

CB8 – 2020

Auditor Comments for February 24, 2020 Work Session

I made three recommendations in my fiscal Impact Note for CB8. Below are the recommendations with my follow-up comments:

1. *Amend CB8-2020 to include other financial legislation such as Transfer of Appropriation, Supplemental Appropriation Ordinance, and Resolutions with a fiscal impact.*

This recommendation was made to ensure that the public were provided the impact of all legislation that could possibly have an impact to the County.

2. *Amend the bill to add clarity to the timing provision.*

This recommendation was made to ensure the due dates are made clear.

3. *Amend the bill to require the Budget Office provide a fiscal note for all Executive sponsored legislation.*

This recommendation was made for the following reasons:

- The Code will require the Auditor to provide the fiscal analysis by COB Thursday. For extensive legislation such as a PILOT agreement (i.e. CR96-2019 or CR97-2019), this is a difficult deadline to meet primarily because the analysis relies heavily on information from the Administration. Often, we do not get timely responses to our questions which prohibits our ability to provide timely analysis. Having a Budget Office Fiscal Note for all Executive proposed legislation will help enable the Auditor to consistently meet this deadline.
- Surrounding Counties have similar practices in place. In fact the Montgomery County Budget Office is required in their Code to provide a Fiscal Note for all proposed legislation, and are given 21-days to review Council legislation. The Auditor's office has approximately 10-business days to review all proposed legislation. Compared to our surrounding Counties, we are at a disadvantage because of the information is not provided at pre-file.
- It would be a reasonable and a fiscally responsible expectation that the Budget Officer provides an analysis for all proposed legislation to the Executive prior to pre-file. Therefore this recommendation would require the Budget Officer provide analysis they should already have as a written note accompanying the legislation at time of pre-file. This shouldn't provide any undue hardship. NOTE: Our Budget Office has the same staffing level as Anne Arundel County and they provide fiscal notes to all Executive proposed legislation.

I hope the Council will take all my recommendations into consideration.

Office of the County Auditor
Auditor's Analysis

Council Bill No. 8-2020

Introduced: February 3, 2020

Auditor: Craig Glendenning

Fiscal Impact:

There will be no fiscal impact associated with Council Bill 8-2020. The office can fulfill the requirements set forth in this bill with current staffing.

Purpose:

The purpose of this bill is to legislate the current practice of the Office of the County Auditor regarding the provision of fiscal notes of introduced bills to Council. The bill adds a deadline for submission of these fiscal notes to Council and requires public access to the notes prior to the public hearing for the legislation.

Background:

Prior to 2013, the Office of the County Auditor did not provide the Council with fiscal analysis of legislation. The current County Auditor initiated the practice of creating a detailed fiscal impact analysis for all bills and resolutions (excluding resolutions for appointments) and other financial legislation such as Transfers of Appropriation and Supplemental Appropriation Ordinances. He recognizes the importance of providing Council members with this vital decision-making information.

Comparison with Surrounding Counties:

	Montgomery	Anne Arundel	Baltimore	Howard
Is a Fiscal Note provided to Council prior to the vote?	Yes	Yes	Yes	Yes
Are Fiscal Notes prepared for all legislation except appointment Resolutions and Budget?	No (1)	Yes	Yes	Yes
Does the County Auditor provide a Fiscal Note?	No	Yes	Yes	Yes
Does the Budget Office provide a Fiscal Note?	Yes (1)	Yes (2)	Yes (2)	No
Is the Fiscal Note made public?	Yes	Yes	Yes	No
Is the Fiscal Note requirement specified in the Code?	Yes	No	No	No

(1) Only the Budget Office provides a Fiscal Impact Statement. It is for all Executive and Council Bills.

(2) The Budget Office provides a Fiscal Impact Note when all Executive Legislation is filed.

Recommendations:

To provide the Council with additional information in which to make informed decisions, increase the transparency to the public, and help the Office of the County Auditor (the Office) meet the requirements being proposed, we recommend the following:

1. Amend CB8-2020 to include other financial legislation such as Transfer of Appropriation, Supplemental Appropriation Ordinance, and Resolutions with a fiscal impact. Excluding these would limit the Council's and public's ability to evaluate the financial affect of legislation that often has a significant fiscal impact on operating and capital revenue and expenditures.
2. Amend the bill to add clarity to the timing provision. According to the County Solicitor, the timing provision is ambiguous as it is subject to different meanings. Dependent upon which days are included or excluded in counting two business days, the date due to the Council could reasonably be interpreted as end of business Wednesday, Thursday, or Friday prior to a Monday public hearing.
3. Amend the bill to require the Budget Office provide a fiscal note for all Executive sponsored legislation. This is the practice at Montgomery, Anne Arundel, and Baltimore Counties. The Budget Office is in the best position to make an initial assessment on expenditures, revenues, and effects on government operations considering their ability to have direct contact with other Executive Agencies. This will enable the Office to evaluate and comment on the Budget Office's analysis.
4. As policy, we recommend that the Council notify the Office about pending legislation when it is in the drafting phase. Although this is already the practice of some Council Districts, the current Council policy requires the Legislative Analysts to provide the Office with draft legislation when it is being sent to the Office of Law for legal sufficiency. Information is often required from the Administration in order to complete the Office's fiscal notes. Sending the Office legislation during the drafting phase will mean that the Administration is given adequate time to respond to requests. (Staff should be given as much time as possible for research.) Lack of sufficient time could result in unanswered questions noted in the Office's analysis, or analysis needing regular revisions as recent information request are answered by the Administration.