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FROM	NAME & TITLE	Robert Cename, Chief	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill #19-0380 Charter Amendment – Mayoral Vetoes		

TO

DATE:

January 13, 2020

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

Position: Oppose

The Department of Finance is herein reporting on City Council Bill 19-0380, Charter Amendment-Vetoes, the purpose of which is to modify the vote by which the Council may override a mayoral veto, and to repeal the mayoral authority to veto individual items of appropriation.

Background

Article IV of the Baltimore City Charter grants the Mayor the authority to veto City Council legislation and requires a three-fourths vote by the City Council to override a Mayoral veto. In addition, the Charter grants the Mayor a “line-item” veto on items of appropriation that are amended by the City Council to the City’s annual budget legislation, the Ordinance of Estimates.

Analysis

We considered this bill in the context of how it would alter the dynamics of ensuring enactment of the City’s Ordinance of Estimates. Currently, the Charter requires the Board of Estimates to adopt a recommended budget and submit it to the City Council at least forty-five days prior to the beginning of the subsequent fiscal year on July 1st. The City Council next holds hearings on the proposed budget and may vote to reduce or eliminate items of appropriation. The Charter requires that the City Council adopt an Ordinance of Estimates by at least five days prior to the beginning of the fiscal year.

The line-item veto authority for the Mayor is particularly important because it allows for items of disagreement between the Mayor and City Council in the budget to be isolated and dealt with individually. Although the Ordinance of Estimates is legally just one piece of legislation, it includes *all* spending authority for all City agencies for the entire upcoming fiscal year. Without an annual appropriation there is no authority to make new spending commitments. Practically speaking, the line-item veto ensures that most of the budget can proceed and be enacted in a timely manner even if there are disagreements about individual line-items.

In addition, the Charter’s high threshold for overriding a Mayoral veto, three-fourths of members, helps protect against unilateral revisions to the Ordinance of Estimates that could threaten the City’s fiscal health. In the current process, the Mayor relies heavily on the professional staff in the Departments of Finance and Planning for budget development. This provides some assurance that the proposed budget is accurate, realistic, and carefully weighs the cost of day-to-day operations against longer-term financial liabilities. Lowering the threshold for overriding a Mayoral veto, in combination with the additional City Council powers proposed in City Council Bill 19-0379, increases the risk for arbitrary spending decisions that undermine the City’s fiscal health.

Conclusion

Resolving budget disagreements in an orderly manner is a hallmark of sound financial management. It sends a signal to citizens, vendors, creditors, employees, and other stakeholders that City services and operations will not be disrupted for political disputes. By eliminating the Mayor's line-item appropriation veto power and reducing the threshold for overriding a Mayoral veto, City Council Bill 19-0380 increases the risk for a larger political stalemate or legal dispute over the entire budget even if the items of disagreement are rather small. In combination with the powers proposed in City Council Bill 19-0379, this bill threatens to upend the delicate fiscal structure and budget process that has served the City so well financially.

For the reasons stated above, the Department of Finance opposes City Council Bill 19-0380.

cc: Henry Raymond

Matt Stegman

Nina Themelis