



City of Boston, Massachusetts
Office of the Mayor
Michelle Wu

April 6, 2026

TO THE BOSTON CITY COUNCIL

Dear Councilors:

I transmit herewith my Fiscal Year 2027 (FY27) Recommended Budget for the City of Boston. The \$4.9 billion FY27 Annual Operating Budget and \$4.4 billion five-year FY27-31 Capital Plan reflect a deliberate and disciplined approach to protecting the services our residents and businesses rely on while investing in the long-term strength and stability of our City.

Across the Commonwealth and the country, cities and towns face a challenging fiscal environment marked by rising costs, slowing revenue growth, economic uncertainty, and inflationary pressure. Boston is navigating these conditions within the constraints of the Commonwealth's rigid limitations on municipal revenue generation and diversification, including Proposition 2 ½.

This is a difficult moment—but Boston meets it from a position of durability and determination. More than a decade of triple-A bond ratings, disciplined financial stewardship, and strong reserves have positioned the City to weather this environment. Because of the work we have done together over the past several years, the City approaches this moment from a place of stability.

We are grateful to Chair Weber for convening multiple Ways and Means Committee hearings that gave our administration an opportunity to share important information about this challenging budgetary environment and hear directly from Councilors about their priorities. This collaboration demonstrates the kind of partnership necessary to steer Boston through uncertain economic times.

This recommended budget and capital plan protects our progress, prepares us for the future, and reaffirms Boston as a national leader in quality of life, opportunity, and innovation. Every decision has been guided by a clear principle: protecting the core services that residents rely on most while positioning Boston for a brighter future and long-term success.

The five-year capital plan serves as a roadmap for the long-term resilience of our City. It invests in maintaining and improving school buildings, parks, libraries, transportation networks, community centers, and other critical infrastructure that will boost quality of life across every neighborhood and foster economic growth. These investments underscore our dedication to protecting Boston's fiscal health and building the future our families deserve.

The recommended operating budget funds key priorities, provides significant savings, and positions Boston for steady progress despite economic headwinds. It holds growth to 2 percent—the lowest rate since FY10 and well below the current rate of inflation. This limited growth has required tough choices, including targeted reductions.

Over the past four years, federal relief funding and city investments enabled Boston to increase support for small businesses and nonprofit partners, fill vacant storefronts, expand cultural programming across our neighborhoods, and much more.

However, due to tighter fiscal conditions and rising fixed costs, and guided by our goal to protect the core services our residents rely on most, the FY27 recommended operating budget reduces or removes funding for many of these discretionary grant programs. Wherever possible, we have preserved other City programs that provide similar services or leveraged public-private partnerships to help bridge potential gaps in services.

At the same time, strategic financial management has helped us avoid deeper, more disruptive cuts to essential services and operations while keeping us on track to meet our debt obligations and unfunded pension liability by 2028. By managing long-term pension and debt liabilities, the City will save \$37.8 million compared to FY26. Additionally, in partnership with our unions, we [reached](#) an agreement with the Public Employee Committee (PEC) to curb growing health care costs, generating an estimated \$10.6 million in savings for the City and its employees through utilization management.

Even with these efforts, rapidly rising health care costs continue to pose a major challenge. Health insurance costs for the City, Boston Public Schools (BPS), and Boston Public Health Commission (BPHC) are projected to increase by \$97.3 million this year, driven by a 20.3 percent rate hike for all non-Medicare health plans that far exceeds the average annual rise of \$10.6 million over the past eight years. These escalating fixed cost pressures, combined with contractual obligations and inflation, continue to significantly outpace the revenue growth allowed under Proposition 2 ½.

In response, we have taken deliberate action to manage expenditures and constrain overall cost growth in the recommended operating budget. Total expenditures will increase by only 2.1 percent; however, when health insurance and other central accounts are separated out, departmental appropriations decrease by 1.3 percent compared to FY26. We have also implemented strict spending controls and limited new programming.

Finally, unlike many other Massachusetts communities, this budget does not seek an override for additional revenue beyond what is allowed by Proposition 2 ½.

