BALTIMORE CITY COUNCIL
BUDGET & APPROPRIATIONS COMMITTEE

Mission Statement

The Budget and Appropriations Committee (BA) *is responsible for ensuring taxpayer dollars are expended prudently and equitably. BA will exercise regular oversight of the funding and spending practices of City agencies, the City's budget, expenditures, loans, and other financial matters. The committee's areas of jurisdiction include all budgets & appropriations, taxation, financial services, consumer protection, audits, and the Comptroller's Office.*

The Honorable Danielle McCray

CHAIR

PUBLIC HEARING

Tuesday, November 4, 2025

9:00 AM
CLARENCE "DU" BURNS COUNCIL CHAMBERS

Bill:25-0105

Title: Supplementary General Fund Operating Appropriation – Baltimore City Public Schools – $12,911,344

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OFFICE OF COUNCIL SERVICES
NANCY MEAD – DIRECTOR
100 N. HOLIDAY STREET
BALTIMORE MD, 21202

Meeting: Bill Hearing
Committee: Budget & Appropriations
Bill # 25-0105

Title: Supplementary General Fund Operating Appropriation – Baltimore City Public Schools – $12,911,344

Purpose: For the purpose of providing a Supplementary General Fund Operating Appropriation in the amount of $12,911,344 to Baltimore City Public Schools – Service 352 (Baltimore City Public Schools), to provide funding for a deficit caused by the City's contribution to the development agreement for City Spring Elementary/Middle School; and providing for a special effective date.

REPORTING AGENCIES

Agency	Report
Law Department	Approved for form and legal sufficiency
Department of Finance	Favorable
Baltimore City Public Schools	Favorable

BACKGROUND

In 2018 the city secured $30 million in the Choice Neighborhoods grant from HUD which included a proposal to replace the new City Springs Elementary/Middle School. The project has multiple phases with ongoing work that requires additional funding resources for the full redevelopment efforts. [i]

The $12,911,344 appropriated for this Bill represents the deficit caused by the City contribution to development for City Springs Elementary/Middle School. The Fiscal Year 2025 General Fund budget-to-actuals for the Baltimore City Public Schools is listed below: [ii]

Agency	**FY 2025 Budget**	**FY 2025 Actual**	**FY 2025 Deficit**
Baltimore City Public Schools	**$396,915,556**	**$426,182,618**	**($29,267,062)**

The Bureau of the Budget and Management Research noted that the FY 2025 Deficit shown above includes a prior year payment of $16,355,718 that will be accrued to the appropriate fiscal year during closeout entries. [iii]

Additional appropriations are permitted for a material change in circumstances, or additional appropriations for new programs that could not reasonably be anticipated at the time of the formulation of the proposed Ordinance of Estimates per the City Charter Article VI, §8(b)(2)(iii). Each additional appropriation requires a separate ordinance limited to a single program, purpose, activity or project. [iv]

ADDITIONAL INFORMATION

Fiscal Note:

Council Bill - Supplementary General Fund Operating Appropriation – Baltimore City Public Schools – $12,911,344 will provide the necessary funding to address the FY 2025 deficit for Baltimore City Public Schools. The Department of Finance reports that the appropriation is funded through the Assigned Fund Balance, which will be replenished with surplus revenue and expenditures when the Fiscal Year 2025 closeout process is complete. Once accounting for supplementary appropriations, the City anticipates a $13.1 million surplus for end of Fiscal Year 2025 (based on preliminary and unaudited figures). [v]

Analysis by: Paroma Nandi Direct Inquiries to: 443-890-0839
Analysis Date:10/31/2025

Sources:

[i] Baltimore City Council Bill 25-0105. Agency Report – Baltimore City Public Schools (October 30, 2025). Legistar.
[ii] Baltimore City Legislative Oversight LO25-0001. Agency Report - Finance Department's Bureau of Budget and Management Research (BBMR) (September 16, 2025). Legistar.
[iii] Baltimore City Legislative Oversight LO25-0001. Agency Presentation - Finance Department's Bureau of Budget and Management Research (BBMR) (September 16, 2025). Legistar.
[iv] Baltimore City Charter Article VI, §8(b)(2)(iii) and (c).
[v] Baltimore City Council Bills 25-0105, 25-0106, 250107, 25-0108, 25-0110, 25-0111, 25-0112, 25-0113. Agency Report - Finance Department's Bureau of Budget and Management Research (BBMR) (October 30, 2025). Legistar.

