



# The City of Baltimore



Community Guide to the Budget – Fiscal 2022

## What are we investing in for Fiscal 2022?

The Fiscal 2022 Budget Plan was developed in the context of an uncertain economic environment due to the continuing COVID-19 pandemic. Baltimore's financial position remains under heavy strain due to the continued repercussions of the pandemic, with many key revenue sources that fund the City's operations, such as Hotel Tax and parking-related revenues, reaching historic lows in Fiscal 2021.

While recovery from COVID-19 has begun with vaccination distribution and businesses reopening, the City and its residents continue to deal with the health and economic consequences of the pandemic. The Fiscal 2022 budget was developed to address these ongoing challenges, while maintaining vital City services, and reflects a modest recovery of revenue sources impacted by the pandemic.

### Prioritizing Our Youth

- The City will provide more than \$360.3 million in support for City Schools, including Maintenance of Effort payments, the 21st Century School Modernization fund, teacher pension costs, retiree health benefits, school health, and crossing guard services.
- The budget includes \$22.3 million for the Mayor's Office of Children and Family Success (MOCFS), which oversees the City's Head Start program, the Community Action Partnership (CAP) Centers, and African-American Male Engagement.

### Building Public Safety

- The City will invest in Next Generation 911 (NG911) to improve 911 service by increasing the monthly 911 fee by \$0.25. NG911 will support secure call networks, better call routing capabilities, and the integration of call and geo-location data for use by emergency responders.
- The Mayor's Office of Neighborhood Safety and Engagement will leverage a private investment to kick-start the Group Violence Reduction Strategy, an evidence-based approach designed to curtail violent crime, expand opportunities for high-risk populations, and build better relationships between police officers and the communities they serve.

### Clean and Healthy Communities

- The Department of Public Works (DPW) will distribute recycling cans for eligible home in Baltimore, a \$8.3 million program made possible by a private grant and an interest-free loan.
- DPW will also continue supporting a 12-month pilot Sewage Onsite Support (SOS) Cleanup Program, which provides professional cleaning, disinfection, and disposal services through 311. The \$2.5 million program is funded by the Wastewater Utility Fund.

### Equitable Neighborhood Development

- MOCFS will continue a rental relief and eviction prevention program to assist tenants that have fallen behind on payments during COVID-19. The program is supported by \$31.2 million of aid from a variety of federal, State, and local sources from funds awarded in Fiscal 2021.
- The Mayor's Office of Employment Development aims to serve 30,000 residents and continue refining strategies to help residents get living wage jobs, with \$5.8 million in grant funding.

### Responsible Stewardship of City Resources

- The Baltimore City Information and Technology (BCIT) budget includes \$14.5 million for Phase 2 of the Enterprise Resource Planning system. The project will replace and integrate the City's core financial, payroll, and human resources systems to reduce manual data entry and improve access to real-time financial information.
- BCIT will utilize an Innovation Fund loan of \$200,000 to implement an automated online messaging system for 311 service requests to provide real-time assistance to customers on frequently asked questions and reduce call volume pressure on the 311 Call Center.

# COVID-19 Response Funding



In response to the unprecedented challenges of the COVID-19 pandemic, a series of vital aid packages were passed to provide assistance to state and local governments.

The City received \$103.6 million for the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. This funding will continue to support the City into Fiscal 2022. The American Rescue Plan Act (ARPA) of 2021 will provide the City with \$641 million in funds that will be spent on support projects to combat the COVID-19 public health crisis and the negative economic impacts. Additionally, Federal Emergency Management Agency (FEMA) reimbursement is expected for certain eligible programs the City ran during the height of the pandemic such as mass vaccination sites, sheltering, and feeding.

This funding has provided a lifeline for the City, allowing for a robust and continuing response to COVID-19 in Fiscal 2022. Below are some of the initiatives implemented using these funds.

## CARES Funding

- **\$24.3 million to support government services, including personal protective equipment (PPE), solid waste collection, election security, and other increased administrative expenses**
- **\$15.4 million to support for public health administration and contact tracing support**
- **\$14.8 million for small business assistance and non-profit relief programs**

## FEMA-reimbursable funding

- **\$29.5 million for food distribution in coordination with the Maryland Food Bank and other organizations for vulnerable community members, including identified seniors**
- **\$25.2 million for quarantine support, including \$11.3 million for Lord Baltimore Hotel**
- **\$10 million in FEMA-reimbursable funding for managing vaccination and test sites across the City, including mobile units**

## Ongoing COVID-19 Support

- **\$31.2 million in existing grant funding beyond CARES and FEMA funding to provide rental relief and eviction prevention services**
- **\$16.3 million in remaining CARES funding for technology upgrades, PPE, and cleaning and decontamination services**
- **\$8.2 million in remaining CARES funding to support emergency personnel that are substantially dedicated to the continued emergency response to COVID-19**

