

# Fiscal Year 2021 Budget Resubmission

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Office of Budget Management  
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City of Boston  
Mayor Martin J. Walsh



City of Boston  
Budget

# FY21 Budget Framework

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- Original Recommended Budget in April started to account for Covid-19 effects and cut \$30 Million from FY21 budget
- Local economic recovery has started, but recovery will be slow and extended, which will create a further drag on Excise Taxes and Departmental Revenue
- City still has no clarity on State Aid for FY21 as the House, Senate, and Governor are considering different options
- Federal Resources, like FEMA and CARES, will help, but have restricted uses and cannot be used as revenue replacement

# FY21 Resubmission

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- Protect historic investments including **Education, Housing and Public Health** in FY21 recommended budget, while Cities nationwide are cutting programs and services
- Reallocate **20% or \$12 Million** of Boston Police Overtime Budget to Inclusion and Equity investments across departments to implement executive order, community programs, economic development and housing
- Lower revenue projections by an additional **\$35 Million** from recommended Budget, **\$65 Million** from original FY21 forecasts
- Revise fixed costs down by **\$21 Million** through the delay of annual bond sale and revised health insurance costs
- Reduce City departments by **\$14 Million** through an additional 2% cut to non-personnel costs, freeze vacant non-essential positions for 6 months and revise snow removal appropriation

# Reallocate \$12 Million from BPD Overtime

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- 20% or \$12 Million transfer from BPD overtime
- FY21 Resubmitted Budget- \$48 Million and 727,000 hours or 192,000 less hours than the FY21 Recommended budget
- City and BPD will work to implement management reforms, reduce injury leave and replacement OT and other short term measures.
- \$12 Million investment in Inclusion and Equity across many City Departments and the Public Health Commission

# Public Health Supports

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**\$4 Million** to the Boston Public Health Commission (BPHC), increasing total FY21 budget to \$106 million, a \$13 Million or 14% increase

- \$3 Million to fund the 8 key strategies of implementing the Racism as a Public Health Crisis executive order. Includes
  - Create policy solutions to dismantle systemic racism
  - Develop “Boston Health Equity Now” Plan
  - Engage historically marginalized communities
  - Require public reporting
  - Analyze data
  - Improve access to prevention and treatment
  - Develop services and programs
  - Advocate at the state and federal level
- \$1 Million to support and expand capacity for trauma teams and other counseling services at BPHC

# Community Based Supports

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**\$2 Million** to fund new programs/supports for Health and Human Services to provide expanded community based supports-

- HHS Violence Intervention Grants- \$500,000 (\$1 Million Total)
- BCYF Youth Programming- \$250,000
- Expanded Language Access- \$250,000
- Office of Immigrant Advancement- \$250,000
- Office of Food Access- \$250,000
- Age Strong Commission- \$250,000
- Human Rights Commission- \$250,000

## **Housing, Economic Development and Mental Health Supports**

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**\$2 Million** in new Housing Supports, including funding to support Family & Youth Homelessness, Fair Housing & Eviction Prevention, and Homeownership & MWBE developer supports

**\$2 Million** in new economic development funding to support small minority and women owned businesses and city procurement programs

**\$2 Million** to support new BEST clinicians and mental health supports through the BPD



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# FY2021 Revenue





# FY2021 Revenue - \$3.612 Billion

■ Property Tax ■ State Aid ■ Dept Revenue ■ Excise

72%

13%

10%

5%

Type	FY20	FY21 Rec	FY21 Resub	FY21 Resub- FY21 Rec		FY20-FY21 Resub	
				\$	%	\$	%
Property Tax	\$2,461	\$2,622	\$2,622	\$0	0%	\$161	7%
State Revenue	\$464	\$474	\$464	-\$9	-2%	\$0	0%
Dept Revenue	\$363	\$364	\$359	-\$5	-1%	-\$4	-1%
Excise Tax	\$205	\$188	\$167	-\$21	-11%	-\$38	-19%
<b>Total</b>	<b>\$3,494</b>	<b>\$3,647</b>	<b>\$3,612</b>	<b>-\$35</b>	<b>-1%</b>	<b>\$119</b>	<b>3%</b>