Baltimore City Council

Budget & Appropriations

Committee

Bill: 25-0105

Title: Supplementary General Fund Operating Appropriation – Baltimore City Public Schools – $12,911,344

Agency Reports

Baltimore City Council Bill 25-0105
Supplementary General Fund Operating Appropriation –
Baltimore City Public Schools – $12,911,344

Budget and Appropriations Committee
November 4, 2025

The Baltimore City Public School System (City Schools) has reviewed Council Bill 25-0105, which seeks to provide a Supplementary General Fund Operating Appropriation in the amount of $12,911,344 to Baltimore City Public Schools for the City's contribution to the development agreement for City Springs Elementary/Middle School.

As the Council is aware, Baltimore City has been actively pursuing redevelopment in East Baltimore, particularly through the Perkins, Somerset, Oldtown (PSO) Transformation Plan. This comprehensive plan seeks to redevelop the Perkins, Somerset, and Oldtown areas to create mixed-income communities with new housing, public spaces, and infrastructure. As part of the City's plan submitted to HUD, a new school building is planned for City Springs to replace the aging current facility.

The City secured a $30 million federal Choice Neighborhoods grant from HUD in 2018 to help fund this project, which includes the demolition and new construction of Perkins Homes and the construction of a new City Springs Elementary/Middle School, along with other public spaces and infrastructure. While the funding was awarded in 2018, the project involves multiple phases and ongoing work.

While the HUD grant is a major source of funding for the project, it is by no means comprehensive. As such, the City committed additional resources to the redevelopment efforts, including the supplementary general fund operating appropriation as detailed in Council Bill 25-0105.

City Schools appreciates the City's commitment to the PSO Transformation Plan, and specifically to the prioritization of a new City Springs Elementary/Middle School. The legislation before you today represents the City's commitment to their HUD application. We respectfully recommend the Council's favorable consideration of Council Bill 25-0105 and will be pleased to provide additional information upon request.

CITY OF BALTIMORE

BRANDON M. SCOTT,
Mayor

DEPARTMENT OF LAW
EBONY M. THOMPSON,
CITY SOLICITOR
100 N. HOLLIDAY STREET
SUITE 101, CITY HALL
BALTIMORE, MD 21202

October 24, 2025

The Honorable President and Members
of the Baltimore City Council
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 25-0105 – Supplementary General Fund Operating Appropriation – Baltimore City Schools – $12,911,344

Dear President and City Council Members:

The Law Department reviewed City Council Bill 25-0105 for form and legal sufficiency. The bill provides a Supplementary General Fund Operating Appropriation in the amount of $12,911,344 to Baltimore City Public Schools – Service 352 (Baltimore City Public Schools), to provide funding for a deficit caused by the City's contribution to the development agreement for City Spring Elementary/Middle School. The money for this supplementary appropriation is excess of the revenue relied on by the Board of Estimates in determining the tax levy required to balance the budget for Fiscal Year 2025. The bill would take effect on its date of enactment.

Section 8(b)(2)(iii) of Article VI of the City Chater permits a supplementary appropriation when there has been "a material change in circumstances, or additional appropriations for new programs that could not reasonably be anticipated at the time of the formulation of the proposed Ordinance of Estimates" for the fiscal year. The supplementary appropriation must be recommended by the Board of Estimates and approved by the Mayor and City Council via an ordinance. The Project Fund Number is missing from the Board of Estimates Agenda from October 15, 2025, when this supplementary appropriation was considered. However, the bill identifies the source of the funds as the General Fund assigned Fund Balance. Since it lists a source of funds and involves only a "single program, purpose, activity or project" as required by Section 8(c) of Article VI of the City Charter, the Law Department approves this bill for form and legal sufficiency.

