

Invitation to Audience (online submissions) 4-17-2023

Timestamp	Full Name	City	Zip Code	Who are you representing?	Remarks	Attachment
04/17/2023 7:10:52	Kurt Svendsen	ARNOLD	21012	Self	Please see attached final installment of 5-part series: "FY24 Budget Primer"	YES
04/03/2023 11:42:56	Erin Ashinghurst	Pikesville	21208	Accessible Resources for Independence, Inc.(ARI)	<p>Dear Legislative Representatives and Members of Anne Arundel County Council, I am writing to express my strong support for the bill that essentially seeks to increase access to Accessory Dwelling Units (ADUs). Bill No. 6-23 – Subdivision and Development – Zoning – Accessory Dwelling Units is critical in ensuring that people in Anne Arundel County have more opportunities to age in place and live productive lives in their community. According to the Board of Realtors, Maryland is short 120,000 homes (from 85,000 just three years ago).ADUs are but one key strategy for gently creating new homes at little or no cost to our county or state. As you know, ADUs are additional living spaces on residential lots that can provide independent living arrangements for family members, caregivers, or renters. They are a cost-effective way to provide housing options for seniors and people with disabilities who need affordable, accessible housing. They can also provide much-needed housing options for young people, single parents, and low-income families. Implementing laws to allow for more ADUs will benefit the aging population by providing a viable option for them to age in place. Many older adults prefer to remain in place rather than move to an expensive care facility. However, the lack of appropriate living arrangements often forces them to move to assisted living facilities or nursing facilities. With ADUs, elderly individuals can maintain their independence, stay connected to their communities, and receive the support they need from their loved ones. ADUs can also benefit people with disabilities. Access to affordable, accessible housing is a significant barrier for many individuals with disabilities locally and nationwide. ADUs may offer people with disabilities an opportunity to live independently with the necessary accommodations and remain part of their communities. On a personal note, I want my mother who reared me as a single parent to receive good care as she ages. While she is above the age of retirement she continues to work in the community and has dedicated her life to helping people get resources to recover from addiction. My husband and I are privileged to own a home in Maryland, but our home is not accessible to people with mobility impairments (including my mother). Allowing for ADUs could open the door to perhaps making aging in place with dignity a reality for my mother. Overall, increasing access to ADUs is a win for our community. It provides more affordable housing options, supports the independence and dignity of our seniors, and helps people with disabilities live productive lives in the community. As a member of the Maryland Independent Living Network, whose public policy platform outlines priorities to end institutional bias and support affordable, accessible community living I support this bill. Therefore, I urge you to pass this legislation and help make it a reality. If passed, I hope that this bill will serve as a model for the state of Maryland. Thank you for considering my thoughts on this matter. Sincerely, Erin Ashinghurst, MS Deputy Director of Programs and Services Accessible Resources for Independence, Inc.</p>	

April 17, 2023 County Council Meeting - Budget Primer Parts 4 & 5 of 5

My name is Kurt Svendsen, I live in Arnold. This is the final installment of a 5-part series called an “FY24 Comprehensive Budget Primer.” In [part 1](#), I recommended that the County Council more vigorously invoke its existing authority by adequately staffing and funding an organizational infrastructure that will better support you and your staff; positioning you, as the Legislative Branch, to truly partner with the Executive Branch and more effectively engage with citizens.

In [part 2](#), the focus was on keys to understanding core elements of the operating budget. The regressivity of the property tax burden across different household income ranges was shared as was a specific proposal using existing authority. Two key data elements that are purposefully not disclosed were also shown to be necessary to obtain the level of understanding required to perform your essential role as a “check and balance” to the Executive Branch, and which every citizen has a right to know.

In [part 3](#), the focus was more nuanced and complicated. I urged you to not only focus on the allocated costs of shared services and benefits (i.e., interfund transfers) but to also shine your light on the Funds where those costs and benefits are purportedly managed. Many of the “non-discretionary” costs we struggle with today were born from the “discretionary” decisions made in the past, and which are often buried in the details of these Funds.

Tonight’s final installment includes parts 4 & 5... because I miscalculated the number of Council meetings remaining prior to the introduction of the FY24 Proposed Budget! **Part 4 highlights keys to achieving structural balance.** This is a long-term, forward-looking, thing that relies upon the integrity of multi-year revenue & expenditure forecasts. It also requires a consistent commitment to sound budgetary policies, and the fortitude to resist the temptation to “kick the can down the road.” Several specific “drivers” of potential structural imbalance are identified.

