


FROM	NAME & TITLE	Robert Cennamo, Budget Director <i>R-C</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 20-0194R – Informational Hearing – Baltimore’s Strategic Response to the Wuhan Coronavirus		

TO

DATE:

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

March 4, 2020

The Department of Finance is herein reporting on City Council Bill 20-0194R, Informational Hearing-Baltimore’s Strategic Response to the Wuhan Coronavirus, the purpose of which is to brief the City Council on Baltimore’s readiness to implement a strategic response to the coronavirus, COVID-19, as well as for any future public health catastrophe.

The Department of Finance is working closely with the Health Department to assess funding needs. Based on our current information, the Department of Finance believes that preparations for COVID-19 would most likely mirror the City’s response to the 2009 H1N1 Influenza outbreak. Most of the costs of a response will be borne by the City. Federal dollars will likely be earmarked for developing vaccinations and other antiviral therapies. Additional federal funding to support local responses will likely flow through state governments and will come after response efforts are already mobilized.

In the case of an emergency, the City first looks to any available surplus revenues or unspent appropriations. If those sources are unavailable, the City can access Budget Stabilization Reserve (BSR), informally referred to as the “Rainy Day Fund”. The Board of Estimates (BOE) established the Rainy Day Fund in 1993, with the goal of having 8% of the next year’s operating budget available. The City has accessed BSR funds three times to address emergencies: in Fiscal 2004 for a loan to Baltimore City Public Schools (\$42 million); in Fiscal 2010 to balance the budget due to weak revenues and two historic snowstorms (\$17 million); and in Fiscal 2015 for the immediate and longer-term response to civil unrest (\$20 million). The current balance of the Budget Stabilization Reserve is \$146 million. Ensuring adequate funds are in reserve allows the City to protect itself against unexpected emergencies, such as the possibility of a COVID-19 outbreak.

As health authorities learn more about the coronavirus, the Department of Finance will coordinate with agencies to track City spending on COVID-19 related requisitions and actively comply with all guidance from the Health Department and Office of Emergency Management. The Department of Finance will attend the hearing and answer questions related to the City’s fiscal readiness for a local response.

cc: Henry Raymond
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