Very truly yours,

Michele Toth
Assistant Solicitor

cc: Ebony Thompson
Ethan Hasiuk

Ty’lor Schnella
Shamoyia Gardiner
Hilary Ruley
Jeff Hochstetler
Ashlea Brown
Desiree Luckey
Ahleah Knapp

CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Laura Larsen, Budget Director
DATE	October 30th, 2025
SUBJECT	City Council Bills 25-0105, 25-0106, 25-0107, 25-0108, 25-0109, 25-0110, 25-0112, 25-0113

The Honorable President and
Members of the City Council
City Hall, Room 400

Position: Support

The Department of Finance is herein reporting on City Council Bills 25-0105, 25-0106, 25-0107, 25-0108, 25-0109, 25-0110, 25-0112, 25-0113, for the purpose of providing funding to balance Fiscal Year 2025 budget for a deficit caused by overtime and unbudgeted contractual costs; and providing for a special effective date.

Background
The City Charter requires that each City agency end the year within budget. The Department of Finance recommends appropriation transfers and supplemental appropriations when an agency has ended the fiscal year with a General Fund deficit. The actions proposed in this item are funded through the combination of surplus revenue and surpluses in individual agency budgets. This action seeks to appropriate $112,974,144 to various City agencies that ended Fiscal 2025 in deficit. Based on preliminary and unaudited figures, the City is anticipated to end Fiscal 2025 with a $13.1 million surplus.

Fiscal Impact
- Fire Department: $38,520,093
  - Deficit caused by overtime, staffing costs, and contractual EMS services
- Law Department: $81,393
  - Deficit caused by contractual spending
- Liquor License Board: $454,415
  - Deficit caused by office lease costs, use of privately leased vehicles, and overtime
- MR-Baltimore City Public Schools: $12,911,344
  - Deficit caused by City contribution to development agreement for City Spring Elementary/Middle School
- Police: $47,492,889
  - The projected deficit has increased by $16.5 million due to costs from the police union (FOP) contract approved in January, with additional shortfalls driven by overtime expenses, fleet costs, and outstanding invoices from prior years.
- Recreation and Parks: $5,630,976
  - Deficit caused by park and facility maintenance costs
- Sheriff: $3,425,454

    - Deficit driven by overtime spending exceeding budget, unbudgeted upfitting of vehicles not programmed for 2025 replacement
- Transportation: $4,457,580
    - Deficit caused by winter storm costs.

Conclusion
The proposed supplemental appropriation reflects the City's need to end the year with a balanced budget. The largest shortfalls occurred in the Fire and Police departments, primarily due to personnel and overtime costs, as well as increased obligations under the new police union contract. Other agency deficits were driven by facility costs, vehicle maintenance, and one-time contractual commitments.

By reallocating surplus revenues and underspending from other agencies, the City can close these year-end deficits without jeopardizing overall fiscal stability. With a projected citywide surplus of $13.1 million, these actions ensure compliance with the Charter's balanced budget requirement and sustain essential public services while preserving the City's financial health.

These actions will be funded through Assigned Fund Balance that included a set aside for subsequent budget year actions. That assignment will be replenished with surplus revenue and expenditures when the Fiscal 2025 closeout process is complete.

For the reasons stated above, the Department of Finance supports City Council Bill 25-0105, 25-0106, 25-0107, 25-0108, 25-0109, 25-0110, 25-0112, 25-0113.

cc: Michael Mocksten
Nina Themelis

Baltimore City Council

Budget & Appropriations

Committee

Bill:25-0105

Title: Supplementary General Fund Operating Appropriation – Baltimore City Public Schools – $12,911,344

Additional Materials

TO: Board of Estimates, Office of Comptroller

FROM: AGC2300-BBMR - Bureau of Budget Management Research

DATE: 10/15/2025

Submission #: SB-25-13719

SUBJECT: Fiscal 2025 Year end Supplemental Appropriation and Transfer Request

ACTION REQUESTED OF BOARD OF ESTIMATES:

The Board is requested to approve a Transfer and Allocation of Funds n/a.

