

BaltAC

FROM	NAME & TITLE	Robert Cename, Budget Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 20-0519-Children and Youth Fund- Establishment of Permanent Fiscal Agent		

TO

DATE:

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

April 20, 2020

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council Bill 20-0519, Children and Youth Fund-Establishment of Permanent Fiscal Agent, the purpose of which is to establish the Baltimore Children and Youth Fund, Inc. as the fiscal agent for the Baltimore Children and Youth Fund and certain processes and procedures for this entity.

Background

The Baltimore Children and Youth Fund was approved by the voters via Charter amendment and established in 2016, with the purpose of providing programs for and services to children and youth in Baltimore. The Fund receives an annual budget appropriation that must be equal to at least \$0.03 for every \$100 of assessed property value. In practice, property tax revenues are diverted out of the General Fund and into a nonlapsing fund that must be used exclusively for the purposed established in the Charter.

Since its establishment, the Fund has been appropriated \$37,357,000 over three years and the current balance for the Fund is \$17,757,015. The first grants were awarded in August 2018 by Associated Black Charities, the interim fiscal agent, to 84 organizations and totaled \$10.8 million. In spring 2020, these grantees were able to apply for continuation grants and disbursement of those funds began in April 2020.

Other Considerations

The proposed legislation requires that a Board of Directors govern the fiscal agent and that this Board submit all bylaws and annual financial plans to the Board of Estimates (BOE) for approval. The annual financial plans may allocate up to 5% of the Fund's balance to public engagement and up to 15% of the Fund's balance to staff and over administrative costs. These budget requirements ensure that the vast majority of the Fund is directed to programs and services.

Conclusion

The Department of Finance values having a strong fiscal partner to implement the Baltimore Children and Youth Fund and oversee the investment of taxpayer dollars in impactful community programs and services.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 20-0519.

cc: Henry Raymond
Matthew Stegman
Nina Themelis