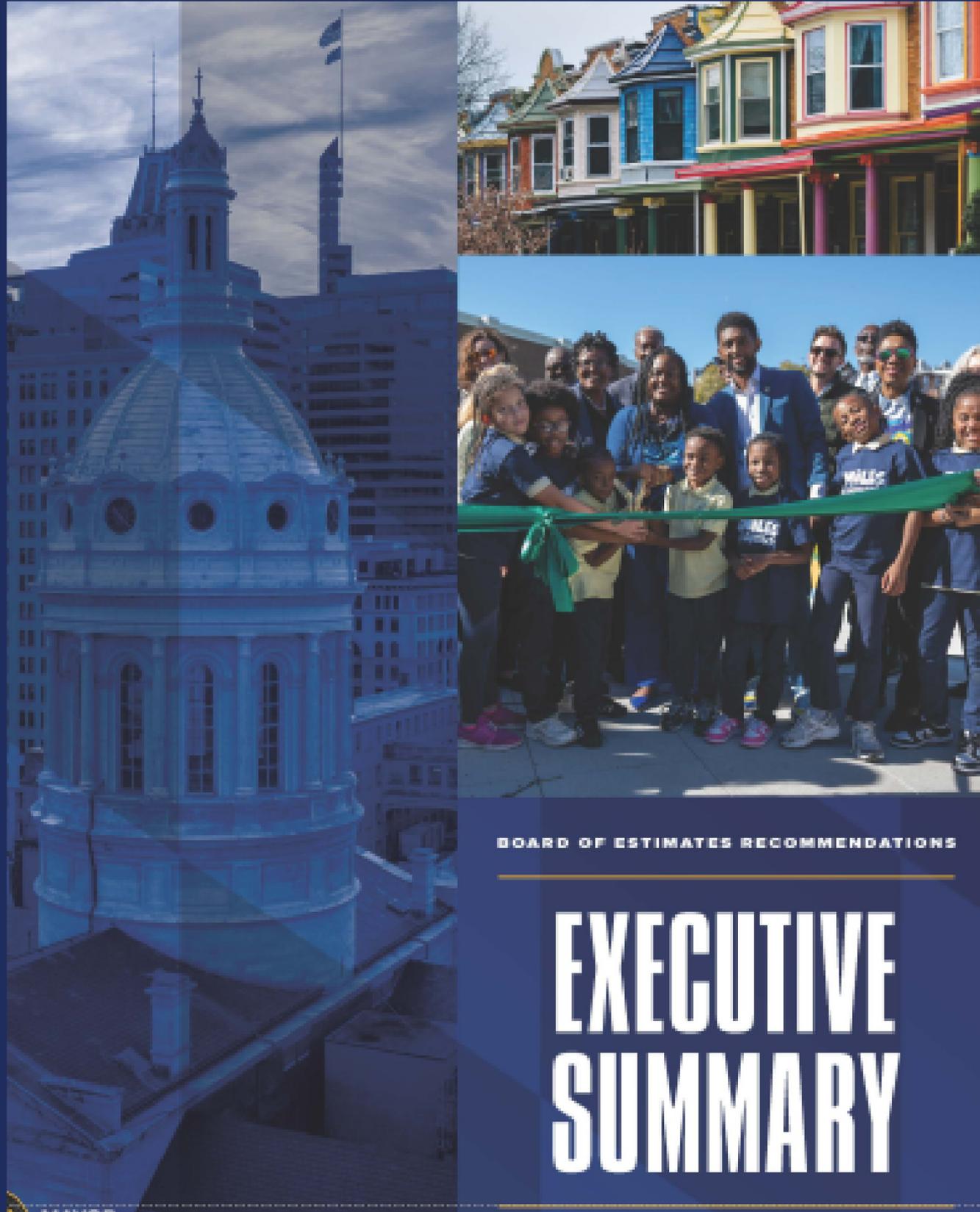


FISCAL 2026



City Council Overview
May 2025

Balancing Fiscal 2026



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Mayor

BM  RE BUDGET

Fiscal 2026 Budget Outlook

Budget Gap=\$85M

Revenue



Expenditures

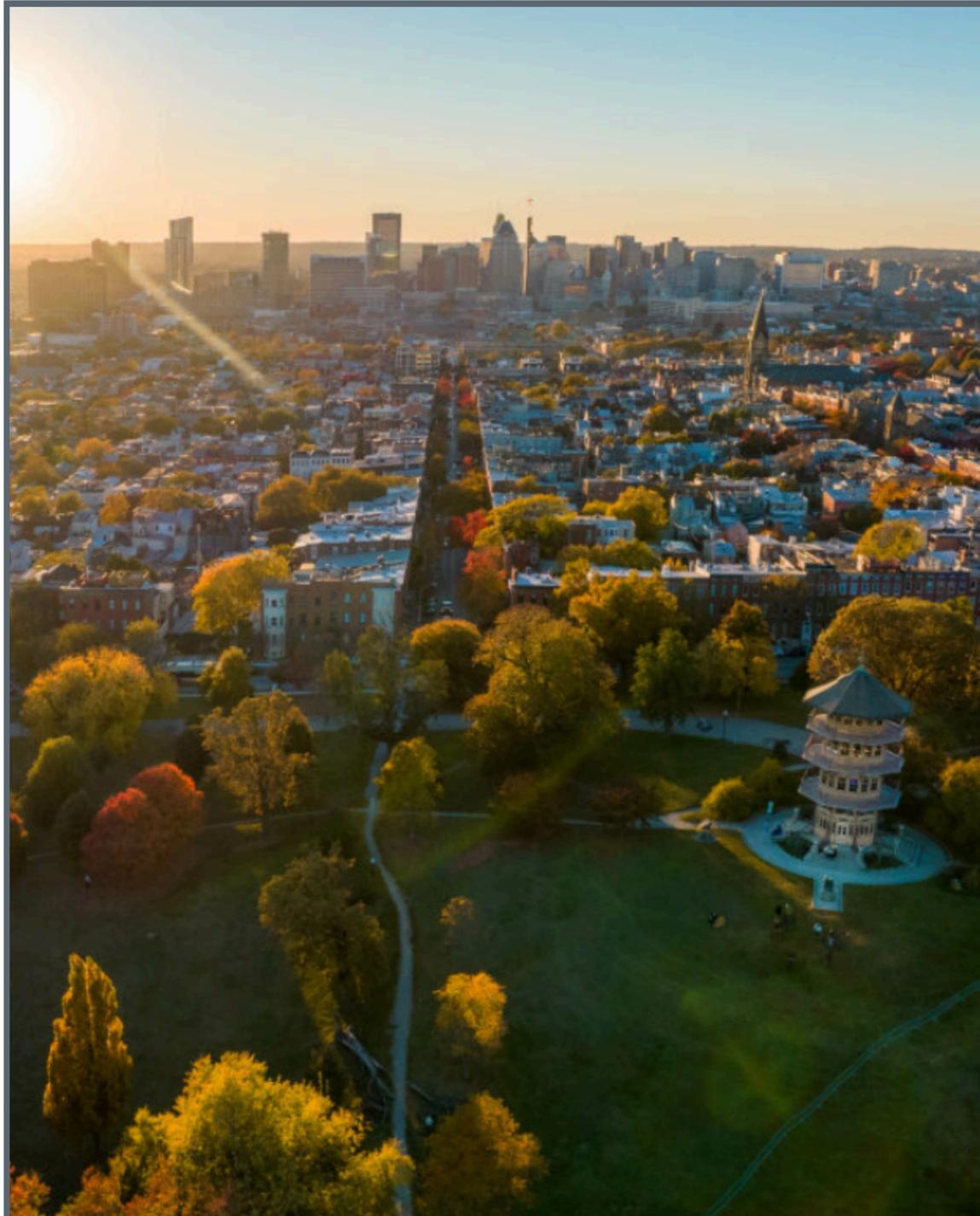


Breakdown of Expenditure Increase=+\$203.0M

Expenditure Type	Increase Amount
Wages & Benefits	94.6
Debt Service	14.6
Fleet & Building Costs	10.4
Agency Adjustments	32.0
All Other Inflation	35.4
State Budget Impacts	16.0



Tenets for Balancing Fiscal 2026



- 01** **Recurring Initiatives**
 - Recurring source of revenue and/or savings.
- 02** **Cost Optimization**
 - Achieve savings through citywide efficiencies to avoid agency cuts.
- 03** **Outdated Structures**
 - Tackle existing inefficiencies and/or outdated structures.
- 04** **Quality of Life**
 - Focus on deterring behaviors that negatively impact the quality of life for residents
- 05** **Core Services**
 - Improve & enhance core City services.



Balancing Fiscal 2026

Action	\$ Saved
Revenue Generation Targeted increases to General Fund revenue to avoid broad base tax increases.	-\$26.4 Million
Optimize City Costs Ensure budget assumptions align with current spending plans and operating structures.	-\$43.7 Million
Agency Savings Identify savings opportunities brought forward by agencies with focus on minimizing service disruptions.	-\$14.7 Million

Fiscal 2026-By the Numbers

Fiscal 2026-All Funds	Executive Budget	\$ Change from Fiscal 2025	% Change from Fiscal 2025
Operating Plan	3,698,034,789	+220,823,200	+6.35%
Capital Plan	931,987,286	+199,533,129	+27.24
Total	\$4,630,022,075	+\$420,356,329	+9.99%

Fiscal 2026-General Fund	Executive Budget	Change from Fiscal 2025	% Change from Fiscal 2025
Budget	\$2,607,592,000	+\$256,324,000	+11.1%
Positions	9,932	186	+1,9%



Summary of Changes



Changes between Fiscal 2026 Preliminary & BOE Recommendations

	\$ Saved
State & Federal Funds Corrections to anticipated grant awards in Health Department	+\$16.7 Million
Special Funds Ensure budget assumptions align with current spending plans and operating structures.	-\$1.86 Million
General Fund Increase based on final State actions & updates to Convention Center	+\$3.57 Million

TOTAL CHANGE

+\$18.4M



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General Fund Revenue Summary