Boston has always been a beacon of progress for the nation—setting the standard for public safety, education, innovation, and economic growth. This operating budget and capital plan are grounded in those priorities and backed by careful financial stewardship. Our budget is designed to make sure the City overcomes this fiscal moment and emerges from it stronger.

The FY27 recommended budget builds in cost containment strategies to address key drivers of deficit in the prior fiscal year:

Health insurance costs

As mentioned above, working with our municipal labor partners through a negotiated PEC agreement to implement utilization management will deliver an estimated \$10.6 million in savings for the City and employees. Utilization management, an industry-standard cost containment tool, ensures that prescription drugs are only prescribed when clinically appropriate. In the next month, the administration will begin negotiations with all municipal unions on healthcare costs through the PEC, looking to set a new five-year health insurance plan that must take steps to address the unsustainable growth of costs that the City has faced.

Public Safety Overtime

As we informed the Council last week, public safety overtime spending remains a long-term challenge. Over the past four years, the administration has implemented operational changes to reduce the number of overtime hours. The police overtime line item, for example, has increased with collective bargaining agreements adjusting wage per overtime hour, but the number of hours has decreased and continues to move in the right direction as new classes and management initiatives have begun to reduce the use of mandatory overtime to cover staffing shortages. We will continue working to make public safety overtime spending more predictable and manageable, while maintaining the safety of our neighborhoods as our top priority.

Snow Removal

In five of the six fiscal years prior to FY25, the City underspent the budgeted snow removal line, resulting in surplus that accumulated in the general fund and contributed to the City's reserve balances. Historically significant snowfall in early 2026 resulted in a deficit in the snow removal budget line, which is an appropriate one-time cost to be addressed through an allocation from reserves accumulated over the last several years. As New England's weather patterns shift to less frequent but more intense snowstorms, this same pattern of uneven snow costs will likely persist. While this year's line item for snow removal represents level funding from the FY26 budget, not relying on additional use of reserves to balance the overall FY27 budget ensures that the City is able to maintain flexibility to utilize reserves in a future year to address extraordinary, unforeseen costs like those we experienced this winter. Further, we will explore the possibility of creating a special snow stabilization fund to specifically address snow shortfalls in the future.

The FY27 recommended budget includes the following key priorities:

Housing Affordability and Stability

Housing affordability and stability remain a core priority for our administration. This proposed budget maintains our full range of tools to preserve and strengthen housing stability and affordability across the city. Over the last four years, these tools helped us build 6,210 new income-restricted units—the highest number of affordable housing units created during any comparable period in the last 25 years. And the Acquisition Opportunity Program reached its goal of taking 1,000 units off the speculative market years ahead of schedule. In FY27, we will protect one hundred families through the Acquisition Opportunity Program, stabilizing over 200 residents.

While the Mayor's Office of Housing (MOH) is seeing an overall decrease in the proposed FY27 budget, funding for bedrock programs has been maintained, including homeownership assistance, supportive housing, tenant stabilization, and housing vouchers.

Earlier this year, we celebrated the completion of the multi-year redevelopment that created hundreds of mixed-income rental units across the Whittier Street Apartments site in Roxbury. In Charlestown, the Boston Housing Authority is beginning construction on a 266-unit mixed-income building—the first publicly-owned mixed-income development in the City.

The Office of Housing will also use federal and state funds, the Boston Acquisition Fund, and locally-generated revenues from the Housing Trust Fund, Inclusionary Development Policy (IDP), and the Community Preservation Act (CPA) to keep building and preserving affordable housing in Boston.

Youth Employment and Development

Summer youth employment remains a cornerstone of our administration's focus on Boston's future. Nearly 11,000 students and young adults worked jobs each of the past two summers—the most in Boston's history. This budget maintains our guarantee that every BPS student has access to a paid summer job.

Additionally, several programs focused on youth development and career readiness previously managed within the Office of Youth Employment and Opportunity (OYEO) have been moved to other cabinets to create a more diverse, stable funding structure, including partnering with the state and private sector.

