



July 3, 2019

The Honorable President and Members
of the Baltimore City Council
Fourth Floor, City Hall
Baltimore, Maryland 21202
c/o Natawna Austin, Executive Secretary

Re: Bill No. 19-0376 {"Financial Disclosures - Fixing Filers, Filing, and Filings"}

You have referred the above-referenced bill to the Board of Ethics (the "Board") for its report. While the Board is broadly supportive of the goals of the bill to clarify and provide more accountability within the financial disclosure statement process, the Board is concerned that these new requirements, especially expanding the class of employees who are required to file disclosure statements and establishing a notification process for late-filed disclosures, would place an unsustainable administrative burden on its staff, which are not dedicated to the Board and primarily serve as staff to the Baltimore City Department of Legislative Reference ("DLR"). To be sure, Baltimore City is the only major jurisdiction in Maryland without dedicated staff or a dedicated budget for its State-mandated local ethics commission.

This Board currently receives and processes approximately 2,100 financial disclosure statements per year;¹ by way of comparison, in 2019, the Montgomery County Ethics Commission expects to receive and process 1,723 statements. For FY2019, the total approved operating budget for the Montgomery County Ethics Commission was \$463,283 and included 3 full-time employees dedicated to its administration;² by way of comparison, the City Board has no operating budget and has 0 full-time employees. The requirements set forth in this bill, while founded in solid public policy principles, would exacerbate an already tenuous balance with the staff's allocation of time between their primary DLR duties and their ancillary Board duties.

As drafted, the bill makes several amendments to the City Ethics Code's provisions regarding the filing of financial disclosure statements, focusing on three areas: the individuals required to file and how they are informed of those requirements; the contents of the statements themselves; and the consequences for not filing a required disclosure. In relevant part, if passed, this ordinance would:

¹ This number is an approximation because the Board does not have access to its financial disclosure database due to the ransomware attack.

² Source: <https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Department.aspx?ID=19D>

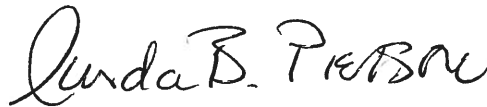


- Require that newly-appointed City employees sign and file with the Board a notice formally acknowledging, among other things, their duty to file a financial disclosure statement;
- require agencies to identify, prior to filling, those newly-created or vacant positions for which an individual would be required to file a financial disclosure statement and provide that information to the Board;
- require any employee earning more than \$60,000 per year to file a financial disclosure statement; and
- establish a notification and disciplinary procedure for City employees who have failed to file a required financial disclosure statement.

While the Board believes that the first two measures would help to allay the confusion that some employees have as to whether the filing requirements apply to them, the latter two components of this bill would likely greatly add to the Board's administrative workload and would be untenable without dedicated funding for additional staffing.

Noting these caveats, the Board cautiously supports Council Bill 19-0376.

Very truly yours,

A handwritten signature in black ink that reads "Linda B. Pierson". The signature is written in a cursive style with a large, prominent "L" and "P".

Linda Pierson, Chair
Baltimore City Board of Ethics