Agenda

- Fiscal 2023 Overview
  - COVID-19 Funds
- Revenue Projections
- Budget Recommendations
Fiscal 2023 Overview
Budget Overview

Operating and Capital Budgets

- Operating funds the daily business of the City, specifically covering programs, services, staff, and supplies.

- Capital funds physical infrastructure projects for the City, specifically major renovations and replacements that are long-term investments.

Fiscal 2023 Total Budget by Type of Spending

- Operating Plan: $3.3B (81.6%)
- Capital Plan: $742.4M (18.4%)

Total Budget: $4.0 billion
Capital v. Operating Budget

CAPITAL

OPERATING
# Fiscal 2023 by the Numbers

<table>
<thead>
<tr>
<th>FISCAL 2023</th>
<th>Recommended Amount</th>
<th>Change from Fiscal 2022</th>
<th>% Change from Fiscal 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Plan</td>
<td>$3.287 billion</td>
<td>-$555.5 million</td>
<td>-14.8%</td>
</tr>
<tr>
<td>Capital Plan</td>
<td>$742.4 million</td>
<td>+$254.8 million</td>
<td>+52.3%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$4.0 billion</td>
<td>-$301.0 million</td>
<td>-6.9%</td>
</tr>
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<table>
<thead>
<tr>
<th>General Fund</th>
<th>Recommended Amount</th>
<th>Change from Fiscal 2022</th>
<th>% Change from Fiscal 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>$2.135 billion</td>
<td>+$127.2 million</td>
<td>+6.3%</td>
</tr>
<tr>
<td>Positions</td>
<td>9,442</td>
<td>39</td>
<td>+0.4%</td>
</tr>
</tbody>
</table>

* Totals may not match detailed amounts due to rounding.
COVID Federal Aid Status

- Coronavirus Aid, Relief, and Economic Security Act (CARES)
  - City received direct award of $103 million.
  - Funds were all spent prior to December 2021 deadline.
  - No CARES funding is included in Fiscal 2023.

- Federal Emergency Management Agency (FEMA) Support
  - During COVID 100% reimbursement has been available for certain eligible COVID response costs such as feeding programs, hotel shelter, and vaccination support.
  - FEMA guidance is that only 90% reimbursement will be available beginning July 1, 2022, and disaster period can be ended at any time with 30 days' notice.
  - No FEMA funding is included in the Fiscal 2023 budget, but the City will continue to seek reimbursement for expenses if the disaster period is extended into Fiscal 2023.

- American Rescue Plan (ARPA)
  - City received direct award of $641 million.
  - City has announced some awards and is continuing to review applications.
  - The award was appropriated in full in Fiscal 2022; spending will continue through 2026.
ARPA Awards

ARPA Funds
Total: 641

- 175.7 Uncommitted Funds (27.4%)
- 465.3 Committed Funds (72.6%)

Use of Funds

<table>
<thead>
<tr>
<th>Use of Funds</th>
<th>Funding Committed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Evaluation</td>
<td>0.6</td>
</tr>
<tr>
<td>Position Restoration</td>
<td>2.8</td>
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<tr>
<td>Lexington Market</td>
<td>4.9</td>
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<tr>
<td>Vaccine Incentives</td>
<td>10.4</td>
</tr>
<tr>
<td>Administration</td>
<td>10.6</td>
</tr>
<tr>
<td>Economic Recovery Fund</td>
<td>25.0</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>30.0</td>
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<tr>
<td>Broadband and Digital Equity</td>
<td>35.0</td>
</tr>
<tr>
<td>Recreation Infrastructure</td>
<td>41.0</td>
</tr>
<tr>
<td>Violence Prevention</td>
<td>50.0</td>
</tr>
<tr>
<td>Reducing Homelessness</td>
<td>75.0</td>
</tr>
<tr>
<td>Public Health Response</td>
<td>80.0</td>
</tr>
<tr>
<td>Affordable and Vacant Housing</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Total 465.3

Table and graph in millions of dollars and do not include budget stabilization funds.

Learn more at arp.baltimorecity.gov
Revenue Projections
Where the Money Comes From - Operating

**Operating Budget by Revenue Source**

Fiscal 2023 Operating Budget by Revenue Source

$3.29 billion

- **General Fund**: 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.

- **Grant Funds**: are legally required to support specific programs and initiatives. The City receives funding from Federal, State and other special or private grantors.

- **Enterprise Funds**: are used for operations in which the cost of services is covered primarily through user charges, which are determined based on consumption.

*Totals may not equal 100% due to rounding. Chart in millions.*
Where the Money Comes From – General Fund

Fiscal 2023
General Fund by
Revenue Source
$2.04 billion
Property Tax

- Tenth consecutive year of Real Property revenue growth.
- Fiscal 2023 budget includes new Group I assessments, plus triennial phase-in of previous two years assessments for Group II (Fiscal 2021) and Group 3 (Fiscal 2022).
Income Tax

Income tax receipts have remained strong through the pandemic, due to Federal and State unemployment insurance that replaced lost income from job losses.

