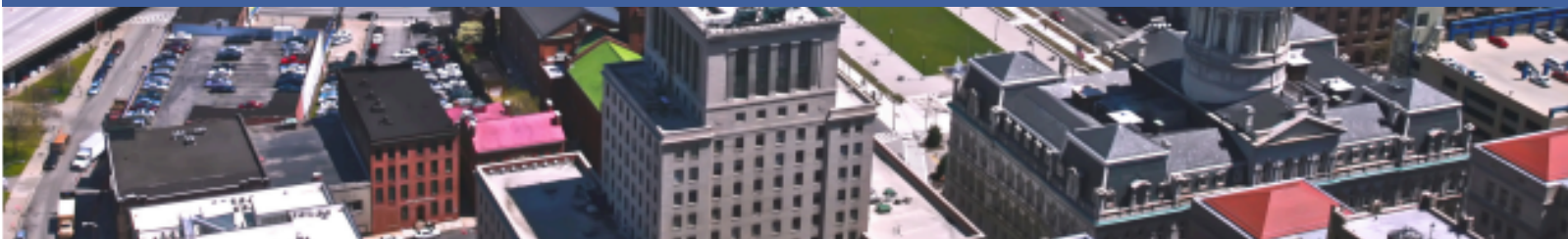


The City of Baltimore



Community Guide to the Preliminary Budget Fiscal 2025



Brandon M. Scott
Mayor

BMORE
BUDGET

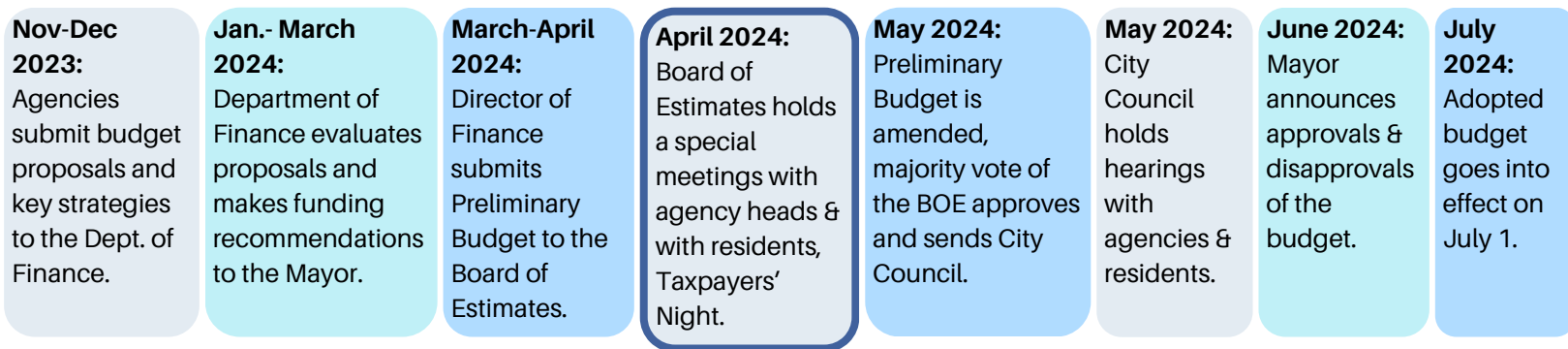
COMMUNITY GUIDE TO THE FISCAL 25 PRELIMINARY BUDGET

WHAT IS THE PRELIMINARY BUDGET?

The Preliminary Budget reflects the Mayor’s initial funding recommendations for the upcoming fiscal year. The City Charter requires the Department of Finance to submit a balanced budget to the Board of Estimates for review and consideration. During their review, the Board of Estimates will hold an overview hearing with agencies and a Taxpayer’s Night to hear feedback on the budget. The Preliminary Budget gets updated to reflect changes made by the Board of Estimates.