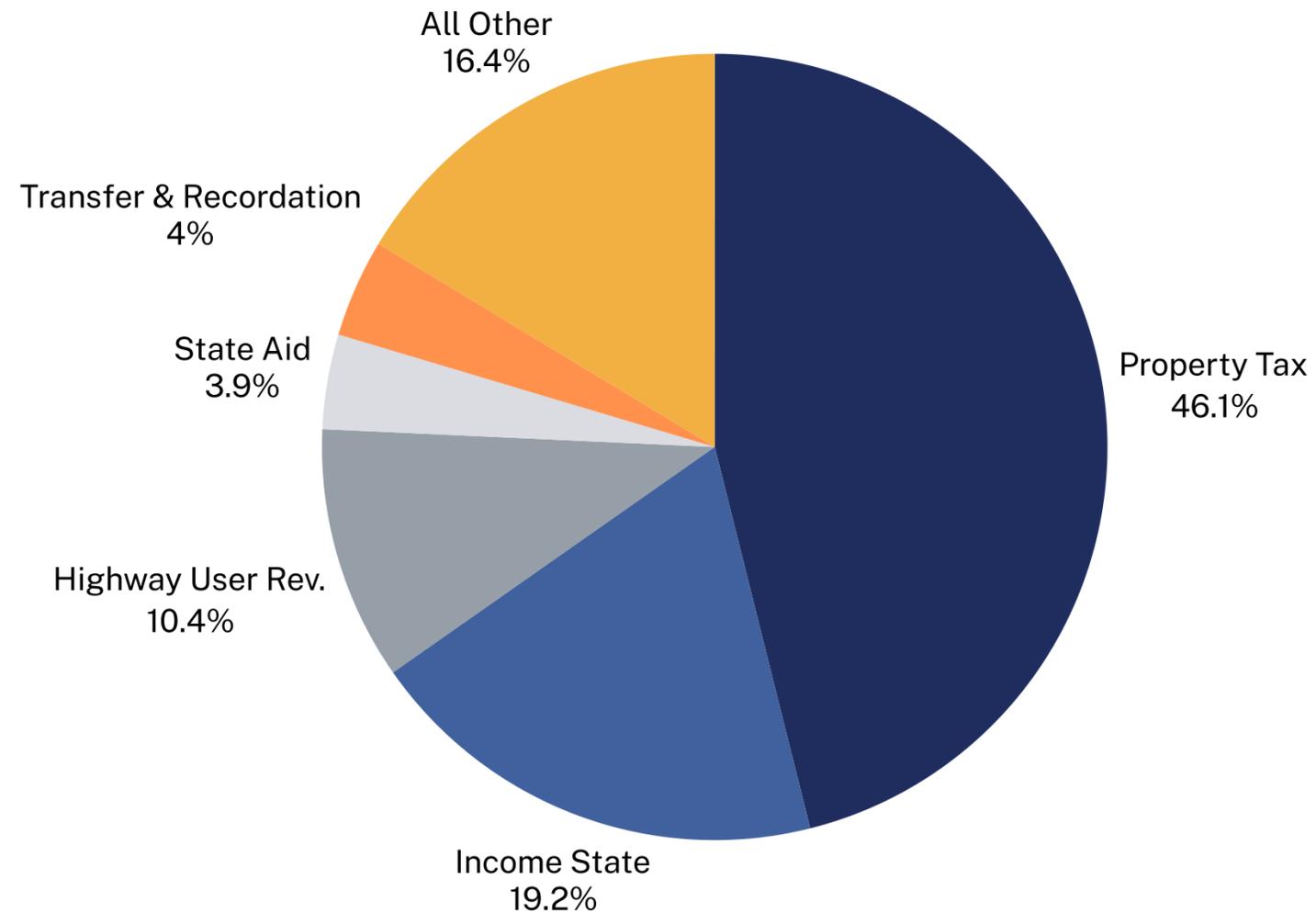
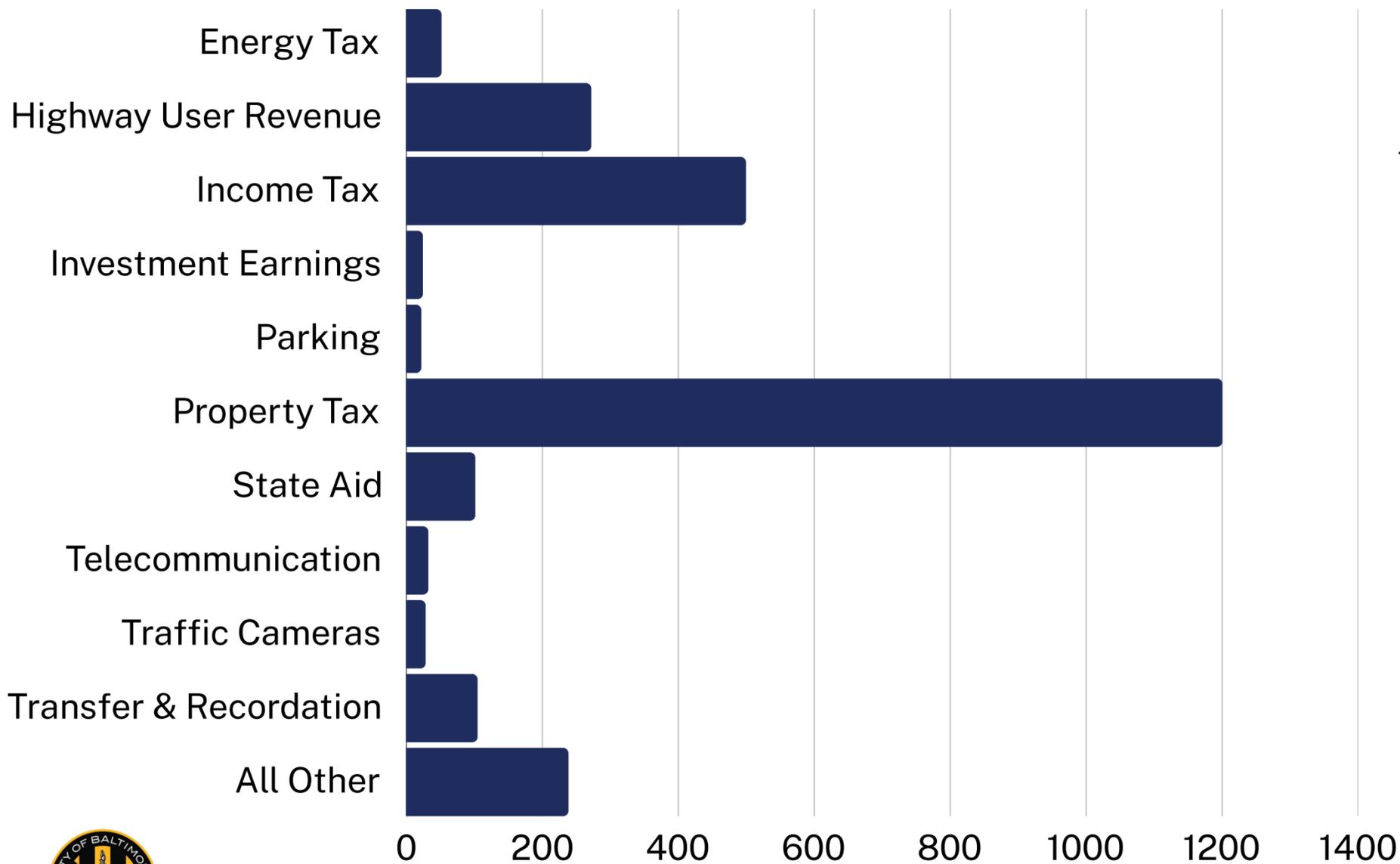


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Where the Money Comes From

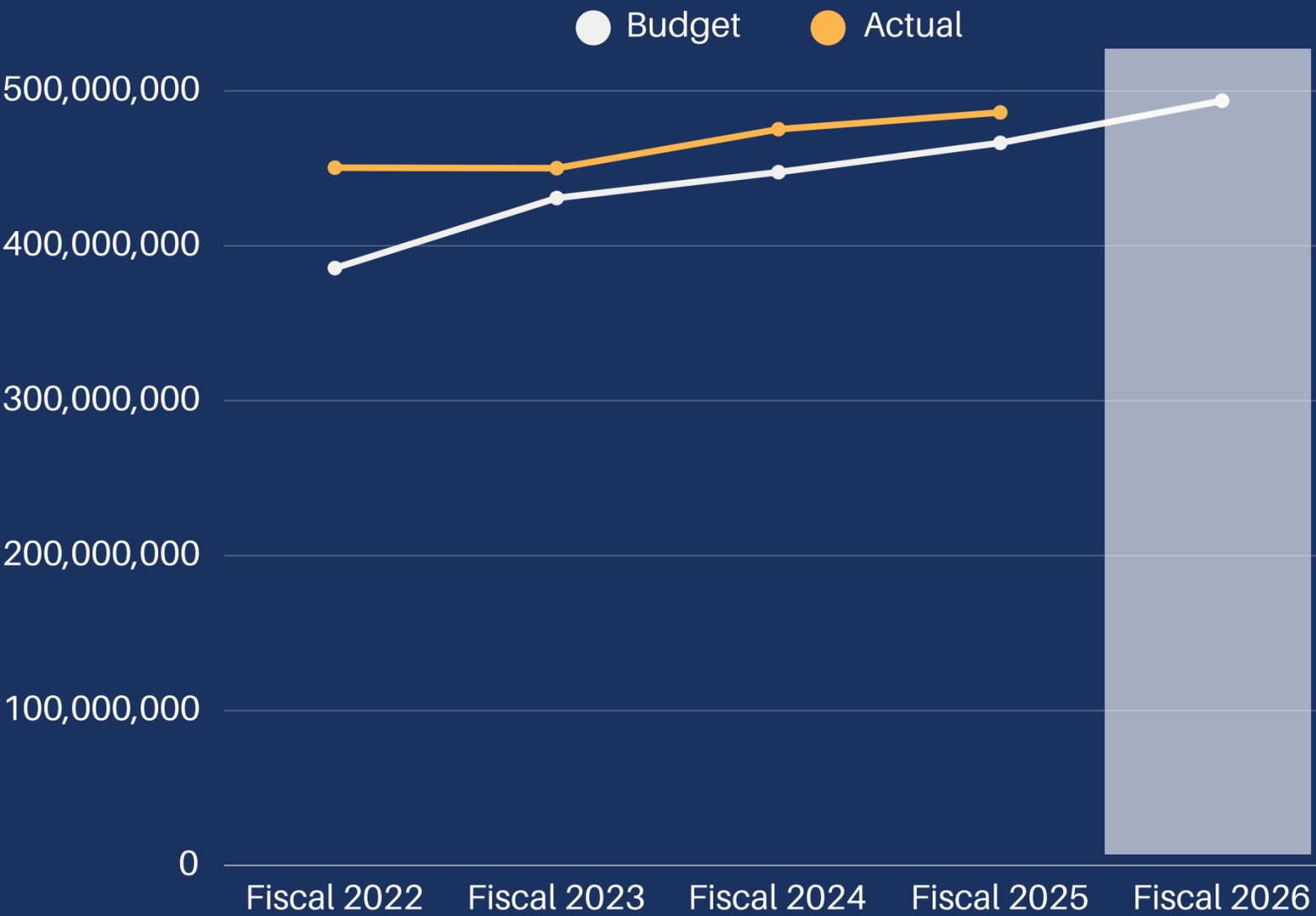
Total General Fund Budget = **\$2.6 Billion**

General Fund Budget by Source



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Income Tax



Key Stats

Share of Total General Fund	19.0%
\$ Change from Preliminary	-\$5.9 Million
% Change from Preliminary	-1.2%
Rate	3.2%

Changes between Preliminary & BOE Rec.

