

Bureau of the Budget and Management Research



Budgeting for a Better Baltimore

Fiscal 2022 Budget Overview Taxpayers Night

DEPARTMENT OF FINANCE

Fiscal 2022 by the Numbers

Fiscal 2022	Fiscal 2021 Budget	Fiscal 2022 Recommended	Dollar Change	Percent Change
Operating Plan	3.02 billion	3.8 Billion	829.5 million	27.5%
Capital Plan	823.2 million	487.5 million	(335.6 million)	-40.8%
Total	3.84 billion	4.33 billion	493.9 million	12.9%

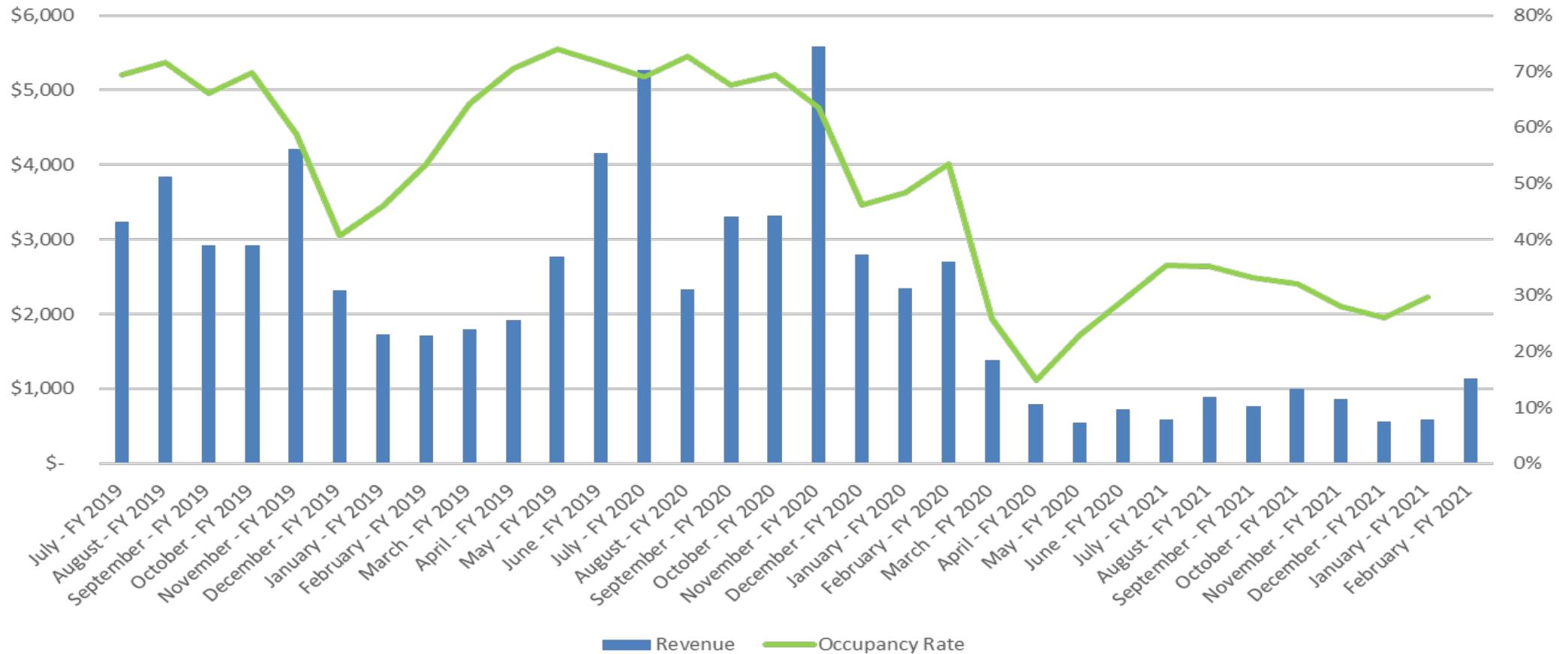
General Fund	Fiscal 2021 Budget	Fiscal 2022 Recommended	Dollar / Number Change	Percent Change
Budget	1.92 billion	2.01 billion	84.3 million	4.4%
Positions	9,387	9,403	16	-0.3%

* Totals may not match detailed amounts due to rounding.

