



COMMUNITY GUIDE

to the Fiscal Year 2026
Preliminary Budget Plan

The City of Baltimore
Bureau of the Budget and Management Research

BMORE
BUDGET



Brandon M. Scott
Mayor



FISCAL 2026 PRELIMINARY
BUDGET BREAKDOWN

Operating Budget

\$3.68
billion

The Operating Budget funds the daily business of the City, specifically covering programs, services, staff, and supplies.

The FY2026 Preliminary Budget is \$202 million, or 5.82% higher than the FY2025 Adopted budget.

+5.82%



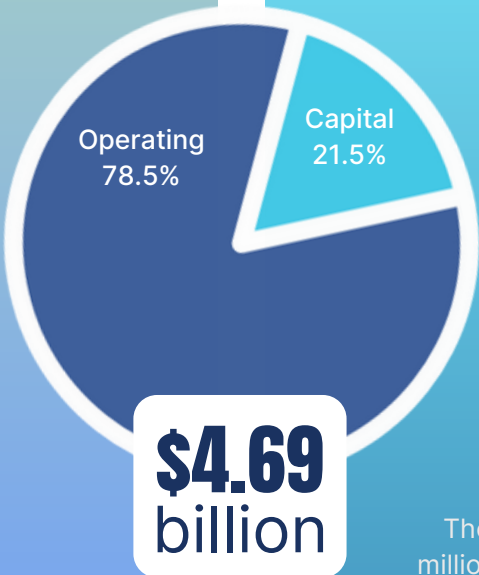
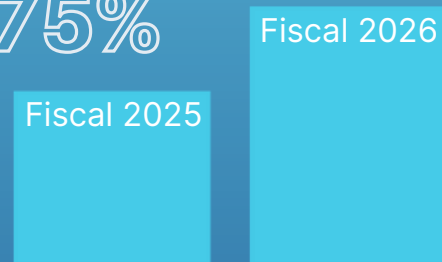
Capital Budget

\$1.0
billion

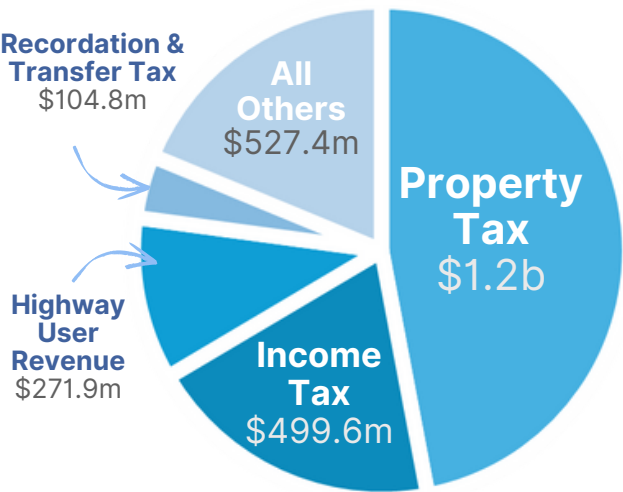
The Capital Budget funds physical infrastructure projects for the City, specifically major renovations and replacements that are long-term investments.

The FY2026 Preliminary budget is \$276 million, or 37.75% higher than the FY2025 Adopted budget.

+37.75%



FY26 REVENUE SOURCES



REVENUE CHANGES

Between FY25 and FY26

Property Taxes

- Growth captures reassessments for Group 1 (northern part of City and downtown). Overall assessments growing by 17.4% in Fiscal 2026.
- No change in property tax rate.

4.9%

Income Taxes

- Increase based on local and statewide labor market. Does not reflect changes in labor market since January 2025.

7.1%

Highway User Revenue (HUR)

- Growth based on 4th of 5th year increase for City allocation. In Fiscal 2025 the City will receive 12.2% of statewide highway user revenue.

15.9%

Recordation & Transfer Taxes

- Growth based on increase in home value prices.

