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## **BALTIMORE CITY COUNCIL FINANCE AND PERFORMANCE COMMITTEE**

### *Mission Statement*

*The Committee on Finance and Performance (FP)* is responsible for matters concerning fiscal oversight throughout the year. FP will improve the Council's understanding of the City's budget and to understand how agencies are performing and delivering city services, in addition to reviewing their spending throughout the year. FP will hold regular hearings on financial information, including, revenue, budgets, and audits. The committee's areas of jurisdiction include:

- Fiscal Oversight
- Budget Process
- Agency Performance
- Quarterly Budget Hearings
- Agency Performance Hearings
- Audit Oversight
- Revenue Certification

**The Honorable John T. Bullock  
Chairman**

**PUBLIC HEARING**

**THURSDAY, SEPTEMBER 28, 2023  
3:00 PM**

**COUNCIL CHAMBERS**

**Legislative Oversight LO21-0003**

**Quarterly Budget Briefings**

**Bureau of Budget and Management Research**

- **Fourth (4<sup>th</sup>) Quarter Budget Report**
- **Fiscal Year 2023 Closeout – An Update**
  - **Capital Budget**
- **List of Capital Projects – Fiscal Years 2023 and 2024**
  - **Budget Performance by Agency and Etc.**
- **Baltimore City Public Schools**
  - **Fourth (4<sup>th</sup>) Quarter Budget Report**
  - **Fiscal Year 2023 Closeout – An Update**

## CITY COUNCIL COMMITTEES

### ECONOMIC AND COMMUNITY DEVELOPMENT (ECD)

Sharon Green Middleton, Chair  
John Bullock – Vice Chair

Mark Conway  
Ryan Dorsey  
Antonio Glover  
Odette Ramos

Robert Stokes

*Staff: Anthony Leva (410-396-1091)*

### WAYS AND MEANS (W&M)

Eric Costello, Chair

Kristerfer Burnett

Ryan Dorsey

Danielle McCray

Sharon Green Middleton

Isaac "Yitzy" Schleifer

Robert Stokes

*Staff: Marguerite Currin (443-984-3485)*

### PUBLIC SAFETY AND GOVERNMENT OPERATIONS (SGO)

Mark Conway – Chair

Kristerfer Burnett

Zeke Cohen

Erick Costello

Antonio Glover

Phylicia Porter

Odette Ramos

*Staff: Anthony Leva (410-396-1091)*

### Finance and Performance (FP)

John Bullock, Chair

Eric Costello, Vice Chair

Isaac "Yitzy" Schleifer

Danielle McCray

Phylicia Porter

*Staff: Marguerite Currin (443-984-3485)*

### EDUCATION, WORKFORCE, AND YOUTH (EWY)

Robert Stokes – Chair

John Bullock

Zeke Cohen

Antonio Glover

Sharon Green Middleton

Phylicia Porter

James Torrence

*Staff: Deontre Hayes (410-396-1260)*

### HEALTH, ENVIRONMENT, AND TECHNOLOGY (HET)

Danielle McCray – Chair

John Bullock

Mark Conway

Ryan Dorsey

Phylicia Porter

James Torrence

Isaac "Yitzy" Schleifer

*Staff: Deontre Hayes (410-396-1260)*

### RULES AND LEGISLATIVE OVERSIGHT (OVERSIGHT)

Isaac "Yitzy" Schleifer, Chair

Kristerfer Burnett

Mark Conway

Eric Costello

Sharon Green Middleton

Odette Ramos

James Torrence

*Staff: Richard Krummerich (410-396-1266)*

### LEGISLATIVE INVESTIGATIONS (LI)

Eric Costello, Chair

Sharon Green Middleton, Vice Chair

Isaac "Yitzy" Schleifer

Robert Stokes

Danielle McCray

*Staff: Marguerite Currin (443-984-3485)*

Effective: 08/21/23

Revised: 08/21/23



**BILL SYNOPSIS**

**Committee:** Finance and Performance

**Legislative Oversight #** LO 21-0003

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**Quarterly Budget Briefings  
Bureau of Budget and Management Research  
Capital Budget  
Baltimore City Public Schools**

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**Sponsor:** Councilmember Costello, et al

**Introduced:** January 25, 2021

**Purpose:**

For the purpose of calling on the Directors of the Finance Department’s Bureau of Budget and Management Research (BBMR), Capital Budget and the Baltimore City Public School to brief the City Council on how the City’s actual finances compare to its budget projections.

