

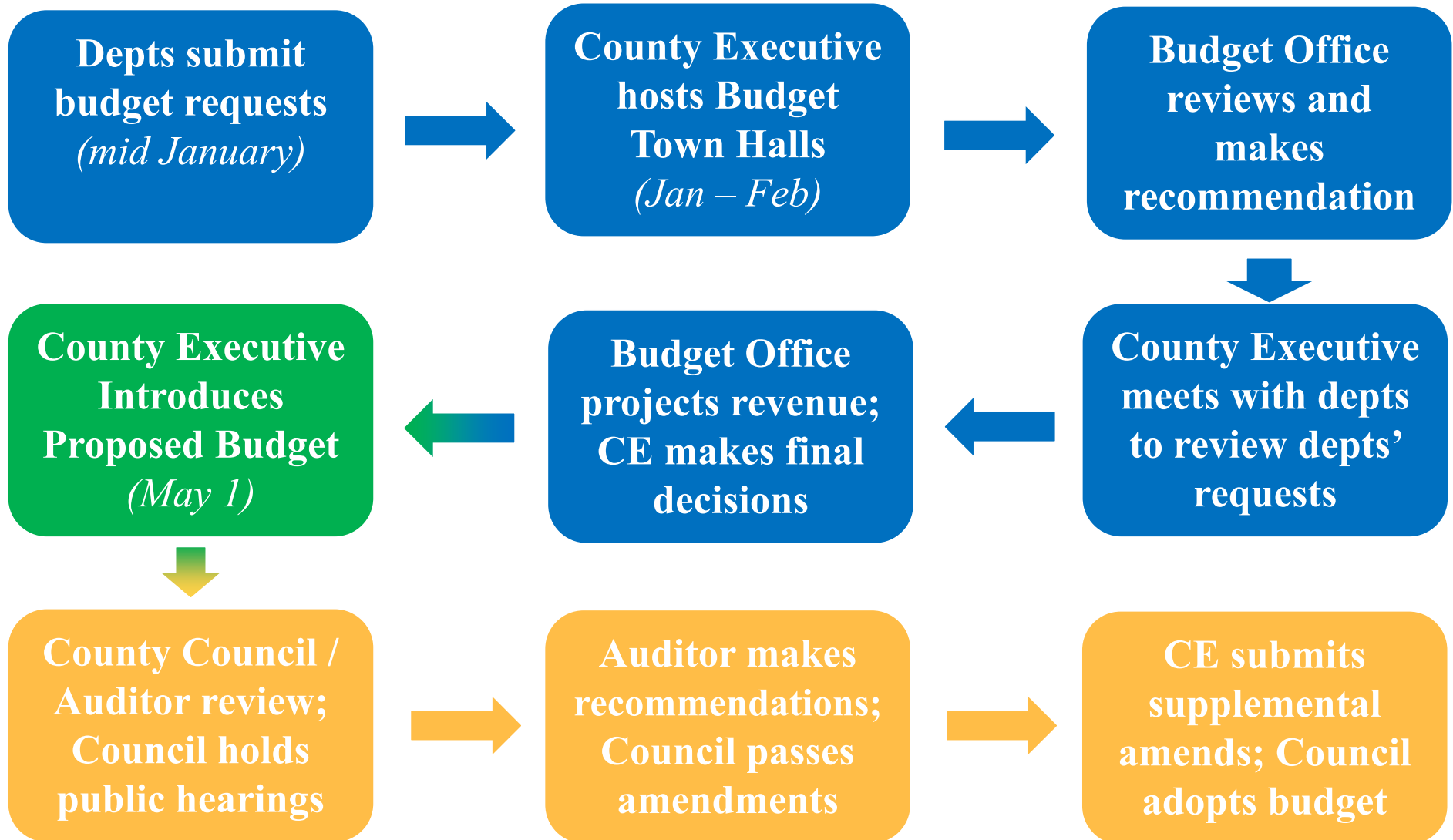


Public Financing Budget Presentation

Chris Trumbauer

Budget Officer

April 1, 2025



Fund Balance & One-Time Revenue Utilization

(Millions, rounded to nearest tenth)

One-Time Revenue:

ARPA to General Fund for revenue loss recognition	\$ 8.0
Investment Income	5.0
Fund Balance	<u>182.2</u>

Total One-time Resource **\$195.2**

One-Time Expenditures:

PayGo to Capital Budget	\$ 170.0
Revenue Reserve Contribution	7.8
Campaign Financing One-time	<u>1.0</u>
Other Operating Budget One-Time Expenses	16.4

Total one-time expenditures **\$195.2**

Structural Surplus (Deficit) in FY2025 \$0.0

**ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET**

RES. NUMBER: 25-23

INTRO. DATE: April 17, 2023

FISCAL NOTE

RESOLUTION: AN ORDINANCE CONCERNING: GENERAL PROVISIONS – PUBLIC CAMPAIGN FINANCING

SUMMARY OF LEGISLATION

The purpose of this legislation is to create the Public Campaign Financing Fund, provide eligibility rules for certain candidates for use of public campaign financing, provide regulations for disbursement of public campaign finance funds, and create a Committee to Recommend Funding for the Public Financing Fund.