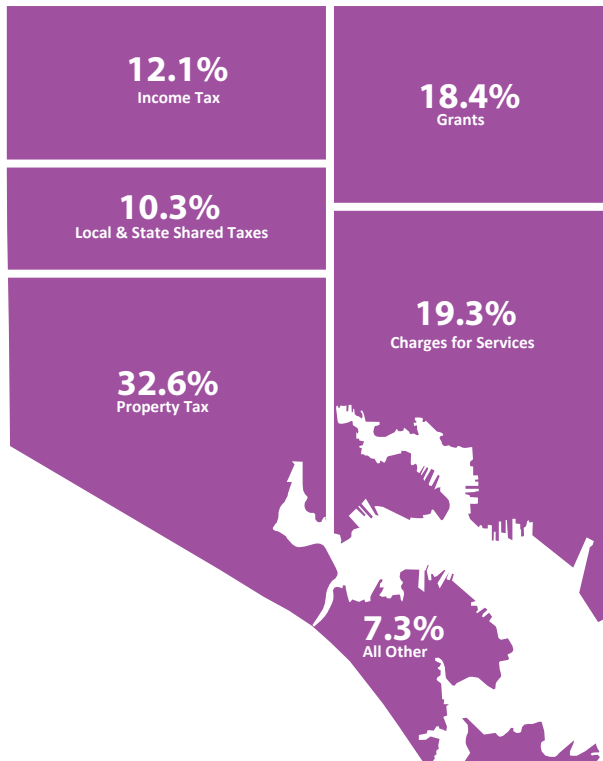
In July 2021, the Mayor's Office of Recovery Programs was created specifically to oversee the distribution and accounting of the \$641 million in awarded ARPA funding, of which \$141 million has been earmarked for budget stabilization. \$500 million has been dedicated to recovery projects to be awarded to City agencies, quasi-governmental agencies, and external organizations based on an application process.

# 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 (\$3.8 billion)



### What operating funds does the City manage?

51.9%

The **General Fund** is \$2.0 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.

32.2%

**Grant Funds** are \$1.2 billion and are legally required to support specific programs and initiatives. The City receives funding from federal, State, and other special or private grantors.

15.2%

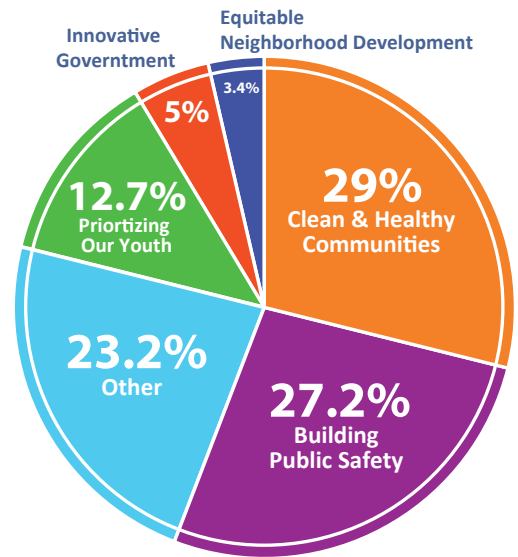
**Enterprise and Utility Funds** are \$585 million and are used for operations in which the cost of services is covered primarily through user charges, which are determined based on consumption. Examples include water and waste water fees.

0.7%

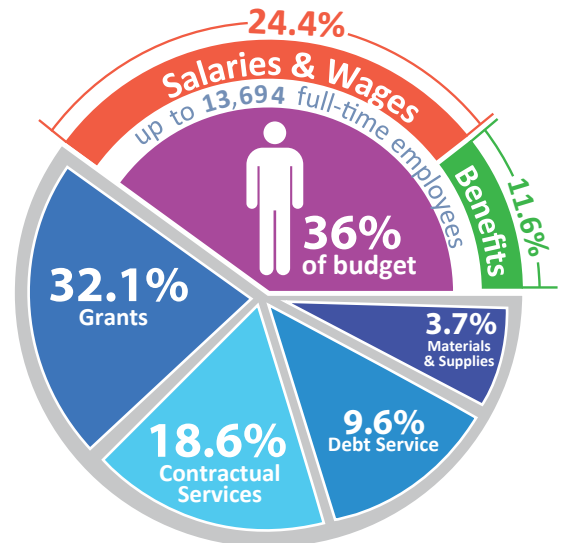
**Special Purpose Funds** amount to \$26.9 million. They are used to budget for parking operations supported by the General Fund and Convention Center debt service supported by the City's Hotel Tax, a General Fund revenue source.

