

*Andrew Klein*

FROM	NAME & TITLE	Andrew Klein, Chief
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432 City Hall (410 396-4941)
	SUBJECT	City Council Bill #14-0147R - Children's Budget

CITY of  
BALTIMORE  
**MEMO**



TO

DATE: April 16, 2014

The Honorable President and  
Members of the City Council  
Room 400, City Hall  
Attention: Ms. Karen Randle



The Finance Department is pleased to respond to the Committee's request for information about the Fiscal 2014 and 2015 Children's Budget. The Children's Budget is a unique view of the City's budget with a particular focus on dollars spent on programs and services that directly impact the youth of Baltimore City. The recommended Fiscal 2015 budget will include \$355.3 million of funding for children's programs, which represents a \$3.5 million increase from Fiscal 2014 after adjusting for Head Start. The Fiscal 2015 Capital budget also includes \$63.1 million for new projects that are beneficial to children.

Entering the planning cycle for Fiscal 2010 through Fiscal 2015, the City was faced with a deficit each year just to maintain the current level of services. In addition, beginning in Fiscal 2013, the City was required to absorb a large share of the cost of teacher pensions due to new State legislation, which will grow to nearly \$18 million in Fiscal 2016 and likely increase further in the out-years. Despite these fiscal challenges, the City has been able to maintain and even enhance services with a direct impact on children by, a) implementing pension, health care, and workforce reforms as part of the City's 10-Year Financial Plan, and b) utilizing an outcomes-based approach to annual budgeting to prioritize limited resources. A few key highlights are noted below:

**Family League:** Funding for after-school programming has increased from \$4.8 million in Fiscal 2012 to \$5.9 million in the recommended Fiscal 2015 budget. The increased funding has resulted in more children served in the Out-of-School Time programs and Community Resource Schools (CRS). \$101k of enhancement funding for summer reading programming that was first awarded in Fiscal 2014 has been maintained in the Fiscal 2015 recommended budget.

**Recreation Centers:** The Fiscal 2014 budget included \$1.2 million of funding to support the conversion of eight full-time centers to after-school centers, \$350k of one-time enhancement funding for equipment at new and renovated community centers, and \$5 million of Capital funding to support the Community Center Master Plan. Service levels will be maintained in Fiscal 2015. (Note that the reduction in Fiscal 2015 is an adjustment to remove the one-time recreation equipment in Fiscal 2014).

**Youth Works:** Over 5,000 youths are currently participating in Youth Works, which provides summer work experience to participants. This program received \$128k of City enhancement

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funding in Fiscal 2013 to develop a program to encourage employers to retain or hire youth during the non-summer months as well.

**Better Schools Initiative:** Under landmark legislation passed in Annapolis last year, the City will contribute funds that are matched by the State and BCPS to leverage \$1.1 billion to build new schools and renovate others. In Fiscal 2015 the City's funding sources for school construction include Beverage Container Tax revenue, a G.O. Bond allocation, and a portion of casino lease revenue, totaling \$38 million.

**Maternal and Child Health:** Funding for this program has been maintained, and in Fiscal 2014 \$97k was added for a Baby Basics Coordinator to improve health literacy and birth outcomes among low-income women.

**Youth Violence:** Funding for Operation Safe Kids and Safe Streets has been maintained, and \$50k was added for an additional on-site position during Fiscal 2014.

In addition to these achievements, we would also like to clarify some items that were either of interest to the Committee, or that showed large increases or decreases from year to year:

**Head Start:** The large reduction between Fiscal 2014 and Fiscal 2015 is due to Federal funds being provided directly to providers, rather than through the City.

**School Health / Crossing Guards:** As part of the new financial agreement between the City and BCPS, the Schools will pick up an additional share of costs for School Health (increase of \$2.5 million), while the City will pick up the full cost of Crossing Guards (increase of \$2.7 million). State law requires the funding for Crossing Guards to be in Police, but the service is run by the Department of Transportation. Only the cost-sharing between the City and Schools has changed in Fiscal 2015 – overall funding levels remain the same.

**Family League sub-grantees:** Three organizations received direct City funding in Fiscal 2013: the University of Maryland Cooperative Extension, Experience Corps, and Teach for America. In Fiscal 2014 these organizations were level-funded via a grant from the Family League. In Fiscal 2015 the City will continue to transition towards a competitive process whereby these organizations can compete for funds.

**School for the Blind:** The City is required to provide a contribution based on enrollment and a per-pupil rate from MSDE. The reduction from Fiscal 2013 to Fiscal 2014 reflects the latest enrollment figures.

**Workforce Service for WIA-Funded Youth:** The large reduction from Fiscal 2013 to Fiscal 2014 reflects the elimination of unallocated appropriation for a potential grant that was not received.

cc: Harry Black  
Angela Gibson