City of Baltimore

City Council
City Hall, Room 408
100 North Holliday Street
Baltimore, Maryland 21202

Legislation Details (With Text)

File #:	20-0519	**Version:**	0	**Name:**	Children and Youth Fund - Establishment of Permanent Fiscal Agent
Type:	Ordinance			**Status:**	Enacted
File created:	4/13/2020			**In control:**	City Council
On agenda:				**Final action:**	5/18/2020
Enactment date:				**Enactment #:**	20-363

Title: Children and Youth Fund - Establishment of Permanent Fiscal Agent
For the purpose of designating a permanent fiscal agent to administer the Children and Youth Fund; establishing that the fiscal agent be governed and administered by a Board of Directors; requiring that the Board of Directors adopt bylaws that detail the governance of the fiscal agent; requiring that the Board of Directors submit an annual proposed financial plan to the Board of Estimates; providing that the City Council hold annual public hearings into the activities of the fiscal agent; allowing for the City Council to refer a petition to dissolve the Board of Directors in certain situations to the Board of Estimates; including the fiscal agent and its Board of Directors within the coverage of the City Ethics Code; defining certain terms; generally relating to the administration and governance of the Children and Youth Fund; and providing for a special effective date.

Sponsors: Zeke Cohen, Bill Henry, Sharon Green Middleton, Kristerfer Burnett, Eric T. Costello, Robert Stokes, Sr., Shannon Sneed, Isaac "Yitzy" Schleifer, John Bullock, Ryan Dorsey, Leon F. Pinkett, III

Indexes: Children, Fund, Youth

Code sections:

Attachments: 1. 20-0519~1st Reader, 2. Staff Report 20-0519, 3. Finance 20-0519, 4. Law 20-0519 Word, 5. 2nd Reader Amendments 20-0519 - Adopted, 6. 20-0519~3rd Reader, 7. Signed Ordinance 20-0519, 8. 20-0519 Hearing Notes, 9. ED - Agenda 20-0519, 10. ED VF - 20-0519 - Completed, 11. Minutes - 20-0519, 12. Testimony - Strong Cities

Date	Ver.	Action By	Action	Result
6/15/2020	0	Mayor	Signed by Mayor	
4/27/2020	0	City Council	Advanced to 3rd Reader on same day	
4/27/2020	0	City Council	Approved and Sent to the Mayor	
4/27/2020	0	Education and Youth Committee	Recommended Favorably with Amendment	
4/21/2020	0	Education and Youth Committee	Recommended Favorably with Amendment	Pass
4/16/2020	0	The City Council	Refer to Dept. of Finance	
4/16/2020	0	The City Council	Refer to City Solicitor	
4/13/2020	0	City Council	Assigned	
4/13/2020	0	City Council	Introduced	
4/13/2020	0	Education and Youth Committee	Scheduled for a Public Hearing	

Explanation: Capitals indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

*** Warning:** This is an unofficial, introductory copy of the bill.
The official copy considered by the City Council is the first reader copy.

Introductory*

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City of Baltimore
Council Bill

Introduced by: Councilmember Cohen
At the request of: The Administration (Office of the Mayor)

A Bill Entitled

An Ordinance concerning

Children and Youth Fund - Establishment of Permanent Fiscal Agent

For the purpose of designating a permanent fiscal agent to administer the Children and Youth Fund; establishing that the fiscal agent be governed and administered by a Board of Directors; requiring that the Board of Directors adopt bylaws that detail the governance of the fiscal agent; requiring that the Board of Directors submit an annual proposed financial plan to the Board of Estimates; providing that the City Council hold annual public hearings into the activities of the fiscal agent; allowing for the City Council to refer a petition to dissolve the Board of Directors in certain situations to the Board of Estimates; including the fiscal agent and its Board of Directors within the coverage of the City Ethics Code; defining certain terms; generally relating to the administration and governance of the Children and Youth Fund; and providing for a special effective date.

By repealing and re-ordaining, with amendments
Article 5 - Finance, Property, and Procurement
Section(s) 9-1, 9-4, 9-6
Baltimore City Code
(Edition 2000)

By repealing and re-ordaining, without amendments
Article 5 - Finance, Property, and Procurement
Section(s) 9-2
Baltimore City Code
(Edition 2000)

By adding
Article 5 - Finance, Property, and Procurement
Section(s) 9-3, 9-5, 9-7, 9-8
Baltimore City Code
(Edition 2000)

By renumbering current
Article 5 - Finance, Property, and Procurement
Section 9-5 to Section 9-9
Baltimore City Code
(Edition 2000)

By repealing and re-ordaining, with amendments
Article 8 - Ethics
Section(s) 2-2(b), 2-3(b)
Baltimore City Code
(Edition 2000)

By repealing and re-ordaining, with amendments

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Article 8 - Ethics
Section(s) 7-8(4)
Baltimore City Code
(Edition 2000)

By renumbering current
Article 8 - Ethics
Section 7-8(4) to Section 7-8(5)
Baltimore City Code
(Edition 2000)

Section 1. Be it ordained by the Mayor and City Council of Baltimore, That the Laws of Baltimore City read as follows:

Baltimore City Code

Article 5. Finance, Property, and Procurement

Subtitle 9. Children and Youth Fund

§ 9-1. [Fund defined] Definitions.

