

Boston's Changing Workforce

School staff increases, while police personnel decrease

Amid the COVID-19 pandemic and two mayoral transitions, how did the City of Boston's workforce change between 2020 and 2023? Like other employers in this period, the City had difficulty retaining and hiring employees. While the Police workforce decreased, the workforce for the City's largest department, Boston Public Schools, grew. How were other departments affected? How has temporary federal COVID-19 relief grant funding changed the workforce? What impacts do these changes have on personnel costs?

Report Objectives

Our report provides information and insights on:

- Staffing challenges in City government
- The impact of the impending end of COVID funding
- Increased spending on personnel

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Workforce is key to Boston’s government operations and services, with personnel spending making up 66.4% of the City’s FY23 operating budget. As the majority of the budget is for personnel, close monitoring of personnel levels and spending is crucial to maintain Boston’s strong financial standing.

Between 2020 and 2023, despite the global economic downturn from the COVID-19 pandemic and staffing challenges, Boston’s overall personnel level remained steady. The City did not lay off any employees as a result of the pandemic, but uncertainty about the operational and economic effects of COVID-19 led the City to think more critically when opportunities to rehire for a position arose. Boston also had three different mayors during this time. Each administration brought changes to cabinet-level positions and their teams, but the impact on overall personnel count was small.

A closer look at personnel dynamics reveals various trends during this period. The City experienced labor challenges, including high levels of attrition and retirements. These significantly impacted the Police Department, which also struggled with recruitment. By 2023, the City had many vacancies across multiple departments. At the same time, some departments increased their staffing, most notably Boston Public Schools (BPS), which hired staff to implement inclusion, social workers, and other instructional supports. BPS added many employees using temporary grant funding.

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Boston needs to continue to manage personnel levels and spending, especially given the concern surrounding the City’s major revenue source, the property tax. The first step is to assess BPS staffing levels. This assessment is crucial to ensure that the BPS can effectively meet the needs of students while addressing the growing excess capacity problem. It's worth noting that COVID recovery funds have been utilized as a temporary solution, enabling school facilities to continue to operate, postponing addressing excess capacity concerns until 2025. The expiration of COVID funds will add pressure on BPS finances and require difficult choices in the future. Additionally, the City should prioritize stabilizing the Police workforce and optimizing collective bargaining agreements that provide management efficiencies and are financially sustainable.

This report compares the City's workforce in 2023 with that of 2020. Personnel counts are represented as full-time equivalents (FTEs) as of January 1 of each year. FTEs are reported as either *city-funded*, meaning they are supported by the City’s General Fund, or *grant-funded*, meaning they are supported by federal, state, or private grants. Personnel spending is based on the fiscal year, which begins on July 1.

Report Findings

City Workforce Grew, Driven by Schools and Federal Funding - Boston's workforce, including both city-funded and grant-funded employees, grew by 558.6 FTEs, or 3.0%, from 2020 to 2023, reaching a total of 19,485.3 FTEs. The majority, or 88.4% of this growth, stemmed from positions funded through grants, particularly in BPS.

City-funded Personnel at a Glance -

While city-funded personnel overall increased very modestly by 64.9 FTEs (0.4%) to total 17,758.5 FTEs, there were significant changes in city-funded personnel in Schools and Police: Schools grew by 320.7 FTEs, while Police decreased by 238.3 FTEs. The three largest departments—Schools, Police, and Fire—represent 78.3% of the city-funded workforce. Since 2020, BPS’s workforce increased while all other departments as a whole decreased.

Rapid Growth in School Workforce - The number of city-funded BPS employees grew the most of any department, increasing by 320.7 FTEs from 2020 to 2023. With 9,623.7 FTEs, BPS accounts for 54.2% of Boston’s city-funded workforce. The increase focused on expanding classroom supports and improving the district’s professional and administrative services. The rise in BPS FTEs is primarily attributed to a boost of 201.8 FTEs in instructional support roles, such as social workers and instructional coaches.

The number of teachers overall decreased by 23.3 FTEs. Within the teacher category, however, the number of general education teachers decreased by 215.7 FTEs, while special education teachers increased by 114.6 FTEs. These changes reflect attrition, retirements, and the expansion of inclusion, a policy to educate students with disabilities alongside other students that requires more special education teachers and fewer general education teachers.

