



**STEPHANIE RAWLINGS-BLAKE**  
MAYOR

*100 Holliday Street, Room 250  
Baltimore, Maryland 21202*

February 8, 2016

The Honorable President & Members  
of the Baltimore City Council  
Attn: Natwana Austin, Executive Secretary  
City Hall  
100 N. Charles Street, Suite 400  
Baltimore, MD 21209

Dear Mr. President and Members of the Council:

After careful consideration of its implications, please accept this letter as notification of my veto of City Council Bill #15-0567, Charter Amendment – Children and Youth Fund.

For me, this is an issue of responsible financial stewardship and the appropriateness of fiscal commitments to special interests being mandated in the City Charter. One of the hallmarks of sound fiscal management is maintaining the flexibility to adjust spending to meet our City's ever-changing and unexpected needs, priorities and economic conditions. Any restriction on this flexibility compromises that sound fiscal management and could be viewed negatively by bond rating agencies. The next economic downturn, which may very well be just around the corner, will inevitably force elected officials to make tough choices about basic City services, but this proposed charter amendment would tie their hands. Moreover, should the bond rating agencies choose to downgrade our credit worthiness because of this charter amendment, even more taxpayer dollars would need to be redirected from core City services like youth and instead spent on increased interest payments.

It is not just that we cannot afford it. Yes, we face upward of a projected \$75 million deficit for the coming fiscal year. Yes, that will result in difficult choices regarding service reductions and eliminations. But this proposed charter amendment will only exacerbate those problems and lead to millions more in cuts affecting services and jobs important not just to our youth, but also to the families of Baltimore.

Good fiscal stewardship explains why our City was able to more than double spending on after-school programs over the last five years, despite those years being marked by the worst recession since the Great Depression. It also explains why we have embarked on an ambitious plan to enhance recreation centers. Overall, the City will spend \$372 million on services for children and youth, including schools, pre-kindergarten, out-of-school time programming, libraries, child health, and more. This is an increase of \$14 million, or nearly 4%, over Fiscal Year 2015. Is it enough? Of course not. It never will be. But these are issues that should be taken care of during the budget process and negotiated. This is exactly what the Council and I did last year when we successfully agreed to fund an additional \$4 million after school funding above the proposed budget.

However, as worthwhile as we consider increased funding for youth programs, what if we were to add in Charter mandates for additional dedicated spending on other worthwhile endeavors such as Homelessness, Affordable Housing, Hunger, and Seniors? We could not continue to function as a City government and provide basic City services if we turned over control of spending decisions to every worthwhile group that took their cause to the voters through Charter amendments.

I veto this bill with the knowledge that it will most likely be overridden by the Council. The history of the last veto override that the Council undertook is not lost on me, nor is the irony. In 1982, the Council succeeded in increasing the benefits to members of our Fire and Police Pension System. The Council did so against the advice and veto of then-Mayor William Donald Schaefer, who predicted and conveyed to the Council the financial consequences of what was to come.

After years of rising pension costs that slowly squeezed City services, by 2010 the Great Recession crystalized Mayor Schaeffer's prediction when the City was faced with spending \$65 million a year on increased pension payments rooted in the Council's action over three decades ago. As Mayor and with the support of a majority of the then-Council, we took corrective action to reverse the benefits that the Council thirty years ago so generously bestowed. Since we took that necessary action, the City has been embroiled in federal litigation with the public safety unions for the last six years. The City still operates under the threat of losing that lawsuit, which could result in tens of millions of dollars that could be used for vital City services needing to be repaid for those enhanced pension benefits.

I fear that we are going down a similar road as to what was done more than three decades ago, in that we are putting good policy aside for the sake of good politics. Unfortunately, because we are mandating this spending in the Charter, it will not be as easily corrected. That is why I cannot endorse a charter amendment that will bind future Mayors and future Councils in perpetuity to spending requirements. Therefore, for all of the above reasons, I have vetoed this Bill.

Sincerely



Stephanie Rawlings-Blake

Mayor

City of Baltimore

cc: ☒ Kalliope Parthemos, Chief of Staff, Office of the Mayor  
Andrew Smullian, Deputy Mayor of Government Relations and Labor  
Henry Raymond, Director of Finance  
George Nilson, City Solicitor  
Angela Gibson, Legislative Liaison, Office of the Mayor  
Carolyn Blakeney, Chief of Staff, Office of the Council President  
Kara Kunst, Legislative Director, Office of the Council President