General Fund Revenue

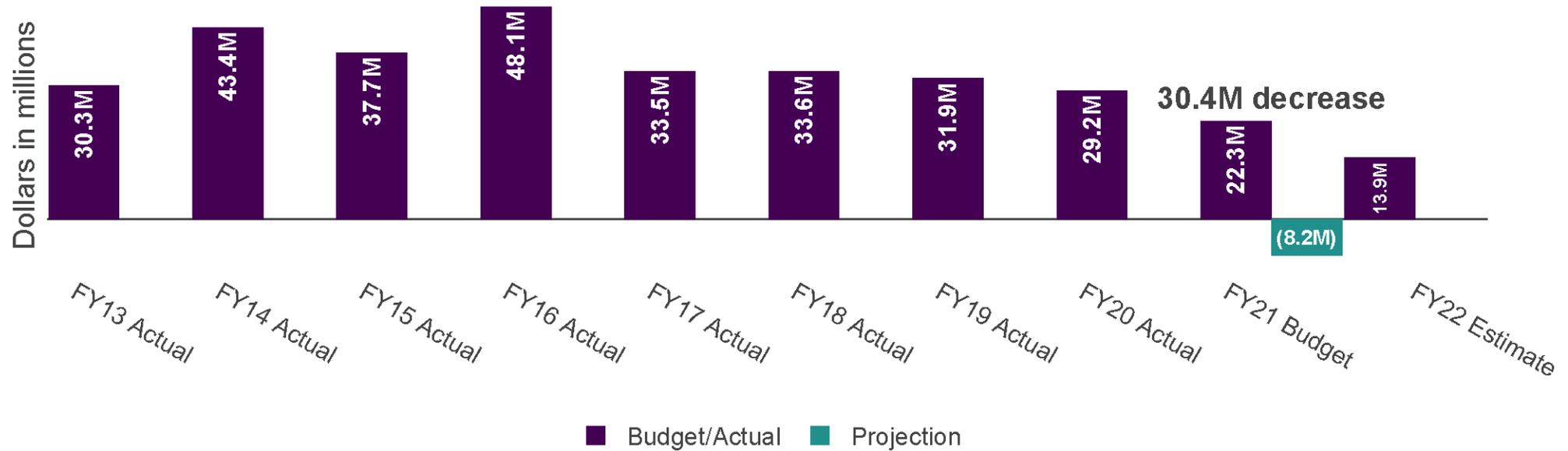
- Overall
 - Local recovery will lag behind national and global indicators.
 - General Fund recurring revenue sources projected to grow only \$22.9M for Fiscal 2022, or 1.2%.
- Some resiliency in certain General Fund revenue sources.
 - Transfer and recordation activity strong, especially in residential market, due to record-low interest rates and demand for larger work-from-home space.
 - Income tax largely unaffected so far, due to minimal impact on high-income earners and Federal actions on supplemental unemployment insurance.
- Commercial Property assessments impacted
 - Triennial assessment growth of only 0.9% for Group 3 City properties vs. Statewide growth of 8.1%.
 - Group I properties (including CBD) due to be reassessed for Fiscal 2023.
- Negative COVID-19 impact will continue in tourism-related sectors
 - Net parking revenues projected at \$13.9M vs. \$33.0M per COVID-average.
 - Hotel Tax projected at \$19.6M vs. \$29M pre-COVID average.

Hotel Tax-Monthly



Net Parking Revenue

Parking Revenues (Net Transfer to the General Fund)



- Parking tax revenue has declined more than 55% compared to pre-COVID average activity.
- Metered parking revenues have observed 50% reduction in Fiscal 2021 and are estimated to experience a 25% decline for Fiscal 2022. City owned garage revenues have declined by 60% compared to pre-COVID levels.

Fiscal 2022 Highlights

- Maintains critical City services.
- Restores two graffiti removal crews, which were cut in the Fiscal 2021 budget.
- Maintains base property tax rate at \$2.24 per \$100, and preserves 20 Cents by 2020 reductions for owner-occupied properties.
- Utilizes \$52 million of CARES and FEMA aid to support continuing COVID-19 response.
- Leverages City funds to access State weatherization resources, enabling the completion of 500 additional home projects.
- Continues implementation of Enterprise Resource Planning (ERP) system.



Photo: Mayor's Office of Children and Family Success

COVID-19 Response: CARES

Direct Personnel: \$8.15 million of remaining CARES Act funds will be used to support personnel that are “substantially dedicated” to emergency response, per allowable uses in CARES. This includes some Fire EMS and Health personnel through the end of December.



Photo: Office of Emergency Management

Other City Costs: \$16.35 million of remaining CARES Act funds will be used for other City response costs in Fiscal 2022, including technology upgrades, PPE purchases, cleaning and decontamination, and others.