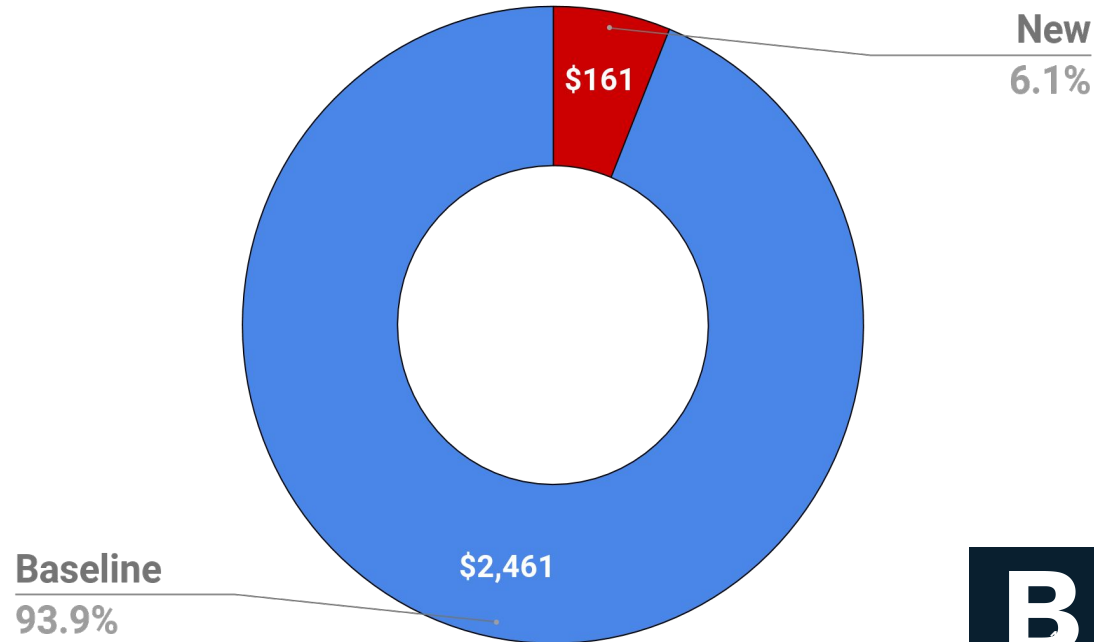
# Property Taxes - 72% or \$2.622 Billion

■ Property Tax ■ State Aid ■ Dept Revenue ■ Excise



## Resubmission-No changes to FY21 projections

- Stable revenue base that grows consistently at 2.5% annually
- “New Growth” added to base to account for new construction
- City annually assesses changes in required overlay account



# State Aid - 13% or \$464 Million

■ Property Tax ■ State Aid ■ Dept Revenue ■ Excise

72%

13%

10%

5%

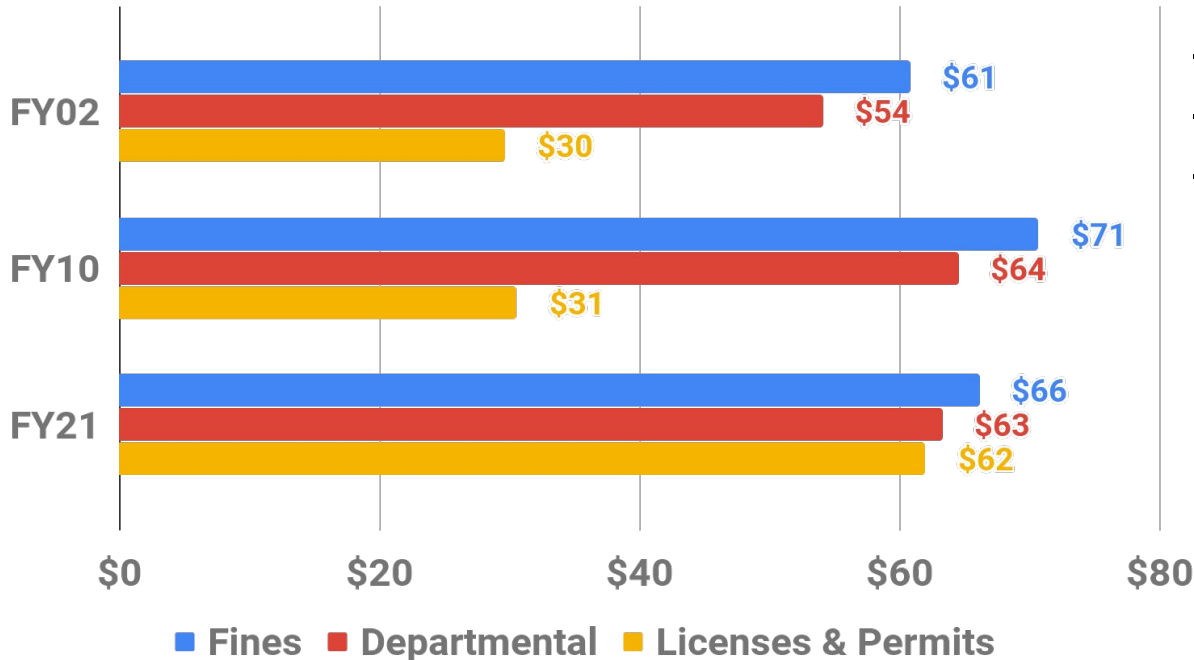
Account	FY20	FY21 Rec	FY21 Resub
UGGA	\$201	\$207	\$201
Charter	\$35	\$40	\$35
Chapter 70	\$222	\$224	\$222
Other	\$6	\$3	\$6
<b>Total</b>	<b>\$464</b>	<b>\$474</b>	<b>\$464</b>
		<b>Cut</b>	<b>-\$9</b>

