

# Bureau Update



BOSTON MUNICIPAL RESEARCH BUREAU

**MARCH/APRIL, 1994**

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## SHATTUCK AWARD NOMINATIONS DUE

The Bureau's **Henry L. Shattuck Public Service Awards** will celebrate its **10th Anniversary** this year. The Bureau is seeking nominations for recipients who will be honored in October. If you know of an extraordinary city employee, call Diane Smith at the Bureau Office at 227-1900 and ask for a nomination form. Nominations must be submitted by **May 15th** at the latest.

## BOSTON'S FISCAL 1995 BUDGET

Mayor Menino submitted his recommended budget for fiscal 1995 to the City Council on April 13th. The Mayor's first budget calls for spending of \$1.396 billion, an increase of \$42.9 million or 3.2% over the prior year. That compares with a spending increase of \$38.7 million or 2.9% this year. In fiscal years 1992 and 1993 city spending actually decreased by 3.2% and 0.4% respectively. Over 85% of the increase for fiscal 1995 is allocated among six budgets: Police, Fire, Hospitals, Public Works, Schools and Pensions. Additionally, the City is currently in negotiations with police, fire and school employee unions.

General fund revenues to support this \$42.9 million budget increase come primarily (86%) from the property tax (\$25.5 million) and state aid (\$9.8 million). The levy increase due to new growth is projected to be \$9.0 million, compared to \$19.6 million this year. At this time the Bureau believes the City's fiscal 1995 revenue projections are conservative.

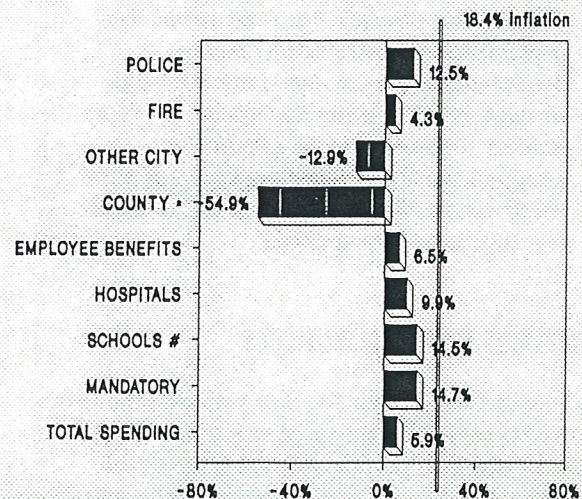
For the first time, this proposed budget moves towards an all-funds budget presentation in which all general and external funds are presented on the first page of each departmental budget to show the full level of resources available in the year. The Bureau has recommended this change for several years. Also, expected capital expenses in fiscal 1995 for each department are shown on the same page. In addition, this budget takes the first step in developing performance measures based on outcomes or service results, as recommended by the Bureau.

*Utilizing performance standards to measure the quality and effectiveness of services provided by the City is an important step for Boston. The departmental measures should be tied to citywide and departmental strategic plans. Success of this program will require the ongoing commitment of the Mayor and will depend on how the information collected is used in managing services.*

## CITY SPENDING FY 1989-94

The fiscal 1995 city budget increase of 3.2% is the largest annual increase in the past five years. From fiscal 1989 to fiscal 1994, total City spending increased by 5.9% during which time inflation increased by 18.4%. The priority departments of Police, Fire, Hospitals and Schools increased spending during this time, but all other city departments, in aggregate, incurred spending decreases of 12.9%.

### EXPENDITURE GROWTH VS. INFLATION FISCAL 1989-1994



\* Reflects funding change.

# Accounting changes occurred in fiscal 1994.

## TRANSITION COMMITTEE REPORT

On April 11th, the Mayor's Transition Committee, chaired by John White of the Harvard Kennedy

School, presented its report to Mayor Menino. The Committee was divided into six Task Forces: Administration & Finance, Basic City Services, Economic Development & Housing, Education, Public Safety and Youth & Family Services. The Committee found that Boston's municipal government generally delivers an adequate level of service to residents despite serious organizational, financial and operational handicaps. The Committee concluded that productivity and quality of city services falls short of its potential due to the following:

- Many work rules and procedures appear duplicative and unnecessary.
- The organizational and personnel structures are rigid and fragmented.
- Interdepartmental communication and cooperation are rare.
- Planning and preventive maintenance activities are often sporadic.

Transition Committee recommendations centered on establishing an effective, customer-focused government that strives to improve productivity through better use of technology and improved organization. Based on the Committee's recommendations, the fiscal 1995 budget reflects the reorganization of city government into seven functional cabinets to improve coordination and enhance accountability. Also, outcome measures have been established for each department in order to refocus city government on results.

*The cabinet structure has been established administratively but changes being implemented involve departments created through intricate enabling legislation. If the cabinet structure is to be effective, a comprehensive legislative package will most likely need to be prepared and submitted to the Legislature for approval.*

### **BOSTON'S CAPITAL BUDGET**

On March 15th, Mayor Menino unveiled the City's 1994-1998 capital spending plan totaling \$889.4 million. The plan anticipates the issuance of approximately \$95 million in general obligation bonds annually. City bonds represent 65% of total capital fund revenues, with state and federal funds providing the balance. Annual debt service costs are projected to increase from \$72.7 million to \$86.5 million over the five years. The greatest percentage of funds (27%) is earmarked for neighborhood revitalization efforts, followed by health and the environment

(23%), public education (18%), economic development (12%), public safety (11%) and other (9%). This plan provides for the ground breaking for a new \$62 million Police Headquarters on the Southwest Corridor in Lower Roxbury this year.

### **BOSTON CHARTER SCHOOLS APPROVED**

On March 18th, Education Secretary, Piedad Robertson announced the conditional approval of five Boston charter schools. Established in the Education Reform Act of 1993, charter schools would open in the fall of 1995. The organizing groups have until September 1, 1994, to complete all three stages of the application process. Schools failing to complete all parts of the application by the September deadline must refile during the additional application period from February 15th to March 15, 1995, to be approved for opening in 1995. The five Boston charter schools given conditional approval are:

**City On A Hill** ~ Proposed by two teachers, this school focuses on civic education through public and community service and internships. Instruction will center on the ability to write, defend and analyze. The school day will be longer than currently required.

**Fenway II** ~ An expansion of the Fenway Middle College High School, this school targets at-risk youth unable to function in a traditional school. Graduation requirements include a multi-disciplinary community service project.

**YouthBuild** ~ Proposed by YouthBuild Boston, it targets at-risk youth and drop-outs. It's goal is to develop academic self-confidence, critical thinking and problem solving skills by linking classes to real world and technical skills. YouthBuild will function as a year-round school.

**Boston Renaissance** ~ A collaboration of the Horace Mann Foundation and the Edison Project, this school focuses on interdisciplinary learning and community service for a broad range of students. Both the school day and year will be longer than currently required of public schools.

**Neighborhood House** ~ Proposed by Federated Dorchester Neighborhood Houses, this school targets at-risk youth. It's goal is to develop family and community skills and link all areas of the students' lives through real life application to classes. The school year will run 47 days longer than currently required of public schools.