



# The City of Baltimore



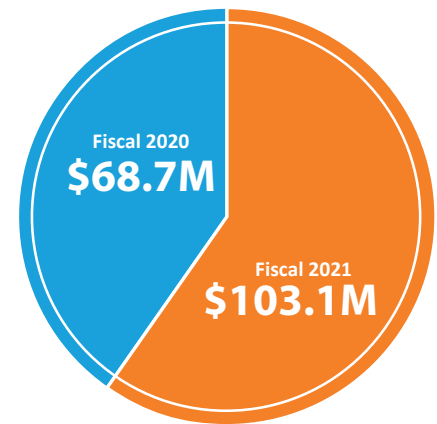
Community Guide to the Budget – Fiscal 2021

## The Unprecedented Impact of COVID-19

Baltimore’s Fiscal 2021 budget was shaped by one of the most unique challenges in our City’s history, the COVID-19 pandemic. The virus has upended Baltimore in ways that few of us could have imagined. Our schools are closed, most of our businesses have been shuttered, and some of our fellow residents are facing new health challenges and economic pressures.

Like many other State and local governments, Baltimore’s financial position is also under heavy strain due to the COVID-19 pandemic. The Department of Finance has projected sharp declines in key revenue sources such as Highway User Revenue, Income Tax, Hotel Tax, parking-related revenues, and many others. Overall, the projected decreases to Baltimore’s General Fund revenues in Fiscal 2020 and 2021 were sobering. These projected decreases represent the City’s best assessment as of publication date; the financial impact of COVID-19 changes daily.

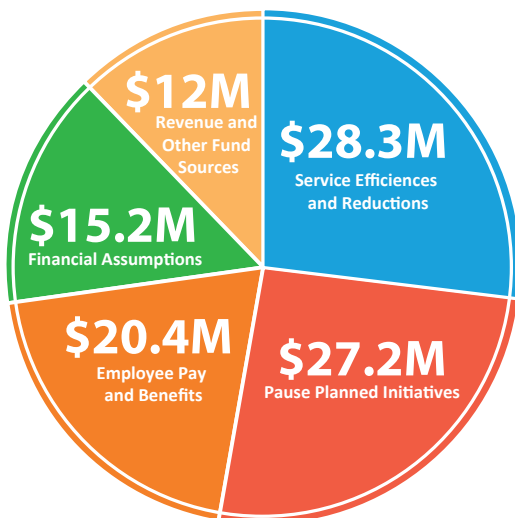
### Total COVID-19 Impact (\$171.8M)



## Fiscal 2021 Budget Reductions

### Changes to the Preliminary Budget (\$103.1M)

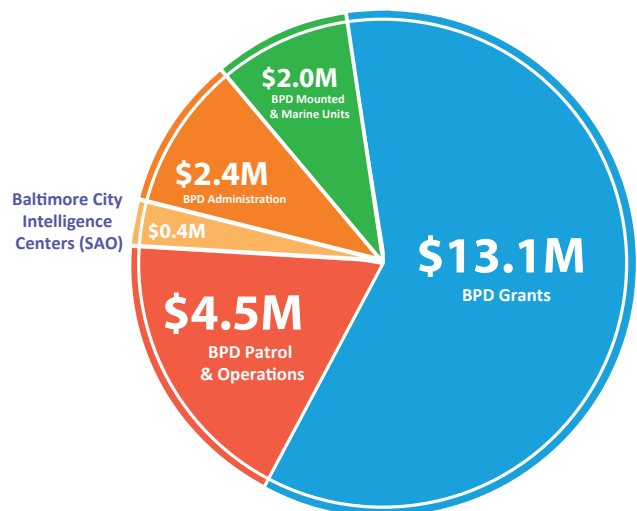
With General Fund revenues in decline due to the impact of the COVID-19 pandemic, Fiscal 2021’s budget had to be revised. While the reductions presented below were selected to minimize impacts on City services for Baltimore residents, certain service reductions were unavoidable.



On page 23 of the Executive Summary you will find specific examples of how the City’s budget was reduced.

### City Council Reductions (\$22.4M)

In order to pass the Fiscal 2021 Budget, the Baltimore City Council and the Mayor agreed to cuts totaling \$22.4 million across the Baltimore Police Department (BPD) and the State’s Attorney’s Office (SAO). Please note that the \$13.1 million grant reduction only affects the final Fiscal 2021 budget appropriation and has no impact on BPD’s awarded grants.



## The Road Ahead

Baltimore's economic outlook is uncertain. The federal government passed a massive \$2.2 trillion stimulus package (CARES Act) in March to blunt the economic impact and provide temporary aid for workers, businesses, non-profits, and State and local governments. The federal CARES Act included a \$150 billion State Stabilization Fund with direct aid for State and local governments, and Baltimore received an estimated \$103 million from this Fund.