Despite declines in overall population, an additional 1,400 City taxpayers filed tax returns in 2020 compared to 2019.
Based on Fiscal 2022 year-to-date activity, tourism and visitor revenues are rapidly recovering from the COVID-19 disruption in Fiscal 2021.

These revenues are projected to reach 85% of pre-pandemic levels in Fiscal 2023.
Other Revenues

Record Recordation and Transfer Taxes
- Extraordinary receipts in Fiscal 2022 driven by record-level activity in the local housing market. Fiscal 2023 budget of $90.1 million is based on five-year moving average of receipts, to avoid over-reliance on these revenues for operating costs.

Traffic Cameras
- Fiscal 2023 projection of $30.4 million assumes the deployment of 18 new speed cameras and 12 new red-light cameras, for a total of 160 operational cameras by the end of the fiscal year.
- New speed cameras on I-83, to improve safety and reduce accidents on the highway, have first-year revenue estimate of $34.7 million. Proceeds first cover program administrative costs and remaining revenue dedicated solely to I-83 improvements.

New Revenues from Emergency Medical Services
- The City has received approval to enter the Emergency Service Payment Program (ESPP), which is expected to provide an additional $40 million of annual Medicaid reimbursement for eligible ambulance transports.
Budget Recommendations
Fiscal 2023 Highlights

- Meets the first-year of increased local contribution for Schools, $65 million.

- Includes $70 million in one-time General Fund support for capital projects.

- Funds new Fire Apprenticeship Program

- Includes $3 million to begin upgrading infrastructure to meet ADA compliance.

- Funds final stage of Enterprise Resource Planning (ERP) project.

- Includes new revenue stream to support EMS services and public safety facilities.

- Funds Live Baltimore ad campaigns for Black and immigrant families.
The Mayor’s Action Plan

**PILLAR GOALS**

**PRIORITIZING YOUTH**
1. Ensure access to quality educational and recreational environments
2. Increase quality of opportunities for disconnected youth
3. Decrease number of justice-involved youth
4. Ensure children are ready to succeed upon entering kindergarten
5. Increase engagement with Baltimore youth

**CLEAN AND HEALTHY COMMUNITIES**
1. Reduce public health disparities
2. Provide support services to reduce housing insecurity
3. Improve the cleanliness of Baltimore
4. Ensure every neighborhood affordable, healthy food and safe, reliable public transportation, streets and sidewalks
5. Provide affordable, world-class water service
6. Move towards a more sustainable future

**RESPONSIBLE STEWARDSHIP OF CITY RESOURCES**
1. Improve the overall reliability, access, and transparency of the City’s financial systems
2. Deliver quality, efficient customer service to all residents
3. Recruit, retain, and develop a diverse and high-achieving workforce
4. Improve government performance, accountability, and cross-agency collaboration
5. Increase transparency and meaningful resident participation in government

**BUILDING PUBLIC SAFETY**
1. Reduce violent crime
2. Achieve significant progress on the consent decree
3. Decrease the flow of illegal guns into Baltimore
4. Increase support for returning residents
5. Accelerate and expand 9-1-1 diversion
6. Modernize the City’s EMS
7. Strengthen coordination on joint efforts

**EQUITABLE NEIGHBORHOOD DEVELOPMENT**
1. Continue to ensure an equitable recovery from COVID-19
2. Increase capital investment and ensure equitable access
3. Reimagine and provide support to Baltimore economy with a focus on local business owners
4. Increase population
5. Close the digital divide once and for all
Where the Money Goes - Operating

Fiscal 2023 Operating Budget by Pillar

$3.287 billion

- Building Public Safety: 1.1B (33.0%)
- Clean and Healthy Communities: 897.5M (27.3%)
- Prioritizing Our Youth: 578.3M (17.6%)
- Equitable Neighborhood Development: 334.5M (10.2%)
- Responsible Stewardship of City Resources: 167.1M (5.1%)
- Other: 224.1M (6.8%)
Fiscal 2023 Capital Budget by Agency
$742.4 million

- Public Works: 408.1M (55.0%)
- Transportation: 96.2M (13.0%)
- Community Development: 77.5M (10.4%)
- Administration: 65.2M (8.8%)
- Recreation: 62.6M (8.4%)
- Education: 22.4M (3.0%)
- Economic Development: 10.4M (1.4%)

Totals may not equal 100% due to rounding. Charts in millions.
Prioritizing Our Youth

Supporting City Schools: The City will meet its first-year required Kirwan contribution, an increase of $65 million from Fiscal 2022.

