

BUDGET EXERCISE: WHAT ARE YOUR PRIORITIES?

Introduction

The City of Baltimore faces a budget shortfall. The choices to balance the budget are difficult, because the City has already instituted spending freezes, cuts, and revenue measures in previous years. How will you balance the budget this year?

Shortfall

\$80,000,000

About Yourself

Age:
Gender:
Zip Code:

Directions

Below are the options for spending cuts or raising revenue, along with the effect on the deficit of each option. Attached to this sheet is more information on each option, matched by option number. Add up the amount of cuts and/or revenue raising measures you have chosen at the end to see if the budget gap is closed. **All money values in the worksheet are given in millions of \$.**

			Spending Cuts							
			Savings				Savings	Savings		
City Employees & Retirees			Arts & Learning			Other City Services				
1. Increase Deductibles and Co-Pays in employee health insurance plans	\$ 6.00	\$ _____	12. Close 5 Libraries/Reduce Hrs	\$ 5.00	\$ _____	23. Reduce 311 Call Center Hrs	\$ 1.00	\$ _____		
2. Stricter health benefit controls, pre-auth	\$ 4.00	\$ _____	13. Reduce/Eliminate Grants to Museums & Orchestra	\$ 2.50	\$ _____	24. Turn Off City Cable TV	\$ 0.50	\$ _____		
3. Increase the Portion of Health Insurance Premiums Paid by Retirees	\$ 7.00	\$ _____	Total Box C \$ _____			25. Reduce Custodial Service in City Facilities	\$ 0.50	\$ _____		
4. Freeze Pay for All but Lowest Paid Employees	\$ 9.00	\$ _____	Public Works			26. Reduce Street Repair	\$ 3.50	\$ _____		
5. Continue Furlough Plan	\$ 10.00	\$ _____	14. Reduce Graffiti Removal	\$ 0.50	\$ _____	27. Discontinue Support for Small & Emerging Businesses	\$ 3.00	\$ _____		
Total Box A	\$ _____		15. Eliminate Business District Cleaning	\$ 1.50	\$ _____	28. Cut agency admin budgets	\$ 5.00	\$ _____		
Public Safety			16. Contract Mowing of Median Strips	\$ 3.00	\$ _____	29. Reduce Election Funding	\$ 1.00	\$ _____		
6. Freeze police hiring 250 fewer hires	\$ 13.00	\$ _____	17. Discontinue Leaf Collection	\$ 1.00	\$ _____	30. Reduce Convention Center Funding	\$ 1.00	\$ _____		
7. Eliminate Police Marine Unit	\$ 1.00	\$ _____	18. Reduce Boarding & Cleaning of Vacant Properties	\$ 1.00	\$ _____	Total Box F \$ _____				
8. Eliminate Mounted Police Unit	\$ 0.50	\$ _____	Total Box D \$ _____			Now that you have made your spending cuts, add the amount of cuts from each area.				
9. Eliminate Special Traffic Enforcement Officers	\$ 0.50	\$ _____	Parks & Recreation							
10. Fire Company Closures	\$ 4.00	\$ _____	21. Reduce City Park Maint.	\$ 1.50	\$ _____				Box A	\$ _____
11. Reduce Street Light Maintenance	\$ 2.00	\$ _____	20. Close All But 6 City Pools	\$ 1.00	\$ _____				+ Box B	\$ _____
Total Box B	\$ _____		21. Reduce Funding for After-School & Sports Programs	\$ 3.50	\$ _____				+ Box C	\$ _____
			22. Close Some Rec Centers & Improve Remainder	\$ 3.00	\$ _____	+ Box D	\$ _____			
						+ Box E	\$ _____			
						+ Box F	\$ _____			
						Total Spending Cuts	\$ _____			

Revenue		Revenue
31. Bulk Trash Service Fee	\$ 1.00	\$ _____
32. Two Cent Property Tax Increase	\$ 7.00	\$ _____
33. Introduce a Billboard Tax	\$ 1.00	\$ _____
34. Grocery Bag Tax	\$ 1.00	\$ _____
35. Increase Beverage Tax to 4 cents per dollar	\$ 4.00	\$ _____
36. \$1 Fee for Circulator	\$ 1.00	\$ _____
37. Stormwater Fee	\$ 8.00	\$ _____
38. Increase Energy Tax by 25%	\$ 5.00	\$ _____
Total New Revenue		\$ _____

The boxes to the left and right represent new revenue measures and spending increases, respectively. New revenue measures will help reduce the budget gap, but only by drawing more in taxes and fees from City Residents. Spending increases, by contrast, will increase the budget gap, so these options should only be chosen if you are willing to make cuts elsewhere to offset the new costs.