Public Realm and Quality of Life

Over the four past years, we have resurfaced 105 miles of roadway, filled over 27,000 potholes and nearly doubled the City's network of bike lanes. Next year, we will build on this progress by continuing to invest in maintaining and improving Boston's streets. Planned efforts include roadway resurfacing, sidewalk and ramp upgrades, street reconstruction, and neighborhood safety projects designed to enhance mobility for all users.

The Streets Cabinet will see a modest budget increase in FY27, primarily due to the cost of existing long-term contracts that support essential services, such as managing the City's mobility infrastructure, collecting residential trash, and maintaining the cleanliness of our public ways.

Additionally, several major projects are underway to promote safer, more resilient streets and enhance quality of life across our neighborhoods. Construction is in progress on A Street, Congress Street, and Sleeper Street, which will feature new, accessible sidewalks, safer crosswalks, street-light upgrades, landscaping, and separated bike lanes. In Mattapan, reconstruction of Cummins Highway is underway and expected to be completed this summer.

We have also continued to invest in Boston's parks, cutting the ribbon on renovations at Harambee Park, Walsh Playground, and Codman Square Park and are nearing completion of improvements to Copley Square and Clifford Park.

Public Health and Safety

To maintain Boston's status as the safest major city in the country, the FY27 budgets for Police, Fire, and EMS include funding for recruit classes that will replace staff loss from normal attrition. Our cadet programs will also remain steady pipelines for our public safety departments. Although we have made targeted reductions to civilian positions in these departments, we will be able to maintain service levels across these critical agencies thanks to your partnership on key investments over the last few years. These include a capital investment of \$3.3 million to upgrade the computer-aided dispatch (CAD) system, improving 911 call-takers' ability to quickly and securely receive and dispatch calls.

Funding has also been preserved for alternative response capacity, including programming with *BEST* clinicians and our partners at *Youth Connect* to address the underlying trauma, mental health issues, or family instability that often lead to police intervention. The Community Safety team will fully move from the Office of Human Services to the Boston Public Health Commission (BPHC) in FY27, reflecting the administration's public health-centered approach to addressing community violence.

Human Services

The Human Services budget maintains evening and weekend hours and programming at libraries and BCYF centers, as well as classes for adult English-language available at no cost to residents through the Boston Public Library.

While Age Strong is seeing a decrease in FY27, the City was able to secure a \$1 million federal earmark for transportation services that will help older residents get around more easily across Boston. City funding that helps older residents access state and federal benefits is maintained.

Boston VETS will continue to provide need-based financial aid to low-income veterans and their surviving spouses for food, shelter, clothing, medical reimbursements, and emergency aid for utilities and home repairs.

The City is nearing completion of the new BCYF community center in Grove Hall and recently broke ground on a new Nazzaro Community Center in the North End. In Chinatown, we broke ground on a project that will bring 110 affordable homes and a new permanent branch of the Boston Public Library to the neighborhood, turning a City-owned parking lot into a community anchor. The City is also planning for additional community facilities.

Education and School Facilities

The FY27 Boston Public Schools budget maintains our multi-year investments in the core academic priorities that improve student outcomes: inclusive education, bilingual programming, high-quality instructional materials, and expanded college and career pathways.

To continue these investments amid declining student enrollment and rising costs, BPS has made difficult decisions to align staffing levels with a smaller student body. In aligning staff with students, BPS is maintaining a ratio of 1 teacher for every 10 students and 1 paraprofessional for every 24 students. These are lower staff-to-student ratios than pre-pandemic, and equal to the staffing ratios in the FY26 budget. While these reductions in staff positions are difficult for school communities, they are essential to the responsible stewardship of public dollars. The BPS FY27 appropriation of \$1.7 billion reflects a year-over-year increase of 5.4 percent, or \$88

million. After isolating the disproportionate impact of health care inflation, the underlying budget growth is 2.7 percent or \$41 million.

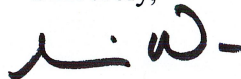
We have launched more school facility renovations and construction projects than at any time in the last 40 years, while expanding access to high-quality pre-K seats and early college access than ever before. Over the last year, we have cut the ribbon on major projects at the PJ Kennedy Elementary School in East Boston, the William E. Carter School in the South End, and the Sarah Roberts Elementary School in Roslindale.