(a) *In general*.

In this subtitle, the following terms have the meanings indicated.

(b) *Board.*

"Board" means the Board of Directors of the fiscal agent.

(c) *Fiscal agent*.

"Fiscal agent" means the entity designated by § 9-4(a) of this subtitle to administer the Fund and this subtitle.

(d) *Fund*.

[In this Subtitle] "Fund" means the Children and Youth Fund established by City Charter Article I, § 13 {"Children and Youth Fund"}.

§ 9-2. Uses of Fund.

(a) *In general.*

The Fund may be used only for the purposes generally described in City Charter Article I, § 13(a).

(b) *Inclusions.*

Allowed uses for the Fund include:

(1) direct grants to program and service providers;

(2) administrative costs to operate the Fund; and

(3) capacity-building efforts to strengthen Fund administration or the ability of providers to successfully and sustainably offer services to Baltimore's youth.

§ 9-3. Purpose.

The fiscal agent shall be a community-centered grant-making institution that fosters and promotes:

(1) racial equity;

(2) inter-generational leadership;

(3) community ownership; and

(4) collective decision-making.

§ 9-4. [Interim fiscal] Fiscal agent.

(a) *Designation.*

[The President of the City Council, in consultation with the Mayor, may designate an interim fiscal agent for the Fund.] The fiscal agent for the Fund is the Baltimore Children and Youth Fund, Inc.

(b) *General powers and duties.*

The [interim] fiscal agent must:

(1) identify specific programs and services to be funded by the Fund; and

(2) allocate the available funds among the programs and services identified for funding [; and

(3) establish a permanent intermediary, with a focus on youth leadership and governance, capable of dispersing the money appropriated to the Fund to specific youth-focused programs and services].

(c) *Identifying programs and services for funding.*

(1) As it identifies specific programs and services to be funded by the Fund, the [interim] fiscal agent must select programs and services that:

(i) are active in Baltimore City;

(ii) are credible with and accountable to youth and the local communities they are proposing to serve;

(iii) have an element of youth-centered programming; and

(iv) can demonstrate how they are designed to improve outcomes for young people.

(2) The [interim] fiscal agent may also use any additional factors listed in City Charter Article I, § 13(a) to identify specific programs and services to be funded by the Fund so long as the additional factors are made publically available to applicants for funding at the time that applications are requested.

[(d) *Allocation of funds*.]

[(1) The interim fiscal agent may allocate up to 10% of the Fund's balance to be used for:

(i) administrative costs ; and

(ii) the costs of establishing a permanent intermediary as required by subsection (b)(3) of this section.]

[(2) The interim fiscal agent must allocate the remainder of the Fund's balance among the programs and services identified under subsection (c) of this section with an emphasis on programs or services operating in, or meant to assist young people from, the communities in Baltimore City most impacted by high poverty.]

[(e) *Permanent intermediary progress reports*.]

[The interim fiscal agent must report to the City Council each month on its progress toward establishing the permanent intermediary required by subsection (b)(3) of this section.]

[(f) *Removal*.]

[The President of the City Council may remove the interim fiscal agent and appoint a new interim fiscal agent if, after conducting a public hearing and hearing testimonial evidence, the President finds that the interim fiscal agent is not adequately performing the duties required by this section.]

§ 9-5. Board of directors.

(a) *In general*.

The fiscal agent shall be governed by and administered by a Board of Directors.

(b) *Number and appointment*.

(1) The number of voting members of the full Board may not be less than 9, excluding vacancies, and no more than 20.

(2) The Board may increase or decrease its membership, within the limits specified in this subsection, in its bylaws.

(3) The Board members shall be appointed and serve the terms prescribed by the Board's bylaws.

(c) *Composition*.

(1) *Ex-officio members*.

Of the voting members of the Board:

(i) 1 shall be the City Solicitor or the City Solicitor's designee;

(ii) 1 shall be the Director of the Mayor's Office of Children and Family Success or the Director's designee;

(iii) 1 shall be the Director of Finance or the Director of Finance's designee; and

(iv) 1 shall be the City Council President or a City Councilmember designated by the City Council President.