Part 5 focuses on keys to understanding core elements of the capital budget. The importance of the legal scope of capital projects is emphasized with two specific examples where this has been inadequate in the past (Peninsula Park Expansion and Police Training Academy). The need for more transparency in the acquisition of land, particularly in relation to the Recreation & Parks class, is also demonstrated. Finally, the historical lack of integrity of the plans included in the Approved Capital Program (i.e., the 5 out-years) is highlighted with two specific examples (Marley Middle School and Peninsula Park Expansion). It should be emphasized that this is not a problem across the board, and has improved in one of the example project classes (Board of Education).

Citizens also have the responsibility to truly understand the County budget in order to hold their elected representatives accountable. However, without access to full and “un-spun” information, this is impossible. I believe this lack of understanding lies at the root of much of the mistrust and anger that so often erupts and frustrates all involved. This is why, as a former Assistant Budget Officer, I am devoting myself to this type of educational outreach. ***Without full information, there can be no real understanding. And without real understanding, there is no chance for accountability.***

Check-out the full series and the latest updates on my Google Site: AACountyCitizenShare.

<https://sites.google.com/view/aacountycitizenshare>

FY24 Comprehensive Budget Primer

- Part 1** • ***Preliminary*** Policies & Assumptions
 - Focus on appropriate (but largely missing) role for Legislative Branch, Citizens and Other Stakeholders
- Part 2** • Keys to ***Understanding*** Core Revenue & Expenditure Elements
 - Focus on the ***details*** within a ***few*** areas (Transparency & Open Data)
- Part 3** • Key Role of ***Funds***
 - Focus on importance of Inter-Fund Transfers
- Part 4** • Keys to Achieving ***Structural*** Balance
 - Focus on a Long Term, Forward-looking, Perspective
- Part 5** • Keys to ***Understanding*** Core Elements of Capital Budget
 - Focus on Project Scope
- ***Legal Framework*** of the Comprehensive Budget
 - Focus on County Charter and County Code

Keys to Achieving *Structural* Balance

- Insights from “Spending Affordability Committee” Reports
 - “Structural” Balance is a long-term, forward-looking, thing
 - Importance of Multi-year Revenue & Expenditure Forecasts
- Some Key “Drivers” of Potential Structural Imbalance
 - Inconsistent Application of Budgetary Policies
 - Blueprint for Maryland’s Future – Local Fiscal Impact
 - AA County Public Schools Retiree Health Insurance Unfunded Liability
 - 30-Yr Term Bonds Structural Cliff – Awareness & Actions
 - Generally turning a blind-eye or under-funding significant needs

1. Does the County have a formal definition for “Structural Deficit?” With a forward-looking element?
2. Why not publicly introduce multi-year revenue & expenditure forecasts into the earlier part of the budget development process? And why not seek input from all stakeholders?
3. Why not compare those forecasts to actual experience to assess and improve accuracy?

Insights from “Spending Affordability Committee” Reports

- “Structural” Balance is a long-term, forward-looking, thing
 - [Anne Arundel](#) and [Howard County](#) reports both emphasize the long-term nature of determining “structural” balance: It’s forward-looking as well.
 - Over the past 10 years, both County's have been struggling with spending growth out-pacing personal income growth.
- Importance of Multi-year Revenue & Expenditure Forecasts
 - The Howard County report [highlights](#) the importance of getting input from “all stakeholders” (incl. schools, college, etc.) in development of forecasts.
 - AA County’s General Fund “one-pager” in the [Appendix](#) of the Approved Budget is a good start but would benefit from:
 - Exposure in the Proposed Budget
 - Input from “all stakeholders,” especially the public schools

Some Key “Drivers” of Potential *Structural* Imbalance

- **Inconsistent Application of Budgetary Policies**

[More Info](#)

- Reestablish *policy* that Property Tax Rate be set such that it not permanently reduce the revenue yield allowed under the Tax Cap.

- **Blueprint for Maryland’s Future – Local Fiscal Impact**

[More Info](#)

- There appears to be some “discrepancies” between DLS forecasts & local experience
- There will also be cost implications outside of AACPS (e.g., AACC, WDC, Health, etc.)

- **AACPS Retiree Health Insurance – Unfunded Liability**

[More Info](#)

- This can’t be solved overnight, but our neighboring jurisdictions have at least initiated a plan of action. It appears that AA County has done nothing?

- **30-Year Term Bonds Structural Cliff – Awareness & Actions**

[More Info](#)

- This is not saying there was anything wrong about this change in policy, just acknowledging a negative consequence which should be planned for.

- **Generally turning a blind-eye or under-funding significant needs**

- Under-funding examples (end-up becoming a crisis): Police Accountability Board funding, enforcement at Fair Housing, community engagement in Rec&Parks, DPW, etc.