COVID-19 Response: FEMA



Photo: Baltimore City Health Department

Food and Shelter: The City will continue to provide food distribution and sheltering as a means to prevent the further spread of COVID-19 in the community, seeking \$12.4 million in reimbursement. These programs will be phased out as the spread slows and when FEMA aid expires.

Mass Vaccination Sites: \$10 million of reimbursement will be sought for the cost of the City's mass vaccination sites through December.



Photo: Mayor's Office of Children and Family Success

American Rescue Plan (ARP)

- Bill signed into law in March 2021
- Baltimore City to receive \$641.2M
 - Funding will be received in two tranches (amounts unknown)
 - The first tranche is expected to arrive no later than mid-May
- Deadline to spend funds is December 31, 2024 (Fiscal 2025)
- Generally allowable uses will respond to or mitigate the COVID-19 public health emergency or its negative economic impacts
- Ineligible expenses will result in a requirement to repay the federal Treasury
 - No funds shall be deposited into any pension fund
 - No funds shall be used to either directly or indirectly provide a reduction in net tax revenue

Prioritizing Youth

Supporting City Schools: Support for City Schools is \$360.3 million and includes MOE, retiree benefits, school construction, and school health and crossing guard services. New State-mandated contributions begin in Fiscal 2023.



Photo: Enoch Pratt Free Library



Enoch Pratt Free Library: \$27.6 million General Fund appropriation to support the healthy and safe reopening of branches, as well as digital library services and virtual programming like Books for Me and One Book Baltimore.

Building Public Safety



Photo: Mayor's Office of Neighborhood Safety and Engagement

Group Violence Reduction: The Mayor's Office of Neighborhood Safety and Engagement will leverage a \$850,000 private investment along with a City commitment to kick-start the Group Violence Reduction Strategy (GVRS), an evidence based approach designed to reduce homicides and shootings, expand opportunities for high-risk populations, and build better relationships between police officers and the communities they serve.

911 Fee: The City will increase its monthly 911 fee by \$0.25 per phone line to support the growing cost of 911 services as part of the Next Generation 911 (NG911) effort.

NG911 is a state-of-the-art public safety technology that will improve 911 service through secure call networks, better call routing capabilities, and the integration of call and geo-location data for use by emergency responders.



Photo: Baltimore City Fire Department

Clean and Healthy Communities

Sewage Onsite Support (SOS): The 12-month pilot of the Sewage Onsite Support (SOS) Cleanup Program, which began in Fiscal 2021, will continue in Fiscal 2022. SOS provides professional cleaning, disinfection, and disposal services to City residents in the aftermath of a sewage backup at no cost.



Recycling Cans: The Department of Public Works will begin distributing recycling cans for every eligible home in Baltimore. The \$8.3 million program is made possible by a private grant and an interest-free loan, with ongoing maintenance and debt service costs to be paid from the Stormwater Enterprise Fund.

Responsible Stewardship of City Resources

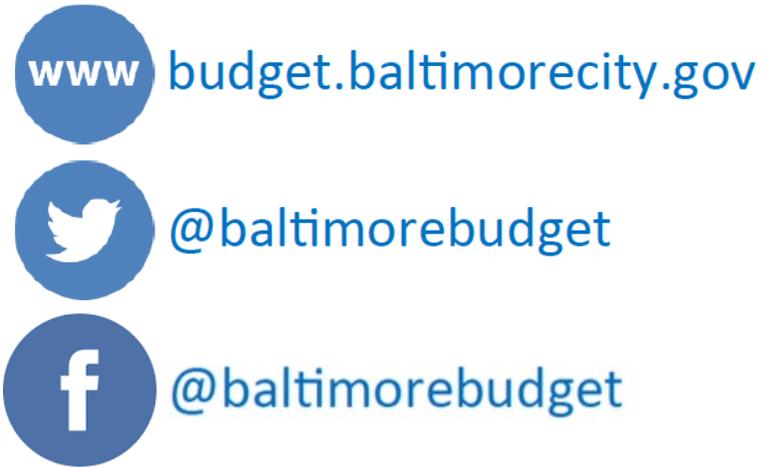
Digital Equity: Baltimore will be one of the first cities in the nation to have a Director of Broadband and Digital Equity, which will be funded with \$200,000 in grant support. This role will focus on how to expand high-speed, affordable internet access to over 60,000 Baltimore households currently without this critical necessity.



Photo: Baltimore City Information and Technology



Online Chat Innovation Fund Loan: BCIT will receive an Innovation Fund loan of \$200,000 to invest in an automated online messaging system for 311 service requests. The technology, similar to those used by online services and retailers, will provide real-time assistance to customers, which will reduce call volume pressure on the 311 Call Center.



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