

SUBJECT

Non-Departmental Account: Public Election Fund

EXPECTED ATTENDEES

David Crow, Fiscal Projects Manager, Div. Fiscal Management, Department of Finance
Estela Gomes, Fiscal and Policy Analyst, Office of Management and Budget
David Scull, Chair, Committee to Recommend Funding for the Public Election Fund

EXECUTIVE RECOMMENDATION

FY21 Executive Recommendation	\$1,500,000	0.0 FTE
Increase (Decrease) from FY20	\$1,500,000	0.0 FTE

COUNCIL STAFF RECOMMENDATION – CONTINUITY OF SERVICES BUDGET

FY21 Council Staff Recommendation	\$0	0.0 FTE
Increase (Decrease) from FY20	\$0	0.0 FTE
Increase (Decrease) from CE FY21 Rec	(\$1,500,000)	0.0 FTE

EXECUTIVE RECOMMENDED ITEMS NOT INCLUDED IN CONTINUITY OF SERVICES

- \$1,500,000 for distributions to candidates in the 2022 elections.

CONTINUITY OF SERVICES FROM FY20

- None

POTENTIAL REDUCTIONS

- None

POTENTIAL ITEMS RELATED TO COVID-19

- None

OTHER INFORMATION

- The Committee to Recommend Funding for the Public Election Fund submitted its 2020 report in February. The Committee recommended adding \$1.5 million each of the next 3 fiscal years for disbursements to candidates in the 2020 elections. Combined with the current balance of approximately \$1.8 million, it would bring the balance to approximately \$6.3 million.
- Council staff wanted to ensure Councilmembers were aware that the State enacted House Bill 830, County Public Campaign Financing – Administration, which requires the governing body of

a county that exercises its authority to establish a system of public campaign financing to provide the funding and staff necessary for the operation and administration of the program. Although not in the Executive's recommended FY21 operating budget, this state legislation will require funding in future years.

This report contains:

Executive recommendation

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Committee to Recommend Funding for the Public Election Fund 2020 Report ©2

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☼ Productivity Improvements

This NDA recognizes cost efficiencies identified by Montgomery County Government staff through the evaluation of service delivery models, supervisory/management and workforce structures, relevant tools, equipment, and technologies, operating budgets, and contracts with outside vendors. The critical assessment of these factors and formulation of strategies to maintain, increase, or improve service delivery at a lower cost is a pillar of good government, especially in a fiscally challenging environment. The productivity and performance improvement effort is a collaborative initiative that involves County leadership, management, and represented employees.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	0	0.00
Decrease Cost: Productivity Improvements	(10,000,000)	0.00
FY21 Recommended	(10,000,000)	0.00

☼ Public Elections Fund

Article IV of Chapter 16 of the County Code requires the Director of Finance to create a Public Election Fund to provide public campaign financing for qualified candidates for County Executive or County Council. The law is intended to encourage more candidates who do not have access to large contributions from interest groups or individuals to run for County elective offices. This NDA provides for the distribution of public contributions to qualified candidates in a contested election. This funding level was recommended by the Committee to Recommend Funding for Public Election Fund.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	0	0.00
Increase Cost: Public Election Fund (2022 Elections)	1,500,000	0.00
FY21 Recommended	1,500,000	0.00

☼ Public Technology, Inc.

The Public Technology Institute (PTI) actively supports local government executives and elected officials through research, education, executive-level consulting services, and national recognition programs. As the only technology organization created by and for cities and counties, PTI works with a core network of leading local officials - the PTI membership - to identify research opportunities, provide thought leadership and professional development opportunities, share solutions, provide technology support services, recognize member achievements and address the many technology issues that impact local government.

Funds are budgeted each year to continue membership in PTI.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	20,000	0.00
FY21 Recommended	20,000	0.00

☼ Retiree Health Benefits Trust

Consolidated Retiree Health Benefits Trust: Beginning in FY08, the County implemented a plan to set aside funds for retiree health benefits, similar to the County's 50 year-old practice of prefunding for retiree pension benefits. Due to exponential growth

Cost



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COMMITTEE TO RECOMMEND FUNDING
FOR THE
PUBLIC ELECTION FUND

RECEIVED
MONTGOMERY COUNTY

Hon. Sidney Katz, President
Montgomery County Council
100 Maryland Ave.
Rockville, MD 20850

Re: 2020 Report of Committee to Recommend Funding for the Public Election Fund

Dear President Katz and Councilmembers:

As you know, the \$11 million appropriated to the Public Election Fund (PEF) for the 2018 election cycle accurately anticipated the maximum amount payable from the Fund if all participating campaigns had earned a full payout. However, only 6 out of 47 did so, and the final payout was approximately \$6 million.

After reallocations in 2018, the amount remaining in the Fund was \$1.8 million. As no funds were added in 2019, the Fund remains at that amount today.

In 2022, although term limits will create three open seats, including one council-at-large seat, it seems reasonable to expect there will be fewer open seats, fewer candidates and perhaps smaller payouts than in 2018.

On the other hand, 2018's enthusiastic response suggests that future participants may begin their campaigns earlier and therefore have longer to achieve maximum payout. It should also be noted that minority party participation in 2018 was lower than would normally be expected with public financing newly available -- a dynamic that could be changed by 2022. Additionally, we understand that amendments currently under consideration by the Council could result in additional disbursements.

The Committee recommends the County lean in the direction of anticipating a strong demand, and assure that adequate funds will be available, to assure the continued success of the program and avoid subjecting incumbents to criticism, in the heat of an election year, for last-minute emergency appropriation actions that might be framed as benefitting themselves or disadvantaging their challengers..

The Committee unanimously recommends that another \$1.5 million be added to the Fund in each of the next three budget cycles, thus bringing the total to \$6.3 million available for disbursements to candidates for the 2022 election cycle.

We thank the Council for the opportunity to assist in the development of this important program.

Respectfully submitted,

David Scull, Chair
Nancy McMahan Farrar, Vice Chair
Lee Annis
Sam Statland
Stephen Whitted