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| FROM | NAME & TITLE | Robert Cename, Budget Director <i>BaltAC</i> | CITY of BALTIMORE MEMO |  |
| | AGENCY NAME & ADDRESS | Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774 | | |
| | SUBJECT | Council Bill 22-0238 – Charter Amendment – Inspector General – Advisory Board | | |

DATE:

TO

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

July 6, 2022

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council Bill 22-0238, Charter Amendment-Inspector General-Advisory Board, the purpose of which is to expand the Advisory Board from five to seven members, change member composition and eligibility criteria, change the method in which members are selected, set term limits, and submit this amendment to the voters of Baltimore City.

Background

Article X of the Baltimore City Charter outlines that the composition of the Inspector General Advisory Board is comprised of five members (or their designees), the Mayor, City Council President, Comptroller, two Members of City Council (appointed by the City Council President), and potentially the Deans of the University of Maryland School of Law and the University of Baltimore School of Law, at the discretion of the Mayor and City Council President. The Advisory Board is responsible for appointing the Inspector General, conducting an annual performance review for the Inspector General, and for reviewing and recommending the budget that is submitted to the Department of Finance as part of the annual budget process.

This legislation seeks to amend the composition, eligibility, and qualifications to serve on the Advisory Board, as well as the appointment procedures. Eligible individuals may be nominated via the City Council and final selections are made at random by the Chair of the Board of Ethics. In addition, the Board shall have two members selected at random from specific professional organizations. Additionally, this legislation staggers the terms of members, with members from the professional organizations and from City Council Districts 13 and 14 serving for three-years and all others serving four-year terms, and not be contemporaneous with the Mayor’s term of office.

Fiscal Impact

The Department of Finance does not anticipate a fiscal impact for the City from this legislation. While this measure requires that the Mayor provide access to City resources to facilitate the work of the advisory board, as drafted, the onus of recruitment and vetting of potential candidates will shift to members of City Council and their respective staffs, and not cause a foreseeable fiscal impact on current City resources.

Other Considerations

Across the country, each Inspector General’s office is different, operating within different contexts and with different practices and tools. As such, it is hard to determine a specific recommendation for how to structure the Advisory Board. The Office of the Inspector General’s (OIG) bill response notes that in a review of twenty-five independent state and local offices, only seven have advisory boards, and of those

seven only two are comprised of elected officials and/or political appointees. A 2017 report by the Center for the Advancement of Public Integrity (CAPI) at Columbia Law School, "Best Practices in Municipal Oversight," noted that the Association of Inspectors General recommends that OIGs report to the appointing authority and legislative body, while scholars suggest OIGs report to governing bodies made up of a majority of members that are independently elected or appointed and are from outside the organization being audited. The report states, "many municipal OIGs report to the city council, an arrangement that can be either innocuous or problematic depending on the willingness of the council itself to support oversight efforts." The report states that in New York, the Department of Investigation's Commissioner reports to both the City Council and the Mayor; and in Miami-Dade, the Inspector General reports to the Mayor and County Board of Commissioners.

Additional considerations for this legislation might be to assess whether the process of selecting members at random from nominations will ensure effective oversight. As well as whether to include other considerations in regards to eligibility, such as being ineligible if a professional license was revoked.

Conclusion

This legislation aims to expand and change the structure of the Inspector General Advisory Board and is not anticipated to have a fiscal impact. However, there is not a standard structure of reporting across Inspector General offices. The CAPI report recommends that policymakers and practitioners carefully design reporting structures, to the extent possible, to protect the agency from potentially disruptive influence. While the current Advisory Board structure appears to meet several of the criteria outlined in the report, efforts to improve the independence and accountability of the OIG are important and the voters of Baltimore City should be able to take actions to strengthen this office if deemed necessary.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 20-0238.

cc: Henry Raymond
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