## Bureau Update



*May 2016* 

## Mayor's FY17 Budget Increases by 4.0%

Increase of \$114.8M is almost totally funded by the City's own-source revenues

Mayor Walsh's recommended General Fund operating budget for FY17 totals \$2.97B, an increase of \$114.8M or 4.0% over the prior year budget. Of the revenue growth, 93% comes from the City's own revenue sources. External funds of \$322.7M are not considered here. Salaries and benefits represent 77% of the total recommended budget. Ongoing collective bargaining negotiations with all but two unions may further increase departmental budgets and spending when contracts are signed.

**Revenues** - The net property tax levy (gross levy less overlay) of \$2.02B represents 68% of total operating revenue and 82% of the total revenue increase in FY17. The property tax levy increase of \$93.6M includes the 2.5% base value increase and new growth of \$44M.

## Where the Money Comes From in millions

Revenue	FY17 Budget	% of Total	Change	% Change
Net Property Tax	\$2,017.0	68%	\$93.6	5%
State Aid	432.2	15%	8.1	2%
Excises	190.7	6%	11.3	6%
All Others	292.1	10%	1.8	1%
Recurring Rev.	\$2,931.9	99%	\$114.8	4%
Non- Recurring	\$40.0	1%	\$0.0	0%
General Fund Revenues	\$2,971.9	100%	\$114.8	4%

State aid, the City's second largest revenue source, accounts for only 7.1% of the total revenue increase. However, state assessments for the MBTA and charter school tuitions represent 10.7% of the total expense increase.

The City continues its practice of building a budget around conservative revenue estimates.

## Where the Money Goes in millions

	FY17	% of		%
Department	Budget	Total	Change	Change
School	\$1,027.0	35%	\$13.5	1%
Police*	356.3	12%	23.8	7%
Fire	221.0	7%	7.3	3%
Public Works	105.0	4%	0.4	0%
Other Dept'l.	369.5	13%	22.3	6%
Total Dept'l.	\$2,078.9	70%	\$67.3	3%
Health Ins.**	206.2	7%	10.5	5%
State Assess.	246.8	8%	12.3	5%
Pensions	189.9	6%	5.3	3%
Debt Service	177.9	6%	13.4	8%
OPEB Trust	40.0	1%	0.0	0%
Other	32.2	1%	6.0	23%
General Fund Expenditures	\$2,971.9	100%	\$114.8	4%

\* Includes \$17M increase in overtime budget. When compared to City's estimated FY16 spending, FY17 budget grows by 1.1%.
\*\*Does not include health insurance of \$99.5M funded in BPS budget and \$11.2M in PHC budget

**Expenses** – Only eight budget accounts constitute 85% of the total budget and 88% of the total increase in FY17. Filled positions are projected to increase by 175 FTEs by January 1, 2017 largely due to increased school staff, additional EMTs and public safety class timing. The budget uses service consolidations and new initiatives to achieve more efficient operation of services. Over 100 budgeted positions are being inactivated. One new initiative to watch is the increased appropriations for police and fire overtime with the expectation that both departments will reduce overtime hours and manage within those budgets.