



August 15, 2024

**Q&A with Boston City Councilor Brian Worrell
Chair of Ways & Means Committee**

1. The FY25 budget was your first as Chair of the City Council's Ways and Means Committee. How did you approach the work of reviewing the Mayor's proposed budget? When you embarked on this, did you have in mind making changes to the process?

When I was named Chair of Ways & Means, I pledged to take a people-first approach by investing in proven programs driven by data on what works. I also wanted to focus on the direct needs of our residents and pressing issues facing our city, so I centered public testimony throughout the process.

I also wanted to work with the Office of Budget Management to make the budget process more engaging with the public and to reimagine the budget book in a way that made it easy to digest and accessible for residents. We made some clear progress, including improvements to tracking the capital budget and capital projects online and the Boston Public Schools agreeing to go back to a budget book format that better displays its budget, similar to the one last used in FY19. I'm hopeful that those commitments will be kept, and residents will be able to feel the difference.

Throughout the Ways & Means Committee hearings and public process, the Council identified millions of dollars in line items that were over budgeted and underspent for more than 5 years. While my colleagues voted 10-3 to adjust those line items and reallocate FY25 funds toward priority areas such as housing, jobs and community safety, we only had 7 votes to override Mayor Michelle Wu's rejection of our proposals, falling short of the 2/3rd majority - 9 votes - needed. In the end, through a series of individual votes, the Council overrode the mayor on select line items, securing \$8.2 million of our initial \$15.3 million in proposed changes.

2. What lessons have you learned and what areas need improvement in the budget process?

With the new budget process in place for only two years, it was important for me to run a data-driven process that could be easily explained to all stakeholders, colleagues, and Bostonians. As I look to build on my first year as Chair, the goal is to not wait until April to talk about revenue, expenditures, or job vacancies, but engage with people throughout the fiscal year so the Council can fully realize our oversight responsibilities.

One area for improvement that became clear during this process is the need to shine a stronger light on the 2,000 vacant jobs across the city government. When we don't fill jobs, we force current employees to work overtime, or fall short on essential city services. The city can't fill these 2,000 vacancies overnight, so we need a stronger commitment and clear timeline to filling them. One way to incentivize filling these roles is to withhold funding for long-term unfilled jobs until departments establish a new track record of filling it. The Council attempted to do this in some cases, looking at cutting as little as \$50,000 from some departments with hundreds of long-term vacancies, but there wasn't an appetite from the mayor or a sufficient number of councilors for this type of fiscal responsibility. We hope to better track these job vacancies in the future - and get the city to do a better job at filling them.

Another lesson learned was that the Council needs to lean deeper into accountability measures to ensure the Mayor's office and the auditor are fulfilling their responsibilities with detailed reports on certain expenditures and transfers.

3. What are the biggest fiscal challenges for the City in FY25 and how is the City Council addressing those challenges?

We know a lot of residents feel like they are facing challenges every day. As we think about our fiscal picture as a City, there are a few challenges that stand out as most impactful.

One major issue that will impact our future financial success is commercial and office space within our downtown corridor. After a decade of constructing office buildings at full throttle, the city appears to be oversupplied due to the impacts of the pandemic, which caused 30% less activity in office buildings. With the high cost of living overburdening residents and the lack of demand for unoccupied office spaces, we must reimagine and rebuild our downtown to fix the current housing crisis and address the current office property value concerns. I've proposed a \$150 million development fund that would help spark housing construction downtown and across the city to alleviate these issues.

Our city also continues to struggle with our racial divide. The Massachusetts Taxpayer Foundation released a 2021 study that shows that if Massachusetts were to close the racial divide, the gross state product would grow by \$25 billion in 5 years - that's more than a billion dollars in extra revenue. The BPDA also conducted a study that showed how our economy would grow if projects were to adhere to the guidelines in the Boston residents job policy. In the most conservative estimate, 621 jobs would be created, there would be \$173.4 million in new income for Boston's residents, and our city's GDP would increase by \$82.6 million.

The home-rule petition I passed on the Council last year that would create more liquor licenses in underserved neighborhoods is one example of how to ensure the success of the city is reaching all of its neighborhoods. It's currently pending before the State Legislature, and I hope it will be passed by the end of session. Right now, a liquor license in Boston costs more than \$600,000, and so dozens of them have migrated to the Seaport and Back Bay in the past decade. That's left neighborhoods such as Dorchester and Mattapan without many sit-down restaurants that serve alcohol. Adding no-cost, zip code-restricted liquor licenses in these areas will keep jobs in the neighborhood and spark the microeconomies of the Main Streets and Squares. The true long-

term stimulus for Boston is empowering the black and brown communities and closing the achievement gap in these neighborhoods.

4. How will the work of the City Council on the FY25 budget shape the City Council's agenda for the rest of this year and into 2025?