- The BOE Recommendations revise the income tax projection to be line with State projections.
- Growth projections were decreased by 1.1% in Fiscal 2025 and 0.6% in Fiscal 2026.
- The BOE Recommendations reflect utilizing fund balance as a one-time source to offset the loss of revenue for Fiscal 2026.





FY 2026 Expenditure Overview

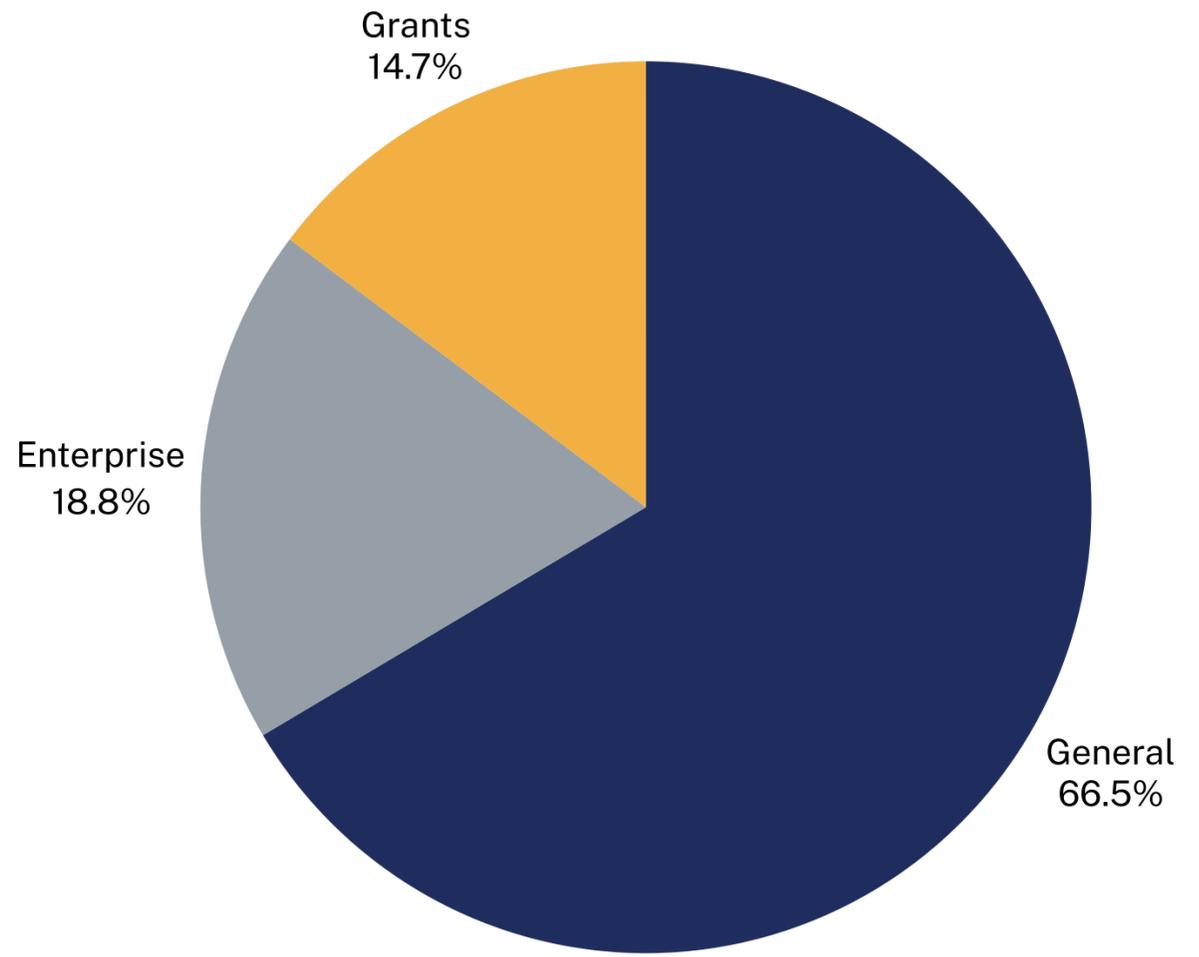
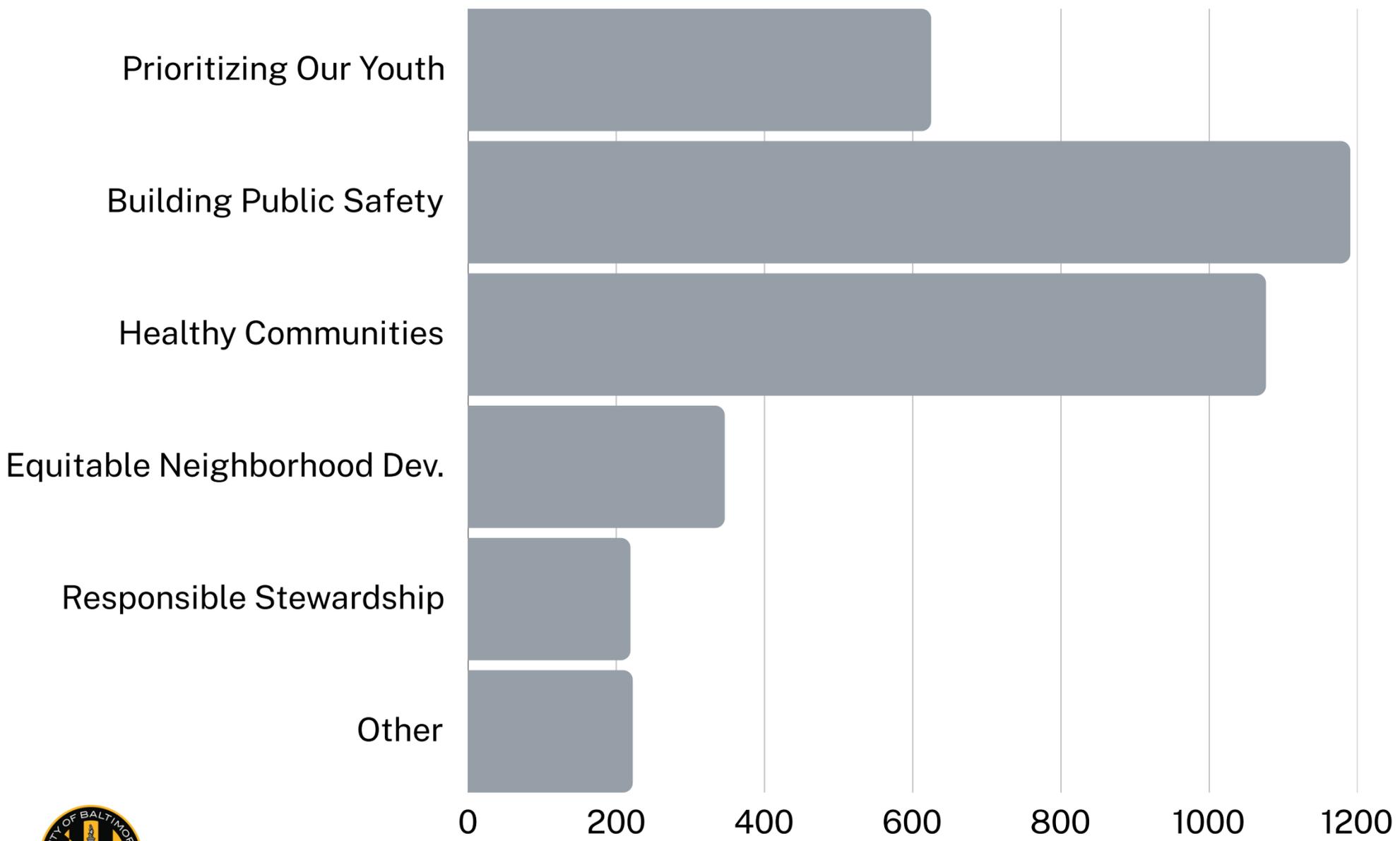