PERIOD OF CONTRACT/AGREEMENT:

Based on Board Approval

AMOUNT AND SOURCE OF FUNDS:

Transaction Amount: $ 112,974,144.00

Project Fund	Amount
1001-CCA001093	$ 4,457,580.00
Deficit caused by snow removal costs	
1001-CCA000992	$ 5,630,976.00
Deficit caused by overtime and unbudgeted contractual costs	
1001-CCA000997	$ 3,425,454.00
Deficit caused by overtime, fleet costs, and various contractual and supply spending	
1001-CCA000737	$ 47,492,889.00
Deficit caused by overtime and staffing costs	
1001-CCA000381	$ 454,415.00
Deficit caused by office lease costs, use of privately leased vehicles, and overtime	
1001-CCA000111	$ 38,520,093.00
Deficit caused by overtime, staffing costs, and contractual EMS services	
1001-CCA000373	$ 81,393.00
Deficit caused by contractual spending	
1001	$ 12,911,344.00
Deficit caused by City contribution to development agreement for City Spring Elementary/Middle School	

BACKGROUND/EXPLANATION:

The Baltimore City Charter requires that each agency ends the fiscal year in balance. The Department of Finance recommends appropriation transfers and supplemental appropriations when an agency has ended the fiscal year in deficit. The actions proposed in this item are funded through the combination of surplus revenue and surpluses in individual agency budgets. This action seeks to appropriate $112,974,144 to various City agencies that ended Fiscal 2025 in deficit. Based on preliminary and unaudited figures, the City is anticipated to end Fiscal 2025 with a $13.1 million surplus.

Accounts

Fire Department: $38,520,093

·Deficit caused by overtime, staffing costs, and contractual EMS services

Law Department: $81,393

·Deficit caused by contractual spending

Liquor License Board: $454,415

·Deficit caused by office lease costs, use of privately leased vehicles, and overtime

MR-Baltimore City Public Schools: $12,911,344

·Deficit caused by City contribution to development agreement for City Spring Elementary/Middle School

Police: $47,492,889

·Deficit caused by overtime and staffing costs

Recreation and Parks: $5,630,976

·Deficit caused by overtime and unbudgeted contractual costs

Sheriff: $3,425,454

·Deficit caused by overtime, fleet costs, and various contractual and supply spending

Transportation: $4,457,580

·Deficit caused by snow removal costs

COUNCIL DISTRICT: Citywide

EMPLOY BALTIMORE:	LIVING WAGE:	LOCAL HIRING:	PREVAILING WAGE:
N/A	N/A	N/A	N/A

1% FOR PUBLIC ART: N/A.

ENDORSEMENTS:

Finance (BBMR) has reviewed and approved for funds.

SMBA&D has reviewed and approved.

MCAmato

Clerk, Board of Estimates

10-15-2025

CITY OF BALTIMORE
COUNCIL BILL 25-0105
(First Reader)

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: October 20, 2025
Assigned to: Budget and Appropriations Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Baltimore City Public School System

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A BILL ENTITLED

AN ORDINANCE concerning

Supplementary General Fund Operating Appropriation – Baltimore City Public Schools – $12,911,344

FOR the purpose of providing a Supplementary General Fund Operating Appropriation in the amount of $12,911,344 to Baltimore City Public Schools – Service 352 (Baltimore City Public Schools), to provide funding for a deficit caused by the City's contribution to the development agreement for City Spring Elementary/Middle School; and providing for a special effective date.

BY authority of
Article VI - Board of Estimates
Section 8(b)(2)(iii) and (c)
Baltimore City Charter
(1996 Edition)

Recitals

The revenue appropriated by this Ordinance represents $12,911,344 in excess of the revenue relied on by the Board of Estimates in determining the tax levy required to balance the budget for Fiscal Year 2025.

This additional revenue could not have been reasonably anticipated when the Ordinance of Estimates for Fiscal Year 2025 was formulated.

This appropriation is made necessary by a material change in circumstances since the Ordinance of Estimates for Fiscal Year 2025 was formulated or is for a new program that could not have been reasonably anticipated when that Ordinance of Estimates was formulated.

On October 15, 2025, the Board of Estimates recommended this appropriation to the City Council.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That $12,911,344 shall be made available to the Baltimore City Public Schools – Service 352 (Baltimore City Public Schools) as a Supplementary General Fund Operating Appropriation for Fiscal Year 2025, to provide funding for a deficit caused by the City's contribution to the development agreement for City Spring Elementary/Middle School. The source of revenue for this appropriation is General Fund assigned Fund Balance in excess of the amount from this source that was relied on by the Board of Estimates in determining the tax levy required to balance the budget for Fiscal Year 2025.

SECTION 2. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it is enacted.