## Resubmission - Cut State Aid Projections to FY20 levels, a \$9 million reduction

- UGGA - \$5.6 million reduction, \$201 Million Total
- Charter School Reimbursement - \$4.9 million reduction, \$35 Million Total
- Chapter 70 - \$1.9 million reduction, \$222 Million Total

# Department Revenue 10% or \$359 Million

■ Property Tax ■ State Aid ■ Dept Revenue ■ Excise



## Resubmission- Cut Department Revenue Projections by \$5 Million

- Parking Fines have seen a decline in FY20 due to COVID-19, expected to continue in FY21 causing a \$5 million loss

# Excise Tax Revenue 5% or \$167 Million

■ Property Tax ■ State Aid ■ Dept Revenue ■ Excise

72%

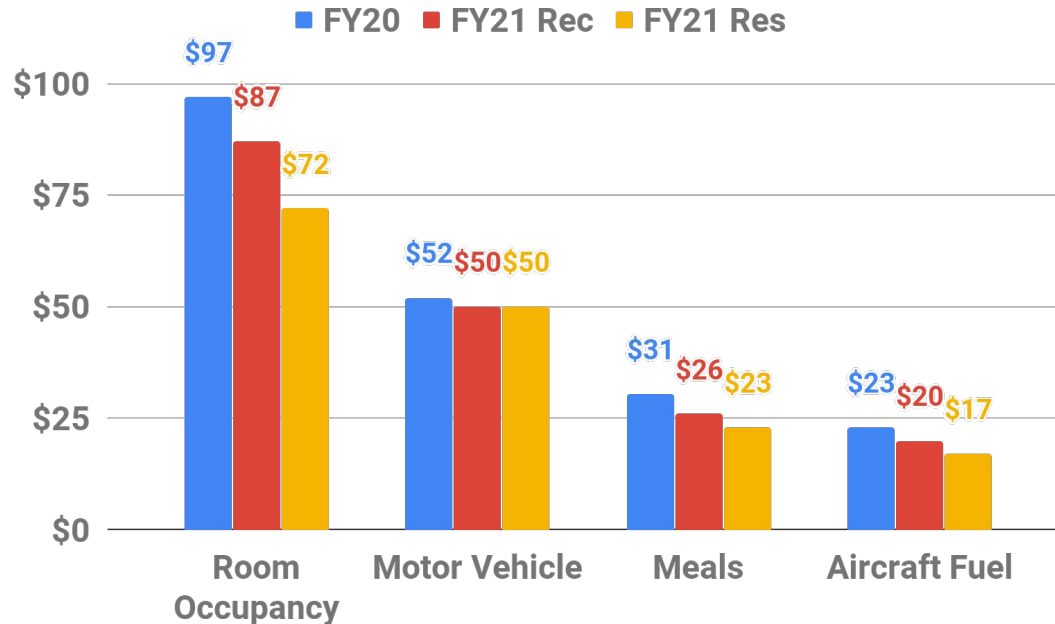
13%

10%

5%

## Resubmission- Cut Excise Tax Revenue Projections by \$21 Million more

A longer and slower recovery has changed Excise projections for FY21. Overall Excise taxes are now expected to **decrease** by \$38M, or 20% overall:



- **Room Occupancy-** \$25 Million or 26% reduction
- **Motor Vehicle-** \$2 Million or 4% reduction
- **Meals-** \$8 Million or 25% reduction
- **Aircraft Fuel-** \$6 Million or 26% reduction

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# FY2021 Spending

A blue-tinted photograph of a city park at night. In the foreground, there is an ice skating rink with many people skating. The rink is surrounded by a wooden fence. In the background, there are several tall buildings with lights on, and trees decorated with string lights. The overall scene is festive and urban.