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Where the Money Goes

Total Operating Budget = **\$3.7 Billion**

Budget Breakdown by Fund



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Major 2026 Investments



**\$504.3 Million for
City Schools**

Prioritize Our Youth



**\$1.2 Million to
support initiative to
eliminate Vacant
properties**

Equitable
Neighborhood
Development



**\$5.2 Million for
Solid Waste to
reduce route size
and improve
facilities**

Clean & Healthy
Communities



**Investing in Bmore
Fast initiative to
overhaul the City's
permitting process.**

Responsible
Stewardship of City
Resources



**\$1.3 Million to
expand Group
Violence Reduction
Strategy**

Building Public
Safety



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BMORE BUDGET

State & Federal Funds

Fiscal 2026 Rec. Budget=\$361.1M

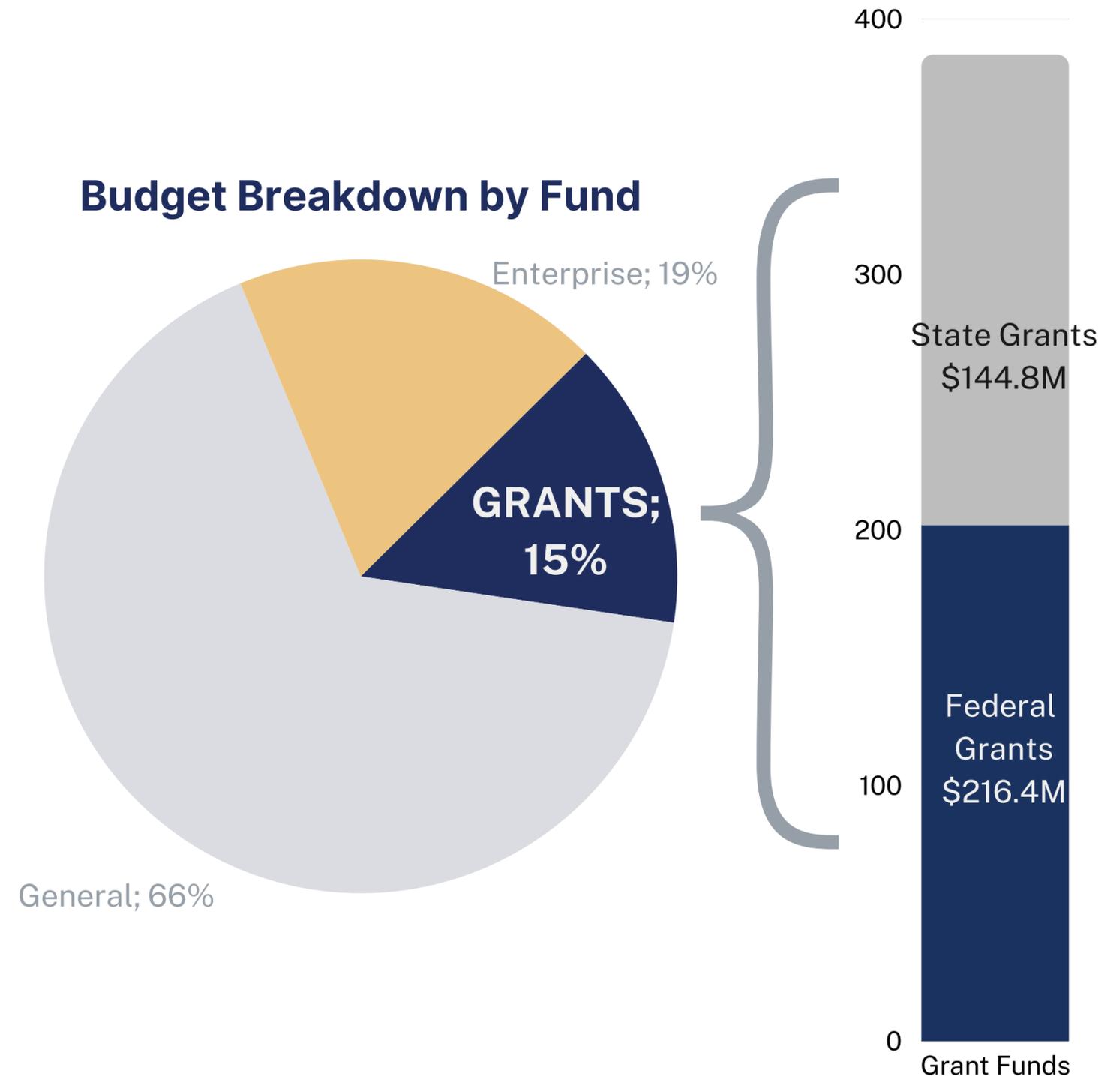
Changes from Fiscal 2025

- Federal & State grants are up by \$16.7 million (4.8%) compared to the Fiscal 2025 budget.
- The Recommended budget reflects expected grants at this time; but there is uncertainty on which grants the City will actually receive. The Adopted Budget will be adjusted to reflect major changes.

Federal Grants: \$216.4 Million

- Top 5 Federal Operating Grants:
 - Community Development Block Grant
 - Ryan White
 - Head Start
 - Continuum of Care
 - Workforce Innovation & Opportunity Act

Budget Breakdown by Fund



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Opioid Restitution Fund

Fiscal 2026 Rec. Budget=\$36.7 Million

Grants

- \$19.4 million is allocated for grants named in individual settlements
- \$2.0 million for a new grantmaking process planned for Fiscal 2026.

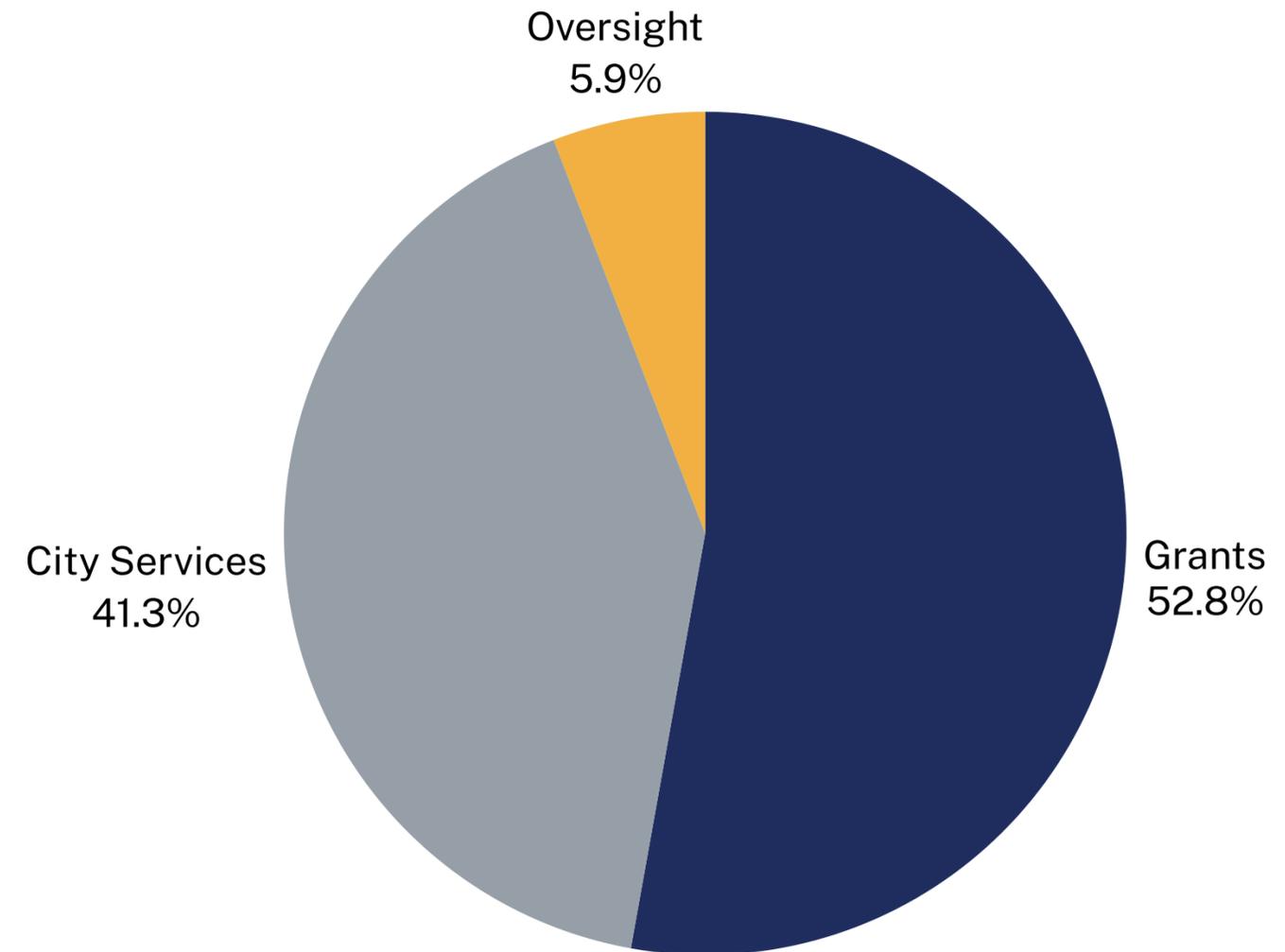
City Services

- \$15.2 million for direct City services including additional EMS units (contracted), establishing the Division of Overdose Prevention in Health, & funding for homeless shelters.

Oversight

- \$450k for the Restitution Advisory Board
- Additional funding for staff to administer the fund.

Budget Breakdown by Program



Enterprise Funds

Fiscal 2026 Rec. Budget=\$636.2M

Summary of Rate Changes

The Preliminary Budget annualizes rate increases that were approved by the Board of Estimates in January 2025. The combined budget for these funds is up by \$34.9 million.

Major Highlights:

- Funding to create 5 positions in the Bureau of Procurement to support enterprise procurements.
- \$54.8 million for Pay-As-You-Go capital investment for utility projects.
- Funding for 1,295 permanent positions funded by the enterprise funds. The overall position count is consistent with Fiscal 2025.

