

## Mayor's FY16 Budget Increases by 4.4%

*Increase of \$120M is almost totally funded by the City's own-source revenues*

On April 8<sup>th</sup>, Mayor Walsh presented his FY16 recommended budget of \$2.9B, which represents an increase of \$120M or 4.4%. Of the \$120M increase in revenue, 97.6% comes from city own-source revenues such as property tax, excise revenues and departmental receipts. The primary spending drivers are the School Department budget, and mandatory/benefit accounts: mainly health insurance, pension payments, debt service and state assessments. Salaries and benefits represent 77% of the total General Fund recommended budget.

**Revenues** - The net property tax levy (gross levy less overlay) of \$1.9B represents 67.1% of total operating revenue. The property tax levy increased by \$84.4M, which includes the 2.5% levy increase and new growth of \$40M.

### Where the Money Comes From *in millions*

Account	FY16 Budget	% of Total	Change	% Change
Net Property Tax	\$1,916.3	67.1%	\$84.4	4.6%
State Aid	421.4	14.8%	2.9	0.7%
Excises	179.9	6.3%	13.2	7.9%
All Others	297.9	10.4%	22.4	8.1%
<b>Recurring Rev.</b>	<b>\$2,815.6</b>	<b>98.6%</b>	<b>\$123.0</b>	<b>4.6%</b>
<b>Non-Recurring Revenue</b>	<b>\$40.0</b>	<b>1.4%</b>	<b>-\$3.0</b>	<b>-7.0%</b>
<b>General Fund Revenues</b>	<b>\$2,855.6</b>	<b>100.0%</b>	<b>\$120.0</b>	<b>4.4%</b>

State aid, which is the second largest revenue source, is projected to increase by only \$2.9M or 0.7%. However, the \$16.6M increase in state assessments for the MBTA and charter school tuitions creates a net state aid total available to support operations that is \$13.7M less than this

fiscal year. This budget is built on conservative revenue estimates to be ready for any spending over appropriations such as police overtime.

### Where the Money Goes *in millions*

Department	FY16 Budget	% of Total	Change	% Change
School *	\$921.1	32.3%	\$32.8	3.7%
Police	323.5	11.3%	3.8	1.2%
Fire	213.7	7.5%	9.1	4.5%
Public Works	82.0	2.9%	-1.1	-1.3%
Other Dept'l.	378.6	13.3%	23.2	6.5%
<b>Total Dept'l.</b>	<b>\$1,919.0</b>	<b>67.2%</b>	<b>\$67.8</b>	<b>3.7%</b>
Health Ins. **	288.2	10.1%	11.6	4.2%
State Assess.	233.3	8.2%	16.6	7.7%
Pensions	184.5	6.5%	14.9	8.8%
Debt Service	164.4	5.8%	9.4	6.1%
Other	66.2	2.3%	-0.4	-0.7%
<b>General Fund Expenditures</b>	<b>\$2,885.6</b>	<b>100.0%</b>	<b>\$120.0</b>	<b>4.4%</b>

\* Excludes health insurance of \$82.4 million

\*\* Includes City and BPS health insurance expenses

**Expenses** - The \$120 million in spending growth is concentrated in four line departments and benefits/mandatory payments which in aggregate represent 86.3% of the total budget and \$96.7 million or 80.6% of the expenditure growth. The four departments are School, Police, Fire and Public Works and the benefits/mandatory accounts primarily include pensions, health insurance, debt service and state assessments. The budget increase of \$67.8M for the remaining 44 city departmental budgets represents 19.3% of the total increase. Personnel levels are projected to increase by 170 FTEs, which would bring the city workforce back above pre-recession levels.