While Baltimore and Maryland are in various stages of reopening certain sectors of the economy, public health officials have warned of a possible second wave of the COVID-19 pandemic. Additionally, public health officials advised that effective treatment options or a reliable vaccine are still many months away, which could slow any economic recovery. Given the continuing health risks, it is unlikely that the economy will be able to return to its pre-pandemic strength. Baltimore will need to exercise fiscal caution and restraint for an indefinite period, until we see evidence that the economic recovery is well underway. This period of restraint could last for just a few short months or for many years.

Despite this uncertain outlook, Baltimore has banded together to respond to the COVID-19 pandemic. In the same manner, while we have had to commit to difficult budget cuts and service reductions, we have also committed to funding Baltimore's highest priorities:



- \$30 million in new funding for the State's "Built to Learn" school construction legislation
- \$658,360 for the Mayor's Scholars Program



- Continued funding for Saturday operations at all 48 recreation centers
- Creation of the Mayor's Office of Children and Family Success
- \$10 million in Economic Recovery and Stimulus funds for potential new federal funds



- \$17 million for BCIT's Enterprise Resource Planning program to replace Baltimore's aging IT infrastructure
- Continued funding for upgrading the City's 800 MHz radio network



- \$621,000 for Baltimore Community Intelligence Centers (district-level operation centers designed to rapidly respond to crime)
- Investing in the Fire Department's new inventory management system for efficiency savings



- \$608 million in new capital investments to modernize the City's core infrastructure such as drainage improvements, water treatment facilities, and stream restoration
- \$9.6 million to fund the City's Quarantine Road Landfill expansion



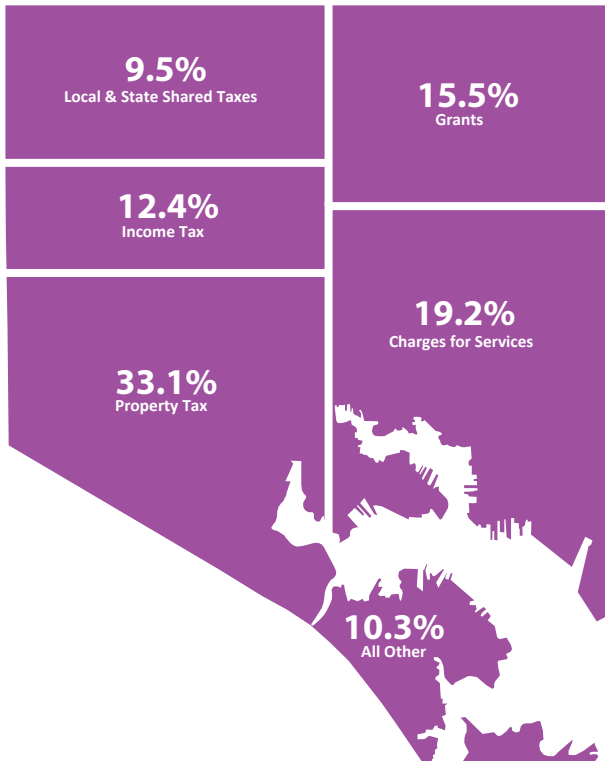
- \$63.1 million for the Mayor's Office of Homeless Services
- Continued funding for the Healthy Home Program to address chronic health issues through home visits

# What does it cost to run the City?

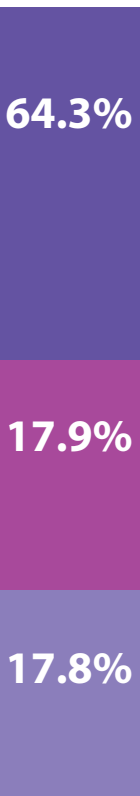
The City's fiscal year begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup>. Baltimore's budget is required by law to be balanced each year.

## Where does the money come from?

Operating Budget Revenue (\$3 billion)



## What operating funds does the City manage?



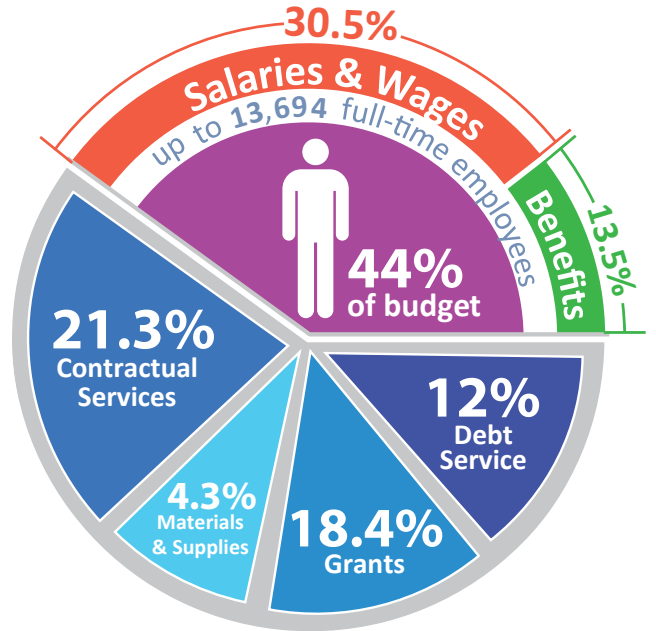
The **General Fund** is \$1.9 billion and is the City's largest fund. It includes all local taxes paid by residents, businesses and visitors. Policy-makers have the most management flexibility over how dollars are spent.