Enterprise Fund	Rate Change
Water	9%
Wastewater	9%
Stormwater	3%



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Discussion



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BM  RE BUDGET

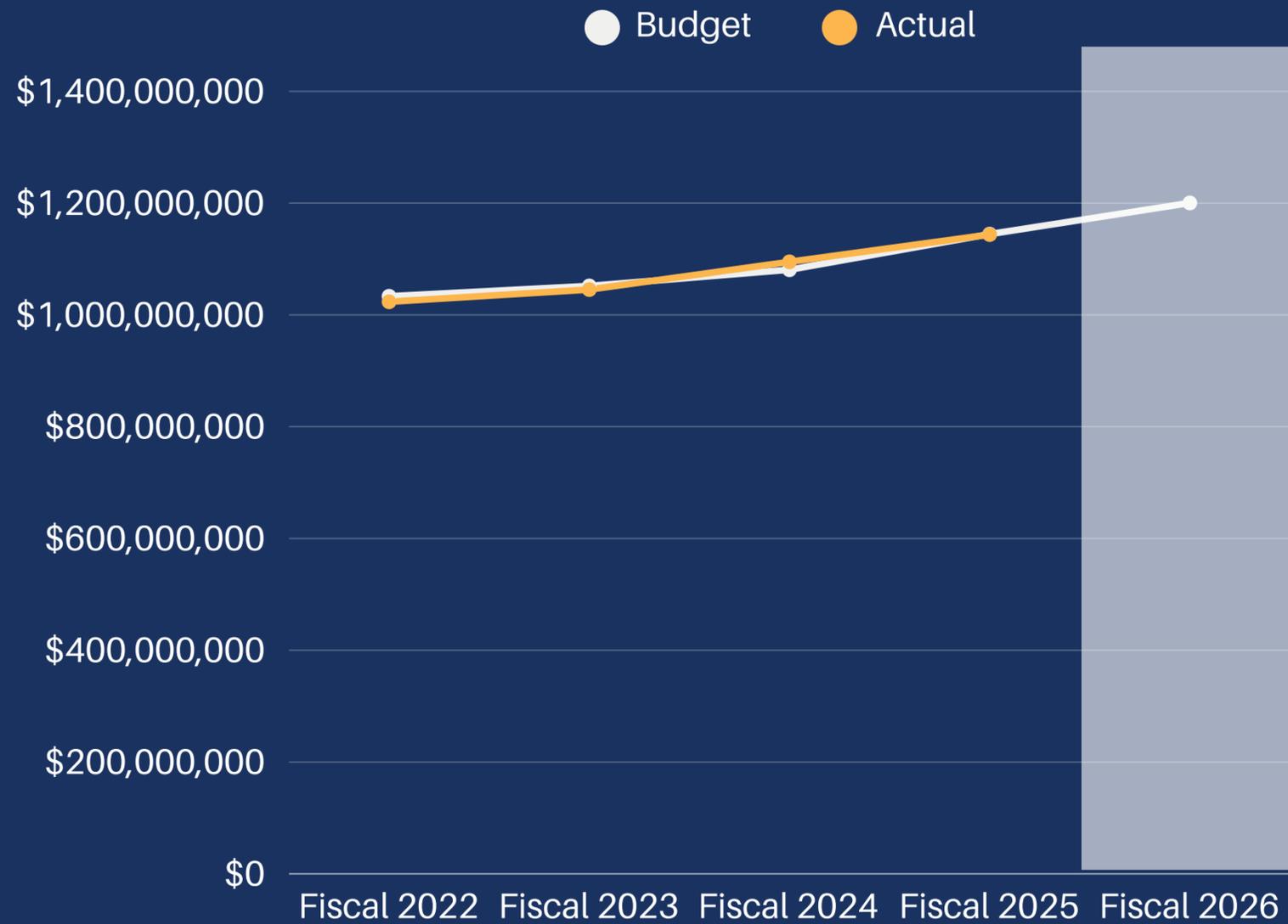


Appendix



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Property Tax



Key Stats

Share of Total General Fund	46.1%
\$ Change from Fiscal 2025	+\$55.8 Million
% Change from Fiscal 2025	+4.9%
Rate (Real Property)	Owner-Occupied: \$2.048 All Other: \$2.248

Summary of Major Changes

- Fiscal 2026 captures reassessments in Group 1. Overall triennial assessment growth=17.4%.
 - Residential: 21.0%
 - Commercial: 11.0%
- Real property tax revenue projected to increase by 6.0% in Fiscal 2026; personal property taxes projected to grow by 2.1%.

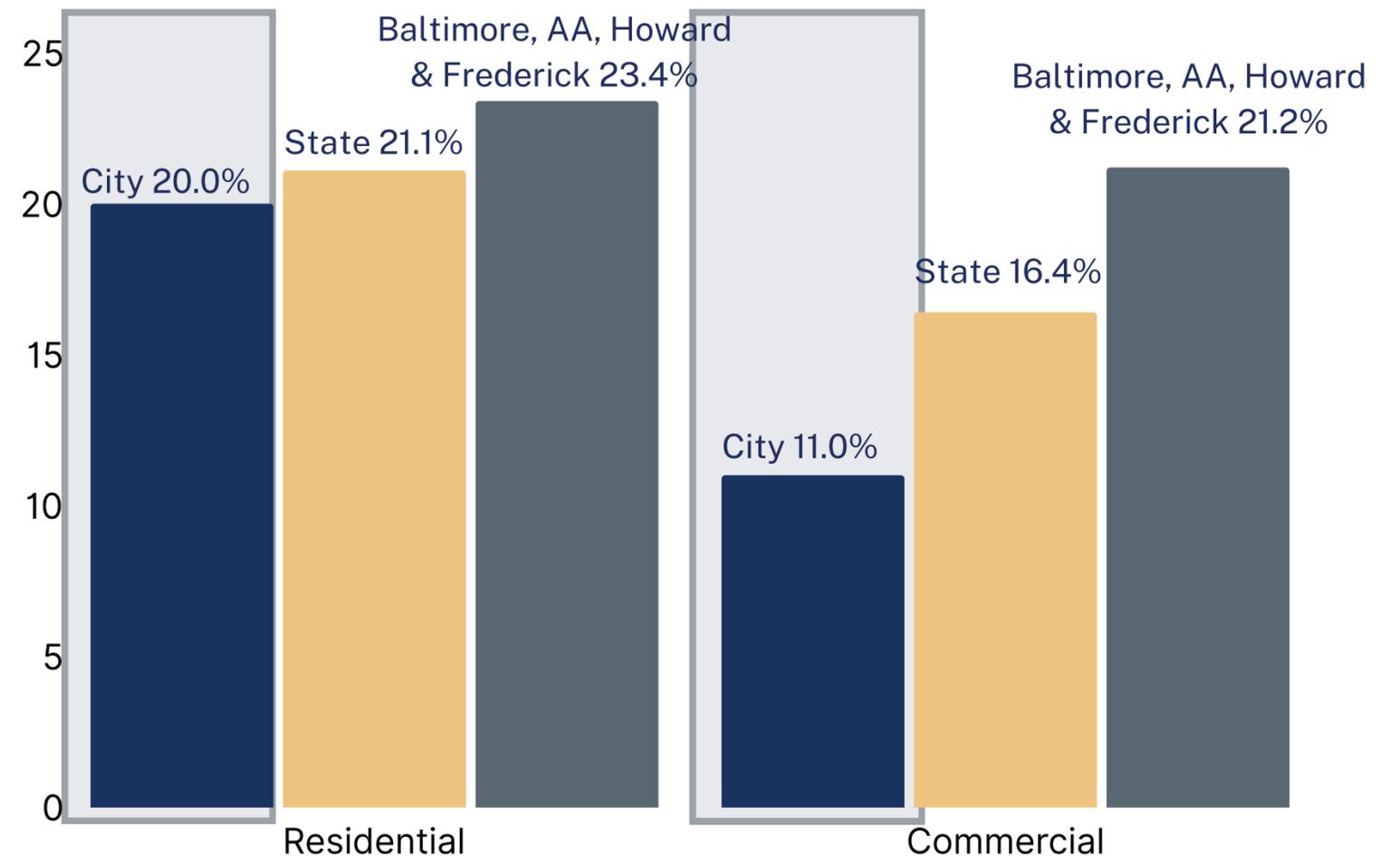


Statewide Assessment Increases

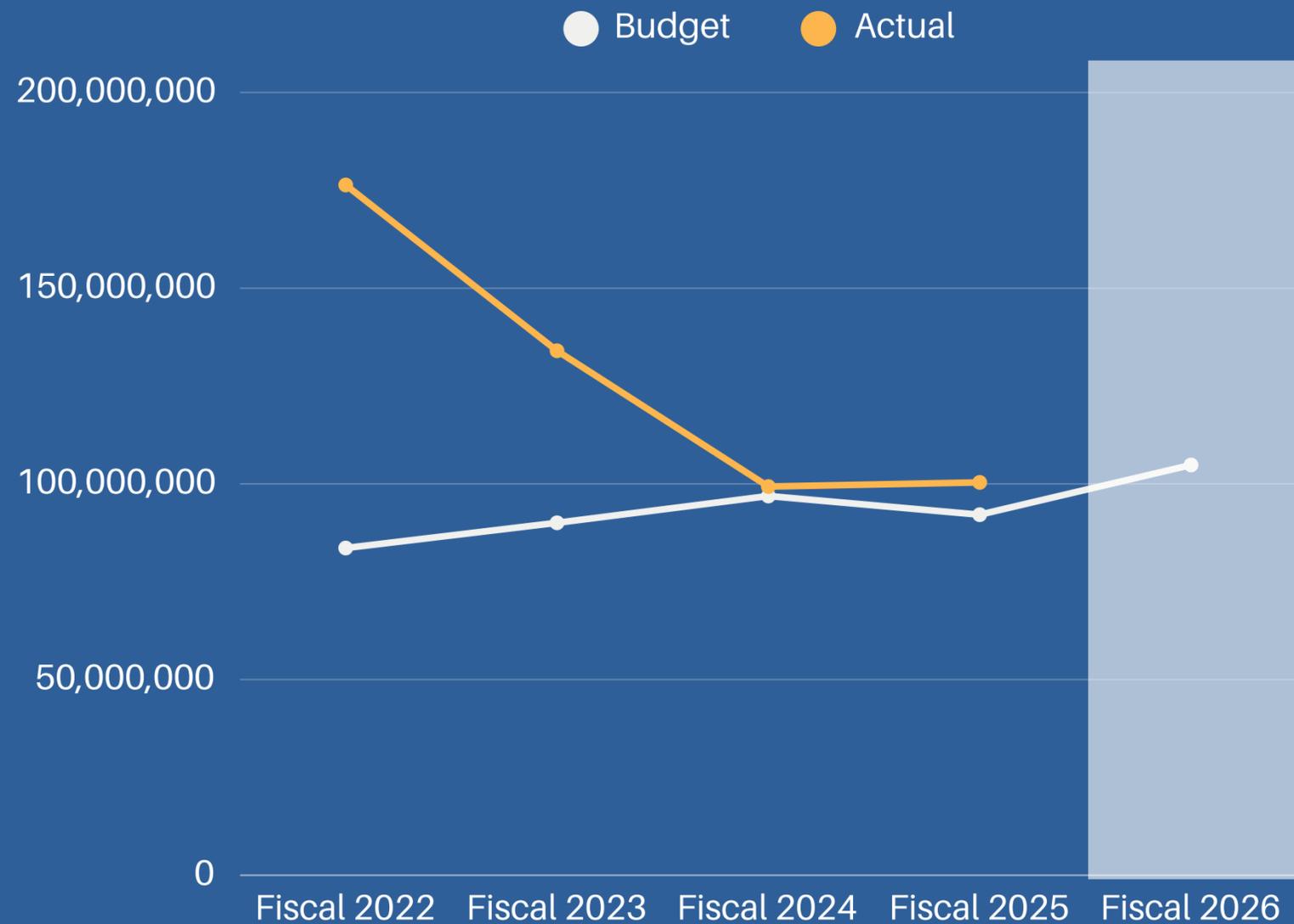
Fiscal Year	Assessment Group	% Increase
Fiscal 2016	Group 3	9.6%
Fiscal 2017	Group 1	10.9%
Fiscal 2018	Group 2	6.2%
Fiscal 2019	Group 3	3.6%
Fiscal 2020	Group 1	8.4%
Fiscal 2021	Group 2	9.1%
Fiscal 2022	Group 3	4.1%
Fiscal 2023	Group 1	6.6%
Fiscal 2024	Group 2	21.6%
Fiscal 2025	Group 3	17.9%
Fiscal 2026	Group 1	17.4%