FISCAL 2025 OVERVIEW

Budget Process



Balancing the Budget

Balancing Actions

- Initial projections for Fiscal 2025 estimated the City was facing a \$107 million gap. This gap declined to \$61.9 million based on final estimates for property tax revenue & the City’s required Local Share contribution for schools.
- This table shows how the remaining budget gap was balanced.

Target Investments

- The Preliminary Budget includes \$5.8 million for high priority investments including:
 - Expanding the Gun Violence Reduction Strategy
 - Staffing to support the Vacants initiative
 - Procurement Transformation
 - Continued funding for the Police Consent Decree by investing in additional civilianization of duties performed by BPD

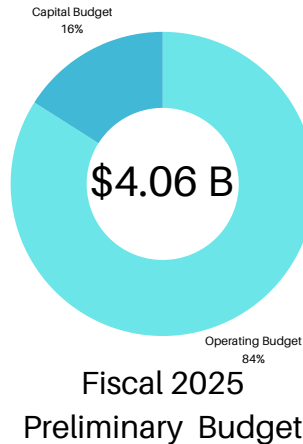
Balancing Action	Amount (in millions)
Parking Revenue	6.2
Fines and Fees	1.0
Retiree Benefits Funding Methodology	17.6
Agency Position Savings	13.3
Agency Other Savings	20.0
ARPA Transition	(1.7)
Enhancements	(4.1)
Investment Income (one-time)	9.6
Total Savings	\$61.9

COMMUNITY GUIDE TO THE FISCAL 25 PRELIMINARY BUDGET

OPERATING & CAPITAL BUDGETS

The City of Baltimore's budget is comprised of two key components, the operating & capital budgets.

Operating Budget: \$3.41 billion funds the daily business of the City, specifically covering programs, services, staff, and supplies.



Capital Budget: \$654.1 million funds physical infrastructure projects for the City, specifically major renovations and replacements that are long-term investments.

Fiscal 2025: Total Budget

The City's total operating budget. This includes general fund, grant funds, enterprise funds, special funds, and internal service funds.



The overall reduction in the City's budget is driven by a change in how grants are budgeted and a reduction in borrowing for Utility capital projects.

Fiscal 2025: General Fund

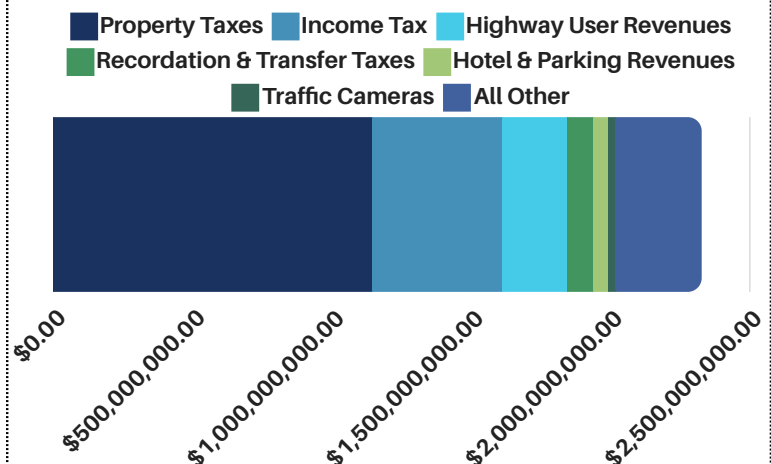
The City's largest fund. It includes all local taxes paid by residents, businesses, and visitors. Within this fund, policy-makers have the most flexibility over how dollars are spent.



Revenue Highlights

Property Taxes +65.4	Property tax revenue is expected to increase by 6.7% based on continued strength in residential property tax assessments
Transfer & Recordation -4.8m	Transfer & Recordation revenue is projected to decline by 4.9% as real estate activity slows. While the number of transactions are down, the overall value of homes being sold continues to increase.
Income Taxes +18.9m	Income tax revenue is expected to grow by 4.2% driven by continued strength in the City's labor market. In December the City's unemployment was 2.9%; the lowest level since 1990.
Investment Earnings +15.6m	Investment earnings are projected to increase by 59.8% based on higher interest rates and returns on the City's short-term investments.