Spending Increases			Cost
39. Stop Rotating Fire Company Closures	\$ 4.00	\$	
40. Increase Funding for After-School Programs	\$ 2.50	\$	
41. Fully Fund Prosecutors	\$ 2.00	\$	
42. Increase Lane Miles Resurfaced	\$ 2.50	\$	
43. Restore Tree Planting & Maintenance	\$ 1.50	\$	
44. Increase Funding for Economic Development	\$ 1.00	\$	
45. Extend City Pool Season	\$ 1.00	\$	
46. Reduce Property Tax by Two Cents	\$ 7.00	\$	
Total New Spending			\$

Total Spending Cuts \$

Add (+) Total New Revenue \$

Subtract (-) Total New Spending \$

Grand Total (=) \$

Budget amounts are rounded estimates for this exercise. These options do not represent policy decisions. This exercise is meant to be illustrative of the kind of decisions the Mayor has to consider.

Is your Grand Total higher or lower than the Budget Shortfall? If it is **higher**, you have successfully closed the Budget Gap and may even be able to restore some services. If it is **lower**, you have not closed the Budget Gap and need to cut more spending or raise more revenue.

BUDGET EXERCISE: WHAT ARE YOUR PRIORITIES?

SPENDING CUTS

City Employees and Retirees

1. Increase co-pays and deductibles in retiree health insurance and prescription drug plans, bringing them more in line with neighboring counties. (\$6M)
2. Place stricter controls on the use of health benefits, such as prior authorization, drug quantity limits, and case management. (\$4M)
3. Increase the portion of health insurance premiums paid by employees from 10-20% to 20-30%, depending on the plan they choose. (\$7M)
4. Freeze pay for all but the lowest paid employees in Fiscal Year (FY) 2012. Pay was frozen for all employees in FY 2011. (\$9M)
5. Continue the current furlough plan, which requires employees to take between four and eleven unpaid days off, depending on their salary. (\$10M)

Public Safety

6. Freeze police hiring in FY 2012. This would mean 250 fewer hires than planned and leave the police force nearly 10% below authorized strength. This action would reduce police presence in neighborhoods and have a severe impact on the City's crime fighting efforts. (\$13M)
7. Eliminate the Police marine unit and rely on the Fire Department, State DNR and US Coast Guard to respond to emergencies on the water. (\$1M)
8. Eliminate the Police mounted horse unit. The mounted unit is used for crowd control, riot response, and ceremonial appearances. (\$500K)
9. Eliminate special traffic enforcement officers. This will increase police overtime pay for emergency situations and special events. (\$500K)
10. Permanently close the five least busy fire companies. The City is already operating rotating closures of three companies. Permanent closures would be made so as to minimize the impact on response times, but response times would suffer. (\$4M)
11. Reduce street light maintenance and repair. Street lighting experienced a cut of \$2.5 million in FY 2011. Further reductions in maintenance could create a large backlog of repair jobs that significantly reduce the quality of city lighting. (\$2M)

Arts & Learning

12. Close the five least busy libraries and reduce hours at other branches. There are currently 22 library locations, so shutting down 5 will reduce access in the affected neighborhoods. Discontinuing services at lower-use locations permits the City to maintain better hours at other locations and buy books and materials for the smaller network. (\$5M)
13. Reduce or eliminate grants to the City's art museums and symphony orchestra, requiring them to charge (more) for services, raise more outside funds, or cut back the programs they offer. (\$2.5M)

Public Works

14. Reduce graffiti removal and seek community volunteers to remove graffiti in public places. There are currently 19 City positions responsible for graffiti removal. (\$500K)
15. Eliminate business district cleaning outside of downtown and rely on merchants associations to pay for the services. (\$1.5M)
16. Contract out the mowing of median strips. A contract would greatly reduce costs, though it would displace up to 32 City workers. (\$3M)
17. Discontinue leaf collection. City residents would instead be responsible for composting or disposing leaves. Leaves that are not properly disposed of can increase stormwater runoff, block drainage of water, and clog water drainage systems. (\$1M)
18. Reduce boarding and cleaning of vacant and abandoned properties. Vacant properties become locations for pests and transient populations if left unclean and unattended, affecting nearby properties. They can also become locations for illegal dumping. (\$1M)