- Fiscal 2026 is the 12th consecutive year of assessment increases.
- In this round of assessments, Baltimore City had the lowest in the State and below the statewide average increase (+20.1%)

Statewide Assessment Growth



Transfer & Recordation Taxes



Key Stats

Share of Total General Fund	4.03%
\$ Change from Fiscal 2025	+\$12.7 Million
% Change from Fiscal 2025	+13.8%
Rate	Based on Consideration Value: Transfer: 1.5% Recordation: 1.0%

Summary of Major Changes

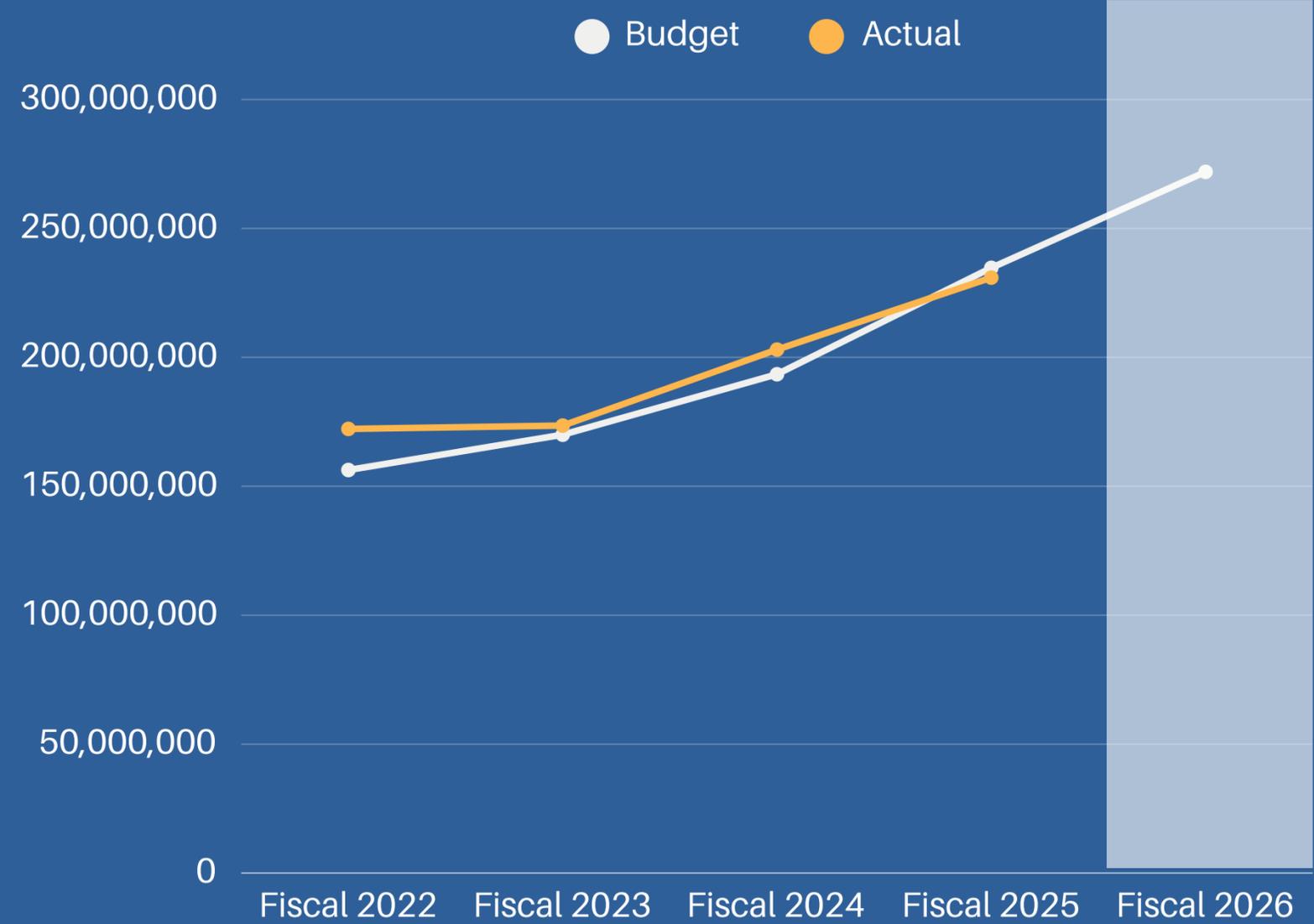
- The projection reflects the increase in average prices and activity in 2025, the budget assumes a steady increase in the average consideration value City properties.
 - 2023 Average Home Price: \$253k
 - 2024 Average Home Price: \$265k

Data based on July-Dec



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Highway User Revenue



Key Stats

Share of Total General Fund	10.4%
\$ Change from Fiscal 2025	+\$37.2 Million
% Change from Fiscal 2025	+15.9%
Rate	12.2% of Statewide Collections

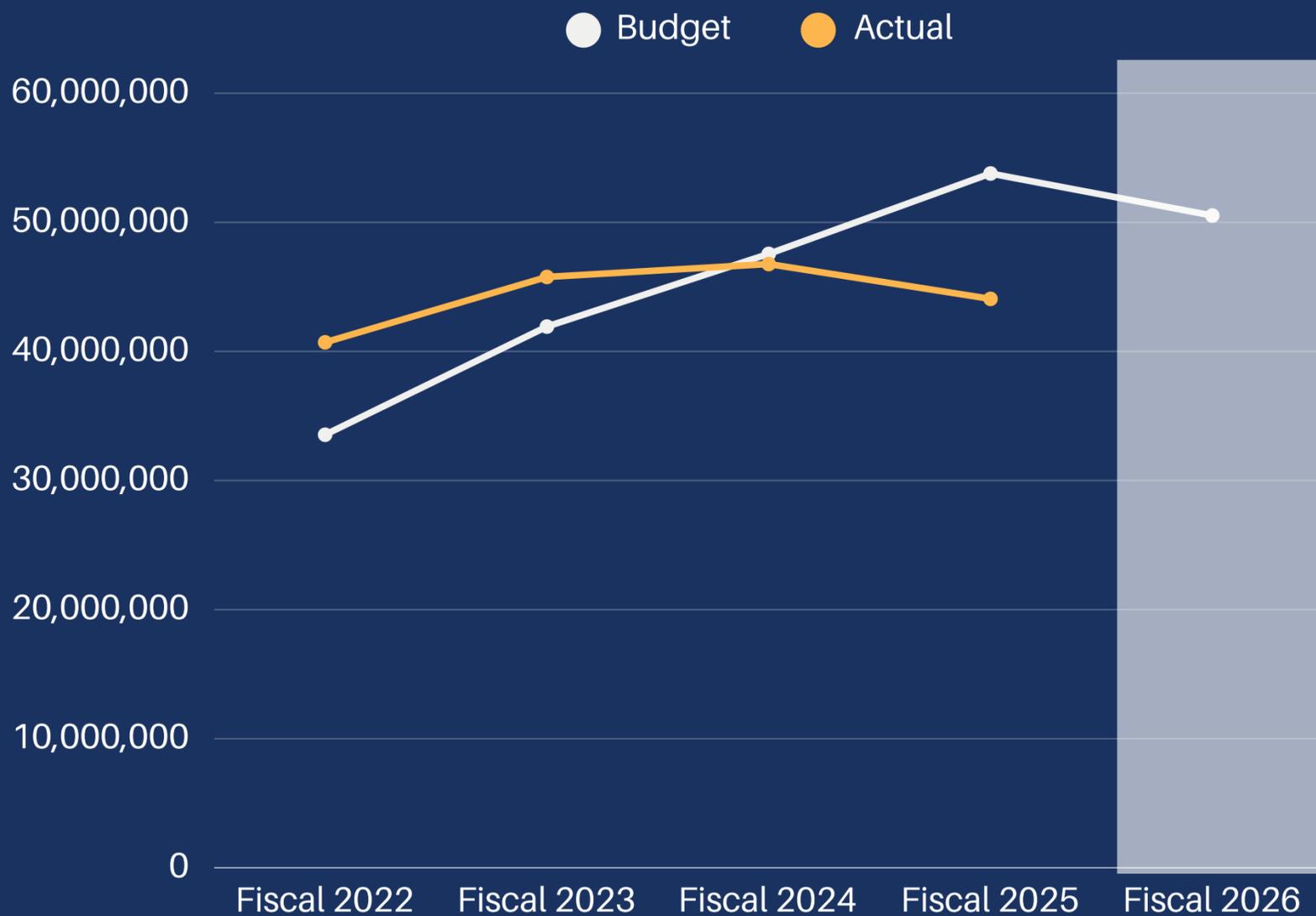
Summary of Major Changes

- Fiscal 2026 is the 4th year in the 5-year increased HUR allocation to the City; projected revenue increase attributed to higher allocation.
- Current Statewide HUR collections are down based on declines in fuel tax (-10.7%) and vehicle registration fees (-12.1%).
- 35% of HUR revenue will be dedicated to DOT capital projects.



