

# Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

## BILL 20-24: PUBLIC CAMPAIGN FINANCING – AMENDMENTS

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 20-24 will have a minimal impact on racial equity and social justice (RESJ) in the County. Public Election Fund candidates who are racially and ethnically representative of the County's demographics will likely benefit from being able to retain more funds for interim campaign expenses before the next election. However, should the retention amount continue to increase, the disadvantage this could create for future community members who are interested in running for office could negatively affect the political representation of Black, Indigenous, and other people of color (BIPOC).

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### PURPOSE OF RESJ IMPACT STATEMENTS

The purpose of RESJ impact statements (RESJIS) is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs, leadership, and power of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.<sup>1</sup> Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social inequities that have caused racial and social disparities.<sup>2</sup>

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### PURPOSE OF BILL 20-24

The Public Election Fund was established through the enactment of Bill 16-14 in September 2014. It provides public campaign financing for County Executive and County Council candidates with the goals of:<sup>3</sup>

- Encouraging greater voter participation in County elections;
- Increasing opportunities for more residents to run for office; and
- Reducing the influence of large contributions from businesses and organizations.

The purpose of Bill 20-24 is to make changes to the County's Public Election Fund. If enacted, Bill 20-24 would:<sup>4</sup>

- Increase the amount of funds a certified candidate may retain (in certain circumstances) for post-election expenses from \$5,000 to \$10,000 with this amount increasing every four years based upon inflation;
- Clarify how to calculate the Consumer Price Index adjustment for permissible contribution limits and retention amounts; and
- Make technical corrections throughout the public campaign financing law.

Bill 20-24, Public Campaign Financing – Amendments, was introduced by the Council on September 17, 2024.

This RESJIS builds on the RESJIS for Expedited Bill 45-21, Elections – Public Campaign Financing – Restrictions, which OLO published in December 2021.<sup>5</sup> Please refer to this RESJIS for background on campaign finance, political representation, and racial equity.

# RESJ Impact Statement

## Bill 20-24

### ANTICIPATED RESJ IMPACTS

After an election, local candidates who participate in the Public Election Fund (i.e., “PEF candidates”) can retain \$5,000 in unspent funds if they file a declaration that they intend to participate in the Public Election Fund in the next 4-year election cycle.<sup>6</sup> PEF candidates can use these funds for allowable campaign expenses, such as maintaining a campaign website.<sup>7</sup> If enacted, Bill 20-24 would increase the retention amount for unspent funds from \$5,000 to \$10,000.

To consider the anticipated impact of Bill 20-24 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

**For the first question**, OLO considered the demographics of PEF candidates in the near term (i.e., current PEF candidates) since they would benefit from retaining more unspent funds for interim campaign expenses. OLO also considered the demographics of future PEF candidates that could be disadvantaged by this change.

*Current PEF candidates.* Data from the 2022 election suggests that PEF candidates are likely racially and ethnically representative of the County’s population. Specifically, among 20 PEF candidates who ran for County Executive or County Council,<sup>8</sup> 60 percent (12 candidates) were BIPOC,<sup>9</sup> compared to 58.6 percent of the County population.<sup>10</sup> Conversely, 40 percent (8 candidates) were White,<sup>11</sup> compared to 41.1 percent of the County population.<sup>12</sup>

*Future PEF candidates.* Future PEF candidates would be disadvantaged by this change since they would not have the benefit of using public campaign funds before the start of the election cycle. As the County becomes more racially and ethnically diverse over time,<sup>13</sup> this could increasingly disadvantage BIPOC community members who are interested in running for office in the future.

**For the second question**, OLO considered how Bill 20-24 could address racial inequities in political representation. As described in the RESJIS for Bill 45-21, the changing racial and ethnic demographics of Councilmembers since the Public Election Fund was established suggest the Fund has enhanced BIPOC representation among local elected officials.<sup>14</sup> Because the amount is relatively small, allowing PEF candidates to retain \$5,000 more in funds for interim campaign expenses will likely not affect the Public Election Fund’s effectiveness in improving BIPOC political representation.

OLO anticipates Bill 20-24 will have a minimal impact on RESJ in the County. PEF candidates who are racially and ethnically representative of the County’s demographics will likely benefit from being able to retain more funds for interim campaign expenses before the next election. However, should the retention amount continue to increase, the disadvantage this could create for future community members who are interested in running for office could negatively affect BIPOC political representation.

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### RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.<sup>15</sup> OLO anticipates Bill 20-24 will have a minimal impact on RESJ in the County. As such, OLO does not offer recommended amendments.

# RESJ Impact Statement

## Bill 20-24

### CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

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<sup>1</sup> Definition of racial equity and social justice adopted from “Applying a Racial Equity Lens into Federal Nutrition Programs” by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools. <https://www.racialequitytools.org/glossary>

<sup>2</sup> Ibid.

<sup>3</sup> “[Law](#),” Public Election Fund Committee, Montgomery County Council.

<sup>4</sup> [Introduction Staff Report for Bill 20-24](#), Montgomery County Council, Introduced September 17, 2024.

<sup>5</sup> [RESJIS for Expedited Bill 45-21](#), Office of Legislative Oversight, December 8, 2021.

<sup>6</sup> “Retention of Funds,” [Montgomery County Public Election Fund Summary Guide](#), Maryland State Board of Elections and Montgomery County Department of Finance, June 2021, pg. 40.

<sup>7</sup> Money in a publicly funded campaign account can be used for any expense that is directly related to election campaign activities. Refer to “Allowable Uses of Money,” Montgomery County Public Election Fund Summary Guide, pg. 38.

<sup>8</sup> [Public Election Fund Distribution and Balance Report as of July 31, 2022](#), Montgomery County Department of Finance.

<sup>9</sup> Candidates counted are Brandy Brooks, Laurie-Anne Sayles, Gabe Albornoz, Kristin Mink, Natali Fani-Gonzalez, Fatmata Barrie, Marice Morales, Omar Lazo, Brian Anleu, William Roberts, Robert Wu, and Ben Wikner

<sup>10</sup> [Table DP05](#), 2022 American Community Survey 5-Year Estimates, Census Bureau.

<sup>11</sup> Candidates counted are Hans Riemer, Marc Elrich, Evan Glass, Scott Goldberg, Marilyn Balcombe, Kate Stewart, Amy Ginsburg, and Andrew Einsmann.

<sup>12</sup> Table DP05.

<sup>13</sup> Janmarie Peña and Chitra Kalyandurg, “Demographic Change,” [OLO Report 2024-8: Community Engagement for Racial Equity and Social Justice](#), Office of Legislative Oversight, March 12, 2024, pgs. 14-18.

<sup>14</sup> RESJIS for Bill 45-21.

<sup>15</sup> Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council