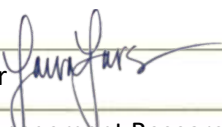



FROM	NAME & TITLE	Laura Larsen, Budget Director 	CITY of BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall		
	SUBJECT	City Council Bill 23-0380: Charter Amendment-Community Reinvestment and Reparations Fund		

DATE:

TO

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

October 2, 2023

**Position: Oppose**

The Department of Finance is herein reporting on City Council Bill 23-0380, Charter Amendment-Community Reinvestment and Reparations Fund.

City Council Bill 23-0380 seeks to pursue a charter amendment that would establish a segregated non-lapsing fund to allocate funds received by the City through the State Community Reinvestment and Repair Fund. Based on State legislation, the Fund can only be used for community-based initiatives for specific communities, as well as related administrative expenses. Funds cannot be used for law enforcement agencies or activities and can only be used as additional funding for programs, rather than replacing funding provided by the local jurisdictions.

Based on preliminary estimates, the Department of Finance projects there will be \$21.3 million allocated from the Community Reinvestment and Repair Fund in Fiscal 2024. That number is projected to increase to \$40.0 million by Fiscal 2028. Actual statewide allocations of this funding will be based on cannabis possession charges in each jurisdiction compared to the overall number of cannabis possession cases statewide.

Finance is opposed to legislation that restricts the City's ability to allocate or direct funding, especially considering the current fiscal environment. Due to increased funding requirements from the State for education and the impending expiration of federal ARPA funds, the City will be required to carefully consider funding decisions. Given the City's resource constraints and the revenue projected through this fund it will be critically important these funds are allocated with the overall context of the City's budget in order to maximize their impact. Finance is supportive of the intent of this legislation but believes the restrictions being offered here will limit the impact of the funding.

**For the reasons stated above, the Department of Finance opposes City Council Bill 23-0380.**

cc: Michael Moiseyev  
Nina Themelis