

## Charter Section 305 Budget and Tax Levies & Section 215 Executive Branch Appointments

July 16, 2024 Testimony

Montgomery County Taxpayers League, Gordie Brenne, Treasurer

It is with a heavy heart that we testify today. The Charter Section 305 unanimous vote for tax rate increases is a structural deficit fail-safe if the first two spending control votes fail. One Council member [said](#) raising the tax rate is “immensely sobering...a last resort to continue the County’s business at a level we **all** feel is important.” We agree because **all** residents are taxpayers, raising the tax rate should not be routine, and warrants a different voting threshold because it’s more impactful than the first two vote controls which you predictably overrode again this spring.\* Another Council member said in the same meeting the Commission amendments “were not my amendments” or analysis. Please remember that old guard members with limited analysis or up county representation similarly approved a 2020 referendum that dropped CPI limits on revenues, leaving us with just the unanimous vote control you’re now being told to dump.

Please listen to voters who approved the 2020 referendum **you wrote** and included a unanimous vote for tax rate increases. Approving the proposed referendum will increase low-income resident housing costs. We have no time now to petition for a competing citizen referendum, leaving residents just 3 minutes to argue against a bait and switch fix to a previous referendum, on a very technical issue, in the middle of vacation season. Instead, we hope you’ll use this opportunity to raise your accountability and transparency above MCPs by delaying this referendum for a citizen petition drive, and correct three good government violations:

1. **Residents Are Getting the Bum’s Rush Again-** The 2020 Council sponsored a referendum for revenue controls to defeat a citizen’s referendum, and was placed first on the ballot ([Question A](#)). Then the County Attorney misleadingly favorably titled Question A as “Limit Tax Rate Increases”, without mentioning that it dropped the CPI limit. The competing citizens referendum (Question B) was labeled “Prohibit Override” and predictably failed. Why rush a new referendum now? Spending increases have continued since a unanimous vote was added to the Charter in 2008. The one-member veto is a bogus theory, ignoring the increased accountability that one member would endure, explaining why this hasn’t been a problem. We expect you to reach a consensus as a body through debate and compromise to protect residents from executive overreach, powerful labor unions, and partisan initiatives. A unanimous vote assures the minority won’t get trampled by the majority. Take more time to perform a Racial Equity and Social Justice review for low-income resident housing costs. Review the other government Charter examples in Appendix H of the Commission’s [report](#)- there aren’t any that apply to tax rate increases. Analyze the Commission’s minority opinion that a unanimous vote will improve Council accountability and up county representation.

2. **Machine Politics Revealed-** The 2020 referendum debacle was made public by release of CE Elrich's recent [message](#) to Seth Grimes of the Democratic Central Committee where he referenced how they worked together to defeat the citizen's Question B in 2020 and need to do so again with this referendum. Doesn't that make you uncomfortable?
  
3. **2023 Education Emergency Was a Deception-** Your budget vote last year overrode the Charter's unanimous vote requirement to fund a record budget with a **fabricated emergency**. The Commission Chair's comments in the report (pg. 19) characterized this as "historical good fortune." Really? Low-income home owners and renters got clobbered by housing cost tax increases which produced excess reserves estimated by the CE to be [15.4%](#). Also, most of emergency money was spent last year on above market County employee pay raises, and supplemental appropriations for county activities that weren't in the budget, not MCPS. Meanwhile residents received much lower pay raises and pension increases. When does government employee union greed become too much of an insult to the residents you serve?

### **Executive Branch Appointments- Section 215**

We support the current Charter checks and balances exercised by Council approvals of all Executive Branch non-merit positions, and see no reason for a referendum to change the Charter. Council oversight controls are enhanced by these reviews, and can be used to assure managers are prepared to deliver cost-effective programs that stretch tax dollars further and help more people.

**\*2024 Budget Controls Fail Again-** Section 305 CPI and Affordability guidance spending controls were overridden by you. This routine behavior shows why these two voting controls deserve a different vote threshold than a non-routine tax rate increase. For two consecutive years the Government Operations Committee's recommendation to hold MCPS to Maintenance of Effort spending failed. Worse you didn't tie spending to improved reading and math proficiency or focus pay raises in low-income schools where the achievement gap lives. The Education Committee's public analysis was limited to just the incremental spending increase requested, not the base where most of the failed achievement gap strategy money is buried, and ignored excessive 45% overhead spending. A powerful special interest group, MCEA, pushed you hard to fully fund the request, even though MCPS has no low-income school targets for student reading and math proficiency. Another tax rate increase was avoided by last year's emergency rate increase revenue gusher and continuing appraisal increases well above the CPI limit your 2020 referendum eliminated. What changes are you prepared to make to Charter spending controls to offset the loss of the unanimous vote tax increase control? How can you make the Council budget process focus on outcomes and not simply a review of incremental increases so the taxpayers know what they're getting for their money?