As student enrollment declined by about 4,757 students, or 8.9%, overall staffing did not decrease; rather, city-funded staff increased by 3.4% during this time. Since FY21, BPS has not asked its schools to make cuts or to look critically at their number of classrooms while BPS worked to determine how much of the enrollment decline was temporary because of COVID-19. This “hold harmless” policy is expected to be phased out beginning in FY25. This fall, BPS’s Reimagine School Funding Project committee will recommend to the Superintendent a new school funding model to better staff schools to meet students’ needs, which will also affect staffing beginning in FY25.

Attrition & Recruiting Challenges Impact Public Safety - The Public Safety Cabinet, which includes Police, Fire, and Emergency Management, decreased by 231.2 city-funded FTEs from 2020 to 2023, driven by a decrease of 238.3 FTEs (8.2%) in Police. This decrease is attributed to high rates of attrition, retirements, and recruiting challenges. Since 2020, 416 sworn personnel have retired, which is a higher rate than previous years. Additionally, some officers left to join the Fire Department. The decrease is also partially explained by the timing of recruit classes: a recruit class that started in December

Personnel Counts by Department (FTEs)

	2020	2023	Change 2020-2023	% Change
Schools				
City-funded	9,303.0	9,623.7	320.7	3.4%
Grant-funded	653.7	1,095.5	441.8	67.6%
Subtotal	9,956.7	10,719.2	762.5	7.7%
Police				
City-funded	2,895.7	2,657.4	-238.3	-8.2%
Grant-funded	8.5	10.5	2.0	23.5%
Subtotal	2,904.2	2,667.9	-236.3	-8.1%
Fire				
City-funded	1,618.5	1,625.6	7.1	0.4%
Grant-funded	1.0	64.0	63.0	6300.0%
Subtotal	1,619.5	1,689.6	70.1	4.3%
Other City				
City-funded	3,876.5	3,851.9	-24.6	-0.6%
Grant-funded	569.9	556.8	-13.1	-2.3%
Subtotal	4,446.4	4,408.7	-37.7	-0.8%
Grand Total				
City-funded	17,693.6	17,758.5	64.9	0.4%
Grant-funded	1,233.1	1,726.8	493.7	40.0%

Note: Numbers may vary due to rounding.

2019 yielded a higher count in January 2020, and the January 2023 count was lower because the BPD had difficulty attracting enough candidates to apply for a class that was expected to begin in late 2022. The BPD spent more time than usual on contacting potential recruits on the Civil Service list because of a lack of responses. Additionally, a budgetary compromise delayed the start of the class by two months. Ultimately, in April 2023, a class of 161 recruits entered the police academy, which was larger than recent years to help offset retirements.

The staffing level at the Fire Department was roughly flat between 2020 and 2023, increasing by only 7.1 FTEs. It experienced normal levels of attrition. Emergency Management’s city-funded personnel count was level at 3.8 FTEs.

Vacancies Spur Residency Waivers - The City faced challenges filling vacant city-funded positions in several departments in the past few years. In 2020, the actual city-funded personnel count was 73.9 FTEs (0.4%) fewer than projected in the annual operating budget. In 2023, the actual personnel count was 434.9 FTEs (2.4%) fewer than projected. It is typical for the actual personnel count to end up less than the count projected in the operating budget, and additional vacancies increase the difference even more. The large difference in 2023 compared to 2020 is indicative of hiring challenges. Besides Police (-162.7 FTEs) and BPS (-49.2 FTEs), departments with the largest decreases were: the Boston Public Health Commission (-77.3 FTEs), Transportation (-56.0 FTEs), and Boston Centers for Youth and Families (-36.0 FTEs).

In response to difficulties recruiting talent during this period, the City temporarily waived the residency requirements for many more job titles than in prior years. The City waived the residency requirement for 130 positions across five temporary summer job titles in 2023 and 379 positions across fourteen job titles in 2022 (including 130 seasonal positions) —a substantial increase from the 68 waivers granted in 2021. Before then, the last time a waiver was granted was in 2018, and that was for only one position.

Surge in Grant Funding Fueled Expansion of Boston’s Workforce - Boston’s grant-funded workforce totaled 1,726.8 FTEs in 2023, a growth of 493.7 FTEs, 40.0%, from 2020. The federal ESSER fund, established to respond to COVID-19, is responsible for 72.7% of the growth in grant-funded personnel, as it enabled BPS to hire temporary personnel beginning in 2022.

As of January 2023, BPS employed 358.9 FTEs funded by ESSER, with much of that investment focused on special education, multilingual education, and equitable literacy, to maintain school operations as well as to make new investments. A reimaged school funding model expected to take effect in FY25 will affect what happens to ESSER-funded staff when ESSER funding ends. While BPS expects many ESSER-funded employees will be able to fill city-funded positions that become vacant due to normal staff turnover, the new school funding model may incorporate some of the ESSER-funded positions. Beginning with FY25, BPS is planning to use zero-base budgeting, meaning it will look critically at and require justification for all departments, staff, and costs.



