

**CITY OF BALTIMORE
COUNCIL BILL 12-0085R
(Resolution)**

Introduced by: Councilmembers Henry, Clarke, Stokes, Branch, Mosby, President Young,
Councilmembers Welch, Reisinger
Introduced and adopted: December 6, 2012

A COUNCIL RESOLUTION CONCERNING

Request for State Action – Recreation Maintenance of Effort

FOR the purpose of calling on the General Assembly and the Governor to act to include a maintenance of effort provision in the State law setting aside table game revenue in Baltimore for recreational facilities.

Recitals

The passage of Question 7 in the recent general election ensured that table games at the planned Baltimore casino will create a new revenue stream for the City in the near future. One of the selling points for expanded gambling for Baltimoreans was the frequently repeated assurance that this new revenue would be used to improve schools and recreation facilities for our children.

And, as advertised, the Maryland law authorizing table games does require Baltimore to split its share of table game revenue evenly between “school construction projects” and “the maintenance, operation, and construction of recreational facilities”. Given these constraints, and the current pressing need for more funding for both of these priorities, there is no reason to doubt that the immediate effect of table game revenue will be an increase in City spending on schools and recreation.

However, there is nothing in the State law that actually guarantees that the new revenue will result in a permanent increase in recreation funding, or, really, that *guarantees* any increase at all. Future administrations would be free to lower recreation spending out of the City’s general fund and simply replace all, or part, of that decrease with the dedicated table game money – resulting in a flat or declining overall rec center budget.

This would surely not be the situation intended by the General Assembly when it set aside half of Baltimore’s table game proceeds for recreation. Happily, the problem of preventing funds dedicated to a particular purpose by State law from being effectively diverted to other purposes in this way is not a novel one; and Maryland lawmakers have a policy response ready at hand in the form of “maintenance of effort” requirements.

When the State became concerned that localities could take advantage of State education funding for local schools by lowering their own funding to the schools, Maryland determined to protect its investment in education by requiring localities to keep their own school spending constant or improving from year to year as a condition of receiving State funding. This concept – known as a maintenance of effort requirement – has been highly successful at preventing localities from diverting State education funding to other purposes.

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 If the City and State are serious in their commitment to dedicating table game revenues to
2 improving the recreational opportunities for children in Baltimore, they should apply the same
3 concept to this new revenue. A baseline for City recreation spending could easily be established
4 – either year-by-year as is done for education, or based on recreation spending in the years before
5 the table game revenue becomes available – and receipt of this gambling money could be tied to
6 the City maintaining its general fund recreation spending at or above the baseline. Imposing a
7 maintenance of effort requirement along these lines is the only way to guarantee that the table
8 game revenue represents a real, and permanent, improvement in recreational opportunities for
9 Baltimore’s children as promised.

10 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
11 Council calls on the General Assembly and the Governor to act to include a maintenance of effort
12 provision in the State law setting aside table game revenue in Baltimore for recreational facilities.

13 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Governor, the
14 Honorable Chair and Members of the Baltimore City House and Senate Delegations to the
15 Maryland General Assembly, the President of the Maryland Senate, the Maryland House
16 Speaker, the Mayor, and the Mayor’s Legislative Liaison to the City Council.