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Parking & Tourism Revenue



Key Stats

Share of Total General Fund	1.9%
\$ Change from Fiscal 2025	-\$3.3 Million
% Change from Fiscal 2025	-6.1%

Summary of Major Changes

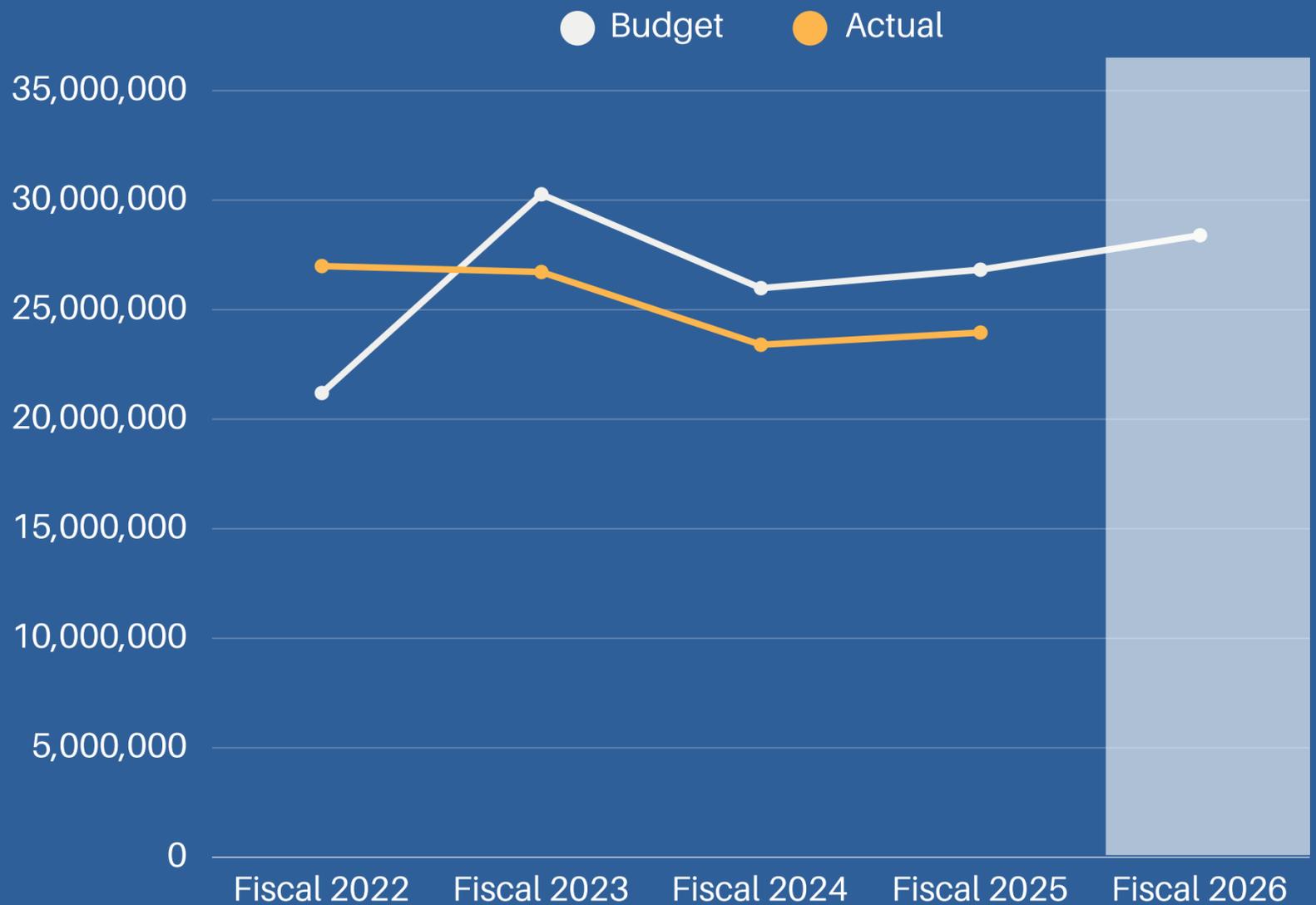
Parking

- The Fiscal 2025 budget assumed \$6.2 million from a series of new initiatives. Actual revenue is estimated to be \$1.7 lower than FY25 budget estimates.
 - Decline in parking and meter citations.
 - Actual revenue from reinstating late fees is lower than budget projections.

Hotel Taxes

- In 2024 demand was up by 5%; average nightly room rates up by 12%.

Traffic Cameras



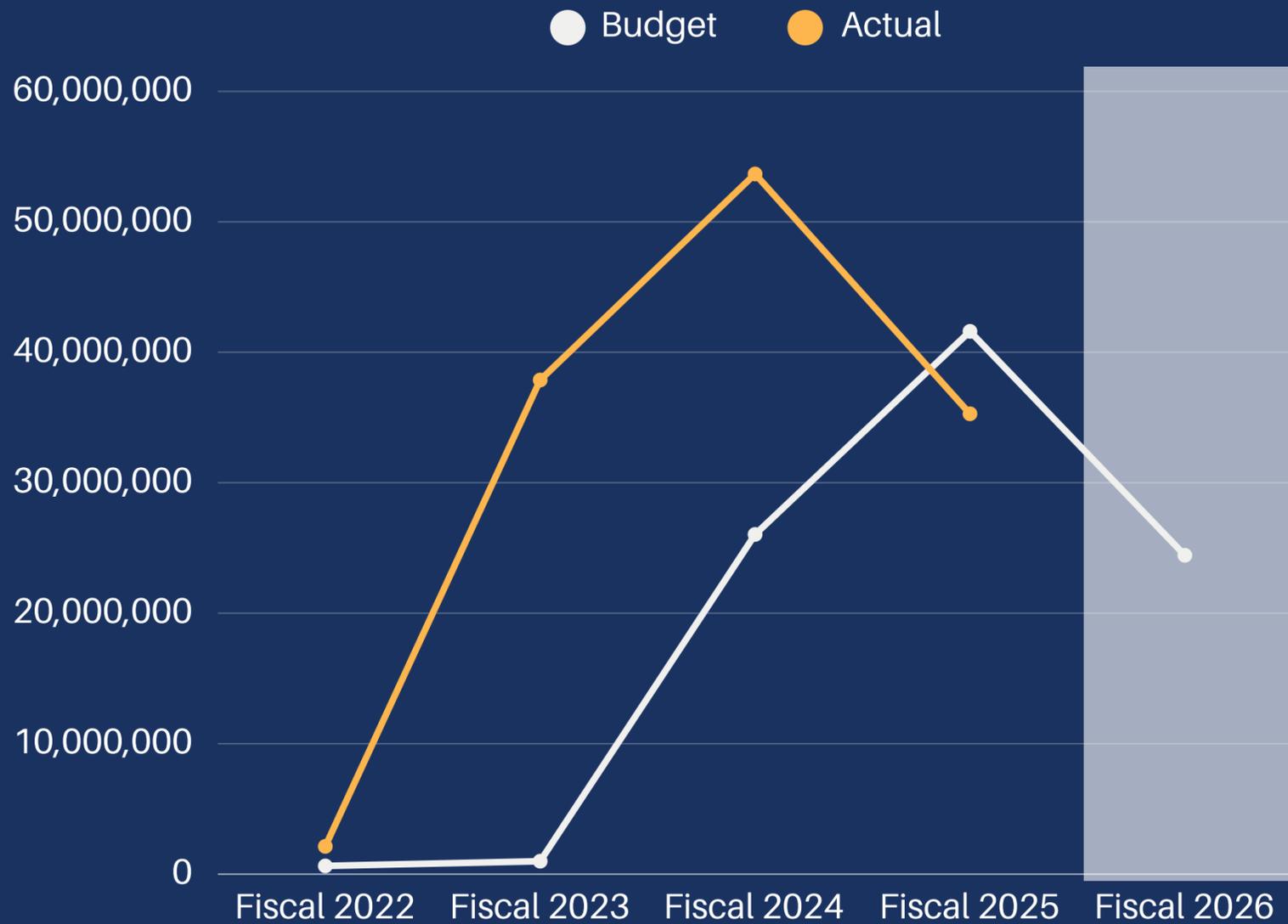
Key Stats

Share of Total General Fund	1.2%
\$ Change from Fiscal 2025	+\$1.6 Million
% Change from Fiscal 2025	+5.9%

Summary of Major Changes

- This revenue includes the City’s network of redlight and speed cameras (not including I-83).
- Budget increase based on:
 - Annualizing revenue from new red-light cameras late deployed in Fiscal 2025
 - Deploying 6 new speed and red-light cameras
 - Relocating speed cameras in Fiscal 2026

Investment Earnings



Key Stats

Share of Total General Fund	1.0%
\$ Change from Fiscal 2025	-\$17.2 Million
% Change from Fiscal 2025	-41.3%

Summary of Major Changes

- The projection reflects the anticipated reduction of the average interest rates from 4.4% in Fiscal 2025 to 3.9% in Fiscal 2026.
- The projection reflects a decline in cash on hand balances attributed to the planned ARPA spend down.