Federal School ESSER funds, established to respond to COVID-19, are responsible for 72.7% of the growth in grant-funded personnel

The Fire Department hired 63.0 new FTEs between 2022 and 2023 with the aid of the Federal Emergency Management Agency’s Staffing for Adequate Fire and Emergency Response (SAFER) grant. Police had 10.5 grant-funded FTEs in 2023—2.0 FTEs more than in 2020.

Spending for Personnel Grows - City-funded personnel spending, including salaries and benefits, account for 66.4%, or \$2.7B, of Boston’s FY23 operating budget of \$4.0B. Employee salaries make up 69.6% of personnel spending. Health insurance makes up 13.7%, followed by pensions at 13.3% and other benefits at 3.4%. Personnel spending in FY23 increased by \$298.0M, or 12.6%, over FY20. Salaries and pensions drove this increase. The FY23 figures are not final and may change due to unsettled collective bargaining agreements.

Between FY20 and FY23, spending on salaries increased by \$192.2M, or 11.6%, mainly because of salary and wage increases from collective bargaining agreements and natural step progressions. The City also increased some salaries and wages to attract job applicants. Pensions were the fastest-growing personnel expense, increasing by 26.1%, or \$73.3M, as the City worked to fully fund its unfunded pension liability.

Personnel Spending FY20-FY23 (\$ in Millions)

Spending Category	FY20 *	% of total FY20	FY23 *	% of total FY23	Change FY20-FY23	% Change
Salaries	\$1,657.6	70.3%	\$1,849.8	69.6%	\$192.2	11.6%
Health Insurance	336.7	14.3%	363.0	13.7%	\$26.4	7.8%
Pension	280.6	11.9%	353.9	13.3%	\$73.3	26.1%
Other	84.1	3.6%	90.3	3.4%	\$6.2	7.4%
Total	\$2,359.0	100.0%	\$2,657.0	100.0%	\$298.0	12.6%

* FY20 reflects actual figures, FY23 reflects budgeted figures.

Collective Bargaining Influences Spending - Approximately 90% of City employees are unionized, so collective bargaining agreements significantly influence spending on personnel. The City is in the process of settling nine collective bargaining agreements to replace expired agreements.

Contract arbitration could significantly increase personnel costs, even retroactively. One of the City’s largest unions, the Boston Police Patrolmen’s Association (BPPA), filed for state involvement which could lead to arbitration after a period of unsuccessful negotiation with the City. The BPPA’s last arbitration award in 2013 resulted in a 25.4% salary increase over six years, costing the City an estimated \$87.2M from FY11 to FY16. If an arbitration award results in a wage advantage over other public safety unions, other unions, several of which are still negotiating with the City, might push for parity, resulting in higher personnel costs for public safety.

Conclusion

Boston needs to continue to manage personnel levels and spending, especially given the concern surrounding the strength of the City’s major revenue source, the property tax. Additionally, the expiration of COVID funding will add pressure to the BPS general fund budget. The City continues to face some staffing challenges, as retirements and attrition have affected the Police Department. The Research Bureau offers the following recommendations:

- *Reassess Staffing at BPS* – The BPS workforce continues to grow even as student enrollment declines. As one-time federal grant funding for BPS will soon expire and as BPS is developing a new school funding model, now is a critical time to assess its staffing levels to make sure it is efficiently and effectively serving Boston’s students. If BPS intends to move some of the grant-funded positions to the General Fund, it should be evaluating which investments have been successful and which positions should be kept. This information can inform the new school funding model. BPS is the City’s single largest expenditure, so the Administration must ensure funding for BPS personnel is spent well.
- *Stabilize the Police Workforce* – Like many police departments across the country, the BPD has had difficulty retaining and recruiting employees in recent years. The City should explore creative solutions to attract talent to BPD to offset the high number of retirements and attrition BPD has endured, in order to support public safety in the City.
- *Maximize Collective Bargaining Agreements with Reasonable Costs* – Collective bargaining agreements not only drive the majority of spending increases, but they are also the key vehicles for management efficiencies, reforms and moving the City forward on critical issues. The City should settle collective bargaining agreements that manage spending while balancing management efficiencies with the need for fair wages. Arbitration should be avoided, as it has historically resulted in much higher costs for the City.