FISCAL IMPACT

The fiscal impact will be determined by the number of certified candidates and amount of eligible contributions in each eligible election. This legislation establishes a cap of \$750,000 for County Executive candidates and \$125,000 for County Council candidates per election cycle.

Exhibit 1 shows how each eligible contribution will be matched based on a tiered structure up to \$150. Please note that qualifying contributions have a cap of \$250, with the first \$150 having a match.

Exhibit 1 – Disbursement Table Example

County Executive - \$250 Contribution			
Match Ratio	Contribution	Fund Match	Total
6:1 - First \$50	50	300	350
4:1 - Second \$50	50	200	250
2:1 - Third \$50	50	100	150
No Match > \$150-\$250	100	0	100
Total	250	600	850

County Council - \$250 Contribution			
Match Ratio	Contribution	Fund Match	Total
4:1 - First \$50	50	200	250
3:1 - Second \$50	50	150	200
2:1 - Third \$50	50	100	150
No Match > \$150-\$250	100	0	100
Total	250	450	700

For illustrative purposes, Exhibit 2 illustrates one scenario in which a candidate would hit the cap on public contributions per election cycle:

Exhibit 2 – Public Contribution Cap Example

County Executive - Cap Scenario			
Match Ratio	Amount	# of Contributions	Total
6:1 - First \$50	50	1,600	480,000
4:1 - Second \$50	50	1,000	200,000
2:1 - Third \$50	50	700	70,000
Total			750,000

County Council - Cap Scenario			
Match Ratio	Amount	# of Contributions	Total
4:1 - First \$50	50	350	70,000
3:1 - Second \$50	50	250	37,500
2:1 - Third \$50	50	175	17,500
Total			125,000

Several Maryland counties have existing public financing systems established. Montgomery County’s 2022 primary election distributed \$3,458,572 to 20 candidates (with a similar cap structure as this legislation proposes). As of November 30, 2022 Montgomery County’s 2022 general election distributed \$233,514 to 8 candidates. As of November 30, 2022 Howard County has disbursed \$914,713 from their comparable public financing fund. While used for comparison purposes both Montgomery County and Howard County are structurally different than Anne Arundel County. Montgomery County has four more Council seats (four at large) and Howard County only contains 5 Council seats.

As the number of certified candidates and contributions are unknown for future elections, a precise fiscal impact cannot be reliably determined. If all candidates in Anne Arundel County’s 2022 primary and general elections had utilized the proposed public financing system to its maximum potential, the cost would have been approximately \$8.4 million. However, given the results in the Maryland counties that have implemented public financing, the actual disbursement of these funds are anticipated to be significantly lower. The Budget Office estimates the total county cost for the next election cycle to be \$2 – 3 million.



Chris Trumbauer
Budget Officer

4/13/2023

Date

Prepared by: Steven Theroux, Assistant Budget Officer

cc: Billie Penley, Controller



PUBLIC ELECTION FUND COMMITTEE

Hon. Gabe Albornoz, President
Montgomery County Council
100 Maryland Ave.
Rockville, MD 20850

January 28, 2022

Re: 2022 Report of the Public Election Fund Committee

Dear President Albornoz and Councilmembers:

In January 2021, we recommended a total funding level of \$7.5 million for the 2022 election cycle, taking into consideration the popularity of the program in 2018, the creation of two new Council Districts, and the Council's 2020 program amendments to promote Racial Equity and Equality in the election process.

As the filing deadline is still a month away and disbursements from the fund are already approaching \$1 million as of the date of this letter, we recommend an appropriation of \$2.5 million for the FY23 budget year to bring the total appropriations to the fund to \$7.5 million.

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
William Ewing
Lionel Lissom
Jackie Sackstein
Stephen Whitted

CC:
Hon. Marc Elrich, County Executive
David Crow, Department of Finance
Naeem Mia, County Council



PUBLIC ELECTION FUND COMMITTEE

Hon. Evan Glass, President
Montgomery County Council
100 Maryland Ave.
Rockville, MD 20850

January 9, 2023

Re: **2023 Report of Committee to Recommend Funding for the Public Election Fund (PEF)**

Dear President Glass and Councilmembers:

The 2022 election cycle ended with total disbursements from the Public Election Fund (PEF) of c.\$3.8M, and with a remaining balance in the fund of another c.\$3.8M.