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(2) *Diversity*.

The Board shall reflect a diverse economic, social, and racial mix.

(d) *Bylaws.*

(1) The Board must adopt bylaws for the administration of the fiscal agent, however those bylaws may not be inconsistent with the terms of this subtitle or of the City Charter Article I, § 13 {"Children and Youth Fund"}.

(2) The initial bylaws required by this subsection must be approved by the Board of Estimates before taking effect.

(3) Subsequent amendments to the initial bylaws must be filed with the Board of Estimates before taking effect.

(e) *Board of Directors approval required*.

No funds may be disbursed from the Fund without the prior approval of the Board of Directors.

(f) *Staff.*

The Board may employ staff to carry out the fiscal agent's day-to-day operations.

[§ 9-6. Automatic termination.]

[This subtitle automatically expires on July 1, 2020, unless the City Council, after conducting a public hearing and hearing testimonial evidence, finds that the permanent intermediary required by § 9-4(b)(3) of this subtitle is not yet prepared to administer the Fund, in which case this subtitle may be extended for 1 additional year.]

§ 9-6. Annual financial plan.

(a) *In general*.

Subject to the requirements of this section, the Board shall adopt an annual financial plan, based on the City's fiscal year, consisting of at least a budget and an amount to be disbursed from the Fund during that year.

(b) *Fund allocations; Limitations*.

(1) *Limitations on use*.

(i) For the purposes of this paragraph, "public engagement" may include:

(A) staffing needs for community outreach;

(B) space, supplies, and personnel for community information sessions;

(C) materials for education, marketing, and promotion of fund-related efforts; or

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(D) facilitation and execution of community participatory processes for grant making

(ii) In its financial plan, the Board may allocate from the Fund's balance:

(A) up to 5% for public engagement; and

(B) up to 15% for staff and other costs to administer the Fund.

(2) *Remainder to be disbursed.*

The Board must allocate the remainder of the Fund's balance among the programs and services identified under § 9-4(c) of this subtitle, with an emphasis on programs or services operating in, or meant to assist young people from, the communities in Baltimore City most impacted by high poverty.

(c) *Public hearing and comment on financial plan*.

Before adopting any financial plan required by this section, the Board shall arrange for a public hearing on the proposed plan. Notice of the hearing must be published on the fiscal agent's website for at least 3 consecutive weeks.

(d) *Board of Estimates filing required.*

After adopting a financial plan, the Board shall file the plan with the Board of Estimates.

§ 9-7. *{Reserved}*

§ 9-8. Annual review; Dissolution of board.

(a) *Public hearings*.

No later than March 31 of each year, the City Council shall hold 1 or more public hearings to evaluate the activities of the fiscal agent and its disbursements.

(b) *Petition for dissolution*.

(1) If after conducting a public hearing and hearing testimonial evidence, the City Council finds evidence of misappropriation of funds, malfeasance, or violation of law in connection with the administration of the Fund, the City Council may, by a three-fifths vote of its members, refer a petition to the Board of Estimates to dissolve the fiscal agent's Board.

(2) On receipt of a petition described in paragraph (1) of this subsection, the Board of Estimates shall consider and vote on that petition as soon as practicable.

§ 9-9. [§ 9-5.] Rules and regulations.

(a)*Finance to adopt.*

The Director of Finance must adopt rules and regulations to carry out this subtitle including:

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(i)a schedule for dispersing the Fund each year; and

(ii) procedures for transferring money from the Fund to either the [interim] fiscal agent or directly to service and program providers designated by the [interim] fiscal agent.

(b) *Filing.*

A copy of all rules and regulations adopted under this subtitle must be filed with the Department of Legislative Reference before they become effective.

Article 8. Ethics

Subtitle 2. Definitions; General Provisions

§ 2-2. "Agency".

(b) *Inclusions.*

"Agency" also includes:

(1) Baltimore Children and Youth Fund;

(2) [(1)] Baltimore City Parking Authority;

(3) [(2)] Baltimore Development Corporation;

(4) [(3)] Baltimore Police Department;

(5) Enoch Pratt Free Library of Baltimore City;

(6) Housing Authority of Baltimore City;

(7) Local Development Council, South Baltimore Video Lottery Terminal;

(8) Pimlico Community Development Authority;

(9) South Baltimore Gateway Community Impact District Management Authority; and

(10) any individual not embraced in a unit of City government who exercises authority comparable to that of the head of a unit of City government.

§ 2-3. "Board".