The beauty of holding more than 100 hours of hearings with more than 3 dozen departments is you get a detailed look at all of the initiatives our departments are undertaking. You can see where the departments might need help and where they can improve. We know there is a huge housing crisis and a glut of office space, and I hope we can balance that downtown, while also sparking the construction of all the unbuilt housing units across the city.

Additionally, in the wake of taking a deeper dive into the BPS budget, we're going to be holding working sessions earlier in the school year with the administration to allow the Council to make its priorities known for FY26. I hope the Council and BPS can double-down on the collaborative spirit we showed earlier this year to solve the problems our students and staff are facing and help amplify the resources our city currently offers.

5. The City Council made \$15M in amendments to the Mayor's budget. What are the deficiencies or concerns about the Mayor's budget that spurred these amendments? What were the unmet needs that the City Council sought to address with these amendments?

The amendments made by the Council reflected two things: The pressing needs of our city and the desires of our residents. During every budget hearing, we took the public's testimony ahead of the second round of questions from the councilors. This change ensured that the public could be heard by the councilors.

Ultimately, the \$15 million in amendments attempted to solve for housing, community safety, quality of life, and college and career readiness. The largest investments proposed were for down-payment assistance, housing vouchers, a right-to-counsel pilot program, and assistance for families of murder victims.

In the end, \$8.2 million was accepted and the investment amounts were lowered across the board in these programs.

6. During the FY25 budget process, the Research Bureau urged the City to reduce the rate at which spending will increase over FY24. However, the City Council confirmed the Mayor's proposed 8% spending increase. Given that the City Council has the authority to reduce the Mayor's budget, was this option considered or discussed? Why was the rate of spending increase ultimately not reduced?

The Council has little power in revenue collection, and if the council was to reduce the budget it has no effect on how much tax is collected. So, even if the council reduced spending, the mayor would still collect the same amount of revenue that's planned, and it would be classified as a surplus, which she has more control over than the operating budget. Additionally, there was no

consensus on the Council to reduce spending - and there's no precedence for it as the size of the budget is often decided through a number of items outside the Council's direct control during budget season such as collectively bargained raises (which the Council can't intervene on during negotiations and can only approve or reject in whole) and the BPDA's move under the city's operating budget. Across multiple working sessions in May and June, when any cuts were discussed in any department - even in line items that were historically under spent and didn't involve personnel - it was clear that there was not the political will to seriously entertain those discussions.

7. How were members of the public involved in the City Council budget process? Did you receive feedback that shaped the proposed amendments? If yes, in what way? What were the main concerns coming from the community?

As Chair, I worked to center the public throughout this budget process. It started with listening sessions in March on capital projects in nearly every council district. On the first day of public hearings in April and on the last day of public hearings in May, we held public testimony at night. And finally, we held a public testimony session after the mayor's veto. We heard from more than 60 residents, all of whom supported the Council's \$15 million package of investments.

8. The budget outlines the City's priorities and direction for the fiscal year. Monitoring revenue and expenses continues throughout the year. As the appropriating authority for the City, the City Council plays a crucial role in this oversight. What follow-up actions does the City Council plan to take to assess whether departments are meeting their stated goals?

It is crucial that the Council provide thoughtful, informed oversight, which is why our office is pushing the administration to supply the required level of detail in monthly and quarterly reports. Additionally, the Council asks for a lot of the same information - such as demographics of each department's employees and outside contracts over \$100,000 - annually through a formal Request For Information process. I've been in discussions to get a lot of those specific demographic statistics and outside contracts included in the budget book.

It's also important to remember that there's an estimated \$639 million in external funds (on top of the \$4.6 billion operating budget) that are distributed to various departments. Oversight of that money is a year-round job as those funds arrive at various dates and need approval from the Council. I hope to also have hearings twice a year on job vacancies and updates on the city's expenditures and revenue.

9. Boston has maintained strong fiscal health in recent years largely due to robust property tax revenues. The revenue side of Boston's general fund budget often receives minimal attention from the City Council. With the current proposal to change the property tax classification, altering who bears Boston's property tax burden, what actions do you foresee the City Council taking to give more attention to the revenue side of the budget during the year as well as in next year's budget process?

I hope the city will leverage its strong fiscal health to spark some long-term revenue-generating initiatives. That's what my proposed \$150 million development fund can do, while also improving the fiscal conditions of the city for businesses.

Additionally, a lot of the dip in revenue can be traced to net state aid. In the past 2-plus decades, Boston has seen an enormous dip in funding from the state. In Fiscal Year 2003, Boston received a net state aid payment of \$375 million, but this declined in Fiscal Year 2025 to \$123 million. We need to advocate on Beacon Hill for more state aid, or for lawmakers to allow the city to raise more of its own revenue. Among the possible areas for new revenue, I'd like to explore a fee on online food delivery or event ticket resale to see if some alternative sources of revenue could be created to benefit the city.

And, as mentioned earlier, we are going to be making sure the city's fiscal health is strong by monitoring the quarterly reports that the administration is required to submit.