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Prioritize Our Youth

Total Budget-All Funds	\$633.9M
Total Budget-General Fund	\$532.6
Share of Total General Fund	22%

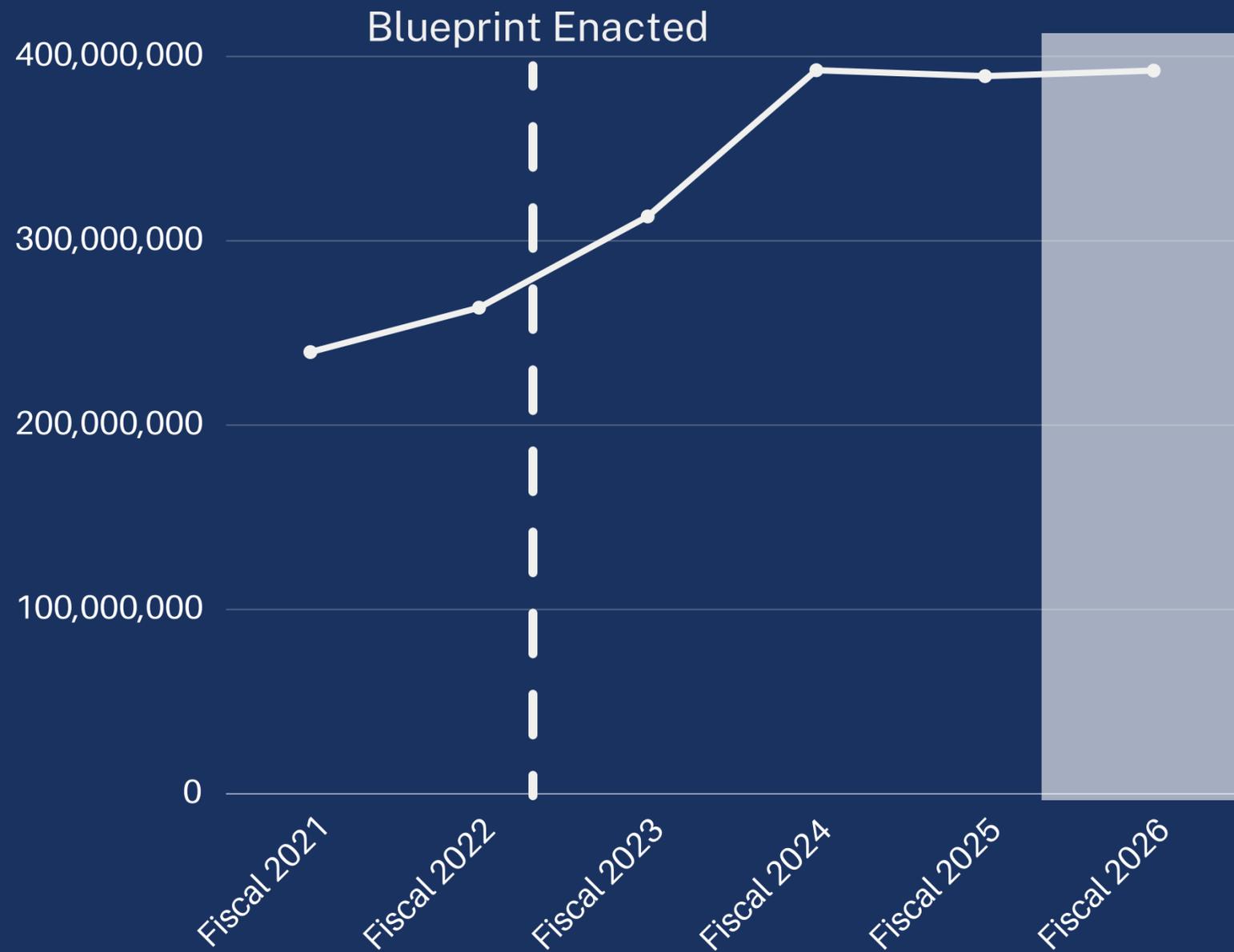
Summary of Major Changes & Investments

- **YouthWorks:** Invest funding from the Children & Youth Fund to increase the number of slots for YouthWorks. In summer 2025, there will be slots for 8,500 participants making \$15/hour.
- **Recreation Centers:** Allocate \$2.4 million for 2 newly renovated Recreation Centers that will come online in Fiscal 2026 (Chick Webb & Parkview).
- **B'More for Healthy Babies:** Allocate \$850,000 to provide services to 10k families & leverage 100% Medicaid matching funds.



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Schools Funding



Fiscal 2026 City Support for Schools

Expense	Fiscal 2025	Fiscal 2026	% Change
Direct Operating Support	396.6	410.2	+3.4%
Support-City Services	25.4	26.3	+3.5%
Capital Projects	39.9	48.4	+21.3%
21st Century Schools	14.9	19.2	+28.9%
TOTAL	\$476.8	\$504.1	+5.7%

Key Stats

- Fiscal 2026 Local Share=\$392,342,114 (+\$3.0m)
- Overall Change Since Blueprint=+\$128.6m (+48.7%)
- GO Borrowing for Schools projects up \$8.5m (+44.7%)



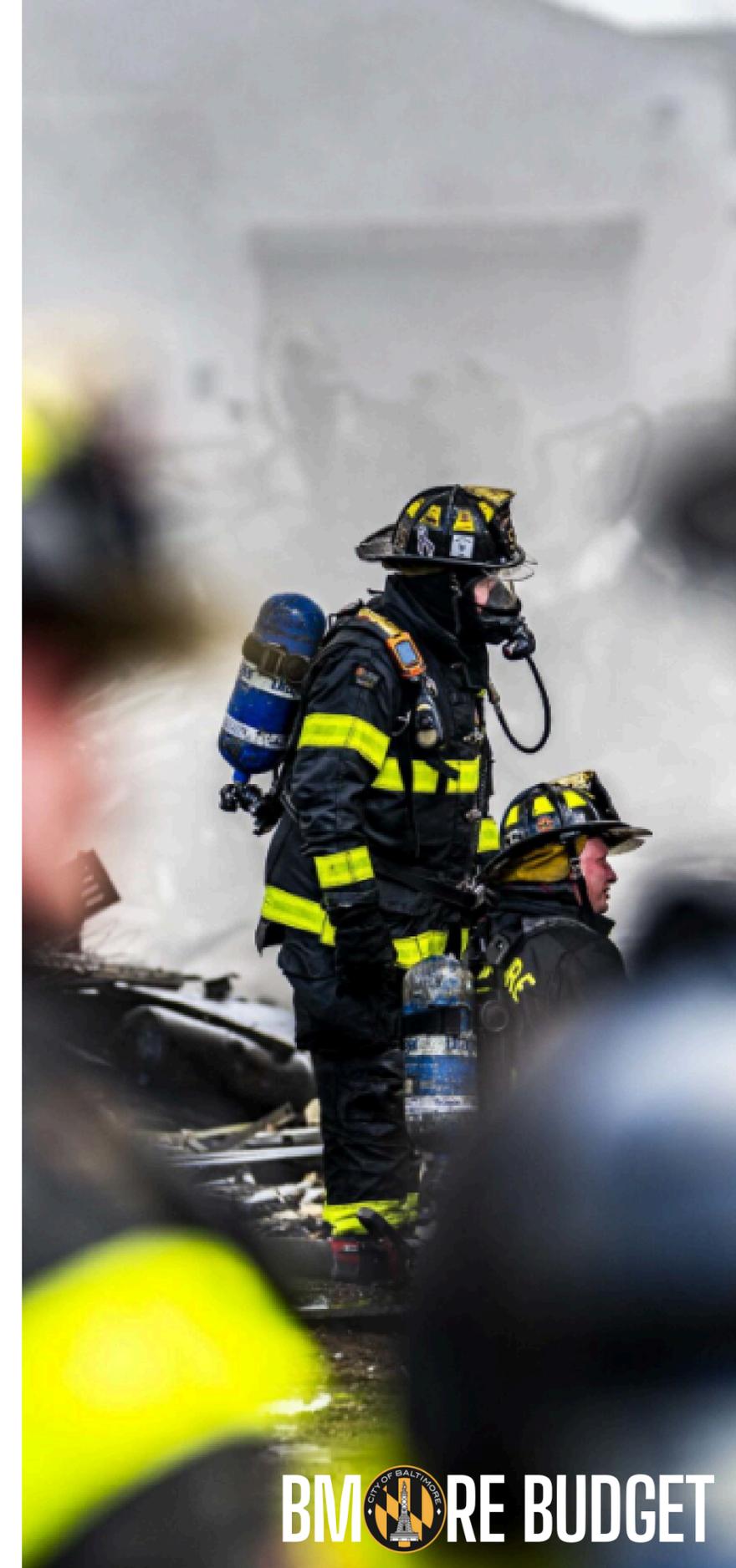
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Building Public Safety

Total Budget-All Funds	\$1,190.3M
Total General Fund	\$1,083.5M
% of General Fund	44%

Summary of Major Changes & Investments

- **Group Violence Reduction Strategy:** Funding 12 positions to sustain previously grant funded positions in the General Fund supporting the citywide deployment of the GVRS strategy.
- **Police Civilianization:** Continue efforts to civilianize various functions within the Police Department to reduce the Department's overtime. The Fiscal 2026 budget creates 9 new positions to civilianize 3 teams within BPD, total net savings=\$1.1 million.
- **Fire Department:** Investing \$5.2 million from the Opioid Restitution Fund in EMS services including 911 nurse triage, population health, and contracted medic units for basic life support calls.



Clean & Healthy Communities

Total Budget-All Funds	\$1,076.5M
Total Budget-General Fund	\$234.0M
Share of Total General Fund	10%

Summary of Major Changes & Investments

- **Solid Waste Staffing & Facilities Plan:** Invest \$5.2 million to continue enhancing trash and recycling services. Funds will be used to support a temporary contract to supplement crews for summer 2025, create 15 new crews to start in winter/spring 2026, and invest funds in Solid Waste facilities.
- **Homeless Shelter Costs:** Allocate \$24.6 million to support services & operations for the City's network of homeless shelters.
- **BARCS:** Increase annual funding for BARCS by \$500k to \$2.0 million annually.



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BM  RE BUDGET

Equitable Neighborhood Development

Total Budget-All Funds	\$346.4M
Total Budget-General Fund	\$215.9M
Share of Total General Fund	9%

Summary of Major Changes & Investments

- **B'more Fast:** Funding to begin implementing permit reform recommendations. The budget includes the Permit Czar, additional positions within Fire for permit review, & transferring the Office of the Zoning Administrator to Planning.
- **Vacants Staffing:** \$1.5 million to create additional positions within the Department of Housing and Community Development focused on the Mayor's Vacants plan. This investment builds upon 13 positions that were created in Fiscal 2025.
- **Municipal ID Program:** Investing \$1.3 million to stand up the City's Municipal ID program.



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BM  RE BUDGET

Responsible Stewardship of City Resources

Total Budget-All Funds	\$219.2M
Total Budget-General Fund	\$186.3M
Share of Total General Fund	8%

Summary of Major Changes & Investments

- **Eliminating Contracted Positions:** Invest funding to create permanent positions to reduce the use of external contracts to support administrative services. This action is estimated to save \$1.5 annually.
- **Citywide Equity Assessment:** Invest \$300,000 within the Office of Equity and Civil Rights to complete the citywide analysis. Results from the study will inform further implementation of the City's equity ordinance.
- **Law Department Staffing:** Increasing funding in the Law Department to expand the in-house affirmative litigation team.



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BALTIMORE BUDGET