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<b>FROM</b>	NAME & TITLE	Robert Cename, Budget Director	CITY of <b>BALTIMORE</b> <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 19-0442—Legislation-Equity Assessment and Fiscal Note Requirement		

DATE:

**TO**

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

September 23, 2020

**Position: Oppose**

The Department of Finance is herein reporting on City Council Bill 19-0442, Legislation-Equity Assessment and Fiscal Note Requirement, the purpose of which is to require an equity assessment and fiscal note for all proposed ordinances or resolutions to be prepared and submitted by the Office of Council Services.

**Background**

The Office of Council Services has six full-time employees. These employees staff at least one City Council Committee, providing administrative support during City Council committee hearings and ensuring proper documentation and notes. Since 2016, the City Council has introduced over 300 bills on average each year.

Currently, there is no uniform equity assessment or fiscal note report. However, City agency bill reports are required to include “the results of an equity assessment of the proposal’s impact on its operations”, as defined by the Equity Assessment Program, Article 1, Section 39-9 of the City Code. In addition, the Department of Finance Bureau of the Budget and Management Research (BBMR) provides a fiscal impact statement for all bills that are referred to the Department of Finance.

**Fiscal Impact**

The Department of Finance anticipates implementation of this legislation will cost the City \$346,635.

Expense	Cost	Quantity	Total Cost
Budget/Management Analyst I	\$ 115,545	3	\$ 346,635

The Office of Council Services currently has six full-time employees, including the Director, a Senior Legislative Policy Analyst, a Fiscal Policy Analyst, and three Legislative Services Analysts. Currently, Legislative Services Analysts schedule, prepare agendas for, and publically advertise City Council standing and sub-committee meetings, as well as compile bill synopsis for each piece of legislation introduced and conduct further research and analysis as needed. Based on the current level of work and the anticipated effort required to implement this bill, the Office of Council Services and Department of Finance expect this legislation would require three additional analysts, equivalent to BBMR budget analysts, to complete this analysis for every piece of legislation.

**Other Considerations**

This legislation reflects the work completed by offices like the Department of Legislative Services in the Maryland General Assembly and the Congressional Budget Office in the federal government. These offices

provide standardized reports for all legislation that include cost estimates. BBMR aims to provide this level of analysis for referred City Council bills, as evidenced by our recent standardized bill report template and designation of one full-time employee as a Legislative Lead. However, there have been several times where BBMR's analysis was questioned because the Department of Finance is part of the Mayor's administration and there were concerns that the analysis was not impartial.

While implementing this legislation could provide an additional analysis for City Council to consider that may be considered more impartial, even though the Office of Council Services is not an independent office. The Department of Finance expects that this legislation will require extensive training for Office of Council Services staff on the City's budget process, documents, and expertise. In addition, the Office of Council Services will be largely dependent on BBMR and the Department of Finance to access data and documents. This will add an additional burden to BBMR's work.

If this legislation is passed, the Department of Finance would propose an amendment to Section E, which outlines the contents of the fiscal note. Finance proposes replacing item four, "an actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs", with the requirement of listing the full cost of employee salary and benefits, including pension and retiree health costs. BBMR has a full cost calculator that is used to calculate health costs based on salary, which is use throughout the budgeting process and when evaluating hiring requests. BBMR believes that the use of this calculator would meet the intent of item four in Section E and would share this with the Office of Council Services.

In addition, if passed, the Department of Finance recommends that this legislation clearly define the contents of the equity assessment, similar to those defined for the fiscal note. Defining these contents in the legislation would be pertinent to ensure that these reports are consistent and standardized.

### **Conclusion**

While the Department of Finance appreciates the intent of this bill to establish an additional layer of equity and fiscal analysis, the increased costs and duplicative nature of the work this legislation would require from both the Office of Council Services and Bureau of Budget and Management Research raise concerns, especially considering the City's current fiscal situation. The Bureau of Budget and Management Research is willing to engage in dialogue about how to change and improve the current bill response template to meet the interests and needs of City Council, and is already working on updating the template to add the contents outlined in this legislation.

**For the reasons stated above, the Department of Finance opposes City Council Bill 19-0442.**

cc: Henry Raymond  
Matthew Stegman  
Nina Themelis