# Spending Adjustments to Resubmission

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## Protect Major Investments including Education, Housing and High Priority Areas

- \$97 Million increase in Education spending, \$80 Million or 7% increase for BPS
- \$13 Million or 14% increase for Boston Public Health Commission, \$106 Million total
- \$18 Million in new Housing investments, first year of 5 year commitment

## Revised Projections in Fixed Costs- \$21 Million

- Delay bond sale to Fall 2020- ***\$16.5 million***
- Revised health insurance projections - ***\$3.5 Million***
- Reductions to various reserves and funds - ***\$1 Million***

## Reductions at City Departments- \$14 Million

- Freeze non-essential vacant positions for 6 Months - ***\$4.1 Million***
- Revise snow removal appropriation based on 5 year average- ***\$4 Million***
- Departmental overtime reductions - ***\$3.5 Million***
- Additional 2% cuts to non-personnel costs - ***\$2.4 Million***

# Overall FY21 Budget Summary

Expenditure	FY20	FY21	Change (\$)	Change (%)
City Departments	\$1,545,748,562	\$1,524,685,469	-\$21,063,093	-1.4%
Public Health Commission	\$93,405,428	\$106,473,529	\$13,068,101	14.0%
Public Education	\$1,393,137,680	\$1,490,591,413	\$97,453,733	7.0%
Fixed Costs	\$461,251,262	\$490,713,345	\$29,462,083	6.4%
<b>Total</b>	<b>\$3,493,542,932</b>	<b>\$3,612,463,756</b>	<b>\$118,920,824</b>	<b>3.4%</b>

# FY2021 BPS Budget

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FY21 City investment of **\$1.26 Billion** in BPS, an **\$80 Million** or **7% increase over FY20**

- **\$44 Million** for baseline cost increases, including student services, CB contract, transportation and operations.
- **\$36 Million** in new investments directly in classrooms
  - **\$9 Million**- A strong foundation for student success and support to connect families to resources.
  - **\$12 Million**- Increase teacher's skill through coaching and developing high-quality curriculum.
  - **\$15 Million**- High-quality learning materials, resources and improved learning environments.



# Transformative Investment in Housing

	Operating	Capital
<b><i>Create Affordable Homeownership Opportunities</i></b>	<b>\$2,400,000</b>	
Increase Downpayment Assistance for First-Time Homebuyers	\$1,400,000	
ONE Plus Boston Mortgage Program	\$1,000,000	
<b><i>Preserve and Generate Affordable Rental Opportunities</i></b>	<b>\$3,233,069</b>	<b>\$5,000,000</b>
BHA Elderly/Disabled Housing Upgrades		\$5,000,000
City-Funded Voucher Program	\$2,500,000	
Housing Preservation	\$348,069	
Increase Tenancy Preservation Flexible Financial Assistance	\$250,000	
Continue and Expand Housing Court Navigator	\$135,000	
<b><i>Advance Structural Change</i></b>	<b>\$150,000</b>	<b>\$5,000,000</b>
Infrastructure Fund to Support Housing Development		\$5,000,000
MWBE Developer Fund	\$150,000	

# Boston Public Health Commission

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Fund a Robust Public Health Commission- \$106 Million Total, **\$13 Million or 14% increase.**

Since FY14, City has increased annual investment in BPHC by **over 50%**

Targeted FY21 Investments

- Racism as a Public Health Crisis- **\$3,000,000**
- Trauma and Violence Prevention capacity building - **\$1,354,000**
- Essential equipment replacements for Emergency Medical Services- **\$1,500,000**
- **\$250,000** to study the implementation of respite housing shelter for those experiencing homelessness and substance use disorder.



# Additional FY21 Investments

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- **\$2.8 Million** to provide rapid rehousing for Youth & Young Adults and expanding efforts to end chronic & family homelessness
- **\$1.5 Million** for a citywide campaign targeting violence prevention
- **\$630,000** to expand Zero Waste including robust compost pilot, education and supports
- **\$2.1 Million** for new staff, maintenance and annual Street Tree plantings, Trees/Urban Forestry
- **\$260,000** new staffing and program for Library.
- **\$230,000** for new ISD staffing for ZBA and Health Inspectors
- **\$220,000** for new Environment staffing and supports
- New funding and programs for our most vulnerable residents including;
  - Boston Saves- **\$100,000**
  - Double Up Program- **\$100,000**
  - Childcare Entrepreneurs - **\$100,000**
  - Financial Security for Seniors- **\$200,000**



# Budget Website & Capital Maps Feature

**CAPITAL PROJECTS** Fiscal Years 2020-2024

CITY of **BOSTON** | Mayor Martin J. Walsh

[VIEW THE MAP](#) [GET THE DATA](#) [ABOUT](#)

Show projects near... 