The Committee believes that the program's success over the past two election cycles is due in part to the willingness of the Council and Executive to fund the program at a level representing the higher end of the range that could be required as matching payments, thereby avoiding any fear that the fund might be unable to meet its obligations.

We therefore recommend that:

- 1) The \$3.8M currently in the fund remain there, increasing as investments may allow; and
- 2) An additional \$250,000 be added to the fund annually over the next four years, to bring the total closer to the c.\$5.2M that was disbursed in the 2018 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
William Ewing
Lionel Lissom
Jackie Sackstein
Stephen Whitted

**Howard County Citizens' Election Fund Commission
3430 Courthouse Drive
Ellicott City, Maryland 21043**

OPEN MEETING MINUTES

A duly advertised public meeting of the Howard County Citizens' Election Fund Commission was held virtually via WebEx on December 3, 2023, at 6:00 p.m.

Commission Members ("Commission") Present:

- Suzanne Geckle
- Douglas Miller
- Ralph Frith
- Keith Ohlinger
- Jennifer Bevan-Dangel

Staff Members Present:

- **Angela Moore**, Deputy Director, Department of Finance, assigned to assist the Commission pursuant to Code Section 10.310 (h).
- **Brenna Punte-Pinos**, Assistant Director, Department of Finance
- **Amanda Mihill**, Senior Assistant County Solicitor, Howard County Office of Law
- **Rafiu Ighile**, Director, Department of Finance
- **Andrew Galarza**, Budget Analyst, Office of Budget

Special Guests:

- Jonathan Griffin, Assurance Manager, CliftonLarsonAllen LLP (CLA)
- Sean Walker, Principal, CLA

As the Chair of the Commission, Ms. Geckle called the open meeting to order at approximately 6:03 p.m.

1. Administrative Items

- o Ms. Geckle stated that the minutes from June 18, 2024, had previously been approved by the Commission via email.
- o Commission members agreed that their next meeting will be held on June 3, 2025, at 6:00 p.m. at the George Howard Building.

2. Budget Recommendation

- o The Commission discussed the budget needed for the 2026 election cycle and estimated funds would be necessary for eight County Council candidates and three County Executive candidates, **for a total of approximately \$3,400,000.**
- o Ms. Geckle mentioned the current balance in the fund is \$2,155,059.95.
- o After further discussion with the Commission and Mr. Galazra from the Howard County Office of Budget, the Commission decided to request \$680,000.00 for the

FY26 Budget year and the remainder of the estimated amount will be requested in FY27.

- Mr. Ohlinger moved to approve the request of \$680,000 for the FY26 Budget. Mr. Frith seconded the motion. There was a unanimous vote to approve the budget request.

3. Citizens' Election Fund ("CEF") Audit

- The Department of Finance engaged with their external auditors, CliftonLarsonAllen LLP (CLA), to perform the audit of the Citizens' Election Fund for the 2022 Election Cycle.
- Mr. Griffin from CLA explained that there was no established standards by the State Board of Elections (SBE) for the required audit.
- Mr. Griffin explained the steps performed to complete the audit and that at the time of this meeting there were no findings. The audit completion is currently dependent on documentation from one of the campaigns.
- Mr. Walker stated that once the final documentation is received, the audit can be finalized shortly after. He also mentioned that the process CLA used to complete the audit had been reviewed and approved by the SBE with the caveat that they may request additional efforts with the next cycle.

4. CB46-2024 and Updating Summary Guide and FAQs

- The Commission discussed the revisions to the CEF law enacted in CB46-2024.
- Ms. Moore reviewed the draft changes made to the Summary Guide based on the revisions to the law.
- After additional review and draft changes were made, the Commission decided they would take one final review. Ms. Moore will send the updated draft to the Commission; Commission members should send any proposed changes to Ms. Moore by 12/13/24.
- Ms. Bevan-Dangel suggested the County add language to the website notifying the public that changes to the Summary Guide & FAQs are in the process of being updated based on CB46-2024 and to include a link to the legislation.
- The Commission agreed they would first complete the updates to the Summary Guide and work on the FAQs once the Summary Guide changes are finalized.
- Ms. Moore stated she would request review of the finalized Summary Guide by the SBE before publishing to the website.

5. Adjournment:

Upon motion by Mr. Miller and seconded by Mr. Frith, the Commission voted unanimously to adjourn the open meeting at approximately 7:20 p.m.