Main Point: Most of these “drivers” were known about years ago. Gets back to the idea that achieving “Structural” balance is a long-term, forward-looking, challenge.

Keys to *Understanding* Core Elements of *Capital Budget*

- Importance of Project Scope
 - Some degree of specificity is needed for meaningful and enforceable appropriation control.
- Land Acquisition and Program Open Space
 - Another example of overly broad legal scope and need for transparency.
- Integrity of Plan in Approved Program
 - Some project classes are better than others.
 - Requires political commitment, buy-in, and trust in the underlying plans.
 - Adhering to fundamental capital budgeting principles will help.

Importance of Project Scope

- Appropriations are the legally binding authorization to make expenditures or incur obligations for a ***specific purpose***.
 - The “purpose” is defined by specifying the controlling level of detail:
 - The \$ amount limit is the non-lapsing (i.e., cumulative) total budget for each capital project.
 - This excludes planned amounts shown in the program (i.e., “out-years”).
 - The “project description” in the Proposed Capital Budget and Program constitutes the “legal scope” of each capital project. (see page 8 in [“FY24 – Capital Budget Manual”](#))
- Legal Scope needs some specificity to be ***meaningful*** and ***enforceable***.
 - Some capital projects have ***very vague*** project descriptions.
 - Effectively providing no meaningful control over the use of appropriated funds. For Example:
 - P509000 – ***Peninsula Park Expansion*** ([link to current project description](#))
 - “This project authorizes the acquisition of approximately nine acres of property adjoining Peninsula Park in Annapolis, and the design and construction of new and renovated facilities on the combined properties.”
 - F563000 – ***Police Training Academy*** ([link to FY17 project page; Appropriation of \\$14.9 million](#))
 - “This project includes design and construction of a new Police Academy Training Building at the existing site in Davidsonville.”
 - FY23 Approved Capital Budget and Program reflects scope change: current total cost of \$45.1 million.
 - [F563000](#): \$20.2 million and [F586600](#): \$24.9 million

Land Acquisition and Program Open Space “Take Aways”

[link to separate presentation on this subject](#)

- Two Capital Projects are used to authorize significant Land Acquisitions
 - C106700 – Advance Land Acquisition
 - P400200 – Greenways, Parkland & Open Space
- Both projects (and POS funding source itself) need more transparency
 - An historical list of properties purchased should be publicly available
 - A list of planned uses of available balance and amounts in budget & program
 - These lists are readily available and should include:
 - specific location, cost, acreage, brief description of purpose, and purchase date / timeframe
- The Rec & Parks project (P400200) needs more oversight
 - Consider amending section 8-3-101(d)(2) of County Code to include this project
- Submitting Annual Program should comply with Charter provisions
 - A Resolution will not only provide County Council with the ability to explicitly confirm the plan, but the process will also better inform the public.

Integrity of Plan in Approved Program

- Some project classes are better than others
 - The “Board of Education” Project Class is much better now.
 - Reflects political commitment, buy-in, and trust in the underlying plan.
 - The “Recreation and Parks” Project Class has been historically erratic.
 - Adhering to fundamental capital budgeting principles will help.
- Examples of Approved Program historically lacking “integrity”
 - Board of Education Project Class
 - ***Marley Middle School*** – E407900 & E505900 ([link to project history](#))
 - Recreation and Parks Project Class
 - ***Peninsula Park Expansion*** – P509000 ([link to project history](#))
 - This is a “poster child” for how NOT to budget and account for capital projects.
 - Each capital project should have a definite beginning and a definite end.
 - Capital projects can be categorized by asset groups such as Park A, and Park B.
 - But they are not a “catch-all” for all improvements made at a Park.
 - The legal project scope for each capital needs some degree of specificity.

Legal Framework - Comprehensive Budget

- Charter Provisions

- The **contents** of the budget itself.
 - Sections 703, 706, 710, 715, 717, and 718
- The process of **formulating** the budget (i.e., preparation, review, and approval).
 - Sections 610, 704, 705, 706, 707, 708, 709 and 710
- The process of **amending** the budget after it has been approved.
 - Sections 711, 712, 714, 715, and 716
- The **application** of the approved budget to limit spending in accordance with appropriation controls.
 - Sections 713, 715, 716, and 718
- Link to Article VII - Budgetary and Fiscal Procedures:
 - https://codelibrary.amlegal.com/codes/annearundel/latest/annearundelco_md/0-0-0-98729

- Code Provisions

- Link to Article 4 – Finance, Taxation, and Budget; Title 11 – Budget:
 - https://codelibrary.amlegal.com/codes/annearundel/latest/annearundelco_md/0-0-0-102772