Total support for City Schools exceeds $425.0 million and includes operating support, retiree healthcare, school construction, school health, and crossing guard services.

Recreation & Parks: The City will open the new Middle Branch Fitness and Wellness Center in Cherry Hill with $1.2M of new operating investment. In addition, the newly renovated Druid Hill Park Pool will reopen to the public.
Building Public Safety

**EMS Investments:** The Baltimore City Fire Department will dedicate $5 million to new EMS initiatives, including 2 new Basic Life Support (BLS) units and Quality Assurance staff. EMS will also pilot two new programs: a population health initiative, to better match patients with the appropriate medical care; and a 911 nurse triage program, to better handle non-emergency calls for service.

**Group Violence Reduction:** The Mayor’s Office of Neighborhood Safety and Engagement, Baltimore Police Department, and State’s Attorney’s Office will partner on the Group Violence Reduction Strategy (GVRS). GVRS connects people with housing and transitional employment, as well as other resources. MONSE will use both ARPA and General Funds to implement a variety of violence prevention programs. BPD will add 9 positions to support GVRS.
Clean and Healthy Communities

Climate and Environment: The Department of General Services will purchase a new energy software system, to quickly gather energy usage data from City-owned building, to benchmark versus peer buildings, and to identify inefficiencies and savings opportunities. The Department of Planning will add a Resilience Planner position to support the new Sustainability Sub-Cabinet, evaluating options for better preparing the community for extreme weather events.

Water4All: The Department of Public Works will implement the first full year of the City’s Water4All program. Water4All is a new water billing discount program designed to create more equitable access to water assistance for more Baltimore City residents.
Equitable Neighborhood Development

Vacants and Emergency Housing: The Department of Housing and Community Development will add four new positions to speed up vacant acquisition and disposition process. In addition, the agency will add four new positions in the Emergency Services Division and LIGHT Intake to better connect victims of emergencies to human support services.

Equity in Government: The Law Department will add five positions to strengthen efforts to spend more contract dollars with minority and women-owned businesses. The Office of Equity and Civil Rights will add two positions to develop equity training for City agencies and ensure compliance with the City’s Equity Assessment Program.
Responsible Stewardship of City Resources

**CUB Salaries:** The City will fund $2 million of salary enhancements for certain City Union of Baltimore (CUB) employees. The Department of Human Resources revealed salaries at below 90% of the market rate, leading to hiring and retention issues. These funds will impact 752 positions, including building inspectors, office assistants, and field supervisors.

**Cyber-Security:** Baltimore City Office of Information Technology will add five new cyber-security positions to monitor and implement computer software security patches, and to identify and fix outstanding system vulnerabilities.
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- @baltimorebudget
- @baltimorebudget
FY 2023-2028 CAPITAL IMPROVEMENT PROGRAM

Board of Estimates
Taxpayer Night
April 27, 2022
CIP Overview

- By City Charter, the Planning Commission must submit a recommendation for the six-year Capital Improvement Program (CIP) to the Board of Estimates.
- The budget year of the CIP becomes the basis for the capital component of the Ordinance of Estimates, adopted by City Council.
- The six-year CIP begins again each year.

![Diagram showing FY21 to FY27]
The BOE policy for a Capital Improvement is:

- A physical betterment or improvement and any preliminary studies relative thereto
- A Capital Improvement is NOT:
  - Improvements costing less than $50,000,
  - Vehicular equipment,
  - Repairs or maintenance costing less than $100,000 or emergency in nature, and
  - Salaries other than those which are capitalized as part of the cost of the project
The Board of Estimates defines a capital project as a physical betterment or improvement and related architectural and engineering studies. Types of projects include:

- Bike Lanes
- Sidewalks
- Roads and Bridges
- Major Software Systems
- Cultural Attractions
- Schools
- Libraries
- Municipal Buildings
- Police and Fire Stations
- Senior Centers
- Health Clinics
- Convention Center
- Parks
- Recreation Centers
- Water/Sewer Pipes
- Sewage Treatment Plants
- Pumping Stations
- Stormwater Infrastructure
- Vacant/Abandoned Building Demolition
- Housing Redevelopment
- Public Parks
- Economic Development Projects
Process

September/October
Planning Provides Agencies with Instructions & Likely Funding Levels

December
Agencies Submit Projects for Consideration

December - February
Planning Staff Meets with Agencies to Review Submitted Projects

Agencies Present Priorities to Planning Commission
January

Planning Staff Formulates Recommendations
February

Planning Commission Vote
March

Board of Finance Vote
March/April

Board of Estimates Vote
May

City Council Vote (First Year Only)
June
FY23 Recommended Capital Budget by Fund Source

- Revenue Loans: $314,059
- County Grants: $47,177
- Federal Funds: $131,352
- General Funds: $77,409
- HUR: $13,091
- Transp Revenue Bonds: $15,000
- State Funds: $14,625
- City Bond Funds: $80,000
- Other: $49,670
- Revenue Loans: $314,059

*AMOUNTS IN $ THOUSANDS*
$7 million for information technology to improve infrastructure, security, and applications.