(b) *Inclusions.*

"Board" also includes:

(1)Board of Commissioners of the Housing Authority of Baltimore City;

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(2) Board of Directors of the Baltimore Children and Youth Fund;

(3) [(2)] Board of Directors of the Baltimore City Parking Authority;

(4) [(3)] Board of Directors of the Baltimore Development Corporation;

(5) [(4)] Board of Directors of the South Baltimore Gateway Community Impact District Management Authority;

(6) Civilian Review Board of Baltimore City;

(7) Local Development Council, South Baltimore Video Lottery Terminal; and

(8) Pimlico Community Development Authority.

Subtitle 7. Financial Disclosure

Part II. Who Must File

§ 7-8. Persons required to file - Agency officials and staff.

The following officials and employees must file the financial disclosure statements required by this subtitle:

(4) *Baltimore Children and Youth Fund*

(i) All members of the Board of Directors.

(ii) All non-clerical employees.

(5) [(4)] *Baltimore Development Corporation*

(i) All members of the Board of Directors.

(ii) All officers of the Corporation.

(iii) All non-clerical employees of the Corporation.

Section 2. And be it further ordained, That:

(a) There is a Transition Board for the fiscal agent that consists of the following individuals:

Catherine Benton-Jones
Jackie Caldwell
John Morris
Julia Baez
Earl El-Amin
Kirsten Allen
Cynthia Gross
Erika Davies

(b) The Transition Board is responsible for ensuring an orderly and effective transition from the interim fiscal agent to the permanent fiscal agent established by Section 1 of this Ordinance, including:

(1) drafting bylaws of the fiscal agent that include the provisions set forth in subsection (d) of this Section;

(2) appointing a transition manager to oversee the transition of all legal obligations from the interim fiscal agent to the permanent fiscal agent, including negotiation a memorandum of understanding to ensure the continuity of grants;

(3) recommending a full, permanent Board to the Board of Estimates; and

(4) preparing a proposed operations plan and budget.

(c) The interim fiscal agent shall work with the Transition Board and the appointed transition manager to ensure a timely, orderly, and effective transition, as fully set forth in Section 3 of this Ordinance.

(d) (1) The Transition Board members serve for a period not to exceed 18 months and only until a permanent Board is approved by the Board of Estimates.

(2) On a member's resignation, expiration of term, or removal in accordance with the fiscal agent's bylaws, successors shall be elected by the remaining members of the Transition Board.

(e) (1) The Transition Board shall propose to the Board of Estimates the initial permanent membership of the Board and the proposed terms for each director. The terms of the proposed directors shall be staggered.

(2) Transition Board members may be included on the recommended permanent Board list.

(3) After the Transition Board recommends a permanent Board but prior to Board of Estimates approval, the City Council shall convene a hearing to engage with the recommended permanent Board members.

(4) After the City Council has convened the hearing required by paragraph (3) of this subsection, the recommended permanent Board list must be approved by the Board of Estimates.

(f) (1) The first Financial Plan submitted may be for less than a full fiscal year.

(2) Notwithstanding the administrative cost limitation set forth in Section 1, § 9-6(b)(1)(ii) of this Ordinance, the fiscal agent may allocate an additional 5% of its Fiscal Year 2020 budget for one-time administrative costs incurred directly as a result of the transition from the interim fiscal agent to the permanent fiscal agent.

Section 3. And be it further ordained, That:

(a) On enactment of this Ordinance or June 30, 2020, whichever is earlier, the interim fiscal agent shall have no further programmatic responsibility for the Baltimore Children and Youth Fund.

(b) From the date of enactment of this Ordinance or July 1, 2020, whichever is earlier, through September 30, 2020, the interim fiscal agent shall:

(1) close-out the financial reports with Fund grantees for their initial 2020-2021 continuation grant payments; and

(2) transfer any remaining records and documents related to the Fund to both the transition manager and the Transition Board described in Section 2.

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(c) If there are grantees who require additional time to complete their financial reports, the transition manager may request that the Transition Board extend the interim fiscal agent's duties for an additional 30 days.

(d) (1) If, after the interim fiscal agent has ceased participation in the transition, there are grantees whose financial reports are incomplete, the Transition Board or the permanent Board, as the case may be, shall be solely responsible for closing out those grantees.

(2) The Transition Board or the permanent Board shall notify the interim fiscal agent that a grantee has complied with the financial reporting requirement and is closed out.

(e) (1) From the date of enactment of this Ordinance or July 1, 2020, whichever is earlier, through September 30, 2020, the interim fiscal agent shall be financially compensated at the end of each month.

(2) If the transition manager extends the interim fiscal agent's participation in the transition for an additional 30 days as described in subsection (c) of this Section, the interim fiscal agent shall be compensated for the additional 30-day extension.

Section 4. And be it further ordained, That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

Section 5. And be it further ordained, That this Ordinance takes effect on the date it is enacted.

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