Fiscal 2025 Revenue Sources



COMMUNITY GUIDE TO THE FISCAL 25 PRELIMINARY BUDGET

INVESTMENT BY PILLAR

Prioritizing Our Youth

\$622.8 million



- Providing \$477.1m to **City Schools** for operating support, the 21st Century School Modernization Fund, teacher pension costs, retiree health benefits, school health, and crossing guard services.



- Allocating \$4.2 million in the **Mayor's Office of Employment Development** funding 56 positions to provide career counseling for middle and high school students as part of the Blueprint implementation.

Building Public Safety

\$1.2 billion



- Funding to expand the **Group Violence Reduction Strategy** to 2 additional police districts.



- Continuing to invest in the civilianization of various roles in the **Police Department**. The Preliminary Budget proposes using a State grant to create 40 civilian positions freeing up individuals to go back to sworn roles.



- Decrease of \$600,000 in the I-83 Special Fund in Fiscal 2025 to reflect the decline in citations issued.

Clean & Healthy Communities

\$1.0 billion



- Investing \$982,000 in the **Department of General Services** for a building automation system to better manage energy usage in City buildings. This program is estimated to have a four-year payback period.



- Providing bridge funding for **Health Department's B'More for Healthy Babies** program and a mobile clinic for patients suffering from opioid use disorder.

Equitable Neighborhood Development

\$296.6 million



- Creating two new positions in the **Department of Housing and Community Development** to support the Vacants initiative.



- Investing \$650,000 for the **Parking Authority's** pilot on license-plate reader technology enforcing Residential Parking Permit violations.



- Providing \$1.0 million for a new grant program supporting **arts, cultural, and civic promotion organization**.

Responsible Stewardship of City Resources

\$375.3 million



- Adjusting the City's contribution for **retiree health benefits** following the transition of retirees to Medicare Advantage plans in 2021.



- Eliminating **89 vacant positions saving 13.3 million dollars**, continuing a year-long effort by agencies to identify unneeded or outdated positions.



- Investing in **Department of General Services** for **electric vehicle charger** hubs to transition all administrative vehicles to electric by 2030.

Capital Budget

\$654.1 million



- Investing \$84.3 million for **Transportation capital projects** including major investments to Complete Streets, and other traffic safety improvements.



- Investing \$19 million for improvements to **Baltimore City Public Schools** facilities



- Investing \$19.0 million for projects to improve City parks and rec centers.

*Numbers represent the Total amount of dollars per outcome

COMMUNITY GUIDE TO THE FY25 PRELIMINARY BUDGET

FISCAL 2025 BUDGET SCHEDULE

Item	Description	Scheduled Date
Preliminary Budget Released	The Mayor's Preliminary Budget plan is published.	April 1, 2024
Preliminary Budget at Board of Estimates	Preliminary Budget formally transmitted to the Board of Estimates for consideration.	April 3, 2024
Agency Overview Hearing	Overview hearing with agencies to review major recommendations in the Preliminary Budget.	April 17, 2024
BOE Taxpayer's Night	Presentation of the Fiscal 2025 budget to the public, with an opportunity for public comment	April 17, 2024
BOE Recommended Budget	The Board of Estimates passes the BOE Recommended budget, sending the recommendations to the City Council for consideration.	May 1, 2024
Budget Introduced at City Council	The Board of Estimates Recommended Budget is introduced for City Council consideration.	May 6, 2024
City Council Taxpayers' Night	The City Council holds an open hearing for residents to provide feedback on the BOE Recommended budget.	May 16, 2024
Agency Budget Hearings	The City Council Ways & Means Committee holds hearings with City agencies to discuss the Recommended Budget.	May 23- June 6, 2024
Budget Passage	The City Council proposes and votes on budget amendments before voting on the final budget. The Council must pass a budget by June 26th.	June 26, 2024

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Baltimore Budget



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