**Effective:** On the 30<sup>th</sup> day after the date it is enacted

**Note:** This Legislative Oversight does not require a committee vote and will remain active until the end of the term.

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**Agencies Reporting**

Finance – Bureau of Budget and Management Research	PowerPoint Presentation to be shown
Capital Budget	PowerPoint Presentation to be shown
Baltimore City Public Schools	PowerPoint Presentation to be shown

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**Analysis**

**Current Law**

**Baltimore City Code – Article 1, Subtitle 1-City Council, 1-6**

**§ 1-6. Agencies to provide legislative information.**

It shall be the duty of the head of every City department or bureau established by the Baltimore City Charter or by ordinance to provide all technical materials, plats, drawings, and information that are requested by any member or the President of the City Council for the purpose of introducing legislation into the Council.

(City Code, 1976/83, art. 1, §6.) (Ord. 76-080.)

## Background

### I. Department of Finance – Budget and Research Management

On May 2, 2023, a representative(s) from the Bureau of Budget and Research Management came before the committee to discuss the second quarter projection for fiscal year (Fiscal Year 2023); October 1, 2022, through December 31, 2022, and to present a revenue forecast for Fiscal Year 2024.

Following are notes from the May 2, 2023, hearing:

#### Major Speakers

- Laura Larsen, Finance Department - BBMR
- Pedro Aponte, Finance Department – BBMR

#### Major Issues Discussed

1. The representatives from BBMR gave a PowerPoint presentation. **A copy of the Presentation is on file.** The Presentation included the following:
  - Second (2<sup>nd</sup>) Quarter Projection for Fiscal Year 2023; ending December 31, 2022
    - Highlights
    - Expenditure Overview
    - Revenue Overview
      - Projected Surpluses
      - Projected Deficits
  - FY 2024 – Revenue Projection - Fiscal Year 2024 – July 1, 2023, through June 30, 2024
    - Revenue Assumptions
2. Committee/council members asked questions, stated concerns, and made comments. Some highlighted topics of discussion and/or concern were:
  - High-Performance MRR Tax Credits
    - Questions, concerns, and comments regarding the tax credits
    - President Mosby talked about the importance of the upcoming **evaluation** of the City's tax credits.
  - FEMA Reimbursement Deadline
    - Talk about this; what happens after the May 11<sup>th</sup> deadline?
  - Duplicated Records – Property Taxes
    - How did this happen? (Duplications)
    - Talk about this.
    - Projected reduction in Revenue for Property Taxes – why the reduction? Talk about this!
  - GMS Software
    - Does Finance have the addresses specifically for the high-performance tax credits?
    - **Requested by President Mosby: Please provide the addresses for same for the past five (5) years.**

- Requested by Councilmember Ramos: Include in the President’s request the “Brownfields” too.

- Vacancies

- Requested by Councilmember Burnett: Provide a breakdown of all vacancies in both the Fire and Police Departments by position and title.
- What is the possibility of having a “wait list” for vacancies in the Fire Department?
- What is the possibility of re-opening the list for vacancies within the Fire Department?
- How are vacancies projected for each agency in the budget?
- Vacancies that stay constant for the past two (2) years; how are they projected in the budget?

- Investment Earnings

- Where are the earnings placed and/or go?
- Are the earnings invested into the market?

- Moving Violations

- Requested by Councilmember Middleton: Provide a breakdown of where revenue is being collected for red light and speeding citations; for locations throughout the city; particularly from the major thoroughfares.

