


FROM		CITY OF BALTIMORE MEMO		
NAME & TITLE	Robert Cennamo, Chief <i>RC</i>			
AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4941			
SUBJECT	City Council Bill 18-0229-Charter Amendment-Fair Election Fund			

TO

DATE:

05/23/2018

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

Attention: Ms. Natawna Austin

We are responding to City Council Bill 18-0229-Charter Amendment –Fair Election Fund, the purpose of which is to authorize the establishment of a continuing, nonlapsing Fair Election Fund, to be used exclusively to administer a public financing option for political campaigns for Baltimore City elected offices. The charter amendment would authorize the Mayor and City Council to dedicate revenue to the Fair Election Fund by ordinance, establish a Fair Election Fund Commission to administer the Fund; and submit this amendment to the qualified voters of the City for adoption or rejection.

Analysis

CCB 18-0229 would amend Article 1 Section 15 of the General Provisions of the Baltimore City Charter so that they Mayor and City Council may establish a continuing, nonlapsing fund for the purpose of encouraging fair elections by administering a public financing option for political campaigns for Baltimore City Elected Officials. Establishing the fund entails providing direct funding to candidates who meet certain qualifications, providing technical assistance and training to individuals seeking to make use of public campaign financing, and publicizing the availability of public campaign funding.

Additionally, the proposed charter amendment would establish a Fair Election Fund Commission to administer the disbursements to candidates. The charter amendment outlines a broad governance structure and states that Commission members are not allowed to receive any compensation for their service, but may be reimbursed for reasonable and necessary expenses.

Finally, the proposed bill allows the Mayor and City Council to finance the Fund by using an annual appropriation, grants or donations, or proceeds from revenue sources. Unspent portions of the Fund cannot be reverted back to general revenues or used for any other purpose. The bill clearly states that the Fund's appropriation cannot lapse.

Two other jurisdictions in Maryland have created Fair Election Funds: Montgomery County and Howard County. Montgomery County's Fair Election Fund was established in 2014 and Howard County's was established in 2016, but will not go into effect until the 2022 election cycle.

Fiscal Impact

There are several provisions of the proposed legislation, which if enacted, would have a fiscal impact. First, the proposed legislation allows the Mayor and City Council to dedicate a revenue source to the Fair Election Fund by ordinance. Dedicating a revenue source to the Fair Election Fund would limit the City's

ability to fund other programs and services and may have the unintended consequence of forcing the City to raise additional revenue to cover the costs of other programs. Additionally, if the revenue raised by the dedicated source falls short of what is needed to properly finance the Fund, then the City may have to re-allocate resources that were dedicated to other programs.

Secondly, the legislation mandates that funds appropriated cannot lapse and must only be used for the Fair Election Fund. The Fair Election Fund's balance cannot revert back to general revenues. This limits the City of Baltimore's fiscal flexibility to meet the sometimes urgent needs of its residents. Under this proposal, funds remaining after an election cycle could not be used for any other purpose including re-allocation to agencies or programs in need.

Finally, the proposal has a number of other provisions that will have a fiscal impact. The Fair Election Fund would be responsible for providing technical assistance and training to individuals seeking to make use of public campaign funding. The bill also discusses the Fund's need to publicize the availability of campaign funding. The bill does not outline who will conduct the training or how the publicizing of the Fund's existence will be paid for. Additionally, the bill would also create a Commission to oversee the Fair Election Fund. This Commission would be reimbursed for reasonable expenses.

Recommendation

By dedicating a revenue source and/or nonlapsing appropriation to the Fair Election Fund and not allowing these funds to be used for any other purpose, the legislation could limit the City's ability to allocate resources and may result in other revenue sources having to cover the cost of the Fund.

Based on these finding, The Department of Finance opposes City Council Bill 18-0229.

cc: Henry Raymond
Kyron Banks