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STATEMENT OF MAYOR CATHERINE E. PUGH

Fiscal Year 2019 Budget March 28, 2018

Today the Department of Finance for the City of Baltimore has released our preliminary Fiscal 2019 budget plan.

As I have made clear over the past many months, it is our highest priority to reduce violence in Baltimore.

Making Baltimore safer through a broad-based, holistic effort which includes every agency as well as so many grassroots organizations is proving an effective strategy to reduce violence and address its root causes. The Fiscal year 2019 budget reflects our intention to further invest in this effort and from every angle: strengthening core public safety agencies, funding new evidence-based programs, and ensuring that our youth have paths to opportunity and achievement.

Let me highlight some of the new programs that will begin in Fiscal 2019:

We're expanding Safe Streets from four sites to ten sites. We've gone over 500 days without a shooting in one of our current sites in McElderry Park neighborhood. This is a program that delivers results and we want those same results in other neighborhoods of need.

Bloomberg generously donated \$5M to purchase crime-fighting technology: crime watch cameras, mobile license plate readers, and gunshot detection units. City General Funds will support the operating costs for this new technology.

We're bringing the Roca program to Baltimore, and it will be funded by a mix of private funds and City General Funds. This program, which will be managed and executed locally, helps high-risk and hard-to-reach young men by developing

positive life skills and linking them to employment opportunities. We will serve 75 young men in the first class in Fiscal 2019.

We're also bringing Strategic Command Centers to Baltimore to the Eastern and Western districts. These "nerve centers," where police gather and analyze the latest intelligence to enable them to act in real-time, have proven highly effective in Chicago and Los Angeles.

In the Police Department's budget, I am adding funding for 100 officer positions. This action will bring the Department's budget more in line with recent spending levels. Our recruitment has improved this year and each new hire reduces our overtime spending.

In order to fulfill our commitment to implementing the reforms mandated by the Justice Department Consent Decree, we will commit \$6 million in FY19, which is a continuation from our commitment which began in FY18.

But, let me be clear: an increase in the Police Department's budget does not mean they get a blank check. Commissioner De Sousa will be delivering on the key strategies in place to reduce overtime spending, such as looking at a more efficient patrol schedule, the overtime audit that is underway, and reducing abuse via new biometric sign-in technology.

In the Fire Department's budget, we will be increasing ambulance fees to match market rates, and we'll be swapping out 2 Suppression units for 2 new EMS units. Over the last few years the demand for medical services has exploded and we need to better meet that demand.

Even with our focus on violence reduction and public safety, we need to keep sight of other key services that improve quality of life for Baltimorean's.

In our education funding, Fiscal 2019 marks the 2nd year of an extraordinary 3-year \$90 million City commitment to Baltimore City Public Schools, for a total of \$370 million, which far exceeds required statutory levels, as determined by the State of Maryland. This will bridge City Schools funding while the State's Kirwan Commission evaluates education funding formulas.

We have also added \$2M of additional Capital funding, for a total of \$19 million, to assist Schools with HVAC and maintenance issues that became apparent during the cold winter season. It's important to note that vast majority of operating support for our schools comes from the State. At the same time, we want to do everything we can to add additional support to ensure that our schools are befitting the promise and potential of our young people. I wish to highlight that last September we opened two new schools, Frederick Elementary and Fort

Washington Elementary/Middle, two more will open next week, Dorothy I. Height Elementary and Lyndhurst Elementary, and five more schools are on track for the upcoming school year.

Because it is among my administration's highest priorities to attract and retain businesses and residents, we continue to decrease our property tax rate through the "Targeted Homeowners Tax Credit." The result for 2019 will be that City residents will pay roughly 7% lower in property taxes than when the program was begun in FY 2012.

Our Capital budget, which totals \$618 million, reflects our continued investment in the areas our citizens demand and expect us to prioritize: utility infrastructure, recreation and parks, affordable housing, public transit, libraries, and schools, among many areas that bear directly on the quality of life of Baltimoreans.

The Fiscal 2019 budget plan that we present to you today is balanced, but we need to be wary of the road ahead.

We are nearly nine years into an economic recovery, but we have to be diligent in preparing for external market factors that have the potential to adversely impact the City's finances.

Given any number of unforeseen risks, we need to prudently manage spending and continue building reserve levels.

In order to keep us to be on a fiscally sustainable path, I've instructed my Finance Department to refresh the City's 10-Year Financial Plan, even though we are already half way through those projections. I further instructed the Finance Department to extend the plan to Fiscal Year 2028 in order to provide us the full range of options and contingencies.

The citizens of Baltimore have every right to require us as fiscal stewards to be diligent and innovative in the utilization of public resources, and at the same time continue to invest in those areas essential to moving Baltimore forward. It is our constant commitment to meet their high expectations.