- Health Department – Expenditures for housing and/or hotels

- When will we acquire a hotel for same?
- In the preliminary budget for FY2024 – it shows only a purchase of one hotel: why one and not two hotels? Talk about this!

- TIF’s

- Is showing \$3 million for TIF’s – can you explain this a little more?
- Requested by Councilmember Ramos: Provide a TIF’s analysis for the next five (5) years.

- Supplementals

- Questions and comments regarding the number of supplementals that came before the Council this year.
- Did the number of supplementals come about as a result of vacancies?

- Projections

- Talk about the process for coming up with projections for:
  - Excess Revenue
  - Assumptions
  - Approaches
  - About how the Bureau comes up with the projections.

3. President Mosby commented about how the Council’s role will tie into the budgets in the future.

4. Hearing was called to recess.

### Further Study

Was further study requested?

Yes

See ‘red and yellow highlighted’ areas in the Mayor Issues section above.

## II. Capital Budget

Starting with this hearing; September 28, 2023, and every budget briefing thereafter, a representative will come before the committee to brief and/or give updates about the City's capital budget.

## III. Baltimore City Public Schools

On February 7, 2023, representative(s) from BCPS came before the committee to discuss their Fiscal Year 2022 financial summary/closeout which ended June 30, 2022. Prior to this hearing, on May 10, 2022, representative(s) from BCPS came before the committee to discuss their third quarter projection for fiscal year 2022; January 1, 2022, through March 31, 2022.

Following are the notes taken during the February 7, 2023, hearing:

### Major Speakers

- Chris Doherty, Baltimore City Public Schools (BCPS)
- Alison Perkins-Cohen, BCPS

### Major Issues Discussed

1. The representative from BCPS gave a PowerPoint presentation. **A copy is on file.** The Presentation included the following topics:

Fiscal Year 2022 General Fund Revenues as of June 30, 2022

Fiscal Year 2022 General Fund Expenditures as of June 30, 2022

Fiscal Year 2022 Summary of GF Revenue and Expenditures as of June 30, 2022

2. Committee/council members asked questions, stated concerns, and gave comments. Some highlighted topics of discussion and/or concern were:

#### Behavioral Health Services

Committee member McCray stated that she is concerned about the behavioral health services that are provided in schools in the Frankford Area of the City; services relating to:

- Trauma
- Mental Health
- Uptick in Youth Violence
- **Requested by member McCray: Submit in writing, what the BCPSS is spending on behavioral health.**
- **Requested by member Stokes – Provide the above data for all BCPS(s).**
  - **Per Mr. Doherty, he will gather the information relating to behavioral health services provided in schools and submit same to committee.**
- COVID/Pandemic – Backlash Associated with Same
  - What have the BCPSS done to help students with their academics? To getting them back to standards! What are some of your plans for same?
    - **Some answers given were:**

- Extended School Days
- Summer Programs, and
- Homegrown Tutoring Programs

▪ Teacher Shortages

- A representative from the BCPSS talked about the staffing shortages. Some comments were:
  - Teacher shortage is a national problem.
  - The BCPSS had approximately 1,300 vacancies this school year; up from 600 vacancies to 1,300!
  - But have hired 700 more teaches this year; but it is not enough!

▪ Day Care in BCPS

- A committee member commented, “day care is important for students who are parents!” Where is BCPS on this issue?
  - Response given: Day Care is in some of the school buildings, but BCPS does not run them!

▪ Older School Buildings

- Are you looking at all school buildings to see which ones may need additional funding?

▪ Partnerships

- Suggestion: BCPS should reach out to some of the organizations within the City for partnerships, such as the Family League.

3. Hearing was called to recess.

Further Study

Was further study requested?

Yes

1. See 'red and yellow highlighted' areas in the Major Issues section above.

**Additional Information**

**Fiscal Note:** See PowerPoint Presentations – to be shown during the hearing.

**Information Source(s):** Hearing Notes:

- Hearing on May 2, 2023 – BBMR
- Hearing on February 7, 2023 - BCPS

Analysis by: Marguerite M. Currin  
 Analysis Date: September 25, 2023

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