Parks and Recreation

19. Reduce trash collection and ballfield and playground maintenance in City parks. Maintenance efforts would be reduced by 57%, continuing only for facilities programmed by the Baltimore City Recreation and Parks Department. (\$1.5M)
20. Close neighborhood swimming pools and operate only the six large park pools. In FY10, 62,000 City residents used these facilities, or about 10% of the population. The park pools have much higher use rates than the neighborhood pools. (\$1M)
21. Reduce funding for after-school and sports programs for youth. (\$3.5M)
22. Close the least utilized recreation centers and improve the centers that remain open. The City currently operates 55 centers, a number which

has not changed much with population loss. This leaves a large number of centers with shoestring budgets, insufficient staff, and deficient program conditions. Redirecting some savings can improve the quality of programs at those recreation centers which remain open. (\$3M)

Other City Services

23. Reduce 311 call center hours. Call Centers currently operate 16 hours a day. The new schedule would be ten hours a day Monday thru Friday and eight hours a day on the weekends, with the 311 service also offered online. (\$1M)
24. Turn off the City cable television channel. (\$500K)
25. Reduce custodial services in City buildings and leave more building maintenance as the responsibility of employees (throwing away trash in common receptacles, shutting off lights, etc.). (\$500K)
26. Reduce street repair and resurfacing. This would reduce the number of lane miles resurfaced by in house crews from 50 to 24 per year and lengthen response times for pothole repairs. (\$3.5M)
27. Discontinue support for programs to nurture small and emerging businesses (\$3M)
28. Cut agency administrative budgets by 10%. This would impact fiscal, human resources, information technology and other functions that support front-line services (\$5M)
29. Reduce funding for the conduct of elections. Doing so will likely reduce polling sites and lead to longer lines during elections. (\$1M)
30. Reduce funding for Convention Center improvements. (\$1M)

REVENUE MEASURES/ENHANCEMENTS

31. Charge residents for bulk trash pickup. Residents could drop their trash at any of five locations if they do not want to pay the fee. (\$1M)
32. Increase the property tax rate by two cents per \$100. The current rate in Baltimore is \$2.268 per \$100, the highest in the State of Maryland and more than double neighboring Baltimore County. (\$7M)
33. Introduce a tax on billboards. There is currently no tax on billboard advertising in the City. (\$1M)
34. Introduce a five cent tax on plastic grocery bags, with exemptions for WIC and food stamp recipients. The tax would discourage the use of environmentally unfriendly plastic bags. (\$1M)
35. Increase the beverage tax from two to four cents per container, exempting milk, juice and containers larger than 2 liters. This tax was just introduced in 2010. (\$4M)
36. Charge \$1 to ride the Charm City Circulator bus, which is currently free. The Charm City Circulator provides free access to downtown and certain neighborhoods for tourists and City residents. (\$1M)
37. Charge residents a stormwater fee based on property size to pay for projects that help the City meet federal clean water mandates (\$8M)
38. Increase the Energy Tax by 25%. This tax appears on a City resident's home energy bill, and was increased last year by 15%. The higher rate would cost the typical resident about \$5 more a month and could promote energy conservation. (\$5M)

SPENDING INCREASES (These options ADD to the budget gap)

39. Eliminate rotating fire company closures. The current plan temporarily closes three fire companies at a time on a rotating basis. (\$4M)
40. Increase funding for after-school programs. (\$2.5M)
41. Fully fund prosecutor positions in the State Attorney's office. Positions have been frozen for three years. (\$2M)
42. Increase the number of lane miles resurfaced. (\$2.5M)
43. Restore tree planting and maintenance. (\$1.5M)
44. Increase funding for economic development. Development activities include business retention and attraction, job creation, and enhancing neighborhood main streets. (\$1M)
45. Extend the City pool season to ten weeks. The current budget supports a six week season from late June to mid-August (\$1M)
46. Reduce the property tax rate by two cents per \$100 (\$7M)

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