## How is the money spent?

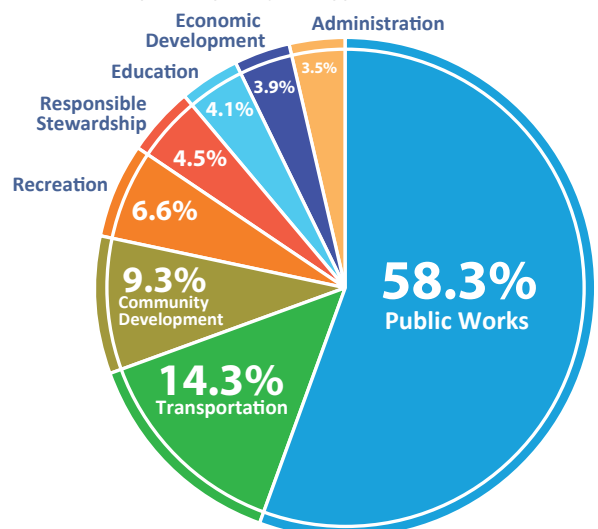
### Operating by Outcome (\$3.8 billion)



### Operating by type of expense (\$3.8 billion)



### Capital by Project Type (\$487.6 million)



Note: These numbers represent the Fiscal 2022 adopted budget. Complete financial information can be found at [www.budget.baltimorecity.gov](http://www.budget.baltimorecity.gov)



## What did we accomplish in Fiscal 2021?

Baltimore's Fiscal 2021 budget was shaped by one of the most unique challenges in our City's history, the COVID-19 pandemic. With General Fund revenues in decline due to the impact of the pandemic, the Preliminary Fiscal 2021 budget was written down by \$103.1 million. In addition, the Baltimore City Council and the Mayor agreed to cuts totaling \$22.4 million across the Baltimore Police Department and the State's Attorney's Office. Despite these reductions, the City had many accomplishments throughout Fiscal 2021.

### Children & Families

- The budget included \$25.3 in General Fund appropriation for the Enoch Pratt Free Library to support 22 neighborhood libraries, mobile library services, and the Central Library. In addition, this funding supported the digital library services and virtual programming throughout the COVID-19 pandemic.
- With the help of \$8 million of available prior-year balances in the Children and Youth Fund, the City preserved youth programming at current levels across a myriad of services, including recreation centers, aquatics, after-school programming, and many others.

### Public Safety

- The Baltimore City Fire Department participated in the Emergency Triage, Treat, and Transport (ET3) Model, which is a voluntary five-year payment model that will provide greater flexibility to ambulance care teams to address emergency health care needs of Medicare Fee-for-Service beneficiaries following a 911 call.
- The Baltimore Police Department reorganized special units to achieve \$3.4 million in savings and the City Council reduced funding by an additional \$1.97 million.

### Clean and Healthy Communities

- The budget invested \$9.6 million for the City's Quarantine Road Landfill expansion, with \$6.6 million from the operating budget and \$3 million from the capital budget. The Landfill is expected to reach capacity by 2026.
- The City received an additional \$13.1 million in appropriations to the Community Development Block Grant (CDBG) to create and expand facilities for COVID-19 testing, treatment, and supply manufacturing, expand group living facilities, expand job trainings for health care workers, and to stabilize the local housing market.

### Equitable Neighborhood Development

- The Mayor's Office of Children and Family Success managed the City's rental relief and eviction prevention program to assist tenants that had fallen behind on payments during COVID-19. The program was funded by \$31.2 million of aid from a variety of federal, State, and local sources from funds awarded in Fiscal 2021.
- The Mayor's Office of Employment Development continued helping residents get living wage jobs, with \$5.8 million in grant funding, through innovative outreach strategies due to COVID-19.

### Innovative Government

- The Baltimore City Information and Technology budget included \$14.5 million for Phase 2 of the City's Enterprise Resource Planning system, which will replace and integrate the City's core financial, payroll, and human resources systems.
- The City invested \$2.1 million of one-time funding from the City's Innovation Fund for two new projects in the Convention Center and Recreation and Parks, both with the potential to generate additional City revenue in a post-pandemic economy.

## City Snapshot



**24,114**

# of tons of recycling collected



**4,816**

# of seniors receiving home-delivered meals



**337,159**

# of Fire/EMS incidents dispatched annually



**54,387**

# of city residents who received employment assistance services



**90%**

% of 911 calls answered within 10 seconds or less



**211,192**

# of property maintenance code enforcement inspections



**495**

# of structures released for demolition or stabilization



**672,873**

# of 911 calls for Police service

#### Source of Data

- DPW: Service 663
- Health: Service 725
- BCFD: Service 614
- MOED: Service 795
- BCFD: Service 614
- HCD: Service 745
- HCD: Service 745
- BPD: Service 853

*This information reflects service performance from Fiscal 2020.*

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