuition	291.9	324.4	338.2
MBTA	100.4	102.9	105.4
Other State Assessments	7.5	7.9	8.3
Suffolk County Sheriff Dept	2.9	2.2	2.2
Reserve	2.4	0.0	0.0
Total Fixed Costs	1,183.0	1,285.4	1,070.9
Total Expenditures	4,838.3	5,084.9	5,100.9
Surplus (Deficit)	0.0	-64.6	-27.0

*Numbers may not add due to rounding

** The School Department appropriation includes an anticipated \$56 million budget supplemental for teacher's union contract settlement

PERFORMANCE MANAGEMENT

Boston's Performance Management team, a part of Data & Analytics within the Department of Innovation and Technology, supports the City in defining, communicating, and continuously improving progress toward City goals using data. This includes facilitating the process to define and report on metrics that tell the story of the City's work.

For the FY26 Budget Book, the Performance Management team introduced a certification process to vet and automate all published metrics. Certification builds on the automation efforts of the FY25 Budget Book, while continuing to define and raise data quality of published metrics. Once a metric passes the certification process, it is catalogued in the Performance Management Metric Library, where it can be pulled on-demand for reporting.

The FY26 Budget Book contains both certified and uncertified metrics:

Certified metrics have been vetted by the Performance Management team. Certification ensures the metric's data is ready for use, includes a valid date, is available on a quarterly or more frequency, and enforces minimum data quality. It also validates that data preparation aligns to the relevant department's context.

Uncertified metrics have not been vetted by the Performance Management team. They were provided directly to the Budget Office using other reporting methods, such as dashboards and database queries. Of all department-specific metrics published in the FY26 Budget Book, 11% are uncertified.

Introducing certification led to a minor reduction in the number of published metrics for FY26. The new certification process enables better reporting by delivering:

Increased confidence: The Performance Management team has fully vetted the data sources of certified metrics. The team has also documented and validated data cleaning decisions, calculation methods, and relevant context for future reference. This encourages a broad understanding of and confidence in published metrics.

Increased efficiency: Certified metrics are automated, which means less effort spent on the data collection and preparation by departments. It also eliminates the coordination previously required to collate manually-reported metrics.

Focus on Priorities

The Mayor's budget priorities can be grouped as follows: Increasing Affordability, Public Health and Safety, Youth and Families, Climate and Green Space, Delivering Exceptional City Services, and Promoting Equity and Economic Opportunity. Consistent with the City's Equity Statement, budget decisions continue to drive toward building a city that is for everyone. The performance measures listed below (Table 10) reflect the City's priorities and the partnerships necessary to achieve these goals.

Table 10: Selected FY26 Performance Metrics

Performance Measure	Responsible Department	FY25 Projected	FY26 Target
INCREASING AFFORDABILITY			
Number of projects completed by the down payment assistance program	Mayor's Office of Housing	376	250
Number of projects committed to by the home rehabilitation program	Mayor's Office of Housing	155	250
PUBLIC HEALTH AND SAFETY			
Number of firearms recovered	Boston Police Department	918	915
Average estimated number of naloxone doses distributed	Boston Public Health Commission	260	230
Number of environmental complaint service requests opened	Inspectional Services Department	6,164	5,000
YOUTH AND FAMILIES			
Available pre-K seats	Boston Public Schools	4,913	5,013
Number of library users (daily)	Boston Public Library	17,300	14,705
CLIMATE AND GREEN SPACE			
Number of street trees planted	Parks & Recreation Department	1,800	1,800
Percentage of park maintenance service requests closed on time	Parks & Recreation	89.7%	80%
DELIVERING EXCEPTIONAL CITY SERVICES			
Percentage of pothole service requests closed on time	Public Works Department	64%	85%
Average number of days to close a missed trash service request	Public Works Department	2.37	1
Percentage of sign installation service requests closed on time	Transportation Department	46%	80%
PROMOTING EQUITY AND ECONOMIC OPPORTUNITY			
Number of interpretation services provided	Language & Communications Access	6,279	6,000
Number of events hosted by the Business Strategy Team	Office of Economic Opportunity & Inclusion	278	115

BUDGET DOCUMENT STRUCTURE

The Operating Budget for FY26 and Five-Year Capital Plan for FY26-30 are presented in four 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. Please refer to the chapter on Budget Organization in Volume I for an illustration of the City's organizational chart.

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

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

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

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

Technical Note

The City of Boston's combined FY26 Budget and FY26-FY30 Capital Plan was published using Microsoft Word and Oracle - Narrative Reporting. Graphics were generated using Microsoft Excel. Oracle - Hyperion Planning and Microsoft Access were used for data management and analysis.