Through our partnership with the Massachusetts State Building Authority (MSBA), we are moving forward with the Madison Park Technical Vocational High School project. This investment will deliver a nation-leading, wall-to-wall Career and Technical Education high school and hub of workforce development in the heart of Roxbury. We are also partnering with the MSBA on investments in the Ruth Batson Academy in Dorchester and the Shaw-Taylor Elementary School in Mattapan, which will begin design this year. At the same time, renovations are underway at the Lilla G. Frederick building in Grove Hall, which will reopen as a new elementary school this fall. We are also developing plans to renovate the auditorium and other interior spaces at Brighton High School.

Across the district, we are accelerating state-of-good-repair improvements, upgrading bathrooms, roofs, windows, and doors; enhancing energy efficiency, and improving playgrounds. And next year, we will complete the renovation of White Stadium, transforming it into a state-of-the-art athletic facility for BPS Athletics and a year-round, vibrant community hub for Franklin Park.

I look forward to your partnership in this budget process and beyond. Our administration will continue to carefully monitor the economic landscape and, if needed, adapt this budget. I respectfully request your favorable action on the FY27 Annual Operating Budget and the FY27-FY31 Capital Plan.

Sincerely,



Michelle Wu
Mayor of Boston

CITY OF BOSTON IN CITY COUNCIL

Appropriation and Tax Order for the fiscal year Commencing July 1, 2026 and ending June 30, 2027

ORDERED:

I. That to meet the current expenses of the City of Boston, in the fiscal year commencing July 1, 2026 and ending June 30, 2027, the respective sums of money specified in the schedules hereinafter set out, be, and the same hereby are, appropriated for expenditure under the direction of the respective boards and officers severally specified, for the several specific purposes hereinafter designated and, except for transfers lawfully made, for such purposes only said appropriations, to the extent they are for the maintenance and operation of parking meters, and the regulation of parking and other activities incident thereto (which is hereby determined to be \$46,000,000), being made out of the income from parking meters and, to the extent they are for other purposes, being made out of the proceeds from the sale of tax title possessions and receipts from tax title redemptions in addition to the total real and personal property taxes of prior years collected from July 1, 2024 up to and including March 31, 2025, as certified by the City Auditor under Section 23 of Chapter 59 of the General Laws, and out of available funds on hand, (which is hereby determined to be \$40,000,000) as certified by the Director of Accounts under said Section 23, and the balance of said appropriations to be raised by taxation pursuant to Section 23 of Chapter 59 of the General Laws:

CITY DEPARTMENTS	Personnel Services	Contractual Services	Supplies & Materials	Current Charges & Obligations	Equipment	Special Appropriation	Structures & Improvements	Land Non-Structural Improvement	Total
Mayor's Office									
111 Mayor's Office	6,008,181.00	318,750.00	47,300.00	40,500.00	72,393.00	-	-	-	6,487,124.00
150 Intergovernmental Relations	996,570.00	28,394.00	3,700.00	166,995.00	-	-	-	-	1,195,659.00
151 Law Department	8,549,063.00	2,164,099.00	14,700.00	185,000.00	-	-	-	-	10,912,862.00
Equity & Inclusion									
402 Office of Equity	2,817,812.00	445,697.00	69,788.00	34,248.00	999.00	-	-	-	3,368,544.00
409 Office of Language & Communications Access	1,138,256.00	908,727.00	4,135.00	2,375.00	6,863.00	-	-	-	2,060,356.00
401 Human Right Commission	-	-	-	-	-	-	-	-	-
113 Office for Immigrant Advancement	1,599,316.00	780,960.00	9,163.00	12,634.00	-	-	-	-	2,402,073.00
417 Women's Advancement	382,269.00	74,225.00	3,429.00	25,750.00	-	-	-	-	485,673.00
419 Black Male Advancement	1,175,155.00	401,682.00	33,229.00	2,800.00	5,000.00	-	-	-	1,617,866.00
403 Fair Housing & Equity	228,186.00	102,971.00	5,000.00	4,297.00	-	-	-	-	340,454.00
422 LGBTQIA2S+ Advancement	586,776.00	44,591.00	5,091.00	750.00	-	-	-	-	637,208.00
404 Commission For Persons W/Disabilities	890,869.00	28,945.00	10,575.00	10,305.00	-	-	-	-	940,694.00
OPAT									
410 Office of Police Accountability & Transparency	1,268,632.00	41,775.00	7,500.00	114,431.00	-	-	-	-	1,432,338.00
Operations									
180 Property Management	13,363,864.00	13,314,139.00	519,265.00	324,048.00	345,887.00	-	-	-	27,867,203.00
181 Public Facilities Department	10,416,409.00	415,945.00	12,654.00	29,345.00	6,240.00	-	-	-	10,880,593.00
260 Inspectional Services Dept	24,336,209.00	1,118,183.00	273,665.00	90,001.00	65,298.00	-	-	-	25,883,356.00
Community Engagement									
412 Neighborhood Services	5,704,208.00	170,547.00	13,792.00	14,397.00	38,949.00	-	-	-	5,941,893.00
Arts & Culture									
414 Office of Arts & Culture	2,490,083.00	828,752.00	7,500.00	37,222.00	1,500.00	-	-	-	3,365,057.00
Economic Opportunity & Inclusion									
182 Office of Economic Opportunity & Inclusion	2,866,025.00	2,340,698.00	26,950.00	83,714.00	6,791.00	-	-	-	5,324,178.00
114 Consumer Affairs & Licensing	2,120,395.00	14,247.00	12,220.00	2,206.00	-	-	-	-	2,149,068.00
156 Supplier Diversity	1,638,153.00	521,140.00	8,110.00	-	3,840.00	-	-	-	2,171,243.00
416 Office of Tourism	1,293,493.00	864,090.00	9,737.00	41,534.00	11,000.00	269,200.00	-	-	2,489,054.00
Worker Empowerment									
157 Labor Compliance and Worker Protections	1,540,263.00	338,361.00	5,250.00	480.00	-	-	-	-	1,884,354.00
183 Office of Workforce Development	3,995,298.00	774,761.00	36,500.00	354,716.00	-	-	-	-	5,161,275.00
448 Youth Employment and Opportunity	5,287,613.00	12,016,879.00	57,814.00	48,500.00	-	-	-	-	17,410,806.00
Environment, Energy & Open Space									
303 Environment Department	4,092,326.00	1,295,232.00	12,755.00	12,600.00	-	-	-	-	5,412,913.00
300,400 Parks & Recreation Department	20,513,760.00	7,893,625.00	1,063,858.00	336,907.00	2,131,443.00	90,000.00	-	3,641,035.00	35,670,628.00
421 Office of Historic Preservation	1,581,889.00	14,100.00	14,700.00	1,300.00	-	-	-	-	1,611,989.00
420 Office of Food Justice	609,852.00	611,400.00	400.00	1,000.00	-	-	-	-	1,222,652.00
Finance									
144 Office of Finance	1,195,663.00	288,200.00	1,000.00	1,500.00	-	-	-	-	1,486,363.00
136 Assessing Department	7,118,627.00	770,400.00	95,200.00	226,700.00	-	-	-	-	8,210,927.00
131 Auditing Department	3,795,825.00	101,110.00	10,200.00	54,104.00	6,875.00	-	-	-	3,968,114.00
141 Budget Management	2,909,970.00	496,798.00	4,100.00	226,975.00	-	-	-	-	3,637,843.00
418 Office of Participatory Budgeting	338,967.00	372,440.00	7,700.00	-	-	1,172,454.00	-	-	1,891,561.00
333 Execution of Courts	-	-	-	-	-	5,000,000.00	-	-	5,000,000.00
374 Pensions & Annuities	5,000,000.00	-	-	-	-	-	-	-	5,000,000.00
143 Procurement	3,653,798.00	45,974.00	10,058.00	328,910.00	-	1.00	-	-	4,038,741.00
137,138 Treasury Department	4,406,773.00	656,542.00	1,035,650.00	18,365.00	-	-	-	-	6,117,330.00

