

FROM	NAME & TITLE	Robert Cename, Budget Director <i>R. Cename</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall		
	SUBJECT	City Council Bill 21-0130 Supplementary General Fund Operating Appropriation- Health Department - \$8,933,951.06		

DATE:

TO

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

October 6, 2021

Position: Support

The Department of Finance is herein reporting on City Council Bill 21-0130, Supplementary General Fund Operating Appropriation- Health Department - \$8,933,951.06, the purpose of which is to increase the Fiscal Year 2021 appropriation of General Funds by \$8,933,951.06 to the Health Department.

Background

Fiscal 2021 was an extraordinary year in which the full financial impacts of the COVID-19 pandemic came to light and the uncertainty of events exacerbated the economic hardships experienced by residents and businesses throughout Baltimore City. As a result, the City incurred new expenses to try to minimize economic impacts and control the spread of COVID-19. These expenses included direct health responses, assistance programs for vulnerable populations, small business support, and the gradual restoration of in-person governmental operations.

The Baltimore City Charter requires that each agency ends the fiscal year in balance. The Department of Finance recommends appropriation transfers and supplementary appropriations when an agency is projected to close the fiscal year in deficit. This supplemental appropriation is required to meet the Charter mandate.

Fiscal Impact

The Health Department incurred unexpected expenditures resulting from the COVID-19 pandemic, including pandemic response personnel costs, contact tracing, and COVID-19 testing. This supplemental appropriation of \$8,933,951.06 is necessary to accommodate these unbudgeted costs. CARES Act funding will be used to cover these supplemental expenses.

Conclusion

This supplemental appropriation is required to meet the Charter mandate that annual agency expenditures do not exceed appropriations, and is necessary due to the increased costs related to the ongoing COVID-19 pandemic.

For the reasons stated above, the Department of Finance supports City Council Bill 21-0130.

cc: Henry Raymond
Natasha Mehu
Nina Themelis