

Annual Reports



COMMITTEE TO RECOMMEND FUNDING FOR THE PUBLIC ELECTION FUND

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February 5, 2018

Hon. Hans Riemer, President  
Montgomery County Council  
100 Maryland Ave.  
Rockville, MD 20850

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MONTGOMERY COUNTY  
2018 FEB -5 AM 10:22

Re: 2018 Report of Committee to Recommend Funding for the Public Election Fund

Dear President Riemer and Councilmembers:

It appears the \$11 million appropriated to the Public Election Fund (PEF) will be sufficient to honor the anticipated eligible submissions for matching payments, so no additional appropriation in the FY 2019 County Budget is recommended at this time.

**Recommendation – Additional Staff and Software Support for SBE**

The Committee understands the demands on staff at the State Board of Elections are increasing significantly as the primary election draws nearer, and therefore urges that means be found to deploy the already appropriated but unspent County funds so as to provide additional staff and software support for Mr. DeMarinis, including the possible use of volunteers.

**Other -** Ms. Cohen and Mr. Annis sought a reduction of \$1 million in the \$11 million previously appropriated to the PEF, which failed by a vote of 3-2. Ms. Cohen also offered a dissenting report, which is attached.

The Committee thanks the Council for the opportunity to assist in the development of the Public Election Fund program.

Respectfully submitted,

David Scull, Chair  
Sharon Cohen, Vice-Chair  
Lee Annis  
Margaret Greene  
Paul Schwartz

**Dissenting View of Sharon L. Cohen, Committee Vice Chair and  
Lee Annis, Committee Member**

The majority's statement that "the \$11 million appropriated to the Public Election Fund (PEF) will be sufficient to honor the anticipated eligible submissions for matching payments, so no additional appropriation in the FY 2019 County Budget is recommended at this time" entirely misses two factors:

- 1) The amount the Council has appropriated to the PEF almost certainly exceeds the likely need.

Many candidates have filed to run for County office as PEF candidates – especially for the At-Large seats – however it is unrealistic to assume that all candidates seeking PEF matching funds will qualify, much less raise the maximum amounts to receive the maximum matching fund pay out. Rather than the \$11 million being appropriate to sufficiently meet expected demand for matching fund payouts in the 2018 election cycle, the amount is overkill and will likely exceed probable demand.

The primary election is within five months, and to date approximately \$1.8 million in PEF matching funds have been paid out or just over 16 percent of the available funds. Some 2018 candidates opened PEF campaigns and started raising qualifying contributions in the fall of 2016, but the majority of PEF candidates started more recently. With five months left to go before the late June primary, it is hard to image all PEF candidates who have filed to qualify for matching funds will qualify and further it seems impossible that all PEF candidates would also raise sufficient qualifying contributions to receive the maximum PEF matching fund payout.

In summary, a large portion of the \$11 million appropriated to the fund funding will likely to remain unspent after the 2018 election. The Committee considered a motion to recommend the Council reduce or "claw back" \$1 million of the appropriated PEF funds, but that motion failed.

- 2) Continuing to maintain an overfunded PEF program during the County's current revenue shortfall is unfair to other County programs now being cut.

The County's revenue shortfall – approximately \$120 million -- means the County Council now needs to trim the county's budget and reduce spending OR taxes will need to be increased. In late January, the Council recommended just over \$53 million in budget savings to be considered due to the revenue shortfall.

Some cuts include:

- \$25 million less to county schools

- A \$80K cut to the Montgomery County Board of Elections
- \$114K cut to reduce Sherriff Academy recruits by 3
- \$2.6 million cut out of the County's fire and rescue services

The cuts may be as low as \$5,000 or range well into the millions. Some county budget line items are getting modest haircuts and others are likely to take deeper cuts.

Any belt tightening effort is hard, but no program should be left off the table. Programs or projects that are grossly over funded, as is the PEF program should be cut. The PEF funds if left unspent at the end of the 2018 election cycle – the likely scenario -- will just sit there at a time with other parts of the County budget could really use the fund and for better purposes. Some portion of the PEF funds – even a mere \$1 million -- could be put to better use.

Perhaps the County Council should ask PEF candidates for an opinion – many of whom are members of the current Council – what is more important: keeping all \$11 million in PEF funds in the pot even if the funds won't be spent OR should some amount be clawed back and allocated to other necessary purposes such as the County's fire and rescue services or for county schools?

Committee member Lee Annis offered a motion to cut the PEF program by \$1 million, but that amendment failed.

We in the minority on the Committee believe the PEF Committee should have recommended the Council take up the \$1 million reduction in the PEF's funding given current budget realities and the likelihood that the current \$11 million will not be spent in the 2018 election cycle.

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In addition to the motion by Committee member Lee Annis to reduce the PEF funding amount in light of the County's revenue shortfall, three other amendments were offered by the Committee's Vice Chair. Each of Vice Chair's amendments to the PEF statute are summarized below and the full text of each amendment is included in the Committee's meeting minutes. While no amendments offered were adopted by the Committee, the minority strongly recommends these matters be considered after the 2018 election.

- 1) Limit "eligible contributions" to those from registered voters.
- 2) Limit "qualifying contributions" to those from registered voters in the County.

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- 3) Limit the County Council from making PEF statutory changes to the first 365 days in an election cycle and further require any guidance to implement such changes be promulgated no later than 90 days after enactment.