

## Boston's \$4.64B FY25 Budget Approved

### *City Council Confirms 8.0% Budget Growth*

The Boston City Council last week gave the final nod to Mayor Wu's \$4.64B FY25 operating budget. This is an increase of \$344.8M or 8.0% over FY24. After three months of debate, the City Council reallocated \$5.6M across various departments: approximately \$2M that the Mayor initially approved and \$3.6M in the final override vote. Under a 2021 Charter Amendment, the City Council has the authority to amend line items in the Mayor's budget. Any changes made cannot increase the original total budget amount but can reduce it.

**The Budget Process** - As required by law, the FY25 budget process began April 10, 2024, with the Mayor submitting a proposed \$4.64B operating budget. The Council's Committee on Ways and Means held over 30 hearings and 7 working sessions as part of its review process. Initially, the City Council amended the Mayor's original \$4.64B budget by [\\$15.3M across several departments](#). On June 5, this amended budget passed the council in a vote of 10 Yes to 3 No votes. On June 10, the Mayor returned the budget to the City Council, accepting approximately \$2M of these changes and rejecting \$13.3M, while increasing the overall budget by \$850,000 due to expected increased revenue from excises.

On June 26, in a late-night session, the City Council used its power to transfer \$3.6M between departments but did not garner enough votes to override the Mayor's veto and restore the balance of the original amendment package. The City Council's initial amendments were primarily based on underspending of departments as identified by the City Council as well as departments that had trouble filling vacant positions amid [staffing shortages in the City](#). In the final override, however, 84.5% (\$3.0M) of the \$3.6M in decreases came from Execution of Courts, a line item that traditionally exceeds the amount for which it is budgeted.

**Key Changes** - The final budget resulted in a slight reduction of the Mayor's returned budget (-\$65K), while still ending \$785,000 higher than the \$4.64B budget proposal from April. The final City Council action resulted in a reallocation of \$3.6M from Execution of Courts and several departments to fund initiatives such as housing vouchers, youth jobs, college readiness, right to counsel, and English language classes for Boston parents. Notably, the Boston Finance Commission, an independent watchdog agency funded by the City, received a 55.6% (\$190,000) increase, while the Office of Fair Housing and Equity received a 64.2% (\$300,000) boost to its operating budget.

The Council increased funding for the Office of Workforce Development, which was transferred along with the Planning Department from the Boston Planning and Development Authority (BPDA) in this budget. The \$650,000 increase in expenditure without an accompanying increase in intergovernmental revenue from the BPDA means the transfer of the department to the City will no

longer be revenue-neutral. The Council also passed an additional \$2.8M of reallocations within departments, in an effort to signal Council priorities to these departments.

The final reallocations of \$3.6M are detailed in the table below. These reallocations, along with the \$2M already approved by the Mayor, represent just 0.28% of the \$2.01B that falls under the purview of the City Council’s amendment powers. To learn more about the details of what is in the FY25 budget, see our earlier report [here](#).

<b>City Council Amendments Between Departmental Budgets</b>				
<b>Account</b>	<b>FY25 Proposed Budget</b>	<b>City Council Amendments</b>	<b>FY25 Final Budget</b>	<b>Variance Proposed vs. Final</b>
Execution of Courts	\$5,000,000	-\$3,000,000	\$2,000,000	-60.0%
Budget Management	\$3,772,481	-\$150,000	\$3,622,481	-4.0%
Human Resources	\$8,850,820	-\$100,000	\$8,750,820	-1.1%
Treasury	\$5,859,716	-\$100,000	\$5,759,716	-1.7%
Transportation Department	\$44,573,832	-\$100,000	\$44,473,832	-0.2%
Property Management	\$28,421,215	-\$50,000	\$28,371,215	-0.2%
Historic Preservation	\$1,563,983	-\$25,000	\$1,538,983	-1.6%
Central Fleet Management	\$3,370,423	-\$25,000	\$3,345,423	-0.7%
<b>Decrease Overrides</b>		<b>-\$3,550,000</b>		
Mayor's Office of Housing	\$54,146,041	\$1,000,000	\$55,146,041	1.8%
Workforce Development	\$6,875,543	\$650,000	\$7,525,543	9.5%
Human Services	\$9,630,356	\$500,000	\$10,130,356	5.2%
Immigrant Advancement	\$3,389,550	\$300,000	\$3,689,550	8.9%
Fair Housing and Equity	\$467,000	\$300,000	\$767,000	64.2%
Youth Employment & Opportunity	\$22,360,310	\$270,000	\$22,630,310	1.2%
Black Male Advancement	\$1,843,249	\$250,000	\$2,093,249	13.6%
Finance Commission	\$341,582	\$190,000	\$531,582	55.6%
Boston Center for Youth & Families	\$30,539,545	\$25,000	\$30,564,545	0.1%
<b>Increase Overrides</b>		<b>\$3,485,000</b>		
<b>Net Council Overrides</b>		<b>-\$65,000</b>		