13.8%



BALANCING THE BUDGET

\$85.0

million

Due to **growth in expenditures outpacing growth in revenue**, Fiscal Year 2026 was projected to have a deficit

Bridging an \$85.0 million deficit

REVENUE GENERATION Targeted increases to General Fund revenue to avoid broad base tax increases	\$26.6m
OPTIMIZE CITY COSTS To achieve savings citywide by right-sizing personnel, contractual, and equipment budgets across all city agencies	\$43.7m
AGENCY SAVINGS To achieve savings through targeted actions to remove legacy & miscellaneous funding, eliminating long-time vacant positions, and transferring certain eligible expenses to be covered by grants	\$14.7m

\$85.0 MILLION

Opioid Restitution Fund

The Preliminary Budget includes **\$36.7 million** from the Opioid Restitution Fund to invest in City services focused on **combatting the opioid epidemic**. Services

Enhanced EMS and 911 Call Diversion	\$5.2m
Establish the Division of Overdose Prevention in the Health Department	\$6.0m
Support additional shelter costs for individuals experiencing homelessness	\$3.0m
Provide grants to community-based organizations	\$19.4m
Costs to administer these funds	\$3.1m



KEY FISCAL 2026 INVESTMENTS HIGHLIGHTS

Prioritizing Our Youth

\$624.8 million

- Continue the City’s increased **investment in City Schools** under the Blueprint for Maryland framework. In Fiscal 2026 the City’s overall investment in City Schools is \$504 million, 5% higher than Fiscal 2025.
- Through a partnership with the Children and Youth Fund, provide **funding for 8,500 YouthWorks slots** for summer 2025.

Building Public Safety

\$1,190.3 million

- Provide recurring funding to maintain investments in the Mayor’s Office of Neighborhood Safety and Engagement **to offer Group Violence Reduction Strategy (GVRS) services citywide.**
- **Expand Emergency Medical Services (EMS)** by allocating funds for additional EMS contracted units and invest in a 911 Nurse Triage to help resolve non-acute 911 calls.

Clean & Healthy Communities

\$1,076.5 million

- Invest \$5.0 million to continue **enhancing staffing levels in the Bureau of Solid Waste.** This funding will allow for shorter routes for weekly trash and recycling.
- Allocating \$36.7 million from the Opioid Restitution Fund to further **invest in the City’s response to the Opioid Epidemic.**

Equitable Neighborhood Development

\$346.4 million

- Invest in the B’more Fast initiative **to improve the City’s permit process.** The investment includes funding the newly created Permit Czar and increasing Fire Department staffing for permit review.
- Invest \$1.5 million for additional staffing **to continue scaling up the Mayor’s Vacants Initiative.**

Responsible Stewardship of City Resources

\$219.2 million

- Invest \$250,000 in the Department of Public Works and General Services **to focus on maintenance and improvements at the City’s Solid Waste Facilities.**
- 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 million annually.

Capital Budget

\$1.0 billion

- Invest \$274.6 million from General Fund sources for capital projects.
 - \$18.0 million for **homeless facilities**
 - \$94.1 million for **transportation projects** including ADA repairs, traffic signal upgrades, and road resurfacing
 - \$21.0 million **to improve the Eastside Transfer Station**

*Numbers represent the Total amount of dollars per outcome



WHERE ARE WE IN THE FY2026 BUDGET PROCESS?



UPCOMING FY26 BUDGET PROCESS MILESTONES	Scheduled Date
Preliminary Budget at Board of Estimates	April 2, 2025
Preliminary Budget Presented to the Board of Estimates	April 2, 2025
Special Meeting of the BOE	April 23, 2025
Taxpayer's Night (Board of Estimates)	April 23, 2025
Ordinance at the Board of Estimates	May 7, 2025
Ordinance Introduced to City Council	May 12, 2025
Taxpayer's Night (City Council)	TBD
Budget Hearings	TBD
Adopt Fiscal 2026 Budget	No Later than June 26, 2025

HOW TO READ BUDGET PUBLICATIONS?

Preliminary Budget

- Publish in April
- Outlines high-level budget plans

Executive Summary

- Publish in May
- Outlines high-level budget plans + Fiscal Environment Outlook

Agency Detail

- Publish in June/July
- Outlines detailed budget information for each agency, highlighting performance, positions, and budgetary changes on the service level

STAY ENGAGED

Learn more about the budget, connect, & engage with the Bureau of the Budget and Management Research year-round through our website, social media, and newsletter.

http://



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Baltimore Budget



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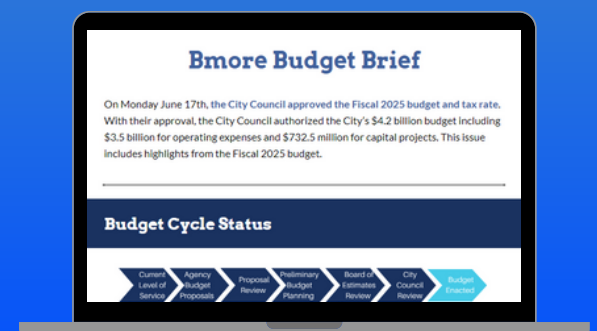


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Brandon M. Scott
Mayor