Approximately $1 million for museums, theaters, and other cultural organizations.

Over $60 million for City buildings, including over $40 million for improvements to public safety facilities.

$19 million for school building upgrades and additions (for school buildings not included in the 21st Century Schools initiative)

Over $60 million for recreation and park facilities, including $10.7 million for a new Parkview Recreation Center, $2.2 million for a gymnasium addition at Bocek Park, and $3 million to complete funding for an upgrades Chick Webb Recreation Center.

$119.5 million for transportation infrastructure, including: nearly $24 million for bridges; $18 million for bicycle, pedestrian, and transit infrastructure, and $20 million for safety improvements on I-83.
$23.5 million for improvements at solid waste facilities, including $3 million toward the landfill expansion and $17.4 to improve the facilities used by frontline workers.

$77.5 million for Housing and Community Development, including: $7.4 million for demolition and stabilization of vacant and abandoned buildings; $8.5 million for homeownership and home repair incentives; $21.6 million for the HOME program; and $21 million for projects related to the CHOICE redevelopment project.

$6.7 million for Baltimore Development Corporation, including $2.5 for improvements to Warner Street Entertainment Corridor and $1 million toward streetscaping along Frederick Avenue.

$127 million for water main replacements, dam rehabilitation, and other improvements to the drinking water system

$74 million for stormwater management projects

$161 million for wastewater projects, including improvements to sanitary sewers and inflow and infiltration reduction projects
Per Capita CIP Allocations, FY 2023

DPW
Amount in 1000's
$38.24 - $99.51
$99.52 - $269.22
$269.23 - $441.14
$441.15 - $2,120.24

Per capita is reported as per 1,000 people. Source: Baltimore City Planning, February 2022

Per Capita CIP Allocations, FY 2023

All Projects (No DPW)
Amount in 1000's
$23.23 - $165.04
$165.05 - $276.13
$276.14 - $432.74
$432.75 - $1,822.92

Per capita is reported as per 1,000 people. Source: Baltimore City Planning, March 2022
DRAFT Equity Analysis

All Projects (NO DPW) Ratio of Per Capita Allocations by Percent of Residents - Black/African-American, FY18-23

- >88% Black/African American
- 69% to 87% Black/African American
- 29% to 68% Black/African American
- <28% Black/African American
DRAFT Equity Analysis

All Projects (NO DPW) Ratio of Per Capita Allocations by Median Household Income, FY18-23
CIP Reports & Resources

Below are Capital Improvement Program (CIP) resources for the most recent year back to fiscal year 2008. If you wish to skim through the projects included in each year’s capital improvement program, we recommend viewing the “Six-Year Program” report or the Interactive Map*. For more information on the various reports and resources available, please view our Guide to Capital Budget Reports, below.

For general budget publications that include the operating budget, please visit the Bureau of Budget and Management Research’s Budget Publications page.

*The maps only include projects for which a specific location was provided at the time of budget preparation. Some projects are citywide (for example, Demolition has many locations and is thus listed as a citywide project) and some have locations that were yet to be determined when the budget was adopted.

Capital Budget Resources


Multi-Year Map of Projects (2018-2022)

FY 2023 (July 1, 2022 - June 30, 2023)

Planning Commission Recommendations

The reports below show the Planning Commission’s recommendations for the FY23-28 CIP. The Planning Commission voted to recommend the projects in these reports on March 17, 2022. The FY23-28 recommendations will be forwarded to the Board of Finance and Board of Estimates for review.

- FY 2023-2028 Six-Year Program
- FY 2023-2028 Project Fund Summary
- FY 2023-2028 Agency Fund Summary
- FY 2023-2028 Projects by Fund Source
- FY 2023-2028 Citywide Fund Summary
- FY 2023 Capital Budget Report

Agency Requests
Get Involved

• Attend the annual information & listening session with Planning Commission - August 2022

• Get involved in the Comprehensive Plan: https://www.planourbaltimore.com/

• Sign up for The Compass (Planning Department Newsletter) https://planning.baltimorecity.gov/planning-newsletters
Public testimony

Participants will be called upon by name when it is time to testify.
- Staff will find participants in the attendee list and unmute them when called upon or call them up to the podium.

Participants will have 2 minutes to provide testimony.

Once all participants have been called, the event will conclude.

The Board of Estimates will accept public testimony through April 29, 2022.

More information on how to submit testimony can be found at bit.ly/BaltFY23.