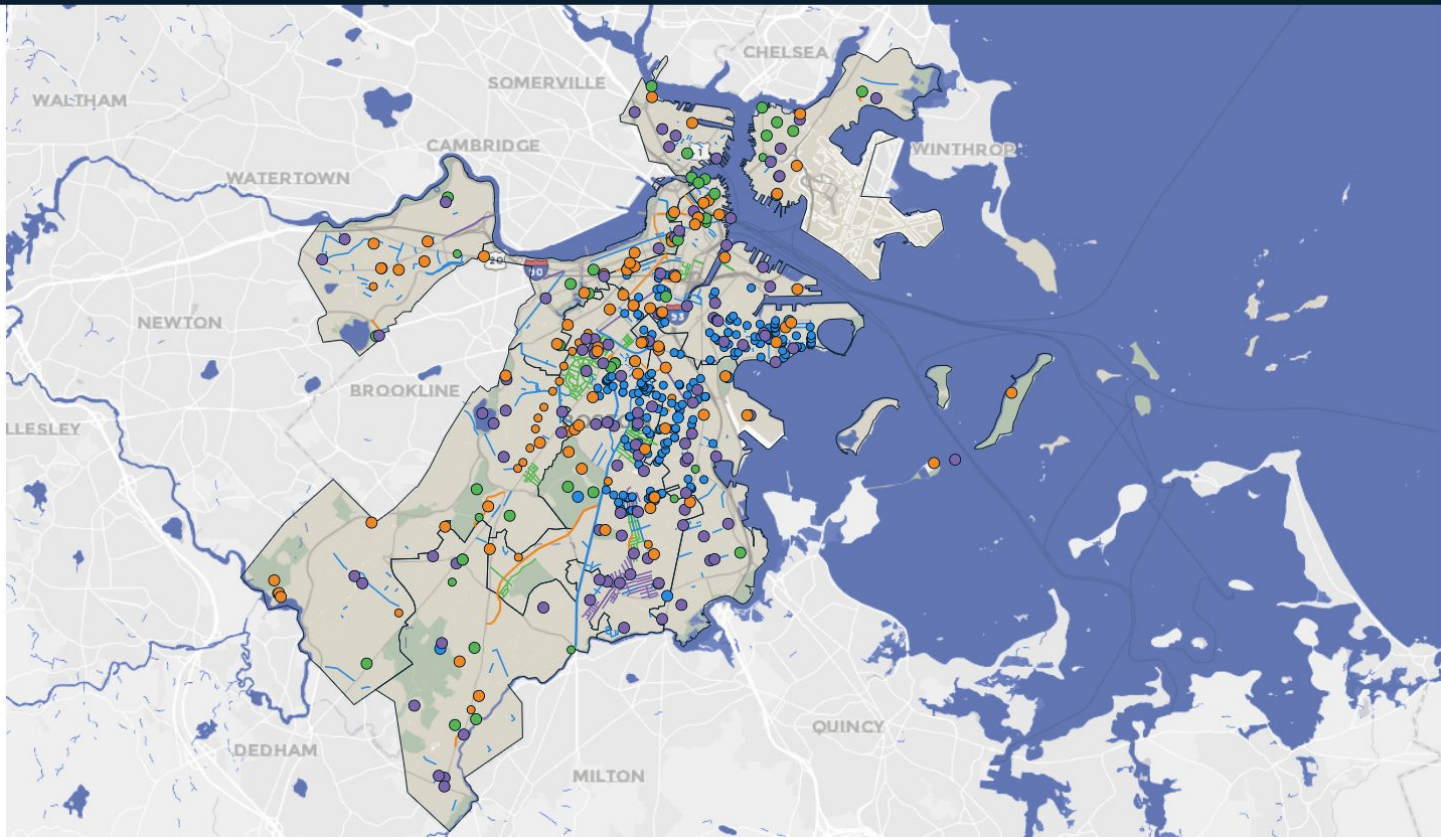
## FILTER PROJECTS

BY CABINET:

All 

## CAPITAL PROJECTS

-  Annual Programs/Other
-  Projects being planned
-  Projects being designed
-  Projects in construction
-  City council districts



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# Thank You