**Enterprise and Utility Funds** are \$561 million and are used for operations in which the cost of services is covered primarily through user charges, which are determined based on consumption. Examples include water and waste water fees.

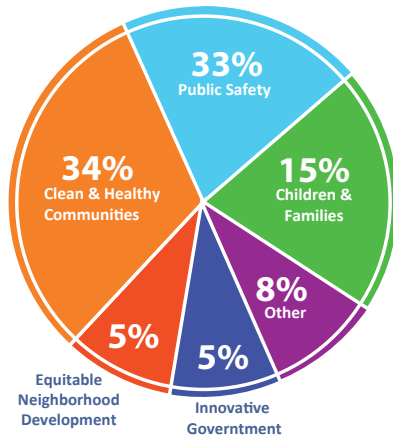
**Grant Funds** are \$449 million and are legally required to support specific programs and initiatives. The City receives funding from federal, State, and other special or private grantors.

## How is the money spent?

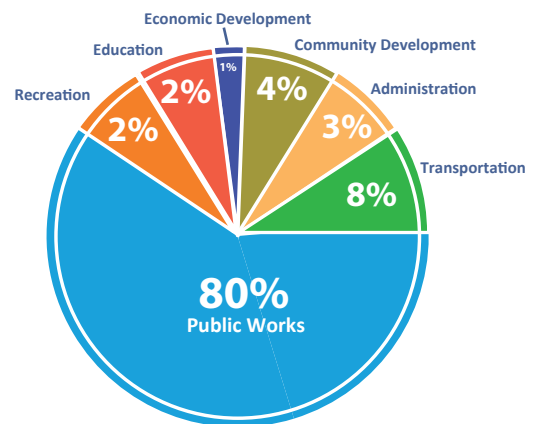
Operating by type of expense (\$3 billion)



Operating by Outcome (\$3 billion)



Capital (\$823 million)



Note: These numbers represent the Fiscal 2021 adopted budget. Complete financial information can be found at [www.budget.baltimorecity.gov](http://www.budget.baltimorecity.gov)



## What did we accomplish in Fiscal 2020?

### Education and Youth Engagement

- Contributed \$13.0 million to the Children and Youth Fund. Fiscal 2020 was the third year of Charter-required contributions to the Fund.
- Supported City Schools with more than \$375.6 million in funding, including Maintenance of Effort payments, the 21st Century School Modernization fund, teacher pension costs, retiree health benefits, school health, and crossing guard services.

### Public Safety

- Continued support for the Fire Department community paramedicine partnership with the University of Maryland Medical System, which pairs nurses with EMS units to divert high-need patients to appropriate care, with a budget of \$668,200.
- Invested \$11.8 million of new Information Technology funding to modernize the BPD's IT systems, which is a key component of consent decree compliance, specifically development of new systems for Records Management, Use of Force, and Early Intervention.
- Provided \$1.0 million to leverage millions more in non-City funding for Roca, a mentorship and job readiness program.

### Economic Development & Jobs

- Provided \$32.2 million for Visit Baltimore and the Convention Center, to enhance Baltimore's reputation as a travel destination.
- Supported \$30 million in workforce development initiatives targeted for Baltimore City residents, including assistance in job searching, career counseling, and skills training.
- Delivered \$500,000 of new funding for the Baltimore Office of Promotion and Arts (BOPA) to promote and enhance visitors' experience for the Preakness, one of Baltimore's marquee events. The new funds will also be used to brand the City as an arts and culture destination.

### Quality of Life

- Created a \$5 million community development grant program, Community Catalyst Grants, which provided both operating and capital support for community-driven revitalization efforts.
- Dedicated \$250,000 for the Health Food Priority Area program, which increases access to healthy food at corner stores and farmers' markets, as well as accessibility to supermarkets through a ride share program.

### Accountability & Transparency

- Launched the Enterprise Resource Planning (ERP) system, led by Baltimore City Information Technology (BCIT), which will introduce City-wide efficiencies in key Finance, Payroll, and Human Resources systems.
- Invested in a Department of General Services building automation system, placing sensors and meters at key locations in City buildings to better monitor heating, ventilation, and air conditioning (HVAC) systems.
- Created the Data Fellows program, which embeds data professionals in City agencies to improve City services.

## Want to Connect?



*Bernard C. Young*



## City Snapshot



**25,266**

Tons of Recycling Collected



**3,119**

Youth aged 5-13 enrolled in summer recreation camps



**356,509**

# of Fire/EMS incidents dispatched annually



**27,717**

# of city residents who received employment assistance services



**1,305**

# of participants in trauma-informed care trainings



**271,658**

# of Property Maintenance Code Enforcement Inspections



**893**

# of Structures Released for Demolition or Stabilization



**736,003**

# of 911 Calls for Service

*This information reflects service performance from Fiscal 2019.*